



REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

Wednesday, February 11, 2026

10:00 a.m.

SLOCOG Conference Room
1114 Marsh Street
San Luis Obispo, California

This agenda is available/posted at: <http://www.slorta.org/board/rta-board-meetings>

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.

1. **Call Meeting to Order, Roll Call**
2. **Public Comment:** The San Luis Obispo Regional Transit Authority Executive Committee reserves this portion of the agenda for members of the public to address any items not on the agenda and within the jurisdiction of the Committee. Comments are limited to three minutes per speaker. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.
3. **Closed Session –**
CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)
Agency designated representative: Geoff Straw, Executive Director
Employee organization: Non-represented employees
4. **Consent Items –**
A-1 Executive Committee Meeting Minutes of December 10, 2025 (Approve)
A-2 Executive Committee Meeting Minutes of January 14, 2026 (Approve)
5. **Information Items – None**
B-1 Executive Director’s Report (Verbal, Receive)
6. **Action Items – None**
C-1 Fiscal Year 2026-27 Budget Assumptions (Approve)

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

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

7. **Review of Draft March 4, 2026 Draft RTA Board Agenda:**

Employee Recognition

- Employee of the Quarter
- 15 Years of Service Recognition: Lori Dean

Consent Items

- A-1 Executive Committee Meeting Minutes of January 14, 2026 (Approve)
- A-2 Joint SLOCOG/RTA Board Meeting Minutes of January 7, 2026 (Approve)
- A-3 RTA Board Meeting Minutes of January 7, 2026 (Approve)
- A-4 2026 Summer Youth Ride Free Program (Approve)
- A-5 Procurement of Runabout Vehicles and Declare Vehicle Surplus (Authorize)
- A-6 Mid-Year FY25-26 Strategic Business Plan Results (Receive)
- A-7 AHSC Partnership Letter for Atascadero Paseo Paloma Project (Authorize)
- A-8 Identify RTA Counsel as an RTA Labor Negotiator (Authorize)

Information Items

- B-1 Executive Director's Report (Receive)
- B-2 Electric Bus Operational Data (Receive)
- B-3 Update on Fare Change Implementation & Contactless Fare System (Receive)
- B-4 Update on Discount Eligibility Verification Program (Receive)

Action Items:

- C-1 Classification and Compensation/Benefits Study (Approve)
- C-2 Fiscal Year 2026-27 Budget Assumptions (Approve)

Closed Session Item:

- D-1 CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)
Agency designated representative: Geoff Straw, Executive Director
Employee organization: Non-represented employees

8. **Adjournment**

Next RTA Executive Committee Meeting: **April 8, 2026**



San Luis Obispo Regional Transit Authority
Executive Committee Meeting
Draft Minutes 12/10/2025
A-1

Members Present: Jimmy Paulding, District 4 Supervisor, **President**
Fred Strong, City of Paso Robles, **Past President**

Members Absent: Carla Wixom, City of Morro Bay, **Vice President**

Staff Present: Geoff Straw, RTA Executive Director
Tania Arnold, RTA Deputy Director/CFO
Anthony Kalvans, RTA Administrative Assistant
Jenna Morton, RTA Counsel

Public Present: Aida Nicklin SLOCOG Administrative Assistant

1. **Call to Order and Roll Call: President Paulding** called the meeting to order at 11:53 a.m. and roll call was taken. A quorum was present.
2. **Public Comment:**
There was no public comment given.
3. **Closed Session:** Cancelled
4. **Open Session: RTA Legal Counsel Reports Out:** N/A
5. **Consent Items**
A-1 Executive Committee Meeting Minutes of August 13, 2025 (Approve)

Public Comment:
There was no public comment given.

Mr. Strong motioned to approve, seconded by **Mr. Paulding**. There was unanimous consensus of those present to approve the meeting minutes as is.

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
JIMMY PAULDING	X		
FRED STRONG	X		
CARLA WIXOM			X

6. **Information Items:**

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

Mr. Straw said that five new electric buses have arrived. He also noted that at a recent conference some transit agencies are pushing back on the California Air Resources Board’s Innovative Clean Transit fleet rule because of reliability and cost issues with electric buses.

7. **Action Items:**

There were no actions items for the committee to consider.

8. **Review of Draft January 7, 2026 Draft RTA Board Agenda:**

Mr. Straw presented the draft agenda and said that staff is considering piggybacking on the February 2026 SLOCOG Board Meeting. In addition, Mr. Straw said that item B-2 may get pushed back to the March 2026 RTA Board Meeting.

