RTA BOARD AGENDA

Wednesday, November 1, 2023 at 9:00 AM
BOARD OF SUPERVISORS' CHAMBERS
COUNTY GOVERNMENT CENTER
1055 Monterey Street, San Luis Obispo, California 93401

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

President: Debbie Arnold | **Vice President: Andy Pease**

Board Members:

John Peschong (First District – SLO County)	Heather Moreno (Atascadero)
Bruce Gibson (Second District – SLO County)	Daniel Rushing (Grover Beach)
Dawn Ortiz-Legg (Third District – SLO County)	Carla Wixom (Morro Bay)
Jimmy Paulding (Fourth District – SLO County)	Fred Strong (Paso Robles)
Debbie Arnold (Fifth District – SLO County)	Ed Waage (Pismo Beach)
Jim Guthrie (Arroyo Grande)	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) by contacting the RTA offices at (805)541-2228 x4833. Please note that 48 hours advance notice will be necessary to honor a request.

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

CALL MEETING TO ORDER, ROLL CALL

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

EMPLOYEE RECOGNITION:

- **Employees of the Quarter:** Tina Barnes

A. CONSENT AGENDA:

A-1 Executive Committee Meeting Minutes of August 9, 2023 (Information)
A-2 RTA Board Meeting Minutes of September 6, 2023 (Approve)
A-3 Employee Pooling Agreement between SLOCOG and the RTA for Life, Disability and Paid Family Leave Insurance (Approve)
A-4 FY22-23 Strategic Business Plan Results (Receive)
A-5 FTA Transit Asset Management Plan Update (Receive)
A-6 Annual Fiscal & Compliance Audit and Annual Single Audit (Accept)
A-7 Fueling Services Request for Proposals (Approve)
A-8 Bus Stop Improvements Request for Proposals (Approve)

B. INFORMATION AGENDA:

B-1 Executive Director's Report (Receive and File)

C. ACTION AGENDA:

C-1 Fiscal Year 2023-24 Operating and Capital Budget Amendment #1 (Approve)
C-2 Authorize Pursuit of Additional/New Funds for Battery-Electric Buses (Approve)

D. CLOSED SESSION:

None

BOARD MEMBER COMMENTS

The next regularly-scheduled RTA Board meeting is scheduled for January 3, 2024.

San Luis Obispo Regional Transit Authority

Executive Committee Meeting

Minutes 08/09/2023

A-1

Members Present:	Debbie Arnold, District 5 Supervisor, **President** Ed Waage, City of Pismo Beach, **Past President**
Members Absent:	Andy Pease, City of San Luis Obispo, **Vice President**
Staff Present:	Geoff Straw, Executive Director Tania Arnold, Deputy Director/CFO Luzion Campitelli, Administrative Assistant Jenna Morton, RTA Counsel Pete Rodgers, SLOCOG Executive Director

1. **Call to Order and Roll Call: President Debbie Arnold** called the meeting to order at 10:00 a.m. and roll call was taken. A quorum was present.

2. **Public Comment: Eric Greening** asked if any preparation will be implemented as the road work on South Bay Boulevard between Los Osos and Morro Bay will be going on for several days, severing the Route 12 connection between the communities. Will riders be notified to make sure no one misses the last bus leaving the area?

   Mr. Geoff Straw confirmed and noted we are working closely with the County on the Route 12 detours, making sure that any changes are published and announced on our website and on buses. He also noted we are communicating that the express services, Route 10 from Santa Maria to San Luis Obispo and an early Route 9 from Paso Robles to San Luis Obispo have been suspended due to Bus Operator shortages.

3. **Consent Items**
   <u>A-1 Executive Committee Meeting Minutes of April 12, 2023 (Approve)</u>
   Past President Waage made a motion to approve consent agenda item A-1 and **President Arnold** seconded the motion. The motion passed unanimously via voice vote.

BOARD MEMBER	YES	NO	ABSENT
DEBBIE ARNOLD	X		
ANDY PEASE			X
ED WAAGE	X		

4. **Information Items:**

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

   Mr. Straw mentioned at the March 1st Board Meeting, the Board authorized purchase of one diesel replacement bus. We issued the purchase order to Gillig, but the California Air Resources Board (CARB) issued new regulations on emissions system warranty requirements and there is no manufacturer that will be able to meet those standards. CARB required us to go through an exemption process to instead buy a 49-state US EPA engine. This makes it a more challenging process due to the fact of needing to buy a total of 16 diesel buses between now and the end of 2028 when the purchase of new internal combustion engines used in public transit buses will be banned. The RTA ICT Rollout plan calls for ordering seven buses in 2025 and three each year between 2026 and 2028. Although a challenging process, we are committed to following the new process and will inform the Board throughout the process.

   Mr. Straw noted that we will be amending our office hours effective September 11th. The new hours will match those of most RTA jurisdictions: Monday-Thursday, 8am-4pm and Friday by appointment. This will be announced on our website.

   Mr. Straw stated that the Board authorized a number of RFPs at the May meeting and one was for the Heating, Ventilation and Air Conditioning (HVAC) maintenance services. Staff decided to suspend the procurement because we are still experiencing problems. We will seek the Board's authorization once the problems have been resolved. Mr. Straw reiterated that the system is functional, works great in the summer but once it gets cold there are problems with the volume versus the pressure to keep the heat working throughout the building. Our design team is working with the general contractor to resolve the issue.

   Mr. Straw announced that **Ms. Tania Arnold** will present information to the Board about our Disadvantaged Business Enterprise (DBE) workshop. The workshop will be held August 21st at 11am at our facility with the option of Zoom. Information from this workshop will be summarized and brought to the September 6th Public Hearing.

   Mr. Straw announced that we received only one proposal for the Joint Short-Range Transit Plan. Ten companies registered for the procurement but we only had one follow through. Whenever we have a single bid, we go through a number of different steps to make sure it meets FTA requirements. It is the same company that developed our 2016 SRTPs. We will be asking the Board for authority to execute the agreement. The plan is to hit the ground running by conducting our public and on-bus surveys in October.

   Mr. Straw mentioned that our new Assistant Facilities Manager unfortunately submitted her resignation on Monday, and tomorrow is her last day. Working quickly to clean up loose-ends and begin the recruitment as soon as possible. On a good note, we have two new Bus Operators that entered revenue service Monday and a third will be taking her CDL driving test next week. We also have five more candidates in training with a few more in the pre-licensing permitting and background check process. If all of these candidates make it through training, we will only have two open full-time bids left to fill. Our Bus Operator and Supervisor crew is worn thin but these recent recruitment successes bring a glimmer of hope.

Mr. Straw confirmed that we have received all five vehicles that were delayed due to supply chain issues over the past 18 months – two replacement cutaway vans and three mid-sized ARBOCs. Delivery of these five vehicles is greatly welcomed, since the vehicles being replaced have far surpassed their design life.

Public Comment: None

Item was received and filed by the Committee.

5. **Action Items:**
   C-1 Fiscal Year 2023-24 Budget Assumptions (Approve)
   Ms. Tania Arnold discussed the budget planning process.

   Ms. Tania Arnold added that the overall Administration Expense for RTA services is up by 5% due to the addition of flood insurance and the higher than anticipated costs of the electricity bills. We will bring to the Board a revised budget amendment at the November Board meeting. Professional technical services has decreased for our ITS so that will not be included in the budget for next year, which is a good thing. Marketing and Reproduction decreased as well because surveys will now be completed part of the SRTP. A significant increase is expected, unfortunately, for vehicle parts and materials to reflect significant increases in prices. Although we are excited to implement the Capital Program (which is used to secure vehicle replacements) the Cal-ITP Program will make for easier transactions and provide benefits to low-income users. **Mr. Straw** added in that this is a cashless system, which helps a lot of folks who may not be able to afford the full cost of a pass up front but will still get the opportunity to ride the bus. Cal-ITP will incrementally charge you for whichever pass you choose to buy. We are working with SLOCOG on this as a possible regional program.

   Ms. Tania Arnold added that we will continue to look for region-wide efficiencies. There is concern that the suspended farebox recovery ratio requirement may end this current fiscal year. The penalty could kick in at the beginning of fiscal year 2023/24, since we are not currently meeting that requirement. Addressing this issue is part of the legislative platform that SLOCOG and other RTPAs are working to address.

   Ms. Tania Arnold concluded the report.

   Public Comment:

   Past President Waage made a motion to approve action item C-1 and **Vice President Arnold** seconded the motion. The motion passed unanimously via voice vote.

6. **Closed session:** None

7. **Adjournment**
The meeting was adjourned at 10:55 a.m.

Next RTA Executive Committee Meeting: **October 11, 2023**

Respectfully Submitted,

____
Tania Arnold
Deputy Director/CFO

Acknowledged by,

____
Debbie Arnold
RTA Board President 2023

DRAFT
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
BOARD MEETING MINUTES OF September 6th, 2023
A-2

BOARD MEMBERS PRESENT:
DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO (President)
KAREN BRIGHT, CITY OF GROVER BEACH
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO
JIM GUTHRIE, CITY OF ARROYO GRANDE
HEATHER MORENO, CITY OF ATASCADERO
DAWN ORTIZ-LEGG, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO (Left at 9:28am)
JIMMY PAULDING, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO
ANDY PEASE, CITY OF SAN LUIS OBISPO (Vice President)
FRED STRONG, CITY OF PASO ROBLES
ED WAAGE, CITY OF PISMO BEACH
CARLA WIXOM, CITY OF MORRO BAY

BOARD MEMBERS ABSENT:
DAWN ORTIZ-LEGG, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO (Left at 9:28am)
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (Past President)

STAFF PRESENT:
GEOFF STRAW, EXECUTIVE DIRECTOR
TANIA ARNOLD, DEPUTY DIRECTOR
OMAR MCPHERSON, OPERATIONS MANAGER
TODD LISHER, BUS OPERATOR
ANDY WYLY, MAINTENANCE AND FACILITIES MANAGER
LUZION CAMPITELLI, ADMINISTRATIVE ASSISTANT
JON ANSOLABEHERE, SAN LUIS OBISPO COUNTY COUNSEL
SHELBY WALKER, HUMAN RESOURCES OFFICER
MARY GARDENER, MARKETING AND COMMUNITY RELATIONS MANAGER

CALL MEETING TO ORDER, ROLL CALL: President Debbie Arnold called the meeting to order at 9:00 AM and Roll call was taken, a quorum was present. A Moment of Silence was held for Steve Martin.

PUBLIC COMMENT:
Mr. Eric Greening requested a Moment of Silence for Harry Novet. Expressed his happiness to see a robust class of driver trainees and hopes it provides some relief on our understaffing issue. Expressed his thoughts with the new CBA that he would like to investigate a sweet spot to save money by paying more for the staff. Thanked Omar McPherson for his service and recognized his character of poise and doing the job with a smile at all times, even in the worst circumstances. Also thanked the entire RTA Staff for being an extraordinary organization.

Mr. Geoff Straw proudly recognized Omar McPherson for his 15 years of service and how much of a help he has been with the new buses and stepping up into the Operations Manager position.

Mr. Omar McPherson kindly thanked Geoff for the recognition. Explained that he has seen RTA from the start until now. There has been a huge stride in the past 15 years and it has been an honor managing the staff in a better light. Our new facility helps with checking in and seeing all of our staff which has been nice for all of us to get closer and get to know each other. Expressed his gratitude for the next 15 years. Go RTA!

Mr. McPherson went on to recognize the Employee of the Quarter, Todd Lisher. Expressed how great of an employee Todd is, he is nominated every quarter and referred to as the Hero of RTA.

Mr. Straw presented the EOQ shirt that past winners wear every Wednesday. It is embroidered "Employee of the Quarter" on the right sleeve so our passengers can acknowledge our fine employees as they enter the bus.

Mr. Andy Wyly recognized the previous Employee of the Quarter, David Medina. Expressed that it is a privilege to work with the maintenance team and to be able to present one of his own. Shared that David is always smiling and takes a lot of ownership for all of our bus stops. Making sure they are clean and taken care of. David got nominated not only for this but also for giving life saving CPR to someone at a gas station while he was on duty.

President Arnold recognized Omar and Todd for their astounding work and expressed to Andy to share her appreciation to David as well.

A. CONSENT AGENDA:

A-1 Executive Committee Meeting Minutes April 12, 2023 (Information)
A-2 RTA Board Meeting Minutes of May 3rd, 2023 (Approve)
A-3 Authorize Agreement for Bus Shelter Improvements at Cuesta College (Authorize)
A-4 Authorize Solicitation of Bids for Support Vehicles (Authorize)
A-5 Authorize Purchase Order for Nipomo Dial-A-Ride Vehicle (Authorize)
A-6 Declare Equipment and Vehicles as Surplus, and Direct Staff to Dispose through Transfer, Auction or Salvage (Authorize)
A-7 Authorize Agreement for Pest Control Services (Approve)
A-8 Authorize Agreement for Bus Engine Replacement Services (Approve)
A-9 Authorize Agreement for Joint Short Range Transit Plan Services (Approve)
A-10 Authorize New SLOCPT Rates for July 2024 Implementation (Approve)
A-11 FTA FY23 Triennial Review (Receive and File)
A-12 Public Transportation Agency Safety Plan Update (Approve)

<u>Public Comment:</u>
Mr. Greening expressed he is looking forward to the Short-Range Transit Plan. Mentioned item A-12 Safety Plan. Asked what our plan is if Diablo blows sirens for evacuation; what training and preparation do we have for that?

Mr. Straw confirmed that we work closely with the County Office Emergency Services to conduct drills. Each on-duty Bus Operator would be provided safety kits in the case of an emergency.

Mr. Straw went over item A-6

Vice President Andy Pease made a motion to approve the consent agenda, and **Board Member Fred Strong** seconded the motion. The motion passed unanimously via roll call vote as follows:

BOARD MEMBER	YES	NO	ABSENT
DEBBIE ARNOLD (President)	X		
KAREN BRIGHT	X		
BRUCE GIBSON	X		
JIM GUTHRIE	X		
HEATHER MORENO	X		
DAWN ORTIZ-LEGG	X		
JIMMY PAULDING	X		
ANDY PEASE (Vice President)	X		
JOHN PESCHONG (Past President)			X
FRED STRONG	X		
ED WAAGE	X		
CARLA WIXOM	X		

B. INFORMATION AGENDA:

B-1 Executive Director's Report (Receive)

Mr. Straw stated we are still having issues with the Heating Ventilation Air Conditioning (HVAC) system and reviewed the on-going discussions with the contractor. Working with the vendor and sub-manufacturer to make sure everything is good to go and fixed properly. He shared that we purchased a full-electric Chevy Bolt, which has allowed us to test our direct-current battery recharging system.

Mr. Straw stated that we have reimplemented some Express services on Routes 9 and 10 that were suspended due to the COVID-19 pandemic. We have hired one new Bus Operator, who just completed training and we have interviewed a few more candidates who are now in background-check. Showed the pictures of the new low-floor cutaway vehicles that are soon to be delivered, hopefully at the end of this Fiscal Year. These vehicles will be temporarily placed on the Route 15. **Mr. Straw** stated that the zero-emission bus delivery has been pushed to November due to a continuing supply chain issue. Showed a picture of what the designs will be for the buses and how much they will incorporate some details of our County.

Mr. Straw shared that we are a SLO Blues sponsor. We've been working hard on marketing our system to both restore service levels and staffing to pre-pandemic levels. **Mr. Straw** proudly displayed the CalACT *Above and Beyond Award* that was given to RTA following the January floods. Omar represented the RTA next to three other Central Coast transit agency partners.

Mr. Straw shared that we are still seeking relief on farebox recovery ratio penalties. We are working with SLOCOG and other transit agencies to obtain legislative relief. Unfortunately, the current penalty suspension period ends June 30. **Mr. Straw** stated that we had to issue a $45,000 purchase order to repair landscaping damaged buy the January floods. We are working with FEMA and CalOES to seek reimbursement.

Mr. Straw shared that we received a grant to update the Short-Range Transit Plan, which was last updated in 2016.

Board Member Heather Moreno asked if the HVAC system problems are a fluke or if there was a problem on the design or in the installation. **Mr. Straw** confirmed that this is what we are working to determine and resolve.

C. ACTION AGENDA:

C-1 Authorize Changes to CBA Vacation Accrual Maximums (Authorize)

Mr. Straw shared that Teamsters Local 986 represents the Bus Operators, Mechanics, Utility Workers and the Parts Clerks employed by RTA. **Mr. Straw** expressed appreciation for the Board's support in ratifying the Collective Bargaining Agreement (CBA) on April 29th. However, we discovered a mistake in the accrual and staff is seeking authority to make the corrections.

Public Comment:

Mr. Greening shared his thanks and gratitude to all the employees working several months without a contract and working just as hard.

Board Member Ed Waage made a motion to approve action agenda item C-1 and **Vice President Pease** seconded the motion. The motion passed unanimously via voice vote.

BOARD MEMBER	**YES**	**NO**	**ABSENT**
DEBBIE ARNOLD (President)	X		
KAREN BRIGHT	X		
BRUCE GIBSON	X		
JIM GUTHRIE	X		
HEATHER MORENO	X		
DAWN ORTIZ-LEGG			X
JIMMY PAULDING	X		
ANDY PEASE (Vice President)	X		
JOHN PESCHONG (Past President)			X
FRED STRONG	X		
ED WAAGE	X		
CARLA WIXOM	X		

C-2 PUBLIC HEARING: FY2024-2026 DBE Goal Methodology Update (Authorize)

Ms. Tania Arnold reviewed the nature of what a DBE goal is, who requires the RTA have a DBE program, why the RTA has a DBE program, and when the goal is updated. The process for public outreach that was conducted was reviewed along with a summary of the feedback that was received, including the that from the public workshop.

Ms. Pease provided feedback regarding the outreach efforts that were undertaken.

Mr. Strong discussed the merger of the Chambers in North County.

President Arnold opened Public Hearing.

Public Comment: None

Vice President Pease made a motion to approve action agenda item C-2 and **Board Member Strong** seconded the motion. The motion passed unanimously via roll call vote as follows:

BOARD MEMBER	YES	NO	ABSENT
DEBBIE ARNOLD (President)	X		
KAREN BRIGHT	X		
BRUCE GIBSON	X		
JIM GUTHRIE	X		
HEATHER MORENO	X		
DAWN ORTIZ-LEGG			X
JIMMY PAULDING	X		
ANDY PEASE (Vice President)	X		
JOHN PESCHONG (Past President)			X
FRED STRONG	X		
ED WAAGE	X		
CARLA WIXOM	X		

D. CLOSED SESSION ITEMS: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Gov. Code 54956.9(d)(2)
Number of Cases: One

E. BOARD MEMBER COMMENTS: None

The meeting was adjourned at 10:30 AM.

Next regularly-scheduled RTA Board meeting is **November 1, 2023**

Respectfully Submitted,

____
Tania Arnold, Deputy Director/CFO

Acknowledged by,

____
Debbie Arnold, RTA President 2023

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOVEMBER 1, 2023
STAFF REPORT

AGENDA ITEM:	**A-3**
TOPIC:	**Employee Pooling Agreement between SLOCOG and the RTA for Life, Disability and Paid Family Leave Insurance**
PRESENTED BY:	**Tania Arnold**
STAFF RECOMMENDATION:	**Authorize the RTA Executive Director to Execute the Employee Pooling Agreement with SLOCOG**

SUMMARY:
On October 4, 2023, the SLOCOG Board approved Agenda Item B-1, which included OWP and Budget Amendment 2. The item referenced the inclusion of a new Paid Family Leave (PFL) benefit to be offered to SLOCOG staff. This is the same benefit the RTA offers to its employees. Due to the small number of its employees, SLOCOG has not been able to purchase a PFL policy as an individual agency but has found a route to do so through an employee pooling agreement with the RTA.

This staff report requests approval and authorization to execute an Employee Pooling Agreement with SLOCOG, effective January 1, 2024 and auto-renewing in one-year increments.

BACKGROUND/DISCUSSION:
The Paid Family Leave benefit provides partial income replacement if an employee is unable to work due to a qualifying family or medical event. Specifically, the benefit pays an employee 60%-70% of their average weekly earnings (up to $1,540) when they are out of work for up to 8 weeks on a continuous and/or intermittent basis within a twelve-month period. Covered family members are: Child, Spouse, Domestic Partner, Parent, Grandparent, Grandchild, In-Laws and Siblings.

Currently, employees who are covered by, and pay into, the State of California's Disability Insurance (SDI) are eligible for a PFL benefit. SLOCOG, like the RTA, does not participate in SDI but SLOCOG wishes to offer PFL to aid in employee attraction and retention. While the RTA was able to enroll employees in a PFL benefit, SLOCOG was not, due to having fewer than 100 employees. PFL is considered a relatively new insurance product and SLOCOG was advised by insurance brokers that carriers are not offering it to small employers. A solution was found when RTA staff agreed in concept to allow SLOCOG to pool SLOCOG employees with the RTA's as part of the RTA's Life/AD&D/Short Term Disability (STD) and Long Term Disability (LTD) coverage policies. It requires SLOCOG to leave SLOCOG's current broker and insurance carrier for Life/STD/LTD, where PFL is not an option, and move to the policies offered by the RTA's broker and insurance carrier, which is under their PRISM program. While the annual cost to SLOCOG for PFL is incremental, the savings anticipated by decreased premiums for Life and LTD polices bring the additional cost down.

STAFF RECOMMENDATION:
Authorize Executive Director to execute the Employee Pooling Agreement with the San Luis Obispo Council of Governments (SLOCOG).

LIFE/DISABILITY/PAID FAMILY LEAVE INSURANCE
EMPLOYEE POOLING AGREEMENT
BETWEEN SAN LUIS OBISPO COUNCIL OF GOVERNMENTS
AND SLO REGIONAL TRANSIT AUTHORITY

This Employee Pooling Agreement ("Agreement") is being made this ____ day of _______ 2023 ("Effective Date"), by and between the San Luis Obispo Council of Governments, a joint powers authority ("SLOCOG") and the San Luis Obispo Regional Transit Authority, a joint powers authority ("RTA") for SLOCOG's addition as a class under the RTA's existing Life/Disability/Paid Family Leave (PFL) insurance policy through PRISM, a member directed risk sharing pool, and Lincoln Financial ("carrier"), the insurance provider under contract with PRISM, with Alliant Employee Benefits acting as broker ("broker").

<u>BACKGROUND:</u>

WHEREAS, PFL provides benefit payments to employees to bond with a new child, care for a seriously ill family member or participate in a qualifying event due to a covered family member's deployment; and

WHEREAS, SLOCOG wishes to offer this benefit to SLOCOG employees to remain competitive and aid in employee attraction and retention; and

WHEREAS, per SLOCOG's current Life/Disability insurance broker and carrier, SLOCOG does not currently have another available insurance policy to obtain PFL coverage; and

WHEREAS, to obtain this coverage, SLOCOG must pool with another provider such as the RTA, not just for PFL but also for life, short-term and long-terms disability insurances; and

WHEREAS, SLOCOG and the RTA acknowledge the PFL premium is currently rated annually and that, under this Agreement and with pooling employees, SLOCOG and the RTA will be rated as a single entity, resulting in shared risk in premium exposure (based on claim experience).

NOW, THEREFORE, for good and valuable consideration, it is mutually agreed by and between the parties as follows:

1. **Recitals and Purpose**. RTA and SLOCOG agree that the recitals above are true and correct. RTA and SLOCOG acknowledge that the express purpose of this Agreement is for the purpose of pooling employees in order to enroll in the Insurances, defined below.

2. **Pooled Coverage**. By this Agreement, RTA and SLOCOG hereby agree to pool their respective employees solely for the purposes of obtaining insurance coverage for PFL, life insurance, short-term and long-terms disability insurances (collectively referred to herein as the "Insurances") in accordance with the benefits provided by each party to their respective employees. Nothing in this Agreement shall be construed to create an employer-employee relationship as between the parties and employees of the other respective agency. Nor is this Agreement intended to create a joint powers authority.

3. **Compensation.** Each party to this Agreement shall be responsible for its share of the insurance policy premiums for the Insurances which shall be based the premium expenses by the employees for each agency and any related administrative costs or fees by carrier and/or broker. The parties acknowledge that the current estimate of SLOCOG's share of the Insurance premium is $6,000 per quarter (the total for all pooled policies). RTA will submit quarterly invoices to SLOCOG identifying SLOCOG's premium expense for the subsequent quarter. SLOCOG shall remit payment within 30 days of the date of the invoice. RTA shall provide any reasonable information or documentation as soon as administratively possible regarding SLOCOG's premium expense.

4. **Administration.** From the perspective of the broker and carrier, SLOCOG will be considered a client of RTA, and for reporting and invoicing purposes, be shown as separate divisions. Both SLOCOG and RTA will have access to the employee maintenance database for the Insurances. Each agency will be responsible for maintaining the Insurance information for their respective employees in accordance with that agency's enabling rules, employee handbooks and collective bargaining agreements. SLOCOG and RTA agree to keep each other informed of changes and updates to their participation in the Insurance policy including any periods of open enrollment or special enrollment period based on qualifying events.

5. **Term and Automatic Renewal.** This Agreement shall become effective as of the Effective Date and shall remain in effect for a period of one year and shall automatically extend for an additional one (1) year period, unless either party gives written notice of termination to the other at least sixty (60) days prior to the expiration of any term. RTA and SLOCOG will provide at least sixty (60) day notice of intent to request changes or discontinue participation in the policy at the end of the policy period.

6. **Notices.** Any and all notices or other communications required of or arising from this Agreement shall be delivered in writing via email or United States Postal Service first-class mail to:

SLOCOG
Attn: Ashley Edwards
Administrative Services Manager
1114 Marsh St.
San Luis Obispo, CA 93401
(805) 781-4255
aedwards@slocog.org

RTA
Attn: Tania Arnold
Deputy Director
253 Elks Lane
San Luis Obispo, CA 93401
(805) 541-2228 x4397
tarnold@slorta.org

7. **Amendment**. This Agreement may be modified or amended only by a duly authorized written instrument executed by the Parties.

8. **Severability**. Should any provision of this Agreement be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

9. **Complete Agreement**. This Agreement together with the related PROGRAM documents constitutes the full and complete agreement of the ENTITY.

IN WITNESS WHEREOF, SLOCOG and the RTA have executed this AGREEMENT on the day and year first hereinabove set forth.

SAN LUIS OBISPO COUNCIL OF
GOVERNMENTS (SLOCOG)

____
Pete Rodgers, Executive Director

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA)

____
Geoff Straw, Executive Director

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOVEMBER 1, 2023
STAFF REPORT

AGENDA ITEM:	**A-4**
TOPIC:	**FY22-23 Strategic Business Plan Results as of June 2023**
PRESENTED BY:	**Geoff Straw, Executive Director**
STAFF RECOMMENDATION:	**Receive and File the Attached SBP Results through June 2023**

BACKGROUND/DISCUSSION:
In October 2008, the RTA Board, RTA staff, SLOCOG staff and members of the general public met in a day-long workshop to craft the elements of the first *RTA Strategic Plan*. The result of this workshop was a draft outline that contained the major sections and components of the plan. During the development of the FY09-10 Operating and Capital Program, staff developed the four key sections of the plan and this was approved by the Board during the budget process. The major components of the plan are the RTA Vision, Vision Elements, Mission of the Organization, and Strategies in achieving the Mission.

