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[www.slorta.org](http://www.slorta.org)

## BOARD AGENDA

Wednesday, April 24, 2019

**CITY OF ARROYO GRANDE, CITY COUNCIL CHAMBERS**  
**215 E. Branch Street. Arroyo Grande, California**  
**1:30 p.m. to 3:00 p.m.**  
***(Ending time is approximate)***

Chairperson: Lynn Compton

Vice Chair: Barbara Nicolls

### Board Members:

Lynn Compton (Fourth District – SLO County)  
Jimmy Paulding (Arroyo Grande)

Barbara Nicolls (Grover Beach)  
Sheila Blake (Pismo Beach)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency persons) by contacting the SCT offices at 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

**NOTE:** Arroyo Grande City Offices are served hourly by SCT Route 24.  
Please call 541-2228 for more information.

### FLAG SALUTE

### CALL TO ORDER AND ROLL CALL

**PUBLIC COMMENTS:** This portion of the agenda is reserved for any members of the public to directly address the South County Transit Board on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

### A. INFORMATION AGENDA

- A-1 Administrator's Report (Receive)
- A-2 Strategic Business Plan Results (Receive)

### B. ACTION AGENDA

- B-1 Fiscal Year 2019-20 Budget (Approve)
- B-2 Summer Youth Ride Free Program (Approve)
- B-3 Zero-Emission Vehicle Purchasing Policy (Approve)

South County Transit, operated by the San Luis Obispo Regional Transit Authority, is a Joint Powers Agency serving residents and visitors of: Arroyo Grande, Grover Beach, Pismo Beach, Shell Beach and Oceano

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

- C-1 SoCo Transit Minutes of January 16, 2019 (Approve)
- C-2 South County Transit Internal Controls Update (Information)
- C-3 FTA Drug and Alcohol Policy, and Non-DOT Drug and Alcohol Policy and Testing Provisions Policy (Adopt)
- C-4 South County Transit Employee Handbook (Adopt)
- C-5 Revised Memorandum of Understanding – Dental Program (Adopt)
- C-6 Request Authority for Lease Extension (Approve)

**D. DIRECTORS' COMMENTS**

**E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS**

**ADJOURNMENT**

Next South County Transit Board meeting: **July 17, 2019**

## **SOUTH COUNTY TRANSIT**

**APRIL 24, 2019**

### **STAFF REPORT**

**AGENDA ITEM:** A-1

**TOPIC:** Administrator's Report

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Information

#### **BACKGROUND/DISCUSSION:**

##### **Update on *Innovative Clean Transit* Rule**

On December 14<sup>th</sup>, the California Air Resources Board unanimously passed the *Innovative Clean Transit* rule that will phase out petroleum-fueled public transit buses in the coming decades. In essence, SoCo Transit will be barred from purchasing any new petroleum-powered buses beginning in 2029, and the rule will require sole operation of zero-emission buses by 2040.

To plan for this transition, the RTA will include "base electrical infrastructure" at its new Bus Maintenance Facility that will allow charging of at least four Battery Electric Buses (BEBs), as well as underground conduits, footings for future recharging dispensers and a concrete pad for a second/larger transformer. The RTA will also seek discretionary federal funds to replace two 2010 diesel-powered SoCo Transit buses with BEBs and related charging infrastructure at the Arroyo Grande parking yard.

##### **Operations:**

The RTA and SCT conducted a joint Employee of the Quarter luncheon on February 1<sup>st</sup>, at the RTA operations facility in San Luis Obispo. Join me in congratulating RTA Bus Operator Kirk Perry, who was chosen by his peers as the EOQ. The next EOQ luncheon is scheduled for May 10<sup>th</sup> in Paso Robles.

After an extensive national search, the RTA recently selected Omar McPherson as its new Operations Manager. Omar has admirably served as the RTA Grants and Financial Manager since 2009, so he is a familiar face and he will hit the ground running. One of Omar's roles is to provide day-to-day oversight of the SoCo Transit operations. Please also welcome Kayleigh McLeod into the Human Resources Officer position and Justin Kobielski into the Accounting Technician position.

The FY8-19 SoCo Transit Budget includes funding for one full-time Operations Supervisor, as well as cost-sharing with the RTA for another shared Operations Supervisor. With the departure of the SoCo Transit-funded supervisor, staff notified the

City Managers that we would hire the replacement supervisor into the regional group and charge back the cost to SoCo Transit. This allows us to cross-train all supervisors so that we can provide consistent support to all Bus Operators in the county, including those based in the Arroyo Grande yard that is jointly funded by SoCo Transit and the RTA. From all feedback I have received, this has been a positive change in oversight.

Staff is currently working with SLO County Real Estate Services to extend the lease for the SoCo Transit operating facility on 800 Roadeo Drive in Arroyo Grande. Of particular interest is recognition by the County of repairs that SoCo Transit has had to make to the property, including a recent \$46,100 spent to extensively repair the pavement (up \$9,000 from the original \$37,000 estimate to also fix a broken underground drain pipe). Pismo Beach City Attorney Dave Fleishman is assisting our agency with the lease negotiations. See Agenda Item C-6 for details.

### **Marketing & Service Planning:**

LSC Transportation Consultants is submitting interim documents to staff as part of the Short Range Transit Plans (S RTP) study for SoCo Transit and the various dial-a-ride systems in the county. The *Working Paper #1: Existing Conditions* document is posted on our website, and has been shared with the City Managers and County Public Works staff. *Working Paper #2: Goals and Objectives* will also be posted on our website prior to the Board meeting. On-bus passenger surveys were conducted during the week of March 4<sup>th</sup>. An online general public survey will also be posted on our website and I will announce the opportunity for input at City Council meetings during public comment. The results of those survey efforts, as well as an in-depth analysis of SoCo Transit services, will be included in subsequent working papers that will be submitted in early May. Alternatives to address findings in the initial working papers will be submitted in June; we expect the July SoCo Board meeting to serve as a public hearing to consider input on suggested service, capital, institutional and financial alternatives. The study is fully funded using FTA Section 5307 funds and California STA funds.

SoCo Transit and the RTA launched the previously-discussed Token Transit system in March that allows riding across most fixed-route services in the region (SoCo Transit, RTA, SLO Transit, and Paso Express). This is a mobile ticketing system for iOS and Android smartphones. So far, we have only received positive feedback from users, and we will continue to engage our Bus Operators to determine if additional training or marketing is required.

### **Finance and Administration:**

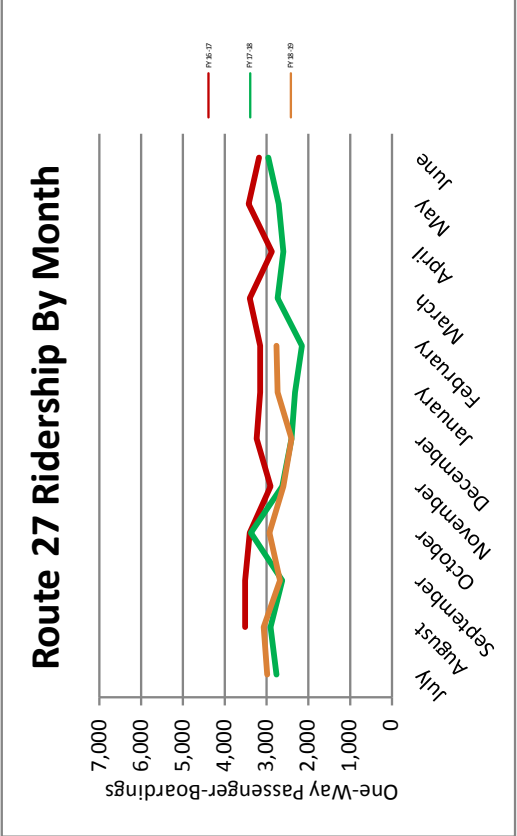
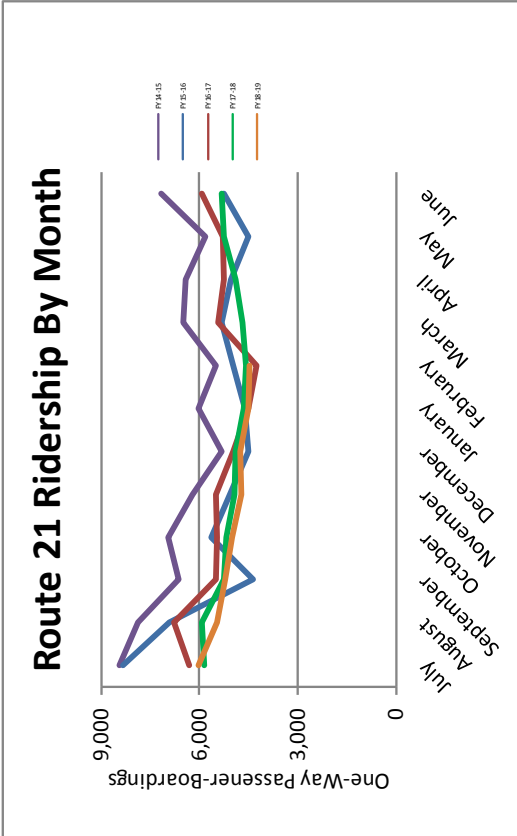
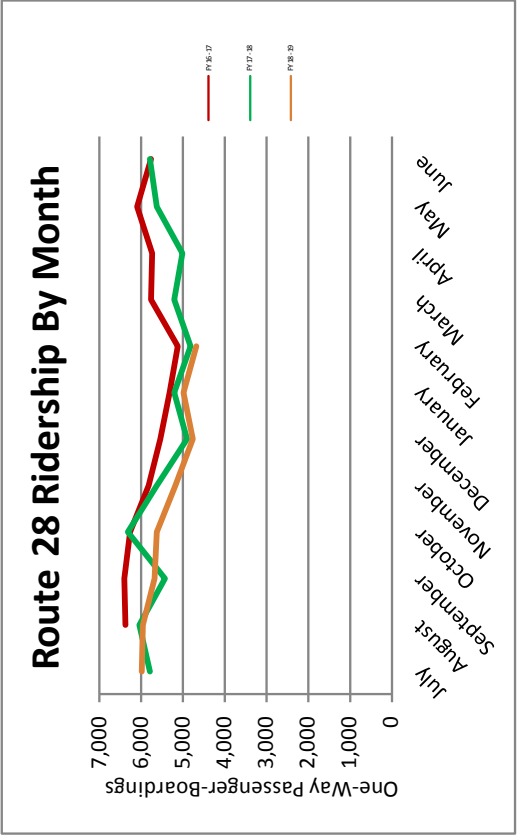
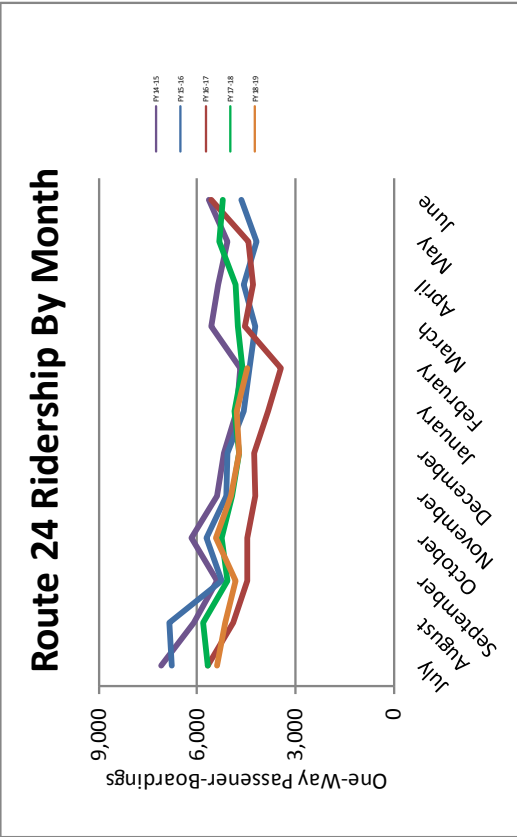
Attached are preliminary operating and financial data for the first eight months of FY18-19. Graphs showing historical ridership and productivity by route are provided in the ensuing pages, followed by a table providing detailed data. In summary, ridership through February 28, 2019 is down 1.4% in comparison to the same period in FY17-18 (150,153 vs. 152,373). The greatest declines were experienced on weekday Route 24 (down 3.4%), followed by Route 21 (down 2.5%) and Route 28 (down 1.6%). Weekday

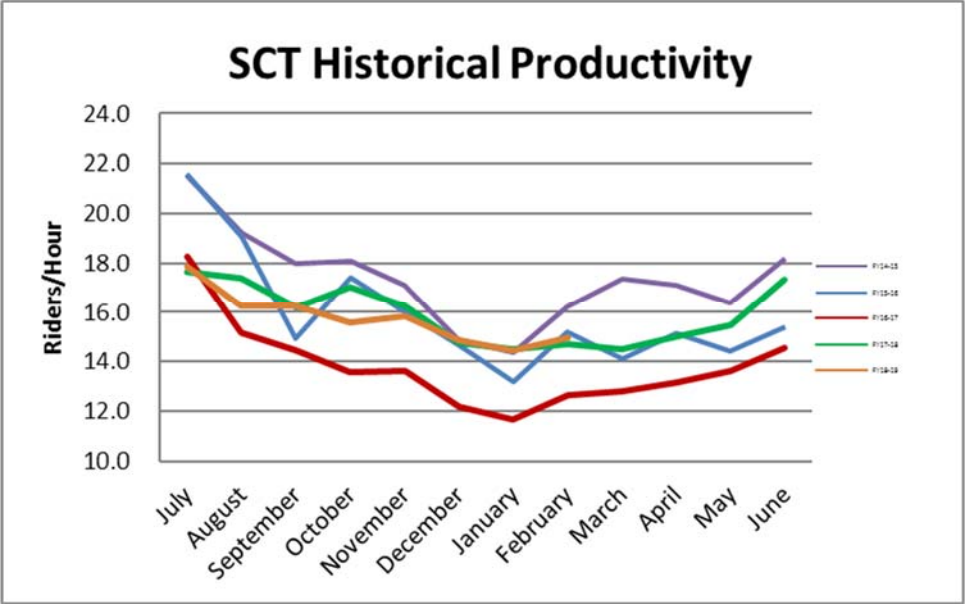
Route 27 ridership was up just over 4% from the prior year. Saturday and Sunday ridership was varied across all routes. Productivity (the average number of one-way passenger boardings per hour of service) remains within the range experienced over the past several years.

The financial results are provided in a table at the end of this report. As shown, we have expended 56.9% of our operating budget through 66.7% of the fiscal year. We are below budget in our three largest line-items – Salaries/Benefits, Maintenance, and Fuel, but due to increasing fuel prices and the programmed wage rate changed in January 2019, we do anticipate these percentages to approach the annual allotment by year's end. The only capital funds expended to date have been for the SRTP, which kicked off in December 2018.

**STAFF RECOMMENDATION:**

Accept this as an information item.





