



REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

PLEASE NOTE THE DATE, TIME, AND LOCATION:

Wednesday April 11, 2018

10:00 a.m. – 11:30 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 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

1. **Call Meeting to Order, Roll Call**
2. **Public Comment:** The Committee reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Executive Committee on 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. **Information Items**
 - A-1 Executive Director's Report (Receive)
4. **Action Items**
 - B-1 Fiscal Year 2018-19 Operating and Capital Budget (Action)
5. **Consent Items**
 - C-1 Executive Committee Meeting Minutes of February 14, 2018 (Action)
 - C-2 Amended Contract with Executive Director (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

6. **May 2, 2018 Draft RTA Board Agenda:** The Executive Committee is asked to review and comment on the proposed agenda items.

Information Items

- A-1 Executive Director's Report (Receive)
- A-2 Update on New Employee Handbook (Receive)
- A-3 Consolidation Update (Receive)

Action Items

- B-1 Fiscal Year 2018-19 Operating and Capital Budget (Action)
- B-2 Designation of the RTA as a CTSA (Action)

Consent Items

- C-1 Executive Committee Meeting Minutes of February 14, 2018 (Information)
- C-2 RTA Board Meeting Minutes of March 7, 2018 (Approve)
- C-3 Draft RTAC Minutes of April 17, 2018 (Information)
- C-4 Strategic Business Plan Performance Measures through February 2018 (Receive)
- C-5 Contract with AGP Video Production of Board Meetings (Approve)
- C-6 Youth Ride Free Summer Promotion (Approve)
- C-7 Amended Contract with Executive Director (Approve)
- C-8 Agreement for County Grant for Beach Trolley (Approve)

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

None

7. **Closed Session**

CONFERENCE WITH LEGAL COUNSEL: It is the intention of the Executive Committee to meet in closed session concerning the following items:

None

8. **Adjournment**

Next RTA Executive Committee Meeting: **June 6, 2018**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

April 11, 2018

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Accept as Information

BACKGROUND/DISCUSSION:

Construction Progress and Mitigations Monitoring for Paso Bus Parking Yard:

The Paso Robles bus parking yard construction project officially broke ground on November 6, 2017, and only the final electrical connection by PG&E remains until project sign-off can occur. Staff from the Wallace Group is assisting RTA with on-going mitigations monitoring. A more detailed mitigations monitoring report will be provided at the May 2018 Board meeting, as required in the Mitigated Negative Declaration determination report adopted at the September 14, 2016 RTA Board meeting.

Operations:

At a special March 21st meeting, the SoCo Transit Board of Directors took further action to consolidate into the RTA. Staff continues to schedule presentations at each RTA and SoCo Transit jurisdiction with the intent of soliciting comments on the revised/restated RTA Joint Powers Agreement. Once comments are incorporated in a final JPA document, staff will seek ratification on the new JPA from each jurisdiction – as well as termination of the existing SoCo Transit JPA from the South County jurisdictions. The planned consolidation will be effective January 1, 2019.

The Employee of the Quarter BBQ and Grand Opening of the Paso Robles Bus Parking Yard is scheduled for April 27th. Please remember to RSVP if you plan to “bus-pool” from the SLO operations yard to the event in Paso Robles.

Unfortunately, we received no bids for the design and construction services to complete the Government Center passenger facility. Staff parsed out the design and engineering services, and published an RFP on April 4th, with bids due on April 25th. Although separating design/engineering from construction may result in slightly higher costs (in comparison to design/build, as originally envisioned), we are hopeful the separation will result in greater interest in the project. Staff will provide an update at the May 2nd Board meeting.

A Bus Operator training class begins today, with graduation slated for May 18th for the two trainees. The RTA eliminated the Special Projects Coordinator position in March, and those resources will instead be used to hire a full-time Transit Trainer that will help our agency with recruiting, training and retaining Bus Operators.

Service Planning & Marketing:

Staff has finalized the RTA Bus Garage Design and Engineering procurement documents. We anticipate completing the FTA grant process in late-April, and advertising the procurement in late-spring/early-summer. This design/engineering project is being funded with FTA Section 5307 funds, with local match provided by the new Senate Bill 1 – Road Repair and Accountability Act (SB-1) funds.

We released a new television commercial in late-March that features RTA, SoCo Transit and Paso Express services. It is currently showing on Charter Cable stations – in both English and Spanish (depending on the channel).

Staff has also posted a new How to Ride animation on our website that appeal to Millennials or others who learn best with animation examples. Staff would appreciate any feedback from Board members and jurisdiction staff on this new animation as well as the existing video accessible from our website.

The Avila-Pismo Beach Trolley began seasonal operations on April 6th. The Beach Trolley route is slightly revised, and includes new service to the Avila Village at the Avila Bay Athletic Club. Staff wishes to thank Supervisor Adam Hill for “sponsoring” the Beach Trolley using his office’s Community Funds to supplement fare revenues, which will help meet SLOCOG’s farebox recovery ratio requirement. We also wish to thank the Avila Foundation for its continued financial support and planning/marketing assistance.

Finance and Administration:

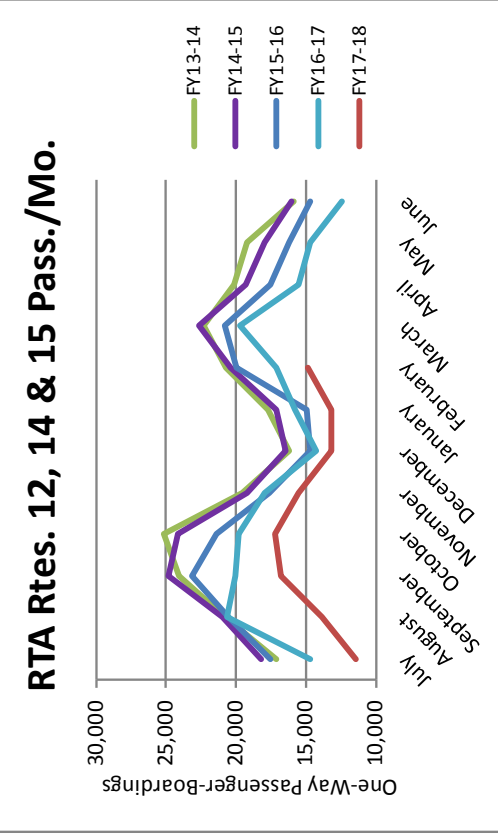
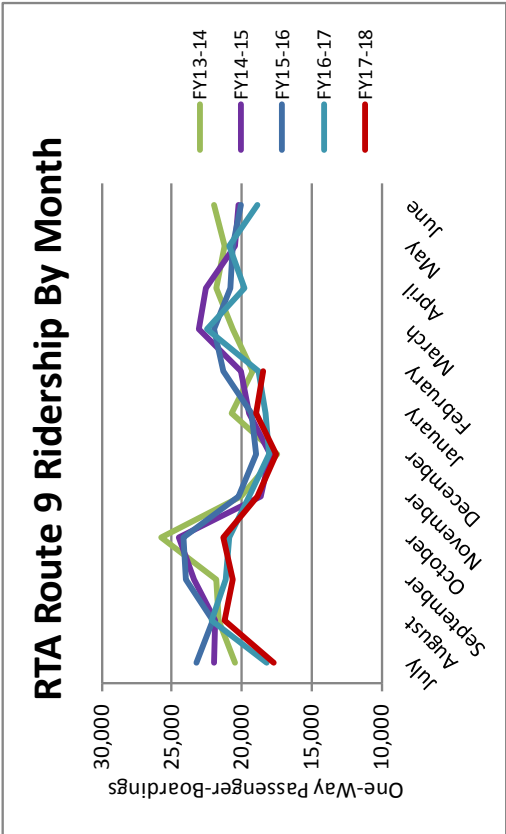
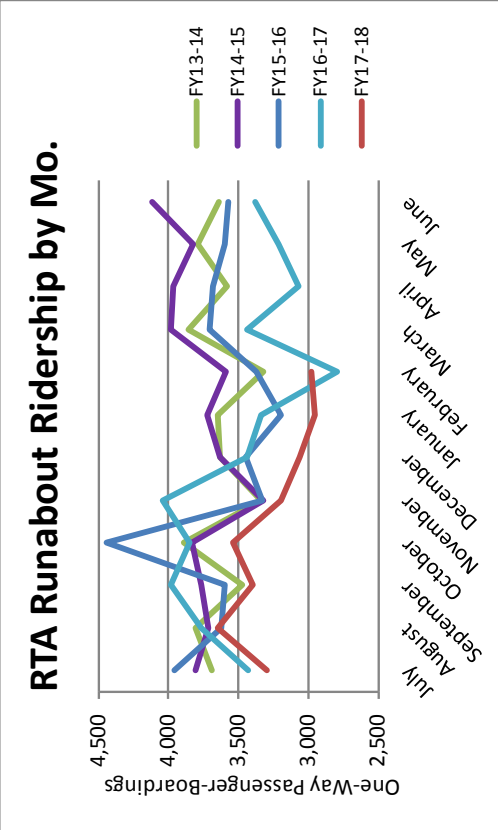
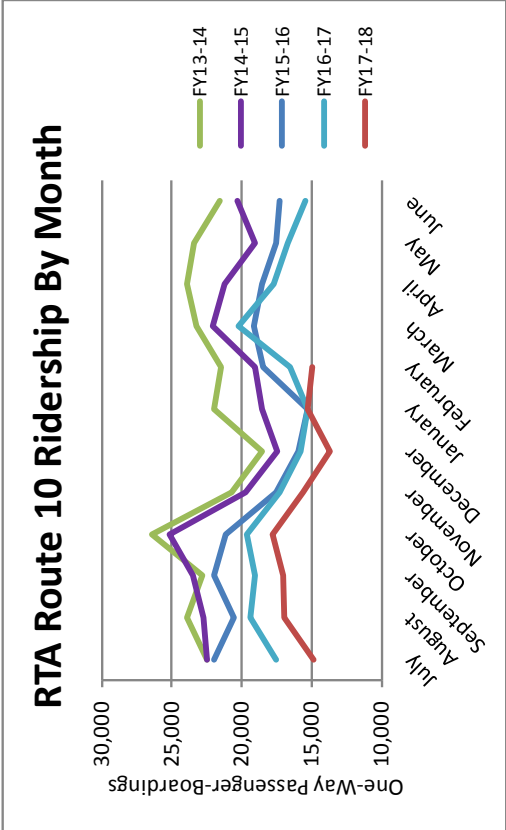
Unfortunately, we were not awarded FTA Bus & Bus Facilities Infrastructure Investment Program funding for our planned garage facility. I believe that we were downgraded because our NEPA/CEQA documents were not fully cleared when our grant proposal was submitted in August 2017 – so I am hoping we will have a better chance in the next round. We will submit an updated grant proposal as soon as the next Notice of Funding Availability is published (likely in June or July).

