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[www.slorta.org](http://www.slorta.org)

## RTA BOARD AGENDA

**Wednesday, November 5, 2025 at 9:00 AM**  
**BOARD OF SUPERVISORS' CHAMBERS**  
**COUNTY GOVERNMENT CENTER**  
**1055 Monterey Street, San Luis Obispo, California 93401**

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

**President: Jimmy Paulding**

Board Members:

John Peschong (First District – SLO County)  
Bruce Gibson (Second District – SLO County)  
Dawn Ortiz-Legg (Third District – SLO County)  
Jimmy Paulding (Fourth District – SLO County)  
Heather Moreno (Fifth District – SLO County)  
Aileen Loe (Arroyo Grande)

**Vice President: Carla Wixom**

Heather Newsom (Atascadero)  
Cassi Dee (Grover Beach)  
Carla Wixom (Morro Bay)  
Fred Strong (Paso Robles)  
Ed Waage (Pismo Beach)  
Erica Stewart (San Luis Obispo)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency) by contacting the RTA offices at (805)541-2228 x4833. Please note that 48 hours advance notice will be necessary to honor a request.

RTA, de acuerdo con la Ley de Estadounidenses con Discapacidades (ADA), acomodará a las personas que requieran una modificación de la adaptación para participar en esta reunión. RTA también se compromete a ayudar a las personas con dominio limitado del inglés a acceder a los servicios públicos esenciales de la agencia y a la información pública en español. Para solicitar una adaptación, por favor llame al (805)541-2228 x4833. Requerimos al menos 48 horas de anticipación para proporcionar adaptaciones razonables.

### CALL MEETING TO ORDER, ROLL CALL

**PUBLIC COMMENT:** The Board reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Board on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

### EMPLOYEE RECOGNITION

- Employee of the Quarter:
- 10 Years of Service Certificate of Recognition

### A. CONSENT AGENDA:

- A-1 RTA Board Meeting Minutes of September 3, 2025 (Approve)
- A-2 Draft RTAC Minutes of October 16, 2025 (Information)
- A-3 Auction Services for Disposal of Surplus Property (Authorize)
- A-4 Annual Fiscal and Compliance Audit (Accept)
- A-5 Transfer of Surplus Vehicles (Approve)

**B. INFORMATION AGENDA:**

- B-1 Executive Director's Report (Receive)
- B-2 Update on Cal-ITP Contactless Fare System (Receive)
- B-3 Update on Discount Eligibility Verification Program (Receive)

**C. ACTION AGENDA:**

- C-1 Fiscal Year 2025-26 Operating and Capital Budget Amendment #1 (Approve)
- C-2 Charter Service Policy Update (Approve)

**D. CLOSED SESSION:**

CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)  
Agency designated representatives: Omar McPherson and Tania Arnold  
Employee organization: Teamsters Local Union No. 986

**BOARD MEMBER COMMENTS**

The next regularly scheduled RTA Board meeting is scheduled for January 7, 2026

*Anticipated special RTA Board meeting on December 3, 2025 for Closed Session on CBA negotiations*

**DRAFT**  
**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**BOARD MEETING MINUTES OF SEPTEMBER 3, 2025**  
**A-1**

**BOARD MEMBERS PRESENT:**

KASSI DEE, CITY OF GROVER BEACH  
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO  
AILEEN LOE, CITY OF ARROYO GRANDE  
HEATHER NEWSOM, CITY OF ATASCADERO  
DAWN ORTIZ-LEGG, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO  
JIMMY PAULDING, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO (President)  
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO  
ERICA STEWART, CITY OF SAN LUIS OBISPO  
FRED STRONG, CITY OF PASO ROBLES (Past President)  
ED WAAGE, CITY OF PISMO BEACH  
CARLA WIXOM, CITY OF MORRO BAY (Vice President)

**BOARD MEMBERS ABSENT:**

HEATHER MORENO, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO

**STAFF PRESENT:**

GEOFF STRAW, EXECUTIVE DIRECTOR  
TANIA ARNOLD, DEPUTY DIRECTOR/CFO  
JENNA MORTON, SAN LUIS OBISPO COUNTY COUNSEL  
OMAR MCPHERSON, OPERATIONS MANAGER  
ANDY WYLY, MAINTENANCE AND FACILITIES MANAGER  
PATRICIA GRIMES, SAFETY AND TRAINING MANAGER  
LUCAS HOUSTON, TRANSIT TRAINING INSTRUCTOR  
CAROL WOODARD, MOBILITY SPECIALIST  
ANTHONY KALVANS, ADMINISTRATIVE ASSISTANT  
ROY ESMON, BUS OPERATOR  
HUBERT CLARK, BUS OPERATOR  
PETE RODGERS, SLOCOG EXECUTIVE DIRECTOR

**CALL MEETING TO ORDER, ROLL CALL:** President Paulding called the meeting to order at 9:01 AM. Roll call was taken, and a quorum was present.

**PUBLIC COMMENT:**

**Mr. Eric Greening** recognized the Labor Day Holiday, celebrated the return of the Route 9 bus service through Downtown Atascadero, and asked that the RTA board be open-hearted during labor negotiations.

**Mr. Pete Rodgers:** gave an announcement about upcoming community workshops. He also said that SLOCOG will be considering a half-cent sales tax ballot measure with money going to transit.

## **EMPLOYEE RECOGNITION:**

**Mr. Straw** announced that Bus Operator Hubert Clark was the Employee of the Quarter and turned the presentation over to RTA Operations Manager Omar McPherson. **Mr. Omar McPherson** praised Mr. Clark as a tremendous asset to RTA. He highlighted that Mr. Clark has been with RTA since 2020 and has been a line instructor, Bus Rodeo winner, and previously won an Outstanding Achievement Award. **Mr. Clark** thanked Mr. McPherson for leading and fellow Bus Operator Roy Esmon for inspiring him.

**Mr. McPherson** also mentioned that employees Sean and Jared were the winners of this quarter's Outstanding Achievement Awards.

**Mr. McPherson** announced that Safety and Training Manager Patricia Grimes is retiring. He noted that Ms. Grimes has been with RTA since 2009, trained over 200 Bus Operators and helped write safety and implement safety policies. **Mr. McPherson** personally thanked Ms. Grimes for helping him transition from the Grants and Finance Manager to the RTA Operations Manager, and for leaving RTA better than she found it. **Ms. Grimes** thanked the Board and Mr. Straw for their support in helping her make RTA better.

**Mr. McPherson** also announced that Bus Operator Roy Esmon is retiring. He noted that Roy has been with RTA since 2005, won Employee of the Quarter back in 2013, and served as a Line Instructor. **Mr. Esmon** thanked the Board for their direction and talked about how the agency has grown since 2005. He highlighted that the best decision the Board made was hiring Mr. Straw.

**President Paulding** wishes Ms. Grimes and Mr. Esmon the best in their retirement.

**Board Member Gibson** talked about the remarkable growth of RTA since those early days.

**Board Member Ortiz Legg** congratulated Ms. Grimes and Mr. Esmon on their retirement and personally thanked Ms. Grimes for her efforts in safety.

### Public Comment:

There was no public comment received regarding this item.

## **A. CONSENT AGENDA:**

- A-1 Draft RTA Executive Committee Meeting Minutes August 13, 2025 (Information)
- A-2 RTA Board Meeting Minutes of May 7, 2025 and June 4, 2025 (Approve)
- A-3 Draft RTAC Minutes of July 17, 2025 (Information)
- A-4 Procurement of Runabout Vehicles and Declare Vehicle Surplus (Approve)
- A-5 Authorize New SLOCPT Rate for July 2026 Implementation (Approve)
- A-6 FTA Transit Asset Management Plan Update (Receive)
- A-7 Public Transportation Agency Safety Plan Update (Approve)
- A-8 Strategic Business Plan Update (Approve)
- A-9 Purchase of Maintenance Equipment (Approve)
- A-10 PRISM Vision Program Memorandum of Understanding (Approve)
- A-11 Stormwater Conveyance System Agreement (Approve)

### Public Comment:

**Mr. Greening** commented on A-7 saying that RTA is an intrinsically safe service and thanked the staff and Board for their hard work. **Mr. Greening** raised a concern about road conditions on the Cuesta Grade.

**Board Member Gibson** made a motion to approve consent agenda item A-1 through A-11 and **Board Member Wixom** seconded the motion. The motion passed unanimously of those present via roll call vote.

| <b><u>BOARD MEMBER</u></b>   | <b><u>YES</u></b> | <b><u>NO</u></b> | <b><u>ABSENT</u></b> |
|------------------------------|-------------------|------------------|----------------------|
| KASSI DEE                    | X                 |                  |                      |
| BRUCE GIBSON                 | X                 |                  |                      |
| AILEEN LOE                   | X                 |                  |                      |
| HEATHER MORENO               |                   |                  | X                    |
| HEATHER NEWSOM               | X                 |                  |                      |
| DAWN ORTIZ-LEGG              | X                 |                  |                      |
| JIMMY PAULDING (President)   | X                 |                  |                      |
| JOHN PESCHONG                | X                 |                  |                      |
| ERICA STEWART                | X                 |                  |                      |
| FRED STRONG (Past President) | X                 |                  |                      |
| ED WAAGE                     | X                 |                  |                      |
| CARLA WIXOM (Vice President) | X                 |                  |                      |

#### **B. INFORMATION AGENDA:**

##### **B-1 Executive Director's Report (Receive)**

**Mr. Straw** presented a slide show highlighting major RTA updates. He touched on improving ridership numbers, the successful consolidation of Morro Bay Transit and Atascadero Dial-A-Ride, the status of the battery electric buses, and the start of labor negotiations.

##### **Public Comment:**

There was no public comment received regarding this item.

##### **B-2 Update on August 10th Service Changes (Receive)**

**Mr. Straw** went over the recent changes implemented by the RTA. He noted the feedback from the changes implemented along Route 10, the initial ridership from the school tripper service, and the upcoming fare changes that are planned.

**Board Member Stewart** asked about the relationship between Cal Poly and RTA and the sharing of information. **Mr. Straw** said that the RTA works closely with Marlene Cramer at Cal Poly.

**Several Board Members** discussed the feedback from the changes to Route 10 and how to best communicate with the City of Santa Maria and the public.

**Board Member Dee** said she was excited that the apartments in Grover Beach are better served by the changes. She also said that she has received complaints about the loss of street parking near the bus stops.

##### **Public Comment:**

There was no public comment received regarding this item.

##### **B-3 Update on SB125 Funded Capital Projects (Receive)**

**Mr. Straw** provided the background on the SB125 projects that RTA has put forward. The main topic of concern was projects related to funding electric buses and opportunity charging across the RTA network.

Public Comment:

**Mr. Greening** said he agrees with the staff prioritization of SB125 projects.

**President Paulding** noted that there were no objections from the RTA board regarding the staff prioritization of SB125 projects.

**C. ACTION AGENDA:**

C-1 Authorize EnergIIZE Program Grant Application (Approve)

**Ms. Tania Arnold** provided the background for the EnergIIZE Grant application.

**Board Member Aileen Loe** thanked Ms. Arnold for her efforts and said that she supports the item.

Public Comment:

There was no public comment received regarding this item.

**Board Member Loe** made a motion to approve action agenda item C-1 and **Vice President Wixom** seconded the motion. The motion passed unanimously of those present via roll call vote.

| <u>BOARD MEMBER</u>          | <u>YES</u> | <u>NO</u> | <u>ABSENT</u> |
|------------------------------|------------|-----------|---------------|
| KASSI DEE                    | X          |           |               |
| BRUCE GIBSON                 | X          |           |               |
| AILEEN LOE                   | X          |           |               |
| HEATHER MORENO               |            |           | X             |
| HEATHER NEWSOM               | X          |           |               |
| DAWN ORTIZ-LEGG              | X          |           |               |
| JIMMY PAULDING (President)   | X          |           |               |
| JOHN PESCHONG                | X          |           |               |
| ERICA STEWART                | X          |           |               |
| FRED STRONG (Past President) | X          |           |               |
| ED WAAGE                     | X          |           |               |
| CARLA WIXOM (Vice President) | X          |           |               |

C-2 Emergency Services MOU (Approve)

**Mr. Straw** presented the MOU agreement and gave the background regarding this item. He noted that the RTA has previously worked with the county and specifically highlighted the 2023 floods. He also noted that the RTA has mutual aid agreements with nearby transit agencies.

Public Comment:

**Mr. Greening** said he was glad to see the RTA give attention to this item and thanked Mr. Straw for being ahead of the curve. He asked if the plan would look at school buses as an ancillary resource. **Mr. Straw** said that that would be outside the scope of the MOU, and those comments should be directed at the county.

**President Paulding** made a motion to approve action agenda item C-2 to approve the staff recommendation. **Board Member Dee** seconded the motion. The motion passed unanimously of those present via roll call vote.

| <b><u>BOARD MEMBER</u></b>   | <b><u>YES</u></b> | <b><u>NO</u></b> | <b><u>ABSENT</u></b> |
|------------------------------|-------------------|------------------|----------------------|
| KASSI DEE                    | X                 |                  |                      |
| BRUCE GIBSON                 | X                 |                  |                      |
| AILEEN LOE                   | X                 |                  |                      |
| HEATHER MORENO               |                   |                  | X                    |
| HEATHER NEWSOM               | X                 |                  |                      |
| DAWN ORTIZ-LEGG              | X                 |                  |                      |
| JIMMY PAULDING (President)   | X                 |                  |                      |
| JOHN PESCHONG                | X                 |                  |                      |
| ERICA STEWART                | X                 |                  |                      |
| FRED STRONG (Past President) | X                 |                  |                      |
| ED WAAGE                     | X                 |                  |                      |
| CARLA WIXOM (Vice President) | X                 |                  |                      |

**D. CLOSED SESSION ITEMS: CONFERENCE WITH LEGAL COUNSEL**

CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)

Agency designated representatives: Geoff Straw, Executive Director

Employee organization: Teamsters Local Union No. 986

**President Paulding** noted that closed session was cancelled for this meeting.

**E. BOARD MEMBER COMMENTS:**

**Board Member Ortiz Legg** welcomed Mayor Waage back.

**Board Member Fred Strong** mentioned that recent conversations with staff at the federal level indicate that they are short-staffed and things will continue to move slowly.

**Board Member Stewart** thanked Mr. Straw for his hard work.

The meeting was adjourned at 10:14 AM.

Next regularly scheduled RTA Board meeting is **November 5, 2025**.

Respectfully Submitted,

Acknowledged by,

\_\_\_\_\_  
Anthony Kalvans, Administrative Assistant

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Jimmy Paulding, RTA President 2025

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
REGIONAL TRANSIT ADVISORY COMMITTEE

October 16, 2025

**DRAFT** MINUTES

C-1

**Members Present:**

|                                  |                                         |
|----------------------------------|-----------------------------------------|
| Janeen Burlingame                | City of Morro Bay                       |
| Marlene Cramer                   | Cal Poly                                |
| Mark Dariz                       | Paratransit User (arrived at 2:05 p.m.) |
| Jack DePuy                       | Cuesta College                          |
| Eric Greening                    | Fixed Route User                        |
| Alex Fuchs ( <i>Vice Chair</i> ) | City of San Luis Obispo                 |
| Todd Katz                        | Fixed Route User Alternate              |
| Omar McPherson ( <i>Chair</i> )  | Fixed Route Service in South County     |
| Lance Okuno                      | SLOCOG (arrived at 2:05 p.m.)           |

**Members Absent:**

|                 |                           |
|-----------------|---------------------------|
| Ryan Cornell    | City of Paso Robles       |
| Anna Montgomery | County of San Luis Obispo |
| Darcy Price     | City of Atascadero        |

**Staff Present:**

|                 |     |
|-----------------|-----|
| Geoff Straw     | RTA |
| Tania Arnold    | RTA |
| Anthony Kalvans | RTA |

1. **CALL MEETING TO ORDER, ROLL CALL:** Chair Omar McPherson called the meeting to order at 2:02 p.m. Roll call was taken, and a quorum was established.

2. **PUBLIC COMMENTS:**

There were no public comments given for items not on the agenda.

3. A. INFORMATION AGENDA ITEMS:

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

**Mr. Geoff Straw** introduced his report and gave an overview of the upcoming projects that are designed to support the RTA's transition to an electric fleet. It was noted that the annual Bus Roadeo was cancelled due to those projects; however four of the five new electric buses have arrived and are in service. The new buses feature mirrorless technology that help eliminate blind spots for drivers.

**Ms. Marlene Cramer** asked about the cost of installing the mirrorless technology. **Mr. Straw** said that it was roughly \$6,000 per vehicle.

**Mr. Eric Greening** asked about staffing levels. **Mr. Straw** said that due to expansion of service and recent departures, RTA is currently down nine Bus Operators; however, five new Bus Operators are in the background process.

A-2 Member Comments / Reports from Jurisdictions (Receive)

**Mr. Greening** raised concerns about road construction impacting Route 12 along South Bay Blvd. **Mr. Straw** said that the RTA works closely with contractors to plan for and minimize impacts.

**Ms. Janeen Burlingame** said that the Morro Bay Short-Range Transit Plan is coming along and will be going to their Public Works Advisory Board for review. She noted that the Morro Bay Trolley will be used for Trunk or Treat.

**Mr. Alex Fuchs** reported that TransDev's collective bargaining agreement with the Teamsters terms out at the end of the calendar year. SLO Transit's service contract will be going out to bid and asking for quotes on status quo operations as well as expansion operations. He also said that SLO Transit has an intern from Cal Poly working on microtransit. He also mentioned that SLO Transit will be operating its holiday trolley service.

**Mr. Mark Dariz** asked for feedback on the Route 9 service since El Camino Real has been improved. Several members said that things seem to be going well.

A discussion ensued about whether storms could impact service. **Mr. Straw** and **Mr. McPherson** both said that the RTA works closely with county OES, and the only time in the RTA's history a storm has impacted service was during the floods of 2023.

**Mr. Todd Katz** mentioned Santa Maria Regional Transit opening an express bus between San Luis Obispo and Santa Maria. It was mentioned that SMRT's new bus runs from the south side of Santa Maria while RTA serves Santa Maria Transit Center located near downtown.

**Ms. Marlene Cramer** mentioned that Cal Poly is offering a free Regional Day Pass through iRideshare. She also mentioned that there has been a lot of construction on campus, and she is working with project managers to ensure that bus service is not disrupted.

**Mr. Lance Okuno** mentioned that SLOCOG is working on their volunteer driver program and that their rail buy down program is going well. The buy down has seen 300 riders a month compared to the initial projection of 100 riders a month.

A-3 Discuss Planned Service & Fare Changes (Verbal)

**Mr. McPherson** introduced the item and highlighted that there have been 12 to 15 daily riders for the new early morning (6:03AM) Route 10 service to Santa Maria, that the Routes 27 and 28 realignment in Grover Beach is performing well, and that the express buses are also doing well.

**Mr. Straw** highlighted the changes to Route 10 in Santa Maria and that the Cuesta College bus stop is moving from the back of the campus to the front. He noted that the Cuesta College stop has the second highest ridership in the RTA network.

**Ms. Burlingame** asked if the RTA's new tap to pay feature will include Morro Bay Transit. **Mr. Straw** said yes and noted that local routes will stay at \$1.50 a ride while regional routes will be \$2.00 a ride.

A discussion ensued about the upcoming new verification system for discounted fares.

B. ACTION AGENDA ITEMS:

B-1 Fiscal Year 2025-26 Operating and Capital Budget Amendment #1 (Recommend)

**Ms. Tania Arnold** presented the agenda item and noted that only one operating adjustment was being made. She also highlighted some of the capital projects that the RTA will be carrying forward from the previous fiscal year. She stressed that capital projects in the budget are already fully funded, and they are being reflected in their proper fiscal year.

**Mr. Straw** said that the bottom line is that the RTA is not asking for more money and that changes are related to carrying over funds previously allocated.

**Mr. Greening** asked where the opportunity chargers are in the budget. **Ms. Arnold** said it was towards the bottom of the budget.

**Mr. Todd Katz** asked if the adjustments were just moving money around. **Ms. Arnold** explained that it is just carry-over from last fiscal year.

**Mr. Greening** made a motion to approve action item B-1; **Ms. Cramer** seconded the motion. A roll call vote was taken, and the motion was approved by unanimous consent of those present.

C. CONSENT AGENDA ITEMS:

C-1 RTAC Minutes of July 17, 2025 (Approve)

**Mr. Greening** made a motion to approve the minutes; **Ms. Burlingame** seconded the motion. A voice vote was taken, and the motion was approved by unanimous consent of those present.

D. ADJOURNMENT AND COMMITTEE COMMENTS:

**Mr. McPherson** adjourned the meeting at 3:17 p.m.

**Next Regular Meeting: January 15, 2026**

**Future Regular Meeting Dates: April 9, 2026, July 16, 2026, and October 15, 2026**

Respectfully Submitted,

Acknowledged by,

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Anthony Kalvans  
Administrative Assistant

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Omar McPherson  
RTAC Chairperson 2025

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**NOVEMBER 5, 2025**

**STAFF REPORT**

**AGENDA ITEM:** A-3

**TOPIC:** Auction Services for Disposal of Surplus Property

**PRESENTED BY:** Omar McPherson, Operations Manager

**STAFF RECOMMENDATION:** Authorize the Executive Director to Solicit Proposals from Qualified Firms to Provide Auction Services for the Disposal of Property Declared Surplus and Award Contract at a Cost Not-to-Exceed \$50,000.

**BACKGROUND/DISCUSSION:**

At its January 8, 2025 meeting, the RTA Board approved an update to the *RTA Procurement Policies, Practices and Procedures Manual*, which includes vehicle, equipment and supplies disposal standards. When vehicles, equipment or supplies are no longer needed for RTA services, they are declared “surplus” and are disposed of according to Federal Transit Administration (FTA) policies and procedures as outlined in FTA Circulars [9030.1E](#) Urbanized Area Formula Program and [5010.1D](#) Grants Management.

Service life of equipment is determined by acceptable industry standards for such equipment, and rolling stock is determined in FTA Circular 9030.1E. All net local share proceeds from the sale of transit equipment or supplies are deposited in RTA’s subaccount in the San Luis Obispo County Investment Pool for future transit capital needs. Disposal follows competitive sales procedures (where applicable) to ensure the highest possible return.

Having an agreement in place for auction services streamlines the surplus property disposal process. Staff is seeking the Board’s authorization to issue a Request for Proposals (RFP) for auction services. Upon the Board’s approval, the RFP will be issued to solicit responses from interested firms that are experienced with providing these services through an online procurement process (PlanetBids) that will be linked on the RTA’s website at <http://www.slorta.org/about-rta/request-for-proposals/>. Prospective bidders will have the ability to register with PlanetBids to submit proposals for these services. Staff have determined that using the RFP method for this solicitation will provide the best value by allowing for negotiation of both price and contract terms without sacrificing service quality.

The RTA remains dedicated to ensuring full and open competition in this procurement process and strives to include as many potential sources as possible.

A draft Scope of Work is attached as Exhibit 1. If approved by the Board, the auction services would be procured in accordance with the RTA Purchasing Policy at a price not to exceed \$50,000. The proposed RFP project schedule is as follows:

- Board Authorization of RFP – November 5, 2025
- Issue of Auction Services RFP – November 6, 2025
- Proposer Questions/Clarifications due to RTA – November 21, 2025
- RTA Responds to Questions/Clarifications – December 1, 2025
- **Proposals Due – December 5, 2025 by 12:00 p.m. PST**
- Proposers Notified of Staff Recommendations – December 12, 2025
- Bid Protest Period – December 15-19, 2025
- **Award of Contract – January 2026**
- Contractor Notice of Award/Notice to Proceed – End of January 2026

### **Recommendation**

Authorize the Executive Director to solicit proposals from qualified firms to provide auction services for the disposal of property declared surplus and award contract at a cost not-to-exceed \$50,000.

## **SCOPE OF SERVICES**

### **AUCTION SERVICES FOR DISPOSAL OF SURPLUS PROPERTY**

**RFP #2025-06**

#### **PROJECT DESCRIPTION**

The San Luis Obispo Regional Transit Authority (RTA) is seeking proposals from qualified firms with requisite experience to provide “as needed” auction services for the sale of property declared as surplus by Board of Directors.

The services to be performed consist of furnishing Live Auction services for surplus goods and equipment; including 40’ transit buses, cutaway buses, transit vans, pick-up trucks, vehicles, parts, materials, equipment, unclaimed property and related miscellaneous items. Services shall include marketing and advertising, transportation, storage, preparation of items, and sale/after-sale administration including all accounting tasks.

The RTA requires full-service pickup, transportation, storage, and public auction services for the disposition of the following surplus property categories:

- ☐ Category 1 – Buses
- ☐ Category 2 – Other vehicles
- ☐ Category 3 – Miscellaneous items including but not limited to: electronic hardware, furniture, bicycles, personal property, vehicle and facility equipment, and other fully depreciated items ready for disposition as determined by the RTA.

The RTA will award one (1) agreement with the top-ranked Bidder resulting from this competitive process to perform the services described herein. The term of this Agreement will commence on the date of the signed Agreement for four years (the “Base Term”). With three (3) options to extend this Agreement by one (1) year (the “Extended Term”), which may be exercised at the sole discretion of the RTA, for a total possible contract term of seven (7) years. Any reference in this RFP to specific terms of the agreement are for illustrative purposes only and shall not limit the scope of the obligations to be assumed by the successful Bidder under the agreement. In the event of any conflict between a provision of this RFP and the provisions of the agreement attached as Exhibit 4, the terms of the agreement shall govern.

**Definitions.** For purposes of this Agreement, “Property” shall include, but is not limited to, the following: vehicles, heavy equipment, trucks, buses or other conveyances, bus parts, electronic equipment, furniture and other miscellaneous equipment.

#### **GENERAL**

The successful Bidder:

- ☐ Shall demonstrate their experience in providing auction services for the disposal of surplus property (experience with California local governments is desirable)

and provide all labor, equipment, materials, and other tasks necessary to operate a high-quality auction service without additional cost or burden to the RTA.

- ☐ Must possess the necessary facilities, knowledge and abilities to provide auction services for all property disposed of by the RTA.
- ☐ Shall designate a point of contact to act as Contractor's representative regarding all aspects of the performance of this Agreement.

### **CONTRACTOR RESPONSIBILITIES**

#### **1. Insurance Coverage:**

- **Surety Bond:**

- i. Contractor shall maintain a valid and current California Auctions Bond of \$20,000 on file with the California Secretary of State.
- ii. The Contractor will notify the RTA immediately if such bond is terminated or cancelled.
- iii. The termination or cancellation of the Contractor's bond without adequate replacement will constitute an event of default under the Contract.

- **Certificate of Insurance (COI):**

Contractor shall hold an active insurance policy and provide the RTA is evidence of coverage Insurance as required in Exhibit 3.

- i. Contractor shall obtain and maintain Business Automobile Liability insurance coverage with limits not less than \$1,000,000 covering personal injury, death, and physical damage to and/or loss of the RTA buses and other vehicles that are covered by the terms and conditions of the Contract.
- ii. The RTA shall be named as an additional insured for the insurance coverage.
- iii. Contractor shall provide the RTA a Certificate of Insurance for the policy, which identifies the coverage amounts. If the Contractor is a permissively self-insured entity, Contractor may satisfy this insurance requirement by submitting a Certificate of Self-Insurance to the RTA.
- iv. Cost of insurance is the responsibility of the Contractor.

#### **2. Seller's Permit:**

- Contractor shall maintain a valid and current seller's permit issued by the California Department of Tax and Fee Administration (CDTFA).

#### **3. Licenses:**

- **Auto Dealer's Licenses:** Contractor shall maintain a valid and current auto dealer's license issued by the California Department of Motor Vehicles (DMV).



- Business License: Contractor shall maintain a valid and current Business License Tax Certificate for the County in which the work is performed to be considered eligible under this solicitation.

4. Compliance:

- Contractor shall ensure compliance with all pertinent provisions of the bulk sales laws and laws and regulations of the State of California, including but not necessarily limited to, obtaining all necessary licenses and permits, posting required bonds, payment of all fees and expenses.
- None of the Property assigned to Contractor pursuant to this Agreement may be sold before the auction without prior written agreement of the RTA. Should both parties agree to a sale prior to auction, the proceeds of said sale shall be treated as part of the gross proceeds of the auction.
- Should the annual revenue contract exceed \$25,000, the Contractor will be required to register in the federal System for Award Management (SAM) and remain in good standing for the duration of the contract. Failure to provide proof of active SAM registration may result in rejection of bid.

5. Auction Facility:

- Contractor shall have an auction facility available for inspection by RTA personnel.
- Contractor's facilities shall be adequately and comfortably sized, appropriate by typical professional auction facility business standards and capable of accommodating the category of surplus property in which the Contractor is proposing to provide services.
- Contractor shall provide the address of the location where surplus property will be taken and the location(s) where auctions will be held.
- Contractor shall ensure that all property is available for public inspection during normal working hours prior to the sale.

6. Personnel:

- Contractor shall provide main point of contact(s) for scheduling, coordination, and management of the Services.
- Contractor's employees and representatives shall have company identification at all times while performing Services and be properly trained with required licenses.

- Contractor shall supply all needed personnel and setup all needed auction equipment and facilities.

7. Pickup and Transportation:

- Contractor shall respond promptly to coordinate pickup and decommissioning when requested and provide safe transportation and secure storage of all RTA property released into Contractor's possession either directly or through a subcontractor.
- Contractor will be responsible for transporting all property (which includes palleting, loading, moving and transportation of all RTA surplus vehicles, bus parts, equipment, office furniture, and other miscellaneous items) to the auction site. It is expected that vehicles will be available for pickup at the RTA Bus Maintenance Facility located at 253 Elks Lane, San Luis Obispo, CA 93401.
- Contractor shall provide valid drivers' license and proof of insurance at time of pickup.
- Contractor shall assume liability of property at the time of pickup from the RTA.
- Contractor shall ensure that the fees for transporting all property shall be deducted from the auction proceeds.
- Contractor shall be responsible for any damage to the RTA's property and for any damages or costs that the RTA property may have caused to a third party while in the process of transporting the surplus property to Contractor's place of business or storage location.
- Contractor shall transport items, from the RTA to the Contractor's site, within fifteen (15) business days of notification by the RTA that items are ready for pickup.

8. Storage and Security:

- Contractor shall provide secure storage and auction space for auction items (including alarmed and fenced perimeter).
- Items subject to damage by environmental elements will be kept in a fully enclosed, secured facility.
- Contractor shall store the RTA property, free of charge, until sold.

9. Website and Advertising:

- Contractor shall be responsible for advertising and marketing in advance of each auction.
- Contractor shall maintain an auction website and provide sufficient advertising to ensure quality responsive bids by potential purchasers. Such website shall include a webpage specific to the RTA that allows potential purchasers to find the RTA auction items through a single webpage.

10. Vehicle Preparation:

- Contractor shall be responsible for the vehicle smog test (if applicable) and shall deduct smog fees from sale.
- Contractor shall, as needed, de-logo all vehicles prior to auction so that any RTA logo, name, decal, or image is removed or painted over.
- In the event additional repairs or other reconditioning is necessary, the Contractor shall provide the RTA with a price quote for the work required and obtain the written approval of the RTA prior to commencing such repairs or reconditioning.
- The Contractor shall properly complete all necessary DMV paperwork to ensure that the RTA titled property is properly transferred from the RTA to buyer. The Contractor shall also submit “Notice of Transfer and Release of Liability” to the California Department of Motor Vehicles on all vehicles sold.