**SOUTH COUNTY TRANSIT**  
**2018-19 Budget vs. Actual (unaudited)**

	<b>FY 18/19 Adopted</b>	<b>November 2018</b>	<b>December 2018</b>	<b>January 2019</b>	<b>February 2019</b>	<b>Year to Date</b>	<b>Percent Year to Date</b>
<b>Use of Resources</b>							
<u>Administrative Expenditures</u>							
Insurance							
Liability & Physical Damage	\$ 115,280	\$ 9,642	\$ 9,642	\$ 9,608	\$ 9,608	\$ 76,671	66.5%
Workers Compensation	51,000	4,026	4,026	4,280	4,280	33,097	64.9%
Property Insurance	740	53	53	53	53	421	57.0%
Rent	30,600	2,550	2,550	2,550	2,550	20,400	66.7%
Utilities	8,980	1,068	1,182	1,149	886	7,305	81.3%
Radio Expense	1,240	103	103	103	103	824	66.5%
Legal Services	1,590	-	-	-	-	155	9.7%
Payroll Processing	760	22	58	56	49	309	40.7%
Administration - Staff Time	81,110	6,759	6,759	6,759	6,759	54,073	66.7%
Finance - Staff Time	14,320	1,193	1,193	1,193	1,193	9,547	66.7%
Marketing - Staff Time	5,530	461	461	461	461	3,687	66.7%
Office Expense/Miscellaneous	7,150	(196)	692	490	741	4,426	61.9%
Audit	3,310	-	-	-	-	3,215	97.1%
Marketing/Community Relations/Printing	16,000	2,646	964	1,958	2,230	12,602	78.8%
Uniforms/Laundry/Physicals/Ads	5,660	216	824	472	601	5,423	95.8%
<u>Operating Expenditures</u>							
Salaries/Benefits	\$ 667,510	\$ 44,190	\$ 42,029	\$ 39,241	\$ 44,543	\$ 361,646	54.2%
Maintenance	226,920	9,156	10,182	16,264	15,127	115,247	50.8%
Dispatch	23,700	1,975	1,975	1,975	1,975	15,800	66.7%
SCT Bus Fuel	201,490	13,694	11,073	13,081	12,177	115,979	57.6%
Contingency	14,630	-	-	-	-	-	0.0%
Total Operating Expenditures	\$ 1,477,520	\$ 97,558	\$ 93,764	\$ 99,694	\$ 103,336	\$ 840,827	56.9%
<u>Capital Service</u>							
Support Vehicle	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Short Range Transit Plan	105,000	-	-	5,220	6,101	11,321	10.8%
Facility Improvements/Bus Stop Amenities	43,410	-	-	-	-	-	0.0%
Transit Center Improvements	93,750	-	-	-	-	-	0.0%
Total Capital Service	\$ 275,160	\$ -	\$ -	\$ 5,220	\$ 6,101	\$ 11,321	4.1%
<b>Total Use of Resources</b>	<b>\$ 1,752,680</b>	<b>\$ 97,558</b>	<b>\$ 93,764</b>	<b>\$ 104,914</b>	<b>\$ 109,438</b>	<b>\$ 852,149</b>	<b>48.6%</b>



**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY  
YEAR TO DATE THRU FEBRUARY 2019**

	RT 21 PISMO & SHELL BEACH	RT 24 GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 27 GROVER B, AG, OCEANO CLOCKWISE	RT 28 GROVER B, AG, OCEANO COUNTER CW	TOTAL WEEKDAY SERVICE	AVILA BEACH TROLLEY
<b>REVENUES:</b>						
FARES	\$ 19,280	\$ 16,381	\$ 18,260	\$ 21,034	\$ 74,954	\$ 6,935
<b>TOTAL ROUTE REVENUES</b>	<b>\$ 19,280</b>	<b>\$ 16,381</b>	<b>\$ 18,260</b>	<b>\$ 21,034</b>	<b>\$ 74,954</b>	<b>\$ 6,935</b>
<b>EXPENDITURES:</b>						
ADMINISTRATION	\$ 13,275	\$ 12,886	\$ 14,079	\$ 15,106	\$ 55,347	\$ 2,340
MARKETING	3,118	3,026	3,343	3,587	13,074	-
OPERATIONS/CONTINGENCY	97,532	94,662	103,320	110,798	406,312	17,631
FUEL	25,333	19,466	20,788	21,724	87,311	5,894
INSURANCE	24,172	18,589	19,851	20,777	83,389	4,880
<b>TOTAL EXPENDITURES</b>	<b>\$ 163,429</b>	<b>\$ 148,630</b>	<b>\$ 161,380</b>	<b>\$ 171,993</b>	<b>\$ 645,432</b>	<b>\$ 30,744</b>
FAREBOX RATIO	11.80%	11.02%	11.31%	12.23%	11.61%	22.56%
<b>SERVICE MILES</b>	<b>33,371.9</b>	<b>25,654.0</b>	<b>27,392.9</b>	<b>28,643.8</b>	<b>115,062.6</b>	<b>7,452.3</b>
<b>SERVICE HOURS</b>	<b>1,761.7</b>	<b>1,708.7</b>	<b>1,861.5</b>	<b>1,998.2</b>	<b>7,330.0</b>	<b>347.1</b>
<b>RIDERSHIP (Automatic Counters)</b>	<b>31,153</b>	<b>30,957</b>	<b>22,150</b>	<b>32,894</b>	<b>117,154</b>	<b>5,171</b>
RIDERS PER MILE	0.9	1.2	0.8	1.1	1.0	0.7
RIDERS PER HOUR	17.7	18.1	11.9	16.5	16.0	14.9
COST PER PASSENGER	\$ 5.25	\$ 4.80	\$ 7.29	\$ 5.23	\$ 5.51	\$ 5.95
SUBSIDY PER PASSENGER	\$ 4.63	\$ 4.27	\$ 6.46	\$ 4.59	\$ 4.87	\$ 4.60
<b>RIDERSHIP (GFI Fareboxes)</b>	<b>25,613</b>	<b>23,952</b>	<b>19,391</b>	<b>24,791</b>	<b>93,747</b>	<b>5,171</b>
RIDERS PER MILE	0.77	0.93	0.71	0.87	0.81	0.69
RIDERS PER HOUR	14.54	14.02	10.42	12.41	12.79	14.90
COST PER PASSENGER	\$ 6.38	\$ 6.21	\$ 8.32	\$ 6.94	\$ 6.88	\$ 5.95
SUBSIDY PER PASSENGER	\$ 5.63	\$ 5.52	\$ 7.38	\$ 6.09	\$ 6.09	\$ 4.60

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS  
YEAR TO DATE THRU FEBRUARY 2019**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	RT 24 - SAT A.G. VILLAGE, PISMO & A.G.	RT 24 - SUN GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 28 - SAT GROVER B, AG, OCEANO COUNTER CW	RT 28 - SUN GROVER B, AG, OCEANO COUNTER CW	TOTAL WEEKEND SERVICE	TOTAL SCT ONLY SERVICE	TOTAL SCT AND AVILA SERVICE
<b>REVENUES:</b>									
FARES	\$ 3,276	\$ 2,315	\$ 3,186	\$ 2,371	\$ 3,482	\$ 3,512	\$ 18,141	\$ 93,095	\$ 100,030
<b>TOTAL ROUTE REVENUES</b>	<b>\$ 3,276</b>	<b>\$ 2,315</b>	<b>\$ 3,186</b>	<b>\$ 2,371</b>	<b>\$ 3,482</b>	<b>\$ 3,512</b>	<b>\$ 18,141</b>	<b>\$ 93,095</b>	<b>\$ 100,030</b>
<b>EXPENDITURES:</b>									
ADMINISTRATION	\$ 2,391	\$ 2,244	\$ 2,423	\$ 2,250	\$ 2,468	\$ 2,262	\$ 14,039	\$ 69,386	\$ 71,726
MARKETING	549	510	559	511	572	512	3,214	16,288	16,288
OPERATIONS/CONTINGENCY	17,483	16,442	17,708	16,483	18,024	16,563	102,703	509,015	526,645
FUEL	4,569	4,351	3,556	3,338	3,571	3,389	22,774	110,085	115,979
INSURANCE	4,411	4,179	3,434	3,208	3,439	3,249	21,920	105,309	110,189
<b>TOTAL EXPENDITURES</b>	<b>\$ 29,404</b>	<b>\$ 27,726</b>	<b>\$ 27,680</b>	<b>\$ 25,791</b>	<b>\$ 28,074</b>	<b>\$ 25,975</b>	<b>\$ 164,650</b>	<b>\$ 810,083</b>	<b>\$ 840,827</b>
FAREBOX RATIO	11.14%	8.35%	11.51%	9.19%	12.40%	13.52%	11.02%	11.49%	11.90%
<b>SERVICE MILES</b>	<b>6,075.6</b>	<b>5,770.1</b>	<b>4,727.4</b>	<b>4,426.7</b>	<b>4,740.3</b>	<b>4,490.9</b>	<b>30,230.9</b>	<b>145,293.5</b>	<b>152,745.8</b>
<b>SERVICE HOURS</b>	<b>318.8</b>	<b>299.3</b>	<b>321.9</b>	<b>300.1</b>	<b>327.5</b>	<b>301.8</b>	<b>1,869.4</b>	<b>9,199.4</b>	<b>9,546.5</b>
<b>RIDERSHIP (Automatic Counters)</b>	<b>5,209</b>	<b>3,851</b>	<b>5,013</b>	<b>3,784</b>	<b>4,825</b>	<b>5,146</b>	<b>27,828</b>	<b>144,982</b>	<b>150,153</b>
RIDERS PER MILE	0.9	0.7	1.1	0.9	1.0	1.1	0.9	1.0	1.0
RIDERS PER HOUR	16.3	12.9	15.6	12.6	14.7	17.1	14.9	15.8	15.7
COST PER PASSENGER	\$ 5.64	\$ 7.20	\$ 5.52	\$ 6.82	\$ 5.82	\$ 5.05	\$ 5.92	\$ 5.59	\$ 5.60
SUBSIDY PER PASSENGER	\$ 5.02	\$ 6.60	\$ 4.89	\$ 6.19	\$ 5.10	\$ 4.37	\$ 5.26	\$ 4.95	\$ 4.93
<b>RIDERSHIP (GFI Fareboxes)</b>	<b>3,599</b>	<b>2,671</b>	<b>3,769</b>	<b>2,856</b>	<b>3,808</b>	<b>3,951</b>	<b>20,654</b>	<b>114,401</b>	<b>119,572</b>
RIDERS PER MILE	0.59	0.46	0.80	0.65	0.80	0.88	0.68	0.79	0.78
RIDERS PER HOUR	11.29	8.92	11.71	9.52	11.63	13.09	11.05	12.44	12.53
COST PER PASSENGER	\$ 8.17	\$ 10.38	\$ 7.34	\$ 9.03	\$ 7.37	\$ 6.57	\$ 7.97	\$ 7.08	\$ 7.03
SUBSIDY PER PASSENGER	\$ 7.26	\$ 9.51	\$ 6.50	\$ 8.20	\$ 6.46	\$ 5.69	\$ 7.09	\$ 6.27	\$ 6.20

## **SOUTH COUNTY TRANSIT**

**April 24, 2019**

### **STAFF REPORT**

<b>AGENDA ITEM:</b>	<b>A-2</b>
<b>TOPIC:</b>	<b>Strategic Business Plan Results</b>
<b>ACTION:</b>	<b>Receive</b>
<b>PRESENTED BY:</b>	<b>Geoff Straw, Administrator</b>
<b>STAFF RECOMMENDATION:</b>	<b>Receive Annual Report on Performance Results Through February 28, 2019</b>

#### **BACKGROUND/DISCUSSION:**

At its April 25, 2018 meeting, the SoCo Transit Board adopted the *SCT 2018-20 Strategic Business Plan (SBP)*. The SBP includes Vision and Mission Statements, as well as “stretch” performance standards to ensure SCT continually seeks to improve its services.

The attached report presents our annual results from July 1, 2018 through February 28, 2019, as well as comparative information in comparison to prior fiscal years. Please note that the financial figures are unaudited estimates, but they provide a reasonable representation of each applicable financial measure. For measurement purposes, our *2011 Short Range Transit Plan* sets the base goals that SCT believes it can achieve, and the SBP sets the standards that we strive to achieve.

The table on the next page presents a “dashboard” view of easily-reported objective standards and our results through February 28, 2019. We did not achieve the adopted standard in those areas presented in red, while the metrics presented in green show our successes. Two “stretch” goals include farebox recovery ratio (actual 11.49% vs. a goal of 20%) and our productivity standard (15.9 vs. a goal of 17.0).

The ensuing pages present a narrative summary for each of the metrics presented in the dashboard, as well as for each of the subjective standards. It should be noted that we are currently conducting a Short-Range Transit Plan study that could recommend revised and/or new standards.

SCT's YTD FY18-19 Performance Results (thru 28-Feb-2019)			
Performance Metric	Standard	Result	Achieved?
Fixed Route Productivity (boardings/hour)	17.0	15.9	No
Fixed Route Service Delivery (actual divided by scheduled)	99%	100%	Yes
Fixed Route On-Time Performance	90%	90%	Yes
Fixed Route Bus Overcrowding	Various load factors	None exceeded	Yes
Systemwide Operating Budget (live within means)	< 100%	85.3% YTD	Yes
Farebox Recovery Ratio (fares / net operating costs)	20.0%	11.5%	No
Preventable Collision Rate (per 100k miles traveled)	1.0	0.0	Yes
Preventable Workers Compensation Rate	Lost-time <4	0	Yes
	Med-only <5	0	
Risk Management Costs (percent of operating budget)	Industry norms	At or below market	Yes
Road Calls (per 100k miles traveled)	5	1.18	Yes

**Staff Recommendation:**

Receive the attached report on performance results achieved year to date in FY18-19.

## Focused 2018-20 Strategic Business Plan Standards of Excellence

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

**Standard 1:** Passengers per vehicle service hour will be 17 or greater.

*Measurement:* Objective.

- Administrator will review monthly and report at each Board meeting.

	Goal	FY2015	FY2016	FY2017*	FY2018*	FY2019*
JUL	15	21	21	18	18	18
AUG	15	19	19	19	17	16
SEP	15	17	15	18	16	16
OCT	15	18	17	17	17	16
NOV	15	17	16	17	16	16
DEC	15	15	15	16	15	15
JAN	15	14	13	15	15	14
FEB	15	16	15	15	15	15
MAR	15	17	14	16	14	
APR	15	17	15	16	14	
MAY	15	16	14	17	15	
JUN	15	18	15	18	17	
YTD		17	16	17	16	

\* Using APC data

SoCo Transit achieved a year to date productivity of only 15.9 through February 28<sup>th</sup>.

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

*Measurement:* Objective.