The 2012-14 Strategic Business Plan (SBP) was subsequently adopted in October 2011, and it incorporated goals and objectives developed as part of the *2010 RTA Short Range Transit Plan*. Staff used the measurable standards in the SBP to help guide the organization toward meeting the agency's goals and objectives. The subsequent 2015-2017 SBP was adopted in July 2014, and the most recent 2018-20 SBP was adopted in March 2018.

The 2018-20 SBP incorporated both new and revised standards developed in the 2016 *RTA Short Range Transit Plan*, as well as information gleaned from a customer perception survey completed in October 2017. Finally, the 2018-20 SBP examined real-time data gleaned from our comprehensive GPS-based Intelligent Transportation System (ITS), which helped determine appropriate performance standards.

As noted during the presentation at the March 2021 Board meeting, because the COVID-19 pandemic has drastically altered ridership patterns, and the RTA was seeking outside funding to update our 5-year Short-Range Transit Plan, staff recommended that the update to the 2018-20 SBP be postponed. The RTA has since kicked-off SRTP, which will include new performance standards that we can use to measure progress toward full ridership recovery. In the meantime, staff continues to provide bi-annual reports to the Board on our results in comparison the current objective and subjective performance standards.

It should be noted that two sections of the SBP include ridership-based metrics that will impossible to meet due to the drastic reduction in demand caused by the COVID-19 pandemic. These currently unattainable standards include:

1. **Standards of Excellence Section 1: Service Quality and Efficiency** – We will deliver dependable, customer focused and efficient transit services to the communities that we serve. Further, we will look for opportunities to deploy innovative new service within budgetary constraints.

   Standard 1: The Productivity (passengers per vehicle service hour) standards are presented below for regularly-scheduled / year-round services:
   A. Regional intercity fixed-route (RTA Routes 9, 10, 12 &14) services shall be 22 or greater.
   B. Local fixed-route (Paso Express Routes A & B, and SoCo Transit Routes 21, 24, 27 & 28) shall be 17 or greater.
   C. Runabout and other demand response services will be 2.0 or greater.
   D. Route deviation services (such as RTA Route 15) will be 8.0 or greater.

   Any recommended changes to seasonal or lifeline services (i.e., Shandon Dial-A-Ride) will include target productivity standards that must be met in order to qualify for continued funding.

2. **Standards of Excellence Section 2: Revenue and Resources** – While providing excellent service to our customers and communities, we will do so within the financial resources available to us. The financial health of the organization will not be compromised, and we will work to deliver good value for the taxpayers' investment in the RTA.

   Standard 2: The Farebox Recovery Ratio for all regularly scheduled / year-round services shall be 20% greater than the minimum standard required by SLOCOG to meet TDA requirements. Measurement: Objective.

Staff plans to present updated SBP metrics over two Board meetings that coincide with planned Short-Range Transit Plan interim documents.

Staff Recommendation:
Receive and file the attached SBP results through June 30, 2023.

RTA Strategic Business Plan Standards of Excellence

<u>Standards of Excellence Section 1: Service Quality and Efficiency</u> – We will deliver dependable, customer focused and efficient transit services to the communities that we serve. Further, we will look for opportunities to deploy innovative new service within budgetary constraints.

Standard 1: The Productivity (one-way passenger-boardings per vehicle service hour) standards are presented below for regularly-scheduled / year-round services:

A. Regional intercity fixed-route (RTA Routes 9, 10, 12 &14) services shall be 22 or greater.
B. Route deviation services (such as RTA Route 15) will be 8.0 or greater.
C. Local fixed-route (Paso Express Routes A & B, and SoCo Transit Routes 21, 24, 27 & 28) shall be 17 or greater.
D. Runabout and other demand response services will be 2.0 or greater.

Any recommended changes to seasonal or lifeline services (i.e., Shandon Dial-A-Ride) will include target productivity standards that must be met in order to qualify for continued funding.

Measurement: Objective.

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

FY 21-22 Productivity													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
RTA Fixed	10.0	11.0	12.1	11.7	12.0	13.8	10.5	11.6	12.1	12.7	12.4	11.9	11.6
Paso Express	13.3	16.0	21.1	19.2	16.6	15.0	18.3	20.7	21.1	18.2	22.1	18.1	17.5
Runabout	1.2	1.2	1.2	1.2	1.1	1.0	1.2	1.1	1.1	1.4	1.1	1.1	1.2
Paso DAR	1.5	1.5	1.8	1.8	1.9	1.6	1.5	1.6	1.6	1.6	1.5	1.8	1.7
Nipomo DAR	1.7	2.5	3.4	3.6	3.1	2.3	2.3	3.3	3.4	3.1	3.4	2.6	2.8

FY 22-23 Productivity													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
RTA Fixed	11.3	14.1	14.3	14.0	13.5	10.8	11.4	12.9	11.9	12.7	12.6	11.2	12.6
Paso Express	16.7	20.0	24.7	22.9	19.4	15.3	18.8	21.9	22.4	21.8	24.7	19.5	20.7
Runabout	1.1	1.3	1.2	1.6	1.6	1.4	1.1	1.2	1.1	1.1	1.3	1.2	1.3
Paso DAR	1.8	1.9	1.9	2.1	1.9	1.8	2.1	2.1	1.6	1.7	1.8	1.8	1.9
Nipomo DAR	2.2	2.5	3.3	3.3	3.0	2.5	2.6	3.0	3.1	2.5	2.7	2.0	2.7

The tables above show that we did not meet the standards for RTA regional fixed-routes, Paso Dial-A-Ride, or Runabout but did show an increase over FY21-22. However, Paso Express and Nipomo DAR met the standards. Similar to national ridership trends, the COVID-19 pandemic and statewide stay at home orders beginning in March 2020 drastically reduced demand for public transit services, although productivity remained relatively high since service levels were reduced at the outset of the pandemic to coincide with demand. Overall ridership is modestly trending upwards, and staff will continue to look at alternatives to improve results.

Standard 2: The Service Delivery rate for all regularly-scheduled / year-round services shall be 99% or greater.

Measurement: Objective.

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

  As long as a scheduled fixed-route bus trip is delivered ahead of the next scheduled bus trip, then service is considered "delivered" (but that late trip will still be reported under the on-time performance measure discussed below). The service delivery goal is 99% or greater. The RTA delivers about 2,574 trips per month, and for FY22-23 we missed 26 trips, or a service delivery achievement of 99%. Paso Express delivers about 634 trips per month, and we missed eight trips in FY22-23, resulting in a service delivery achievement of 99%.

Standard 3: "On-time" is defined as no later than six minutes from any time point in the published schedule. We recognize that making scheduled transfers between buses is vitally important to riders, and staff will explore methods of regularly measuring missed transfers. The following On-Time Performance (OTP) standards shall apply to regularly-scheduled / year-round services:

A. Regional intercity fixed-route and Express runs shall be 85% or greater.
B. Local fixed-route shall be 90% or greater.
C. Route deviation services shall be 70% or greater.

Measurement: Objective.

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

FY 2022													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
RTA	88%	90%	88%	90%	88%	87%	90%	87%	88%	86%	88%	88%	88%
Paso	92%	96%	84%	86%	87%	87%	88%	86%	88%	87%	86%	91%	88%
Rte 15	88%	80%	84%	85%	81%	84%	85%	79%	75%	79%	78%	88%	82%

	FY 2023												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
RTA	89%	88%	85%	83%	84%	81%	85%	86%	85%	81%	83%	82%	84%
Paso	90%	92%	88%	86%	90%	86%	89%	87%	82%	89%	83%	87%	87%
Rte 15	82%	79%	77%	81%	77%	73%	77%	76%	80%	82%	83%	83%	79%

- For FY21-22, RTA intercity and Route 15 exceeded standards, while local Paso Express came in two percent short at 88%.
- For FY22-23, RTA intercity and Paso Express did not meet standards, while the Route 15 exceeded the standard at 79%. Staff will continue to look for ways to improve this result.

Standard 4: The On-Time Performance (OTP) for Runabout and other demand response services shall be 95% or greater.
Measurement: Objective.

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

  Runabout service is considered on-time if the van arrives within 30 minutes of the appointed pick-up time. The goal is 95% or greater, and Runabout surpassed this goal in each month of FY21-22 with a result of 98%. For FY22-23 Runabout service met expectations with a 99% on-time average. Staff will continue to monitor Runabout's OTP to ensure we continue to achieve these strong results.

Standard 5: The RTA will make consistent efforts to explore new service and service delivery options as well as work with regional efficiencies in the delivery of transportation to the jurisdictions
Measurement: Subjective.

- Reported by the Executive Director and Division Heads annually.
  1. Schedule revisions and minor route alignment changes are evaluated routinely to improve service delivery.
  2. Staff monitors ridership and customer comments looking for system improvements.

Standard 6: The RTA will measure Overcrowding as the frequency of instances that the number of passengers on a bus exceeds the number of seats (i.e., 34 passengers on a 34-seat bus equates to a Load Factor of 1.00), as well as the duration of exceedances. The Overcrowding standards are as follows:

A. The standard for regular fixed-route services is no more than 10% of the monthly total number of bus trips that exceed a Load Factor of 1.25 for greater than 20 minutes.
B. The standard for Express services is no more than 10% of the monthly total number of bus trips exceeds a Load Factor of 1.00 for greater than 20 minutes.

If the Load Factor standards are exceeded, staff will assign a larger vehicle (if possible); otherwise, the Board will direct staff to evaluate adding scheduled bus trips to spread out the passenger loads.
Measurement: Objective.

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

For FY21-22 there was one trip on the Paso Express that experienced overcrowding and this is primarily due to school district no longer providing school bus service.

For FY22-23, there were two trips that experienced overcrowding. The first was the 8:33am northbound Route 12 from the Government Center. This was due to an increase in Cuesta College students riding. The second was the Paso Robles Express Route A in the afternoon due to the large number of high school and junior high students riding. Staff will continue to monitor the service for overcrowding as it relates to riders' comfort levels.

Standards of Excellence Section 2: Revenue and Resources – While providing excellent service to our customers and communities, we will do so within the financial resources available to us. The financial health of the organization will not be compromised, and we will work to deliver good value for the taxpayers' investment in the RTA.

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

- Tracked monthly in financial statements and reported bimonthly to the RTA Board.

FY17-18 Result: Operating Costs were 94% of the adopted budget
FY18-19 Result: Operating Costs were 95% of the adopted budget
FY19-20 Result: Operating Costs were 94% of the adopted budget
FY20-21 Result: Operating Costs were 88% of the adopted budget
FY21-22 Result: Operating Costs were 95% of the adopted budget
FY22-23 Result: Operating Costs were 92% of the adopted budget (net of depreciation and pension expense/GASB 68 adjustment)

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

Standard 2: The Farebox Recovery Ratio for all regularly scheduled / year-round services shall be 20% greater than the minimum standard required by SLOCOG to meet TDA requirements.
Measurement: Objective.

- Tracked monthly and reported bimonthly to the RTA Board.

FY17-18 Result: 20.5% (*including Paso Express*)
FY18-19 Result: 18.2% (*including Paso Express*)
FY19-20 Result: 12.7% (*including Paso Express); prior to the COVID-19 pandemic (through January 2020), we achieved a result 18.0%.*
FY20-21 Result: 3.5% (*including Paso Express and South County Transit from January 1 – June 30, 2021)* – COVID-19 pandemic limited fare period
FY21-22 Result: 8.2% (*including Paso Express and South County Transit)*

FY22-23 Result: 8.7% (*including Paso Express and South County Transit)* (net of depreciation and pension expense/GASB 68 adjustment)

In recent years, the RTA has struggled to meet this standard, particularly as the pre-pandemic economy improved, gas prices remained relatively low, and private automobile ownership increased. As shown, the FRR is improving as demand grows, workers continue to increase in-office working days/hours, and as fuel pricing remain high. Staff will continue to closely monitor our FRR performance, particularly in light of recent gas price increases.

Standard 3: No significant annual fiscal and compliance audit findings.
Measurement: Objective.

- Finance and Administration will report any negative audit findings to the RTA Board.

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

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

- Evaluated through the Marketing Department's biannual Community Perception Survey, feedback from communities, and review of the annual 5-year capital program by the RTA Board.

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

<u>Standards of Excellence Section 3: Safety</u> – We recognize the tremendous importance of safety in the operation of RTA service to our customers and communities. Therefore, the safety of our customers and employees will be an organizational priority and we will be proactive in promoting system safety.

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

- Rate shall be tracked by the Safety and Training Manager, and reported annually to the RTA Board.

  FY17-18 Result: 0.94
  FY18-19 Result: 1.14
  FY19-20 Result: 2.56
  FY20-21 Result: 1.65 RTA-only, and 1.48 combined RTA/SoCo
  FY22-23 Result: 1.75 Combined

Bus Operators are held to a higher safety standard than the general public. Staff will continue to track this KPI closely. We have put together a team to monitor causative factors, including trends by route, years of experience, location, type of collision, etc. New Bus Operators return for refresher training after three months after graduating from the training program.

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

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

  Employees are engaged in the Safety Resource and Employee Committee by submitting suggestions. Suggestions that are not directly related to the Committee's mission are forwarded to the appropriate department for resolution.

  During FY22-23, the Safety Resource Committee closed three action items, with seven open action items and two recurring items remaining. The action items involve placing reflective tape on the card readers at the bus entrance gate, purchasing atomic clocks with temperature read-out in support of our Heat Illness plan, and replacing seat cushions on buses to maintain effective driver ergonomics. RTA employees continue to demonstrate attentiveness and communication in mitigating hazards and engage in improving the quality of our work environment. The Safety Resource Committee continues to address difficult locations on fixed route services by working with the cities to ensure bus stops are easily accessible. The Safety Resource Committee continues to address difficult locations on the RTA Demand Response service which involves navigating around or away from hazards at customer pick-up/drop-off locations.

Standard 3: Preventable workers compensation lost-time claims will not exceed six annually, and preventable medical-only claims will not exceed five annually.
Measurement: Objective.

- All work comp claims shall be duly investigated and immediately reported by Finance and Administration staff to our carrier.

  FY17-18 Result: 0 lost-time claims, and 7 medical-only
  FY18-19 Result: 11 lost-time claims, and 5 medical-only
  FY19-20 Result: 7 lost-time claims (three are open as of January 31, 2023), and 14 first aid/incidents/medical-only (all have closed)
  FY20-21 Result: 4 lost-time claims (all have closed), and 14 first aid/incidents/medical-only (all have closed)
  FY21-22 Result: 3 lost-time claims (one is open and two are closed as of January 31, 2023) and 5 first aid/incidents/medical-only (they are all closed)
  FY22-23 Result: 7 lost-time claims (five are closed as of August 31, 2023), and 8 first aid/incidents/medical-only (they are all closed as of August 31, 2023)

Standard 4: Customer and community perception of system safety will be at least 90%.
Measurement: Objective.

- As measured in biannual Community Perception Survey.

  Based on the Customer Perceptions Survey conducted in March 2020 at the outset of the COVID-19 pandemic, customer perception of system safety was rated 3.6 out of 4, which equates to 90%. Staff strives to maintain and enhance satisfaction regarding this standard.

Standard 5: Total risk management costs shall not exceed industry norms. Staff will undertake alternating market surveys every four years for vehicle liability / physical damage coverage and for workers compensation coverage.
Measurement: Objective.

- Tracked monthly by Finance and Administration and reported bimonthly to the RTA Board.

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

  FY17-18 Result: 13.2% of total operating costs
  FY18-19 Result: 10.8% of total operating costs
  FY19-20 Result: 10.9% of total operating costs
  FY20-21 Result: 9.9% of total operating costs
  FY21-22 Result: 7.6% of total operating costs
  FY22-23 Result: 10.2% of total operating costs (net of depreciation and pension expense/GASB 68 adjustment)

  Staff has worked hard to close claims opened in prior years. More importantly, our workers compensation premium rates declined for the first time in many years. Although this is good news, due to the tightening market in California, staff expects risk management costs to continue to escalate unless tort reform or other adjustments are made by the Legislature that could reduce transit agencies' exposure to frivolous lawsuits. If our exposure could be reduced, it would likely increase competition in the market and reduce our risk management costs. Staff is closely monitoring this issue and will report developments back to the Board as information is collected.

<u>Standards of Excellence Section 4: Human Resources</u> – Our employees are the foundation of the organization. We will support our employees in achieving excellence through training and development, teamwork, and continuous efforts at effective communication while treating each with integrity and dignity.

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

- Annual assessment by Executive Director and Department Heads.

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

2018 – 20%
2019 – 18%
2020 – 13%
2021 – 19%
2022 – 16%
2023 – 12% as September 30, 2023

Standard 2: 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-making process, according the following minimum standards:

A. Maintenance: 30 Hours per technician annually.
B. Operations Supervisors: 24 Hours annually.
C. Bus Operators: 8 Hours Annually.
D. Finance and Administration: 16 Hours per employee annually.

Measurement: Objective.

- Department Heads evaluated annually for achievement of training objectives.

  Staff appreciates the Board's commitment to funding a relatively robust training budget. It should be noted that ongoing training is a major part of what staff does on a daily basis to help both the organization and staff grow professionally and enhance safe operations.

  - Maintenance:
    - For FY21-22, our Technicians averaged nearly 30 hours per person, including training for Gillig multiplex systems, new facility equipment, and new vehicle orientation. The RTA has greatly benefited from membership in the Southern California Regional Transit Training Consortium, providing significant training resources albeit somewhat haltingly in a virtual world.
    - For FY22-23, our Technicians have averaged over 21 hours per person, including forklift training and implicit bias training. A significant amount of training was expected to be conducted during the second half of the fiscal year to support the electric vehicles the RTA has on order but with the anticipated delivery being pushed into 2024, the training has been delayed. The Utility and Parts Clerk staff have averaged over 20 hours per person.

  - Operations: In FY22-23, the average to date is 30 training hours per Operations Supervisor; standard is 24 hours annually. The training staff has conducted 130 training hours with Operations Supervisors. These trainings included the following:

- Mandatory two-hour Management Sexual Harassment Training every two years.
- The Operations Manager attended the CalACT conference in the fall of 2022 and Spring of 2023, totaling 80 hours.
- Through the secret rider program, CalTIP provided the results and did a driving safely training with Operation supervisors and Operators.
- One of our Training staff complete the 40 hours DMV Examiner Training,
- One of our Training staff members completed the required courses to obtained his FTA Public Transportation Safety Program Certification.
- Transitions Mental Health training conducted by SLO Sheriff and Emergency Responders, attended by Supervisors and Operations Management, 37 hours of combined training.
- Dale- Catalyst Consulting All supervisors, Operation's Management, 8-hours classroom training - 136 hours combined training hours
- Three Supervisors attended two days of FTA Drug & Alcohol Training, 72 hours of combined training.
- National Transit Institute 16- hour class; "Transitioning from Frontline Employee to Frontline Supervisor." Two Supervisors completed the class for a combined total of 32 hours.
- All Supervisors attended ADA Runabout refresher training by a training staff member.

- Bus Operator training included:
  Besides the required 8 hours of annual Verification of Transit Training, Bus Operators have received a combined total of 727.05 additional training hours conducted by our training department for topics listed below, but not limited to:

  - Three-month refresher training for new Bus Operators.
  - Focused and customized training designed specifically for Bus Operators on an as-needed basis (i.e., in response to a collision, customer complaint, or other incident).
  - New Bus Operator Trainees receive a 6-week training program, plus additional training with a qualified Line Instructor operating in Revenue Service before working alone.
  - Bus Fleet Orientation for three new vehicles types and refresher training as needed.
  - Thirteen Bus Operators completed new hire training from July 1, 2022 to June 30, 2023. One Supervisor completed training, one maintenance clerk and three administrative employees.
  - Four employees completed new hire training, including one Maintenance Accounting Technician, one Maintenance Parts Clerk, and two Administrative Assistants.
  - May 2023, "Best of the Best" – five Bus Operators qualified for and attended an 8-hour Line Instructor class to mentor new Bus Operators for

the first few days they are in Revenue Service with customers. One remains to be scheduled for remainder of the qualified applicants.
    - Thirty-one Bus Operators completed the required annual one-hour sexual harassment training.

- Finance and Administration: these training hours are used by each employee in various ways based on their responsibilities and in consultation with his or her direct supervisor. In FY22-23, these included the CALPELRA Human Resources Conference, implicit bias training, Transit and Paratransit Management Certificate Program from the University of the Pacific, networking with other transit agencies during the Central Coast Transit Summit (hosted by the RTA this year), FTA Triennial Review Workshop, and CalTIP Board of Directors meetings.

  In FY21-22, these included the CALPELRA Human Resources Conference, National Transit Institute National Transit Database, information sessions on new leave and workers compensation requirements, training for on-site FTA Drug and Alcohol Testing, Human Resources virtual summits, CalTIP Board of Directors meetings, CalACT spring conference and various collaborations with other transit agencies. Staff also attended Cultural Intelligence training. It should be noted that we constructed one of the restrooms in the new Bus Maintenance Facility to allow on-site drug/alcohol testing. In the past, we sometimes struggled to get our third-party testing sites to complete FTA-required post-collision, reasonable suspicion or random tests in a timely manner.

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

- Employees provided opportunity to provide feedback on organizational communication as part of the Executive Director's annual evaluation.

  We continually stress the tenets of *Verbal Defense and Influence*, which focuses on how to communicate more effectively with each other and our customers – particularly in difficult or threatening situations. Additionally, mandatory Cultural Intelligence training was held for all employees to enhance the awareness of staff and the impact it has on communications. The Executive Director and the three RTA department heads meet weekly to ensure consistency in messaging and direction for the organization. The Executive Director and the three department heads also conducted an annual manager retreat focusing on strategic initiatives in coincidence with a Hydrogen Bus unveiling in Oxnard.

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

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

  The RTA currently completes formal annual evaluations for administration and management staff. For non-management staff not covered by the Collective Bargaining Agreement, we have implemented improved annual performance planning and appraisal documents to better reflect the role of each classification. Bus Operators, Technicians, the Parts Clerk, and Utility employees are evaluated based on the requirements of the Collective Bargaining Agreement (CBA) and to ensure the public's safety. Both Technicians and Bus Operators are also evaluated as part of the RTA Safety Awards program on their individual anniversary dates.

<u>Standards of Excellence Section 5: Fleet and Facility</u> – We will operate and maintain a modern and clean fleet and facilities that will be pleasing to our customers and a source of pride for our employees and our communities.

Standard 1: If funding permits, the RTA will match SLO Transit's standard of replacing revenue vehicles when they reach the FTA-defined useful life minimums in terms of service years or miles. If funding remains constrained, negotiate with SLO Transit to ensure neither agency's buses surpass 40% beyond the FTA standards.
Measurement: Objective.

As of June 30th, 2023 the average age of our 33 fixed-route vehicles is 9 years with an average of 386,400 miles per vehicle. The average demand response vehicle age (including Runabout and other Dial-A-Ride vans) is 4 years with an average of 56,532 miles. We are currently within the RTA's vehicle life standards.

Our capital program was updated as part of the 2016 SRTP update, which was adopted by the RTA Board in July 2016. In addition, a five-year capital program is included in each annual budget document.

Standard 2: Road calls will not exceed five per 100,000 vehicle service miles. A road call is defined as all mechanical or other vehicle-related failures that affect the completion of a scheduled revenue trip or the start of the next scheduled revenue trip, including failures during deadheading and layover.
Measurement: Objective.

- As tracked and reported by the Maintenance Department, and reported biannually to the RTA Board.

  For FY22-23, there were 13 major mechanical system failures and 47 other mechanical system failures. This equates to 4.83 failures per 100,000 vehicle revenue miles for fixed-route buses and 0.31 for demand response vans.

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

Measurement: Subjective.

- As measured by employee and customer feedback.

  Based on the results of the Customer Perception Survey that was conducted in March 2020 prior to the COVID-19 pandemic, two questions provide valuable information: "cleanliness of buses" and "bus exterior appearance," which ranked at 3.4 and 3.5 out of four, respectively.

  Employee surveys were conducted in October 2020, and we received 53 written responses regarding safety of the facilities, bus stops and buses for employees and passengers. The feedback was provided to the Maintenance and Utility team, as well as the Bus Stop Improvement Committee. This qualitative "direct feedback" procedure was selected as it provides specific information about what needs to be improved. We have been able to respond to many specific requests, including new outdoor seating at our Paso Robles park-out location, and a new approach on addressing the lighting needs of many stops is being addressed by the Bus Stop Improvement Committee.

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

Measurement: Objective.

- As measured in the biannual Community Perception Survey.

  Bus stop appearance was included in the March 2020 customer perception survey, and we achieved a ranking of 3.2 out of 4, which equates to an 82% favorable rating. Although this meets the favorable standard, staff is developing a strategy to address this standard, including updating/replacing the bus stop signs for Paso Express and repair/enhancement of bus stop lighting. Staff also anticipates the remodel of the transit center downtown that was completed in May 2020 (after this survey was conducted) will favorably impact this ranking when the next survey is completed as part of the 2023 SRTP study effort.

Standard 5: Achieve all federal- and state-mandated maintenance minimums, as well as vendor recommended maintenance schedules, for our fleet and facilities. The following standards apply:

A. No negative CHP Annual Terminal Inspection, FTA Triennial Review or TDA Triennial Performance Audit findings.
B. Preventative maintenance schedules for all equipment shall be done on a timely basis (3,000 mile intervals or as mandated by equipment OEM vendor).

Measurement: Objective.

- As tracked by the Maintenance Department, and reported annually to the RTA Board.

There were no negative findings in the 2023 TDA Triennial Performance Audit or in the 2023 FTA Triennial Review, nor in the most recent CHP Terminal Inspection. Preventive maintenance has been completed on a timely basis, with no CHP findings.

Standards of Excellence Section 6: Leadership – We will strive to be one of the nation's leading small transit operators. We will work to maintain collaborative relationships within the industry, within our community, and with our stakeholders. We will develop future leaders from within our organization.

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

- Will be reviewed by staff and RTA Board.

Staff believes that we have built upon an already strong relationship with our partners at the federal, state and local levels – and we've continued to make strides with the new manager of the SLO Transit system. He has also worked cooperatively with the transit agency leaders in the county to advocate for and develop a consistent message on issues related to SLOCOG's 5307 POP Working Group and for transit projects that are formula TIRCP/ZETCP eligible. If any issues arise (i.e., the January flooding, collisions or personnel issues that require Board notification), it is brought to the Board leadership's attention for direction so that staff can work with our cohorts in the region to provide a reasonably consistent response. The Executive Director serves on the CTA Small Operators Committee and also serves as the Chairperson for the CalTIP Board in April 2022. However, our relationship with Santa Maria Regional Transit has become strained recently, and we hope that working through the planned SLOCOG/SBCAG Cost Allocation study will help rebuild trust.

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

- To be evaluated and monitored by RTA Board.

The agency's partnership successes are formally discussed by the Board during the Executive Director's annual evaluation. However, issues and ideas are also forwarded by community members to both the Board and staff throughout the year. The Executive Director also attends City Council and other public meetings in each RTA jurisdiction throughout the year. The Executive Director also actively participates as a member of Rotary SLO de Tolosa, which provides an important link to thought leaders and prominent community members throughout our county. The RTA also provided comments on the SLO Transit Innovations Plan study products and participated in a public meeting to help prioritize recommended improvements. He is also serving as the project manager for the Joint Short-Range Transit Plans study that kicked-off in September 2023.