In response to staff’s request, the SLOCOG Board recently reduced the farebox recovery ratio (FRR) requirement in the Arroyo Grande – Grover Beach Urbanized Area from 20% to 15% pending SoCo Transit’s planned consolidation into the RTA. In addition, the formula used to calculate the RTA’s blended urban/rural farebox was altered slightly; it now uses route miles instead of service hours. The FRR requirement was also lowered in the Paso Robles – Atascadero Urbanized Area to the State-allowed 15%. All of these changes have a five-year limit so that SLOCOG staff can evaluate the impacts and possibly recommend revisions after 2023.

Staff continues to engage California Air Resources Board and SLO Air Pollution Control District officials in discussions on the proposed draft *Innovative Clean Transit* regulation. Because we operate fewer than 100 buses, the RTA would not be subject to the initial 2020 or 2022 mandates that a proportion of new bus procurements be zero-emission. However, the third phase in 2026 requires 75% of all new bus purchases must be zero-emission, and the 2029 requirement is that 100% of all new bus purchases be zero-emission. This aggressive plan would have a profound impact, both in the terms of the capital infrastructure costs associated with electrifying our fleet and possible operating impacts due to limited range of current battery electric bus technologies. We will continue to work with our partners at the California Transit Association and CalACT to ensure the ARB understands our grave concerns about this unfunded mandate. Two of the California Transit Association's sponsored bills address staff's concerns, as summarized below (based on an April 2nd review):

- AB-3201 (Daly), which would clarify the Legislature's support for a well-funded and stable transition to a zero-emission transit bus fleet by ensuring transit agencies retain access to vital incentive funding.
- SB-1434 (Leyva), which would support and accelerate the deployment of battery-electric transit buses by requiring the California Public Utilities Commission to initiate a ratemaking proceeding that addresses the high cost of electricity as a fuel.

Detailed financial and operating results through February 2018 – the first eight months of the fiscal year – will be reported at the RTA Board meeting on May 2nd. In short, ridership is generally holding steady (see graphs below) and financial results are within budgetary limits. More specifically, Route 9 ridership is slightly higher this fiscal year in comparison to the same period last year, while ridership on Routes 10, 12 and especially Route 14 has declined. Runabout ridership continues to be lower than last year.



SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY VISION STATEMENT, VISION ELEMENTS, MISSION STATEMENT AND STRATEGIC DIRECTION

VISION

The RTA of the future is an integral part of the “SLO lifestyle.” From the vineyards in North County, to the secluded beach towns on the North Coast, to multi-faceted communities in the South County, residents and visitors use public transportation rather than relying on their cars.

Vision Elements

- Continue successful partnerships with jurisdictions, county, other public agencies, businesses and schools.
- Provide excellent, reliable, sustainable seamless service that is effective in getting residents and visitors where they want to travel.
- Secure reliable funding.
- Implement an Intelligent Transportation Systems (ITS) program to improve service quality and provide efficiencies.
- Develop a well-executed image-building campaign with a single face for public transportation.

MISSION

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

STRATEGIC DIRECTION

- Stabilize and grow funding.
- Continue to improve service quality: On-time performance, scheduling and routing, customer amenities on our vehicles and at our bus stops, operating procedures.
- Consolidate and streamline operations to improve efficiency and effectiveness of public transportation throughout the county.
- Include public transportation as part of the lifestyle evolution needed to confront climate change.
- Reduce Vehicle Miles Traveled.
- Embrace technological improvements that will positively impact efficiency and quality of service.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY VALUES

Commitment to Serve

Provide valuable services to the public and direct our energies in strengthening our relationships with our customers and the community while maintaining responsible ethical fiscal management.

Leadership

Be trustworthy, credible, confident, progressive and influential in all we do.

Teamwork

Work together with trust, support and mutual cooperation and respect. Provide an environment that fosters frank and open communication. Have Fun in our daily activities and keep issues in perspective. Have pride in our accomplishments while taking on our challenges with spirit and vigor.

Integrity

Promote honesty, loyalty, dignity, respect, decency, fairness, courtesy, responsibility, and character.

Human Development

Provide the appropriate resources and environment for employees to be successful, motivate individuals to take initiative and to be creative in all of our efforts.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

April 11, 2018

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2018-19 Operating and Capital Budget

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Adopt Fiscal Year 2018-19 Budget as Presented

RTAC RECOMMENDATION:

BACKGROUND/DISCUSSION:

We are pleased to present a fiscally constrained Fiscal Year 2018-19 operating budget, and an advisory FY19-20 operating plan. In addition, we are presenting a five-year capital program.

We appreciate the Board's support and leadership. The budget presentation assumes the same core levels of service miles and hours for fixed route services that are currently being operated, with the exception of a new school tripper service between Cayucos and the Morro Bay High School campus. The hours and miles for fixed route services are calculated using the ITS system.

Runabout hours and miles are assumed to decline slightly from FY17-18 with the full impact of the shift implemented in February 2017 by Tri-Counties Regional Center realized. Staff will continue to monitor the Runabout service, including the premium fare charged to TCRC starting in January 2018 and the functional assessments as part of the certification and recertification process. Should service demands change significantly during the fiscal year, a budget amendment will be presented to the Board for consideration.

Route 14 service will continue to operate during peak academic year travel periods between downtown San Luis Obispo and the main Cuesta College campus, our highest trip generators in the regional system. The Route 15 service along the North Coast will continue to operate as a deviated fixed route service to conserve limited resources.

In May 2014, the RTA adopted a reserve policy – one for cash flow purposes, and one for capital projects. As noted during the budget assumptions presentation in March 2018, staff will review this policy during the coming fiscal year to determine an appropriate reserve amount for the self-insured retention requirement for our various lines of insurance.

No Local Transit Fund (LTF) is required for local match for any of the proposed capital projects. The FY18-19 RTA operating budget is proposed at \$9,367,000 and the capital budget is proposed at \$5,118,240. With the additional State Transit Assistance (STA) funds made available through the new Senate Bill 1 – Road Repair and Accountability Act of 2017 (SB1 Augmentation) fund, the LTF request from each RTA jurisdiction has reduced significantly in comparison to original projections.

It should be noted that staff continues to present separate columns in the revenue and expense tables for Paso Robles Express fixed route and dial-a-ride services, as well as for the County-funded (SLOCAT) transit services. This separation is presented so that readers can easily distinguish between core RTA services and those operated under contract for our partner agencies. Staff will present a mock up for demonstration purposes under a separate agenda item what the budget would look like if South County Transit consolidates into the RTA on January 1, 2019.

