



RTA BOARD AGENDA

**Wednesday, March 4, 2020 at 8:30 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: Fred Strong

Vice President: John Peschong

Board Members:

John Peschong (First District – SLO County)
Bruce Gibson (Second District – SLO County)
Adam Hill (Third District – SLO County)
Lynn Compton (Fourth District – SLO County)
Debbie Arnold (Fifth District – SLO County)
Jimmy Paulding (Arroyo Grande)

Heather Moreno (Atascadero)
Karen Bright (Grover Beach)
Robert Davis (Morro Bay)
Fred Strong (Paso Robles)
Ed Waage (Pismo Beach)
Andy Pease (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 [LEP]) by contacting the RTA offices at 781-4833. Please note that 48 hours advance notice will be necessary to honor a request.

FLAG SALUTE

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.

A. INFORMATION AGENDA – No information items

- A-1 Executive Director's Report (Receive)
- A-2 Results of CPS HR Review (Accept)

B. ACTION AGENDA

- B-1 Financing of New Bus Maintenance Facility (Approve)
- B-2 Authorize IFB for Construction of New Bus Maintenance Facility (Approve)
- B-3 Fiscal Year 2020-21 Budget Assumptions (Approve)

- C. CONSENT AGENDA:** (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the RTA or public wishes an item be removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by RTA Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

- C-1 Executive Committee Meeting Minutes of October 9, 2019 (Information)
- C-2 RTA Board Meeting Minutes of January 8, 2020 (Approve)
- C-3 Public Transportation Agency Safety Plan (Approve)
- C-4 Resolution Authorizing the RTA to Submit FTA Section 5311 Grant Application (Approve)
- C-5 Resolution Authorizing the RTA to Administer FTA Section 5307, 5339 and CMAQ Grants (Approve)
- C-6 Resolution Authorizing the RTA to Submit FTA 5339(c) Grant Application for Zero Emission Buses (Approve)
- C-7 Resolution Authorizing the RTA to Submit FTA 5339(b) Grant Application for Bus Maintenance Facility (Approve)

- D. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL:** It is the intention of the Board to meet in closed session concerning the following items:

Conference with Labor Negotiator (CA Government Code Section 54957.6(a))
Negotiating Party: Fred Strong, President
Unrepresented Employee: Geoff Straw, Executive Director

E. BOARD MEMBER COMMENTS

Tentative Special RTA Board meeting April 1, 2020

Next regularly-scheduled RTA Board meeting is May 6, 2020

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

March 4, 2020

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Accept as Information

BACKGROUND/DISCUSSION:

Operations:

The Employee of the Quarter is RTA Bus Operator Gareth McCain. Mr. McCain has proven to be a versatile and friendly employee who is always willing to fill open shifts – which has been a challenge these past few months due to a shortage of Bus Operators and absences due to the on-going flu season. Join me in congratulating Gareth, who will attend the March 4th Board meeting. The next EOQ barbecue luncheon will be conducted in late-April; stay tuned for an email announcement to all Board members.

The RTA is celebrating Bus Operator Appreciation Day on March 16th as part of the annual National Transit Driver Appreciation Day (typically March 18th each year). Staff will ride buses throughout the day, and ask riders to recognize and share stories about how our Bus Operators affect their lives.

Since the previous RTA Board meeting, we have three new Bus Operators in revenue service and three new Bus Operator candidates that are in the training program. We also have seven candidates that are in the background/permitting phase of recruitment. We are continually seeking new candidates to fill the nine open Bus Operator positions. In addition, we recently hired James Stogsdill as a new Technician B to replace an employee that moved out of the area. Finally, we received almost 30 applications to replace the recently-separated Manager of Maintenance & Facilities, with initial interviews scheduled for February 28th and second round interviews on either March 12th or 13th.

Service Planning & Marketing:

Following several more weeks of downtime, the Ticket Vending Machine was put back on-line on February 20th. The vendor has struggled to pinpoint the problem with the receipt printer, but the latest replacement module appears to be working better but the receipts continue to get stuck in the “chute.” Additional minor tweak are forthcoming to ensure they no longer get stuck, including increasing the receipt length to increase the weight so they drop appropriately.

The SoCo Transit Board of Directors adopted its Short-Range Transit Plans (S RTP) on January 22nd, and I have presented the draft S RTP for the rural dial-a-rides at public meetings in Nipomo and Templeton, and hope to present in Shandon soon. The Rural Dial-A-Rides S RTP will be presented to the County Board of Supervisors for acceptance in spring or early summer. Both S RTP documents are posted on our website.

Bus Maintenance Facility Update:

Staff submitted responses to Plan Check Review #1 questions from the San Luis Obispo Community Development Department for our BMF project on January 21st and requested an expedited review. However, due to a variety of reasons, the City did not respond within the two-week agreed period and will refund the higher expedited review fees; the City provided additional comments on February 19th and February 26th. Our design and engineering consultants deem the issues to be relatively simple to address without a great deal of costly changes, and will respond to Plan Check Review #2 prior to the March 4th Board meeting.

Staff was notified that at least a portion of our \$1.2 million grant proposal to the San Luis Obispo Air Quality Control District will be funded – although the APCD is working with the California Air Resources Board to determine if the overhead battery electric bus recharging infrastructure is eligible for AB617 funding. APCD staff hopes to have clarification soon; I will provide an oral update at the March 4th meeting.

I recently granted the current tenant at the U-Haul rental facility additional time to move his personal property from the building (March 23rd vs. the original February 28th deadline). Based on observations of the site, I realize that asbestos and/or lead paint may be present in the building. As such, I am currently procuring a survey, testing and remediation plan to be completed prior to the proposed construction bidding close date of April 15th. I will report the cost for these services at the next RTA Board meeting.

Finance and Administration:

Per the Brown Act, the agency is required to *publicly report* any action taken by the Board and the vote. The RTA complies with this requirement by orally taking the action and vote at the meeting, by recording the meeting, and by reflecting the action and vote in the minutes. Public Comment is agendaized and taken at each meeting. The identity of the speaker and the subject matter of the comments is included in the minutes, but specific recap of the comments is not included to avoid inaccuracy. The public may review the comments in video recordings of the meetings.

Staff expects its annual fiscal and compliance auditor to complete its draft FY18-19 audit report in the coming weeks. We plan to present the report at the May 6th RTA Board meeting.

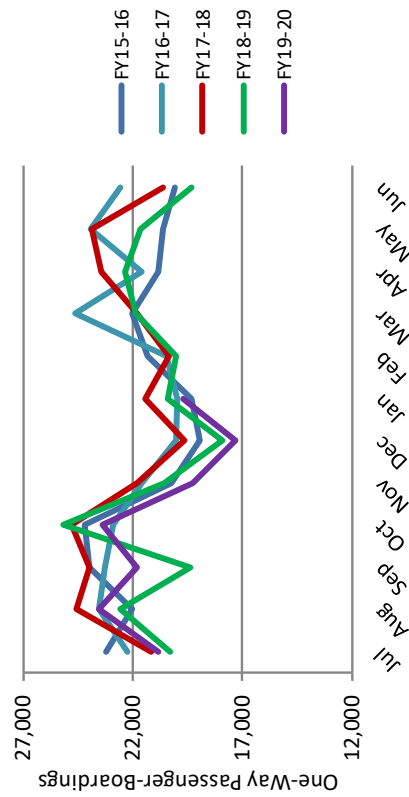
Our unaudited operating and financial results through the first seven months of FY19-20 are presented in the tables at the end of this report. This tabular information is summarized as follows:

- RTA core fixed-route ridership totaled 401,033 through the end of January 2020. In comparison, the ridership for the same period last year was 413,074, which represents a decline of 2.9%. In comparison, the annual decline was 2.8% the same previous year-to-date period. Interestingly, the two year-round State Highway 1 fixed-routes continue to experience reduced ridership (Route 12 SLO-Morro Bay down 10.2%, and Route 15 North Coast down 9.5%) – which is a reversal of last year’s previous-year comparison. On the positive side, Route 9 SLO-Paso is down only 0.3% while Route 10 SLO-Santa Maria is up 0.5%, and the recent large declines on Route 14 SLO-Cuesta College have abated (only down 1.3% vs. 6.9% reported at the January RTA Board meeting). See the graphs on page A-1-5 for details on each fixed-route’s ridership trends over the past five fiscal years.
- Runabout ridership totaled 24,101, which is a 3.4% increase compared to last year’s total (23,310).
- Trends over the past five years for productivity, which is defined as the average number of passenger-boardings per service hour, are provided in the graphs on page A-1-6.
- In terms of financial results, staff worked hard to keep operating and capital costs within budget in light of the relatively weakened ridership and other financial challenges. See the tables on page A-1-8 and A-1-9 for details. Some important takeaways include:
 - In terms of overall non-capital expenses, we are right on budget – 58.6% through 58.6% of the fiscal year.
 - Administrative costs are slightly above budget: 62.6% of the annual budget. The greatest deviation was due to the need to expend funds for professional technical services (\$110,513 expended vs. an annual budget of \$112,860); we are nearing the end of those agreements so staff expects the year-end results for this line-item to be slightly above budget.
 - Overall Service Delivery costs are also essentially right on budget. We have thankfully avoided another major bus component failure/replacement (we had to install a remanufactured engine in September), which has brought the YTD numbers for vehicle maintenance back in line with the budget.
 - The farebox recovery ratio for core fixed-route services equated to 18.2%, while Runabout achieved a ratio of 4.0%. The RTA’s results for this

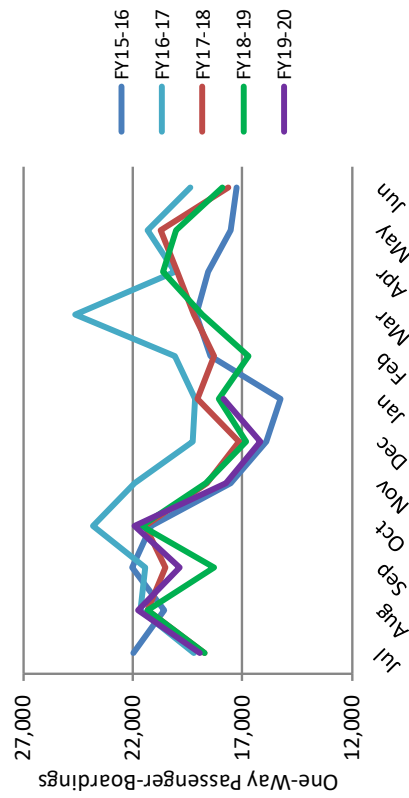
performance measure below the SBP standard of 25%, yet they are well above the 15.8% TDA requirement established by SLOCOG for FY19-20.

- The YTD subsidy per passenger-trip on core fixed-route services was \$7.40 and for Runabout it was \$88.49. As mentioned in previous reports, please remember that many Runabout trips are provided on fixed-route services through negotiated/interagency agreements. When those boardings and the fare payments are included, the overall Runabout-eligible subsidy per passenger-trip is actually quite lower – much more in-line with nationwide experience in larger, more-dense urban areas.

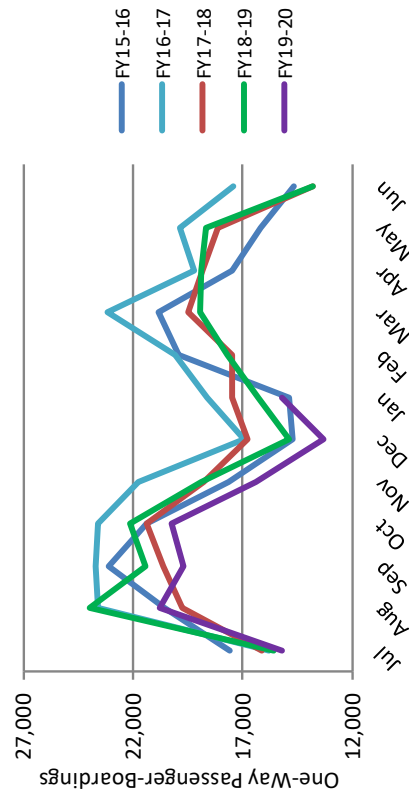
RTA Route 9 Ridership By Month



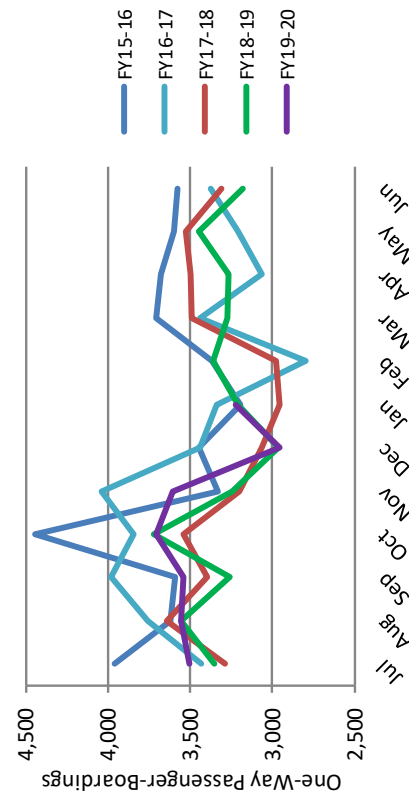
RTA Route 10 Ridership By Month

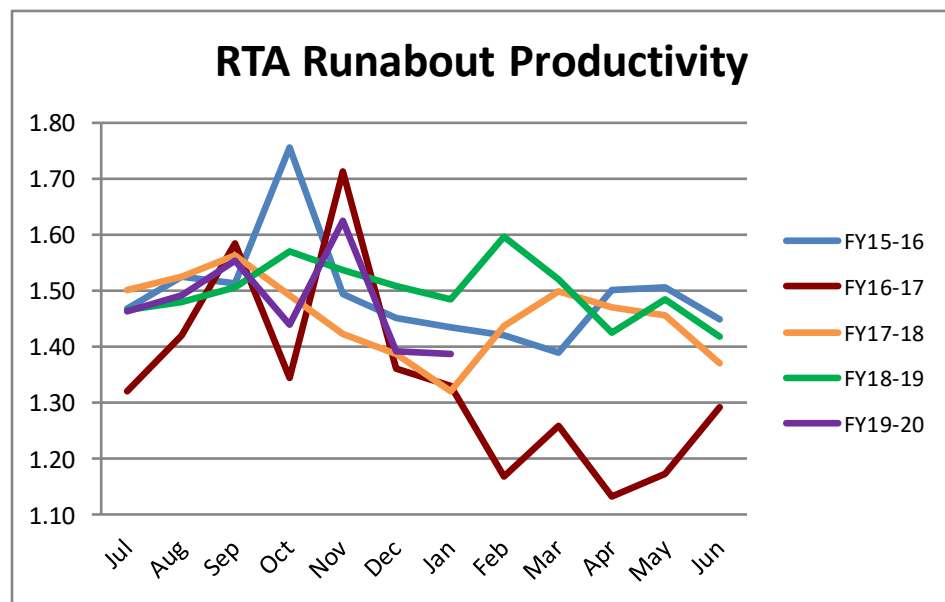
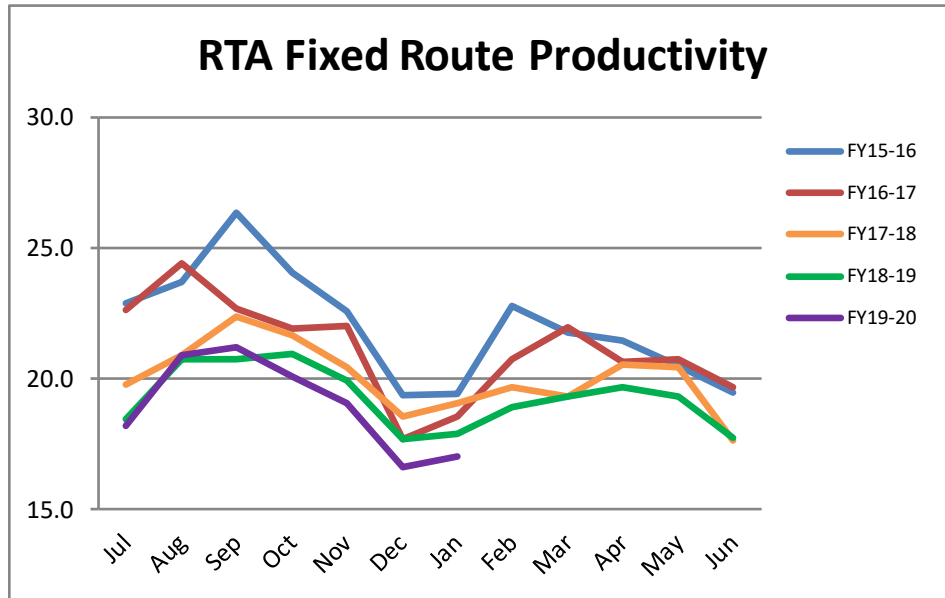


RTA Rtes. 12, 14 & 15 Pass./Mo.



RTA Runabout Ridership by Mo.





	Adopted Budget, FY 2019-20	December Actual	January Budget	January Actual	January Variance	Year to Date FY 2019-20	Percent of Total Budget FY 2019-20
Administration:							
Labor	70,210	5,504	5,851	6,013	(162)	41,714	59.4%
Hours							
Miles	1,563,240	123,533	130,270	137,548	(7,278)	941,818	60.2%
Labor - Administration Workers Comp	879,630	90,041	73,303	77,734	(4,431)	526,863	59.9%
operations cost	51,300	-	12,825	11,834	991	35,502	69.2%
Office Space Rental	476,920	36,465	39,743	36,465	3,278	276,729	58.0%
Property Insurance	20,710	-	-	-	-	24,384	117.7%
Professional Technical Services	112,860	13,496	9,405	6,353	3,053	110,513	97.9%
Professional Development	44,970	5,368	3,748	2,946	802	31,691	70.5%
Operating Expense	292,950	32,901	24,413	24,245	168	170,150	58.1%
Marketing and Reproduction	133,240	47,879	11,103	3,626	7,477	73,131	54.9%
North County Management Contract	(43,030)	(3,586)	(3,586)	(3,586)	-	(25,101)	58.3%
County Management Contract	(88,680)	(7,390)	(7,390)	(7,390)	-	(51,730)	58.3%
SCT Management Contract	(122,650)	(10,221)	(10,221)	(10,221)	-	(71,546)	58.3%
Total Administration	1,758,220	204,954	153,343	142,006	11,337	1,100,586	62.6%
Service Delivery:							
Labor - Operations	5,086,120	540,361	423,843	377,404	46,440	2,980,597	58.6%
Labor - Operations Workers Comp	347,120	-	86,780	80,074	6,706	240,223	69.2%
Labor - Maintenance	1,121,220	127,686	93,435	84,374	9,061	635,643	56.7%
Labor - Maintenance Workers Comp	101,580	-	25,395	23,433	1,962	70,298	69.2%
Fuel	1,048,730	76,764	87,394	81,426	5,968	608,953	58.1%
Insurance	677,570	56,966	56,464	56,587	(122)	398,331	58.8%
Special Transportation (for SLOCAT and Paso)	44,900	3,368	3,742	2,828	914	23,506	52.4%
Avila Trolley	63,590	-	-	-	-	20,965	33.0%
Maintenance (parts, supplies, materials)	628,670	58,259	52,389	31,946	20,443	368,619	58.6%
Maintenance Contract Costs	125,900	14,059	10,492	19,409	(8,917)	78,610	62.4%
Total Operations	9,245,400	877,462	839,934	757,480	82,454	5,425,746	58.7%
Capital/Studies:							
Computer System Maintenance/Upgrades	46,020	-	-	-	-	8,825	19.2%
Miscellaneous Capital	89,460	-	-	-	-	48,606	54.3%
Specialized Maintenance Tools	252,860	2,387	-	-	-	6,072	2.4%
Bus Stop Improvements/Bus Stop Solar Lighting Vehicles	880,700	-	-	-	-	3,760	0.4%
Cutaway and Dial A Ride Vehicles	555,200	-	-	-	-	5,000	0.9%
Runabout Vehicles and Equipment	1,824,240	2,387	-	-	-	72,263	4.0%
Total Capital Outlay							
Contingency	132,040	-	11,003	-	11,003	-	0.0%
Elks Lane Project	499,990	199,012	81,500	81,217	283	1,304,693	260.9%
Management Contracts	254,360	21,197	21,197	21,197	-	148,377	58.3%
TOTAL FUNDING USES	13,714,250	1,305,012	1,105,977	1,001,900	105,077	8,051,666	58.7%
TOTAL NON-CAPITAL EXPENDITURES	11,390,020	1,103,612	1,025,477	920,683	104,794	6,674,709	58.6%

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
YEAR TO DATE THRU JANUARY 31, 2020
CURRENT FISCAL YEAR - 2019/2020

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE SERVICES	TOTAL PASO EXPRESS FIXED ROUTE	PASO EXPRESS DIAL A RIDE	RUNABOUT	SYSTEM TOTAL
REVENUES:										
FARES	\$ 231,450	\$ 231,682	\$ 156,302	\$ 17,183	\$ 22,039	\$ 658,655	\$ 72,573	\$ 3,915	\$ 90,006	\$ 825,149
TOTAL ROUTE REVENUES	\$ 231,450	\$ 231,682	\$ 156,302	\$ 17,183	\$ 22,039	\$ 658,655	\$ 72,573	\$ 3,915	\$ 90,006	\$ 825,149
EXPENDITURES:										
ADMINISTRATION	\$ 237,782	\$ 200,413	\$ 129,275	\$ 12,426	\$ 58,920	\$ 638,817	\$ 20,500	\$ 4,601	\$ 494,993	\$ 1,158,910
MARKETING	27,394	22,780	14,740	1,484	6,733	73,131	-	-	-	73,131
OPERATIONS/CONTINGENCY	817,981	705,931	444,446	43,512	207,721	2,219,592	359,227	74,922	1,499,696	4,153,437
FUEL	153,691	151,434	83,909	9,382	45,009	443,424	35,166	2,963	113,832	595,386
INSURANCE	86,754	85,482	47,348	5,264	25,403	250,251	20,532	3,066	114,202	388,052
TOTAL EXPENDITURES	\$ 1,323,603	\$ 1,166,040	\$ 719,718	\$ 72,069	\$ 343,786	\$ 3,625,215	\$ 435,424	\$ 85,552	\$ 2,222,724	\$ 6,368,915
FAREBOX RATIO	17.5%	19.9%	21.7%	23.8%	6.4%	18.2%	16.7%	4.6%	4.0%	13.0%
SERVICE MILES	210,886.6	207,813.4	115,110.1	12,757.4	61,752.1	608,319.6	49,913.4	7,522.0	277,829.0	943,584.0
SERVICE HOURS	7,852.0	6,617.4	4,268.7	398.2	1,938.9	21,075.1	3,586.7	804.8	16,306.9	41,773.4
RIDERSHIP (Automatic Counters)	145,894	134,250	95,042	12,380	13,467	401,033	64,936	1,581	24,101	491,651
RIDERS PER MILE	0.69	0.64	0.84	0.97	0.23	0.66	1.30	0.21	0.09	0.52
RIDERS PER HOUR	18.4	20.1	22.6	31.1	7.6	19.0	18.1	2.0	1.5	11.8
COST PER PASSENGER	\$ 9.07	\$ 8.69	\$ 7.57	\$ 5.82	\$ 25.53	\$ 9.04	\$ 6.71	\$ 54.11	\$ 92.23	\$ 12.95
SUBSIDY PER PASSENGER	\$ 7.49	\$ 6.96	\$ 5.93	\$ 4.43	\$ 23.89	\$ 7.40	\$ 5.59	\$ 51.64	\$ 88.49	\$ 11.28

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 4, 2020

STAFF REPORT

AGENDA ITEM:	A-2
TOPIC:	Results of CPS HR Review
ACTION:	Approve
PRESENTED BY:	Geoff Straw, Executive Director
STAFF RECOMMENDATION:	Receive and File the RTA Final Report from CPS HR Consulting for Human Resources Audit and Compliance Review and Recommended Practices

BACKGROUND/DISCUSSION:

In April 2019, the Board authorized the RTA Executive Director to execute an agreement with CPS HR Consulting for an audit and compliance review with consent from RTA Counsel. Staff requested this authority in order to ensure the RTA is adhering to best practices associated with legal requirements and policies, and that procedures adopted by the RTA Board regarding human resources are being followed and in the best interest of the agency. Staff worked with the County of San Luis Obispo to identify an outside agency that could provide a professional review. They identified CPS HR Consulting as a firm that would be suitable to conduct such work and is used by not only the County but many of the cities within the County.

Outline of the Review Process

1. On February 25, 2019, CPS HR submitted a proposal to the San Luis Obispo Regional Transit Authority for a comprehensive review of the RTA's human resources processes and best practice recommendations.
2. CPS HR received a signed agreement.
3. On April 5, 2019, a pre-audit questionnaire and request for information were sent via email to the Deputy Director/CFO. Subsequently, the RTA notified CPS HR of a delay in moving forward. Due to timing of various project, the response to CPS HR Consulting from staff was delayed an amendment to extend the due date for the report to March 2020 was approved by the RTA Board in October 2019.
4. On September 3, 2019, the RTA emailed CPS HR the responses to the questions for advance response and additional requested information.

5. On September 17, 2019, CPS HR met with representatives of the RTA to discuss and clarify the scope of the audit.
6. On October 29, 2019, CPS HR conducted an onsite review of files and policies.
7. On November 26, 2019, the Draft Report of Findings was submitted to the RTA.
8. On December 20, 2019, CPS HR received the edits back from the RTA.
9. On January 17, 2020, CPS HR submitted the revised Draft Report to the RTA.
10. On February 17, 2020, CPS HR submitted the Final Report to the RTA.

Highlights of Major Findings

CPS HR's review of the RTA HR policies and procedures show that the agency generally follows accepted principles and practices of human resources management for public agencies as evidenced by the policies. Included in the final report are a number of "best HR practices" recommendations that the RTA may consider in the future. These "best HR practices" do not address any deficiencies; rather, they are useful tools for the RTA as it works with its various stakeholders to support the organizational growth and sustainability of the agency. The specific findings are more thoroughly discussed in the body of the report.

Staff Recommendation

Receive and file the RTA final report from CPS HR Consulting for Human Resources Audit and Compliance Review and Recommended Practices.

February 17, 2020

San Luis Obispo Regional Transit Authority (RTA)

Final Report of Findings

Human Resources Audit and Compliance Review and Recommended Practices

SUBMITTED BY:

CPS HR CONSULTING

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Human Resources Process Overview

CPS HR Consulting (CPS HR) conducted a Human Resources Process Review of the San Luis Obispo Regional Transit Authority (RTA). The team members consisted of Karen Rodriguez, Michelle Pellegrino, Jacques Whitfield, Lisa Conner, and Jackie Frost.

