



RTA BOARD AGENDA

Wednesday, March 6, 2024 9:00 AM
BOARD OF SUPERVISORS' CHAMBERS
COUNTY GOVERNMENT CENTER
1055 Monterey Street, San Luis Obispo, California 93401

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

President: Andy Pease

Board Members:

John Peschong (First District – SLO County)
Bruce Gibson (Second District – SLO County)
Dawn Ortiz-Legg (Third District – SLO County)
Jimmy Paulding (Fourth District – SLO County)
Debbie Arnold (Fifth District – SLO County)
Jim Guthrie (Arroyo Grande)

Vice President: Jimmy Paulding

Heather Moreno (Atascadero)
Daniel Rushing (Grover Beach)
Carla Wixom (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) by contacting the RTA offices at (805)541-2228 x4833. Please note that 48 hours advance notice will be necessary to honor a request.

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

CALL MEETING TO ORDER, ROLL CALL

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

EMPLOYEE RECOGNITION:

- **Bus Operator Retirement:** Will James
- **Employee of the Quarter:** Mike Coyes

A. CONSENT AGENDA:

- A-1 Joint SLOCOG and RTA Board Meeting Minutes of January 10, 2024 (Approve)
- A-2 RTA Board Meeting Minutes of January 10, 2024 (Approve)

- A-3 2024 Summer Youth Ride Free Program (Approve)
- A-4 Employment Agreement with Executive Director (Approve)
- A-5 Authority to Submit VW Mitigation Grant Trust Fund Application (Approve)
- A-6 Summary of SRTP Working Papers #1 & #2 (Receive)
- A-7 FTA Section 5339(b) and 5339(c) Joint/Regional Grant Application Submittal (Approve)
- A-8 Upgrade Technology Systems (Approve)
- A-9 Sole Source Procurement of Bus Surveillance Security Camera System
Update/Upgrade (Approve)

B. INFORMATION AGENDA:

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

C. ACTION AGENDA:

- C-1 Fiscal Year 2024-25 Budget Assumptions (Approve)

D. CLOSED SESSION ITEMS:

None

E. BOARD MEMBER COMMENTS

The next regularly-scheduled RTA Board meeting is scheduled for May 1, 2024.

DRAFT

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS REGIONAL TRANSIT AUTHORITY

“Joint Board Meeting” Minutes

Wednesday, January 10, 2024, 9:00 a.m.

The following action minutes are listed as they were acted upon by the San Luis Obispo Council of Governments (SLOCOG) *and* as listed on the agenda for the Board meeting held on , together with staff reports and related documents attached thereto and incorporated therein by reference. To see a video of the meeting proceedings, go to the **Linked Agenda:** SLO-SPAN: [San Luis Obispo Council of Governments – January 10, 2024](#) (Click the play button on the video window to view from the beginning of the meeting or click on a particular agenda item to go directly to that part of the meeting).

1. FLAG SALUTE, CALL TO ORDER AND ROLL CALL:

2023 Board President Debbie Arnold called the January 10th Joint SLOCOG & RTA Board meeting to order at **9:00 a.m.** and led the flag salute. **Board Secretary Aida Nicklin** conducted a roll call.

BOARD MEMBERS PRESENT:

Andy Pease, City of San Luis Obispo (President - 2024)
Jimmy Paulding, Fourth District, County of San Luis Obispo (Vice President – 2024)
Debbie Arnold, Fifth District, County of San Luis Obispo (Past President - 2023)
Jim Guthrie, City of Arroyo Grande (*arrived @ 9:05 a.m.*)
Heather Moreno, City of Atascadero
Dawn Ortiz-Legg, Third District, County of San Luis Obispo
John Peschong, First District, County of San Luis Obispo
Daniel Rushing, City of Grover Beach
Carla Wixom, City of Morro Bay

BOARD MEMBERS ABSENT:

Bruce Gibson, Second District, County of San Luis Obispo
Fred Strong, City of Paso Robles
Ed Waage, City of Pismo Beach

SLOCOG STAFF PRESENT: Peter Rodgers, James Worthley, Richard Murphy, Tim Gillham, John DiNunzio, Stephen Hanamaikai, Stacey Dougan, Aida Nicklin, Jon Ansolabehere (Legal Counsel)

OTHERS PRESENT: AGP Video Staff, Geoff Straw (Regional Transit Authority), Tania Arnold (Regional Transit Authority), Anthony Kalvans (Regional Transit Authority)

2. PUBLIC COMMENTS (on any item of interest not on the agenda within the jurisdiction of the Board):

Mr. Eric Greening (Atascadero): thanked President Debbie Arnold for an exemplary service as SLOCOG and Regional Transit Authority (RTA) President in 2023. He noted that it is always a sensitive process, and

President Arnold makes members of the public feel welcome to speak and be heard. He said he will continue to believe that non-motorized transportation projects and issues deserve to be a priority. He added, "I appreciate our differences and agreements on issues, and I welcome 2023 Vice President Andy Pease to be the new President. Vice President Pease is sensitive to all transportation issues. I encouraged you to follow the rotation in officers." **President Arnold** said it makes her smile to think she and Mr. Greening used to ride together to meetings a long time ago. She noted she appreciates Mr. Greening as member of the public and all his contribution to SLOCOG, RTA and this region.

3. JOINT SLOCOG AND SLORTA BOARD ADMINISTRATIVE ITEMS:

a. WELCOME NEW BOARD MEMBERS (if applicable): No new Board members in 2023.

President Debbie Arnold welcomed SLOCOG & RTA Board members to the new year.

b. ELECTION OF OFFICERS: Elect President and Vice President:

Nomination for President: Board Member Dawn Ortiz-Legg nominated 2023 Vice President Andy Pease for President. Board Member Carla Wixom seconded, and Board members concurred.

Nomination for Vice President: Board Member Ortiz-Legg nominated Board Member Jimmy Paulding for Vice President. 2023 Vice President Pease seconded, and Board members concurred.

SLOCOG & RTA Board action on a roll call vote: Approve the nominations for President and Vice President.

Motion by: Dawn Ortiz-Legg (Board Member) Heather Moreno (Board Member)

BOARD MEMBERS	AYES	NOES	ABSENT	ABSTAIN	RECUSE
Pease, Andy (President)	X				
Paulding, Jimmy (Vice President)	X				
Arnold, Debbie (Past President)	X				
Gibson, Bruce			X		
Guthrie, Jim			X (arrived @ 9:05 a.m.)		
Moreno, Heather	X				
Ortiz-Legg, Dawn	X				
Peschong, John	X				
Rushing, Daniel	X				
Strong, Fred			X		
Waage, Ed			X		
Wixom, Carla	X				

President Andy Pease: stated she looks forward to serving the President role this year, noting that her term on the San Luis Obispo City Council will end on December 31, 2024; therefore, she would not be able to serve as past president on the Executive Committee in 2025.

Public comments: There were no public comments.

c. EXECUTIVE COMMITTEE ASSIGNMENT: President Andy Pease confirmed the composition of the 2024 Executive Committee as the 2024 President (Andy Pease), 2024 Vice President (Jimmy Paulding), and the 2023 President/Past President (Debbie Arnold).

SLOCOG & RTA Board action on a voice vote: Approve the composition of the 2024 Executive Committee.

Motion by: Carla Wixom (Board Member) John Peschong (Board Member)
The motion passed in the absence of Board Members Bruce Gibson and Fred Strong.

President Pease: thanked everyone and noted that she appreciates serving as Vice President under Past President Debbie Arnold in 2023.

d. Presentation of a Plaque of Appreciation to Outgoing President Debbie Arnold, recognizing her service as President of the SLOCOG and RTA Boards in 2023:

Mr. Peter Rodgers (SLOCOG Executive Director): personally thanked Past President Arnold, noting that SLOCOG had a banner year for 2023, receiving funding for the US 101/Pismo Beach Improvement Project, adopting the 2023 Regional Transportation Plan (RTP) (and all other accomplishments under the leadership of Past President Arnold).

Mr. Geoff Straw (RTA Executive Director): also thanked Past President Arnold for all her leadership and contribution to RTA's successes (i.e., getting funding for the RTA building, etc.).

Past President Debbie Arnold: stated that all of the accomplishments were a team effort, where two agencies bring it all together.

Public Comments: There were no public comments.

4. ADJOURNMENT: President Andy Pease adjourned the Joint SLOCOG & RTA Board meeting to SLOCOG Board meeting at **9:14 a.m.**

Respectfully Submitted,

Aida Nicklin
Executive Secretary

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DRAFT
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
BOARD MEETING MINUTES OF JANUARY 10, 2024
A-2

BOARD MEMBERS PRESENT:

ANDY PEASE, CITY OF SAN LUIS OBISPO (President)
JIMMY PAULDING, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO (Vice President)
DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO (Past President)
DANIEL RUSHING, CITY OF GROVER BEACH
JIM GUTHRIE, CITY OF ARROYO GRANDE
HEATHER MORENO, CITY OF ATASCADERO
JOHN PESCHONG, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO
DAWN ORTIZ-LEGG, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO
CARLA WIXOM, CITY OF MORRO BAY

BOARD MEMBERS ABSENT:

BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO
FRED STRONG, CITY OF PASO ROBLES
ED WAAGE, CITY OF PISMO BEACH

STAFF PRESENT:

GEOFF STRAW, EXECUTIVE DIRECTOR
TANIA ARNOLD, DEPUTY DIRECTOR/CFO
JON ANSOLABEHERE, SAN LUIS OBISPO COUNTY COUNSEL
ANTHONY KALVANS, ADMINISTRATIVE ASSISTANT

CALL MEETING TO ORDER, ROLL CALL: President Andy Pease called the meeting to order at 10:05 AM and roll call was taken, a quorum was present.

PUBLIC COMMENT:

Mr. Eric Greening: Welcomed Mr. Kalvans to the RTA Staff and mentioned that he had worked with Mr. Kalvans on the Water Resources Advisory Council in the past. Mr. Greening also thanked Will James for his service to the RTA and said he was looking forward to meeting the new bus drivers the RTA has hired. Finally, Mr. Greening expressed concern about the curve around the Santa Margarita Bridge and if the RTA is coordinating with the county in preparation for any construction on that bridge.

Mr. Straw said that the RTA has a good working relationship with the public works departments of the county and cities. Mr. Straw said the RTA is usually notified way in advance of any work that will impact our service.

EMPLOYEE RECOGNITION:

Mr. Straw: commended RTA employee Will James for his 19 years of service to the RTA and highlighted that Mr. James never had a preventable collision over his career. Mr. James was unable to make the meeting and may be back in March.

Public Comment:

There was no public comment for this item.

A. CONSENT AGENDA:

- A-1 Executive Committee Meeting Minutes of October 11, 2023 (Information)
- A-2 RTA Board Meeting Minutes of November 1, 2023 (Approve)
- A-3 RTA Board Meeting Minutes of December 6, 2023 (Approve)
- A-4 FTA 5307, 5339 and CMAQ Grant Programs Administration (Adopt)
- A-5 FTA Section 5311 Grant Application (Adopt)
- A-6 Low-Carbon Transit Operations Program Grant Application (Adopt)
- A-7 Rural Transit Funds Grant Application (Adopt)
- A-8 California SB-1 State of Good Repair Grant Application (Adopt)
- A-9 FTA Certifications and Assurances (Authorize)
- A-10 Amendment to Bulk Oil/Lubricants Agreement (Authorize)
- A-11 FTA 5307 Santa Maria Urbanized Area Grant Application (Adopt)
- A-12 San Luis Obispo AHSC Grant Application Support Letter (Authorize)

Public Comment:

Mr. Eric Greening noted that the minutes from November for items A-2-3, regarding bus stop improvements, should reflect that he said Garden Farms and not Santa Margarita when referring to the northbound bus stop that has a mislocated sign.