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

- To be evaluated by Executive Director.

  Promoting effective internal communication is a task that always requires high- and mid-level nurturing, which is especially important now that we have emerged from the pandemic. Senior staff members meet weekly to discuss effective communications and our organizational values, while a broader group meets monthly to strive to ensure messaging is consistent and useful. The Executive Director also informs the Board President of on-going efforts to improve communications and employee morale within our organization. While we believe we are making strides in improving internal communications, this is an area in which the work is never “done.”

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

- To be evaluated by Executive Director and RTA Board.

  Similar to the discussion on Standard 3 above, the Executive Director’s leadership is evaluated annually as part of his review. The Executive Director also discusses leadership successes and goals with his three department heads as part of their annual evaluation. Finally, the Executive Director and other senior RTA staff discuss direction with other transit agency staff during quarterly RTAC meetings and other transit-focused meetings (i.e., FTA 5307 planning, UZA MOU discussions, SSTAC, etc.) throughout the year.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOVEMBER 1, 2023
STAFF REPORT

AGENDA ITEM:	**A-5**
TOPIC:	**Transit Asset Management (TAM) Plan**
PRESENTED BY:	**Geoff Straw, Executive Director** **Melissa C. Mudgett, Grants and Finance Manager**
STAFF RECOMMENDATION:	**Receive and File Update to the FY22-23 TAM Plan**

BACKGROUND/DISCUSSION:
In accordance with Federal Transit Administration (FTA) regulations, every transit agency must develop a performance-based Transit Asset Management (TAM) plan if it owns, operates, or manages capital assets used to provide public transportation and receives federal financial assistance under 49 U.S.C. Chapter 53 as a recipient or subrecipient. The RTA falls under the FTA's Tier II designation, and is a group sponsor for its subrecipient of federal funds (the City of Atascadero). As a Tier II agency, the RTA must meet the following four elements:

1. An inventory of assets – A register of capital assets and information about those assets.

2. A condition assessment of inventoried assets – A rating of the assets' physical state; to be completed for assets an agency has direct capital responsibility for; should be at a level of detail sufficient to monitor and predict performance of inventoried assets.

3. Description of a decision support tool – An analytic process or tool that (1) assists in capital asset investment prioritization and/or (2) estimates capital needs over time *does not necessarily mean software.*

4. A prioritized list of investments – A prioritized list of projects or programs to manage or improve the State of Good Repair (SGR) of capital assets.

This staff report, along with the attached updated performance results, shall constitute the update to the TAM Plan for FY22-23.

Transit Asset Management Plan
The RTA's Strategic Business Plan set our goal for all revenue vehicles to be no more than **40%** beyond the FTA-defined useful life standard in terms of years or miles. Non-Revenue support vehicles replacement goals is set at **25%** as these vehicles typically

incur fewer annual miles and therefore their useful life can be extended until funding is made available. The truck and equipment goal is set at **25%** and is based on current age and when the replacement is tentatively scheduled to take place.

In January 2022 construction was substantially completed on the new Bus Maintenance Facility (BMF) located at 253 Elks Lane in San Luis Obispo. This facility supports maintenance, operations and the administrative functions for the RTA. In accordance with federal requirements, a facility condition assessment of the BMF shall be reported to the National Transit Database (NTD) every four (4) years. The next NTD Facility Condition Assessment will be due in 2026.

In FY22-23, the RTA remains on target to meet or exceed the vehicle replacement and facility condition performance measures as set forth in the TAM Plan. Performance details are reported annually to the NTD and are summarized in the table below.

Table 1: NTD - Transit Asset Management Performance Measure Targets (A-90)

Performance Measure	2023 Target (%)	Total Vehicles Allowed to Exceed State of Good Repair	2023 Perfor-mance (%)	Actual Vehicles Exceeding State of Good Repair	Target Met / Unmet	Description
Heavy Duty Bus	40%	13	20%	6	Met	The RTA is on target to replace two (2) heavy-duty diesel-powered buses with zero-emission electric buses and one (1) diesel-powered bus to be delivered in FY24. The RTA expects to issue a purchase order for five (5) more zero-emission electric buses to be delivered in FY25.
Cutaway	40%	6	28%	4	Met	The RTA replaced two (2) Cutaway replacements for rural Route 15 and three (3) Medium-Duty Minibuses for South County in FY23. The RTA is on target to replace one (1) cutaway vehicle for Nipomo Dial-A-Ride in FY24. The City of Atascadero (subrecipient) is on target to replace one (1) ADA transit cutaway van in FY24.

ADA Accessible Minivan	40%	6	36%	5	Met	The RTA replaced three (3) ADA minivans in FY23. The RTA is on target to replace three (3) more ADA minivans in FY24.
(Non-Revenue) Service Vehicles, Trucks and Equipment	25%	4	92%	15	Unmet	Revenue Vehicles remain top priority for replacement over non-revenue support vehicles, trucks and equipment. Support vehicles acquire less miles and therefore useful life can be extended until funding is made available, as a result this target was unmet in FY23. However, the RTA is on target to meet this goal with the replacement of nine (9) support vehicles in FY24 (7 electric sedans and 2 service maintenance trucks). One (1) non-revenue support equipment forklift is scheduled for replacement in FY28.
Facilities (Bus Maintenance Facility)	40%	0	0%	0	Met	Construction was completed in January 2022. The facility condition assessment rates the facility as a "5 - Excellent Condition" with no visible defects, in new condition and under warranty. The RTA's facility condition assessment standard is to repair a facility assets that receive a condition rating of marginal (2) or poor (1) at a rate that will allow for no more than 40% of the total facility assets beyond the NTD and FTA-defined condition five-point scale.

Staff recommendation
Receive and file the FY22-23 update to the TAM Plan.

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October 11, 2023

National Transit Database Narrative Report FY2023:

The below annual narrative report provides a description of any change in the condition of the San Luis Obispo Regional Transit Authority (RTA) transit system from the previous year and describes the progress made during the year to meet the targets previously set for that year.

AGENCY INFORMATION

Reporter Name: San Luis Obispo Regional Transit Authority (RTA)
NTD ID#: 90206
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Reporting Year: NTD 2023

REVENUE VEHICLES:

Useful Life Benchmark – Revenue Vehicles

The RTA operates a total of 64 revenue services vehicles (37 fixed-route vehicles and 27 demand-response vehicles). The fixed-route revenue service vehicles for the RTA consists of 33 buses, 2 cutaways medium-duty buses that provide fixed-route services and two (2) trolleys that provide seasonal fixed-route services. The demand-response revenue service vehicles consist of 12 light-duty cutaway vehicles and 15 ADA accessible minivan paratransit vehicles operated for the RTA Runabout program that provide demand-response services.

Additionally, the City of Atascadero (subrecipient to the RTA) operates four (4) light-duty cutaway vehicles as part of the Atascadero Dial-A-Ride program, which services the City of Atascadero only. Data on Atascadero's four Dial-A-Ride cutaway vehicles are included in the RTA's Group-Sponsored TAM Plan.

The RTA's regional transit service consists of five fixed-routes along the Central Coast as well as operates the complementary ADA paratransit (Runabout) service during the same days and hours as the fixed-route service. The RTA operates and maintains its fixed-route and Runabout paratransit services from a single Bus Maintenance Facility (for maintenance, operations and administration functions) located at 253 Elks Lane, San Luis Obispo. Construction of the new Bus Maintenance Facility was completed in January 2022 and is owned by the RTA.

What Revenue Vehicle targets did your agency set?

- The RTA's fleet standard is to replace **buses, cutaways, mini-bus and ADA-accessable minivans** (revenue-service vehicles) at a rate that will allow for no more than **25%** of these vehicles to exceed the FTA-defined useful life standard in terms of years or miles. (approximately no more than 15 of 63 vehicles)
- The RTA's fleet standard is to replace rubber-tire vintage trolleys (seasonal revenue-service vehicles) at a rate that will allow for no more than **25%** of these vehicles to exceed the FTA-defined useful life standard in terms of years or miles. (approximately no more than 1 of the 2 trolleys)

How did your agency calculate these Revenue Vehicle targets?
Based on the RTA's Strategic Business Plan, the goal for all revenue vehicles is not-to-exceed more than 40% beyond the FTA-defined useful life standard in terms of years or miles. The RTA uses the TAM Fleet Replacement Module, the RTA Fleet Software, the RTA Vehicle Replacement Schedule to determine replacements and the Board adopted Innovative Clean Transit (ICT) Zero-Emission Fleet Transition Roll-Our Plan to determine identify replacement, prioritization and support investment decision-making. The Metropolitan Planning Organization (San Luis Obispo Council of Governments) in the Federal Transportation Infrastructure Plan (FTIP) and Program of Projects (POP) adopts capital vehicle replacement project years and funding.

How has your agency made progress toward its Revenue Vehicle targets?
Yes. The RTA continues to work towards these goals. The RTA uses its adopted Strategic Business Plan, RTA Vehicle Replacement Schedule, Condition Assessments, the TAM Fleet Replacement Module and the adopted ICT Zero-Emission Roll-Out Plan to justify the investment priority process of all of its fleet. In FY2023, the RTA replaced three (3) ADA accessible minivans.

Currently, the RTA has nine vehicle procurements in various states of progress with anticipated vehicle deliveries in late 2023 and 2024. In 2023 purchase orders were placed for three (3) mini-buses (ARBOCS), three (3) cutaways (2 fixed-route and 1 demand-response), two (2) zero-emission electric heavy duty 40-ft buses and one (1) diesel 40-ft bus. Delivery of these vehicles are anticipated in late 2023 and 2024.

Additionally, the RTA is in the process of issuing purchase orders to replace eight more vehicles; five (5) zero-emission electric heavy duty 40-ft buses and three (3) ADA accessible minivans with anticipated delivery in 2024 and 2025.

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In 2024, the City of Atascadero (subrecipient to the RTA) intends to issue a purchase order to replace one (1) light duty cutaway vehicle for its Dial-A-Ride service.

The RTA has received grant funding to replace one (1) seasonal fixed-route rubber-tire vintage trolley in 2024. The RTA is currently researching available zero-emission technologies prior to issuing a purchase order for this replacement vehicle.

What challenges face your agency in making progress toward the Revenue Vehicle targets?

The RTA transit services span the entire San Luis Obispo County, and as a result operates several high-mileage routes. The RTA's revenue vehicles (buses and demand-response vehicles) are well maintained and receive regularly scheduled preventative maintenance. As a result of longer routes and regular preventative maintenance, many of our buses approach their useful life in miles well in advance of their useful life in years. However, due to the routine preventative maintenance and mid-life engine replacement projects, these revenue vehicles remain in excellent working condition.

Two major constraints limiting the deployment of BEB infrastructure are the availability of capital funding, and possible electrical capacity needed at the two leased park-out facilities (in Paso Robles and Arroyo Grande) and at opportunity charging locations. The most significant challenge facing transit agencies through the start-up and scaleup phases of the zero-emission transition is the financial requirements. ZEBs are more expensive to procure, and new infrastructure is required to operate and maintain the vehicles. The effort to implement opportunity charging systems necessarily must be coordinated with our transit agency partners that also operate within and adjacent to the RTA service area so that any investments can be shared across our respective fleets. This effort will require a focused planning/engineering study that is jointly funded and executed.

As our agency transitions to zero-emission electric fleet, available funding remains a significant challenge. Zero-emission technologies are nearly double the cost of conventional diesel-powered buses, making the transition to a fully clean fleet a challenge for all transit agencies. The RTA will continue to plan for this transition through its ICT Zero-Emission Fleet Transition Roll-Out Plan and replace vehicles with zero-emission technologies as funding becomes available.

NON-REVENUE SUPPORT VEHICLES/EQUIPMENT:

Useful Life Benchmark – Equipment (Non-Revenue Support Vehicles, Trucks and Other Rubber Tire Vehicles)

The RTA operates a total fleet of 17 non-revenue support vehicles, maintenance trucks and equipment. The total support fleet includes 12 support vehicles, 4 maintenance trucks and 1 forklift.

What Non-Revenue Support Vehicle, Trucks & Equipment targets did your agency set?

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- The RTA's fleet standard is to replace **support service vehicles** (non-revenue vehicles) at a rate that will allow for no more than **30%** of the vehicles beyond the FTA-defined useful life standard in terms of years or miles. (approximately no more than 4 of 12 sedans)
- The RTA's fleet standard is to replace **trucks and other rubber tire vehicles and equipment** (non-revenue vehicles) at a rate that will allow for no more than **30%** of the vehicles beyond the FTA-defined useful life standard in terms of years or miles. (approximately no more than 1 of 4 maintenance trucks)
- The RTA's fleet standard is to replace **forklift** (non-revenue equipment) at a rate that will allow for no more than **40%** of the equipment beyond the FTA-defined useful life standard in terms of years or hours. (projected replacement year of the forklift is 2028)

How did your agency calculate these Non-Revenue Support Vehicle, Trucks & Equipment targets?

The support vehicle and equipment (non-revenue support vehicle) goal is set based on the current age and when the replacement is tentatively scheduled to take place. The RTA has identified revenue vehicles as the top priority for replacement over non-revenue support vehicles, trucks and equipment. Support vehicles and trucks acquire less miles and therefore the useful-life in age can be extended until funding is made available.

How has your agency made progress toward its Non-Revenue Support Vehicle, Trucks & Equipment targets?

Yes. The RTA works towards these goals but also uses the Fleet Replacement Module to justify the investment priority process of all of its fleet. Vehicle replacement is dependent upon available grant funds. The RTA is in the process of issuing purchase orders for nine (9) non-revenue support vehicles (7 electric sedans and 2 service work trucks) with anticipated delivery in 2024.

What challenges face your agency in making progress toward the Non-Revenue Support Vehicle, Trucks & Equipment targets?

Financial constraints, supporting infrastructure and lack of standardization in the industry remain the most significant challenges facing transit agencies for vehicle replacements. Currently, there are no universal standards when it comes to connector types, installation, power rating, and payment systems. Repair and maintenance, safety and regulatory compliance (example: Buy America compliant level 2 chargers), and managing data collection and analysis are just some of the challenges manufacturers face in day-to-day operations.

FACILITIES:

Bus Maintenance Facility located at 253 Elks Lane, San Luis Obispo, CA 93401

Currently the RTA operates and maintains its fleet and equipment from a single maintenance and administration facility (Bus Maintenance Facility) located at 253 Elks Lane in San Luis Obispo. Construction of Bus Maintenance Facility was completed in January 2022. The Bus Maintenance

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Facility was partially funded with FTA Section 5339 funds, various state grant funds, federal TIFIA loan and a private loan. The Bus Maintenance Facility is owned fully by the RTA. The RTA provides quarterly and annual inspections for the facility.

In 2023, the Bus Maintenance Facility was rated as a **5** indicating the facility and associated assets are in **"Excellent Condition"** with no visible defects, is in new condition and currently under warranty as applicable.

What Facility targets did your agency set?

The RTA uses the five-point scale condition measure identified below as required by the NTD and FTA. An asset is deemed to be adequate or better if it has a rating of 3, 4, or 5 on this scale.

Rating	Condition	Description
5	Excellent	No visible defects, new or near new condition, may still be under warranty if applicable
4	Good	Good condition, but no longer new, may be slightly defective or deteriorated, but is overall functional
3	Adequate	Moderately deteriorated or defective; but has not exceeded useful life
2	Marginal	Defective or deteriorated in need of replacements, exceeded useful life
1	Poor	Critically damaged or in need of immediate repair, well past useful life

RTA's facility condition assessment standard is to repair a facility assets that receive a condition rating of marginal (2) or poor (1) at a rate that will allow for no more than **40%** of the total facility assets to exceed its useful life in accordance with the NTD and FTA-defined condition measure five-point scale.

The RTA completes an Administration/Maintenance Facility Condition Assessment internally on a regular basis, updates annually, and will report to the NTD every four (4) years as required. The next NTD Facility Condition Assessment will be due in 2026.

San Luis Obispo Regional Transit Authority Transit Asset Management Plan
Geoff Straw, Accountable Executive
Last modified by Melissa C. Mudgett on 12 Oct 23 at 09:49

Introduction

The RTA is a Joint Powers Authority that was formed in 1989 that serves to connect various communities within San Luis Obispo County and nearby cities. Regional fixed-route and paratransit services throughout the region (including paratransit within the City of San Luis Obispo) are managed by the RTA. In addition, the RTA is contracted by the County of San Luis Obispo to operate community-based services in unincorporated areas (primarily in Nipomo, Shandon and Templeton), and by the City of Paso Robles to operate the Paso Express fixed-route services and the Paso Robles Dial-A-Ride service. The RTA also provides administrative oversight of the South County Transit's (SCT) fixed-route services in the Five Cities area. The RTA Board of Directors consists of a representative from all of the cities in which transportation services are provided, as well as all five San Luis Obispo County Supervisors. The Regional Transportation Advisory Committee (RTAC) meets quarterly and provides advice to the RTA Board. Services have been directly operated by the RTA employees since 2009, when the previously contracted services were brought in-house. The RTA's fleet standard is to replace 100% of all revenue vehicles with no more than 40% beyond the FTA-defined useful life standard in terms of years or miles. This is a Tier II Group Plan that also includes the City of Atacadero as a subrecipient to the RTA. The City of Atascadero provides only Dial-A-Ride services to their community.

Performance Targets & Measures

Asset Category - Performance Measure	Asset Class	2024 Target	2025 Target	2026 Target	2027 Target	2028 Target
REVENUE VEHICLES						
Age - % of revenue vehicles within a particular asset class that have met or exceeded their Useful Life Benchmark (ULB)	**AB - Articulated Bus**	N/A				
	AO - Automobile	N/A				
	BR - Over-the-road Bus	N/A				
	BU - Bus	25%	25%	25%	25%	25%
	CU - Cutaway Bus	25%	25%	25%	25%	25%
	DB - Double Decked Bus	N/A				
	FB - Ferryboat	N/A				
	MB - Mini-bus	N/A				
	MV - Mini-van	25%	25%	25%	25%	25%
	RT - Rubber-tire Vintage Trolley	50%	50%	50%	50%	50%
	SB - School Bus	N/A				
	SV - Sport Utility Vehicle	N/A				
	TB - Trolleybus	N/A				
	VN - Van	N/A				
	Custom 1	N/A				
	Custom 2	N/A				
	Custom 3	N/A				
EQUIPMENT						
Age - % of vehicles that have met or exceeded their Useful Life Benchmark (ULB)	**Non Revenue/Service Automobile**	30%	30%	30%	30%	30%
	Steel Wheel Vehicles	N/A				
	Trucks and other Rubber Tire Vehicles	30%	30%	30%	30%	30%
	Forklift	30%	30%	30%	30%	30%
	Custom 2	N/A				
	Custom 3	N/A				
FACILITIES						
Condition - % of facilities with a condition rating below 3.0 on the FTA Transit Economic Requirements Model (TERM) Scale	**Administration**	N/A				
	Maintenance	40%	40%	40%	40%	40%
	Parking Structures	N/A				
	Passenger Facilities	N/A				
	Custom 1	N/A				
	Custom 2	N/A				
	Custom 3	N/A				

Target Setting Methodology

Based on the RTA's Strategic Business Plan, the goal for all revenue vehicles is to not exceed more than 40% beyond the FTA-defined useful life standard in terms of years or miles. The equipment goal (non-revenue support vehicles) is set based on the current age and when the replacement is tentatively scheduled to take place.

Capital Asset Inventory

Please see Appendix A (Asset Register) for the asset inventory listing.

Asset Inventory Summary

Asset Category	Total Number	Avg Age	Avg Mileage	Avg Value
RevenueVehicles	**68**	**6.8**	**239,328**	**$538,897.06**
AB - Articulated Bus	0	-	-	-
AO - Automobile	0	-	-	-
BR - Over-the-road Bus	0	-	-	-
BU - Bus	33	8.8	395,390	$950,606.06
CU - Cutaway Bus	18	5.3	136,507	$180,000.00
DB - Double Decked Bus	0	-	-	-
FB - Ferryboat	0	-	-	-
MB - Mini-bus	0	-	-	-
MV - Mini-van	15	3.7	40,449	$85,000.00
RT - Rubber-tire Vintage Trolley	2	9.5	81,299	$380,000.00
SB - School Bus	0	-	-	-
SV - Sport Utility Vehicle	0	-	-	-
TB - Trolleybus	0	-	-	-
VN - Van	0	-	-	-
Custom 1	0	-	-	-
Custom 2	0	-	-	-
Custom 3	0	-	-	-
Equipment	**18**	**7.3**	**97,535**	**$62,000.00**
Non Revenue/Service Automobile	13	7.5	111,544	$52,000.00
Steel Wheel Vehicles	0	-	-	-
Trucks and other Rubber Tire Vehicles	4	6.8	76,324	$91,250.00
Forklift	1	7.0	264	$75,000.00
Custom 2	0	-	-	-
Custom 3	0	-	-	-
Facilities	**1**	**2.0**	**N/A**	**$24,000,000.00**
Administration	0	-	N/A	-
Maintenance	1	2.0	N/A	$24,000,000.00
Parking Structures	0	-	N/A	-
Passenger Facilities	0	-	N/A	-
Custom 1	0	-	N/A	-
Custom 2	0	-	N/A	-
Custom 3	0	-	N/A	-

Condition Assessment

Please see Appendix B (Asset Condition Data) for individual asset condition listing.

Asset Condition Summary

Asset Category	Total Number	Avg Age	Avg Mileage	Avg TERM Condition	Avg Value	% At or Past ULB
RevenueVehicles	**68**	**6.8**	**239,328**	**N/A**	**$538,897.06**	**21%**
AB - Articulated Bus	0	-	-	N/A	-	-
AO - Automobile	0	-	-	N/A	-	-
BR - Over-the-road Bus	0	-	-	N/A	-	-
BU - Bus	33	8.8	395,390	N/A	$950,606.06	18%
CU - Cutaway Bus	18	5.3	136,507	N/A	$180,000.00	28%
DB - Double Decked Bus	0	-	-	N/A	-	-
FB - Ferryboat	0	-	-	N/A	-	-
MB - Mini-bus	0	-	-	N/A	-	-
MV - Mini-van	15	3.7	40,449	N/A	$85,000.00	20%
RT - Rubber-tire Vintage Trolley	2	9.5	81,299	N/A	$380,000.00	0%
SB - School Bus	0	-	-	N/A	-	-
SV - Sport Utility Vehicle	0	-	-	N/A	-	-
TB - Trolleybus	0	-	-	N/A	-	-
VN - Van	0	-	-	N/A	-	-
Custom 1	0	-	-	N/A	-	-
Custom 2	0	-	-	N/A	-	-
Custom 3	0	-	-	N/A	-	-
Equipment	**18**	**7.3**	**97,535**	**N/A**	**$62,000.00**	**33%**
Non Revenue/Service Automobile	13	7.5	111,544	N/A	$52,000.00	46%
Steel Wheel Vehicles	0	-	-	N/A	-	-
Trucks and other Rubber Tire Vehicles	4	6.8	76,324	N/A	$91,250.00	0%
Forklift	1	7.0	264	N/A	$75,000.00	0%
Custom 2	0	-	-	N/A	-	-
Custom 3	0	-	-	N/A	-	-
Facilities	**1**	**2.0**	**N/A**	**5.0**	**$24,000,000.00**	**N/A**
Administration	0	-	N/A	-	-	N/A
Maintenance	1	2.0	N/A	5.0	$24,000,000.00	N/A
Parking Structures	0	-	N/A	-	-	N/A
Passenger Facilities	0	-	N/A	-	-	N/A
Custom 1	0	-	N/A	-	-	N/A
Custom 2	0	-	N/A	-	-	N/A
Custom 3	0	-	N/A	-	-	N/A

Decision Support

Investment Prioritization

The RTA uses the Fleet Replacement Module to identify replacements and to justify the investment priority process.
The RTA uses the Facility Condition Assessment to identify repairs to the facility and to justify investment priorities.
The RTA uses the ICT Zero-Emission Bus Roll-Out Plan to support investment decision-making and prioritization.

Decision Support Tools

The following tools are used in making investment decisions:

Process/Tool	Brief Description
Fleet Replacement Module	Fleet replacement module was used to generate the projected replacement of the fleet based on thier useful life and condition of the fleet over the next five years (2022-2027). The RTA Fleet Software system uses asset inventory and condition information to support the fleet replacement schedule.
Facility Condition Assessment	The RTA will complete a Condition Assessment for the Bus Maintenance Facility located at 253 Elks Lane in San Luis Obispo. This Condition Assessment uses the NTD and FTA 5-point assessment rating scale for all assets related to the facility. The Condition Assessment will be conducted every 4 years and reported to the NTD and FTA.
Innovative Clean Transit (ICT) Fleet Roll-Out Plan	The RTA ICT Zero-Emission Bus Roll-Out Plan was adopted in March 2023. This Plan projects the replacement year & cost for vehicles with a Gross Vehicle Weight (GVW)greater than 14,000 lbs to 2040. The RTA will use this plan to support investment decision-making and prioritization.

Investment Prioritization

The list of prioritized investment projects is provided in Appendix C.