Report of Findings

Background

CPS HR was asked to review RTA's operational HR policies, practices, and processes with an emphasis on key HR delivery areas (e.g. recruiting, employee retention, compensation, employee benefits, performance management, employee relations, training and development, records retention, etc.). When conducting an audit and compliance review of HR delivery areas, CPS HR reviewing RTA's policies, practices, and process to ensure compliance with the Merit System Principles (5 USC § 2301). In addition, CPS-HR was asked to review current HR indicators (e.g. personnel files and I-9 forms, internal grievances filed, number of legal complaints, review Operation Supervisor classification for FLSA status, ACA policy/tracking, etc.).

This report summarizes the results of the Human Resources (HR) process review for the RTA. The information included in this report is based on:

- RTA Employee Handbook
- RTA and Teamsters Union Local 986 (Effective 1/1/18 to 12/31/21)
- RTA Job Descriptions
- RTA Organization Chart
- Responses to advance questions submitted by RTA
- Onsite review of personnel files

Outline of the Review Process

1. On February 25, 2019, CPS HR submitted a proposal to the San Luis Obispo Regional Transit Authority for a comprehensive review of the RTA's human resources processes and best practice recommendations.
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Overview of the Regional Transit Authority

The San Luis Obispo RTA provides intercommunity public transportation. RTA's service area includes all of San Luis Obispo County and extends into Santa Barbara County to the south. RTA provides regional fixed-route services and Americans with Disabilities Act (ADA) complementary paratransit services. RTA is a Joint Powers Authority (JPA) in San Luis Obispo County, that operates bus service which connects cities throughout San Luis Obispo County (and beyond) including Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, San Luis Obispo and more. RTA oversees the administration of South County Transit (So Co Transit), which is a separate JPA comprised of the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the County representing the unincorporated areas of Oceano and Avila Beach. The policies and procedures of So Co Transit were not reviewed as part of this audit.¹

The RTA's mission is to provide safe, reliable and efficient transportation service that improves and enhances the quality of life for the citizens and visitors of San Luis Obispo County.² RTA employs 110 full time and part-time employees.

The RTA Employee Handbook is the guiding document for the agency and states the following, "The purpose of this handbook is to provide the San Luis Obispo Regional Transit Authority (RTA) staff with guidance on major aspects of the RTA's policies and procedures."³

Highlights of Major Findings

Typically, CPS HR reviews HR policies and procedures to ensure they are in compliance with Federal Merit Principles. A review of RTA's policies and procedures show that the agency

¹ Reference to SoCo Transit is included in this report for information only

² <https://www.slorta.org/about-rt/>

³ RTA Handbook, Article 1, Section 1.1

generally follows accepted principles and practices of human resources management for public agencies as evidenced by the policies. We have included a number of “best HR practices” recommendations that the agency may wish to consider in the future as a part of its staffing planning process. These “best HR practices” do not address any deficiencies; rather, they are useful tools for the agency as it works with its various stakeholders to support the organizational growth and sustainability of the agency. The specific findings are more thoroughly discussed in the body of the audit report. Principles are grouped for administrative efficiency purposes so the agency could more clearly see areas in which there were compliance deficiencies or recommendations.

Merit System Principle 1 – Recruitment, Selection, and Advancement

Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity. (5 USC § 2301)

Background

The intent behind the first Merit System Principle sets forth the vision of a workforce that is representative of the very people who fund the government through their tax dollars and who the government exists to serve and represents the core value of a merit-based employment model.⁴

Related Rules, Policies, and Procedures

The RTA Employee Handbook states, “All employee selections and promotions shall be made in accordance to merit, qualifications, and the job requirements.”⁵

Recruitment

RTA may administer open, on-going, internal recruitments or direct appointments upon approval of the RTA Board. The handbook establishes that open and on-going recruitments will be posted for a minimum of five working days, and internal recruitments will be posted for a minimum of 10 working days. The RTA Executive Director may extend a final filing date should the need arise.

Job announcements include the job title, salary range, minimum qualifications for the position, and the final filing date. At a minimum, all open recruitments are posted through the online Employment Opportunities page. In addition to the online application system, all internal recruitments are also posted on the employee bulletin board which is accessible to all RTA employees.

RTA contracts with San Luis Obispo County for recruitment services. San Luis Obispo County uses NEOGOV to post recruitments for the RTA. Applications are reviewed by the manager of the department and/or by Human Resources, who also make the determination of the candidates who are selected for interview. RTA then administers an oral interview exam. RTA staff

⁴ Merit System Principle 1, <https://www.mspb.gov/msp/msp1.htm>

⁵ RTA Employee Handbook, Article 5, Section 5.1

communicates with candidates via email and communicates with all applicants regarding their status in the recruitment.

Examination and Selection

The RTA Employee Handbook states, “all selection elements shall be job related and based on merit principles.”⁶ The RTA Employee Handbook established that RTA may use one or more of the following exam components for each recruitment and vary based on the position being filled and type of recruitment:

- Oral Interview
- Competitive application rating
- Written test
- Practical performance test
- Or any other valid and reliable selection method

Once the eligible list is established, the RTA Employee Handbook requires the department manager and Human Resources to, “invite the top three ranked candidates on the eligible to be interviewed.”⁷ If the department manager is not able to make a selection, then additional ranks may be invited for an interview, but no ranks may be skipped.

Probationary Periods

At RTA, positions are designated as either “at will” or Collective Bargaining Agreement (CBA) employees. For employees that are covered by the CBA the probationary period is one hundred and eighty calendar days.

Non-Status Appointments

Employees not covered by the CBA are considered “at will.” “At will” employment is defined as, “an employee may be terminated for any lawful reason, even if it doesn’t rise to the level of “cause,” which is misconduct or a willful violation of workplace standards of behavior.”⁸ The following positions are designated “at will:”

Accounting Technician

Administrative Assistant

Deputy Director/CFO

Grants/Finance Manager

Human Resources Officer

Maintenance & Facility Manager

⁶ RTA Employee Handbook, Article 5, Section 5.4.1

⁷ RTA Employee Handbook, Article 5, Section 5.4.2

⁸ RTA Employee Handbook, Article 2, Section 2.1.2.1

Maintenance Assistant Manager	Operations Supervisor
Marketing & Community Relations Manager	Operations Supervisor (Lead)
Mobility Specialist	Safety and Training Manager
Operations Manager	Transit Training Instructor

Overview of Practices

Oral interview exams are conducted for all recruitments. Oral interview exams are developed using historical questions for the same classification and questions derived from the County of San Luis Obispo's competency library which includes sample questions based on desired competencies for the position. The hiring authority who supervises the employee reviews the prior oral interview questions and decides if they want to add or change the questions. The hiring authority selects questions based on the competencies they think will be needed for the position. Written exams are not commonly used or administered for the hiring process.

The hiring manager is always one of the oral interview exam panel members. Candidates are either ranked or unranked dependent upon the number of candidates and vacancies. In most cases, all candidates who have successfully passed the selection process move forward to the pre-employment process. For positions where the candidates are ranked, the panel will recommend that the most successful candidate(s) advance from the oral interview exam to the next step in the selection process. If there is more than one recommended candidate, then those candidates will be invited back for a hiring interview. In some cases, RTA may request that the San Luis Obispo County facilitate the oral interview exam.

Additionally, for employees that will be required to operate a vehicle requiring a class B Commercial Driver's License, candidates are subject to a DOT medical exam and the applicable new hire drug screen, including checking with prior employers if they were subject to DOT rules in their prior employment. All new hires are subject to a background check. Employees who handle cash of the agency (Accounting Technician, Grants and Finance Manager, Deputy Director/CFO) are also subject to a credit check.

Findings

RTA does meet the federal merit principle related to recruitment, selection, and advancement.

Recommended Enhancements

As a recommended enhancement, CPS HR recommends that RTA continue to ensure they maintain their recruitment and selection files in accordance with their records retention policy.

While RTA is selecting oral interview exam questions based on competencies the hiring manager believes are needed for the position, the decision as to the competencies needed to perform

critical or important work behaviors of the position should be established and documented through the job analysis process.

Exam content should be based on a job analysis of the position to be filled. A job analysis is a systematic study of a job with the purpose of identifying the behaviors that constitute successful performance of the job, and the personal attributes needed to successfully perform those behaviors. A job analysis that is considered valid and reliable when it follows the Uniform Guidelines on Employee Selection Procedures (Equal Employment Opportunity Commission et al., 1978) henceforth referred to as the Uniform Guidelines.

The Uniform Guidelines is a set of principles that guide employers in compliance with laws applicable to the use of selection procedures, and is commonly applied by the state and federal agencies, as well as the courts, when enforcing employment-related laws such as Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, and Title I of the Civil Rights Act of 1991. The Uniform Guidelines defines a selection procedure as any procedure used as the basis for making employment decisions and indicates that a knowledge, skill, or ability measured by a selection procedure should be one that is “used in and is a necessary prerequisite to performance of critical or important work behavior(s)”.

To address what is stated above, RTA could revise the Employee Handbook to change the procedure to reflect their practices.

Merit System Principle 2 and 9 - Fair and Equitable Treatment, and Whistleblower Protection

All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights. (5 USC § 2301)

Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences a violation of any law, rule or regulation, or mismanagement, a gross waste of funds, an abuse of authority or a substantial and specific danger to public health and safety. (5 USC § 2301)

Background

The intent of the second principle sets forth the vision that government personnel management be free of unfair treatment and discrimination, where decisions are made solely on legitimate merit-based considerations. Requiring decision making without regard to race, color, religion, national origin, sex, marital status, age, or handicapping condition echoes the purpose behind Title VII of the Civil Rights Act of 1964 and related laws barring discrimination in employment.

The intent of the ninth federal merit system principle is to “protect whistleblowers against reprisal when they disclose wrongful conduct to create a more effective civil service”⁹. Whistleblowers help to create an effective civil service because they often are in the best position to witness agency wrongdoing. Without their disclosures, wrongdoing might go unchecked.

Related Rules, Policies, and Procedures

The RTA Employee Handbook states, “the RTA maintains a strong commitment to support equal employment opportunity and prohibit and prevent discrimination, harassment and retaliation in employment.”¹⁰ Within Article 4 of the RTA Employee Handbook, there are detailed policies covering:

- American with Disabilities Act (ADA) and Fair Employment and Housing Act (FEHA) Policy
- Equal Employment Opportunity

⁹ <https://www.mspb.gov/msp/msp9.htm>

¹⁰ RTA Employee Handbook, Article 4, Section 4.2

- Policy Against Discriminatory Harassment (which includes statements against bullying)
- Policy Against Sexual Harassment
- Reporting Discrimination or Harassment
- Policy Against Retaliation

In addition, the RTA has policies adopted by the Board for EEO and Title VI, which are required by the Federal Transportation Administration. The RTA Board adopted the EEO Plan on November 6, 2019 and the Title VI policy on August 7, 2019.

The RTA also includes the whistleblower provisions as part of the annual labor law poster information, which is updated as of January 1 of each calendar year and is posted in break rooms in both English and Spanish.

Overview of Practices

Equal Employment Opportunity

The RTA submitted the last federally required EEO plan for the period of October 1, 2019 to September 30, 2023 to the RTA Board on November 6, 2019.

Discrimination and Harassment Complaint, Investigations, and Appeals Processes

The RTA does not currently maintain a separate file for complaints and grievances, namely because there are so few complaints. During the onsite visit, there were no complaint or grievance files to review, as there had been no complaints or grievances from RTA staff filed within the last two years. While it is commendable that the agency has had no complaints or grievances files within the last two years, best practices in compliance management strongly suggests that agencies should regularly maintain separate complaints and grievance files apart from the official personnel files as an effective tool to track and monitor such complaints.

Staff works with the Civil Rights Office of the Federal Transportation Administration to ensure compliance. Employees are trained regarding their rights upon hire, including a review of the RTA Title VI policy. Additional training is provided to employees who are promoted to Operations Supervisor and during the annual review process. Employees are reminded that items such as the Title VI policy apply not only to members of the public but also to employees.

Findings

RTA meets the federal merit principle related to fair and equitable treatment.

RTA meets the federal merit principle related to whistle blower protection.

Recommendations

Consistent with our factual findings, the agency should maintain a separate file system for complaints and grievances to more effectively manage this area of compliance.

Merit System Principle 3 – Equal Pay

Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance. (5 USC § 2301)

Background

The intent of the third Merit System Principle embodies the vision that maintaining equitable salaries and rewarding excellent performance will attract and retain the most effective and efficient workforce through positive employee engagement.¹¹

Related Rules, Policies, and Procedures

The RTA Board of Directors is responsible for the compensation of all employees of the RTA, and it annually adopts the salary schedule for each non-CBA position. Additionally, the RTA Board must accept any changes to job descriptions included in the Employee Handbook. Human Resources is responsible to maintain the salary table that includes all active classifications and the corresponding seven-step pay scale. The RTA Employee Handbook states, “The RTA Executive Director shall have discretion to set the salary of an employee at any step within the salary range approved by the RTA Board for the classification to which the employee is appointed.”¹² However, there are conditions that determines when and how a salary can be changed, they are:

- Upon promotion, an employee receives a salary increase to a step in the new salary range that is not less than the pay previously received.
- Market adjustments are done on a position-by-position basis based upon market data.
- Upon receiving a Satisfactory or better performance evaluation, the RTA Executive Director may grant an employee a salary increase to the next step in the salary range.
- Upon receiving an Unsatisfactory performance evaluation, the RTA Executive Director may “lock” an employee’s a salary at the employee’s current salary step until the employee’s performance is improved to Satisfactory or better.
- Upon voluntary demotion, an employee may be placed by the RTA Executive Director at any step in the salary range of the new class not to exceed their current step without a concurrent performance evaluation.

¹¹ <https://www.mspb.gov/msp/msp3.htm>

¹² RTA Employee Handbook, Article 3, Section 3.1.2

Overview of Practices

The RTA has a salary schedule for non-CBA employees. Non-CBA employees receive a cost of living adjustment, subject to Board adoption during the annual budget development process. The RTA budget is adopted annually by the RTA Board of Directors (usually in May of each year). The CPI is based on information from the CPI-U, Los Angeles-Long Beach-Anaheim. When vacancies occur for non-CBA (above the Operations Supervisor level) a review of the position's salary is completed using data mainly from the State Controller's office and Transit Talent.

In 2015, information was gathered from a number of agencies in order to create the non-CBA salary schedule. Information from the following agencies was used:

- Fresno County Rural Transit Agency
- El Dorado County Transit Authority
- El Dorado Transit Authority Salary Survey¹³
- Central Contra Costa Transit Agency salary information
- San Luis Obispo County salary information
- State Controller's office (information from the Government Compensation in California site)
- Transit Talent Salary survey information

CBA employees are covered by the salary schedule included in the collective bargaining agreement with Teamsters Local 986.

Typically, when employees are hired, they start at the first step of the salary range for the position. Exceptions require Executive Director authorization based on equivalent experience or comparable duties. In those cases, the salary is adjusted to a higher step. The salary schedule is included as part of the annual budget presentation each year. CBA covered employees receive a salary increase in January of each year, which is considered a cost of living adjustment; they also receive a step increase on their annual anniversary, which is capped after their ninth year of employment.

Findings

RTA meets the federal merit principle related to Equal Pay.

¹³ El Dorado Transit Authority Survey included data from: Santa Cruz MTD, City of Folsom, Riverside Transit Authority, Sacramento RTD, San Joaquin RTD, Norwalk Transit System, Placer County, Gold Coast Transit, Central Contra Costa Transit Authority, Golden Empire Transit, and Amador Regional Transit

Recommended Enhancements

While it was determined that RTA meets the federal principle regarding equal pay, there is an opportunity for growth within RTA's rules. CPS HR recommends that RTA develop a compensation philosophy which would effectively and affirmatively establish the foundational principles upon which the agency relies on in making compensation recommendations and decisions.

Additionally, to ensure consistency and equal pay upon promotion or demotion, many agencies provide more guidance within their rules regarding salary placement when one of these two actions occur.

Suggested employee handbook wording for salary upon promotion: "Any employee who is promoted to a position in a class with a higher salary range shall receive the recruiting step for the class or such higher amount as would constitute at least a five percent (5%) increase over the salary received prior to the promotion, not to exceed the top step of the new range."

Suggested employee handbook wording for salary upon demotion: "When an employee is demoted for reasons of unsatisfactory performance, his/her salary shall be reduced one step, or he/she shall receive the maximum step of the range of the new class, whichever is lower. When a regular employee in good standing is demoted to a position in a lower class for reasons other than unsatisfactory performance, he/she shall receive the highest salary in the new classification that does not exceed his/her rate of pay immediately prior to demotion."

Merit System Principles 4, 5, and 6- High Standards; Efficiency and Effectiveness; and Performance Standards

All employees should maintain high standards of integrity, conduct, and concern for the public interest. (5 USC § 2301)

The work force should be used efficiently and effectively. (5 USC § 2301)

Employees should be retained on the basis of adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards. (5 USC § 2301)

Background

The intent of the fourth Merit System Principle is to serve as the foundation for the standards of ethical conduct for governmental employees. It recognizes that “public service is a public trust and that employees are obligated to honor that trust by respect for and adherence to the Constitution, laws, and ethical principles of Government service. In order for an agency to accomplish its mission, its employees’ conduct must command the respect and confidence of the public.”¹⁴

The intent of the fifth merit system principle balances employee’s rights to be hired and fired solely on the basis of abilities vis-a-vis the public’s expectation of a Government that is impartially administered and flexibly managed.¹⁵ Simply put, the public has a right to an efficient and effective Government which is responsive to their needs as perceived by elected officials and within budgetary constraints. In instances when Government funding is about to lapse, the public’s expectations of efficiency and effectiveness triumph over the employee’s expectations of continued employment.

The intent of the sixth merit system principle is to create a civil service that is worthy of the public and its confidence: One in which hiring, promotion, and pay are truly based on merit and one in which those who cannot or will not perform their jobs can be removed. In order to reduce in grade or remove an employee, an agency must have: “(1) Set up an approved performance appraisal system; (2) timely communicated the written performance standards and “critical elements” of an employee's position to the employee; (3) warned the employee of inadequacies

¹⁴ <https://www.mspb.gov/msp/msp4.htm>

¹⁵ <https://www.mspb.gov/msp/msp5.htm>

in “critical elements” during the appraisal period; and (4) counseled the employee and afforded a reasonable opportunity for improvement after proper notice.”¹⁶

Evaluation of Performance

Related Rules, Policies, and Procedures

The RTA Employee Handbook states, “the RTA Executive Director shall establish, implement and maintain an effective system for periodic evaluation of the performance and conduct of employees at the RTA.”¹⁷

Non-CBA employees are evaluated for their performance based on the terms of Article 6 of the RTA Employee Handbook. Employees are evaluated on an annual basis in July of each year. Evaluations should be discussed with the employee, and the employee should be given a copy of the evaluation.

For CBA employees, there are no provisions regarding performance evaluations in the collective bargaining agreement with Teamsters Local 986.

Overview of Practices

Each employee’s designated supervisor is responsible for managing their employee’s performance.

Non-CBA employees are subject to annual performance appraisals in July of each year, unless they were hired in the prior six months. The Human Resources Officer (HRO) tracks all non-CBA draft reviews to ensure equivalency and consistency in ratings; if a manager’s scores are unreasonably high or low, the HRO reviews the draft ratings with the manager to discuss or correct any inconsistencies. If an employee is rated “Needs Improvement” or “Unsatisfactory,” a corrective action plan is developed by the manager in conjunction with the HRO. A rating of unsatisfactory also delays any salary increase in accordance with Section 3.1.2.4 of the RTA Employee Handbook. Since performance evaluations are all completed at the same time each year, the HRO is easily able to track. Pay rate changes become effective the first full pay period in July.

For CBA employees, there is not an annual evaluation process. Bus Operators have at a minimum one ride-along, one follow-behind and one yard check each calendar year. This is done to determine if retraining is needed. Some of the reasons additional checks may be completed include if there are customer comments or collisions. For maintenance staff, the Maintenance Assistant Manager works side by side periodically with each staff member to ensure competence.

¹⁶ <https://www.mspb.gov/msp/msp6.htm>

¹⁷ RTA Employee Handbook, Article 6, Section 6.1

Progressive Discipline and Separation

Related Rules, Policies, and Procedures

The RTA Employee Handbook indicates that, “All RTA employees are expected to observe professional standards of job performance and conduct in support of the mission and vision of the RTA.”¹⁸ The handbook does not provide guidelines for discipline.

For CBA employees, there are provisions for discipline in Article 17 – Discipline and Discharge of their CBA. The CBA states, “No employee will be disciplined, discharged, suspended, nor will adverse entries be made in a personnel record, except for just and sufficient cause.”¹⁹ In the event an employee's performance is unsatisfactory or needs improvement, and after the issue has been properly investigated and where discipline is determined, RTA may move forward with disciplinary action by providing a Notice of Intent to Discipline. After the Skelly hearing, the employee's supervisor may issue a final Notice of Discipline. Such notice shall include the Skelly Hearing Officer's written decision.

Overview of Practices

No intent to discipline notice or progressive discipline is provided to at-will employees.

For CBA covered employees, a log is used by all Operation Supervisors to log any discipline imposed on employees, which is documented. Verbal warnings are included in the log and tracked in order to ensure compliance with the appropriate progression. CBA covered employees, are provided with a notice of intent before taking any disciplinary action. In the intent notice, information regarding requesting a Skelly Review is provided and who the Skelly Officer will be. Traditionally, the Deputy Director is the Skelly Officer unless the Deputy Director is not available, such as being involved in the investigation. In those cases, the RTA has an agreement with the County of San Luis Obispo, and they provide a Skelly Officer.

A random sampling of the personnel files indicate that the agency maintains a performance management system. There are no separate files for disciplinary matters, which made it difficult to measure the effectiveness of the agency's current performance management system. The audit discloses that employees are disciplined appropriately when there are issues of substandard performance or unprofessional conduct. The audit also discloses that the agency follows both its CBA and general principles of procedural due process when addressing and resolving disciplinary matters.

¹⁸ RTA Employee Handbook, Article 7, Section 7.2

¹⁹ Collective Bargaining Agreement with Teamsters Local 986, Article 17, Section 2

Findings

RTA generally meets the federal merit principle related to retention of permanent employees.

Recommended Enhancements

It is recommended that the agency explore enhancing its current performance management system to further its employee development platform. While the agency meets the federal merit principle, there is a tremendous growth opportunity for the agency to maximize its training and development capacity in the area of effective performance management. There have been advances in the area of best HR performance management practices over the last 10 to 15 years as organizations revisit ways to maximize employee performance and engagement. Current effective performance management is much more comprehensive and intentional with a goal of professional development for all employees, as opposed to merely focusing on marginal or poor performance for a certain group of employees. This is a collaborative process, which involves management and employee groups working together to create and implement some of these newer solutions, such as individualized development plans (IDPs) and 360-degree feedback.

To the extent possible and allowable under the current CBA provisions, the agency may wish to explore conducting annual performance evaluations for all employees, not just non-CBA covered employees. This recommendation is reflective of best current HR performance management practices. Furthermore, by using the tools mentioned above, the agency can enhance and maximize its training and development capacity in the area of effective performance management for all of its managers and supervisors. A change like this would be implemented through the meet and confer process.

Again, while the agency meets the federal merit principle related to discipline, it is recommended that the agency explore adding the standard components of the Notice of Intent and Final Discipline notices in the CBA (Article 17, Section 4). Notice of Intent and Final Discipline notices should set forth in writing the reasons for the proposed disciplinary action, a statement of the charges upon which the action is to be based, a notice to the employee that they have the right to review the materials being used against them, and a statement advising the employee that they have a right to respond to the charges.

Merit System Principle 7 – Education and Training

Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance. (5 USC § 2301)

Background

The intent of the seventh merit system principle is “to ensure that employees receive the training they need to perform their jobs; that training plans are integrated into organizations’ overall strategic plans; and that funds are available to accomplish necessary training. As jobs evolve, agencies should invest in the training necessary to assure their employees possess the skills to adapt and excel—even, and perhaps especially, in hard budgetary times.”²⁰

Related Rules, Policies, and Procedures

The RTA Strategic Business Plan strives to, “Provide continuous development of skills and capabilities through ongoing training and development programs that foster personal and professional growth.”

Department Heads develop training plans as part of annual budget process, according to the following minimum standards:

- Maintenance: 30 hours per technician annually
- Operations Supervisors: 24 hours annually
- Bus Operators: 8 hours annually
- Finance and Administration: 16 hours annually

Overview of Practices

Each position has a checklist of required training. The RTA Safety and Training Manager maintains the checklists to ensure required material is covered and appropriately documented. The training department also monitors rules and regulations to ensure continued compliance. The training department updates training requirements in conjunction with the Human Resources Officer. Staff also coordinates with the San Luis Obispo County to expand training opportunities whenever possible.

A large portion of position specific training and testing is done by in house trainers. RTA participates in the DMV Employer Testing Program.

²⁰ <https://www.mspb.gov/msp/msp7.htm>

Maintenance: For FY18-19, the Technicians have averaged 63.25 hours per person. Training is provided based on availability and interest of each Technician, in addition to providing training based on changes to rules and regulations. Significant training was conducted for electrical, breaks, storm water pollution prevention, new vehicles, and air conditioning. The RTA has also utilized training from the Southern California Regional Transit Training Consortium (SCR TTC), which has been of significant benefit to the agency. For example, RTA hosted the OSHA Basic Safety Course on August 7, 2019.

Operations Supervisors: For FY18-19, the Operations Supervisors have averaged 20 hours per person. Staff anticipates reaching the 24-hour standard by the end of the fiscal year. Additionally, Operations Supervisors perform annual ride-alongs, follow-behinds and yard checks on employees (each Operations Supervisor is assigned a list of employees to evaluate). Operations Supervisors focus on specific training areas based on requests of the group and where deficiencies are identified. For example, as incidents regarding incomplete investigations were identified, training was conducted by the RTA's general liability insurance carrier (CalTIP) regarding incident investigation and occurrence reporting, which was required for all Operations Supervisors.

Bus Operators: All Bus Operators are required to complete annual Verification of Transit Training (VTT) (8 hours each year). Bus Operators are in training for 6-7 weeks prior to being "hired" and once completed can choose an open bid. Casual drivers must operate a vehicle at least once within a 30-day period to avoid the need for retraining. All new Bus Operators are required to complete refresher training six months after completing training and two years after completing training.

Finance and Administration: The Finance and Administration staff utilize their training hours in various ways based on their responsibilities and in consultation with their direct supervisor. Staff is also part of networking group of peers including the Southern California Transit Instructor Network. Depending on the timing, administrative staff also attends training held by the Federal Transit Administration in conjunction with the triennial audit cycle. This year staff attended the procurement, financial management oversight and triennial review training modules to maintain current FTA standards.

San Luis Obispo County HR provides additional focused training, such as sexual harassment prevention for all employees. San Luis Obispo County staff also provide onsite training as part of the Bus Operator VTT course. Included in the VTT course is CHP training and the County District Attorney's office training to address human trafficking.

RTA also utilizes California Transit Indemnity Pool (CalTIP) as a training resource, which provides information and on-site training regarding:

- Wheelchair securement

- Incident investigation
- Defensive driving
- Secret rider program²¹

Training is tracked in RTA's payroll software Automated Data Processing Inc. (ADP). RTA uses sign in sheets, requiring the employee's signature, to track specific training. Training information is copied into each employee's training file.