11. DMV Documentation:

- Contractor shall be responsible for processing all title work for vehicles and assure that all mandated inspections (smog, weight, etc.) have been obtained.
- As requested by the RTA and in compliance with the laws of the State of California, Contractor shall arrange for smog certification or a state that vehicle does not meet smog requirements prior to sale.
- The fees for smog certification (if required) shall be deducted from the auction proceeds.
- Contractor shall prepare all title work for a smooth transfer of ownership into the new buyer’s name on the day of the sale, and any other required DMV forms (including, but not limited to Notice of Transfer and Release of Liability).
- Contractor shall provide the RTA with proof of transfer and release of liability, with the California DMV.

- Contractor shall provide the RTA such documents as the RTA may request to protect RTA's rights under the consignment provisions of the Uniform Commercial Code and such other sales-related documentation not included in the reports otherwise provided the RTA.

12. Auction Sales:

- Conduct a public auction of assigned property within 60 days of receipt of the RTA's property.
- All auctions shall be open to the general public, and there shall be no fee charged for participation as a potential buyer.
- Maintain an auction website that allows potential purchasers to bid online.
- Post or distribute to the audience the terms and conditions, restrictions, and procedures whereby goods will be sold at the auction. Contractor shall advise the bidder of known defective conditions of any vehicle and/or equipment offered for sale before offering the vehicle and/or equipment for auction.
- Sell said property to the highest bidder without minimum or reservation. The RTA has a right to set minimums or reservations on said property. If such minimum is set, Contractor shall make no sale below any set minimum sale price or appraised value.
- Collect and process all deposits and proceeds.
- Unless otherwise directed by the RTA, Contractor shall reschedule all unsold property to the next available auction, at no additional cost to the RTA.

13. Payment:

- Contractor shall be paid for each auction based on a percentage of the gross sales from that auction, as specified in the Commission & Fees Cost Proposal (Appendix C).
- Contractor shall deduct vehicle smog test fees (if applicable) from sale.
- Contractor will be responsible for the payment of all costs associated with the auction.
- Contractor is responsible for collecting and paying all appropriate taxes.
- Proceeds from each auction (less Contractor's commission percentage and fees for authorized services listed on price sheet, if applicable) shall be paid to the RTA within fifteen (15) business days following the auction.

14. Documentation with Payment:

- Contractor shall have a recording of sales
- Contractor to provide the RTA with a link to sales results of all sales, pending or other via the internet.
- Contractor shall provide the RTA, by mail or electronically, with a detailed sales recap sheet containing property description, lot/VIN number, sales price, bidder number, commission percentage rate, and fees no later than fourteen (14) days following the auction.
  - i. By Mail:  
SLO Regional Transit Authority  
Attention: Andy Wyly, Facilities & Maintenance Manager  
253ks Lane, San Luis Obispo, CA 93401
  - ii. Electronic: [awyly@slorta.org](mailto:awyly@slorta.org) and [accounting@slorta.org](mailto:accounting@slorta.org)

15. Warranty:

- The RTA Transit does not guarantee the condition and quality of any item, and all items will be sold in “as is, where is” condition.
- The “as is, where is” disclaimer shall be contained in all auction brochures and incorporated into the “Terms and Conditions of Sale” as well as on the sales invoice.

16. Responsibility for Property:

- Contractor shall accept full responsibility for the RTA property and will be liable if vehicles and/or equipment are lost, stolen, or damaged while in the custody of the Contractor.

**RTA RESPONSIBILITIES**

In the operation of this Agreement, the RTA shall be responsible for the following:

1. The RTA shall provide Title or Certificate of Ownership and all other documents necessary to affect transfer of title for motor vehicles, trailers, and vehicle equipment and other property.
2. Submit to Contractor a list of property to be released for sale. It is understood that minor changes in said list may be submitted to Contractor at any time prior to two (2) weeks in advance of the auction. Notwithstanding the foregoing, the RTA may withdraw property from said list upon notice to Contractor five (5) days prior to auction.
3. Maintain any records considered necessary by the RTA other than those provided by the Contractor. The RTA will also provide Contractor such additional documents as Contractor may reasonably request to assist the Contractor in performing its duties under the Agreement.

4. The RTA warrants title to all property to be unencumbered at the time of sale. All property shall be sold “as is, where is” without any warranty by the RTA or Contractor as to condition or usability.

**ADDITIONAL FEES / CHARGES**

1. Contractor may charge the successful bidder with a standard bidder’s premium. Full disclosure of said charges shall be duly noted in advance of sale.
2. Bidder shall price additional services which might be required in their price proposal (i.e. Smog checks)
3. Bidder shall price their labor rate per hour for any optional minor repairs that might increase the resale value of property. (i.e. sensor, air filter, belt replacement etc.)
4. Bidder shall list in their work plan any additional optional services offered to increase auction sale price and provide the costs for such optional services in their price proposal.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**NOVEMBER 5, 2025**

**STAFF REPORT**

**AGENDA ITEM:** A-4

**TOPIC:** Annual Fiscal & Compliance Audit

**PRESENTED BY:** Omar McPherson, Operations Manager

**STAFF RECOMMENDATION:** Review and Accept the FY2024-25 Annual Fiscal and Compliance Audit Report

**BACKGROUND/DISCUSSION:**

The Transportation Development Act (TDA) requires an *Annual Fiscal and Compliance Audit* of each TDA recipient. The attached *Annual Fiscal and Compliance Audit* report was completed for the RTA by Brown Armstrong Accountancy Corporation. In addition, based on the amount of Federal funds awarded to the RTA last fiscal year, we are required to complete a *Single Audit*. Although the field work for the *Single Audit* report was also completed by Brown Armstrong Accountancy Corporation, they are unable to complete the report due to the delay in the 2025 Compliance Supplement from the United States Office of Management and Budget. Traditionally the *Annual Fiscal and Compliance Audit* is provided to the Board at the same time as the *Single Audit*, but with the unknown timeline of when the audit firm will be able to finalize the latter, staff did not want to delay the release of the financial results. Once completed, we will bring the *Single Audit* report to the Board for review and acceptance.

As noted in the budget amendment included in this agenda (Item C-1), there is an adjustment related to GASB 68 again this year: the operating expenses used to calculate the farebox recovery ratio is now also net of the GASB 68 adjustment, in addition to depreciation. This is noted on page 22 of the financial statements which can be found on the RTA website <https://www.slorta.org/wordpress/wp-content/uploads/RTA-FY2425-Financial-Statements.pdf>. This resulted in a favorable increase to the ratio.

Starting in FY2023-24, the adjustments included Federal Transit Administration Section 5307 operating grant revenue as part of operating revenue for the farebox recovery ratio calculation in accordance with AB 149. This has resulted in the TDA farebox ratio requirement being met.

Of particular interest to Board members is the Independent Auditor's Report at the beginning of the *Annual Fiscal and Compliance Audit* report, which provides summary findings of the audit team. In short, the auditors found our financial statements to fairly present the financial position of the RTA, and that we expressed our financial position and cash flows in accordance with generally accepted accounting principles.

**Staff Recommendation**

Review and accept the Fiscal Year 2024-25 Annual Fiscal and Compliance Audit report.



**SAN LUIS OBISPO  
REGIONAL TRANSIT AUTHORITY  
  
BASIC FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT  
  
JUNE 30, 2025 AND 2024**

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**JUNE 30, 2025 AND 2024**

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
San Luis Obispo Regional Transit Authority  
San Luis Obispo, California

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the San Luis Obispo Regional Transit Authority (the Authority) as of and for the fiscal years ended June 30, 2025 and 2024, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability and the schedule of pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

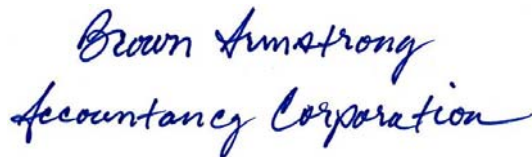
## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenses – budget and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenses – budget and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
October 10, 2025

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 AND 2024**

|                                             | <u>2025</u>         | <u>2024</u>         |
|---------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                               |                     |                     |
| Current Assets:                             |                     |                     |
| Cash and investments                        | \$ 8,241,464        | \$ 7,280,362        |
| Accounts receivable                         | 79,409              | 34,418              |
| Deposits                                    | 2,000               | 2,000               |
| Intergovernmental receivables               | 4,818,239           | 4,508,273           |
| Prepaid items                               | 358,451             | 321,590             |
| Inventory at cost                           | <u>415,783</u>      | <u>347,327</u>      |
| Total Current Assets                        | <u>13,915,346</u>   | <u>12,493,970</u>   |
| Noncurrent Assets:                          |                     |                     |
| Restricted - Cash                           | <u>346,614</u>      | <u>346,614</u>      |
| Total restricted assets                     | <u>346,614</u>      | <u>346,614</u>      |
| Capital Assets:                             |                     |                     |
| Nondepreciable                              |                     |                     |
| Land                                        | 1,512,602           | 1,512,602           |
| Depreciable                                 |                     |                     |
| Buildings and improvements                  | 26,590,154          | 26,404,329          |
| Vehicles and equipment                      | 25,429,534          | 26,904,867          |
| Less accumulated depreciation               | <u>(21,509,284)</u> | <u>(20,238,237)</u> |
| Depreciable assets, net                     | 30,510,404          | 33,070,959          |
| Right-to-use leased assets, net             | <u>89,870</u>       | <u>102,829</u>      |
| Total Net Capital Assets                    | <u>32,112,876</u>   | <u>34,686,390</u>   |
| Total Noncurrent Assets                     | <u>32,459,490</u>   | <u>35,033,004</u>   |
| <b>Total Assets</b>                         | <u>46,374,836</u>   | <u>47,526,974</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                     |                     |
| Deferred pension                            | <u>1,600,862</u>    | <u>2,106,652</u>    |
| <b>Total Deferred Outflows of Resources</b> | <u>1,600,862</u>    | <u>2,106,652</u>    |

The notes to the basic financial statements are an integral part of this statement.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**STATEMENTS OF NET POSITION (Continued)**  
**JUNE 30, 2025 AND 2024**

|                                                       | <u>2025</u>          | <u>2024</u>          |
|-------------------------------------------------------|----------------------|----------------------|
| <b>LIABILITIES</b>                                    |                      |                      |
| Current Liabilities:                                  |                      |                      |
| Accounts payable                                      | 509,785              | 637,935              |
| Accrued payroll                                       | 548,024              | 474,751              |
| Unearned revenue                                      | 6,277,255            | 5,980,873            |
| Unearned revenue - State of Good Repair               | 1,274,275            | 723,053              |
| Compensated absences                                  | 86,842               | 90,907               |
| Lease liability                                       | 49,886               | 49,922               |
| Pension plan exit liability                           | 176,205              | 172,378              |
| Total other post-employment benefits (OPEB) liability | 3,072                | 3,072                |
| Loan payable                                          | 346,829              | 350,255              |
|                                                       | <u>9,272,173</u>     | <u>8,483,146</u>     |
| Total Current Liabilities                             |                      |                      |
| Noncurrent liabilities:                               |                      |                      |
| Compensated absences                                  | 260,525              | 272,719              |
| Total OPEB liability                                  | 9,461                | 12,533               |
| Net pension liability                                 | 5,511,489            | 4,897,352            |
| Pension plan exit liability                           | -                    | 176,205              |
| Lease liability                                       | 29,167               | 42,520               |
| Loan payable                                          | 11,614,081           | 11,960,910           |
|                                                       | <u>17,424,723</u>    | <u>17,362,239</u>    |
| Total Noncurrent Liabilities                          |                      |                      |
|                                                       | <u>26,696,896</u>    | <u>25,845,385</u>    |
| <b>Total Liabilities</b>                              |                      |                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                      |                      |
| Deferred pension                                      | 65,810               | 97,202               |
|                                                       | <u>65,810</u>        | <u>97,202</u>        |
| <b>Total Deferred Inflows of Resources</b>            |                      |                      |
| <b>NET POSITION</b>                                   |                      |                      |
| Net investment in capital assets                      | 20,072,913           | 22,282,783           |
| Unrestricted                                          | 1,140,079            | 1,408,256            |
|                                                       | <u>21,212,992</u>    | <u>23,691,039</u>    |
| <b>Total Net Position</b>                             | <u>\$ 21,212,992</u> | <u>\$ 23,691,039</u> |

The notes to the basic financial statements are an integral part of this statement.



**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

|                                           | <u>2025</u>                 | <u>2024</u>                 |
|-------------------------------------------|-----------------------------|-----------------------------|
| <b>OPERATING REVENUES:</b>                |                             |                             |
| Passenger fares                           | \$ 1,119,585                | \$ 1,085,887                |
| Other operating revenue                   | <u>388,807</u>              | <u>240,488</u>              |
| Total Operating Revenues                  | <u>1,508,392</u>            | <u>1,326,375</u>            |
| <b>OPERATING EXPENSES:</b>                |                             |                             |
| Transit operating expenses                | 14,098,698                  | 13,777,779                  |
| Administration and financial services     | 2,298,774                   | 2,102,853                   |
| Depreciation and amortization             | <u>3,444,792</u>            | <u>3,151,543</u>            |
| Total Operating Expenses                  | <u>19,842,264</u>           | <u>19,032,175</u>           |
| Operating Loss                            | <u>(18,333,872)</u>         | <u>(17,705,800)</u>         |
| <b>NONOPERATING REVENUES (EXPENSES):</b>  |                             |                             |
| Transportation Development Act funds      | 9,853,872                   | 6,692,610                   |
| Federal and State grants                  | 5,129,585                   | 7,731,169                   |
| Interest income                           | 219,108                     | 108,428                     |
| Gain (Loss) on disposal of capital assets | (12,579)                    | 21,005                      |
| Planning                                  | (92,668)                    | (158,686)                   |
| Interest expense                          | <u>(94,380)</u>             | <u>(105,045)</u>            |
| Total Nonoperating Revenues (Expenses)    | <u>15,002,938</u>           | <u>14,289,481</u>           |
| <b>CAPITAL CONTRIBUTIONS:</b>             |                             |                             |
| Federal capital grants                    | 571,909                     | 3,005,678                   |
| State capital grants                      | 145,600                     | 1,376,158                   |
| Local capital grants                      | <u>135,378</u>              | <u>40,433</u>               |
| Total Capital Contributions               | <u>852,887</u>              | <u>4,422,269</u>            |
| Change in Net Position                    | <u>(2,478,047)</u>          | <u>1,005,950</u>            |
| Net Position, Beginning of Fiscal Year    | <u>23,691,039</u>           | <u>22,685,089</u>           |
| Net Position, End of Fiscal Year          | <u><u>\$ 21,212,992</u></u> | <u><u>\$ 23,691,039</u></u> |

The notes to the basic financial statements are an integral part of this statement.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

|                                                                  | <u>2025</u>                | <u>2024</u>                |
|------------------------------------------------------------------|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                     |                            |                            |
| Receipts from customers                                          | \$ 2,311,005               | \$ 3,917,864               |
| Payments to employees                                            | (9,937,538)                | (10,157,797)               |
| Payments to suppliers                                            | <u>(5,723,302)</u>         | <u>(5,424,357)</u>         |
| Net Cash Used by Operating Activities                            | <u>(13,349,835)</u>        | <u>(11,664,290)</u>        |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b> |                            |                            |
| Principal paid - loan payable                                    | (350,255)                  | (339,861)                  |
| Principal paid - lease payment                                   | (49,922)                   | (49,957)                   |
| Interest expense                                                 | (94,380)                   | (105,045)                  |
| Capital grants received                                          | 852,887                    | 4,422,269                  |
| Acquisition and construction of capital assets                   | (852,887)                  | (4,422,269)                |
| Proceeds from the sale of capital assets                         | 5,563                      | 21,005                     |
| Planning                                                         | <u>(92,668)</u>            | <u>(158,686)</u>           |
| Net Cash Used by Capital and Related Financing Activities        | <u>(581,662)</u>           | <u>(632,544)</u>           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>          |                            |                            |
| Grants received                                                  | <u>14,673,491</u>          | <u>15,083,338</u>          |
| Net Cash Provided by Noncapital Financing Activities             | <u>14,673,491</u>          | <u>15,083,338</u>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                     |                            |                            |
| Interest income                                                  | <u>219,108</u>             | <u>108,428</u>             |
| Net Cash Provided by Investing Activities                        | <u>219,108</u>             | <u>108,428</u>             |
| Net Increase in Cash and Cash Equivalents                        | 961,102                    | 2,894,932                  |
| Cash and Cash Equivalents, Beginning of Fiscal Year              | <u>7,626,976</u>           | <u>4,732,044</u>           |
| Cash and Cash Equivalents, End of Fiscal Year                    | <u><u>\$ 8,588,078</u></u> | <u><u>\$ 7,626,976</u></u> |

The notes to the basic financial statements are an integral part of this statement.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

|                                                                                                              | <u>2025</u>            | <u>2024</u>            |
|--------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH<br/>USED BY OPERATING ACTIVITIES</b>                         |                        |                        |
| Operating loss                                                                                               | \$ (18,333,872)        | \$ (17,705,800)        |
| Adjustments to reconcile operating loss to net cash used by<br>operating activities                          |                        |                        |
| Depreciation and amortization expense                                                                        | 3,444,792              | 3,151,543              |
| Change in operating assets, deferred outflows, liabilities, and<br>deferred inflows:                         |                        |                        |
| Accounts receivable                                                                                          | (44,991)               | 176,414                |
| Prepaid items                                                                                                | (36,861)               | (34,614)               |
| Inventory                                                                                                    | (68,456)               | 45,809                 |
| Deferred outflows of resources                                                                               | 505,790                | 792,768                |
| Accounts payable                                                                                             | (128,150)              | (462,557)              |
| Accrued payroll                                                                                              | 73,273                 | 48,234                 |
| Unearned revenue                                                                                             | 847,604                | 2,415,075              |
| Total OPEB liability                                                                                         | (3,072)                | (4,608)                |
| Net pension liability                                                                                        | 441,759                | (112,702)              |
| Compensated absences                                                                                         | (16,259)               | 42,399                 |
| Deferred inflows of resources                                                                                | (31,392)               | (16,251)               |
| Net Cash Used by Operating Activities                                                                        | <u>\$ (13,349,835)</u> | <u>\$ (11,664,290)</u> |
| Reconciliation of Cash and Cash Equivalents per Statement of<br>Cash Flows to the Statement of Net Position: |                        |                        |
| Cash and investments                                                                                         | \$ 8,241,464           | \$ 7,280,362           |
| Restricted - Cash                                                                                            | <u>346,614</u>         | <u>346,614</u>         |
| Cash and Cash Equivalents per Statement of Cash Flows                                                        | <u>\$ 8,588,078</u>    | <u>\$ 7,626,976</u>    |

The notes to the basic financial statements are an integral part of this statement.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 1 – REPORTING ENTITY**

San Luis Obispo Regional Transit Authority (the Authority) is a Joint Powers Authority created by a joint powers agreement among the Cities of San Luis Obispo, Morro Bay, Atascadero, Arroyo Grande, El Paso de Robles, Grover Beach, and Pismo Beach and the County of San Luis Obispo (the County).

The purpose of the Authority is to operate a fixed route public transportation system linking San Luis Obispo to the outlying communities of Morro Bay, Los Osos, Arroyo Grande, El Paso de Robles, Grover Beach, Pismo Beach, Atascadero, Cambria, San Simeon, Nipomo, Santa Maria, Templeton, Santa Margarita, and San Miguel, along with Cuesta College and California Men's Colony. The Authority also owns, operates, and administers a countywide public demand responsive transportation system that is fully accessible for disabled riders. On August 1, 2009, the Authority began in-house vehicle operations and maintenance. Prior to August 1, 2009, a private transportation company provided these services.

The Authority is governed by a Board of Directors comprised of twelve members representing each of the seven cities, in addition to the five members of the County Board of Supervisors.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Authority are in conformity with accounting principles generally accepted in the United States of America applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the significant accounting policies:

**A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing transportation services. The principal operating revenues of the Authority are charges to passengers for transportation services (passenger fares). Operating expenses include the cost of providing service, including general and administrative expenses and depreciation/amortization of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**B. Revenue Recognition**

The Authority's primary source of revenues includes passenger fares, State Transit Assistance funds, and Local Transportation Fund/Transportation Development Act (TDA) allocations made to the participating members, but assigned by the members to this Authority for its sole use. The San Luis Obispo Council of Governments administers the State Transit Assistance and TDA funds, approves claims for such funds submitted by the Authority, and makes payments to the Authority based upon such claims.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **B. Revenue Recognition** (Continued)

Generally, amounts due from other governments are recorded as revenues when earned. However, when the expenditure of funds is the prime factor for determining eligibility for grants, revenue is accrued when the related expenditures have been made on an approved grant. The Authority recognizes as revenues the amounts allocated and approved to it by San Luis Obispo Council of Governments.

### **C. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, cash and cash equivalents include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.

### **D. Accounts Receivable**

The Authority did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable are shown at full value.

### **E. Inventory**

Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out method.

### **F. Capital Assets**

Capital assets purchased by the Authority are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired. Capital assets are defined by the Authority as assets with initial, individual costs of more than \$1,000 and estimated useful life in excess of two years.

### **G. Depreciation/Amortization**

Capital assets purchased by the Authority are depreciated/amortized over their estimated useful lives (ranging from 3-15 years) under the straight-line method of depreciation/amortization.

### **H. Compensated Absences**

Accumulated unpaid employee vacation leave benefits are recognized as liabilities of the Authority.

### **I. Net Position**

In the Statement of Net Position, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation/amortization and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **J. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

### **K. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's pension plan with San Luis Obispo County Pension Trust (the Trust) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **L. Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the Authority recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Authority that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time.

### **M. Reclassification**

Certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

### **N. New Accounting Pronouncements – Implemented**

**GASB Statement No. 101 – *Compensated Absences*.** The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all fiscal years thereafter. There was no effect on the Authority's accounting and financial reporting as a result of implementing this standard.

**GASB Statement No. 102 – *Certain Risk Disclosures*.** The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all fiscal years thereafter. There was no effect on the Authority's accounting and financial reporting as a result of implementing this standard.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)O. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

**GASB Statement No. 103** – *Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all fiscal years thereafter. The Authority will implement GASB Statement No. 103 when and where applicable.

**GASB Statement No. 104** – *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for fiscal years beginning after June 15, 2026, and all fiscal years thereafter. The Authority will implement GASB Statement No. 104 when and where applicable.

**NOTE 3 – CASH AND INVESTMENTS**

The Authority's cash and investments as of June 30, 2025 and 2024, are classified in the Statement of Net Position as follows:

|                            | 2025                | 2024                |
|----------------------------|---------------------|---------------------|
| Cash and investments       | \$ 8,241,464        | \$ 7,280,362        |
| Restricted - Cash          | 346,614             | 346,614             |
| Total Cash and Investments | <u>\$ 8,588,078</u> | <u>\$ 7,626,976</u> |

On June 30, 2025 and 2024, the Authority had the following cash and investments on hand:

|                            | 2025                | 2024                |
|----------------------------|---------------------|---------------------|
| Cash on hand and in banks  | \$ 1,433,116        | \$ 1,082,386        |
| Investments                | 6,808,348           | 6,197,976           |
| Restricted cash            | 346,614             | 346,614             |
| Total Cash and Investments | <u>\$ 8,588,078</u> | <u>\$ 7,626,976</u> |

**NOTE 3 – CASH AND INVESTMENTS** (Continued)Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

| Authorized Investment Type          | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|-------------------------------------|------------------|---------------------------------|----------------------------------|
| U.S. Treasury Obligations           | 5 years          | None                            | None                             |
| U.S. Agency Securities              | 5 years          | 10%                             | 5%                               |
| Bankers' Acceptances                | 180 days         | 40%                             | 30%                              |
| Commercial Paper                    | 270 days         | 25%                             | 10%                              |
| Negotiable Certificates of Deposit  | 5 years          | 30%                             | None                             |
| Repurchase Agreements               | 1 year           | None                            | None                             |
| Reverse Repurchase Agreements       | 92 days          | 20% of base value               | None                             |
| Medium-Term Notes                   | 5 years          | 30%                             | None                             |
| Mutual Funds                        | N/A              | 20%                             | 10%                              |
| Money Market Mutual Funds           | N/A              | 20%                             | 10%                              |
| Mortgage Pass-Through Securities    | 5 years          | 20%                             | None                             |
| Local Agency Investment Fund (LAIF) | N/A              | None                            | None                             |
| County Investment Pool              | N/A              | None                            | None                             |

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

| 2025                                   |                 | Remaining Maturity |              |              |                     |
|----------------------------------------|-----------------|--------------------|--------------|--------------|---------------------|
| Investment Type                        | Carrying Amount | 12 Months or Less  | 13-24 Months | 25-60 Months | More than 60 Months |
| San Luis Obispo County Investment Pool | \$ 6,808,348    | \$ 6,808,348       | \$ -         | \$ -         | \$ -                |
| Total                                  | \$ 6,808,348    | \$ 6,808,348       | \$ -         | \$ -         | \$ -                |

| 2024                                   |                 | Remaining Maturity |              |              |                     |
|----------------------------------------|-----------------|--------------------|--------------|--------------|---------------------|
| Investment Type                        | Carrying Amount | 12 Months or Less  | 13-24 Months | 25-60 Months | More than 60 Months |
| San Luis Obispo County Investment Pool | \$ 6,197,976    | \$ 6,197,976       | \$ -         | \$ -         | \$ -                |
| Total                                  | \$ 6,197,976    | \$ 6,197,976       | \$ -         | \$ -         | \$ -                |



**NOTE 3 – CASH AND INVESTMENTS** (Continued)Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority's investment policy, or debt agreements, and the actual rating as of fiscal year-end for each investment type.

| 2025                                   |                     |                      |                        | Rating as of Fiscal Year-End |             |                     |
|----------------------------------------|---------------------|----------------------|------------------------|------------------------------|-------------|---------------------|
| Investment Type                        | Carrying Amount     | Minimum Legal Rating | Exempt from Disclosure | AAA                          | AA          | Not Rated           |
| San Luis Obispo County Investment Pool | \$ 6,808,348        | N/A                  | \$ -                   | \$ -                         | \$ -        | \$ 6,808,348        |
| Total                                  | <u>\$ 6,808,348</u> |                      | <u>\$ -</u>            | <u>\$ -</u>                  | <u>\$ -</u> | <u>\$ 6,808,348</u> |

| 2024                                   |                     |                      |                        | Rating as of Fiscal Year-End |             |                     |
|----------------------------------------|---------------------|----------------------|------------------------|------------------------------|-------------|---------------------|
| Investment Type                        | Carrying Amount     | Minimum Legal Rating | Exempt from Disclosure | AAA                          | AA          | Not Rated           |
| San Luis Obispo County Investment Pool | \$ 6,197,976        | N/A                  | \$ -                   | \$ -                         | \$ -        | \$ 6,197,976        |
| Total                                  | <u>\$ 6,197,976</u> |                      | <u>\$ -</u>            | <u>\$ -</u>                  | <u>\$ -</u> | <u>\$ 6,197,976</u> |

Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Authority's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The Authority may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The balances in excess of the FDIC insurance amounted to \$852,778 and \$579,844 at June 30, 2025 and 2024, respectively.

**NOTE 3 – CASH AND INVESTMENTS** (Continued)Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

The Authority's investments in the County investment pool are measured at amortized cost, and are not valued under Level 1, 2, or 3. The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool.

**NOTE 4 – CAPITAL ASSETS**

Capital assets activity for the fiscal years ended June 30, 2025 and 2024, was as follows:

|                                                  | Balance<br>July 1, 2024 | Increases      | Decreases   | Adjustments | Balance<br>June 30, 2025 |
|--------------------------------------------------|-------------------------|----------------|-------------|-------------|--------------------------|
| Capital Assets Not Being Depreciated:            |                         |                |             |             |                          |
| Land                                             | \$ 1,512,602            | \$ -           | \$ -        | \$ -        | \$ 1,512,602             |
| Total Capital Assets Not Being Depreciated       | 1,512,602               | -              | -           | -           | 1,512,602                |
| Capital Assets Being Depreciated:                |                         |                |             |             |                          |
| Buildings and improvements                       | 26,404,329              | 185,825        | -           | -           | 26,590,154               |
| Vehicles and equipment                           | 26,904,867              | 667,062        | (2,142,395) | -           | 25,429,534               |
| Total Capital Assets Being Depreciated           | 53,309,196              | 852,887        | (2,142,395) | -           | 52,019,688               |
| Less Accumulated Depreciation For:               |                         |                |             |             |                          |
| Buildings, improvements, vehicles, and equipment | 20,238,237              | 3,395,300      | (2,124,253) | -           | 21,509,284               |
| Total Accumulated Depreciation                   | 20,238,237              | 3,395,300      | (2,124,253) | -           | 21,509,284               |
| Total Capital Assets Being Depreciated, Net      | 33,070,959              | (2,542,413)    | (18,142)    | -           | 30,510,404               |
| Right-to-Use Leased Assets                       |                         |                |             |             |                          |
| Building and Corp Yard                           | 242,153                 | 36,533         | -           | -           | 278,686                  |
| Accumulated Amortization                         | 139,324                 | 49,492         | -           | -           | 188,816                  |
| Total Right-to-Use Leased Assets, Net            | 102,829                 | (12,959)       | -           | -           | 89,870                   |
| Governmental Activities, Capital Assets, Net     | \$ 34,686,390           | \$ (2,555,372) | \$ (18,142) | \$ -        | \$ 32,112,876            |

**NOTE 4 – CAPITAL ASSETS** (Continued)

|                                                  | Balance<br>July 1, 2023 | Increases    | Decreases   | Adjustments | Balance<br>June 30, 2024 |
|--------------------------------------------------|-------------------------|--------------|-------------|-------------|--------------------------|
| Capital Assets Not Being Depreciated:            |                         |              |             |             |                          |
| Land                                             | \$ 1,512,602            | \$ -         | \$ -        | \$ -        | \$ 1,512,602             |
| Total Capital Assets Not Being Depreciated       | 1,512,602               | -            | -           | -           | 1,512,602                |
| Capital Assets Being Depreciated:                |                         |              |             |             |                          |
| Buildings and improvements                       | 26,237,737              | 166,592      | -           | -           | 26,404,329               |
| Vehicles and equipment                           | 23,812,713              | 4,255,677    | (1,163,523) | -           | 26,904,867               |
| Total Capital Assets Being Depreciated           | 50,050,450              | 4,422,269    | (1,163,523) | -           | 53,309,196               |
| Less Accumulated Depreciation For:               |                         |              |             |             |                          |
| Buildings, improvements, vehicles, and equipment | 18,299,707              | 3,102,053    | (1,163,523) | -           | 20,238,237               |
| Total Accumulated Depreciation                   | 18,299,707              | 3,102,053    | (1,163,523) | -           | 20,238,237               |
| Total Capital Assets Being Depreciated, Net      | 31,750,743              | 1,320,216    | -           | -           | 33,070,959               |
| Right-to-Use Leased Assets                       |                         |              |             |             |                          |
| Building and Corp Yard                           | 205,596                 | 36,557       | -           | -           | 242,153                  |
| Accumulated Amortization                         | 89,834                  | 49,490       | -           | -           | 139,324                  |
| Total Right-to-Use Leased Assets, Net            | 115,762                 | (12,933)     | -           | -           | 102,829                  |
| Governmental Activities, Capital Assets, Net     | \$ 33,379,107           | \$ 1,307,283 | \$ -        | \$ -        | \$ 34,686,390            |

Depreciation and amortization expense for the fiscal years ended June 30, 2025 and 2024, was \$3,444,792 and \$3,151,543, respectively.