Mr. Straw wanted to highlight the nature of items A-6 through A-8 in that they have an option A and option B due to the projected state budget deficit and that funding levels may get reduced or delayed.

Board Member Peschong made a motion to approve consent agenda item A-1 through A-12 with the amendment from Mr. Greening and **Board Member Wixom** seconded the motion. The motion passed unanimously via roll call vote.

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

B. INFORMATION AGENDA:

B-1 Executive Director's Report (Receive)

Mr. Straw presented a slide show highlighting major RTA updates. In his presentation, Mr. Straw noted that the RTAC and MTC joint meeting got pushed back to March; the preliminary passenger survey data for the Short-Range Transit Plan came back suggesting that the quality of service was between 84 and 91 percent, that riders want more weekend service, and there are requests to improve on bus stops, performance and service frequency. Mr. Straw also mentioned that the RTA is still hiring for Bus Operators, that Paso and South County Transit ridership has returned to pre-COVID levels, and there might be a ribbon cutting ceremony for the electric buses in February.

President Pease asked if the survey takers were allowed to select Saturday service, Sunday service, or both for weekend service request. Mr. Straw said he will need to dig into the details to find out.

Public Comment:

Mr. Eric Greening said that he believes there was a ranking method for the survey but specifically wanted to note that the slide did not present what time and frequencies are needed for weekend service. In addition, Mr. Greening also highlighted the lack of evening service in general and that evening service would allow people to enjoy restaurants in Paso Robles.

B-2 Bus Maintenance Facility Update and CEQA Mitigations 2nd Annual Monitoring Report (Receive)

Mr. Straw presented an update regarding the status of the bus maintenance facility and the steps the RTA was taking to address CEQA Mitigation requirements.

Board Member Ortiz Legg left at 10:28 AM.

Public Comment

There was no public comment for this item.

C. ACTION AGENDA:

There were no items on the action agenda for the Board to consider.

D. CLOSED SESSION ITEMS: CONFERENCE WITH LEGAL COUNSEL

D-1 EXECUTIVE DIRECTOR PERFORMANCE EVALUATION (Govt. Code Section 54957)

D-2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Gov. Code § 54956.9(d)(2)
Number of cases: One

Public Comment:

Mr. Greening commended Mr. Straw for his service with RTA.

The Board went into closed session at 10:31 AM.

The Board returned back from closed session at 10:43 AM.

Report from Counsel

Mr. Ansolabehere said that there was no reportable action.

E. BOARD MEMBER COMMENTS:

Board Member Peschong welcomed Mr. Kalvans to the RTA and briefly highlighted Mr. Kalvans' previous government experience in San Miguel.

The meeting was adjourned at 10:44 AM.

Next regularly-scheduled RTA Board meeting is **March 6, 2024**

Respectfully Submitted,

Acknowledged by,

Anthony Kalvans, Administrative Assistant

Andy Pease, RTA President 2024

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
MARCH 6, 2024
STAFF REPORT**

AGENDA ITEM: A-3

TOPIC: 2024 Summer Youth Ride Free Program

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Participate in the 2024 Summer *Youth Ride Free* Program and Require Payment for Larger Youth Groups Traveling Together

BACKGROUND/DISCUSSION:

Direction is needed from the Board on whether or not to continue the RTA's participation in the countywide summer *Youth Ride Free* (YRF) program. SLOCOG's *Regional Rideshare* program, the agency that promotes YRF in SLO County, has asked that the RTA honor the YRF program from mid-June 2024 through mid-August 2024.

Since summer 2014, with the exception of 2020 and 2021 (due to the COVID-19 pandemic), the RTA participated in the YRF program from middle-of-June through middle-of-August period in order to avoid an overlap with the academic year. In addition, each group size is limited so that a bus will not become overloaded and dissuade fare-paying passengers from riding; if the YRF group is greater than the agency-identified fare-free maximum, the remaining group members are required to pay. Staff has worked closely with the YMCA and other youth camp officials to train their on-bus chaperones to minimize service disruptions and to handle any fare responsibilities. This helped address the overcrowding issues that occurred in 2012 and 2013.

It is difficult to track the longer-term ridership impact of participating in the YRF program, since it is not possible to determine the number of students boarding throughout the year in the absence of periodic surveys.

Benefits of extending the summer free ride program to K-12 youth have proven to be the following:

1. Easy to communicate.
2. Gets youth to try using transit and it instills an ethic of using transit in the future.
3. Increases access for kids to travel independently (and reduce parent taxiing).

Disadvantages include:

1. Small loss of cash fare revenue for non-group riders.

2. Increased passenger loads on some bus trips can degrade the riding experience for non-youth riders.
3. In the past, two or more unrelated groups occasionally attempted to board the bus on the same bus trip, which resulted in an overcrowding situation. However, the number of instances where that became a problem has greatly abated due to better coordination with youth activity agencies, and we expect the same cooperation this summer.

The RTA will require YMCA and other youth groups to pay when more than fifteen YRF persons are traveling together (plus two adult chaperones); for SoCo Transit routes, the limit is ten YRF riders due to the smaller bus size (26-foot or 35-foot vs. 40-foot) used. For ease of boarding, and for budget and cash control issues, organizers for groups such as YMCA camps can pre-purchase passes.

Staff will continue to track the response to the program by measuring:

1. Ridership is already tracked using a specific farebox key.
2. Customer feedback from youth and families taking advantage of the program (face-to-face interviews, Facebook and social media programs, texts, etc.).

Staff Recommendation

Participate in the 2024 summer *Youth Ride Free* program and require payment for larger youth groups traveling together.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 6, 2024

STAFF REPORT

AGENDA ITEM:	A-4
TOPIC:	Amended Contract with RTA Executive Director
ACTION:	Approve
PRESENTED BY:	Geoff Straw, RTA Executive Director
STAFF RECOMMENDATION:	Authorize the RTA Board President to Execute the Amended Annual Employment Contract for the Executive Director.

BACKGROUND/DISCUSSION:

Following the employee review process conducted in closed session by the RTA Board at its January 10th meeting, I am presenting proposed changes to my annual Employment Contract.

Due to continued financial uncertainties caused by the COVID-19 pandemic and other economic challenges in California, I am seeking a modest 1.7% merit increase in 2024. Please note that the attached draft Employment Agreement shows my current base annual salary as \$180,274, which includes the cost of living increase adopted for all non-CBA employees as part of the current FY23-24 budget through June 30, 2023. My proposed 1.7% merit increase results in a new base salary of \$183,340 – which is the top of my salary range. I am also proposing a modest increase in my automobile allowance from \$400/month to \$450/month. That level has been the same since I was first hired in 2012. When other salary-based expenses (payroll taxes, pension, disability, etc.) are added to the \$3,066 base salary increase, the annual budgetary impact would be approximately \$4,770.

I am asking the Board to authorize its President to execute the final Employment Contract (which will be a cleaned-up version of the attached redline draft) on the Board's behalf.

Staff Recommendation

Authorize the RTA Board President to execute the amended annual Employment Contract for the Executive Director.

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**EXECUTIVE DIRECTOR EMPLOYMENT CONTRACT
BETWEEN SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
AND GEOFF STRAW**

THIS CONTRACT entered into this ~~1st day of March 2023~~ 6th day of March 2024 by and between the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY, a California Joint Powers Authority (hereinafter referred to as “SLORTA”) and GEOFF STRAW, an individual (hereinafter referred to as “Employee”).

WITNESSETH

WHEREAS, SLORTA desires to continue the employment of Geoff Straw as Executive Director of the San Luis Obispo Regional Transit Authority; and

WHEREAS, Geoff Straw desires to serve as the Executive Director of the San Luis Obispo Regional Transit Authority pursuant to the provisions of this Contract; and

WHEREAS, the Board of Directors, as appointing authority, and Geoff Straw desire to specify in a contract as to the terms and conditions of Geoff Straw’s continuing employment as Executive Director.

NOW, THEREFORE, the parties do mutually agree as follows:

1. Employment. SLORTA hereby engages Employee as Executive Director of SLORTA, and Employee hereby agrees to perform for SLORTA the services hereinafter set forth for the compensation and benefits hereinafter set forth, all pursuant to the terms and conditions herein.

2. Scope of Services. Pursuant to this Contract, Employee shall perform all functions and duties of the Executive Director, as specified in the SLORTA Joint Powers Agreement, and such other legally permissible and proper duties and functions as may be assigned by the Board of Directors.

3. Employment Status. Employee will be eligible for membership in any and all benefits from any group plan for hospital, surgical, or medical insurance provided to SLORTA employees, as well as being eligible for membership in any retirement program, or for such other job benefits accruable to an employee in the classified service of SLORTA.

Employee understands and agrees that his term of employment is governed only by this Contract, that no right of tenure is created hereby, that he serves SLORTA as an “at-will” employee, and is exempt from the provisions of the Federal Fair Labor Standards Act (FLSA).

4. Term of Contract. This Contract shall commence on the 8th day of January 2020 and shall continue until terminated by either party in accordance with the provisions set forth herein. This Contract replaces the original employment contract entered into between SLORTA and Employee in January, 2012, and all subsequent amendments thereto.

5. Compensation. Commencing ~~January 8, 2023~~January 7, 2024, SLORTA shall pay to Employee as compensation in full for all services performed by Employee pursuant to this Contract an annual salary of ~~\$180,274~~\$183,340 per year, payable in increments compatible with SLORTA’s payment of other employees. The Employee’s annual salary and salary range shall be adjusted annually based on the same cost of living adjustment provided to other SLORTA employees as part of the annual budget-making process.

6. Other Supplemental Benefits.

a. Vacation, Holidays, Sick, Administrative Leave, and Jury Duty.

Employee shall be entitled to accrue up to twelve (12) vacation days annually accrued at the rate of 3.69 hours per pay period, and one (1) additional day per year, in accordance with the RTA Vacation Accrual Rate Table, up to a maximum of twenty (20) vacation days annually. Vacation may be carried over to a maximum of two years of entitlement.

Employee shall be entitled to thirteen (13) holidays per year as specified in accordance with a holiday schedule for the San Luis Obispo Regional Transportation Authority as approved by the Board of Directors.

Employee shall be entitled to accrue up to twelve (12) sick days of paid sick leave per year, at an accrual rate of 3.69 hours per pay period, with a maximum accrual of 260 days.

Employee shall further be entitled to compensation at the end of employment for all unused vacation time and for 1/2 of the accrued sick leave up to a maximum of 180 days.

Employee is also entitled to paid administrative leave of up to six (6) days per year.

