



RTA BOARD AGENDA

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

Wednesday, December 2, 2020 at 10:00 AM

The RTA Meeting will immediately follow SLOCOG Board Meeting, start time will be approximately 10:00 a.m.

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

President: Fred Strong

Vice President: John Peschong

Board Members:

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

Heather Moreno (Atascadero)
Karen Bright (Grover Beach)
Robert Davis (Morro Bay)
Fred Strong (Paso Robles)
Ed Waage (Pismo Beach)
Andy Pease (San Luis Obispo)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency [LEP]) by contacting the RTA offices at 781-4833. Please note that 48 hours advance notice will be necessary to honor a request.

Important Notice Regarding COVID-19

Due to the Coronavirus (COVID-19) and in accordance with the Governor's Executive Order N-29-20, the RTA Board meeting on December 2, 2020 will be a virtual meeting held via Zoom webinar.

HOW TO WATCH:

1. **To Watch:** To watch the meeting online via livestream (on your computer or mobile device), go to: www.slo-span.org, or watch the meeting via Cable TV Public Access Channel 21.
2. **To Watch and Participate in Live Public Comment:** To provide public comment during the meeting, use the Zoom webinar link below. Please use the following link to register in advance of the webinar. After **registering**, you will receive a confirmation email with details about joining the webinar:

https://us02web.zoom.us/webinar/register/WN_aY1TObs-RNmT6F_wRqWsUA

HOW TO COMMENT:

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

***Note: Every effort will be made to include your comments into the record, but due to time limitations, some comments may not be included. Members of the public can submit comments by:

Zoom webinar – Verbal, Live Public Comments

- See details on page 1 of this agenda under ‘How to Watch.’

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

- Include the agenda item number you are referencing or type “general comment,” if it is about an item not on the agenda.
- **Emailed written comments must be submitted no later than 5:00 p.m. on Monday, November 30, 2020.**

Mail – Written Public Comments

- Mail to:
Clerk of the Board
SLO RTA
179 Cross Street
San Luis Obispo, CA 93401
 - **Mailed written comments must be received by the RTA no later than 5:00 p.m. on Monday, November 30, 2020.**
-

FLAG SALUTE, CALL MEETING TO ORDER AND ROLL CALL

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

A. INFORMATION AGENDA

A-1 Executive Director's Report (Receive)

B. ACTION AGENDA – No action items

- B-1 Fiscal Year 2020-21 Amendment #2 (Approve)
- B-2 Consolidation SoCo Transit into the RTA (Approve)
- B-3 Fiscal Year 2020-21 Amendment #3 for Consolidation of SoCo Transit into the RTA (Approve)

C. CONSENT AGENDA

- C-1 Executive Committee Meeting Minutes of August 12, 2020 (Information)
- C-2 RTA Board Meeting Minutes of August 5, 2020 (Approve)
- C-3 RTA Board Meeting Minutes of September 2, 2020 (Approve)
- C-4 Procurement of Replacement Vehicles (Approve)
- C-5 Declare Vehicles Surplus (Approve)
- C-6 Designate Executive Director as Alternate on CalTIP Board (Approve)
- C-7 BMF Construction Change Order Summary (Approve)
- C-8 Final Social Security Resolution for RTA Employees (Approve)
- C-9 Annual Fiscal & Compliance Audit for Fiscal Year 2019-20 (Accept)
- C-10 Cuesta College Proposal for Transit Improvements at North Campus (Approve)

D. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code section 54956.9.) It is the intention of the Board to meet in closed session concerning the following item: (1) Significant exposure to litigation pursuant to subdivision (d) of section 54956.9. Number of potential cases: One.

E. BOARD MEMBER COMMENTS

Next RTA Board meeting: January 6, 2021

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020**

AGENDA ITEM: A-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Receive as Information

BACKGROUND/DISCUSSION:

Update on COVID-19 Pandemic Impacts:

The RTA and its transit agency partners continue to respond to and plan for recovery from the COVID-19 pandemic. We provide lifeline services, including transportation for vital healthcare workers and other essential employees responding to the pandemic. The recent spike in COVID-19 cases in SLO County and the resulting regression back to the Purple Tier on November 16th did not impact our operations, since all of our initiatives implemented previously remained in place after the county reopened upon the Red Tier declaration on September 18th. I issued a companywide memo on November 20th reminding our employees to follow our COVID-19 rules (wearing face coverings, socially distancing, staying home when sick, etc.) and to provide an overall update to the team.

Below is a summary of the previously reported COVID-19 related changes (and implementation dates) staff has implemented in response to the pandemic:

1. Public info campaign to sanitize hands and stay home if sick (March 3)
2. Revised vehicle & facility sanitizing procedures (March 10)
3. Weekday Regular Service decreased to Saturday Service (March 16)
4. Fares suspended & boarding at mid-door (March 23)
5. Ordered sanitizing foggers to clean bus interiors (March 27)
6. Fiscal Emergency declared by RTA Board (April 1)
7. Face masks provided to employees (April 3)
8. Bus Operator bid "shake-up" & admin leave program (April 5)
9. Maximum vehicle loads established & "shadow" buses added (April 13)
10. Face coverings required on all buses and at bus stops (June 12)
11. Interim cash fare & temporary shower curtain-based screen (June 14)
12. Passenger hand sanitizing gel dispensers on all transit vehicles (June 22)
13. Service ramp-up to address increasing ridership (June 28)
14. Employee personal temperature screening policy (June 28)
15. Hand sanitizer dispensers installed in operating facilities (July 7)
16. Permanent "sneeze guard" barriers installed on buses (July 13)

17. Bids to install customer service window (August 12)
18. Fall service “shake-up” and slight service revisions (August 16)
19. Training for and implementation of sanitizing foggers (August 18)
20. Bids to install enhanced building air-handling system (August 19)

Other more recent COVID-19 initiatives that have been implemented since the September 2nd RTA Board meeting (and pertinent dates) include:

1. First full staff meeting since pandemic declared (September 18; now monthly)
2. External building intercom installed and tested (October 1)
3. Discussion on enhanced BMF air-handling (October 12)
4. Enhanced BMF air-handling submitted to contractor (November 19)
5. Issued employee letters in light of curfew hours (November 20)

Update on Bus Maintenance Facility (BMF) Construction

Construction of the BMF and associated off-site public improvements (primarily realignment of Elks Lane) is underway. Below is a summary:

1. Construction is essentially on-schedule (one extra day authorized). We are still planning for substantial completion in December 2021 and full completion in February 2022.
2. Concrete Masonry Units installation is the critical path.
3. No safety incidents reported; one break-in reported by on-site guard services.
4. Contaminated (not “hazardous”) soil discovered beneath old U-Haul facility. The City has accepted our remediation efforts.
5. All ground-disturbing activities are completed. No archeological/cultural assets were discovered.
6. Pouring of concrete footings completed on November 5th; pouring of concrete pad scheduled for December 4th.
7. Three pay requests paid to date totaling \$2,108,271.93. Agenda Item C-7 includes details on the change orders approved and submitted to date.

I welcome the opportunity to provide a tour of the construction site to any Board member or senior member of your jurisdiction’s staff. We can provide “loaner” protection equipment while on site (hard hat, safety goggles and reflective vest), but you should plan on wearing closed-toe shoes appropriate for walking on uneven surfaces.

Operations:

To honor recently deceased RTA Bus Operator Darwin Bus and others whose families have been affected by cancer, we worked with the American Cancer Society to conduct a Relay for Life cancer awareness event on October 28th. Luminares were set up along walk courses nearby each of our three operating facilities, and information brochures were provided to participants.

Since the previous RTA Board meeting in September, we have one new Utility Worker on the wash rack, two new Bus Operators in revenue service, and one new Bus Operator candidate that is in the training program. We also have four candidates that are in the background/permitting phase of recruitment that could help us sustain service levels after the pandemic shelter at home order is lifted. We are continually seeking new candidates to fill the four open Bus Operator positions. Please welcome Allison Stitzer as our new Accounting Technician, who will join our team in December.

As mentioned in previous RTA Board meetings, the RTA continues to provide coverage for open Bus Operator and Utility worker shifts at SoCo Transit. To date, employee shortages across all RTA managed transit programs appear to have stabilized. Nonetheless, should employee shortages worsen due to COVID-19 infections and/or employee separations, RTA may be forced to cut service – possibly by reverting to Saturday service levels. If this strategy becomes a necessity, I will immediately communicate with the City Managers and RTA Board members prior to announcing the cuts to the public.

The RTA conducted a socially-distanced Employee of the Quarter ceremony in September. Join me in congratulating RTA Bus Operator CB Bidleman as the EOQ winner. CB was nominated by his coworkers who agree that he is one of the nicest people at RTA to work with. Being a Bus Operator can be stressful but CB never lets the stress show and he's just a great guy to be around. His passengers also love him and emailed us to tell us that they are always glad to see his face behind the wheel. Congratulations also to Bus Operator Raymond Espinoza and Operations Supervisor Kevin Cooksley for earning Outstanding Achievement Awards.

Marketing & Service Planning:

We conducted an employee survey in September and October, and have finished compiling the results. Many employees expressed thanks for providing such a supportive environment, although many expressed a desire for higher wages and expanded benefits. Some great ideas were provided on capital improvements, particularly at bus stops that lack sufficient lighting or other passenger amenities. The survey also reinforces the notion that consistent messaging is difficult to maintain

Much of our marketing efforts continue to be centered on COVID-19 related service and fare changes. In addition to information campaigns about face coverings, we continue to encourage good hygiene practices for employees and customers – including hand sanitizing, social distancing, and staying home when sick.

I serve on the Small Operators Committee for the California Transit Association. The Committee recently awarded the “Transit Professional of the Year” collectively to all front-line transit employees in California, who continued to provide essential public transportation throughout the pandemic. This aligns with the *RTA Heroes* initiative that

we implemented when the COVID-19 pandemic struck in March 2020. An engaging video developed by the CTA is posted in the “News” section of our website (www.slorta.org). The video can also be accessed directly at <https://www.youtube.com/watch?v=FslOM6lNgs8&feature=youtu.be>.

The RTA website has been updated to provide a Spanish language “widget” that is prominently displayed on each webpage.

Staff worked with the City of Paso Robles staff in early November to arrive at a bus replacement process. As part of the process, the City will purchase two standard 40-foot buses and the four remaining Paso Express buses will be phased out. In addition, the City will purchase standard RTA demand response vans to replace its two Paso Dial-A-Ride vans. This “standardization” of vehicles allows the region to share spare vehicles, which increases efficiencies and lowers overall costs.

The RTA and its direct operating partners have been marketing our holiday schedule over the past two months. We did not operate on Thanksgiving Day, and we operated a Saturday Schedule the remaining days for the week of Thanksgiving. Along the same lines, we will not operate on Christmas Day or New Year’s Day, and we will operate Saturday Schedules December 21-24 and December 28-31.

Finance and Administration:

CPS HR Consulting, our diversity and inclusion consultant, delayed our onsite and virtual kickoff meeting due to an unforeseen emergency. It has been rescheduled for December 7-8. The purpose of the study is identify potential bias in our existing policies and procedures, and to recommend steps to minimize it moving forward. RTA Board Directors Bright and Strong will be interviewed, as well as all four RTA senior managers, our HR Officer, Grants Manager, Safety Training Manager, two Bus Operators, a Maintenance Technician, and SLOCOG Executive Director Pete Rodgers.

Our unaudited operating and financial results for the first three months of fiscal year 2020-21 are presented in the tables at the end of this report. Obviously, the COVID-19 pandemic has affected passenger demand for transit services. This tabular information is summarized as follows:

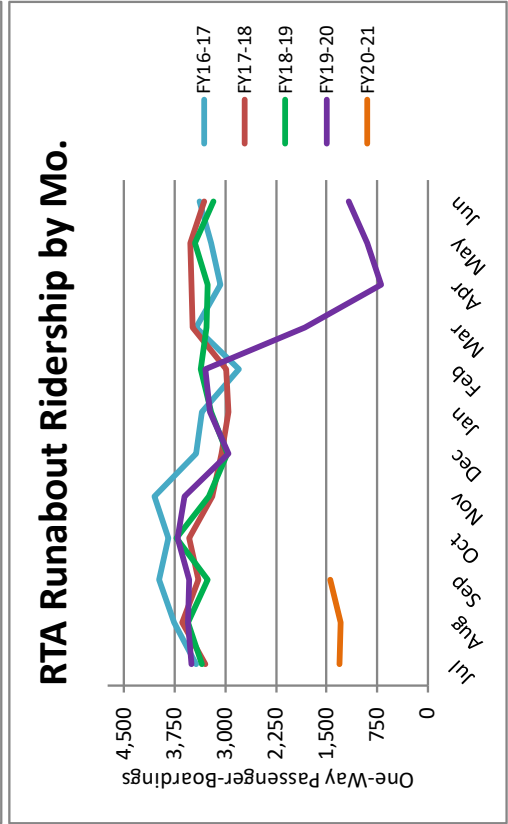
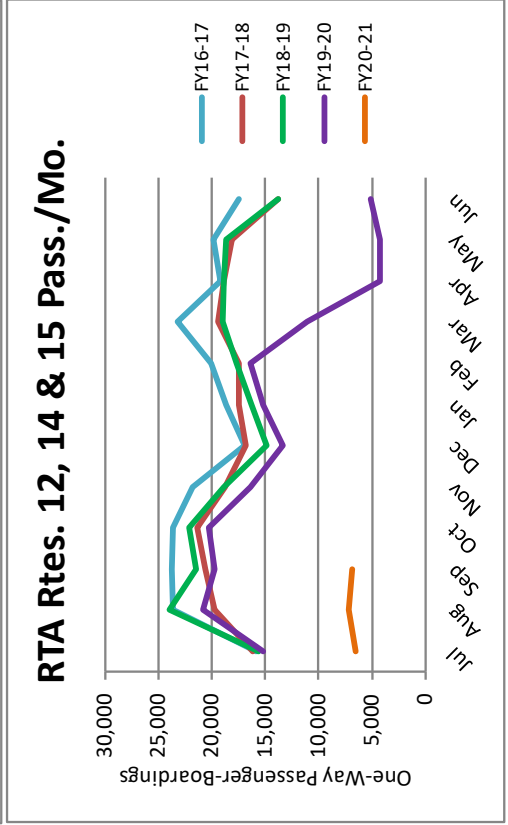
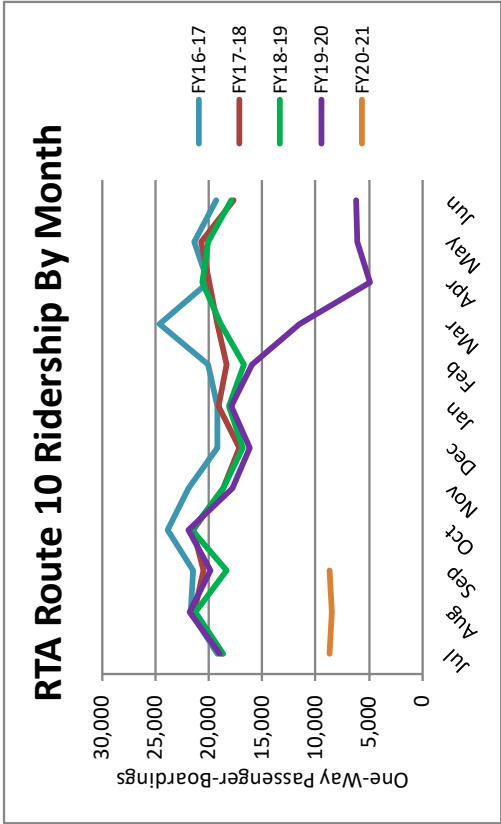
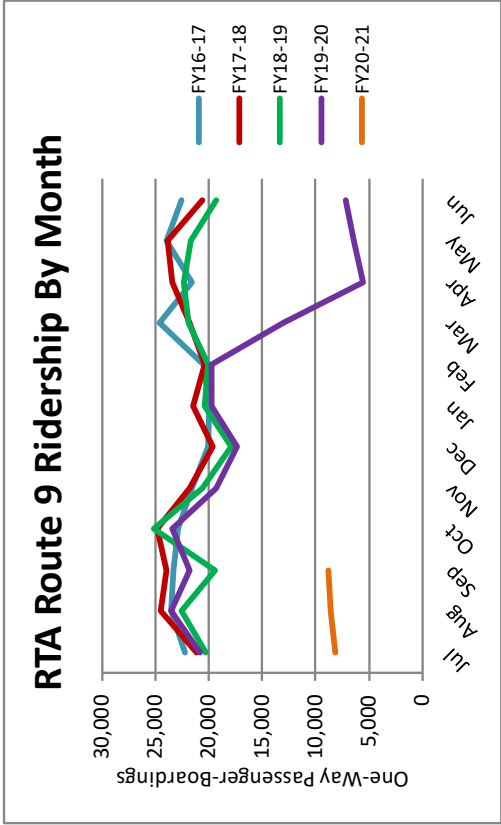
- RTA core fixed-route ridership totaled 71,885. In comparison, the ridership for the same period last year was 182,434, which represents a decline of 60.5% in comparison to pre-COVID results last year. See the graphs on page B-1-6 for details on each fixed-route’s ridership trends over the past five fiscal years.
- Runabout ridership totaled 4,052, which is a 61.8% decline for the first three months of FY20-21 in comparison to the previous year (10,604).

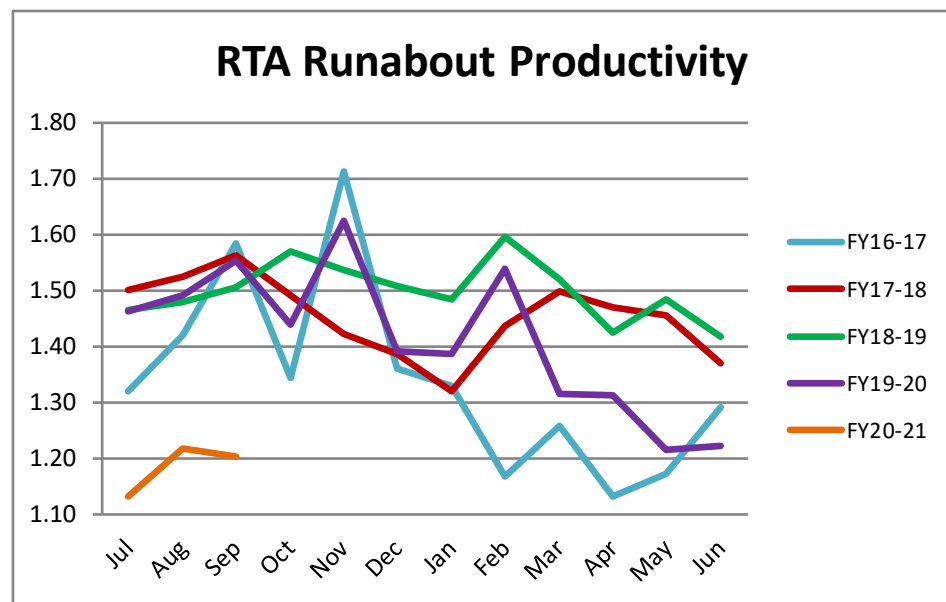
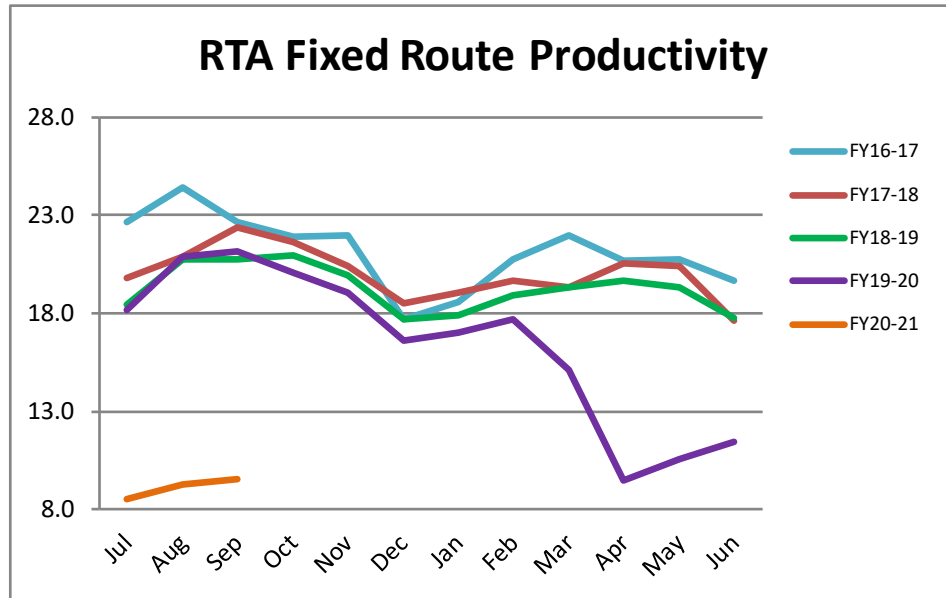
- Trends over the past five years for productivity (average number of passenger-boardings per service hour), depict the drastic COVID-19 impacts on ridership – the decline has been particularly marked due to the limits on the number of passengers allowed on a bus at one time to provide property social distancing during the pandemic. See page B-1-7 for details.
- In terms of unaudited financial results, staff worked hard to keep operating and capital costs within budget. Service levels have been reduced comparison to last year – primarily due to the cessation of fixed-route Express services – although our operating costs have increased in the areas of vehicle/facility sanitizing. See the tables on pages B-1-8 and B-1-9 for details. Some important takeaways include:
 - In terms of overall non-capital expenses, we have spent 20.6% of the budget through 25% of the fiscal year.
 - Administrative costs are well below budget (21.3% actual through 25% of the fiscal year). Part of this is due to the temporary vacancy in the Accounting Technician position that will be filled in December 2020. Our Professional Development budget is well below, too, due to a ban on travel out of the county. Marketing costs are also well below budget, since we have curtailed efforts to increase ridership during the pandemic.
 - Overall Service Delivery costs equated 20.4% vs 25% of the fiscal year. These costs include both day-to-day operations and vehicle maintenance activities. Obviously, with the “right-sizing” of service levels, labor costs are below budget (20.5% for operations; 21.8% for maintenance due to an extended medical leave). The costs for fuel, parts and maintenance contract costs were below budget due to the reduced service levels.
 - Farebox revenues continue to be drastically reduced due to the greatly reduced interim cash fare during the pandemic. Total fares collected in FY20-21 equated to only \$41,892 for RTA core services, whereas during the same period in FY19-20 fares totaled \$277,941 – a decline of 85%. Accordingly, the farebox recovery ratio for core fixed-route services equated to a dismal 2.7%, while Runabout achieved a ratio of 2.6%. Fortunately, all farebox recovery ratio penalties have been suspended statewide during the pandemic.

The subsidy per passenger-trip on core fixed-route services was \$21.28 and for Runabout it was \$138.59.

STAFF RECOMMENDATION:

Accept this as an information item.





A-1-8

10/16/2020
3:28 PM

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
YEAR TO DATE THRU SEPTEMBER 30, 2020
CURRENT FISCAL YEAR - 2020/2021**

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE SERVICES	TOTAL PASO EXPRESS FIXED ROUTE	PASO EXPRESS DIAL A RIDE	RUNABOUT	SYSTEM TOTAL
REVENUES:										
FARES	\$ 12,702	\$ 16,329	\$ 11,435	\$ -	\$ 1,425	\$ 41,892	\$ 15,324	\$ 1,075	\$ 14,953	\$ 73,243
TOTAL ROUTE REVENUES	\$ 12,702	\$ 16,329	\$ 11,435	\$ -	\$ 1,425	\$ 41,892	\$ 15,324	\$ 1,075	\$ 14,953	\$ 73,243
EXPENDITURES:										
ADMINISTRATION	\$ 111,326	\$ 93,749	\$ 64,902	\$ 1,095	\$ 27,652	\$ 298,724	\$ 9,618	\$ 1,492	\$ 129,396	\$ 439,230
MARKETING	4,230	3,596	2,491	39	1,054	11,411	-	-	-	11,411
OPERATIONS/CONTINGENCY	360,973	310,482	211,508	3,643	91,708	978,314	170,282	27,113	391,018	1,566,726
FUEL	53,929	56,641	33,471	651	16,714	161,405	9,744	958	31,672	203,779
INSURANCE	40,685	42,725	25,234	492	12,584	121,719	11,778	1,056	24,435	158,989
TOTAL EXPENDITURES	\$ 571,144	\$ 507,193	\$ 337,606	\$ 5,920	\$ 149,711	\$ 1,571,574	\$ 201,421	\$ 30,619	\$ 576,521	\$ 2,380,135
FAREBOX RATIO	2.2%	3.2%	3.4%	0.0%	1.0%	2.7%	7.6%	3.5%	2.6%	3.1%
SERVICE MILES	76,282.6	80,103.7	47,301.5	921.9	23,578.1	228,187.7	22,015.7	1,164.0	45,667.0	297,034.4
SERVICE HOURS	2,944.4	2,480.3	1,717.9	28.9	731.2	7,902.6	1,546.2	141.6	3,420.7	13,011.0
RIDERSHIP (Automatic Counters)	25,547	25,871	16,476	806	3,185	71,885	13,116	214	4,052	89,267
RIDERS PER MILE	0.32	0.31	0.33	0.87	0.13	0.32	0.60	0.18	0.09	0.30
RIDERS PER HOUR	8.3	10.1	9.2	27.9	4.4	9.1	8.5	1.5	1.2	6.9
COST PER PASSENGER	\$ 22.36	\$ 19.60	\$ 20.49	\$ 7.34	\$ 47.01	\$ 21.86	\$ 15.36	\$ 143.08	\$ 142.28	\$ 26.66
SUBSIDY PER PASSENGER	\$ 21.86	\$ 18.97	\$ 19.80	\$ 7.34	\$ 46.56	\$ 21.28	\$ 14.19	\$ 138.06	\$ 138.59	\$ 25.84

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020
STAFF REPORT**

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2020-21 Operating and Capital Budget Amendment #2

ACTION: Approve

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Approve Fiscal Year 2020-21 Budget Amendment #2 as Presented

EXECUTIVE COMMITTEE AND RTAC RECOMMENDATION: Staff bring to the Board for approval

SUMMARY:

As mentioned at the May 6th and June 3, 2020 RTA Board meeting, the CARES Act signed into law on March 27th provided a record-breaking \$2.2 trillion to help prevent, prepare for and respond to the COVID-19 pandemic, including \$25 billion for public transit. In San Luis Obispo County, the formula fund amounts for the three small urbanized areas are roughly triple the typical annual apportionment, while the rural formula funds being immediately distributed by Caltrans is roughly equivalent to one years' worth. Below are details of CARES Act funding apportioned by the Federal Transit Administration as Section 5307 funds to the region, by Urbanized Area (UZA):

1. Arroyo Grande – Grover Beach UZA:	\$4,755,669
2. San Luis Obispo UZA:	\$7,117,427
3. El Paso de Robles – Atascadero UZA:	\$4,473,987
4. Santa Maria UZA:	<u>\$12,320,580</u>
Total:	\$28,667,663

At the June 3rd RTA Board meeting the budget was amended to include CARES Act funding from all of the UZA's except Santa Maria as the RTA was still negotiating with the City of Santa Maria. The RTA has traditionally received 11% of the normal annual apportionment for RTA Route 10 service that operates hourly service into Santa Maria. Using that traditional split, which equates to roughly \$1,355,000 in funding for the RTA. Since that time, the RTA has been awarded \$1,300,691.