In summary, RTA staff has done a tremendous job of holding the line on expenses. The major increases in this year's operating budget are costs for vehicle liability insurance, the wage adjustments programmed and projected in the Collective Bargaining Agreement for covered employees, and costs associated with our health plan. Recent declines in fuel costs have provided a welcome financial relief despite associated ridership declines, although we do not expect fuel costs to remain static into the future.

The budget packet contains the following items:

- Our Vision and Mission statements,
- Budget Assumptions adopted by the Board at its March 7, 2018 meeting,
- Fiscally constrained FY18-19 operating and capital budgets,
- Fiscally unconstrained FY19-20 operating budget, and
- Fiscally unconstrained FY19-20 through FY22-23 capital budgets.

Lastly, we have broken each fixed route service into weekday, Saturday and Sunday sections to better understand the financial commitment necessary to operate these distinct services should service reductions become necessary due to funding or other constraints. Staff will be prepared to present a budget amendment in January 2019 should SB1 be repealed by voters in November 2018.

Revised Revenue Assumptions

We are predicating the revenue stream for the FY18-19 budget on the latest information that we have available on Local Transportation Funds (LTF) and State Transit Assistance (STA) funding for the region. SLOCOG's current countywide LTF projection apportionments are up 16% in FY18-19 in comparison to FY17-18 amounts. The original advisory FY18-19 budget presented in May 2017 included an estimated LTF request of \$5,479,010. The influx of STA SB1 Augmentation funds mentioned above that staff is proposing to cover operational costs, partnered with a reduction in cost estimates (primarily workers compensation reductions), resulted in a reduction in the LTF request to \$4,386,600. The FY17-18 request was \$4,350,850.

For FY19-20 staff estimates a roughly 8% increase in operating costs, with a significant portion of the increase for wages as identified in the Collective Bargaining Agreement (CBA). As a result, early projections for FY19-20 LTF funding is up over 16% at \$5,113,570. There are other significant assumptions, including the continued use of STA for operations due to the STA SB1 Augmentation. Staff will provide updates to the Board during future funding presentations.

Staff also worked with SLOCOG to program Rural Transit Funds for operations, which is higher than prior years.

Federal funding apportionments are still being evaluated. Amounts for capital projects in North and South County will need to be adjusted due to reduced federal funding from the FTA Section 5307 Small Transit Intensive Cities program.

Administration and Operations Expenses

Workers compensation insurance provided by CSAC Excess Insurance Authority has decreased, which provided a welcome relief – especially with the realization that worker's compensation for transit services is especially challenging statewide as loss development trends for the state are not favorable. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims. Staff will also investigate any cost-savings that might be accrued if the RTA and SOCO TRANSIT payrolls were to be consolidated.

The overall Administration Expense for RTA core services is relatively flat compared to last fiscal year. Marketing and reproduction has increased slightly with staff anticipating doing a rounded campaign in FY18-19 to address declining ridership, although the cost for conducting a customer perception survey has been removed. Professional development increased to emphasize communication, team building, and prepare staff for the next FTA Triennial Audit.

The proposed service delivery cost is up by roughly 5% from what was identified in the FY17-18 budget. The primary reasons for this increase are described below.

As included in the budget assumptions that your Board accepted in March 2018, the new 4-year CBA was ratified in November 2017, with new wage scales that began January 1, 2018. The FY18-19 budget includes significant changes in wages and benefits, primarily due to the California Legislature's recent minimum wage hike to \$15.00 per hour by 2021 will result in wage compression issues. RTA's current average hourly wage for Bus Operators is \$16.15 per hour, with a current starting wage rate of \$14.30. An annual inflationary adjustment for non-union employees (excluding Operations Supervisors) of 3.6% will be implemented in July 2018. The Operations Supervisor classification CPI increase adjustment will be implemented in January 2019, to coincide with Bus Operator wage scale adjustments identified in the CBA. Employees within the salary range for their position will be eligible for a step merit increase subject

to performance assessments. The wage scales for non-CBA employees is presented in tabular format at the end of this budget document.

Staff has included preliminary numbers for the CalTIP general liability and auto physical damage renewal, as well as the addition of employment practices liability coverage through ERMA. Staff will also be evaluating options for consolidating insurance coverage between RTA and SoCo Transit, which would reduce duplicative administrative charges.

Finally, due to the unrest in North Africa and the Middle East, fuel prices have continued to swing wildly over the past few years. Staff has tried to budget fuel somewhat conservatively, but we may need to adjust it if fuel prices change significantly during the fiscal year. Due to our limited infrastructure, we are unable to purchase fuel in bulk to realize economies of scale. It should be noted that diesel-powered buses manufactured after 2009 also require the use of Diesel Exhaust Fluid (DEF) to meet emissions requirements. DEF costs more than diesel fuel, and it is used at a roughly 5% ratio DEF to diesel; its use is included in the fuel line item.

Fixed Route Ridership Patterns

The draft Short Range Transit Plan includes a number of service improvements to meet current and projected future demand for regional transit services. In particular, new mid-day express runs on Routes 9 and 10, as well as later evening services, were recommended for FY17-18. However, those improvements cannot be implemented without significant new funding and will remain financially-unconstrained until or unless new operating funds can be secured.

Capital Program

The focus of our capital program will continue to be development and implementation of the new bus maintenance facility on Elks Lane, as well as vehicle replacements for both fixed route and Runabout services. We have also programmed the following minor capital projects:

- \$51,700 for specialized maintenance equipment to improve efficiencies;
- One support vehicle replacement;
- Bus stop improvements; and
- Miscellaneous computer equipment, including a network switch replacement and additional server drives.

In FY18-19, funding of \$388,880 is included from the STA SB1 State of Good Repair program to keep the operations and maintenance facility on Elks Lane moving forward. To be conservative, we did not assume the same level of funding in FY19-20 to FY22-23.

It should be noted that a portion of the FY17-18 capital funds for fully funded projects, such as the design and engineering for the operations and maintenance facility on Elks Lane, bus stop improvements, and bus rehabilitation will need to be carried over to

FY18-19. However, due to the timing of the projects and in order to provide a clear picture of what is new and what has been previously programmed, staff is recommending that the Board consider a budget amendment in November 2018 to address carryover items. The carryover will have no financial impact to local jurisdictions.

Also included is a projected five-year capital improvement program as part of the budget plan. While only the first year is financially constrained, the projects identified in the ensuing four years provide a snapshot of future capital needs and potential cost levels. It should be noted that staff has only identified replacement projects and easily identifiable on-going projects (i.e., computer needs and bus stop improvements) in the capital improvement program. No expansion vehicles are included in the base budget. It should be noted that the two recent SLOCOG SB1 Congested Corridor grant proposals include expansion buses; should funding be granted, staff will present a budget amendment for consideration. The capital program also includes the estimated construction cost for the operations and maintenance facility on Elks Lane. These numbers will be revised as staff moves forward with the design and engineering. Also of note is the significant amount included in FY22-23 for 40' fixed route bus replacements. No LTF funds are currently programmed for capital projects.

The final principal payments for the existing loan for the 179 Cross Street building improvements project that began in 2006 will occur in FY18-19.

Conclusion and Staff Recommendation

Fiscal Year 2018-19 will be another challenging year, including financial barriers and the need to implement the long-planned facility related capital project. The prospect of SB1 repeal also looms large, and could result in the need for the RTA to take a larger portion of LTF funds. We look forward to working with our customers, the Board and other stakeholders in providing the highest quality of transportation services to residents of and visitors to our community. We believe that this budget reflects the path set by your Board in previous years and, although we would like to do more, we believe that this budget provides the optimum levels of service within the confines of existing limited resources.

The Staff recommends that the Board adopt the FY18-19 budget as presented.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
March 7, 2018
STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2018-19 Budget Assumptions

ACTION: Approve Budget Assumptions

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Approve Budget Assumptions to Enable Staff to Begin Development of FY18-19 & FY19-20 Operating and Capital Budgets

BACKGROUND/DISCUSSION:

The following report outlines staff's recommended budget assumptions for the RTA's Fiscal Year 18-19 Operating and Capital Budget, and it is the first step in the development of our operating budget and operating program. It should be noted that the RTA is again developing a two-year operating budget and five-year capital budget. As in past years, only the first year would be financially-constrained, while the out-years should be considered advisory. Upon the Board's guidance and approval of these assumptions, staff will prepare a detailed report along with preliminary budget numbers for presentation to the Executive Committee at their April 11th meeting prior to the final draft budget presentation to the Board in May.