Employee shall be further entitled to leave of absence with pay for jury duty, provided all jury fees shall be paid to the County Treasurer on behalf of SLORTA.

b. Retirement. SLORTA agrees to provide to Employee retirement benefits in the San Luis Obispo County Pension Trust (SLOCPT) retirement plan which provides 2% at age 60, averaging the highest final 36 months of compensation, with a maximum benefit of 2.5% at age 65, as approved by the Board of Directors on January 8, 2020. Employee's entitlement to benefits in the SLOCPT retirement plan and contributions to Employee's IRS 457 plan are more particularly described in that certain Settlement Agreement and Release of Claims between SLORTA and Employee and approved by SLORTA on January 8, 2020.

c. Medical, Dental and Vision. SLORTA agrees to provide 100% of the premium towards the SLORTA approved medical health program for purposes of health coverage, dental, and vision insurance premiums for the Employee and all eligible family members. Medical, Dental, and Vision coverage is to be provided through the Special District Risk Management Authority (SDRMA) as part of the CSAC-EIA Small Group Health Benefits Program. Should Employee wish to increase health care coverage with SDRMA, the premium

difference will be the Employee's sole responsibility, and will be paid on a pre-tax basis. The medical health care allowance shall be automatically adjusted throughout the term of this Agreement to be equivalent to the allowance provided to all other SLORTA employees.

d. Disability and Life Insurance. SLORTA shall provide the following insurance benefits: (1) Long-term disability insurance providing 2/3 of gross monthly salary to age 65 for any sickness or accident after a 90-day waiting period up to a maximum salary of \$4,500; and (2) \$100,000 term life insurance.

e. Private Vehicle Use, Automobile Allowance, and Transit Pass. SLORTA shall reimburse Employee at such rate as is adopted by the Board of Directors for the use of a private vehicle on "authorized agency business" conducted "outside the County of San Luis Obispo." Employee agrees to carry all necessary vehicle insurance. Employee shall also be entitled to ~~four hundred (\$400)~~four hundred fifty (\$450) dollars per month as an automobile allowance, and shall further be entitled to a Monthly Regional Transit Pass.

f. Severance pay. If Employee is terminated by the Board of Directors while still willing and able to perform the duties of Executive Director, SLORTA agrees to pay Employee, in addition to any other amounts that may be due Employee at the time of separation of employment, a lump sum cash payment equal to three (3) months salary, retirement and insurance benefits covered by this Contract, or a continuation of salary and benefits for a period of three (3) months, the particular method to be negotiated at the time of separation.

However, if Employee is terminated pursuant to the provisions of Paragraph 8 of this Contract, then SLORTA shall have no obligation to pay the severance set forth herein.

g. Social Security and Deferred Compensation. SLORTA shall provide the employer contribution to the federal Social Security Program, and shall also provide \$200 per pay period into a private deferred compensation program established by SLORTA for Employee.

h. General Expenses. Employee shall be permitted to attend relevant conferences, seminars, and other such meetings, the reasonable cost of which shall be paid by SLORTA. SLORTA shall reimburse Employee in accordance with its customary expense reimbursement policies and procedures for expenses incurred by Employee in the execution of his duties under this Contract.

i. Other Benefits. Employee, as Executive Director, shall be entitled to an agency cell phone for continual access in the execution of his duties under this Contract. Employee shall also be entitled to enjoy such other benefits that SLORTA may establish in the future for its employees.

7. Termination of Contract for Convenience. Either party may terminate this Contract at any time by giving to the other party fourteen (14) days written notice of such termination specifying the effective date of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of transactions occurring prior to the effective date of such termination. Employee shall be paid for all work satisfactorily completed prior to the effective date of such termination and for all unused vacation time, and ½ of accrued sick leave accrued to date of termination as specified in section 6(a). However, employee shall only be entitled to Severance Pay, as identified in paragraph 6f, upon “Termination of Contract for Convenience” by action taken by the SLORTA Board of Directors.

8. Termination of Contract for Cause. If Employee fails to fulfill in a timely and professional manner any obligations under this Contract, SLORTA shall have the right to terminate this Contract effective immediately upon giving written notice thereof to Employee. Termination of this Contract under the provisions of this paragraph shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. In the event of termination, Employee shall be paid for all

work satisfactorily completed prior to the effective date of such termination, all unused vacation time, all benefits or prorated portions thereof through the date of termination, and all reimbursed Employee expenses pursuant to paragraph 6(h) therein. However, Employee shall not be entitled to any severance pay.

9. Performance Evaluation. SLORTA shall evaluate Employee's performance annually as set forth in the adopted Executive Director Performance Evaluation Process, and described in Section 5, and shall establish, with the Employee, performance goals, and objectives for the ensuing year. The performance evaluation shall be facilitated with the assistance of legal counsel and shall be performed by the SLORTA Board of Directors and SLORTA staff.

10. Modification. This Contract constitutes the entire understanding of the parties hereto and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties.

11. Non-Assignment of Contract. This Contract is intended to secure the unique and individual services of the Employee and thus Employee shall not assign, transfer, delegate, or sublet this Contract or any interest herein.

12. Covenant. The validity, enforceability, and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California.

13. Enforceability. The invalidity and unenforceability of any terms or provisions hereof shall in no way affect the validity or enforceability of any other terms or provisions.

14. Nondiscrimination. There shall be no discrimination against any person employed pursuant to this Contract in any manner forbidden by law.

15. Copyright. Any reports, maps, documents, or other materials produced in whole or part under this Contract shall be the property of SLORTA and shall not be subject to any application for copyright by or on behalf of the Employee.

16. Findings Confidential. No reports, maps, information, documents, or any other materials given to or prepared by Employee under this Contract shall become the property of Employee, nor shall be made available to any individual or organization by Employee without the approval of the SLORTA.

IN WITNESS WHEREOF, SLORTA and Employee have executed this Contract on the day and year first hereinabove set forth.

GEOFF STRAW

| _____
~~DEBBIE ARNOLD~~DANDY PEASE, President

| _____
~~LUZION CAMPITELLI~~ANTHONY KALVANS, Recording Secretary

APPROVED AS TO FORM AND LEGAL EFFECT

JON ANSOLABEHERE, SLORTA Legal Counsel

Dated: _____

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 6, 2024

STAFF REPORT

AGENDA ITEM: A-5

TOPIC: Authority to Submit Volkswagen Mitigation Grant Trust Fund Application

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Approve Resolution to Authorize Executive Director to Submit VW Mitigation Grant Trust Fund Application

BACKGROUND/DISCUSSION:

The RTA has been awarded funding to purchase five (5) Battery Electric Buses (BEB) to replace existing diesel buses. These five (5) BEBs will be in addition to the first two that the RTA anticipates delivery of in March 2024. These five (5) will replace two (2) 2010 Thor diesel-powered heavy-duty 35-ft fixed-route vehicles (Vehicle ID#1011 and #1012) that have 2009 model year engines which are eligible for Volkswagen Environmental Mitigation Trust (VEMT) program funds. The remaining three (3) vehicles being replaced are 2013 Gillig diesel-powered heavy-duty 40-ft fixed-route vehicles that have 2013 model year engines which are not eligible for VEMT program funds.

In February 2024, staff was informed that our December 2023 pre-application was selected for up to \$216,000 per bus in funding to assist in replacing buses #1011 and #1012. The attached resolution will allow us to continue with the grant-making process.

Should the RTA be successful in attaining VEMT Funds, we would be required to destroy the diesel engines and scrap the two vehicles within 60 days of receiving the new battery-electric replacement buses. The RTA would also be responsible for submitting annual reports for three years, as well as other ministerial duties that we already complete (insure the vehicle, register with DMV, etc.)

Staff Recommendation

Approve resolution to authorize the Executive Director to submit a grant application for Volkswagen Environmental Mitigation Trust Funds.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 24-_____**

**RESOLUTION AUTHORIZING THE SUBMISSION OF APPLICATIONS FOR
CERTAIN ASSURANCES, AND AUTHORIZING THE EXECUTION OF ALL
INSTRUMENTS NECESSARY TO CONFIRM ALL SUCH ASSURANCES, WITH
RESPECT TO APPLICATIONS FOR LOCAL, STATE, AND FEDERAL PROGRAMS,
PROJECTS, OR GRANTS RELATING TO THE RECEIPT OF THE
VOLKSWAGEN ENVIRONMENTAL MITIGATION TRUST FUNDING**

WHEREAS, several local, state, and federal programs allow public transportation and non-profit transportation providers to apply for administration, capital, and operation assistance programs or grants; and

WHEREAS, the Volkswagen Environmental Mitigation Trust Fund (VEMT) became available to public and private owners of transit, schools and shuttle buses to provide funding to eligible applicant recipients for the replacement of old, high-polluting transit, school, and shuttle buses with new battery-electric or fuel-cell buses; and

WHEREAS, funds from the VEMT are administered through San Joaquin Valley Air Pollution Control District (SJVAPCD) and the California Air Resources Board (CARB); and

WHEREAS, it is required for the San Luis Obispo Regional Transit Authority to apply for and sign required assurances, and to administer the VEMT funds with respect to applications for local, state, and federal programs, projects or grants.

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the San Luis Obispo Regional Transit Authority:

1. Based on the above recitals and the staff report and other information provided by RTA staff at the RTA Board's Regular Meeting of March 6, 2024, the RTA hereby authorizes the Executive Director to make application for and to sign certain assurances with respect to the applications for local, state, and federal programs, projects, or grants relating to the receipt of Volkswagen Environmental Mitigation Trust Funding up to the maximum amount authorized under the grant.
2. The Executive Director or his designees may execute an agreement with the Volkswagen Environmental Mitigation Trust Fund, San Joaquin Valley Air Pollution Control District and/or the California Air Resources Board to receive funding for this project. The foregoing notwithstanding, nothing in this Resolution shall constitute a pledge of funds by the RTA, absent the execution of any and all agreements by the Executive Director as provided under this Section.
3. This Resolution shall take effect upon adoption. The RTA Secretary shall certify to the adoption of this Resolution.

On a motion of Delegate _____, seconded by Delegate _____, and on the following roll call, to wit: the foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 6th day of March 2024.

AYES:

NOES:

ABSENT:

ABSTAINING:

Andy Pease
RTA Board President

ATTEST:

Geoff Straw
RTA Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita Neal
County Counsel

By: _____
Jon Ansolabehere
RTA Counsel

Dated: _____
(Original signature in BLUE ink)

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 6, 2024

STAFF REPORT

AGENDA ITEM: A-6

TOPIC: Short-Range Transit Plan Update

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Receive and File this Update on SRTP Working Papers #1 and #2

BACKGROUND/DISCUSSION:

The RTA Board of Directors authorized staff to seek bids for Joint Short-Range Transit Plan services from qualified consultants at its May 2023 meeting. Staff worked with City of San Luis Obispo and San Luis Obispo Council of Governments officials to finalize the scope of work and to determine selection process. Although only one proposal was submitted, the selection committee recommended that the RTA Board award the professional services agreement to a consulting team led by LSC Transportation Consultants at its September 6, 2023 meeting. More information about the goals of the study, as well as the selection and negotiations processes, is included in Agenda Item A-9 of the September 6th Board packet.