**NOTE 5 – UNEARNED REVENUE**

The Authority received the following TDA funds:

|                                                                                                                                                                                                                | <u>2025</u>         | <u>2024</u>         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Local Transportation Funds                                                                                                                                                                                     | \$ 5,768,830        | \$ 5,664,389        |
| The Authority received an advance from developers for construction of bus stops as a condition imposed by the County Board of Supervisors. These funds are deferred until the bus stops have been constructed. | 85,551              | 45,688              |
| The Authority distributes Universal bus passes to Social Services and the general public as part of a "Welfare to Work Program." These funds are deferred revenue until they are tendered or redeemed.         | 356,631             | 217,300             |
| Proposition 1B Funding                                                                                                                                                                                         | -                   | 14,517              |
| State Transit Assistance (STA) Senate Bill (SB) 1 State of Good Repair funding                                                                                                                                 | 1,274,275           | 723,053             |
| TDA Article 4.5 Funds                                                                                                                                                                                          | 21,000              | (9,566)             |
| Federal Transit Administration (FTA) proceeds carried forward to future procurement                                                                                                                            | 45,243              | 43,583              |
| Low Carbon Transit Operator Program                                                                                                                                                                            | <u>-</u>            | <u>4,962</u>        |
| Total Unearned Revenues                                                                                                                                                                                        | <u>\$ 7,551,530</u> | <u>\$ 6,703,926</u> |

**NOTE 6 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS**

The Authority was allocated the following funds from the Local Transportation Fund (LTF) and State Transit Assistance (STA) Fund for the fiscal years ended June 30, 2025 and 2024:

| Allocation Assigned By/Claimant                         | Article/Section | Amount       |              |
|---------------------------------------------------------|-----------------|--------------|--------------|
|                                                         |                 | 2025         | 2024         |
| Local Transportation Fund (LTF):                        |                 |              |              |
| City of Arroyo Grande                                   | 4/99260(a)      | \$ 625,386   | \$ 666,382   |
| City of San Luis Obispo                                 | 4/99260(a)      | 1,237,660    | 1,275,654    |
| County of San Luis Obispo                               | 4/99260(a)      | 3,811,173    | 3,876,187    |
| City of Grover Beach                                    | 4/99260(a)      | 436,363      | 462,868      |
| City of Morro Bay                                       | 4/99260(a)      | 212,715      | 220,306      |
| City of Atascadero                                      | 4/99260(a)      | 626,157      | 641,593      |
| City of El Paso de Robles                               | 4/99260(a)      | 850,697      | 1,142,424    |
| City of Pismo Beach                                     | 4/99260(a)      | 275,090      | 290,718      |
| Total LTF                                               |                 | 8,075,241    | 8,576,132    |
| State Transit Assistance (STA) Fund:                    |                 |              |              |
| Regional Transit Authority                              | 6.5/99313       | 1,850,436    | 1,915,000    |
| Regional Transit Authority                              | 6.5/99314       | 154,095      | 161,000      |
| Total STA Fund                                          |                 | 2,004,531    | 2,076,000    |
| Subtotal                                                |                 | 10,079,772   | 10,652,132   |
| Add: Recognition of prior fiscal year unearned revenues |                 | 5,542,930    | 1,704,867    |
| Less: Current fiscal year unearned revenues             |                 | (5,768,830)  | (5,664,389)  |
| Total TDA Allocation                                    |                 | \$ 9,853,872 | \$ 6,692,610 |

Transit system operating subsidies are earned by the Authority to the extent that it has incurred eligible operating expenses. Eligible expenses compared to the subsidies received and accrued were as followed:

|                                                        | 2025          | 2024          |
|--------------------------------------------------------|---------------|---------------|
| Operating and interest expenses                        | \$ 19,936,644 | \$ 19,137,220 |
| Add:                                                   |               |               |
| Capital purchases with LTF and STA funds               | 124,558       | 673,177       |
| Less:                                                  |               |               |
| Depreciation and amortization                          | (3,444,792)   | (3,151,543)   |
| Fare revenues                                          | (1,119,585)   | (1,085,887)   |
| Special events and other revenues                      | (388,807)     | (240,488)     |
| Federal and state operating grants                     | (5,129,585)   | (7,731,169)   |
| Maximum Total Allocation Amount                        | 9,978,433     | 7,601,310     |
| TDA allocations received and accrued                   | 10,079,772    | 10,652,132    |
| Change in TDA transit allocations in unearned revenues | (101,339)     | (3,050,822)   |
| Allocation over/(under) maximum                        | \$ -          | \$ -          |

## NOTE 7 – FARE REVENUE RATIO

The Authority had fare revenue ratios for the fiscal years ended June 30, 2025 and 2024, computed as follows:

| 2025                                                                                               | Fixed Route | Runabout        | Paso Express      | Paso Dial a Ride       |
|----------------------------------------------------------------------------------------------------|-------------|-----------------|-------------------|------------------------|
| Operating fare revenues                                                                            | \$ 704,469  | \$ 116,656      | \$ 158,765        | \$ 5,024               |
| Other local support - federal grants                                                               | 1,924,118   | 998,882         | 297,028           | 59,472                 |
| (a) Net operating revenues                                                                         | 2,628,587   | 1,115,538       | 455,793           | 64,496                 |
| (b) Operating expenses, net of depreciation and pension expense (GASB Statement No. 68 adjustment) | 7,620,207   | 3,981,631       | 811,362           | 162,455                |
| (c) Fare revenue ratio [(a)/(b)]                                                                   | 34.5%       | 28.0%           | 56.2%             | 39.7%                  |
| Minimum ratio required                                                                             | 15.8%       | N/A             | 15.0%             | N/A                    |
| Under minimum ratio requirement                                                                    | N/A*        | N/A*            | N/A*              | N/A*                   |
|                                                                                                    | Nipomo      | Cambria Trolley | Avila Trolley     | SoCo Transit           |
| Operating fare revenues                                                                            | \$ 13,968   | \$ 66           | \$ 9,017          | \$ 110,422             |
| Other local support - federal grants                                                               | -           | -               | 35,540            | 944,460                |
| (a) Net operating revenues                                                                         | 13,968      | 66              | 44,557            | 1,054,882              |
| (b) Operating expenses, net of depreciation and pension expense (GASB Statement No. 68 adjustment) | 529,299     | 8,681           | 72,143            | 2,185,075              |
| (c) Fare revenue ratio [(a)/(b)]                                                                   | 2.6%        | 0.8%            | 61.8%             | 48.3%                  |
| Minimum ratio required                                                                             | N/A         | N/A             | 15.0%             | 15.0%                  |
| Under minimum ratio requirement                                                                    | N/A*        | N/A*            | N/A*              | N/A*                   |
|                                                                                                    | Other       | Morro Bay       | Morro Bay Trolley | Atascadero Dial A Ride |
| Operating fare revenues                                                                            | \$ 333      | \$ 254          | \$ 373            | \$ 238                 |
| Other local support - federal grants                                                               | -           | -               | -                 | -                      |
| (a) Net operating revenues                                                                         | 333         | 254             | 373               | 238                    |
| (b) Operating expenses, net of depreciation and pension expense (GASB Statement No. 68 adjustment) | 50,567      | 38,250          | 14,232            | 7,411                  |
| (c) Fare revenue ratio [(a)/(b)]                                                                   | 0.7%        | 0.7%            | 2.6%              | 3.2%                   |
| Minimum ratio required                                                                             | N/A         | N/A             | N/A               | 15.0%                  |
| Under minimum ratio requirement                                                                    | N/A*        | N/A*            | N/A*              | N/A*                   |

## NOTE 7 – FARE REVENUE RATIO (Continued)

| 2024                                                                                               | Fixed Route | Runabout        | Paso Express  | Paso Dial a Ride |        |
|----------------------------------------------------------------------------------------------------|-------------|-----------------|---------------|------------------|--------|
| Operating fare revenues                                                                            | \$ 692,192  | \$ 109,605      | \$ 151,436    | \$ 4,769         |        |
| Other local support - federal grants                                                               | 2,263,644   | 1,630,718       | 365,135       | 74,622           |        |
| (a) Net operating revenues                                                                         | 2,955,836   | 1,740,323       | 516,571       | 79,391           |        |
| (b) Operating expenses, net of depreciation and pension expense (GASB Statement No. 68 adjustment) | 7,398,849   | 3,733,421       | 881,706       | 154,012          |        |
| (c) Fare revenue ratio [(a)/(b)]                                                                   | 39.9%       | 46.6%           | 58.6%         | 51.5%            |        |
| Minimum ratio required                                                                             | 15.8%       | N/A             | 15.0%         | N/A              |        |
| Under minimum ratio requirement                                                                    | N/A*        | N/A*            | N/A*          | N/A*             |        |
|                                                                                                    | Nipomo      | Cambria Trolley | Avila Trolley | SoCo Transit     | Other  |
| Operating fare revenues                                                                            | \$ 14,075   | \$ -            | \$ 6,469      | \$ 107,313       | \$ 28  |
| Other local support - federal grants                                                               | -           | -               | 33,516        | 1,080,504        | -      |
| (a) Net operating revenues                                                                         | 14,075      | -               | 39,985        | 1,187,817        | 28     |
| (b) Operating expenses, net of depreciation and pension expense (GASB Statement No. 68 adjustment) | 605,568     | 6,319           | 73,500        | 2,268,321        | 31,537 |
| (c) Fare revenue ratio [(a)/(b)]                                                                   | 2.3%        | 0.0%            | 54.4%         | 52.4%            | 0.1%   |
| Minimum ratio required                                                                             | N/A         | N/A             | 15.0%         | 15.0%            | N/A    |
| Under minimum ratio requirement                                                                    | N/A*        | N/A*            | N/A*          | N/A*             | N/A*   |

\* Due to COVID-19, the fare revenue ratio was waived for the fiscal years ended June 30, 2025 and 2024.

## NOTE 8 – LONG-TERM LIABILITIES

|                                                                       | Balance<br>July 1, 2024 | Increases           | Decreases             | Balance at June 30, 2025 |                   |                      |
|-----------------------------------------------------------------------|-------------------------|---------------------|-----------------------|--------------------------|-------------------|----------------------|
|                                                                       |                         |                     |                       | Total                    | Current           | Long-Term            |
| Pacific Western Bank                                                  | \$ 350,255              | \$ -                | \$ (350,255)          | \$ -                     | \$ -              | \$ -                 |
| Transportation Infrastructure Finance and Innovation Act (TIFIA) loan | 11,960,910              | -                   | -                     | 11,960,910               | 346,829           | 11,614,081           |
| Leases                                                                | 92,442                  | 36,533              | (49,922)              | 79,053                   | 49,886            | 29,167               |
| Compensated absences                                                  | 363,626                 | 478,216             | (494,475)             | 347,367                  | 86,842            | 260,525              |
| Total OPEB liability                                                  | 15,605                  | -                   | (3,072)               | 12,533                   | 3,072             | 9,461                |
| Net pension liability                                                 | 4,897,352               | 614,137             | -                     | 5,511,489                | -                 | 5,511,489            |
| Pension plan exit liability                                           | 348,583                 | -                   | (172,378)             | 176,205                  | 176,205           | -                    |
| Total long-term liabilities                                           | <u>\$ 18,028,773</u>    | <u>\$ 1,128,886</u> | <u>\$ (1,070,102)</u> | <u>\$ 18,087,557</u>     | <u>\$ 662,834</u> | <u>\$ 17,424,723</u> |

|                                                                       | Balance<br>July 1, 2023 | Increases         | Decreases             | Balance at June 30, 2024 |                   |                      |
|-----------------------------------------------------------------------|-------------------------|-------------------|-----------------------|--------------------------|-------------------|----------------------|
|                                                                       |                         |                   |                       | Total                    | Current           | Long-Term            |
| Pacific Western Bank                                                  | \$ 690,116              | \$ -              | \$ (339,861)          | \$ 350,255               | \$ 350,255        | \$ -                 |
| Transportation Infrastructure Finance and Innovation Act (TIFIA) loan | 11,960,910              | -                 | -                     | 11,960,910               | -                 | 11,960,910           |
| Leases                                                                | 105,842                 | 36,557            | (49,957)              | 92,442                   | 49,922            | 42,520               |
| Compensated absences                                                  | 321,227                 | 479,451           | (437,052)             | 363,626                  | 90,907            | 272,719              |
| Total OPEB liability                                                  | 20,213                  | -                 | (4,608)               | 15,605                   | 3,072             | 12,533               |
| Net pension liability                                                 | 4,841,422               | 55,930            | -                     | 4,897,352                | -                 | 4,897,352            |
| Pension plan exit liability                                           | 517,215                 | -                 | (168,632)             | 348,583                  | 172,378           | 176,205              |
| Total long-term liabilities                                           | <u>\$ 18,456,945</u>    | <u>\$ 571,938</u> | <u>\$ (1,000,110)</u> | <u>\$ 18,028,773</u>     | <u>\$ 666,534</u> | <u>\$ 17,362,239</u> |

**NOTE 8 – LONG-TERM LIABILITIES** (Continued)

On September 3, 2020, the Authority entered into a loan agreement with TIFIA for a principal amount not to exceed \$13,080,000 to be used to pay a portion of eligible project costs. As of June 30, 2025 and 2024, the Authority has drawn down \$11,960,910. The loan bears an interest rate of 0.7%. The maturity date is July 1, 2056.

At June 30, 2025, future minimum payments were as follows:

| Fiscal Year Ended<br>June 30, | Principal            | Interest            |
|-------------------------------|----------------------|---------------------|
| 2026                          | \$ 346,829           | \$ 83,726           |
| 2027                          | 349,257              | 81,298              |
| 2028                          | 351,702              | 78,853              |
| 2029                          | 354,164              | 76,392              |
| 2030                          | 356,643              | 73,912              |
| 2031-2035                     | 1,821,012            | 331,765             |
| 2036-2040                     | 1,885,647            | 267,132             |
| 2041-2045                     | 1,952,574            | 200,203             |
| 2046-2050                     | 2,021,878            | 130,899             |
| 2051-2055                     | 2,093,641            | 59,136              |
| 2056-2057                     | 427,563              | 2,993               |
|                               | <u>\$ 11,960,910</u> | <u>\$ 1,386,309</u> |

On July 21, 2020, the Authority entered into a loan agreement with Pacific Western Bank for a principal amount not to exceed \$1,020,000 to be used to pay a portion of eligible project costs. As of June 30, 2025 and 2024, the Authority has drawn down \$0 and \$350,255, respectively. The loan bears an interest rate of 3.0%. The loan was paid off as of June 30, 2025.

On July 1, 2021, the Authority entered into a 42-month lease as lessee for the use of a portion of the County's premises. An initial lease liability was recorded in the amount of \$127,808. On May 8, 2024, the lease was extended to December 31, 2025, and on August 21, 2025, the lease was extended to December 31, 2026. As of June 30, 2025 and 2024, the value of the lease liability is \$54,631 and \$54,669, respectively. The Authority is required to make monthly fixed payments of \$4,442 through December 2024, \$3,580 through December 31, 2025, and \$3,723 through December 31, 2026. The lease has an interest rate of 4%. The right-to-use leased asset useful life is 66 months as of the contract commencement. The value of the right-to-use leased asset as of June 30, 2025 and 2024, was \$200,898 and \$164,365, respectively, and accumulated amortization was \$136,956 and \$100,430, respectively. Refer to Note 4 of the financial statements.

At June 30, 2025, future minimum lease payments were as follows:

| Fiscal Year Ended<br>June 30, | Principal        | Interest         |
|-------------------------------|------------------|------------------|
| 2026                          | \$ 36,545        | \$ 7,273         |
| 2027                          | 18,086           | 4,255            |
|                               | <u>\$ 54,631</u> | <u>\$ 11,528</u> |



**NOTE 8 – LONG-TERM LIABILITIES** (Continued)

On July 1, 2021, the Authority entered into a 72-month lease as lessee for the use of a portion of the County's Corp Yard totaling approximately 1.5 acres of real property. An initial lease liability was recorded in the amount of \$77,788. As of June 30, 2025 and 2024, the value of the lease liability is \$24,422 and \$37,773, respectively. The Authority is required to make monthly fixed payments of \$1,320 through March 30, 2026, and \$1,373 through April 30, 2027. The lease has an interest rate of 4%. The right-to-use leased asset useful life was 72 months as of the contract commencement. The value of the right-to-use leased asset as of June 30, 2025 and 2024, was \$77,788, and accumulated amortization was \$51,860 and \$38,895, respectively. Refer to Note 4 of the financial statements.

At June 30, 2025, future minimum lease payments were as follows:

| Fiscal Year Ended<br>June 30, | Principal        | Interest        |
|-------------------------------|------------------|-----------------|
| 2026                          | \$ 13,341        | \$ 2,654        |
| 2027                          | 11,081           | 2,699           |
|                               | <u>\$ 24,422</u> | <u>\$ 5,353</u> |

**NOTE 9 – PENSION PLAN****A. General Information about the Pension Plan***Plan Description*

The Authority contributes to the San Luis Obispo County Employees Retirement Plan (the Plan), which is an independent multiple-employer cost sharing contributory defined benefit pension plan consisting of six employers: the County of San Luis Obispo (the Employer), the Superior Court in San Luis Obispo County, the San Luis Obispo Air Pollution Control District, the San Luis Obispo County Pension Trust, the San Luis Obispo Local Agency Formation Commission, and the Authority. The Plan exists, operates, and is constituted under the authority of Section 53215 of Section 17 of Article XVI of the California Constitution and the Government Code Article 1.5 (Pension Trusts), of Chapter 2 (Officers and Employees), of Part 1 (Powers and Duties Common to Cities, Counties and Other Agencies), of Division 2 (Cities, Counties and Other Agencies), of Title 5 (Local Agencies) of the California Government Code.

Pursuant to the foregoing California Government Code provisions, the County Board of Supervisors established the San Luis Obispo County Pension Trust (the Trust) by the adoption of Chapter 2.56 of the San Luis Obispo County Code. Following the adoption of Chapter 2.56 of the County Code, the Board of Supervisors adopted the By-Laws of the Trust. The Plan is part of those By-Laws. The County Board of Supervisors has the sole authority to amend the Plan's provisions. Participation in the Plan is mandatory for all regular employees. Participants are currently broken into three Tiers depending on date of hire:

|        |                                                                                                                                                                                                                                                                                                                                                                          |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tier 1 | Tier 1 generally includes members hired before January 1, 2011. As of December 31, 2024, there were 0 active Authority-employed members in Tier 1.                                                                                                                                                                                                                       |
| Tier 2 | Tier 2 generally includes members hired on or after January 1, 2011, but before January 1, 2013. Tier 2 only applies to members hired after the date each bargaining unit adopted Tier 2. Members hired in a bargaining unit that did not adopt Tier 2 are considered Tier 1 members. As of December 31, 2024, there were 5 active Authority-employed members in Tier 2. |
| Tier 3 | Tier 3 includes all members hired on or after January 1, 2013. As of December 31, 2024, there were 7 active Authority-employed members in Tier 3.                                                                                                                                                                                                                        |

## **NOTE 9 – PENSION PLAN** (Continued)

### **A. General Information about the Pension Plan** (Continued)

#### *Plan Description* (Continued)

The Trust and the Plan are both administered by the San Luis Obispo County Pension Trust Board of Trustees (the Trustees). Separate stand-alone financial statements are issued for the Plan and are available at the County Auditor-Controller-Treasurer-Tax Collector's office.

The Plan's financial statements are prepared on the accrual basis of accounting. All assets are invested and held pursuant to, and in accordance with, the Investment Policy of the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to formal commitments and statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported market price at current exchange rates.

#### *Benefit Provisions*

Members terminating employment before accruing five years of Trust service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested members who terminate service are required to withdraw their accumulated contributions plus accrued interest. The employer contributions forfeited by non-vested members are absorbed back into the pension trust fund. Members who terminate after earning five years of Trust service credit may leave their contributions on deposit and upon reaching age eligibility elect to take a retirement. Differences between expected and actual experience for vested or non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Plan participants, upon vesting and attaining the minimum retirement age, are entitled to annual retirement benefits as defined in the Plan document. The applicable retirement formula, minimum retirement age, compensation base, post-retirement cost of living adjustment, cost of living adjustment carry over, and final compensation maximum may differ depending upon the Plan provisions in effect at the member's date of hire, the member's classification, the member's age, and the member's bargaining unit. Participants receive their accumulated plan benefits as a life annuity payable monthly upon retirement. In the event of total and permanent disability, participants, upon satisfaction of membership service requirements and other applicable provisions of the Plan, receive disability benefits as defined in the Plan document. The Plan also provides a death benefit of \$1,000 (one thousand) paid to a beneficiary or estate if a member dies after retirement.

For members within Tier 1, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings and may include a compensation pickup for various management bargaining units. For members with Tier 2 or Tier 3 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings with no pickup.

The retirement benefit for Tier 1, Tier 2, and Tier 3 members includes post-retirement cost of living adjustments (COLAs) based upon the Consumer Price Index. Tier 1 member COLAs are limited to a maximum of 3% annually. For Tier 2 and Tier 3 members, COLAs are limited to a maximum of 2% annually. There is no minimum COLA requirement, and COLAs must be approved by the Board of Trustees annually.

**NOTE 9 – PENSION PLAN** (Continued)**A. General Information about the Pension Plan** (Continued)*Contributions*

Plan members are required by statute to contribute to the pension plan. Members' contribution rates are formulated based on age at date of entry and the actuarially calculated future benefits. The Authority is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members.

Member and employer contribution rates for each plan are as follows:

| <u>Plan</u>          | <u>Employer<br/>Contribution<br/>Rates</u> | <u>Employee<br/>Contribution<br/>Rates</u> |
|----------------------|--------------------------------------------|--------------------------------------------|
| Miscellaneous Tier 1 | 0.00%                                      | 0.00%                                      |
| Miscellaneous Tier 2 | 34.36%                                     | 11.79% - 18.56%                            |
| Miscellaneous Tier 3 | 33.87% - 37.87%                            | 6.17% - 17.92%                             |

Contributions to the pension plan from the Authority were \$288,514 and \$279,029 for the fiscal years ended June 30, 2025 and 2024, respectively.

The Plan establishes the basic obligations for employer and member contributions and benefits to and of the retirement system. The actual employer and member contribution rates in effect each fiscal year are based on recommendations made by an independent actuary that are approved by the Board of Trustees and adopted by the County Board of Supervisors.

**B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2025 and 2024, the Authority reported a liability of \$5,511,489 and \$4,897,352, respectively, for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of December 31, 2024 and 2023.

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of January 1, 2024 and 2023. The actuarial assumptions used in the January 1, 2024 and 2023 valuations were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2023. Measurements as of December 31, 2024 and 2023, are based on the fair value of assets on that date, and the total pension liability as of the valuation dates, January 1, 2024 and 2023. The actuarial assumptions were rolled forward to the Plan's fiscal year-ends of December 31, 2024 and 2023. There were no significant events between the January 1, 2024 and 2023 valuation dates and the December 31, 2024 and 2023 measurement dates for the Plan's GASB Statement No. 67 valuation.

The Authority's proportion of the net pension liability was based on the projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2025 and 2024, (measurement dates December 31, 2024 and 2023) was as follows:

|                                |                        |
|--------------------------------|------------------------|
| Proportion - December 31, 2023 | 0.48770%               |
| Proportion - December 31, 2024 | <u>0.51020%</u>        |
| Change - Increase (Decrease)   | <u><u>0.02250%</u></u> |

**NOTE 9 – PENSION PLAN** (Continued)**B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**  
(Continued)

|                                |                  |
|--------------------------------|------------------|
| Proportion - December 31, 2022 | 0.48980%         |
| Proportion - December 31, 2023 | <u>0.48770%</u>  |
| Change - Increase (Decrease)   | <u>-0.00210%</u> |

For the fiscal years ended June 30, 2025 and 2024, the Authority recognized pension expense of \$877,578 and \$631,885, respectively. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method and plan benefits.

At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| December 31, 2024                                                               | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Authority contributions subsequent to measurement date                          | \$ 288,514                        | \$ -                             |
| Differences between actual and expected experience                              | 342,157                           | -                                |
| Changes in assumptions                                                          | 411,197                           | -                                |
| Net difference between projected and actual earnings<br>on plan investments     | 336,673                           | -                                |
| Adjustment due to differences in proportions                                    | 222,321                           | 65,810                           |
| Differences in actual contributions and proportionate<br>share of contributions | -                                 | -                                |
| Total                                                                           | <u>\$ 1,600,862</u>               | <u>\$ 65,810</u>                 |
| December 31, 2023                                                               | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
| Authority contributions subsequent to measurement date                          | \$ 279,029                        | \$ -                             |
| Differences between actual and expected experience                              | 330,057                           | -                                |
| Changes in assumptions                                                          | 350,096                           | -                                |
| Net difference between projected and actual earnings<br>on plan investments     | 388,377                           | -                                |
| Adjustment due to differences in proportions                                    | 759,093                           | 97,202                           |
| Differences in actual contributions and proportionate<br>share of contributions | -                                 | -                                |
| Total                                                                           | <u>\$ 2,106,652</u>               | <u>\$ 97,202</u>                 |

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$288,514 and \$279,029 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the fiscal years ended June 30, 2025 and 2024, respectively.

**NOTE 9 – PENSION PLAN** (Continued)**B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**  
(Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized the pension expense as follows:

| Fiscal Year Ended<br>June 30 | Amount       |
|------------------------------|--------------|
| 2026                         | \$ 432,157   |
| 2027                         | 470,998      |
| 2028                         | 103,750      |
| 2029                         | 83,120       |
| 2030                         | 156,513      |
|                              | \$ 1,246,538 |

*Actuarial Assumptions*

The total pension liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions:

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| Valuation Date            | January 1, 2024                                                                   |
| Measurement Date          | December 31, 2024                                                                 |
| Actuarial Assumptions:    |                                                                                   |
| Discount Rate             | 6.75%                                                                             |
| Inflation                 | 2.50%                                                                             |
| Projected Salary Increase | 3.00%, plus merit component based on years of service ranging from 0.00% to 5.25% |
| Investment Rate of Return | 6.75%, net of pension plan investment expense, including inflation                |
| COLA Increases            | 3.00% for Tier 1 and 2.00% for Tier 2 and Tier 3                                  |

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for expected inflation.

**NOTE 9 – PENSION PLAN** (Continued)**B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**  
(Continued)*Discount Rate* (Continued)

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

| Asset Class                                | New Strategic Allocation | Weighted Average Long-Term Expected Real Rate of Return |
|--------------------------------------------|--------------------------|---------------------------------------------------------|
| Cash Equivalents/Short Duration Government | 10.00%                   | 4.00%                                                   |
| Equities - Public Market                   | 30.00%                   | 6.25%                                                   |
| Real Assets                                | 15.00%                   | 8.14%                                                   |
| Private Markets                            | 30.00%                   | 8.19%                                                   |
| US Treasury - Long Duration/TIPS           | 15.00%                   | 4.15%                                                   |
| Total                                      | 100.00%                  |                                                         |

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

| December 31, 2024                                                 | 1% Decrease<br>5.75% | Discount Rate<br>6.75% | 1% Increase<br>7.75% |
|-------------------------------------------------------------------|----------------------|------------------------|----------------------|
| Authority's proportionate share of the net pension plan liability | \$ 7,514,791         | \$ 5,511,489           | \$ 3,870,733         |
| December 31, 2023                                                 | 1% Decrease<br>5.75% | Discount Rate<br>6.75% | 1% Increase<br>7.75% |
| Authority's proportionate share of the net pension plan liability | \$ 6,703,593         | \$ 4,897,352           | \$ 3,417,604         |

**NOTE 10 – INSURANCE**

The Authority is exposed to various risks of loss related to torts; theft, damage to, or destruction of an asset; and errors or omissions. The Authority maintains comprehensive general liability including automobile insurance of \$25 million for buses, vans, equipment, and facilities. The Authority also purchases commercial Special Liability Insurance and Special Authority Property Insurance with limits of \$25 million per occurrence and \$100 million annual aggregate.

**NOTE 11 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT**

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B in November 2006, included a program of funding in the amount of \$4 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, \$3.6 billion in the PTMISEA was made available to project sponsors in California for allocation to eligible public transportation projects for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or rolling stock procurement, rehabilitation, expansion, or replacement.

PTMISEA eligibility is based on STA allocations to each project sponsor during the fiscal years 2004-05 through 2015-16 and were made available during the 2016-17 fiscal year. Qualifying expenditures must be encumbered within three years from the date of allocation and expended within three years from the date of the encumbrance.

During the fiscal years ended June 30, 2025 and 2024, the Authority did not receive PTMISEA allocations. Interest earned for the fiscal years ended June 30, 2025 and 2024, was \$263 and \$423, respectively. The Authority had qualifying expenditures of \$14,780 and \$0 for the fiscal years ended June 30, 2025 and 2024, respectively.

| <b>Schedule of PTMISEA Proposition 1B Funds<br/>For the Year Ended June 30, 2025</b> |               |
|--------------------------------------------------------------------------------------|---------------|
| <b>Description</b>                                                                   | <b>Amount</b> |
| <b>Balance - beginning of the year</b>                                               | \$ 14,517     |
| <b>Receipts:</b>                                                                     |               |
| PTMISEA receipts                                                                     | -             |
| Interest accrued 7/1/2024 through 6/30/2025                                          | 263           |
| <b>Expenses:</b>                                                                     |               |
| PTMISEA expenditures                                                                 | 14,780        |
| <b>Balance - end of year</b>                                                         | <u>\$ -</u>   |

| <b>Schedule of PTMISEA Proposition 1B Funds<br/>For the Year Ended June 30, 2024</b> |                  |
|--------------------------------------------------------------------------------------|------------------|
| <b>Description</b>                                                                   | <b>Amount</b>    |
| <b>Balance - beginning of the year</b>                                               | \$ 14,094        |
| <b>Receipts:</b>                                                                     |                  |
| PTMISEA receipts                                                                     | -                |
| Interest accrued 7/1/2023 through 6/30/2024                                          | 423              |
| <b>Expenses:</b>                                                                     |                  |
| PTMISEA expenditures                                                                 | -                |
| <b>Balance - end of year</b>                                                         | <u>\$ 14,517</u> |

#### **NOTE 12 – SENATE BILL 1 – STATE OF GOOD REPAIR**

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit will be referred to as the State of Good Repair (SGR) program. This program provides funding of approximately \$105 million annually to the STA Account. These funds are to be made available for eligible transit maintenance, rehabilitation, and capital projects.

This program demonstrates California's commitment to clean, sustainable transportation, and the role that public transit plays in that vision. While SB1 addresses a variety of transportation needs, this program has a specific goal of keeping transit systems in a state of good repair, including the purchase of new transit vehicles, and maintenance and rehabilitation of transit facilities and vehicles. These new investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions and other pollutants.

During the fiscal years ended June 30, 2025 and 2024, the Authority received \$514,406 and \$85,377, respectively, in SB1 SGR funds. In the fiscal years ended June 30, 2025 and 2024, the Authority spent \$1,558 and \$0, respectively, in SB1 SGR funds.

#### **NOTE 13 – CONTINGENT LIABILITY FOR PENSION PLAN EXIT**

The Authority had contracted with the California Public Employees' Retirement System (CalPERS) since 1994, and administrative, management, and confidential employees were offered participation in the CalPERS defined benefit retirement program. To reduce potential future financial obligations, the Authority's Board of Directors adopted a Resolution of Intention to terminate the Authority's contract with CalPERS on January 9, 2019. Staff subsequently investigated the cost to terminate the contract and an ad hoc committee appointed by the Board of Directors has determined that joining the San Luis Obispo County Employees Retirement Plan provides an equivalent retirement program for employees previously enrolled in CalPERS.

Payments made for the pension plan exit were \$172,378 and \$168,632 during the fiscal years ended June 30, 2025 and 2024, respectively. The remaining pension plan exit liability was \$176,205 and \$348,583 as of June 30, 2025 and 2024, respectively.

#### **NOTE 14 - CERTAIN RISK DISCLOSURES**

The Authority receives a substantial portion of its operating and capital funding from allocations of TDA and STA funds, as well as federal and state transit grants. While these funding sources represent a concentration, management does not believe they present a current vulnerability under GASB Statement No. 102, *Certain Risk Disclosures*. These revenues are recurring, broadly distributed among state and federal programs, and are supplemented by passenger fares, local contributions, and other grant opportunities. In the event of reductions in one source, alternative funding mechanisms are available to sustain operations and capital programs.