Public Comment:

There was no public comment given.

Mr. Strong and Mr. Paulding gave consent to approve the draft agenda.

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
JIMMY PAULDING	X		
FRED STRONG	X		
CARLA WIXOM			X

9. **Executive Committee Member Comments and Adjournment**

Mr. Strong and **Mr. Paulding** both thanked staff for their hard work.

The meeting was adjourned at 11:59 AM.

Next RTA Executive Committee Meeting: **February 11, 2026**

Respectfully Submitted,

Acknowledged by,

Anthony Kalvans
Administrative Assistant

Jimmy Paulding
RTA Board President 2025



San Luis Obispo Regional Transit Authority

Executive Committee Meeting

Minutes 1/14/2026

A-2

Members Present: Heather Moreno, District 5 Supervisor, **Vice-President**
Jimmy Paulding, District 4 Supervisor, **Past President**

Members Absent: Carla Wixom, City of Morro Bay, **President**

Staff Present: Geoff Straw, RTA Executive Director
Tania Arnold, RTA Deputy Director/CFO
Jenna Morton, RTA Counsel

Public Present: Eric Greening

1. **Call to Order and Roll Call:** **Vice President Heather Moreno** called the meeting to order at 10:00 a.m. and roll call was taken. A quorum was present.
2. **Public Comment:**
Mr. Eric Greening noted that the card readers are starting to be installed and is thankful the existing fare media will continue to be accepted for the foreseeable future.
3. **Closed Session:**
CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)
Agency designated representatives: Geoff Straw, Executive Director
Employee organization: Non-represented employees

Public Comment:

Mr. Greening noted that employees deserve every penny.

The Committee adjourned to closed session at 10:01 a.m.

The Committee reconvened from closed session at 10:52 a.m.

Ms. Jenna Morton said that there was no reportable action.

4. **Consent Items:** None
5. **Information Items:** None

6. **Action Items:** None

7. **Adjournment**

The meeting was adjourned at 10:53 a.m.

Next RTA Executive Committee Meeting: **February 11, 2026**

Respectfully Submitted,

Acknowledged by,

Tania Arnold
Deputy Director/CFO

Heather Moreno
RTA Board Vice President 2026

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
EXECUTIVE COMMITTEE
FEBRUARY 11, 2026
STAFF REPORT**

AGENDA ITEM: C-1

TOPIC: Fiscal Year 2026-27 Budget Assumptions

ACTION: Approve FY26-27 Budget Assumptions

PRESENTED BY: Tania Arnold, Deputy Director/CFO

**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 2026-27 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. These budget assumptions are being presented to the RTA Executive Committee for review with a staff recommendation that Committee recommend staff bring the assumptions to the RTA Board at its March 4th 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 8th meeting and the Regional Transit Advisory Committee (RTAC) at their April 9th meeting prior to the final draft budget presentation to the full Board on May 6th.

KEY ISSUES

1. Address the uncertainties the agency currently faces, including state and federal funding uncertainty. Impacts of these uncertainties include:
 - a. Impacts of the pending construction on US-101 in the Pismo Beach area, including supporting congestion mitigation efforts.
 - b. Liability costs, which have recently stabilized due to the RTA's good safety record, but the market continues to be extremely volatile due to the increasing number of catastrophic events globally.
 - c. Continuing to focus on containment of Runabout subsidies, especially as ridership continues to increase.

- d. Address staffing and retention, particularly in the Bus Operator classification.
2. Continue efforts to implement Zero-Emission Bus technologies, including commissioning of four battery-electric buses (BEBs) that will be delivered in late 2026 and expansion of recharging infrastructure, including opportunity charging, for planned additional BEBs in the coming years.
3. State Transit Assistance (STA) funds are projected to be down in the region compared to the original FY25-26 allocation.
4. Local Transportation Funds (LTF), which are used primarily for operating purposes, are anticipated to be flat for 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 2026 are projected to be in line with the amount projected for FY26-27 when the FY25-26 budget was adopted in May 2025. However, recent actions at the federal level suggest that changes in both the scale of project funding and scope of the projects that remain eligible will be changed during the fiscal year and beyond.
6. Implementation of the RTA's Joint Short-Range Transit Plan (SRTP) constrained recommendations, including fare structure adjustments and enforcement of the discounted fare policy. The latter will require a temporary increase in operating staff resources, either through direct employment or through a temporary employment agency agreement, equivalent to one full-time equivalent position for up to twelve months. The previous system-wide fare change was implemented on December 31, 2017, both on RTA Fixed-Route and Runabout services.
7. Assist SLOCOG officials in addressing Senior-WAV service levels in the County.