The RTA has also applied for Phase 2 CARES FTA Section 5311 non-urbanized apportionment through Caltrans. Since those funds can only be used for rural transit services, the RTA, the County and Morro Bay Transit are eligible recipients. We will be working with our partners at SLOCOG to distribute these 5311 funds in the coming

months. Once that call for projects and project awards have been determined a budget amendment will be provided to identify those additional funds.

This one-time CARES Act funding can be used for all net operating expenses (after deducting fares) incurred since January 20, 2020; no local match is required. Staff using these funds to replace some of the Local Transportation Funds that could instead be used by the RTA jurisdictions for local streets/roads purposes in FY20-21.

There are a number of changes in the current fiscal year and in subsequent years, which staff has noted in **yellow** in the detailed pages. In total, it is projected that the jurisdictions will have a reduction of the LTF required for FY2020-21 and FY2021-22 of **\$1,124,230**, as a result of this budget amendment.

For Fiscal Year 2020-21

Changes in Operating Revenue:

- Debt service reserves reduced by \$207,660 for the funding related to the facility loan, now being spent to fill the reserve held by the collateral agent. This amount was the estimate that the RTA had in June 2020.
- Offset reserve to carryover to FY21-22 increased by \$950,000 to \$1,950,000 which allows for a reduced LTF request in FY21-22 in addition to FY20-21
- Changes in Non TDA Sources:
 - Increase in FTA (Section 5307 – SM) Operating CARES by \$847,630 which is a portion of the CARES funds the RTA will receive from the Santa Maria Urbanized Area CARES apportionment. The balance is being allocated to capital projects that are CARES related.
- TDA Required:
 - Decrease in TDA required by \$105,209 due to increase in other revenue sources

Changes in Capital Revenue:

- Reduction in capital projects reserves by \$58,460 to \$667,520 due to the reduction in STA funds allocated by SLOCOG.
- Changes in Non TDA Sources
 - Reduction in State Transit Assistance (STA) by \$479,560 due to the reduction in STA funds allocated by SLOCOG
 - Increase in Federal Transit Administration (FTA) (Section 5307 – Santa Maria) CARES by \$453,060, which is the portion of CARES funds the RTA will receive from the Santa Maria Urbanized Area CARES apportionment the RTA will be using for COVID related capital projects.
- Increase in financing for bus maintenance facility by \$3,676,740 based on the projected draw schedule which has been refined since the prior budget amendment was adopted in June 2020.

Changes in Administration and Service Delivery:

- Debt service reserve increase by \$203,960 based on the projected borrowing timeline to fund construction, using the reserve funds previously projected.

Changes in Capital Expenditures:

- Increase in COVID 19 Related Items to \$453,060 for driver barrier, air purification systems for the vehicles, facility air handling retrofitting, and facility customer service window and intercom.
- Increase in loan repayments by \$24,010 based on projected loan draw and the associated interest only amortization on the amount drawn
- Increase in Elk Lane project by \$3,231,630 based on the projected draw schedule which has been refined since the prior budget amendment was adopted in June 2020.

For Fiscal Year 2021-22

Changes in Operating Revenue:

- Increase in general reserves of \$742,340 based on changes to debt service reserve and offset reserve carryover in FY20-21
- As noted in FY20-21, debt service reserves reduced by \$207,660 for the funding related to the facility loan, now being spent to fill the reserve held by the collateral agent. This amount was the estimate that the RTA had in June 2020.
- Reduction in offset reserve to carryover to FY21-22 to use the funds and reduce the LTF needed by the RTA in FY21-22
- Non TDA Sources:
 - Increase in State Transit Assistance to \$400,000 based on funding availability and reduce the LTF needed by the RTA in FY21-22
- TDA Required:
 - Decrease in TDA required by \$1,018,940 due to use of offset reserve

Changes in Capital Revenue:

- Decrease in beginning capital projects reserves based on carryover from FY20-21 that was reduced due to the reduction in STA in FY20-21
- Non TDA Sources:
 - Decrease in State Transit Assistance (STA) by \$679,560 to \$314,750 based on revised projection in STA revenue and allocating additional STA to operating in order to reduce LTF needed
 - Decrease in STA SB1 State of Good Repair by \$259,190 to \$140,810 due to projected funding availability
- Decrease in financing for bus maintenance facility by \$3,614,010 based on the projected draw schedule which has been refined since the prior budget amendment was adopted in June 2020.

Changes in Administration and Service Delivery:

- Reduction in office space rental by \$151,170 due to the relocation to the new facility and elimination of the rent in the current facility starting in March 2022
- Debt service reserve increase by \$282,230 based on the projected borrowing timeline to fund construction, using the reserve funds previously projected. This will fully fund the debt service reserve.

Changes in Capital Expenditures:

- Increase in loan repayments by \$108,240 based on projected loan draw and the associated interest only amortization on the amount drawn
- Decrease in Elk Lane project by \$4,719,460 to \$7,347,000 based on the projected draw schedule which has been refined since the prior budget amendment was adopted in June 2020.

For reference, the amendment also includes revisions to the services the RTA provides on behalf of the **City of Paso Robles and the County of San Luis Obispo**. Those revisions include:

City of Paso Robles

Changes in Operating Revenue FY20-21:

- Decrease in Cash Flow Requirements per TDA by \$67,400 (from \$581,180 to \$513,780) due to the reduction in STA funds.
- Decrease in State Transit Assistance (STA) Including SB1 of \$67,400 (from \$134,800 to \$67,400 due to the reduction in STA funds allocated by SLOCOG at the October 7th Board meeting.

Changes in Operating Revenue FY21-22:

- Decrease in General Reserves by \$67,400 (from \$581,180 to \$513,780) due to the reduction in STA funds in FY20-21.
- Decrease in State Transit Assistance (STA) Including SB1 of \$67,400 (from \$134,800 to \$67,400 due to the reduction in STA funds allocated by SLOCOG at the October 7th Board meeting for FY20-21, assuming that reduction will continue in FY21-22.
- Increase in TDA required of \$134,800 (from \$171,320 to \$306,120) due to the decrease in STA funding from FY20-21 and FY21-22 that had been projected to reduce TDA required. Note: the original TDA required projected at the May 6, 2020 Board meeting prior to the allocation of FTA CARES funds was \$629,580.

County of San Luis Obispo

Changes in Operating Revenue FY20-21:

- Decrease in State Transit Assistance (STA) Including SB1 of \$82,800 (from \$165,600 to \$82,800 due to the reduction in STA funds allocated by SLOCOG at the October 7th Board meeting.

- Increase in **PROJECTED** Rural Transit Funds (RTF) \$82,800. Although SLOCOG has not completed a call for projects for additional RTF as a result of the 5311 CARES exchange (or awarded), based on funding provided to other agencies, SLOCAT anticipates being awarded this amount at a minimum.

Although not included in this budget amendment, due to the Beach Trolley not operating in the summer of 2020 due to the pandemic, cost savings are anticipated of just over \$30,000 for FY20-21.

Changes in Operating Revenue FY21-22:

- Decrease in State Transit Assistance (STA) Including SB1 of \$82,800 (from \$165,600 to \$82, due to the reduction in STA funds allocated by SLOCOG at the October 7th Board meeting for FY20-21, assuming that reduction will continue in FY21-22.
- Increase in TDA required of \$82,800 (from \$505,240 to \$588,040) due to the decrease in STA funding.

Staff continues to work on securing additional funding for the RTA, City of Paso Robles and County of San Luis Obispo.

These amendments do **not** require any additional LTF funds for FY20-21.

Staff Recommendation for the Board:

Adopt Budget Amendment #2 as presented.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
PROPOSED AMENDMENT #2 OPERATING REVENUE BUDGET FOR 2020/2021**

FUNDING SOURCES:		2020/2021 AMENDMENT #2 OPERATING BUDGET	2020/2021 AMENDED OPERATING BUDGET	2021/2022 REVISION #2 OPERATING BUDGET	2021/2022 REVISED OPERATING BUDGET
GENERAL RESERVES		5,351,291	5,351,291	3,777,820	3,035,480
1.	ESTIMATED FUND BALANCE	5,351,291	5,351,291	3,777,820	3,035,480
2.		1,827,820	1,827,820	1,839,220	1,839,220
LESS REQUIRED RESERVES FOR FISCAL YEAR		-	-	-	-
CASH FLOW REQUIREMENTS PER TDA		-	207,660	-	207,660
PERS BUYOUT		-	1,000,000	-	-
DEBT SERVICE RESERVE FOR BUS MAINTENANCE FACILITY		1,950,000	1,000,000	-	-
OFFSET RESERVE TO CARRYOVER TO FY21-22		3,777,820	3,035,480	1,839,220	2,046,880
TOTAL					
3.	FUND BALANCE AVAILABLE	1,573,471	2,315,811	1,938,600	988,600
NON TDA SOURCES					
FARES		875,940	875,940	1,228,770	1,228,770
SCT MANAGEMENT CONTRACT		126,660	126,660	136,080	136,080
COUNTY MANAGEMENT CONTRACT		91,580	91,580	98,390	98,390
NORTH COUNTY MANAGEMENT CONTRACT		44,440	44,440	47,740	47,740
INTEREST		38,670	38,670	38,670	38,670
STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1		-	-	400,000	200,000
RURAL TRANSIT FUND (Administration)		30,000	30,000	30,000	30,000
RURAL TRANSIT FUND (Operating Funds)		-	-	250,000	250,000
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo		474,910	474,910	633,210	633,210
FTA (Section 5307) - San Luis Obispo CARES		1,132,120	1,132,120	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating		564,630	564,630	564,630	564,630
FTA (Section 5311) - Operating CARES		591,790	591,790	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operating		722,480	722,480	963,310	963,310
FTA (Section 5307-N. County) - Operating CARES		1,403,640	1,403,640	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating		404,580	404,580	424,810	424,810
FTA (Section 5307-SM) - Operating CARES		847,630	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operating		439,530	439,530	586,040	586,040
FTA (Section 5307) - S. County Operating CARES		1,517,640	1,517,640	-	-
CUESTA CONTRIBUTION FOR ROUTE 12 AND 14		82,810	82,810	87,780	87,780
CUESTA CONTRIBUTION NORTH COUNTY		-	-	-	-
SPECIAL EVENTS REVENUE/OTHER		-	-	-	-
SUB TOTAL		9,389,050	8,541,420	5,489,430	5,289,430
4.	TOTAL FUND BALANCE & NON TDA FUNDING	10,962,521	10,857,231	7,428,030	6,278,030
5.					

FUNDING SOURCES:

TDA REQUIRED

CITY OF ARROYO GRANDE
CITY OF ATASCADERO
CITY OF GROVER BEACH
CITY OF MORRO BAY
CITY OF PASO ROBLES
CITY OF PISMO BEACH
CITY OF SAN LUIS OBISPO
COUNTY OF SAN LUIS OBISPO

Population
Based

18%
49%

TDA REQUIREMENTS BEFORE 5311 EXCHANGE
LESS: RURAL TRANSIT FUND/5311 EXCHANGE

6.

7. TOTAL FUNDING SOURCES

8. FUNDING USES:

ADMINISTRATION
PERS BUYOUT
MANAGEMENT CONTRACTS
SERVICE DELIVERY
DEBT SERVICE RESERVE
CONTINGENCY

9.

TOTAL FUNDING USES

2020/2021 AMENDMENT #2 OPERATING BUDGET	2020/2021 AMENDED OPERATING BUDGET	2021/2022 REVISION #2 OPERATING BUDGET	2021/2022 REVISED OPERATING BUDGET
202,671	208,230	215,698	269,493
344,720	354,175	366,877	458,376
153,432	157,640	163,294	204,019
118,353	121,600	125,961	157,375
354,233	363,948	377,001	471,024
93,411	95,973	99,415	124,208
690,993	709,945	735,406	918,815
1,881,036	1,932,628	2,001,939	2,501,220
3,838,849	3,944,139	4,085,590	5,104,530
(1,156,420)	(1,156,420)	(564,630)	(564,630)
2,682,429	2,787,719	3,520,960	4,539,900
13,644,950	13,644,950	10,948,990	10,817,930
1,773,910	1,773,910	1,751,450	1,902,620
3,373,900	3,373,900	-	-
126,660	126,660	136,080	136,080
8,270,040	8,270,040	8,673,430	8,673,430
203,960	-	282,230	-
100,440	100,440	105,800	105,800
13,644,950	13,644,950	10,948,990	10,817,930

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
PROPOSED AMENDMENT #2 CAPITAL REVENUE BUDGET FOR 2020/2021**

FUNDING SOURCES:

BEGINNING CAPITAL PROJECTS RESERVE

1. ESTIMATED FUND BALANCE

2. LESS REQUIRED RESERVES FOR FISCAL YEAR

CAPITAL PROJECTS RESERVE

TOTAL

3. FUND BALANCE AVAILABLE

NON TDA SOURCES

STATE TRANSIT ASSISTANCE (STA) WITH SB1 AUGMENTATION

LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

PROPOSITION 1B FUNDING - SAFETY & SECURITY

STA SB1 STATE OF GOOD REPAIR

PROPOSITION 1B FUNDING - BUS REPLACEMENT & BUS MAINTENANCE FACILITY

APCD AB 617 FOR GARAGE PROJECT

RURAL TRANSIT FUND (Capital)

FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo

FEDERAL TRANSIT ADM (FTA) (Section 5309) - State of Good Repair

FEDERAL TRANSIT ADM (FTA) (Section 5339) - Bus and Bus Facilities

FEDERAL TRANSIT ADM (FTA) (Section 5307-North County)

FEDERAL TRANSIT ADM (FTA) (Section 5307-Santa Maria) - CARES

FEDERAL TRANSIT ADM (FTA) (Section 5307-South County)

SUB TOTAL

4. TOTAL FUND BALANCE & NON TDA FUNDING

6. FINANCING FOR BUS MAINTENANCE FACILITY

7. TOTAL FUNDING SOURCES

FUNDING USES:

CAPITAL

LOAN PAYDOWN

9. TOTAL FUNDING USES

2020/2021 AMENDMENT #2 - CAPITAL BUDGET	2020/2021 AMENDED CAPITAL BUDGET	2020/2021 ORIGINAL CAPITAL BUDGET	2021/2022 REVISED CAPITAL BUDGET	2021/2022 REVISED CAPITAL BUDGET
171,870	171,870	171,870	667,520	725,980
171,870	171,870	171,870	667,520	725,980
667,520	725,980	470,460	483,820	483,820
667,520	725,980	470,460	483,820	483,820
(495,650)	(554,110)	(298,590)	183,700	242,160
714,750	1,194,310	469,410	314,750	994,310
-	-	-	-	-
-	-	-	-	-
1,033,230	1,033,230	1,033,230	140,810	400,000
721,980	721,980	-	-	-
250,000	250,000	-	-	-
421,820	421,820	263,520	85,430	85,430
-	-	-	-	-
6,285,000	6,285,000	6,285,000	-	-
534,980	534,980	294,150	117,590	117,590
453,060	-	-	-	-
410,030	410,030	263,520	85,430	85,430
10,824,850	10,851,350	8,608,830	744,010	1,682,760
10,329,200	10,297,240	8,310,240	927,710	1,924,920
6,753,000	3,076,260	6,735,760	7,347,000	10,961,010
17,082,200	13,373,500	15,046,000	8,274,710	12,885,930
17,082,200	13,373,500	15,046,000	8,274,710	12,885,930
17,082,200	13,373,500	15,046,000	8,274,710	12,885,930
17,082,200	13,373,500	15,046,000	8,274,710	12,885,930

Administration and Service Delivery Totals

Administration:

Labor	Hours	69,370	69,370	69,660	69,660
Office Space Rental	Miles	1,556,940	1,556,940	1,570,560	1,570,560
Labor - Administration Workers Comp	operations cost	1,042,550	1,042,550	1,120,070	1,120,070
Property Insurance	operations cost	47,000	47,000	50,490	50,490
Professional Technical Services	operations cost	493,320	493,320	359,110	510,280
Professional Development	operations cost	28,040	28,040	33,160	33,160
Operating Expense	operations cost	117,400	117,400	129,790	129,790
Marketing and Reproduction	operations cost	60,070	60,070	70,540	70,540
North County Management Contract	hourly	297,900	297,900	308,400	308,400
County Management Contract	hourly	87,160	87,160	107,740	107,740
SCT Management Contract	operations cost	(44,440)	(44,440)	(47,740)	(47,740)
	operations cost	(91,580)	(91,580)	(98,390)	(98,390)
	operations cost	(126,660)	(126,660)	(136,080)	(136,080)
Total Administration		1,910,760	1,910,760	1,897,090	2,048,260

Service Delivery:

Labor - Operations	hourly	5,477,760	5,477,760	5,819,150	5,819,150
Labor - Operations Workers Comp	hourly	319,920	319,920	339,860	339,860
Labor - Maintenance	hourly	1,235,670	1,235,670	1,312,390	1,312,390
Labor - Maintenance Workers Comp	hourly	93,080	93,080	98,860	98,860
Fuel	miles	968,920	968,920	968,920	968,920
Insurance (Liability, Physical Damage, Employment Practices miles	miles	702,500	702,500	736,450	736,450
Special Transportation (for SLOCAT)	n/a	48,340	48,340	51,350	51,350
Avila Trolley	n/a	68,460	68,460	72,730	72,730
Maintenance (parts, supplies, materials)	miles	633,320	633,320	613,550	613,550
Maintenance Contract Costs	miles	128,580	128,580	137,520	137,520
Total Operations		9,676,550	9,676,550	10,150,780	10,150,780

Contingency

	hourly	139,050	139,050	146,390	146,390
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Debt Service Reserve

	operations cost	203,960	-	282,230	-
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Management Contracts

		262,680	262,680	282,210	282,210
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TOTAL FUNDING USES

		12,193,000	11,989,040	12,758,700	12,627,640
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B-1-10

**CITY OF PASO ROBLES
PROPOSED AMENDMENT #2 OPERATING REVENUE BUDGET FOR 2020/2021**

FUNDING SOURCES:

GENERAL RESERVES

1. ESTIMATED FUND BALANCE

2. LESS REQUIRED RESERVES FOR FISCAL YEAR

CASH FLOW REQUIREMENTS PER TDA

PERS BUYOUT

DEBT SERVICE RESERVE FOR BUS MAINTENANCE FACILITY

OFFSET RESERVE TO CARRYOVER TO FY21-22

TOTAL

3. FUND BALANCE AVAILABLE

NON TDA SOURCES

FARES

SCT MANAGEMENT CONTRACT

COUNTY MANAGEMENT CONTRACT

NORTH COUNTY MANAGEMENT CONTRACT

INTEREST

STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1

RURAL TRANSIT FUND (Administration)

RURAL TRANSIT FUND (Operating Funds)

FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo

FTA (Section 5307) - San Luis Obispo CARES

FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating

FTA (Section 5311) - Operating CARES

FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operating

FTA (Section 5307-N. County) - Operating CARES

FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating

FTA (Section 5307-SM) - Operating CARES

FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operating

FTA (Section 5307) - S. County Operating CARES

CUESTA CONTRIBUTION FOR ROUTE 12 AND 14

CUESTA CONTRIBUTION NORTH COUNTY

SPECIAL EVENTS REVENUE/OTHER

4.

TOTAL FUND BALANCE & NON TDA FUNDING

5.

SUB TOTAL

	2020/2021 AMENDMENT #2 N. COUNTY BUDGET	2020/2021 AMENDED N. COUNTY BUDGET	2021/2022 REVISION #2 N. COUNTY BUDGET	2021/2022 REVISED N. COUNTY BUDGET
	589,310	589,310	513,780	581,180
	589,310	589,310	513,780	581,180
	513,780	581,180	192,780	192,780
	-	-	-	-
	-	-	-	-
	-	-	-	-
	513,780	581,180	192,780	192,780
	75,530	8,130	321,000	388,400
	97,810	97,810	106,170	106,170
	-	-	-	-
	-	-	-	-
	-	-	-	-
	67,400	134,800	67,400	134,800
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	779,800	779,800	275,120	275,120
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	40,580	40,580	40,580	40,580
	-	-	-	-
	985,590	1,052,990	489,270	556,670
	1,061,120	1,061,120	810,270	945,070

TDA REQUIRED

	Population Based
CITY OF ARROYO GRANDE	18%
CITY OF ATASCADERO	49%
CITY OF GROVER BEACH	
CITY OF MORRO BAY	
CITY OF PASO ROBLES	
CITY OF PISMO BEACH	
CITY OF SAN LUIS OBISPO	
COUNTY OF SAN LUIS OBISPO	

TDA REQUIREMENTS BEFORE 5311 EXCHANGE
LESS: RURAL TRANSIT FUND/5311 EXCHANGE
NET TDA REQUIREMENTS

7. TOTAL FUNDING SOURCES

8. FUNDING USES:

ADMINISTRATION
PERS BUYOUT
MANAGEMENT CONTRACTS
SERVICE DELIVERY
DEBT SERVICE RESERVE
CONTINGENCY

9. TOTAL FUNDING USES

[illegible]

**SAN LUIS OBISPO COUNTY AREA TRANSIT
PROPOSED AMENDMENT #1 OPERATING REVENUE BUDGET FOR 2020/2021**

	2020/2021 AMENDMENT #1 SLOCAT BUDGET	2020/2021 ADOPTED SLOCAT BUDGET	2021/2022 REVISED SLOCAT BUDGET	2021/2022 PROJECTED SLOCAT BUDGET
FUNDING SOURCES:				
GENERAL RESERVES	111,070	111,070	125,500	125,500
1. ESTIMATED FUND BALANCE	111,070	111,070	125,500	125,500
2. LESS REQUIRED RESERVES FOR FISCAL YEAR				
CASH FLOW REQUIREMENTS PER TDA	125,500	125,500	132,500	132,500
PERS BUYOUT	-	-	-	-
DEBT SERVICE RESERVE FOR BUS MAINTENANCE FACILITY	-	-	-	-
OFFSET RESERVE TO CARRYOVER TO FY21-22	-	-	-	-
TOTAL	125,500	125,500	132,500	132,500
	(14,430)	(14,430)	(7,000)	(7,000)
3. FUND BALANCE AVAILABLE				
NON TDA SOURCES				
FARES	28,900	28,900	29,480	29,480
SCT MANAGEMENT CONTRACT	-	-	-	-
COUNTY MANAGEMENT CONTRACT	-	-	-	-
NORTH COUNTY MANAGEMENT CONTRACT	-	-	-	-
INTEREST	-	-	-	-
STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1	82,800	165,600	82,800	165,600
RURAL TRANSIT FUND (Administration)	-	-	-	-
RURAL TRANSIT FUND (Operating Funds)	82,800	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	-	-	-	-
FTA (Section 5307) - San Luis Obispo CARES	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating	-	-	-	-
FTA (Section 5311) - Operating CARES	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operating	-	-	-	-
FTA (Section 5307-N. County) - Operating CARES	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating	-	-	-	-
FTA (Section 5307-SM) - Operating CARES	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operating	-	-	-	-
FTA (Section 5307) - S. County Operating CARES	-	-	-	-
CUESTA CONTRIBUTION FOR ROUTE 12 AND 14	-	-	-	-
CUESTA CONTRIBUTION NORTH COUNTY	-	-	-	-
SPECIAL EVENTS REVENUE/OTHER	-	-	-	-
4. SUB TOTAL	194,500	194,500	112,280	195,080
5. TOTAL FUND BALANCE & NON TDA FUNDING	180,070	180,070	105,280	188,080

FUNDING SOURCES:

TDA REQUIRED

CITY OF ARROYO GRANDE	
CITY OF ATASCADERO	
CITY OF GROVER BEACH	
CITY OF MORRO BAY	
CITY OF PASO ROBLES	
CITY OF PISMO BEACH	
CITY OF SAN LUIS OBISPO	
COUNTY OF SAN LUIS OBISPO	
	Population Based
	18%
	49%

TDA REQUIREMENTS BEFORE 5311 EXCHANGE
LESS: RURAL TRANSIT FUND/5311 EXCHANGE

6.	NET TDA REQUIREMENTS	
7.	TOTAL FUNDING SOURCES	
8.	FUNDING USES:	
	ADMINISTRATION	
	PERS BUYOUT	
	MANAGEMENT CONTRACTS	
	SERVICE DELIVERY	
	DEBT SERVICE RESERVE	
	CONTINGENCY	
9.	TOTAL FUNDING USES	

2020/2021 AMENDMENT #1 SLOCAT BUDGET	2020/2021 ADOPTED SLOCAT BUDGET	2021/2022 REVISED SLOCAT BUDGET	2021/2022 PROJECTED SLOCAT BUDGET
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
476,800	476,800	588,040	505,240
476,800	476,800	588,040	505,240
656,870	656,870	693,320	693,320
7,870	7,870	7,500	7,500
-	-	-	-
91,580	91,580	98,390	98,390
530,880	530,880	559,490	559,490
-	-	-	-
26,540	26,540	27,940	27,940
656,870	656,870	693,320	693,320

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

DECEMBER 2, 2020

STAFF REPORT

AGENDA ITEM: B-2

TOPIC: SoCo Transit Consolidation into the RTA

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Ratify the Amended and Restated RTA JPA

**EXECUTIVE COMMITTEE AND
RTAC RECOMMENDATION:** Staff bring to the Board for approval

BACKGROUND/DISCUSSION:

As discussed at previous RTA Board of Directors meetings and as recommended in SoCo Transit's most recent TDA Triennial Performance Audit, there is a net benefit to the region of consolidating SoCo Transit into the RTA. The item before the RTA Board today finalizes the action needed by local elected officials to complete the consolidation process.