#### **NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 10, 2025, the date these financial statements were available to be issued.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30, 2025**

The following table provides required supplementary information regarding the Authority's Pension Plan.

|                                                                                     | 2025              | 2024              | 2023              | 2022              | 2021              |
|-------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Proportion of the net pension liability                                             | 0.51020%          | 0.48770%          | 0.48980%          | 0.51100%          | 0.45130%          |
| Proportionate share of the net pension liability                                    | \$ 5,511,489      | \$ 4,897,352      | \$ 4,841,422      | \$ 3,272,997      | \$ 3,272,997      |
| Covered payroll                                                                     | \$ 1,296,823      | \$ 1,179,231      | \$ 1,160,540      | \$ 980,914        | \$ 540,683        |
| Proportionate share of the net pension liability as a percentage of covered payroll | 425.00%           | 415.30%           | 417.17%           | 333.67%           | 605.34%           |
| Plan's total pension liability                                                      | \$ 2,885,216,023  | \$ 2,712,658,050  | \$ 2,583,068,273  | \$ 2,390,539,528  | \$ 2,247,011,774  |
| Plan's fiduciary net position                                                       | \$ 1,804,957,416  | \$ 1,708,463,155  | \$ 1,594,492,075  | \$ 1,749,962,789  | \$ 1,566,326,195  |
| Plan's fiduciary net position as a percentage of the total pension liability        | 62.56%            | 62.98%            | 61.73%            | 73.20%            | 69.71%            |
|                                                                                     | 2020              | 2019              | 2018              | 2017              | 2016              |
| Proportion of the net pension liability                                             | 0.00637%          | 0.00621%          | 0.00633%          | 0.00629%          | 0.60400%          |
| Proportionate share of the net pension liability                                    | \$ 653,046        | \$ 598,258        | \$ 628,213        | \$ 543,863        | \$ 414,886        |
| Covered payroll                                                                     | \$ 925,276        | \$ 1,030,066      | \$ 832,784        | \$ 822,150        | \$ 473,673        |
| Proportionate share of the net pension liability as a percentage of covered payroll | 70.58%            | 58.08%            | 75.44%            | 66.15%            | 87.59%            |
| Plan's total pension liability                                                      | \$ 41,426,453,489 | \$ 38,944,855,364 | \$ 37,161,348,332 | \$ 33,358,627,624 | \$ 31,771,217,402 |
| Plan's fiduciary net position                                                       | \$ 31,179,414,067 | \$ 29,308,589,559 | \$ 27,244,095,376 | \$ 24,705,532,291 | \$ 24,907,305,871 |
| Plan's fiduciary net position as a percentage of the total pension liability        | 75.26%            | 75.26%            | 73.31%            | 74.06%            | 78.40%            |

**Changes in assumptions**

In 2021, the discount rate was changed from 6.88% to 6.75%.

In 2020, inflation was changed from 2.50 percent to 2.75 percent.

In 2018, inflation was changed from 2.75 percent to 2.50 percent and individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

In 2017, the discount rate was changed from 7.65 percent to 7.15 percent.

In 2016, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
SCHEDULE OF PENSION CONTRIBUTIONS  
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30, 2025**

|                                                                     | <u>2025</u>      | <u>2024</u>      | <u>2023</u>      | <u>2022</u>      | <u>2021</u>      |
|---------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution (actuarially determined)        | \$ 461,675       | \$ 409,249       | \$ 353,079       | \$ 312,585       | \$ 245,132       |
| Contribution in relation to the actuarially determined contribution | <u>(461,675)</u> | <u>(409,249)</u> | <u>(353,079)</u> | <u>(312,585)</u> | <u>(245,132)</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Covered payroll                                                     | \$ 1,379,502     | \$ 1,296,823     | \$ 1,179,231     | \$ 1,160,540     | \$ 980,914       |
| Contributions as a percentage of covered payroll                    | 33.47%           | 31.56%           | 29.94%           | 26.93%           | 24.99%           |

|                                                                     | <u>2020</u>     | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      |
|---------------------------------------------------------------------|-----------------|------------------|------------------|------------------|------------------|
| Contractually required contribution (actuarially determined)        | \$ 81,697       | \$ 121,671       | \$ 120,722       | \$ 108,461       | \$ 126,258       |
| Contribution in relation to the actuarially determined contribution | <u>(81,697)</u> | <u>(121,671)</u> | <u>(120,722)</u> | <u>(108,461)</u> | <u>(126,258)</u> |
| Contribution deficiency (excess)                                    | <u>\$ -</u>     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Covered payroll                                                     | \$ 540,683      | \$ 925,276       | \$ 1,030,066     | \$ 832,784       | \$ 822,150       |
| Contributions as a percentage of covered payroll                    | 15.11%          | 13.15%           | 11.72%           | 13.02%           | 15.36%           |

**Notes to Schedule**

|                           |                                                                                   |
|---------------------------|-----------------------------------------------------------------------------------|
| Valuation Date            | January 1, 2024                                                                   |
| Measurement Date          | December 31, 2024                                                                 |
| Actuarial Assumptions:    |                                                                                   |
| Discount Rate             | 6.75%                                                                             |
| Inflation                 | 2.50%                                                                             |
| Projected Salary Increase | 3.00%, plus merit component based on years of service ranging from 0.00% to 5.25% |
| Investment Rate of Return | 6.75%, net of pension plan investment expense, including inflation                |
| COLA Increases            | 3.00% for Tier 1 and 2.00% for Tier 2 and Tier 3                                  |

## **SUPPLEMENTARY INFORMATION**

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

|                                                        | <u>Adopted Budget</u> | <u>Actual</u>     | <u>Variance with<br/>Budget</u> |
|--------------------------------------------------------|-----------------------|-------------------|---------------------------------|
| <b>Administration:</b>                                 |                       |                   |                                 |
| Labor                                                  | \$ 1,334,260          | \$ 1,355,234      | \$ (20,974)                     |
| Labor - Administration Workers Comp                    | 47,560                | 39,123            | 8,437                           |
| Office Space Rental                                    | 59,770                | 56,837            | 2,933                           |
| Property Insurance                                     | 283,570               | 281,598           | 1,972                           |
| Professional Technical Services                        | 320,550               | 290,774           | 29,776                          |
| Professional Development                               | 97,340                | 48,618            | 48,722                          |
| Operating Expense                                      | 419,320               | 441,056           | (21,736)                        |
| Marketing and Reproduction                             | 141,300               | 107,394           | 33,906                          |
| North County Management Contract                       | (59,030)              | (59,030)          | -                               |
| County Management Contract                             | (121,670)             | (121,670)         | -                               |
| SCT Management Contract                                | (141,160)             | (141,160)         | -                               |
| <b>Total Administration</b>                            | <u>2,381,810</u>      | <u>2,298,774</u>  | <u>83,036</u>                   |
| <b>Service Delivery:</b>                               |                       |                   |                                 |
| Labor - Operations - Bus Operators                     | 5,581,200             | 4,938,608         | 642,592                         |
| Labor - Operations - Training Staff                    | 422,910               | 412,729           | 10,181                          |
| Labor - Operations - Operations Supervisors/Schedulers | 1,551,600             | 1,469,523         | 82,077                          |
| Labor - Operations - Ops Mgt./Oversight                | 448,750               | 460,829           | (12,079)                        |
| Labor - Operations Workers Comp                        | 360,680               | 296,699           | 63,981                          |
| Labor - Maintenance                                    | 1,998,840             | 1,740,704         | 258,136                         |
| Labor - Maintenance Workers Comp                       | 98,760                | 81,241            | 17,519                          |
| Fuel                                                   | 1,565,280             | 1,318,218         | 247,062                         |
| Insurance                                              | 1,010,430             | 1,009,948         | 482                             |
| Special Transportation (for SLOCAT and Paso)           | 33,500                | 23,375            | 10,125                          |
| Maintenance (Parts, Supplies, Materials)               | 1,059,720             | 760,867           | 298,853                         |
| Maintenance Contract Costs                             | 156,120               | 169,631           | (13,511)                        |
| <b>Total Service Delivery</b>                          | <u>14,287,790</u>     | <u>12,682,372</u> | <u>1,605,418</u>                |
| <b>Capital/Studies:</b>                                |                       |                   |                                 |
| Computer System Maintenance/Upgrades                   | 393,260               | 25,043            | 368,217                         |
| Miscellaneous Capital                                  |                       |                   |                                 |
| Maintenance Equipment                                  | 218,760               | 19,299            | 199,461                         |
| Vehicle ITS/Camera System                              | 18,030                | 16,694            | 1,336                           |
| Bus Stop Improvements                                  | 324,930               | 135,288           | 189,642                         |
| Large Capital Repairs                                  | 402,760               | 76                | 402,684                         |
| Vehicles                                               |                       |                   |                                 |
| Support Vehicles                                       | 45,600                | -                 | 45,600                          |
| Fixed Route Vehicles                                   | 320,650               | 121,887           | 198,763                         |
| Trolley Vehicles                                       | 293,200               | 42,053            | 251,147                         |
| Cutaway and Dial A Ride Vehicles                       | 154,810               | 164,629           | (9,819)                         |
| Runabout Vehicles                                      | 1,125,260             | 277,382           | 847,878                         |
| <b>Total Capital/Studies</b>                           | <u>3,297,260</u>      | <u>802,351</u>    | <u>2,494,909</u>                |

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

|                                                              | <u>Adopted Budget</u>       | <u>Actual</u>               | <u>Variance with<br/>Budget</u> |
|--------------------------------------------------------------|-----------------------------|-----------------------------|---------------------------------|
| Contingency                                                  | 200,040                     | -                           | 200,040                         |
| CalPERS Buyout                                               | 178,310                     | 178,308                     | 2                               |
| Loan Repayments                                              | 472,140                     | 444,635                     | 27,505                          |
| Short Range Transit Plan                                     | 92,030                      | 92,668                      | (638)                           |
| Elks Lane Project                                            | 2,379,560                   | 50,537                      | 2,329,023                       |
| Management Contracts                                         | <u>321,860</u>              | <u>321,860</u>              | <u>-</u>                        |
| <b>TOTAL FUNDING USES</b>                                    | <u><u>\$ 23,610,800</u></u> | <u><u>\$ 16,871,505</u></u> | <u><u>\$ 6,739,295</u></u>      |
| <b>TOTAL EXPENSES, BUDGETARY BASIS</b>                       |                             | \$ 16,871,505               |                                 |
| <b>ADD:</b>                                                  |                             |                             |                                 |
| DEPRECIATION AND AMORTIZATION                                |                             | 3,444,792                   |                                 |
| GASB 68 ADJUSTMENT                                           |                             | 1,088,535                   |                                 |
| <b>LESS:</b>                                                 |                             |                             |                                 |
| LOAN INTEREST PAYMENTS                                       |                             | (94,380)                    |                                 |
| LOAN PRINCIPAL REPAYMENT                                     |                             | (350,255)                   |                                 |
| CALPERS BUYOUT PRINCIPAL PAYMENTS                            |                             | (172,378)                   |                                 |
| CAPITALIZED EXPENSES                                         |                             | <u>(945,555)</u>            |                                 |
| <b>TOTAL OPERATING EXPENSES PER FINANCIAL<br/>STATEMENTS</b> |                             | <u><u>\$ 19,842,264</u></u> |                                 |

Board of Directors  
San Luis Obispo Regional Transit Authority  
San Luis Obispo, California

We have audited the financial statements of the San Luis Obispo Regional Transit Authority (the Authority) for the fiscal year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. During 2025, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 102 – *Certain Risk Disclosures*. We noted no transactions entered into by the Authority during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimate of the useful lives of capital assets for purposes of calculating annual depreciation expense. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of its net pension liability, and related deferred inflows of resources and deferred outflows of resources, are based on actuarial valuations that involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. We evaluated the key factors and assumptions used to develop the estimates of the net pension liability, and related deferred inflows of resources and deferred outflows of resources, in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates in determining its lease liability and right-to-use leased asset. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of capital asset and depreciation, lease liability and right-to-use leased asset, and pension in Notes 4, 8, and 9 to the financial statements, respectively.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 10, 2025.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Pension Contributions, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenses – Budget and Actual, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



**Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
October 10, 2025

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**NOVEMBER 5, 2025**  
**STAFF REPORT**

**AGENDA ITEM:** A-5

**TOPIC:** Transfer of Surplus Vehicles

**PRESENTED BY:** Omar McPherson, Operations Manager

**STAFF RECOMMENDATION:** Authorize Executive Director to Transfer Surplus Vehicles to Other Transportation Provider(s) or to Salvage Vehicles

**BACKGROUND/DISCUSSION:**

In an effort to reduce demand for costly Runabout ADA paratransit services in SLO County, the RTA Board amended its Purchasing Policy in 2016 to allow transfer of surplus vans to other elderly/disabled transportation providers in the county. By all accounts, this innovative process has worked well in our county.

This staff report focuses on the transfer of five model year 2019 Ford E-450-based cutaway vans that have met or exceeded their economically useful lives, and have previously been declared surplus upon the delivery of new replacement vehicles. As part of that surplus declaration, the Board determined that the RTA would have no practical, efficient or appropriate use for the surplus vehicles, nor will it have such a use for them in the near future. The vehicles have exceeded the FTA useful life requirements in age and/or miles (standard of 5-years or 150,000 miles, whichever comes first) and, as a result of the advanced age and mileage, are regularly experiencing mechanical failures. The higher-cost repairs do not make it economically prudent to keep them as part of the active fleet. Below is a table providing information on the six vehicles.

| VEHICLE # | ODOMETER | MAKE | YEAR | VIN               | VEH GVW | CURRENT CONDITION                                                               |
|-----------|----------|------|------|-------------------|---------|---------------------------------------------------------------------------------|
| 1901      | 148,031  | FORD | 2019 | 1FDFE4FS5KDC21600 | 14,500  | Currently in service; will retire when replacement arrives (PO 10/16/2025)      |
| 1902      | 152,095  | FORD | 2019 | 1FDFE4FS7KDC26300 | 14,500  | Currently in service; will retire when replacement arrives (PO 10/16/2025)      |
| 1905      | 132,200  | FORD | 2019 | 1FDFE4FS2KDC26303 | 14,500  | Blown engine; will retire when replacement vans arrive (PO 10/16/2025)          |
| 1907      | 150,174  | FORD | 2019 | 1FDFE4FS6KDC26305 | 14,500  | Currently in service; will retire when replacement arrives (PO 10/16/2025)      |
| 1909      | 111,885  | FORD | 2019 | 1FDFE4FS4KDC26299 | 14,500  | Currently in service; will retire when replacement goes into service early 2026 |

**Authorization to Transfer Vehicles**

The RTA Purchasing Policy requires staff to determine if surplus equipment or vehicles have a per-unit fair market value greater than \$10,000. Should the above listed vehicles have a value greater than \$10,000 at time of disposal and were originally purchased using FTA funds, staff is required to return any remaining federal interest back to the FTA. Staff has completed market value research and we have determined the value of none of the vehicles presented in the table exceed the \$10,000 threshold, so staff is not

suggesting that we ask the accepting transportation agency to pay the fair market value as part of the transfer of the vehicles.

On October 23<sup>rd</sup>, staff solicited interest from organizations that provide wheelchair accessible transportation in our county; we provided an October 27<sup>th</sup> deadline for response – including a requirement that the requesting agency commit to using the transferred vehicles to transport elderly and disabled passengers in SLO County. Below is a recap of the vehicle requests:

1. No governmental agencies are interested in a vehicle transfer.
2. Ride-On Transportation was the first non-profit agency to respond, and requested vehicles 1905 and 1909.
3. Ventura Transit Systems (VTS) was the first for-profit agency to respond, with a request for vehicles 1901, 1902, 1907 and 1909.
4. SLO Safe-Ride was the second for-profit agency to respond, seeking vehicles 1901, 1905 and 1909.
5. The Next Step provided an incomplete response; they did not provide a statement that any transferred vehicles would be used to transport elderly or disabled riders, nor did they specify which vehicle they were interested in.

Staff is seeking authorization to transfer vehicles 1905 and 1909 to Ride-On, and vehicles 1901, 1902 and 1907 to VTS. If any of the requesting agencies fail to follow-through on one or more of the requested vehicles, we would then go down the priority list as presented above. Any remaining vehicles would be either salvaged at a nearby recycler or sold through auction.

### **Staff Recommendation**

Authorize Executive Director to transfer surplus vehicles to other transportation provider(s) or to salvage vehicles.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**NOVEMBER 5, 2025**

**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Executive Director's Report

**PRESENTED BY:** Omar McPherson, Operations Manager

**STAFF RECOMMENDATION:** Receive and File

**BACKGROUND/DISCUSSION:**

**Operations:**

The Employee of the Quarter awards ceremony is planned for October 31<sup>st</sup>, and the EOQ winner will be invited to the November 5<sup>th</sup> Board meeting.

At the September 3<sup>rd</sup> RTA Board meeting, staff provided preliminary findings from the August 10<sup>th</sup> service changes. In general, we did not hear too many complaints about the service reductions on Route 10 SLO-Santa Maria (last two southbound runs end in Nipomo, and reduced service in the Marian Hospital area), the school trippers in Paso Robles and Arroyo Grande were working well, and we continued to monitor the changes on the bidirectional Routes 27/28 along Atlantic City Avenue in Grover Beach. Since that last report, we had to slightly modify the schedule for the Paso Robles school tripper, which improved the on-time performance but initially caused some missed passenger-trips despite outreach on the buses, at affected bus stops, and on our website. Ridership on the new 6:03AM southbound Route 10 SLO-Santa Maria is averaging 12-13 passenger-boardings per trip. Passenger activity along the Atlantic City corridor is higher than it was at the bus stops on former Oak Park and Grand corridors.

Since the previous Board meeting in September, Mauricio completed training and has begun operating in revenue service. Christopher is scheduled to test for his commercial driver's license in the coming days. Five candidates are in the permitting / background check phase and, if successful, each will begin training by mid-November. In total, we have eleven open Bus Operator bids – ten full-time, and one part-time. This is an uncomfortably high number, and I have stressed an "all hands on deck" mentality with our staff to address this shortfall as quickly and as safely as possible.

The Bus Charging and Electrification Study is moving along, although a little behind schedule. The reason we are behind schedule is because we had only been able to operate nine roundtrips on RTA Route 9 SLO-Paso Roble and relatively few local Routes A/B trips in Paso Robles when we started the study – so the in-service data we had collected is not robust enough to help plan for recharging needs in North County. As such, we worked with our funding partner (SLOCOG) to slightly expand the consultant's study scope and contract price to include more in-depth modeling.

I am pleased to announce several promotions and other recruitments:

1. Lucas Huston was promoted to the Training and Safety Manager position in October. Luke began as a Bus Operator in April 2011, and was promoted to Operations Supervisor in 2012 and Training Instructor in May 2018. We are currently recruiting to fill the Training Instructor position.



2. I am also happy to announce that we recruited Francisco Morales into the journey level Mechanic A position. Francisco has a few decades of heavy-duty vehicle maintenance experience, starting with almost a decade in the US Marines and most recently working on transit buses in Santa Maria.

3. We also promoted three Bus Operators to fill recently vacated Operations Supervisor positions. Please welcome new Operations Supervisors Annette Rojas, Javien Evans, and Victor Rodriguez.



### **Marketing & Communications:**

Since we last reported at the September RTA Board meeting, our primary focus was on promoting the new and revised transit services implemented on August 10<sup>th</sup>. We have not focused our marketing efforts on Bus Operator recruitment to help with the high number of vacancies mentioned above. Other marketing efforts included:

- Developed the Fall 2025 Newsletter (see a copy at the end of this report)

- Working with our website development vendor to prepare for the fare changes that will be implemented along with the rollout of the contactless fare-capping system (more on this later in this report).

Please join me in congratulating Marketing and Community Relations Manager Mary Gardner for being elected to another two-year term on the SLO Chamber of Commerce Board of Directors. The Chamber Board is an important conduit to share information about RTA services and how we can help meet the community's transportation needs.

### **Maintenance & Facilities:**

We are working closely with our contractor Electricraft, Inc. for both the Phase 2 Electric Vehicle Servicing Equipment and the Photovoltaic System design/build projects. The RTA-approved design documents have been submitted to the City of SLO for design review and permitting purposes. It should be noted that we are working with SLO City officials to provide newly proposed flood protections that will be completed along with the Phase EVSE project. Once completed, we will receive our final certificate of occupancy for the Bus Maintenance Facility. We anticipate on-site Phase 2 EVSE construction to begin in mid-November after the equipment has been delivered and City permits are fully secured. Electricraft's schedule shows a 22- to 30-day construction period.

We continue to operate the battery-electric buses (BEBs) to their fullest extent possible in order to gauge the new technology's ability to meet our long-term operating needs and to provide more robust results to our *Bus Charging and Electrification Study* consultants. All five BEBs ordered in December 2023 were delivered in October 2025, and we began successfully operating these 2025 BEBs in revenue service on October 15, 2025. Pictures of the more "muted" yet still impactful graphics package is included on pages 3 and 10 of the Fall 2025 newsletter at the end of this report. Our dispatchers are working creatively to schedule all seven BEBs across our fixed-routes – including on Route 9 over the Cuesta Grade – to gain more real-world experience. We have verified that a BEB cannot complete a full day's work on Route 9, and we have to swap out buses during the service day to collect this operating data in "pieces." Nonetheless, we achieved a new BEB milestone in late October, when we operated over 1,100 miles in a single day. Stay tuned for more detailed operating data that I will present at the January 2026 Board meeting.

As discussed in previous meetings, we secured a \$1.7M California Energy Commission grant in partnership with InductEV that would kickstart an inductive opportunity charging program at on-route bus layover locations. However, InductEV was unexpectedly liquidated in late September 2025. The RTA has not expended any funds toward this project, and we do not believe we have any other obligations to the CEC nor to a possible successor company to InductEV.

### **Finance and Administration:**

We are negotiating with Teamsters Local 986 on a new collective bargaining agreement (CBA). The current CBA expires December 31, 2025. We have been meeting on

Wednesday mornings and Thursday afternoons since our kick-off meeting on August 27<sup>th</sup>, and we are making what I consider to be good progress. The CBA covers Bus Operators, Utility employees, Mechanics and the Parts Clerk, totaling a little over 80 employees.

We are currently working with Evergreen Solutions, LLC on a Compensation and Classification Study focused on non-CBA employees. The consultants have distributed the satisfaction surveys and job assessment tool surveys, and they have begun the market surveys using like agency data. The draft report will be presented to the Board at its January 2026 meeting. Following presentation of that study report, staff will work with the Executive Committee to determine if a facilitated Board retreat is advisable to finalize the comp/class study and/or to update the Strategic Business Plan in spring 2026.

As noted at the previous three Board meetings, staff submitted grant applications for the four BEBs authorized at the January 2025 Board meeting, including almost \$2.6 million in discretionary FTA 5339(b) Bus and Bus Facilities funds. Unfortunately, we are still awaiting approval from the FTA for this grant and – based on my conversations with other California transit agency leaders – I do not believe the grant award will be honored. Because our January 2025 notice to proceed (NTP) with GILLIG Corporation for four BEBs included six battery packs along with InductEV charging equipment, we have amended the NTP to instead buy four regular BEBs with seven battery packs. This change will reduce the price by approximately \$70,000 per bus.

A summary of our operating results for the first three months of FY25-26 is provided below. Graphs showing ridership trends are provided at the end of this report.

- RTA core fixed-route annual ridership totaled 123,522 in July, August and September 2025, which is relatively unchanged in comparison to the same period last year (124,028). One bright spot is a 4.5% increase on RTA Route 10 SLO-Santa Maria – despite an overall reduction in service both to the Marian Hospital and late-evening hours into Santa Maria. Overall RTA core fixed-route ridership is still 32% lower than the pre-pandemic total of 181,604. These results are in line with the experience of many intercity fixed-route operators across the globe, where the ridership of local fixed-route operators has essentially recovered while longer/regional routes continue to lag behind.
- When looking at non-core local fixed-route services operated by the RTA, the Paso Express ridership was actually up 28.9% in comparison to pre-pandemic levels (34,502 vs. 26,772), while also up 2.5% in comparison to the first three months in FY24-25 (34,502 vs. 33,665). A large part of the increase is due to boardings by K-12 students, whose yellow school bus travel options have dwindled in recent years.
- South County ridership is still 14.0% below pre-pandemic levels (53,380 vs. 62,092), but it is up 2.7% compared to the same period in FY24-25 (51,956). Some of this increase in ridership can be attributed to the completion of the street



improvements completed at the west end of Grand Avenue in Grover Beach, which required bus route detours and likely made some riders avoid using transit.

- Runabout ridership totaled 6,307 for the first three months in FY25-26, which is down 16.5% compared to the same period in FY24-25 (7,550). The pre-pandemic total was 10,174, which was 38.0% higher than in FY25-26.
- Trends over the past five years for ridership and productivity, which is defined as the average number of passenger-boardings per service hour, are shown in graphs at the end of this report. The graphs illustrate growing ridership year over year for all RTA core fixed-route and Runabout services. We will keep a close eye on Runabout ridership, which does not follow the same relatively predictive seasonal patterns experienced on the fixed-routes.

The tables at the end of this report depict unaudited financial results for the first three months (25%) of the fiscal year. Some important takeaways include:

- In terms of overall non-capital expenses, we expended 26.0% of the annual Administration budget and 20.9% of the annual Operations budget through 25.0% of the fiscal year. The greatest variance was in the Administration area, as we pre-pay a portion of our various property insurance coverages early in the fiscal year. Overall, non-capital expenses are at 21.5%.
- Not surprisingly, the farebox recovery ratio (FRR) for core RTA fixed-route services continues to suffer due to lower ridership compared to pre-pandemic periods at only 9.2%. The FRR was 14.0% for Paso Robles local fixed-route services, 4.1% for South County fixed-route services, 3.5% for Morro Bay services (fixed-route/Call-A-Ride and Trolley), and 2.4% for Atascadero Dial-A-Ride services. Runabout's FRR remains low at 3.1%. The results will remain below our standards until such time that recent high inflation abates and/or ridership more fully recovers.
- The subsidy per passenger-trip on RTA core fixed-route services was \$13.33, while the Runabout result was \$144.93. The subsidy per passenger-trip is \$7.13 for Paso Robles services, \$13.88 for South County services, \$26.56 for Morro Bay services, and \$72.95 for Atascadero services.

## **STAFF RECOMMENDATION**

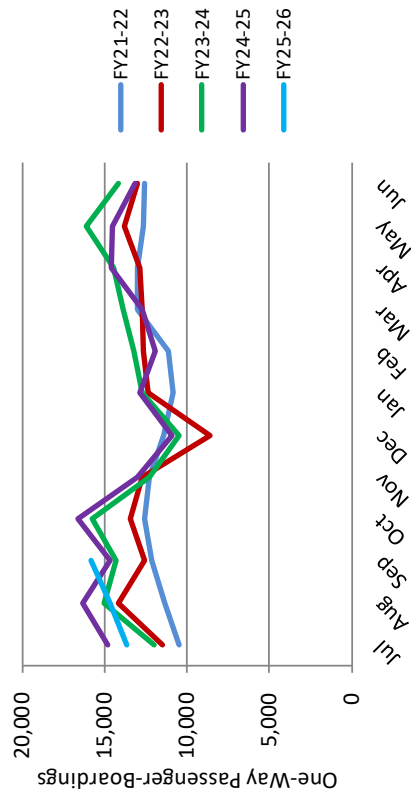
Receive and file.

| SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY |                                                            |                                              |                                               |                                         |                                                    |                                  |            |                                                           |                                             |                                                     |                                                         |                                                          |                 |
|--------------------------------------------|------------------------------------------------------------|----------------------------------------------|-----------------------------------------------|-----------------------------------------|----------------------------------------------------|----------------------------------|------------|-----------------------------------------------------------|---------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|-----------------|
| YEAR TO DATE THRU SEPTEMBER 30, 2025       |                                                            |                                              |                                               |                                         |                                                    |                                  |            |                                                           |                                             |                                                     |                                                         |                                                          |                 |
| CURRENT FISCAL YEAR - 2025/2026            |                                                            |                                              |                                               |                                         |                                                    |                                  |            |                                                           |                                             |                                                     |                                                         |                                                          |                 |
|                                            | RT 9<br>P.R. TEMP.,<br>ATAS., S.M.,<br>CAL POLY,<br>S.L.O. | RT 10<br>S.M.,<br>NIPOMO,<br>A.G.,<br>S.L.O. | RT 12<br>MORRO<br>BAY,<br>CUESTA,<br>SAN LUIS | RT 14<br>CUESTA,<br>SAN LUIS<br>TRIPPER | RT 15<br>SAN SIMA,<br>CAMBRIA,<br>CAYUCOS,<br>MLB. | TOTAL<br>RTA<br>CORE<br>SERVICES | RUNABOUT   | SERVICES<br>PROVIDED<br>FOR THE CITY<br>OF PASO<br>ROBLES | SERVICES<br>PROVIDED<br>FOR SOUTH<br>COUNTY | SERVICES<br>PROVIDED<br>FOR THE<br>COUNTY OF<br>SLO | SERVICES<br>PROVIDED<br>FOR THE CITY<br>OF MORRO<br>BAY | SERVICES<br>PROVIDED<br>FOR THE CITY<br>OF<br>ATASCADERO | SYSTEM<br>TOTAL |
| REVENUES:                                  |                                                            |                                              |                                               |                                         |                                                    |                                  |            |                                                           |                                             |                                                     |                                                         |                                                          |                 |
| FARES                                      | \$ 60,873                                                  | \$ 71,755                                    | \$ 30,818                                     | \$ 4                                    | \$ 4,267                                           | \$ 167,717                       | \$ 29,325  | \$ 40,616                                                 | \$ 25,165                                   | \$ 7,739                                            | \$ 5,362                                                | \$ 2,411                                                 | \$ 278,335      |
| TOTAL ROUTE REVENUES                       | \$ 60,873                                                  | \$ 71,755                                    | \$ 30,818                                     | \$ 4                                    | \$ 4,267                                           | \$ 167,717                       | \$ 29,325  | \$ 40,616                                                 | \$ 25,165                                   | \$ 7,739                                            | \$ 5,362                                                | \$ 2,411                                                 | \$ 278,335      |
| EXPENDITURES:                              |                                                            |                                              |                                               |                                         |                                                    |                                  |            |                                                           |                                             |                                                     |                                                         |                                                          |                 |
| ADMINISTRATION                             | \$ 116,662                                                 | \$ 99,861                                    | \$ 70,017                                     | \$ 531                                  | \$ 35,220                                          | \$ 322,290                       | \$ 205,193 | \$ 56,312                                                 | \$ 120,552                                  | \$ 31,419                                           | \$ 30,085                                               | \$ 19,048                                                | \$ 784,900      |
| MARKETING                                  | -                                                          | -                                            | -                                             | -                                       | -                                                  | -                                | -          | -                                                         | -                                           | -                                                   | -                                                       | -                                                        | -               |
| OPERATIONS/CONTINGENCY                     | 406,850                                                    | 365,339                                      | 245,023                                       | 2,024                                   | 130,774                                            | 1,150,010                        | 622,899    | 199,473                                                   | 419,024                                     | 113,979                                             | 107,849                                                 | 69,507                                                   | 2,682,742       |
| FUEL                                       | 63,372                                                     | 38,668                                       | 38,668                                        | 370                                     | 22,476                                             | 188,277                          | 63,512     | 19,120                                                    | 43,228                                      | 8,701                                               | 9,312                                                   | 5,629                                                    | 337,780         |
| INSURANCE                                  | 51,697                                                     | 51,703                                       | 31,561                                        | 302                                     | 18,334                                             | 153,597                          | 51,802     | 15,596                                                    | 35,263                                      | 7,093                                               | 7,595                                                   | 4,991                                                    | 275,537         |
| TOTAL EXPENDITURES                         | \$ 638,581                                                 | \$ 580,275                                   | \$ 385,288                                    | \$ 3,227                                | \$ 206,804                                         | \$ 1,814,175                     | \$ 943,406 | \$ 290,501                                                | \$ 618,068                                  | \$ 161,192                                          | \$ 154,841                                              | \$ 98,775                                                | \$ 4,080,958    |
| FAREBOX RATIO                              | 9.5%                                                       | 12.4%                                        | 8.0%                                          | 0.1%                                    | 2.1%                                               | 9.2%                             | 3.1%       | 14.0%                                                     | 4.1%                                        | 4.8%                                                | 3.5%                                                    | 2.4%                                                     | 6.8%            |
| SERVICE MILES                              | 78,244.9                                                   | 78,269.9                                     | 47,773.6                                      | 456.9                                   | 27,753.0                                           | 232,498.3                        | 78,385.0   | 23,595.2                                                  | 53,380.3                                    | 10,756.0                                            | 11,497.6                                                | 6,946.0                                                  | 417,058.4       |
| SERVICE HOURS                              | 3,026.3                                                    | 2,579.2                                      | 1,811.9                                       | 13.9                                    | 923.2                                              | 8,354.4                          | 5,344.4    | 1,802.6                                                   | 3,713.2                                     | 1,079.0                                             | 994.3                                                   | 651.3                                                    | 21,939.3        |
| RIDERSHIP (Automatic Counters)             | 44,190                                                     | 43,451                                       | 32,747                                        | 218                                     | 2,916                                              | 123,522                          | 6,307      | 35,070                                                    | 42,720                                      | 4,513                                               | 5,629                                                   | 1,321                                                    | 219,082         |
| RIDERS PER MILE                            | 0.56                                                       | 0.56                                         | 0.69                                          | 0.48                                    | 0.11                                               | 0.53                             | 0.08       | 1.49                                                      | 0.80                                        | 0.42                                                | 0.49                                                    | 0.19                                                     | 0.53            |
| RIDERS PER HOUR                            | 14.6                                                       | 16.8                                         | 18.1                                          | 15.7                                    | 3.2                                                | 14.8                             | 1.2        | 19.5                                                      | 11.5                                        | 4.2                                                 | 5.7                                                     | 2.0                                                      | 10.0            |
| COST PER PASSENGER                         | \$ 14.45                                                   | \$ 13.35                                     | \$ 11.77                                      | \$ 14.80                                | \$ 70.92                                           | \$ 14.69                         | \$ 149.58  | \$ 8.28                                                   | \$ 14.47                                    | \$ 35.72                                            | \$ 27.51                                                | \$ 74.77                                                 | \$ 18.63        |
| SUBSIDY PER PASSENGER                      | \$ 13.07                                                   | \$ 11.70                                     | \$ 10.82                                      | \$ 14.78                                | \$ 69.46                                           | \$ 13.33                         | \$ 144.93  | \$ 7.13                                                   | \$ 13.88                                    | \$ 34.00                                            | \$ 26.56                                                | \$ 72.95                                                 | \$ 17.36        |