The consultant team quickly mobilized after the RTA Board authorized the contract. First, the Study Steering Committee met to review a detailed data needs list, to determine reporting/submittal protocols, and to schedule regular update meetings. Next, the consultants worked with us to develop online, on-bus and stakeholder survey instruments. The on-bus and the first round of in-person stakeholder interviews was completed the week of October 23, 2023. The raw on-bus passenger survey data was provided by the consultants on

Based on data provided by the RTA, SLO Transit and SLOCOG, the consultants provided an administrative draft *Working Paper #1 Overview of Transit Services* on January 4th. Following reviews by agency staff, RTA's Regional Transit Advisory Committee (RTAC) and SLO Transit's Mass Transit Committee (MTC), all comments were remitted to the consultants the second week of January. The final Working Paper #1 was submitted to us on January 29th. That document was subsequently posted on the RTA and SLO Transit websites (for example, see https://www.slorta.org/wordpress/wp-content/uploads/Joint-SLO-RTA-SRTPs_WP1_v2red.pdf).

Working Papers #1 provides a brief history of both transit programs, a description of governance and organizational structures, and an overview of all of the services provided by each agency. Other summary information includes fare structures, fleets

and facilities, and the status findings/recommendations provided in studies that have been completed since the previous SRTPs in 2016.

On February 5th, the administrative draft *Working Paper #2 Goals, Objectives and Standards* document was provided to staff. We will provide summarized comments (including those from RTAC and MTC members) by the end of February. Once those comments are addressed by the consultants, we will post the final Working Paper #2 on our respective websites.

Working Paper #2 reviews the process each agency has used to establish, review and update goals and objectives. The consultants have summarized recent performance in relation to prior goals, objectives and standards. The consultants have also presented potential new or revised goals, as well as related objectives and standards.

We also expect to receive the administrative draft *Working Paper #3 Service and System Evaluation* by the end of February. This will include a comprehensive analysis of quantitative and qualitative performance trends by service type, as well as tabular, graphical and narrative illustrations of survey responses.

As identified in the scope of work, the RTAC and MTC are slated to meet jointly twice during the study. The first joint RTAC/MTC meeting will take place on March 13th at 2:30PM in the SLO Council Conference Room located at 990 Palm Street. The primary purpose of this first joint meeting is to discuss the findings from the first two working papers and other input already received on how to potentially improve transit services. Attached is a “talking points” document that will be distributed once the final package of materials is completed by March 7th. The March 13th meeting is open to the public, and any interested persons are encouraged to attend.

Staff Recommendation

Receive and File this Update on SRTP Working Papers #1 and #2



RTAC/MTC Joint Meeting Transit Plan Update Talking Points



Project Overview: The San Luis Obispo Regional Transit Authority (RTA) and San Luis Obispo Transit (SLO Transit) are the two largest public transit providers in San Luis Obispo County. The two agencies have retained LSC Transportation Consultants, Inc. to update each agency's respective Short Range Transit Plan (SRTP). A transit plan acts as a business plan for the transit agency for the next five to seven years. At this point in the study, the consultant has prepared three technical memorandums:

- Working Paper#1 – Overview of Transit Services
- Working Paper#2 – Goals, Objectives and Performance Standards
- Working Paper #3 - Service and System Evaluation

On-board surveys and boarding and alighting counts have also been collected on RTA and SLO Transit buses.

Joint RTAC/MTC Meeting Purpose: As committee members, public transit riders, stakeholders or other interested members of the public, transit staff and the study team would like your input on data/information collected to date. At the meeting, the consultant will give a short presentation of important findings from the three working papers. Committee members will then have an opportunity to peruse a series of poster boards which highlight service and system evaluation data such as ridership by stop, ridership by hour, passenger origin/destination patterns and passenger requests.

With this information, staff and the study team hope to give committee members a better understanding of post pandemic ridership trends, passenger mobility needs and passenger perceptions of existing service.

Feedback and How Your Input Will Help: Committee members will be given 20-30 minutes to provide input directly on the poster boards and engage in discussion with transit staff and the study team. The type of feedback we are looking for will include:

- Do study findings to date seem correct? Does anything surprise you?
- Are we missing anything?
- What do you think are the most important/needed types of improvements for SLO Transit and RTA?
- What key themes should we focus on as we continue this study?

Your input combined with the service evaluation, on-board surveys, discussions with transit staff and operators will help the Study Team draft a list of potential changes/improvements to SLO Transit and RTA services to be evaluated as part of the next step of the plan. The objective of these potential changes or “alternatives” is to increase ridership, improve cost efficiency and better meet mobility needs of residents of both the City and County of San Luis Obispo.

Next Steps: Results of the “alternatives analysis” will be brought back to this committee in late May.

Feel free to contact the Study Team with questions:

Genevieve Evans
LSC Transportation Consultants
genevieve@lsctrans.com
530-583-4053

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

March 6, 2024

STAFF REPORT

AGENDA ITEM: A-7

TOPIC: FTA Section 5339(b) and 5339(c) Grant Application Submittal

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Adopt Resolution Authorizing Executive Director as part of the joint Central Coast Consortium to Endorse a Joint/Regional Application for FTA Section 5339(c) Low or No Emission and FTA Section 5339(b) Bus and Bus Facilities Grant Funds

BACKGROUND/DISCUSSION:

On February 8, 2024, the Federal Transit Administration (FTA) issued a Notice of Funding Opportunity for the 5339(c) Low or No Emission Grant Program, and the 5339(b) Grants for Buses and Bus Facilities Competitive Program. The FTA announced the opportunity to apply for \$1.1 billion in competitive grants under the Low or No Emission Grant Program (Low-No Program) and \$390 million under the Grants for Buses and Bus Facilities Competitive Program (Buses/Facilities Program). The funding opportunity will advance FTA's priorities of strengthening U.S. bus manufacturing, containing vehicle costs, and accelerating the delivery of new vehicles. As a designated recipient of FTA grants, the RTA is an eligible applicant for these funds. Applicants will have the option to submit a grant application for either program, or both. Low-No and Bus Program applications are due by April 25, 2024.

The purpose of the Low-No Program is to support the transition of the nation's transit fleet to the lowest polluting and most energy efficient transit vehicles. The Low-No Program provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses, including acquisition, construction, and leasing of required supporting facilities.

The purpose of the Buses and Bus Facilities Competitive Program is to assist in the financing of buses and bus facilities capital projects, including replacing, rehabilitating, purchasing or leasing buses or related equipment, and rehabilitating, purchasing, constructing or leasing bus-related facilities.

For applicants proposing projects related to zero-emission vehicles for either program, 5% of the requested federal award must be used for workforce development activities. For applicants proposing projects related to bus and bus facilities program, 0.5% of the requested federal award must be used for workforce development activities.

On March 1, 2023, the RTA Board adopted the Innovative Clean Transit (ICT) Zero-Emissions Bus (ZEB) Rollout Plan and Related FTA Zero Emission Transition Plan, which together identified how the agency plans to achieve a full transition to zero-emission bus technologies by 2040 by pursuing Battery-Electric Bus technologies in the near and medium term. It includes essential elements for a smooth transition, including a vehicle purchase schedule, a schedule for related infrastructure build-out, potential funding sources and workforce development. The RTA remains committed to transitioning away from using internal combustion engines to zero-emissions technologies.

The RTA continues to work closely with SLOCOG (its Metropolitan Planning Organization (MPO)) and local transit partners to implement its ICT Rollout Plan and to develop competitive grant applications for the procurement of zero emission buses that best meet our regional transportation needs. Staff recommends partnering with Monterey-Salinas Transit (MST) as the lead agency in the joint Central Coast Consortium in applying for regional 5339 grant funding to purchase forty 40-ft zero-emission buses and related charging infrastructure. The Consortium includes MST, SLO Transit, the RTA and the Santa Barbara Metropolitan Transit District.

The RTA has identified \$2,280,400 in FTA Section 5307 funding for the replacement of four (4) 2013 heavy-duty 40-ft diesel powered buses with like diesel buses. This regional grant application will include the RTA's funding request of \$2,115,600, which will support the cost differential between a conventional diesel bus and a zero-emission bus, and related charging infrastructure. Award of these regional grant funds will enhance the RTA's transition to zero-emission technologies and benefit the communities of San Luis Obispo County by reducing harmful emissions.

The Low-No and Bus/Facilities Programs grant applications must also include an Executive Board resolution authorizing the submittal as part of the Central Coast Consortium grant application and authorizing the Executive Director to execute and file all necessary assurances and any other documentation as required by the FTA or Department of Transportation.

Staff Recommendation

Approve the attached resolution authorizing the Executive Director to partner with MST to submit a joint Central Coast Consortium grant application for the Low or No Emissions Bus program (5339c) and Bus and Bus Facilities program (5339b) funds for the cost differential to purchase four (4) zero-emission buses, related charging equipment and workforce development training.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 24-_____**

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

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

WHEREAS, the FTA announced the opportunity to apply for \$1.1 billion in competitive grants under the Low or No Emission Grant Program; and

WHEREAS, the purpose of the Low-No Program is to support the transition of the nation's transit fleet to the lowest polluting and most energy efficient transit vehicles. The Low-No Program provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses, including acquisition, construction, and leasing of required supporting facilities; and

WHEREAS, the FTA announced the opportunity to apply for \$390 million under the Grants for Buses and Bus Facilities Competitive Program; and

WHEREAS, the purpose of the Buses and Bus Facilities Competitive Program is to assist in the financing of buses and bus facilities capital projects, including replacing, rehabilitating, purchasing or leasing buses or related equipment, and rehabilitating, purchasing, constructing or leasing bus-related facilities.

WHEREAS, projects related to zero-emission vehicles for either program require 5% of the requested federal award set aside for workforce development activities and 0.5% of the requested federal award set aside for workforce development activities for projects related to the bus and bus facilities program; and

WHEREAS, the RTA is an eligible applicant for the FTA Section 5339 competitive grant funds; and

WHEREAS, the RTA will partner with Monterey Salinas Transit (MST) (an eligible applicant) in a joint Central Coast Consortium for apply for the FTA Section 5339(c) and 5339(b) competitive grant funds for the replacement of zero-emission buses; and

WHEREAS, other eligible applicants included in the Central Coast Consortium include City of San Luis Obispo Transit program and the Santa Barbara Metropolitan Transit District; and

WHEREAS, the grant applicant for Federal financial assistance will impose certain obligations upon the RTA to provide the 20% local share of the project cost; and

WHEREAS, the RTA has or will provide all necessary certifications and assurances and any other documentation as required by the FTA or Department of Transportation; and

WHEREAS, the RTA as the Grantee will partner with MST on behalf of the Central coast Consortium to file and execute applications for FTA Section 5339(c) and/or FTA Section 5339(b) competitive funds, to the maximum extent allowed to fund the capital project to purchase up to 20 zero-emission buses (four (4) buses for the RTA), related charging infrastructure and equipment and workforce development training, which has been identified as meeting California's Innovative Clean Transit (ICT) fleet rule requirements.

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

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

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 6th day of March, 2024.

President of the RTA Board of Directors

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
Jon Ansolabehere, Legal Counsel
San Luis Obispo Regional Transit Authority

Date: _____

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 6, 2024

STAFF REPORT

AGENDA ITEM: A-8

TOPIC: Upgrade Technology Systems

PRESENTED BY: Omar McPherson, Operations Manager

STAFF RECOMMENDATION: Authorize the Executive Director to Execute Contract to Upgrade Technologies That Meet the RTA's Needs and Improve Security at a Cost Not to Exceed \$176,000.