During initial staff presentations to each of the RTA jurisdictions in 2018, it was clear that there was conceptual support for the notion of consolidating SoCo Transit into the RTA. Early on, the SoCo Transit jurisdictions expressed a desire for continued local control over the local fixed-route services operated within the Five Cities Area under consolidation. To that end, local fixed-route service levels (days, hours, routes, etc.), marketing efforts, and operating/capital budgets for South County local fixed-routes would be solely controlled through a new standing RTA committee deemed the *South County Transit Committee* (SCTC) that is included in the attached amended and restated Joint Powers Agreement (JPA) for the RTA. The SCTC would be comprised of the RTA Board members from the cities of Arroyo Grande, Grover Beach, and Pismo Beach, as well as one member from the Board of Supervisors. The SCTC would meet at least annually to address public transit issues of interest to the SCTC members and to consider the following year's budget for local public transit services in the Five Cities Area. Funding of the services authorized by the SCTC would be borne exclusively by the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the County on behalf of the communities of Oceano and Avila Beach.

The attached amended and restated JPA includes policy statements that ensure local control of service levels and financial commitments for services by the four jurisdictions in the South County area, while also protecting the RTA jurisdictions from adverse financial impacts for its core RTA services. The RTA Board originally ratified the amended and restated JPA at its July 11, 2018 meeting, and it was originally planned for implementation on January 1, 2019. However, due to a dispute with CalPERS, the

RTA Board subsequently suspended further action regarding consolidation in August 2018. Now that the CalPERS dispute has been resolved, staff has undertaken steps necessary to implement consolidation effective 12:00 AM on January 1, 2021. At its October 21, 2020 meeting, the SoCo Transit Board of Directors supported the amended and restated RTA JPA, as well as termination of the South County Area Transit JPA. Two jurisdictions (Arroyo Grande and Morro Bay) have already taken action to move this process forward, and four of the five remaining jurisdictions have scheduled consideration in the coming weeks.

Consolidation of SoCo Transit local fixed-route services into the RTA has significant net financial benefits for the SoCo Transit jurisdictions. In addition, SLOCOG agreed to a concession at its April 4, 2018 meeting on farebox recovery ratio requirements under consolidation in the Arroyo Grande – Grover Beach Urbanized Area that will have long-term financial benefits for the RTA and its future SCTC member jurisdictions. The principal benefit to the SCTC member jurisdictions is that consolidation would avoid a roughly \$70,000 annual penalty for failing to achieve the new/higher State of California 20% farebox recovery ratio requirement that was triggered by the Federal designation of the area as “urban” in the 2010 Census (it was 10% prior to the urban designation). In summary, while some operating costs would increase under consolidation (principally as it relates to provision of healthcare benefits to six current part-time SoCo Transit employees who do not currently have health insurance), the on-going net benefit to the SCTC member jurisdictions is anticipated to be on the order of \$82,000 annually.

Staff has attached the final RTA amended and restated JPA on pages B-2-9 to B-2-18; all recommended revisions are shown in red/underline. The “clean” version of the amended and restated JPA is presented on pages B-2-19 through B-2-28. It should be noted that the October 21, 2020 resolution by the SoCo Transit Board to terminate the SoCo Transit JPA assigns all of SoCo Transit’s property and obligations to the RTA upon consolidation on January 1, 2021. Attachment A includes a list of current property and agreements that would be transferred to the RTA. Of particular interest is SoCo Transit’s Collective Bargaining Agreement (CBA) with Teamsters Local 986, which would be terminated upon consolidation. As detailed in RTA’s separate CBA with Teamsters Local 986, all existing SoCo Transit Bus Operators and Utility employees would become RTA employees upon consolidation.

Subsequent to the RTA Board action that will be considered in this staff report, the RTA Board is scheduled to consider a budget amendment as Agenda Item B-3 that recognizes the operating and capital costs of SoCo Transit services for the second half of FY20-21 – similar to the way that SLOCAT and North County services are portrayed in separate columns.

One City Manager has recently raised the issue of what “core services” means as denoted in the amended and restated RTA JPA, as well as how future changes to core service levels should be considered by the RTA Board. In particular, the City Manager expressed interest in protecting the RTA core services currently operated within the city, as well as a desire for a firm commitment that future actions by a majority of RTA Board

members could not adversely impact those core services within the city without the city's consent. It is staff's understanding that the Board considers core services as those denoted in the annual operating and capital budget: the intercity RTA fixed-routes (RTA Routes 9, 10, 12 and 15), as well as the countywide ADA complementary paratransit services known as RTA Runabout. The budget also depicts non-core services that are contracted to SLO County and to the City of Paso Robles, which are separately funded by those two jurisdictions and depicted as separate columns (SLOCAT and North County, respectively) in the RTA budget. Under consolidation, SCTC services would be depicted as a third non-core service in the form of a new column in the budget; see Agenda Item B-3 for details. If the Board desires that a more succinct definition of and a procedure for altering "core services" should be considered for a future JPA amendment or policy development, staff will work with the City Managers, County Administrator and RTA Counsel to develop documentation for consideration at a future RTA Board meeting.

Staff Recommendation

1. Approve the attached Resolution ratifying the San Luis Obispo Regional Transit Authority amended and restated Joint Powers Agreement.
2. Following approval of the amended and restated Joint Powers Agreement, direct staff to file necessary paperwork with the California Secretary of State.

Attachment A
List of South County Transit Property and Agreements

Property:

1. 2002 Dodge pickup #504, VIN 3B6KC26Z92M250794
2. 2003 Gillig bus #204, VIN 15GCB201731112331
3. 2010 Eldorado bus #1011, VIN 1N9MMACL2AC084310
4. 2010 Eldorado bus #1012, VIN 1N9MMACL4AC084311
5. 2013 Gillig bus #1308, VIN 15GGB271XD1182298
6. 2013 Gillig bus #1309, VIN 15GGB2711D1182299
7. 2013 Gillig bus #1310, VIN 15GGB2714D1182300
8. 2015 Gillig bus #1509, VIN 15GGB2710F1184855
9. 2014 Dodge minivan #516, VIN 2C7WDGBG4ER427019
10. 2014 Dodge minivan #517, VIN 2C7WDGBG0ER432170
11. Genfare fare vault safe
12. Office equipment (two desktop PCs, printer/copier, desks, radio equipment, etc.)
13. Bus stop passenger amenities (shelters, benches, trash receptacles, signs, etc.)

Agreements:

1. Collective Bargaining Agreement with Teamsters Local 986; January 1, 2018 – December 31, 2021 (*terminated upon consolidation*)
2. Property Lease Agreement between County of San Luis Obispo and SoCo Transit / the RTA for 800 Rodeo Drive in Arroyo Grande; July 1, 2019 – June 30, 2024
3. Various utilities and licenses (SoCal Gas, PG&E, City of Arroyo Grande, South County Sanitary, DMV, Spectrum Business Internet, etc.)
4. Various service agreements (copier, janitorial, etc.)

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

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
BOARD OF DIRECTORS RATIFYING THE AMENDED AND RESTATED JOINT
POWERS AGREEMENT FOR THE SAN LUIS OBISPO REGIONAL TRANSIT
AUTHORITY**

WHEREAS, the San Luis Obispo Regional Transit Authority provides intercity fixed-route public transportation services and complementary Americans with Disabilities Act paratransit services in and adjacent to San Luis Obispo County, as authorized under a Joint Powers Agreement originally enacted in 1990 and subsequently amended in 1998 and 2013; and

WHEREAS, the San Luis Obispo Regional Transit Authority provides public transportation services under consolidation agreements with the County of San Luis Obispo and with the City of Paso Robles; and

WHEREAS, South County Transit provides fixed-route public transportation services in the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated area of Oceano, as authorized under a Joint Powers Agreement originally enacted in 1978 and subsequently amended in 2001 and 2016; and

WHEREAS, the San Luis Obispo Regional Transit Authority has provided professional administrative services, vehicle maintenance and operations oversight under contract to South County Transit since 1997; and

WHEREAS, both the San Luis Obispo Regional Transit Authority and South County Transit have extensively discussed the possibility of consolidating South County Transit into the San Luis Obispo Regional Transit Authority to realize cost efficiencies and to avoid farebox recovery ratio penalties in the South County Transit service area; and

WHEREAS, the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority includes provisions that allow local control of service levels and budgetary control for fixed-route services in the Arroyo Grande – Grover Beach Urbanized Area, which includes the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated communities of Avila Beach and Oceano; and

WHEREAS, the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority becomes effective at 12:00 AM on January 1, 2021 upon ratification by the County of San Luis Obispo Board of Supervisors and by each of the seven City Councils in the county.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the San Luis Obispo Regional Transit Authority Board of Directors supports consolidation of South County Transit into the San Luis Obispo Regional Transit Authority.

BE IT FURTHER RESOLVED, that the San Luis Obispo Regional Transit Authority ratifies the amended and restated Joint Powers Agreement effective 12:00 AM on January 1, 2021 upon full ratification by its member agencies.

BE IT FURTHER RESOLVED, that the San Luis Obispo Regional Transit Authority accepts all South County Transit property and obligations upon termination of the South County Area Transit Joint Powers Agreement.

BE IT FURTHER RESOLVED, that the President of the Board is directed to sign this resolution to ratify the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority.

////////// NOTHING FURTHER EXCEPT SIGNATURES PAST THIS POINT //////////

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

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 2nd day of December 2020.

Fred Strong, President
San Luis Obispo Regional Transit Authority

ATTEST:

Geoff Straw, Executive Directors
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
Nina Negranti, Counsel
RTA Counsel

Date: _____

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
AMENDED AND RESTATED JOINT POWERS AGREEMENT

WITNESSETH:

This Agreement is made and entered into this 9th day of March, 1990, and amended on 2nd day of September, 1998, and further amended on the 24th day of June, 2013, by and among the incorporated cities of Arroyo Grande, Atascadero, El Paso de Robles, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo, all being municipal corporations in the County of San Luis Obispo, California (hereinafter called "Cities") and the County of San Luis Obispo, a body politic and corporate, and a subdivision of the State of California, (hereinafter called "County").

WHEREAS, Section 6500 et seq. of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and

WHEREAS, the Cities and County have previously entered into a joint powers agreement for the formation of the San Luis Obispo Council of Governments for the purpose of providing, among other things, for a regional transportation agency; and

WHEREAS, the San Luis Obispo Council of Governments, at a regularly held meeting on May 10, 1989, voted to consolidate the administration of several transportation systems through a regional transit joint powers agreement.

WHEREAS, the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, were formerly members of the South County Area Transit Joint Powers Agency which began operating a public transit system within those jurisdictions in January, 1978, and which ceased to exist and transferred its assets to the San Luis Obispo Regional Transit Authority in return for amendments made to this Agreement effective January 1, 2021.

NOW THEREFORE, it is agreed as follows:

ARTICLE I
General Provisions

Section 1. Purpose: The purpose of this Agreement is to exercise the common powers of the member agencies for the formation of a Joint Powers Agreement with full power and authority to own, operate and administer a county-wide public transportation system within the boundaries and over the territory over which the Joint Powers Agency has jurisdiction.

Section 2. Name: The official name of the entity shall be San Luis Obispo Regional Transit Authority and hereafter referred to as the RTA.

ARTICLE II Organization

Section 1. Board Members: The membership of the RTA Governing Board shall be the same as the membership of the San Luis Obispo Council of Governments (hereinafter referred to as SLOCOG).

Section 2. Board Meetings - Voting - Quorum: Regular meetings shall be generally held in the first week of July, September, November, January, March and May or as specified in a biannually adopted meeting calendar. Special meetings may be called by the President or upon written request of at least three (3) members of the RTA Board.

Voting and quorum provisions shall be the same as those provided in the SLOCOG Joint Powers Agreement, however, any vote regarding local fixed-route services or other public transportation services operated solely within the Arroyo Grande – Grover Beach Urbanized Area, including the budgeting and funding of such services, shall require at least three affirmative votes from Board members who also sit on the South County Transit Committee.

Section 3. Officers: The officers of SLOCOG shall serve as officers of RTA.

Section 4. Executive Director: The RTA Board shall designate an Executive Director to operate the RTA. The Executive Director shall serve at the pleasure of the RTA Board, with delegated powers to certify documents of the RTA Board as required by the law and to assume such duties and responsibilities as the Board may direct.

Section 5. Members:

1. The County of San Luis Obispo and all cities incorporated in the County of San Luis Obispo presently or in the future, are declared eligible for membership.
2. Member city agencies may elect to have an alternate member(s) from their city council in addition to any official member, but said alternate(s) shall be able to vote only in the absence of the official representative.
3. Membership shall be contingent upon the execution of this Joint Powers Agreement.

Section 6. Boundaries and Service Levels: The service area boundaries shall be all of the area within the boundaries of San Luis Obispo County as designated by the RTA Board. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted, but shall require unanimous approval of affected

jurisdictions, with costs for the extra service to be distributed on the basis of formula developed by the RTA Board members representing the affected jurisdictions.

Section 7. Committees:

1. Committees and subcommittees may be established as RTA may deem appropriate.
2. Membership on “ad-Hoc” policy committees shall be at the discretion of the President. Nothing herein shall be construed to limit membership on these aforesaid committees to officials of the member agencies. The President may appoint any individual deemed qualified to serve on a committee.
3. Standing committees shall include the:
 - a. Regional Transit Advisory Committee (RTAC) serving as a Regional Transit Productivity Committee to advise the Board on the efficiency and effectiveness of the transit system.
 - b. ~~An~~ Executive Committee comprised of the President, Vice President and the past President and at least one representatives from the county of San Luis Obispo (if none of the above) shall advise the Executive Director and RTA on: draft agendas, personnel issues, budget and Overall Work Program; controversial, sensitive and major policy issues; and shall facilitate the annual performance evaluation of the Executive Director. Items for review shall be selected by the Executive Director in consultation with the President. All Committee members may include agenda items as they desire. For purposes of conducting business, two members shall constitute a quorum.
 - c. South County Transit Committee (SCTC) comprised of RTA Board members representing the four jurisdictions included in the Arroyo Grande – Grover Beach Urbanized Area as defined in the 2010 Decennial Census (hereinafter referred to as the AG-GB UZA). The SCTC member jurisdictions include the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, representing the Oceano Area and the Avila Beach Area. The SCTC’s roles and responsibilities include:
 - i. The SCTC shall effectively control local fixed-route services and any other public transportation services operated solely within the AG-GB UZA by virtue of the voting requirements for matters provided above in Section 2 of this Article II.

- ii. At a minimum, the SCTC shall meet annually to consider annual service levels, fare levels, major marketing campaigns, capital improvement plans, and to ratify financial commitments for each jurisdiction participating in public transportation services operated solely within the AG-GB UZA. At the request of two or more SCTC members, properly noticed special SCTC meetings may also be conducted.
- iii. For purposes of conducting business, three of the four SCTC members shall constitute a quorum.
- iv. The SCTC shall submit an annual operating budget and multi-year capital improvement plan for fixed-route and other public transportation services operated solely within the AG-GB UZA to the full RTA Board prior to May 1 for consideration as part of the RTA Overall Annual Budget.
- v. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the annual Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted in the SCTC service area, but shall require unanimous approval of affected jurisdictions, with costs for the extra service to be distributed on the basis of a formula developed by the SCTC members representing the affected jurisdictions.
- vi. Each SCTC member agency shall make an annual Transportation Development Act contribution based upon the percentage of total SCTC-served population related to the area served within that member agency. All population percentages utilized shall be those annually adopted by the San Luis Obispo Council of Governments for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for Cities and by the County Planning and Building Department for unincorporated communities.
- vii. Any member of the SCTC may withdraw from the SCTC after providing written notice to the RTA Board President one year in advance of the requested withdrawal date. A withdrawing member's financial obligation under this subsection is limited to the withdrawing member's pro-

rata share of the currently adopted SCTC operating budget within the service area of the obligated commitments affecting the withdrawing member and any San Luis Obispo Council of Governments finding as to Unmet Transit Needs that are Reasonable to Meet pursuant to Public Utilities Code Section 99401.5. However, the obligations of a withdrawing member under this subsection are limited to the special transportation funds to which the withdrawing member would be entitled, such as Transportation Development Act funds, and this section shall not impose any obligation on the general funds of the withdrawing member.

4. No committee shall commit the RTA on any matter or questions of policy. Such matters or questions can only be decided by the RTA.
5. All committees shall receive clerical assistance from RTA staff and, by agreement, SLOCOG staff for the purpose of maintaining minutes of meetings and other such duties as the Executive Director may direct. The chair of each committee shall sign the original copy of the minutes indicating verification of contents upon committee ~~adoption~~ approval. Copies of minutes of all meetings shall be sent to members of the RTA and the Executive Director.

ARTICLE III Financial Provisions

Section 1. Budget: The Executive Director shall prepare an Overall Annual Budget ~~annual budget~~ for RTA Board adoption prior to commencement of each fiscal year. The Overall Annual Budget shall include financial details on core RTA services, as well as financial details for those various public transportation services provided under agreement to other agencies. Core RTA services include intercity fixed-routes along the US-101 and SR-1 corridors, and regional Americans with Disabilities Act complementary paratransit services. The approval of the Overall Annual Budget shall be in accordance with those procedures prescribed by the Joint Powers Agreement of SLOCOG.

The annual operating and capital budgets for non-core services provided under agreement to another agency requires ratification by its governing body prior to consideration of the Overall Annual Budget by the RTA Board.

Accounting practices to be applied will conform to those used by San Luis Obispo County, consistent with Transportation Development Act rules and regulations.

A Consolidated Fund balance and cash balance for RTA core services will carry forward from one year to the next. Separate Consolidated Fund balances and cash

balances will be maintained for public transportation services provided by RTA under agreement to other agencies, including those public transportation services provided under the direction of the SCTC.

The Overall Annual Budget ~~annual budget~~ may additionally carry funds for future fiscal years where necessary to develop a multi-year Capital Improvement Program and to reflect obligations under state or federal funding agreements, to the extent allowable by California law.

No member Agency shall be required to expend any of its general fund monies to support the operations of the RTA. The operation of the transit system shall be funded from revenues derived from operations, member Transportation Development Act fund contributions, grants, and any other appropriate revenue sources. Each member agency shall make an annual contribution to the RTA in accordance with the adopted budget.

Any formula may be amended upon approval of all jurisdictions affected by that formula and ratified by the RTA.

All population percentages utilized shall be those annually adopted by SLOCOG for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for cities and by the County Planning and Building Department for unincorporated communities.

Section 2. Expenditures: The RTA may establish procedures and policies to insure competitive prices for the purchases of goods and services. Formal bidding shall not be required unless directed specifically by the RTA or unless required by state or federal law. Particularly in the purchase of equipment, including buses, the RTA may consider the design, maintenance and operating costs, and other similar factors in determining the most suitable equipment and need not purchase equipment having the lowest initial cost.

Section 3. Treasurer and Auditor: Pursuant to Government Code Section 6505.5, the Treasurer of the County of San Luis Obispo is hereby designated as Treasurer of the RTA. The Treasurer shall have the powers and duties set forth in Government Code Section 6505.5. The Auditor/Controller of the County of San Luis Obispo is designated as the Auditor of the RTA pursuant to Government Code Section 6505.5.

Section 4. Annual Audit: The RTA shall cause an annual audit to be prepared and filed in accordance with Government Code Section 6505 and Public Utilities Code Section 99245. This audit shall include RTA core services, as well as those service provided under agreement for other agencies.

Section 5. Annual Report: The Executive Director shall prepare and submit an annual report of the operations to the RTA Board, SLOCOG and State Controller ~~within~~

~~90 days of the~~ by January 31 following each fiscal year pursuant to Public Utilities Code, Section 99243.

Section 6. Periodic Reporting: The RTA Board may require periodic reporting of ridership, finances, or other information. This periodic reporting shall include RTA core services, as well as those service provided under agreement to other agencies. It shall be the responsibility of the Executive Director to provide such reports in a form acceptable to the RTA Board.

ARTICLE IV Authority

Section 1. Powers: The RTA shall have all Powers necessary to carry out the purpose of this Agreement, except the power to tax. Its power to expend funds shall be limited only by the availability of funds as set forth in ARTICLE III: Finances, Section 1. The Powers of the RTA specifically include, but are not limited to, the following:

1. To solicit bids and negotiate contracts from private enterprise for services and/or operation.
2. To sue or be sued.
3. To employ agents, employees and contract for professional services.
4. To make and enter contracts, including labor, purchase agreement and employment contracts.
5. To acquire, convey, construct, manage, maintain and operate necessary equipment, building and improvements.
6. To acquire and convey real and personal property.
7. To incur debts, liabilities and obligations, as well as obligations of financial assistance from State and Federal agencies, and to obligate RTA to operate the improvements, equipment or transportation system in accordance with the terms and conditions of said financial assistance.
8. To purchase insurance.
9. To develop policies and procedures necessary to remain in compliance with Federal Transit Administration Section 5307 Urbanized Area Formula Program and other federal grant program funding requirements.

Section 2. RTA is a Public Legal Entity: ~~The~~ RTA is a public entity duly formed and existing under the laws of the State of California. It is a separate and distinct legal entity from its member agencies. The debts, duties and obligations created pursuant to this Agreement, shall be solely the obligations of ~~the~~ RTA and not those of its officers, employees, members of the Board of Directors or the member agencies.

ARTICLE V Miscellaneous Provisions

Section 1. Withdrawal of Member: A withdrawing member's financial obligation under this Section is limited to the withdrawing member's pro-rata share of the currently adopted operating budget based upon ARTICLE III, Section 1 within the service area of the obligated commitments affecting the withdrawing member and any SLOCOG's finding as to unmet transit needs that are reasonable to meet pursuant to Public Utilities Code Section 99401.5.

Section 2. Amendment of Agreement: No amendment to this Agreement shall be made without the consent of all member agencies at the time of the amendment.

Section 3. Ratification - Effective Date: This Agreement shall be deemed effective as to those parties executing this ~~agreement~~ Agreement upon their execution of the ~~agreement~~ Agreement.

Section 4. Assignability: In the event it is deemed in the best public interest to have ~~the~~ RTA operated by another individual or entity, whether public or private, and provided that the assignment complies with State and Federal laws, the ~~agency~~ RTA, on affirmative vote of the majority in accordance with Section 2 of ARTICLE II, may sell, lease or assign all of its real and personal property and cease operations upon such terms and conditions as ~~the~~ RTA determines to be reasonable.

Section 5. Termination: This Agreement shall continue in full force and effect until rescinded by a majority of the member agencies.

Section 6. Notification to Secretary of State: Pursuant to Government Code Section 6503.5, ~~the~~ RTA shall cause a notice of the execution of this Agreement to be prepared and filed with the Office of the Secretary of the State of California, within thirty (30) days after the effective date of any amendment to this Agreement. Until such filings are completed, ~~the~~ RTA shall not incur indebtedness of any kind.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.