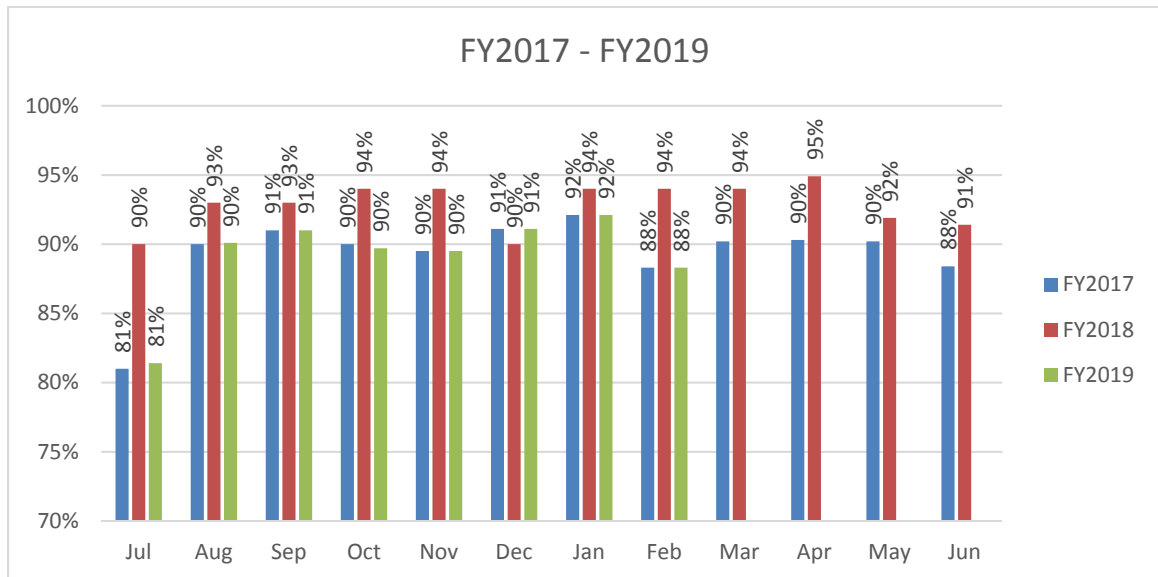
- Reviewed quarterly by Operations, and reported by Administrator bi-annually to the Board.

SoCo Transit delivered 100% of the promised service.

**Standard 3:** The On-time Performance for all regularly-scheduled / year-round services shall be 90% or greater. “On-time” is defined as no later than six minutes from any timepoint in the published schedule. We recognize that making scheduled transfers between buses is vitally important to riders, and staff will explore methods of regularly measuring missed transfers.

*Measurement:* Objective.

- Administrator will report bi-annually to the Board.



**Standard 4:** SoCo Transit will make consistent efforts to explore new service and service delivery options as well as work with regional efficiencies in the delivery of transportation to the jurisdictions

*Measurement:* Subjective.

- Reviewed quarterly by Operations, and reported by Administrator annually to the Board.

The Short-Range Transit Plan study was launched in December 2018, and is being led by LSC Transportation Consultants. The SRTP study will perform an in-depth assessment of current services, and it will provide a 5- to 7-year “road map” for future changes. We anticipate conducting a public hearing during the July 2019 meeting to seek input on potential service, capital, institutional and financial alternatives that could be incorporated in the SRTP report.

Consolidation with the RTA was explored after auditors recommended looking into the idea. Faced with significant farebox recovery ratio penalties in the coming years, it was discovered that SoCo Transit would save money by consolidating services with the RTA. Additional benefits included less costly health benefits for employees and more efficient use of staff resources.

With the introduction of Routes 27 and 28, the SoCo Transit system covers the Five Cities area more efficiently. If further expansion of service is desired, additional resources would be required. While there are areas in Nipomo, Arroyo Grande, and Oceano that are not covered by fixed-route bus service, these areas are relatively isolated and/or not densely populated.

**Standard 5:** SoCo Transit will measure Overcrowding as the frequency of instances that the number of passengers on a bus exceeds the number of seats (i.e., 34 passengers on a 34-seat bus equates to a Load Factor of 1.00), as well as the duration of exceedances. The Overcrowding standard for regular fixed-route services is no more than 10% of the monthly total number of bus trips that exceed a Load Factor of 1.25 for greater than 20 minutes. If the Load Factor standard is exceeded, staff will assign a larger vehicle (if possible); otherwise, the Board will direct staff to evaluate adding scheduled bus trips to spread out the passenger loads.  
*Measurement:* Objective.

- Reviewed quarterly by Operations, and reported by the Administrator biannually to the Board.

There are currently no on-going overcrowding issues on the system, although the Arroyo Grande High School morning/afternoon trippers occasionally experience standing loads. Staff will continue to monitor the ridership for standing loads and overcrowding.

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

**Standard 1:** The annual operating budget will be based upon projected revenue balanced with other eligible TDA uses and the total operating cost will not exceed the budget adopted by the Board.

*Measurement:* Objective.

- Administrator will review monthly and report at each regularly scheduled Board meeting.

Fiscal Year 2012-13 Result: Operating Costs were 94% of the adopted budget  
Fiscal Year 2013-14 Result: Operating Costs were 90% of the adopted budget  
Fiscal Year 2014-15 Result: Operating Costs were 84% of the adopted budget  
Fiscal Year 2015-16 Result: Operating Costs were 90% of the adopted budget  
Fiscal Year 2016-17 Result: Operating Costs were 96% of the adopted budget  
Fiscal Year 2017-18 Result: Operating Costs were 95% of the adopted budget  
Fiscal Year 2018-19 Result: Operating Costs are 56.9% of the adopted budget (as of February 28, 2019, or 66.7% into the fiscal year)

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

**Standard 2:** Farebox Recovery Ratio shall be greater than the minimum standard required by SLOCOG to meet TDA requirements. In FY17-18, that minimum was 20%.

*Measurement:* Objective.

- Administrator will review monthly and report at each regularly scheduled Board meeting.

SCT continues to strive toward meeting the FRR goal. Staff will continue to closely monitor our FRR performance, particularly as the economy continues to improve, gas prices continue to fall, and most fixed route providers in the county are experiencing declining ridership. The results for the past four fiscal years are presented below:

- Fiscal Year 2012-13 Result: 14.2%
- Fiscal Year 2013-14 Result: 16.3%
- Fiscal Year 2014-15 Result: 17.4%
- Fiscal Year 2015-16 Result: 13.6%
- Fiscal Year 2016-17 Result: 11.9%
- Fiscal Year 2017-18 Result: 12.3%
- Fiscal Year 2018-19 Result: 11.5% (as of February 28, 2019)

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

*Measurement:* Objective.

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

SoCo Transit is audited every year and consistently has clean reports with no significant financial audit findings. Staff strives for improved transparency and continues to implement procedures that exceed the auditors' expectations.

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

*Measurement:* Subjective.

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

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



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

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

*Measurement:* Objective.

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

Fiscal Year 2013-14 Result: 2.00

Fiscal Year 2014-15 Result: 2.26

Fiscal Year 2015-16 Result: 0.90

Fiscal Year 2016-17 Result: 1.30

**Fiscal Year 2017-18 Result 0.00**

**Fiscal Year 2018-19 as of February 2019: 0.00 (this is not a typo, SoCo since June 1, 2017 to date has gone without a preventable collision. This is an outstanding achievement.)**

**Standard 2:** Address all safety hazards identified and reported to the joint RTA / SoCo Transit Safety Resource Committee.

*Measurement:* Objective.

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

Through February 2019, the Safety Resource Committee has closed-out 27 action items, and opened 20 new items and 10 reoccurring action items remain on the agenda. Employees are engaged in the Safety Resource and Employee Committee by submitting suggestions. Suggestions that are not directly related to the Committee are forwarded to the appropriate department for resolution. The Committee recently conducted an 8-hour Refresher Training class for new Bus Operators after their first 6 months of driving. In addition, as a new risk reduction effort, we identified Bus Operators with multiple minor fixed-object collisions and/or close-call incidents, and provided focused remedial training for them. Our 2019 annual refresher-training classes for Bus Operators, Supervisors and Dispatchers started April 6, 2019 and will continue throughout the year. We are excited to have California Highway Patrol Officer as a guest speaker instructing a one-hour course on Distracted Driving.

**Standard 3:** Preventable workers compensation lost-time claims will not exceed 4 annually, and preventable medical-only claims will not exceed 5 annually.

*Measurement:* Objective.

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

Fiscal Year 2014-15 Result: 3 lost-time claims (no medical only)  
Fiscal Year 2015-16 Result: 1 medical only (no lost-time claims)  
Fiscal Year 2016-17 Result: 1 lost-time claim (no medical only)  
Fiscal Year 2017-18 Result: 1 lost-time claim (1 medical only claim)  
Fiscal Year 2018-19 Result: Zero claims as of March 31, 2019

**Standard 4:** Customer and Community perception of system safety will be at least 90%.

*Measurement:* Objective.

- As measured by biannual Community Perception Survey.

The most recent Customer Perception Survey was completed in March 2019, and a full write-up will be provided in the on-going SRTP study currently being conducted. The previous survey was completed in October 2017. It should be noted that question 13 of the customer survey focused on rating ten aspects, including "Safety onboard vehicles & at stops."

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

*Measurement:* Objective.

- Reported by Finance and Administration in financials and reported at each regularly scheduled Board meeting.

Prior to 2018, the goal was that risk management costs shall not exceed 8.5% of total operating costs. We achieved the goal during FY12-13 and FY13-14. Fiscal Years 2014-15 to 2016-17 risk management costs were higher as a result of significant development in liability and workers compensation claims, as well as generally higher liability costs in the public transit market. This includes property, workers compensation, liability, and auto physical damage insurance costs.

Fiscal Year 2012-13 Result: 6.1% of total operating costs  
Fiscal Year 2013-14 Result: 7.4% of total operating costs  
Fiscal Year 2014-15 Result: 10.2% of total operating costs  
Fiscal Year 2015-16 Result: 11.6% of total operating costs  
Fiscal Year 2016-17 Result: 11.2% of total operating costs  
Fiscal Year 2017-18 Result: 12.1% of total operating costs  
Fiscal Year 2018-19 Result: 13.1% of total operating costs through February 28, 2019

Staff has worked diligently to close claims for prior years. With fewer claims than in previous years, workers compensation costs are projected to decline for the first time in many years. Although this is good news, due to the tightening market in California, staff

expects these costs may continue to escalate unless tort reform or other adjustments are made by the Legislature that could reduce transit agencies' exposure to frivolous lawsuits. If our exposure could be reduced, it would likely increase competition in the market and reduce our risk management costs. Staff is closely monitoring this issue and report developments back to the Board as information is collected. Consolidation with RTA would also help reduce duplicative administrative charges.

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

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

*Measurement:* Subjective.

- Annual assessment by the Administrator and Department Heads.

SoCo Transit experienced higher than typical turnover in calendar year 2015 and in early 2016 as a result of on-going struggles between management and hourly employees. In conjunction with the execution of the Collective Bargaining Agreement with Teamsters Local 986, as well as focused efforts to improve communications throughout the agency, we believe improved employee morale has resulted in improved retention rates since 2016.

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

2012 – 9%	2016 – 22%
2013 – 14%	2017 – 20%
2014 – 19%	2018 – 10%
2015 – 28%	2019 – 5% ( <i>through February 28, 2019</i> )

**Standard 2:** Provide continuous development of organizational skills through ongoing training and development programs that result in personal and professional growth.

*Measurement:* Objective.

- Training needs will be reviewed annually as part of the budget process.

Bus Operators must complete a State-mandated minimum of eight hours of Verification of Transit Training annually, which we achieved. However, we have also recently implemented mandatory retraining after six months from when new Bus Operators were placed into revenue service, which we expect will improve both safety and retention.

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

*Measurement:* Subjective.

To help connect with passengers on a more personal level, administrative staff and all managers have been issued nametags. This program was carried forward on the buses in March 2017 by posting the Bus Operator's name inside the bus. We also continually stress the tenets of *Verbal Defense and Influence*, which focused us how to communicate more effectively with each other and our customers. A total of staff members meet bi-weekly staff to discuss general items that may affect other departments; others are invited as needed and to address specific issues. Management also participates in a bi-monthly SoCo Transit Driver's Forum to discuss issues and ideas that could improve services. Finally, the SCT Administrator and the three RTA department heads meet weekly to ensure consistency in messaging and direction for the organization.

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

*Measurement:* Objective.

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

We currently complete formal annual evaluations for all management staff members. Bus Operators are evaluated based on the requirements of the Collective Bargaining Agreement, and as part of the Safety Awards program on their individual anniversary dates.

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

**Standard 1:** If funding permits, SoCo Transit will match SLO Transit's and the RTA's standard of replacing revenue vehicles when they reach the FTA-defined useful life minimums in terms of service years or miles. If funding remains constrained, we negotiate with SLO Transit and the RTA to ensure no agency's buses surpass 40% beyond the FTA standards.

*Measurement:* Objective.

- As tracked by Finance and Administration as part of grant-making efforts.

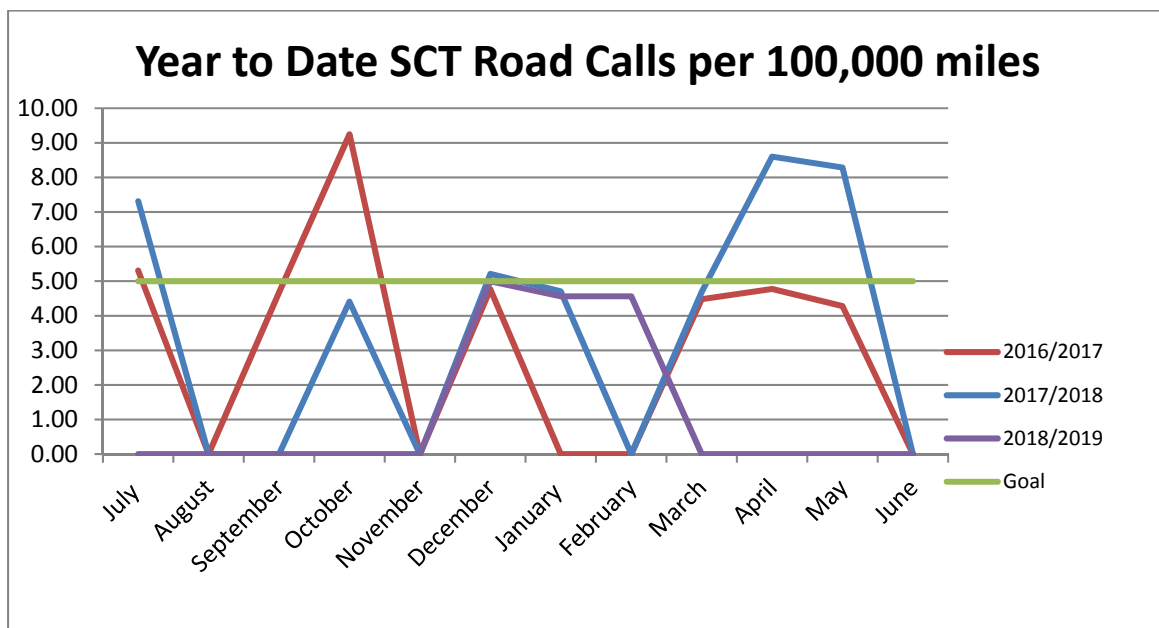
As of February 28, 2019 the average SCT fixed route vehicle age is just under 8 years with an average of 251,652 miles. The design life of a fixed-route bus is 12 years/500,000 miles.

**Standard 2:** Road calls will not exceed 5 per 100,000 vehicle service miles. A road call is defined as all mechanical or other vehicle-related failures that affect the completion of a scheduled revenue trip or the start of the next scheduled revenue trip, including failures during deadheading and layover.