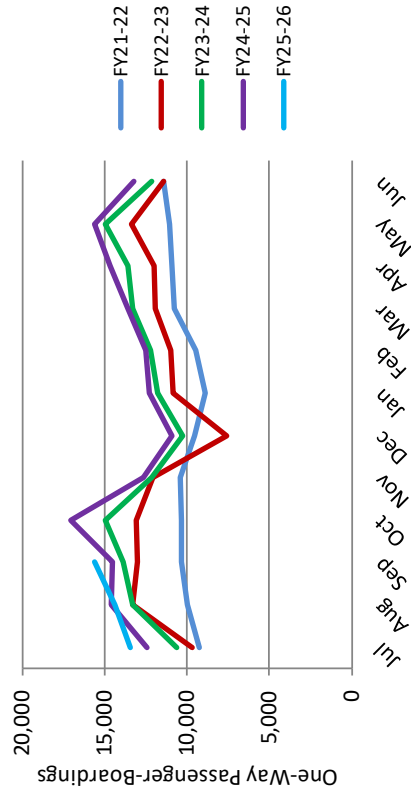
## RTA Budget vs. Actual Expenses (through September 2025)

|                                                                     |                 | Adopted<br>Budget | Year to<br>Date  | Percent of<br>Total Budget |
|---------------------------------------------------------------------|-----------------|-------------------|------------------|----------------------------|
|                                                                     |                 | FY 2025-26        | FY 2025-26       | FY 2025-26                 |
|                                                                     | Hours           | 89,900            | 20,860           | 23.2%                      |
|                                                                     | Miles           | 1,735,020         | 406,302          | 23.4%                      |
| <b>Administration:</b>                                              |                 |                   |                  |                            |
| Labor                                                               | operations cost | 1,539,550         | 354,353          | 23.0%                      |
| Labor - Administration Workers Comp                                 | operations cost | 52,720            | 11,105           | 21.1%                      |
| Office Space Rental                                                 | operations cost | 59,670            | 14,579           | 24.4%                      |
| Property Insurance                                                  | operations cost | 323,370           | 192,846          | 59.6%                      |
| Professional Technical Services                                     | operations cost | 458,710           | 90,508           | 19.7%                      |
| Professional Development                                            | operations cost | 93,290            | 6,777            | 7.3%                       |
| Operating Expense                                                   | operations cost | 368,030           | 95,274           | 25.9%                      |
| Marketing and Reproduction                                          | hourly          | 164,730           | 30,826           | 18.7%                      |
| <b>Total Administration</b>                                         |                 | <b>3,060,070</b>  | <b>796,268</b>   | <b>26.0%</b>               |
| <b>Service Delivery:</b>                                            |                 |                   |                  |                            |
| Labor - Operations - Bus Operators                                  | hourly          | 6,531,680         | 1,308,206        | 20.0%                      |
| Labor - Operations - Training Staff                                 | hourly          | 443,360           | 104,448          | 23.6%                      |
| Labor - Operations - Operations Supervisors/Schedulers              | hourly          | 1,595,710         | 357,475          | 22.4%                      |
| Labor - Operations - Ops Mgt./Oversight                             | hourly          | 506,310           | 113,496          | 22.4%                      |
| Labor - Operations Workers Comp                                     | hourly          | 399,810           | 84,219           | 21.1%                      |
| Labor - Maintenance                                                 | miles           | 2,055,710         | 441,248          | 21.5%                      |
| Labor - Maintenance Workers Comp                                    | miles           | 109,470           | 23,060           | 21.1%                      |
| Fuel                                                                | miles           | 1,629,970         | 337,779          | 20.7%                      |
| Insurance                                                           | miles           | 1,191,000         | 275,537          | 23.1%                      |
| Special Transportation (for SLOCAT)                                 | n/a             | 32,070            | 5,717            | 17.8%                      |
| Maintenance (parts, supplies, materials)                            | miles           | 961,580           | 175,574          | 18.3%                      |
| Maintenance Contract Costs                                          | miles           | 149,840           | 31,002           | 20.7%                      |
| <b>Total Operations</b>                                             |                 | <b>15,606,510</b> | <b>3,257,760</b> | <b>20.9%</b>               |
| <b>Capital/ Studies:</b>                                            |                 |                   |                  |                            |
| Computer System Maintenance/Upgrades                                |                 | 111,570           | 170,545          | 152.9%                     |
| Miscellaneous Capital                                               |                 |                   |                  |                            |
| Maintenance Equipment                                               |                 | 49,600            | 1,457            | 2.9%                       |
| Vehicle ITS/Camera System                                           |                 | -                 | 6,662            | #DIV/0!                    |
| Bus Stop Improvements                                               |                 | 108,000           | 50,212           | 46.5%                      |
| Large Capital Repairs                                               |                 | 375,000           | 303,324          | 80.9%                      |
| Vehicles                                                            |                 |                   |                  |                            |
| Support Vehicles                                                    |                 | 46,600            | 98,248           | 210.8%                     |
| Fixed Route Vehicles                                                |                 | 13,843,000        | 4,971,520        | 35.9%                      |
| Trolley Vehicles                                                    |                 | -                 | -                | #DIV/0!                    |
| Cutaway and Dial A Ride Vehicles                                    |                 | 347,850           | -                | 0.0%                       |
| Runabout Vehicles                                                   |                 | 1,140,100         | -                | 0.0%                       |
| <b>Total Capital Outlay</b>                                         |                 | <b>16,021,720</b> | <b>5,601,968</b> | <b>35.0%</b>               |
| <b>Contingency</b>                                                  | hourly          | <b>224,000</b>    | <b>-</b>         | <b>0.0%</b>                |
| <b>PERS Buyout</b>                                                  |                 | <b>178,310</b>    | <b>44,577</b>    | <b>25.0%</b>               |
| <b>Loan Repayments</b>                                              |                 | <b>458,060</b>    | <b>-</b>         | <b>0.0%</b>                |
| <b>Short Range Transit Plan and Planning</b>                        |                 | <b>65,350</b>     | <b>-</b>         | <b>0.0%</b>                |
| <b>Regional Contactless Fare Payment System</b>                     |                 | <b>388,000</b>    | <b>49,826</b>    | <b>12.8%</b>               |
| <b>Regional Contactless Charging</b>                                |                 | <b>2,266,000</b>  | <b>-</b>         | <b>0.0%</b>                |
| <b>Regional Bus Charging Projects</b>                               |                 | <b>4,000,000</b>  | <b>-</b>         | <b>0.0%</b>                |
| <b>Master Planning &amp; Implementation - Offsite fast charging</b> |                 | <b>2,000,000</b>  | <b>-</b>         | <b>0.0%</b>                |
| <b>TOTAL FUNDING USES</b>                                           |                 | <b>44,268,020</b> | <b>9,750,400</b> | <b>22.0%</b>               |
| <b>TOTAL NON-CAPITAL EXPENDITURES</b>                               |                 | <b>19,068,890</b> | <b>4,098,606</b> | <b>21.5%</b>               |

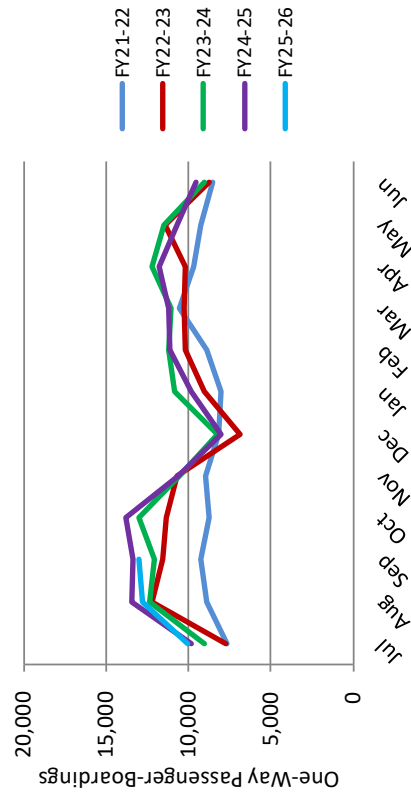
**RTA Route 9 Ridership By Month**



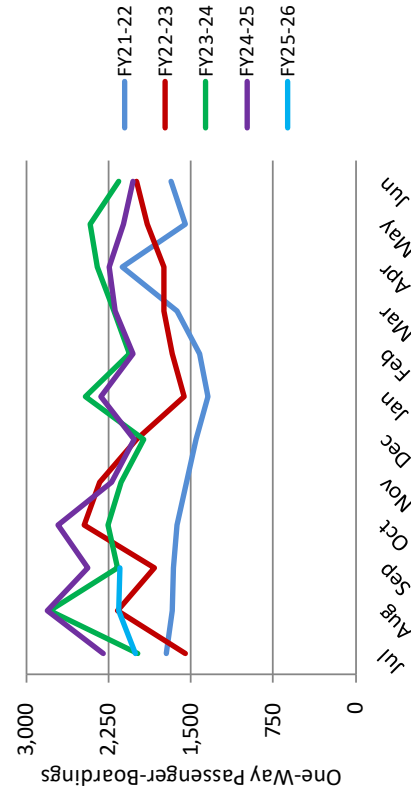
**RTA Route 10 Ridership By Month**



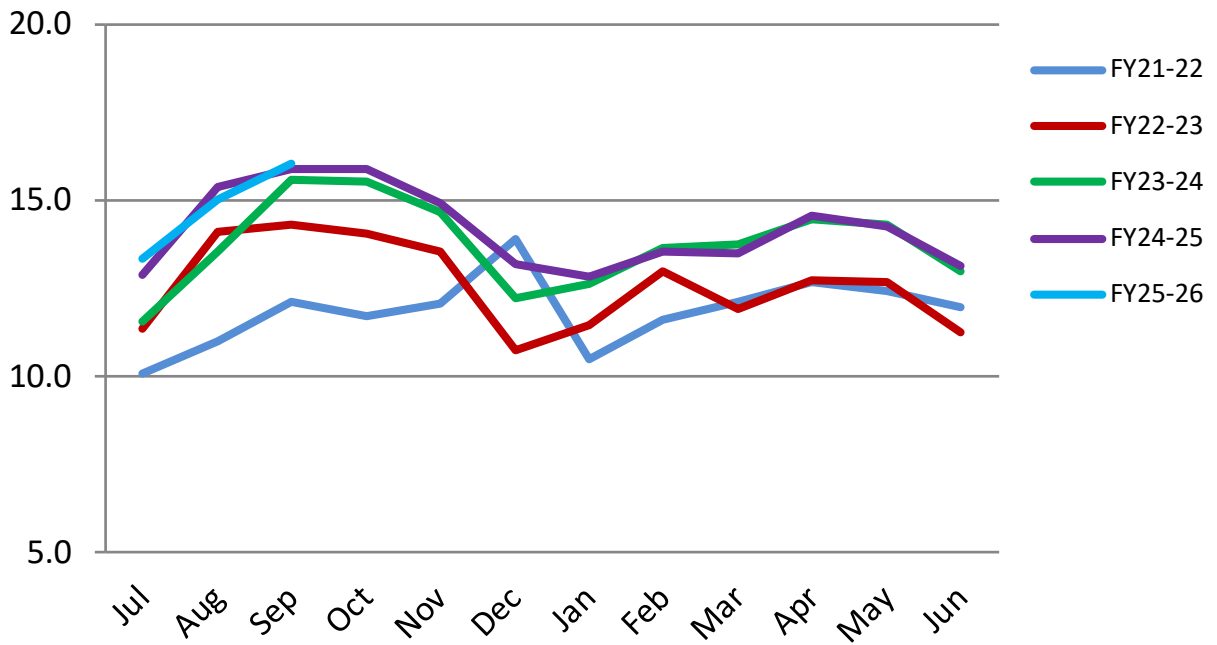
**RTA Rtes. 12, 14 & 15 Pass./Mo.**



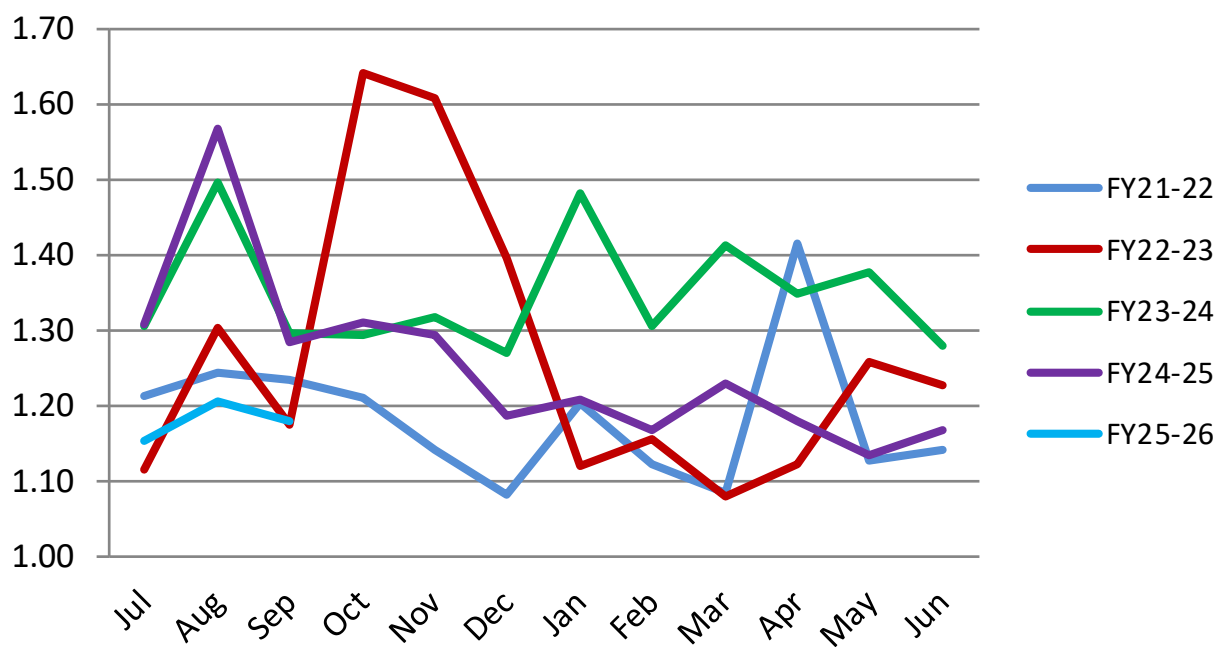
**RTA Runabout Ridership by Mo.**



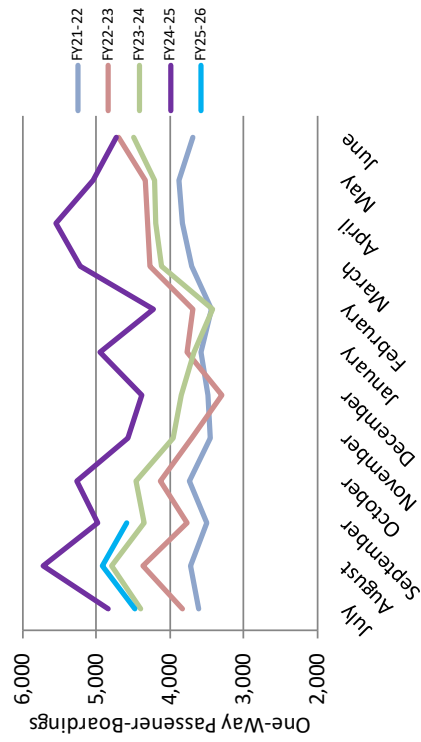
## RTA Fixed Route Productivity



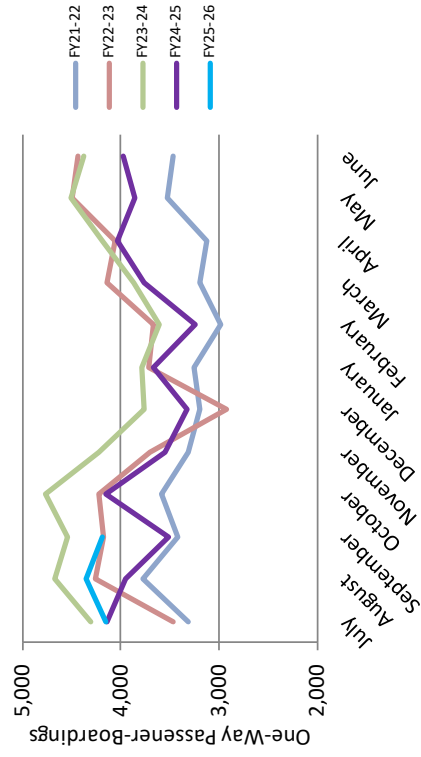
## RTA Runabout Productivity



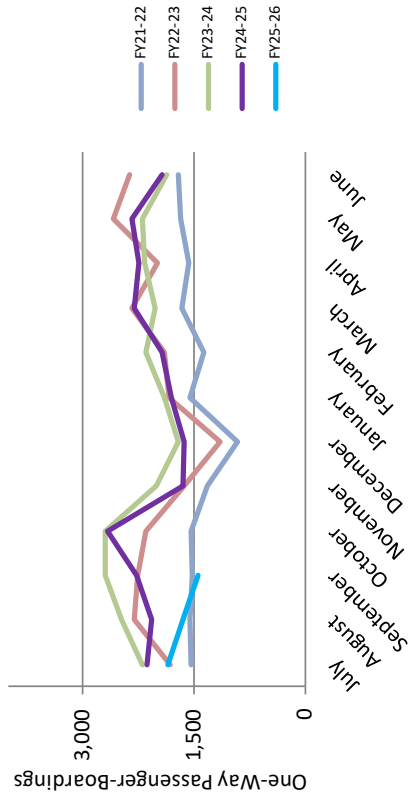
### Route 21 Ridership By Month



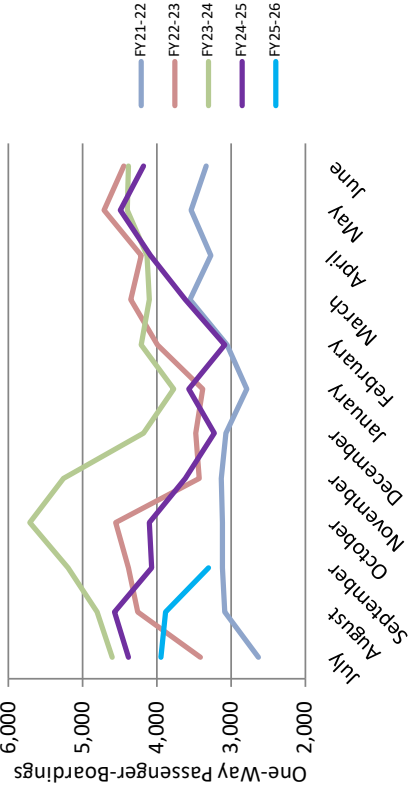
### Route 24 Ridership By Month

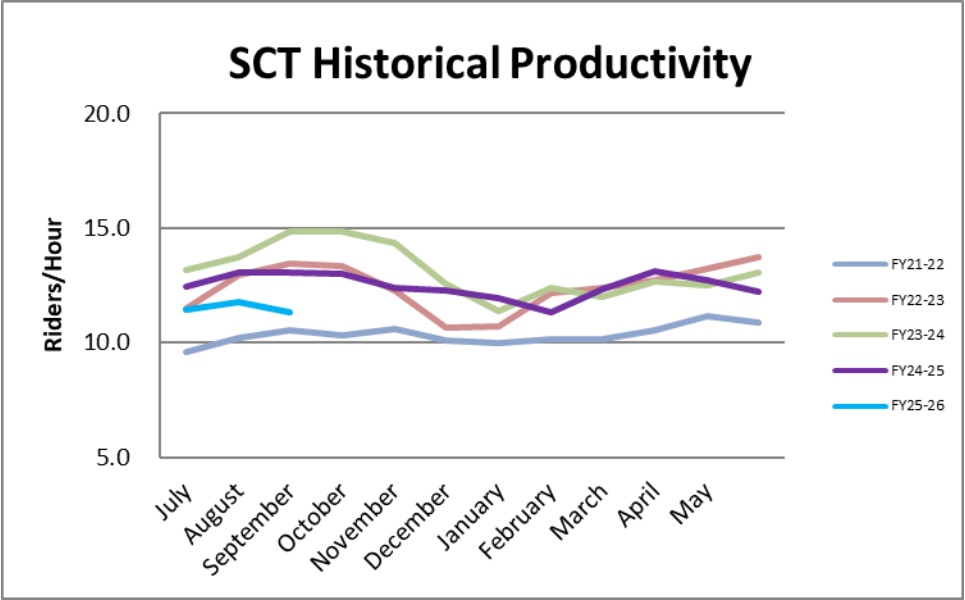


### Route 27 Ridership By Month



### Route 28 Ridership By Month





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# RTA

Fall  
Newsletter  
2025



## Geoff's Company Update

### Transition of Morro Bay Transit and Atascadero Dial-a-Ride into the RTA

We are pleased to be providing efficient and customer-focused transit for the cities of Atascadero and Morro Bay. The primary MB Transit service is a unidirectional, hourly weekday fixed-route loop that also provides customer-requested deviations up to  $\frac{3}{4}$  mile off the route. During the peak visitor season, we also operate two weekend trolley routes. The Atascadero DAR program has been successfully implemented, and we occasionally share Runabout resources in order to gain economies of scale efficiencies. So far, the feedback from passengers specifically and the community in general is that they are very happy with how the transition took place. The quality of our Bus Operators' customer service ranked the highest out of all categories as part of the July 2025 on-bus passenger surveys and online community surveys. For Morro Bay Transit services, we committed to "status quo" for the first year or so, although we are working with the City and their consultant to conduct a Short-Range Transit Plan to help guide decisions about possible future changes to the system; be sure to look on the RTA website to review interim study documents and then stop by or email me to discuss your thoughts.



### Union Negotiations Update

We began negotiations meetings with our Teamsters Union Local 986 representatives in August. We have scheduled meetings on Wednesday mornings and Thursday afternoons so that we afford ourselves plenty of time to work out details before the December 31<sup>st</sup> expiration of the current CBA. I believe if you talk to your employee representatives they will agree with me that the first five meetings have been productive.

### Service Changes from SRTP Implemented on August 10<sup>th</sup>

On Sunday August 10<sup>th</sup>, the RTA began running new services that were included in the Short-Range Transit Plan that was adopted by the RTA Board of Directors at its May 2025 meeting. The service changes were the most significant in a long time, and required Bus Operator training as well as creation of new marketing and communication materials for staff and riders. I'm happy to report that the changes went smoothly and that riders are adjusting and making use of their new options.

### No Bus Rodeo for 2025

I am sad to announce that due to the installation of the new solar electric power grid in our parking lot this fall, we will not be able to hold the annual Bus Rodeo. We look forward to bringing it back in fall 2026.

The next couple months look to be busy ones for the RTA in every department – including fare program changes that are scheduled for February 2026. I'm looking forward to working with you to implement those changes, and I thank you for all you do to make the RTA a great place to work.



# Operations Update

Back on Sunday August 10<sup>th</sup>, RTA implemented a whole set of changes to our system that came as a result of the Short Range Transit Plan. What's amazing is how some seemingly little changes take so much work to put into place. The good news is that our riders like the changes and the new trips are getting well used. Here's some numbers for you:

- The renewed AG High tripper is averaging 29 kids in the afternoon and a whopping 43 kids in the morning!
- The A&B tripper has about 20 kids in the morning and 41 in the afternoon. These trippers were needed!
- The new Rt. 10 early morning run carries 11 people. Not a lot, but I bet they're super happy to be on an early express trip
- The new Rt. 9 afternoon express is just getting started with 10 riders but I expect that to increase now that Cal Poly has started classes.

## **BIKE SAFETY ON THE BUS**

You may have already noticed that we decided to reduce the number of bike slots for the back of our vehicles from three slots to two. This configuration is safer and keeps the back bike area more visible on screen.

This leads to an update in our driving process of Operators looking TWICE at the bike racks before we shut the door and start driving. Our hope is that this little change significantly increases safety for our bike riders. Please see the Safety Alerts for this update.

## **THANK YOU**

I want to say a sincere Thank You to everyone working at RTA for your patience with getting all of the new services in place, pushing forward while we are short staffed, and for providing feedback to keep making our systems better for our riders. It was a lot to go through, I know. I am very grateful and know that the people who work here are the BEST!

*Omar*

# We Need to Hear From You!



## **BUS STOP IMPROVEMENT PLAN (BSIP) TEAM NEVER RESTS!**

Your BSIP team (Andy (Maint), Mary (Marketing), Melissa (Grants) & Stephanie (Maint)) are hard at work implementing the improvements in the Plan. With 349 RTA Bus Stops throughout the County (Including the new Morro Bay stops!)

The RTA DEPENDS UPON YOU to tell us when you see a bus stop in need of some TLC. SEE A NEEDED REPAIR? HAVE AN IDEA TO IMPROVE A BUS STOP? – Tell the BSIP Team! (email [mgardner@slorta.org](mailto:mgardner@slorta.org), call (805) 541-2228 ext.2706 or stop by our offices).



## **REALIGNMENT OF ROUTES 27 & 28 BRING NEW & IMPROVED BUS STOPS!**

Route Improvements, implemented as part of the adopted Short Range Transit Plan, went into effect in August for Routes 27 & 28. The new route along Atlantic City Avenue in Grover Beach will relieve safety concerns, help improve on-time performance and address the needs of the riders in the community. Each new stop has push-button activated solar lighting and simme-seating for the comfort of riders while they wait!

**Check it out:** These stops also feature the new RTA branded bus stop signs!

**The really cool part:** These brand new stops are already pulling great ridership numbers and we expect those numbers to keep growing as the neighborhood notices the new stops that are in place just for them.

*Melissa*

## **1 of 5 new electric buses!**





# Training & Safety Update

**Thank you** to the drivers that helped instruct ARBOC vehicle training and the new routes on the 27 and 28 to other drivers, Luke too. An honorable mention to drivers that Trained-The Trainer on these new routes.

## **Department of Motor Vehicle (DMV) RTA's Newest Third-Party Examiner**

Congratulations to Luke, RTA's current DMV third-party examiner! The Employer Testing Program allows Luke to administer the vehicle inspection, basic control skills and on-road testing with RTA employees to obtain their commercial driver license. Luke's first applicant he tested and licensed was Javien Evans. Congratulations to Javien too!

## **RTA Will Host Transportation Safety Institute (TSI) Instructors Course for**

**Transit Trainers:** Dec.15 to Dec.19, Monday – Friday. 8:00AM – 5:00PM (40 hours)

This instructor-led course provides the U. S. Department of Transportation standardized training program that can be conducted by any transit service provider to train qualified, professional bus operators. Instructors are trained in presentation and creative learning techniques, facilitation methods, and adult learning principles for teaching operator's skills in vehicle operations, emergency management, and customer relations. Upon completion of this course, instructors are certified by the U. S. DOT to train bus operators.

*Instructor Qualifications:* To be a transit instructor in California, you generally need a high school diploma or equivalent, a valid California Commercial Driver's License (CDL) with the appropriate endorsements for the vehicle type you'll instruct on (e.g., Class A or B, Passenger endorsement, Air Brake endorsement, a California Special Driver Certificate (VTT) for the vehicle class, a current Medical Examiner's Certificate,



and a clean driving record. You must also meet the specific RTA experience requirements, often including a minimum number of years of driving experience in a commercial vehicle and a Transit Instructor training course certification.

If you meet the qualifications, you are available to attend the five days of training and want to attend this class please see Omar.

### **Cal-TIP**

Occurrence/Accident Reporting for Supervisors March 18, 2026

We are in the process of confirming that RTA will host one training day with 2-hour sessions during the day. We'll keep you posted on the times of this training. Please contact Shelly if you want to attend this 2-hour class.

### **VTT 2026 Class Dates (Verification of Transit Training)**

Shelly schedules attendees, please check in with her for all scheduling.

- o April 8, 2026, Wednesday
- o April 18, 2026, Saturday
- o May 27, 2026, Wednesday
- o May 30, 2026, Saturday



### **Santa Maria Regional Transit (SMRT) Update**

In September, SMRT began offering new express service from Santa Maria's Crossroads Shopping Center to Downtown San Luis Obispo with no stops in-between. This route is called the 210 and runs eight trips weekday mornings and afternoons (four northbound and four southbound). The SMRT system will accept RTA regional bus passes for this trip along with the SMRT fare options they offer.



If you see this funky bus in town, it's SMRT

# Marketing & Finance Update

Tania and Mary are working with all of the RTA departments on three important projects:

1. **Discount Fare Verification**
2. **Tap-to-Pay Contactless Payment System which includes a Change to Routes 9,10, 12 & 15 Cash Fares**
3. **Fare Capping as part of the new payment system**

There will be a lot for everyone to learn so lets get it started!