Appendices

Appendix A	Asset Register
Appendix B1	Revenue Vehicle (Rolling Stock) Condition Data
Appendix B2	Equipment Condition Data
Appendix B3	Facilities Condition Data
Appendix C	Proposed Investment Project List
Appendix D	Fleet Replacement Module Output

Appendix A: Asset Register

Asset Category	Asset Class	Asset Name	Make	Model	Count	ID/Serial No.	Asset Owner	Acquisition Year	Vehicle Mileage	Replacement Cost/Value
Equipment	Forklift	523	Toyota	forklift	1	67498	SLO RTA	2016	264	$75,000.00
Equipment	Non Revenue/Service Automobile	506	HONDA	CIVIC HYBRID	1	JHMFA3F27AS000891	SLO RTA	2009	107,348	$52,000.00
Equipment	Non Revenue/Service Automobile	516	DODGE	GRAND CARAVAN	1	2C7WDGBG4ER427019	SCT	2014	129,248	$52,000.00
Equipment	Non Revenue/Service Automobile	517	DODGE	GRAND CARAVAN	1	2C7WDGBG0ER432170	SCT	2014	82,310	$52,000.00
Equipment	Non Revenue/Service Automobile	518	FORD	ESCAPE	1	1FMCU0F79FUA82166	SLO RTA	2015	160,488	$52,000.00
Equipment	Non Revenue/Service Automobile	519	FORD	ESCAPE	1	1FMCU07F0FUA82167	SLO RTA	2015	196,290	$52,000.00
Equipment	Non Revenue/Service Automobile	520	FORD	ESCAPE	1	1FMCU0F72FUA82168	SLO RTA	2015	52,823	$52,000.00
Equipment	Non Revenue/Service Automobile	521	FORD	ESCAPE	1	1FMCU0F71HUB03417	SLO RTA	2017	146,645	$52,000.00
Equipment	Non Revenue/Service Automobile	525	CHEVROLET	EUV E-Bolt	1	1G1FY6S07P4139265	SLO RTA	2023	1,242	$52,000.00
Equipment	Non Revenue/Service Automobile	1601	DODGE	BRAUN	1	2C7WDGBG8FR642808	SLO RTA	2016	96,932	$52,000.00
Equipment	Non Revenue/Service Automobile	1602	DODGE	BRAUN	1	2C7WDGBG6FR652138	SLO RTA	2016	111,477	$52,000.00
Equipment	Non Revenue/Service Automobile	1603	DODGE	BRAUN	1	2C7WDGBG6FR652141	SLO RTA	2016	121,640	$52,000.00
Equipment	Non Revenue/Service Automobile	1604	DODGE	BRAUN	1	2C7WDGBG7FR652150	SLO RTA	2016	122,061	$52,000.00
Equipment	Non Revenue/Service Automobile	1607	DODGE	BRAUN	1	2C7WDGBG8FR642792	SLO RTA	2016	121,567	$52,000.00
Equipment	Trucks and other Rubber Tire Vehicles	511	FORD	F-250	1	1FT7X2A60EEB27771	SLO RTA	2014	104,220	$85,000.00
Equipment	Trucks and other Rubber Tire Vehicles	512	FORD	F-250	1	1FD7X2A62EEB27850	SLO RTA	2014	65,398	$100,000.00
Equipment	Trucks and other Rubber Tire Vehicles	522	FORD	F-250	1	1FD7X2A66GED42246	SLO RTA	2016	100,106	$80,000.00
Equipment	Trucks and other Rubber Tire Vehicles	524	FORD	F-250	1	1FTFX1C50MKD87727	SLO RTA	2021	35,572	$100,000.00
Facilities	Maintenance	Bus Maintenance Facility (BMF)			1		SLO RTA	2021		$24,000,000.00
RevenueVehicles	BU - Bus	167	GILLIG	PHANTOM	1	15GCD271181112915	SLO RTA	2008	656,191	$960,000.00
RevenueVehicles	BU - Bus	168	GILLIG	PHANTOM	1	15GCD271381112916	SLO RTA	2008	588,823	$960,000.00
RevenueVehicles	BU - Bus	204	GILLIG	PHANTOM	1	15GCB201731112331	SCT	2003	550,809	$960,000.00
RevenueVehicles	BU - Bus	1011	THOR	EZ RIDER	1	1N9MMACL2AC084310	SCT	2010	337,452	$960,000.00
RevenueVehicles	BU - Bus	1012	THOR	EZ RIDER	1	1N9MMACL4AC084311	SCT	2010	267,781	$960,000.00
RevenueVehicles	BU - Bus	1101	EL DORADO	BRT	1	1N9APACL6AC084207	SLO RTA	2011	278,856	$650,000.00
RevenueVehicles	BU - Bus	1301	GILLIG	LOW FLOOR	1	15GGD2714D1182291	SLO RTA	2013	520,521	$960,000.00
RevenueVehicles	BU - Bus	1302	GILLIG	LOW FLOOR	1	15GGD2716D1182292	SLO RTA	2013	459,958	$960,000.00
RevenueVehicles	BU - Bus	1303	GILLIG	LOW FLOOR	1	15GGD2718D1182293	SLO RTA	2013	542,585	$960,000.00
RevenueVehicles	BU - Bus	1304	GILLIG	LOW FLOOR	1	15GGD271XD1182294	SLO RTA	2013	517,895	$960,000.00
RevenueVehicles	BU - Bus	1305	GILLIG	LOW FLOOR	1	15GGD2711D1182295	SLO RTA	2013	486,039	$960,000.00
RevenueVehicles	BU - Bus	1306	GILLIG	LOW FLOOR	1	15GGD2713D1182296	SLO RTA	2013	523,373	$960,000.00
RevenueVehicles	BU - Bus	1307	GILLIG	LOW FLOOR	1	15GGD2715D1182297	SLO RTA	2013	535,990	$960,000.00
RevenueVehicles	BU - Bus	1308	GILLIG	LOW FLOOR	1	15GGB271XD1182298	SCT	2013	442,844	$960,000.00
RevenueVehicles	BU - Bus	1309	GILLIG	LOW FLOOR	1	15GGB2711D1182299	SCT	2013	441,564	$960,000.00
RevenueVehicles	BU - Bus	1310	GILLIG	LOW FLOOR	1	15GGB2714D1182300	SCT	2013	455,536	$960,000.00
RevenueVehicles	BU - Bus	1501	GILLIG	LOW FLOOR	1	15GGD2719F1184847	SLO RTA	2015	483,279	$960,000.00
RevenueVehicles	BU - Bus	1502	GILLIG	LOW FLOOR	1	15GGD2710F1184848	SLO RTA	2015	454,034	$960,000.00
RevenueVehicles	BU - Bus	1503	GILLIG	LOW FLOOR	1	15GGD2712F1184849	SLO RTA	2015	441,091	$960,000.00
RevenueVehicles	BU - Bus	1504	GILLIG	LOW FLOOR	1	15GGD2719F1184850	SLO RTA	2015	456,598	$960,000.00

Asset Category	Asset Class	Asset Name	Make	Model	Count	ID/Serial No.	Asset Owner	Acquisition Year	Vehicle Mileage	Replacement Cost/Value
RevenueVehicles	BU - Bus	1505	GILLIG	LOW FLOOR	1	15GGD2710F1184851	SLO RTA	2015	428,196	$960,000.00
RevenueVehicles	BU - Bus	1506	GILLIG	LOW FLOOR	1	15GGD2712F1184852	SLO RTA	2015	414,623	$960,000.00
RevenueVehicles	BU - Bus	1507	GILLIG	LOW FLOOR	1	15GGD2714F1184853	SLO RTA	2015	372,844	$960,000.00
RevenueVehicles	BU - Bus	1508	GILLIG	LOW FLOOR	1	15GGD2716F1184854	SLO RTA	2015	458,041	$960,000.00
RevenueVehicles	BU - Bus	1509	GILLIG	LOW FLOOR	1	15GGB2710F1184855	SCT	2015	356,178	$960,000.00
RevenueVehicles	BU - Bus	1801	GILLIG	LOW FLOOR	1	15GGD2715J3190447	SLO RTA	2018	277,358	$960,000.00
RevenueVehicles	BU - Bus	1802	GILLIG	LOW FLOOR	1	15GGD2717J3190448	SLO RTA	2018	264,979	$960,000.00
RevenueVehicles	BU - Bus	1803	GILLIG	LOW FLOOR	1	15GGD2719J3190449	SLO RTA	2018	243,891	$960,000.00
RevenueVehicles	BU - Bus	1910	GILLIG	LOW FLOOR	1	15GGD2710K3191300	SLO RTA	2019	227,723	$960,000.00
RevenueVehicles	BU - Bus	1911	GILLIG	LOW FLOOR	1	15GGD2712K3191301	SLO RTA	2019	224,967	$960,000.00
RevenueVehicles	BU - Bus	1912	GILLIG	LOW FLOOR	1	15GGD2714K3191302	SLO RTA	2019	226,170	$960,000.00
RevenueVehicles	BU - Bus	2101	GILLIG	LOW FLOOR	1	15GGD2711M3197061	SLO RTA	2021	45,922	$960,000.00
RevenueVehicles	BU - Bus	2102	GILLIG	LOW FLOOR	1	15GGD2713M3197062	SLO RTA	2021	65,761	$960,000.00
RevenueVehicles	CU - Cutaway Bus	27	FORD	STARCRAFT E450	1	1FDFE4FSXEDB20055	ATASCADERO	2015	83,008	$180,000.00
RevenueVehicles	CU - Cutaway Bus	28	FORD	STARCRAFT E450	1	1FDFE4FS3HDC33737	ATASCADERO	2017	61,018	$180,000.00
RevenueVehicles	CU - Cutaway Bus	29	FORD	STARCRAFT E450	1	1FDFE4FS1HDC78904	ATASCADERO	2018	67,978	$180,000.00
RevenueVehicles	CU - Cutaway Bus	30	FORD	STARCRAFT E450	1	1FDFE4FS5HDC78906	ATASCADERO	2018	69,898	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1510	FORD	STARCRAFT E450	1	1FDFE4FS0GDC08468	SLO RTA	2015	456,515	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1511	FORD	STARCRAFT E450	1	1FDFE4FS4GDC09025	SLO RTA	2015	163,704	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1512	FORD	STARCRAFT E450	1	1FDFE4FS5GDC08448	SLO RTA	2015	467,527	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1608	FORD	STARCRAFT E450	1	1FDFE4FS3GDC45434	SLO RTA	2016	144,626	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1901	FORD	STARCRAFT E450	1	1FDFE4FS5KDC21600	SLO RTA	2019	103,123	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1902	FORD	STARCRAFT E450	1	1FDFE4FS7KDC26300	SLO RTA	2019	102,456	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1903	FORD	STARCRAFT E450	1	1FDFE4FS9KDC26301	SLO RTA	2019	112,156	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1904	FORD	STARCRAFT E450	1	1FDFE4FS9KDC26302	SLO RTA	2019	108,415	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1905	FORD	STARCRAFT E450	1	1FDFE4FS9KDC26303	SLO RTA	2019	93,442	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1906	FORD	STARCRAFT E450	1	1FDFE4FS9KDC26304	SLO RTA	2019	100,752	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1907	FORD	STARCRAFT E450	1	1FDFE4FS9KDC26305	SLO RTA	2019	101,309	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1908	FORD	STARCRAFT E450	1	1FDFE4FS9KDC26306	SLO RTA	2019	97,282	$180,000.00
RevenueVehicles	CU - Cutaway Bus	1909	FORD	STARCRAFT E450	1	1FDFE4FS9KDC26299	SCT	2019	81,332	$180,000.00
RevenueVehicles	CU - Cutaway Bus	2031	FORD	STARCRAFT E450	1	1FDFE4FN6MDC15074	SLO RTA	2019	42,587	$180,000.00
RevenueVehicles	MV - Mini-van	1704	DODGE	BRAUN	1	2C7WDGBG1GR396508	SLO RTA	2017	117,801	$85,000.00
RevenueVehicles	MV - Mini-van	1705	DODGE	BRAUN	1	2C7WDGBG7GR396514	SLO RTA	2017	113,609	$85,000.00
RevenueVehicles	MV - Mini-van	1706	DODGE	BRAUN	1	2C7WDGBG6GR396519	SLO RTA	2017	95,666	$85,000.00
RevenueVehicles	MV - Mini-van	2051	DODGE	BRAUN ENTRAVAN	1	2C7WDGBG0KR798819	SLO RTA	2019	33,322	$85,000.00
RevenueVehicles	MV - Mini-van	2052	DODGE	BRAUN ENTRAVAN	1	2C7WDGBG9KR798818	SLO RTA	2019	34,401	$85,000.00
RevenueVehicles	MV - Mini-van	2053	DODGE	BRAUN ENTRAVAN	1	2C7WDGBG9KR798835	SLO RTA	2019	32,039	$85,000.00
RevenueVehicles	MV - Mini-van	2054	DODGE	BRAUN ENTRAVAN	1	2C7WDGBG9KR801121	SLO RTA	2019	36,687	$85,000.00
RevenueVehicles	MV - Mini-van	2055	DODGE	BRAUN ENTRAVAN	1	2C7WDGBGXKR799394	SLO RTA	2019	33,998	$85,000.00
RevenueVehicles	MV - Mini-van	2056	DODGE	BRAUN ENTRAVAN	1	2C7WDGBGXKR801077	SLO RTA	2019	30,848	$85,000.00
RevenueVehicles	MV - Mini-van	2057	DODGE	BRAUN ENTRAVAN	1	2C7WDGBG1KR808323	SLO RTA	2019	32,525	$85,000.00
RevenueVehicles	MV - Mini-van	2151	DODGE	BRAUN ENTRAVAN	1	2C7WDGBG7KR800808	Paso DAR	2020	18,297	$85,000.00
RevenueVehicles	MV - Mini-van	2152	DODGE	BRAUN ENTRAVAN	1	2C7WDGBG3KR800918	Paso DAR	2020	20,469	$85,000.00
RevenueVehicles	MV - Mini-van	2351	CHRYSLER	VOYAGER	1	2C4RC1CG3NR163073	SLO RTA	2022	2,841	$85,000.00
RevenueVehicles	MV - Mini-van	2352	CHRYSLER	VOYAGER	1	2C4RC1CG3NR171738	SLO RTA	2022	2,145	$85,000.00
RevenueVehicles	MV - Mini-van	2353	CHRYSLER	VOYAGER	1	2C4RC1CG3NR171741	SLO RTA	2022	2,091	$85,000.00
RevenueVehicles	RT - Rubber-tire Vintage Trolley	1013	DOUBLE K	VILLAGER	1	1F66F5DY7B0A04333	SLO RTA	2010	108,981	$380,000.00
RevenueVehicles	RT - Rubber-tire Vintage Trolley	1707	DOUBLE K	VILLAGER	1	1F66F5DY0H0A10659	SLO RTA	2017	53,616	$380,000.00

Appendix B: Asset Condition Data

B1: Revenue Vehicle Assets

Asset Category	Asset Class	Asset Name	Count	ID/Serial No.	Age (Yrs)	Vehicle Mileage	Replacement Cost/Value	Useful Life Benchmark (Yrs)	Past Useful Life Benchmark
RevenueVehicles	BU - Bus	167	1	15GCD271181112915	15	656,191	$960,000.00	12	Yes
RevenueVehicles	BU - Bus	168	1	15GCD271381112916	15	588,823	$960,000.00	12	Yes
RevenueVehicles	BU - Bus	204	1	15GCB201731112331	20	550,809	$960,000.00	12	Yes
RevenueVehicles	BU - Bus	1011	1	1N9MMACL2AC084310	13	337,452	$960,000.00	12	Yes
RevenueVehicles	BU - Bus	1012	1	1N9MMACL4AC084311	13	267,781	$960,000.00	12	Yes
RevenueVehicles	BU - Bus	1101	1	1N9APACL6AC084207	12	278,856	$650,000.00	12	Yes
RevenueVehicles	BU - Bus	1301	1	15GGD2714D1182291	10	520,521	$960,000.00	12	No
RevenueVehicles	BU - Bus	1302	1	15GGD2716D1182292	10	459,958	$960,000.00	12	No
RevenueVehicles	BU - Bus	1303	1	15GGD2718D1182293	10	542,585	$960,000.00	12	No
RevenueVehicles	BU - Bus	1304	1	15GGD271XD1182294	10	517,895	$960,000.00	12	No
RevenueVehicles	BU - Bus	1305	1	15GGD2711D1182295	10	486,039	$960,000.00	12	No
RevenueVehicles	BU - Bus	1306	1	15GGD2713D1182296	10	523,373	$960,000.00	12	No
RevenueVehicles	BU - Bus	1307	1	15GGD2715D1182297	10	535,990	$960,000.00	12	No
RevenueVehicles	BU - Bus	1308	1	15GGB271XD1182298	10	442,844	$960,000.00	12	No
RevenueVehicles	BU - Bus	1309	1	15GGB2711D1182299	10	441,564	$960,000.00	12	No
RevenueVehicles	BU - Bus	1310	1	15GGB2714D1182300	10	455,536	$960,000.00	12	No
RevenueVehicles	BU - Bus	1501	1	15GGD2719F1184847	8	483,279	$960,000.00	12	No
RevenueVehicles	BU - Bus	1502	1	15GGD2710F1184848	8	454,034	$960,000.00	12	No
RevenueVehicles	BU - Bus	1503	1	15GGD2712F1184849	8	441,091	$960,000.00	12	No

Asset Category	Asset Class	Asset Name	Count	ID/Serial No.	Age (Yrs)	Vehicle Mileage	Replacement Cost/Value	Useful Life Benchmark (Yrs)	Past Useful Life Benchmark
RevenueVehicles	BU - Bus	1504	1	15GGD2719F1184850	8	456,598	$960,000.00	12	No
RevenueVehicles	BU - Bus	1505	1	15GGD2710F1184851	8	428,196	$960,000.00	12	No
RevenueVehicles	BU - Bus	1506	1	15GGD2712F1184852	8	414,623	$960,000.00	12	No
RevenueVehicles	BU - Bus	1507	1	15GGD2714F1184853	8	372,844	$960,000.00	12	No
RevenueVehicles	BU - Bus	1508	1	15GGD2716F1184854	8	458,041	$960,000.00	12	No
RevenueVehicles	BU - Bus	1509	1	15GGB2710F1184855	8	356,178	$960,000.00	12	No
RevenueVehicles	BU - Bus	1801	1	15GGD2715J3190447	5	277,358	$960,000.00	12	No
RevenueVehicles	BU - Bus	1802	1	15GGD2717J3190448	5	264,979	$960,000.00	12	No
RevenueVehicles	BU - Bus	1803	1	15GGD2719J3190449	5	243,891	$960,000.00	12	No
RevenueVehicles	BU - Bus	1910	1	15GGD2710K3191300	4	227,723	$960,000.00	12	No
RevenueVehicles	BU - Bus	1911	1	15GGD2712K3191301	4	224,967	$960,000.00	12	No
RevenueVehicles	BU - Bus	1912	1	15GGD2714K3191302	4	226,170	$960,000.00	12	No
RevenueVehicles	BU - Bus	2101	1	15GGD2711M3197061	2	45,922	$960,000.00	12	No
RevenueVehicles	BU - Bus	2102	1	15GGD2713M3197062	2	65,761	$960,000.00	12	No
RevenueVehicles	CU - Cutaway Bus	27	1	1FDFE4FSXEDB20055	8	83,008	$180,000.00	7	Yes
RevenueVehicles	CU - Cutaway Bus	28	1	1FDFE4FS3HDC33737	6	61,018	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	29	1	1FDFE4FS1HDC78904	5	67,978	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	30	1	1FDFE4FS5HDC78906	5	69,898	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	1510	1	1FDFE4FS0GDC08468	8	456,515	$180,000.00	7	Yes
RevenueVehicles	CU - Cutaway Bus	1511	1	1FDFE4FS4GDC09025	8	163,704	$180,000.00	5	Yes
RevenueVehicles	CU - Cutaway Bus	1512	1	1FDFE4FS5GDC08448	8	467,527	$180,000.00	7	Yes
RevenueVehicles	CU - Cutaway Bus	1608	1	1FDFE4FS3GDC45434	7	144,626	$180,000.00	7	Yes
RevenueVehicles	CU - Cutaway Bus	1901	1	1FDFE4FS5KDC21600	4	103,123	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	1902	1	1FDFE4FS7KDC26300	4	102,456	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	1903	1	1FDFE4FS9KDC26301	4	112,156	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	1904	1	1FDFE4FS9KDC26302	4	108,415	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	1905	1	1FDFE4FS9KDC26303	4	93,442	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	1906	1	1FDFE4FS9KDC26304	4	100,752	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	1907	1	1FDFE4FS9KDC26305	4	101,309	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	1908	1	1FDFE4FS9KDC26306	4	97,282	$180,000.00	7	No

Asset Category	Asset Class	Asset Name	Count	ID/Serial No.	Age (Yrs)	Vehicle Mileage	Replacement Cost/Value	Useful Life Benchmark (Yrs)	Past Useful Life Benchmark
RevenueVehicles	CU - Cutaway Bus	1909	1	1FDFE4FS9KDC26299	4	81,332	$180,000.00	7	No
RevenueVehicles	CU - Cutaway Bus	2031	1	1FDFE4FN6MDC15074	4	42,587	$180,000.00	7	No
RevenueVehicles	MV - Mini-van	1704	1	2C7WDGBG1GR396508	6	117,801	$85,000.00	5	Yes
RevenueVehicles	MV - Mini-van	1705	1	2C7WDGBG7GR396514	6	113,609	$85,000.00	5	Yes
RevenueVehicles	MV - Mini-van	1706	1	2C7WDGBG6GR396519	6	95,666	$85,000.00	5	Yes
RevenueVehicles	MV - Mini-van	2051	1	2C7WDGBG0KR798819	4	33,322	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2052	1	2C7WDGBG9KR798818	4	34,401	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2053	1	2C7WDGBG9KR798835	4	32,039	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2054	1	2C7WDGBG9KR801121	4	36,687	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2055	1	2C7WDGBGXKR799394	4	33,998	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2056	1	2C7WDGBGXKR801077	4	30,848	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2057	1	2C7WDGBG1KR808323	4	32,525	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2151	1	2C7WDGBG7KR800808	3	18,297	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2152	1	2C7WDGBG3KR800918	3	20,469	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2351	1	2C4RC1CG3NR163073	1	2,841	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2352	1	2C4RC1CG3NR171738	1	2,145	$85,000.00	5	No
RevenueVehicles	MV - Mini-van	2353	1	2C4RC1CG3NR171741	1	2,091	$85,000.00	5	No
RevenueVehicles	RT - Rubber-tire Vintage Trolley	1013	1	1F66F5DY7B0A04333	13	108,981	$380,000.00	14	No
RevenueVehicles	RT - Rubber-tire Vintage Trolley	1707	1	1F66F5DY0H0A10659	6	53,616	$380,000.00	14	No

Appendix B: Asset Condition Data

B2: Equipment Assets

Asset Category	Asset Class	Asset Name	Count	ID/Serial No.	Age (Yrs)	Vehicle Mileage	Replacement Cost/Value	Useful Life Benchmark (Yrs)	Past Useful Life Benchmark
Equipment	Forklift	523	1	67498	7	264	$75,000.00	15	No
Equipment	Non Revenue/Service Automobile	506	1	JHMFA3F27AS000891	14	107,348	$52,000.00	8	Yes
Equipment	Non Revenue/Service Automobile	516	1	2C7WDGBG4ER427019	9	129,248	$52,000.00	8	Yes
Equipment	Non Revenue/Service Automobile	517	1	2C7WDGBG0ER432170	9	82,310	$52,000.00	8	Yes
Equipment	Non Revenue/Service Automobile	518	1	1FMCU0F79FUA82166	8	160,488	$52,000.00	8	Yes
Equipment	Non Revenue/Service Automobile	519	1	1FMCU07F0FUA82167	8	196,290	$52,000.00	8	Yes
Equipment	Non Revenue/Service Automobile	520	1	1FMCU0F72FUA82168	8	52,823	$52,000.00	8	Yes
Equipment	Non Revenue/Service Automobile	521	1	1FMCU0F71HUB03417	6	146,645	$52,000.00	8	No
Equipment	Non Revenue/Service Automobile	525	1	1G1FY6S07P4139265		1,242	$52,000.00	8	No
Equipment	Non Revenue/Service Automobile	1601	1	2C7WDGBG8FR642808	7	96,932	$52,000.00	8	No
Equipment	Non Revenue/Service Automobile	1602	1	2C7WDGBG6FR652138	7	111,477	$52,000.00	8	No
Equipment	Non Revenue/Service Automobile	1603	1	2C7WDGBG6FR652141	7	121,640	$52,000.00	8	No
Equipment	Non Revenue/Service Automobile	1604	1	2C7WDGBG7FR652150	7	122,061	$52,000.00	8	No
Equipment	Non Revenue/Service Automobile	1607	1	2C7WDGBG8FR642792	7	121,567	$52,000.00	8	No
Equipment	Trucks and other Rubber Tire Vehicles	511	1	1FT7X2A60EEB27771	9	104,220	$85,000.00	10	No
Equipment	Trucks and other Rubber Tire Vehicles	512	1	1FD7X2A62EEB27850	9	65,398	$100,000.00	10	No
Equipment	Trucks and other Rubber Tire Vehicles	522	1	1FD7X2A66GED42246	7	100,106	$80,000.00	10	No
Equipment	Trucks and other Rubber Tire Vehicles	524	1	1FTFX1C50MKD87727	2	35,572	$100,000.00	10	No

Appendix B: Asset Condition Data

B3: Facilities Assets

Asset Category	Asset Class	Asset Name	Count	ID/Serial No.	Age (Yrs)	TERM Scale Condition	Replacement Cost/Value
Facilities	Maintenance	Bus Maintenance Facility (BMF)	1		2	5	$24,000,000.00

Appendix C: Proposed Investment Project List

Project Year	Project Name	Asset/Asset Class	Cost	Priority
2022	30ft Medium Duty Buses (3)	RevenueVehicles	$708,970.00	High
2022	Cutaways - Medium Duty (2)	RevenueVehicles	$305,205.00	High
2023	40ft Transit Buses - Electric (2)	RevenueVehicles	$1,979,328.00	High
2023	40ft Transit Buses - Electric (5)	RevenueVehicles	$4,948,320.00	High
2023	40ft Transit Buses - Diesel (1)	RevenueVehicles	$650,000.00	High
2023	Minivans (ADA) (7)	RevenueVehicles	$800,000.00	High
2023	Support Vehicle (non-revenue) - electric (1)	Equipment	$50,000.00	Medium
2024	Trolley Bus	RevenueVehicles	$285,000.00	Low
2026	40ft Transit Buses - Electric (4)	RevenueVehicles	$4,041,128.00	Medium
2026	40ft Transit Buses - Diesel (4)	RevenueVehicles	$2,680,340.00	Medium
2026	Cutaways - Medium Duty (9)	RevenueVehicles	$1,382,437.00	Medium
2027	40ft Transit Buses - Electric (5)	RevenueVehicles	$5,064,426.00	Medium
2027	40ft Transit Buses - Diesel (4)	RevenueVehicles	$2,687,246.00	Medium
2029	Cutaways - Medium Duty (1)	RevenueVehicles	$154,000.00	Medium

Appendix D: Fleet Replacement Module Output

Total in Current Year $	**$10,715,000.00**		**$690,000.00**		**$910,000.00**		**$360,000.00**		**$10,815,000.00**	
Total in Year of Expenditure $	**$10,929,300.00**		**$703,800.00**		**$928,200.00**		**$367,200.00**		**$11,031,300.00**	
	2024		**2025**		**2026**		**2027**		**2028**	
Fleet Type (Year/Make/Model)	**Number**	**Cost in 2023 $**	**Number**	**Cost in 2023 $**	**Number**	**Cost in 2023 $**	**Number**	**Cost in 2023 $**	**Number**	**Cost in 2023 $**
2003 GILLIG PHANTOM	2	$1,920,000.00								
2008 GILLIG PHANTOM	2	$1,920,000.00								
2010 DOUBLE K VILLAGER										
2017 DOUBLE K VILLAGER					1	$380,000.00				
2010 THOR EZ RIDER										
2011 EL DORADO BRT	2	$1,300,000.00								
2013 GILLIG LOW FLOOR									2	$1,920,000.00
2015 GILLIG LOW FLOOR	1	$960,000.00							9	$8,640,000.00
2015 FORD STARCRAFT E450	9	$1,620,000.00								
2016 FORD STARCRAFT E450	3	$540,000.00								
2017 DODGE BRAUN										
2018 GILLIG LOW FLOOR										
2019 GILLIG LOW FLOOR										
2019 FORD STARCRAFT E450							2	$360,000.00		
2017 FORD STARCRAFT E450	1	$180,000.00	1	$180,000.00						
2018 FORD STARCRAFT E450	4	$720,000.00			2	$360,000.00				
2019 DODGE BRAUN ENTRAVAN			6	$510,000.00						
2020 DODGE BRAUN ENTRAVAN	1	$85,000.00			2	$170,000.00				
2021 GILLIG LOW FLOOR	1	$960,000.00								
2022 CHRYSLER VOYAGER	6	$510,000.00							3	$255,000.00

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOVEMBER 1, 2023
STAFF REPORT

AGENDA ITEM:	**A-6**
TOPIC:	**Annual Fiscal & Compliance Audit and Annual Single Audit**
PRESENTED BY:	**Tania Arnold, Deputy Director/CFO**

STAFF RECOMMENDATION:
1. **Review and Accept the FY2022-23 Annual Fiscal and Compliance Audit**
2. **Review and Accept the FY2022-23 Annual Single Audit**

BACKGROUND/DISCUSSION:
The Transportation Development Act (TDA) requires an annual fiscal and compliance audit of each TDA recipient. The attached audit report was completed for the RTA by Brown Armstrong Accountancy Corporation. The annual single audit report was also completed by Brown Armstrong Accountancy Corporation.