BACKGROUND/DISCUSSION:

At its May 2023 meeting, the RTA Board approved the FY23-24 budget, which includes funds for the purchase and upgrade to the RTA video server and data redundancy system. These upgrades will provide system reliability for the bus video system and streamline the data backup process with enhanced ransomware protection, greatly reducing server down time. The current video server was purchased in early 2016, and has surpassed its economically useful and reliability life. The current data backup process does not meet the needs and specifications of our cyber liability insurance carrier.

Staff is now seeking Board authorization to permit the Executive Director to move forward with procurements in accordance with the RTA Purchasing Policy for the video server and data redundancy hardware. Budgeted amounts are outlined as follows:

- Video server (five-to-seven-year life)
 - Server hardware \$33,500
 - Microsoft windows server license \$22,500
- Data Redundancy (five-year service agreement)
 - Hardware \$12,000
 - Five-year Cloud Retention unlimited backups \$108,000

Funding for this project, totaling \$176,000, has been identified in the budget as State Transit Assistance funds.

Staff Recommendation

Authorize the Executive Director to execute contract to upgrade technologies that meet the RTA's needs and improve security at a cost not to exceed \$176,000.

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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

March 6, 2024

STAFF REPORT

AGENDA ITEM: A-9

TOPIC: Sole Source Procurement of Bus Security Surveillance System Update/Upgrade

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Authorize the Executive Director to Issue a Sole Source Purchase Order in the amount of \$145,839.78 to Safe Fleet for the Bus Security Surveillance System Upgrade for Twenty-Two Fixed-Route Buses

BACKGROUND/DISCUSSION:

Security cameras are present in RTA fleet vehicles and have proven to be both a beneficial and vital piece of transit system equipment as it supports Bus Operator and passenger safety and security, helps to enforce policies and regulations, deters bad behaviors, and captures evidentiary footage in the event of an incident. In October 2022, the RTA was notified that its current online video surveillance system technology (Seon Design and Mobile View) was out-of-date and will no longer be supported by the manufacturer after December 2022. To continue with manufacturer support, the existing surveillance system technology will require updated security camera equipment with low-light resolution, audio, recording, GPS and Wi-Fi capabilities.

On June 1, 2023, the RTA was awarded Federal Transit Authority (FTA) Section 5339(f) formula grant program funding for the Bus Surveillance Security System Upgrade project. The total project budget is \$145,900 (\$110,400 in federal funds and \$35,500 as the required local match) which will fund the upgrade of security surveillance systems on twenty-two (22) fixed-route buses.

Sole Source Procurement

There are four (4) circumstances in which the FTA recognizes that a sole source procurement is necessary and reasonable. The FTA Circular 4220, Ch. VI, section 3.i., lists these acceptable circumstances for the sole source non-competitive method of procurement of property or services if one of the conditions described below is present;

1. if there exists a **unique capability or availability of a product**
2. if **patented or restricted data rights** preclude competition
3. if award to another vendor would result in **substantial duplication of costs**
4. if award to another vendor would result in an **unacceptable delay** in fulfilling the recipient's needs.

The RTA sought industry proposals for the bus security surveillance system update/upgrade project and was informed that the Seon Design/Mobile View products are fully owned by Safe Fleet and our current equipment is therefore proprietary and restricted. Safe Fleet engineers design all systems for transit vehicle applications. All components are made to Safe Fleet specifications and its finished transit bus products are sold under the name Seon System Sales, Inc.. Safe Fleet DVR's and parts (hard drives etc.) are configured to only work with Seon DVR's. As a result of this proprietary design and equipment, other vendors have refused to propose on the bus security surveillance system update/upgrade project.

In order to provide a competitive procurement process, the RTA would be unable to simply upgrade its current system and would instead be required to replace the entire security surveillance system and monitoring services for all of its fleet with a new equipment type because the new equipment type would not be able to integrate into the RTA's existing system. Additionally, the cost for a full system replacement would be significantly more than the budgeted upgrades. It is likely that award to another vendor would result in substantial duplication of costs that are not expected to be recovered through competition.

Price Analysis

Staff conducted a price analysis for this sole source procurement to assure continued best value is being sought. The price analysis evaluated the offeror's price relative to the prices being offered by other vendors and being paid by the general public for similar items. Staff determined that Safe Fleet's proposed upgrade price of approximately \$6,200 per bus is fair and reasonable.

Staff has determined that this procurement meets two of the acceptable FTA conditions for a sole source award: 1) the unique capability or availability of a product due to its proprietary design and equipment, and 2) the substantial duplication of costs if awarded to another vendor requiring a full system replacement. Therefore, it is staff's recommendation that the Board authorize the Executive Director to issue a sole source purchase order to Safe Fleet in the amount of \$145,839.78 for the bus security surveillance system update/upgrade project. This amount is within the available budget and no additional funding is needed. The RTA will ensure compliance with all applicable FTA procurement requirements.

Staff Recommendation

Authorize the Executive Director to issue a sole source purchase order to Safe Fleet in the amount of \$145,839.78 for the bus security surveillance system update/upgrade project.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 6, 2024

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Receive and File

BACKGROUND/DISCUSSION:

Employee Recognitions

The following two employees will attend the March 6th meeting to be honored by the Board:

- RTA Bus Operator Will James retired in November 2023 after 19 years driving a bus in the Five Cities Area. He achieved an outstanding safety milestone – he was *never* involved in a preventable vehicle collision during his 19-year tenure. This equates to approximately 500,000 miles of driving without a crash. Please join me in recognizing this incredible feat and in wishing Mr. James a long and healthy retirement.
- RTA Bus Operator Mike Coyes has been selected by his peers as Employee of the Quarter. Mike is the first “casual” status employee to be honored with this award, but he is usually the first to fill-in when a shift or run is unfilled. He is well-liked by both fellow Bus Operators and his passengers.



Update on Joint Short-Range Transit Plan Study:

As noted in Agenda Item A-6, staff continues to work closely with the consultant team, as well as our partners at SLO Transit and SLOCOG, to conduct the Joint SRTP study. Staff and member of the RTAC have reviewed the administrative drafts of Working Paper #1 Existing Services and Working Paper #2 Goals, Objectives & Standards. All comments have also been provided to the consultant. We expect to receive *Working Paper #3 Survey Findings* before the RTA Board meeting on March 6th. Once comments are addressed by the consultant, we post the final working documents on our website.

The consultant team will lead a discussion during a joint RTAC / SLO Mass Transportation Committee meeting on March 13th to review the first three working papers and to solicit input on potential service, capital and financial alternatives that will be developed and evaluated in subsequent working papers. This joint RTAC/MTC meeting will be conducted from 2:30PM until 4:00PM in the SLO City Council Hearing Room, and it is open to the public. The Hearing Room is adjacent to the Council Chambers located at 990 Palm Street. As a reminder, I expect the consultant team to present the Draft Report to the RTA Board in Fall 2024.

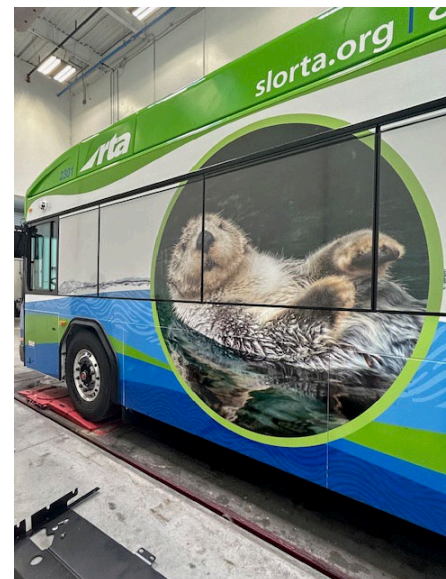
Operations & Maintenance:

Since the previous Board meeting in January, one Bus Operator (Luis V.) completed training and entered revenue service. Two candidates (Matt A. and Will B.) started training in early January, completed classroom and licensing training in late February, and will likely enter revenue service in early March after completing their cadet training. One other candidate is in classroom/licensing (Floyd B.), and three more candidates are in the permitting or background phases. However, three Bus Operators separated employment since the January Board meeting. Also, long-time Nipomo Dial-A-Ride's Jeff G., who has been an RTA employee since 2009, is retiring on February 29th. In total, we now have six open Bus Operator bids – four full-time, one part-time benefited, and one part-time.



After on-going supply chain delays, our first two battery-electric buses (BEBs) entered the Gillig manufacturing line in late-January / early-February. These buses are in final road-testing, and should be delivered in early March. The RTA Board authorized purchase of these two BEBs at its May 2022 meeting. After an anticipated 30-day testing and acceptance

period and another two to three months of Mechanic and Bus Operator training, we expect these two BEBs to enter revenue service in Summer 2024. We will initially deploy the BEBs on Route 12, since the terrain is relatively flat and the average speed is one of the lowest of our intercity routes. We will also test operations on Route 9 SLO-Paso Robles and on Route 10 SLO-Santa Maria to collect and evaluate battery capacity on these more difficult routes, followed by the local fixed-routes in Paso Robles and South County. Once we officially launch the BEBs in revenue service, I



will provide detailed operating and financial results as part of my report at each RTA Board meeting that compares the BEBs against other fleet types.

Three heavy-duty transit bus manufacturers have recently exited or will soon exit the United States market. Specifically:

1. NovaBus announced in June 2023 it was ending bus production, and closing its Plattsburgh, NY facility by 2025.
2. Proterra declared bankruptcy in November 2023, and Volvo completed acquisition of the battery division in early February 2024.
3. Eldorado National Corporation (ENC) announced in January 2024 it will wind-down ops at its Riverside facility by the end of October 2024.

The latter two closures will impact the RTA and our nearby transit partners, since the RTA operates three ENC buses and our nearby partners operate 2022 or 2023 Proterra buses. Fortunately, all three of the RTA's ENC buses are slated for retirement once the five Gillig BEBs are delivered in late 2025. Two heavy-duty transit bus manufacturers remain eligible for purchase under the FTA's Buy America requirements: Gillig in Livermore, CA and New Flyer in Crookston, MN. The existence of only two remaining bus manufacturers will likely result in continuing upward pressure on pricing, as well as likely longer delivery lead-times.

President Andy Pease helped us welcome attendees at an RTA-hosted kick-off event for the Western District ITE Student Leadership Summit on February 2nd. A total of 100 college students from campuses throughout the American West joined us for a discussion on civic engagement, a tour of our Bus Maintenance Facility, breakout presentation sessions, and a "mini" Bus Rodeo.





Marketing & Communications:

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

- New security settings & hosting for our website aimed at preventing any attacks or other mischief.
- New “How to Ride” video to replace outdated one coming soon. Anyone interested in volunteering to be a bus passenger model should contact Mary as soon as possible. Script is completed, and we plan to film in March
- Ran a Bus Operator recruitment ad campaign, primarily on social media channels. Attracted a good pool of applicants, enough so that we have paused the campaign and HR will work through the applicants.
- Subsequently switched the ad campaign to one focused on increasing ridership. Our staff provides personalized trip plans via phone or email. The riders have been thrilled with the information and level of service
- Weather and vandalism have been tough on the bus stop signage. Focus on removing damaged items ASAP and replacing with updated signs. Also replacing sun-faded signage in North County.
- The RFP for contracted bus stop improvement services is slated to close on March 4th. By using an outside vendor, we will be able to significantly increase the pace and range of projects that we can complete. Upcoming improvements include repaired lighting at shelters and replacement shelters at Ramona Garden Park and the Templeton park and ride.
- The updated and improved bus rider app from our ITS vendor Connexionz is available for download. We are promoting it to riders on the ITS screens now.
- Working with Grover Beach on the proposed Route 27 & 28 realignment. Currently waiting to hear back from the City of Grover Public Works on their assessment of the roads onto which we want to move the routes.
- Upcoming: BEB ribbon-cutting ceremony. Date TBD, but hopefully before the next Board meeting if acceptance testing goes well. An invitation will be emailed to Board members, RTAC members and other stakeholders.