## Bringing Discount Fare Verification Back to RTA

Ten years ago (no really, it's been ten years!) RTA had a system to verify a rider's eligibility to pay the discounted fare. Riders had to be over 65 years old, be disabled or have a Medicare card. Once a rider proved that that they were eligible for the discounted fare, their name was put on a list that we printed out on PAPER! Due to the immense resources this process required, RTA decided to stop verifying discount riders and let the riders self-select which fare to pay. But now, with better technology and tools, RTA will return to verifying a rider's eligibility to qualify for the discounted fare. Eligible riders will be issued an RTA **photo ID card** that riders will show to Bus Operators when they board.

### How Will Riders Get the Discount Eligibility Card?

Riders will be able to come into our office where they will complete the basic eligibility form, verify their eligibility, take a picture and we will issue a **Discount Eligibility Card**. Also, our Admin team will be conducting outreach to our partners and community organizations to seek out riders who would qualify for the discount to issue their cards.

**When will this start?** We hope to start issuing discount eligibility cards in October.

**What if they don't have any ID's or the Discount Eligibility card but want to pay the discount fare?** It is going to take a good amount of time to get cards into rider's hands.

Eventually we will require that a rider present a valid card, but until then, the process will remain as it is where the rider selects their fare.

We will publish more info about the discount cards, how riders will use them and what they look like as we get closer to our ability to produce the cards.

# New Contactless Fare Payment Method

In early 2026, the RTA along with SLO Transit, will be launching a new way for riders to pay their fare on the bus with a contactless payment card in a **Tap to Pay** system. The device riders will tap onto is from a company called Kuba and it will be at the front of the bus. Cards that are tap-enabled have the contactless payment icon. We are excited about this new system because it is so fast and easy for the rider to pay their fare.



TAP TO PAY

The device from Kuba will look a lot like this:



## Cash Fare Change

When we have the new Kuba devices installed on the buses, the RTA will implement a new fare structure for our four regional **Routes 9,10, 12 and 15.**

Currently, the RTA uses a zone-based system that charges more for longer rides. This can be confusing for riders and difficult for Bus Operators who are collecting the fares. With the new structure, each boarding will require \$2.00 regular fare or a \$1.00 discounted fare.

Current Cash Fare Structure

| CASH FARES                 |                 |                            |           |             |            |
|----------------------------|-----------------|----------------------------|-----------|-------------|------------|
| CASH FARES<br>FARES        | San Luis Obispo | Santa Margarita Atascadero | Templeton | Paso Robles | San Miguel |
| San Luis Obispo            | \$1.75          | \$2.25                     | \$2.75    | \$3.25      | \$3.25     |
| Santa Margarita Atascadero | \$2.25          | \$1.75                     | \$1.75    | \$2.25      | \$2.75     |
| Templeton                  | \$2.75          | \$1.75                     | \$1.75    | \$1.75      | \$2.25     |
| Paso Robles                | \$3.25          | \$2.25                     | \$1.75    | \$1.75      | \$2.25     |
| San Miguel                 | \$3.25          | \$2.75                     | \$2.25    | \$2.25      | \$1.75     |
| Regional Day Pass: \$5.50  |                 |                            |           |             |            |

**The cash fares for Paso Robles, South County and Morro Bay will not change.**

- Discounted fares for RTA will continue to be for K-12, over 65, Medi care card holders or disabled persons
- The Regional Day Pass, RTA 31-Day Pass, the Regional 31-Day Pass and the 7-Day Pass pricing will not change
- The \$15 dollar Stored Value card will change to an even number \$16
- GFI will still be in-place for collecting cash fares and swiping passes
- Token Transit will also be in use, and riders will scan a QR code on their phone screen on the Kuba device.

New Fare Structure

| Regular | Discount |
|---------|----------|
| \$2     | \$1      |

# What is fare capping?

Fare capping is a system that automatically limits the amount a rider will pay within a specific period of time, such as per day, week, or month. Instead of buying a fixed-price pass upfront, riders pay per ride, and once the total cost of their rides reaches the predetermined cap, any additional rides become free for that period. This system provides cost-certainty for riders by guaranteeing they never pay more than a certain amount and rewards frequent riders by making their later trips free without the need to purchase an expensive pass in advance. The new Tap to Pay system will keep track of the amount a rider spends per day/per month and enables fare capping to happen.

## How does fare capping work?

Here is an example: Let's say a single ride costs \$2, so a rider who commutes to and from work 40 times in a typical month would pay \$80 for the month. But with fare capping that's not what happens. When a rider uses the same payment device, the system will stop charging their card at the cost of an RTA 31-day pass which is \$47 (if they are only riding RTA buses). Or if riding continues in that same 31-days and they were riding Regional buses, it will stop charging the rider at the cost of a Regional 31-day pass which is \$68. If they ride multiple times in a single day, it will stop charging the rider at the cost of a Regional 1-day pass which is \$5.50.

## *Never pay more than the daily or monthly limit*

\$5.50 Daily Limit

|          |                                          |                                                                                      |
|----------|------------------------------------------|--------------------------------------------------------------------------------------|
| DAY PASS | No additional charges after \$5.50 limit |  |
|----------|------------------------------------------|--------------------------------------------------------------------------------------|

\$47 Monthly Limit

|                 |                                        |                                                                                      |
|-----------------|----------------------------------------|--------------------------------------------------------------------------------------|
| 31 DAY RTA PASS | No additional charges after \$47 limit |  |
|-----------------|----------------------------------------|--------------------------------------------------------------------------------------|

## Why is this a good thing?

Fare capping can make public transit more accessible and fair since riders don't need to pay the full purchase of a pass upfront.



## **When will RTA have fare capping?**

We are working with a team of vendors to install an additional fare collecting device on our transit buses that will allow riders to “Tap to Pay” with your tap-enabled debit or credit card. This removes the need to carry cash or to pre-purchase a bus pass (see the article on page 7) This device will collect cash fares via Tap just like you do at a supermarket and when a rider uses the same card to tap, the system will keep track of fares collected by the rider and it will implement fare-capping when it applies.

We hope to start testing this new system on a few buses in December and hope to launch it throughout our system in February 2026. More info on this will be available as we get closer to the start dates.

## **Kuba and Discounted Fares:**

As RTA returns to verifying rider’s eligibility to use the discounted fare, the Kuba system will play an important part in this process too. Riders will be able to verify that they are eligible for the discount and register the same tap-to-pay card as Discount Eligible. In this way, the Kuba system will know who gets the discount and will charge the rider’s card that amount.

The articles on these topics are meant to be an introduction to these items and more information will be distributed as we get closer to the launch dates.



## **Where to get a flu or COVID vaccination if you want one**

Typically, we have included free flu and COVID-19 vaccinations as a part of the annual rodeo. Since that event has been cancelled this year, I want to let you know about some options for getting these vaccinations. I recommend that you contact local pharmacies, visit [VaccineFinder.org](https://www.vaccinefinder.org) or call SLO County Public Health at 805-781-5500 to schedule an appointment at a clinic visit. Bring your insurance card with you when you go. Also SLO County Public Health has pop-up vaccination clinics. Check their website for dates/locations at [slocounty.gov/freefluvaccines](https://slocounty.gov/freefluvaccines). For COVID-19 info please visit [slocounty.ca.gov/covid-19-vaccines](https://slocounty.ca.gov/covid-19-vaccines).

*Shelby*

# New Buses!



We have received four of our new Gillig EV buses and the fifth and final one should be arriving any day. These buses are numbered 2501-2505 and they are very similar to 2301 and 2302.



Other than the toned-down graphics, the most notable differences are the additional safety features. In addition to the conventional roadside and curbside mirrors, these buses came equipped with digital mirrors and cameras. The monitors are mounted to the A pillar on the left, and at the center of the windshield to the right. These monitors project the same image as the driver sees out the mirror with some added bonuses. They provide a sharper image, are easier to see at night, reduce glare (especially since you don't have to see the curb side through the windshield) and the left image will display a forward facing image on half the mirror when the left turn signal is applied which helps eliminate blind spots from the A pillar. I am really excited about these mirrors and if you would like a demo, feel free to ask me or one of the shop crew and we'd be happy to show you.



You may also notice four round circles behind the standee line, these are to mount a belted trainer seat to help keep our training staff in a safe position should the bus make any sudden movements. More buses are making some interesting parking challenges here at the yard so we request extra patience and care when parking. Speaking of parking.....

### **Parking and Construction**

We are excited to announce that we have executed two contracts with the local firm, Electricraft Inc. for some upcoming construction projects here at the SLO Bus Maintenance Facility. Both of these construction projects will further impact our parking and operations here at the yard, but with everyone's teamwork and coordination it will be doable. The first project that will begin construction soon will be adding additional charging infrastructure for our growing EV Fleet. We will be adding nine more overhead chargers to complete the bus charging infrastructure under the canopy. We will also be installing additional level 2 chargers around the gravel Utility yard and along the fence for the smaller EV vehicles. These will be intended to charge our 8 Chevy Bolts, 2 new EV's support Vehicles coming soon (Chevy Equinox and Ford Lightning) and future EV's. The second project will be adding Solar Panels to the Canopy to help offset the energy used by the building.

-Andy

## **Coming soon-ish: New Cuesta bus stop**



Pretty soon we will switch to using the beautiful new bus stop on the Cuesta College SLO campus. Our current stop is at the backside of the campus, but with new construction, our stop will return to the front of the campus where it was years ago. You can see that the stop is close to complete and we hope to have a start date to begin using it soon/in the near future/any time now.



Newbies Newbies Newbies  
We're thrilled that you're here!



Abdi



Victor



Patrick



Jenni



Jordan



Rafael



Josh



Gerardo



Javien



Joseph



Eli



Annette



Mauricio



Christopher

# Employee of the Quarter!



Congratulations to **Madison Bender, Tony Burrows and Hubert Clark** for winning Employee of the Quarter! Each of these fantastic bus operators received enthusiastic, loving and compelling nominations. Congratulations also go out to our Outstanding Achievement award winners **Stephanie Wigger, Luis Trejo, Charlie Cheney, Ed Mamaraldo, Jared Weiss and Sean Conrad.**

## Adios Amigos

We are sad to bid very fond farewells to two long-time coworkers who have retired. Patricia worked 34 years in transit and Roy worked 20 years as bus operator. Both are highly skilled at their jobs and beloved by staff and riders. And while we're happy for you in your new stage of life, we're really going to miss you.





# Golf 2025!



Once a year, RTA employees gather together for a fantastic golf tournament. We have a great time and play with a spirit of fun vs. competition. We are very grateful to Kevin who organizes the event that includes challenges and prizes. You don't have to be great at golf to have a good time playing golf!



Michael's foursome was the winning team!



Thank you Kevin!

Geoff tries to convince us that disc golf is more fun than regular golf







Mel is pretty pleased with getting closest to the pin!



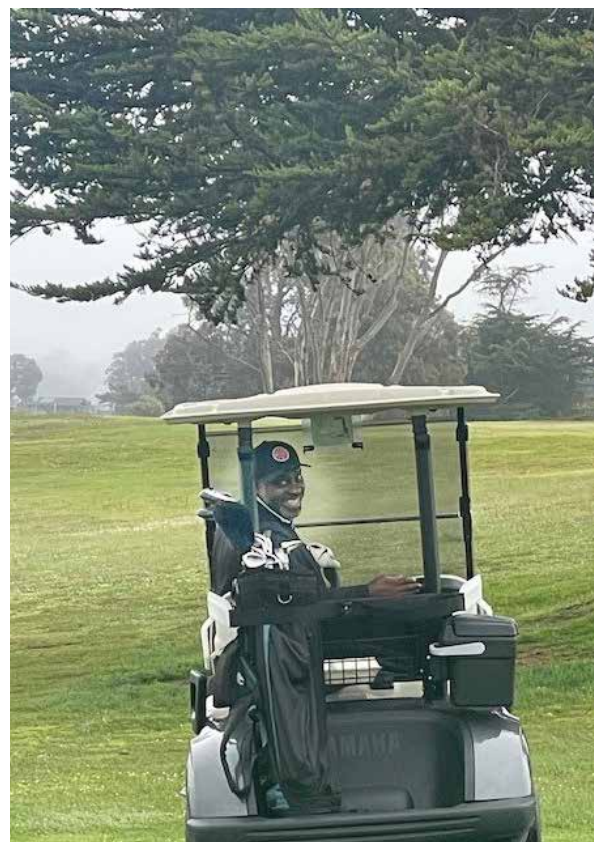
Putting challenge, won by John Holcomb



Shelby's partner Sean got a hole in one!



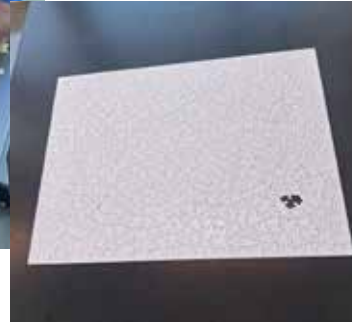
Where's my golf ball?  
Anyone see where it went?







Is he the most patient man in the world? Or, is he driven by sheer stubbornness? Or, is he just a guy who finishes what he starts? Congrats on beating this puzzle John.



### Did you get yours?

Safety Day 2025 came with cool swag! Insulated lunch bags, great for people on the go, which is just about everyone who works here. If you didn't get yours, drop by Mary's office in the Admin department. Or let me know via email and I can send one along to you.

### James Stogsdill's Salsa

- 1- Yellow onion
- 3- Jalapenos
- 1- Serrano
- 1- Big tomato
- 2- Cloves of garlic
- 1- Big Lime
- ½ Bundle of Cilantro
- Salt to taste

Grill the onion, tomato, peppers, and garlic till soft. Put all of it in blender while still hot, and blend to the consistency you like. Salt to what you like. You can add more serrano for more heat. If you want hotter than that, add 2-5 habaneros. If you don't want hot, then don't add serrano and deseed the jalapenos





**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**NOVEMBER 5, 2025**

**STAFF REPORT**

**AGENDA ITEM:** B-2

**TOPIC:** Update on Cal-ITP Contactless Fare System

**ACTION:** Receive

**PRESENTED BY:** Omar McPherson, Operations Manager

**STAFF RECOMMENDATION:** Accept as Information

**BACKGROUND/DISCUSSION**

As noted in previous Board meetings, the California Integrated Travel Project (Cal-ITP) and the California Department of General Services have collaborated to simplify the process for transit providers to implement a contactless fare-capping system. Cal-ITP has also negotiated lower-cost credit card processing fees than would be possible by individual agencies.

Transit fare capping is a fare payment model that sets a maximum amount a rider pays for fares over a specific period, such as a day, week, or longer. Once this cap is reached, the rider does not pay for additional trips taken during that period. The rider is also charged as you go, eliminating the need to pay for the full cost of a 31-Day Pass in advance.

The desire to implement the contactless fare program is to make buying a ride fast and simple, while moving away from the costly GenFare validating farebox system that we currently use. Under the Cal-ITP system, riders can pay using their contactless bank cards or smart device, which reduces dwell time and improves on-time performance. Riders also do not need to learn the fare policies prior to boarding, as the Cal-ITP system will automatically calculate the fare and cap payments for appropriate time constraints.

The RTA Board-adopted Short-Range Transit Plan includes two changes to our existing fare/pass program: **Implement Cal-ITP Open-Loop Contactless Fare-Capping System**, and **Implement a Discount Fare Verification Process**. As part of the **Implement Cal-ITP Open-Loop Contactless Fare-Capping System** element, the Board also authorized a new flat fare on RTA intercity fixed-routes. Under this scenario, a rider would either pay a cash fare each time they board an intercity bus (RTA Routes 9, 10, 12 or 15), while a passenger using a contactless option would “beep” their contactless credit card, ATM card or smart device each time they board. Riders using a contactless card or smart device would only be charged an additional fare if they beeped on another intercity bus after 60 minutes. A \$2.00 general public / \$1.00 discounted flat fare is much simpler to enforce in comparison to our current zone fare

program, it speeds the passenger boarding process, and is much simpler to explain to riders.

It is important to note that local fixed-route fares in SLO County would remain at \$1.50/\$0.75 – whether paying by cash or using a contactless method. These include the local fixed-route services in South County, Paso Robles, Morro Bay and San Luis Obispo.

The San Luis Obispo Council of Governments has funded the Cal-ITP system on all countywide fixed-routes using SB125 funds. This project funds the upfront costs – including the purchase and installation of contactless payment hardware, related software and continuation of Token Transit mobile (smart phone) ticketing – as well as fees for the first five years of operation. As a reminder, all fixed-route services in SLO County currently use Token Transit, which is a mobile ticketing fare program that allows sharing of pre-paid fare media (i.e., a parent sending passes to their children) across smart devices. As part of this Cal-ITP project, the fares purchased with the Token Transit app will have QR Codes that will be embedded in the fare media in the app and be usable on the Cal-ITP readers.

The RTA and SLO Transit began the contracting phase to implement the Cal-ITP system in early 2025 using the following vendors:

1. On-Bus Payment Acceptance Device –agreement with Kuba, Inc.
2. Transit Processor Services – agreement with Littlepay, Inc.
3. Payment Acceptance Services – agreement with Elavon, Inc.

It is anticipated that the contactless fare-capping system will be fully operational by February 2026.

In order to offer a fare payment option for unbanked or underbanked passengers, in the short-term the RTA will promote *BankOn* certified financial institutions in SLO County so that riders can obtain a contactless EMV chipped bank card through a low-fee and easy-entry bank account. *BankOn* is an initiative by the Cities for Financial Empowerment (CFE) Fund that works to ensure everyone has access to safe and affordable banking accounts using national account standards for low-fee banking accounts. When banks and credit unions offer accounts that meet these standards, they can receive *BankOn* certification. There are over 350 certified accounts available with 46,000 branches nationwide. Longer term, the RTA will investigate partnerships with a third party to offer a prepaid card that can be reloaded at RTA pass outlets and possibly other organizations. The target to launch a prepaid card is FY26-27.

**Staff Recommendation for the Board:**

Accept as information.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**NOVEMBER 5, 2025**

**STAFF REPORT**

**AGENDA ITEM:** B-3

**TOPIC:** Update on Discount Fare Eligibility Program

**ACTION:** Receive

**PRESENTED BY:** Omar McPherson, Operations Manager

**STAFF RECOMMENDATION:** Accept as Information

**BACKGROUND/DISCUSSION**

When RTA passengers purchase a multi-ride pass on the Token Transit app or paper passes at pass outlets throughout the County, the passenger has the option to choose which fare category they fall under: General Public or Discount. Similarly, our Bus Operators are instructed to avoid on-bus fare-related conflicts and generally to accept the word of cash-paying riders when they pay the lower Discount cash fare. RTA staff have observed general public passengers paying the Discount cash fare when there is no obvious reason the person qualifies for the lower-cost fare. As such, there is surely abuse of the fare system.

In an effort to reduce fare evasion, the RTA is implementing a Discount Fare Verification Card program in conjunction with the launch of the Cal-ITP system (including the revised Token Transit system). Passengers will be able to sign up in person at pre-arranged locations or through an online portal. We will use two methods for determining eligibility:

1. Electronically through the California Integrated Travel Program (Cal-ITP) online portal for seniors with a Real ID and for persons with disabilities that have submitted Medi-Cal or Social Security verification documentation to Cal-ITP. This will reduce the potential burden for qualifying passengers who may face mobility challenges.
2. Manually through a paper application that riders can submit for staff review and processing. The same verification materials, but in their paper form, will be used when processing manual applications.

Both Cal-ITP and Token Transit allow transit agencies to restrict the ability of users to purchase Discount fares by providing a “good list” of passengers who qualify for Discount fares, and persons buying a Discount pass at a pass outlet would be required to show their Discount Card Verification Card during purchase. All qualified applicants – whether verified in person or through the online portal mentioned above – will be added to the “good list”.

To prevent an eligible person from sharing a physical Discount pass with a rider who is not eligible, the Discount Fare Verification Card will include a picture of the rider; that card must be shown to the Bus Operator upon entering the bus to qualify for the lower Discount fare. The first Discount Fare Verification Card will be provided to the rider at no cost, but replacement cards will require a \$2.00 fee to cover production and postage costs. We have ordered a ruggedized laptop, a digital camera, and a portable identification card printer so that RTA staff can produce the picture identification cards in the field after the application has been validated.

To launch the new Discount Card Verification Card eligibility program, we have identified a temporary Administration employee that will begin in November 2025. Her role will be to provide assistance in the office while our existing Administrative Assistant (Anthony Kalvans) conducts workshops throughout the county over the next six months to complete in-person applications. She and other staff members at our operating office in SLO will be trained to complete the in-person verification process for “walk-ins” during business hours, too.

**Staff Recommendation for the Board:**

Accept as information.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
NOVEMBER 5, 2025  
STAFF REPORT**

**AGENDA ITEM:** C-1

**TOPIC:** Fiscal Year 2025-26 Operating and Capital Budget Amendment #1

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

**STAFF RECOMMENDATION:** Adopt Budget Amendment #1 as Presented

**EXECUTIVE COMMITTEE  
RECOMMENDATION:** No Quorum

**RTAC RECOMMENDATION:** Bring the Fiscal Year 2025-26 Budget Amendment #1 as Presented to the Board for Approval

**BACKGROUND/DISCUSSION:**

The Fiscal Year 2025-26 RTA operating and capital budget was adopted on May 7, 2025 and was based on a range of assumptions, including pending delivery dates for FY24-25 capital projects. Staff is now bringing back capital items that are being carried over from FY24-25 to FY25-26. Staff is also making one adjustment to operating revenue, but this adjustment nets to no overall revenue impact. Please note, none of these adjustments require additional/new funds.

Additionally, as noted at the October 1, 2025 San Luis Obispo Council of Governments (SLOCOG) meeting, a reduction to the State Transit Assistance (STA) allocated to the region totaling approximately \$17,000 resulted in a slight reduction in funding available for the RTA and the services the RTA operates. The total change for RTA core service is just over \$11,000. Given this small amount, the STA change is not included in this budget adjustment. For the services the RTA operates on behalf of jurisdictions, the incremental change is less than \$1,000 per jurisdiction, and did not merit a budget adjustment either.

The proposed changes in this budget amendment are highlighted in yellow in the ensuing pages.

Similar to prior years, as part of the reconciliation process to determine fund balances at the start of FY25-26, the amounts have been adjusted by the Governmental Accounting Standards Board (GASB) Statement 68, which is used to improve the accounting and financial reporting by state and local governments for pensions. This adjustment is completed with the assistance of our annual financial and compliance auditor as part of the financial statements but does not impact the current level of funding for the agency and is noted in the changes included below. One additional adjustment was related to GASB 68: in the RTA financial statements the operating expenses used to calculate the farebox

recovery ratio is now also net of the GASB 68 adjustment, in addition to depreciation. One final adjustment that began with the FY23-24 financial statements was to the TDA farebox recovery ratio related to the addition of "Other Local Support – Federal Grants" to the net operating revenue in accordance with CA Public Utility Code § 99268.19.

**Changes in Operating Revenue for FY25-26 for RTA:**

- Update Federal Transit Administration (FTA) 5311 to revised from \$927,000 to \$800,000
- Corresponding update in Rural Transit Fund/5311 exchange to the revised amount of \$800,000

**Changes in Capital Revenue for FY25-26:**

- The beginning capital projects reserves line-item has been increased from \$1,379,960 to \$1,766,690, which is as a result of STA from FY24-25 that was allocated to projects not completed of \$386,730
- Changes in Non-TDA Sources for the RTA includes:
  - Rural Transit Fund:
    - Nipomo Dial-A-Ride cutaway vehicle increased by \$8,030, from an original \$2,417,660 to an amended \$2,425,690.
  - Carryover FTA Section 5307 funds for:
    - Nipomo Dial-A-Ride cutaway vehicle of \$195,310 (from \$451,500 to \$646,810),
    - Support vehicles of \$242,820 (from \$37,300 to \$280,120),
    - Full cost of a Trolley vehicle (\$200,920) carried forward,
    - Bus stop improvement of \$36,730 (\$86,500 to \$123,230),
    - Dispatch software replacement/upgrade of \$200,000 carried forward, and
    - Maintenance equipment of \$111,200 (\$39,700 to \$150,900).
  - Carryover FTA Section 5339 funds for:
    - Engine replacements for heavy duty fixed route vehicles of \$169,460 (from \$300,000 to \$469,460).
  - Other revenue (from \$1,242,000 to \$1,271,570) for:
    - VW Mitigation funds for balance on e-bus order of 2301 and 2302 of \$26,660, and
    - Credits from purchase of electric support vehicles of \$2,910.

**Changes in Capital Expenditures:**

- Carryover balance of computer system maintenance/upgrades of \$392,470 (from \$111,570 to \$504,040),
- Carryover balance of maintenance equipment of \$139,050 (from \$49,600 to \$188,650),
- Carryover balance of bus stop improvements of \$39,000 (from \$108,000 to \$147,000),
- Carryover balance of large capital repairs of \$211,820 (from \$375,000 to \$586,820),
- Carryover balance for support vehicles of \$306,410 (from \$46,600 to \$353,010),

- Carryover balance for Avila Trolley replacement of \$251,150 (entire amount carried forward),
- Carryover balance for cutaway and Dial-A-Ride vehicles of \$239,120 (from \$347,850 to \$586,970), and
- Adjust balance for Morro Bay Short Range Transit Plan of \$1,750 (from \$65,350 to \$67,100).

These amendments do **not** require any additional LTF funds for FY25-26.

**Staff Recommendation to the Executive Committee<sup>1</sup>:**

Recommend staff provide Budget Amendment #1 to the Board for approval at the November 5, 2025 Board meeting.

**RTAC Recommendation on October 16<sup>th</sup>:**

Recommend staff provide Budget Amendment #1 to the Board for approval at the November 5, 2025 Board meeting.

**Staff Recommendation:**

Adopt Budget Amendment #1 as presented.

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<sup>1</sup> The Executive Committee meeting was cancelled due to lack of quorum.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
OPERATING REVENUE BUDGET FOR 2025/2026

|                  |                                                                | 2024/25<br>Actual<br>Combined | 2025/26<br>Amended<br>Combined<br>Budget | 2025/26<br>Adopted<br>RTA Core<br>Budget | 2025/26<br>Amendment #1<br>RTA Core<br>Budget | 2026/27<br>Projected<br>Combined<br>Budget | 2026/27<br>Projected<br>RTA Core<br>Budget |
|------------------|----------------------------------------------------------------|-------------------------------|------------------------------------------|------------------------------------------|-----------------------------------------------|--------------------------------------------|--------------------------------------------|
| FUNDING SOURCES: |                                                                |                               |                                          |                                          |                                               |                                            |                                            |
|                  | GENERAL RESERVES                                               | 5,268,920                     | 5,781,220                                | 3,501,760                                | 3,501,760                                     | 3,662,130                                  | 2,337,610                                  |
| 1.               | ESTIMATED FUND BALANCE                                         | 5,268,920                     | 5,781,220                                | 3,501,760                                | 3,501,760                                     | 3,662,130                                  | 2,337,610                                  |
| 2.               | LESS REQUIRED RESERVES FOR FISCAL YEAR                         |                               |                                          |                                          |                                               |                                            |                                            |
|                  | CASH FLOW REQUIREMENTS PER TDA                                 | 3,241,530                     | 3,462,130                                | 2,337,610                                | 2,337,610                                     | 3,783,700                                  | 2,616,360                                  |
|                  | OFFSET RESERVE TO CARRYOVER TO FUTURE FISCAL YEARS             | 2,670,558                     | 200,000                                  | -                                        | -                                             | -                                          | -                                          |
|                  | TOTAL                                                          | 5,912,088                     | 3,662,130                                | 2,337,610                                | 2,337,610                                     | 3,783,700                                  | 2,616,360                                  |
| 3.               | FUND BALANCE AVAILABLE                                         | (643,168)                     | 2,119,090                                | 1,164,150                                | 1,164,150                                     | (121,570)                                  | (278,750)                                  |
| NON TDA SOURCES  |                                                                |                               |                                          |                                          |                                               |                                            |                                            |
|                  | FARES                                                          | 1,119,585                     | 1,148,820                                | 849,760                                  | 849,760                                       | 1,206,260                                  | 892,250                                    |
|                  | MANAGEMENT CONTRACT                                            | 321,860                       | -                                        | -                                        | -                                             | -                                          | -                                          |
|                  | INTEREST                                                       | 219,108                       | 135,000                                  | 135,000                                  | 135,000                                       | 135,000                                    | 135,000                                    |
|                  | STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1                   | 1,448,590                     | 1,561,990                                | 494,440                                  | 494,440                                       | 1,725,730                                  | 637,120                                    |
|                  | RURAL TRANSIT FUND (Administration)                            | 30,000                        | 285,410                                  | 285,410                                  | 285,410                                       | 280,000                                    | 280,000                                    |
|                  | FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo     | 840,000                       | 850,500                                  | 850,500                                  | 850,500                                       | 867,600                                    | 867,600                                    |
|                  | FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating           | 783,423                       | 800,000                                  | 927,000                                  | 800,000                                       | 945,600                                    | 945,600                                    |
|                  | FTA (Section 5311) - Operating CARES/CRRSAA/ARPA               | -                             | -                                        | -                                        | -                                             | -                                          | -                                          |
|                  | FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operating | 1,489,500                     | 1,742,500                                | 1,155,700                                | 1,155,700                                     | 1,777,300                                  | 1,178,800                                  |
|                  | FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating        | -                             | -                                        | -                                        | -                                             | -                                          | -                                          |
|                  | FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operating | 1,930,000                     | 2,006,500                                | 969,600                                  | 969,600                                       | 1,893,700                                  | 989,000                                    |
|                  | CUESTA CONTRIBUTION FOR ROUTE 12 AND 14                        | 236,517                       | 113,670                                  | 113,670                                  | 113,670                                       | 123,860                                    | 123,860                                    |
|                  | CUESTA CONTRIBUTION NORTH COUNTY                               | 40,580                        | 40,580                                   | -                                        | -                                             | 40,580                                     | -                                          |
|                  | SPECIAL EVENTS REVENUE/OTHER                                   | 111,710                       | 454,990                                  | 377,390                                  | 377,390                                       | 454,990                                    | 377,390                                    |
| 4.               | SUB TOTAL                                                      | 8,570,873                     | 9,139,960                                | 6,158,470                                | 6,031,470                                     | 9,450,620                                  | 6,426,620                                  |
| 5.               | TOTAL FUND BALANCE & NON TDA FUNDING                           | 7,927,705                     | 11,259,050                               | 7,322,620                                | 7,195,620                                     | 9,329,050                                  | 6,147,870                                  |
| TDA REQUIRED     |                                                                |                               |                                          |                                          |                                               |                                            |                                            |
|                  | CITY OF ARROYO GRANDE                                          | 643,532                       | 774,778                                  | 361,707                                  | 361,707                                       | 1,053,491                                  | 483,260                                    |
|                  | CITY OF ATASCADERO                                             | 655,562                       | 754,623                                  | 610,453                                  | 610,453                                       | 1,005,147                                  | 815,597                                    |
|                  | CITY OF GROVER BEACH                                           | 447,657                       | 538,989                                  | 251,629                                  | 251,629                                       | 732,881                                    | 336,189                                    |
|                  | CITY OF MORRO BAY                                              | 222,999                       | 469,201                                  | 206,871                                  | 206,871                                       | 539,161                                    | 276,391                                    |
|                  | CITY OF PASO ROBLES                                            | 880,099                       | 1,020,544                                | 623,114                                  | 623,114                                       | 1,406,292                                  | 832,512                                    |
|                  | CITY OF PISMO BEACH                                            | 282,412                       | 338,828                                  | 158,183                                  | 158,183                                       | 460,715                                    | 211,340                                    |
|                  | CITY OF SAN LUIS OBISPO                                        | 1,295,399                     | 1,206,522                                | 1,206,522                                | 1,206,522                                     | 1,611,976                                  | 1,611,976                                  |
|                  | COUNTY OF SAN LUIS OBISPO                                      | 3,968,350                     | 3,506,354                                | 3,284,421                                | 3,284,421                                     | 5,092,287                                  | 4,388,156                                  |
|                  | TDA REQUIREMENTS BEFORE 5311 EXCHANGE                          | 8,396,010                     | 8,609,840                                | 6,702,900                                | 6,702,900                                     | 11,901,950                                 | 8,955,420                                  |
|                  | LESS: RURAL TRANSIT FUND/5311 EXCHANGE                         | (792,910)                     | (800,000)                                | (927,000)                                | (800,000)                                     | (945,600)                                  | (945,600)                                  |
| 6.               | NET TDA REQUIREMENTS                                           | 7,603,100                     | 7,809,840                                | 5,775,900                                | 5,902,900                                     | 10,956,350                                 | 8,009,820                                  |
| 7.               | TOTAL FUNDING SOURCES                                          | 15,530,805                    | 19,068,890                               | 13,098,520                               | 13,098,520                                    | 20,285,400                                 | 14,157,690                                 |
| 8.               | FUNDING USES:                                                  |                               |                                          |                                          |                                               |                                            |                                            |
|                  | ADMINISTRATION                                                 | 2,298,774                     | 3,060,070                                | 2,085,030                                | 2,085,030                                     | 3,084,400                                  | 2,140,200                                  |
|                  | PERS BUYOUT                                                    | 178,308                       | 178,310                                  | 178,310                                  | 178,310                                       | -                                          | -                                          |
|                  | BUILDING DECOMMISSIONING                                       | -                             | -                                        | -                                        | -                                             | -                                          | -                                          |
|                  | MANAGEMENT CONTRACTS                                           | 321,860                       | -                                        | -                                        | -                                             | -                                          | -                                          |
|                  | SERVICE DELIVERY                                               | 12,731,863                    | 15,606,510                               | 10,691,260                               | 10,691,260                                    | 16,960,460                                 | 11,858,930                                 |
|                  | CONTINGENCY                                                    | -                             | 224,000                                  | 143,920                                  | 143,920                                       | 240,540                                    | 158,560                                    |
| 9.               | TOTAL FUNDING USES                                             | 15,530,805                    | 19,068,890                               | 13,098,520                               | 13,098,520                                    | 20,285,400                                 | 14,157,690                                 |
|                  |                                                                |                               | -                                        | -                                        |                                               | -                                          | -                                          |