*Measurement:* Objective.

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

The average for SCT in FY16-17 is 3.13 and 3.60 in FY 17-18 and 1.18 so far in FY 18-19. RTA's reporting to the Federal Transit Administration (on behalf of SCT) matches the definition as used in the National Transit Database. We will closely track this standard as our fleet ages and/or if breakdowns appear to be happening more frequently.



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

*Measurement:* Subjective.

- As measured by employee and customer feedback.

We are awaiting the results of the March 2018 Customer Perception Survey completed as part of the on-going SRTP study, which included one question on bus cleanliness.

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

*Measurement:* Objective.

- As measured in the biannual Community Perception Survey.

We are awaiting the results of the March 2018 Customer Perception Survey completed as part of the on-going SRTP study.

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

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

*Measurement:* Objective.

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

There were no negative maintenance department findings in the previous 2017 TDA Triennial Audit nor in the recent 2016 FTA Triennial Review. Preventable maintenance has been completed on a timely basis with no CHP findings in at least the last four years.

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

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

*Measurement:* Subjective.

- Will be reviewed by staff and the Board.

Staff believes that we have maintained strong relationships with most local, state and federal agencies. RTA staff (on behalf of SCT) continues to manage State and Federal grant programs for the region, including FTA Section 5307, 5311, 5339 and other discretionary funds.

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

*Measurement:* Subjective.

- To be evaluated and monitored by the Board.

The Administrator and other senior staff attend City Council and other policy board meetings throughout the county, as well as civic group meetings, as appropriate. An on-

going example is staff's involvement on the Arroyo Grande Chamber of Commerce legislation committee. Another example is the shared Road Supervisor program between RTA and SoCo Transit, which has improved Bus Operator support and customer service in the entire South County area.

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

*Measure:* Subjective.

- To be evaluated by the Administrator.

Senior staff members engaged SoCo Transit and South County-based RTA Bus Operators and riders on March 20 as part of Driver Appreciation Week. We also continue to conduct bi-monthly Driver's Forums with SoCo Bus Operators to maintain open lines of communication. It should be noted that the past two meetings were cancelled at the request of the SoCo Transit Bus Operators due to a lack of new issues. Administrative staff are required to ride a SoCo Transit or RTA bus at least once every quarter, and to report any findings back to senior management for resolution.

**Standard 4:** Provide effective leadership for public transportation within the Five Cities Area.

*Measurement:* Subjective.

- To be evaluated by the Administrator and Board.

To ensure that each JPA jurisdiction's policy board is informed about regional transit issues, the SCT Administrator occasionally attends City Council meetings or as requested by City officials. The Administrator also attends County Supervisor agenda review meetings along with the SLOCOG Executive Director to ensure we understand and support each other's efforts. Finally, RTA staff provides comments to City and County planning departments on behalf of SoCo Transit to ensure that transit amenities are considered in planning documents and development proposals.

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# South County Transit

-Fiscal Year 2019/2020 Budget

-Projected Five Year Capital Budget



  
SoCoTransit

April 24, 2019

## **Vision Statement**

*The SoCo Transit of the future will help meet residents' and visitor's diverse transportation needs in the Five Cities Area.*

## **Mission Statement**

South County Transit is committed to providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

## **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.

## **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 private automobile Vehicle Miles Traveled (VMT).
- Improve SoCo Transit's farebox recovery ratio to avoid Transportation Development Act (TDA) penalties.

- Embrace technological improvements that will positively impact efficiency and quality of service.

## **Goals**

1. Provide market-driven service that meets the needs of the communities that we serve but that will also attract discretionary riders.
2. Provide transportation services that are safe, reliable, economical and accessible in an efficient manner with innovative management practices and technological advancements.
3. Lead and participate in the analysis of the integration of transit operations throughout the county to ensure that customers are provided seamless transit alternatives and services that attract discretionary riders from every community that SoCo Transit serves.
4. Promote the value of SoCo Transit and public transportation to the quality of life in the Five Cities Area and the environmental rewards of utilizing public transportation and the reduction of vehicle miles traveled.

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**SOUTH COUNTY TRANSIT  
APRIL 24, 2019  
STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Fiscal Year 2019-20 Operating and Capital Budget

**ACTION:** Adopt Fiscal Year 2019-20 Budget as Presented

**PRESENTED BY:** Tania Arnold, RTA Deputy Director/CFO

**EXECUTIVE COMMITTEE  
RECOMMENDATION:** No Quorum

**BACKGROUND**

We are pleased to present the proposed South County Transit Fiscal Year 2019-20 Operating and Capital Budget. The operating budget is proposed at \$1,513,000 and the capital budget at \$45,590. The budget is balanced, based on proposed service levels and anticipated funding levels. Staff is presenting this budget plan based on several significant assumptions regarding the Local Transportation Fund (LTF) and the State Transit Assistance (STA) programs, which will be discussed in the Revenue section below.

SoCo Transit faced a Transportation Development Act (TDA) financial penalty in FY18-19 because the SoCo Transit farebox recovery ratio (FFR) falls below the 20% mandate. At the January 17<sup>th</sup> SoCo Transit Board meeting, staff reported that consolidation into the RTA would result in an annual net savings to the SoCo Transit jurisdictions. At its March 7<sup>th</sup> meeting, the RTA Board considered SoCo Transit's request to consolidate into the RTA, and directed staff to move forward with twelve "next steps" as the region considers consolidation. As part of that process, a mock consolidated budget will be presented to the RTA and SoCo Transit Boards in May. While this process stalled in FY18-19, staff expects to resolve the RTA's underlying retirement-based issues soon and to resume efforts to consolidate on January 1, 2020.

The SoCo Transit FY19-20 budget assumes the same levels of fixed-route revenue service hours and miles for all routes, including the Beach Trolley service (which is funded entirely by the County). Staff will also continue to evaluate service modifications during the year to improve efficiencies, and any such change would be brought back to the SoCo Transit Board for consideration. This is a real possibility, since the Short-Range Transit Plan study begun in December 2018 will be completed during FY19-20 and the consultant may discover service changes that could have an immediate impact.

In April 2014 SoCo Transit adopted a reserve policy – one for cash flow purposes and one for capital projects. During prior fiscal years, SoCo Transit came in under the adopted budget, and the fund balance increased more than original budget projections. During the last two fiscal years, budget projections have been in line with results, which have resulted in more consistent fund balances available at the start of each year. As

noted during the budget assumptions presentation in January 2019, due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the SoCo Transit reserve policy. This is a carryover item that staff has not been able to adequately address due to staffing shortages.

It should be noted that the County-funded Beach Trolley service is presented in a separate column from the core SoCo Transit fixed-route services in the monthly farebox reports to assist decision-makers in monitoring the performance of core SoCo Transit services. Any farebox or other shortfalls in the Beach Trolley are the responsibility of the County and its funding partners.

## **Revenue**

Since FY13-14, the *Arroyo Grande – Grover Beach Urbanized Area* designation has resulted in SoCo Transit's ability to access to Federal Transit Administration (FTA) Section 5307 Urbanized Area reimbursement funds. In total, the FY19-20 budget assumes that \$559,140 of FTA 5307 funds will be used for operating purposes, which will reduce the need for LTF from the SoCo Transit jurisdictions.

We are predicating the revenue stream for the FY19-20 budget on the latest information that we have available on Local Transportation Funds (LTF) and State Transit Assistance (STA) funding for the region. LTF funds are derived from the statewide ¼ percent sales tax, while STA is derived from the sales tax on diesel fuel. LTF has traditionally been used to fund operations, but can be used for capital projects as well. STA traditionally was only used for capital projects but staff is evaluating opportunities to apply it to operating based on capital vs. operating needs.

The LTF program continues to be relatively volatile and staff is unsure of what the projection for this revenue stream should be for the coming years. SLOCOG's current countywide LTF projection for FY19-20 is similar in comparison to final FY18-19 amounts. For the FY19-20 budget, staff is requesting a slight decrease of approximately 6% for a FY19-20 LTF total of \$456,464 (\$485,490 in FY18-19. It is similar to the amount request in FY14-15 when there was not a significant fund balance carryover, and significantly lower than the amount requested in FY12-13 of \$677,788.

STA funding for FY19-20 includes Senate Bill 1 – Road Repair and Accountability Act of 2017 (SB1) STA Augmentation funds. These funds are being allocated to capital replacement reserves in order to match federal funds for planned fixed-route vehicle replacements. As noted during the FY18-19 budget presentation, due to reduced federal funding from the FTA Section 5307 Small Transit Intensive Cities program for FY17-18, the two vehicles originally planned for FY20-21 were split between FY20-21 and FY21-22 in order to allow additional time to secure federal or state funding for the second vehicle, without holding up the one vehicle for which funding has been identified. Staff is working to identify funding for two vehicles scheduled for replacement in FY22-23 and might include the first battery-electric vehicles procured as part of the SoCo Transit fleet. This allows time to establish the required infrastructure and for the battery-electric bus technology to be further refined.

As noted in the April 4, 2018 SLOCOG staff report, the SoCo Transit STA allocation for regional integration (due to impending consolidation into the RTA) has been increased to 100% for FY18-19. Staff also appreciates SLOCOG lowering the farebox recovery ratio (FRR) requirement in the Arroyo Grande-Grover Beach Urbanized Area from 20% to 15% under consolidation; this will help the consolidated services achieve a more feasible FRR requirement.

The revenue apportionment for the Low-Carbon Transit Operations Program (LCTOP) that has been used to partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) came in higher than FY18-19, at \$300,000. Please note that these funds will only be available until FY20-21, after which local or other funds will be needed in order to continue its operation.

### **Expenditures**

The overall operating expense for SoCo Transit core services are up slightly, just over 2%. The primary reasons for this increase are described below.

SoCo Transit currently employs four full-time hourly Bus Operators, several part-time/casual hourly Bus Operators, and one part-time hourly Utility Worker – all of whom are covered by a Collective Bargaining Agreement (CBA) with Teamsters Local 986. It should be noted that the SoCo Transit Board ratified the current CBA in January 2018, which runs through December 31, 2021. No changes to the mix of full-time and part-time employees are assumed in the FY19-20 budget. For budgetary planning purposes, the FY19-20 operating budget assumes the current health benefits levels provided under SoCo Transit's plan; should consolidation be completed during the fiscal year, net health insurance benefit costs would increase primarily due to the addition of six part-time/health-benefited employees.

For consistency purposes, the two full-time Road Supervisors were transitioned from being employed by SoCo Transit, with the RTA contributing a portion in exchange for supervision support of RTA services operated in the South County, to being employed by RTA with SoCo Transit contributing a portion in exchange for supervision support of SoCo Transit services operated in the South County.

The CBA identifies annual increases based upon longevity for Bus Operators and Utility Workers. Of note, the increase in the minimum wage in January 2020 of \$1/hour has a significant impact on our agency. Wage and benefit changes make up a significant portion of the increase in the FY19-20 over FY18-19.

With regard to County-contracted Beach Trolley service in the Pismo Beach and Avila Beach areas, the service change implemented in 2017 will continue. The service operates three days per week, with later service on Saturday nights to match the Friday schedule during the peak months. This service model seems to provide a good balance between providing high-quality services during peak tourism periods and in providing necessary linkages between the communities for residents. In the past, low-levels of service were provided year-round and the result was very low ridership during the non-peak months. This service model has been accepted by our partners at the County and at the Avila Foundation.

The three new replacement buses that were delivered in the summer of 2013 and one in the spring of 2015 resulted in somewhat of a “vacation” in maintenance repairs during the warranty period. Overall, the net effect is that staff has projected FY19-20 maintenance costs to increase from the actual FY17-18 expenditure, but the projected cost increases have leveled off during FY18-19. Staff is satisfied with the reliability and cost-effectiveness of these new buses in comparison to the 2003 buses that have been replaced.

Staff has included preliminary numbers for the pooled CalTIP general liability and auto physical damage renewal, as well as the addition of employment practices liability coverage provided through the ERMA pool. Although we anticipate that there will significant rate increases again this year, the CalTIP policies offer the best economic and risk management service value in today’s market. Should consolidation move forward, refined numbers for insurance will be provided in budget amendments, and would eliminate duplicate administrative charges.

Workers compensation insurance provided by the CSAC Excess Insurance Authority pool, and the cost had leveled off during FY17-18, with a decrease in FY18-19. Due largely to the increase in wages under the CBA, staff is anticipating an increase in FY19-20 back to a level similar to FY17-18. Staff continues to monitor claims diligently, 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 have a proactive program to address the number of claims and severity of the claims. Should consolidation move forward, refined numbers for insurance will be provided in budget amendments, and would eliminate duplicate administrative charges.

Due to the unrest in Eastern Europe, Northern Africa and the Middle East, fuel prices continue to fluctuate. Staff is budgeting fuel at \$3.30 per gallon, but we may need to adjust it if fuel prices rise significantly during the fiscal year. 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.

The RTA provides oversight services on an annual fixed cost basis to SoCo Transit. These services include program administration, operations management, financial reporting and oversight, human resources, marketing, grants management, accounts payable, and Board meeting administration. The proposed *Administration - Staff Time* charge for FY19-20 is \$82,190 – an annual increase of \$1,080 (just over 1%) in comparison to FY18-19. This equates to approximately 1,200 hours of administrative staff time. Items to note in this line item include the time for consolidation into the RTA that could occur in late 2019, whereas administrative time in FY18-19 focused on overseeing the Short Range Transit Plan. The proposed *Finance - Staff Time* charge is \$14,520. The *Marketing - Staff Time* charge of \$5,610 is proposed, and is based on 10 hours/month. *Dispatch - Staff Time* costs are also proposed at \$24,030 to account for actual proportional time spent by RTA dispatchers, schedulers and road supervisors handling SoCo Transit’s needs.



It should be noted that staff implemented a new safety reward program in FY16-17 to both heighten awareness of how work injuries and vehicle collisions affect the bottom line, and to reward safe behaviors. This type of program is used across the transit industry, and is based on the one used at the RTA. This cost is reflected in the *Office Expense/Miscellaneous* line-item.

### **Capital Budget**

The FY15-16 budget included the transfer of Bus 1011 and 1012 from RTA in lieu of purchasing a replacement bus that was originally scheduled for delivery in June 2016. This allowed SoCo Transit to spread the vehicle replacements over a longer time period, as these vehicles are eligible for replacement in FY20-21 when those two buses reach the end of their FTA-defined economically useful lives. In addition, staff will pursue both formula and discretionary capital funding sources to replace two remaining 2004 buses with diesel-powered buses. Staff will also begin the grant application process to replace the two 2010 buses with Battery Electric Buses and related recharging infrastructure.

Staff will present multiple budget amendments to the Board to address consolidation into the RTA and to carry over any capital funds that were not fully expended during FY18-19. All carryover capital projects are fully funded and no additional funds will be needed.

### **Budget Notes**

Staff has segregated the budget document into sections, so that each section can be explained in relation to the total budget. The paragraph numbers below relate to the boxed numbers in the first column of the budget.