City of Arroyo Grande

By: _____

Clerk

Date:_____

Resolution No._____

City of Atascadero

By: _____

Clerk

Date:_____

Resolution No._____

City of Grover Beach

By: _____

Clerk

Date:_____

Resolution No._____

City of Morro Bay

By: _____

Clerk

Date:_____

Resolution No._____

City of Paso Robles

By: _____

Clerk

Date:_____

Resolution No._____

City of Pismo Beach

By: _____

Clerk

Date:_____

Resolution No._____

City of San Luis Obispo

By: _____

Clerk

Date:_____

Resolution No._____

County of San Luis Obispo

By: _____

Clerk

Approved as to form and legal effect:

RITA L. NEAL
County Counsel

By: _____
Assistant County Counsel

Date: _____

Date: _____

Resolution No. _____

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
AMENDED AND RESTATED JOINT POWERS AGREEMENT

WITNESSETH:

This Agreement is made and entered into this 9th day of March, 1990, and amended on 2nd day of September, 1998, and further amended on the 24th day of June, 2013, by and among the incorporated cities of Arroyo Grande, Atascadero, El Paso de Robles, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo, all being municipal corporations in the County of San Luis Obispo, California (hereinafter called "Cities") and the County of San Luis Obispo, a body politic and corporate, and a subdivision of the State of California, (hereinafter called "County").

WHEREAS, Section 6500 et seq. of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and

WHEREAS, the Cities and County have previously entered into a joint powers agreement for the formation of the San Luis Obispo Council of Governments for the purpose of providing, among other things, for a regional transportation agency; and

WHEREAS, the San Luis Obispo Council of Governments, at a regularly held meeting on May 10, 1989, voted to consolidate the administration of several transportation systems through a regional transit joint powers agreement.

WHEREAS, the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, were formerly members of the South County Area Transit Joint Powers Agency which began operating a public transit system within those jurisdictions in January, 1978, and which ceased to exist and transferred its assets to the San Luis Obispo Regional Transit Authority in return for amendments made to this Agreement effective January 1, 2021.

NOW THEREFORE, it is agreed as follows:

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General Provisions

Section 1. Purpose: The purpose of this Agreement is to exercise the common powers of the member agencies for the formation of a Joint Powers Agreement with full power and authority to own, operate and administer a county-wide public transportation system within the boundaries and over the territory over which the Joint Powers Agency has jurisdiction.

Section 2. Name: The official name of the entity shall be San Luis Obispo Regional Transit Authority and hereafter referred to as the RTA.

ARTICLE II Organization

Section 1. Board Members: The membership of the RTA Governing Board shall be the same as the membership of the San Luis Obispo Council of Governments (hereinafter referred to as SLOCOG).

Section 2. Board Meetings - Voting - Quorum: Regular meetings shall be generally held in the first week of July, September, November, January, March and May or as specified in a biannually adopted meeting calendar. Special meetings may be called by the President or upon written request of at least three (3) members of the RTA Board.

Voting and quorum provisions shall be the same as those provided in the SLOCOG Joint Powers Agreement, however, any vote regarding local fixed-route services or other public transportation services operated solely within the Arroyo Grande – Grover Beach Urbanized Area, including the budgeting and funding of such services, shall require at least three affirmative votes from Board members who also sit on the South County Transit Committee.

Section 3. Officers: The officers of SLOCOG shall serve as officers of RTA.

Section 4. Executive Director: The RTA Board shall designate an Executive Director to operate the RTA. The Executive Director shall serve at the pleasure of the RTA Board, with delegated powers to certify documents of the RTA Board as required by the law and to assume such duties and responsibilities as the Board may direct.

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1. The County of San Luis Obispo and all cities incorporated in the County of San Luis Obispo presently or in the future, are declared eligible for membership.
2. Member city agencies may elect to have an alternate member(s) from their city council in addition to any official member, but said alternate(s) shall be able to vote only in the absence of the official representative.
3. Membership shall be contingent upon the execution of this Joint Powers Agreement.

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jurisdictions, with costs for the extra service to be distributed on the basis of formula developed by the RTA Board members representing the affected jurisdictions.

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 - b. Executive Committee comprised of the President, Vice President and the past President and at least one representatives from the county of San Luis Obispo (if none of the above) shall advise the Executive Director and RTA on: draft agendas, personnel issues, budget and Overall Work Program; controversial, sensitive and major policy issues; and shall facilitate the annual performance evaluation of the Executive Director. Items for review shall be selected by the Executive Director in consultation with the President. All Committee members may include agenda items as they desire. For purposes of conducting business, two members shall constitute a quorum.
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- iii. For purposes of conducting business, three of the four SCTC members shall constitute a quorum.
- iv. The SCTC shall submit an annual operating budget and multi-year capital improvement plan for fixed-route and other public transportation services operated solely within the AG-GB UZA to the full RTA Board prior to May 1 for consideration as part of the RTA Overall Annual Budget.
- v. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the annual Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted in the SCTC service area, but shall require unanimous approval of affected jurisdictions, with costs for the extra service to be distributed on the basis of a formula developed by the SCTC members representing the affected jurisdictions.
- vi. Each SCTC member agency shall make an annual Transportation Development Act contribution based upon the percentage of total SCTC-served population related to the area served within that member agency. All population percentages utilized shall be those annually adopted by the San Luis Obispo Council of Governments for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for Cities and by the County Planning and Building Department for unincorporated communities.
- vii. Any member of the SCTC may withdraw from the SCTC after providing written notice to the RTA Board President one year in advance of the requested withdrawal date. A withdrawing member's financial obligation under this subsection is limited to the withdrawing member's pro-

rata share of the currently adopted SCTC operating budget within the service area of the obligated commitments affecting the withdrawing member and any San Luis Obispo Council of Governments finding as to Unmet Transit Needs that are Reasonable to Meet pursuant to Public Utilities Code Section 99401.5. However, the obligations of a withdrawing member under this subsection are limited to the special transportation funds to which the withdrawing member would be entitled, such as Transportation Development Act funds, and this section shall not impose any obligation on the general funds of the withdrawing member.

4. No committee shall commit the RTA on any matter or questions of policy. Such matters or questions can only be decided by the RTA.
5. All committees shall receive clerical assistance from RTA staff and, by agreement, SLOCOG staff for the purpose of maintaining minutes of meetings and other such duties as the Executive Director may direct. The chair of each committee shall sign the original copy of the minutes indicating verification of contents upon committee approval. Copies of minutes of all meetings shall be sent to members of the RTA and the Executive Director.

ARTICLE III Financial Provisions

Section 1. Budget: The Executive Director shall prepare an Overall Annual Budget for RTA Board adoption prior to commencement of each fiscal year. The Overall Annual Budget shall include financial details on core RTA services, as well as financial details for those various public transportation services provided under agreement to other agencies. Core RTA services include intercity fixed-routes along the US-101 and SR-1 corridors, and regional Americans with Disabilities Act complementary paratransit services. The approval of the Overall Annual Budget shall be in accordance with those procedures prescribed by the Joint Powers Agreement of SLOCOG.

The annual operating and capital budgets for non-core services provided under agreement to another agency requires ratification by its governing body prior to consideration of the Overall Annual Budget by the RTA Board.

Accounting practices to be applied will conform to those used by San Luis Obispo County, consistent with Transportation Development Act rules and regulations.

A Consolidated Fund balance and cash balance for RTA core services will carry forward from one year to the next. Separate Consolidated Fund balances and cash balances will be maintained for public transportation services provided by RTA under

agreement to other agencies, including those public transportation services provided under the direction of the SCTC.

The Overall Annual Budget may additionally carry funds for future fiscal years where necessary to develop a multi-year Capital Improvement Program and to reflect obligations under state or federal funding agreements, to the extent allowable by California law.

No member Agency shall be required to expend any of its general fund monies to support the operations of the RTA. The operation of the transit system shall be funded from revenues derived from operations, member Transportation Development Act fund contributions, grants, and any other appropriate revenue sources. Each member agency shall make an annual contribution to the RTA in accordance with the adopted budget.

Any formula may be amended upon approval of all jurisdictions affected by that formula and ratified by the RTA.

All population percentages utilized shall be those annually adopted by SLOCOG for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for cities and by the County Planning and Building Department for unincorporated communities.

Section 2. Expenditures: The RTA may establish procedures and policies to insure competitive prices for the purchases of goods and services. Formal bidding shall not be required unless directed specifically by the RTA or unless required by state or federal law. Particularly in the purchase of equipment, including buses, the RTA may consider the design, maintenance and operating costs, and other similar factors in determining the most suitable equipment and need not purchase equipment having the lowest initial cost.

Section 3. Treasurer and Auditor: Pursuant to Government Code Section 6505.5, the Treasurer of the County of San Luis Obispo is hereby designated as Treasurer of the RTA. The Treasurer shall have the powers and duties set forth in Government Code Section 6505.5. The Auditor/Controller of the County of San Luis Obispo is designated as the Auditor of the RTA pursuant to Government Code Section 6505.5.

Section 4. Annual Audit: The RTA shall cause an annual audit to be prepared and filed in accordance with Government Code Section 6505 and Public Utilities Code Section 99245. This audit shall include RTA core services, as well as those service provided under agreement for other agencies.

Section 5. Annual Report: The Executive Director shall prepare and submit an annual report of the operations to the RTA Board, SLOCOG and State Controller by January 31 following each fiscal year pursuant to Public Utilities Code, Section 99243.

Section 6. Periodic Reporting: The RTA Board may require periodic reporting of ridership, finances, or other information. This periodic reporting shall include RTA core services, as well as those service provided under agreement to other agencies. It shall be the responsibility of the Executive Director to provide such reports in a form acceptable to the RTA Board.

ARTICLE IV Authority

Section 1. Powers: The RTA shall have all Powers necessary to carry out the purpose of this Agreement, except the power to tax. Its power to expend funds shall be limited only by the availability of funds as set forth in ARTICLE III: Finances, Section 1. The Powers of the RTA specifically include, but are not limited to, the following:

1. To solicit bids and negotiate contracts from private enterprise for services and/or operation.
2. To sue or be sued.
3. To employ agents, employees and contract for professional services.
4. To make and enter contracts, including labor, purchase agreement and employment contracts.
5. To acquire, convey, construct, manage, maintain and operate necessary equipment, building and improvements.
6. To acquire and convey real and personal property.
7. To incur debts, liabilities and obligations, as well as obligations of financial assistance from State and Federal agencies, and to obligate RTA to operate the improvements, equipment or transportation system in accordance with the terms and conditions of said financial assistance.
8. To purchase insurance.
9. To develop policies and procedures necessary to remain in compliance with Federal Transit Administration Section 5307 Urbanized Area Formula Program and other federal grant program funding requirements.

Section 2. RTA is a Public Legal Entity: The RTA is a public entity duly formed and existing under the laws of the State of California. It is a separate and distinct legal entity from its member agencies. The debts, duties and obligations created pursuant to this Agreement, shall be solely the obligations of the RTA and not those of its officers, employees, members of the Board of Directors or the member agencies.

ARTICLE V
Miscellaneous Provisions

Section 1. Withdrawal of Member: A withdrawing member's financial obligation under this Section is limited to the withdrawing member's pro-rata share of the currently adopted operating budget based upon ARTICLE III, Section 1 within the service area of the obligated commitments affecting the withdrawing member and any SLOCOG's finding as to unmet transit needs that are reasonable to meet pursuant to Public Utilities Code Section 99401.5.

Section 2. Amendment of Agreement: No amendment to this Agreement shall be made without the consent of all member agencies at the time of the amendment.

Section 3. Ratification - Effective Date: This Agreement shall be deemed effective as to those parties executing this Agreement upon their execution of the Agreement.

Section 4. Assignability: In the event it is deemed in the best public interest to have the RTA operated by another individual or entity, whether public or private, and provided that the assignment complies with State and Federal laws, the RTA, on affirmative vote of the majority in accordance with Section 2 of ARTICLE II, may sell, lease or assign all of its real and personal property and cease operations upon such terms and conditions as the RTA determines to be reasonable.

Section 5. Termination: This Agreement shall continue in full force and effect until rescinded by a majority of the member agencies.

Section 6. Notification to Secretary of State: Pursuant to Government Code Section 6503.5, the RTA shall cause a notice of the execution of this Agreement to be prepared and filed with the Office of the Secretary of the State of California, within thirty (30) days after the effective date of any amendment to this Agreement. Until such filings are completed, the RTA shall not incur indebtedness of any kind.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.

City of Arroyo Grande

By: _____

Clerk

Date:_____

Resolution No._____

City of Atascadero

By: _____

Clerk

Date:_____

Resolution No._____

City of Grover Beach

By: _____

Clerk

Date:_____

Resolution No._____

City of Morro Bay

By: _____

Clerk

Date:_____

Resolution No._____

City of Paso Robles

By: _____

Clerk

Date:_____

Resolution No._____

City of Pismo Beach

By: _____

Clerk

Date:_____

Resolution No._____

City of San Luis Obispo

By: _____

Clerk

Date:_____

Resolution No._____

County of San Luis Obispo

By: _____

Date: _____

Clerk

Resolution No. _____

Approved as to form and legal effect:

RITA L. NEAL

County Counsel

By: _____
Assistant County Counsel

Date: _____

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020
STAFF REPORT**

AGENDA ITEM: B-3

TOPIC: Fiscal Year 2020-21 RTA Budget Amendment for SoCo Transit Consolidated into the RTA as of January 2021

ACTION: Approve

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Approve Fiscal Year 2020-21 Budget Amendment #3 and Advisory Fiscal Year 2021-22 as Presented

EXECUTIVE COMMITTEE AND RTAC RECOMMENDATION: Staff bring to the Board for approval

SUMMARY:

Upon ratification of the member jurisdictions and the RTA Board of Directors, effective January 2021, SoCo Transit will consolidate into the RTA. As such, the RTA budget needs to be amended to reflect the addition of SoCo Transit. The attached RTA budget schedules show the additional columns needed to include the newly consolidated services formerly provided by SoCo Transit as a separate entity. There are also advisory changes included for FY21-22 for the RTA.

Changes are noted in yellow in the attached pages. When an entire column is added in order to depict newly consolidated SoCo Transit services, the header is noted in yellow.

It is important to note that this amendment does NOT have an impact on FY20-21 Local Transportation Funds (LTF) required from any of the RTA or current SoCo Transit member jurisdictions. Also as an added advantage and to align with the two-year budgets considered by the RTA, we are also presenting advisory FY21-22 budgetary information for SoCo Transit.

Proposed Amendment #3 Operating Revenue (beginning on page B-3-5)

An additional column is included to identify the operating revenue for FY20-21 and FY21-22 for SoCo Transit services.

Fiscal Year 2020-21 South County Transit

The revenue is in line with the revenue as identified in the SoCo Transit Budget Amendment #2 as presented in this agenda as item B-1, for the second half of the year. For example, fare revenue, is half of what is included in the full year budget.

Also adjusted are *Cash Flow Required Per TDA*, and *Offset Reserve to Carryover to FY21-22* to show the amount required per TDA and the carryover portion of funds. The *Offset Reserve to Carryover to FY21-22* is reduced slightly to fund the additional operating expense for FY 2020-21. The additional operating expense is as a result of providing health insurance to all former SoCo Transit employees who worked over 30 hours per week according to their bid and would now be eligible under the RTA (as required under the Affordable Care Act).

Fiscal Year 2021-22 South County Transit

The revenue is a new projection for SoCo Transit, which was not traditionally provided in the past. This revenue is in line with FY20-21 (full year) and shows the use of *Offset Reserve to Carryover to FY21-22*, which is reflected in the general reserves balance.

Included is an advisory amount of LTF totaling \$64,520 in FY21-22. For reference, in FY19-20, LTF was originally budgeted at \$456,464.

Fiscal Year 2021-22 RTA

The projected RTA budget for FY21-22 notes the reduction in revenue from SoCo Transit for administration services as a result of consolidation. This resulted in an increase in the advisory amount of LTF of \$20,980 (from \$4,085,590 to \$4,106,570)

Proposed Amendment #3 Capital Revenue (see page B-3-7)

An additional column is included to identify the capital revenue for FY20-21 and FY21-22 for SoCo Transit services.

Fiscal Year 2020-21 South County Transit

The revenue is in line with that identified in the SoCo Transit Budget Amendment #2, which was presented as Agenda Item B-1, for the second half of the year. The assumption is the support vehicle may be delivered before the consolidation effective date of January 1, 2021. Should the project not be completed prior to consolidation, the budget will be amended again to show the additional revenue and capital expense.

Fiscal Year 2021-22 South County Transit

This FY21-22 capital revenue projection has not traditionally been provided for SoCo Transit policy makers. This revenue is in line with FY20-21 (full year) projections.

Administration and Service Delivery Totals (see page B-3-8)

This is a total (rollup) of all expenses related to administration and service delivery for the RTA, which now includes SoCo Transit services. Specific details for SoCo Transit are included in the South County Transit detail page.

Capital Expenditures (see page B-3-9)

This is a total (rollup) of all expenses related to capital expenditures for the RTA, which now includes SoCo Transit. Total capital expenditures specific to SoCo Transit are included in the South County Transit detail page.

South County Transit (see page B-3-10)

Fiscal Year 2020-21

This page shows the by-route expenditures that are similar to the tables the South County Transit Board of Directors considers each year – with the additional column showing the advisory FY21-22 projections. The expenditures are in line with the expenditures identified in the SoCo Transit Budget Amendment #2, albeit only a half-year. For example, fuel is half of what is included in the full year budget. The one notable addition is as a result of providing health insurance to all former SoCo Transit employees who would now work over 30 hours per week as an RTA employee according to their bid as included in the *Labor – Operations* line item.

Fiscal Year 2021-22

The expenditures are in line with the expenditures in the SoCo Transit Budget for FY20-21, with adjustments for:

- Reduction in administration services from the RTA due to consolidation, as well as lower costs due to fewer policy board meetings and combined/reduced reporting. For future fiscal years, the financial services from the RTA will also be reduced after final/separate fiscal reports are completed.
- Increase in health insurance expense to add part-time employees who work over 30 hours per work, as in FY 2020-21 but for the full year are included in the *Labor – Operations* line item.
- *Labor – Operations Workers Compensation* adjusted based on elimination of the duplicate annual administrative charge and the combined use of the RTA rate.
- *Insurance* adjusted based on elimination of the duplicative administrative charge and the RTA rate.

Staff Recommendation for the Board:

Adopt Budget Amendment #3 as presented.

Note: should consolidation not move forward, the budget would remain as presented in Agenda Item B-1 in this Board packet.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
PROPOSED AMENDMENT #3 OPERATING REVENUE BUDGET FOR 2020/2021**

FUNDING SOURCES:

1. GENERAL RESERVES
ESTIMATED FUND BALANCE
2. LESS REQUIRED RESERVES FOR FISCAL YEAR

CASH FLOW REQUIREMENTS PER TDA
PERS BUYOUT
DEBT SERVICE RESERVE FOR BUS MAINTENANCE FACILITY
OFFSET RESERVE TO CARRYOVER TO FY21-22

TOTAL

3. FUND BALANCE AVAILABLE

NON TDA SOURCES

B
34

- FARES
- SCT MANAGEMENT CONTRACT
- COUNTY MANAGEMENT CONTRACT
- NORTH COUNTY MANAGEMENT CONTRACT
- INTEREST
- STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1
- RURAL TRANSIT FUND (Administration)
- RURAL TRANSIT FUND (Operating Funds)
- FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo
- FTA (Section 5307) - San Luis Obispo CARES
- FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating
- FTA (Section 5311) - Operating CARES
- FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operating
- FTA (Section 5307-N. County) - Operating CARES
- FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating
- FTA (Section 5307-SM) - Operating CARES
- FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operating
- FTA (Section 5307) - S. County Operating CARES
- CUESTA CONTRIBUTION FOR ROUTE 12 AND 14
- CUESTA CONTRIBUTION NORTH COUNTY
- SPECIAL EVENTS REVENUE/OTHER

4.
5.

- SUB TOTAL
- TOTAL FUND BALANCE & NON TDA FUNDING

	2020/2021 AMENDMENT #2 OPERATING BUDGET	2020/2021 PROPOSED SoCo TRANSIT BUDGET	2020/2021 AMENDMENT #1 SLOCAT BUDGET	2020/2021 AMENDMENT #2 N. COUNTY BUDGET	2021/2022 REVISION #3 OPERATING BUDGET	2021/2022 REVISION #2 OPERATING BUDGET	2021/2022 PROJECTED SoCo TRANSIT BUDGET	2021/2022 REVISED SLOCAT BUDGET	2021/2022 REVISION #2 N. COUNTY BUDGET
	5,351,291	948,250	111,070	589,310	3,777,820	3,777,820	1,165,170	125,500	513,780
	5,351,291	948,250	111,070	589,310	3,777,820	3,777,820	1,165,170	125,500	513,780
	1,827,820	138,940	125,500	513,780	1,839,220	1,839,220	285,820	132,500	192,780
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	1,950,000	1,026,230	-	-	-	-	-	-	-
	3,777,820	1,165,170	125,500	513,780	1,839,220	1,839,220	285,820	132,500	192,780
	1,573,471	(216,920)	(14,430)	75,530	1,938,600	1,938,600	879,350	(7,000)	321,000
	875,940	47,500	28,900	97,810	1,228,770	1,228,770	96,900	29,480	106,170
	126,660	-	-	-	115,100	136,080	-	-	-
	91,580	-	-	-	98,390	98,390	-	-	-
	44,440	-	-	-	47,740	47,740	-	-	-
	38,670	7,075	-	-	38,670	38,670	14,150	-	-
	-	-	82,800	67,400	400,000	400,000	-	82,800	67,400
	30,000	-	-	-	30,000	30,000	-	-	-
	-	-	82,800	-	250,000	250,000	-	-	-
	474,910	-	-	-	633,210	633,210	-	-	-
	1,132,120	-	-	-	-	-	-	-	-
	564,630	-	-	-	564,630	564,630	-	-	-
	591,790	-	-	-	-	-	-	-	-
	722,480	-	-	-	963,310	963,310	-	-	275,120
	1,403,640	-	-	779,800	-	-	-	-	-
	404,580	-	-	-	424,810	424,810	-	-	-
	847,630	-	-	-	-	-	-	-	-
	439,530	154,315	-	-	586,040	586,040	398,640	-	-
	1,517,640	714,110	-	-	-	-	-	-	-
	82,810	-	-	-	87,780	87,780	-	-	-
	-	-	-	40,580	-	-	-	-	40,580
	-	164,390	-	-	-	-	328,780	-	-
	9,389,050	1,087,390	194,500	985,590	5,468,450	5,489,430	838,470	112,280	489,270
	10,962,521	870,470	180,070	1,061,120	7,407,050	7,428,030	1,717,820	105,280	810,270

FUNDING SOURCES:

TDA REQUIRED

CITY OF ARROYO GRANDE
CITY OF ATASCADERO
CITY OF GROVER BEACH
CITY OF MORRO BAY
CITY OF PASO ROBLES
CITY OF PISMO BEACH
CITY OF SAN LUIS OBISPO
COUNTY OF SAN LUIS OBISPO

Population
Based

18%
49%

0.5

TDA REQUIREMENTS BEFORE 5311 EXCHANGE
LESS: RURAL TRANSIT FUND/5311 EXCHANGE
NET TDA REQUIREMENTS

7. TOTAL FUNDING SOURCES

8. FUNDING USES:

ADMINISTRATION
PERS BUYOUT
MANAGEMENT CONTRACTS
SERVICE DELIVERY
DEBT SERVICE RESERVE
CONTINGENCY

9. TOTAL FUNDING USES

2020/2021 AMENDMENT #2 OPERATING BUDGET	2020/2021 PROPOSED SoCo TRANSIT BUDGET	2020/2021 AMENDMENT #1 SLOCAT BUDGET	2020/2021 AMENDMENT #2 N. COUNTY BUDGET	2021/2022 REVISION #3 OPERATING BUDGET	2021/2022 REVISION #2 OPERATING BUDGET	2021/2022 PROJECTED SoCo TRANSIT BUDGET	2021/2022 REVISED SLOCAT BUDGET	2021/2022 REVISION #2 N. COUNTY BUDGET
202,671	-	-	-	216,806	215,698	24,324	-	-
344,720	-	-	-	368,761	366,877	-	-	-
153,432	-	-	-	164,132	163,294	18,388	-	-
118,353	-	-	-	126,607	125,961	-	-	-
354,233	-	-	-	378,937	377,001	-	-	306,120
93,411	-	-	-	99,925	99,415	11,226	-	-
690,993	-	-	-	739,183	735,406	-	-	-
1,881,036	-	476,800	-	2,012,219	2,001,939	10,581	588,040	-
3,838,849	-	476,800	-	4,106,570	4,085,590	64,520	588,040	306,120
(1,156,420)	-	-	-	(564,630)	(564,630)	-	-	-
2,682,429	-	476,800	-	3,541,940	3,520,960	64,520	588,040	306,120
13,644,950	870,470	656,870	1,061,120	10,948,990	10,948,990	1,782,340	693,320	1,116,390
1,773,910	43,340	7,870	128,980	1,772,430	1,751,450	114,560	7,500	138,140
3,373,900	-	-	-	-	-	-	-	-
126,660	51,290	91,580	44,440	115,100	136,080	81,600	98,390	47,740
8,270,040	767,650	530,880	875,630	8,673,430	8,673,430	1,568,940	559,490	917,860
203,960	-	-	-	282,230	282,230	-	-	-
100,440	8,190	26,540	12,070	105,800	105,800	17,240	27,940	12,650
13,644,950	870,470	656,870	1,061,120	10,948,990	10,948,990	1,782,340	693,320	1,116,390

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
PROPOSED AMENDMENT #3 CAPITAL REVENUE BUDGET FOR 2020/2021**

FUNDING SOURCES:

1. BEGINNING CAPITAL PROJECTS RESERVE
ESTIMATED FUND BALANCE

2. LESS REQUIRED RESERVES FOR FISCAL YEAR

CAPITAL PROJECTS RESERVE

TOTAL

3. FUND BALANCE AVAILABLE

NON TDA SOURCES

STATE TRANSIT ASSISTANCE (STA) WITH SB1 AUGMENTATION
LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
PROPOSITION 1B FUNDING - SAFETY & SECURITY

4. 36

STA SB1 STATE OF GOOD REPAIR
PROPOSITION 1B FUNDING - BUS REPLACEMENT & BUS MAINTENANCE FACILITY
APCD AB 617 FOR GARAGE PROJECT

RURAL TRANSIT FUND (Capital)
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo
FEDERAL TRANSIT ADM (FTA) (Section 5309) - State of Good Repair
FEDERAL TRANSIT ADM (FTA) (Section 5339) - Bus and Bus Facilities
FEDERAL TRANSIT ADM (FTA) (Section 5307-North County)
FEDERAL TRANSIT ADM (FTA) (Section 5307-Santa Maria) - CARES
FEDERAL TRANSIT ADM (FTA) (Section 5307-South County)

4.