Finance and Administration:

At the January 2024 RTA Board meeting, staff received authorization to submit State of Good Repair, Rural Transit Funds, and Low Carbon Transit Operations Program grant proposals to SLOCOG. The Board’s direction included two options: Option 1 projects

that in case SB125 funds are delayed or reduced due to California's projected budget deficit, or Option 2 projects if SB125 funds flow as originally anticipated. As a reminder, SB125 funds include new formula Transit and Intercity Rail Capital Program (TIRCP) and new Zero Emission Transit Capital Program (ZETCP) funds. After conferring with SLOCOG staff, we were encouraged to choose Option 2, since SLOCOG believes the flow of anticipated SB125 funds will not delay any of the projects submitted by the RTA. SLOCOG staff expects publish SGR/RTF/LCTOP funding recommendations at the April 4th SLOCOG Board meeting, while CalSTA expects to allocate SB125 funding no later than April 30, 2024.

The RTA obtained FTA 5307 grant funding to purchase and install Level 2 chargers as part of our procurement of eight full-electric Chevrolet Bolt supervisor and relief driver cars (one in 2023, and seven in 2024). Because the FTA requires environmental review any time that "dirt is turned," it is staff's intent to present environmental findings for using the RTA Policy on Environmental Evaluations adopted by the RTA Board at its May 2016 meeting. This will likely be a July or September agenda item.

The SB125 funding discussed above includes funds to complete master planning for BEB opportunity charging and design for overnight depot charging. We may find that our park-out facilities located on SLO County property in Paso Robles and in Arroyo Grande may not have enough electrical capacity to meet our long-term e-vehicle recharging needs. My staff and I recently met with SLO County officials at our Bus Maintenance Facility to demonstrate the bus recharging system currently in place and how our needs might be accommodated on County property in the coming years. I am working with PG&E officials to help us map existing capacities at both sites, and will provide an update once this information is provided to me. We have also met with City of Paso Robles staff about possible partnership opportunities at their planned new Renewable Energy Park. I will provide a support letter that the City can use as part of its grant proposal package, as well as our North County zero-emission energy needs analysis that was developed as part of our Electrification Readiness Plan.

Our unaudited year-end operating and financial results for the first seven months of FY23-24 (~58% of the fiscal year) are presented in the tables and graphs beginning on page B-1-8. A summary narrative of this year-to-date information is as follows:

- RTA core fixed-route annual ridership totaled 255,500, which is an increase of 8.9% over last year (235,517) but still 38.1% lower than the pre-pandemic total of 413,074. We still have a lot of catching-up to do. Interestingly, the Paso Express ridership is actually up 10.5% in comparison to pre-pandemic levels (69,291 vs. 62,713), while South County Transit ridership is still 15.4% below pre-pandemic (108,770 vs. 128,609), but is up 16.5% compared to FY22-23 ridership (93,399). These results are in line with the experience of many intercity fixed-route operators across the world, where the ridership of local fixed-route operators has essentially recovered while longer/intercity routes continue to lag behind.

- Runabout ridership totaled 15,713 over the past seven months, which is an 12.9% increase compared to the first seven months of FY22-23 (13,916). The pre-pandemic total was 23,310.
- Trends over the past five years for ridership and productivity, which is defined as the average number of passenger-boardings per service hour, are shown in the graphs beginning on page B-1-10. The graphs illustrate the significant pandemic-related drop in ridership beginning in March 2020, ridership recovery beginning in January 2021, and sustaining through the end of January 2024.
- In terms of year-to-date financial results, staff worked hard to keep operating and capital costs within budget in light of the recovering ridership and other financial challenges. Some important takeaways include:
 - In terms of overall non-capital expenses, we expended slightly below budget – 53.8% through the 58.3% of the budget year.
 - Not surprisingly, the farebox recovery ratio for core fixed-route services continues to suffer due to lower ridership compared to pre-pandemic periods at only 8.8%, which is the same level achieved in FY22-23. Runabout's ratio remains low at 2.9%, but is higher than the FY22-23 result (2.4%). The results will remain below our standards until such time that recent high inflation abates and/or ridership fully recovers.
 - The YTD subsidy per passenger-trip on core fixed-route services is slightly lower in comparison to last year (\$15.23 for the first seven months in FY23-24 vs. \$15.68 in FY22-23), despite the increasing cost of items/services. The Runabout subsidy per passenger-trip remains high (\$134.04 vs. \$128.14).

STAFF RECOMMENDATION

Accept this as an information item.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

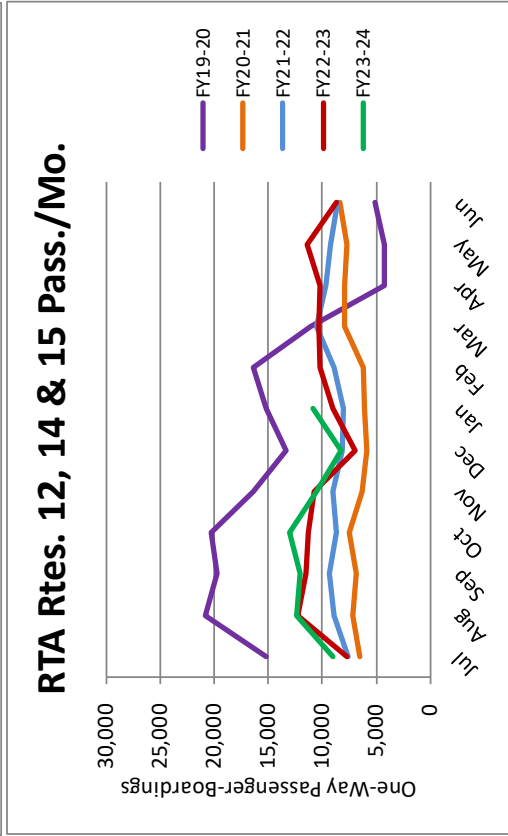
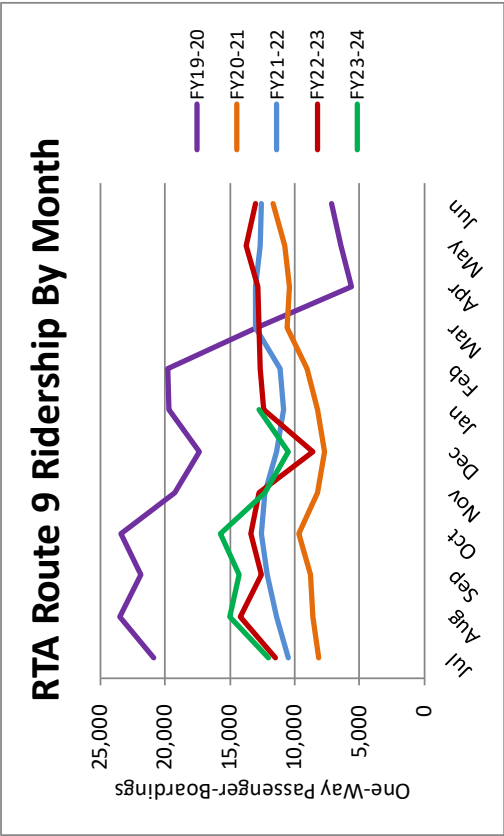
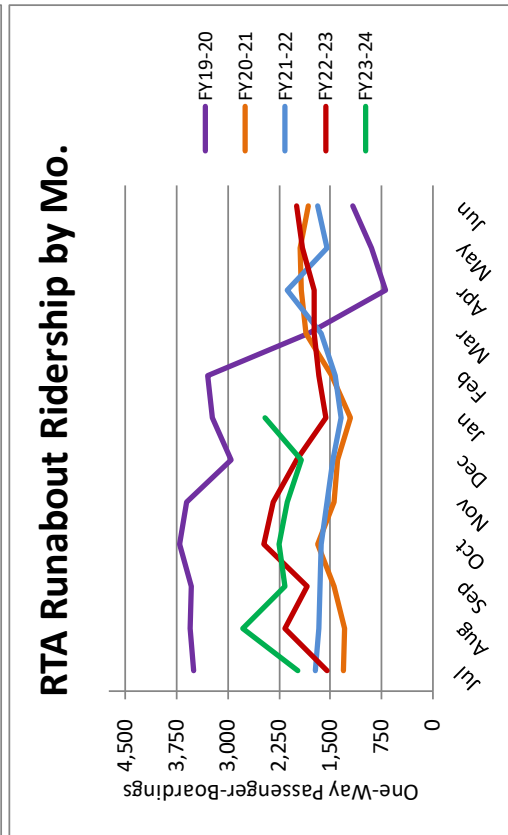
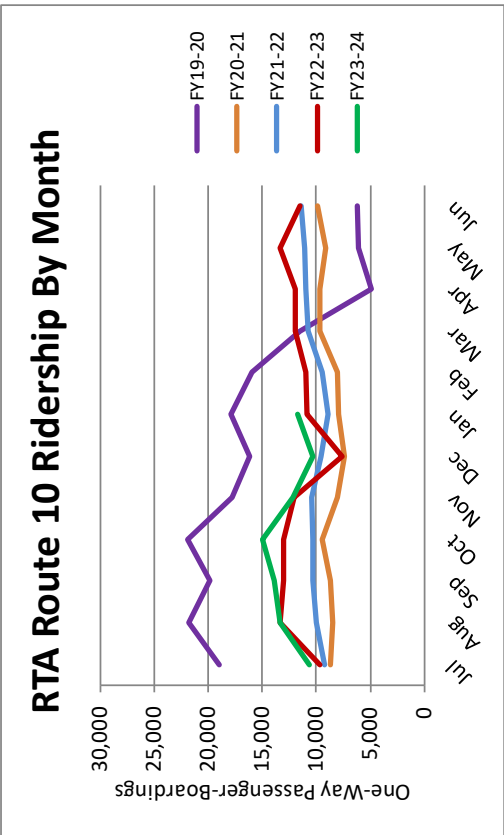
YEAR TO DATE THRU JANUARY 31, 2024