1. ESTIMATED FUND BALANCE – This amount includes carryover funds and general reserves. This amount represents the fund balance available according to the June 30, 2018 audited results, plus projected revenues for the fiscal year ending June 30, 2019, less projected expenses for the fiscal year ending June 30, 2019. The resulting amount is the projected fund balance, which will be available on July 1, 2019.
2. REQUIRED RESERVES – In April 2014, the SoCo Transit Board approved a new reserve policy, in accordance with TDA requirements, that maintains an operating reserve equivalent to one quarter of net annual operating expenses. Equipment replacement reserves have been calculated based on funding the local match on the average five-year vehicle replacement plan.
3. FUND BALANCE AVAILABLE – This is the fund balance or reserves used in the current year budget to fund operating and capital expenditures.
4. TOTAL NON-LTF FUNDS – This section details all the sources of operating revenue by type, except LTF. Included are fares, advertising revenues, and federal, state and local sources.

5. LOCAL TRANSPORTATION FUNDS – This is the total amount of LTF required to balance the budget. A population-based formula is used to distribute the amount among the four SoCo Transit JPA members. This formula applies to all SoCo Transit services. It is not tied to any one route or any one type of service.
6. TOTAL OPERATING REVENUES – This is the total of LTF and Non-LTF funds, excluding reserves.
7. TOTAL NON-OPERATING RESOURCES – This is the total of Capital Funds, Interest Revenue and other contributions.
8. TOTAL RESOURCES – This is the total of all funding sources, including reserves. It equals the Total Use of Resources proposed in the budget.
9. TOTAL OPERATING EXPENDITURES – This is the total of operating expenditures as detailed in the budget.
10. TOTAL USE OF RESOURCES – This is the total of all funding uses and equals the amount of funding sources.

**Staff Recommendation**

Adopt the Fiscal Year 2019-20 Budget as presented by staff.

**SOUTH COUNTY TRANSIT  
JANUARY 16, 2019  
STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Fiscal Year 2019-20 Budget Assumptions

**ACTION:** Approve Budget Assumptions

**PRESENTED BY:** Tania Arnold, RTA Deputy Director/CFO

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

**BACKGROUND/DISCUSSION:**

Each year in connection with the annual budget process, staff reviews SoCo Transit operations to determine what, if any, operational changes will be recommended for implementation in the following fiscal year. Based on those recommended changes, staff develops the operational data, revenue and cost projections for presentation in the proposed Operating Budget. For Fiscal Year 2019-20, staff is recommending maintaining service levels and the current fare structure implemented in July 2016.

The following are the staff recommended FY19-20 Budget Assumptions that will provide staff the necessary policy guidance to prepare the appropriate operating and capital program for presentation to the Board at its April meeting.

**KEY ISSUES**

1. SoCo Transit faces a Transportation Development Act (TDA) financial penalty, estimated to be on the order of \$70,000, which SLOCOG has delayed imposing due to the consideration of consolidation into the RTA.
2. STA funds used for capital projects.
3. LTF used for operating purposes.
4. Liability costs continue to escalate, despite SoCo Transit's good safety record.
5. Fleet replacement and related funding requirements including SB1 funds.
6. Fuel costs continue to remain low; this also results in declining ridership & fares.
7. Transit agencies across California are struggling to attract a sufficient number of qualified Bus Operator candidates, including all of the transit agencies in our County.

Note that the first issue above is the greatest one facing the agency in the immediate future, and is something that has been on the forefront of decision-makers' minds ever

since the State-mandated higher 20% farebox recovery ratio was triggered by the 2010 US Census.

It should also be noted that, in conjunction with the consultant team, staff kicked-off the Joint Short Range Transit Plans for SoCo Transit and area Dial a Rides on December 11<sup>th</sup>. This study will be completed in 18 months, and will provide a “roadmap” for the next 5 to 7 years. The consultants are currently reviewing a long list of requested data related to SoCo Transit operating, capital and institutional elements. A comprehensive on-bus passenger survey will be conducted in March 2019, and will be followed by a “state of the agency” report prior to developing operations, capital, institutional and financial alternatives that will be presented in late summer 2019.

### **Mission Statement**

The Mission of South County Transit is to provide safe, friendly, and reliable service to the citizens of and visitors to the Five Cites Area.

### **Objectives and Revenue Impacts**

1. Maintain service levels and hours of service that meet the standards of productivity and demands of our customers and communities through the effective and efficient delivery of SoCo Transit Fixed Route core services, as well as contracted Senior Shuttle and Trolley services.
  - a. SoCo Transit received just over \$78,500 in State Transit Assistance (STA) capital project funding in FY17-18, and \$158,040 in FY18-19 which includes SB1 funding. Staff will work with SLOCOG staff to determine a realistic estimate for FY19-20.
  - b. Continue to monitor the results and impacts of the July 2016 fare increase and the regional fare media increase as part of the RTA fare increase in December 2017. The RTA obtained regional Prop 1B Safety and Security funds to implement a SmartPhone-based fare-paying system that will be implemented in early 2019. Staff will monitor its use to determine if this system relieves pressure on placing expensive and time-consuming electronic Ticket Vending Machines at high-use bus stops throughout the county, including in South County.
  - c. Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program grant funding will be budgeted at 45% of allowable operating expenditures less farebox revenue.
  - d. To partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) services, SoCo Transit applied in January 2019 for Low-Carbon Transit Operations Program (LCTOP) grant to fund the service in FY19-20. The Oceano area’s demographic profile suggests this

service will continue to rank relatively high in San Luis Obispo County for these LCTOP grant funds.

- e. As noted above, a financial penalty will be assessed by SLOCOG for failing to achieve the mandated 20% farebox recovery ratio if South County Transit does not consolidate with RTA. If assessed, this amount is determined and local non-TDA sources are identified at each jurisdiction's level, the now-reduced LTF will be budgeted to balance the SoCo Transit budget based on maintaining service levels for SoCo Transit Routes 21, 24, 27 and 28 operations. Note that tripper service on Routes 27 and 28 only operates when Arroyo Grande High School is in full session. The FY19-20 amount will likely be in line with FY18-19 LTF amount, which is greater than in recent fiscal years, because SoCo Transit has used up savings generated in prior years that had been carried forward as fund balance available to offset LTF in the following year.
  - f. Detailed miles/hours and span of service for each SoCo Transit core fixed-route will be provided with the draft budget. For context, detailed budgets based on miles/hours and span of service will be provided separately for the County-funded Beach Trolley service.
  - 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 SoCo Transit jurisdictions and/or adjust service levels.
  - h. Due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the SoCo Transit reserve policy, which was originally adopted in April 2014, as part of the budget process.
2. Work with the SLOCOG in evaluating region-wide service efficiencies.
- a. Continue to evaluate the TDA Triennial Audit recommendation for SoCo Transit to consolidate with the RTA. Consolidation would have the effect of eliminating the TDA financial penalty.
  - b. Transit agencies across the country have experienced ridership declines and, although those declines have recently slowed, they are still affecting SoCo Transit's farebox recovery ratio. Other factors also include changes to the California minimum wage, which increased over 9% in January 2019. Staff will work with SLOCOG to determine the appropriate farebox ratio requirements for SoCo Transit under possible consolidation with the RTA.
  - c. 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. With consolidation, some services such as payroll and finance will be reduced, resulting in cost savings.

- d. Monitor the results of the 2018-20 SoCo Transit Strategic Business Plan as well as the current Short Range Transit Plan effort to evaluate potential efficiencies.
3. Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.

### **Expenses Impacts**

1. The Beach Trolley will operate from early-April through early-June on Friday through Sunday (Friday evening, and from 10 am to 6 pm on Saturday and Sunday). From mid-June to early-September, the Beach Trolley will operate on Friday through Sunday (Friday and Saturday from 10 am to 9 pm and Sunday from 10 a, to 6 pm). From mid-September to the end of September, the Beach Trolley will operate on Friday through Sunday (Friday evening, and from 10 am to 6 pm on Saturday and Sunday). These services are provided through a contract with RTA and entirely funded through the County. Staff will continue to evaluate service levels based on ITS data to determine if service levels should be adjusted.
2. Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.25 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.
3. Staff is assuming the operations facility rental costs will not increase in FY19-20 pending negotiation with County Real Estate Services. Staff will be providing evidence regarding the improvements completed, namely the extensive pavement repairs to the yard that have been completed. Note, there is a carryover of improvement projects that staff will address with the County as part of negotiations.
4. 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, 2019 through April 30, 2020 rates. Estimates should be received from CalTIP in time to include in the SoCo Transit budget that will be presented in April 2019. Although the number of SoCo Transit liability claims based on mileage has been lower than the pool average, the pool has experienced significant negative claims development and is working to ensure the stability of the pool and ensure equity between all members. Under consolidation,

there will be savings annually in reduced administrative costs and the per-mile cost for SoCo Transit miles operated will initially decline.

- b. CalTIP vehicle physical damage will increase minimally.
- 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. SoCo Transit was able to join the Employment Risk Management Authority (ERMA) to obtain coverage. The annual premium is estimated at \$2,500 with a \$50,000 self-insured retention.
- d. Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase minimally, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends for 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. Under consolidation, there will be a relatively similar cost due to RTA having a higher loss ratio than SoCo Transit but cost increases would be offset by eliminating the duplicative carrier's administrative costs.
- e. Property insurance will increase minimally.
- f. For budget-making purposes, staff is assuming health insurance premiums will increase 5% in comparison to current rates. This will have a minimal impact on the budget due to the low number of employees under the plan. At this time, the Affordable Care Act has no impact on the budget, since SoCo Transit employs fewer than 50 employees. Nonetheless, staff will continue to monitor legislation should that provision change. With consolidation health insurance costs would increase due to the Affordable Care Act provisions for employees who work greater than 30 hours per week.

5. Staffing Expenses:

- a. The South County Transit Board ratified the CBA with the Teamsters at its Special Board January 2018 meeting.

### **Proposed Budget Calendar**

January 8	Detailed budget assumptions and revenue forecast to Executive Committee
January 16	Obtain Board concurrence on proposed draft budget assumptions
March 31	FY19-20 Budget Draft complete
April 9	Draft FY19-20 Budget presentation to Executive Committee
April 24	Final Board Budget presentation; Board adoption of FY19-20 Budget
May – June	SLOCOG notifies all JPA members of TDA allotment for member agency budget consideration
July 1	Start of new fiscal year

### **Staff Recommendation**

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



## SOUTH COUNTY TRANSIT 2019-20 Proposed Budget

	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Proposed Operating	FY 18/19 Proposed Capital	FY 19/20 Proposed Operating	FY 19/20 Proposed Capital	Net Increase (Decrease) In Budgets
<b>Funding Sources</b>							
Beginning Fund Balance	\$ 673,935	\$ 447,920	\$ 332,960	\$ 206,940	\$ 292,536	\$ 305,070	\$ 57,706
1 Estimated Fund Balance	\$ 673,935	\$ 447,920	\$ 332,960	\$ 206,940	\$ 292,536	\$ 305,070	\$ 57,706
2 Less Required Reserves:							
TDA Required Operating Reserve	\$ 244,230	\$ 274,990	\$ 294,240	\$ -	\$ 305,840	\$ -	\$ 11,600
Equipment Replacement Reserve	109,340	164,840	-	305,070	-	536,830	231,760
Total Reserves	\$ 353,570	\$ 439,830	\$ 294,240	\$ 305,070	\$ 305,840	\$ 536,830	\$ 243,360
3 Fund Balance Available (Required)	\$ 320,365	\$ 8,090	\$ 38,720	\$ (98,130)	\$ (13,304)	\$ (231,760)	\$ (185,654)
<b>Operating Revenues</b>							
Fares	\$ 145,021	\$ 162,511	\$ 142,190	\$ -	\$ 142,960	\$ -	\$ 770
STA Including STA SB1 Augmentation	71,050	113,598	-	156,810	-	240,880	84,070
Low Carbon Transit Grant	97,348	135,648	200,000	-	300,000	-	100,000
Federal Transit Adm (FTA) 5307 Operating	440,019	483,000	532,510	-	559,140	-	26,630
SLO County Trolley Operations & SRTP Match	51,569	51,972	49,300	22,750	49,990	-	(22,060)
RTA Operations Supervisor Contribution	-	8,490	13,650	-	-	-	(13,650)
Advertising and other income	4,848	13,370	10,000	-	5,000	-	(5,000)
4 Total Non-TDA Funds	\$ 809,855	\$ 968,589	\$ 947,650	\$ 179,560	\$ 1,057,090	\$ 240,880	\$ 151,420
5 Local Transportation Funds	\$ 168,670	\$ 441,640	\$ 485,490	\$ -	\$ 456,464	\$ -	\$ (29,026)
Arroyo Grande	64,095	166,057	180,602	-	171,630	-	(8,972)
Grover Beach	48,577	125,426	136,908	-	129,636	-	(7,272)
Pismo Beach	28,505	76,404	83,990	-	78,968	-	(5,022)
SLO County	27,493	73,754	83,990	-	74,404	-	(9,586)
6 Total Operating Revenues	\$ 1,298,890	\$ 1,418,319	\$ 1,433,140	\$ 179,560	\$ 1,513,554	\$ 240,880	\$ 195,270
<b>Non-Operating Resources</b>							
Interest	\$ 4,791	\$ 6,377	\$ 5,660	\$ -	\$ 12,750	\$ -	\$ 7,090
Prop 1B - Vehicle Replacement/ITS	32,429	-	-	-	-	-	-
Federal Transit Adm (FTA) 5307 Capital	100,000	-	-	193,730	-	36,470	(157,260)
Federal Transit Adm (FTA) 5339 Capital	-	-	-	-	-	-	-
7 Total Non-Operating Resources	\$ 137,220	\$ 6,377	\$ 5,660	\$ 193,730	\$ 12,750	\$ 36,470	\$ 62,940
8 Total Resources	\$ 1,436,110	\$ 1,424,696	\$ 1,477,520	\$ 275,160	\$ 1,513,000	\$ 45,590	\$ 190,710

## SOUTH COUNTY TRANSIT 2019-20 Proposed Budget

### Use of Resources

Administrative Expenditures  
Insurance  
    Liability & Physical Damage  
    Workers Compensation  
    Property Insurance  
Rent  
Utilities  
Radio Expense  
Legal Services  
Payroll Processing  
Administration - Staff Time  
Finance - Staff Time  
Marketing - Staff Time  
Office Expense/Miscellaneous  
Audit  
Marketing/Community Relations/Printing  
Uniforms/Laundry/Physicals  
  
Operating Expenditures  
Salaries/Benefits  
Maintenance  
Dispatch - Staff Time  
SCT Bus Fuel  
Contingency  
  
Capital Service  
Support Vehicle  
Short Range Transit Plan  
Computer Upgrade  
Vehicles/ITS  
Facility Improvements/Bus Stop Amenities  
Transit Centers Improvements  
  