5. TOTAL FUND BALANCE & NON TDA FUNDING

6. FINANCING FOR BUS MAINTENANCE FACILITY

7. TOTAL FUNDING SOURCES

8. FUNDING USES:

CAPITAL
LOAN PAYDOWN
9. TOTAL FUNDING USES

2020/2021 AMENDMENT #2 - CAPITAL BUDGET	2020/2021 PROPOSED SoCo TRANSIT BUDGET	2020/2021 ADOPTED SLOCAT BUDGET	2020/2021 ADOPTED N. COUNTY BUDGET	2021/2022 REVISION #2 CAPITAL BUDGET	2021/2022 PROJECTED SoCo TRANSIT BUDGET	2021/2022 PROJECTED SLOCAT BUDGET	2021/2022 PROJECTED N. COUNTY BUDGET
171,870	536,830	119,330	5,320	667,520	355,380	119,330	5,320
171,870	536,830	119,330	5,320	667,520	355,380	119,330	5,320
667,520	355,380	119,330	5,320	483,820	164,230	9,530	54,880
667,520	355,380	119,330	5,320	483,820	164,230	9,530	54,880
(495,650)	181,450	-	-	183,700	191,150	109,800	(49,560)
714,750	79,660	-	-	314,750	79,660	4,100	49,560
-	-	-	-	-	-	-	-
1,033,230	-	-	-	140,810	-	-	-
721,980	-	-	-	-	-	-	-
250,000	-	-	-	-	-	-	-
421,820	-	-	-	85,430	-	-	-
6,285,000	-	-	-	117,590	-	-	-
534,980	-	-	-	-	-	-	-
453,060	-	-	-	-	-	-	-
410,030	420,000	-	-	85,430	460,000	-	-
10,824,850	499,660	-	-	744,010	539,660	4,100	49,560
10,329,200	681,110	-	-	927,710	730,810	113,900	-
6,753,000	-	-	-	7,347,000	-	-	-
17,082,200	681,110	-	-	8,274,710	730,810	113,900	-
17,082,200	681,110	-	-	8,274,710	730,810	113,900	-
17,082,200	681,110	-	-	8,274,710	730,810	113,900	-
17,082,200	681,110	-	-	8,274,710	730,810	113,900	-

Administration and Service Delivery Totals				
	Amendment #3 Operating Budget FY2020-21	Amendment #2 Operating Budget FY2020-21	Revision #3 Operating Budget FY2021-22	Revision #2 Operating Budget FY2021-22
Administration:				
Labor				
Hours	76,690	69,370	84,300	69,660
Miles	1,674,640	1,556,940	1,805,960	1,570,560
operations cost				
operations cost	1,042,550	1,042,550	1,120,070	1,120,070
operations cost	47,000	47,000	50,490	50,490
operations cost	508,850	493,320	391,240	359,110
operations cost	28,490	28,040	34,220	33,160
operations cost	117,400	117,400	129,790	129,790
operations cost	60,070	60,070	70,540	70,540
operations cost	365,150	297,900	443,190	308,400
hourly	98,560	87,160	135,920	107,740
operations cost	(44,440)	(44,440)	(47,740)	(47,740)
operations cost	(91,580)	(91,580)	(98,390)	(98,390)
operations cost	(126,660)	(126,660)	(115,100)	(136,080)
Total Administration	2,005,390	1,910,760	2,114,230	1,897,090
Service Delivery:				
Labor - Operations	5,927,310	5,477,760	6,774,280	5,819,150
Labor - Operations Workers Comp	355,290	319,920	395,640	339,860
Labor - Maintenance	1,287,250	1,235,670	1,421,950	1,312,390
Labor - Maintenance Workers Comp	97,290	93,080	107,800	98,860
Fuel	1,064,520	968,920	1,160,120	968,920
Insurance (Liability, Physical Damage, Employment Prac miles	764,160	702,500	846,830	736,450
Special Transportation (for SLOCAT)	48,340	48,340	51,350	51,350
Avila Trolley	68,460	68,460	72,730	72,730
Maintenance (parts, supplies, materials)	688,380	633,320	720,230	613,550
Maintenance Contract Costs	143,200	128,580	168,790	137,520
Total Operations	10,444,200	9,676,550	11,719,720	10,150,780
Contingency				
hourly	147,240	139,050	163,630	146,390
Debt Service Reserve				
operations cost	203,960	203,960	282,230	282,230
Management Contracts				
	262,680	262,680	261,230	282,210
TOTAL FUNDING USES	13,063,470	12,193,000	14,541,040	12,758,700

Capital Expenditures		Amendment #3 - Capital Budget FY 2020-21	Amendment #2 - Capital Budget FY 2020-21	Revision #3 Capital Budget FY 2021-22	Revision #2 Capital Budget FY 2021-22
Capital/Studies:					
Computer System Maintenance/Upgrades		46,440	44,940	47,190	47,190
Miscellaneous Capital					
Maintenance Equipment		40,200	40,200	-	-
Specialized Maintenance Tools		-	-	-	-
Desks and Office Equipment		-	-	-	-
Radios		6,600	6,600	-	-
Vehicle ITS/Camera System		-	-	-	-
Bus Stop Improvements		313,360	265,500	327,840	278,780
COVID 19 Related Capital Items		453,060	453,060	-	-
Large Capital Repairs		-	-	50,000	-
Vehicles					
Support Vehicles		56,700	56,700	63,000	63,000
40' Coaches		631,800	631,800	-	-
Trolley replacement vehicles		-	-	-	-
Cutaway and Dial A Ride Vehicles		631,750	-	745,650	113,900
Runabout Vehicles		261,300	261,300	316,600	316,600
Total Capital Outlay		2,441,210	1,760,100	1,550,280	819,470
Loan Repayments					
Short Range Transit Plans - Nipomo		24,010	24,010	108,240	108,240
Elks Lane Project		-	-	-	-
		15,298,090	15,298,090	7,347,000	7,347,000
TOTAL FUNDING USES		17,763,310	17,082,200	9,005,520	8,274,710

operations cost

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San Luis Obispo Regional Transit Authority
Executive Committee Meeting
Minutes 08/12/2020
C-1

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

Members Absent: None

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

Call to Order and Roll Call:

President Fred Strong called the meeting to order at 10:01 AM.

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

There was no public comment.

A. Information Items :

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

Mr. Geoff Straw stated that the driver bid shakeup happened on June 15th for the ramp-up to hourly service schedule on June 28th. This is a modified regular service: weekday hourly service without express trips and SoCo Transit/Paso Express on regular service levels. Staff will change the schedule if there is demand for service. Ridership has declined. However, as businesses reopen, there may be demands to increase service. The CARES Act grant has been fully executed. Thanks to the SLOCOG staff for their cooperation. There's a tentative agreement with SLO City for an afterhours bathroom for RTA drivers. The agency celebrated the 11th anniversary of in-house operations and multiple driver safety awards.

Questions:

President Strong asked is the CARES Act funding covering all of the costs?

Mr. Straw stated that it has covered 100% of operations and allowed RTA to reduced LTF used and give it back to the cities. There will actually be money left over for FY 21-22.

President Strong asked do you think telehealth appointments have affected ridership?

Mr. Straw stated that hopefully it has, especially since Runabout is expensive to operate.

President Strong asked if the elimination of SLO Transit call boxes will affect RTA.

Mr. Straw stated no.

A-2 Update on RTA Response to COVID-19 Pandemic (Verbal; Receive)

Mr. Straw stated the mask requirement is up for discussion. Utility staff are going through training to use handheld sanitizing foggers. Administration is obtaining bids to change the current building to install a customer service window to assist customers while supporting the health and safety of staff. The agency is also obtaining bids to change air filtration and circulation systems, as recycled air has been linked to COVID-19 contagion. All of the costs are CARES eligible, and will be using funds from Santa Maria UZA funds.

Questions:

Mr. Ed Waage asked if drivers are able to get more air circulation by opening driver-side windows? Safety of drivers and staff is paramount.

Mr. Straw stated that the passenger windows are sealed shut, however the bus air vents assist with air circulation, including the sliding window in the driver's area.

Vice President John Peschong said he is looking forward to the report on sanitizing foggers.

President Strong asked if customers with legitimate breathing issues can be provided with face shields?

Mr. Straw stated that they have been provided for employees, but science has stated that they are not as effective as masks. Staff is looking into options for this. ADA does not protect refusal to use a mask.

President Strong asked how many partitions there are within the Gillig buses.

Mr. Straw stated that the partition is only between the driver and passengers.

A-3 Update on TIFIA Loan Agreement (Verbal, Receive)

Mr. Straw stated final documents will be brought to the Board on September 2nd. There is a kickoff meeting tomorrow with Region 9 FTA. The goal is to close the TIFIA loan on September 3rd.

Questions:

Mr. Waage commended staff on their work with TIFIA.

Mr. Straw commended Tania for her work.

A-4 Update Bus Maintenance Facility Construction (Verbal; Receive)

Mr. Straw said that RTA has been declined additional grant funding for the bus maintenance facility, but staff will continue to seek other sources of funding. Specialized Construction has mobilized on the site and environmental mitigation surveys have been completed.

Vice President Peschong made a motion to receive and file agenda items A1- A4, and **Mr. Waage** seconded the motion. The motion passed unanimously via voice vote.

B. Action Items

B-1 Authorize New SLOCPT Rates for January 2021 Implementation (Approve)

Mr. Straw stated there is still discussion regarding procedures with SLOCPT. The staff recommendation is to adopt the new rates in July and direct staff inquire further. Staff will bring this to the Board in September and get further instructions.

Vice President Peschong made a motion to approve agenda item B-1, and **Mr. Waage** seconded the motion. The motion passed unanimously via roll call vote as follows:

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

C. Consent Items

C-1 Executive Committee Meeting Minutes of June 3, 2020 (Approve)

Mr. Waage made a motion to approve consent agenda item C-1, and **Vice President Peschong** seconded the motion. The motion passed unanimously via roll call vote as follows:

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

September 2, 2020 Draft RTA Board Agenda: The Executive Committee is asked to review and comment on the proposed agenda items.

Information Items

- A-1 Executive Director's Report (Receive)
- A-2 Strategic Business Plan Results (if available; possibly November)

Action Items

- B-1 Authorize New SLOCPT Rates for January 2021 Implementation (Approve)
- B-2 Approve TIFIA Loan Agreement for Construction of 253 Elks Lane (Approve)

Consent Items

- C-1 Executive Committee Meeting Minutes of June 3, 2020 (Information)
- C-2 RTA Board Meeting Minutes of July 8, 2020 (Approve)
- C-3 Amendment to Agreement with Kitchell (Approve)
- C-4 Agreement with CPS HR Consulting for Diversity & Inclusion Review (Approve)

Closed Session Item: Significant exposure to litigation pursuant to subdivision (d) of section 54956.9.

Mr. Waage made a motion to approve the September RTA Board agenda, and **Vice President Peschong** seconded the motion. The motion passed unanimously via roll call vote as follows:

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

D. Closed Session: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code section 54956.9.) It is the intention of the Executive Committee to meet in closed session concerning the following item: (1) Number of potential cases: One.

The Executive Committee went into closed session at 10:47 AM and returned to open session at 10:50 AM.

Ms. Nina Negranti stated that there was nothing to report from closed session.

E. Adjournment

The meeting was adjourned at 10:51 AM.

Next RTA Executive Committee Meeting: October 14, 2020

Respectfully Submitted,

Acknowledged by,

Chelsea Sperakos
Administrative Assistant

Fred Strong
RTA President 2020

DRAFT
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RTA SPECIAL BOARD MEETING MINUTES OF AUGUST 5, 2020
C-2

BOARD MEMBERS PRESENT:

LYNN COMPTON, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO
ROBERT DAVIS, CITY OF MORRO BAY
KAREN BRIGHT, CITY OF GROVER BEACH
JIMMY PAULDING, CITY OF ARROYO GRANDE
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (Vice President)
ANDY PEASE, CITY OF SAN LUIS OBISPO
HEATHER MORENO, CITY OF ATASCADERO
FRED STRONG, CITY OF PASO ROBLES (President)
ED WAAGE, CITY OF PISMO BEACH
DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO
ADAM HILL, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO

BOARD MEMBERS ABSENT:

BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO

STAFF PRESENT:

GEOFF STRAW, EXECUTIVE DIRECTOR
NINA NEGRANTI, SAN LUIS OBISPO COUNTY COUNSEL
CHELSEA SPERAKOS, ADMINISTRATIVE ASSISTANT

CALL MEETING TO ORDER, ROLL CALL

President Fred Strong called the meeting to order at 8:30 AM and roll call was taken. A quorum was present.

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.

Mrs. Chelsea Sperakos asked anyone on the call who would like to make a public comment would use the "raise hand" function on Zoom or to dial *9 on the call in number. The speaker will be notified when it is their turn. After leaving some time available for speakers to come forward, there were no public comments.

A. INFORMATION AGENDA

A-1 Report on Financing of New Bus Maintenance Facility (Receive)

Mr. Geoff Straw stated both Pacific West Bank loans closed on July 21st, which includes the 3 year \$1 million permanent loan and the bridge \$14.1 million letter of credit loan. There have been no changes to the last-minute list of terms provided at the July 8th RTA Board meeting. The TIFIA loan application was accepted on July 16th. Staff is negotiating final language in the loan documents. A draft *TIFIA Checklist & Loan Agreement* documents were included in the agenda packet. RTA is scheduled to close the loan following the September 2nd RTA Board consideration of final documents.

Ms. Lynn Compton made a motion to receive agenda item A-1, and **Mr. Ed Waage** seconded the motion. The motion passed unanimously via voice vote.

B. ACTION AGENDA—None

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

C-1 Amendment to Agreement with KNN Public Finance (Approve)

C-2 Application for FTA 5311 CARES Act Phase 2 Funds (Approve)

Ms. Heather Moreno made a motion to approve consent agenda item C-1 and C-2, and **Mr. Waage** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD	X		
LYNN COMPTON	X		
BRUCE GIBSON			X
ADAM HILL	X		
JOHN PESCHONG (Vice President)	X		
ROBERT DAVIS	X		
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		
FRED STRONG (President)	X		
ED WAAGE	X		

D. CLOSED SESSION

The Board went into closed session 8:41 AM and returned to open session at 8:55 AM.

E. BOARD MEMBER COMMENTS—None

The meeting adjourned at 9:00 AM.

Next regularly-scheduled RTA Board meeting is September 2nd, 2020

Respectfully Submitted,

Acknowledged by,

Chelsea Sperakos, Administrative Assistant

Fred Strong, RTA President 2020

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DRAFT
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
BOARD MEETING MINUTES OF SEPTEMBER 2, 2020
C-3

BOARD MEMBERS PRESENT:

LYNN COMPTON, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO
ROBERT DAVIS, CITY OF MORRO BAY
KAREN BRIGHT, CITY OF GROVER BEACH (joined at 8:35 AM)
JIMMY PAULDING, CITY OF ARROYO GRANDE
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (Vice President)
ANDY PEASE, CITY OF SAN LUIS OBISPO
HEATHER MORENO, CITY OF ATASCADERO
FRED STRONG, CITY OF PASO ROBLES (President)
ED WAAGE, CITY OF PISMO BEACH
DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO

BOARD MEMBERS ABSENT:

THIRD DISTRICT REPRESENTATIVE, COUNTY OF SAN LUIS OBISPO

STAFF PRESENT:

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

CALL MEETING TO ORDER, ROLL CALL

President Fred Strong called the meeting to order at 8:31 AM. Roll call was taken and a quorum was present.

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.

Please see the last page for submitted written comment. There was no public comment during the meeting.

A. INFORMATION AGENDA

A-1 Executive Director's Report (Receive)

Mr. Geoff Straw stated the California Air Sources Board initiative 2024 rule reduces emissions by public transit. Cummins said they will not be able to comply and rallied other transit agencies. This allowed the executive officer to waive requirement. RTA's existing vehicles would be obsolete if required to comply, and likely some resolutions coming to ask for a waiver.

New COVID-19 protection includes sneeze guards on the buses and mini vans have installed barriers. Driver bid shake up usually coincides with the Cuesta College academic year. Due to distance learning, Route 14 has been suspended. With this and express runs being suspended, the 5% service cut has been met. This has helped reduce the driver shortage and overtime costs. Sanitizing foggers were implemented starting in August. The agency is looking to retrofit the HVAC system in the current headquarters to provide more fresh air rather than re-circulation due to COVID-19 concerns. When ticket sales resume, a sales window will be installed in the building to accommodate.

Driver Darwin Buss unfortunately passed away. Elmer Hart is Employee of the Quarter; he has been impactful in implementing driver/passenger safety systems on the buses. RTA has hired a new driver and a new utility worker, and is still in recruitment for more drivers. Safety Day celebrates employees that have never had a preventable collision, many of which who have gone 10 and 11 years without preventable collisions and injury.

The RTA website has been kept up to date and in compliance with ADA to keep the public informed of safety messages and policy updates. New bus maintenance facility is under construction and moving forward. The completion date is February 5th, and early completion could be January 4th. Staff has replaced Paso Express bus stop signs in need of repair. The TIFIA rural project initiative application has been accepted. Thanks to SLOCOG, RTA staff and other SLO County team participants for helping with this application. The FTA 5339(b) grant applications was unsuccessful. No additional funds are necessary from any RTA jurisdictions. Ridership has returned to 50%, of the pre-COVID number. The overall non capital expenses were below budget, and administration costs are above budget.

Questions:

Ms. Andy Pease asked staff to address Mr. Greening's questions regarding limiting service and COVID cases spread through transit. Do we need additional policy at the Board or state mandate or industry wide adjustment?

Mr. Straw stated that drivers do not screen riders to determine if it is an essential ride, and no evidence of spread through transit. Positive cases at RTA were through community spread. Office policy requires masks in public spaces and recommended 6 feet distance from others. There is a limit to the number of riders on the bus, but it is a concern going forward because service will not be able to be maintained if ridership increases. Staff is watching other transit agencies to make sure to operate in a safe way. The agency will continue follow CDC guidelines and Governor Newsom's orders. The emergency order has allowed staff to make policy changes as necessary.

Ms. Heather Moreno made a motion to receive and file agenda item A-1, and **Mr. Ed Waage** seconded the motion. The motion passed unanimously via voice vote.

A-2 Strategic Business Plan Results (Receive)

Mr. Straw briefly reviewed the staff report.

Mr. Waage made a motion to receive and file agenda item A-2, and **Ms. Moreno** seconded the motion. The motion passed unanimously via voice vote.

B. ACTION AGENDA

B-1 Authorize New SLOCPT Rates for July 2021 Implementation (Approve)

Mr. Straw stated RTA joined SLO County Pension Trust (SLOCPT) which includes 12 employees. Each year SLOCPT completes an actuarial to determine the new rates. Part of the process is asking each of the member agencies in SLOCPT which options they prefer: January 2021 or July 2021 implementation. SLOCPT Board would approve choices in December. January implementation would be a 3.7% increase versus a July implementation of 3.91% increase. The RTA Board has elected in the past to pick up 100% of the cost, with no cost to employees. Staff is not prepared to make a recommendation on the pick up of cost, however staff is asking the Board to pick implementation dates, recommending the July date. No news on how the other agencies are handling this situation. There is a projected budget impact of \$45,000 for fiscal year 2021-22.

Questions:

Ms. Moreno asked does the timeline assist every year or would it be better to go with the lower rate?

Ms. Tania Arnold stated a January implementation would be a lower cost, however there would be a cost sharing question and the cost would be ongoing. The intention is with budgeting to make it more convenient but it was not budgeted for the current fiscal year.

Mr. Bruce Gibson stated one thing to note is this applies only to 12 employees. It makes sense to coincide with current budgeting process. SLOCPT is in process to correct unfunded liability.

Mr. Waage agreed with Mr. Gibson that it makes more sense administratively to implement the July date.

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

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD	X		
LYNN COMPTON	X		
BRUCE GIBSON	X		
JOHN PESCHONG (Vice President)	X		
ROBERT DAVIS	X		
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		
FRED STRONG (President)	X		
ED WAAGE	X		
3 RD DISTRICT REPRESENTATIVE			X

B-2 Approve TIFIA Loan Agreement for Construction of 253 Elks Lane (Approve)

Mr. Straw stated the TIFIA Loan has been granted and staff recommendation is to approve the terms as they have been set.

Mr. Waage made a motion to approve agenda item B-2, and **Vice President John Peschong** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
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DEBBIE ARNOLD	X	
LYNN COMPTON	X	
BRUCE GIBSON	X	
JOHN PESCHONG (Vice President)	X	
ROBERT DAVIS	X	
KAREN BRIGHT	X	
JIMMY PAULDING	X	
ANDY PEASE	X	
HEATHER MORENO	X	
FRED STRONG (President)	X	
ED WAAGE	X	
3 RD DISTRICT REPRESENTATIVE		X

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

C-1 Executive Committee Meeting Minutes of June 3, 2020 (Information)

C-2 RTA Board Meeting Minutes of July 8, 2020 (Approve)

C-3 Amendment to Agreement with Kitchell (Approve)

C-4 Agreement with CPS HR Consulting for Diversity, Equity & Inclusion Review (Approve)

C-5 RTA Board Meeting Minutes of August 5, 2020 (Approve)

C-6 BMF Construction Change Order (Approve)

Mr. Waage made a motion to approve consent agenda items C-1 through C-6, and **Ms. Moreno** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
DEBBIE ARNOLD	X		
LYNN COMPTON	X		
BRUCE GIBSON	X		
JOHN PESCHONG (Vice President)	X		
ROBERT DAVIS	X		
KAREN BRIGHT	X		
JIMMY PAULDING	X		
ANDY PEASE	X		
HEATHER MORENO	X		
FRED STRONG (President)	X		
ED WAAGE	X		
3 RD DISTRICT REPRESENTATIVE			X

D. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code section 54956.9.) It is the intention of the Board to meet in closed session concerning the following

item: (1) Significant exposure to litigation pursuant to subdivision (d) of section 54956.9. Number of potential cases: One.

The board went into closed session at 9:30 AM and returned to open session at 9:44 AM.

E. BOARD MEMBER COMMENTS

The meeting adjourned at 9:45 AM.

Next RTA Board meeting: November 4, 2020: Regularly scheduled meeting

Respectfully Submitted,

Acknowledged by,

Chelsea Sperakos, Administrative Assistant

Fred Strong, RTA President 2020

Public Comments for September 2nd, 2020 RTA Board of Directors Meeting

Below are comments received verbatim if by email, or summarized if verbally provided by telephone. Note that the sender's email address has been redacted. These comments will be posted on the RTA website as soon as possible. Any additional comments received after September 1st, 2020 at 11 AM, will be read aloud at the teleconference meeting.

Comments received as of September 1st, 2020 11 AM:

From: Eric Greening <**REDACTED**>

Sent: Mon 8/31/2020 3:56 PM

To: Info <Info@slorta.org>

Subject: **Comments by Eric Greening on Agenda Item A-1 for the special RTA Board meeting of September 2nd**

"Thanks to all who have been working extra hard adjusting service to ever-shifting demands of viral safety and government mandates in an environment in which a stable "normal," new or old, seems to continue to elude us!

Having "sheltered in place," I haven't been on a bus since March, and want to raise a question and a concern. The question, IF you are able to disclose the information: with the great care that is being taken to keep the buses safe for drivers and passengers, despite many people's fear that any congregating carries a risk, do we know of any documented cases of transmission involving an RTA bus or any other transit line in the county? When I asked it previously in writing to the Board of Supervisors meeting of August 11th, I received a kind reply from Micki Olinger, Supervisor Arnold's Administrative Assistant, who checked with the Emergency Operations Center and the Medical/Health staff, and stated that, as of that time, no cases had been linked to transmission on any transit vehicle. Can you confirm this, and is it still true?

The linked issue is, given the rationed availability of seats due to social distancing requirements, there has been a policy of restricting service to passengers whose travel met the criteria for an "essential" reason to leave home under the Governor's "Stay at Home" order. Permitted uses include: "permitted work, local shopping or other permitted errands, or as otherwise authorized." Is this limitation still in effect? Is the plan for it to remain in effect as long as the Governor's "Stay at Home" order remains in effect? If so, it could be all but permanent, given the Governor's recent reshuffling of the reopening plan. We had been on Stage Two of a climb in which the "Stay at Home order" would cease upon reaching Stage Four. Now, we are on Stage One of a climb in which progress from one stage to the next is greatly slowed, and in which not even the attainment of Stage Four will end the effect of this constraint on free association. People who drive tend to ignore the "Stay at Home order;" in other words, it is selectively enforced, both draconian and ineffective at the same time. Barber shops, beauty salons, manicurists, and similar businesses opened TODAY, but an end to the criminalization of visiting loved ones is not even remotely on any imaginable horizon.