As noted in the budget amendment included in this agenda (Item C-1), there is an additional adjustment related to GASB 68 this year, in financial statements the operating expenses used to calculate the farebox recovery ratio is now also net of the GASB 68 adjustment, in addition to depreciation. This is noted on page 19 of the financial statements which can be found on the RTA website (https://www.slorta.org/wordpress/wp-content/uploads/RTA-FY2223-Financial-Statements-and-Single-Audit.pdf). This resulted in a favorable increase to the ratio.

Of particular interest to Board members is the Independent Auditor's Report at the beginning of the document, which provides summary findings of the audit team. In short, the auditors found our financial statements to fairly present the financial position of the RTA, and that we expressed our financial position and cash flows in accordance with generally accepted accounting principles. In addition, the auditor found no deficiencies in internal control or compliance with federal programs that might be considered material weaknesses or significant deficiencies.

Staff Recommendation
1. Staff recommends that the Board review and accept the Fiscal Year 2022-23 Annual Fiscal and Compliance Audit report for the RTA.

2. Staff recommends that the Board review and accept the Fiscal Year 2022-23 Annual Single Audit report for the RTA.

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SAN LUIS OBISPO
REGIONAL TRANSIT AUTHORITY

BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2023 AND 2022

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JUNE 30, 2023 AND 2022

TABLE OF CONTENTS

FINANCIAL SECTION

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

www.ba.cpa
661-324-4971

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the San Luis Obispo Regional Transit Authority (the Authority) as of and for the fiscal years ended June 30, 2023 and 2022, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 2, 2023

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and investments	$ 4,547,840	$ 4,278,465
Accounts receivable	210,832	144,352
Deposits	2,000	2,000
Intergovernmental receivables	5,167,832	4,786,573
Prepaid items	286,976	236,736
Inventory at cost	393,136	263,917
Total Current Assets	10,608,616	9,712,043
Noncurrent Assets:		
Restricted - Cash	184,204	184,204
Total restricted assets	184,204	184,204
Capital Assets:		
Nondepreciable		
Land	1,512,602	1,512,602
Depreciable		
Buildings and improvements	26,237,737	26,220,948
Equipment and vehicles	23,812,713	22,412,297
Less accumulated depreciation	(18,299,707)	(15,500,769)
Depreciable assets, net	31,750,743	33,132,476
Right-to-use leased asset, net	115,762	160,679
Total Net Capital Assets	33,379,107	34,805,757
Total Noncurrent Assets	33,563,311	34,989,961
Total Assets	44,171,927	44,702,004
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension	2,899,420	2,857,008
Total Deferred Outflows of Resources	2,899,420	2,857,008

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF NET POSITION (Continued)
JUNE 30, 2023 AND 2022

	2023	2022
LIABILITIES		
Current Liabilities:		
Accounts payable	1,100,492	1,282,272
Accrued payroll	426,517	355,416
Unearned revenue	2,965,395	2,948,456
Unearned revenue - State of Good Repair	1,323,456	860,566
Compensated absences	80,307	65,992
Lease liability	49,958	49,993
Pension plan exit liability	168,634	164,972
Total OPEB liability	6,144	-
Loan payable	339,861	-
Total Current Liabilities	6,460,764	5,727,667
Noncurrent liabilities:		
Compensated absences	240,920	216,752
Total OPEB liability	14,069	26,357
Net pension liability	4,841,422	3,272,997
Pension plan exit liability	348,581	517,217
Lease liability	55,884	105,842
Loan payable	12,311,165	12,980,910
Total Noncurrent Liabilities	17,812,041	17,120,075
Total Liabilities	24,272,805	22,847,742
DEFERRED INFLOWS OF RESOURCES		
Deferred pension	113,453	669,941
Total Deferred Inflows of Resources	113,453	669,941
NET POSITION		
Net investment in capital assets	20,622,239	21,669,012
Unrestricted	2,062,850	2,372,317
Total Net Position	$ 22,685,089	$ 24,041,329

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
OPERATING REVENUES:		
Passenger fares	$ 901,319	$ 886,051
Other operating revenue	165,330	365,969
Total Operating Revenues	1,066,649	1,252,020
OPERATING EXPENSES:		
Transit operating expenses	12,716,625	11,253,862
Administration and financial services	2,126,465	1,948,806
Depreciation and amortization	2,977,597	2,323,575
Total Operating Expenses	17,820,687	15,526,243
Operating Loss	(16,754,038)	(14,274,223)
NONOPERATING REVENUES (EXPENSES):		
Transportation Development Act funds	9,293,630	6,713,187
Federal and State grants	4,597,562	7,187,463
Interest income	70,410	16,534
Loss on disposal of capital assets	-	(330,179)
Interest expense	(114,751)	(94,523)
Total Nonoperating Revenues (Expenses)	13,846,851	13,492,482
CAPITAL CONTRIBUTIONS:		
Federal capital grants	1,186,931	1,885,324
State capital grants	364,016	626,750
Local capital grants	-	787,655
Total Capital Contributions	1,550,947	3,299,729
SPECIAL ITEMS:		
Building decommissioning	-	(1,950,000)
Total Special Items	-	(1,950,000)
Change in Net Position	(1,356,240)	567,988
Net Position, Beginning of Fiscal Year	24,041,329	23,473,341
Net Position, End of Fiscal Year	$ 22,685,089	$ 24,041,329

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 1,479,998	$ (1,247,864)
Payments to employees	(10,617,157)	(10,979,958)
Payments to suppliers	(3,679,181)	(2,474,166)
Net Cash Used by Operating Activities	(12,816,340)	(14,701,988)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid - loan payable	-	9,280,213
Principal paid - lease payment	(379,877)	(49,761)
Interest expense	(114,751)	(94,523)
Capital grants received	1,550,947	3,299,729
Acquisition and construction of property, plant, and equipment	(1,550,947)	(10,857,159)
Proceeds from the sale of capital assets	-	11,643
Building decommission	-	(1,950,000)
Net Cash Used by Capital and Related Financing Activities	(494,628)	(359,858)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants received	13,509,933	12,679,973
Net Cash Provided by Noncapital Financing Activities	13,509,933	12,679,973
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	70,410	16,534
Net Cash Provided by Investing Activities	70,410	16,534
Net Increase (Decrease) in Cash and Cash Equivalents	269,375	(2,365,339)
Cash and Cash Equivalents, Beginning of Fiscal Year	4,462,669	6,828,008
Cash and Cash Equivalents, End of Fiscal Year	$ 4,732,044	$ 4,462,669

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS (Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$ (16,754,038)	$ (14,274,223)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation and amortization expense	2,977,597	2,323,575
Change in operating assets, deferred outflows, liabilities, and deferred inflows:		
Accounts receivable	(66,480)	(19,602)
Prepaid items	(50,240)	(83,041)
Inventory	(129,219)	(38,783)
Deferred outflows of resources	(42,412)	53,970
Accounts payable	(181,780)	(674,822)
Accrued payroll	71,101	104,615
Unearned revenue	479,829	(2,480,282)
Total OPEB liability	(6,144)	(6,144)
Net pension liability	1,403,451	39,383
Compensated absences	38,483	(6,259)
Deferred inflows of resources	(556,488)	359,625
Net Cash Used by Operating Activities	$ (12,816,340)	$ (14,701,988)

	2023	2022
Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to the Statement of Net Position:		
Cash and investments	$ 4,547,840	$ 4,278,465
Restricted - Cash	184,204	184,204
Cash and Cash Equivalents per Statement of Cash Flows	$ 4,732,044	$ 4,462,669

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

NOTE 1 – REPORTING ENTITY

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

B. Revenue Recognition

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Revenue Recognition (Continued)

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

C. Cash and Cash Equivalents

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

D. Accounts Receivable

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

E. Inventory

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

F. Capital Assets

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

G. Depreciation

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

H. Compensated Absences

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

I. Net Position

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Use of Estimates

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

K. Pensions

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

L. Deferred Outflows and Inflows of Resources

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

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

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

M. Reclassification

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

N. New Accounting Pronouncements – Implemented

GASB Statement No. 91 – *Conduit Debt Obligations.* The requirements of this statement are effective for periods beginning after December 15, 2021. There was no effect on the Authority's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 94 – *Public-Private and Public-Private Partnerships and Availability Payment Arrangements.* The requirements of this statement are effective for periods beginning after June 15, 2022, and all periods thereafter. There was no effect on the Authority's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements.* The requirements of this statement are effective for periods beginning after June 15, 2022, and all reporting periods thereafter. There was no effect on the Authority's accounting and financial reporting as a result of implementing this standard.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Future Accounting Pronouncements

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

GASB Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective as follows:

- The requirements related to the extension of the use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Authority will implement GASB Statement No. 99 if and where applicable.

GASB Statement No. 100 – *Accounting Changes and Error Corrections.* The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Authority will implement GASB Statement No. 100 if and where applicable.

GASB Statement No. 101 – *Compensated Absences.* The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Authority will implement GASB Statement No. 101 if and where applicable.

NOTE 3 – CASH AND INVESTMENTS

The Authority's cash and investments as of June 30, 2023 and 2022, are classified in the Statement of Net Position as follows:

	2023	2022
Cash and investments	$ 4,547,840	$ 4,278,465
Restricted - Cash	184,204	184,204
Total Cash and Investments	$ 4,732,044	$ 4,462,669

On June 30, 2023 and 2022, the Authority had the following cash and investments on hand:

	2023	2022
Cash on hand and in banks	$ 762,697	$ 508,555
Investments	3,785,143	3,769,910
Restricted cash	184,204	184,204
Total Cash and Investments	$ 4,732,044	$ 4,462,669

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the Authority's Investment Policy

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

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

Disclosures Relating to Interest Rate Risk

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

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

2023		Remaining Maturity			
Investment Type	Carrying Amount	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
San Luis Obispo County Investment Pool	$ 3,785,143	$ 3,785,143	$ -	$ -	$ -
Total	$ 3,785,143	$ 3,785,143	$ -	$ -	$ -

2022		Remaining Maturity			
Investment Type	Carrying Amount	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
San Luis Obispo County Investment Pool	$ 3,769,910	$ 3,769,910	$ -	$ -	$ -
Total	$ 3,769,910	$ 3,769,910	$ -	$ -	$ -

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

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

2023				Rating as of Fiscal Year-End		
Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	AAA	AA	Not Rated
San Luis Obispo County Investment Pool	$ 3,785,143	N/A	$ -	$ -	$ -	$ 3,785,143
Total	$ 3,785,143		$ -	$ -	$ -	$ 3,785,143

2022				Rating as of Fiscal Year-End		
Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	AAA	AA	Not Rated
San Luis Obispo County Investment Pool	$ 3,769,910	N/A	$ -	$ -	$ -	$ 3,769,910
Total	$ 3,769,910		$ -	$ -	$ -	$ 3,769,910

Concentration of Credit Risk

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

Custodial Credit Risk

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

The Authority may waive collateral requirements for deposits which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The balances in excess of the FDIC insurance amounted to $213,524 and $0 at June 30, 2023 and 2022, respectively.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

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

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

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

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal years ended June 30, 2023 and 2022, was as follows:

	Balance July 1, 2022	Increases	Decreases	Adjustments	Balance June 30, 2023
Capital Assets Not Being Depreciated:					
Land	$ 1,512,602	$ -	$ -	$ -	$ 1,512,602
Total Capital Assets Not Being Depreciated	1,512,602	-	-	-	1,512,602
Capital Assets Being Depreciated:					
Buildings and improvements	26,220,948	16,789	-	-	26,237,737
Vehicles and equipment	22,412,297	1,534,158	(133,742)	-	23,812,713
Total Capital Assets Being Depreciated	48,633,245	1,550,947	(133,742)	-	50,050,450
Less Accumulated Depreciation For:					
Buildings, improvements, vehicles, and equipment	15,500,769	2,932,680	(133,742)	-	18,299,707
Total Accumulated Depreciation	15,500,769	2,932,680	(133,742)	-	18,299,707
Total Capital Assets Being Depreciated, Net	33,132,476	(1,381,733)	-	-	31,750,743
Right-to-Use Leased Asset					
Building	205,596	-	-	-	205,596
Accumulated Amortization	44,917	44,917	-	-	89,834
Total Right-to-Use Leased Asset, Net	160,679	(44,917)	-	-	115,762
Governmental Activities, Capital Assets, Net	$ 34,805,757	$ (1,426,650)	$ -	$ -	$ 33,379,107

NOTE 4 – CAPITAL ASSETS (Continued)

	Balance July 1, 2021	Increases	Decreases	Adjustments	Balance June 30, 2022
Capital Assets Not Being Depreciated:					
Land	$ 1,512,602	$ -	$ -	$ -	$ 1,512,602
Construction in progress	14,867,631	9,130,896	-	(23,998,527)	-
Total Capital Assets Not Being Depreciated	16,380,233	9,130,896	-	(23,998,527)	1,512,602
Capital Assets Being Depreciated:					
Buildings and improvements	6,564,830	74,600	(4,417,009)	23,998,527	26,220,948
Vehicles and equipment	20,911,655	1,651,663	(151,021)	-	22,412,297
Total Capital Assets Being Depreciated	27,476,485	1,726,263	(4,568,030)	23,998,527	48,633,245
Less Accumulated Depreciation For:					
Buildings, improvements, vehicles, and equipment	17,448,319	2,278,658	(4,226,208)	-	15,500,769
Total Accumulated Depreciation	17,448,319	2,278,658	(4,226,208)	-	15,500,769
Total Capital Assets Being Depreciated, Net	10,028,166	(552,395)	(341,822)	23,998,527	33,132,476
Right-to-Use Leased Asset					
Building	-	205,596	-	-	205,596
Accumulated Amortization	-	44,917	-	-	44,917
Total Right-to-Use Leased Asset, Net	-	160,679	-	-	160,679
Governmental Activities, Capital Assets, Net	$ 26,408,399	$ 8,739,180	$ (341,822)	$ -	$ 34,805,757

Depreciation and amortization expense for the fiscal years ended June 30, 2023 and 2022, was $2,977,597 and $2,323,575, respectively.

NOTE 5 – UNEARNED REVENUE

The Authority received the following TDA funds:

	2023	2022
Local Transportation Funds	$ 2,298,156	$ 2,318,097
The Authority received an advance from developers for construction of bus stops as a condition imposed by the County Board of Supervisors. These funds are deferred until the bus stops have been constructed.	45,688	45,688
The Authority distributes Universal bus passes to Social Services and the general public as part of a "Welfare to Work Program." These funds are deferred revenue until they are tendered or redeemed.	89,001	44,296
Proposition 1B Funding	14,093	14,900
State Transit Assistance (STA) Senate Bill (SB) 1 State of Good Repair funding	1,323,456	860,566
TDA Article 4.5 Funds	226,516	236,254
Federal Transit Administration (FTA) Proceeds Carried Forward to Future Procurement	42,312	41,788
Low Carbon Transit Operator Program	249,629	247,433
Total Unearned Revenues	$ 4,288,851	$ 3,809,022

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

The Authority was allocated the following funds from the Local Transportation Fund (LTF) and STA Fund for the fiscal years ended June 30, 2023 and 2022:

Allocation Assigned By/Claimant	Article/Section	Amount 2023	Amount 2022
Local Transportation Fund (LTF):			
City of Arroyo Grande	4/99260(a)	$ 630,851	$ 176,012
City of San Luis Obispo	4/99260(a)	1,068,248	383,992
County of San Luis Obispo	4/99260(a)	3,493,640	1,432,732
City of Grover Beach	4/99260(a)	471,509	131,499
City of Morro Bay	4/99260(a)	180,522	64,903
City of Atascadero	4/99260(a)	533,122	191,480
City of El Paso de Robles	4/99260(a)	1,061,544	448,485
City of Pismo Beach	4/99260(a)	290,767	80,995
Total LTF		7,730,203	2,910,098
State Transit Assistance (STA) Fund:			
Regional Transit Authority	6.5/99313	1,738,203	1,358,000
Regional Transit Authority	6.5/99314	160,224	111,826
Total STA Fund		1,898,427	1,469,826
Subtotal		9,628,630	4,379,924
Add: Recognition of prior fiscal year unearned revenues		2,267,172	4,835,810
Less: Current fiscal year unearned revenues		(2,298,156)	(2,318,097)
Total TDA Allocation		$ 9,597,646	$ 6,897,637

NOTE 6 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS (Continued)

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

	2023	2022
Operating and interest expenses	$ 17,935,438	$ 15,526,243
Add:		
Capital purchases with LTF and STA	364,016	441,288
Building decommissioning	-	1,950,000
Less:		
Depreciation and amortization	(2,977,597)	(2,323,575)
Fare revenues	(901,319)	(886,229)
Special events and other revenues	(165,330)	(365,791)
Federal and state operating grants	(4,597,562)	(7,187,463)
Maximum Total Allocation Amount	9,657,646	7,154,473
TDA allocations received and accrued	9,628,630	4,379,924
Change in TDA transit allocations in unearned revenues	29,016	2,774,549
Allocation over/(under) maximum	$ -	$ -

NOTE 7 – FARE REVENUE RATIO

The Authority had fare revenue ratios for the fiscal years ended June 30, 2023 and 2022, computed as follows:

2023	Fixed Route	Runabout	Paso Express	Paso Dial a Ride
(a) Operating fare revenues	$ 529,240	$ 79,437	$ 126,788	$ 7,465
(b) Operating expenses, net of depreciation and pension expense (GASB 68 adjustment)	5,868,600	3,434,490	933,480	206,907
(c) Fare revenue ratio [(a)/(b)]	9.0%	2.3%	13.6%	3.6%
Minimum ratio required	15.8%	N/A	15.0%	N/A
Under minimum ratio requirement	N/A*	N/A*	N/A*	N/A*

	Nipomo	Cambria Trolley	Avila Trolley	SoCo Transit	Other
(a) Operating fare revenues	$ 15,941	$ -	$ 6,648	$ 135,478	$ 322
(b) Operating expenses, net of depreciation	562,713	2,922	93,345	2,245,791	32,801
(c) Fare revenue ratio [(a)/(b)]	2.8%	0.0%	7.1%	6.0%	1.0%
Minimum ratio required	N/A	N/A	15.0%	15.0%	N/A
Under minimum ratio requirement	N/A*	N/A*	N/A*	N/A*	N/A*

NOTE 7 – FARE REVENUE RATIO (Continued)

2022	Fixed Route	Runabout	Paso Express	Paso Dial a Ride
(a) Operating fare revenues	$ 602,766	$ 66,505	$ 101,999	$ 5,562
(b) Operating expenses, net of depreciation and pension expense (GASB 68 adjustment)	6,685,979	2,884,513	857,019	175,763
(c) Fare revenue ratio [(a)/(b)]	9.0%	2.3%	11.9%	3.2%
Minimum ratio required	15.8%	N/A	15.0%	N/A
Under minimum ratio requirement	N/A*	N/A*	N/A*	N/A*

	Nipomo	Cambria Trolley	Avila Trolley	SoCo Transit
Operating fare revenues	$ 15,434	$ -	$ 782	$ 93,181
Operating expenses, net of depreciation	502,499	1,283	60,173	2,035,439
Fare revenue ratio [(a)/(b)]	3.1%	0.0%	1.3%	4.6%
Minimum ratio required	N/A	N/A	15.0%	15.0%
Under minimum ratio requirement	N/A*	N/A*	N/A*	N/A*

* - Due to COVID-19, the fare revenue ratio was waived for the fiscal years ended June 30, 2023 and 2022.

NOTE 8 – LONG-TERM LIABILITIES

	Balance July 1, 2022	Increases	Decreases	Balance at June 30, 2023 Total	Current	Long-Term
Pacific Western Bank	$ 1,020,000	$ -	$ (329,884)	$ 690,116	$ 339,861	$ 350,255
Transportation Infrastructure Finance and Innovation Act (TIFIA) loan	11,960,910	-	-	11,960,910	-	11,960,910
Leases	155,835	-	(49,993)	105,842	49,958	55,884
Compensated absences	282,744	459,819	(421,336)	321,227	80,307	240,920
Total OPEB liability	26,357	-	(6,144)	20,213	6,144	14,069
Net pension liability	3,272,997	1,568,425	-	4,841,422	-	4,841,422
Pension plan exit liability	682,189	-	(164,974)	517,215	-	517,215
Total long-term liabilities	$ 17,401,032	$ 2,028,244	$ (972,331)	$ 18,456,945	$ 476,270	$ 17,980,675

	Balance July 1, 2021	Increases	Decreases	Balance at June 30, 2022 Total	Current	Long-Term
Pacific Western Bank	$ 894,000	$ 126,000	$ -	$ 1,020,000	$ -	$ 1,020,000
Transportation Infrastructure Finance and Innovation Act (TIFIA) loan	2,806,697	9,154,213	-	11,960,910	-	11,960,910
Leases	-	205,596	(49,761)	155,835	48,993	106,842
Compensated absences	289,003	361,472	(367,731)	282,744	65,992	216,752
Total OPEB liability	32,501	-	(6,144)	26,357	164,972	(138,615)
Net pension liability	3,072,225	200,772	-	3,272,997	-	3,272,997
Pension plan exit liability	843,578	-	(161,389)	682,189	-	682,189
Total long-term liabilities	$ 7,938,004	$ 10,048,053	$ (585,025)	$ 17,401,032	$ 279,957	$ 17,121,075

NOTE 8 – LONG-TERM LIABILITIES (Continued)

On September 3, 2020, the Authority entered into a loan agreement for a principal amount not to exceed $13,080,000 to be used to pay a portion of eligible project costs. As of June 30, 2023 and 2022, the Authority has drawn down $11,960,910 and $11,960,910, respectively. The loan bears an interest rate of 0.7%. The maturity date is July 1, 2056. At June 30, 2023, future minimum payments were as follows:

Fiscal Year Ended June 30,	Principal	Interest
2024	$ -	$ 83,611
2025	-	83,841
2026	-	83,726
2027	346,829	82,502
2028	349,257	79,957
2029-2033	1,783,301	363,293
2034-2038	1,846,596	299,665
2039-2043	1,912,137	233,893
2044-2048	1,980,006	165,747
2049-2053	2,050,283	86,137
2054-2057	1,692,501	23,750
	$ 11,960,910	$ 1,586,122

On July 21, 2020, the Authority entered into a loan agreement for a principal amount not to exceed $1,020,000 to be used to pay a portion of eligible project costs. As of June 30, 2023 and 2022, the Authority has drawn down $690,116 and $1,020,000, respectively. The loan bears an interest rate of 3.0%. The maturity date is July 1, 2025. At June 30, 2023, future minimum payments were as follows:

Fiscal Year Ended June 30,	Principal	Interest
2024	$ 339,861	$ 21,049
2025	350,255	10,654
	$ 690,116	$ 31,703

On July 1, 2021, the Authority entered into a 42-month lease as lessee for the use of a portion of the County's premises. An initial lease liability was recorded in the amount of $127,808. As of June 30, 2023 and 2022, the value of the lease liability is $54,709 and $91,331, respectively. The Authority is required to make monthly fixed payments of $3,183. The lease has an interest rate of 4%. The right-to-use leased asset useful life was 42 months as of the contract commencement. The value of the right-to-use leased asset as of June 30, 2023 and 2022, was $127,808 and $127,808, respectively, and accumulated amortization was $63,904 and $31,952, respectively. Refer to Note 4 of the financial statements.

At June 30, 2023, future minimum lease payments were as follows:

Fiscal Year Ended June 30,	Principal	Interest
2024	$ 36,598	$ 1,516
2025	18,111	211
	$ 54,709	$ 1,727

NOTE 8 – LONG-TERM LIABILITIES (Continued)

On July 1, 2021, the Authority entered into a 72-month lease as lessee for the use of a portion of the County's Corp Yard totaling approximately 1.5 acres of real property. An initial lease liability was recorded in the amount of $77,788. As of June 30, 2023 and 2022, the value of the lease liability is $55,943 and $64,504, respectively. The Authority is required to make monthly fixed payments of $1,173. The lease has an interest rate of 4%. The right-to-use leased asset useful life was 72 months as of the contract commencement. The value of the right-to-use leased asset as of June 30, 2023 and 2022, was $77,788 and $77,788, respectively, and accumulated amortization was $25,930 and $12,965, respectively. Refer to Note 4 of the financial statements.

Fiscal Year Ended June 30,	Principal	Interest
2024	$ 13,360	$ 1,801
2025	13,351	1,266
2026	13,341	733
2027	11,081	203
	$ 51,133	$ 4,003

NOTE 9 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

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

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

NOTE 9 – PENSION PLAN

A. General Information about the Pension Plan (Continued)

Plan Description (Continued)

Tier 1	Tier 1 generally includes members hired before January 1, 2011. As of December 31, 2022, there were 0 active Authority employed members in Tier 1.
Tier 2	Tier 2 generally includes members hired on or after January 1, 2011, but before January 1, 2013. Tier 2 only applies to members hired after the date each bargaining unit adopted Tier 2. Members hired in a bargaining unit that did not adopt Tier 2 are considered Tier 1 members. As of December 31, 2022, there were 6 active Authority employed members in Tier 2.
Tier 3	Tier 3 includes all members hired on or after January 1, 2013. As of December 31, 2022, there were 6 active Authority employed members in Tier 3.

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

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

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

Benefit Provisions

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

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

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

NOTE 9 – <u>PENSION PLAN</u> (Continued)

A. General Information about the Pension Plan (Continued)

Benefit Provisions (Continued)

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

Contributions

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

Plan	Employer Contribution Rates	Employee Contribution Rates
Miscellaneous Tier 1	0.00%	0.00%
Miscellaneous Tier 2	31.55%	13.01% - 17.42%
Miscellaneous Tier 3	31.06% - 35.06%	12.90% - 17.40%

Contributions to the pension plan from the Authority were $242,069 and $312,585 for the fiscal years ended June 30, 2023 and 2022, respectively.

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

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

At June 30, 2023 and 2022, the Authority reported a liability of $4,841,422 and $3,273,027, respectively, for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of December 31, 2022 and 2021.

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of January 1, 2022 and 2021. The actuarial assumptions used in the January 1, 2022 and 2021 valuations were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2017. Measurements as of December 31, 2022 and 2021, are based on the fair value of assets on that date, and the Total Pension Liability as of the valuation dates, January 1, 2022 and 2021. The actuarial assumptions were rolled forward to the Plan's fiscal year-ends of December 31, 2022 and 2021. There were no significant events between the January 1, 2022 and 2021 valuation dates and the December 31, 2022 and 2021 measurement dates for the Plan's GASB Statement No. 67 valuation.