Total Capital Service

9 Total Operating Expenditures

10 Total Use of Resources

FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Proposed Operating	FY 18/19 Proposed Capital	FY 19/20 Proposed Operating	FY 19/20 Proposed Capital	Net Increase (Decrease) In Budgets
\$ 82,593	\$ 101,135	\$ 115,280	\$ -	\$ 118,990	\$ -	\$ 3,710
54,056	57,997	51,000	-	59,710	-	8,710
701	638	740	-	740	-	-
30,600	32,555	30,600	-	30,600	-	-
8,603	8,684	8,980	-	11,270	-	2,290
1,236	1,133	1,240	-	1,240	-	-
-	3,875	1,590	-	1,590	-	-
1,362	876	760	-	450	-	(310)
74,750	77,600	81,110	-	82,190	-	1,080
13,200	13,700	14,320	-	14,520	-	200
5,100	5,290	5,530	-	5,610	-	80
9,950	7,207	7,150	-	6,450	-	(700)
3,020	3,105	3,310	-	3,380	-	70
24,171	13,902	16,000	-	16,050	-	50
9,892	4,936	5,660	-	8,270	-	2,610
\$ 568,810	\$ 616,662	\$ 667,510	\$ -	\$ 710,090	\$ -	\$ 42,580
166,134	182,755	226,920	-	211,530	-	(15,390)
21,850	22,680	23,700	-	24,030	-	330
140,573	166,972	201,490	-	191,310	-	(10,180)
6,006	750	14,630	-	14,980	-	350
\$ 1,222,607	\$ 1,322,452	\$ 1,477,520	\$ -	\$ 1,513,000	\$ -	\$ 35,480
\$ -	\$ -	\$ -	\$ 33,000	\$ -	\$ -	\$ (33,000)
-	-	-	105,000	-	-	(105,000)
-	843	-	-	-	-	-
129,669	-	-	-	-	-	-
7,389	-	-	43,410	-	45,590	2,180
-	-	-	93,750	-	-	(93,750)
\$ 137,058	\$ 843	\$ -	\$ 275,160	\$ -	\$ 45,590	\$ (229,570)
\$ 1,359,665	\$ 1,323,295	\$ 1,477,520	\$ 275,160	\$ 1,513,000	\$ 45,590	\$ (194,090)

**SOUTH COUNTY TRANSIT**  
**Five Year Capital Projection**

	<b>FY 17/18 Actual Capital</b>	<b>FY 18/19 Adopted Capital</b>	<b>FY 19/20 Proposed Capital</b>	<b>FY 20/21 Projected Capital</b>	<b>FY 21/22 Projected Capital</b>	<b>FY 22/23 Projected</b>	<b>FY 23/24 Projected</b>
<u>Capital Service</u>							
Support Vehicle	\$ -	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ -
Short Range Transit Plan	-	105,000	-	-	-	-	-
Computer Upgrade	843	-	-	1,500	-	-	-
Vehicles/ITS	-	-	-	631,750	631,750	2,089,500	-
Bus Stop Amenities	-	43,410	<b>45,590</b>	47,860	49,060	50,290	51,550
Passenger Protection 1300 buses	-	-	-	-	-	-	-
Facility Improvements	-	-	-	-	-	-	-
Transit Centers Improvements/Ticket Machine	-	93,750	-	-	-	-	-
Large Vehicle Repairs	-	-	-	-	50,000	-	-
Total Capital Service	\$ 843	\$ 275,160	<b>\$ 45,590</b>	\$ 681,110	\$ 730,810	\$ 2,139,790	\$ 51,550
Increase Capital Reserves	\$ -	\$ -	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Use of Resources</b>	\$ 843	\$ 275,160	<b>\$ 45,590</b>	\$ 681,110	\$ 730,810	\$ 2,139,790	\$ 51,550

**SOUTH COUNTY TRANSIT  
2019-20 Proposed Budget  
By Route**

	Route 21	Route 24	Route 27	Route 28	Avila Trolley
Miles	68,200	52,520	41,400	57,060	13,710
Hours	3,580	3,530	2,820	3,960	620
<u>Administrative Expenditures</u>					
Insurance	\$ 35,150	\$ 27,070	\$ 21,340	\$ 29,410	\$ 6,030
Liability & Physical Damage	17,640	13,580	10,710	14,760	3,030
Workers Compensation	190	180	140	200	30
Property Insurance	7,850	7,390	5,900	8,240	1,230
Rent	2,890	2,720	2,170	3,030	450
Utilities	320	300	240	330	50
Radio Expense	410	380	310	430	60
Legal Services	120	110	90	120	20
Payroll Processing	21,090	19,850	15,840	22,120	3,290
Administration - Staff Time	3,730	3,510	2,800	3,910	580
Finance - Staff Time	1,440	1,350	1,080	1,510	220
Marketing - Staff Time	1,660	1,560	1,240	1,740	260
Office Expense/Miscellaneous	870	820	650	910	140
Audit	4,120	3,880	3,090	4,320	640
Marketing/Community Relations/Printing	2,120	2,000	1,590	2,230	330
Uniforms/Laundry/Physicals					
<u>Operating Expenditures</u>					
Salaries/Benefits	\$ 176,210	\$ 173,670	\$ 138,890	\$ 194,520	\$ 26,800
Maintenance	52,490	51,730	41,370	57,950	7,980
Dispatch - Staff Time	5,960	5,880	4,700	6,580	910
SCT Bus Fuel	56,510	43,520	34,310	47,280	9,690
Contingency	4,430	3,410	2,690	3,700	760
<b>9</b> Total Operating Expenditures	\$ 395,200	\$ 362,910	\$ 289,150	\$ 403,290	\$ 62,500
<u>Capital Service</u>					
Support Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -
Short Range Transit Plan	-	-	-	-	-
Facility Improvements/Bus Stop Amenities	11,760	11,590	9,270	12,980	-
Transit Centers Improvements	-	-	-	-	-
Total Capital Service	\$ 11,760	\$ 11,590	\$ 9,270	\$ 12,980	\$ -
<b>10</b> Total Use of Resources	\$ 406,960	\$ 374,500	\$ 298,420	\$ 416,270	\$ 62,500

**SOUTH COUNTY TRANSIT  
April 24, 2019  
STAFF REPORT**

**AGENDA ITEM:** B-2

**TOPIC:** 2019 Summer Youth Ride Free Program

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Review and Adopt Staff Recommendation

**BACKGROUND/DISCUSSION:**

Direction is needed from the Board on whether or not to continue SoCo Transit's participation in the countywide Summer Youth Ride Free (YRF) program for the eighth consecutive year. *Regional Rideshare*, the agency that promotes this program, has asked that SoCo Transit honor the YRF program from June 8, 2019 through August 15, 2019.

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

Historical ridership information for all fixed route providers in the county is provided in the table below. It is difficult to track the longer-term impact of participating in the YRF program, since it is not possible to determine the number of students boarding SoCo Transit buses throughout the year in the absence of periodic surveys.

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

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

YOUTH RIDE FREE RIDERSHIP								
	2011	2012	2013	2014	2015	2016	2017	2018
Morro Bay Transit	-	819	1,147	842	916	996	673	518
Paso Express	346	-	10,517	6,725	4,983	Included w/ RTA	Included w/ RTA	Included w/ RTA
RTA	6,974	30,820	39,058	25,835	27,467	24,374	20,779	20,017
SLO Transit	4,704	14,021	14,898	13,668	14,991	10,448	11,260	11,192
South County Transit	6,127	19,657	20,051	10,285	10,814	8,726	9,427	6,791
<b>Total Ridership</b>	<b>18,151</b>	<b>64,498</b>	<b>87,684</b>	<b>59,369</b>	<b>60,267</b>	<b>43,548</b>	<b>42,139</b>	<b>38,518</b>

Disadvantages include:

1. Small loss of cash fare revenue for non-group riders.
2. Increased passenger loads on some bus trips can degrade the riding experience for non-youth riders (unlike most RTA and SLO Transit routes, SoCo Transit experiences highest ridership during the peak summer tourist season).
3. There remains the possibility that two or more unrelated groups attempt to board the bus on the same run, which would result in an overcrowding situation. However, the number of instances where that was a problem has greatly abated due to better coordination with youth activity agencies, and we expect the same cooperation this summer.

SoCo Transit will continue to require YMCA and other youth groups to pay when more than ten youth traveling together (plus two adult chaperones). For ease of boarding, and for budget and cash control issues, organizers for groups such as YMCA camps can continue to pre-purchase 20-Ride passes to use on SoCo Transit.

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

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

### **Staff Recommendation**

Continue to participate in this program for an eighth consecutive summer season, providing a similar reduced travel period that was provided last summer and a group policy requiring payment for more than ten youth traveling together.

## **SOUTH COUNTY TRANSIT**

**APRIL 24, 2019**

### **STAFF REPORT**

**AGENDA ITEM:** B-3

**TOPIC:** Vehicle Purchase Policy

**ACTION:** Approve

**PRESENTED BY:** Geoff Straw, Administrator

#### **STAFF RECOMMENDATIONS:**

1. **Adopt the attached *SoCo Transit Policy and Procedures for the Purchase of Low- or Zero-Emission Vehicles* document.**
2. **Seek outside funding to jointly develop a regional transit electrification plan with SLOCOG and other transit agencies in the region.**
3. **Seek to develop a Joint Zero-Emissions Bus Group, including ratification of a multi-agency agreement.**

#### **BACKGROUND/DISCUSSION:**

The California Air Resources Board adopted the Innovative Clean Transit (ICT) fleet rule on December 17, 2018. The ICT recognizes that providing clean transit and mobility options must include a long-term transition to zero-emission technologies while continuing to provide transportation options as part of Sustainable Communities Strategies and ensuring service to people with limited transportation options. Adoption of the attached *SoCo Transit Policy and Procedures for the Purchase of Low- or Zero-Emission Vehicles* document is the first step SoCo Transit should consider to formally commit to this new ICT fleet rule, which replaces the previous Fleet Rule for Transit Agencies (13 CCR § 2020) adopted in 2000.

#### **ICT Bus Purchasing Requirements**

Every transit agency based in SLO County is considered a “Small Transit Agency,” since each agency’s peak bus pull-out is fewer than 100 and we operate outside the severely-impacted South Coast or San Joaquin air basins. As such, no SLO County-based transit agency is subject to the initial 2023 zero-emission bus purchase requirements. Zero-emission vehicles include Battery-Electric Buses (BEBs) and Hydrogen Fuel Cell Buses (HFCBs). However, beginning on January 1, 2026, 25% of Small Transit Agency bus purchases must be zero-emission, and only zero-emission buses can be purchased after January 1, 2029. The ICT requires that all transit buses be zero-emission by January 1, 2040.

### Joint Zero-Emission Bus Group

Under the guidance of the San Luis Obispo Council of Governments (SLOCOG), area jurisdictions have worked diligently over the past two decades to coordinate and, in some cases, consolidate transit services. Because implementing BEBs and its infrastructure would be a quantum leap forward in terms of technological complexity in our region, staff assumes it would be overly burdensome for each agency to undertake this effort independently – especially for the smaller programs such as Atascadero Dial-A-Ride and Morro Bay Transit. Based on my prior experience with a demonstration hydrogen bus program at UC Davis in the mid-2000s, attempting to implement HFCBs would be even more challenging than pursuing BEBs.

Staff recommends that the next coordination step is to develop a Joint Zero-Emission Bus Group specifically permitted under the ICT to reduce the burden of transitioning to BEBs. Potential Joint Group participants include:

1. SoCo Transit fixed-route services administered and maintained by the RTA. Layover points are Ramona Garden Park and Pismo Premium Outlets.
2. RTA for fixed-route (Routes 9, 10, 12, 14 and 15) and Runabout services.
3. County-funded Dial-A-Ride services in Nipomo, Shandon and Templeton (all directly operated by the RTA), as well as Avila Trolley services (subcontracted by the RTA to SoCo Transit).
4. City of Paso Robles fixed-route and dial-a-ride services directly operated by the RTA.
5. SLO Transit fixed-route services (Routes 1A/B, 2 A/B and 3A/B).
6. Atascadero Dial-a-Ride.
7. Morro Bay Transit (deviated fixed-route and trolley services).
8. Ride-On Transportation demand response services partially funded by SLOCOG.
9. Santa Maria Area Transit fixed-route and dial-a-ride services. RTA Route 10 provides regular service to the Santa Maria Transportation Center.
10. Monterey-Salinas Transit intercity fixed-route services along US101 in North County with a terminus in Templeton.

Developing a Joint Group has several benefits, including coordinated training and standards for BEB charging stations. The former is important because real-world experience shows that a bus operator using poor techniques can reduce the range of a BEB by up to 10%. The latter is particularly important for RTA regional routes, which will



likely need to “top-up” charging of batteries during layovers in Paso Robles (Route 9), Santa Maria (Route 10), San Luis Obispo (Routes 9, 10 and 12), and Morro Bay (Routes 12 and 15). At a minimum, all of the services either administered/operated under contract by the RTA – like SoCo Transit – or directly operated by the RTA should consider the Joint Group option to help coordinate battery recharging in the region.

### Limited-Range Challenges of BEBs

Another benefit of Joint Grouping is that the purchase of BEBs can be implemented in areas that initially make the most sense from both a range perspective and from an infrastructure deployment perspective. The industry is currently testing prototype BEBs that can travel up to 300 miles on a single charge, assuming ideal operating conditions: flat terrain, relatively slow operating speeds, temperate weather, and a new battery pack. That range would work reasonably well for local fixed-route services provided by South County Transit, SLO Transit, Paso Robles Express, and Santa Maria Area Transit on a single daily recharge. However, the RTA operating profile – including the RTA Route 10 service operating in South County – makes current and projected BEB technologies a challenging proposition because the RTA operates several bus blocks<sup>1</sup> that travel more than 300 miles per day, in hilly terrain, at freeway speeds, and often in extreme summer weather. Also, many experts agree that the battery packs will degrade (also known as capacity fade) over time to roughly 80% of the optimal design range, which reduces the highest-available 300-mile range to roughly 240 miles under ideal conditions.

In terms of recharging the batteries, two options exist: “depot-charging” in which the BEB is charged overnight in a bus yard, and “in-route” (also called “opportunity”) charging. Depot-charging is the simplest alternative, since charging infrastructure need only be installed at each bus parking yard. Depot-charging would work well for SoCo Transit, since a fully-charged bus used on all four fixed-routes within the Five Cities Area would not need to “top-up” during the service day. Smart-technology can be used to limit the “juice” put into each battery pack below the high-cost PG&E demand-charge threshold. However, depot charging requires more upfront costs for each BEB due to the larger size (and weight) of the battery packs. Moreover, based on the RTA’s operating profile, a single-charge scenario is not feasible for it’s entire fleet – so in-route charging must be pursued regionally.

Under the in-route charging option, either catenary/overhead or touchless/in-ground charging devices top-up the batteries at fixed-route layover points. This would allow BEBs to be deployed on the RTA’s long-distance bus blocks that exceed the design range of depot-charged buses, while also having the advantage of allowing local fixed-route operators to purchase lower-cost and lighter BEBs with smaller battery packs. The greatest disadvantage of in-route charging is the complexity and capital cost of implementing the charging infrastructure throughout the service area – typically in the public right-of-way. Some early-adopters also report frequent exceedances of the

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<sup>1</sup> A “bus block” is defined as the daily assignment for an individual bus, and includes the time the bus leaves the yard until it returns.

demand-charge thresholds – and this has resulted in much higher than anticipated operating costs.