My question, then, is: if the RTA is enforcing this on its passengers, how much longer will it co-operate with seriously distorted priorities that open all sorts of risky businesses months before it is legal to see a close friend or non-household family member? Is the "essential trip" criterion necessary to ration seats at present levels of service and demand for service? If not, is the system under any legal obligation to enforce a fundamentally senseless order? Most states have long ended their own stay at home orders (eight never had one) and are not doing worse--some are doing better--in disease prevalence than we are. Does the RTA have the latitude to simply provide service to all who seek a ride, with no inquiry as to purpose? To what extent might farebox recovery improve if it could?"

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020
STAFF REPORT**

AGENDA ITEM: C-4

TOPIC: Vehicle Procurement

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Authorize Executive Director to Procure seven (7) low floor minivans and one (1) Cutaway vehicle at a Cost Not to Exceed \$459,495

BACKGROUND/DISCUSSION:

The RTA has been awarded funding from the Federal Transportation Authority (FTA) to replace seven (7) low floor minivans (Vehicle ID#1601-1607) and one (1) Cutaway vehicle (ID#1608) in the Runabout ADA fleet. FTA guidelines call for light duty transit buses to be replaced after four (4) years or over 100,000 miles. By these criteria, these vehicles have met their FTA useful life and will need to be replaced.

Replaced vehicles will be disposed of in accordance with Federal regulations once replacement are put into service.

Purchase of these eight (8) new vehicles will be funded with \$390,570 in Federal Transit Administration (FTA) Section 5307 formula funding apportioned in FY18-19. The RTA will use State Transit Assistance (STA) funding as local match totaling \$68,925.

These vehicles will be purchased from the CalACT procurement list approved by FTA and Caltrans. The RTA will ensure that it will comply with all FTA regulations for the procurement of rolling stock. Once the Purchase Order is issued, it will take approximately 2-4 months for delivery.

Staff Recommendation

Staff requests the Board's concurrence to authorize the Executive Director to issue a purchase order to procure the seven (7) low floor minivans and one (1) Cutaway vehicle at a cost not to exceed \$459,495.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020
STAFF REPORT**

AGENDA ITEM: C-5

TOPIC: Surplus Vehicles

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Declare Vehicles Surplus and Authorize the Executive Director to Transfer/Dispose

BACKGROUND/DISCUSSION:

The RTA is in the process of taking delivery of eight replacement vehicles, comprised of seven new low-floor minivans and one new cutaway van. Staff is seeking the Board's direction on transferring and disposing of the vehicles being replaced.

Staff has assessed the current fleet condition and determined that there are five model year 2012 and 2014 support vehicles that are in need of retirement. Staff is recommending disposal of these five support vehicles and replacing them with five of the seven minivans that are in the best condition. The RTA then recommends disposing of the eight (8) vehicles presented in Table 1 below as these vehicles have met their Federal Transit Administration (FTA) and SLO County Air Pollution Control District (APCD) useful life standards as determined in years and/or mileage. The RTA currently has no practical, efficient or appropriate use for these eight vehicles and recommends disposal:

Vehicle ID#	Mfr	Model	Year	Service	Miles (9/17/20)	VIN	Plate	Replaced by Vehicle
513	Ford	Focus	2014	RTA/SCT - Support Vehicle	69,847	1FADP3E24EL255951	1375772	1601
514	Ford	Focus	2014	RTA - Support Vehicle	122,402	1FADP3E24EL255950	1375796	1602
515	Ford	Focus	2014	RTA - Support Vehicle	121,744	1FADP3E24EL255952	1375798	1603
1201	Dodge	Braun Minivan	2012	RTA - Support Vehicle	221,322	2D4RN4DG7BR794997	1379647	1604

1203	Dodge	Braun Minivan	2012	RTA - Support Vehicle	181,591	2C4RDBGG6CR180660	1377102	1607
1605	Dodge	Braun Minivan	2015	RTA - RunAbout	90,748	2C7WDGBG6FR652155	1474108	NEW
1606	Dodge	Braun Minivan	2015	RTA - RunAbout	102,105	2C7WDGBG8FR642789	1474091	NEW
1608	Ford	Starcraft Cutaway	2016	RTA - RunAbout	111,769	1FD4E4FS3GDC45434	1474447	NEW

The RTA Purchasing Policy requires staff to determine if surplus equipment has a per-unit fair market value greater than \$5,000. If a piece of equipment/rolling stock has a value greater than \$5,000 and it was originally purchased using FTA funds, staff is directed to obtain pre-approval from FTA staff to determine how any FTA remaining value should be addressed. Based on the condition and age of all pieces of equipment discussed in this Staff Report, as well as a review of recent online sales of similar vehicles, staff declares that each of the eight aforementioned vehicles have a fair market value of less than \$5,000 and thus none have any remaining FTA interest. Staff has also confirmed with the APCD that it has no remaining interest in vehicle #1201.

The RTA Purchasing Policy allows transfer of surplus wheelchair accessible vans and minivans to other transportation providers in the county to enhance transportation options for persons with transportation-related disabilities. The transfer opportunity is first provided to other public agencies, followed by non-profit organizations, and then for-profit companies. Any remaining vehicles are to be sold through auction or salvaged, depending on the condition of the vehicle(s). Staff queried organizations in the priority order listed above, and we recommend the following transfers (based on a first-come, first-served basis):

1. Vehicle 1605 be transferred to Wilshire Community Services;
2. Vehicles 1608 and 1606 be transferred to Ride-On;
3. Vehicle 1203 be transferred to the 5 Cities Homeless Coalition; and
4. Vehicle 1201 be transferred to Ventura Transit Systems as a parts vehicle¹.

All four of these organizations have acknowledged in writing that the vehicles being transferred will be used to enhance transportation options for disabled, elderly and/or low-income communities in our county, and that they will accept the vehicles in an as-is/where-is condition and that no warranty is implied.

Staff Recommendation

Declare the eight (8) vehicles listed above as surplus, and authorize the Executive Director to dispose of same through transfer, auction or salvage as appropriate.

¹ Vehicle 1201 has a defective emissions system, and will likely require extensive repairs in order to pass smog testing. VTS will accept this vehicle to provide parts for its fleet of model year 2012 Dodge Braun minivans.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020
STAFF REPORT**

AGENDA ITEM: C-6

TOPIC: Update representative and alternates on the CalTIP Board of Directors

ACTION: Approve Staff Recommendation

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Approve

BACKGROUND/DISCUSSION:

Physical Damage and Liability insurance for RTA is provided by the California Transit Insurance Pool (CalTIP). Membership in the CalTIP consortium provides RTA with very competitive, stable insurance rates. Additionally, unlike commercial insurance carriers, membership in CalTIP provides rate adjustments depending on each entity's loss record and the loss history of CalTIP as a whole. RTA has benefited greatly from this practice each year since joining the consortium.

Due to the consolidation of South County Transit into RTA effective January 1, 2021, the attached resolution revises the RTA representative and alternates.

Staff Recommendation

Approve the attached resolution.

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RESOLUTION NO. _____

**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN LUIS OBISPO
REGIONAL TRANSIT AUTHORITY A CALIFORNIA JOINT POWERS AGENCY,
AUTHORIZING EXECUTION OF THE JOINT POWERS AGREEMENT OF THE
CALIFORNIA TRANSIT INSURANCE POOL (CaTIP) AND APPOINTING DIRECTOR
AND ALTERNATES**

BE IT RESOLVED THAT:

1. The position of Executive Director is hereby authorized on behalf of San Luis Obispo Regional Transit Authority to execute and deliver the Joint Powers Agreement of the California Transit Insurance Pool (CaTIP) providing for the membership of the San Luis Obispo Regional Transit Authority.
2. The position of Deputy Director/Chief Financial Officer is hereby authorized on behalf of San Luis Obispo Regional Transit Authority to serve as alternate.
3. The position of Operations Manager is hereby authorized on behalf of San Luis Obispo Regional Transit Authority to serve as alternate.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

The foregoing resolution is hereby adopted this 2nd day of December 2020.

Fred Strong, President
San Luis Obispo Regional Transit Authority

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS BY FORM AND LEGAL EFFECT:

By: _____
Nina Negranti, Counsel
San Luis Obispo Regional Transit Authority

Date: _____

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020
STAFF REPORT**

AGENDA ITEM: C-7

TOPIC: Update on BMF Change Orders

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Approve Change Orders to Specialty Construction, Inc. Agreement to construct new Bus Maintenance Facility as presented.

BACKGROUND/DISCUSSION:

The RTA Board of Directors awarded construction of the Bus Maintenance Facility to Specialty Construction, Inc. (SCI) at its July 2020 meeting. The award resolution also delegates to the Executive Director and the Director's designee(s) the authority to order any changes or additions to the plans, designs or any other provisions of the work so long as any such change or addition is deemed consistent with the proper completion of the Project under the sound discretion of the Director or his designee. The dollar amount of any such change or addition shall not exceed the maximum dollar amount allowed her Public Contract Code Section 20142. Any changes or additions shall be in writing and administered as specified in the Contract Documents. The original contract with SCI was for \$16,873,000. Public Contract Code Section 20142 states that for no change or addition can exceed \$25,000, plus 5% of the original contract cost – but in no case greater than \$210,000. All of the change orders listed below comply with this limitation.

The change order process has been developed and authorized under our contract with Kitchell CEM for construction management services, and has been accepted by our designer/engineer (Stantec Architecture) and by our general contractor (SCI). When an issue is discovered by the general contractor, by a regulatory agency or by RTA staff, it is reported to Kitchell, which then develops a Cost Request Bulletin (CRB) that is submitted to SCI. SCI then submits a cost proposal, which is reviewed by Kitchell and Stantec. Kitchell then recommends approval or further investigation; only the RTA Executive Director or his designee can approve the Change Order.

As of November 23, 2020, a total of thirteen CRBs have been submitted to SCI, and six Change Orders have been authorized. The combined cost of these six Change Orders is \$143,372.99, or 0.8% of the original \$16,873,000 agreement with SCI.

The CRBs and their cost/status are summarized below:

1. CRB-01 Additional Abatement at U-Haul facility: SCI's subcontractor discovered a greater amount of asbestos within the facility than originally identified. Change Order #1 authorized on August 12th for \$13,756.05; work has been completed.
2. CRB-02 Removal of Geogrid beneath Parking Area: when grubbing the site, SCI's subcontractor discovered a below-surface plastic grid that was installed prior to RTA's ownership to stabilize the decomposed granite and asphalt paving area. The geogrid material had to be removed and properly disposed. Change Order #3 authorized on September 25th for \$31,582.28; work has been completed.
3. CRB-03 Utility Changes for Realigned Elks Lane: SLO City inspectors required changes to the underground utilities. Change Order #2 authorized on September 2nd for \$52,491.60; work has been completed.
4. CRB-04 Telecom and Data Conduit Revisions: owner requested due to potential vendors for Internet and phone services suggestion that additional conduit(s) be installed between Prado Road and the data room. Pending further details.
5. CRB-05 City Additions to Water Main at Elks Lane: SLO City inspectors required changes to the water main and related valves under the realigned Elks Lane facility for future use. Change Order #4 was authorized on September 30th for \$19,547.85; work has been completed.
6. CRB-06 Firewater Backflow/FDC Orientation: original placement of the Fire Department Connection would cause conflicts with other utilities and site features. Submitted October 5th; pending further details.
7. CRB-07 Relocation and Add Trap Primers: SCI's subcontractor recognized plumbing conflicts and possible omissions related to the trap primer layout. Change Order #5 authorized on November 16th for \$22,208.91.
8. CRB-08 Equipment and Labor to Dispose 75 Tons of Soil at Previous U-Haul Building: SCI discovered contaminated soil when demolishing U-Haul building. We worked with SLO City Fire Department and subconsultants to develop mitigation plan for disposal at Cold Canyon landfill. Submitted October 19th; pending further details.
9. CRB-09 Added Pipe Support for FDC Backflow Assembly: the Fire Department Connection required additional support following reconfiguration due to plumbing and other site conflicts. Submitted October 26th; pending further details.

10. CRB-10 Floor Box Modifications: the original specifications identified floor-mounted electrical boxes that were not Buy America compliant. Change Order #6 authorized on November 16th for \$3,786.30.
11. CRB-11 Provide Indoor Air Quality Improvements, Touchless Fixture Features and Safe Distancing Modifications – owner requested changes to design to provide enhanced pandemic-related improvements. Submitted October 19th; pending further details.
12. CRB-12 Lube/Compressor Room Modifications – owner requested changes to the lubrication and air compressor room. Submitted November 16th; pending further details.
13. CRB-13 Modify Main Electrical Switchboard – PG&E required change. Submitted November 13th; pending further details

Staff Recommendation

Approve Change Orders to Specialty Construction, Inc. Agreement to construct new Bus Maintenance Facility as presented.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

November 4, 2020

STAFF REPORT

AGENDA ITEM: C-8

TOPIC: Final Social Security Resolution for RTA Employees

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Resolution Authorizing Execution of the Application and Agreement for Social Security Benefits for the RTA Employees

BACKGROUND/DISCUSSION:

In February of 2020, the RTA was contacted by the Official State Social Security Administrator at the California Public Employees' Retirement System regarding a questionnaire to determine if the RTA was appropriately participating in the social security program. The RTA has participated in the social security program since the agency was formed in 1990, and was noted in the questionnaire.

Staff received a follow up in March 2020 from the Official State Social Security Administrator requesting the RTA adopt a resolution to provide Social Security coverage for the RTA employees which was completed at the May 6, 2020 RTA Board meeting. The next step is the adoption of the resolution authorizing execution of the application and agreement for Social Security coverage for employees of the RTA. Once received by the Official State Social Security Administrator, they will request the Federal Government to include the RTA in the Social Security program.

Staff Recommendation

Approve the attached resolution authorizing the execution of the Application and Agreement for Social Security coverage for employees of the RTA.

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Official State Social Security Administrator
California Public Employees' Retirement System

P.O. Box 720720, Sacramento, CA 94229-0720 | Phone: (916) 795-0810 | Fax: (916) 795-3005
888 CalPERS (or **888-225-7377**) | TTY: (877) 249-7442 | www.calpers.ca.gov/sssa

September 3, 2020

CalPERS ID No.: 1362276702

Kayleigh Mcleod
Human Resources Officer
San Luis Obispo Regional Transit Authority
179 Cross Street, Ste. A
San Luis Obispo, CA 93401

Dear Kayleigh Mcleod,

Thank you for submitting the Resolution to provide Social Security coverage for the employees of San Luis Obispo Regional Transit Authority.

The next step is the adoption of the Resolution authorizing execution of the Application and Agreement for Social Security coverage for employees of the San Luis Obispo Regional Transit Authority. We are enclosing a partially completed Resolution, and Application and Agreement. The forms contain the terms of coverage indicated in the Resolution adopted by the San Luis Obispo Regional Transit Authority Board of the San Luis Obispo Regional Transit Authority. Fred Strong, as Authorized Agent, should sign all copies of the enclosed Application and Agreement. The original and one copy of the adopted certified Resolution and the original and one copy of the signed Application and Agreement should be returned to this office.

Upon receipt of the above, we will request the Federal Government to include the San Luis Obispo Regional Transit Authority in the Social Security program.

These documents should not be modified in any way as only the content included in the documents provided by this office will be accepted.

If you have any questions regarding the enclosed information, please contact this office at (916) 795-0810.

Sincerely,

Veronica Silva-Gil
State Social Security Administrator Program

Enclosures

RESOLUTION NO. _____
(To Accompany Application and Agreement)

WHEREAS, the Public Agency desires to file an application with the State and to enter into an agreement with the State to extend coverage to eligible employees of the Public Agency, as defined in Section 218(b)(5) of the Federal Social Security Act, coverage under the said insurance system on behalf of the Public Agency; and

WHEREAS, official form "Application and Agreement" containing the terms and conditions under which the State will effect such inclusion has been examined by this body;
NOW, THEREFORE, BE IT RESOLVED, that said Application and Agreement on said official form be executed on behalf of the Public Agency and submitted to the State to provide coverage under the California State Social Security Agreement of March 9, 1951, of all services performed by individuals as employees of the Public Agency, except the following:

1. All services excluded from coverage under the agreement by Section 218 of the Social Security Act; and
2. Services excluded by option of the Applicant as indicated in Resolution No. 20-10 adopted at a meeting of the San Luis Obispo Regional Transit Authority on December 2, 2020: None.

Effective date of coverage of services under said agreement to be February 27, 1990; and

BE IT FURTHER RESOLVED, that Fred Strong, President of the Board, 179 Cross Street, Ste. A, San Luis Obispo, CA 93401, is hereby authorized and directed to execute said Application and Agreement on behalf of and as Authorized Agent of the Public Agency and to forward same to the State for acceptance and further action; and

BE IT FURTHER RESOLVED, that authority hereafter to act as Authorized Agent, and so to conduct all negotiations, conclude all arrangements, submit all reports, and sign all agreements and instruments which may be necessary to carry out the letter and intent of the aforesaid application and agreement, in conformity with all applicable Federal and State laws, rules and regulations, is vested in the position of President of the Board.

San Luis Obispo Regional Transit Authority

Presiding Officer

Title

Date

CERTIFICATION

I, Fred Strong, President of the Board of the San Luis Obispo Regional Transit Authority, State of California, do hereby certify the foregoing to be a full, true, and correct copy of Resolution No. _____ adopted by the San Luis Obispo Regional Transit Authority Board of the San Luis Obispo Regional Transit Authority at the regular/special meeting held on the 2nd day of December, 2020, as the same appears of record in my office.

(Signature)

(Title)

(Date)

APPLICATION AND AGREEMENT

For the purposes of this application and agreement, any reference made herein to any State or Federal statute or statutes, or regulations, or part thereof, applies to all amendments thereto now or hereafter made.

For the purposes of this application and agreement, "Federal System" means Old-Age, Survivors, and Disability and Health Insurance system established by the Federal Social Security Act, "Federal agency" means the Commissioner of Social Security, or successor in function to such officer, "Board" means the Board of Administration of the Public Employees' Retirement System, acting on behalf of the State of California.

The San Luis Obispo Regional Transit Authority, a public agency as defined in Section 22009 of the Government Code* hereinafter called Applicant, hereby makes application to the Board to execute a modification to the California State Social Security Agreement extending thereunder the Federal System to all services performed by individuals as employees of the Applicant in a coverage group as defined in Section 218 (b)(5) of the Social Security Act* except the following:

1. Those services mandatorily excluded from said agreement by Section 218 of the Social Security Act. *
2. The following services excluded by option of the Applicant pursuant to Resolution No. 20-10, adopted on December 2, 2020:

None

*See Attachment

In order to carry into effect, the common governmental duties under such statutes and in consideration of the mutual promises hereinafter made, the Applicant and the Board agree as follows:

1. The Board will execute a modification to the California State Social Security Agreement to extend thereunder the Federal System to the services of employees of Applicant as hereinbefore applied for.
2. Applicant will comply promptly and completely, throughout the term of this application and agreement, with the letter and intent of all statutes of the State of California, and Section 218 of the Federal Social Security Act, and applicable Federal and State regulations adopted pursuant thereto.
3. Applicant shall pay to the Federal Government amounts equivalent to the sum of taxes (employer-employee contributions) imposed under the Federal Insurance Contributions Act if the services of employees covered by the application and agreement constituted employment as defined in such Act. Applicant shall keep or cause to be kept accurate records of all remuneration for such services, said records to be maintained as required by Federal or State regulations, and said records shall be available for inspection or audit by the Board or its designated representative.

Applicant will prepare and submit such wage reports as may be required

4. Applicant shall pay and reimburse the State at such times as may be determined by the State:
- (a) Any sums of money that the State may be obligated to pay or forfeit to the Federal Government by reason of any failure of the Applicant, for any cause or reason, to pay the contributions, penalties, or interest required by the agreement between the Federal agency and the State at such time or in such amounts as required by the said agreement and any State or Federal regulations adopted pursuant thereto.
 - (b) In such amounts, as may be determined by the State, its proportionate share of any and all costs incurred by the State in the administration of the Federal System as it affects the Applicant and its employees.
 - (c) In such amounts, as may be determined by the State, the cost of any and all work and services relating to the election for the purposes of coverage under the Federal System held with respect to the coverage group for which coverage under the Federal System is requested herein.
 - (d) In such amounts, as may be determined by the State, the costs of any audits of the books and records of the Applicant made by the State or its designated representatives pursuant to Section 22559 of the Government Code.
5. The coverage herein provided for shall be effective February 27, 1990.
6. That, subject to the aforesaid provisions and applicable law, this application and agreement may be amended by the mutual consent of the parties in writing.

7. After the filing of this application and agreement, its acceptance and execution by the State shall constitute it a binding agreement between the Applicant and the State of California with respect to the matters herein set forth.

San Luis Obispo Regional Transit Authority

Signed by:

(Authorized Agent)

And by:

(Witness)

(Title)

(Date)

ACCEPTED: _____

STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
Veronica Silva-Gil
State Social Security Administrator
State Social Security Administrator Program

ATTACHMENT

Section 22009, Government Code:

"Public Agency" means the State, any city, county, city and county, district, municipal or public corporation or any instrumentality thereof, or boards and committees established under Chapter 10 of Division 6 of the Agricultural Code, Chapter 754 of Statutes of 1933, as amended, or Chapter 307 of the Statutes of 1935.

The following services are mandatorily excluded:

- (a) service performed in a policeman's or fireman's position, covered by a retirement system at the time coverage is extended to the Public Agency;
- (b) service performed by an individual who is employed to relieve him from unemployment;
- (c) service performed in a hospital, home, or other institution by a patient or inmate thereof;
- (d) covered transportation service (as defined in Section 210(k) of the Social Security Act, as amended);
- (e) service (other than agricultural labor or service performed by a student) which is excluded from employment by any provision of Section 210(a) of the Social Security Act, other than paragraph 7 of such section, or service the remuneration for which is excluded from wages by paragraph (2) of Section 209(h);
- (f) service performed by an individual as an employee on a temporary basis in case of fire, storm, snow, earthquake, or similar emergency;
- (g) services performed by election officials or election workers for each calendar year in which the remuneration paid for such service is less than the threshold amount mandated by law.

December 2, 2020

State Social Security Administrators Office
P.O. Box 720720
Sacramento, CA 94229-0720

Dear State Social Security Administrator:

The San Luis Obispo Regional Transit Authority certifies the following:

- The intent was to provide Social Security coverage to its employees
- A refund of Social Security tax contributions from the Internal Revenue Service (IRS) has not been requested
- Jason Gillespie has been employed at San Luis Obispo Regional Transit Authority the longest
- San Luis Obispo Regional Transit Authority has been withholding Social Security taxes in error since February 27, 1990.

Should you have any questions, please contact Fred Strong at 805-781-4833.

Sincerely,

Fred Strong
President of the Board
San Luis Obispo Regional Transit Authority

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020
STAFF REPORT**

AGENDA ITEM: C-9

TOPIC: Annual Fiscal & Compliance Audit and Annual Single Audit

ACTION: Review and Accept the FY2019-20 Audit Report

PRESENTED BY: Tania Arnold

STAFF RECOMMENDATION:

1. Review and Accept the FY2019-20 Annual Fiscal and Compliance Audit
2. Review and Accept the FY2019-20 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 RTA by Brown Armstrong Accountancy Corporation. The annual single audit report was also completed by Brown Armstrong Accountancy Corporation.

Of particular interest to RTA 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 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 2019-20 Annual Fiscal and Compliance Audit report.
2. Staff recommends that the Board review and accept the Fiscal Year 2019-20 Annual Single Audit report.

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**SAN LUIS OBISPO REGIONAL
TRANSIT AUTHORITY**

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

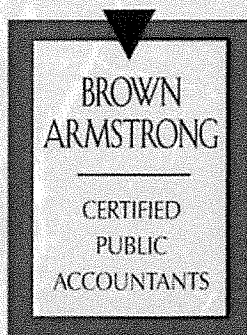
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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
SINGLE AUDIT REPORT	
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 <i>Government Auditing Standards</i>	1
Independent Auditor's Report on State Compliance.....	3
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	5
Financial Statement:	
Schedule of Expenditures of Federal Awards.....	7
Notes to the Schedule of Expenditures of Federal Awards	8
Findings and Questions Costs Section:	
Schedule of Findings and Questioned Costs.....	9



BROWN ARMSTRONG

Certified Public Accountants

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

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SUITE 300
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STOCKTON OFFICE

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STOCKTON, CA 95207
TEL 888.565.1040

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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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 10, 2020.

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 Authority'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 may exist that have not been identified.

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*.

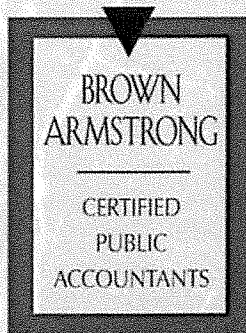
Purpose of this Report

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 report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 10, 2020



BROWN ARMSTRONG

Certified Public Accountants

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 the Santa Barbara 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, 2020.

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,

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(MAIN OFFICE)

4200 TRUXTON AVENUE
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TEL 559.476.3592

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SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

- 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,
- 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, 2020.

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. Accordingly, this report is not suitable for any other purpose.