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, including the financially constrained recommendations from the SRTP that were implemented in August 2025. As feasible, increase service, including other 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 core¹ Intercity Fixed-Route and Runabout services:
 - a) The RTA received \$777,928 in STA funding in FY25-26 for RTA core services. Staff will work with SLOCOG staff to determine a realistic estimate for FY26-27 but do anticipate this funding to be down.
 - b) Implement the contactless fare payment program through the California Integrated Travel Project (Cal-ITP) to make travel simpler and more cost-effective for all, including the discount eligibility verification process.
 - c) The FY25-26 budget adopted in May 2025 included \$5,775,900 in LTF operating revenues. Also at the May 2025 Board meeting, the advisory FY26-27 LTF projection was \$8,009,820. Staff is still developing an updated annual FY25-26 revenue and expense projection, which impacts the carryover amount that could reasonably be identified for the FY26-27 budget.
 - d) FTA Sections 5307, 5311 and 5339 operating funding and capital funding for FY26-27 will be based on feedback received as staff works with SLOCOG and our other transit partners 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 Intercity 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 Local Services in Atascadero, Morro Bay, Paso Robles, South County, and rural SLO County. The budget will have summary pages that include revenue and expenditure information for each service.
 - f) Productivity of each RTA-operated Local Services during lower-demand holiday periods, specifically associated with the service provided during the weeks of

¹ Core Intercity Fixed-Route 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

Core services also include Runabout service that matches the fixed-route service days operated in each community.

Thanksgiving, Christmas and New Years, will be reviewed to determine appropriate service levels. Additionally, staff is reviewing service levels on several holidays that have lower productivity for possibly lower-cost service levels. These additional holidays include Veteran's Day, Martin Luther King Junior Day, and President's Day. It is anticipated that a Saturday level of service will be proposed for these three days during FY26-27. Staff will work with the cities of Morro Bay and Atascadero to reflect their service levels during holidays in their respective budgets as we continue to adjust service levels following consolidation into the RTA in June 2025.

- 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 service levels and/or the TDA allocation from the RTA jurisdictions, if time and budgetary authority permits.
- 2) Work with SLOCOG and our transit agency partners in the region to evaluate region-wide service efficiencies:
- a) 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.
 - b) Staff will use the *RTA Strategic Business Plan* to evaluate potential efficiencies. With Board concurrence, staff will develop a timeline to implement efficiencies as appropriate. Additionally, the RTA will address the Zero Emission Bus requirements of our *Innovative Clean Transit* (ICT) Rollout Plan. The ICT Rollout Plan was adopted at the March 2023 Board meeting.
- 3) Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs:
- a) Staff will work with SLOCOG to prioritize SB125 funded capital projects, particularly those related to depot and opportunity charging of battery-electric buses. The RTA has completed or is near completion on two of the twelve SB125 projects awarded by the SLOCOG Board at its December 2023 meeting, as follows:
 - i) RTA-1 – funding gap for five BEB replacement buses (\$1,220k in FY23-24 SB125 funds), which were delivered in Q4 of 2025;
 - ii) RTA-2 – second phase of BEB DC fast-charging system (\$500k in FY23-24 SB125 funds), which was completed mid-FY25-26;

Three projects are currently in either the implementation phase or the procurement phase:

- iii) RTA-3 – bus charging and infrastructure study (\$200k in FY23-24 SB125 funds), which will be completed in Q2 of 2026; and
- iv) RTA-4 – funding gap for four BEB replacement buses (\$2,500,000 in FY24-25 SB125 funds), which are projected to be delivered in Q3 of 2026; and
- v) SLOCOG-5 – regional contactless fare system implementation (\$388k in FY23-24 SB125 funds), which will be fully implemented in Q2 of 2026.

Pending the results of RTA-3 Bus Charging and Infrastructure Study, staff will move forward with additional charging infrastructure projects (RTA-7, RTA-9, RTA-10, RTA-11, RTA-12, and RTA-13), presuming they are supported by the study's recommendations. Staff is evaluating the timeline for additional BEB replacement buses (RTA-6 and RTA-8).