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
CAPITAL AND PLANNING REVENUE BUDGET FOR 2025/2026

|                                                       |                                        | 2024/25<br>Combined<br>Actual<br>Capital Budget | 2025/26<br>Adopted<br>Combined<br>Capital Budget | 2025/26<br>Amendment #1<br>Combined<br>Capital Budget | 2026/27<br>Projected<br>Combined<br>Capital Budget |
|-------------------------------------------------------|----------------------------------------|-------------------------------------------------|--------------------------------------------------|-------------------------------------------------------|----------------------------------------------------|
| FUNDING SOURCES:                                      |                                        |                                                 |                                                  |                                                       |                                                    |
| BEGINNING CAPITAL PROJECTS RESERVE                    |                                        | 1,239,550                                       | 1,379,960                                        | 1,766,690                                             | 1,561,430                                          |
| 1.                                                    | ESTIMATED FUND BALANCE                 | 1,239,550                                       | 1,379,960                                        | 1,766,690                                             | 1,561,430                                          |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| 2.                                                    | LESS REQUIRED RESERVES FOR FISCAL YEAR |                                                 |                                                  |                                                       |                                                    |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| CAPITAL PROJECTS RESERVE                              |                                        | 1,556,815                                       | 1,561,430                                        | 1,561,430                                             | 1,334,480                                          |
| TOTAL                                                 |                                        | 1,556,815                                       | 1,561,430                                        | 1,561,430                                             | 1,334,480                                          |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| 3.                                                    | FUND BALANCE AVAILABLE                 | (317,265)                                       | (181,470)                                        | 205,260                                               | 226,950                                            |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| NON TDA SOURCES                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| STATE TRANSIT ASSISTANCE (STA) WITH SB1 AUGMENTATION  |                                        | 818,670                                         | 442,280                                          | 442,280                                               | 278,540                                            |
| LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)         |                                        | -                                               | -                                                | -                                                     | -                                                  |
| STATE OF GOOD REPAIR                                  |                                        | 1,558                                           | 618,280                                          | 618,280                                               | -                                                  |
| SB125                                                 |                                        |                                                 |                                                  |                                                       | -                                                  |
| Infrastructure (including fare program)               |                                        | 639                                             | 8,654,010                                        | 8,654,010                                             | -                                                  |
| Fixed Route Electric                                  |                                        | -                                               | 1,220,000                                        | 1,220,000                                             | 5,552,000                                          |
| RURAL TRANSIT FUND (Capital)                          |                                        | 9,488                                           | 2,417,660                                        | 2,425,690                                             | 202,360                                            |
| FEDERAL TRANSIT ADM (FTA) (Section 5307)              |                                        | 377,872                                         |                                                  |                                                       |                                                    |
| Fixed Route Electric                                  |                                        |                                                 | 2,280,400                                        | 2,280,400                                             | 4,042,200                                          |
| Fixed Route Non-Electric                              |                                        |                                                 | -                                                | -                                                     | -                                                  |
| Demand Response Electric                              |                                        |                                                 | -                                                | -                                                     | 223,800                                            |
| Demand Response Non-Electric                          |                                        |                                                 | 451,500                                          | 646,810                                               | 140,400                                            |
| ADA Minivans                                          |                                        |                                                 | 517,700                                          | 517,700                                               | 148,200                                            |
| Support Vehicles                                      |                                        |                                                 | 37,300                                           | 280,120                                               | 61,600                                             |
| Trolley                                               |                                        |                                                 | -                                                | 200,920                                               | -                                                  |
| Bus Stop Improvements                                 |                                        |                                                 | 86,500                                           | 123,230                                               | 87,800                                             |
| Dispatch Software Upgrade                             |                                        |                                                 | -                                                | 200,000                                               | -                                                  |
| Vehicle Maintenance Equipment                         |                                        |                                                 | 39,700                                           | 150,900                                               | 40,400                                             |
| FEDERAL TRANSIT ADM (FTA) (Section 5339)              |                                        | 27,089                                          |                                                  |                                                       |                                                    |
| Vehicle Engine Rehab                                  |                                        |                                                 | 300,000                                          | 469,460                                               | -                                                  |
| Fixed Route Electric                                  |                                        |                                                 | 6,615,210                                        | 6,615,210                                             | -                                                  |
| Dial-A-Ride Vehicle Replacement                       |                                        |                                                 | -                                                | -                                                     | -                                                  |
| OTHER                                                 |                                        | 125,890                                         | 1,242,000                                        | 1,271,570                                             | -                                                  |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| 4.                                                    | SUB TOTAL                              | 1,235,315                                       | 24,922,540                                       | 26,116,580                                            | 10,777,300                                         |
| 5.                                                    | TOTAL FUND BALANCE & NON TDA FUNDING   | 918,050                                         | 24,741,070                                       | 26,321,840                                            | 11,004,250                                         |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| TDA REQUIRED                                          |                                        |                                                 |                                                  |                                                       |                                                    |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| CITY OF ARROYO GRANDE                                 |                                        | 24,938                                          | 24,718                                           | 24,718                                                | 24,718                                             |
| CITY OF ATASCADERO                                    |                                        | 42,378                                          | 41,717                                           | 41,717                                                | 41,717                                             |
| CITY OF GROVER BEACH                                  |                                        | 18,631                                          | 17,196                                           | 17,196                                                | 17,196                                             |
| CITY OF MORRO BAY                                     |                                        | 14,364                                          | 14,137                                           | 14,137                                                | 14,137                                             |
| CITY OF PASO ROBLES                                   |                                        | 44,020                                          | 42,582                                           | 42,582                                                | 42,582                                             |
| CITY OF PISMO BEACH                                   |                                        | 11,475                                          | 10,810                                           | 10,810                                                | 10,810                                             |
| CITY OF SAN LUIS OBISPO                               |                                        | 84,985                                          | 82,451                                           | 82,451                                                | 82,451                                             |
| COUNTY OF SAN LUIS OBISPO                             |                                        | 231,349                                         | 224,449                                          | 224,449                                               | 224,449                                            |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| TDA REQUIREMENTS FOR TIFIA LOAN REPAYMENT             |                                        | 472,140                                         | 458,060                                          | 458,060                                               | 458,060                                            |
| 6.                                                    | FINANCING FOR BUS MAINTNEANCE FACILITY | -                                               | -                                                | -                                                     | -                                                  |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| 7.                                                    | TOTAL FUNDING SOURCES                  | 1,390,190                                       | 25,199,130                                       | 26,779,900                                            | 11,462,310                                         |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| 8.                                                    | FUNDING USES:                          |                                                 |                                                  |                                                       |                                                    |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| CAPITAL                                               |                                        | 852,887                                         | 16,021,710                                       | 17,600,740                                            | 11,004,250                                         |
| LOAN PAYMENTS                                         |                                        | 444,635                                         | 458,060                                          | 458,060                                               | 458,060                                            |
| SHORT RANGE TRANSIT PLAN                              |                                        | 92,029                                          | 65,350                                           | 67,100                                                | -                                                  |
| REGIONAL CONTACTLESS FARE PAYMENT SYSTEM              |                                        |                                                 | 388,000                                          | 388,000                                               | -                                                  |
| REGIONAL CONTACTLESS CHARGING                         |                                        |                                                 | 2,266,000                                        | 2,266,000                                             | -                                                  |
| REGIONAL BUS CHARGING PROJECTS                        |                                        | 639                                             | 4,000,020                                        | 4,000,000                                             | -                                                  |
| MASTER PLANNING & IMPLEMENTION- OFFSITE FAST CHARGING |                                        | -                                               | 1,999,990                                        | 2,000,000                                             | -                                                  |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
| 9.                                                    | TOTAL FUNDING USES                     | 1,390,190                                       | 25,199,130                                       | 26,779,900                                            | 11,462,310                                         |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |
|                                                       |                                        |                                                 |                                                  |                                                       |                                                    |

|                                                          | Actual<br>Capital<br>Budget<br>FY 2023-24 | Amendment #1<br>Capital<br>Budget<br>FY 2024-25 | Adopted<br>Capital<br>Budget<br>FY 2025-26 | Amendment #1<br>Capital<br>Budget<br>FY 2025-26 | Projected<br>Capital<br>Budget<br>FY 2026-27 | Projected<br>Capital<br>Budget<br>FY 2027-28 | Projected<br>Capital<br>Budget<br>FY 2028-29 | Projected<br>Capital<br>Budget<br>FY 2029-30 |
|----------------------------------------------------------|-------------------------------------------|-------------------------------------------------|--------------------------------------------|-------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|
| Capital and Planning Expenditures                        |                                           |                                                 |                                            |                                                 |                                              |                                              |                                              |                                              |
| Capital/Studies:                                         |                                           |                                                 |                                            |                                                 |                                              |                                              |                                              |                                              |
| Computer System Maintenance/Upgrades                     | 84,216                                    | 393,260                                         | 111,570                                    | 504,040                                         | 117,150                                      | 123,010                                      | 129,160                                      | 135,620                                      |
| Miscellaneous Capital                                    |                                           |                                                 |                                            |                                                 |                                              |                                              |                                              |                                              |
| Maintenance Equipment                                    | 27,325                                    | 218,760                                         | 49,600                                     | 188,650                                         | 50,400                                       | 51,200                                       | 51,970                                       | 52,750                                       |
| Vehicle ITS/Camera System                                | 126,013                                   | 18,030                                          | -                                          | -                                               | -                                            | -                                            | -                                            | -                                            |
| Bus Stop Improvements                                    | 114,838                                   | 324,930                                         | 108,000                                    | 147,000                                         | 109,700                                      | 111,400                                      | 113,070                                      | 114,770                                      |
| Large Capital Repairs                                    | 842,038                                   | 402,760                                         | 375,000                                    | 586,820                                         | -                                            | -                                            | -                                            | -                                            |
| Vehicles                                                 |                                           |                                                 |                                            |                                                 |                                              |                                              |                                              |                                              |
| Support Vehicles                                         | 259,206                                   | 45,600                                          | 46,600                                     | 353,010                                         | 76,900                                       | 37,800                                       | 80,750                                       | -                                            |
| Fixed Route Vehicles                                     | 2,916,879                                 | 320,650                                         | 13,843,000                                 | 13,843,000                                      | 10,036,600                                   | 3,930,800                                    | 4,091,900                                    | 3,390,600                                    |
| Trolley replacement vehicles                             | -                                         | 293,200                                         | -                                          | 251,150                                         | -                                            | 700,000                                      | -                                            | -                                            |
| Cutaway and Dial A Ride Vehicles                         | -                                         | 154,810                                         | 347,850                                    | 586,970                                         | 165,100                                      | 466,200                                      | -                                            | 180,409                                      |
| Runabout Vehicles                                        | -                                         | 1,125,260                                       | 1,140,100                                  | 1,140,100                                       | 448,400                                      | -                                            | 294,720                                      | -                                            |
| Total Capital Outlay                                     | 4,370,515                                 | 3,297,260                                       | 16,021,720                                 | 17,600,740                                      | 11,004,250                                   | 5,420,410                                    | 4,761,570                                    | 3,874,149                                    |
| Loan Repayments                                          | 444,905                                   | 472,140                                         | 458,060                                    | 458,060                                         | 458,060                                      | 458,060                                      | 458,060                                      | 458,060                                      |
| Short Range Transit Plan                                 | 158,686                                   | 92,030                                          | 65,350                                     | 67,100                                          | -                                            | -                                            | -                                            | 300,000                                      |
| Regional Contactless Fare Payment System                 | -                                         | -                                               | 388,000                                    | 388,000                                         | -                                            | -                                            | -                                            | -                                            |
| Regional Contactless Charging                            | -                                         | -                                               | 2,266,000                                  | 2,266,000                                       | -                                            | -                                            | -                                            | -                                            |
| Regional Bus Charging Projects                           | 51,753                                    | 2,379,560                                       | 4,000,000                                  | 4,000,000                                       | -                                            | -                                            | -                                            | -                                            |
| Master Planning & Implementation - Offsite fast charging | -                                         | -                                               | 2,000,000                                  | 2,000,000                                       | -                                            | -                                            | -                                            | -                                            |
| TOTAL FUNDING USES                                       | 5,025,859                                 | 6,240,990                                       | 25,199,130                                 | 26,779,900                                      | 11,462,310                                   | 5,878,470                                    | 5,219,630                                    | 4,632,209                                    |
|                                                          |                                           |                                                 |                                            |                                                 |                                              |                                              |                                              |                                              |

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|--|-------------------------------------------------------------|-------------------------|
|  | <b>SPECIAL DISTRICT</b>                                     | <b>SAP DOCUMENT NO.</b> |
|  | <u>San Luis Obispo Regional Transit Authority</u><br>(Name) |                         |
|  | <b>BUDGET ADJUSTMENT REQUEST</b>                            | DATE: 11/05/2025        |

| COMMITMENT ITEM<br>DESCRIPTION | DEPARTMENT OR<br>PROJECT TITLE | FUND CENTER | COMMITMENT<br>ITEM | FUNDED<br>PROGRAM | AMOUNT    |
|--------------------------------|--------------------------------|-------------|--------------------|-------------------|-----------|
| <b>FINANCING SOURCES</b>       |                                |             |                    |                   |           |
| FTA 5307 Capital               | RTA                            | 74801       | 4250030            |                   | 1,156,440 |
| STA - SB1                      | RTA                            | 74801       | 4200030            |                   |           |
| RTF/TIRCP/VW                   | RTA                            | 74801       | 4200170            |                   | 37,600    |
| Fund balance available         | RTA                            | 74801       | no entry           |                   | 386,730   |
| <b>TOTAL FINANCING SOURCES</b> |                                |             |                    |                   | 1,580,770 |
| <b>FINANCING USES</b>          |                                |             |                    |                   |           |
| Capital Equipment              | RTA                            | 74801       | 5500093            |                   | 1,580,770 |
| <b>TOTAL FINANCING USES</b>    |                                |             |                    |                   | 1,580,770 |

**JUSTIFICATION:** (attach letter if required)

See attached staff reports

C-1 from the RTA November 5, 2025 Board Meeting

**REQUESTED BY:**

**REVIEWED BY**

**APPROVED BY**

11/05/2025

Date

Tania Arnold

Name

Date

Auditor-Controller

PASSED AND ADOPTED by the Board of Directors of the San Luis Obispo Regional Transit Authority, County of San Luis Obispo, State of California, this 5th day of November, 20 25. Agenda Item No. C-1

\_\_\_\_\_  
President of the Board of Directors

Of San Luis Obispo Regional Transit Authority

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
NOVEMBER 5, 2025  
STAFF REPORT**

**AGENDA ITEM:** C-2

**TOPIC:** RTA Charter Services Policy

**PRESENTED BY:** Omar McPherson, Operations Manager

**STAFF RECOMMENDATION:** Approve the Updated Charter Services Policy and FY2025-26 Charter Rates.

**BACKGROUND/DISCUSSION:**

On July 31, 2025, the Federal Transit Administration (FTA) published an update to the Charter Service Rule, originally published on April 30, 2008. The purpose of the Charter Service Rule is to implement 49 U.S.C. 5323(d), which protects private charter operators from unauthorized competition from recipients of Federal financial assistance under the Federal Transit Laws. The Charter Service regulations can be found in the Code of Federal Regulations [49 CFR Part 604](#).

The RTA Charter Service Policy was originally adopted by the RTA Board in May 2012. The recent federal Charter Service Rule updates include non-substantive technical edits that remove outdated citations and to provide clarity. Attached is a red-lined version to assist in identifying changes from the previously adopted policy, as well as a clean version of the proposed RTA Charter Service Policy update.

It is the policy of the RTA that it will not use federal financial assistance to compete with private operators of intercity charter bus service where such private operators were willing and able to provide the service. The RTA will only perform charter services consistent with 49 CFR Part 604, issued on July 31, 2025 and any updates thereto.

Although the FTA identifies a total of six possible exceptions that could allow agencies receiving Federal financial assistance to provide charter services, RTA staff is recommending the Board only consider two of the exceptions that are applicable to our operating environment. The RTA is proposing to operate charter services based on two types of exceptions that are permitted under the updated Rule, as follows:

1. Government officials on official government business – The RTA may provide charter service under this section and shall be restricted to providing this service within its own geographic service area, may not generate revenue as a part of this service, and is limited annually to 80 charter service hours. Trips for government officials on official government business include non-transit related purposes, such as transporting the Planning Commission to a site as part of a field visit/review.

2. Petitions to the FTA Administrator – Unlike the government officials exception presented above, these types of services require a petition to provide this service from the FTA Administrator, including:
  - a. Events of regional or national significance;
  - b. Hardship (only for non-urbanized areas under 50,000 in population or small urbanized areas under 200,000 in population); or
  - c. Unique and time sensitive events (example: funerals of local, regional or national significance) that are in the public's interest.

Under the exception presented under item number two above, staff would provide the required notification to private charter operators in the region to determine if any interest or partnering opportunities exist. Any charter service requests will be presented at the next scheduled RTA Board meeting for approval. Staff would then petition the FTA Administrator for an exemption to the charter service rule allowing the RTA to directly provide the charter services.

Staff have developed proposed charter service rates using the RTA FY2025-26 Budget adopted on May 5, 2025. The proposed charter fee schedule is provided as Appendix A and is summarized in Table 1 below. It should be noted that staff is proposing a 10% program surcharge on top of the per-hour and per-mile operating costs for charter services to support program administration costs. For subsequent fiscal years, the proposed list and charter service rates would be presented as part of the annual budget package.



**Table 1 – Proposed FY2025-26 Charter Services Fee Schedule**

|                       |           |
|-----------------------|-----------|
| Vehicle Revenue Hours | 61,100    |
| Vehicle Revenue Miles | 1,299,190 |

|                                                                      |              |
|----------------------------------------------------------------------|--------------|
| Fixed-Route Hours Related to Operating Expenses                      | \$10,901,150 |
| Fixed Route Miles Related to Operating Expenses (Fuel & Maintenance) | \$1,899,970  |

|                       |          |
|-----------------------|----------|
| Operating Cost / Hour | \$178.41 |
| Operating Cost / Mile | \$1.46   |

10% Surcharge for Program Administrative Costs

|                             |          |
|-----------------------------|----------|
| Charter Service Cost / Hour | \$196.00 |
| Charter Service Cost / Mile | \$1.60   |

Damage to Vehicles Used for Charter Services:

| Repairs Provided By | Minimum Charge        | Additional Cost                        |
|---------------------|-----------------------|----------------------------------------|
| RTA (in-house)      | \$125.00 per Hour     | + Cost of Parts & Associated Materials |
| Outside Vendor(s)   | Full Invoice Cost     | + 10% Overhead                         |
| Biohazard Cleaning  | \$100.00 per Incident |                                        |

| Damage Type                                                 | Min. Charge         |
|-------------------------------------------------------------|---------------------|
| Inoperable Vehicle<br>(Unavailable for Regular RTA Service) | \$150.00<br>per Day |

**Staff Recommendation**

Approve the updated Charter Services Policy and FY2025-26 Charter Rates.

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# **SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

## **~~POLICIES & PROCEDURES FOR CHARTER SERVICES~~**

### **POLICIES & PROCEDURES**

November 5, 2025May 2012

#### ARTICLE I, PURPOSE

The purpose of this document is to establish the San Luis Obispo Regional Transit Authority (RTA) policy and procedures governing the operation of charter bus service incidental to normal public transit services. Specifically, the purpose of this policy is to adhere to the Federal Transit Administration (FTA) Charter Policy, 49 CFR Part 604 and implement 49 U.S.C. 5323(d), which protects private charter operators from unauthorized competition from recipients of Federal financial assistance under Federal Transit Laws.

#### ARTICLE II, APPLICABILITY

The requirements of this part shall;

(a) Apply to recipients of Federal financial assistance under the Federal Transit Laws, except as otherwise provided in paragraphs (b) through (g) of this section.

(b) Not apply to a recipient transporting its employees, other transit system employees, transit management officials, transit contractors and bidders, government officials and their contractors and official guests, to or from transit facilities or projects within its geographic service area or proposed geographic service area for the purpose of conducting oversight functions such as inspection, evaluation, or review.

(c) Not apply to private charter operators that receive, directly or indirectly, Federal financial assistance under section 3038 of the Transportation Equity Act for the 21st Century, as amended, or to the non-FTA funded activities of private charter operators that receive, directly or indirectly, FTA financial assistance under any of the following programs: 49 U.S.C. 5307, 49 U.S.C. 5309, 49 U.S.C. 5310, 49 U.S.C. 5311, 49 U.S.C. 5316, or 49 U.S.C. 5317.

(d) Not apply to a recipient transporting its employees, other transit system employees, transit management officials, transit contractors and bidders, government officials and their contractors and official guests, for emergency preparedness planning and operations.

(e) Not apply to a recipient that uses Federal financial assistance from FTA, for program purposes only, under 49 U.S.C. 5310, 49 U.S.C. 5311, 49 U.S.C. 5316, or 49 U.S.C. 5317.

(f) Not apply to a recipient, for actions directly responding to an emergency declared by the President, governor, or mayor or in an emergency requiring immediate action prior to a formal declaration. If the emergency lasts more than 45 days, the recipient shall follow the procedures set out in subpart D of 49 CFR 601.

(g) Not apply to a recipient in a non-urbanized area transporting its employees, other transit system employees, transit management officials, and transit contractors and bidders to or from transit training outside its geographic service area.

### ARTICLE III, POLICY

The RTA agrees, in its annual FTA Certifications and Assurances, that it shall only use FTA-funded vehicles or facilities acquired with Federal assistance authorized under the Federal Transit Laws only in compliance with the regulations set out in 49 CFR Part 604, the terms and conditions of which are incorporated herein by reference.

It is the policy of the RTA that it will **not** use federal financial assistance to compete with private operators of intercity charter bus service where such private operators were willing and able to provide the service. The RTA will only perform charter services consistent with 49 CFR Part 604, issued on July 31, 2025 and any updates thereto. This policy implements 49 U.S.C. 5323(d), which protects private charter operators from unauthorized competition from recipients of Federal financial assistance under the Federal Transit Laws.

### ARTICLE ~~IV~~I, BACKGROUND

The RTA is the intercity fixed route and demand response public transit service provider throughout the county of ~~in~~ San Luis Obispo-County. The RTA is a qualified Federal Transit Administration grantee, and works closely with the Metropolitan Planning Organization (MPO), San Luis Obispo Council of Governments (SLOCOG), to plan for Federally-funded public transit services in the region. The RTA's role as a public agency is to treat all citizens, groups, and political jurisdictions equally. Consequently, pricing of all charter services must be determined on a uniform basis. Additionally, the RTA must certify compliance with Federal charter service regulations as part of its annual Certifications and Assurances to the FTA.

The RTA is governed by its 12-member Board of Directors, comprised of the five San Luis Obispo County Supervisors and the mayors of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo. The Board is charged with budget-making and policy development responsibilities.

### ARTICLE ~~IV~~H, DEFINITIONS

1. "Federal Transit Laws" means 49 U.S.C. 5301 et seq., and includes 23 U.S.C. 103(e)(4), 142(a), and 142(c), when used to provide assistance to public transit agencies for purchasing buses and vans.
2. "Administrator" means the Administrator of the Federal Transit Administration or his or her designee.
- ~~3.~~ "Charter service" means:  
4.3.

- a. Transportation provided by a recipient ~~n-FTA grantee~~ at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service:
  - i. A third party pays the transit provider a negotiated price for the group;
  - ii. Any fares charged to individual members of the group are retained by a third party;
  - iii. The service is not part of the public transit provider's regularly scheduled service, or is offered for a limited period of time; or
  - iv. A third party determines the origin and destination of the trip as well as scheduling; or
- b. Transportation provided by a recipient ~~n-FTA grantee~~ to the public for events or functions that occur on an irregular basis or for a limited duration and:
  - i. A premium fare is charged that is greater than the usual or customary fixed route fare; or
  - ii. The service is paid for in whole or in part by a third party.

5.4. "Charter service hours" means total hours operated by buses or vans while in charter service including:

- a. Hours operated while carrying passengers for hire, plus
- b. Associated deadhead hours.

6.5. "Charter service miles" means total miles operated by buses or vans while in charter service including:

- a. Miles operated while carrying passengers for hire, plus
- b. Associated deadhead miles.

6. "Demand response" means any non-fixed route system of transporting individuals that requires advanced scheduling by the customer, including services provided by public entities, nonprofits, and private providers.

7. "Exclusive" means service that a reasonable person would conclude is intended to exclude members of the public.

8. "Geographic service area" means the entire area in which a recipient is authorized to provide public transportation service under appropriate local, state, and Federal law.

9. “Interested party” means an individual, partnership, corporation, association, or other organization that has a financial interest that is affected by the actions of a recipient providing charter service under the Federal Transit Laws. This term includes states, counties, cities, and their subdivisions, and tribal nations.
10. “Program purposes” means transportation that serves the needs of either human service agencies or targeted populations (elderly, individuals with disabilities, and or low income individuals); this does not include exclusive service for other groups formed for purposes unrelated to the special needs of the targeted populations identified herein.
11. “Public transportation” has the meaning set forth in 49 U.S.C. 5302(a)(10).
12. “Qualified human service organization” means an organization that serves persons who qualify for human service or transportation-related programs or services due to disability, income, or advanced age. This term is used consistent with the President's Executive Order on Human Service Transportation Coordination (February 24, 2004).
- 7.13. “Recipient” means an agency or entity that receives Federal financial assistance, either directly or indirectly, including subrecipients, under the Federal Transit Laws. This term does not include third-party contractors who use non-FTA funded vehicles.
- 8.14. “Registered charter provider” means a private charter operator wants to receive notice of charter service requests directed to recipients and has registered on FTA's charter registration Web site. ~~that has registered on FTA’s charter registration Web site to provide charter service in the RTA service area.~~
15. “Registration list” means the current list of registered charter providers and qualified human service organizations maintained on FTA’s charter registration Web site.
16. “Special transportation” means demand response or paratransit service that is regular and continuous and is a type of “public transportation.”
- 9.17. “Violation” means a finding by FTA of a failure to comply with one of the requirements of this Part.

## ARTICLE ~~IV~~ VI. EXCEPTIONS

The purpose of this subpart is to identify the limited exceptions under which the RTA may provide community-based charter services. Although the FTA identifies a total of six possible exceptions, the RTA will only consider two exceptions that are applicable to its operating environment:

1. Government officials on official government business (49 CFR 604.6):

- a. The RTA may provide charter service to government officials (Federal, State, and local) for official government business, which can include non-transit related purposes, if the RTA:
  - i. Provides the service in its geographic service area;
  - ii. Does not generate revenue from the charter service, except as required by law; and
  - iii. After providing such service, records the following:
    1. The government organization's name, address, phone number, and email address;
    2. The date and time of service;
    3. The number of passengers (specifically noting the number of government officials on the trip);
    4. The origin, destination, and trip length (miles and hours);
    5. The fee collected, if any; and
    6. The vehicle number for the vehicle(s) used to provide the service.
- b. A recipient FTA grantee that provides charter service under this section shall be limited annually to 80 charter service hours for providing trips to government officials for official government business.

2. Petitions to the FTA Administrator (49 CFR 604.11):

3.2.

- a. The RTA may petition the FTA Administrator for an exception to the charter service regulations to provide charter service directly to a customer for:
  - i. Events of a regional or national significance;
  - ii. a Hardship (only for non-urbanized areas under 50,000 in population or small urbanized areas under 200,000 in population); or ~~nd~~
  - iii. Unique and time sensitive events (e.g., funerals of local, regional or national significance) that are in the public's interest.
- b. The petition to the Administrator shall include the following information:
  - i. The date and description of the event;
  - ii. The type of service requested and the type of equipment;
  - iii. The anticipated number of charter service hours needed for the event;
  - iv. The anticipated number of vehicles and duration of the event; and

1. For an event of regional or national significance, the RTA's petition shall include a description of how registered charter providers were consulted, how registered charter providers will be utilized in providing the charter service, a certification that the recipientgrantee has exhausted all of the vehicles of the registered charter providers in its geographic service area, and submit the petition at least 90 days before the first day of the event described in paragraph section-(b)(i)-above.;

1-2. For a hardship request, a petition is only available if the registered charter provider has deadhead time that exceeds total trip time from initial pick-up to final drop-off, including wait time. The petition shall describe how the registered charter provider's minimum duration would create a hardship on the group requesting the charter service; or

2-3. For unique and time sensitive events, the petition shall describe why the event is unique or time sensitive and how providing the charter service would be in the public's interest.

- c. Upon receipt of RTA's petition that meets the requirements set forth in paragraph (b) of this section, the Administrator shall review the materials and issue a written decision denying or granting the request in whole or part. In making this decision, the Administrator may seek such additional information as the Administrator deems necessary. The Administrator's decision shall be filed in the "Petitions to the Administrator" docket, number FTA-2007-0022 at <http://www.regulations.gov> and sent to the RTA via email.
- d. Any exception granted by the Administrator under this section shall be effective only for the event identified in paragraph (b)(i) of this section.
- e. The RTA shall send its petition to the Administrator by email to [ombudsman.charterservice@dot.gov](mailto:ombudsman.charterservice@dot.gov).
- f. The RTA shall retain a copy of the Administrator's approval for a period of at least three years and shall include it in the RTA's quarterly report posted on the charter registration Web site.