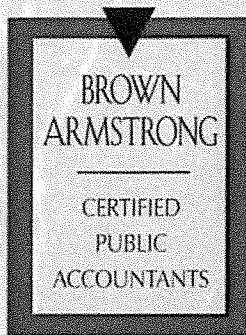
Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 10, 2020



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR 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

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Report on Compliance for Each Major Federal Program

We have audited the San Luis Obispo Regional Transit Authority's (the Authority) compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

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, 2020.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 10, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted 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
November 10, 2020

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Identifying Number	Total Federal Expenditures
<u>U.S. Department of Transportation</u>			
Direct:			
FTA Section 5307 - Capital Assistance & Operations Assistance FY 13/14	20.507	CA-90-Z169	\$ 48,000
FTA Section 5307 - Capital Assistance & Operations Assistance FY 14/15	20.507	CA-90-Z272	87,388
FTA Section 5307 - Capital Assistance & Operations Assistance FY 15/16	20.507	CA-2016-065	52,860
FTA Section 5307 - Capital Assistance & Operations Assistance FY 16/17	20.507	CA-2017-100	70,117
FTA Section 5307 - Capital Assistance (BMF Design)	20.507	CA-2018-041	137,278
FTA Section 5307 - Capital Assistance & Operations Assistance FY 17/18	20.507	CA-2016-064	7,008
FTA Section 5307 - Capital Assistance & Operations Assistance FY 17/18	20.507	CA-2018-073	36,593
CARES Act - FTA Section 5307 - Operating Assistance	20.507	CA-2020-116	3,094,252
FTA Section 5307 - Operating Assistance (July 1, 2019 - Jan. 31, 2020)	20.507	CA-2020-283	<u>2,142,306</u>
Total FTA Section 5307			<u>5,675,802</u>
Total Federal Transit Cluster			<u>5,675,802</u>
FTA Section 5339 - Capital Assistance (TVM)	20.509	CA-2016-064	<u>30,728</u>
Total FTA Section 5339			<u>30,728</u>
Passed-Through the State of California Department of Transportation			
FTA Section 5311 - Operating Assistance	20.509	SA 64BO19-00979	534,305
CARES Act - FTA Section 5311 - Operating Assistance	20.509	ER 64BO20-01066	<u>591,789</u>
Total FTA Section 5311			<u>1,126,094</u>
Total U.S. Department of Transportation			<u>6,832,624</u>
Total Expenditures of Federal Awards			<u>\$ 6,832,624</u>

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

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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.

FINDINGS AND QUESTIONED COSTS SECTION

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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:

CFDA Number(s)

Name of Federal Program or Clusters

20.507

Federal Transit Cluster
Formula Grants for Other than Urbanized Areas

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

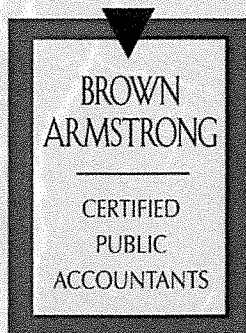
None.

IV. State Award Findings and Questioned Costs

None.

V. Summary of Prior Audit (June 30, 2019) Findings and Current Status

None.



BROWN ARMSTRONG

Certified Public Accountants

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

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We have audited the financial statements of the San Luis Obispo Regional Transit Authority (the Authority) for the fiscal year ended June 30, 2020. 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 May 18, 2020. 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 2020. We noted no transactions entered into by the Authority during the 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. Estimated useful lives range from three to fifteen years. 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 estimate of both its net pension liability, net other postemployment benefits (OPEB) 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, OPEB, and related deferred inflows of resources and deferred outflows of resources in determining that it is 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 disclosure of Capital Assets and Depreciation, Pension and OPEB in Notes 4, 9 and 10 to the financial statements.

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 November 10, 2020.

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, Schedule of Pension Contributions, Schedule of Changes in the OPEB Liability, and Schedule of OPEB Contributions, which are required supplementary information (RSI) that supplements 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 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
November 10, 2020

**SAN LUIS OBISPO
REGIONAL TRANSIT AUTHORITY
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

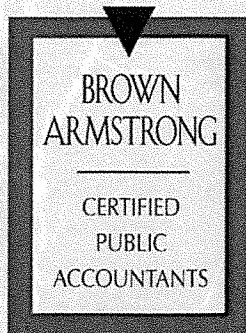
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1
Basic Financial Statements	
Statement of Net Position	4
Statement of Revenues, Expenses, and Changes in Net Position	5
Statement of Cash Flows	6
Notes to Basic Financial Statements	8
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net Pension Liability	28
Schedule of Pension Contributions	29
Schedule of Changes in the OPEB Liability and Related Ratios	30
Schedule of OPEB Contributions	31
SUPPLEMENTARY INFORMATION	
Schedule of Expenses – Budget and Actual	32

FINANCIAL SECTION



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the San Luis Obispo Regional Transit Authority (the Authority) as of and for the fiscal year ended June 30, 2020, 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. The financial statements as of June 30, 2019, were audited by other auditors, whose report dated March 4, 2020, expressed an unmodified opinion on these statements. We have included these balances for comparison purposes only.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2020, and the respective changes in financial position, and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 on page 28, the Schedule of Pension Contributions on page 29, the Schedule of Changes in the Postemployment Benefits Other than Pension (OPEB) Liability and Related Ratios on page 30, and the Schedule of OPEB Contributions on page 31, be presented to supplement the basic financial statements. Such 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. 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.

Other 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 budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenses – Budget and Actual 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. Such 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 November 10, 2020, 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 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 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
November 10, 2020

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and investments	\$ 4,651,364	\$ 4,622,063
Intergovernmental receivables	3,834	225,867
Grants receivable	5,820,393	3,345,791
Prepaid items	138,726	139,162
Inventory at cost	228,748	207,087
Total Current Assets	<u>10,843,065</u>	<u>8,539,970</u>
Capital Assets:		
Nondepreciable		
Land	1,512,602	1,512,602
Construction in progress	2,443,247	1,313,149
Depreciable		
Buildings and improvements	6,256,619	5,795,474
Equipment and vehicles	18,220,424	18,169,478
Less accumulated depreciation	<u>(13,928,737)</u>	<u>(11,762,358)</u>
Total Net Capital Assets	<u>14,504,155</u>	<u>15,028,345</u>
Total Assets	<u>25,347,220</u>	<u>23,568,315</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension	222,959	304,724
Deferred OPEB	<u>1,451</u>	<u>5,079</u>
Total Deferred Outflows of Resources	<u>224,410</u>	<u>309,803</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	455,126	848,629
Accrued payroll	220,787	409,537
Unearned revenue	7,914,250	5,531,202
Compensated absences	<u>66,408</u>	<u>52,215</u>
Total Current Liabilities	<u>8,656,571</u>	<u>6,841,583</u>
Noncurrent liabilities:		
Compensated absences	199,224	156,646
OPEB	38,645	129,047
Net pension liability	653,046	598,258
Pension plan exit liability	<u>2,775,642</u>	<u>2,775,642</u>
Total Noncurrent Liabilities	<u>3,666,557</u>	<u>3,659,593</u>
Total Liabilities	<u>12,323,128</u>	<u>10,501,176</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension	25,970	25,935
Deferred OPEB	<u>1,244</u>	<u>4,353</u>
Total Deferred Inflows of Resources	<u>27,214</u>	<u>30,288</u>
NET POSITION		
Net investment in capital assets	14,504,155	15,028,345
Unrestricted	<u>(1,282,867)</u>	<u>(1,681,691)</u>
Total Net Position	<u>\$ 13,221,288</u>	<u>\$ 13,346,654</u>

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Passenger fares	\$ 1,000,863	\$ 1,367,564
Other operating revenue	184,884	137,348
Total Operating Revenues	<u>1,185,747</u>	<u>1,504,912</u>
OPERATING EXPENSES:		
Transit operating expenses	8,835,914	8,668,109
Administration and financial services	1,831,712	1,690,076
Depreciation	2,293,690	2,171,733
Total Operating Expenses	<u>12,961,316</u>	<u>12,529,918</u>
Operating Loss	<u>(11,775,569)</u>	<u>(11,025,006)</u>
NON-OPERATING REVENUES (EXPENSES):		
Transportation Development Act funds	3,341,982	6,200,274
Federal and State grants	6,362,653	3,092,942
Interest income	29,485	43,473
Fees and reimbursements from other governmental agencies	122,650	124,660
Gain/(loss) on disposal of capital assets	23,933	(67,452)
Interest expense	-	(7,457)
Total Non-Operating Revenues (Expenses)	<u>9,880,703</u>	<u>9,386,440</u>
CAPITAL CONTRIBUTIONS:		
Federal capital grants	469,970	3,852,028
State capital grants	1,299,530	1,135,986
Total Capital Contributions	<u>1,769,500</u>	<u>4,988,014</u>
SPECIAL ITEM		
CalPERS pension plan exit	-	(2,775,642)
Total Special Items	<u>-</u>	<u>(2,775,642)</u>
Change in Net Position	<u>(125,366)</u>	<u>573,806</u>
Net Position, Beginning of Fiscal Year	13,346,654	12,690,912
Prior Period Adjustment	-	81,936
Net Position, Beginning of Fiscal Year, Restated	<u>13,346,654</u>	<u>12,772,848</u>
Net Position, End of Fiscal Year	<u><u>\$ 13,221,288</u></u>	<u><u>\$ 13,346,654</u></u>

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

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 3,790,828	\$ 2,344,871
Payments to employees	(7,244,135)	(6,103,067)
Payments to suppliers	<u>(3,923,493)</u>	<u>(4,013,716)</u>
Net Cash Used by Operating Activities	<u>(7,376,800)</u>	<u>(7,771,912)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of property, plant, and equipment	(1,769,500)	(4,988,014)
Principal paid - loan payable	-	(212,303)
Interest expense	-	(7,457)
Capital grants received	1,769,500	4,988,014
Sale of capital assets	<u>23,933</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>23,933</u>	<u>(219,760)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants received	7,352,683	9,042,525
Fees and reimbursements	<u>-</u>	<u>124,660</u>
Net Cash Provided by Noncapital Financing Activities	<u>7,352,683</u>	<u>9,167,185</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>29,485</u>	<u>43,473</u>
Net Cash Provided by Investing Activities	<u>29,485</u>	<u>43,473</u>
Net Increase in Cash and Cash Equivalents	29,301	1,218,986
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>4,622,063</u>	<u>3,403,077</u>
Cash and Cash Equivalents, End of Fiscal Year	<u><u>\$ 4,651,364</u></u>	<u><u>\$ 4,622,063</u></u>

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (11,775,569)	\$ (11,025,006)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	2,293,690	2,171,733
Change in operating assets, deferred outflows, liabilities, and deferred inflows:		
Accounts receivable	222,033	839,959
Prepaid items	436	14,844
Inventory	(21,661)	(1,863)
Deferred outflows	85,393	70,494
Accounts payable	(393,503)	252,518
Accrued payroll	(188,750)	27,123
Unearned revenue	2,383,048	(100,812)
OPEB	(90,402)	6,209
Net pension liability	54,788	(29,955)
Compensated absences	56,771	1,977
Deferred inflows	<u>(3,074)</u>	<u>867</u>
Net Cash Used by Operating Activities	<u>\$ (7,376,800)</u>	<u>\$ (7,771,912)</u>

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

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

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, 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 and liabilities (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 result 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 Transportation Development Act funds, approves claims for such funds submitted by this Authority, and makes payments to the Authority based upon such claims.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.”
- 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 California Public Employee's Retirement System (CalPERS) and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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. Other Postemployment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- M. 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 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. The Authority has two items which qualify for reporting in this category; refer to Note 10 and 11 for a detailed listing of the deferred inflows of resources the Authority has reported.

- N. Comparative Data/Totals Only – Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the Authority's financial position, operations, and cash flows. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

- O. New Accounting Pronouncements – Implemented

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The requirements of this standard are effective immediately. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by extending the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. There was no effect on the Authority's accounting and financial reporting as a result of implementing this standard.

- P. Future Accounting Pronouncements

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

GASB Statement No. 84 – *Fiduciary Activities*. The requirements of this statement are effective for periods beginning after December 15, 2019. The Authority will implement GASB Statement No. 84 if and where applicable.

GASB Statement No. 87 – *Leases*. The requirements of this statement are effective for periods beginning after June 15, 2021. The Authority will implement GASB Statement No. 87 if and where applicable.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this statement are effective for periods beginning after December 15, 2020. The Authority will implement GASB Statement No. 89 if and where applicable.

GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statement No. 14 and No. 61*. The requirements of this statement are effective for periods beginning after December 15, 2019. The Authority will implement GASB Statement No. 90 if and where applicable.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for periods beginning after December 15, 2021. The Authority will implement GASB Statement No. 91 if and where applicable.

GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement are for paragraphs related to GASB Statement No. 87 and implementation guide 2019-3, reinsurance recoveries, to implement with GASB Statement No. 87; all others are effective periods beginning June 15, 2022. Early application is encouraged. The Authority will implement GASB Statement No. 92 if and where applicable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Future Accounting Pronouncements (Continued)

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement are effective for periods beginning after June 15, 2022. Early application is encouraged. The Authority will implement GASB Statement No. 93 if and where applicable.

GASB Statement No. 94 – *Public-Private and Public-Private Partnership and Availability Payment Arrangements*. The requirements of this statement are effective for periods beginning after June 15, 2020, and all periods thereafter. Early application is encouraged. The Authority will implement GASB Statement No. 94 if and where applicable.

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. The Authority will implement GASB Statement No. 96 if and where applicable.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans*. The requirements in paragraph 4 as it applies to defined contribution plans, defined contribution OPEB plans, and other employee benefit plans, and paragraph 5 are effective immediately. All other requirements are applicable for periods beginning after June 15, 2021. The Authority will implement GASB Statement No. 97 if and where applicable.

NOTE 3 – CASH AND INVESTMENTS

On June 30, 2020, the Authority had the following cash and investments on hand:

Cash on hand and in banks	\$ 544,734
Investments	<u>4,106,630</u>
Total Cash and Investments	<u>\$ 4,651,364</u>

Cash and investments listed above are presented on the accompanying basic financial statements as follows:

Cash and investments, statement of net position	\$ 4,651,364
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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.

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
San Luis Obispo County Investment Pool	\$ 4,106,630	\$ 4,106,630	\$ -	\$ -	\$ -
Total	\$ 4,106,630	\$ 4,106,630	\$ -	\$ -	\$ -

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.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk (Continued)

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
San Luis Obispo County Investment Pool	\$ 4,106,630		\$ -	\$ -	\$ -	\$ 4,106,630
Total	\$ 4,106,630		\$ -	\$ -	\$ -	\$ 4,106,630

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). Balances in excess of the FDIC insurance amounted to \$295,944 at June 30, 2020.

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 County investment pool is measured at amortized cost, and is not valued under level 1, 2, or 3. The pool are not registered as investment companies with the Securities and Exchange Commission (SEC) nor are they SEC Rule 2a7-like pools.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Increases	Decreases	Reclass	Balance June 30, 2020
Capital Assets Not Being Depreciated:					
Land	\$ 1,512,602	\$ -	\$ -	\$ -	\$ 1,512,602
Construction in progress	1,313,149	1,338,657	-	(208,559)	2,443,247
Total Capital Assets Not Being Depreciated	2,825,751	1,338,657	-	(208,559)	3,955,849
Capital Assets Being Depreciated:					
Buildings and improvements	5,795,474	252,586	-	208,559	6,256,619
Vehicles and equipment	18,169,478	178,257	(127,311)	-	18,220,424
Total Capital Assets Being Depreciated	23,964,952	430,843	(127,311)	208,559	24,477,043
Less Accumulated Depreciation For:					
Buildings, improvements, vehicles and equipment	11,762,358	2,293,690	(127,311)	-	13,928,737
Total Accumulated Depreciation	11,762,358	2,293,690	(127,311)	-	13,928,737
Total Capital Assets Being Depreciated, Net	12,202,594	(1,862,847)	-	208,559	10,548,306
Governmental Activities, Capital Assets, Net	\$ 15,028,345	\$ (524,190)	\$ -	\$ -	\$ 14,504,155

Depreciation expense for the fiscal year ended June 30, 2020, was \$2,293,690. The depreciation expense for the fiscal year ended June 30, 2019, was \$2,171,733.

NOTE 5 – UNEARNED REVENUE

The Authority received the following TDA funds:

	2020	2019
Local Transportation Funds	\$ 5,455,860	\$ 3,561,431
The Agency 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 Agency 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.	61,340	(15,649)
Proposition 1B funding	1,949,778	1,406,100
STA SB1 State of Good Repair Funding	146,836	351,772
TDA Article 4.5 funds	214,742	181,860
FTA Proceeds Carried Forward to Future Procurment	40,001	-
Low Carbon Transit Operator Program	5	-
Total Unearned Revenues	\$ 7,914,250	\$ 5,531,202

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

The County was allocated the following funds from the focal Transportation Fund (LTF) and State Transit Assistance Fund for the fiscal years ended June 30, 2020 and 2019:

Allocation Assigned By/Claimant	Article/Section	Amount	
		2020	2019
Local Transportation Fund:			
City of Arroyo Grande	4/99260(a)	\$ 175,376	\$ 201,449
City of San Luis Obispo	4/99260(a)	603,019	699,012
County of San Luis Obispo	4/99260(a)	2,010,882	2,274,098
City of Grover Beach	4/99260(a)	132,765	152,631
City of Morro Bay	4/99260(a)	102,834	122,237
City of Atascadero	4/99260(a)	304,958	350,969
City of El Paso de Robles	4/99260(a)	765,901	919,046
City of Pismo Beach	4/99260(a)	80,609	93,671
Total LTF		4,176,344	4,813,113
State Transit Fund:			
Regional Transit Authority	6.5/99313	1,368,000	958,167
Regional Transit Authority	6.5/99314	111,997	84,044
Total STF		1,479,997	1,042,211
Subtotal		5,656,341	5,855,324
Add: Recognition of prior fiscal year unearned revenues		3,561,431	3,760,428
Less: Current fiscal year unearned revenues		(5,455,860)	(3,561,431)
Total TDA Allocation		\$ 3,761,912	\$ 6,054,321

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

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

	2020	2019
Operating and interest expenses	\$ 12,961,316	\$ 12,537,375
Add:		
Capital purchases with LTF and STF	581,636	286,533
Less:		
Depreciation	(2,293,690)	(2,171,733)
Fare revenues	(1,000,863)	(1,367,564)
Special events and other revenues	(184,884)	(137,348)
Federal and state operating grants	(6,362,653)	(3,092,942)
Maximum Total Allocation Amount	3,700,862	6,054,321
TDA allocations received and accrued	5,656,341	5,855,324
Change in TDA transit allocations in unearned revenues	(1,955,479)	198,997
Allocation over/(under) maximum	\$ -	\$ -

NOTE 7 – FARE REVENUE RATIO

The Authority had fare revenue ratios for the fiscal year ended June 30, 2020, as computed as follows:

	Fixed Route	Runabout	Paso Express	Paso Dial a Ride
(a) Operating fare revenues	\$ 763,066	\$ 116,012	\$ 97,527	\$ 4,967
(b) Operating expenses, net of depreciation	5,895,295	3,344,929	856,711	116,361
(c) Fare revenue ratio [(a)/(b)]	12.9%	3.5%	11.4%	4.3%
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	
(a) Operating fare revenues	\$ 15,948	\$ -	\$ 3,343	
(b) Operating expenses, net of depreciation	423,918	3,866	26,546	
(c) Fare revenue ratio [(a)/(b)]	3.8%	0.0%	12.6%	
Minimum ratio required	N/A	N/A	15.0%	
Under minimum ratio requirement	N/A*	N/A*	N/A*	

* - Due to COVID-19, the farebox recovery ratio was waived for the year ended June 30, 2020.

NOTE 7 – FARE REVENUE RATIO (Continued)

The Authority had fare revenue ratios for the fiscal year ended June 30, 2019 as computed as follows:

	Fixed Route	Runabout	Paso Express	Paso Dial a Ride
(a) Operating fare revenues	\$ 1,031,700	\$ 162,618	\$ 136,762	\$ 5,909
(b) Operating expenses, net of depreciation	5,702,031	3,271,234	707,777	126,587
(c) Fare revenue ratio [(a)/(b)]	18.09%	4.97%	19.32%	4.67%
Minimum ratio required	15.80%	N/A	15.00%	N/A
Under minimum ratio requirement	N/A	N/A	N/A	N/A
	Nipomo	Cambria Trolley	Avila Trolley	
(a) Operating fare revenues	\$ 21,789	\$ -	\$ 8,786	
(b) Operating expenses, net of depreciation	470,282	5,891	74,383	
(c) Fare revenue ratio [(a)/(b)]	4.63%	0.00%	11.81%	
Minimum ratio required	N/A	10.00%	15.00%	
Under minimum ratio requirement	N/A	10.00%	3.19%	

For the fiscal year ended June 30, 2020, the Authority was not required to comply with applicable TDA regulations pertaining to acceptable fare revenue ratios for routes encompassing both urbanized and non-urbanized areas which require a minimum ratio of 17.15% blended rate as approved by San Luis Obispo Council of Governments.

NOTE 8 – LONG-TERM LIABILITIES

	Balance July 1, 2019	Increases	Decreases	Balance at June 30, 2020		
				Total	Current	Long-Term
Compensation absences	\$ 208,861	\$ 292,986	\$ (236,215)	\$ 265,632	\$ 66,408	\$ 199,224
Other post-employment benefits	129,047	-	(90,402)	38,645	-	38,645
Net pension liability	598,258	54,788	-	653,046	-	653,046
Pension plan exit liability	2,775,642	-	-	2,775,642	-	2,775,642
	<u>\$ 3,711,808</u>	<u>\$ 347,774</u>	<u>\$ (326,617)</u>	<u>\$ 3,732,965</u>	<u>\$ 66,408</u>	<u>\$ 3,666,557</u>

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

All qualified employees are eligible to participate in the Authority's Miscellaneous Employee Pension Plans, cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and local government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013 that are considered new members as defined by the Public Employees' Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

NOTE 9 – PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic Plan members with five years of total service are eligible to retire at age 50 and new members/PEPRA Plan members with five years of total service are eligible to retire at age 52, with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2w Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

Hire Date	Miscellaneous Plan - For the Year Ended June 30, 2020	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2%@55	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50-63	52-67
Monthly Benefits, as a % of Eligible Compensation	1.426%-2.418%	1.000%-2.500%
Required Employee Contribution Rates	7.000%	7.000%
Required Employer Contribution Rates	11.154%	7.557%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the Authority were \$81,697 for the fiscal year ended June 30, 2020.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2020, the Authority reported a liability of \$653,046 for its proportionate share of the net pension liability. The net pension liability of all the Plans is measured as of June 30, 2019, and the total pension liability for all Plans used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2018, rolled forward to June 30, 2019, using standard update procedures.

NOTE 9 – PENSION PLAN (Continued)

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

The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. The Authority's proportionate share of the net pension liability for the miscellaneous plan as of June 30, 2018, and 2019, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.01587%
Proportion - June 30, 2019	<u>0.01631%</u>
Change - Increase (Decrease)	<u>0.00044%</u>

For the fiscal year ended June 30, 2020, the Authority recognized pension expense of \$218,285. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Authority contributions subsequent to measurement date	\$ 81,697	\$ -
Differences between actual and expected experience	45,357	3,514
Changes in assumptions	31,140	11,039
Net difference between projected and actual earnings on plan investments	-	11,417
Adjustment due to differences in proportions	26,337	-
Differences in actual contributions and proportionate share of contributions	<u>38,428</u>	<u>-</u>
Total	<u>\$ 222,959</u>	<u>\$ 25,970</u>

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

\$81,697 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 year ended June 30, 2020.

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

<u>Fiscal Year Ended June 30</u>	<u>Amount</u>
2021	\$ 88,603
2022	11,884
2023	12,498
2024	<u>2,307</u>
	<u>\$ 115,292</u>

NOTE 9 – PENSION PLAN (Continued)

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

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.00%
Mortality	Derived using CalPERS' Membership Data for ⁽¹⁾ all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power applies, 2.50% thereafter

- ⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for all plans, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on testing the plans, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is appropriate and the use of municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report that can be obtained at CalPERS' website.

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 (expected returns, net pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach.

Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

NOTE 9 –PENSION PLAN (Continued)

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

Discount Rate (Continued)

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses. The table below reflects the long-term expected real rate of return by asset class.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

^(a) An expected inflation of 2.00% used for this period.

^(b) An expected inflation of 2.92% used for this period.

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.15 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 (6.15 percent) or 1- percentage point higher (8.15 percent) than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Agency's proportionate share of the net pension plan liability	\$ 1,073,697	\$ 653,046	\$ 305,827

C. Payable to the Pension Plan

The Authority began the process of withdrawing from CalPERS with the latest actuarial anticipating an exit cost of \$3.1 million (as detailed in Note 16) in addition to the invoices in arrears.

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

Plan administration. The Authority provides participates in the California Public Employees Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. There are 12 medical plans in the "Other Southern California" region that participants may elect coverage for. Participants may also receive benefits if outside the region. Findings and assumptions are based on a 50%/50% blend of the PERS Health (PEMHCA) rates for calendar years 2019 and 2020. As of August and September 2018, the Authority elected to no longer be part of the PEMHCA. In order to minimize the impact of the transition on current CalPERS retirees, the monthly health contribution of \$256 will continue but that contribution will not be extended to any current employees when they retire from the Authority. The Authority has two retirees who elected PERS medical, resulting in an annual fiscal impact of \$6,144 in 2019/20.

Benefits provided. The Authority offered the same medical plans to its retirees as to its active employees prior to September 2018, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverages offered under PEMHCA.