- b) Staff will also continue to work with SLOCOG to prioritize capital projects using the STA State of Good Repair (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.
 - c) 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), 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 slightly lower than were originally projected for FY25-26, 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 we have continued focusing training staff resources on training newly hired Bus Operator candidates. Staff plans to reinstitute this Runabout eligibility assessments program to ensure that only those persons truly eligible for Runabout service are initially registered or re-registered as part of the Runabout application process. This will be completed using by new staff resources that will be added during FY25-26 in conjunction with launching the discount eligibility 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.

Expenses Impacts

- 1) Fuel prices continue to be volatile; fuel will be budgeted at \$4.65 per gallon in FY26-27. 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. Although prices have stabilized as a result of the agreement for fuel services with Easy Fuel approved in May 2024, 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 in revenue service in July 2024, we are getting a better handle on per-mile operational costs. Although the overall impact is relatively small it is increasing notably each year as we increase the proportion of BEB miles operated. In FY25-26, the fleet increased from two BEBs to seven with the arrival of five additional BEBs in Q4 2025. In FY26-27, the BEB fleet will increase again with an additional four more BEBs anticipated to arrive in Q4 of 2026, bringing the total BEB fleet to eleven – or roughly 1/3 of the heavy-duty bus fleet.
- 3) Insurance Expenses:
 - a) Staff worked with an actuarial to complete a review of the self-insured retentions for the various lines of insurance. Although staff does not recommend a change to the self-insured retentions currently, staff is reviewing options to fund a reserve increase to fund the self-insured retentions for the general liability policy and a reserve for the employment practices policy, respectively.
 - b) A review of the pooled reinsurance programs in which the RTA participates was conducted in conjunction with our insurance broker, and the RTA is confident that the policies continue to be well placed in the pooled reinsurance market.
 - c) CalTIP liability reinsurance premiums are projected to increase. The exact amount is not known at this time, as CalTIP actuaries are still finalizing the May 1, 2026 through April 30, 2027 rates. 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.
 - d) CalTIP vehicle physical damage will increase due to the added asset value of newer vehicles, which have risen dramatically in recent years and with the additional cost of electric vehicles. In addition, recent property damage claims seen in the market, namely the increasing number of other disasters across the globe.
 - e) Our annual Employment Risk Management Authority premium is estimated at \$50,000, 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.

- f) Workers compensation premiums charged by our carrier (Public Risk Innovation, Solutions, and Management, or PRISM) are projected to increase, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends in the state are not favorable. We continue to work with our employee Safety Committee, which 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.
- g) Property insurance will increase due to the significant losses in the property insurance market. Additionally, we are required to maintain flood insurance for our Bus Maintenance Facility because its construction was federally funded.
- h) For budget-making purposes, staff is assuming a 10% annual increase for healthcare costs for each of the next two fiscal years. 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 January 2026 the Board approved a two and a half year Collective Bargaining Agreement (CBA) that will expire on June 30, 2028. Staff notes the fiscal impact that the agreement will have on the FY26-27 information that will be included in the budget presentation.
- b) Staff continues to work with Evergreen Solutions on the Classification and Compensation study, which will include a review of the organizational structure and recommend a succession planning program. As noted above, the Short-Range Transit Plan recommends that additional staff resources (equivalent to one full-time equivalent) be secured to more effectively enforce the discount fare program and help roll-out the new Cal-ITP contactless fare-capping system. Should additional adjustments – beyond the one FTE mentioned above – to the number of FY25-26 budgeted FTE positions be recommended or needed, staff will bring that proposal to the Board along with any new or revised job descriptions, if applicable.
- c) An annual inflationary wage adjustment based on December 2024 to December 2025 Consumer Price Index (CPI) of 3.0% will be implemented in July 2026 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.
- d) The RTA Board of Directors took action at its September 3, 2025 meeting to implement the increase in contribution percentage of 1.00% for the retirement

plan with San Luis Obispo County Pension Trust (SLOCPT) in July 2026 rather than January 2026, and the RTA will assume the 1.00% 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 11 Detailed budget assumptions and revenue forecast to Executive Committee.
- March 4 Obtain Board concurrence on proposed draft budget assumptions.
- March 31 Based on feedback from Executive Committee draft FY27 Budget Draft complete.
- April 8 Draft FY27 Budget presentation to Executive Committee
- April 9 Formal FY27 Budget presentation to RTAC
- May 6 Final Board Budget presentation; Board adoption of FY27 Budget

Staff Recommendation for Executive Committee:

Recommend staff provide the FY26-27 budget assumptions and budget calendar to the Board for approval at the March 4th Board meeting, so that a detailed work plan and budget may be developed.

Staff Recommendation for the Board:

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