NOTE 9 – PENSION PLAN (Continued)

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

The Authority's proportion of the net pension liability was based on the projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participates, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2022, (measurement dates December 31, 2022 and 2021) was as follows:

Proportion - December 31, 2021	0.51100%
Proportion - December 31, 2022	0.48980%
Change - Increase (Decrease)	-0.02120%

Proportion - December 31, 2020	0.45130%
Proportion - December 31, 2021	0.51100%
Change - Increase (Decrease)	0.05970%

For the fiscal years ended June 30, 2023 and 2022, the Authority recognized pension expense of $1,350,162 and $937,898, respectively. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method and plan benefits. At December 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Authority contributions subsequent to measurement date	$ 242,069	$ -
Differences between actual and expected experience	245,803	-
Changes in assumptions	515,261	-
Net difference between projected and actual earnings on plan investments	459,033	-
Adjustment due to differences in proportions	1,437,254	113,453
Differences in actual contributions and proportionate share of contributions	-	-
Total	$ 2,899,420	$ 113,453

NOTE 9 – PENSION PLAN (Continued)

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

December 31, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Authority contributions subsequent to measurement date	$ 214,480	$ -
Differences between actual and expected experience	209,010	-
Changes in assumptions	318,103	-
Net difference between projected and actual earnings on plan investments	-	669,941
Adjustment due to differences in proportions	2,115,415	-
Differences in actual contributions and proportionate share of contributions	-	-
Total	$ 2,857,008	$ 669,941

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

$242,069 and $214,480 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the fiscal years ended June 30, 2024 and 2023, respectively.

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

Fiscal Year Ended June 30	Amount
2024	$ 226,320
2025	326,094
2026	315,276
2027	352,564
2028	1,323,644
	$ 2,543,898

NOTE 9 – PENSION PLAN (Continued)

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

Actuarial Assumptions

The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	January 1, 2022
Measurement Date	December 31, 2022
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.25%
Projected Salary Increase	3.00%, plus merit component based on years of service ranging from 0.00% to 5.25%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
COLA Increases	2.75% for Tier 1 and 2.00% for Tier 2 and Tier 3

Discount Rate

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

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

Asset Class	New Strategic Allocation	Weighted Average Long-Term Expected Real Rate of Return
Cash Equivalents/Short Duration Government	10.00%	1.10%
Equities - Public Market	30.00%	4.88%
Real Assets	15.00%	4.63%
Private Markets	30.00%	6.30%
US Treasury - Long Duration/TIPS	15.00%	1.44%
Total	100.00%	

NOTE 9 – PENSION PLAN (Continued)

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

Discount Rate (Continued)

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

December 31, 2022	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Agency's proportionate share of the net pension plan liability	$ 6,576	$ 4,841,422	$ 3,421,605

December 31, 2021	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Agency's proportionate share of the net pension plan liability	$ 4,952,583	$ 3,272,997	$ 1,900,486

NOTE 10 – INSURANCE

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

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

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

PTMISEA eligibility is based on STA allocations to each project sponsor during the fiscal years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, and 2009-10, and 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, and 2015-16 and were made available during the 2016-17 fiscal year. Qualifying expenditures must be encumbered within three years from the date of allocation and expended within three years from the date of the encumbrance.

NOTE 11 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (Continued)

During the fiscal years ended June 30, 2023 and 2022, the Authority received $0 in PTMISEA receipts. Interest earned for the fiscal years ended June 30, 2023 and 2022, was $236 and $0, respectively. The Authority did not have qualifying expenditures for the fiscal years ended June 30, 2023 and 2022.

Schedule of PTMISEA Proposition 1B Funds
For the Year Ended June 30, 2023

Description	Amount
Balance - beginning of the year	$ 13,858
Receipts:	
PTMISEA receipts	-
Interest accrued 7/1/2022 through 6/30/2023	236
Expenses:	
PTMISEA expenditures	-
Balance - end of year	$ 14,094

Schedule of PTMISEA Proposition 1B Funds
For the Year Ended June 30, 2022

Description	Amount
Balance - beginning of the year	$ 13,858
Receipts:	
PTMISEA receipts	-
Interest accrued 7/1/2021 through 6/30/2022	-
Expenses:	
PTMISEA expenditures	-
Balance - end of year	$ 13,858

NOTE 12 – SENATE BILL 1 – STATE OF GOOD REPAIR

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

NOTE 12 – <u>SENATE BILL 1 – STATE OF GOOD REPAIR</u> (Continued)

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

During the fiscal years ended June 30, 2023 and 2022, the Authority received $428,817 and $490,174, respectively, in SB1 SGR funds. In the fiscal years ended June 30, 2023 and 2022, the Authority did not spend any SB1 SGR funds.

NOTE 13 – <u>CONTINGENT LIABILITY FOR PENSION PLAN EXIT</u>

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

Payments made for the pension plan exit were $164,974 and $161,389 during the fiscal years ended June 30, 2023 and 2022, respectively. The remaining pension plan exit liability was $517,215 and $682,189 as of June 30, 2023 and 2022, respectively.

NOTE 14 – <u>SUBSEQUENT EVENTS</u>

Subsequent events have been evaluated through October 2, 2023, the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30, 2023*

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

	2023	2022	2021	2020
Proportion of the net pension liability	0.48980%	0.51100%	0.45130%	0.00637%
Proportionate share of the net pension liability	$ 4,841,422	$ 3,272,997	$ 3,272,997	$ 653,046
Covered payroll	$ 1,160,540	$ 980,914	$ 540,683	$ 925,276
Proportionate share of the net pension liability as a percentage of covered payroll	417.17%	333.67%	605.34%	70.58%
Plan's total pension liability	$ 2,583,068,273	$ 2,390,539,528	$ 2,247,011,774	$ 41,426,453,489
Plan's fiduciary net position	$ 1,594,492,075	$ 1,749,962,789	$ 1,566,326,195	$ 31,179,414,067
Plan's fiduciary net position as a percentage of the total pension liability	61.73%	73.20%	69.71%	75.26%

	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.00621%	0.00633%	0.00629%	0.60400%	0.00684%
Proportionate share of the net pension liability	$ 598,258	$ 628,213	$ 543,863	$ 414,886	$ 425,837
Covered payroll	$ 1,030,066	$ 832,784	$ 822,150	$ 473,673	$ 345,255
Proportionate share of the net pension liability as a percentage of covered payroll	58.08%	75.44%	66.15%	87.59%	123.34%
Plan's total pension liability	$ 38,944,855,364	$ 37,161,348,332	$ 33,358,627,624	$ 31,771,217,402	$ 30,829,966,631
Plan's fiduciary net position	$ 29,308,589,559	$ 27,244,095,376	$ 24,705,532,291	$ 24,907,305,871	$ 24,607,502,515
Plan's fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

Changes in assumptions

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

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

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

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

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

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

*- Fiscal year 2015 was the 1st year of implementation, therefore, only nine years are shown.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30, 2023*

	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	$ 353,079	$ 312,585	$ 245,132	$ 81,697
Contribution in relation to the actuarially determined contribution	(353,079)	(312,585)	(245,132)	(81,697)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 1,179,231	$ 1,160,540	$ 980,914	$ 540,683
Contributions as a percentage of covered payroll	29.94%	26.93%	24.99%	15.11%

	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 121,671	$ 120,722	$ 108,461	$ 126,258	$ 74,414
Contribution in relation to the actuarially determined contribution	(121,671)	(120,722)	(108,461)	(126,258)	(74,414)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 925,276	$ 1,030,066	$ 832,784	$ 822,150	$ 473,673
Contributions as a percentage of covered payroll	13.15%	11.72%	13.02%	15.36%	15.71%

Notes to Schedule

Valuation Date	January 1, 2022
Measurement Date	December 31, 2022
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.25%
Projected Salary Increase	3.00%, plus merit component based on years of service ranging from 0.00% to 5.25%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
COLA Increases	2.75% for Tier 1 and 2.00% for Tier 2 and Tier 3

*- Fiscal year 2015 was the 1st year of implementation, therefore, only nine years are shown.

SUPPLEMENTARY INFORMATION

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Adopted Budget	Actual	County Services Actual	Variance with Budget
Administration:				
Labor	$ 1,195,030	$ 1,424,645	$ -	$ (229,615)
Labor - Administration Workers Comp	42,990	41,821	-	1,169
Office Space Rental	54,370	53,398	-	972
Property Insurance	156,660	216,314	-	(59,654)
Professional Technical Services	224,350	162,538	-	61,812
Professional Development	89,800	52,975	-	36,825
Operating Expense	340,350	334,951	-	5,399
Marketing and Reproduction	181,860	130,169	-	51,691
North County Management Contract	(52,870)	(52,870)	-	0
County Management Contract	(108,970)	(108,970)	107,555	(0)
SCT Management Contract	(126,430)	(126,430)	-	(0)
Total Administration	1,997,140	2,128,541	107,555	(131,401)
Service Delivery:				
Labor - Operations	7,110,700	7,017,330	373,604	93,370
Labor - Operations Workers Comp	325,010	322,174	15,951	2,836
Labor - Maintenance	1,696,010	1,783,771	97,346	(87,761)
Labor - Maintenance Workers Comp	89,000	86,580	4,368	2,420
Fuel	1,519,610	1,643,778	32,155	(124,168)
Insurance	775,230	767,693	18,044	7,537
Special Transportation (for SLOCAT and Paso)	44,480	27,515	27,515	16,965
Avila Trolley	82,020	35,551	-	46,469
Maintenance (Parts, Supplies, Materials)	808,540	694,948	14,397	113,592
Maintenance Contract Costs	160,720	83,598	1,374	77,122
Total Service Delivery	12,611,320	12,462,938	584,754	148,382
Capital/Studies:				
Computer System Maintenance/Upgrades	71,800	72,787	-	(987)
Maintenance Equipment	85,420	186,898	-	(101,478)
Bus Stop Improvements/Bus Stop Solar Lighting	382,390	16,789	-	365,601
Large Capital Repairs	603,320	302,212	-	301,108
Support Vehicles	57,880	34,948	-	22,932
Fixed Route Vehicles	2,824,680	689,850	-	2,134,830
Trolley Vehicles	293,200	-	-	293,200
Cutaway and Dial A Ride Vehicles	112,500	-	-	112,500
Runabout Vehicles	302,000	247,463	-	54,537
Total Capital/Studies	4,733,190	1,550,947	-	3,182,243

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Adopted Budget	Actual	County Services Actual	Variance with Budget
Contingency	175,300	-	-	175,300
CalPERS Buyout	178,310	178,308	-	2
Loan Repayments	503,170	444,635	-	58,535
Short Range Transit Plan	250,000	-	-	250,000
Management Contracts	288,270	288,270	-	-
TOTAL FUNDING USES	$ 20,736,700	$ 17,053,639	$ 692,309	$ 3,683,061
TOTAL EXPENSES, BUDGETARY BASIS		$ 17,053,639		
ADD:				
DEPRECIATION AND AMORTIZATION		2,977,597		
LESS:				
LOAN REPAYMENT		(444,635)		
CALPERS BUYOUT PRINCIPAL PAYMENTS		(49,993)		
BUILDING DECOMMISSIONING		(164,974)		
CAPITALIZED EXPENSES		(1,550,947)		
TOTAL OPERATING EXPENSES PER FINANCIAL STATEMENTS		$ 17,820,687		

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Luis Obispo Regional Transit Authority (the Authority), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 2, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 2, 2023

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

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

Report on Compliance with Transportation Development Act Requirements

We have audited the San Luis Obispo Regional Transit Authority's (the Authority) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by the Authority were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of San Luis Obispo County Association of Governments as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the fiscal year ended June 30, 2023.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the applicable statutes, rules, and regulations of the TDA.

Auditor's Responsibility

Our responsibility is to express an opinion on each of the Authority's compliance requirements referred to in Section 6667, which requires that for a transit claimant, the independent auditor will perform at least the following tasks:

a) Determine whether the claimant was an entity eligible to receive the funds allocated to it;
b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99234;
c) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000;
d) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions;
e) Determine whether interest earned on funds received by the claimant pursuant to the TDA were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6;
f) Verify the amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2;

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STOCKTON
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Stockton, CA 95207
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g) Verify the amount of the claimant's actual fare revenues for the fiscal year;
h) Verify the amount of the claimant's actual local support for the fiscal year;
i) Verify the amount the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649;
j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1;
k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273;
l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251;
m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7; and
n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

Compliance with the requirements referred to above is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

Opinion on Transportation Development Act Compliance

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that are applicable to the Authority for the fiscal year ended June 30, 2023.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the TDA, and not to provide an opinion on the effectiveness of the Authority's compliance with the applicable bond act and state accounting requirements. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 2, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Luis Obispo Regional Transit Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the fiscal year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated October 2, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 2, 2023

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Identifying Number	Total Federal Expenditures
U.S. Department of Transportation			
Direct:			
CARES FTA Section 5307 - COVID Items for Vehicle	20.507	CA-2021-047	$ 14,355
CARES FTA Section 5307 - Operating Assistance	20.507	CA-2021-047-01	160,984
FTA Section 5307 - Capital Assistance & Ops Assist FY 14/15 (Bus Stop Improvements)	20.507	CA-90-Z272-04	13,431
FTA Section 5307 - Operating Assistance	20.507	CA-2023-205	2,339,400
FTA Section 5307 - Operating Assistance	20.507	CA-2023-205	304,000
FTA Section 5307 - Operating Assistance	20.507	CA-2023-205	634,000
FTA Section 5307 - Capital Assistance (Maintenance Tools)	20.507	CA-2019-082-03	11,451
FTA Section 5307 - Capital Assistance (Engine Rehab)	20.507	CA-2021-161-02	241,770
FTA Section 5307 - Capital Assistance (ADA Vehicles)	20.507	CA-2020-283-02	657,971
FTA Section 5307 - Capital Assistance (Support Vehicle Replacement)	20.507	CA-2022-216-08	77,591
Total FTA Section 5307			4,454,953
Total Federal Transit Cluster			4,454,953
FTA Section 5339 - Capital Assistance (BMF)	20.509	CA-2020-040-01	170,362
Total FTA Section 5339			170,362
Passed Through the State of California Department of Transportation:			
FTA Section 5311 - Operating Assistance	20.509	64BA22-02070	762,127
Total FTA Section 5311			762,127
Total U.S. Department of Transportation			5,387,442
Total Expenditures of Federal Awards, Excluding Federal Loan Balances			$ 5,387,442

Federal Loan Balances Carried Forward from Prior Year

Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223		$ 11,960,910
Total Federal Loan Balances			11,960,910
Total Expenditures of Federal Awards, Including Federal Loan Balances			$ 17,348,352

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

NOTE 1 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all Federal award programs of the San Luis Obispo Regional Transit Authority (the Authority). All Federal awards received directly from Federal agencies as well as Federal awards passed through from other government agencies are included on the Schedule.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule is presented using the accrual basis of accounting, which is described in Note 2 of the Authority's financial statements.

NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS

Federal award monies are reported in the Authority's financial statements as revenues from Federal operating and capital assistance grants.

NOTE 4 – INDIRECT COST RATE

The Authority did not elect to use the 10 percent de minimus indirect cost rate.

NOTE 5 – LOANS OUTSTANDING

The following program had federally-funded loans outstanding at June 30, 2023:

		Amount Outstanding				
Assistance Listing Number	Program Title	July 1, 2022	New Loans	Loan Payments	Forgiven	June 30, 2023
20.223	TIFIA	$ 11,960,910	$ -	$ -	$ -	$ 11,960,910

FINDINGS AND QUESTIONED COSTS SECTION

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weakness identified?	____ Yes	X No
Significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major federal programs:		
Material weakness identified?	____ Yes	X No
Significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	X None reported
Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes	X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Clusters
20.507	Federal Transit – Formula Grants (Urbanized Areas Formula Program)

Dollar threshold used to distinguish Type A and B programs:	$750,000	
Auditee qualified as low risk auditee?	X Yes	____ No

II. Findings Relating to Financial Statement Required Under Generally Accepted Government Auditing Standards (GAGAS)

None.

III. Federal Award Findings and Questioned Costs

None.

IV. State Award Findings and Questioned Costs

None.

V. Summary of Prior Audit (June 30, 2022) Findings and Current Status

None.

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

We have audited the financial statements of the San Luis Obispo Regional Transit Authority (the Authority) for the fiscal year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards,* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 29, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2023. We noted no transactions entered into by the Authority during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

> Management's estimate of the useful lives of capital assets for purposes of calculating annual depreciation expense. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimates of its net pension liability, and related deferred inflows of resources and deferred outflows of resources, are based on actuarial valuations that involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. We evaluated the key factors and assumptions used to develop the estimates of the net pension liability, and related deferred inflows of resources and deferred outflows of resources, in determining that they are reasonable in relation to the financial statements taken as a whole.
>
> Management's estimates in determining its lease liability and right-to-use leased asset. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole

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

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

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

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

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

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

Management Representations
We have requested certain representations from management that are included in the management representation letter dated October 2, 2023.

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

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

Other Matters

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

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

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 2, 2023

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
November 1, 2023
STAFF REPORT

AGENDA ITEM:	**A-7**
TOPIC:	**Procurement of Third-Party Fueling Services**
PRESENTED BY:	**Geoff Straw, Executive Director**
STAFF RECOMMENDATION:	**Authorize the RTA Executive Director to Solicit Proposals from Qualified Firms to Provide Fueling Services**

BACKGROUND/DISCUSSION:
In January 2022, construction of the Bus Maintenance Facility (BMF) located at 253 Elks Lane in San Luis Obispo was substantially completed. With over a year in operation, staff has identified third-party service agreements that will either need to be renewed or adjusted to accommodate the current needs of the RTA. At its May 3, 2023 meeting, the Board authorized staff to issue a range of Request-for-Proposals (RFP), including one for Diesel and Diesel Exhaust Fluid (DEF) Fueling Services. Based on preliminary discussions with prospective bidders, the original draft RFP was revised to include an off-site gasoline cardlock program. Staff is seeking the Board's authorization to solicit proposals from qualified firms to provide Fueling Services.

The RTA is seeking proposals from qualified firms to provide routine on-site delivery and dispensing of diesel fuel and DEF for the RTA's fleet of heavy-duty buses parked at the BMF and two satellite locations in north and south county. Staff is also seeking off-site cardlock gasoline dispensing services for our fleet of cutaway vans, wheelchair-accessible minivans and support vehicles. The RTA has thirty-three (33) heavy-duty buses requiring diesel and DEF, and thirty-one (31) medium-to-light duty cutaway and minivan revenue-service vehicles and sixteen (16) support vehicles that are powered by gasoline engines.

Upon the Board's approval, staff will issue a Fueling Services RFP to solicit responses from interested firms that are experienced with providing these services through an online RFP/Bidding process (PlanetBids) that will be linked on the RTA's website at http://www.slorta.org/about-rta/request-for-proposals/. Prospective bidders will have the ability to register with the RTA to submit proposals for these services. Staff has determined that using the RFP method for these solicitations will provide the best value to the RTA by allowing for negotiation of both price and contract terms without sacrificing service quality.

The RTA remains dedicated to ensuring full and open competition in this proposal process and strives to include as many potential sources as possible in the procurement process. The RTA encourages local, small businesses and disadvantaged business enterprises (DBE) to register with the RTA. The RTA promotes DBE participation in our projects and has adopted a DBE Program Goal of .5% for federally funded projects awarded through September 30, 2026.

The successful proposer shall supply all necessary fuel, fluids, equipment and materials personnel needed for on-site fuel delivery/dispensing, as well as off-site cardlock gasoline fueling by RTA personnel. The successful proposer shall obtain all of the appropriate insurance coverages within the prescribed minimum limits and abide by all stated FTA procurement regulations. It is the intention of the RTA to award a (1) one-year contract beginning before July 1, 2024 with four (4) one-year term extensions, for a total possible contract term of five (5) years. The estimated quantity of diesel fuel and DEF consumption during the term of this Agreement, including the four (4) one-year extensions, is as follows:

- Diesel Fuel = 235,000 gallons/year or 1,175,000 gallons/5yr contract term
- DEF = 5,000 gallons/year or 30,000 gallons/5yr contract term
- Gasoline = 85,000 gallons/year or 425,000 gallons/5yr contract term

It is anticipated that the estimated diesel fuel, DEF and gasoline quantities will decline over time with the implementation of the Innovative Clean Transit Zero-Emission Bus Rollout Plan and vehicle replacement with battery-electric or hydrogen fuel cell electric vehicles.

To ensure procurement of these services for fiscal year 2024-25, staff has developed an RFP project schedule as follows:

- Issue of the RFPs – Jan 15, 2024
- Optional Facility Site Walks – Week of January 29th, 2024
- Proposer Questions/Clarifications due to RTA – February 16, 2024
- RTA Responds to Questions/Clarifications – February 23, 2024
- **Proposals Due – March 1, 2024 by 5:00 p.m. PST**
- Proposers Notified of Staff Recommendations – March 15, 2024
- Bid Protest Period – March 18, 2024 to March 20, 2024
- **RTA Board Award of Contract – May 1, 2024**
- Contractor Notice of Award/Notice to Proceed – June 2024

The project budgets for each of these services were developed using historical costs for third-party provided fueling services, independent cost estimates from similar transit agencies, and applying Oil Price Information Service (OPIS) and the U.S. Energy Information Administration for benchmarks and petroleum products commodity pricing. The independent cost estimate for fueling services is within existing budgets and no additional funding is needed to solicit proposals for this service.

The solicitation will clearly delineate all local, State and Federal responsibilities and all insurance coverage limits. The successful bidder will be required to provide necessary liability coverage (including indemnifying the RTA) and required coverages for its own employees as well as abide by all FTA procurement regulations. Following the selection of the highest-rated bidder for fueling services listed below and subsequent negotiations, staff will bring the draft agreement to the Board at its May 1, 2024 meeting for its consideration.

Staff Recommendation
Authorize the RTA Executive Director to solicit proposals from qualified firms to provide fueling services of diesel, DEF and gasoline for the RTA.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOVEMBER 1, 2023
STAFF REPORT

AGENDA ITEM:	**A-8**
TOPIC:	**Procurement of Bus Stop Amenities and Bus Stop Improvement Services**
PRESENTED BY:	**Geoff Straw, Executive Director**
STAFF RECOMMENDATION:	**Authorize the RTA Executive Director to Solicit Proposals from Qualified Firms to Provide Products and Third-Party Services for Bus Stop Improvements**

BACKGROUND/DISCUSSION:
At its May 3, 2023 the Board authorized the solicitation for on-call bus stop maintenance and repair services. An RFP was issued on May 8, 2023 with proposals due on June 26, 2023. However, the RTA received no proposals. Staff reached out to potential bidders to determine the reason why no proposals were submitted. Potential bidders responded that they were unable to commit staff time for on-call services and would prefer bidding on specific projects. In response, staff has revised the Bus Stop Maintenance and Repairs RFP to include upcoming project-specific information for the Ramona Gardens Transit Center improvements, realignment of Routes 27 & 28 and repairs/improvements at the Templeton Park-n-Ride bus stop. Staff is seeking the Board's authorization to solicit proposals from qualified firms to provide passenger amenities and to provide installation/repair services.

The RTA is seeking proposals from licensed and qualified general contractors to provide minor construction activities (demolition, permitting and installation of transit amenities) for the three RTA bus stop locations described below, as well as for on-going passenger amenity emergency repair services using an agreed upon person-hour wage rate for one year (with three one-year extensions).

1. <u>Ramona Gardens Transit Center (Grover Beach):</u> replacement of existing shelters and transit amenities, to include two 17-foot standard dome top bus passenger shelters, solar shelter lighting, two 4-seat backless benches, two pole-mounted 20-gallon trash receptacles, one bike rack and two map/schedule signs.

2. <u>Realignment of Routes 27 & 28 (Grover Beach):</u> addition of five bus stop poles, solar push-button lighting and pole-mounted Simme-seats.

3. <u>Templeton Park-N-Ride (Templeton):</u> replacement of one 13-foot standard dome top bus passenger shelter, solar shelter lighting, two 3-seat backless benches,

two pole-mounted 20-gallon trash receptacles, one bike rack, and one map/schedule sign.

The RTA will procure the required bus passenger shelters and transit amenities listed above through the California Association for Coordinated Transportation (CalACT) Purchasing Cooperative No. 21-01 and provide the equipment to the selected contractor. Due to the significant lead times in procurement of bus passenger shelters and transit amenities, staff seeks Board authorization for the Executive Director to issue a purchase order to Tolar Manufacturing for the above listed transit amenities at a cost not-to-exceed $49,669.55 and a purchase order to Simme, LLC for the pole-mounted seating at a cost not-to-exceed $12,037.00.

The selected contractor shall be responsible for the demolition and disposal of existing amenities, permitting and installation work. Cost proposals shall be reflective of prevailing wage rates to the extent required by the California Labor Code. The RTA will select one firm, based on demonstrated competence and a cost-effective approach to provide these bus stop improvement construction services (including but not limited to carpentry, electrical, painting, metal and concrete work). It is the intention of the RTA to award a one-time contract for this initial work, and to establish person-hour wage rates for on-going repairs for up to one year after agreement execution.

Upon the Board's approval, staff will issue a revised Request for Proposals (RFP) to solicit responses from interested firms that are experienced with providing these services through an online RFP/Bidding process (PlanetBids) that will be linked on the RTA's website at http://www.slorta.org/about-rta/request-for-proposals/. Prospective bidders will have the ability to register with the RTA to submit a proposal for these services. Staff has determined that using the RFP method for these solicitations will provide the best value to the RTA by allowing for negotiation of both price and contract terms without sacrificing service quality.

The RTA remains dedicated to ensuring full and open competition in this proposal process and strives to include as many potential sources as possible in the procurement process. The RTA encourages local, disadvantaged business enterprises (DBE) and small businesses enterprises (SBE) to register with the RTA. The RTA promotes DBE/SBE participation in our projects and has adopted a DBE Program Goal of .5% for federally funded projects awarded through September 30, 2026.

The RTA has been successful in receiving federal grants for bus stop improvement projects. The project budget was developed using historical costs for these types of vendor-provided services, independent cost estimates from similar transit agencies, applying prevailing wage requirements and applying the December 2021 to December 2022 Consumer Price Index (CPI) of 4.9%. The independent cost estimate is within existing budget and no additional grant funding is needed to solicit proposals for services. Each solicitation will clearly delineate all local, State and Federal responsibilities and all insurance coverage limits. Successful bidders will be required to provide necessary liability coverage (including indemnifying the RTA) and required coverages for its own employees as well as abide by all FTA procurement regulations. Following the selection of the highest-rated bidder for bus stop improvements and subsequent negotiations, staff will bring the draft agreement to the Board at its March 6, 2024 meeting for its consideration.