KEY ISSUES

1. Address SoCo Transit's request to consolidate with the RTA.
2. State Transit Assistance (STA) funds used primarily for capital projects are projected to be up slightly due to new Senate Bill 1 – Road Repair and Accountability Act (SB-1) funds.
3. Local Transportation Funds (LTF) used for operating purposes are projected to be flat to the region.
4. Liability costs continue to escalate, despite the RTA's good safety record.
5. We continue to focus on Runabout costs, which had been escalating in recent years but have leveled off.
6. Fuel costs continue to remain low; this also results in declining ridership & fares.

Mission Statement

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

Objectives and Revenue Impacts

- 1) Maintain service levels and hours of service that meet the standards of productivity and demand of our customers and communities through the effective and efficient delivery of RTA Fixed Route and Runabout core services.
 - a) SLOCOG is working on STA funding projections for FY17-18 that take into account new SB-1 Road Repair and Accountability Act funds. RTA received just under \$450,000 in STA capital project funding in FY17-18. Staff will work with SLOCOG staff to determine a realistic estimate for FY18-19.
 - b) Continue to monitor the results and impacts of the December 31, 2017 fare increase, both on RTA Fixed Route and on the Runabout service, which included the establishment of a Runabout premium service fare.
 - c) The FY17-18 budget adopted in May 2017 included \$4,488,200 in LTF operating revenues. At that same meeting, the advisory FY18-19 LTF amount was \$5,479,010. Staff is still developing estimated annual FY17-18 expenses, which impacts the carryover amount that could reasonably be identified for the FY18-19 budget.
 - d) Federal Transit Administration (FTA) Section 5307, 5311 and 5339 operating funding and capital funding for FY18-19 will be presented as previously presented in May 2017, taking into account preliminary projected revenues identified in the Fixing America's Surface Transportation (FAST) Act. Should the actual annual authorizations for federal transportation programs increase or decrease for any of these programs, staff would adjust these assumptions accordingly.
 - e) FTA Section 5307 operating funding from the Santa Maria Urbanized Area for RTA Route 10 will be budgeted based on commitments with Santa Barbara County Association of Governments (SBCAG) and the City of Santa Maria. This amount is approximately \$28,000 lower than what was included in the projection for FY18-19 and staff continues discussions with SBCAG officials for Santa Maria UZA funding for RTA Route 10 operations.
 - f) Detailed miles/hours and span of service for each RTA core Fixed Route and Runabout will be provided with the draft budget. For context, detailed budgets based on miles/hours and span of service will also be provided separately for SLO County Services and North County Local Services. Staff will also present a mock budget that includes SoCo Transit under a possible consolidation scenario.

- g) Staff will continue to research and evaluate new revenue resources should any potential shortfall in operating revenues arise. If we are unable to secure funding, staff would recommend that the Board consider adjusting the TDA allocation from the RTA jurisdictions and/or adjust service levels.
 - h) Due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the RTA reserve policy, which was originally adopted in May 2014.
- 2) Address the request for tripper fixed route bus service between Cayucos and Morro Bay High School, as was included in the SLOCOG Unmet Transit Needs process.
 - 3) Work with the SLOCOG in evaluating region-wide service efficiencies.
 - a) Transit agencies across the country have experienced ridership declines due to the relatively low price of fuel and increasing private automobile ownership rates, which are affecting farebox recovery ratios. Other factors also include changes to the California minimum wage. We will continue discussions with SLOCOG regarding RTA's request to reduce the farebox recovery ratio in the three San Luis Obispo County urbanized areas to 15%.
 - b) Review the tasks and financial impacts included in the SoCo Transit contract for administrative, financial, marketing, maintenance and dispatch services, and evaluate efficiencies with the RTA – including SoCo Transit's request to consolidate into the RTA.
 - c) The RTA will work with SLOCOG staff and other transit providers to evaluate efficiencies in the provision of service throughout the county.
 - d) Staff will use the *2018-20 RTA Strategic Business Plan* as well as the *2016 Short Range Transit Plan* to evaluate potential efficiencies, and with Board concurrence, implement efficiencies.
 - 4) Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
 - a) Staff will work with SLOCOG on appropriate projects for the Augmented STA portion of SB-1 funds for RTA projects. For FY17-18, the RTA received funding for the design and engineering of the garage facility on Elks Lane as well as approximately \$59,000 that has been added to capital replacement reserves to match federal funds for three low floor Gillig buses to be delivered in the summer of 2020. These new SB-1 funds are an important source of capital revenues for the RTA and the other transit operators in our region.
 - b) Staff will work with SLOCOG on appropriate projects for future State of Good Repair portion of SB-1 funds for RTA projects, including funding toward the

construction of the garage facility on Elks Lane, reducing the need for LTF or outside financing to fund the project.

- 5) Address projected changes in demand for Runabout service.
 - a) Runabout service hours and miles are projected to remain flat based on recent demand trends, particularly with the shift in Tri-Counties Regional Center ridership that began in February 2017. In FY13-14, the burgeoning demand would have required significant Runabout service level increases but, with a variety of measures implemented at the Board's direction, Runabout demand has decreased.
 - b) To ensure that only those persons truly eligible for Runabout service are initially registered or re-registered, staff will continue to conduct functional assessments as part of the Runabout application process. This process was added in early 2016. Staff will also provide mobility training for disabled persons who are able to use Fixed Route services for some or all of their travel needs. Staff will also work with such as the Paso Robles Independent Skills Program to assist with travel training.
 - c) Staff does not foresee needing to move forward with using supplemental taxicab services, but should future service expansions be required staff will revisit this option.
- 6) Implement the RTA's strategy to develop a long-term administrative, operations and maintenance facility.

Expenses Impacts

- 1) Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.30 per gallon. Included in the fuel line item will be diesel exhaust fluid (DEF), used to lower diesel exhaust emissions on the newer Fixed Route vehicles.
- 2) Insurance Expenses:
 - a) CalTIP liability insurance premiums are projected to increase. The exact amount is not known at this time, as CalTIP actuaries are still working on May 1, 2018 through April 30, 2019 rates. Estimates will be available from CalTIP in time to include in the RTA April 2018 draft budget. Although the number of RTA losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development, and the pool is working to ensure the stability of the pool and ensure equity between all members.
 - b) CalTIP vehicle physical damage will increase minimally due to the added asset value of newer vehicles in the fleet.

- c) As of July 1, 2017 CalTIP no longer provides employment practices liability insurance coverage as part of the premiums paid for general liability coverage. The RTA was able to join the Employment Risk Management Authority (ERMA) to obtain coverage. The annual premium is estimated at \$25,000 with a \$50,000 self-insured retention.
- d) Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends in the state are not favorable. Staff will obtain a more refined estimate in early March. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims.
- e) Property insurance will increase due to the addition of the Paso yard and because of the significant losses in the property insurance market, namely the fires and mudslides in California and hurricanes in the southern United States.
- f) For budget-making purposes, staff is assuming an 8% annual increase for healthcare costs for each of the next two fiscal years.

3) Staffing Expenses:

- a) The new 4-year Collective Bargaining Agreement (CBA) was ratified in November 2017, with new wage scales that began January 1, 2018. The FY18-19 budget will include significant changes in wages and benefits, primarily due to the effects of changes to the California minimum wage program.
- b) For FY18-19 core RTA services, the number of budgeted full-time positions will increase slightly, by approximately a half-time person. More specifically, in an effort to address hiring, retention and losses, a part-time position in training will be converted to a full-time position.
- c) For FY17-18, the overall number of budgeted positions for the North County and SLO County services will remain the same. It should be noted that the marginal costs and revenues the services will be treated in the budget the same way as prior years: as separate and distinct columns.
- d) An annual inflationary adjustment based on the December 2016 to December 2017 Consumer Price Index (CPI) for non-union employees (excluding Operations Supervisors) of 3.6% will be implemented in July 2018. The Operations Supervisor classification CPI increase adjustment will be implemented in January 2019, to coincide with Bus Operator wage scale adjustments identified in the CBA. Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments.