Findings

RTA meets the federal merit principle related to training.

Recommended Enhancements

While RTA meets the federal merit principle related to training, CPS HR recommends adding applicable timeframes to the training checklist.

For example, pursuant to new California Law (SB 1343) Sexual Harassment training has the following requirements:

- Supervisor employees must be provided 2 hours of training within 6 months of becoming a supervisor and every 2 years thereafter.
- Non-supervisor employees must be provided 1 hour of training within 6 months of hire and every 2 years thereafter AND seasonal and temporary employees are required to be trained within 30 days or 100 hours worked whichever occurs first.

By including the applicable timeframes for training into the checklist, this will help ensure that RTA will provide training in a timely manner and re-train employees within the timeframes required by law. Further, agencies must be in compliance with SB 1343 by January 1, 2020.

²¹ Secret Rider Program provides the agency with an independent review of deficiencies and provides training resources to address those deficiencies.

Merit System Principle 8 – Favoritism and Political Influence

Employees should be protected against arbitrary action, personal favoritism or coercion for partisan political purposes and prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election. (5 USC § 2301)

Background

The intent of the eighth federal merit system principle is protect civil servants from the impulses of the patronage or spoils system, under which political appointees would coerce the political support of rank-and-file employees in exchange for continued employment and to prevent civil servants from using their authority or office to influence nominations and elections.²²

Related Rules, Policies and Procedures

The RTA Employee Handbook states, “Employees are prohibited from soliciting (personally or via electronic mail or text messaging) for membership, pledges, subscriptions, the collection of money or for any other unauthorized purpose anywhere on RTA property during work time, especially those of a partisan or political nature.”²³

The RTA Board has also adopted a Uniform Conflict of Interest Code promulgated by the Fair Political Practices Commission in January 2017. The Conflict of Interest Code covers the designated positions, and their disclosure categories.

Overview of Practices

RTA includes information regarding political practices in the employee handbook, which is reviewed with employees as needed and during the onboarding process. No formal complaints related to this policy have been received.

Findings

RTA meets the federal merit principle related to political rights and prohibitions.

²² <https://www.mspb.gov/msp/msp8.htm>

²³ RTA Employee Handbook, Article 2, Section 2.6.12

FLSA Classification Review

Related Rules, Policies and Procedures

The United States Congress enacted the Fair Labor Standards Act in 1938 to eliminate labor conditions injurious to the health and efficiency of workers, as well as unfair methods of competition based on such conditions. The act contains provisions that cover minimum wage, child labor, equal pay, and several other employment practices. Pertinent to this study, the FLSA contains language that requires employers to pay overtime to an employee at the rate of one and one-half the employee's regular rate of pay for all hours worked over designated weekly totals unless said employee qualifies for an exemption. This overtime pay requirement cannot be waived by agreement between the employer and employee, although the employer can choose to pay overtime to an employee even though the employee qualifies for exemption under the law.

The most common overtime exemptions are Executive, Professional, Administrative, and Computer Professional. For Professional, Administrative, and Executive exemptions, employees must be paid on a salary basis and must regularly exercise discretion and independent judgment with respect to matters of significance. This is key to the determination of exempt status, as even very highly paid salaried positions may be overtime eligible if they do not exercise sufficient independent judgment and discretion. Paid on a Salaried Basis means the employee receives the same rate of pay regardless of hours worked. Additionally, the FLSA sets a minimum salary threshold to qualify. California has its own laws requiring a higher minimum salary to qualify for exempt status. The current minimum annual salary for most exempt managerial, administrative, and professional employees in California is \$49,920 or \$960 per week.

The definition of the exercise of discretion and independent judgment involves the comparison and the evaluation of possible courses of conduct and action and making a decision after the various possibilities have been considered. These terms imply that the employee has authority to make an independent choice/decision that is free from immediate direction or supervision. Factors to consider include, but are not limited to: whether the employee has authority to formulate, affect, interpret, or implement management policies or operating practices; whether the employee carries out major assignments in conducting the operations of the business; whether the employee performs work that affects business operations to a substantial degree; whether the employee has authority to commit the employer in matters that have significant financial impact; whether the employee has authority to waive or deviate from established policies and procedures without prior approval; and other factors set forth in the regulation. The exercise of discretion and independent judgment must be more than the use of skill in applying well-established techniques, procedures, or specific standards described in manuals or other sources.

The term “matters of significance” refers to the level of importance or consequence of the work performed. An employee does not exercise discretion and independent judgment with respect to matters of significance merely because the employer will experience financial losses if the employee fails to perform the job properly. Similarly, an employee who operates very expensive equipment does not exercise discretion and independent judgment with respect to matters of significance merely because improper performance of the employee’s duties may cause serious financial loss to the employer.

The Grants/Finance Manager, Human Resources Officer and Manager, Marketing and Community Relations classifications are covered under the administrative employee exemption. To qualify for the administrative employee exemption:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$960 per week;
- The employee’s primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer’s customers; and
- The employee’s primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

Deputy Director/CFO, Lead Operations Supervisor, Maintenance Assistant Manager, Manager-Maintenance and Facilities, Manager-Safety and Training, and Operations Manager classifications are covered under the executive employee exemption. To qualify for the executive employee exemption, all of the following tests must be met:

- The employee must be compensated on a salary basis (as defined in the regulations) at a rate not less than \$960 per week;
- The employee’s primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise;
- The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent; and
- The employee must have the authority to hire or fire other employees, or the employee’s suggestions and recommendations as to the hiring, firing, advancement, promotion, or any other change of status of other employees must be given consideration.

The RTA does not have any positions covered under the professional employee exemption. To qualify for the professional employee exemption, all of the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$960 per week;

- The employee’s primary duty must be the performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgment;
- The advanced knowledge must be in a field of science or learning; and
- The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.

Overview of Practices

CPS HR evaluated the RTA’s classifications to determine if the current exempt/non-exempt assigned to each classification is consistent to the FLSA criteria described above. Particularly, the RTA wanted a recommendation on the classification of Operations Supervisor. CPS HR evaluated the following classifications:

Non-Exempt:

Accounting Technician
Administrative Assistant
Apprentice
Bus Operator
Grants Administrator
Mechanic A/B/C
Mobility Specialist
Operations Supervisor
Scheduling Supervisor
Transit Training Instructor
Utility Worker

Exempt:

Deputy Director/CFO
Human Resources Officer
Grants/Finance Manager
Lead Operations Supervisor
Maintenance Assistant Manager
Manager, Maintenance and Facilities
Manager, Marketing & Community Relations
Manager, Safety and Training
Operations, Manager

Findings

These designations appear to be appropriate for the duties assigned and the current pay level. The classification of Operations Supervisor is currently classified as non-exempt. This position is a “working” supervisor that provides back-up bus operation on a daily basis. This position currently does not meet the salary threshold for an exempt position. If the salary level reaches the threshold for an exempt employee, it is recommended that the position be furthered studied including interviews with incumbents to determine the percentage of time for each activity. It was unclear how much responsibility this position takes for evaluating, hiring and firing, or disciplining lower level Bus Operator positions from a review of the classification description, in light of the responsibilities of the Lead Operations Supervisor. The Operations Supervisors report to the Lead Operations Supervisor, who appears to be responsible for these types of duties in conjunction with the Operations Manager. However, the following statement is on the job description for the Operations Supervisor: “Responsibilities include supervising and counseling

employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.” It is recommended that the job description be updated to remove that statement, if these duties are not performed at this level.

Additionally, the RTA has a flexible allocation that can be filled with the exempt Grant/Finance Manager or non-exempt Grant Administrator (technician level) – depending on which classification level fills the allocation. This position is currently filled at the manager level and is correctly designated as exempt. If the RTA fills the position at the Grant Administrator level, it should be designated as non-exempt.

ACA – Policy and Tracking

Related Laws, Regulations and Statutes

The Patient Protection and Affordable Care Act, commonly called the Affordable Care Act (ACA) is a federal statute, which was signed into law in 2010. This statute requires Applicable Large Employers (ALEs) to provide affordable health insurance to substantially all "full-time" employees and their dependent children. The Health Insurance must provide minimum essential coverage that is affordable and provides minimum value. The statute defines "full-time" employees, the health insurance benefits required to be compliant with the law and provides for substantial penalties in not providing timely or adequate health insurance benefits.

The federal regulations for the ACA were released in February 2014. The employer penalty rules took effect in January of 2015.

Below is a brief summary of the key points of the ACA statute:

Applicable Large Employer (ALE):

An employer with 50 full-time employees, including full-time equivalent employees, as determined by the measurement period.

Full Time Employee:

Those who work an average 30 hours per week (130 hours per month) and includes certain un-worked time such as vacation, holidays, sick leave, jury duty, military leave and leave of absence under the federal Family and Medical Leave Act (FMLA).

Determining whether an employee works an average of 30 hours or more per week is evaluated when the individual is first hired, after the employee has been hired for one year, and annually when all employees are evaluated.

Measurement Periods:

- Monthly Measurement Period – Review non-full-time employee hours each month and determine if the employee worked 130 for that month. If yes, enroll applicable employees in and out of coverage on a monthly basis as needed.
- Look Back Measurement Period – Review non-full-time employee for a future enrollment period (referred to as the stability period), based upon the employee's hours of service in a prior period (referred to as the measurement period). If the employee worked an average of at least 30 hours of service per week during the measurement period, then the ALE must treat the employee as a full-time employee during the subsequent stability period.

Minimum Essential Coverage:

Coverage under an eligible employer sponsored health plan.

Minimum Value:

The health plan covers 60% of the cost of benefits.

Affordable:

The ACA allows the employer to select from three different safe harbor methodologies to determine if coverage is affordable, which are described below:

- The Federal Poverty Line methodology evaluates whether the employee's contribution toward health insurance is 9.5% or less of the employee's household income.
- The Rate of Pay methodology evaluates whether the employee's contribution toward health insurance is 9.5% or less of the employee's monthly earnings.
- The W-2 methodology evaluates whether the employee's contribution toward health insurance is 9.5% or less of the employee's W-2 earnings.

Annual IRS Reporting:

- Provide written statements to employees, by the dates provided by the IRS.
- IRS form 1095-B is filed by insurers, including self-insured employers, who provide at least Minimum Essential Coverage (MEC)
- Provide written statements to the IRS, by the dates provided by the IRS.
- IRS form 1095-C is filed by ALEs for each of their employees to disclose information about the healthcare coverage and enrollment offered to full-time and full-time equivalent employees.

An agency best practice is to implement an ACA policy to indicate compliance with the ACA, designate their stability, administration, and measurement periods, and elect their safe harbor provision.

Overview of Practices

All RTA employees are full-time employees with benefits, except for the classification of Bus Operator. The Bus Operator classification has four types of employment categories: Full-time, Part-time (Health Benefitted), Part-time, and Casual. RTA doesn't currently track non-full-time employee hours, under advice from their insurance broker, that they don't have any variable hour employees since Bus Operator employees bid for work shifts.

SoCo Transit employs Bus Operators and Utility workers, totaling fewer than 50 employees.

Findings

RTA should seek additional legal interpretation regarding the previous compliance recommendations with the Affordable Care Act (ACA).

Under the ACA, the definition of full-time employee is solely defined as any employee who is employed on average of at least 30 hours of service per week or 130 hours per month. A decision can be made upon the initial employment of a new employee that the shift they have been hired into is equivalent to less than 30 hours per week and therefore considered part-time. However, the ultimate determination of a full-time employee can only be ascertained through one of the two measurement periods.

Under the ACA, an Applicable Large Employer (ALE) is an employer who has employed at least 50 full-time employees (including full-time equivalent employees) during the preceding calendar year.

It is CPS HR's recommendation that RTA seek legal guidance, and as needed implement an ACA policy to designate their stability, administration, and measurement periods, and elect their safe harbor provision and begin tracking the hours of their non-full-time employees on an annual basis.

Review of Personnel Files and I-9 Forms

In addition to the foregoing, CPS HR conducted an audit of the agency's personnel files and I-9 forms to ascertain compliance with established best HR practices and state and federal regulations. The official personnel file is the formal record of an employee's tenure of employment with the agency. State and federal law mandate what documents should be in a personnel file²⁴. These acceptable documents include the following:

- Application and/or resume
- Offer of employment letter
- Job description
- Confidentiality, noncompete or other employment agreement(s)
- New hire checklist
- Handbook acknowledgment
- Drug testing policy acknowledgment and consent form
- Background check consent form

Performance Records

- Performance evaluations
- Self-evaluations
- Disciplinary warnings and performance improvement plans
- Notes to file regarding verbal counseling/discipline
- Awards or recognition for exemplary performance

Training Records

- Required training/certification
- New-hire orientation checklist
- New-hire safety training checklist
- Job-specific safety training checklist
- Harassment training acknowledgement

Separation Records

- Resignation letter
- Notes about the reason for separation
- Exit interview
- Separation checklist
- Unemployment documents

²⁴ Checklist derived from Society for Human Resources Management (SHRM)

- Separation agreement
- Post-termination correspondence
- Reference release form and reference statements

State and federal law also dictate what types of documents should not be in an official personnel file. These prohibited documents include the following:

- I-9 forms and copies of identification
- Investigation notes and reports
- Drug test and background check results
- Payroll records containing social security numbers or other protected information, including W-4s and garnishment orders
- Medical records including medical exams, disability benefits claim forms, notes from doctors,
- Family and Medical Leave Act (FMLA) leave records, requests for ADA accommodations, worker's compensation claims and related documents, EAP referrals, results of drug/alcohol tests, reimbursement requests for medical expenses, health-related information about an employee's family members, and any documentation about past or present health, medical condition, or disabilities
- Confidential records including anything that has protected or sensitive information such as a date of birth, marital status, religious beliefs, etc.
- Consumer-related credit information, credit reports, and personal or financial data

Overview of Personnel Files

CPS HR conducted a random sampling of 25 management and staff personnel files. It is noted that the personnel files are generally very well organized and properly maintained in locked fire-proof filing cabinets. Access to the personnel files is properly maintained and managed. Virtually all of the personnel files reviewed contained the recommended documents enumerated above, including but not limited to applications for employment, offer letters, performance evaluations, and performance management documents.

Findings

Each of the personnel files contained technical deficiencies. The nature of the deficiencies involved additional information and documents, which should not be in the official personnel files. Approximately nine of the personnel files contained I-9 forms and documents. None of the files contained job descriptions. Approximately five of the personnel files contained documents from the recruitment and selection process, including interview questions and answers. Approximately three of the personnel files contained confidential medical information and three of the personnel files contained worker's compensation documents.

In a random sampling of 25 I-9 forms, 20 of the forms were complete and in compliance with federal law. There were deficiencies in five of the forms, which consisted of incomplete information and supporting documents. RTA will be provided with a list of files reviewed in an effort to facilitate the correction of the known deficiencies.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 4, 2020

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Financing of New Bus Maintenance Facility

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Approve Resolution Approving Term Sheet and Debt Management Policy, and Approve Direction of LTF Funds between the RTA and SLOCOG

SUMMARY:

The RTA has outgrown its current bus maintenance facility on leased premises and has received RTA Board approval to construct a new RTA Bus Maintenance Facility (the Project). The lease on the RTA's existing facility expires in February 2022 and staff continues to take action to ensure that the Project is constructed and operational before the lease term ends. The cost of the Project will be funded through a combination of secured State and Federal grants and financing proceeds.

Staff will return to the Board in May 2020 with a complete financing package for approval, which will be subsequent to completion of the construction bid process when the Project costs are known and there is greater certainty around the final plan of finance. Staff is recommending the Board approve a Term Sheet from Pacific Western Bank (PacWest) to provide funding sources for the construction of the Project and approve a debt management policy, each representing important next steps in the financing process.

BACKGROUND:

Previously, the RTA Board has provided various approvals for staff to proceed with the planning, land purchase, environmental, design, and engineering phases of the Project. All of such phases have been completed and have been fully funded with Federal, State, and Local funding sources. In anticipation of the cost and financing need associated with the construction phase of the Project, staff has taken a number of steps to secure the Project funding approach.

On September 25, 2018, the RTA was awarded a Department of Transportation grant to help fund the Project. The amount awarded was \$6.285 million, which was the largest grant amount awarded in California and was made possible by a unique community partnership between the RTA, SLOCOG, CAPSLO, and the City and County of San Luis Obispo.

At the November 7, 2018 RTA Board meeting, the Board authorized the agreement with KNN Public Finance, a municipal advisory firm, to assist staff with developing and evaluating funding alternatives for the Project construction. At the April 3, 2019 RTA Board meeting, Melissa Shick, a municipal advisor at KNN Public Finance, presented information regarding the range of financing alternatives available to the RTA to help fund the Project. One such alternative included a loan through the U.S. Department of Transportation (US DOT) Build America Bureau (BAB) – Transportation Infrastructure Finance and Innovation Act (TIFIA) program.

On May 31, 2019, and supplemented in August 2019, the RTA submitted a Letter of Interest to the US DOT to pursue funding through the TIFIA Loan program – and, specifically, under Rural Project Initiative (RPI). RPI is a new lending initiative that places an emphasis on rural transportation needs and offers some significant benefits and savings to rural sponsors – including, below market interest rates (50% of the UST rate), subsidized application fees, and all the same structuring flexibility afforded by the traditional TIFIA Loan program. RPI allows borrowers to fund up to 49% of total project costs with TIFIA Loan proceeds. Based on the total estimated Project budget discussed further below, the estimated TIFIA Loan amount is expected to be \$15.46 million (49% of the total Project cost of \$31.545 million). It is anticipated that the RTA's Project will be the inaugural project funded through the RPI program.

At the July 10, 2019 RTA Board meeting, the Board authorized an agreement with Nossaman, LLP for special finance counsel services related to anticipated borrowings. Also included in the July 10, 2019 RTA Board meeting, staff further discussed the TIFIA Loan financing alternative and requested the Board authorize staff to continue to pursue this borrowing opportunity in tandem with other financing vehicles.

In September 2019, RTA staff provided a formal presentation to Moody's credit rating agency to achieve an indicative rating on the TIFIA Loan borrowing (a requirement of the US DOT/BAB credit review process). Moody's assigned the RTA with a strong indicative rating on the TIFIA Loan, which reflects the credit strengths of the RTA and is consistent with the credit ratings of the RTA's California transit agency peers.

On December 9, 2019, staff from the RTA, KNN, and Nossaman met with the US DOT/BAB staff and their advisors in Washington DC to formally present the Project for TIFIA Loan approval. Subsequent to the December meeting with the US DOT/BAB team, the RTA, KNN, and Nossaman have been in consistent dialogue with US DOT/BAB with regard to their credit review and due diligence process. As the due diligence process is still underway and negotiations have not commenced on the form of TIFIA Loan Agreement with the US DOT, the execution and closing of the TIFIA Loan is delayed and expected later in the 2020 calendar year.

In December 2019, at staff's direction, KNN solicited commercial banks and received borrowing rate indications for the Bank Loan borrowing component to be executed in tandem with the TIFIA Loan. Given the prolonged TIFIA Loan process, the solicitation of

permanent Bank Loan borrowing rates also included inquiry around interim or “bridge” funding solutions.

DISCUSSION:

Over the last year, staff, with the advice and consultation of KNN and Nossaman, has developed a plan of finance approach for the Project to address the projected funding gap through the combined borrowing of a TIFIA Loan and PacWest Bank Loan under a transit revenue appropriation security structure.

Estimated Borrowing Need

The total estimated Project cost is \$31.5 million, of which \$4.1 million is attributable to the land purchase and environmental and design phases that have been funded. The remaining \$27.4 million of Project costs are attributable to estimated construction costs based on the design documents submitted to the City of San Luis Obispo for permitting in October 2019 in addition to furniture, fixture, and moving expenses and estimated financing costs. RTA staff has secured Federal and State grants to offset the cost of construction at approximately \$7.8 million leaving a remaining Project funding gap of \$19.6 million.

New Bus Maintenance Facility: Project Budget and Funding Gap				
(As of February 2020)				
	Total Estimated Cost	Secured Funding		Funding Gap
		Federal Amount	State/Local Amount	
Land Purchase	\$1,512,602	\$0	\$1,512,602	\$0
Environmental & Design	\$2,554,486	\$905,787	\$1,648,699	\$0
Construction				
Sitework	\$5,708,963			\$5,708,963
Building Construction	10,360,583			10,360,583
Design/Construction Contingencies	3,374,604			3,374,604
Escalation and Market Factors	3,182,091			3,182,091
Contractor Fees and Other	1,952,645			1,952,645
Commissioning, Project Manager, Permit	1,412,845			1,412,845
Total Construction Costs	\$25,991,731	\$6,285,662	\$1,537,446	\$18,168,623
Furniture, Fixtures, and Expenses	\$1,186,181	\$0	\$0	\$1,186,181
Financing Costs¹	\$300,000	\$0	\$0	\$300,000
Sub-Total Construction; FF&E; and Financing Costs	\$27,477,912	\$6,285,662	\$1,537,446	\$19,654,804
Total Bus Maintenance Facility Budgeted Costs	\$31,545,000	\$7,191,449	\$4,698,747	\$19,654,804

1. Includes finance counsel, municipal advisor, bank, bank counsel, trustee, and rating agency fees.

Plan of Finance Approach

Following a detailed analysis of alternatives, it was determined that a loan secured through the TIFIA/RPI program with a smaller additional bank loan presents the lowest cost borrowing alternative for the Project (Plan A). If discussions with the US DOT/BAB team do not advance in an expeditious manner over the next couple of months, then the

issuance of Certificates of Participation in the tax-exempt municipal public bond market remains a viable and attractive alternative (Plan B). Each is discussed below.

Plan A – TIFIA Loan and PacWest Bank Loan Financings. The proposed Project funding sources are summarized in the table below. Federal and State grants that staff has already secured contribute to 38% of total Project funding sources. The TIFIA Loan will provide 49% of the total Project funding needs, which is capped at this percentage contribution pursuant to Federal statute. A Bank Loan with PacWest will satisfy the remaining 13% of Project funding requirements. Further, Federal funds, including the \$6.285 million that was awarded in the Fall of 2018 for construction, can be used to maximize Federal interest in the Project up to 80% - the current anticipated Federal interest is 72%. Thus, in tandem with the plan of finance development, staff is actively working to secure additional Federal grant funding to offset estimated borrowing needs.

Sources of Funding	\$	%
Federal Grants	\$7,191,449	23%
State Grants	\$4,698,747	15%
TIFIA Loan	\$15,460,000	49%
Pacific Western Bank Loan	\$4,194,804	13%
Total Sources:	\$31,545,000	100%
Funding Allocation		
Total Federal Funding (FTA Grants & TIFIA Loan)	\$22,651,449	72%
Total Other Funding (State Grants & Bank Loan)	\$8,893,551	28%
Total Funding:	\$31,545,000	100%

- **TIFIA Loan (\$15.5 Million):** The TIFIA/RPI program offers the RTA significantly reduced borrowing cost and annual budgetary benefits. Notably, at the time of closing on the TIFIA Loan, the RTA will lock-in a fixed interest rate for a 35-year term based on 50% of the then current US Treasury rate. By way of illustration, if current US Treasury rates remained unchanged between now and the time of closing on the TIFIA Loan, then the RTA's interest cost on a 35-year obligation would be 1.005% (based on a 30-year UST rate of 2.01% as of February 19, 2020). The TIFIA Loan program typically requires high upfront fees to cover US DOT/BAB legal and advisor costs; however, under RPI a limited amount of Federal funds are available to cover such costs and the RTA's upfront TIFIA program costs have been fully offset. ***The TIFIA Loan can be prepaid and redeemed at any time.***
- **PacWest Bank Loan (\$4.2 Million):** PacWest currently serves as the County of San Luis Obispo and the RTA's bank and has provided a strong interest and commitment to the Project. On January 22, 2020, PacWest offered an initial term sheet which was reviewed by the RTA, KNN, and Nossaman. KNN provided an analysis of the PacWest Term Sheet and proposed borrowing rates against other commercial bank proposals to ensure PacWest proposal was sufficiently aggressive relative to market comparables. Based on market indications, PacWest was willing to reduce its initially

proposed borrowing rate to be more in-line with comparable banks. The adjustment resulted in a fixed 3.0% rate over a 12-year period in addition to a \$19,600 upfront fee (which is reflected in the Financing Cost line-item of the Project budget).

The PacWest Term Sheet (**Attachment A**) presented to the Board for approval accomplishes two key objectives of the financing process:

1. Line of Credit – Provides access to funds over a two-year “draw down” or construction period for the **total** required borrowing amount of approximately \$19.6 million given the delay in the TIFIA Loan process.
2. Permanent Loan – Secures permanent Project funding needs of \$4.2 million that together with the TIFIA Loan will close the total Project funding gap.

Any amounts drawn under the PacWest Line of Credit above the \$4.2 million will be refinanced with the TIFIA Loan upon closing. The PacWest Loan can be prepaid and redeemed at any time.

Plan B – Issuance of Certificates of Participation in the Municipal Bond Market.

Should TIFIA be further delayed or if it is unable to close, staff and its advisors are closely tracking a Plan B financing approach, which would be the issuance of Certificates of Participation in the municipal market. This approach is a common mode of financing for the RTA’s peer California transit agencies and current tax-exempt interest rates are at or near historic lows. With a favorable municipal market environment, the Plan B approach provides an attractive financing opportunity to the RTA; however, the estimated borrowing cost is above the TIFIA below market lending rate.

The RTA’s advisors estimate that if the decision was made to pursue Plan B then the RTA could have market access in approximately 60 days. With a fully developed credit structure and established credit rating, the timeline for issuance will mostly be driven by the development of a public offering document (Official Statement) and the required Board approvals. Updates will be provided to the Board at each Board meeting regarding the progress of the TIFIA Loan negotiations and if Plan B will need to be pursued.

Loan Repayment and Security Structure

The proposed structure for loan repayment aims to achieve fixed level annual payments to support ongoing budget certainty. Following an interest only payment period over the course of the construction period (2 years), the PacWest Bank Loan is expected to amortize from October 1, 2022 through October 1, 2031 (10 years) and the TIFIA Loan will pay interest only through October 1, 2031 and begin amortizing on October 1, 2032 through October 1, 2056.

Based on the secured PacWest Bank Loan rate of 3.0% and a TIFIA Loan rate of 1.50% (current market plus 0.50% cushion), estimated aggregate annual debt service payments equate to approximately \$721,000. The estimated annual debt service requirement is approximately budgetarily equivalent to the RTA’s prior/terminating

annual fixed payments – payments on 2011 loan that matured in 2018 were \$220,000 and the lease payment on current administration and maintenance facility of \$477,000 will terminate in Fiscal Year 2020-21, together totaling \$697,000.

Under the TIFIA and PacWest Bank Loan Agreements, RTA will covenant to budget and appropriate from all legally available sources of revenue (other than federal grant funds) amounts necessary to repay debt service on the TIFIA Loan. These sources include LTF, STA, and farebox revenues.