To ensure project delivery in the spring-summer 2024, staff has developed an RFP project schedule as follows:

- Issue of the RFPs – December 2, 2023
- Mandatory Facility Site Walks – Week of December 16th, 2023
- Proposer Questions/Clarifications due to RTA – January 6, 2024
- RTA Responds to Questions/Clarifications – January 13, 2024
- **Proposals Due – January 24, 2024 by 5:00 p.m. PST**
- Proposers Notified of Staff Recommendations – Feb 7, 2024
- Bid Protest Period – February 10, 2024 to February 12, 2024
- **RTA Board Award of Contract – March 6, 2024**
- Contractor Notice of Award/Notice to Proceed – April 2024

Staff Recommendation
Authorize the RTA Executive Director to solicit proposals from qualified firms to provide Products and Third-Party Services for Bus Stop Improvements

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOVEMBER 1, 2023
STAFF REPORT

AGENDA ITEM:	**B-1**
TOPIC:	**Executive Director's Report**
PRESENTED BY:	**Geoff Straw, Executive Director**
STAFF RECOMMENDATION:	**Receive and File**

BACKGROUND/DISCUSSION:

RTA Employee of the Quarter & Other Employee Achievements:

RTA Bus Operator Tina B. was selected by her peers and customers as our Employee of the Quarter. Tina is also a fill-in Runabout phone scheduler, and some passengers ask for her by name since she is so pleasant and helpful. Please join me in thanks Tina for doing such a great job and making a difference in our riders' lives.

I am also happy to report that RTA Deputy Director / CFO Tania Arnold was selected for Leadership SLO's next class. In addition, RTA Marketing and Community Relations Manager Mary Gardner was recently elected to the SLO Chamber of Commerce Board of Directors. Both of these professional achievements will better connect the RTA's leadership team to the communities we serve and also build community support for public transit services.

Update on Bus Maintenance Facility:

As noted in previous RTA Board meetings, we have experienced reliability issues with our HVAC system. Over the past two weeks, the general contractor (Specialty Construction, Inc.) and its subcontractors began implementing changes in programming and valving to address the ongoing problems, but I do not yet have any updates on the effectiveness of the changes.

Staff members from the RTA and the SLO County Air Pollution Control District have jointly resolved a reimbursement dispute regarding installation of the battery-bus recharging system. The principal concern arose in how the RTA originally presented back-up information from our general contractor in order to receive the AB617 Community Air Protection grant funds. Because the BMF construction was bid as a lump-sum project, we should not have submitted line-item costing estimates but instead should have proven that the system as constructed has met the requirements of the grant agreement.

Update on Joint Short-Range Transit Plan Study:

At its September meeting, the RTA Board authorized an agreement with LSC Transportation Consultants to conduct a Joint SRTP study for public transit services provided by the RTA and by SLO Transit. LSC began collecting data in late-September and conducted on-vehicle passenger surveys the week of October 23-27. LSC representatives will also conduct in-person and virtual stakeholder meetings the first week of November. As depicted in the schedule graphic on page B-1-6, Working Paper #1 (WP1) will be issued in December 2023, followed by public review by the RTAC and SLO City's MTC in January 2024. All Working Papers and other study products will be posted on the RTA and SLO Transit websites, with summary information provided to the RTA Board and SLO City Council throughout the study period. The consultant team will present the Draft Report to the RTA Board in Fall 2024.

Operations & Maintenance:

At the RTA Board's meeting in September, I explained that we had seven new Bus Operator candidates currently in training. The good news is that five new Bus Operators completed the vigorous training program and entered revenue service in September (Derrick, Jayna, Jovon, Kelly and Stephanie), and we have two other Bus Operator candidates currently in training (Tom and Wendi). We will still have two part-time and two full-time Bus Operators bids open after the new trainees enter revenue service. On the employee retention side, as shown in Agenda Item A-4 our overall turnover rates have declined each year since 2021 at the height of the pandemic (19%) and is only 12% through the end of September.

The Annual Bus Roadeo was conducted on October 15th, and a good time was had by all. Below are the trophy winners who ran over the fewest number of traffic cones laid out in our bus parking yard: Hubert in first place (middle), Brian in second (right) and

Liza in third (left). A special thanks go out to the many volunteer judges (Cal Poly Student ITE Group, in particular) and sponsors Teamsters Local 986, Model 1, and Gillig Corporation. We plan to nail down a date for the 2024 Bus Roadeo so that Board members can get it on their calendars.

In other recruitment news, we were successful in recruiting a new Assistant Facilities Manager. Stephanie F. bested 33 other applicants, and began working with us on October 30th. In addition, Brian C. beat out six other internal Operations Supervisor candidates, and began training for his new position in mid-October. Finally, we received over 40 applications for the recently vacated Administrative Assistant position; we are currently scheduling first interviews.

Marketing & Communications:

Since we last reported at the RTA Board meeting in September, our recent marketing initiatives include:

- Cuesta College: implemented new 'concierge' transit plans for students. Made over 20 custom plans and received great feedback.

- Youth Ride Free program with Rideshare: 16,000 rides this summer from mid-June through mid-August.

- Holiday Schedules: We will operate a Saturday schedule during the weeks of Thanksgiving and Christmas.

- Rt 27/ 28 Realignment: Made chronological plan, outreach plan, as well as internal plan for implementing the changes. Will be launched along with bus stop sign replacements throughout the Five Cities area.

- Bus Stop Improvements: Focusing efforts on 30 hihgest-priority passenger shelters, primarily in North County. When those are done, we will work on the next 50. Initiated with Bus Operator surveys regarding their list of suggested improvements.

- Annual Bus Ad Sales: Achieved a new high of $120k in revenues by squeezing in another $10k over "full capacity" reported in September.

Finance and Administration:

The RTA Board authorized $5.2 million to purchase five battery-electric buses (BEBs) at its November 2022 meeting, which includes $3,888,394 of discretionary FTA Section 5339(b) funds that we obtained in federal fiscal year 2021-22. However, as detailed in Agenda Item C-2, the per bus price has escalated from $1,052,694.84 for the first two BEBs ordered in May 2022 to $1,370,651 – a 30% increase in 17 months for essentially the same bus. Assuming we can fill the funding gap with other funds – including possibly securing new TIRCP/ZETCP funds discussed at the October 2023 SLOCOG Board meeting – the RTA Board may need to meet immediately after the SLOCOG meeting to authorize purchase at the higher amount. Other potential new funding sources include *Volkswagen Environmental Mitigation Trust* funds and *Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project* (HVIP) credits.

The RTA has completed and been reimbursed for all necessary repairs caused during the President-declared flood disaster that damaged our facilities in Paso Robles and San Luis Obispo on January 9th. The damages totaled $62,622.95, including $19,780 that is eligible for 100% reimbursement.

Our unaudited year-end operating and financial results for the first two months of FY23-24 are presented in the tables and graphs beginning on page B-1-7. A summary narrative of this year-to-date information is as follows:

- RTA core fixed-route annual ridership totaled 72,332, which is an increase of 5.3% over last year (68,678) but still 40.2% lower than the pre-pandemic July and August 2019 total of 121,024. We still have a lot of catching-up to do.

- Runabout ridership totaled 4,765, which is an 28.0% increase compared to the first two months of FY22-23 (3,722). The pre-pandemic total was 7,064.

- Trends over the past five years for ridership and productivity, which is defined as the average number of passenger-boardings per service hour. The graphs beginning on page B-1-9 illustrate the significant pandemic-related drop in ridership beginning in March 2020, ridership recovery beginning in January 2021, and sustaining through the end of August 2023.

- In terms of year-to-date financial results, staff worked hard to keep operating and capital costs within budget in light of the recovering ridership and other financial challenges. Some important takeaways include:

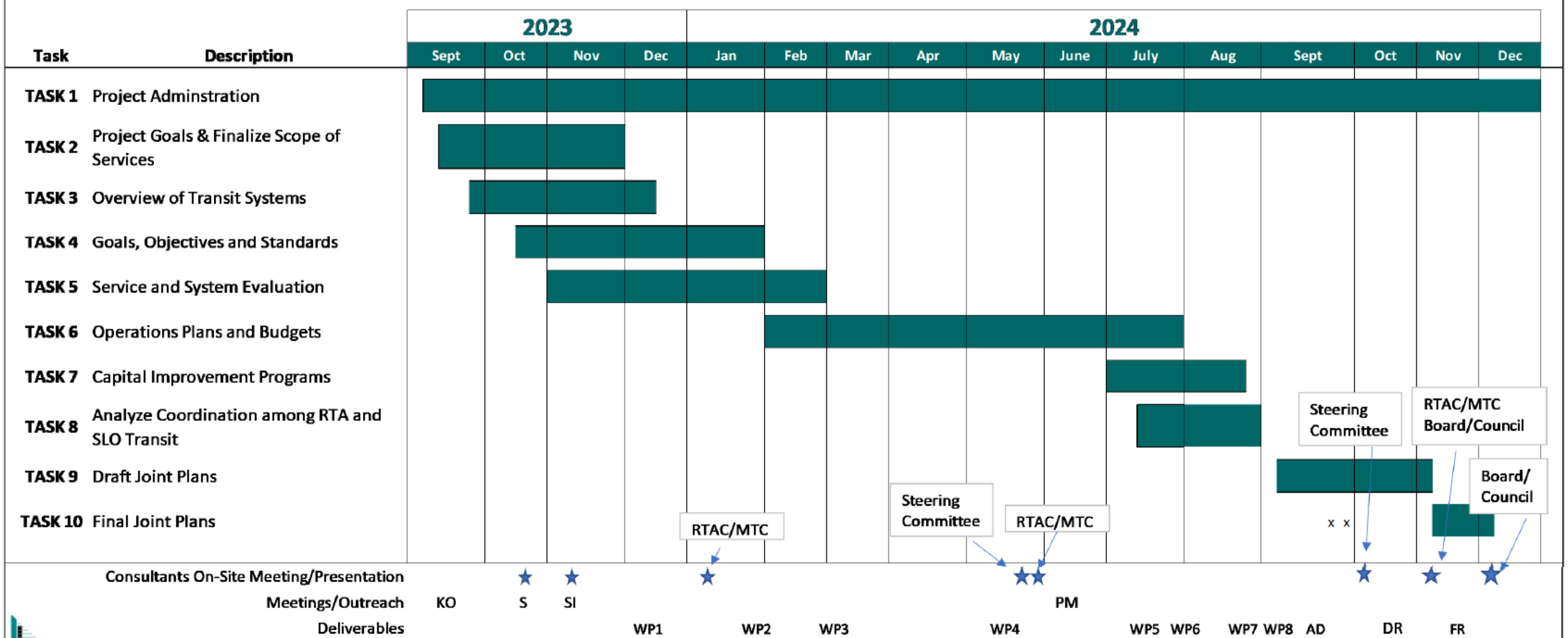
    - In terms of overall non-capital expenses, we expended slightly below budget – 15.6% through the 16.7% of the budget year.

    - Not surprisingly, the farebox recovery ratio for core fixed-route services continues to suffer due to lower ridership compared to pre-pandemic periods at only 8.5%, which is slightly higher than the FY22-23 result (8.1%). Runabout's ratio remains low at 2.8%, but is higher than the FY22-23 result (2.2%). The results will remain below our standards until such time that recently high inflation abates and/or ridership recovers.

    - The YTD subsidy per passenger-trip on core fixed-route services is slightly lower in comparison to last year ($16.26 for the first two months in FY23-24 vs. $16.39 in FY22-23), despite the increasing cost of items/services. The Runabout subsidy per passenger-trip is improving but remains high ($126.91 vs. $143.58).

STAFF RECOMMENDATION:
Accept this as an information item.

Table 2: San Luis Obispo Regional Transit Authority and San Luis Obispo Transit Joint Short Range Transit Plan Schedule



Meetings/Outreach = **KO** = Kick Off; **SI**= Stakeholder Interviews/Driver drop-in; **S** = Onboard and Online Surveys; **PM** = Public Meetings;

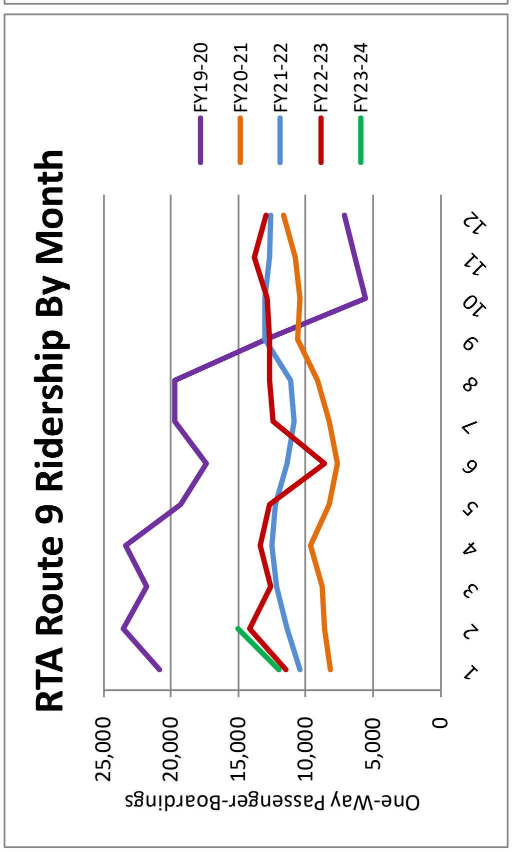
Deliverables = WP (Working Paper); **AD** = Admin Draft; **DR** = Draft Report; **FR** = Final Report ★ = On-site vist xx Genevieve Vacation

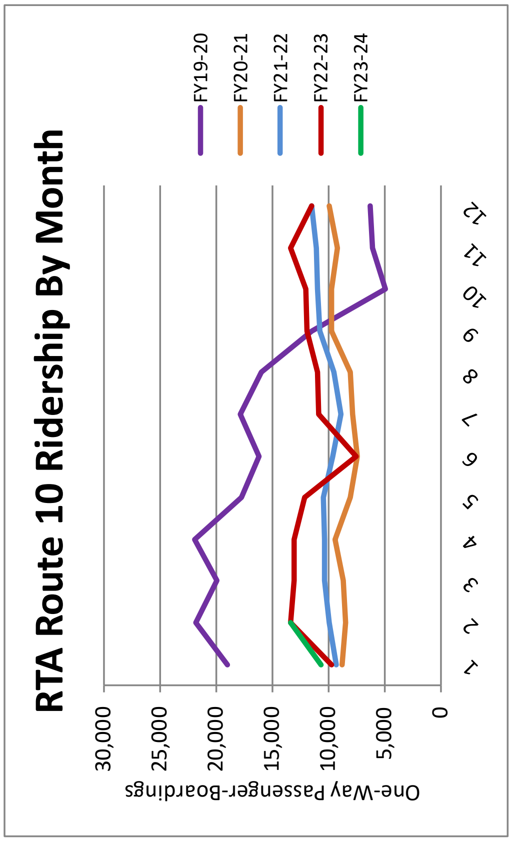
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
YEAR TO DATE THRU AUGUST 31, 2023
CURRENT FISCAL YEAR - 2023/2024

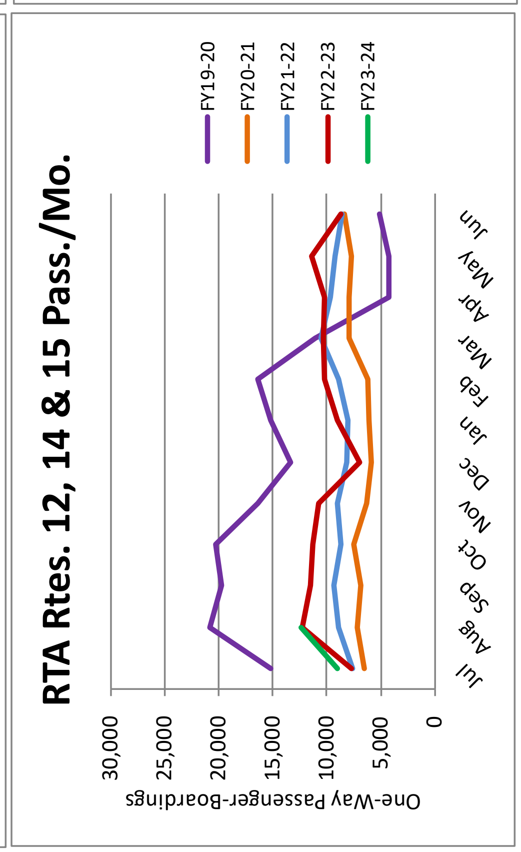
	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE SERVICES	RUN ABOUT	SERVICES PROVIDED FOR THE CITY OF PASO ROBLES	SERVICES PROVIDED FOR SOUTH COUNTY TRANSIT	SERVICES PROVIDED FOR THE COUNTY OF SLO	SYSTEM TOTAL
REVENUES:											
FARES	$ 43,256	$ 37,810	$ 24,527	$ 286	$ 2,807	$ 108,687	$ 17,658	$ 20,679	$ 17,488	$ 1,857	$ 166,368
TOTAL ROUTE REVENUES	$ 43,256	$ 37,810	$ 24,527	$ 286	$ 2,807	$ 108,687	$ 17,658	$ 20,679	$ 17,488	$ 1,857	$ 166,368
EXPENDITURES:											
ADMINISTRATION	$ 103,874	$ 89,293	$ 58,108	$ 1,052	$ 26,707	$ 279,035	$ 159,761	$ 9,009	$ 22,227	$ 18,230	$ 488,261
MARKETING	4,366	3,713	2,425	62	1,016	11,582	-	-	-	-	11,582
OPERATIONS/CONTINGENCY	273,452	239,524	153,317	3,123	69,812	739,228	401,000	135,348	282,242	81,352	1,639,169
FUEL	60,610	61,064	35,065	648	18,180	175,566	34,955	13,938	37,649	8,289	270,397
INSURANCE	27,467	27,674	15,895	292	8,272	79,600	26,651	7,449	18,553	4,498	136,751
TOTAL EXPENDITURES	$ 469,769	$ 421,268	$ 264,809	$ 5,177	$ 123,987	$ 1,285,011	$ 622,366	$ 165,745	$ 360,670	$ 112,369	$ 2,546,160
FAREBOX RATIO	9.2%	9.0%	9.3%	5.5%	2.3%	8.5%	2.8%	12.5%	4.8%	1.7%	6.5%
SERVICE MILES	55,279.1	55,694.2	31,984.5	589.7	16,611.6	160,159.0	53,848.0	15,004.5	37,288.5	9,025.0	275,325.0
SERVICE HOURS	2,149.6	1,839.3	1,198.8	25.4	530.4	5,743.5	3,378.5	1,171.0	2,397.0	709.0	13,399.0
RIDERSHIP (Automatic Counters)	27,025	23,924	18,895	358	2,130	72,332	4,765	18,415	32,247	3,352	131,111
RIDERS PER MILE	0.49	0.43	0.59	0.61	0.13	0.45	0.09	1.23	0.86	0.37	0.48
RIDERS PER HOUR	12.6	13.0	15.8	14.1	4.0	12.6	1.4	15.7	13.5	4.7	9.8
COST PER PASSENGER	$ 17.38	$ 17.61	$ 14.01	$ 14.46	$ 58.21	$ 17.77	$ 130.61	$ 9.00	$ 11.18	$ 33.52	$ 19.42
SUBSIDY PER PASSENGER	$ 15.78	$ 16.03	$ 12.72	$ 13.66	$ 56.89	$ 16.26	$ 126.91	$ 7.88	$ 10.64	$ 32.97	$ 18.15

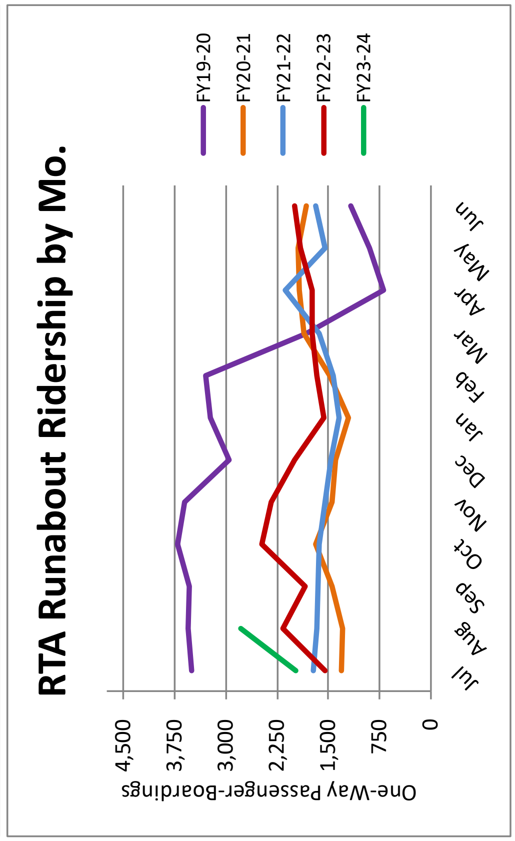
RTA Budget vs. Actual Expenses

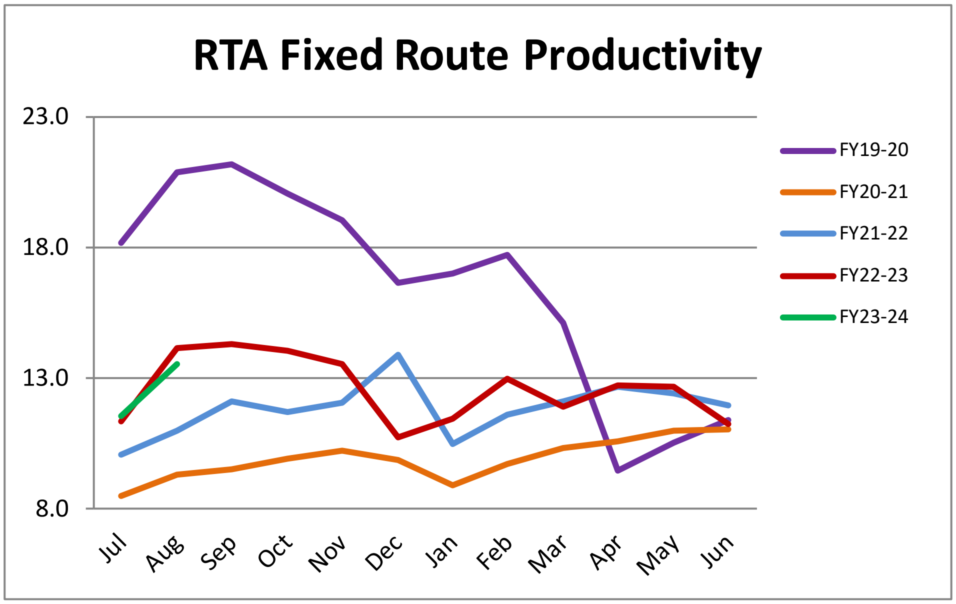
		Adopted Budget FY 2023-24	Year to Date FY 2023-24	Percent of Total Budget FY 2023-24
	Hours	**83,260**	12,690	15.2%
	Miles	**1,776,120**	266,300	15.0%
Administration:				
Labor	operations cost	**1,260,560**	190,890	15.1%
Labor - Administration Workers Comp	operations cost	**45,630**	9,882	21.7%
Office Space Rental	operations cost	**58,030**	9,145	15.8%
Property Insurance	operations cost	**239,060**	183,625	76.8%
Professional Technical Services	operations cost	**167,410**	51,828	31.0%
Professional Development	operations cost	**91,450**	7,371	8.1%
Operating Expense	operations cost	**398,380**	36,447	9.1%
Marketing and Reproduction	hourly	**148,920**	11,582	7.8%
North County Management Contract	operations cost	**(55,770)**	(9,295)	16.7%
County Management Contract	operations cost	**(114,950)**	(19,158)	16.7%
SCT Management Contract	operations cost	**(133,360)**	(22,227)	16.7%
Total Administration		**2,105,360**	450,092	21.4%
Service Delivery:				
Labor - Operations	hourly	**7,545,070**	1,081,935	14.3%
Labor - Operations Workers Comp	hourly	**346,030**	74,943	21.7%
Labor - Maintenance	hourly	**1,809,490**	263,139	14.5%
Labor - Maintenance Workers Comp	hourly	**94,750**	20,521	21.7%
Fuel	miles	**1,651,890**	270,396	16.4%
Insurance	miles	**855,850**	136,761	16.0%
Special Transportation (for SLOCAT and Paso)	n/a	**33,740**	4,794	14.2%
Maintenance (parts, supplies, materials)	miles	**1,029,610**	149,325	14.5%
Maintenance Contract Costs	miles	**167,990**	19,580	11.7%
Total Operations		**13,534,420**	2,021,394	14.9%
Capital/Studies:				
Computer System Maintenance/Upgrades		**180,750**	-	0.0%
Miscellaneous Capital				
Maintenance Equipment		**46,500**	1,956	4.2%
Vehicle ITS/Camera System		**138,000**		
Bus Stop Improvements		**101,880**	60	0.1%
Large Capital Repairs		**468,750**	-	0.0%
Vehicles				
Support Vehicles		**236,950**	-	0.0%
Fixed Route Vehicles		**2,136,140**	1,950	0.1%
Runabout Vehicles		**549,980**	-	0.0%
Total Capital Outlay		**3,858,950**	3,966	0.1%
Contingency	hourly	**187,680**	-	0.0%
PERS Buyout		**178,310**	29,718	16.7%
Loan Repayments		**472,140**	-	0.0%
Management Contracts		**304,080**	50,680	16.7%
TOTAL FUNDING USES		**20,640,940**	2,555,849	12.4%
TOTAL NON-CAPITAL EXPENDITURES		**16,309,850**	2,551,883	15.6%

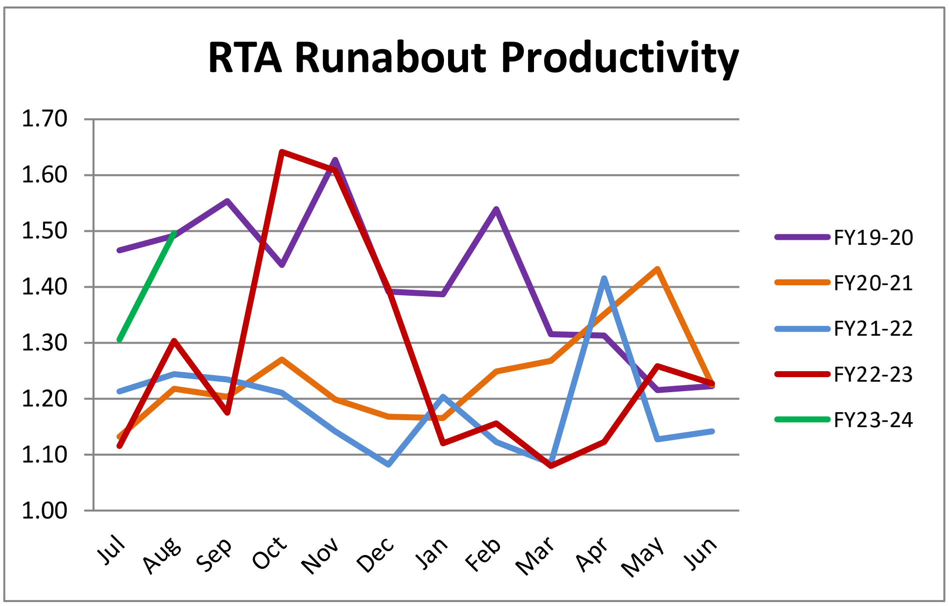

RTA Route 9 Ridership By Month
One-Way Passenger-Boardings
25,000
20,000
15,000
10,000
5,000
0
1
2
3
4
5
6
7
8
9
10
11
12
FY19-20
FY20-21
FY21-22
FY22-23
FY23-24


RTA Route 10 Ridership By Month
One-Way Passenger-Boardings
30,000
25,000
20,000
15,000
10,000
5,000
0
1
2
3
4
5
6
7
8
9
10
11
12
FY19-20
FY20-21
FY21-22
FY22-23
FY23-24


RTA Rtes. 12, 14 & 15 Pass./Mo.
One-Way Passenger-Boardings
30,000
25,000
20,000
15,000
10,000
5,000
0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY19-20
FY20-21
FY21-22
FY22-23
FY23-24


RTA Runabout Ridership by Mo.
One-Way Passenger-Boardings
4,500
3,750
3,000
2,250
1,500
750
0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY19-20
FY20-21
FY21-22
FY22-23
FY23-24


RTA Fixed Route Productivity
23.0
18.0
13.0
8.0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY19-20
FY20-21
FY21-22
FY22-23
FY23-24


RTA Runabout Productivity
1.70
1.60
1.50
1.40
1.30
1.20
1.10
1.00
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY19-20
FY20-21
FY21-22
FY22-23
FY23-24

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOVEMBER 1, 2023
STAFF REPORT

AGENDA ITEM:	**C-1**
TOPIC:	**Fiscal Year 2023-24 Operating and Capital Budget Amendment #1**
PRESENTED BY:	**Tania Arnold, Deputy Director/CFO**
STAFF RECOMMENDATION:	**Adopt Budget Amendment #1 as Presented**
EXECUTIVE COMMITTEE & RTAC RECOMMENDATION:	**Bring the Fiscal Year 2023-24 Budget Amendment #1 as Presented to the Board for Approval**

BACKGROUND/DISCUSSION:
The Fiscal Year 2023-24 RTA operating and capital budget was adopted on May 3, 2023 and was based on a range of assumptions, including pending delivery dates for FY22-23 capital projects. At this time, staff is bringing back capital items that are being carried over from FY22-23 to FY23-24 as well as one adjustment to the operating expenditures. Please note, none of these adjustments require additional/new funds.