Proposed Budget Calendar

- February 14 Detailed budget assumptions and revenue forecast to Executive Committee
- March 7 Obtain Board concurrence on proposed draft budget assumptions
- March 7 Provide mid-year FY17-18 Budget data to Board (no additional budget amendments are being requested)
- March 31 Based on feedback from Executive Committee draft FY18-19 Budget Draft complete.
- April 11 Draft FY18-19 Budget presentation to Executive Committee
- April 17 Formal FY18-19 Budget presentation to RTAC
- May 2 Final Board Budget presentation; Board adoption of FY18-19 Budget

Staff Recommendation

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

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
PROPOSED OPERATING REVENUE BUDGET FOR 2018/2019**

	2016/2017 COMBINED ACTUAL	2017/2018 ADOPTED OPERATING BUDGET	2017/2018 ADOPTED SLOCAT BUDGET	2017/2018 ADOPTED N. COUNTY BUDGET	2018/2019 PROPOSED OPERATING BUDGET	2018/2019 PROPOSED SLOCAT BUDGET	2018/2019 PROPOSED N. COUNTY BUDGET	2019/2020 PROJECTED OPERATING BUDGET	2019/2020 PROJECTED SLOCAT BUDGET	2019/2020 PROJECTED N. COUNTY BUDGET
FUNDING SOURCES:										
GENERAL RESERVES	2,788,093	1,931,090	245,580	180,800	1,747,520	143,078	174,480	1,558,790	100,900	163,890
1. ESTIMATED FUND BALANCE	2,788,093	1,931,090	245,580	180,800	1,747,520	143,078	174,480	1,558,790	100,900	163,890
2. LESS REQUIRED RESERVES FOR FISCAL YEAR										
CASH FLOW REQUIREMENTS PER TDA	2,357,470	1,455,000	96,710	174,480	1,558,790	100,900	163,890	1,708,660	110,340	180,280
	2,357,470	1,455,000	96,710	174,480	1,558,790	100,900	163,890	1,708,660	110,340	180,280
TOTAL										
3. FUND BALANCE AVAILABLE	430,623	476,090	148,870	6,320	188,730	42,178	10,590	(149,870)	(9,440)	(16,390)
NON TDA SOURCES										
FARES	1,223,742	1,210,730	40,910	102,100	1,263,280	33,320	104,090	1,288,550	33,990	106,170
SCT MANAGEMENT CONTRACT	114,900	119,270	-	-	124,660	-	-	131,050	-	-
COUNTY MANAGEMENT CONTRACT	82,110	85,230	-	-	90,130	-	-	94,750	-	-
NORTH COUNTY MANAGEMENT CONTRACT	40,320	41,850	-	-	43,740	-	-	45,980	-	-
INTEREST	11,287	8,860	650	-	12,150	490	-	8,140	330	-
STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1	-	-	-	-	399,080	109,170	-	553,840	148,220	-
RURAL TRANSIT FUND (Administration)	30,000	30,000	-	-	30,000	-	-	30,000	-	-
RURAL TRANSIT FUND (Operating Funds)	300,000	300,000	-	-	402,460	-	-	402,460	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	520,940	546,990	-	-	574,340	-	-	603,060	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating	524,930	498,210	-	-	503,200	-	-	514,700	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operatin	1,027,723	838,950	-	237,660	878,400	-	249,540	919,820	-	262,021
FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating	332,850	349,490	-	-	366,960	-	-	385,310	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operatin	491,000	513,050	-	-	536,200	-	-	560,510	-	-
CUESTA CONTRIBUTION ROUTE 12	60,450	68,080	-	-	75,220	-	-	84,670	-	-
CUESTA CONTRIBUTION NORTH COUNTY	40,580	-	-	40,580	-	-	40,580	-	-	40,580
SPECIAL EVENTS REVENUE/OTHER	36,008	-	-	-	-	-	-	-	-	-
SUB TOTAL	4,836,840	4,610,710	41,560	380,340	5,299,820	142,980	394,210	5,622,840	182,540	408,771
	5,267,463	5,086,800	190,430	386,660	5,488,550	185,158	404,800	5,472,970	173,100	392,381
4. TOTAL FUND BALANCE & NON TDA FUNDING										
5.										

FUNDING SOURCES:

TDA REQUIRED

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

Population Based

18%

49%

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

6. NET TDA REQUIREMENTS

7. TOTAL FUNDING SOURCES

8. FUNDING USES:

- ADMINISTRATION
- INTEREST EXPENSE
- MANAGEMENT CONTRACTS
- SERVICE DELIVERY
- CONTINGENCY

9. TOTAL FUNDING USES

2016/2017 COMBINED ACTUAL	2017/2018 ADOPTED SLOCAT BUDGET	2017/2018 ADOPTED N. COUNTY BUDGET	2018/2019 PROPOSED OPERATING BUDGET	2018/2019 PROPOSED SLOCAT BUDGET	2018/2019 PROPOSED N. COUNTY BUDGET	2019/2020 PROJECTED OPERATING BUDGET	2019/2020 PROJECTED SLOCAT BUDGET	2019/2020 PROJECTED N. COUNTY BUDGET
200,014	-	-	227,552	-	-	265,263	-	-
334,761	-	-	396,446	-	-	462,147	-	-
150,848	-	-	172,409	-	-	200,981	-	-
118,025	-	-	138,076	-	-	160,959	-	-
923,919	-	567,930	407,287	-	558,480	474,785	-	645,519
88,380	-	-	105,809	-	-	123,344	-	-
673,290	353,940	-	789,588	371,232	-	920,443	427,290	-
1,832,844	353,940	-	2,149,434	371,232	-	2,505,649	427,290	-
4,322,081	353,940	567,930	4,386,600	371,232	558,480	5,113,570	427,290	645,519
(524,930)	-	-	(503,200)	-	-	(514,700)	-	-
3,797,151	353,940	567,930	3,883,400	371,232	558,480	4,598,870	427,290	645,519
9,064,614	544,370	954,590	9,371,950	556,390	963,280	10,071,840	600,390	1,037,900
1,351,072	10,000	58,010	1,569,260	7,500	107,920	1,633,100	6,760	111,810
30,960	-	-	11,640	-	-	-	-	-
237,330	85,230	41,850	124,660	90,130	43,740	131,050	94,750	45,980
7,415,139	427,750	840,600	7,573,670	436,910	800,240	8,207,850	475,350	867,850
17,570	21,390	14,130	92,720	21,850	11,380	99,840	23,530	12,260
9,052,071	544,370	954,290	9,371,950	556,390	963,280	10,071,840	600,390	1,037,900

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
PROPOSED CAPITAL REVENUE BUDGET FOR 2018/2019**

	2016/2017 COMBINED ACTUAL	2017/2018 AMENDED CAPITAL BUDGET	2017/2018 AMENDED SLOCAT BUDGET	2017/2018 AMENDED N. COUNTY BUDGET	2018/2019 PROPOSED CAPITAL BUDGET	2018/2019 PROPOSED SLOCAT BUDGET	2018/2019 PROPOSED N. COUNTY BUDGET	2019/2020 PROJECTED CAPITAL BUDGET	2019/2020 PROJECTED SLOCAT BUDGET	2019/2020 PROJECTED N. COUNTY BUDGET
FUNDING SOURCES:										
1. CAPITAL PROJECTS RESERVE	770,206	821,573	8,690	40,330	656,950	119,330	235,630	530,800	119,330	342,580
2. ESTIMATED FUND BALANCE	770,206	821,573	8,690	40,330	656,950	119,330	235,630	530,800	119,330	342,580
3. LESS REQUIRED RESERVES FOR FISCAL YEAR										
CAPITAL PROJECTS RESERVE	870,593	656,953	119,330	123,740	530,800	119,330	342,580	512,610	119,330	5,320
TOTAL	(100,387)	164,620	(110,640)	(83,410)	126,150	-	(106,950)	18,190	-	337,260
NON TDA SOURCES										
STATE TRANSIT ASSISTANCE (STA) WITH SBI AUGMENTATION IN FY 18/19	518,695	410,000	71,590	57,880	384,580	39,050	106,950	229,820	-	106,950
LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)	26,961	264,040	-	-	-	-	-	-	-	-
PROPOSITION 1B FUNDING - SAFETY & SECURITY	574,699	210,180	39,050	25,530	388,880	-	-	-	-	-
STA SBI AUGMENTATION (Prior Years) & STATE OF GOOD REPAIR	-	806,120	-	-	683,170	-	-	-	-	-
PROPOSITION 1B FUNDING - BUS REPLACEMENT	-	-	-	-	396,000	-	-	-	-	-
CONGESTION MITIGATION AND AIR QUALITY (CMAQ)	-	-	-	-	-	-	-	-	-	-
RURAL TRANSIT FUND (Capital)	63,652	-	-	-	983,970	-	-	290,640	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	97,531	337,090	-	-	-	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5309) - State of Good Repair	4,189	-	-	-	-	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5339) - Bus and Bus Facilities	3,663	79,220	-	-	873,210	65,220	-	351,900	-	409,820
FEDERAL TRANSIT ADM (FTA) (Section 5311f)	295,702	982,170	-	-	398,310	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-North County)	257,531	389,890	-	-	883,970	-	-	290,640	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-South County)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	1,842,623	3,478,710	110,640	83,410	4,992,090	104,270	106,950	1,163,000	-	516,770
4. TOTAL FUND BALANCE & NON TDA FUNDING	1,742,236	3,643,330	-	-	5,118,240	104,270	-	1,181,190	-	854,030
5. NET TDA REQUIREMENTS	-	-	-	-	-	-	-	-	-	26,670
6. TOTAL FUNDING SOURCES	1,742,236	3,643,330	-	-	5,118,240	104,270	-	1,181,190	-	880,700
7. FUNDING USES:										
8. CAPITAL	1,541,640	3,442,730	-	-	4,906,570	104,270	-	1,181,190	-	880,700
9. LOAN PAYDOWN	200,596	200,600	-	-	211,670	-	-	-	-	-
TOTAL FUNDING USES	1,742,236	3,643,330	-	-	5,118,240	104,270	-	1,181,190	-	880,700