Further, the RTA will direct SLOCOG to deposit ALL of the RTA's allocated LTF funds on each calendar quarter basis (when LTF funds are received by SLOCOG from the State) with the Collateral Agent (Trustee) who will deposit from these amounts into the debt service accounts held by the Collateral Agent (the Direction RE Deposit of LTF Funds). Any amount of LTF funds not required to make the quarterly debt service deposits will be transferred to the RTA by the Collateral Agent.

The Direction RE Deposit of LTF Funds will be in effect until such time that the RTA's financial obligations under the Loan Agreements have been satisfied. The SLOCOG Board approved this request at the February 5, 2020 SLOCOG Board meeting and it is included as **Attachment C** to this staff report.

Debt Management Policy

In association with moving forward with issuing debt or any form of borrowing, the RTA has included a Debt Management Policy (the Policy) for Board adoption (**Attachment B**). The Policy promotes sound and uniform practices for issuing and managing bonds, loans, and other forms of indebtedness, provides guidance to decision makers regarding the appropriate use of debt and other repayment obligations of the RTA. The Policy is also intended to comply with California Government Code section 8855(i), which became effective January 1, 2017 and requires that governmental agencies that issue any form of debt have a "debt management policy" in place if any form of debt is being contemplated or anticipated.

Staff Recommendation

1. Approve Resolution
 - a. Approving a term sheet from Pacific Western Bank (**Attachment A**) to provide financing for the construction of a new bus maintenance facility, and
 - b. Approving a Debt Management Policy (**Attachment B**) for the RTA.
2. Approve the Direction RE Deposit of LTF Funds (**Attachment C**) between the RTA and SLOCOG.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 20-_____**

**RESOLUTION APPROVING A TERM SHEET FROM PACIFIC WESTERN BANK TO
PROVIDE FINANCING FOR THE CONSTRUCTION OF A NEW BUS MAINTENANCE
FACILITY AND APPROVING THE DEBT MANAGEMENT POLICY FOR THE RTA**

WHEREAS, the San Luis Obispo Regional Transit Authority (RTA) is developing a new bus maintenance facility project in the City of San Luis Obispo (Project) and desires to seek bids from contractors therefor; and

WHEREAS, based on current cost estimates and a preliminary financing plan as described to this Board, the RTA will need to finance a portion of the cost of the Project; and

WHEREAS, the RTA has received a term sheet from Pacific Western Bank (Bank) to provide a loan to the RTA in the amount of up to \$19,600,000 which may be drawn in one or two series, which term sheet has been presented to this Board;

WHEREAS, the financing of the Project will produce significant public benefits, including
(a) demonstrable savings in effective interest rate, debt preparation, debt underwriting, and debt issuance costs, and
(b) significant reductions in effective user charges levied by the RTA for its transit service;

WHEREAS, there has been presented to this Board the form of a debt management policy for the RTA, the adoption of which is a condition to the RTA incurring indebtedness to finance a portion of the cost of the Project.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors of the San Luis Obispo Regional Transit Authority:

1. The term sheet with the Bank to finance a portion of the cost of the Project is hereby approved.
2. The Executive Director or designee is authorized to negotiate a credit and security agreement with the Bank based on the terms and conditions set forth in the term sheet.
3. The Executive Director or designee is authorized to request that the Board of Supervisors of San Luis Obispo County conduct a noticed public hearing in accordance with California Government Code Section 6586.5 to approve the issuance of bonds or notes to finance the Project and to make certain findings in connection therewith.
4. The form of debt management policy presented to this Board at this meeting is hereby approved.

Upon motion of Delegate _____, seconded by Delegate _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 4th day of March 2020.

Fred Strong
RTA Board President

ATTEST:

Geoff Straw
RTA Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita Neal
County Counsel

By: _____
Nina Negranti
RTA Counsel

Dated: _____
(Original signature in BLUE ink)



ATTACHMENT A

February 19, 2020

Geoff Straw
Executive Director
San Luis Obispo Regional Transit Authority
179 Cross Street
San Luis Obispo, CA 93401

Re: San Luis Obispo Regional Transit Authority \$19,600,000 Tax-Exempt Loan

Pacific Western Bank (the "Lender") is pleased to submit the following preliminary terms, subject to formal credit approval and review of all relevant documentation, for the above-referenced debt of the San Luis Obispo Regional Transportation Authority. This term sheet does not constitute a firm commitment by the Lender. The following terms are preliminary and subject to change based on negotiations between the Lender and the San Luis Obispo Regional Transportation Authority

Borrower:	San Luis Obispo Regional Transportation Authority (the "Borrower" or the "Authority")
Lender:	Pacific Western Bank (the "Lender")
Principal Amount:	\$19,600,000 (Estimated). To be structured in two tranches: <ul style="list-style-type: none">• Tranche A: \$4,200,000 (Estimated)• Tranche B: \$15,400,000 (Estimated)
Final Maturity:	No later than October 1, 2032
Tax Status:	Tax Exempt
Interest and Principal:	Two-year drawdown period with semi-annual interest payments (such date, an "Interest Payment Date"), applicable only to amounts drawn. Following the drawdown period, a ten-year period with semi-annual interest payments due each April 1 and October 1, and annual principal payments due each October 1 (collectively, the "Loan Payments"). Tranche A will be fully drawn prior to draws on Tranche B.
Rating:	The Borrower, at its sole discretion and cost and expense, including any reasonable and agreed upon legal fees of the Bank's Counsel, is authorized and permitted to obtain a long-term debt rating relating to the Loan, and the Lender agrees to provide reasonable assistance in connection therewith.



Default Rate:	Upon the occurrence and the continuance of any event of default the Borrower shall be obligated to pay the then applicable interest rate plus four percent (with a floor of eight percent).
Weighted Average Maturity:	TBD
Upfront Fee:	0.10% calculated on the Principal Amount
Interest Rate Pricing:	Tax-exempt rate of 3.00%, calculated on an Actual/360 basis; pricing is firm for 60 days from the date of submittal and can be held for a longer period of time with the approval of the Lender.
Prepayment Provisions:	<u>Optional Prepayment</u> Loan Payments are subject to prepayment prior to their respective stated payment dates, at the option of the Borrower, from any source of available funds, as a whole, or in part on any date at a prepayment price equal to the principal amount of the Loan Payments to be prepaid, together with accrued interest, without premium.
U.S Dept. of Transportation Loan:	It is anticipated that the Authority will enter into a Federal TIFIA Rural Project Initiative Loan in the amount of approximately \$15.4MM subsequent (the "TIFIA Loan") to the closing of the proposed loan from the Lender (the "Bank Loan"). Upon the issuance of the TIFIA Loan, the Bank Loan shall be reduced by the final size of the TIFIA Loan. Further, debt service payments for the TIFIA Loan shall be subordinate to the Bank Loan.
Security:	Senior Lien on Gross Farebox Revenues. Further, the Bank Loan will be payable from all legally available funds, including Local Transportation Fund and State Transit Assistance revenues.
Other Fees Due at Closing:	The Borrower shall be obligated to pay all delivery costs, including legal fees of the Lender's counsel and the CDIAC Reporting fee. The Lender's counsel fee shall be capped at \$25,000, provided Lender's Counsel prepares the Line of Credit Agreement.
Lender's Counsel:	Rudy Salo, Esq. of Nixon Peabody LLP / Los Angeles, California
Special Finance Counsel:	Nossaman LLP
Municipal Advisor:	KNN Public Finance
Closing Date:	March 2020 (estimated)
Reps., Warranties/Covenants:	Legal documentation will contain customary representations, warranties and affirmative and negative covenants for like situated borrowers acceptable to the Lender and its counsel, including a



covenant to budget and appropriate Loan Payments, an Additional Debt Test equal to at least 2.0X Maximum Annual Debt Service, and taxability gross up. California Judicial Reference/waiver of jury trial provisions shall be included as well as representations that the Lender is not a fiduciary of the Borrower and waiver of sovereign immunity.

Legal Opinion(s):

Opinion of Special Counsel, among other things, as to (1) treatment of the Payments as tax-exempt obligations under the IRS Code and (2) opinion as to the validity and enforceability of the Loan, and other opinions to the satisfaction of the Lender. Authority Counsel opinion regarding status of the authority, litigation and other standard opinions shall also be required.

Documentation:

The Lender will book the Bank Loan as a loan, and, therefore, the additional provisions and conditions set forth in this term sheet shall be included in the documentation, which shall include execution and delivery of legal documentation acceptable to the Lender and its counsel; the Lender shall hold the applicable Bank Loan note, , and not DTC, and the Bank Loan note will not have a CUSIP; there will not be a disclosure document or a purchase contract; and no amendments to the issuing documents without the Lender's prior consent.

Reporting requirements:

Standard reporting requirements, including:

- (1) Audited financial statements of the Borrower for the preceding fiscal year within 9 months of fiscal year-end;
- (2) Certification of the Borrower that it is not aware of any default or Event of Default.

The Borrower shall provide the Lender with its annual approved operating budget within one month after its adoption.

The Borrower shall furnish at Lender's request such additional information that Lender may from time to time reasonably request.

Assignment/Participation:

The Lender retains the right to assign its interest in the Bank Loan in whole to one or more assignees and will give the Borrower appropriate written notice of such assignment and will retain any security interests and consent rights on behalf of such assignees. The Lender acknowledges and agrees that the Bank Loan may only be transferred to a "Qualified Institutional Buyer" or an "Accredited Investor" within the meaning of the Securities Act of 1933, as amended. The Lender retains the right to participate its interest in the Loan but only to "Qualified Institutional Buyers" or




an "Accredited Investors" within the meaning of the Securities Act of 1933, as amended.

Please sign the enclosed copy of this term sheet to myself via e-mail or regular mail to my attention at:

Christopher Baron
Managing Director
Pacific Western Bank
9701 Wilshire Blvd. Suite 700
Beverly Hills, CA 90212
cbaron@pacwestbancorp.com
(310)887-8509

PACIFIC WESTERN BANK

BY


Christopher Baron
Managing Director

SAN LUIS OBISPO REGIONAL TRANSPORTATION AUTHORITY

BY

Name:
Title:

ATTACHMENT B



San Luis Obispo Regional Transit Authority
DEBT MANAGEMENT POLICY

March 2020

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San Luis Obispo Regional Transit Authority

Debt Management Policy

I. Introduction

The purpose of the San Luis Obispo Regional Transit Authority (the “RTA”) Debt Management Policy (the “Policy”) is to promote sound and uniform practices for issuing and managing bonds, loans, and other forms of indebtedness, to provide guidance to decision makers regarding the appropriate use of debt and other repayment obligations of the RTA.

The Policy is also intended to comply with California Government Code section 8855(i), which became effective January 1, 2017 and requires that governmental agencies that issue any form of debt have a “debt management policy” in place if any form of debt is being contemplated or anticipated.

II. Policy Objectives

The Policy objectives are as follows:

- To help maintain the financial stability of the RTA’s transit system by encouraging sound decision-making so that its long-term financing commitments are affordable and do not create undue risk or burden to transit operations and service delivery in San Luis Obispo County.
- To protect the RTA’s creditworthiness and minimize the RTA’s borrowing costs.
- To meet the requirements of state and federal law and regulation, including state debt issuance reporting requirements and federal requirements regarding disclosure and administration of tax-exempt indebtedness.
- To incorporate best practices into the RTA’s borrowings and administration of its indebtedness.
- Ensure that the RTA’s debt is consistent with the RTA’s planning goals and objectives and capital improvement program or budget, as applicable.

III. Issuance Authority and Scope of Indebtedness

The RTA is a joint powers authority, operating and acting pursuant to the laws of the State of California, and is authorized pursuant to the Joint Exercise of

Powers Act (commencing with Section 6500 of the California Government Code), including the Marks Roos Local Bond Pooling Act of 1985 (commencing with Section 6584 of the California Government Code) to borrow money for the purpose of financing projects of the RTA.

The RTA is an infrequent issuer of debt. The extent of its borrowings is expected to be in the form of various loan agreements. If the RTA considers alternative forms of indebtedness, this Policy provides flexibility to do so and may also be amended to address relevant issues. While this Policy does not specifically address vendor financing or other forms of installment contracts, to the extent the RTA were to consider such forms of financing, the spirit of these Policies would apply.

IV. Debt Management Responsibility

The Deputy Director/Chief Financial Officer is appointed as the RTA official responsible for the following:

- Borrowing and debt issuance management, recognizing that assigned staff may be charged with certain day-to-day responsibilities.
- Working with the Executive Director and other staff deemed appropriate in formulating the RTA's debt management plans, seeking Board of Directors' approval to execute such plans, and ensuring the appropriate management of debt.
- Keeping the Board of Directors informed of the RTA's debt-related activities through informational reports, briefings, or workshops.

V. Uses and Limits on Indebtedness

Debt provides a tool for financing capital projects that are too large to accommodate as part of the annual budget, to share the cost of major improvements between current and future customers and/or to accelerate the delivery of a project when compared to funding on a pay-as-you-go-basis. On the other hand, debt service represents a fixed cost that will compete with other expenditures in the RTA's budget and cannot be deferred in any given year.

In order to achieve the proper balance in its use of debt, the RTA will follow the following policy goals:

- The RTA will not use debt to finance operating expenses, except to alleviate cash-flow timing issues within a fiscal year. The RTA may consider use of debt in the event of an extraordinary expense, such as the financing of a major judgment.

- The RTA will plan for capital improvements and maintenance as part of its budgeting process, seeking to set funds aside in advance of need so that most capital projects can be financed on a “pay-as-you-go” basis. Debt financing will be reserved for extraordinary capital expenditures.
- The RTA believes that prudent amounts of debt can be an equitable and cost-effective means of financing infrastructure and capital project needs of the RTA. The RTA will evaluate the benefit and risks of each proposed issue of new debt on a case by case basis, considering such factors as the RTA’s overall fiscal health, the potential impact of increased debt service on then current service levels, the offsetting benefits of a project on operating costs that may mitigate the cost of debt, and other long-term considerations.

In general, debt may be considered to finance such projects if it meets one or more of the following minimum criteria:

- It meets the RTA’s goal of distributing the payments for the asset over its useful life so that benefits more closely match costs for both current and future residents.
- The need for the project is compelling in terms of on-going cost savings or the need for public safety or services, and the size of the project makes funding out of existing resources or near-term revenues impractical.

VI. RTA Revenues and Debt Service Payments

The RTA’s obligation to make loan payments, or debt service, is an unconditional obligation of the RTA (and not subject to abatement) payable from all legally available funds of the RTA, including, without limitation, (a) Local Transportation Fund (“LTF”) funds; (b) State Transit Assistance (“STA”) funds; and (c) the RTA’s farebox revenues and contract service revenues collected by the RTA in connection with the operation of all transit vehicles owned or leased by the RTA (the “Farebox Revenues”) (collectively, the “Revenues”).

Loan payments and debt service requirements are to be made by the RTA from Revenues whether or not the project being financed or any part thereof is operating or operable or seized or its use is suspended, interfered with, reduced or curtailed, or terminated in whole or in part. The obligation of the RTA to make loan payments or debt service from Revenues does not constitute an obligation of the RTA for which the RTA is obligated to levy or pledge any form of taxation or other source of revenue or for which the RTA has levied or pledged any form of taxation or other source of revenue.

VII. Financing Professionals

The Deputy Director/Chief Financial Officer will be responsible for recommending the various professionals required for a financing, based on prior experience, recommendations or a request for proposal process, as he or she deems appropriate.

A. Bond and Disclosure Counsel

Bond counsel prepares the various legal documents for a transaction and renders a variety of opinions, including opinion regarding the tax-exemption of bonds. For all public sales of debt (that, is through the issuance of bonds or other securities sold to multiple investors), the RTA will retain the services of disclosure counsel to prepare the official statement. The Deputy Director/Chief Financial Officer will also determine whether to select another law firm to provide the services of disclosure counsel or to assign such duties to bond counsel.

B. Municipal Advisor

A municipal financial advisor assists in evaluating financing options, structuring of debt offerings or borrowings, making recommendations as to the method of sale, conducting competitive sales, and assisting with bringing negotiated sales to market, including making recommendations to the RTA on proposed interest rates, prices and yields in light of market conditions and the characteristics of the offering. The RTA will utilize a registered municipal advisor for its debt offerings and borrowings as well as other matters as it pertains to the management of the RTA's outstanding obligations.

C. Underwriter

When the RTA issues its debt through a negotiated sale, it will select one or more underwriters. The basis for selection will primarily be the firm's experience in the transit and related transportation sectors, and its perceived ability to secure the lowest cost of funds, including underwriter's fees and expenses.

D. Trustee and Collateral Agent

The trustee or collateral agent is a division of a commercial bank that services bonds and other financial instruments. The Deputy Director/Chief Financial Officer shall have the discretion to select a commercial banking firm for recommendation as trustee or collateral agent, either through a request for qualifications process or by relying on existing banking relationships if deemed to be advantageous.

VIII. Structuring Debt Financing

A. Term and Structure

Long-term debt financing of capital projects will be amortized over a period no longer than the useful life of the assets being financed. Generally, the RTA will structure its financings such that the term does not exceed thirty years. However, as the case with the TIFIA Loan Agreement bearing a low fixed interest rate, if there a financial benefit to the RTA to extend the term of debt beyond 30 years it may so long as the debt does not extend beyond the useful life of the project.

Debt service will generally be structured to be level over the length of the borrowing. Alternate debt structures may be used to wrap new debt around existing debt to create overall level debt service or to achieve other financial planning goals appropriate to the specific project.

B. Debt Service Reserve Fund

To the extent required by the market, the RTA may fund a debt service reserve fund out of borrowing proceeds no greater than the amount allowed under federal tax law. At the time of the adoption of this policy, the RTA will not structure a debt service reserve fund for its loan agreements.

C. Capitalized Interest

Funding interest payments out of borrowing proceeds during construction is referred to as capitalized interest. The RTA may consider funding capitalized interest when it is appropriate to begin the payment of debt service after project completion.

D. Variable Rate Debt

To maintain a predictable debt service burden, the RTA will give preference to debt that carries a fixed interest rate.

E. Call Provisions

In general, the RTA's securities will include a call feature/prepayment feature to ensure ongoing financial flexibility. Based on public municipal market conventions, a call feature is typically at par ten (10) years from the date of delivery of tax-exempt offering. The 2017 tax act stipulates that tax-exempt obligations can only be refunded on a tax-exempt basis 90 days before the call date and cannot be advance refunded with tax-exempt bond proceeds. The RTA may determine that a shorter call feature is appropriate balancing cost and/or the desire for increased future optionality. Bank borrowings or loans may offer greater or more limited prepayment features than the public municipal market, which should be evaluated when pursuing alternative borrowing vehicles.

F. Additional Debt Test

Any new money debt issuance must not cause the RTA's debt service to be expected to exceed the level at which Revenues are less than 2.0 times the maximum annual debt service for the aggregate outstanding loans and bonds including the debt service for the new issuance, calculated in accordance with the Collateral Agency Agreement or form of Trust Indenture. This test shall not apply to refunding debt as long as there are debt service savings in any year

G. Credit Enhancement

The RTA will consider the use of credit enhancements such as bond insurance on a case-by-case basis. The cost-benefit of insurance will be evaluated through the final maturity and through the first optional call date, recognizing that municipal bonds are commonly refunded prior to maturity. The RTA will consider the use of a surety policy in lieu of a cash funded debt service reserve, but in doing so will consider estimated earnings on a cash funded reserve and the cost of replacing that surety at the time of a potential refunding, if applicable.

H. Derivatives

The RTA will not use interest rate swaps in connection with its debt program unless a separate swap policy is prepared and approved by the RTA Board of Directors. The RTA may use derivative-like investment products to invest borrowing proceeds, but only upon staff's analysis of the investment as part of the staff report transmitting the financing and specific approval as part of the Board of Directors' action.

I. Disclosure

For all public sales of debt, the RTA will retain the services of disclosure counsel (who may also serve as bond counsel) to prepare the Official Statement to be used in connection with the offering and sale of debt. The Executive Director, Deputy Director/Chief Financial Officer, and other appropriate staff will be asked to review this document to ensure that it is accurate and does not fail to include information that such staff and officials think might be material to an investor. The RTA will make every effort to ensure the fullest disclosure possible in the RTA's disclosure documents, including, as appropriate, seeking staff training in disclosure matters. A Preliminary Official Statement will be released to the market only after the completion of the "due diligence" meetings with appropriate staff and approval by the Board of Directors.

J. Credit Ratings

The Deputy Director/Chief Financial Officer, in consultation with the Municipal Advisor and other members of the financing team, will evaluate and make

recommendations to the RTA Board of Directors regarding the number of credit ratings to seek on any given public offering. The RTA will work to maintain its current credit ratings and to increase ratings when the opportunity to do so exists. The Deputy Director/Chief Financial Officer will periodically communicate with the agencies rating the RTA's debt so that they will remain well-informed

IX. Method of Sale

The RTA's borrowings, issuance of debt, and other municipal securities can be arranged directly with a lender, privately placed with a purchaser, or sold through a public offering in the municipal bond market.

A. Loan or Private Placement

A method of obtaining financing through a private placement or direct borrowing with a bank or other institution. The RTA will consider privately placing its debt for any small and or short-term borrowings or in instances where difficult credit or disclosure considerations or other special circumstances so warrant.

B. Public Offering

Bonds and other municipal securities can be sold at a public offering through either a competitive or negotiated sale:

Competitive Sale: Under a competitive sale, the terms of the bonds are determined by the RTA, with the assistance of its municipal advisor and bond counsel, and the sale is awarded to the underwriter judged to have submitted the lowest true interest cost, which takes into account interest rates and any discounts or premiums, including the underwriters' spread (their compensation).

Negotiated Sale: Under a negotiated sale, the RTA selects its underwriter in advance, based on proposals received or by other means. The RTA, its bond counsel and municipal advisor works with the underwriter in structuring, marketing and finally offering an issue to investors.

Because of a number of factors, including transit agencies requiring local, state, and federal subsidies to fund operations, the bond market is less receptive to transit credits than it is to most other municipal transportation revenue bond credits. Thus, the RTA's credit may price more aggressively through a negotiated offering where there is the ability to pre-market to potential investors to ensure a wide buyer base. As a result, most debt in the transit sector is issued through a negotiated sale. The RTA expects to sell most of its debt in this manner unless market conditions change.

X. Refunding Offerings

In order to provide for the potential for refunding its loans and other obligations in the future, and absent compelling reasons to the contrary, the RTA will structure its borrowings with an optional call no longer than ten years from the date of issuance. Such compelling reasons to deviate from this policy, for example, could include a bond issue that would mature only a few years after the optional call date, making a refunding impractical. When structuring its bond issues, the RTA will take into account the coupon structure of its debt (i.e., discount bonds or premium bonds that mature after the call date) and its impact on its option to execute a refunding.

The RTA will periodically review its outstanding debt portfolio to identify opportunities to achieve net economic benefits from refunding its outstanding obligations. Recognizing that the RTA's ability to refund its debt is limited because of the market practice of making most fixed-rate bond issues non-callable for their first eight to ten years, and the elimination of the ability to refund bonds substantially before the call date (an "advance refunding," which was eliminated by the 2017 tax act), the RTA will seek to deploy its refunding options prudently. At a minimum, the RTA will seek to achieve net present value ("NPV") savings equal to at least three percent (3%) of the par amount of the bonds that are refunded.

The RTA may also consider a refunding for a non-economic purpose, including the retirement of an indenture for more desirable covenants, a change in tax status, or to change the type of debt instrument.

XI. Debt Administration

The Deputy Director/Chief Financial Officer and his or her staff shall be responsible for ensuring that the RTA's debt is administered in accordance with its terms, federal and State law and regulations, and best industry practices.

A. Tax-Exemption

Tax-exempt issuances are subject to various IRS rules and regulations regarding the use of borrowing proceeds. The RTA will make sure that the use of facilities financed with tax-exempt bonds are not used for ineligible private activities, and will consult with bond counsel whenever it identifies a change in use or otherwise undertakes an action that could change the tax-exempt status of its obligations.

The RTA shall periodically review and will comply with the specific post issuance compliance procedures identified in the tax documents for its tax-exempt financings. The RTA will retain an arbitrage rebate consultant to assist in calculating any earnings on borrowing proceeds in excess of the rate

on its bonds, and to calculate whether arbitrage should be rebated to the Federal Government.

B. Continuing Disclosure

Under federal law, the RTA must commit to provide continuing disclosure to investors in any of its debt that is sold to underwriters to be offered to the public. All existing and future RTA debt should be compliant with the requirements of the Continuing Disclosure Certificates executed at the time of issuance, including the annual filing with the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") website of the RTA's Comprehensive Annual Financial Report and any other required reports; the filing of notices of the material events set out in the Continuing Disclosure Certificates; and the filing of any voluntary disclosures deemed material. All such filings will be made within the time requirements set forth in the Continuing Disclosure Certificates.

The RTA may retain a consultant to assist in preparing and filing required reports and notices.

C. Investment of Borrowing Proceeds

Investments of borrowing proceeds shall generally be consistent with the RTA's Investment Policy as modified from time to time, and with the requirements contained in the governing bond documents.

D. State Reporting Requirements

The Deputy Director/Chief Financial Officer will file any reports required by State law, including the Annual Debt Transparency Report to the California Debt and Investment Advisory Commission required of all debt issued after January 1, 2017, pursuant to Government Code section 8855(k).

XII. Relationship of Debt to Capital Improvement Program and Budget

The RTA is committed to long-term capital planning. The RTA may issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the RTA's capital improvement program. The RTA shall integrate its debt issuances with the goals of its capital improvement program by considering when projects are needed in furtherance of the RTA's public purposes in determining the timing of debt issuance.

The RTA shall seek to avoid the use of debt to fund recurring infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

XIII. Internal Control Procedures

The Deputy Director/Chief Financial Officer or designee will monitor the expenditure of bond proceeds to ensure they are used for the purpose and authority for which the bonds were issued.

In most cases, proceeds of debt will be held by a third-party trustee or fiscal agent and the RTA will submit written requisitions for such proceeds. The RTA will submit a requisition only after obtaining the signature of the Deputy Director/Chief Financial Officer. In case where the proceeds of debt are not to be held by a third-party trustee or fiscal agent, the Deputy Director/Chief Financial Officer shall be responsible for approving expenditures in the same manner as the approval for the expenditures for RTA revenues.

XIV. Conclusion

This Policy is intended to guide the RTA's issuance of debt. This Policy should be reviewed and updated periodically to reflect changes in the market, the identification of other best practices, and to incorporate the RTA's own experience or changing circumstances. Changes to the Policy are subject to review and approval by the RTA Board of Directors at a legally noticed and conducted public meeting.

While adherence to this Policy is generally required, it is recognized that changes in the capital markets and the RTA's needs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy or will require modifications or exceptions to best achieve policy goals. Any deviations from this Policy that is recommended by staff should be highlighted in the staff report transmitting the resolution for approval of the financing.