Prior to September 2018, employees became eligible to retire and receive Authority-paid healthcare benefits upon attainment of age 50 (Classic Plan) or age 52 (New Members/PEPRA Plan) and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The Authority's contribution on behalf of retirees is the same as for active employees - 100% of the PEMHCA premium for retiree and covered dependents, but not to exceed \$256 per month. Benefits continue for the lifetime of the retiree with survivor benefits extended to surviving spouses for PERS annuitants who elect pension options with survivor benefits. The Authority paid 0.33% of premium administrative fee on behalf of employees through December 31, 2018.

Employees Covered

As of July 1, 2018, actuarial valuation, the following current and former employees were covered by the benefit terms under the Authority's Plan:

Active employees	-
Inactive employees or beneficiaries currently receiving benefits	<u>2</u>
Total	<u><u>2</u></u>

Contributions

The Authority currently finances benefits on a pay-as-you-go basis.

OPEB Liability

The Authority's OPEB Liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2017. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.00%
Inflation rate	3.00%
Healthcare cost trend rate	5.00%

Pre-retirement mortality rates were based on the R.P-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RF-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)*Actuarial assumptions.* (Continued)

Actuarial assumptions used in the July 1, 2017 valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2017 with a change in assumptions resulting from a change in the Municipal Bond 20 Year High Grade Index from 3.62% to 3.13%.

Discount rate. GASB Statement No. 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the Authority's total OPEB liability is based on these requirements and the following information:

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Long-Term Expected Return of Plan Investments (if any)</u>	<u>Municipal Bond 20 Year High Grade Rate Index</u>	<u>Discount Rate</u>
June 30, 2019	June 30, 2019	4.00%	3.13%	3.13%
June 30, 2020	June 30, 2020	4.00%	3.13%	3.13%

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	<u>Total OPEB Liability</u>
Balance at July 1, 2019 (Valuation Date at July 1, 2018)	<u>\$ 129,047</u>
Changes recognized for the measurement period:	
Service cost	2,469
Interest	4,326
Change of assumptions	6,137
Change in benefits	(96,611)
Net investment income	-
Benefit payments	(6,723)
Administrative expense	-
Net Changes	<u>(90,402)</u>
Balance at June 30, 2020 (Measurement date June 30, 2019)	<u>\$ 38,645</u>

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	<u>1% Decrease 2.13%</u>	<u>Discount Rate 3.13%</u>	<u>1% Increase 4.13%</u>
Total OPEB Liability	\$ 40,914	\$ 38,645	\$ 33,430

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current healthcare cost trend rates:

	<u>1% Decrease (4.00%)</u>	<u>Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Total OPEB Liability	\$ 35,329	\$ 38,645	\$ 38,691

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the Authority recognized OPEB expense of \$6,863. As of the fiscal year ended June 30, 2020, the Authority reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 1,451	\$ -
Changes of benefits	-	1,244
	<u>\$ 1,451</u>	<u>\$ 1,244</u>

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	
2021	\$ 19
2022	19
2023	19
2024	19
2025	131
	<u>\$ 207</u>

NOTE 11 – 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 12 – OPERATING LEASE

On September 1, 2006, the Authority entered into an operating lease for office facilities and bus yard with lease terms in excess of one year. The lease term is ten years and two months and commenced January 1, 2007, and expires on February 28, 2017. On March 5, 2015, the operating lease agreement was amended extending the operating lease term to February 28, 2022. Rent expense for the year ended June 30, 2020, was \$469,823. Future minimum lease payments under this agreement are budgeted at \$495,150 for the next fiscal year.

NOTE 13 – 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 1 B 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.

**NOTE 13 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE
ENHANCEMENT ACCOUNT** (Continued)

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, 2009-10 and 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and were made available during the 2016-17 fiscal years. Qualifying expenditures must be encumbered within three years from the date of allocation and expended within three years from the date of the encumbrance.

During the fiscal years ended June 30, 2020 and 2019, the Authority received \$1,019,836 and \$1,552,446 in PTMISEA receipts, respectively. Interest was earned for the fiscal years ended June 30, 2020 and 2019, for \$74,727 and \$28,476, respectively. The Authority had qualifying expenditures incurred under this program from previous allocation totaling \$495,732 and \$667,760 for the fiscal years ended June 30, 2020 and 2019, respectively, which were used for bus replacements and electronic fare collection system and is included in State capital grants in the accompanying financial statements.

Schedule of PTMISEA Proposition 1B Funds For the Year Ended June 30, 2020	
Description	Amount
Balance - beginning of the year	\$ 1,267,724
Receipts:	
PTMISEA receipts	1,019,836
Interest accrued 7/1/2019 through 6/30/2020	74,727
Expenses:	
PTMISEA expenditures	495,732
Balance - end of year	<u>\$ 1,866,554</u>

Schedule of PTMISEA Proposition 1B Funds For the Year Ended June 30, 2019	
Description	Amount
Balance - beginning of the year	\$ 354,562
Receipts:	
PTMISEA receipts	1,552,446
Interest accrued 7/1/2018 through 6/30/2019	28,476
Expenses:	
PTMISEA expenditures	667,760
Balance - end of year	<u>\$ 1,267,724</u>

NOTE 14 – SENATE BILL 1 – STATE OF GOOD REPAIR

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

This program demonstrates California's commitment to clean, sustainable transportation, and the role that public transit plays in that vision. While SB 1 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.

In the fiscal year ended June 30, 20120, the Authority did not receive SB1 SGR funds. \$19,652 was spent this fiscal year on design and engineering services for the bus maintenance facility project.

NOTE 15 – PRIOR PERIOD ADJUSTMENT

Prior-period adjustments of \$81,936 were made to the Statement of Revenues, Expenses, and Changes in Net Position as of June 30, 2018. This adjustment was the result of the following items: \$503,201 was made to recognize the FTA Section 5311 grant reimbursement as revenue in the prior-fiscal year in order to match the revenue with the year the expenditures were incurred; (\$271,926) to account for CalPERS invoices in arrears for prior contributions, and (\$149,339) for the write-off of uncollectable old receivables relating to the ITS system hacking that was settled in June 2019 for less than the receivable recorded.

NOTE 16 – CONTINGENT LIABILITY FOR PENSION PLAN EXIT

The Authority had contracted with the California Public Employees' Retirement System (CalPERS) since 1994, and administrative, management and confidential employees are offered participation in the CalPERS defined benefit retirement program. To reduce potential future financial obligations, the Board 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 has determined that joining the San Luis Obispo County Pension Trust (SLOCPT) Retirement Plan provides an equivalent retirement program for employees currently enrolled in CalPERS.

As presented at the November 6, 2019 Board meeting, the financial penalty for withdrawing from CalPERS is anticipated to cost approximately \$3.1 million, subject to a final actuarial study that will be conducted by CalPERS in early 2021.

NOTE 17 – SUBSEQUENT EVENTS

In July 2020, the Board of Directors (the Board) approved the execution of two loans with Pacific Western Bank for the following: 1) a three-year \$1 million Permanent Loan to close the funding gap representing the locally-funded portion of the Project, and 2) a \$14.1 million Line of Credit loan to provide bridge funding until such time that a longer-term financing mechanism can be secured.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. In response, the County of San Luis Obispo, followed by the Governor of California, issued a Shelter at Home order effective March 19, 2020, requiring certain non-essential businesses to temporarily close to the public. At the current time, management is unable to quantify the potential effects of this pandemic on its future financial statements.

Subsequent events have been evaluated through November 10, 2020, 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 YEARS ENDED JUNE 30, 2020***

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

	2020	2019	2018	2017
Proportion of the net pension liability	0.00637%	0.00621%	0.00633%	0.00629%
Proportionate share of the net pension liability	\$ 653,046	\$ 598,258	\$ 628,213	\$ 543,863
Covered payroll	\$ 925,276	\$ 1,030,066	\$ 932,784	\$ 822,150
Proportionate share of the net pension liability as a percentage of covered payroll	70.58%	58.08%	67.35%	66.15%
Plan's total pension liability	\$ 41,426,453,489	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624
Plan's fiduciary net position	\$ 31,179,414,067	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291
Plan's fiduciary net position as a percentage of the total pension liability	75.26%	75.26%	73.31%	74.06%
	2016	2015		
Proportion of the net pension liability	0.60400%	0.00684%		
Proportionate share of the net pension liability	\$ 414,886	\$ 425,837		
Covered payroll	\$ 473,673	\$ 345,255		
Proportionate share of the net pension liability as a percentage of covered payroll	87.59%	123.34%		
Plan's total pension liability	\$ 31,771,217,402	\$ 30,829,966,631		
Plan's fiduciary net position	\$ 24,907,305,871	\$ 24,607,502,515		
Plan's fiduciary net position as a percentage of the total pension liability	78.40%	79.82%		

Changes in assumptions

In 2018, inflation was changed from 2.75 percent to 2.50 percent and individual salary increases and overall payroll growth was 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 7.5 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 six years are shown.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE LAST TEN YEARS ENDED JUNE 30, 2020***

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

	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 126,258	\$ 74,414
Contribution in relation to the actuarially determind contributions	<u>(126,258)</u>	<u>(74,414)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 822,150	\$ 473,673
Contributions as a percentage of covered payroll	15.36%	15.71%

Notes to Schedule

Valuation date: June 30, 2018

Measurement date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization method	Fixed Dollar Amount
Maximum amortization period	15 years
Asset valuation method	Fair Value of Assets
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15%, net of pension plan investment expense, including inflation
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS ENDED JUNE 30, 2020***

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 2,469	\$ 2,469	\$ 2,583
Interest on the total OPEB liability	4,326	4,326	3,945
Actual and expected experience difference	-	-	-
Change of assumptions	6,137	6,137	(6,333)
Change in benefits	(96,611)	-	-
Benefit payments	<u>(6,723)</u>	<u>(6,723)</u>	<u>(6,723)</u>
Net Change in Total OPEB Liability	(90,402)	6,209	(6,528)
Total OPEB Liability - Beginning	<u>129,047</u>	<u>122,838</u>	<u>129,366</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 38,645</u></u>	<u><u>\$ 129,047</u></u>	<u><u>\$ 122,838</u></u>
Covered Payroll:	\$ -	\$ 880,054	\$ 1,030,061
Total OPEB Liability as a Percentage of Covered Payroll:	0.00%	14.66%	11.93%

*-Fiscal year 2018 was the 1st year of implementation, therefore, only three years are shown.

**SAN LUIS OBISPO COUNCIL OF GOVERNMENTS
SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE LAST TEN YEARS ENDED JUNE 30, 2020***

As of June 30, 2020, the plan is not administered through a qualified trust. Therefore there is no Actuarially Determined Contribution (ADC). Benefit payments of \$6,723 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2020.

As of June 30, 2019, the plan is not administered through a qualified trust. Therefore there is no Actuarially Determined Contribution (ADC). Benefit payments of \$6,723 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2019.

As of June 30, 2018, the plan is not administered through a qualified trust. Therefore there is no Actuarially Determined Contribution (ADC). Benefit payments of \$6,723 were made on a pay-as-you-go basis for the fiscal year ended June 30, 2018.

*-Fiscal year 2018 was the 1st year of implementation, therefore, only three years are shown.

SUPPLEMENTARY INFORMATION

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL
AS OF JUNE 30, 2020**

	<u>Adopted Budget</u>	<u>Actual</u>	<u>County Services Actual</u>	<u>Variance with Budget</u>
Administration:				
Labor	\$ 879,630	\$ 798,775	\$ -	\$ 80,855
Labor - Administration Workers Comp	51,300	47,336	-	3,964
Office Space Rental	476,920	469,823	-	7,097
Property Insurance	20,710	24,384	-	(3,674)
Professional Technical Services	112,860	128,011	-	(15,151)
Professional Development	44,970	37,865	-	7,105
Operating Expense	292,950	379,280	-	(86,330)
Marketing and Reproduction	133,240	110,717	-	22,523
North County Management Contract	(43,030)	(43,030)	-	-
County Management Contract	(88,680)	(88,680)	96,180	-
SCT Management Contract	(122,650)	(122,650)	-	-
Total Administration	<u>1,758,220</u>	<u>1,741,831</u>	<u>96,180</u>	<u>16,389</u>
Service Delivery:				-
Labor - Operations	5,086,120	4,811,367	247,155	274,753
Labor - Operations Workers Comp	347,120	321,486	15,213	25,634
Labor - Maintenance	1,121,220	1,005,333	53,303	115,887
Labor - Maintenance Workers Comp	101,580	93,731	4,452	7,849
Fuel	1,048,730	889,930	10,114	158,800
Insurance	677,570	675,137	10,625	2,433
Special Transportation (includes County Programs and Cuesta evenings Avila Trolley)	44,900	32,512	33,592	12,388
Avila Trolley	63,590	20,965	22,199	42,625
Maintenance (parts, supplies, materials)	628,670	597,225	6,323	31,445
Maintenance Contract Costs	125,900	121,181	2,126	4,719
Total Service Delivery	<u>9,245,400</u>	<u>8,568,867</u>	<u>405,102</u>	<u>676,533</u>
Capital/Studies:				
Computer System Maintenance/Upgrades	46,020	8,825	-	37,195
Miscellaneous Capital Specialized Maintenance Tools	89,460	160,672	-	(71,212)
Bus Stop Improvements/Bus Stop Solar Lighting Vehicles	252,860	252,586	-	274
Vehicles Cutaway and Dial A Ride Vehicles	880,700	3,760	-	876,940
Runabout Vehicles and Equipment	555,200	5,000	-	550,200
Total Capital Outlay	<u>1,824,240</u>	<u>430,843</u>	<u>-</u>	<u>1,393,397</u>
Elks Lane Project	499,990	1,338,657	-	(838,667)
Management Contracts	254,360	254,360	-	-
Contingency	132,040	102,566	-	29,474
TOTAL FUNDING USES	<u>\$ 13,714,250</u>	<u>\$ 12,437,124</u>	<u>\$ 501,282</u>	<u>\$ 1,277,126</u>

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENSES (Continued)
AS OF JUNE 30, 2020

TOTAL EXPENSES, BUDGETARY BASIS	\$ 12,437,124
ADD:	
DEPRECIATION	2,293,690
LESS:	
CAPITALIZED EXPENSES	<u>(1,769,498)</u>
TOTAL OPERATING EXPENSES PER FINANCIAL STATEMENTS	<u>\$ 12,961,316</u>

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
DECEMBER 2, 2020
STAFF REPORT**

AGENDA ITEM:	C-10
TOPIC:	Transit Improvements at Cuesta North Campus
ACTION:	Approve
PRESENTED BY:	Geoff Straw, Executive Director
STAFF RECOMMENDATION:	Authorize Executive Director to Execute Partnership Agreement with Cuesta Community College District

BACKGROUND/DISCUSSION:

The RTA has an on-going relationship with the Cuesta Community College District regarding fixed-route public transit services to its two main campuses: RTA Routes 12/14 to the main campus near San Luis Obispo, and RTA Route 9 service to the Cuesta North campus in Paso Robles. The Cuesta North campus in Paso Robles is nearing completion of design/engineering for master planned improvements, including relocation of the RTA Route 9 bus stop to an area with improved access, better lighting, and safer bus operations. RTA staff has been providing input on this design process for several years, and we are now asking the Board to authorize the Executive Director and RTA Counsel to negotiate a financial partnership to implement the proposed capital improvements and to delineate the on-going operating costs of maintaining the on-campus improvements.

The Cuesta North campus is planning for two 5'x13' passenger shelters, which are eligible for Federal Transit Administration Section 5307 funds. As presented in Attachment A, the cost for two Tolar Industries shelters (similar to the ones recently installed at the Government Center passenger facility in San Luis Obispo) is estimated to be \$14,933.40. Staff suggests that, due to the traditionally high ridership demand at the two campuses, an LED "next bus" sign also be installed as part of the project; the RTA has one LED sign available in inventory for this implementation.

While purchase of shelters is eligible for up to 80% FTA funding or \$11,994.72, staff is instead recommending that the remaining \$11,719 in FTA Grant CA-2016-064 be committed by the RTA and the Cuesta North campus provide the local match. Staff also suggests that any agreement also identify Cuesta North's commitment to the labor and materials necessary to install the shelters and the RTA-provided LED sign, as well as provide Ethernet and electricity for the LED sign. Finally, the RTA would seek Cuesta North's commitment to provide bus stop repairs and on-going maintenance.

Staff Recommendation

Authorize Executive Director to Execute Partnership Agreement with Cuesta Community College District.

ATTACHMENT A



November 18, 2020

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

Dear Mr. Straw,

The San Luis Obispo Community College District is currently in the construction phase of a site improvement project at the Cuesta College North County Campus in Paso Robles, CA. As part of the scope of this project, the current Rapid Transit Authority bus shelter located on Buena Vista Drive will be relocated to the drop-off area located directly in front of the Cuesta College North County Campus Center. As part of the design, an additional bus shelter will be added to provide more seating for bus patrons.

SLOCCD would like to partner with Rapid Transit Authority on the installation of (2) 13-foot bus shelters in conjunction with the site improvement project. We would like to work out terms as part of a Capital Partnership Agreement between Rapid Transit Authority and Cuesta College.

Below is a quote from the bus shelter vendor outlining the costs associated with the material for the proposed bus shelters. It is our understanding that Rapid Transit Authority will be providing an LED bus announcement sign to be installed in conjunction with the new bus shelters. Please review and submit to your Board of Directors for funding approval as part of the Capital Partnership Program.

Thank you,

A handwritten signature in blue ink, appearing to read "Brian McAlister".

Brian McAlister

Director, Facilities Services, Planning & Capital Projects



Quote No:	20493PM
Date:	11/12/2020
Quote Expires:	30 Days
Sales Contact:	Patrick Merrick
Phone:	951-547-8209
Email:	pmerrick@tolarmfg.com

Customer:	Project:
Jeff Jones Klassen Corporation 2021 Westwind Drive, Bakersfield, CA 93301	Transit Shelter SLO RTA

Lead Time:	10 Weeks From receipt of signed written order, and all required approvals.
Terms:	50% Down, Balance Net 30 Days Terms subject to change. Final terms to be determined based on credit history & bonding.

Item:	Qty:	Description:	Unit Price:	Ext. Price:
1	2	13'Tolar Sierra Series Dome Roof Non-Advertising Transit Shelter (5725-01) featuring: Sierra series roof perimeter, bronze twinwall polycarbonate roof panels, logo disc (no logo), perforated metal panels at the rear and 1/2 end walls, durable baked powder coat finish color RAL 6005 Moss Green (client to confirm), adjustable leveling shoes, stainless steel anchors and all installation hardware	\$ 4,650.00	\$ 9,300.00
2	2	8' Perforated metal bench, no back, three seat delineators, (12104-121), durable baked powder coat finish color RAL 6005 Moss Green, stainless steel anchors	\$ 640.00	\$ 1,280.00
3	2	20 Gallon smooth side pole mount trash receptacle with hinged and covered lid (1578-01), durable baked powder coat finish RAL 6005 Moss Green	\$ 440.00	\$ 880.00
4	2	Rear wall map case 10076-00, acrylic in case RAL 6005 Moss Green	\$ 550.00	\$ 1,100.00

Quote / Order Authorized By:	
Signature:	
Print Name:	
Date:	
PO No.	

Sub-Total:	\$ 12,560.00
ESTIMATED Freight:	\$ 1,400.00
FIRM Freight:	\$ -
TOLAR Delivery:	\$ -
CA State Sales Tax	7.75% \$ 973.40
Total:	\$ 14,933.40

Pricing Notes:

1. Local/State sales and/or use taxes are not included and are the responsibility of the purchaser, unless specified above.
2. If requested, structural engineering calculations from a licensed engineer in the state of installation are additional cost of \$1,200.00 per design/model.
3. Products are shipped knock down & unassembled in bulk packaging for unloading and installation by others. Hardware boxed by unit. Installation instructions are provided.
4. Freight cost is an ESTIMATE ONLY. Freight is invoiced at actual cost, without mark up, at time of shipment, unless specified above.
5. Client provides unloading at destination, including forklift and labor as necessary.
6. Processing fee of 3% of total charge amount is additional and charged on all credit card payments.

Standard Terms and Conditions

These Terms and Conditions are attached to and incorporated by reference into the Proposal for products or services ("Proposal") provided by Tolar Manufacturing Company, Inc. ("we", "our" or "us").

1. Drawings and Specifications: All drawings and specifications submitted to our clients or potential clients are proprietary in nature and remain our property. They may be viewed, printed and distributed, without alteration, as reference for sales or for the process of specifying products for use. Detailed shop and erection drawings are provided to allow for field installation or repair. Sealed and stamped engineering calculations and drawings from an engineer licensed in the state of installation, if required, can be made available for an additional charge. Customers that provide their own drawing packages will retain ownership and be covered under a separate agreement.

2. Vendor Status: Tolar Manufacturing Company, Inc. is a vendor supplier of manufactured products; is not a subcontractor or contractor; and is not subject to retainage or liquidated damages for any reason.



Quote No:	20493PM
Date:	11/12/2020
Quote Expires:	30 Days
Sales Contact:	Patrick Merrick
Phone:	951-547-8209
Email:	pmerrick@tolarmfg.com

Customer:	Project:
Jeff Jones Klassen Corporation 2021 Westwind Drive, Bakersfield, CA 93301	Transit Shelter SLO RTA

Lead Time:	10 Weeks From receipt of signed written order, and all required approvals.
Terms:	50% Down, Balance Net 30 Days Terms subject to change. Final terms to be determined based on credit history & bonding.

Item:	Qty:	Description:	Unit Price:	Ext. Price:
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3. Payment Terms: Payment terms for services rendered or products manufactured by us shall be determined by us based on our determination of the credit worthiness of buyer and may require a deposit at time of order. Products are invoiced as shipped.
4. Late Payment Penalty: Buyer agrees to pay a charge equal to the lesser of (i) the highest rate allowable by law or (ii) 1.5% per month (18% per annum) on the unpaid balance with respect to any late payments. In addition, buyer will pay all our costs and expenses, including actual attorney's fees, incurred in connection with enforcing the Proposal and/or collecting any past due payments. In the event buyer fails to make any payment when due, we have the right of setoff, the right to terminate the Proposal and/or to suspend further deliveries to buyer and the right to recover damages in addition to any other remedies available to us as a matter of law. Buyer has no right to setoff.
5. Cancellation: If an order is cancelled by buyer after receipt of order authorization, and cancellation fee of 10% of order value may be assessed to the buyer, in addition to an the cost of materials purchased for the order, which may be invoiced to the buyer at time of cancellation.
6. Delivery, Title and Receipt: Unless otherwise provided in the proposal, all shelters are prefabricated and shipped knock-down and in bulk format (not packaged individually) for ease of handling and fast on-site installation. Neither buyer nor consignee shall have the right to direct or re-consign the goods to any other destination without our consent. All sales of products are F.O.B. our plant. Risk of loss of the products shall transfer to buyer upon delivery of the products to the common carrier.
7. Delivery Charges: Unless otherwise provided in the Proposal, buyer shall bear all the costs of transportation, including without limitation loading, unloading, storage, and freight charge. All delivery quotes allow for an approximate 2-hour unload window for a full truck. If this window is exceeded, additional charges may apply. All price quotes given for delivery are based on estimates obtained at the time the quote was requested. Actual freight charges may vary.
8. Delivery Dates: Any delivery date(s) or period of delivery provided for in the Proposal is approximate and does not guarantee a particular date(s) or period of delivery. Estimated lead times are provided in the quote. Under no circumstances will we be liable for delay in delivery occasioned in whole or in part, by fire, flood, explosion, casualty, riot, strike, embargo, transportation delay, breakdown, accident, act of God or the public enemy, government authority, by our inability to secure materials, fuel, supply power or shipping space or any other circumstances beyond our reasonable control.
9. Delayed Shipment: If buyer delays shipment, we may invoice for products when ready for shipment and, at our option, we may charge reasonable daily storage fees.
10. International Freight: We require the services of freight forwarder for all international shipments. Buyer may select the freight forwarder, subject to our approval. All fees, taxes and additional charges, in addition to the actual freight costs, are the responsibility of buyer.
11. Returns: Due to the custom nature of our products, we cannot accept returns and we cannot permit cancellations once work has commenced.
12. Manufacturer's Warranty: Our manufacturer's warranty is set forth in a separate document.
13. Limitation of Liability: WE ARE NOT LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND ARISING FROM OR RELATING TO OUR OBLIGATIONS UNDER THE PROPOSAL, INCLUDING LOST PROFITS, LOSS OR USE, LOSS OF REVENUE OR COST OF CAPITAL. EXCEPT FOR PERSONAL INJURY OR DEATH DUE TO OUR MISCONDUCT, BUYER AGREES THAT THE TOTAL DAMAGES THAT CAN BE AWARDED IN ANY CLAIM BY BUYER RELATING TO OUR OBLIGATIONS UNDER THE PROPOSAL (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE, SHALL NOT EXCEED THE TOTAL PAID BY BUYER TO US UNDER THE PROPOSAL. BUYER AGREES THAT THE ABOVE LIMITATIONS ON LIABILITY PROVISIONS SHALL REMAIN IN FULL FORCE AND EFFECT EVEN IF IT IS FOUND THAT BUYER'S EXCLUSIVE REMEDY FAILS OF ITS ESSENTIAL PURPOSE.
14. Governing Law, Jurisdiction and Venue: The Proposal shall be governed by and construed in accordance with the laws of the State of California without reference to the choice of law principles thereof. Each party irrevocably submits to the jurisdiction of the Courts of the State of California and the United States District Court for the Central District of California.
15. Amendment: No amendments to these Terms and Conditions can be made unless submitted in writing to us and signed and accepted by our President or his designee.