Administration and Service Delivery Totals

		Actual Combined FY 2016-17	Amended Operating Budget FY 2017-18	Proposed Operating Budget FY 2018-19	Projected Operating Budget FY 2019-20
	Hours	72,834	77,750	72,080	72,080
	Miles	1,619,141	1,722,730	1,624,850	1,624,850
Administration:					
Labor	operations cost	655,459	855,390	894,050	939,910
Labor - Administration Workers Comp	operations cost	68,662	70,930	65,150	66,450
Office Space Rental	operations cost	404,548	477,880	458,500	472,240
Property Insurance	operations cost	16,340	17,240	19,780	20,180
Professional Technical Services	operations cost	73,266	99,990	98,480	100,940
Professional Development	operations cost	38,663	37,670	46,270	39,270
Operating Expense	operations cost	250,847	270,460	265,450	280,900
Marketing and Reproduction	hourly	80,617	90,720	95,530	103,560
North County Management Contract	operations cost	(40,320)	(41,850)	(43,740)	(45,980)
County Management Contract	operations cost	(82,110)	(85,230)	(90,130)	(94,750)
SCT Management Contract	operations cost	(114,900)	(119,270)	(124,660)	(131,050)
		1,351,072	1,673,930	1,684,680	1,751,670
Total Administration					
		3,786,731	4,245,580	4,556,490	4,974,990
Service Delivery:					
Labor - Operations	hourly	464,554	479,910	440,830	449,650
Labor - Operations Workers Comp	hourly	939,441	989,230	1,033,450	1,132,380
Labor - Maintenance	hourly	135,956	140,450	129,010	131,590
Labor - Maintenance Workers Comp	hourly	778,888	1,054,460	991,560	1,020,710
Fuel	miles	571,725	615,000	720,500	792,550
Insurance (Liability, Physical Damage, Employment Practices miles	n/a	38,668	43,900	43,900	47,930
Special Transportation (for SLOCAT)	n/a	52,150	69,900	61,750	67,420
Avila Trolley	miles	598,140	636,610	703,460	777,330
Maintenance (parts, supplies, materials)	miles	48,886	92,100	129,870	156,500
Maintenance Contract Costs		7,415,139	8,367,140	8,810,820	9,551,050
Total Operations					
		17,570	120,490	125,950	135,630
Contingency	hourly				
		30,960	30,490	11,640	-
Interest Expense	operations cost				
		237,330	246,350	258,530	271,780
Management Contracts					
		9,052,071	10,438,400	10,891,620	11,710,130
TOTAL FUNDING USES					

	Actual Capital Expenditures FY 2016-17	Amended Capital Budget FY 2017-18	Proposed Capital Budget FY 2018-19	Projected Capital Budget FY 2019-20	Projected Capital Budget FY 2020-21	Projected Capital Budget FY 2021-22	Projected Capital Budget FY 2022-23
Capital Expenditures							
Capital/Studies:							
Computer System Maintenance/Upgrades							
Miscellaneous Capital	37,217	52,220	31,830	33,420	35,090	36,840	38,680
Facility Improvements	-	32,540	-	-	-	-	-
Maintenance Equipment	29,103	42,010	-	-	-	-	-
Rotary Lift/Wireless Lift	-	-	-	-	-	-	-
Passenger Protection 1300 buses	4,536	-	-	-	-	-	-
Specialized Maintenance Tools							
Desks and Office Equipment	9,595	33,500	51,700	54,290	-	-	-
Radios	-	6,600	10,000	-	6,600	-	-
Bus Stop Improvements / Bus Stop Solar Lighting							
Vehicle ITS/Camera System	590,451	163,510	-	-	-	-	-
Bus Rehabilitation	16,860	295,100	36,470	38,290	40,200	42,210	44,320
Route/Match Dispatching Software/Call Back System Vehicles	33,150	126,000	-	-	-	-	-
Support Vehicles							
40' Coaches	60,618	-	18,000	-	56,700	63,000	-
Trolley replacement vehicles	204,268	-	3,140,380	-	631,800	1,326,700	4,875,600
Cutaway and Dial A Ride Vehicles	-	-	81,520	880,700	-	-	253,300
Runabout Vehicles	289,284	-	729,320	555,200	261,300	316,600	-
Total Capital Outlay	1,275,082	751,480	4,099,220	1,561,900	1,031,690	1,785,350	5,211,900
Loan Pay down							
Short Range Transit Plans - Nipomo	200,596	200,600	211,670	-	-	-	-
Elks Lane Project	126,391	1,831,420	22,750	-	-	-	-
Paso Property Improvements	140,167	859,830	888,870	499,990	6,000,000	4,000,000	-
TOTAL FUNDING USES	1,742,236	3,643,330	5,222,510	2,061,890	7,031,690	5,785,350	5,211,900

	Total Adopted Budget FY 2017-18	Weekday Proposed Budget FY 2018-19	Saturday Proposed Budget FY 2018-19	Sunday Proposed Budget FY 2018-19	Total Proposed Budget FY 2018-19	Projected Budget FY 2019-20
Route 9						
		12,730	680	460	13,870	13,870
	14,320	343,580	19,880	13,350	376,810	376,810
Hours						
Miles						
Administration:						
Total Administration (Net of Contracts)	319,360	296,640	16,290	10,990	323,920	336,720
Service Delivery:						
Labor - Operations	734,080	770,430	41,150	27,840	839,420	916,520
Labor - Operations Workers Comp	82,880	74,540	3,980	2,690	81,210	82,840
Labor - Maintenance	171,020	174,740	9,330	6,310	190,380	208,620
Labor - Maintenance Workers Comp	24,250	21,810	1,170	790	23,770	24,240
Fuel	230,560	205,460	11,890	7,980	225,330	231,960
Insurance	134,850	149,520	8,650	5,810	163,980	180,380
Maintenance (parts, supplies, materials)	135,730	142,410	8,240	5,530	156,180	172,590
Maintenance Contract Costs	19,640	26,290	1,520	1,020	28,830	34,750
Total Operations	1,533,010	1,565,200	85,930	57,970	1,709,100	1,851,900
Capital/Studies:						
Total Capital Outlay	1,306,750	1,471,730	80,800	54,510	1,607,040	541,840
Contingency	17,490	18,390	980	660	20,030	21,570
Interest Expense	6,270	2,310	120	80	2,510	-
TOTAL FUNDING USES	3,182,880	3,354,270	184,120	124,210	3,662,600	2,752,030
TOTAL NON-CAPITAL EXPENDITURES	1,876,130	1,882,540	103,320	69,700	2,055,560	2,210,190