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ATTACHMENT C

DIRECTION RE DEPOSIT OF LTF FUNDS

This DIRECTION RE DEPOSIT OF LTF FUNDS is entered into this ___ day of March, 2020, by and between the San Luis Obispo Regional Transit Agency, a California joint powers agency ("RTA") and the San Luis Obispo Council of Governments, a California joint powers agency ("SLOCOG").

RECITALS:

WHEREAS, RTA is the regional transit agency whose service area includes most of San Luis Obispo County; and

WHEREAS, the County of San Luis Obispo receives apportionments of Local Transportation Fund sales tax revenues ("LTF Funds") from the California Department of Tax and Fee Administration ("CDTFA"); and

WHEREAS, SLOCOG apportions LTF Funds to eligible claimants pursuant to the California Transportation Development Act; and

WHEREAS, RTA has been a recipient of LTF Funds to pay in part for the capital and operating expenses relating to providing transit service to the region; and

WHEREAS, RTA anticipates entering into one or more loan agreements to in part pay for the costs relating to the construction of a new administration and transit vehicle maintenance facility in the City of San Luis Obispo that will require RTA to make principal and interest payments as well as pay certain fees and expenses relating to the administration of the loan agreements ("Loan Agreements") and has covenanted with the lenders under the Loan Agreements to budget and appropriate available revenues to make payments with respect to the Loan Agreements, including LTF Funds; and

WHEREAS, RTA anticipates entering into a collateral agent agreement ("Collateral Agent Agreement") with _____ as collateral agent ("Collateral Agent") that will establish a revenue fund and debt service funds into which RTA will deposit or cause to be deposited available revenues, including LTF Funds, sufficient to make payments with respect to the Loan Agreements; and

WHEREAS, to provide assurances to the lenders under the Loan Agreement that sufficient revenues will be deposited with the Collateral Agent to satisfy RTA's financial obligations under the Loan Agreement, RTA is entering into this Direction to Deposit LTF Funds.

NOW, therefor, in consideration of the foregoing the parties agree as follows:

1. Direction to Deposit LTF Funds with the Collateral Agent. RTA hereby directs SLOCOG to deposit all LTF Funds received by SLOCOG from the CDTFA and allocated to RTA on a quarterly basis into the following account held by the Collateral Agent:

[INSERT ACCOUNT INFORMATION]

2. Term. This Direction shall be in force and effect until receipt of written notice from the Collateral Agent that RTA's financial obligations under the Loan Agreements have been satisfied.

3. Third Party Beneficiaries. Except for the lenders under the Loan Agreements who are acknowledged to be third party beneficiaries of this Direction to Deposit LTF Funds., nothing herein express or implied shall give to any person any benefit or any legal or equitable right, remedy, or claim hereunder.

4. Counterparts. This Direction to Deposit LTF Funds may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Direction to Deposit LTF Funds.

5. Governing Law. This Direction to Deposit LTF Funds shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Direction to Deposit LTF Funds to be effective as of the date first written above.

San Luis Obispo Regional Transit Agency

San Luis Obispo Council of Governments

Fred Strong
President of the RTA Board of Directors

Fred Strong
President of the SLOCOG Board of Directors

ATTEST:

ATTEST:

Geoff Straw
RTA Executive Director

Peter Rodgers
SLOCOG Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita Neal
County Counsel

Rita Neal
County Counsel

By: _____
Nina Negranti
RTA Counsel

By: _____
Nina Negranti
SLOCOG Counsel

Dated: _____
(Original signature in BLUE ink)

Dated: _____
(Original signature in BLUE ink)

Acknowledged and agreed to:

By: _____
Collateral Agent

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
MARCH 4, 2020
STAFF REPORT**

AGENDA ITEM: B-2

TOPIC: Authorize IFB for Construction of New Bus Maintenance Facility

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION:

It is recommended that the Board:

1. Adopt the plans and specifications for the construction of the new BMF;
2. Authorize the contract to be advertised for construction bids, which would be due Wednesday, April 15, 2020; and
3. Provide the Executive Director the discretion to extend the bid opening date to a date deemed more appropriate by the Executive Director, so long as such extension is in compliance with all applicable laws.

EXECUTIVE SUMMARY:

Staff is requesting Board adoption of Bus Maintenance Facility (BMF) plans and specifications. Staff is also requesting authorization to advertise for procurement of construction services in order to complete the project prior to the end of our current facility lease on February 28, 2022. Authorizing the advertising of bids does not commit the RTA to build the planned new BMF. The Board will have a final opportunity at its May 6, 2020 meeting to consider moving forward with the BMF project after construction bids and final financing amounts have been received.

BACKGROUND:

The RTA has determined that the existing leased administration, operations, and bus maintenance facility located at 179 Cross Street in San Luis Obispo contains insufficient capacity and is inadequate to efficiently support existing services. As such, a new Bus Maintenance Facility (BMF) is needed to adequately support existing and projected future service levels.

Anticipating the need for a long-term facility, the RTA Board has taken a number of steps over the past six years, including authorization of the purchase of a 6.5 acre parcel at 253 Elks Lane in May 2014. The RTA subsequently accepted a staff-developed *Siting Analysis Report* in January 2015, which was based on previous

studies and was used as justification in grant applications for the ensuing project elements, which included:

1. Planning: Consulting contracts for environmental reviews were executed in March 2016 and for master planning refinement in July 2016.
2. Environmental Findings: The RTA Board certified a CEQA Mitigated Negative Declaration for the Bus Maintenance Facility at its September 2017 meeting; the Federal Transit Administration granted a NEPA Categorical Exclusion later that same month.
3. Design & Engineering Services: RNL/Stantec Architecture was hired in August 2018 to finalize facility master planning, develop a transportation electrification readiness plan, and complete design/engineering documents.
4. Facility Commissioning Services: 3C Engineering was awarded the contract for commissioning services in July 2019.
5. Planning Commission Review: The City of San Luis Obispo Planning Commission accepted the project in July 2019.
6. Construction Management Services: Kitchell CMA was awarded the contract for CM services in January 2020.

Project Status:

The design/engineering plans for the BMF were submitted for expedited review to the City of San Luis Obispo Community Development Department in October 2019, and a resubmittal was submitted on January 21, 2020 based on the City's November 2019 comments. Due to delays caused by internal miscommunications within the City, our resubmittal was not examined according to the RTA's requested expedited review (we will get a rebate). Nonetheless, the City has essentially accepted the project as revised – with the exception of the short-term Elks Lane T-intersection and long-term large-radius realignment being the major outstanding issue. The resolution of this final issue as well as City sign-off of minor housekeeping issue can easily be incorporated into the construction bidding documents in the coming weeks.

Bidding Documents:

The bidding documents consist of several hundred pages of front-end bid process documents, contract language, specifications, and drawings. Obviously, it would not be feasible to include all of these documents as part of this agenda package. As such, I have only included as **Attachment A** the *Division 00 – Procurement and Contracting Documents* section (including the table of contents showing all 33 divisions), since that section spells out the steps that the prospective general contractors must follow in order to be considered responsive in their construction services bids.

All bidding documents can be copied onto a prospective bidder-supplied thumb-drive at the RTA Front Desk located at 179 Cross Street (second floor) during regular business hours, as well as through the SLO County Builder's Exchange website. The documents are also available for download and review at:

<https://www.dropbox.com/home/SLO%20RTA%20Bus%20Maintenance%20Facility%20Construction%20Bidding%20Documents>

If the RTA Board authorizes construction bidding, the above referenced Dropbox folder will be updated with final bidding documents and any future addenda.

Project Schedule:

After bids are received, staff will work with our construction management and architecture consultants to review all bids to determine the lowest responsible bidder who submits a responsive bid. Staff will return to the Board to request the official creation of the project, finalize funding arrangements, and award the construction contract at its May 6, 2020 meeting.

Below is the approximate timeline anticipated for the next steps for the BMF project:

- Recommended bidding period & interim steps:
 - Bidding Opens on March 5, 2020
 - Mandatory Site Walk on March 26, 2020
 - Deadline for RFIs is April 3, 2020
 - Bidding Closes at 3:00 pm on April 15, 2020
- Request to RTA Board to Approve Bid, Fund and Award Contract: May 6, 2020
- Contractor Notice To Proceed (NTP): May 18, 2020
- Groundbreaking Ceremony: 10:00 AM on May 27, 2020
- Construction Period: Construction begins June 1, 2020 and construction complete within a total of 564 calendar days of NTP (approx. 18 months)

Staff Recommendation

1. Adopt the plans and specifications for the construction of the new BMF;
2. Authorize the contract to be advertised for construction bids, which would be due Wednesday, April 15, 2020; and
3. Provide the Executive Director the discretion to extend the bid opening date to a date deemed more appropriate by the Executive Director, so long as such extension is in compliance with all applicable laws.

Attachment A: *Division 00 – Procurement and Contracting Documents* section

ATTACHMENT A

PROJECT MANUAL – VOLUME 1
Division 0 and Division 1

Bid Document Set

March 5, 2020

San Luis Obispo Regional Transit Authority
Project No. 2020-01

Bus Maintenance Facility
San Luis Obispo, CA

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DOCUMENT 00 01 07
PROFESSIONAL SEALS PAGES

NOTE: Add contact info and seals here for the following professionals: Architect, Civil Engineer, Structural Engineer, Landscape Architect, Mechanical Engineer, Security Electronics, and Electrical Engineer.

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END OF SUPPORTING CONTRACT DOCUMENTS

SECTION 00 11 16
INVITATION TO
BIDDERS

1. PROJECT IDENTIFICATION

Notice is hereby given that sealed bids will be received by the San Luis Obispo Regional Transit Authority ("RTA") at their office located at **179 Cross Street, Suite A (Downstairs Conference Room), San Luis Obispo, CA 93401**, until 3:00 P.M. on **Wednesday, April 15, 2020** for the project entitled: **"SLO RTA Bus Maintenance Facility. #2020-01"**; located at **253 Elks Lane in San Luis Obispo.**

Bids will be accepted only from those General Contractor bidders pre-qualified to bid on this Project.

2. DESCRIPTION OF THE WORK

The Base Scope of work required to be performed by the Contractor comprises: Construction of a single story 28,650sf (gross) bus maintenance facility with +2,600sf of mezzanine/equipment platform located on a 6.44 acre site at 253 Elks Lane. The building is construction type V-b, fully sprinklered that accommodates operations, administration and maintenance areas with main occupancies S-1 & B, also A-3 occupancy as accessory use. There are detached enclosures on site such as the trash enclosure, and canopy over bus parking. This project also includes the offsite improvements, specifically the "t-intersection" for Future Elks Lane realignment.

3. EXAMINATION AND PROCUREMENT OF DOCUMENTS

Contract Documents may be obtained from the following website:

SLO Builders Exchange: www.slocbe.com

4. MANDATORY PRE-BID SITE VISIT:

Thursday, March 26, 2020 at 1:00pm local time at 253 Elks Lane, San Luis Obispo, CA. This is a **mandatory** pre-bid site visit. Bids will be accepted only from those general contractors attending the mandatory site visit.

All requests for information/interpretation (RFI), clarification, questions, etc., shall be submitted in writing to the San Luis Obispo Regional Transit Authority via electronic mail to **BOTH** Tully Wyatt at: twyatt@kitchell.com and Geoff Straw at: gstraw@slorta.org. Request for information/interpretation (RFI), clarification, questions, etc., will not be accepted after 5:00 pm April 3, 2020.

5. BID OPENING

- 5.1.** All bids must be addressed to: San Luis Obispo Regional Transit Authority, and delivered to the RTA offices located at 179 Cross Street, Suite A (2nd Floor), San Luis Obispo, CA 93401, and shall bear the Project Title, Project Number and Name of the Bidder.
- 5.2.** Said bids shall be opened and read aloud by the RTA, on April 15, 2010 promptly at 3:15 PM local time in a public setting. The bid opening will occur in the RTA's Downstairs Conference Room.
- 5.3.** The Bidder must satisfy themselves by personal examination of the location of the proposed Work and by such other means as they prefer as to the actual conditions and requirements of the Work. It is the sole responsibility of the bidder to ensure that their bid is received in proper time and at the proper location. ~~Bids received after the scheduled closing time for receipt of~~

bids shall be returned to the bidder unopened.

6. AWARD

The project will be awarded to the lowest responsive, responsible bidder on the base scope. The RTA reserves the right to reject any bid based on non-responsiveness if the bidder fails to provide a bid that complies with all bidding instructions. The RTA also reserves the right to reject a responsive bid based on the non-responsibility of the bidder if the RTA finds, after providing notice and a hearing to the bidder, that the bidder lacks the knowledge, experience, or is otherwise not responsible to complete the project in the best interest of the RTA.

7. CERTIFICATION OF BIDS (BID BOND)

Bid must be accompanied by Cash, Certified or Cashier's Check, or a Bidder's Bond secured from a company ADMITTED to transact business in the State of California, in the sum of not less than 10% of the total aggregate amount of the Bid, and said Check or Bond shall be made payable to the order of the San Luis Obispo RTA as liquidated damages in case the successful bidder fails to file satisfactory bonds and insurance as required by the Contract Documents, or fails or refuses to enter into a Contract within the specified time.

8. GOVERNING LAWS AND REGULATIONS

7.1. Public Contract Code

The bidding of this project is governed by the California State Public Contract Code. The Contract will be awarded to the lowest responsible bidder, subject to the RTA's right to reject any or all bids and to waive any informality in the bids or in the bidding. If two or more bids are the same and the lowest, the RTA may accept the one it chooses.

The State of California Public Contract Code makes provisions for the rejection of bids and sets forth alternate Contract procedures. If all bids are rejected, the RTA Board of Directors, after re-evaluating its project cost estimates, may, subject to the provisions of Section 22038 of the Public Contract Code; (1) abandon the project, (2) re-advertise for bids, (3) proceed with the project utilizing RTA personnel or force account if a resolution is passed by a vote of the RTA Board of Directors declaring that the project can be performed more economically by the employees of the RTA. If no bids are received, the project may be performed by RTA employees by force account or by negotiated Contract. In the event any action is taken by the RTA Board of Directors, pursuant to Section 22038 all bidders will be notified in writing.

7.2. Specific Materials, Products And Control Systems Designated By Brand Or Name

Pursuant to Public Contract Code Section 3400(c), the RTA may make a finding that is described in the invitation for bids that designates certain products, things, or services by specific brand or trade name for the statutorily enumerated purposes. As required by Section 3400(c)(2), the RTA Board of Directors has made such findings. These findings, as well as the particular materials, products and control systems and their specific brand or trade names that must be used for the Project may be found in Section 01 13 00. Unless specifically designated in Section 01 13 00, whenever in specifications any material, process or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by words "or equal."

7.3. Contractor's License

A Contractor is required to be licensed in accordance with the provisions of Chapter 9, Division III of the Business and Professions Code.

License shall be **"B"**. Failure of a bidder to obtain adequate licensing for an award of a Contract shall constitute a failure to execute the Contract and shall result in the forfeiture of the Bidder's Bond.

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**STATE OF CALIFORNIA - DEPARTMENT OF INDUSTRIAL RELATIONS
 DIVISION OF APPRENTICESHIP STANDARDS**

TO: California Department of Industrial Relations
 Division of Apprenticeship Standards
 P.O. Box 420603
 San Francisco California 94142

FROM: AWARDING AGENCY

**EXTRACT OF
 PUBLIC WORKS CONTRACT AWARD**

A CONTRACT TO PERFORM PUBLIC WORKS UNDER LABOR CODE SECTION 1777.5 HAS BEEN AWARDED TO:

2. NAME OF GENERAL CONTRACTOR		3. CONTRACTOR'S LICENSE NO	
4. MAIL ADDRESS (STREET NUMBER OR P.O. BOX)		5. CITY	
		6. ZIP CODE	7. TELEPHONE NUMBER
8. ADDRESS OR LOCATION OF PUBLIC WORKS SITE (INCLUDE CITY AND/OR COUNTY)			
9. CONTRACT OR PROJECT NUMBER		10. DOLLAR AMOUNT OF CONTRACT AWARD \$	
11. STARTING DATE (ESTIMATED OR ACTUAL) MONTH DAY YEAR / / (USE NUMBERS)		12. COMPLETION DATE (ESTIMATED OR ACTUAL) MONTH DAY YEAR / / / (USE NUMBERS)	
13. TYPE OF CONSTRUCTION (HIGHWAY, SCHOOL, HOSPITAL, ETC.)		14. <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> ALTERATIONS	
15. CLASSIFICATION OR TYPE OF WORKER (CARPENTER, PLUMBER, ETC.) THAT WILL BE EMPLOYED BY THE CONTRACTOR(S)			
16. Is language included in the Contract Award to effectuate the provision of section 1777.5, as required by the Labor Code? <input type="checkbox"/> Yes <input type="checkbox"/> No Is language included in the Contract Award to effectuate the provisions of Section 1776, as required by the Labor Code? <input type="checkbox"/> Yes <input type="checkbox"/> No			
17. SIGNATURE		18. TITLE	19. DATE
20. PRINTED OR TYPED NAME		21. TELEPHONE NUMBERS	

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**SECTION 00 21 13
INSTRUCTIONS TO
BIDDERS**

1. DESCRIPTION OF WORK

The Base Scope of work required to be performed by the Contractor comprises: Construction of a single story 28,650sf (gross) bus maintenance facility with +2,600sf of mezzanine/equipment platform located on a 6.44 acre site at 253 Elks Lane. The building is construction type V-b, fully sprinklered that accommodates operations, administration and maintenance areas with main occupancies S-1 & B, also A-3 occupancy as accessory use. There are detached enclosures on site such as the trash enclosure, and canopy over bus parking. This project also includes the offsite improvements, specifically the "t-intersection" for Future Elks Lane realignment.

- 2. TIME AND PLACE FOR RECEIVING BIDS:** Sealed bids will be received from pre-qualified bidders attending the mandatory pre-bid site visit by the San Luis Obispo RTA Office at:

**SLO RTA Offices – 179 Cross Street, Suite A (2nd Floor)
San Luis Obispo, CA 93401
until Wednesday April 15, 2020 at 3:00 PM local time.**

- 3. MANDATORY PRE-BID SITE VISIT:** A Pre-Bid Site Visit is scheduled for **Thursday March 26th, 2020 at 1:00pm local time at 523 Elks Lane, San Luis Obispo, CA.** This is a **mandatory** pre-bid site visit. Bids will be accepted only from those general contractors attending the mandatory site visit.

All requests for information/interpretation (RFI), clarification, questions, etc., shall be submitted in writing via email to **BOTH** Tully Wyatt at: twyatt@kitchell.com and Geoff Straw at: gstraw@slorta.org. Request for information/interpretation (RFI), clarification, questions, etc., will not be accepted after 5:00 pm April 3, 2020.

- 4. TIME OF COMPLETION:** The overall time of completion for the Project is **five hundred sixty four (564)** calendar days. Additional time limitations and limitations on construction are contained in Article 7, of the General Conditions.
- 5. LIQUIDATED DAMAGES:** The Contract is subject to liquidated damages that are described in Article 7, Paragraph 7.4 - Work Not Completed in Time and Assessment of Damages.
- 6. PROCUREMENT OF CONTRACT DOCUMENTS:** Contract Documents may be obtained from the following website:

www.slocbe.com

Documents are also available for viewing at the office below:

SLO RTA Offices, 179 Cross St, Suite A (2nd Floor), San Luis Obispo, CA 93401

7. PROJECT INFORMATION:

Tully Wyatt
RTA Representative
Phone: (805) 440-2278
E-mail: twyatt@kitchell.com

8. **EXAMINATION OF PROJECT LOCATION & CONTRACT DOCUMENTS:** Bidder shall, prior to submitting a bid, carefully examine the location of the proposed project, and review the Contract Documents, to become fully aware of the Work and of the conditions relating to construction and labor under which the Work will be or is performed, and, so far as possible, the successful bidder must employ such methods and means regarding the Work of any subcontractor or worker, and in carrying out their Work as will not cause any interruption or interference with any other contractor, subcontractor or worker, it being specifically understood and agreed that the RTA shall be in no way responsible for any loss or damage occurring as a result thereof.

The limit of the Work area is designated on the drawings and the Contractor shall confine their operations to this area and along the adjacent public areas under the control of and with express permission of the San Luis Obispo RTA.

9. **INTERPRETATION OF CONTRACT DOCUMENTS:** If any Bidder is in doubt as to the true meaning of any part of the Plans, Specifications, or other Contract Documents, or finds discrepancies in, or omissions from the Plans or Specifications, they may submit to the RTA Representative, listed above, a written request for an interpretation or correction thereof not less than five (5) working days prior to the date bids are to be opened. The person submitting the request will be responsible for its prompt delivery. Any interpretation or correction of the Contract Documents will be made only by Addendum and will be mailed, e-mailed, faxed and/or otherwise delivered to each Plan holder listed with the RTA as receiving a set of such documents for the project. The RTA will not be responsible for any other explanation or interpretation of the Contract Documents.

10. **BIDDER'S REPRESENTATION:** No person, firm, or corporation shall be allowed to make or file or be interested in more than one bid for the same Work, unless alternate bids are called for. A person, firm, or corporation submitting a sub-proposal to a bidder, or who has quoted prices on materials to a bidder, is not thereby disqualified from submitting a sub-proposal or quoting prices to other bidders.

11. **CONTENT & VALIDITY OF BIDS:**

- A. **Validity:** All bids shall be valid for a period of One Hundred Twenty (120) days from the bid opening date.
- B. **Alternate Proposals:** Bids shall not contain any recapitulations of the Work to be done. Alternate proposals will not be considered unless specifically called for.
- C. **Sales Taxes:** Bids shall include any and all Federal, State and Local taxes of whatever nature in connection with material to be furnished to the RTA. Absolutely no extras shall be allowed for such by the RTA.
- D. **Payment of General Prevailing Rate of Wages and Department of Industrial Relations Registration:**
Federal funds are being used for this project; therefore, the Davis-Bacon Act (2 CFR§200, Appendix II(D), and 29 CFR Part 5) apply. The Federal minimum wage rates for this project as predetermined by the United States Secretary of Labor are set forth in the [redacted]. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the prevailing wage rates determined to be applicable to this contract by the Director of the California Department of Industrial Relations for similar classifications of labor, the Contractor and subcontractors shall pay not less than the higher wage rate.

Pursuant to the provisions of Section 1770 of the Labor Code of the State of California, the Director of Industrial Relations of the State of California has ascertained the general prevailing rates of wages and employer payments for health and welfare, vacations, pensions, and similar purposes applicable to the

Work to be done. Not less than the general prevailing rate of per diem wages for Work of a similar character in the locality in which the public Work is performed, and not less than the general prevailing

rate of per diem wages for holiday and overtime Work fixed as provided in Section 1771 of the Labor Code, shall be paid to all workers employed on public works, including employer payments as defined in Section 1773.1 of the Labor Code. Copies of said prevailing rate of per diem wages are on file in the RTA offices and available at the California Department of Industrial Relations' website at: www.dir.ca.gov/DLSR/PWD.

Pursuant to Labor Code Section 1771.1, no contractor or subcontractor may be listed on the bid proposal for this public works project unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5.

Pursuant to Labor Code Section 1771.1, no contractor or subcontractor may be awarded this public works contract unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations, pursuant to Labor Code Section 1771.4

- E. **Payment of Minimum Wage:** Labor on this project shall be paid no less than the greater of the minimum wage rates established by the U.S. Secretary of Labor or by the State of California's Director of the Department of Industrial Relations.
- F. **Classification Not Covered by Prevailing Wage:** Any laborer or mechanic employed to perform Work on the project under this Contract, which Work is not covered by any of the stipulated classifications, shall be paid not less than the minimum rate of wages specified for the classification which most nearly corresponds to the Work to be performed by him and such minimum wage rate shall be retroactive to the time of initial employment of such person in such classification. In the event of any dispute on that question, the question and the information shall be referred for determination to the Board of Supervisors or to any official designated by the Board of Supervisors, whose decision on the question shall be conclusive on the parties to this Contract with the same effect as if the Work performed by such laborer or mechanic had been classified and the minimum rate specified herein.
- G. **Overtime, Sundays, and Holidays:** Not less than one and one-half (1-1/2) times the basic hourly rate plus applicable employer payments. The holidays upon which such rates shall be paid shall be all holidays recognized in the collective bargaining agreement applicable to the particular craft, classification or type of worker employed on the project.
- H. **Apprentices:** Attention is directed to the provisions in Sections 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any sub-contractor under them. It is the Contractor's responsibility to submit contract award information to the Department of Industrial relations as required by the Labor Code.

12. BIDDING PROCEDURES: In order to receive consideration, all bids shall be made in accordance with the following instructions:

- A. **Bid Form:** Bids shall be made upon the form provided therefor, properly executed and with all items filled out; numbers shall be stated both in writing and in figures, the signature of all persons signing shall be in longhand.
- B. **Addenda:** Any Addenda issued before the time in which to submit bids expires shall form a part of the Contract Documents and shall be covered in the bid. Each bidder shall confirm receipt of any and all addenda in the space provided in Paragraph 1 of the Bid Form.
- C. **Certification of Bids (Bidders Bond):** Each bid must be accompanied by cash, a certified or cashier's check or a Bidder's Bond secured from a company **ADMITTED** to transact business in the State of California in the sum of not less than ten percent (10%) of the total aggregate amount of the bid and said checks or bond shall be made payable to the order of the San Luis Obispo RTA as liquidated damages in the event the successful bidder fails to file satisfactory bonds as otherwise required by the Contract Documents, or fails to ~~or refuses~~ to enter into a Contract within the specified time.

- D. **Subcontractor List:** All bidders must submit with their bids a list of all proposed subcontractors in compliance with Sections 4100, et seq, of the State Public Contract Code. Forms for this designation are furnished on the Bid Form. Any subcontractors required to pay prevailing wages must be registered with the Department of Industrial Relations pursuant to Section 1725.5 of the Labor Code.
- E. **Designation of Insurance Company and Agent or Broker:** All bidders must submit with their bids the name and address of the company proposed to provide the required insurance as described in the General Conditions. Any and all insurance companies must be **AUTHORIZED** to transact business in the State of California by the California Department of Insurance. All bidders must also submit the name, address, and telephone number of the agent or broker procuring the insurance. A form for this purpose is furnished with the Bid Form.
- F. **Designation of Bonding/Surety Company and Agent or Broker:** All bidders must submit with their bids the name and address of the company proposed to provide the required payment, performance and maintenance bonds as described in the General Conditions. Any and all bonds must be issued by a company **ADMITTED** to do business in the State of California by the California Department of Insurance. All bidders must also submit the name, address, and telephone number of the agent or broker procuring the bonds. A form for this purpose is furnished with the Bid Form.
- G. **Non-Collusion Affidavit:** All bidders shall submit with their bids a fully executed Non-Collusion Affidavit in compliance with Section 7106 of the State of California Public Contract Code. A form for this purpose is furnished with the Bid Form.
- H. **Contractor's License:** Each bidder must possess a Class **"B"** California Contractor's License as required under provisions of the California Business and Professions Code.