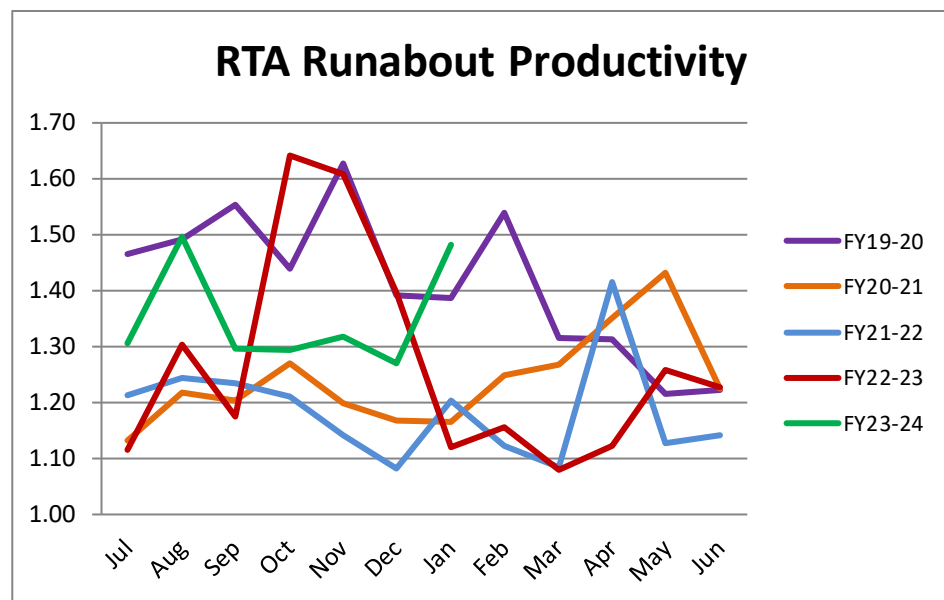
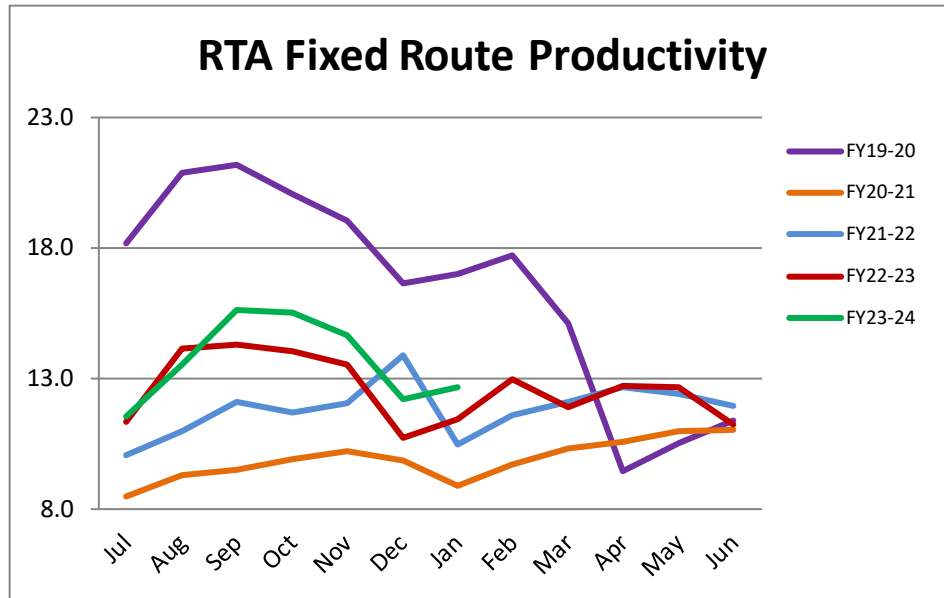
CURRENT FISCAL YEAR - 2023/2024

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE SERVICES	RUNABOUT	SERVICES PROVIDED FOR THE CITY OF PASO ROBLES	SERVICES PROVIDED FOR SOUTH COUNTY TRANSIT	SERVICES PROVIDED FOR THE COUNTY OF SLO	SYSTEM TOTAL
REVENUES:											
FARES	\$ 141,003	\$ 140,981	\$ 81,168	\$ 296	\$ 11,687	\$ 375,135	\$ 62,168	\$ 85,664	\$ 62,555	\$ 10,746	\$ 596,267
TOTAL ROUTE REVENUES	\$ 141,003	\$ 140,981	\$ 81,168	\$ 296	\$ 11,687	\$ 375,135	\$ 62,168	\$ 85,664	\$ 62,555	\$ 10,746	\$ 596,267
EXPENDITURES:											
ADMINISTRATION	\$ 263,299	\$ 222,944	\$ 151,554	\$ 1,797	\$ 69,379	\$ 708,973	\$ 432,728	\$ 32,246	\$ 77,793	\$ 63,829	\$ 1,315,570
MARKETING	14,402	12,170	8,341	109	3,655	38,677	-	-	-	-	38,677
OPERATIONS/CONTINGENCY	978,588	846,380	569,300	6,501	263,176	2,663,946	1,516,070	491,612	1,046,014	296,295	6,013,937
FUEL	195,898	197,155	118,015	1,386	63,147	575,602	118,673	45,625	125,679	22,643	888,221
INSURANCE	95,108	95,734	57,386	662	30,776	279,666	100,922	26,484	65,966	11,682	484,720
TOTAL EXPENDITURES	\$ 1,547,295	\$ 1,374,382	\$ 904,596	\$ 10,456	\$ 430,134	\$ 4,266,864	\$ 2,168,393	\$ 595,967	\$ 1,315,453	\$ 394,449	\$ 8,741,125
FAREBOX RATIO	9.1%	10.3%	9.0%	2.8%	2.7%	8.8%	2.9%	14.4%	4.8%	2.7%	6.8%
SERVICE MILES	177,246.5	178,406.0	106,783.6	1,258.3	57,001.1	520,695.5	187,484.0	49,277.2	122,551.2	22,004.0	902,011.8
SERVICE HOURS	6,958.2	5,876.7	4,024.4	48.2	1,786.2	18,693.7	11,596.0	3,847.2	8,023.8	2,364.0	44,524.7
RIDERSHIP (Automatic Counters)	92,459	86,873	67,900	908	7,360	255,500	15,713	70,545	108,770	7,955	458,483
RIDERS PER MILE	0.52	0.49	0.64	0.72	0.13	0.49	0.08	1.43	0.89	0.36	0.51
RIDERS PER HOUR	13.3	14.8	16.9	18.9	4.1	13.7	1.4	18.3	13.6	3.4	10.3
COST PER PASSENGER	\$ 16.73	\$ 15.82	\$ 13.32	\$ 11.52	\$ 58.44	\$ 16.70	\$ 138.00	\$ 8.45	\$ 12.09	\$ 49.59	\$ 19.07
SUBSIDY PER PASSENGER	\$ 15.21	\$ 14.20	\$ 12.13	\$ 11.19	\$ 56.85	\$ 15.23	\$ 134.04	\$ 7.23	\$ 11.52	\$ 48.23	\$ 17.76

RTA Budget vs. Actual Expenses

		Adopted Budget FY 2023-24	Year to Date FY 2023-24	Percent of Total Budget FY 2023-24
	Hours	83,260	42,161	50.6%
	Miles	1,776,120	880,035	49.5%
Administration:				
Labor	operations cost	1,260,560	719,637	57.1%
Labor - Administration Workers Comp	operations cost	45,630	28,266	61.9%
Office Space Rental	operations cost	58,030	32,102	55.3%
Property Insurance	operations cost	239,060	190,977	79.9%
Professional Technical Services	operations cost	247,410	84,816	34.3%
Professional Development	operations cost	91,450	45,963	50.3%
Operating Expense	operations cost	398,380	226,953	57.0%
Marketing and Reproduction	hourly	148,920	38,677	26.0%
North County Management Contract	operations cost	(55,770)	(32,533)	58.3%
County Management Contract	operations cost	(114,950)	(67,054)	58.3%
SCT Management Contract	operations cost	(133,360)	(77,793)	58.3%
Total Administration		2,185,360	1,190,011	54.5%
Service Delivery:				
Labor - Operations	hourly	7,545,070	4,005,896	53.1%
Labor - Operations Workers Comp	hourly	346,030	214,352	61.9%
Labor - Maintenance	hourly	1,809,490	1,016,996	56.2%
Labor - Maintenance Workers Comp	hourly	94,750	58,694	61.9%
Fuel	miles	1,651,890	888,210	53.8%
Insurance	miles	855,850	484,730	56.6%
Special Transportation (for SLOCAT and Paso)	n/a	33,740	18,182	53.9%
Maintenance (parts, supplies, materials)	miles	1,029,610	481,856	46.8%
Maintenance Contract Costs	miles	167,990	130,221	77.5%
Total Operations		13,534,420	7,299,138	53.9%
Capital/ Studies:				
Computer System Maintenance/Upgrades		180,750	26,131	14.5%
Miscellaneous Capital				
Maintenance Equipment		46,500	10,277	22.1%
Vehicle ITS/Camera System		138,000		
Bus Stop Improvements		467,480	23,982	5.1%
Large Capital Repairs		869,800	-	0.0%
Vehicles				
Support Vehicles		256,070	245,889	96.0%
Fixed Route Vehicles		3,130,460	323,189	10.3%
Trolley Vehicles		293,200	-	0.0%
Cutaway and Dial A Ride Vehicles		177,280	-	0.0%
Runabout Vehicles		834,500	-	0.0%
Total Capital Outlay		6,394,040	629,467	9.8%
Contingency	hourly	187,680	-	0.0%
PERS Buyout		178,310	104,013	58.3%
Loan Repayments		472,140	52,944	11.2%
Short Range Transit Plan		250,000	68,598	27.4%
Management Contracts		304,080	177,380	58.3%
TOTAL FUNDING USES		23,506,030	9,521,551	40.5%
TOTAL NON-CAPITAL EXPENDITURES		16,389,850	8,823,485	53.8%





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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

MARCH 6, 2024

STAFF REPORT

AGENDA ITEM: C-1

TOPIC: Fiscal Year 2024-25 Budget Assumptions

ACTION: Approve FY24-25 Budget Assumptions

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Adopt the Budget Assumptions and Budget Calendar So That a Detailed Work Plan and Budget May Be Developed

STAFF RECOMMENDATION FOR EXECUTIVE COMMITTEE: Bring the Budget Assumptions and Budget Calendar to the Board So That a Detailed Work Plan and Budget May Be Developed

BACKGROUND/DISCUSSION:

The following report outlines staff's recommended budget assumptions for the RTA's Fiscal Year 2024-25 Operating and Capital Budget, and it is the first step in the development of our operating budget and capital program. It should be noted that the RTA is again developing a two-year operating budget and five-year capital budget. As in past years, only the first year would be financially-constrained, while the out-years should be considered advisory. The budget assumptions were presented to the RTA Executive Committee for review and their recommended staff bring the assumptions to the RTA Board at its March 6th meeting. Upon the Board's guidance and approval, staff will prepare a detailed report along with preliminary budget numbers for presentation to the Executive Committee at their April 10th meeting and the Regional Transit Advisory Committee (RTAC) at their April 18th meeting prior to the final draft budget presentation to the full Board on May 1st.

KEY ISSUES

1. Address the uncertainties the agency currently faces, including state funding uncertainty. Impacts of these uncertainties include:
 - a. Liability costs, which have recently stabilized due to the RTA's good safety record, but the market continues to be extremely volatile.
 - b. Continuing to focus on containment of Runabout subsidies, especially as ridership continues to increase as we recover from the pandemic.