	Total Adopted Budget FY 2017-18	Weekday			Saturday			Sunday			Total Proposed Budget FY 2018-19	Projected Budget FY 2019-20
		Proposed Budget FY 2018-19	Proposed Budget FY 2018-19	Proposed Budget FY 2018-19	Proposed Budget FY 2018-19	Proposed Budget FY 2018-19	Proposed Budget FY 2018-19	Proposed Budget FY 2018-19	Proposed Budget FY 2018-19			
Route 10												
Administration:												
Total Administration (Net of Contracts)												
Service Delivery:												
Labor - Operations	12,560	10,680	620	370	11,670	11,670	11,670	11,670	11,670	11,670	11,670	11,670
Labor - Operations Workers Comp	394,210	339,370	20,020	12,050	371,440	371,440	371,440	371,440	371,440	371,440	371,440	371,440
Labor - Maintenance												
Labor - Maintenance Workers Comp	295,530	263,640	15,390	9,220	288,250	288,250	288,250	288,250	288,250	288,250	288,250	288,250
Fuel												
Insurance	643,850	646,360	37,520	22,390	706,270	706,270	706,270	706,270	706,270	706,270	706,270	706,270
Maintenance (parts, supplies, materials)	72,700	62,530	3,630	2,170	68,330	68,330	68,330	68,330	68,330	68,330	68,330	68,330
Maintenance Contract Costs	150,010	146,600	8,510	5,080	160,190	160,190	160,190	160,190	160,190	160,190	160,190	160,190
Total Operations	21,270	18,300	1,060	630	19,990	19,990	19,990	19,990	19,990	19,990	19,990	19,990
	235,000	202,940	11,970	7,210	222,120	222,120	222,120	222,120	222,120	222,120	222,120	222,120
	137,450	147,680	8,710	5,240	161,630	161,630	161,630	161,630	161,630	161,630	161,630	161,630
	138,340	140,670	8,300	4,990	153,960	153,960	153,960	153,960	153,960	153,960	153,960	153,960
	20,020	25,970	1,530	920	28,420	28,420	28,420	28,420	28,420	28,420	28,420	28,420
	1,418,640	1,391,050	81,230	48,630	1,520,910	1,520,910	1,520,910	1,520,910	1,520,910	1,520,910	1,520,910	1,520,910
Capital/Studies:												
Total Capital Outlay	1,209,260	1,307,980	76,380	45,730	1,430,090	1,430,090	1,430,090	1,430,090	1,430,090	1,430,090	1,430,090	1,430,090
Contingency	15,330	15,420	900	530	16,850	16,850	16,850	16,850	16,850	16,850	16,850	16,850
Interest Expense	5,500	1,940	110	70	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120
TOTAL FUNDING USES	2,944,260	2,980,030	174,010	104,180	3,258,220	3,258,220	3,258,220	3,258,220	3,258,220	3,258,220	3,258,220	3,258,220
TOTAL NON-CAPITAL EXPENDITURES	1,735,000	1,672,050	97,630	58,450	1,828,130	1,828,130	1,828,130	1,828,130	1,828,130	1,828,130	1,828,130	1,828,130

	Total Adopted Budget FY 2017-18	Weekday Proposed Budget FY 2018-19	Saturday Proposed Budget FY 2018-19	Sunday Proposed Budget FY 2018-19	Total Proposed Budget FY 2018-19	Projected Budget FY 2019-20
Route 12, 14 and 15						
Administration:						
Total Administration (Net of Contracts)						
Service Delivery:						
Labor - Operations	12,000	9,610	1,010	710	11,330	11,330
Labor - Operations Workers Comp	331,620	271,030	29,370	20,420	320,820	320,820
Labor - Maintenance	269,720	227,310	24,140	16,910	268,360	278,940
Fuel	615,150	581,610	61,130	42,970	685,710	748,680
Insurance	69,460	56,270	5,910	4,160	66,340	67,670
Maintenance (parts, supplies, materials)	143,310	131,910	13,860	9,750	155,520	170,410
Maintenance Contract Costs	20,330	16,470	1,730	1,220	19,420	19,800
Total Operations	197,680	162,080	17,560	12,210	191,850	197,490
	115,620	117,940	12,780	8,890	139,610	153,570
	116,380	112,340	12,170	8,460	132,970	146,940
	16,840	20,740	2,250	1,560	24,550	29,590
	1,294,770	1,199,360	127,390	89,220	1,415,970	1,534,150
Capital/Studies:						
Total Capital Outlay	1,103,670	1,127,730	119,780	83,890	1,331,400	448,870
Contingency	14,660	13,880	1,460	1,030	16,370	17,620
Interest Expense	5,260	1,740	180	130	2,050	-
TOTAL FUNDING USES	2,688,080	2,570,020	272,950	191,180	3,034,150	2,279,580
TOTAL NON-CAPITAL EXPENDITURES	1,584,410	1,442,290	153,170	107,290	1,702,750	1,830,710

	Total Adopted Budget FY 2017-18	Total Proposed Budget FY 2018-19	Projected Budget FY 2019-20
Runabout			
	30,710	27,330	27,330
	506,180	453,750	453,750
Administration:			
Total Administration (Net of Contracts)	594,210	554,860	577,140
Service Delivery:			
Labor - Operations	1,574,250	1,654,040	1,805,960
Labor - Operations Workers Comp	177,760	160,030	163,230
Labor - Maintenance	366,760	375,150	411,060
Labor - Maintenance Workers Comp	52,020	46,830	47,770
Fuel	301,750	271,340	279,320
Insurance	176,490	197,460	217,210
Maintenance (parts, supplies, materials)	177,640	188,080	207,830
Maintenance Contract Costs	25,700	34,720	41,840
Total Operations	2,852,370	2,927,650	3,174,220
Capital/Studies:			
Total Capital Outlay	23,630	772,430	589,120
Contingency	37,500	39,470	42,500
Interest Expense	13,460	4,960	-
TOTAL FUNDING USES	3,521,170	4,299,370	4,382,980
TOTAL NON-CAPITAL EXPENDITURES	3,497,540	3,526,940	3,793,860

	Adopted Budget FY 2017-18	Total Proposed Budget FY 2018-19	Projected Budget FY 2019-20
County Services			
Administration:			
Total Administration (Net of Contracts)	95,230	97,630	101,510
Service Delivery:			
Labor - Operations	180,430	194,140	211,970
Labor - Operations Workers Comp	20,830	18,780	19,160
Labor - Maintenance	42,140	44,030	48,240
Labor - Maintenance Workers Comp	6,100	5,500	5,610
Fuel	21,740	19,900	20,490
Insurance	11,090	13,410	14,750
Special Transit (Senior Vans, Incentives, etc)	43,900	43,900	47,930
Avila Trolley	69,900	61,750	67,420
Maintenance (parts, supplies, materials)	27,630	29,970	33,120
Maintenance Contract Costs	4,000	5,530	6,660
Total Operations	427,760	436,910	475,350
Capital/Studies:			
Total Capital Outlay	-	81,520	-
Contingency			
Short Range Transit Plans - Nipomo	21,390	21,850	23,530
Interest Expense	-	-	-
operations cost	-	-	-
TOTAL FUNDING USES	544,380	660,660	600,390
TOTAL NON-CAPITAL EXPENDITURES	544,380	556,390	600,390

	Adopted Total Budget FY 2017-18	Proposed Route A & B Budget FY 2018-19	Proposed Paso DAR Budget FY 2018-19	Total Proposed Budget FY 2018-19	Projected Budget FY 2019-20
North County Services					
Administration:					
Total Administration (Net of Contracts)	99,860	124,380	27,280	151,660	157,790
Service Delivery:					
Labor - Operations	497,830	385,520	91,390	476,910	520,710
Labor - Operations Workers Comp	56,280	37,300	8,840	46,140	47,060
Labor - Maintenance	115,990	87,440	20,730	108,170	118,520
Labor - Maintenance Workers Comp	16,470	10,920	2,590	13,510	13,770
Fuel	67,730	53,010	8,010	61,020	62,810
Insurance	39,500	38,570	5,830	44,400	48,840
Maintenance (parts, supplies, materials)	40,890	36,740	5,550	42,290	46,730
Maintenance Contract Costs	5,910	6,780	1,020	7,800	9,410
Total Operations	840,600	656,280	143,960	800,240	867,850
Capital / Studies:					
Total Capital Outlay	-	-	-	-	-
Contingency	14,130	9,200	2,180	11,380	12,260
Interest Expense	-	-	-	-	-
TOTAL FUNDING USES	954,590	789,860	173,420	963,280	1,037,900
TOTAL NON-CAPITAL EXPENDITURES	954,590	789,860	173,420	963,280	1,037,900

RTA Staff Salary Schedule

Effective July 1, 2018

SLORTA POSITION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
Administrative Assistant	\$40,896.26	\$42,941.08	\$45,088.14	\$47,342.54	\$49,236.24	\$50,713.34	\$51,727.60
Operations Supervisor	\$41,783.24	\$43,872.40	\$46,066.02	\$48,369.32	\$50,304.10	\$51,813.22	\$52,849.48
Administrative Assistant - Finance	\$42,941.08	\$45,088.14	\$47,342.54	\$49,709.67	\$51,698.05	\$53,248.99	\$54,313.97
Accounting Technician	\$42,941.08	\$45,088.14	\$47,342.54	\$49,709.67	\$51,698.05	\$53,248.99	\$54,313.97
Transit Training Instructor/Mobility Specialist	\$47,342.54	\$49,709.67	\$52,195.14	\$54,804.91	\$56,997.10	\$58,707.01	\$59,881.15
Lead Supervisor	\$57,545.15	\$60,422.41	\$63,443.52	\$66,615.71	\$69,280.34	\$71,358.75	\$72,785.92
Human Resources Officer	\$58,983.78	\$61,932.97	\$65,029.61	\$68,281.10	\$71,012.35	\$73,142.71	\$74,605.56
Maintenance Supervisor	\$66,615.71	\$69,946.48	\$73,443.81	\$77,116.00	\$80,200.64	\$82,606.65	\$84,258.78
Manager, Marketing and Community Relations	\$68,281.10	\$71,695.14	\$75,279.90	\$79,043.90	\$82,205.66	\$84,671.82	\$86,365.25
Manager, Safety and Training	\$68,281.10	\$71,695.14	\$75,279.90	\$79,043.90	\$82,205.66	\$84,671.82	\$86,365.25
Grants & Financial Manager	\$75,279.90	\$79,043.90	\$82,996.09	\$87,145.90	\$90,631.73	\$93,350.69	\$95,217.72
Manager, Maintenance and Facilities	\$80,971.80	\$85,020.39	\$89,271.41	\$93,734.99	\$97,484.39	\$100,408.92	\$102,417.10
Manager, Operations	\$93,734.99	\$98,421.74	\$103,342.82	\$108,509.96	\$112,850.36	\$116,235.86	\$118,560.58
Deputy Director/CFO	\$113,935.47	\$119,632.24	\$125,613.85	\$131,894.55	\$137,170.33	\$141,285.44	\$144,111.15