13. **WITHDRAWAL OF BIDS**

- A. **Withdrawal of Bids prior to Bid Opening:** Any bidder may withdraw their bid, either personally or by a written request, at any time prior to the scheduled time for opening of bids, as allowed in State Public Contract Code.
- B. **Withdrawal of Bids after Bid Opening:** No bidder shall withdraw their bid for a period of **One Hundred Twenty (120)** days after the date set for the opening thereof.
- C. **Relief of Bidder Due to Clerical Error:** A Bidder may not be relieved of their bid unless by consent of the awarding authority nor shall any change be made in the bid because of a mistake except as provided in the State Public Contract Code Section 5101, et seq.

14. **BONDING REQUIREMENTS:** Refer to Specification Section 00 73 00 Supplementary Conditions.

15. **BID PROTESTS:** Refer to Specification Section 00 73 00 Supplementary Conditions.

16. **COPIES OF CONTRACT DOCUMENTS & FORMS:**

- A. **General:** The complete Contract shall consist of the following identified documents herein referred to as the Contract Documents: Invitation to Bidders, Instructions for Bidders, Information for Bidders, Bid Form, Supplements to Bid Form, Agreement, Bond Requirements and Forms, Guarantees, Insurance, General Conditions, Specifications, Soils Reports and attached supplemental information, Drawings, any Addenda, and any Change Orders, Field Orders, or the RTA's Directives issued thereto and all are intended to cooperate and be complementary so that any Work called for in one and not mentioned in the other, or vice versa, shall be executed the same as if mentioned in all said documents. The Contract shall include all labor, materials, equipment, transportation, and services necessary for the proper execution of the Work.
- B. **Plans and Specifications:** **Electronic versions of the Plans & Specifications** will be transmitted to the successful bidder at the Preconstruction Conference on a thumb-drive. Contractor can print sets

3/5/2020

from the electronic files at their own discretion and expense. Quantities stated in the Contract Documents are approximate only and are subject to correction upon final measurement of the Work accomplished and subject further to rights reserved by the RTA to increase or diminish the amount of Work under any classification, as the design or construction needs require.

- C. **Agreements & Bonds:** The form of Agreement that the successful bidder, as Contractor, will be required to execute and the form of bonds which they will be required to furnish are included in the Contract Documents and should be carefully examined by each bidder. The Agreement shall be executed in two (2) original counterparts.
- D. **Supporting Contract Documents:** The RTA has commissioned numerous reports, plans and permits for the Project, The Contractor will be required to comply with any and all requirements therein.

1. Construction Site Geotechnical / Soils Report and Amendments.

2. CEQA Mitigated Negative Declaration and FTA Categorical Exclusion, as amended.

3. Storm Water Pollution Prevention Plan (SWPPP) Documents, including Erosion Control Plans.

SECTION 00 41 13
BID FORM

TO: The San Luis Obispo RTA, State of California, as Owner herein called the RTA:

1. BID

1.1. BASE BID

Pursuant to and in compliance with the Notice to Bidders and Contract Documents relating to the project:

SLO RTA BUS MAINTENANCE FACILITY (Contract #2020-01)

including Addenda Nos. _____, the undersigned bidder, having become thoroughly familiar with the terms and conditions of the Contract Documents and with local conditions affecting the performance and the costs of the Work at the place where the Work is to be done, hereby proposes and agrees to fully perform the Work within the time stated in strict accordance with the Contract Documents (including the furnishing of any and all labor, materials, tools expendable equipment, and utility and transportation services necessary to fully perform the Work and complete it in a workmanlike manner) for the total Base Bid sum of:

_____ Dollars (\$_____)

NOTE: Failure to acknowledge Addenda may be grounds for rejection of the bid. Failure to include pricing for unit costs and alternates will be grounds for rejection of the bid.

2. CONDITIONS OF BID

It is understood and agreed that if written notice of the acceptance of this proposal is mailed or delivered personally to the undersigned bidder within one hundred twenty (120) days after the opening of the proposal, or at any time thereafter before it is withdrawn, the undersigned bidder will execute and deliver the signed Agreement (two originals) to the RTA in accordance with the proposal as accepted together with the insurance documents specified in the General Conditions, and will also furnish and deliver to the RTA the Performance Bond and Payment Bond as specified, all within ten (10) days after personal delivery or deposit in the mail, as the case may be, of the Notice of Award and that the Work under the Contract shall be commenced by the undersigned bidder on the date to be stated in the RTA's Notice to Proceed, and shall be completed in the time specified in the Agreement of said Contract Documents.

The Notice of Award or any request for additional information may be addressed to the undersigned bidder at the business address set forth herein.

Wherever in this proposal an amount is stated in both words and figures, in case of discrepancy between words and figures the words shall prevail; if all or any portion of the proposal is required to be given in unit prices and totals and a discrepancy exists between any such unit prices and totals so given, the unit prices shall prevail.

3. CONTRACTOR'S LICENSE

Section 7028.15(a) of the Business and Profession Code states that it is a misdemeanor for any person to submit a bid to a public agency in order to engage in the business or act in the capacity of a Contractor within this state without having a license therefor, except in any of the following cases:

- 3.1.** The person is specifically exempted from licensing under the Business and Professions Code.
- 3.2.** If the bidder is making a bid as a joint venture, each person submitting the bid shall be subject to the section in regard to their individual license.
- 3.3.** The section does not affect the right or ability of a licensed architect or registered professional engineer to form a joint venture with licensed Contractors to render those services within their respective licenses.
- 3.4.** For those projects where Federal funds are involved, per Section 20103.5 of the State of California Public Contract Code, the Contractor must be properly licensed at the time of award of Contract. Contractors may be subject to penalties for failure to comply with the provisions of Section 7028.15 of the Business and Professions Code and 20103.5 of the Public Contract Code.

The RTA is required to verify licensure before awarding a bid. The Contractor is requested to provide the information regarding its license. Failure of the Contractor to be properly licensed upon submission of a bid, except as noted above, shall cause the bid to be considered non-responsive and it shall be rejected.

License Classification(s) _____ License Number _____ Expiration _____

)

Sign Here)) _____

)

Signature of Bidder

Business Address: _____

Telephone: _____

NOTE: If bidder is a corporation, the legal name of the corporation shall be set forth above together with the signature of the officers authorized to sign Contracts on behalf of the corporation; if bidder is a co-partnership, the true name of the firm shall be set forth above together with the signature of the partner or partners authorized to sign Contracts in behalf of the co-partnership; and if bidder is an individual, their signature shall be placed above.

SECTION 00 43 00
SUPPLEMENTS TO BID FORMS

1. DESIGNATION OF SUBCONTRACTORS

In compliance with the provisions of Sections 4100 et seq. of the State of California Public Contract Code, the undersigned bidder has set forth below:

- 1.1.** The name and location of the place of business of each subcontractor who will perform Work or labor, or render service to the undersigned in or about the construction of the Work to be performed hereunder, or a subcontractor licensed by the State of California, who, under subcontract to the undersigned, will specifically fabricate and install a portion of said Work according to detailed drawings contained in the plans and specifications, in an amount in excess of one-half of one percent (.05%) of the undersigned's total bid, and;
- 1.2.** The portion of the Work that will be done by each subcontractor. The Bidder shall list only one subcontractor for each such portion as defined by the prime Contractor in the bid. At the RTA's request, Contractors shall provide listed subcontractor license information (i.e. type, number, expiration) within 24 hours of bid opening.

Note: When a subcontractor is not listed, the law provides that the prime Contractor agrees to do the Work themselves and that said prime Contractor agrees that they are fully qualified to perform such Work. If after award of Contract the prime Contractor subcontracts any portion of the Work, except as provided for in Sections 4107 or 4109 of the Public Contract Code, the prime Contractor shall be subject to the penalties as identified in Section 4110 & 4111.

Name of Subcontractor	Location of Place of Business	Scope of Work

use additional sheets as necessary

Name of Subcontractor	Location of Place of Business	Scope of Work

By: _____

(Bidder's Signature)

2. DESIGNATION OF INSURANCE COMPANY, INSURANCE AGENT OR BROKER

The State of California has specific laws regarding the **AUTHORIZATION** of Insurance Agents, Brokers and Insurance Companies doing business within the State. Failure to conform to those requirements requires immediate replacement of the non-conforming individual or entity, acceptable to the RTA. No contract shall arise until all insurance has been approved by the RTA.

The San Luis Obispo RTA requires all insurance to be issued by a company that is “AUTHORIZED” to transact business in the State of California.

The following insurance agent/broker and insurance company is proposed to provide policies of insurance or insurance certificates as are required by the General Conditions:

2.1. Name of Insurance Company(ies) providing coverage:

(Corporate Name and dba Name) _____
(Use a separate sheet of paper if necessary)

Address _____

Phone Number _____

FAX Number _____

2.2. Name of Agent or Broker procuring Insurance coverage:

(Corporate Name and dba Name) _____
(Use a separate sheet of paper if necessary)

License # of Agent or Broker _____

Address _____

Phone Number _____

FAX Number _____

3. DESIGNATION OF BONDING COMPANY/SURETY AND AGENT

The State of California has specific laws regarding the **ADMITTANCE** of Bonding Companies, Sureties, Agents and Brokers doing business within the State. Failure to conform to those requirements requires immediate replacement of the non-conforming individual or entity, acceptable to the RTA. No contract shall arise until all insurance and bonds have been approved by the RTA.

The San Luis Obispo RTA requires all insurance to be issued by a company that is "ADMITTED" to transact business in the State of California.

The following Bonding Company or Surety is proposed to provide payment, performance and maintenance bonds as required by the General Conditions:

3.1. Name of Insurance Company(ies) providing coverage:

(Corporate Name and dba Name)

(Use a separate sheet of paper if necessary)

Address

Phone Number

FAX Number

3.2. Name of Agent or Broker procuring Insurance coverage:

(Corporate Name and dba Name)

(Use a separate sheet of paper if necessary)

Address

Phone Number

FAX Number

4. **NON-COLLUSION AFFIDAVIT**

Each bidder shall execute and submit with the Bid Form an Affidavit of Non-collusion in the following form:

(See Public Contract Code sec. 7106.)

**NON-COLLUSION AFFIDAVIT TO BE EXECUTED
BY BIDDER AND SUBMITTED WITH BID**

State of California)
) ss
San Luis Obispo RTA)

_____, being first duly sworn, deposes and says that they are
the _____ of _____, the party making

the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the Contract or anyone interested in the proposed Contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted their bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at _____, California

on the _____ day of _____, 2020.

(Signed)

CERTIFICATION OF BIDS (BID BOND)

Each bid must be accompanied by cash, a certified or cashier's check or a Bidder's Bond secured from a company **ADMITTED** to transact business in the State of California in the sum of not less than ten percent (10%) of the total aggregate amount of the bid and said checks or bond shall be made payable to the order of the San Luis Obispo RTA as liquidated damages in the event the successful bidder fails to file satisfactory bonds as otherwise required by the Contract Documents, or fails to or refuses to enter into a Contract within the specified time.

BIDDER'S CERTIFICATE (BID BOND)

That we, _____ as Principal, and _____, as Surety, are held and firmly bound unto the San Luis Obispo RTA, State of California, (hereinafter called "RTA") in the penal sum of ten percent (10%) of the total aggregate amount of the bid of the Principal above named, submitted by said Principal to the RTA for the Work described below, for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents. In no case shall the liability of the Surety hereunder exceed the sum of _____ Dollars (\$_____.)

The condition of this obligation is such that a bid to the RTA for certain construction specifically described as follows, for which bids are to be opened on _____ 2020, has been submitted by Principal to the RTA:

- A. The Base Scope of work required to be performed by the Contractor comprises: Construction of a single story 28,650sf (gross) bus maintenance facility with +2,600sf of mezzanine/equipment platform located on a 6.44 acre site at 253 Elks Lane. The building is construction type V-b, fully sprinklered that accommodates operations, administration and maintenance areas with main occupancies S-1 & B, also A-3 occupancy as accessory use. There are detached enclosures on site such as the trash enclosure, and canopy over bus parking. This project also includes the offsite improvements, specifically the "t-intersection" for Future Elks Lane.

NOW, THEREFORE, if the aforesaid Principal shall not withdraw said bid within the period specified therein after the opening of the same, or, if no period be specified, within one hundred twenty (120) days after said opening, and shall within the period specified therefore, or, if no period be specified, within ten (10) days after the prescribed forms are presented for signature, enter into a written Contract with the RTA, in the prescribed form, in accordance with the bid as accepted, and file the two bonds with the RTA, one to guarantee faithful performance and the other to guarantee payment for labor and materials, as required by law, then this obligation shall be null and void; otherwise, it shall be and remain in full force, virtue and effect. And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Contract or to the Work to be performed there-under or the specifications accompanying the same shall in any manner affect its obligations of this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

In the event suit is brought upon said bond by the RTA and judgment is recovered, the Surety shall pay all costs incurred by the RTA in such suit, including a reasonable attorney's fee to be fixed by the court. Death of the Principal shall not relieve Surety of its obligations hereunder.

IN WITNESS WHEREOF, this document has been duly executed by the Principal and Surety named
above on the _____ day of _____, 2020.

CONTRACTOR AS PRINCIPAL: _____
Signature

Please Print Name

Title

Full Name of Business, including dba

SURETY:

Note: Signature of those executing for Surety must be properly acknowledged and notarized.

Signature

Please Print Name

_____ (SEAL)
Title

Type of Business

Full Name of Business, including dba

NOTARY:

State of California RTA of _____

On _____ before me, the undersigned notary public, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____
(Secretary)

(NOTARY SEAL)

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SECTION 00 50 00
AGREEMENT

THIS IS AN AGREEMENT made and entered into this _____ day of _____, 2020, by and between
the San Luis Obispo RTA, a political subdivision and one of the counties of the State of California, hereinafter
referred to as "RTA", and (complete **one** of the following):

1. Corporation: _____
(Insert Corporation Name)

a corporation organized and existing under the laws of the State of:

(Insert Name of State)

2. Partnership: _____
(Insert Name of Partnership)

3. Individual: _____
(Insert Name of Individual)

doing business as: _____
(Insert dba Name)

hereinafter referred to as "Contractor". In consideration of the mutual covenants, conditions, promises, and
agreements herein contained, the RTA and Contractor hereby mutually covenant and agree as follows:

ARTICLE 1 - SCOPE OF WORK:

Said Contractor agrees to furnish all tools, equipment, apparatus, facilities, expendable equipment, utility and
transportation services, and labor and materials necessary to perform and complete in a workmanlike manner,
and in strict accordance with the Contract Documents, (defined in Article 6 herein) the Work of:

SLO RTA BUS MAINTENANCE FACILITY (Contract #2020-01)

in the County of San Luis Obispo, State of California, as called for in the drawings and specifications adopted by
the RTA, which said drawings and specifications are identified by the signature of the parties of this
Agreement. It is understood and agreed that said tools, equipment, apparatus, facilities, expendable
equipment, utility and transportation services, labor and materials shall be furnished, and said Work performed
and completed as required in said Contract Documents, and subject to the approval of the RTA and the RTA's
duly authorized representatives.

ARTICLE 2 - TIME OF COMPLETION:

The Work shall be commenced within **ten (10)** calendar days from date of the RTA's "Notice to Proceed", and
shall be fully completed no later than **five hundred sixty four (564)** calendar days from and after the
aforementioned date. Time is of the essence in this Contract.

ARTICLE 3 - CONTRACT PRICE:

The RTA will pay the Contractor in current funds for the full and complete performance of this Contract, subject
to any additions or deductions as provided in the Contract Documents, the sum of:

(\$ _____). Dollars

ARTICLE 4 - DELAYS:

If, after the Work has been substantially completed, full completion thereof is materially delayed through no fault
of Contractor, and the RTA Executive Director so determines, the RTA shall, without terminating this

Contract, make payment of the balance due for that portion of the Work completed and accepted. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

ARTICLE 5 - ACCEPTANCE OF FINAL PAYMENT AS RELEASE:

The acceptance by the Contractor of final payment shall be and shall operate as a release to the RTA of all claims and all liability to the Contractor for all things done or furnished in connection with this Work and for every act and neglect of the RTA and others relating to or arising out of this Work. No payment, however, final or otherwise, shall operate to release the Contractor or its sureties from any obligations under this Contract or the Performance and Payment Bond.

ARTICLE 6 - CONTRACT DOCUMENTS:

The complete Contract between the parties hereto shall consist of the following identified documents herein referred to as the Contract Documents:

- Invitation to Bidders,
- Instructions for Bidders,
- Information for Bidders,
- Bid Form,
- Supplements to Bid Form,
- Agreement,
- Bond Requirements and Bond Forms,
- Insurance and Guarantees,
- General Conditions,
- Supplemental Conditions,
- Specifications,
- Soils Reports and attached supplemental information,
- Drawings, any Addenda,
- Executed Change Orders and Modifications.
- CEQA Mitigated Negative Declaration
- Storm Water Pollution Prevention Plan (SWPPP) Documents, including Erosion Control Plans

The Contract shall include all labor, materials, equipment, expendable equipment, utility and transportation services, and any other services necessary for the proper execution of the Work.

ARTICLE 7 - LAW AND VENUE:

This Agreement has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. The duties and obligations of the parties created hereunder are performable in SAN LUIS OBISPO and as such shall be the venue for any action of proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

ARTICLE 8 - CONFLICTS OF INTEREST:

No official of the RTA who is authorized on behalf of the RTA to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting, or approving any architectural, engineering, inspection, construction, or material supply contract or any subcontract in connection with the construction of the project, shall become directly or indirectly interested personally in this Contract or in any part thereof. No officer, employee, architect, attorney, engineer, or inspector of or for the RTA who is authorized on behalf of the RTA to exercise any executive, supervisory or other similar function in connection with the construction of the project shall become directly or indirectly interested personally in this Contract or in any part thereof.

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

RTA:

APPROVAL RECOMMENDED:

Geoff Straw, RTA Executive Director

SAN LUIS OBISPO RTA
a public entity in the State of California

By: _____
Chair of the RTA Board of Directors

Approved by Board Action on:

_____, 2020

ATTEST:

Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM:

Rita L. Neal RTA SLO
County Counsel

By: _____
Nina Negranti
RTA Counsel

CONTRACTOR:

(Full
Business Name)

(Type of Business Print or Type)

(Business Address)

Zip Code) (City, State,

By: _____
(Signature)

(Name, Official Title)

(Telephone)

Contractor's License Number
Classification(s)

CORPORATE CERTIFICATE

I, _____, certify than I am the Secretary of the Corporation

named as Contractor in the foregoing Contract, that, _____

who signed said Contract on behalf of the Contractor, was then _____
of said Corporation, that said Contract was duly signed for and in behalf of said Corporation by authority
of its governing body and is within the scope of its corporate powers.

(Corporate Seal)

(Secretary)

SECTION 00 60 00

BOND REQUIREMENTS & FORMS, INSURANCE & GUARANTEES

1. **REQUIRED BONDS:** Refer to Specification Section 00 73 00 for Bond Requirements and Forms. Recordation of the Notice of Completion and Acceptance shall not be deemed an acceptance of latent defects nor shall it constitute a waiver of any of the provisions of this Contract.

2. **SUBSTITUTIONS OF SECURITIES FOR RETENTION AMOUNTS**

Substitution of certain securities for retention amounts are allowed under the State of California Public Contract Code at the option of the Contractor. The Contractor is required to formally request the substitution and to conform to the specific provisions of Section 22300.

- 2.1. **Acceptable Securities:** Whenever retention of monies is authorized to insure performance of Contract conditions, the Contractor shall be permitted to substitute securities for the amount withheld in accordance with Public Contract Code section 22300. Securities eligible for deposit under this procedure shall consist of bank or savings and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, securities listed in Government Code Section 16430, or any other security mutually agreed to by the Contractor and the public agency. The Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon.
- 2.2. **Value of Securities:** The value of securities being deposited shall be based upon market value as of the date of deposit and not necessarily on face value of the securities. Market value shall be determined by the RTA Executive Director. If deposit is made into an escrow, escrow instructions must clearly state, in addition to the items mentioned in the Public Contract Code, that the escrow agent must convert the securities to cash in whole or in part upon a unilateral written demand for such conversion by the RTA Executive Director and further, that any amount demanded by the RTA shall be paid to the RTA upon unilateral written demand for payment. Escrow instructions used must be substantially similar to the form set forth in Public Contract Code Section 22300. The RTA will only make such demand for conversion in payment when the conditions of the Contract would have warranted an expenditure by the RTA of a cash retention expenditure without any securities substitution. All escrow expenses shall be paid by Contractor.
- 2.3. **Release of Securities:** Securities deposited hereunder shall be released back to Contractor when the RTA Executive Director has certified in writing to the escrow holder that the project has been satisfactorily completed. The recording of Notice of Completion does not constitute such certification. All retention times called for in these Contract Documents must have passed, including the time after recording of Notice of Completion, before the RTA will certify to satisfactory completion of the Contract.

3. **GUARANTEES**

3.1. **GUARANTEE FOR TOTAL WORK:** Prior to acceptance of the Work by the RTA, the Contractor shall submit a guarantee in the form of a written warranty on Contractor's own letterhead as follows, and signed under penalty of perjury:

3.2. **WARRANTY FOR:**

SLO RTA BUS MAINTENANCE FACILITY. (Contract #2020-01)

This Work has been constructed in accordance with the Contract Documents, and the Work as installed will fulfill the requirements of this warranty, and any other warranty therefor, included in the Contract Documents. We agree to repair or replace any and all of our Work together with any other adjacent Work which may be displaced by so doing, that prove to be defective in its workmanship or material for the period of one (1) year (except when otherwise required in this Contract to be for a longer period) from date of acceptance of the above mentioned structure by the RTA, ordinary wear and tear and unusual abuse or neglect excepted. Said date of acceptance shall be the date of acceptance and filing of the Notice of Completion with the RTA Executive Director.

In the event of our failure to comply with the above-mentioned conditions within seven (7) days after being notified in writing we, collectively or separately, do hereby authorize the RTA to proceed to have said defects repaired and made good at our expense and we will honor and pay the cost and charges therefor on demand.

Signed: _____
Contractor License Number

3.3. **ADDITIONAL GUARANTEES:** Additional Guarantees shall be provided as required in the technical sections of the Contract Documents.

4. **INSURANCE AND INDEMNIFICATION REQUIREMENTS**

The parties expressly agree that the indemnification and insurance clauses in this Contract are an integral part of the performance exchanged in this Contract. The compensation stated in this Contract includes compensation for the risks transferred to Contractor by the indemnification and insurance clauses.

Attention is invited to the provisions of the Insurance Code of the State of California with reference to the writing of insurance policies and bonds covering risks located in this state, and the premiums and commissions thereon. The Contractor shall obtain, and maintain, at its own expense, all the insurance required by this section. The insurance requirements must be met within the time period allowed for Contract execution as defined in the **00 41 13 BID FORM** herein.

The Notice to Proceed with the Work under this Contract will not be issued, and the Contractor shall not commence Work, until such insurance has been approved by the RTA. The Contractor shall not allow any subcontractor to commence Work on its subcontract until all similar insurance required for the subcontractor has been obtained. Such insurance shall be maintained in full force and effect at all times during the prosecution of the Work and until the final completion and acceptance thereof.

4.1. **INSURANCE:** Contractor, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. Such policies shall be maintained for the full term of this Agreement and the related warranty period (if applicable) and shall provide products/completed operations coverage for four (4) years following completion of Contractor's work under this Agreement and acceptance by the RTA. Any failure to comply with

reporting provisions(s) of the policies referred to above shall not affect coverage provided to the RTA, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "RTA" shall include officers, employees, volunteers and agents of the San Luis Obispo RTA, San Luis Obispo, California, individually or collectively.

4.2. MINIMUM SCOPE AND LIMITS OF REQUIRED INSURANCE POLICIES: The following policies shall be maintained with insurers **AUTHORIZED** by the California Department of Insurance to do business in the State of California and shall be issued under forms of policies satisfactory to the RTA:

A. **COMMERCIAL GENERAL LIABILITY INSURANCE POLICY ("CGI"):** Policy shall include coverage at least as broad as set forth in Insurance Services Office (herein "ISO") Commercial General Liability coverage. (Occurrence Form CG 0001) with policy limits not less than the following:

\$2,000,000 each occurrence (combined single limit);
\$1,000,000 for personal injury liability;
\$5,000,000 aggregate for products, completed operations, and
\$5,000,000 general aggregate.

\$10,000,000 Excess Umbrella policy

The general aggregate limits shall apply separately to Contractor's work under this Agreement.

B. **BUSINESS AUTOMOBILE LIABILITY POLICY ("BAL"):** Policy shall include coverage at least as broad as set forth in Insurance Services Office Business Automobile Liability Coverage, Code 1 "Any Auto" (Form CA 0001). This policy shall include a minimum combined single limit of not less than One-Million (\$1,000,000) dollars for each accident, for bodily injury and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any of the activities associated with this Agreement. Contractor shall not provide a Comprehensive Automobile Liability policy that specifically lists scheduled vehicles without the express written consent of the RTA.

C. **WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY ("WC / EL"):** This policy shall include at least the following coverage's and policy limits:

1. Workers' Compensation Insurance as required by the laws of the State of California; and
2. Employer's Liability Insurance Coverage B with coverage amount not less than one-million (\$1,000,000) dollars each accident / Bodily Injury (herein "BI"); one-million (\$1,000,000) dollars policy limit BI by disease; and, one-million (\$1,000,000) dollars each employee disease..

D. **BUILDER'S RISK:** The RTA maintains Builder's Risk insurance for this project. The Contractor therefore, is not required to procure nor maintain said insurance.

E. **DEDUCTIBLES AND SELF-INSURANCE RETENTIONS:** Any deductibles and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by Contractor and approved by the RTA before work is begun pursuant to this Agreement. At the option of the RTA, Contractor shall either reduce or eliminate such deductibles or self-insured retentions with respect to the RTA, its officers, employees, volunteers and agents, or shall provide a financial guarantee satisfactory to the RTA guaranteeing payment of losses and related investigations, claim administration, and/or defense expenses.