- c. Address staffing and retention, particularly in the Bus Operator classification.
2. Continue efforts to implement Zero-Emission Bus technologies, including implementing our first two battery-electric buses (BEBs) in 2024 and expansion of recharging infrastructure for planned additional BEBs in the coming years.
3. State Transit Assistance (STA) funds are projected to be down slightly in the region compared to the original current fiscal year allocation.
4. Local Transportation Funds (LTF) are used primarily for operating purposes, and are also projected to be down in the region. The RTA will continue to maximize all other funding sources first before determining the need for LTF.
5. Federal Transit Administration (FTA) formula funds (Sections 5307, 5339 and 5311) for Federal Fiscal Year 2024 are projected to be higher than in recent years, which may help reduce the need for LTF by all transit operators in the county.
6. Fuel costs continue to be volatile and are significantly higher than in prior years; this also impacts ridership and fare revenues.
7. Completion of the RTA's Joint Short Range Transit Plan (SRTP) in late calendar year 2024 will help guide future RTA services. Interim working papers will also inform FY24-25 budgetary priorities.

Mission Statement

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

Objectives and Revenue Impacts

- 1) Maintain existing service levels and hours of service and, as feasible, increase service, including recommendations from the SRTP and other regional plans, that meet the standards of productivity and demand of our customers and communities through the effective and efficient delivery of RTA Fixed-Route and Runabout core¹ services:
 - a) The RTA originally received \$836,270 in STA funding in FY23-24 for RTA core services. Staff will work with SLOCOG staff to determine a realistic estimate for FY24-25.
 - b) Continue to monitor the results and impacts on ridership and fares based on the existing fare structure, including information received as part of the SRTP regarding likely changes to the fare structure. Staff is also eager to participate in moving to fare platforms such as the Cal-ITP system. The last system-wide fare change was implemented in December 31, 2017, both on RTA Fixed-Route and on the Runabout service, which included the establishment of a Runabout premium service fare.
 - c) The FY23-24 budget adopted in May 2023 included \$6,614,830 in LTF operating revenues. Also at the May 2023 Board meeting, the advisory FY24-25 LTF projection was \$7,365,570. Staff is still developing an estimated annual FY23-24 revenue and expense projection, which impacts the carryover amount that could reasonably be identified for the FY24-25 budget. Staff does anticipate an additional budget amendment for the Board to consider at the May Board meeting to record additional FTA Section 5307 funds for FY23-24, which will increase the LTF carryover for FY24-25.
 - d) FTA Sections 5307, 5311 and 5339 operating funding and capital funding for FY24-25 will be based on feedback received as staff works with SLOCOG and the other transit operators through the programming of projects process. Monies for FTA-funded projects are reimbursed either as progress payments or as full payment at the end of the project and/or fiscal year, which requires focused care by staff to ensure adequate cash flow.
 - e) Detailed miles/hours and span of service for each RTA core Fixed-Route and for Runabout will be provided with the draft budget. For context, detailed budgets based on miles/hours and span of service will also be provided separately for SLO County Services, South County Transit, and North County Local Services.

¹ Core services are defined as:

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

- f) Productivity of each RTA-operated Fixed-Route service during holiday time periods, specifically associated with the service provided during the weeks of Thanksgiving, Christmas and New Years, will be reviewed to determine appropriate service levels.
 - g) Staff will continue to research and evaluate new revenue sources should any potential shortfall in operating revenues arise. If we are unable to secure funding, staff would recommend that the Board consider adjusting the TDA allocation from the RTA jurisdictions and/or adjust service levels.
 - h) Due to changes in self-insured retention requirements, and now that consolidation has been completed, staff is recommending an actuarial study to specifically determine self-insured retentions and reserves for the general liability, workers compensation, and employment practices insurance programs. The estimated cost is \$15,000.
- 2) Work with SLOCOG and our transit agency partners in the region to evaluate region-wide service efficiencies:
- a) Transit agencies across the country were highly impacted by the COVID-19 pandemic, which continues to impact ridership and farebox revenues. As a result, the State of California suspended farebox recovery ratio requirements through the end of FY22-23. Although legislation has not yet been approved to make adjustments to existing TDA law regarding minimum fare recovery ratio requirements moving forward, staff is optimistic that revisions to the legislation will be approved ahead of the penalty year (which would be FY26-27²).
 - b) The RTA will work with SLOCOG staff and other transit providers to evaluate efficiencies in the provision of service throughout the county through both the SLOCOG Social Services Transportation Advisory Committee and through the RTAC.
 - c) Staff will use the *2018-20 RTA Strategic Business Plan* as well as the working papers as they are released for the SRTP that is in progress, to evaluate potential efficiencies and, with Board concurrence, implement efficiencies as appropriate. Additionally, the RTA will address the Zero Emission Bus requirements of the Innovative Clean Transit (ICT) Rollout Plan. The ICT was adopted at the March 2023 Board meeting.

² In the event a transit claimant does not meet its farebox ratio, SLOCOG will comply with provision 6633.9, Non-Compliance with Required Ratio:

- 1. The first year of non-compliance is the grace year. (FY23-24)
- 2. The second year of non-compliance is the non-compliance year. (FY24-25)
- 3. The third year is the determination year. (FY25-26)
- 4. The fourth year is the penalty year: TDA funds are reduced by the difference between the required revenues (in non-compliance year) and the actual revenues. (FY26-27)

- 3) Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs:
 - a) Staff will continue to work with SLOCOG to prioritize capital projects using the State of Good Repair STA (SGR) portion of SB-1 funds. These SB-1 funds are an important source of revenues for the RTA and the other transit operators in our region. It directly impacts the RTA's need for LTF to fund operations and the local match for capital projects by reducing local match needed for federal funds, and interest when financing for capital projects is needed.
 - b) Other potential capital funds intended to support our transition to zero-emission buses include AB617 Clean Air Program, Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), Volkswagen Mitigation Funds, and LCTOP. Staff will continue to leverage all grant funds to the greatest extent possible in order to conserve local funds.
- 4) Address projected changes in demand for Runabout service:
 - a) Runabout service hours and miles are still lower than were originally projected for FY23-24, and staff is closely monitoring service needs to determine when service will return to pre-pandemic levels. Staff will seek the Board's direction as demand is anticipated to increase over time.
 - b) Staff suspended in-person Runabout service eligibility assessments during the pandemic and during the past year so that our training staff could focus on training newly-hired Bus Operator candidates. Staff plans to reinstitute this Runabout eligibility assessments program in FY24-25 to ensure that only those persons truly eligible for Runabout service are initially registered or re-registered as part of the Runabout application process. Staff will also provide mobility training for disabled persons who are able to occasionally use Fixed-Route services for some or all of their travel needs.
 - c) Staff does not foresee needing to move forward with using supplemental taxicab services at this time, but should future Runabout service expansions be required or if staffing shortages persist, staff will revisit this option or other staff classification options.

Expenses Impacts

- 1) Fuel prices continue to be extremely volatile; fuel will be budgeted at \$5.10 per gallon in FY24-25. Included in the Fuel line-item will be diesel exhaust fluid (DEF), which is used to lower diesel exhaust emissions on model year 2015 and newer Fixed-Route vehicles. Should fuel prices substantially increase or decrease to such

a degree that it would have a profound effect on the overall budget, staff will address the change in a budget amendment.

- 2) Related, as we implement BEBs beginning in late FY23-24, we will get a better handle on per-mile electrical recharging costs. However, since only two BEBs will be operated, the overall impact to fueling/energy costs is expected to initially be relatively small in FY24-25.

3) Insurance Expenses:

- a) California Transit Indemnity Pool (CalTIP) liability insurance premiums are projected to increase. The exact amount is not known at this time, as CalTIP actuaries are still working on May 1, 2024 through April 30, 2025 rates. Estimates will be available from CalTIP in time to include in the RTA draft budget presented to the Executive Committee at its April 10, 2024 meeting. Although the experience modification factor of RTA is in line with the statewide pool average, the RTA did experience large claims in February 2019 and January 2021, which continue to impact current and future premiums. The pool had experienced significant negative claims development several years ago but those have stabilized due to efforts of all the member agencies to ensure the stability of the pool and ensure equity in costing among all members. This included a recent actuarial study on the formulas used in applying and calculating each agency's experience modification factor. More importantly, the California liability market continues to contract, which also increases per-mile costs.
- b) CalTIP vehicle physical damage will increase due to the added asset value of newer vehicles in the fleet and the recent property damage seen in the market, namely due to the recent wildfires and flooding in California and other weather-related disasters across the globe.
- c) Our annual Employment Risk Management Authority premium is estimated at \$45,000, with a \$50,000 self-insured retention. This self-insured retention does not currently have a reserve in place to cover it should a loss develop.
- d) Workers compensation premiums charged by our carrier (Public Risk Innovation, Solutions, and Management, or PRISM) are projected to increase slightly, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends in the state are not favorable. Staff will obtain a more refined estimate in early February and again in late March. We continue to work with our employee Safety Committee that evaluates workplace safety and initiates proactive programs to address the number of claims and severity of the claims. Although premiums are expected to rise, a significant portion of that increase is attributable to the increase in wages identified in the collective bargaining agreement.

- e) Property insurance will increase due to now owning the facility at 253 Elks Lane and due to the significant losses in the property insurance market, most recently the wildfires in California and other weather-related disasters globally. Additionally, we are required to maintain flood insurance for our new Bus Maintenance Facility because its construction was federally funded.
- f) For budget-making purposes, staff is assuming an 8% annual increase for healthcare costs for each of the next two fiscal years. Staff believes that this estimate is reasonable based on historical price increases. This will include the paid family leave program that was implemented in July 2022, which brought the leave benefits closer to those offered under the state disability insurance program.

4) Staffing Expenses:

- a) In May 2023 the Board approved a 3-year Collective Bargaining Agreement (CBA) that will expire on December 31, 2025. Staff notes the fiscal uncertainty that the expiration has on the projected FY25-26 information that will be included in the budget presentation.
- b) The number of FY24-25 budgeted full-time equivalent (FTE) positions will remain the same as in FY23-24. Should adjustments to the FTE count need to be revised, staff will bring that proposal to the Board along with any new or revised job descriptions, if applicable.
- c) For FY24-25, the overall number of budgeted positions for the non-core services (North County, SoCo Transit, and SLO County services) will remain the same. It should be noted that the marginal costs and revenues the services will be treated in the budget the same way as prior years: as separate and distinct columns in the budget tables.
- d) An annual inflationary wage adjustment based on the December 2022 to December 2023 Consumer Price Index (CPI) of 3.5% will be implemented in July 2024 for those employees not covered by the collective bargaining agreement. Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments and budgetary authority.
- e) The RTA Board of Directors took action at its September 6, 2023 meeting to implement the increase in contribution percentage of 0.43% for the retirement plan with San Luis Obispo County Pension Trust (SLOCPT) in July 2024 rather than January 2024. Traditionally and in line with how the County treated increases for unrepresented employees in June 2022 for FY22-23 through FY24-25, the RTA will assume the 0.43% pickup. This is related to management, administration and confidential employees, and does not include the employees who are covered by the CBA with Teamsters Local 986.

Proposed Budget Calendar

- February 14 Detailed budget assumptions and revenue forecast to Executive Committee.
- March 6 Obtain Board concurrence on proposed draft budget assumptions.
- March 31 Based on feedback from Executive Committee draft FY24-25 Budget Draft complete.
- April 10 Draft FY24-25 Budget presentation to Executive Committee
- April 18 Formal FY24-25 Budget presentation to RTAC
- May 1 Budget Amendment #2 for FY23-24; Final Board Budget presentation for FY24-25; Board adoption of FY24-25 Budget

Staff Recommendation for the Board:

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