### BEB Purchase Exemptions Under the ICT

The ICT includes “off-ramps” under certain circumstances at the calendar year 2026 and 2029 implementation dates, pending approval by the ARB Executive Officer. The first exemption is for delays in either bus delivery or infrastructure implementation suggest the need to delay bus purchases. The second is if available BEB technologies cannot meet a transit agency’s daily mileage needs; this is the one that the RTA could likely seek given its current operating profile and current BEB range projections. The third is if available BEBs do not have adequate gradeability performance – which could be the case with traversing the steep and arduous Cuesta Grade on RTA Route 9. The fourth exemption is if the appropriate vehicle weight class is not available for purchase. The fifth and final exemption is due to financial hardship under a Board-declared fiscal emergency. While only the first or fifth exemption would likely apply in SoCo Transit’s situation, staff will closely monitor available technologies as the existing fleet nears the end of each vehicle’s economically useful life.

### Transit Electrification Study

While the goals of the ICT will result in important public health benefits to each community and possible life-cycle operating cost savings, it also brings complex challenges that will require collective efforts by almost every jurisdiction to fully deploy BEBs. Staff recommends that SLOCOG undertake a comprehensive Transit Electrification Study, which could also include development of a boilerplate Joint Zero-Emission Bus Group agreement that could be considered by each transit agency in the region. Staff will work with SLOCOG staff to develop a suitable scope of work and assist in identifying outside funding opportunities to conduct this important study.

### Summary

The attached Vehicle Purchasing Policy provides two important first steps: 1) laying out the commitments that SoCo Transit must make to meet the ICT, and 2) establishing methodologies for determining if anticipated technologies meet our needs when the first round of zero-emission buses must be purchased in 2026. With regard to the latter, if we determine that then-current technologies do not meet our needs, we can seek the one or more “off-ramp” petitions detailed above.

### **STAFF RECOMMENDATION:**

1. Adopt the attached *SoCo Transit Policy and Procedures for the Purchase of Low- or Zero-Emission Vehicles* document.
2. Seek outside funding to jointly develop a regional transit electrification plan with SLOCOG and other transit agencies in the region.

3. Seek to develop a Joint Zero-Emissions Bus Group, including ratification of a multi-agency agreement.

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# **SOUTH COUNTY TRANSIT POLICY AND PROCEDURES FOR THE PURCHASE OF LOW- OR ZERO-EMISSION VEHICLES**

April 24, 2019

South County Transit (SoCo Transit) is committed to being an environmentally and economically sustainable agency that uses resources efficiently and minimizes waste. SoCo Transit remains committed to managing and conserving natural resources in an equitable manner for present and future generations of residents and visitors who benefit from our public transportation services.

SoCo Transit recognizes that fleet assets account for a significant contribution to the region's overall greenhouse gas and other regulated emissions. SoCo Transit further recognizes that tailpipe emissions can be reduced, possibly along with vehicle fuel and maintenance costs, through the purchase of alternatively-fueled vehicles. SoCo Transit's fleet includes light-duty non-revenue vehicles and pieces of equipment, as well as both medium- and heavy-duty revenue vehicles.

The purpose of this policy is to document the process for purchasing and managing SoCo Transit's diverse vehicle fleet in a manner that meets the December 17, 2018 California Innovative Clean Transit (ICT) fleet rule's goals of minimizing greenhouse gas emissions while also carefully considering life-cycle economics.

## **I. Policy to Purchase Low- or No-Emission Vehicles**

SoCo Transit shall make every effort to purchase and use the lowest emission vehicle possible, while taking into account the vehicle's life-cycle costs and the ability to support the agency's operations and services. This covers both replacement and expansion fleet vehicles, including those used for revenue and non-revenue purposes. SoCo Transit also commits to operating a zero-emission fleet by 2040 in order to meet the ICT fleet rule.

The objectives of this policy are to:

1. Optimize the fleet size – eliminate or redeploy unused or under-utilized vehicles.
2. Purchase fleet vehicles that provide the best available net reduction in vehicle fleet emissions, including, but not limited to, the purchase of alternative fueled vehicles. Alternative fueled vehicles are defined as those powered in whole or in part by non-petroleum-based fuels.
3. Reduce emissions of carbon dioxide (CO<sub>2</sub>), a critical greenhouse gas produced through combustion of fossil fuels by making reduced CO<sub>2</sub> emissions a critical purchase criterion.

4. Reduce emissions of carbon monoxide (CO), nitrogen oxides (NOX), and particulate matter (PM) – all pollutants produced by combustion of fossil fuels that endanger public health.
5. Implement concurrent programs using advanced emission controls on all SoCo Transit owned or operated vehicles.

## **II. Procedures to Evaluate Vehicle Purchase Alternatives**

All SoCo Transit vehicle and equipment purchases must comply with California Air Resources Board requirements and United States Environmental Protection Act requirements. For revenue vehicles that will be funded with Federal Transit Administration funds, staff will ensure compliance with Altoona Bus Testing Program requirements and Buy America requirements.

To the extent possible, SoCo Transit shall seek to purchase the lowest emitting technology possible. As part of this evaluation process, staff shall undertake the following steps as part of the evaluation process:

1. Determine if a vehicle or piece of equipment approaching the end of its economically useful life must be replaced, or whether existing resources can instead be redeployed. If the latter, staff will follow procedures in the *Surplus Equipment and Supplies Disposal Standards* section of SoCo Transit Purchasing Policy.
2. If it is determined that a new vehicle or piece of equipment is necessary, staff will gather information on available technologies and whether those technologies can be implemented using existing infrastructure. Infrastructure includes existing fueling capabilities, tooling and storage needs. Staff will also determine what new training resources are necessary for vehicle/equipment operators, technicians and for supervisory oversight.
3. To the extent possible, reducing the vehicle size will be considered to achieve increased fuel efficiency and/or lower emissions, as long as the resulting smaller vehicle also fulfills its required function.
4. A staff report will be presented to SoCo Transit Board that quantifies the estimated life-cycle costs of each technology being considered, based on known current-year costs. The life-cycle costs include the initial purchase price, the upfront infrastructure costs (spread out over the number of vehicles being considered), and any changes to on-going operating costs for the life of the vehicle or piece of equipment. The staff report will also present staff's recommendation on the technology SoCo Transit should pursue, including whether outside agency funding may be available to cover the potential incremental costs for an alternative fuel version of a vehicle or piece of equipment and/or related infrastructure costs.

### **III. Exemptions to Policy**

SoCo Transit Board may declare an exemption from the requirements of this Policy under any one of the following circumstances:

1. Where there is no model of motor vehicle or motorized equipment available that will comply with the requirements of this Policy and still meet the specifications for its intended purpose.
2. Where the analysis demonstrates each of the following:
  - a. That any amortized additional incremental cost of purchasing a lower emission vehicle and associated capital infrastructure that complies with the requirements of this Policy cannot be recovered over the operating life of the vehicle or piece of equipment through a reduction in fuel, maintenance, and other costs incurred during the operating life of such vehicle or equipment; and
  - b. That staff has unsuccessfully applied for, or attempted to identify grant funding for, the purchase or lease of the vehicle or piece of equipment that complies with the requirements of this Policy from outside sources.
3. Where the use of a vehicle or piece of equipment that complies with the requirements of this Policy would significantly disrupt operations or reduce service levels.

In the case that SoCo Transit Board declares an exemption, staff shall submit an exemption request to the California Air Resources Board Executive Officer. If granted, staff shall purchase or lease the model of vehicle or piece of equipment that will meet the specifications and has the highest fuel efficiency and lowest available emissions ratings available for the type of vehicle or piece of equipment specified, provided the cost is within a reasonable range of the cost of a vehicle meeting the specifications but having higher emissions ratings. If the ARB Executive Officer denies the exemption request, staff will bring the matter back to SoCo Transit Board for consideration of next steps.

### **IV. Reporting Requirements**

Beginning March 31, 2021, and continuing every year thereafter through March 31, 2050, SoCo Transit must annually submit a compliance report meeting the requirements of this section for the prior calendar year. The initial report must be submitted by March 31, 2021, and must include the number and information of active buses in the transit agency's fleet as of December 31, 2017.

The annual reports must include the following information:

1. Transit agency information:
  - a. Name of the transit agency;
  - b. Transit agency mailing address;
  - c. National Transit Database (NTD) identification number;
  - d. Name of related Metropolitan Planning Organization (MPO);
  - e. Air district;
  - f. Air basin;
  - g. Joint Group Number (if applicable);
  - h. Name of contact person;
  - i. Contact e-mail address;
  - j. Contact title; and
  - k. Phone number.
2. Information on each bus purchased, owned, operated, leased, or rented by a transit agency, including the following:
  - a. Information on vehicle:
    - i. Vehicle identification number (VIN);
    - ii. License plate;
    - iii. Transit agency fleet's own vehicle ID;
    - iv. Ownership type (owned, leased, rented);
    - v. Make;
    - vi. Model;
    - vii. Bus type;
    - viii. Bus length;
    - ix. Chassis (if applicable);
    - x. Bus fuel type;
    - xi. GVWR;
    - xii. Manufacture year;
    - xiii. Propulsion technology type;
    - xiv. Vehicle status (active, emergency contingency, or retired);
    - xv. Date in-service; and
    - xvi. Bus retired date.
  - b. Information on engine and propulsion system:
    - i. Engine manufacturer;
    - ii. Engine model;
    - iii. Engine model year;
    - iv. Engine family name;
    - v. Engine cylinder displacement size (liters);
    - vi. Battery rated capacity or energy level (kWh);



- vii. Bus charging strategy type (in-route, depot, or combination);
  - viii. Fuel cell system manufacturer;
  - ix. Fuel system model; and
  - x. Fuel system rated power (kW).
- c. Information on bus purchases: Quantity of zero-emission and conventional internal combustion engine buses purchased in the calendar year and their status as new or used, effective date of a Notice to Proceed, and actual or expected bus delivery date; and
- d. Information on converted buses: Quantity of buses fully converted to zero-emission from conventional internal combustion engine buses in each calendar year.

Each transit agency subject to the requirements of a Joint Group must report the same information as required under this section using the assigned Joint Group Number.

## **V. Training and Compliance Requirements**

Upon adoption by SoCo Transit Board of a new vehicle propulsion technology, it expects that all staff will take all reasonable measures to implement the new technology in a timely manner. This includes complying with industry norms for training, efficient operation and safe maintenance of the vehicles. Any employee failing to comply with these measures will be subject to disciplinary action, including termination.

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**DRAFT**  
**SOUTH COUNTY TRANSIT**  
**MINUTES OF JANUARY 16, 2019 BOARD MEETING**  
**City Council Chamber, Arroyo Grande**  
**C-1**

Directors Present:	Lynn Compton Sheila Blake Barbara Nicolls	County Supervisor, District 4 City Council Member, Pismo Beach City Council Member, Grover Beach
Directors Absent:	Jimmy Paulding	City Council Member, Arroyo Grande
Staff Present:	Geoff Straw Tania Arnold Nina Negranti	Administrator RTA Deputy Director and CFO SoCo Transit Counsel

**CALL TO ORDER AND ROLL CALL:** Director Lynn Compton called the meeting to order at 1:32 PM and roll call was taken. A quorum was present.

**PUBLIC COMMENT:** None.

**ELECTION OF OFFICERS:**

**Director Sheila Blake** moved to nominate **Director Compton** for chairperson of the SoCo Transit Board, and **Director Barbara Nicholls** seconded the motion. The motion passed unanimously, with **Director Jimmy Paulding** absent.

**Director Sheila Blake** moved to nominate **Director Nicholls** for vice chairperson of the SoCo Transit Board, and **Director Compton** seconded the motion. The motion passed unanimously, with **Director Jimmy Paulding** absent.

**A. INFORMATION AGENDA:**

**A-1 Administrator's Report (Receive):** Mr. Geoff Straw reported that the passage of the Innovative Clean Transit rule will pose a challenge for SoCo Transit due to funding and battery range of new electric buses. This act phases out petroleum fueled vehicles starting in 2029 with full phase-out by 2040. This will be expensive up front but is expected to be more cost effective over time. **Director Blake** asked if SoCo Transit can expect a major improvement in 2 years. **Mr. Straw** replied that the tires wear quicker due to the weight of the batteries in the vehicles and the cost to charge to vehicles can pose a financial challenge. **Director Compton** asked about using solar panels to charge the buses. **Mr. Straw** stated that on-site solar panels do not provide enough energy to charge the buses.

The Employee of the Quarter BBQ is on Friday February 1<sup>st</sup> at the San Luis Obispo office and **Mr. Straw** opened the invitation to any Board member that wants to attend as a way to get to know the staff at the agency and tour the facility. RTA will continue recruitment for Operations Manager, and the applications will be reviewed on February 22<sup>nd</sup>. The lease for the SoCo Transit office will be reviewed, and SoCo Transit will consult the City of Arroyo Grande attorney. Short range transit plan, passenger surveys March 5-7<sup>th</sup>

SoCo Transit and the RTA are set to launch Token Transit, which will reduce the need for ticket vending machines. The app will make passes accessible to riders on their smartphones. This is funded by Proposition 1B Safety & Security bond proceeds. The first 500 passengers to utilize the app will receive discounted fare/tickets. Chelsea Sperakos was hired as the administrative assistant replacing Shelby Walker.

**A-2 First Reading: Draft FTA Drug and Alcohol Policy, and Non-DOT Drug and Alcohol Policy and Testing Provisions Policy (Receive):** **Mr. Straw** noted that SoCo Transit does not currently have non-DOT employees but the non-DOT drug and alcohol policy has been included so it can be considered for future employees. **Director Blake** questioned if the drug and alcohol policy includes smoking or “vaping”. Discussion followed in regards to that question and the random drug testing process.

**A-3 First Reading: Draft South County Transit Employee Handbook (Receive):** Director Compton noted that questions and comments could be submitted to Mr. Straw via email.

## **B. ACTION AGENDA:**

**B-1 Fiscal Year 2019-20 Budget Assumptions (Approve):** **Ms. Tania Arnold** stated that each year in connection with the annual budget process, staff reviews SoCo Transit operations to determine what, if any, operational changes will be recommended for implementation in the following fiscal year. Based on those recommended changes, staff develops the operational data, revenue and cost projections for presentation in the proposed Operating Budget. For Fiscal Year 2019-20, staff is recommending maintaining service levels and the current fare structure implemented in July 2016.

There are a number of key issues that the budget addresses. Firstly, SoCo Transit faces a Transportation Development Act (TDA) financial penalty, estimated to be on the order of \$70,000. STA funds used for capital projects and LTF used for operating purposes is projected to be flat. Liability costs continue to escalate, despite SoCo Transit’s good safety record. Fleet replacement and related funding requirements including SB1 funds will need to be addressed to replace two model year 2004 buses. Fuel costs continue to remain low; this also results in declining ridership & fares. Lastly, agencies across California are struggling to attract a sufficient number of staff persons.

Note that the first issue is the greatest one facing the agency in the immediate future, and is something that has been on the forefront of decision-makers’ minds ever since the State-mandated higher 20% farebox recovery ratio was triggered by the 2010 US Census. Also of note, the South County Short Range Transit Plan has begun and will be completed in the next 18 months.