- F. **ENDORSEMENTS:** All of the following clauses and endorsements, or similar provisions, are required to be made a part of insurance policies indicated in parentheses below:
1. "Cross Liability", "Severability of Interest" or "Separation of Insureds" clause (CGL & BAL);
 2. The San Luis Obispo RTA, its officers, employees, volunteers and agents are hereby added as additional insured (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used) with respect to all liabilities arising out of Contractor's performance of work under this Agreement (CGL & BAL);
 3. If the insurance policy covers an "accident" basis, it must be changed to "occurrence" (CGL & BAL);
 4. This policy shall be considered primary insurance with respect to any other valid and collectible insurance the RTA may possess, including any self-insured retention the RTA may have, and any other insurance the RTA does possess shall be considered excess insurance only and shall not be called upon to contribute to this insurance (CGL, BAL, & PL);
 5. No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to the RTA at the address set forth below (CGL, BAL, WC /EL & PL);
 6. Contractor and its insurers shall agree to waive all rights of subrogation against the RTA, its officers, employees, volunteers and agents for any loss arising under this Agreement (CGL); and
 7. Deductibles and self-insured retentions must be declared (All Policies).
- G. **ABSENCE OF INSURANCE COVERAGE:** The RTA may direct the Contractor to immediately cease all activities with respect to this Agreement if it determines that the Contractor fails to carry, in full force and effect, all insurance policies with coverages at or above the limits specified in this Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered Contractor's delay and expense. At the RTA's discretion, under conditions of lapse, the RTA may purchase appropriate insurance and charge all costs related to such policy to the Contractor.
- H. **PROOF OF INSURANCE COVERAGE AND COVERAGE VERIFICATION:** Prior to commencement of work under this Agreement, and annually thereafter for the term of this Agreement, the Contractor, or each of the Contractor's insurance brokers or companies, shall provide the RTA a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage verification, as evidence of the stipulated coverages. The RTA may also require a copy of the insurance policy and any other information relating to coverage under the policies. All of the insurance companies providing insurance for the Contractor shall have, and provide evidence of, an **A.M. Best Rating of "A- FSC VII"** or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to:

Geoff Straw
Executive Director
San Luis Obispo Regional Transit
Authority
Phone: (805) 781-4465
E-mail: gstraw@slorta.org

I. INDEMNIFICATION:

To the fullest extent permitted by law, the Contractor assumes liability for and agrees, at the Contractor's sole cost and expense, to promptly and fully indemnify, protect, hold harmless and defend (even if the allegations are false, fraudulent, or groundless and with counsel subject to the reasonable satisfaction of RTA), the RTA, its Board and each member thereof, and their respective officials, officers, directors, employees, commission members, representatives, and agents ("Indemnitees"), from and against any and all claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceeds, causes of action, demands, costs, judgments, liens, stop payment notices, penalties, liabilities, damages, losses, anticipated losses of revenues, and expenses (including, but not limited to, any fees of accountants, attorneys, experts, or other professionals, or investigation expenses), or losses of any kind or nature whatsoever, whether actual, threatened, or alleged, arising out of, resulting from, or in any way (either directly or indirectly), related to the Work, the Project or any breach of the Contract by Contractor or any of its officers, agents, employees, Subcontractors, Sub-subcontractors, or any person performing any of the Work, pursuant to a direct or indirect contract with the Contractor ("Indemnity Claims"). Such Indemnity Claims include, but are not limited to, claims for:

1. Any activity on or use of the RTA's premises or facilities;
2. Any liability incurred due to Contractor acting outside the scope of its authority pursuant to the Contract, whether or not caused in part by an Indemnified Party;
3. The failure of Contractor or the Work to comply with any applicable law, permit, or orders;
4. Any misrepresentation, misstatement or omission with respect to any statement made in the Contract Documents or any document furnished by the Contractor in connection therewith;
5. Any breach of any duty, obligation or requirement under the Contract Documents, including, but not limited to any breach of Contractor's warranties, representations, or agreements set forth in the Contract Documents;
6. Any failure to coordinate the Work with the RTA's separate contractors;
7. Any failure to provide notice to any party as required under the Contract Documents;
8. Any failure to act in such a manner as to protect the Work from loss, cost, expense, or liability;
9. Bodily or personal injury, emotional injury, sickness or disease, or death at any time to any persons including without limitation employees of Contractor;
10. Damage or injury to real property or personal property, equipment and materials (including, but without limitation, property under the care and custody of the Contractor or the RTA) sustained by any person or persons (including, but not limited to, companies, corporations, utility company or property owner, Contractor and its employees or agents, and members of the general public);
11. Any liability imposed by applicable law including, but not limited to criminal or civil fines or penalties;
12. Any dangerous, hazardous, unsafe or defective condition of, in or on the site, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the site by Contractor, its officers, agents, employees, or Subcontractors;
13. Any operation conducted upon or any use or occupation of the site by Contractor, its officers, agents, employees, or Subcontractors under or pursuant to the provisions of the Contract or otherwise;
14. Any acts, errors, omission or negligence of Contractor, its officers, agents, employees, or Subcontractors;
15. Any and all claims against the RTA seeking compensation for labor performed or materials used or furnished to be used in the Work or alleged to have been furnished on the Work, including all incidental or consequential damages resulting to the RTA from such claims.

J. **FEDERAL AND STATE LAWS & REGULATIONS:** The project shall be constructed under the complete jurisdiction of all applicable laws of the United States and State of California governing construction including, but not limited to, the following:

1. The California Health and Safety Code and all applicable administrative code regulations pursuant thereto.
2. All laws governing the employment of labor, qualifications for employment of aliens, payment of employees, convict-made materials, domestic and foreign materials and accident prevention.
3. Title 19 of the California Code of Regulations entitled "Public Safety", Division 1, State Fire Marshal, Chapter 1, "General Fire and Panic Safety Standards".
4. All laws and regulations governing construction on behalf of public entities, including but not limited to the California Public Contract Code.
5. **General Industrial Safety Orders:** Each and every Contractor shall observe and conform to the provisions of Title 8, California Code of Regulations bearing upon safe and proper use, construction disposal, etc., of materials, machinery, and building appurtenances as therein set forth.
6. **Code Rules and Safety Orders:** All Work and materials shall be in full accordance with the latest substantive rules and regulations of the State Fire Marshal, the safety orders of the Division of Industrial Safety, Department of Industrial Relations; the Uniform Building Code, National Electric Code, Uniform Mechanical Code, Uniform Plumbing Code, and other applicable State Laws or Regulations. Nothing in these plans and specifications is to be construed to permit Work not conforming to these codes.
7. Federal Transit Administration requirements specified in **SECTION 00 73 00** below.

Note: The procedural aspects of the Uniform Codes referred to above may not apply to the Work of this Contract, but the substantive provisions do apply.

All of the above laws and regulations though referred to herein, are as much a part of the Contract as if they were incorporated in their entirety in these General Conditions.

SECTION 00 70 00
GENERAL CONDITIONS

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
MARCH 4, 2020
STAFF REPORT**

AGENDA ITEM: B-3

TOPIC: Fiscal Year 2020-21 Budget Assumptions

ACTION: Approve FY20-21 Budget Assumptions

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Approve Budget Assumptions to Enable Staff to Begin Development of Operating and Capital Budgets

**EXECUTIVE COMMITTEE
RECOMMENDATION:**

BACKGROUND/DISCUSSION:

The following report outlines staff's recommended budget assumptions for the RTA's Fiscal Year 2020-21 Operating and Capital Budget, and it is the first step in the development of our operating budget and operating program. It should be noted that the RTA is again developing a two-year operating budget and five-year capital budget. As in past years, only the first year would be financially-constrained, while the out-years should be considered advisory. Upon the Board's guidance and approval of these assumptions, staff will prepare a detailed report along with preliminary budget numbers for presentation to the Executive Committee at their April 8th meeting prior to the final draft budget presentation to the Board in May.

KEY ISSUES

1. The RTA will begin construction of the long-planned new Bus Maintenance Facility located at 253 Elks Lane toward the end of the current fiscal year. However, the majority of the roughly 18-month construction period will occur in FY20-21 so much of the staff's resources will be focused on this vital project.
2. Address the funding plan for the CalPERS liability due to the termination of the RTA's contract with CalPERS as of January 10, 2020.
3. Address SoCo Transit's request to consolidate with the RTA.
4. State Transit Assistance (STA) funds are projected to be flat to the region but they are higher than FY17-18 due to the Senate Bill 1 – Road Repair and Accountability Act (SB-1) funds, which include augmented STA funds and State of Good Repair funds.

5. Local Transportation Funds (LTF) used for operating purposes are projected to be down slightly to the region.
6. Liability costs continue to escalate, despite the RTA's good safety record (especially general liability costs).
7. We continue to focus on containment of Runabout costs, which had been escalating for several years but have recently leveled off.
8. Address staffing and retention, in particularly in the Bus Operator classification.
9. Fuel costs continue to be volatile; this also impacts ridership and fares.

Mission Statement

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

Objectives and Revenue Impacts

- 1) Maintain service levels and hours of service that meet the standards of productivity and demand of our customers and communities through the effective and efficient delivery of RTA Fixed-Route and Runabout core services.
 - a) RTA received \$1,093,860 for RTA core services in STA funding, which includes capital funding for the planned new RTA Bus Maintenance Facility project. Staff will work with SLOCOG staff to determine a realistic estimate for FY20-21.
 - b) Continue to monitor the results and impacts on ridership and fare revenue from the December 31, 2017 fare increase, both on RTA Fixed-Route and on the Runabout service, which included the establishment of a Runabout premium service fare.
 - c) The FY19-20 budget adopted in May 2019 included \$3,350,105 in LTF operating revenues. At that same meeting, the advisory FY20-21 LTF amount was \$4,690,010. Staff is still developing estimated annual FY19-20 expenses, which impacts the carryover amount that could reasonably be identified for the FY20-21 budget, but does expect this amount to be minimal.
 - d) Federal Transit Administration (FTA) Sections 5307, 5311 and 5339 operating funding and capital funding for FY20-21 will be presented in the same format as previously presented in May 2019, taking into account preliminary projected revenues identified in the Fixing America's Surface Transportation (FAST) Act. Should the actual annual authorizations for FTA programs increase or decrease for any of these programs, staff would adjust these assumptions accordingly. Monies for FTA-funded projects are reimbursed either as progress payments or

as full payment at the end of the project and/or fiscal year, which requires focused care by staff to ensure adequate cash flow.

- e) FTA Section 5307 operating funding from the Santa Maria Urbanized Area for RTA Route 10 will be budgeted based on commitments with Santa Barbara County Association of Governments (SBCAG) and the City of Santa Maria.
 - f) Detailed miles/hours and span of service for each RTA core Fixed-Route and Runabout will be provided with the draft budget. For context, detailed budgets based on miles/hours and span of service will also be provided separately for SLO County Services and North County Local Services. As a consolidation date is reviewed for SoCo Transit, staff will present a mock consolidated budget for review. Assuming consolidation is ultimately adopted, staff will present a budget amendment for adoption by the Board.
 - g) Productivity of each RTA-operated fixed-route service during holiday time periods will be presented to the Board as part of the draft budget, specifically associated with the service provided the weeks of Christmas and New Years to determine if service levels should be reduced. Staff will present the results of the elimination of the commuter Express trips from December 2019.
 - h) Staff will continue to research and evaluate new revenue resources should any potential shortfall in operating revenues arise. If we are unable to secure funding, staff would recommend that the Board consider adjusting the TDA allocation from the RTA jurisdictions and/or adjust service levels.
 - i) Due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the RTA reserve policy once consolidation is completed. The reserve policy was originally adopted in May 2014, as part of the budget process.
- 2) Work with SLOCOG and our transit agency partners in the region to evaluate region-wide service efficiencies.
- a) Transit agencies across the country have experienced ridership declines due to the relatively low price of fuel and increasing private automobile ownership rates, which are affecting farebox recovery ratios. Other factors also include increasing costs due to the California minimum wage. These issues have caused farebox recovery ratios to decline for most transit agencies.
 - b) Review the tasks and financial impacts included in the SoCo Transit contract for administrative, financial, marketing, maintenance and dispatch services, and evaluate efficiencies with the RTA – including SoCo Transit's request to consolidate into the RTA.

- c) The RTA will work with SLOCOG staff and other transit providers to evaluate efficiencies in the provision of service throughout the county.
 - d) Staff will use the *2018-20 RTA Strategic Business Plan* as well as the *2016 Short Range Transit Plan* to evaluate potential efficiencies, and with Board concurrence, implement efficiencies.
- 3) Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
- a) Staff will continue to work with SLOCOG to prioritize capital projects using the State of Good Repair STA portion of SB-1 funds. For FY17-18 and FY18-19, the RTA received funding for the design and engineering of the new RTA Bus Maintenance Facility. These new SB-1 funds are an important source of revenues for the RTA and the other transit operators in our region. It directly impacts the RTA need for LTF to fund operations and the local match for capital projects by reducing local match needed for federal funds, and interest when financing for capital projects is needed.
 - b) Staff has completed the design/engineering phase and expects to soon complete the permitting process for the long-term RTA Bus Maintenance Facility. We continue to work with our Financial Advisor and Bond Counsel, and have also recently contracted for Commissioning Agent and Construction Manager services. Assuming sufficient funding can be identified, as will be reviewed during the March 2020 Board meeting, the RTA will then conduct the construction services procurement, with construction mobilization to begin in summer 2020.
- 4) Address projected changes in demand for Runabout service.
- a) Runabout service hours and miles are projected to increase slightly based on recent demand trends experienced over the year. Staff will closely monitor this, keeping in mind the ridership peaked in FY14-15 at over 45,000, and the ensuing annual decline to just under 40,000 in FY18-19, which was a result of variety of cost-saving and efficiency measures implemented at the Board's direction.
 - b) To ensure that only those persons truly eligible for Runabout service are initially registered or re-registered, staff will continue to conduct functional assessments as part of the Runabout application process. This process was added in early 2016. Staff will also provide mobility training for disabled persons who are able to use fixed-route services for some or all of their travel needs. Staff continue to work with groups such as the Paso Robles Independent Skills Program that have completed the RTA travel training review process and are now able to assist their clients with travel training.

- c) Staff does not foresee needing to move forward with using supplemental taxicab services at this time, but should future service expansions be required or if staffing shortages persist, staff will revisit this option.

Expenses Impacts

- 1) Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.30 per gallon. Included in the fuel line item will be diesel exhaust fluid (DEF), used to lower diesel exhaust emissions on the newer Fixed-Route vehicles.
- 2) Insurance Expenses:
 - a) CalTIP liability insurance premiums are projected to increase. The exact amount is not known at this time, as CalTIP actuaries are still working on May 1, 2020 through April 30, 2021 rates. Estimates will be available from CalTIP in time to include in the RTA draft budget presented to the Executive Committee at its April 2020 meeting. Although the number of RTA losses based on mileage has been lower than the statewide pool average, the RTA did experience a large claim in February 2019 that will impact future premiums. The pool had experienced significant negative claims development but those have stabilized due to efforts of all the member agencies to ensure the stability of the pool and ensure equity in costing among all members. This included a recently actuarial study on the application and formulas used in applying and calculating each agencies experience modification factor. More importantly, the California liability market continues to contract, which also increases per-mile costs.
 - b) CalTIP vehicle physical damage will increase minimally due to the added asset value of newer vehicles in the fleet, namely the six new 40-foot buses and eight new cutaway vehicles that RTA received in replacement for vehicles that had exceeded their useful life during the FY18-19.
 - c) Our annual Employment Risk Management Authority premium is estimated at \$27,000, with a \$50,000 self-insured retention. This self-insured retention does not currently have a reserve in place to cover it should a loss develop. As noted previously, staff hopes to bring a revised reserve policy to the Board once consolidation is completed to address this reserve need.
 - d) Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends in the state are not favorable. Staff will obtain a more refined estimate in early March. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims. The decline in FY18-19 was a result of these efforts, and although premiums are expected to rise, a significant portion of that increase is attributable to the increase in wages identified in the collective

bargaining agreement that are triggered by the changes in the California minimum wage.

- e) Property insurance will increase due to the significant losses in the property insurance market, namely the wildfires in California.
- f) For budget-making purposes, staff is assuming a 6% annual increase for healthcare costs for each of the next two fiscal years.

3) Staffing Expenses:

- a) The current 4-year Collective Bargaining Agreement (CBA) was ratified in November 2017, with new wage scales that began January 1, 2018. The FY20-21 budget will include significant changes in wages and benefits, primarily due to the effects of changes to the California minimum wage program. Should the January 2021 minimum wage change be delayed by the Governor, staff would bring a budget amendment to the Board. The draft budget will assume the minimum wage change will be implemented as planned.
- b) The number of FY20-21 budgeted full-time equivalent (FTE) positions will remain the same as in FY19-20.
- c) For FY20-21, the overall number of budgeted positions for the North County and SLO County services will remain the same. It should be noted that the marginal costs and revenues the services will be treated in the budget the same way as prior years: as separate and distinct columns.
- d) An annual inflationary adjustment based on the December 2018 to December 2019 of 3.0% will be implemented in July 2020. The Operations Supervisor classification CPI increase adjustment will be implemented in January 2021, to coincide with Bus Operator wage scale adjustments identified in the CBA. Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments.
- e) The RTA Board of Directors took action at its December 11, 2019 meeting to adjust the compensation and benefits of management, administration and confidential employees who are currently enrolled as CalPERS employees, including the transfer of their retirement plan to the San Luis Obispo County Pension Trust (SLOCPT). This transition will result in approximately \$220,000 in additional cost.

Proposed Budget Calendar

February 5 Detailed budget assumptions and revenue forecasts presented to Executive Committee

- March 4 Obtain Board concurrence on proposed draft budget assumptions
- March 4 Provide mid-year FY19-20 Budget data to Board (no additional budget amendments are being requested)
- March 31 Based on feedback from Executive Committee, develop FY20-21 Budget
- April 8 Present draft FY20-21 Budget to Executive Committee
- April 23 Present final draft FY20-21 Budget to RTAC
- May 6 Final Board Budget presentation; Board adoption of FY20-21 Budget

Staff Recommendation for Executive Committee:

Recommend staff provide the FY20-21 budget assumptions and budget calendar to the Board for approval at the March 4th Board meeting, so that a detailed work plan and budget may be developed.

Staff Recommendation for the Board:

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

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San Luis Obispo Regional Transit Authority

Executive Committee Meeting

Minutes 10/09/19

Draft C-1

Members Present: Fred Strong, City of Paso Robles, **President**
Ed Waage, City of Pismo Beach
John Peschong, District 1 Supervisor, **Vice President**

Members Absent: None

Staff Present: Geoff Straw, Executive Director
Tania Arnold, Deputy Director/CFO
Nina Negranti, County Counsel
Chelsea Sperakos, Administrative Assistant

Also Present: Eric Greening
Pete Rodgers, SLOCOG Executive Director

1. Call to Order and Roll Call:

President Fred Strong called the meeting to order at 10:00 AM. A silent roll call was taken and a quorum was present.

2. Public Comment

Mr. Eric Greening asked what are RTA's plans and needs related to power cutoff due to fire season.

Mr. Geoff Straw stated that this is a statewide problem, especially with electrification of the fleet. Generators have been used for demonstration BEBs in the past, but RTA will not have access to enough generators to charge our entire fleet of electric buses in the future.

Agencies have been requesting statewide for emergency access to electricity.

President Strong asked if a Seatrain generator would be an achievable option?

Mr. Straw stated most likely not, due to the generator's cost.

3. Information Items

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

Mr. Straw stated the RTA is waiting to hear back on the FTA Section 5339(b) grant application. The government center improvement construction is out to bid; RTA extended

the bid deadline to October 29th to allow for more bids. RTA has started the electric vehicle planning process, and the program Civic Spark has been launched; the fuel cell electric bus demonstration did not work because it was not able to make it over the grade. A potential solution could be looking at larger buffer batteries.

The committee continued a discussion regarding efficiency of diesel versus hydrogen.

4. Action Items

B-1 Consider Fiscal Year 2018-19 Capital Budget Amendment (Approve)

Ms. Tania Arnold stated that the capital budget amendment includes carry-over approved projects. These items include specialized maintenance tools, bus stop improvement programs, and bus maintenance facility funds. No additional funding is needed from jurisdictions. Depending on timing of construction projects, staff may need to do an additional budget amendment.

Vice President John Peschong moved to approve agenda item B-1, and **Mr. Ed Waage** seconded the motion. The motion passed unanimously via voice vote.

5. Consent Items

C-1 Executive Committee Meeting Minutes of August 14, 2019 (Approve)

Mr. Waage moved to approve agenda item C-1, and **President Strong** seconded the motion. The motion passed unanimously via roll call vote, with **Vice President Peschong** abstaining from the vote.

6. November 6, 2019 Draft RTA Board Agenda: The Executive Committee is asked to review and comment on the proposed agenda items.

Information Items

A-1 Executive Director's Report (Receive)

Action Items

B-1 Fiscal Year 2018-19 Capital Budget Amendment (Approve)

B-2 Annual Fiscal Audit Fiscal Year 2018-19 (Accept)

B-3 Equal Employment Opportunity Plan Update (Approve)

Consent Items

C-1 Executive Committee Meeting Minutes of August 14, 2019 (Information)

C-2 RTA Board Meeting Minutes of September 4, 2019 (Approve)

C-3 Agreement for Facility Lease at 800 Rodeo Drive in Arroyo Grande (Approve)

C-4 Agreement for Construction Services – RTA Downtown Transit Center (Approve)

C-5 Agreement for Construction Management Services – Bus Maintenance Facility (Approve)

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

Initiation of litigation pursuant to subdivision (c) of Section 54956.9.

One case.

Public Comment:

Mr. Greening stated he was glad to see the government center improvement moving forward.

Mr. Waage moved to approve the November RTA Board Agenda and **Vice President Peschong** seconded the motion. The motion passed unanimously via roll call vote.

7. **Adjournment**

Ms. Nina Negranti stated the County Pension trust plan will be including a presentation on enrollment under agenda item A-2.

The Executive Committee meeting was adjourned at 10:26 AM.

Next RTA Executive Committee Meeting: **December 11, 2019**

Respectfully Submitted,

Acknowledged by,

Chelsea Sperakos
Administrative Assistant

Fred Strong
RTA President 2019 and 2020

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DRAFT
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
BOARD MEETING MINUTES OF JANUARY 8, 2020
C-2

BOARD MEMBERS PRESENT:

LYNN COMPTON, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO
JOHN HEADDING, CITY OF MORRO BAY
KAREN BRIGHT, CITY OF GROVER BEACH (arrived during Item A-1)
JIMMY PAULDING, CITY OF ARROYO GRANDE
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (Vice President)
ANDY PEASE, CITY OF SAN LUIS OBISPO
HEATHER MORENO, CITY OF ATASCADERO
FRED STRONG, CITY OF PASO ROBLES (President)
ED WAAGE, CITY OF PISMO BEACH
DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO
ADAM HILL, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO

BOARD MEMBERS ABSENT: NONE

STAFF PRESENT:

GEOFF STRAW, EXECUTIVE DIRECTOR
TANIA ARNOLD, DEPUTY DIRECTOR/CFO
NINA NEGRANTI, SAN LUIS OBISPO COUNTY COUNSEL
CHELSEA SPERAKOS, ADMINISTRATIVE ASSISTANT

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENT: The Board reserves this portion of the agenda for members of the public to address the joint San Luis Obispo Council of Governments and 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.

President Strong opened to public comment and public comment was taken.

A. JOINT SLOCOG/RTA BOARD AGENDA

a. Welcome New Board Members (if applicable)

Council member for Grover Beach, Karen Bright, was welcomed by the Board.

b. Election of Officers: Elect President and Vice-President (Voice vote – Approve)

Ms. Heather Moreno nominated President Strong to retain his position as SLOCOG/RTA Board President, and **Vice President John Peschong** seconded the motion. The motion passed unanimously via voice vote.

Ms. Debbie Arnold nominated Vice President Peschong to retain his position as SLOCOG/RTA Board Vice President, and **Ms. Lynn Compton** seconded the motion. The motion passed unanimously via voice vote.

c. Executive Committee Assignment (Voice vote – appoint President, Vice-President, and Past-President or one other member)

President Strong nominated **Mr. Ed Waage** to retain his position as the Executive Committee representative, and **Ms. Moreno** seconded the motion. The motion passed unanimously via voice vote.

Following the Joint meeting, the SLOCOG Board will adjourn to the RTA Board meeting and reconvene after the RTA Board meeting is adjourned.

The joint portion of the meeting adjourned at 8:37 AM and the board continued with the RTA Board Meeting agenda.

RTA Board Meeting

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.

President Strong opened to public comment.

Mr. Eric Greening stated his comments about being a satisfied transit rider.

Mr. Straw requested the Board to note the change in meeting minutes going forward. Per the recommendation received from the California Special Districts Association Board Secretary training, the minutes will only reflect that “public comment was taken” unless action is taken by the Board as a result of public comment.

There was discussion amongst the Board regarding this change.

President Strong stated that the Board would like RTA to consider the impact of the change and report back to the Board with more details.

A. INFORMATION AGENDA

A-1 Executive Director's Report (Receive)

Mr. Straw stated the Employee of the Quarter BBQ will be held on January 31st at the South County Transit yard and the Board members are invited to attend. The agency has been involved in a robust recruitment process due to being short ten drivers; there are three candidates in training and four candidates in the background check process. Drivers and supervisors have working overtime to keep up with service. There is one technician in background check. Staff has begun the recruitment process for a Maintenance & Facilities Manager, as David Roessler has retired.

The new smartphone app Token Transit has been working well and riders have reported user satisfaction. Marketing Manager, **Ms. Mary Gardner**, developed a new Specialized Transit Ride Guide to promote alternative transit options to Runabout. Staff is continuing to work with the Ticket Vending Machine vendor to correct deficiencies.

Staff is also kick-starting the consolidation process for RTA and SoCo Transit; staff will work with the RTA and SoCo Transit jurisdictions to consider resolutions in alignment with the Joint Powers Agreement. The Short Range Transit Plan working papers and draft for SCT and rural Dial-a-Ride has been posted on the RTA website. When RTA staff travelled to Washington DC, they found the TIFIA panel was excited about the Bus Maintenance Facility project, however funds will not be ready by March 2020. Bond counsel recommended doing a bridge-loan for the project. The realignment of Elks Lane poses a challenge, and RTA is hoping to build a “knuckle” design. However, the city of San Luis Obispo would like a large sweeping turn that requires the removal of a billboard which is very costly. The possible compromise solution is a “T” intersection. RTA was not selected for 5339 funding, but was awarded the APCD AB617 clean air program grant. Staff is seeking authorization to apply for TIRCP funds; see agenda item C-6. The TDA triennial performance audit process kicked off in December. The financial information was reviewed, including a note that the cost of transitioning to CalPERS to SLO County Pension Trust have corrections on C-5 and C-11. An increase in gas prices could result in an increase in ridership.

Ms. Andy Pease stated that the covenant remains in place for CAPSLO to facilitate the realignment of Elks Lane, and staff is looking at viable financial options. She also requested an update on what was discussed at the previous Board meeting regarding construction management services for the Government Center Passenger Facility Improvements project.

Ms. Heather Moreno agreed with the recommendation to simply note in the minutes who the speaker was for public comment and no further information for reduced liability.

Mr. Straw stated that the construction management is contracted for 6 weeks and the estimated time for the project was for 12 weeks original which resulted in savings.

Public Comment:

Mr. Greening stated his concerns regarding the change in recording public comment minutes and passenger shelter during the Palm/Osos construction.