San Luis Obispo Regional Transit Authority

Executive Committee Meeting

Draft Minutes 2/14/2018

C-1

Members Present: Lynn Compton, Past President
Tom O'Malley, President

Members Absent: Dan Rivoire, Vice President

Staff Present: Geoff Straw, Executive Director
Tania Arnold, Deputy Director and CFO
Shelby Walker, Administrative Assistant
Tim McNulty, County Counsel

Also Present: Pete Rodgers, SLOCOG
Eric Greening

1. Call to Order and Roll Call:

President Tom O'Malley called the meeting to order at 10:03 a.m. Silent Roll Call was taken and a quorum was present.

2. Public Comments:

Mr. Eric Greening, stated the unmet transit needs request needs to get in today. He mentioned that the bus operators should have access to restroom facilities in the county or city buildings so they do not have to use local company restrooms, for example at restaurants or coffee shops. **President O'Malley** stated he agreed with **Mr. Greening** and said we should follow up on the issue.

3. Information Items:

A-1 Executive Director's Report

Mr. Straw stated the Paso Robles bus parking yard construction project officially broke ground on November 6, 2017, and paving should be completed by February 12th. Installation of the

modular office unit is slated for completion by the end of February. A detailed mitigations report will be provided at the March 2018 Board meeting. President O'Malley asked if there will be a ribbon cutting at the yard. Mr. Straw stated that there will be no ribbon cutting but the Employee of the Quarter BBQ will be held there in April.

Staff has sent a draft revised RTA Joint Powers Agreement to each City Manager and officials at the County for review and comment. In essence, a new South County Transit Committee would be established in the JPA, and its primary role would be to deliberate over service levels and budget for services provided exclusively within the Arroyo Grande – Grover Beach Urbanized Area. In addition, South County Transit would be abolished as a separate agency, and all assets/liabilities would be transferred to the RTA. All comments from the City Managers will be incorporated into a final draft RTA JPA, which will be presented at the March Board meeting and subsequently presented to each JPA jurisdiction's legislative body.

The Employee of the Quarter event was held in conjunction with an annual dinner on January 21st at the Pismo Beach Moose Lodge. RTA Bus Operator Ms. Michelle Whitten was selected as employee of the quarter, and RTA Supervisor Mr. Mike Buehre was selected for Outstanding Achievement awards. Also acknowledged was Mr. Rod Gill, long time RTA Bus Operator, who retired in January 2018 after 14 years with the RTA and predecessor contractors. Michelle and Rod will attend at the March RTA Board meeting.

Staff has not received any recommended changes to the draft Strategic Business Plan that was presented at the January 2018 Board meeting and distributed to each City Manager and County Public Works. As such, we will present the plan for final adoption at the March 2018 RTA Board Meeting.

In order to ensure a quorum for Action and Consent agenda items, staff moved onto those items and returned to item A-1.

4. Action Items

B-1 FY18-19 Budget Assumptions

Ms. Tania Arnold stated that RTA is 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 key thing will be the SoCo Transit consolidation. The consolidation would have both positive and negative financial impacts on the budget.

Ms. Arnold concluded her report.

Mr. Greening asked if there a more detailed report on the financial impacts of the SoCo Transit consolidation. **Ms. Arnold** stated that we did discuss it related to the management contract that RTA has for services provided to SoCo Transit.

President O'Malley moved approval of action item B-1 and seconded by **Board Member Compton**. The motion carried on a voice vote.

5. Consent Agenda Items

C-1 Executive Committee Meeting Minutes of December 13, 2017

President O'Malley moved approval of consent agenda and seconded by **Board Member Compton**. The motion carried on a voice vote.

Board Member Compton left at 10:12 a.m.

Continued A-1

Mr. Straw continued by stating that staff is finalizing the RTA Bus Garage Design and Engineering grant and procurement documents. We anticipate completing the FTA grant process in spring, and advertising the procurement in late-spring/early-summer. The procurement will include a financial planning element and development of a transportation electrification readiness plan. This design/engineering project is being funded with FTA Section 5307 funds, with local match provided by the new SB-1 funds. **Ms. Arnold** stated that she has been talking to Gold Coast Transit about how they did certificates of participation instead of bonds. Also have been talking with local banks about financing options for construction.

Mr. Straw discussed the Clean Innovative Bus Program for the zero emissions buses. He stated that it is something that we will have to look into in the future when building our new facility and purchasing vehicles. He stated that Governor Brown released his proposed FY18-19 budget. The FY18-19 Governor's Budget represent the first full year of new revenues from SB-1. Transit and intercity rail will receive \$7.6 billion in additional funding, and local governments will have access to \$1 billion for active transportation projects. RTA staff will work with our SLOCOG partners to optimize the use of these new funds, including vital bus replacement and facility construction projects. The STA piece of the that, which is from the sales tax on diesel fuel, will bring in over \$70 million statewide. He then went over the table on A-1-5.

In terms of overall non-capital expenses, we are slightly below budget. RTA core fixed-route ridership totaled down 5.0%. Runabout ridership is down 10.5% lower than the total from the first six months of the previous year. **Ms. Arnold** stated that for Runabout, staff budgeted for a decrease due to the transition of Tri-Counties Regional Center riders.

Mr. Straw concluded his report.

President O'Malley mentioned that he has been hearing about the restroom issues for the bus operators. **Mr. Straw** stated that it is something that staff is working on. Further discussion ensued about possible solutions.

6. Agenda Review:

Mr. Straw reviewed RTA Board Agenda items for the March 7, 2018 meeting. He stated that there may be some items added and that item B-2 would be moved to the consent agenda. **Board Member O'Malley** suggested moving the video camera policy to the action agenda so the Board may discuss it in a little more detail at the meeting.

7. Adjournment: President O'Malley adjourned RTA Executive Committee meeting at 10:47 a.m.

Respectfully Submitted,

Acknowledged by,

Shelby Walker
Administrative Assistant

Tom O'Malley
RTA President 2018

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

April 11, 2018

STAFF REPORT

AGENDA ITEM: C-2

TOPIC: Amended Contract with Executive Director

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Adopt

BACKGROUND/DISCUSSION:

During the recent employee review process, the Executive Director met with the Executive Committee and RTA Board. The amended contract is attached.

Staff Recommendation

Authorize the RTA Board President to approve the amended the contract for the Executive Director.

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

THIS CONTRACT entered into this 2nd day of May 2018 by and between the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (hereinafter referred to as “SLORTA”) and GEOFF STRAW (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 2nd day of May 2018 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. SLORTA shall pay to Employee as compensation in full for all services performed by Employee pursuant to this Contract an annual salary of \$138,753 per year, consisting of a 4.5% merit increase over the existing contract, payable in increments compatible with SLORTA’s payment of other employees. The effective date of this salary shall be January 14, 2018. A salary adjustment shall be determined by the SLORTA Board of Directors annually thereafter.

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 the California Public Employees Retirement Systems's (CALPERS) "2% at Age 55" Plan, and "One-Year Final Compensation" provision, as approved by the Board of Directors for all SLORTA employees. SLORTA further agrees to pay the Employee's full contribution to PERS. These amounts paid by SLORTA are the Employee contributions and are paid by SLORTA to satisfy the Employee's obligation to contribute the current percentage of salary to PERS.

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 coverage is to be provided through the PERS Health Care Services Division; and Dental and Vision is to be provided privately. Should Employee wish to increase health care coverage with CALPERS, 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. In addition, SLORTA will pay \$800.00 at the beginning of each year for Employee to use toward the purchase of an additional life insurance policy.

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) 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

TOM O'MALLEY, President

SHELBY WALKER, Recording Secretary

APPROVED AS TO FORM AND LEGAL EFFECT

TIMOTHY McNULTY, SLORTA Legal Counsel

Dated: _____