Additionally, as noted at the October 4, 2023 San Luis Obispo Council of Governments (SLOCOG) meeting, additional State Transit Assistance (STA) allocated to the region totaling over $100,000 resulted in additional funding available for the RTA, as well as for the services that the RTA operates on behalf of other agencies. The total incremental change is just under $5,000. Given this small amount, the STA change is not being included in this budget adjustment.

There are a number of changes which staff has noted in yellow in the ensuing pages. Note, although information for South County Transit, San Luis Obispo County Transit services, and Paso Robles Transit Services are included, the Board and Committee are only adopting the changes to the RTA Core budget.

As part of the reconciliation process to determine fund balances at the start of FY23-24, the amounts have been adjusted by the Governmental Accounting Standards Board (GASB) Statement 68, which is used to improve the accounting and financial reporting by state and local governments for pensions. This adjustment is done as part of the financial statements but does not impact the current level of funding for the agency and is noted in the changes included below. One additional adjustment related to GASB 68 this year, in the RTA financial statements the operating expenses used to calculate the farebox recovery ratio is now also net of the GASB 68 adjustment, in addition to depreciation. This is noted on page 19 of the financial statements which can be found on the RTA website (https://www.slorta.org/wordpress/wp-content/uploads/RTA-FY2223-Financial-Statements-and-Single-Audit.pdf).

<u>Changes in Operating Revenue:</u>

- General reserves for FY23-24 has been increased by $252,070, which is part of the reconciliation of the GASB 68 adjustment.
- Offset reserve to carryover to FY24-25 has been increased, which allows for a reduced LTF request in FY24-25.

<u>Changes in Capital Revenue:</u>

- Beginning capital projects reserves has been increased, which is part of the reconciliation of the GASB 68 adjustment as follows:
    - RTA: $384,320
    - South County Transit: $73,120
    - SLOCAT: $95,040
- Changes in Non-TDA Sources for RTA includes:
    - Carryover FTA Section 5307 funds for:
        - Support vehicle replacements of $15,290.
        - Low-floor minivans for Runabout of $58,030
        - Short Range Transit Plan of $200,000
        - Replacement of bus 1101 of $542,750
        - Bus stop improvements of $26,050
    - Carryover FTA Section 5339 funds for:
        - Low-floor minivans for Runabout of $183,990
        - Engine replacements for 1500-series Gillig buses of $300,000
        - Replacement of vehicles for Route 15 of $238,590
- Changes in Non-TDA Sources for South County Transit includes the carryover of FTA Section 5307 funds for bus stop improvements of $292,480
- Changes in Non-TDA Sources for SLOCAT includes:
    - Carryover of FTA Section 5339 funds for the replacement of a Nipomo Dial-A-Ride vehicle of $63,280
    - Carryover of FTA Section 5307 funds for replacement of an Avila Trolley vehicle and the balance of the Nipomo Dial-A-Ride vehicle of $312,160

<u>Changes in Operating Expenditure:</u>

- Increases in professional technical services by $80,000 due to the timing of the contract renewal prior to the end of the fiscal year for the Intelligent Transportation System technology on all fixed-route vehicles.

<u>Changes in Capital Expenditures:</u>

- Carryover balance of bus stop improvements of $365,600.
- Carryover balance of large capital repairs of $401,050.
- Carryover balance of support vehicles of $19,120.
- Carryover balance for fixed-route vehicle of $994,320.
- Carryover balance for Avila Trolley replacement of $293,200.
- Carryover balance for cutaway and Dial-A-Ride vehicles of $177,280.

- Carryover balance for Runabout vehicle replacements of $284,520.
- Carryover balance for the Joint Short-Range Transit Plans of $250,000.

These amendments do **not** require any additional LTF funds for FY23-24.

Staff Recommendation for Executive Committee on October 11th:
Recommend staff provide Budget Amendment #1 to the Board for approval at the November 1, 2023 Board meeting.

Staff Recommendation to RTAC on October 19th:
Recommend staff provide Budget Amendment #1 to the Board for approval at the November 1, 2023 Board meeting.

Staff Recommendation:
Adopt Budget Amendment #1 as presented.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
AMENDED OPERATING REVENUE BUDGET FOR 2023/2024

	2022/2023 Combined Actual	2023/24 Adopted RTA Core Budget	2023/24 Amended RTA Core Budget	2023/24 Adopted SoCo Transit Budget	2023/24 Adopted SLOCAT Budget	2023/24 Adopted North County Budget	2024/25 Projected RTA Core Budget	2024/25 Projected SoCo Transit Budget	2024/25 Projected SLOCAT Budget	2024/25 Projected North County Budget
FUNDING SOURCES:										
GENERAL RESERVES	3,428,857	2,282,200	2,534,270	393,279	189,530	243,150	2,439,750	357,660	156,770	215,740
1. ESTIMATED FUND BALANCE	3,428,857	2,282,200	2,534,270	393,279	189,530	243,150	2,439,750	357,660	156,770	215,740
2. LESS REQUIRED RESERVES FOR FISCAL YEAR										
CASH FLOW REQUIREMENTS PER TDA	3,108,159	2,267,680	2,267,680	357,660	156,770	215,740	2,400,670	407,970	164,490	228,200
OFFSET RESERVE TO CARRYOVER TO FUTURE FISCAL YEARS	252,070		172,070							
TOTAL	3,360,229	2,267,680	2,439,750	357,660	156,770	215,740	2,400,670	407,970	164,490	228,200
3. FUND BALANCE AVAILABLE	68,628	14,520	94,520	35,619	32,760	27,410	39,080	(50,310)	(7,720)	(12,460)
NON TDA SOURCES										
FARES	860,739	681,720	681,720	139,530	20,170	123,230	715,810	146,510	21,180	129,390
SoCo TRANSIT MANAGEMENT CONTRACT	126,430	133,360	133,360	-	-	-	143,140	-	-	-
COUNTY MANAGEMENT CONTRACT	108,970	114,950	114,950	-	-	-	123,380	-	-	-
NORTH COUNTY MANAGEMENT CONTRACT	52,870	55,770	55,770	-	-	-	59,860	-	-	-
INTEREST	70,410	39,360	39,360	-	-	-	39,400	-	-	-
STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1	1,687,036	106,180	106,180	399,330	402,090	204,310	644,670	481,550	412,960	295,820
RURAL TRANSIT FUND (Administration)	30,000	30,000	30,000	-	-	-	30,000	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	652,400	672,000	672,000	-	-	-	712,970	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating	762,127	777,370	777,370	-	-	-	792,910			
FTA (Section 5311) - Operating CARES/CRRSAA/ARPA	-	635,900	635,900	-	-	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operating	1,361,000	1,107,400	1,107,400	-	-	319,000	1,139,120	-	-	328,570
FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating	-	255,090	255,090	-	-	-	270,440	-	-	-
FTA (Section 5307-SM) - Operating CARES	160,984	-	-	-	-	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operating	1,264,000	647,400	647,400	619,330	33,670	-	665,320	637,000	35,590	-
CUESTA CONTRIBUTION FOR ROUTE 12 AND 14	106,680	115,240	115,240	-	-	-	122,410	-	-	-
CUESTA CONTRIBUTION NORTH COUNTY	40,580	-	-	-	-	40,580	-	-	-	40,580
SPECIAL EVENTS REVENUE/OTHER	58,650	-	-	422,570	-	-	-	325,000	-	-
4. SUB TOTAL	7,342,876	5,371,740	5,371,740	1,580,760	455,930	687,120	5,459,430	1,590,060	469,730	794,360
5. TOTAL FUND BALANCE & NON TDA FUNDING	7,411,504	5,386,260	5,466,260	1,616,379	488,690	714,530	5,498,510	1,539,750	462,010	781,900
TDA REQUIRED										
Population Based										
CITY OF ARROYO GRANDE	666,714	436,220	436,220	281,299	-	-	421,826	362,577	-	-
CITY OF ATASCADERO	593,587	726,795	726,795	-	-	-	716,845	-	-	-
CITY OF GROVER BEACH	498,332	302,998	302,998	195,390	-	-	315,148	251,845	-	-
CITY OF MORRO BAY	201,200	249,562	249,562	-	-	-	242,979	-	-	-
CITY OF PASO ROBLES	1,125,045	743,391	743,391	-	-	486,180	744,606	-	-	484,280
CITY OF PISMO BEACH	307,338	190,307	190,307	122,721	-	-	194,111	158,179	-	-
CITY OF SAN LUIS OBISPO 18%	1,190,374	1,445,058	1,445,058	-	-	-	1,437,554	-	-	-
COUNTY OF SAN LUIS OBISPO 49%	3,826,090	3,933,769	3,933,769	113,341	290,230	-	3,913,341	146,089	358,000	-
TDA REQUIREMENTS BEFORE 5311 EXCHANGE	8,408,681	8,028,100	8,028,100	712,751	290,230	486,180	7,986,410	918,690	358,000	484,280
LESS: RURAL TRANSIT FUND/5311 EXCHANGE	(762,127)	(1,413,270)	(1,413,270)	-	-	-	(792,910)	-	-	-
6. NET TDA REQUIREMENTS	7,646,554	6,614,830	6,614,830	712,751	290,230	486,180	7,193,500	918,690	358,000	484,280
7. **TOTAL FUNDING SOURCES**	15,058,057	12,001,090	12,081,090	2,329,130	778,920	1,200,710	12,692,010	2,458,440	820,010	1,266,180
8. FUNDING USES:										
ADMINISTRATION	2,128,541	1,822,380	1,902,380	173,260	7,500	102,220	1,932,450	180,420	7,790	106,700
PERS BUYOUT	178,308	178,310	178,310	-	-	-	178,310	-	-	-
BUILDING DECOMMISSIONING	-	-	-	-	-	-	-	-	-	-
MANAGEMENT CONTRACTS	288,270	-	-	133,360	114,950	55,770	-	143,140	123,380	59,860
SERVICE DELIVERY	12,462,938	9,867,670	9,867,670	1,992,740	647,230	1,026,780	10,440,910	2,103,400	679,120	1,082,760
CONTINGENCY	-	132,730	132,730	29,770	9,240	15,940	140,340	31,480	9,720	16,860
9. **TOTAL FUNDING USES**	15,058,057	12,001,090	12,081,090	2,329,130	778,920	1,200,710	12,692,010	2,458,440	820,010	1,266,180

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
AMENDED CAPITAL AND PLANNING REVENUE BUDGET FOR 2023/2024

FUNDING SOURCES:	2022/2023 Combined Actual Capital Budget	2023/24 Adopted RTA Capital Budget	2023/24 Amended RTA Capital Budget	2023/24 Adopted SoCo Transit Capital Budget	2023/24 Amended SoCo Transit Capital Budget	2023/24 Adopted SLOCAT Capital Budget	2023/24 Amended SLOCAT Capital Budget	2023/24 Adopted North County Capital Budget	2024/25 Projected RTA Core Capital Budget	2024/25 Projected SoCo Transit Capital Budget	2024/25 Projected SLOCAT Capital Budget	2024/25 Projected North County Capital Budget
BEGINNING CAPITAL PROJECTS RESERVE	1,758,160	**490,470**	**874,790**	**158,730**	**231,850**	**38,190**	**133,230**	**4,680**	663,950	135,080	38,190	10,420
1. ESTIMATED FUND BALANCE	1,758,160	**490,470**	**874,790**	**158,730**	**231,850**	**38,190**	**133,230**	**4,680**	663,950	135,080	38,190	10,420
2. LESS REQUIRED RESERVES FOR FISCAL YEAR												
CAPITAL PROJECTS RESERVE	1,244,550	**663,950**	**663,950**	**135,080**	**135,080**	**38,190**	**38,190**	**10,420**	663,950	106,290	33,660	10,420
TOTAL	1,244,550	**663,950**	**663,950**	**135,080**	**135,080**	**38,190**	**38,190**	**10,420**	663,950	106,290	33,660	10,420
3. FUND BALANCE AVAILABLE	513,610	**(173,480)**	**210,840**	**23,650**	**96,770**	**-**	**95,040**	**(5,740)**	-	28,790	4,530	-
NON TDA SOURCES												
STATE TRANSIT ASSISTANCE (STA) WITH SB1 AUGMENTATION	211,392	**730,090**	**730,090**	**82,220**	**82,220**	**10,870**	**10,870**	**136,180**	191,600	-	-	44,670
LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)	-	**246,010**	**246,010**	**-**	**-**	**-**	**-**	**-**	-	-	-	-
STA SB1 STATE OF GOOD REPAIR	-	**448,610**	**448,610**	**-**	**-**	**-**	**-**	**-**	-	-	-	-
PROPOSITION 1B FUNDING - BUS REPLACEMENT & BUS MAINTENANCE FACILITY	-	**-**		**-**	**-**	**-**	**-**	**-**	-	-	-	-
RURAL TRANSIT FUND (Capital)	-	**-**		**-**	**-**	**-**	**-**	**-**	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	245,187	**710,660**	**982,680**	**-**	**-**	**-**	**-**	**-**	215,770	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5339) - Bus and Bus Facilities	170,362	**112,590**	**835,170**	**-**	**-**	**-**	**63,280**	**-**		-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-North County)	270,069	**762,460**	**1,060,530**	**-**	**-**	**-**	**-**	**-**	293,270	-	-	117,000
FEDERAL TRANSIT ADM (FTA) (Section 5307-Santa Maria) - CARES	14,355	**-**	**-**	**-**	**-**	**-**	**-**	**-**		-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-South County)	486,957	**637,170**	**909,190**	**137,660**	**430,140**	**-**	**312,160**	**-**	215,770	-	-	-
4. SUB TOTAL	1,398,323	**3,647,590**	**5,212,280**	**219,880**	**512,360**	**10,870**	**386,310**	**136,180**	916,410	-	-	161,670
5. TOTAL FUND BALANCE & NON TDA FUNDING	1,911,933	**3,474,110**	**5,423,120**	**243,530**	**609,130**	**10,870**	**481,350**	**130,440**	916,410	28,790	4,530	161,670
TDA REQUIRED												
CITY OF ARROYO GRANDE (Population Based)	4,418	**25,655**	**25,655**	**-**	**-**	**-**	**-**	**-**	24,938	-	-	-
CITY OF ATASCADERO	7,507	**42,743**	**42,743**	**-**	**-**	**-**	**-**	**-**	42,378	-	-	-
CITY OF GROVER BEACH	3,300	**17,820**	**17,820**	**-**	**-**	**-**	**-**	**-**	18,631	-	-	-
CITY OF MORRO BAY	2,545	**14,677**	**14,677**	**-**	**-**	**-**	**-**	**-**	14,364	-	-	-
CITY OF PASO ROBLES	7,798	**43,720**	**43,720**	**-**	**-**	**-**	**-**	**-**	44,020	-	-	-
CITY OF PISMO BEACH	2,033	**11,192**	**11,192**	**-**	**-**	**-**	**-**	**-**	11,475	-	-	-
CITY OF SAN LUIS OBISPO 18%	15,057	**84,985**	**84,985**	**-**	**-**	**-**	**-**	**-**	84,985	-	-	-
COUNTY OF SAN LUIS OBISPO 49%	40,993	**231,349**	**231,349**	**-**	**-**	**-**	**-**	**-**	231,349	-	-	-
TDA REQUIREMENTS FOR TIFIA LOAN REPAYMENT	83,650	**472,140**	**472,140**	**-**	**-**	**-**	**-**	**-**	472,140	-	-	-
6. FINANCING FOR BUS MAINTEINANCE FACILITY	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-
7. **TOTAL FUNDING SOURCES**	1,995,582	**3,946,250**	**5,895,260**	**243,530**	**609,130**	**10,870**	**481,350**	**130,440**	1,388,550	28,790	4,530	161,670
8. FUNDING USES:												
CAPITAL	1,550,947	**3,474,110**	**5,423,120**	**243,530**	**609,130**	**10,870**	**481,350**	**130,440**	916,410	28,790	4,530	161,670
LOAN PAYMENTS	444,635	**472,140**	**472,140**	**-**	**-**	**-**	**-**	**-**	472,140	-	-	-
9. **TOTAL FUNDING USES**	1,995,582	**3,946,250**	**5,895,260**	**243,530**	**609,130**	**10,870**	**481,350**	**130,440**	1,388,550	28,790	4,530	161,670

Administration and Service Delivery Totals		Actual Combined FY 2022-23	Adopted Operating Budget FY 2023-24	Amended Operating Budget FY 2023-24	Projected Operating Budget FY 2024-25
	Hours		**83,260**	**83,260**	83,260
	Miles		**1,776,120**	**1,776,120**	1,776,120
Administration:					
Labor	operations cost	1,424,645	**1,260,560**	**1,260,560**	1,353,000
Labor - Administration Workers Comp	operations cost	41,821	**45,630**	**45,630**	48,430
Office Space Rental	operations cost	53,398	**58,030**	**58,030**	59,770
Property Insurance	operations cost	216,314	**239,060**	**239,060**	262,970
Professional Technical Services	operations cost	162,538	**167,410**	**247,410**	174,560
Professional Development	operations cost	52,975	**91,450**	**91,450**	104,440
Operating Expense	operations cost	334,951	**398,380**	**398,380**	413,650
Marketing and Reproduction	hourly	130,169	**148,920**	**148,920**	136,920
North County Management Contract	operations cost	(52,870)	**(55,770)**	**(55,770)**	(59,860)
County Management Contract	operations cost	(108,970)	**(114,950)**	**(114,950)**	(123,380)
SCT Management Contract	operations cost	(126,430)	**(133,360)**	**(133,360)**	(143,140)
Total Administration		2,128,541	**2,105,360**	**2,185,360**	2,227,360
Service Delivery:					
Labor - Operations	hourly	7,017,330	**7,545,070**	**7,545,070**	7,905,790
Labor - Operations Workers Comp	hourly	322,174	**346,030**	**346,030**	367,290
Labor - Maintenance	hourly	1,783,771	**1,809,490**	**1,809,490**	1,893,470
Labor - Maintenance Workers Comp	hourly	86,580	**94,750**	**94,750**	100,560
Fuel	miles	1,643,778	**1,651,890**	**1,651,890**	1,651,890
Insurance (Liability, Physical Damage, Employment Practices	miles	767,693	**855,850**	**855,850**	1,027,020
Special Transportation (for SLOCAT)	n/a	63,066	**33,740**	**33,740**	35,350
Maintenance (parts, supplies, materials)	miles	694,948	**1,029,610**	**1,029,610**	1,152,000
Maintenance Contract Costs	miles	83,598	**167,990**	**167,990**	172,820
Total Operations		12,462,938	**13,534,420**	**13,534,420**	14,306,190
Contingency	hourly	-	**187,680**	**187,680**	198,400
PERS Buyout	operations cost	178,308	**178,310**	**178,310**	178,310
Building Decommissioning		-	**-**	**-**	-
Management Contracts		288,270	**304,080**	**304,080**	326,380
TOTAL FUNDING USES		15,058,057	**16,309,850**	**16,389,850**	17,236,640

Capital and Planning Expenditures		Actual Capital Budget FY 2022-23	Adopted Capital Budget FY 2023-24	Amendment #1 Capital Budget FY 2023-24	Projected Capital Budget FY 2024-25	Projected Capital Budget FY 2025-26	Projected Capital Budget FY 2026-27	Projected Capital Budget FY 2027-28
Capital/Studies:								
Computer System Maintenance/Upgrades	hourly	72,787	**180,750**	**180,750**	46,730	49,070	51,520	54,100
Miscellaneous Capital	hourly							
Maintenance Equipment		186,898	**46,500**	**46,500**	48,750	50,250	52,760	55,400
Vehicle ITS/Camera System	hourly	-	**138,000**	**138,000**	-	-	-	-
Bus Stop Improvements	hourly	16,789	**101,880**	**467,480**	48,130	50,630	53,160	55,820
Large Capital Repairs	hourly	302,212	**468,750**	**869,800**	-	-	-	-
Vehicles	hourly							
Support Vehicles		34,948	**236,950**	**256,070**	33,500	58,630	61,500	64,630
Fixed Route Vehicles	hourly	689,850	**2,136,140**	**3,130,460**	690,840	4,355,330	14,071,000	4,221,250
Trolley replacement vehicles	hourly	-	**-**	**293,200**	-	-	445,500	-
Cutaway and Dial A Ride Vehicles	hourly	-	**-**	**177,280**	146,250	261,500	-	184,630
Runabout Vehicles	hourly	247,463	**549,980**	**834,500**	97,200	1,340,130	923,380	1,015,750
Total Capital Outlay		1,550,947	**3,858,950**	**6,394,040**	1,111,400	6,165,540	15,658,820	5,651,580
Loan Repayments		444,635	**472,140**	**472,140**	472,140	458,060	458,060	458,060
Short Range Transit Plan		-	**-**	**250,000**	-	-	-	
Elks Lane Project			**-**	**-**	-	-	-	
TOTAL FUNDING USES		1,995,582	**4,331,090**	**7,116,180**	1,583,540	6,623,600	16,116,880	6,109,640

	SPECIAL DISTRICT	**SAP DOCUMENT NO.**
	San Luis Obispo Regional Transit Authority (Name) **BUDGET ADJUSTMENT REQUEST**	
		DATE: 11/01/2023

COMMITMENT ITEM DESCRIPTION	DEPARTMENT OR PROJECT TITLE	FUND CENTER	COMMITMENT ITEM	FUNDED PROGRAM	AMOUNT
FINANCING SOURCES					
FTA 5307 Capital	RTA	74801	4250030		2,232,610
Fund balance available	RTA	74801	no entry		552,480
TOTAL FINANCING SOURCES					2,785,090
FINANCING USES					
Prof & Spec Svcs	RTA	74801	5050340		80,000
Capital Equipment	RTA	74801	5500093		2,785,090
TOTAL FINANCING USES					2,785,090

JUSTIFICATION: (attach letter if required)
See attached staff reports
C-1 from the RTA November 1, 2023 Board Meeting

REQUESTED BY: REVIEWED BY APPROVED BY

11/01/2023 Tania Arnold
Date Name Date Auditor-Controller

PASSED AND ADOPTED by the Board of Directors of the San Luis Obispo Regional Transit Authority, County of San Luis Obispo, State of California, this 1st day of November, 20 23. Agenda Item No. C-1

President of the Board of Directors

Of San Luis Obispo Regional Transit Authority

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOVEMBER 1, 2023
STAFF REPORT

AGENDA ITEM:	**C-2**
TOPIC:	**Price Escalation for Battery-Electric Buses**
PRESENTED BY:	**Geoff Straw, Executive Director**
STAFF RECOMMENDATION:	**Authorize Executive Director to Seek Additional and New Funding to Close the Funding Gap of $2,238,055 for the Purchase of Five Battery-Electric Buses**

BACKGROUND/DISCUSSION:
At its November 2, 2022, the RTA Board authorized staff to procure five (5) 40-foot battery-electric buses (BEB), spare parts and equipment, and training at a cost not-to - exceed $5,215,200, submit grant applications for then currently-available funds (discussed below), and to declare the replaced vehicles surplus.

As authorized by the Board, the Executive Director solicited price proposals from the State of Washington Master Contract No. 06719 for the procurement of five BEBs that have the greatest battery capacity available in order to best meet the RTA's regional intercity bus mileage range needs. These new buses will be essentially identical to our May 2022 purchase order for two BEBs by including digital on-board surveillance systems, GPS-based passenger information systems, multiplex wiring systems, electronic fareboxes, LED front/side/rear destination signs, and bike racks. The May 2022 per bus price for the two above-mentioned BEBs was $1,052,694.84, which included the pro rata share of spare parts/equipment and training.

However, the October 18, 2023 price proposal received from Gillig LLC significantly exceeds the November 2, 2022 Board authorized amount of $5,215,200. The October 18th price quote totals $6,853,255, not including spare parts and equipment, or training. This equates to a 30% per bus increase in 17 months. Staff suggests that a placeholder amount of $140,000 be added for spare parts/equipment and training (which, as noted above, was included in the prior Gillig procurement), as well as $400,000 to complete Phase 1b of the Bus Maintenance Facility's planned direct-current recharging system. This equates to a total of $7,393,255 and a resulting funding shortfall of $2,178,055.

Staff continues to seek alternative funding sources to help fund the price adjustments and to serve as a local match in lieu of additional RTF, LTF and STA funds. Alternative funds include:

1. discretionary Transit Intercity Rail Capital Program (TIRCP),

2. Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) credits,
3. SLO County Air Pollution Control District (APCD) Community Air Protection grant funds,

4. Low Carbon Transit Operations Program (LCTOP) funds, and

5. Volkswagen Environment Mitigation Trust (VEMT) program funds.

Two new transit capital related funds were identified at the October 4, 2023 SLOCOG Board meeting (formula TIRCP, and Zero-Emission Transit Capital Program funds) that the RTA should consider adding to the list above.

It is estimated that the RTA has a reasonable chance of securing up to $690,000 in HVIP credits to be applied towards this five-bus BEB purchase order ($138k per bus times five buses), as well as $432,000 in VEMT funds ($216k per bus times two buses). If we are successful in attaining these new grant funds/credits, this still leaves a shortfall of $1,056,055.

Once sufficient funding is reasonably secured, staff would seek approval at a future RTA Board meeting to issue a purchase order for the five BEBs, spare parts and equipment, training, and completion of Phase 1b of the bus recharging system. Since the current price quote expires in mid-December and the transit industry continues to experience rapid price increases, the RTA Board might consider convening directly after the SLOCOG Board meeting on December 6, 2023.

Staff Recommendation

Authorize Executive Director to seek additional funding to close the funding gap of $2,178,055 to fund the purchase of five battery-electric buses.