Mr. Adam Hill made a motion to receive and file agenda item A-1, and **Ms. Debbie Arnold** seconded the motion. The motion passed unanimously via roll call vote as follows:

ROLL CALL VOTE			
BOARD MEMBER	YES	NO	ABSENT
BOARD MEMBER ARNOLD, DEBBIE (5)	X		
BOARD MEMBER COMPTON, LYNN (4)	X		
BOARD MEMBER GIBSON, BRUCE (2)	X		
BOARD MEMBER HILL, ADAM (3)	X		
VICE PRESIDENT PESCHONG, JOHN (1)	X		
BOARD MEMBER DAVIS, ROBERT (MORRO BAY)	X		
BOARD MEMBER BRIGHT, KAREN (GROVER BEACH)	X		
BOARD MEMBER MORENO, HEATHER (ATASCADERO)	X		
BOARD MEMBER PAUDLING, JIMMY (ARROYO GRANDE)	X		
BOARD MEMBER PEASE, ANDY (SLO)	X		
PRESIDENT STRONG, FRED (PASO ROBLES)	X		
BOARD MEMBER WAAGE, ED (PISMO BEACH)	X		

B-1 Authorize Executive Director to Execute Construction Management Services Agreement with Kitchell (Approve)

Mr. Straw stated that the agency issued an RFQ on September 4, 2019. Three proposals were submitted, and staff interviewed all three finalists. The selected company is local and able to provide additional testing required for completion of the project. Their staff are also riders on

RTA. The typical range for construction management services is 3% to 5% of construction costs. The draft agreement includes a base not-to-exceed amount of \$839,860 (3.4% of construction) which includes 16 weeks of preconstruction/bidding phase, 83 weeks of construction, and 8 weeks closeout. Optional services that have been proposed are testing / specialized inspections and CEQA mitigations monitoring. Staff recommendation is to authorize the RTA Executive Director to execute the base agreement with Kitchell for Construction Management services, and direct staff to research proposed optional services and report back to the RTA Board.

Mr. Jimmy Paulding asked if the Kitchell additional services estimate includes a constructability review for the facility and if the agency will be doing that.

Mr. Straw stated that RTA will not be doing a constructability review due to the project being far enough along in the process that we would not want to delay it; the agency has conducted a Peer Review of the project.

Mr. Hill made a motion to approve agenda item B-1, and **Mr. Bruce Gibson** seconded the motion. The motion passed unanimously via roll call vote as follows:

ROLL CALL VOTE			
BOARD MEMBER	YES	NO	ABSENT
BOARD MEMBER ARNOLD, DEBBIE (5)	X		
BOARD MEMBER COMPTON, LYNN (4)	X		
BOARD MEMBER GIBSON, BRUCE (2)	X		
BOARD MEMBER HILL, ADAM (3)	X		
VICE PRESIDENT PESCHONG, JOHN (1)	X		
BOARD MEMBER DAVIS, ROBERT (MORRO BAY)	X		
BOARD MEMBER BRIGHT, KAREN (GROVER BEACH)	X		
BOARD MEMBER MORENO, HEATHER (ATASCADERO)	X		
BOARD MEMBER PAUDLING, JIMMY (ARROYO GRANDE)	X		
BOARD MEMBER PEASE, ANDY (SLO)	X		
PRESIDENT	X		

STRONG, FRED (PASO ROBLES)			
BOARD MEMBER WAAGE, ED (PISMO BEACH)	X		

C. CONSENT AGENDA: (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the RTA or public wishes an item be removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by RTA Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

- C-1 RTA Board Meeting Minutes of October 2, 2019 (Approve)
- C-2 RTA Board Meeting Minutes of November 6, 2019 (Approve)
- C-3 RTA Special Board Meeting Minutes of December 11, 2019 (Approve)
- C-4 Resolution Authorizing Executive Director to Execute FTA Annual Certifications and Assurances (Approve)
- C-5 Resolution and Corrected Agreement to Terminate CalPERS Contract for Administrative, Management and Confidential Employees (Approve)
- C-6 Resolution Authorizing Executive Director to Submit Application for TIRCP Funds (Approve)
- C-7 Paso Robles Bus Parking Yard CEQA Mitigations Annual Monitoring Report (Receive) (Receive)
- C-8 Authorize Executive Director to Procure Vehicle Maintenance Equipment (Approve)
- C-9 Revised Manager of Maintenance & Facilities Job Description (Approve)
- C-10 Vehicle Procurement for Paso Services (Approve)
- C-11 Resolution to Correct Adjusted Salaries/Benefits for Administrative, Management and Confidential Employees (Approve)

Mr. Gibson made a motion to approve agenda item C-1 to C-11, and **Mr. Hill** seconded the motion. The motion passed unanimously via roll call vote as follows:

ROLL CALL VOTE			
BOARD MEMBER	YES	NO	ABSENT
BOARD MEMBER ARNOLD, DEBBIE (5)	X		
BOARD MEMBER COMPTON, LYNN (4)	X		
BOARD MEMBER GIBSON, BRUCE (2)	X		
BOARD MEMBER HILL, ADAM (3)	X		

VICE PRESIDENT PESCHONG, JOHN (1)	X		
BOARD MEMBER DAVIS, ROBERT (MORRO BAY)	X		
BOARD MEMBER BRIGHT, KAREN (GROVER BEACH)	X		
BOARD MEMBER MORENO, HEATHER (ATASCADERO)	X		
BOARD MEMBER PAUDLING, JIMMY (ARROYO GRANDE)	X		
BOARD MEMBER PEASE, ANDY (SLO)	X		
PRESIDENT STRONG, FRED (PASO ROBLES)	X		
BOARD MEMBER WAAGE, ED (PISMO BEACH)	X		

D. CLOSED SESSION ITEMS –

D-1 It is the intention of the RTA Board to meet in closed session concerning the following item: Executive Director Performance Evaluation (Govt. Code Section 54957)

President Strong opened and closed Board questions and public comment.

The Board entered into closed session at 9:17 AM and ended closed session at 9:26 AM.

Ms. Nina Negranti stated there was no reportable action from closed session.

E. BOARD MEMBER COMMENTS

None

ADJOURNMENT: **President Strong** adjourned RTA meeting at 9:26 a.m.

Respectfully Submitted,

Acknowledged by,

Chelsea Sperakos
Administrative Assistant

Fred Strong
RTA Board President 2020

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
MARCH 4, 2020
STAFF REPORT**

AGENDA ITEM: C-3

TOPIC: RTA Public Transportation Agency Safety Plan (PTASP)

ACTION: Approve Opt-Out Letter

PRESENTED BY: Omar McPherson, Operations Manager

STAFF RECOMMENDATION: Adopt Opt-Out Letter and Authorize Executive Director to Draft and Certify RTA's PTASP

BACKGROUND/DISCUSSION:

The *Moving Ahead for Progress in the 21st Century Act* (MAP-21) grants the Federal Transit Administration (FTA) the authority to establish and enforce a comprehensive framework to oversee the safety of public transportation throughout the United States.

As a component of this safety oversight framework, MAP-21 requires recipients of FTA funding to develop and implement a Public Transit Agency Safety Plan (PTASP) that addresses performance measures, strategies, and staff training opportunities.

MAP-21 expands the regulatory authority of FTA to oversee safety, providing an opportunity for FTA to assist transit agencies in moving towards a more holistic, performance-based approach in *Safety Management Systems (SMS)*. SMS is an integrated collection of policies, processes and behaviors that ensures a formalized, proactive and data-driven approach to safety risk management. The aim of SMS is to increase the safety of transit systems by proactively identifying, assessing and controlling safety risks.

MAP-21 puts FTA and the California Department of Transportation (Caltrans) in a position to provide guidance that strengthens the use of safety data to support management decisions, improves the commitment of transit leadership to safety, and fosters a culture of safety that promotes awareness and responsiveness to safety risks. The approach is flexible and scalable, so that transit agencies of all types and sizes can efficiently meet the basic requirements of MAP-21. However, to maintain local control and to ensure meaningful data is appropriately used, staff believes it is in the RTA's best interest to opt-out of the Caltrans statewide plan, and instead to draft and certify our own PTASP. The RTA PTASP will be consistent with and support an SMS approach to safety risk management. The deadline to submit our plan to the FTA is July 20, 2020.

Staff Recommendation

Approve the attached letter to opt-out of the Caltrans statewide Agency Safety Plan and authorize the RTA Executive Director, serving as the designated PTASP Accountable Director, to draft and certify our own Public Transportation Agency Safety Plan.

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179 Cross Street, Suite A
San Luis Obispo, CA 93401
(805) 781-4472 Fax (805) 781-1291
www.slorta.org

March 4, 2020

To: Brian Travis, Senior Transportation Planner
RTAP and Legislative Management
Caltrans Division of Rail and Mass Transportation
P.O. Box 942874
Sacramento, CA. 94274-0001

Re: Public Transportation Agency Safety Plan (PTASP)
Plan Approval, RTA will Draft and Certify its own Agency Safety Plan (ASP)

The Federal Transit Administration (FTA) Public Transportation Agency Safety Plan regulation, at 49 CFR Part 673, requires State Departments of Transportation (DOTs) to draft and certify Agency Safety Plans (ASPs) on behalf of small public transportation providers. However, a State DOT is not required to draft an Agency Safety Plan (ASP) for a small public transportation provider if the small transit provider notifies the State that it will draft its own plan (Opt-Out).

This letter serves to notify the California Department of Transportation that San Luis Obispo Regional Transit Authority (RTA) will draft and certify its own ASP to address Part 673 requirements. The ASP will be signed by the Accountable Executive, Geoff Straw, Executive Director, and approved by the San Luis Obispo Board of Directors.

The PTASP Accountable Director, RTA Executive Director, and RTA Board of Directors in cooperation with Federal Transit Administration (FTA) has reviewed the Public Transportation Agency Safety Plan 49 U.S.C. § 5329 and assures that the its content has met the requirements of Section § 5329(d) of MAP-21 through the establishment of a comprehensive Safety Management Systems (SMS) framework. RTA complies with 49C.F.R. Part 673.

RTA Public Transportation Agency Safety Plan Self Certification and Approval

Geoff Straw, PTASP Accountable Director

Date

San Luis Obispo Regional Transit Authority Board of Directors

Date

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

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

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
MARCH 4, 2020
STAFF REPORT**

AGENDA ITEM: C-4

TOPIC: FTA Section 5311 Funds

ACTION: Approve Resolution

PRESENTED BY: Melissa C. Mudgett, Grants and Financial Manager

STAFF RECOMMENDATION: Adopt Resolution Authorizing Executive Director to Submit Application for 5311 Funds

BACKGROUND/DISCUSSION:

Beginning in FY03-04, the San Luis Obispo Council of Governments (SLOCOG) and the San Luis Obispo Regional Transit Authority (RTA) agreed to program all federal funding from the Federal Transit Administration (FTA) Section 5311 Program to the RTA. In exchange, SLOCOG programs a similar amount of Transportation Development Act (TDA) funds for rural transit operators in the county.

In connection with the exchange program, the RTA must submit an annual grant application to Caltrans for the FTA Section 5311 funds. The grant application must include a resolution, approved by the RTA Board, authorizing submittal of the grant application and authorizing the Executive Director to execute and file all assurances and any other documentation required by Caltrans and the FTA.

Once approved, the attached resolutions will become part of the grant application for FTA Section 5311 funding for FY19-20 and possibly FY20-21.

Staff Recommendation

Approve the attached resolution authorizing the Executive Director to submit a grant application for the entire amount of FTA Section 5311 funds apportioned in San Luis Obispo County for the purchase of various materials, supplies, equipment, and/or operations costs.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 20-_____

RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION, AN OPERATING ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL TRANSPORTATION ASSISTANCE (FTA) FUNDING UNDER FTA SECTION 5311 (49 U.S.C. SECTION 5311) FORMULA GRANTS FOR RURAL AREAS.

WHEREAS, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support operating assistance projects for non-urbanized public transportation systems under Section 5311 of the Federal Transit Act (**FTA C 9040.1F**); and

WHEREAS, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer Section 5311 grants for transportation projects for the general public for the rural transit and intercity bus; and

WHEREAS, the San Luis Obispo Regional Transit Authority desires to apply for said financial assistance to permit operation of service in San Luis Obispo County; and

WHEREAS, the San Luis Obispo Regional Transit Authority has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the San Luis Obispo Regional Transit Authority does hereby authorize the Executive Director, to file and execute applications on behalf of San Luis Obispo Regional Transit Authority with the Department to aid in the financing of capital/operating assistance projects pursuant to Section 5311 of the Federal Transit Act (**FTA C 9040.1F**), as amended.

That the Executive Director or designee is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department; and

That the Executive Director or designee is authorized to execute and file such applications, assurances or any other documents for the purpose of complying with Title VI of the Civil Rights Act of 1964 required by the Department in connection with the application for the Section 5311 projects; and

That Executive Director is authorized to submit and approve request for reimbursement of funds from the Department for the Section 5311 project(s).

On a motion of Delegate _____, seconded by Delegate _____, and on the following roll call, to wit: the foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 4th^h day of March 2020.

AYES:

NOES:

ABSENT:

ABSTAINING:

Fred Strong
RTA Board President

ATTEST:

Geoff Straw
RTA Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita Neal
County Counsel

By: _____
Nina Negranti
RTA Counsel

Dated: _____
(Original signature in BLUE ink)

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA)

MARCH 4, 2020

STAFF REPORT

AGENDA ITEM: C-5

TOPIC: FTA 5307, 5339 and CMAQ Grant Administration

ACTION: Approve

PRESENTED BY: Melissa Mudgett, Grants and Financial Manager

BACKGROUND/DISCUSSION:

The cities of Atascadero and Paso Robles and certain limited populations of northern San Luis Obispo County were designated as an “urbanized area” based upon the results of the 2000 US Census. In addition, the cities of Arroyo Grande, Grover Beach and Pismo Beach and certain limited populations of southern San Luis Obispo County area were designated as an urbanized area based on the results of the 2010 US Census. The transit agencies and the San Luis Obispo Council of Governments developed two Operators Agreements relative to the governance and transit planning needs of these two urbanized areas as they relate to Federal Transit Administration (FTA) Section 5307, 5339 and CMAQ funding eligibility. These Agreements allow the transit agencies to use these FTA funding sources for capital, operating, and planning assistance. However, the FTA requires that there be a single “grant recipient” who will perform grant administration activities for each urbanized area. For the benefit of all transit agencies included in these two urbanized areas, the RTA has served the role of Grant Recipient.

For the RTA to continue serving as the administrator of FTA Section 5307, 5339 and CMAQ grant funding on behalf of the cities of Atascadero and Paso Robles, as well as for South County Transit, FTA requires the Grant Recipient (RTA) to have access to the new electronic grants management programs: Transit Award Management System (TrAMS) launched in February 2016. For this reason, the attached resolution is required.

STAFF RECOMMENDATION:

Approve the attached resolution requesting FTA to grant the RTA Executive Director or designee access to TrAMs to administer FTA Section 5307, 5339 and CMAQ grants based on the Operators Agreement between SLOCOG, the cities of Atascadero and Paso Robles, and the RTA, as well as the Operator Agreement between SLOCOG, South County Transit and the RTA.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 20-_____**

**RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH THE
FEDERAL TRANSIT ADMINISTRATION, AN OPERATING ADMINISTRATION OF
THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL
TRANSPORTATION ASSISTANCE AUTHORIZED BY 49 U.S.C CHAPTER 53 TITLE
23 UNITED STATES CODE AND OTHER FEDERAL STATUTES ADMINISTERED BY
THE FEDERAL TRANSIT ADMINISTRATION**

WHEREAS, the Federal Transit Administration (FTA) has been delegated authority by the United States Department of Transportation to award Federal financial assistance for transit projects; and

WHEREAS, a grant or cooperative agreement for Federal financial assistance will impose certain obligations upon the San Luis Obispo Regional Transit Authority (RTA), and may require the RTA to provide the local share of the project cost; and

WHEREAS, the RTA has or will provide all annual certifications and assurances to the FTA required for the projects included in a grant application; and

WHEREAS, the RTA as the Grantee will file and execute applications on behalf of the cities of Atascadero and El Paso de Robles, the San Luis Obispo Council of Governments (SLOCOG), and for South County Transit, as sub-recipients of FTA Section 5307, 5339 and Congestion Mitigation and Air Quality (CMAQ) funds required for the identified projects.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors of the San Luis Obispo Regional Transit Authority:

1. Authorize the Executive Director or designee to execute and file applications for Federal assistance on behalf of RTA with the FTA for Federal Assistance authorized by 49.U.S.C. Chapter 53, Title 23, United States Code, or other Federal statutes authorizing a project administered by the FTA and has received authority from the San Luis Obispo Council of Government, San Luis Obispo, California, the Designated Recipient, to apply for Urbanized Area Formula Program Assistance authorized by 49 U.S.C. 5307, 5339 and CMAQ transferred and administered as 5307.
2. Authorize the Executive Director or designee to execute and file with its application the annual Certifications and Assurances required by the FTA before awarding a Federal assistance grant or cooperative agreement.
3. Authorize the Executive Director or designee to execute and file such applications, assurances or any other documents required by FTA for the purpose of complying with Title VI of the Civil Rights Act of 1964.

4. Authorize the Executive Director or designee to furnish such additional information as the FTA may require in connection with the program of projects identified in applications.
5. The President of the RTA Board of Directors is authorized to execute grant and cooperative agreements with the FTA on behalf of the RTA.

On a motion of Delegate _____, seconded by Delegate _____, and on the following roll call, to wit: the foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 4th^h day of March 2020.

AYES:

NOES:

ABSENT:

ABSTAINING:

Fred Strong
RTA Board President

ATTEST:

Geoff Straw
RTA Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita Neal
County Counsel

By: _____
Nina Negranti
RTA Counsel

Dated: _____
(Original signature in BLUE ink)

March 4, 2020

**DESIGNATION OF SIGNATURE AUTHORITY
for the
TRANSIT AWARD MANAGEMENT SYSTEM
(TrAMS)**

The San Luis Obispo Regional Transit Authority hereby authorizes the Executive Director, the Deputy Director/Chief Financial Officer, the Grants and Financial Manager, and the RTA Legal Counsel to be assigned, and to use a Personal Identification Number (PIN) in TrAMS, for the execution of annual Certification and Assurances issued by the Federal Transit Administration (FTA), submission of all FTA grant applications, and the execution of all FTA grant awards, on behalf of the official below and on behalf of San Luis Obispo Regional Transit Authority. This Designation of Signature Authority serves only to authorize the above-referenced persons to take actions in TrAMS; original Certifications and Assurances and original FTA grant agreements must be executed by the Recipient's Designated Official, identified in its Authorizing Resolution, and its legal counsel, unless otherwise delegated in accordance with the Recipient's internal procedures.

Geoff Straw
RTA Executive Director

Nina Negranti
RTA Legal Counsel

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

March 4, 2020

STAFF REPORT

AGENDA ITEM: C-6

TOPIC: FTA Section 5339(c) Grant Application

PRESENTED BY: Melissa Mudgett, Grants and Finance Manager

STAFF RECOMMENDATION: Adopt Resolution Authorizing Executive Director to Submit Application for FTA 5339(c) Low or No Emission Grant Funds

BACKGROUND/DISCUSSION:

On January 17, 2020, the Federal Transit Administration (FTA) published a Notice of Funding Opportunity to apply for \$130 million in competitive grant funding through the FTA Section 5339(c) Low or No Emission Grant Program. This program makes federal resources available to states and direct recipients for: (1) Purchasing or leasing low or no emission buses; (2) acquiring low or no emission buses with a leased power source; (3) constructing or leasing facilities and related equipment for low or no emission buses; (4) constructing new public transportation facilities to accommodate low or no emission buses; (5) or rehabilitating or improving existing public transportation facilities to accommodate low or no emission buses.

The RTA Board has adopted a zero emission purchasing policy to guide the implementation of new technologies to meet California's Innovative Clean Transit (ICT) fleet rule requirements; that will require all transit agencies in the state – including the RTA – to deploy 100% zero emission buses. As a small transit agency with fewer than 100 buses, the ICT regulation will require new buses purchased by the RTA to be zero-emission beginning in 2026 (and an all zero-emission fleet by 2040). In April 2019, the RTA completed an Electrification-readiness plan which identifies the necessary electrification infrastructure in the construction of the new Building Maintenance Facility that is critical for the phased-in deployment of zero-emission buses for the RTA.

Staff would include the purchase of two zero-emission buses in the grant application to replace aging 2010 diesel-powered buses and related charging equipment.

Based on an assumed per bus cost plus charging infrastructure equipment this equates to a total request of approximately \$1.8 million. The grant application must include a resolution, approved by the RTA Board, authorizing submittal of the grant application and authorizing the Executive Director to execute and file all assurances and any other documentation required by the DOT.

Staff Recommendation

Approve the attached resolution authorizing the Executive Director to submit a discretionary FTA 5339(c) Low or No Emission Bus grant application for the cost to purchase two zero-emission buses and charging infrastructure necessary to maintain and recharge battery-electric buses at its new Bus Maintenance Facility.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 20-_____**

**RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH THE
FEDERAL TRANSIT ADMINISTRATION, AN OPERATING ADMINISTRATION OF
THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL
TRANSPORTATION ASSISTANCE AUTHORIZED BY FTA SECTION 5339(c) LOW
AND NO EMISSION GRANT PROGRAM**

WHEREAS, the Federal Transit Administration (FTA) has been delegated authority by the United States Department of Transportation to award Federal financial assistance for transit projects; and

WHEREAS, a grant or cooperative agreement for Federal financial assistance will impose certain obligations upon the San Luis Obispo Regional Transit Authority (RTA), and may require RTA to provide the local share of the project cost; and

WHEREAS, RTA has or will provide all annual certifications and assurances to the FTA required for the projects included in a grant application; and

WHEREAS, RTA as the Grantee will file and execute applications for FTA Section 5339(c) discretionary funds, to the maximum extent allowed to fund, required for the purchase of two zero-emission buses and electrification infrastructure as part of a new Bus Maintenance Facility, which has been identified as its highest-priority capital facility project.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors of the San Luis Obispo Regional Transit Authority:

1. Authorize the Executive Director or designee to execute and file applications for Federal assistance on behalf of RTA with the FTA for Federal Assistance authorized by 49.U.S.C. Chapter 53, Title 23, United States Code, or other Federal statutes authorizing a project administered by the FTA and has received concurrence from the San Luis Obispo Council of Government, San Luis Obispo, California, the MPO, to apply for FTA Section 5339(c) Discretionary Fund Program Assistance authorized by 49 U.S.C.
2. Authorize the Executive Director or designee to execute and file with its application the annual Certifications and Assurances required by the FTA before awarding a Federal assistance grant or cooperative agreement.
3. Authorize the Executive Director or designee to execute and file such applications, assurances or any other documents required by FTA for the purpose of complying with Title VI of the Civil Rights Act of 1964.

4. Authorize the Executive Director or designee to furnish such additional information as the FTA may require in connection with the program of projects identified in applications.
5. The President of the RTA Board of Directors is authorized to execute grant and cooperative agreements with the FTA on behalf of RTA.

On a motion of Delegate _____, seconded by Delegate _____, and on the following roll call, to wit: the foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 4th^h day of March 2020.

AYES:

NOES:

ABSENT:

ABSTAINING:

Fred Strong
RTA Board President

ATTEST:

Geoff Straw
RTA Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita Neal
County Counsel

By: _____
Nina Negranti
RTA Counsel

Dated: _____
(Original signature in BLUE ink)

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 4, 2020

STAFF REPORT

AGENDA ITEM: C-7

TOPIC: FTA Section 5339(b) Grant Application

PRESENTED BY: Melissa Mudgett, Grants and Financial Manager

STAFF RECOMMENDATION: Adopt Resolution Authorizing Executive Director to Submit Application for FTA 5339(b) Buses & Bus Facilities Funds

BACKGROUND/DISCUSSION:

On February 3, 2020 the Federal Transit Administration (FTA) published a Notice of Funding Opportunity for the FTA Section 5339(b) Bus & Bus Facilities Infrastructure Investment Program. This program makes federal resources available to states and direct recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities.

The RTA was successful in attaining \$6.3 million in the previous round of FTA Section 5339(b) funding, and staff is excited to submit another grant proposal for the next round funds to help bridge the funding gap for the planned new Bus Maintenance Facility (BFM) project.

The RTA Board has identified its planned new BMF as its highest-priority capital facility project. The estimated overall cost to construct the new facility is \$31.5 million. The RTA has already secured a total of \$7.2 million in federal funds, as well as \$4.7 million in State and Local funds – leaving a funding gap of \$19.6 million. Staff is seeking the Board's support to submit a 5339(b) grant proposal in the amount of \$14.5 million for the federal portion of construction costs. The grant application must include a resolution, approved by the RTA Board, authorizing submittal of the grant application and authorizing the Executive Director to execute and file all assurances and any other documentation required by the California Department of Transportation.

Staff Recommendation

Approve the attached resolution authorizing the Executive Director to submit a discretionary FTA 5339(b) grant application for \$14.5 million for the RTA Bus Maintenance Facility.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 20-_____**

**RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH THE
FEDERAL TRANSIT ADMINISTRATION, AN OPERATING ADMINISTRATION OF
THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL
TRANSPORTATION ASSISTANCE AUTHORIZED BY FTA SECTION 5339(b)
BUSES & BUS FACILITIES INFRASTRUCTURE INVESTMENT PROGRAM**

WHEREAS, the Federal Transit Administration (FTA) has been delegated authority by the United States Department of Transportation to award Federal financial assistance for transit projects; and

WHEREAS, a grant or cooperative agreement for Federal financial assistance will impose certain obligations upon the San Luis Obispo Regional Transit Authority (RTA), and may require RTA to provide the local share of the project cost; and

WHEREAS, the RTA has or will provide all annual certifications and assurances to the FTA required for the projects included in a grant application; and

WHEREAS, the RTA as the Grantee will file and execute applications for FTA Section 5339(b) discretionary funds required for a new Bus Maintenance Facility as its highest - priority capital facility project to the maximum extent allowed to fund.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors of the San Luis Obispo Regional Transit Authority:

1. Authorize the Executive Director or designee to execute and file applications for Federal assistance on behalf of RTA with the FTA for Federal Assistance authorized by 49.U.S.C. Chapter 53, Title 23, United States Code, or other Federal statutes authorizing a project administered by the FTA and has received concurrence from the San Luis Obispo Council of Government, San Luis Obispo, California, the MPO, to apply for FTA Section 5339(b) Discretionary Fund Program Assistance authorized by 49 U.S.C.
2. Authorize the Executive Director or designee to execute and file with its application the annual Certifications and Assurances required by the FTA before awarding a Federal assistance grant or cooperative agreement.
3. Authorize the Executive Director or designee to execute and file such applications, assurances or any other documents required by FTA for the purpose of complying with Title VI of the Civil Rights Act of 1964.
4. Authorize the Executive Director or designee to furnish such additional information as the FTA may require in connection with the program of projects identified in applications.

5. The President of the RTA Board of Directors is authorized to execute grant and cooperative agreements with the FTA on behalf of RTA.

On a motion of Delegate _____, seconded by Delegate _____, and on the following roll call, to wit: the foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 4th^h day of March 2020.

AYES:

NOES:

ABSENT:

ABSTAINING:

Fred Strong
RTA Board President

ATTEST:

Geoff Straw
RTA Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita Neal
County Counsel

By: _____
Nina Negranti
RTA Counsel

Dated: _____
(Original signature in BLUE ink)