## ARTICLE VII. POLICIES AND REPORTING PROCEDURES

### 1. Reporting requirements for all exceptions:

- a. Whenever RTA provides charter service in accordance with one or more of the exceptions contained in the "Exceptions" section above, the RTA shall maintain the required notice and records in an electronic format for a period of at least three years from the date of the service or lease.



~~a.b.~~ In addition to the requirements identified in paragraph (a) of this section, the records required under this subpart shall include a clear statement identifying which exception the RTA relied upon when it provided the charter service.

~~b.c.~~ After providing the charter service, RTA shall record:

- i. The chartering group's name, address, phone number, and email address;
- ii. The date and time of service;
- iii. The number of passengers;
- iv. The origin, destination, and trip length (miles and hours);
- v. The fee collected, if any; and
- vi. The vehicle number for the vehicle used to provide the service.

~~d.~~ The RTA shall submit a summary of charter services on the FTA charter registration Web site within 30 days after the end of each calendar quarter (i.e., January 30th, April 30th, July 30th, and October 30th).

~~e.~~ The RTA may exclude specific origin and destination information for safety and security reasons. If the RTA excludes such information, the record of the service shall describe the reason why such information was excluded and provide generalized information instead of providing specific origin and destination information.

2. How RTA will respond to requests for charter service (49 CFR 604.14):

a. Upon receiving a request for charter service, the RTA will review the nature of the request. At its discretion, the RTA may elect to:

i. Decline to provide the service; or

ii. Seek FTA exemption waiver and, if approved, pProvide the service under an exception presented in the "Exceptions" section above and outlined in 49 CFR Part 604.2.

b. If RTA is interested in providing charter service under either the "Government officials on official government business" section or the "Petitions to the Administrator" section contained in the "Exceptions" paragraph above, then the RTA staff will present details of the proposed service(s) at the next Board Executive Committee meeting to seek a recommendation to consider the item at a subsequent full Board of Directors meeting. Upon Board resolution, the RTA may:

~~i.~~ Provide the service if it qualifies under the "Government officials on official government business" exception.

- ~~ii.i.~~  
~~iii.ii.~~ Petition the Administrator if the proposed service qualifies under the special event exception.

It is anticipated that ~~an annual calendar of~~ proposed charter service requests that qualify as events of a regional significance will be presented to the RTA Board of Directors for consideration, and that, if authorized by the Board, the RTA Executive Director will subsequently submit the petitions to the FTA Administrator.

## ARTICLE VIII, OPERATIONAL REQUIREMENTS

1. Geographical Charter Service Area: If a federal charter exemption waiver is approved by the FTA Administrator, the RTA may offer incidental charter services with an origin within 0.75 miles of existing public fixed route service in San Luis Obispo County and/or any planned fixed routes that are expressly identified RTA's adopted annual budget; the trip destination must be within 10 miles of an existing fixed route.
2. Charter Vehicle Capacity: Each vehicle's passenger capacity is limited to its number of seats, including authorized wheelchair positions. Baggage or other property must be carried onto the vehicle by the passenger, and will be limited as to the quantity, weight, and/or size that can be safely transported. Any article that creates, in the opinion of the bus operator or other RTA supervisor, a hazardous condition or that is likely to damage the vehicle will not be transported.
3. Safety Concerns on Charter Service Operations: In the interest of safety, the RTA reserves the right to refuse to operate charter service when environmental conditions dictate, including inaccessible destination sites, inclement weather, etc. Wherever practical, the RTA will cooperate with the requesting party in revising the route in order to successfully provide the charter service.
4. Charter Service Schedule: The RTA endeavors to maintain a mutually-agreed upon schedule but cannot guarantee arrival or departure times due to accidents, breakdowns, road conditions, inclement weather, and/or other circumstances beyond its control. The RTA assigns qualified bus operators that have been instructed to drive at speed limits prescribed by law or that are required to operate safely. The RTA shall not be held responsible for personal property that is left on its vehicles.
5. Charter Employee / Bus Assignments: The RTA reserves the right to assign employees to a specific job, and to substitute or replace employees without notice. Wherever possible, requests for specific bus operators will be honored.
6. Charter Vehicle Breakdowns: Vehicles furnished by the RTA are inspected by maintenance staff before being put into charter service to ensure safe operation. Should mechanical failure require the replacement of a vehicle originally assigned, the replacement vehicle may be of a different type; every effort will be made to provide a

similar vehicle. The requesting party will not be charged for time delays or additional miles traveled specifically related to replacing the faulty vehicle, or for any other delays that were the direct fault of the RTA.

7. Dealing with Objectionable Passengers on Charter Services: The RTA reserves the right to refuse to transport a person:
  - a. Under the influence of alcohol or drugs, and/or
  - b. Whose conduct is such, or likely to become such, as to make him/her objectionable to other persons.

Persons who conduct themselves in an objectionable manner will be reported to law enforcement officials.

8. Limited Availability of Charter Services in Peak Periods: For the purpose of this Policy and Procedures, peak periods are defined as Monday through Friday from 7:00 AM to 8:00 PM. The RTA reserves the right to operate limited charter bus service, where appropriate, during peak periods where regularly scheduled services will not be adversely affected.
9. Charter Vehicle Service Hours and Miles: The requesting party will be charged according to the vehicle service hours and miles operated; a minimum of ~~four~~two vehicle service hours will be charged for each chartered vehicle. The following definitions will be used:
  - a. A vehicle service hour is defined as that incremental amount of time (expressed in quarters of an hour) that each chartered vehicle is in service, from the time that the vehicle departs from the dispatched point on its way to the party's requested location until the time it returns to the RTA Bus Maintenance Facility,garage located at 253 Elks Lane, San Luis Obispo, CA 93401, or point where the vehicle engages in another service. Vehicle service hours include idle time and deadhead time, as well as vehicle safety check-out time (30 minutes) and check-in time (15 minutes).
  - b. A vehicle service mile is defined as the incremental miles traveled that each chartered vehicle is in service, from the vehicle departure point at the dispatched point on its way to the party's requested location until the miles accumulated in reaching the RTA Bus Maintenance Facilitygarage, located at 253 Elks Lane, San Luis Obispo, CA 93401, or point where the vehicle engages in another service.

All charter vehicle service hours and miles will be deducted from the "useful life" of each vehicle used as defined by the FTA.

10. Charter Rates: Rates will be determined annually as part of the RTA budget-making process or as amended by the RTA Board (Appendix A).

11. Damage to Vehicles on Charter Services: All expenses related to repairing damage to vehicles resulting from acts of the contracting party or its users shall be charged to the contracting party, and will be payable upon presentation of invoice (or retention of deposit, as appropriate). Damage repairs completed by RTA staff will be billed at ~~\$75.00~~approved rate per hour, in addition to any parts and associated materials. Repairs completed by outside vendors will be charged at the full invoice cost, plus the Board approved 5 percent~~age~~ for overhead charges. If the vehicle is rendered inoperable, the chartering party will be charged Board approved minimum charge~~\$100.00~~ per day that the vehicle is not available for regular RTA service. Finally, damage includes the cleaning of biohazard waste material (i.e., vomit or urine), which will be charged at the Board approved a-rate ~~of \$100~~ per incident.
12. Payments for Charter Service: All customers booking charter service with the RTA must pay-in-full ~~for service on a cash basis. Payment in full~~and must ~~be~~ made within 30 calendar days from the receipt of the invoice. A deposit may also be required.
13. Cancellations of Charter Service: Any party seeking to cancel scheduled charter services must do so at least 48 business hours prior to the scheduled charter start time. If not canceled according to this requirement, the party will be charged 25 percent of the original estimated costs for the service ~~or two vehicle service hours per bus requested (whichever is less).~~
- 13.14. All applicants must complete a Charter Service Request application (Appendix B) sixty (60) days prior to the date of requested service.

# **SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY CHARTER SERVICES POLICIES & PROCEDURES**

November 5, 2025

## **ARTICLE I, PURPOSE**

The purpose of this document is to establish the San Luis Obispo Regional Transit Authority (RTA) policy and procedures governing the operation of charter bus service incidental to normal public transit services. Specifically, the purpose of this policy is to adhere to the Federal Transit Administration (FTA) Charter Policy, 49 CFR Part 604 and implement 49 U.S.C. 5323(d), which protects private charter operators from unauthorized competition from recipients of Federal financial assistance under Federal Transit Laws.

## **ARTICLE II, APPLICABILITY**

The requirements of this part shall;

- (a) Apply to recipients of Federal financial assistance under the Federal Transit Laws, except as otherwise provided in paragraphs (b) through (g) of this section.
- (b) Not apply to a recipient transporting its employees, other transit system employees, transit management officials, transit contractors and bidders, government officials and their contractors and official guests, to or from transit facilities or projects within its geographic service area or proposed geographic service area for the purpose of conducting oversight functions such as inspection, evaluation, or review.
- (c) Not apply to private charter operators that receive, directly or indirectly, Federal financial assistance under section 3038 of the Transportation Equity Act for the 21st Century, as amended, or to the non-FTA funded activities of private charter operators that receive, directly or indirectly, FTA financial assistance under any of the following programs: 49 U.S.C. 5307, 49 U.S.C. 5309, 49 U.S.C. 5310, 49 U.S.C. 5311, 49 U.S.C. 5316, or 49 U.S.C. 5317.
- (d) Not apply to a recipient transporting its employees, other transit system employees, transit management officials, transit contractors and bidders, government officials and their contractors and official guests, for emergency preparedness planning and operations.
- (e) Not apply to a recipient that uses Federal financial assistance from FTA, for program purposes only, under 49 U.S.C. 5310, 49 U.S.C. 5311, 49 U.S.C. 5316, or 49 U.S.C. 5317.
- (f) Not apply to a recipient, for actions directly responding to an emergency declared by the President, governor, or mayor or in an emergency requiring immediate action prior to a formal declaration. If the emergency lasts more than 45 days, the recipient shall follow the procedures set out in subpart D of 49 CFR 601.
- (g) Not apply to a recipient in a non-urbanized area transporting its employees, other transit system employees, transit management officials, and transit contractors and bidders to or from transit training outside its geographic service area.

### ARTICLE III, POLICY

The RTA agrees, in its annual FTA Certifications and Assurances, that it shall only use FTA-funded vehicles or facilities acquired with Federal assistance authorized under the Federal Transit Laws only in compliance with the regulations set out in 49 CFR Part 604, the terms and conditions of which are incorporated herein by reference.

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### ARTICLE IV, BACKGROUND

The RTA is the intercity fixed route and demand response public transit service provider throughout the county of San Luis Obispo. The RTA is a qualified Federal Transit Administration grantee, and works closely with the Metropolitan Planning Organization (MPO), San Luis Obispo Council of Governments (SLOCOG), to plan for Federally-funded public transit services in the region. The RTA's role as a public agency is to treat all citizens, groups, and political jurisdictions equally. Consequently, pricing of all charter services must be determined on a uniform basis. Additionally, the RTA must certify compliance with Federal charter service regulations as part of its annual Certifications and Assurances to the FTA.

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### ARTICLE V, DEFINITIONS

1. "Federal Transit Laws" means 49 U.S.C. 5301 et seq., and includes 23 U.S.C. 103(e)(4), 142(a), and 142(c), when used to provide assistance to public transit agencies for purchasing buses and vans.
2. "Administrator" means the Administrator of the Federal Transit Administration or his or her designee.
3. "Charter service" means:
  - a. Transportation provided by a recipient at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service:
    - i. A third party pays the transit provider a negotiated price for the group;
    - ii. Any fares charged to individual members of the group are retained by a third party;
    - iii. The service is not part of the public transit provider's regularly scheduled service, or is offered for a limited period of time; or
    - iv. A third party determines the origin and destination of the trip as well as scheduling; or

- b. Transportation provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration and:
    - i. A premium fare is charged that is greater than the usual or customary fixed route fare; or
    - ii. The service is paid for in whole or in part by a third party.
- 4. “Charter service hours” means total hours operated by buses or vans while in charter service including:
  - a. Hours operated while carrying passengers for hire, plus
  - b. Associated deadhead hours.
- 5. “Charter service miles” means total miles operated by buses or vans while in charter service including:
  - a. Miles operated while carrying passengers for hire, plus
  - b. Associated deadhead miles.
- 6. “Demand response” means any non-fixed route system of transporting individuals that requires advanced scheduling by the customer, including services provided by public entities, nonprofits, and private providers.
- 7. “Exclusive” means service that a reasonable person would conclude is intended to exclude members of the public.
- 8. “Geographic service area” means the entire area in which a recipient is authorized to provide public transportation service under appropriate local, state, and Federal law.
- 9. “Interested party” means an individual, partnership, corporation, association, or other organization that has a financial interest that is affected by the actions of a recipient providing charter service under the Federal Transit Laws. This term includes states, counties, cities, and their subdivisions, and tribal nations.
- 10. “Program purposes” means transportation that serves the needs of either human service agencies or targeted populations (elderly, individuals with disabilities, and or low income individuals); this does not include exclusive service for other groups formed for purposes unrelated to the special needs of the targeted populations identified herein.
- 11. “Public transportation” has the meaning set forth in [49 U.S.C. 5302\(a\)\(10\)](#).
- 12. “Qualified human service organization” means an organization that serves persons who qualify for human service or transportation-related programs or services due to disability, income, or advanced age. This term is used consistent with the President's Executive Order on Human Service Transportation Coordination (February 24, 2004).
- 13. “Recipient” means an agency or entity that receives Federal financial assistance, either directly or indirectly, including subrecipients, under the Federal Transit Laws. This term does not include third-party contractors who use non-FTA funded vehicles.

14. “Registered charter provider” means a private charter operator wants to receive notice of charter service requests directed to recipients and has registered on FTA's charter registration Web site.
15. “Registration list” means the current list of registered charter providers and qualified human service organizations maintained on FTA’s charter registration Web site.
16. “Special transportation” means demand response or paratransit service that is regular and continuous and is a type of “public transportation.”
17. “Violation” means a finding by FTA of a failure to comply with one of the requirements of this Part.

#### ARTICLE VI, EXCEPTIONS

The purpose of this subpart is to identify the limited exceptions under which the RTA may provide community-based charter services. Although the FTA identifies a total of six possible exceptions, the RTA will only consider two exceptions that are applicable to its operating environment:

1. Government officials on official government business (49 CFR 604.6):
  - a. The RTA may provide charter service to government officials (Federal, State, and local) for official government business, which can include non-transit related purposes, if the RTA:
    - i. Provides the service in its geographic service area;
    - ii. Does not generate revenue from the charter service, except as required by law; and
    - iii. After providing such service, records the following:
      1. The government organization’s name, address, phone number, and email address;
      2. The date and time of service;
      3. The number of passengers (specifically noting the number of government officials on the trip);
      4. The origin, destination, and trip length (miles and hours);
      5. The fee collected, if any; and
      6. The vehicle number for the vehicle(s) used to provide the service.
  - b. A recipient that provides charter service under this section shall be limited annually to 80 charter service hours for providing trips to government officials for official government business.
2. Petitions to the FTA Administrator (49 CFR 604.11):
  - a. The RTA may petition the FTA Administrator for an exception to the charter service regulations to provide charter service directly to a customer for:
    - i. Events of a regional or national significance;
    - ii. Hardship (only for non-urbanized areas under 50,000 in population or small urbanized areas under 200,000 in population); or



- iii. Unique and time sensitive events (e.g., funerals of local, regional or national significance) that are in the public's interest.
- b. The petition to the Administrator shall include the following information:
  - i. The date and description of the event;
  - ii. The type of service requested and the type of equipment;
  - iii. The anticipated number of charter service hours needed for the event;
  - iv. The anticipated number of vehicles and duration of the event; and
    - 1. For an event of regional or national significance, the RTA's petition shall include a description of how registered charter providers were consulted, how registered charter providers will be utilized in providing the charter service, a certification that the recipient has exhausted all of the vehicles of the registered charter providers in its geographic service area, and submit the petition at least 90 days before the first day of the event described in paragraph (b)(i);
    - 2. For a hardship request, a petition is only available if the registered charter provider has deadhead time that exceeds total trip time from initial pick-up to final drop-off, including wait time. The petition shall describe how the registered charter provider's minimum duration would create a hardship on the group requesting the charter service; or
    - 3. For unique and time sensitive events, the petition shall describe why the event is unique or time sensitive and how providing the charter service would be in the public's interest.
- c. Upon receipt of RTA's petition that meets the requirements set forth in paragraph (b) of this section, the Administrator shall review the materials and issue a written decision denying or granting the request in whole or part. In making this decision, the Administrator may seek such additional information as the Administrator deems necessary. The Administrator's decision shall be filed in the "Petitions to the Administrator" docket, number FTA-2007-0022 at <http://www.regulations.gov> and sent to the RTA via email.
- d. Any exception granted by the Administrator under this section shall be effective only for the event identified in paragraph (b)(i) of this section.
- e. The RTA shall send its petition to the Administrator by email to [ombudsman.charterservice@dot.gov](mailto:ombudsman.charterservice@dot.gov).
- f. The RTA shall retain a copy of the Administrator's approval for a period of at least three years and shall include it in the RTA's quarterly report posted on the charter registration Web site.

#### ARTICLE VII, REPORTING PROCEDURES

- 1. Reporting requirements for all exceptions:
  - a. Whenever RTA provides charter service in accordance with one or more of the exceptions contained in the "Exceptions" section above, the RTA shall maintain the required notice and records in an electronic format for a period of at least three years from the date of the service or lease.

- b. In addition to the requirements identified in paragraph (a) of this section, the records required under this subpart shall include a clear statement identifying which exception the RTA relied upon when it provided the charter service.
  - c. After providing the charter service, RTA shall record:
    - i. The chartering group's name, address, phone number, and email address;
    - ii. The date and time of service;
    - iii. The number of passengers;
    - iv. The origin, destination, and trip length (miles and hours);
    - v. The fee collected, if any; and
    - vi. The vehicle number for the vehicle used to provide the service.
  - d. The RTA shall submit a summary of charter services on the FTA charter registration Web site within 30 days after the end of each calendar quarter (i.e., January 30th, April 30th, July 30th, and October 30th).
  - e. The RTA may exclude specific origin and destination information for safety and security reasons. If the RTA excludes such information, the record of the service shall describe the reason why such information was excluded and provide generalized information instead of providing specific origin and destination information.
2. How RTA will respond to requests for charter service (49 CFR 604.14):
- a. Upon receiving a request for charter service, the RTA will review the nature of the request. At its discretion, the RTA may elect to:
    - i. Decline to provide the service; or
    - ii. Seek FTA exemption waiver and, if approved, provide the service under an exception presented in the "Exceptions" section above and outlined in 49 CFR Part 604.2.
  - b. If RTA is interested in providing charter service under either the "Government officials on official government business" section or the "Petitions to the Administrator" section contained in the "Exceptions" paragraph above, then the RTA staff will present details of the proposed service(s) at the next Board Executive Committee meeting to seek a recommendation to consider the item at a subsequent full Board of Directors meeting. Upon Board resolution, the RTA may:
    - i. Provide the service if it qualifies under the "Government officials on official government business" exception.
    - ii. Petition the Administrator if the proposed service qualifies under the special event exception.
- It is anticipated that proposed charter service requests that qualify as events of a regional significance will be presented to the RTA Board of Directors for consideration, and that, if authorized by the Board, the RTA Executive Director will subsequently submit the petitions to the FTA Administrator.

## ARTICLE VIII, OPERATIONAL REQUIREMENTS

- 1. Geographical Charter Service Area: If a federal charter exemption waiver is approved by the FTA Administrator, the RTA may offer incidental charter services with an origin within 0.75 miles of existing public fixed route service in San Luis Obispo County and/or

any planned fixed routes that are expressly identified RTA's adopted annual budget; the trip destination must be within 10 miles of an existing fixed route.

2. **Charter Vehicle Capacity:** Each vehicle's passenger capacity is limited to its number of seats, including authorized wheelchair positions. Baggage or other property must be carried onto the vehicle by the passenger, and will be limited as to the quantity, weight, and/or size that can be safely transported. Any article that creates, in the opinion of the bus operator or other RTA supervisor, a hazardous condition or that is likely to damage the vehicle will not be transported.
3. **Safety Concerns on Charter Service Operations:** In the interest of safety, the RTA reserves the right to refuse to operate charter service when environmental conditions dictate, including inaccessible destination sites, inclement weather, etc. Wherever practical, the RTA will cooperate with the requesting party in revising the route in order to successfully provide the charter service.
4. **Charter Service Schedule:** The RTA endeavors to maintain a mutually-agreed upon schedule but cannot guarantee arrival or departure times due to accidents, breakdowns, road conditions, inclement weather, and/or other circumstances beyond its control. The RTA assigns qualified bus operators that have been instructed to drive at speed limits prescribed by law or that are required to operate safely. The RTA shall not be held responsible for personal property that is left on its vehicles.
5. **Charter Employee / Bus Assignments:** The RTA reserves the right to assign employees to a specific job, and to substitute or replace employees without notice. Wherever possible, requests for specific bus operators will be honored.
6. **Charter Vehicle Breakdowns:** Vehicles furnished by the RTA are inspected by maintenance staff before being put into charter service to ensure safe operation. Should mechanical failure require the replacement of a vehicle originally assigned, the replacement vehicle may be of a different type; every effort will be made to provide a similar vehicle. The requesting party will not be charged for time delays or additional miles traveled specifically related to replacing the faulty vehicle, or for any other delays that were the direct fault of the RTA.
7. **Dealing with Objectionable Passengers on Charter Services:** The RTA reserves the right to refuse to transport a person:
  - a. Under the influence of alcohol or drugs, and/or
  - b. Whose conduct is such, or likely to become such, as to make him/her objectionable to other persons.Persons who conduct themselves in an objectionable manner will be reported to law enforcement officials.
8. **Limited Availability of Charter Services in Peak Periods:** For the purpose of this Policy and Procedures, peak periods are defined as Monday through Friday from 7:00 AM to 8:00 PM. The RTA reserves the right to operate limited charter bus service, where

appropriate, during peak periods where regularly scheduled services will not be adversely affected.

9. Charter Vehicle Service Hours and Miles: The requesting party will be charged according to the vehicle service hours and miles operated; a minimum of four vehicle service hours will be charged for each chartered vehicle. The following definitions will be used:
  - a. A vehicle service hour is defined as that incremental amount of time (expressed in quarters of an hour) that each chartered vehicle is in service, from the time that the vehicle departs from the dispatched point on its way to the party's requested location until the time it returns to the RTA Bus Maintenance Facility, located at 253 Elks Lane, San Luis Obispo, CA 93401, or point where the vehicle engages in another service. Vehicle service hours include idle time and deadhead time, as well as vehicle safety check-out time (30 minutes) and check-in time (15 minutes).
  - b. A vehicle service mile is defined as the incremental miles traveled that each chartered vehicle is in service, from the vehicle departure point at the dispatched point on its way to the party's requested location until the miles accumulated in reaching the RTA Bus Maintenance Facility, located at 253 Elks Lane, San Luis Obispo, CA 93401, or point where the vehicle engages in another service.All charter vehicle service hours and miles will be deducted from the "useful life" of each vehicle used as defined by the FTA.
10. Charter Rates: Rates will be determined annually as part of the RTA budget-making process or as amended by the RTA Board (Appendix A).
11. Damage to Vehicles on Charter Services: All expenses related to repairing damage to vehicles resulting from acts of the contracting party or its users shall be charged to the contracting party, and will be payable upon presentation of invoice (or retention of deposit, as appropriate). Damage repairs completed by RTA staff will be billed at approved rate per hour, in addition to any parts and associated materials. Repairs completed by outside vendors will be charged at the full invoice cost, plus the Board approved percentage for overhead charges. If the vehicle is rendered inoperable, the chartering party will be charged Board approved minimum charge per day that the vehicle is not available for regular RTA service. Finally, damage includes the cleaning of biohazard waste material (i.e., vomit or urine), which will be charged at the Board approved rate per incident.
12. Payments for Charter Service: All customers booking charter service with the RTA must pay-in-full and must be made within 30 calendar days from the receipt of the invoice. A deposit may also be required.
13. Cancellations of Charter Service: Any party seeking to cancel scheduled charter services must do so at least 48 business hours prior to the scheduled charter start time. If not canceled according to this requirement, the party will be charged 25 percent of the original estimated costs for the service.

14. All applicants must complete a Charter Service Request application (Appendix B) sixty (60) days prior to the date of requested service.

## APPENDIX A – CHARTER SERVICES FEE SCHEDULE

### SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY CHARTER SERVICE RATES

Effective Date: November 5, 2025

The following rates are approved by the San Luis Obispo Regional Transit Authority Board of Directors.

#### Charter Service Rates\* for FY2025-2026:

|                       |           |
|-----------------------|-----------|
| Vehicle Revenue Hours | 61,100    |
| Vehicle Revenue Miles | 1,299,190 |

|                                                                         |              |
|-------------------------------------------------------------------------|--------------|
| Fixed-Route Hours Related to Operating Expenses                         | \$10,901,150 |
| Fixed Route Miles Related to Operating Expenses<br>(Fuel & Maintenance) | \$1,899,970  |

|                       |          |
|-----------------------|----------|
| Operating Cost / Hour | \$178.41 |
| Operating Cost / Mile | \$1.46   |

#### 10% Surcharge for Program Administrative Costs

|                             |          |
|-----------------------------|----------|
| Charter Service Cost / Hour | \$196.00 |
| Charter Service Cost / Mile | \$1.60   |

*\*Charter Service rates are based on the FY2025-26 Budget expenses adopted by the Board on May 7, 2025 for RTA fixed-route services.*

The following guidelines are provided below to assist in estimating the cost of charter services. Charter services will be charged for both total hours of services and miles travelled.

- 1) Charter services are charged at \$196.00 per hour.
  - a. A minimum of four (4) vehicle service hours will be charged for each chartered vehicle.
  - b. A vehicle service hour is defined as that incremental amount of time (expressed in quarters of an hour) that each chartered vehicle is in service, from the time that the vehicle departs from the dispatched point on its way to the party's requested location until the time it returns to the RTA Bus Maintenance Facility, located at 253 Elks Lane, San Luis Obispo, CA 93401, or point where the vehicle engages in another service.
  - c. Vehicle service hours shall include idle time and deadhead time, as well as vehicle safety check-out time (30 minutes) and check-in time (15 minutes).
- 2) Charter services are charged at \$1.60 per mile of total distance travelled.
  - a. A vehicle service mile is defined as the incremental miles traveled that each chartered vehicle is in service, from the vehicle departure point at the dispatched point on its way to the party's requested location until the miles accumulated in

## **APPENDIX A – CHARTER SERVICES FEE SCHEDULE**

reaching the RTA Bus Maintenance Facility, located at 253 Elks Lane, San Luis Obispo, CA 93401, or point where the vehicle engages in another service.

For example, an approved chartering customer books one (1) RTA bus for 6.5 hours and travels a total distance of 45 miles. The total cost of the charter services is \$1,345.92.

All customers booking charter service with the RTA must pay-in-full for services thirty (30) calendar days from receipt of the invoice. A deposit may also be required.

### **Cancellations of Charter Services:**

Any party seeking to cancel scheduled charter services must do so at least 48 business hours prior to the scheduled charter start time. If not canceled according to this requirement, the party will be charged twenty-five percent (25%) of the original estimated costs for the service.

### **Damage to Vehicles Used for Charter Services:**

All expenses related to repairing damage to vehicles resulting from acts of the contracting party or its users shall be charged to the contracting party and will be payable upon presentation of invoice (or retention of deposit, as appropriate).

| Repairs Provided By | Minimum Charge        | Additional Cost                        |
|---------------------|-----------------------|----------------------------------------|
| RTA (in-house)      | \$125.00 per Hour     | + Cost of Parts & Associated Materials |
| Outside Vendor(s)   | Full Invoice Cost     | + 10% Overhead                         |
| Biohazard Cleaning  | \$100.00 per Incident |                                        |

### **Inoperable Vehicles Resulting from Damage:**

If the vehicle is rendered inoperable, the chartering party will be charged \$150.00 per day that the vehicle is not available for regular RTA service.

| Damage Type                                                 | Minimum Charge   |
|-------------------------------------------------------------|------------------|
| Inoperable Vehicle<br>(Unavailable for Regular RTA Service) | \$150.00 per Day |

## APPENDIX B – CHARTER SERVICE REQUEST APPLICATION

### SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY CHARTER SERVICE REQUEST APPLICATION

The San Luis Obispo Regional Transit Authority (RTA) is a federally funded agency. The Federal Transit Administration (FTA) required exemption approvals, extensive notifications, data gathering, and reporting as a condition for providing charter services. The RTA may only provide charter service when one or more of the exceptions have been met.

NOTE: THIS APPLICATION IS NOT A GUARANTEE OF SERVICE

Date: \_\_\_\_\_

1. Business Name: \_\_\_\_\_

2. Address: \_\_\_\_\_  
\_\_\_\_\_

3. Contact Person Name: \_\_\_\_\_

4. Phone: \_\_\_\_\_

5. Email: \_\_\_\_\_

6. List dates, times, locations, map of routes, and total hours of each day's service (Use extra pages if needed. If the service is a loop, indicate in the notes section):

1. Date of Requested Service: \_\_\_\_\_

START Address: \_\_\_\_\_  
\_\_\_\_\_

Start Time: \_\_\_\_\_

END Address: \_\_\_\_\_  
\_\_\_\_\_

End Time: \_\_\_\_\_



## APPENDIX B – CHARTER SERVICE REQUEST APPLICATION

Notes: \_\_\_\_\_

\_\_\_\_\_

**Total Hours:** \_\_\_\_\_

2. Date of Requested Service: \_\_\_\_\_

START Address: \_\_\_\_\_

\_\_\_\_\_

Start Time: \_\_\_\_\_

END Address: \_\_\_\_\_

\_\_\_\_\_

End Time: \_\_\_\_\_

Notes: \_\_\_\_\_

\_\_\_\_\_

**Total Hours:** \_\_\_\_\_

3. Date of Requested Service: \_\_\_\_\_

START Address: \_\_\_\_\_

\_\_\_\_\_

Start Time: \_\_\_\_\_

END Address: \_\_\_\_\_

\_\_\_\_\_

## APPENDIX B – CHARTER SERVICE REQUEST APPLICATION

End Time: \_\_\_\_\_

Notes: \_\_\_\_\_

**Total Hours:** \_\_\_\_\_

7. Frequency of service expected. (For example: every 30 minutes, hourly, out & back trip, etc.):

\_\_\_\_\_

8. Approximate number of total passengers from all charter services requested above in Section 6:

\_\_\_\_\_

9. Maximum number of passengers per vehicle: \_\_\_\_\_

10. Total wheelchairs/mobility devices that must be tied down:

\_\_\_\_\_

11. In accordance with 49 CFR Section 604.3(q), Is your Agency a Qualified Human Services Organization? (“*Qualified human service organization*” [QHSO] (1) Provides service to individuals with low income, advanced age, or with disabilities; (2) Registers on the [FTA Charter Registration Website](#) at least 60 days before the date of the requested charter service (if applicable); and (3) Verifies FTA’s receipt of its registration by viewing its information on the [Charter Registration Website](#). 49 C.F.R. Section 604.15(b).)

Check one: ☐ Yes or ☐ No

12. Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The San Luis Obispo Regional Transit Authority (RTA) requires that all applicants for charter services sign and agree to the terms of the **RTA POLICIES & PROCEDURES FOR CHARTER SERVICES**. By signing below, you declare that you have read, understand, and agree to the terms stated in this Policy.

Date

---

Print Name**RTA Office Use Only**

Date: \_\_\_\_\_

Approval Category: \_\_\_\_\_

### Charter Service Denied:

Date: \_\_\_\_\_

Reason for Denial:

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