**Ms. Arnold** then continued by reading the SoCo Transit mission statement, objectives and revenue impacts. Staff will focus on maintaining service levels and hours of service that meet the standards of productivity and demands of our customers and communities through the effective and efficient delivery of SoCo Transit Fixed Route core services, as well as contracted Senior Shuttle and Trolley services. SoCo Transit received just over \$78,500 in STA capital project funding in FY17-18 and \$158,040 in FY18-19. We will continue to monitor the results and impacts of the July 2016 fare increase. In addition, slightly higher fare revenues are expected because of the RTA's December 31, 2017 increase to Regional fare media that is shared with SoCo Transit, in addition to the smartphone based fare collection system projected to launch later this fiscal year. FTA Section 5307 Urbanized Area Formula Program grant funding will be budgeted at 45% of allowable operating expenditures less farebox revenue. To partially fund the new Route 27 and Route 28 services, SoCo Transit will apply for LCTOP grant to fund the service in FY19-20.

As noted previously, a financial penalty will likely be assessed by SLOCOG for failing to achieve the mandated 20% farebox recovery ratio. After this amount is determined and local non-TDA sources are identified at each jurisdiction's level, the now-reduced LTF will be budgeted to balance the SoCo Transit budget based on maintaining service levels for SoCo Transit Routes 21, 24, 27 and 28 operations. The FY19-20 LTF amount will likely be in line with FY18-19 LTF amount, which is greater than in recent fiscal years, but SoCo Transit has used annual savings that had been carried forward as fund balance available to offset prior year requested LTF. Staff will continue to research and evaluate new revenue resources should any potential shortfall in operating revenues arise.

Lastly, we will evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs. Staff will work with SLOCOG on appropriate projects for the Augmented STA portion of SB1 funds for SoCo Transit projects. Staff is anticipating the funding will be used to match federal funds for vehicle procurements.

**Ms. Arnold** continued by going over the expenses impacts. She stated the Beach Trolley will operate from early-April through early-June on Friday through Sunday. From mid-June to early-October, the Beach Trolley will operate on Friday through Sunday. These services are provided through a contract with RTA and entirely funded through the County. Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.25 per gallon. Staff is assuming the operations facility rental costs will not increase in FY19-20, this is currently up for negotiation as the lease expires in June 2019.

Insurance expenses are something to keep an eye on. CalTIP liability insurance premiums are projected to increase. Estimates should be received from CalTIP in time to include in the SoCo Transit April 2019 budget presentation. Although the number of SoCo Transit losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development and is working to ensure the stability of the pool and ensure equity between all members. CalTIP vehicle physical damage will increase minimally due to the added asset value of new vehicles in the fleet. As of July 1, 2017 CalTIP

no longer provides employment practices liability insurance coverage as part of the premiums paid for general liability coverage. SoCo Transit was able to join the Employment Risk Management Authority to obtain coverage. The annual premium is estimated at \$2,500 with a \$50,000 self-insured retention. Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase. For budget-making purposes, staff is assuming health insurance premiums will increase 5% in comparison to current rates. The SoCo Transit Board ratified the CBA with the Teamsters at its Special Board meeting in January 2018, which will impact the wage scale budgeted for FY19-20.

**Ms. Arnold** read over the proposed budget calendar and stated staff recommends approval of the budget assumptions to enable staff to begin development of FY19-20 operating and capital budgets.

**B-2 Annual Fiscal Audit Fiscal Year 2017-18 (Accept):** Included are two letters related to audit findings

**Director Blake** moved to approve items B1 and B2, and **Director Nicholls** seconded the motion. The motion passed unanimously, with **Director Jimmy Paulding** absent.

**C. CONSENT AGENDA:**

C-1 SoCo Transit Minutes of September 19, 2018 (Approve)

C-2 Resolution Authorizing Executive Director to Submit Application for Low Carbon Transit Operations Grant Funds (Approve)

C-3 Resolution for Benefits Program (Approve)

**Director Nicholls** moved to approve items C1 through C3, and **Director Blake** seconded the motion. The motion passed unanimously, with **Director Jimmy Paulding** absent.

**D. DIRECTORS' COMMENTS:**

**Director Blake** inquired about the status SoCo Transit consolidation. **Mr. Straw** replied that he can discuss the issue with directors individually.

**E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS:** None

**ADJOURNMENT:** The meeting was adjourned at 2:19 p.m.

Respectfully submitted, Chelsea Sperakos, Administrative Assistant

**SOUTH COUNTY TRANSIT**

**APRIL 24, 2019**

**STAFF REPORT**

**AGENDA ITEM:** C-2

**TOPIC:** Internal Control

**ACTION:** Review and Accept the SoCo Transit  
Completed Internal Control Checklists

**PRESENTED BY:** Tania Arnold, RTA Deputy Director/CFO

**STAFF RECOMMENDATION:** Review and Accept the FY2017-18 Internal  
Control Checklists

**BACKGROUND/DISCUSSION:**

On October 17, 2018, SLOCOG Board President Tom O'Malley received a letter from the Office of the San Luis Obispo County Auditor-Controller-Treasurer-Tax Collector. In the letter, outgoing Auditor-Controller-Treasurer-Tax Collector, James P. Erb, CPA, addressed concerns aimed at Special Districts and Joint Powers Authorities (JPAs) who provide services in the County of San Luis Obispo. A copy of the letter is included here as Attachment A.

In the letter, Mr. Erb emphasized the importance of a strong system of internal controls designed to ensure integrity in financial and accounting matters, promote accountability, and prevent fraud. He included a list of 23 questions and asked managers to use this to assess the agency's internal control system. He requested the responses be presented to the Board of Directors and updated annually. SoCo Transit's responses are shown in Attachment B.

**Staff Recommendation**

Staff recommends that the Board review and accept the Fiscal Year 2017-18 Internal Control Checklists.

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## Attachment A



COUNTY OF SAN LUIS OBISPO

AUDITOR - CONTROLLER • TREASURER - TAX COLLECTOR

James P. Erb, CPA Auditor-Controller • Treasurer-Tax Collector

James W. Hamilton, CPA Assistant Auditor-Controller • Treasurer-Tax Collector

October 17, 2018

San Luis Obispo Council of Governments (SLOCOG)  
Tom O'Malley, President  
1114 Marsh Street  
San Luis Obispo, CA 93401



Dear Mr. O'Malley:

As most of you know I will be leaving the Office of the San Luis Obispo County Auditor-Controller-Treasurer-Tax Collector at the end of this calendar year. My assistant ACTTC, James Hamilton, has been elected to the position and will provide for a smooth and structured transition. I am sorry I did not get to know more of you, but the time has passed so quickly.

Recently there has been some discussion in the news about a small agency's possible lack of oversight regarding its financial affairs. I was reminded about how vulnerable small organizations can be since a distinct separation of duties is not always possible. I want to remind everyone about the need for adequate internal controls and to provide some useful ideas in the form of a checklist. This letter is meant for Special Districts and Joint Powers Authorities who provide services in the County of San Luis Obispo. Please share this letter with other Board members and any appropriate staff.

The Board of Directors, general managers, and staff throughout an agency are responsible for establishing a system of controls called internal controls. Internal controls are the mechanisms, rules and procedures implemented to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. While an independent audit may identify errors or irregularities, the existence of effective internal controls serves to prevent them in the first place.

I have included a checklist which provides a starting point for managers to assess the internal control system within their agency. Management should review the checklist and inquire with staff as needed in answering the questions. "No" answers should have a documented discussion as to why the requirement does not apply or cannot be met. "Yes" answers should include a description of the procedures in place to satisfy this requirement. This checklist should be updated every year and presented to the Board of Directors. Independent auditors are required to evaluate and test compliance with internal controls and can be a valuable resource to management and Boards with guidance on implementing and evaluating internal controls appropriate to the agency. I know your auditors will appreciate you going through this exercise.

We know some of the items in the checklist may be difficult to follow in agencies with limited staff. Internal controls require a commitment of time and resources but are an integral part of an agency operating effectively. In addition, some of the policies the County has adopted may be applicable to your agency. You are welcome

County of San Luis Obispo Government Center

P.O. Box 1149 | San Luis Obispo, CA 93406-1149 | (P) 805-781-5831 | (F) 805-781-5362

ttc@co.slo.ca.us | <http://sloacttc.com>



## Attachment A

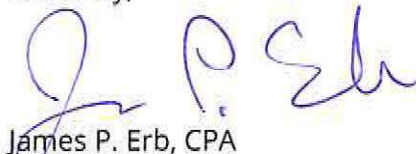
to use any of the County's policies, such as purchasing, cash handling, and travel. We will provide you a copy if requested.

Some Districts and Joint Powers Authorities keep their funds in the County Treasury. In these cases, the County operates as a bank for the agency, accepting deposits and making disbursements when authorized by the agency. Those Districts and Joint Powers Authorities may opt to use the County's accounting system as their system of record for financial transactions. Access to the County's accounting system allows an entity to have real-time financial information including balance sheet (cash, liabilities, and equity), revenue and expenditure details, cost accounting and budgetary reports. The County Auditor-Controller-Treasurer-Tax Collector's (ACTTC) accounts payable division reviews all Authorization to Draw Warrants (request for vendor payment) for authority to pay. This process does not include a review of vendor invoices, contracts, support for travel claims, payroll calculations, or Board meeting minutes to process a payment request. To validate an authorization for payment we verify that individuals approving the payment request appear on the authorized signers list provided by the agency; two signatures are always required.

The ACTTC's Internal Audit Division tracks and reviews the audited financial statements of all districts within the County. If the audited financial statements have any reportable condition(s), we will bring them to the attention of the Board Chairperson either by a phone call (if minor) or by a formal letter if the reportable condition is more serious in nature. It is imperative that annual audits are performed in a timely manner to provide any benefit to the agency. State law (CGC 26909) requires that a financial audit is performed within 12 months after the end of the reporting period. In my opinion, there are very few reasons why the audit cannot be completed within 6 months after the end of the reporting period. If a District's required audit has not been completed within 12 months past the end of the reporting period (some special districts may be on a County Board of Supervisor approved two or five-year audit cycle), my office can set aside, from the agency's funds, an amount equal to the prior period audit fees. I have the authority to hire and pay an auditor of my choice to perform the audit. If you find yourself in a situation where the audit is not performed in a timely manner, please contact my office as soon as possible.

The Auditor-Controller-Treasurer-Tax Collector's staff is available to provide guidance if needed. Do not hesitate to contact us. Jim Hamilton's phone number is 805-781-5043 (jhamilton@co.slo.ca.us) and mine is 805-788-2964 (jerb@co.slo.ca.us), we can both be reached through County e-mail as well. Thank you for the services you provide to our community. The efforts of all of us blend together to help make San Luis Obispo County an amazing place to live.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. P. Erb".

James P. Erb, CPA  
Auditor-Controller-Treasurer-Tax Collector

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	<b>Internal Control Checklist – South County Transit</b>	<b>Yes</b>	<b>No</b>
1.	Does management set a good example and regularly communicate high expectations regarding integrity, transparency, and ethical values?	Y	
2.	Does the agency have a policy covering potential conflicts of interest?	Y	
3.	Does the agency promote and foster trust between employees, supervisors, outside agencies, and the Board of Directors?	Y	
4.	Does the agency rotate their external auditors at a minimum of every 6 years as required by CGC 12410.6.(b)?		N
5.	Does the agency consider the information provided by external auditors about control-related matters and act on that information?	Y	
6.	Does the agency consider audit findings and take timely corrective actions?	Y	
7.	Are employees encouraged to provide recommendations for improvement?	Y	
8.	Does the agency promote continuous improvement and solicit input and feedback from employees at all levels regarding issues that may impact the entire office?	Y	
9.	Do the managers share detailed budget to actual information with the Board of Directors at least quarterly?	Y	
10.	Does the agency have purchasing guidelines that are strictly followed?	Y	
11.	Are all contracts or larger purchases (set by a purchasing policy) go through an Request for Proposal process?	Y	
12.	Does management share the results/scoring of Request for Proposals with the Board?	Y	
13.	Are performance reviews of specific functions or activities regularly conducted and unexpected results or unusual trends investigated and communicated to the Board of Directors?		N
14.	Does the agency regularly review actual program performance and compare it to objectives and budgets/forecasts, as well as to historic performance?	Y	
15.	Does the agency periodically assess employee attitudes, review effectiveness of the organization structure, and evaluate the appropriateness of policies and procedures?	Y	
16.	Does the agency ensure all employees receive relevant information regarding grant requirements/conditions, legislation, regulatory developments, economic changes or other external factors that may affect the agency?	Y	
17.	Do employees understand which records they must maintain and the required retention period?		N
18.	Are financial duties (cash/funds inflows, outflows, and reconciliations) segregated among different people? <b>(If Yes, continue w/ #19.) (If No, continue w/ #18a.)</b>	Y	
18A.	If not, is a periodic review conducted by someone not involved in cash handling functions?		
19.	Is a listing of all disbursement, since the last meeting, presented to the Board of Directors for approval either prior to the payment or after the fact if the Board only meets quarterly, at each Board meeting?		N

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20.	Are bank reconciliations performed by a person not responsible for making deposits or initiating payments within 14 days after the close of the banking period?		N
21.	Are all assets (e.g., equipment) physically secured and periodically counted?	Y	
22.	Does the agency routinely spot-check transactions, monitoring files, records, and reconciliations to ensure expectations are met?	Y	
23.	Does the agency regularly subject internal controls to a formal and continuous internal assessment process?	Y	

<b>Comment Section – Internal Control Checklist</b>	
1.	The SoCo Transit Strategic Business Plan approved by the Board on April 25, 2018 includes the values of integrity and commitment to serve (which includes maintaining responsible ethical fiscal management). SoCo Transit regularly reports its operating and financial results in comparison to the established standards to the Board and to staff.
2.	The SoCo Transit Conflict of Interest Code was revised and approved by the Board on January 18, 2017 through resolution 2017-01. This Code includes the Designated Filers positions, including all Board members and their alternate members, in addition to the SoCo Transit Administrator, RTA Deputy Director/Chief Financial Officer, and RTA Grants and Financial Manager. The draft SoCo Transit Employee Handbook scheduled for adoption by the Board at the April 24, 2019 meeting also includes Section 2.6.7 Conflicts of Interest to further communicate responsibilities throughout the organization.
3.	Standard of Excellence Section 6 of the SoCo Transit Strategic Business Plan establishes standards for Leadership and notes that “we will strive to be one of the nation’s leading small transit operators. We will work to maintain collaborative relationships within the industry, within our community and with our stakeholders. We will develop future leaders from within our organization.” We do this in a variety of ways, including bringing Employee of the Quarter winners to Board meetings, senior staff attending City Council meetings, annual employee evaluations, and including Supervisors in major projects such as the implementation of the Bus Stop Improvement Plan to foster interaction between staff and the various jurisdictions.
4.	The SoCo Transit, RTA and SLOCOG have used the same auditing firm since 2009, although we are aware of the 6-year limit. When the contract ended after the audit of 2012, a contract extension was approved by the RTA and SLOCOG Boards and the firm performed audits until 2015. In response to a 2015 solicitation, only the current auditing firm submitted a bid, although at least eleven firms were notified of the RFP that was posted on SLOCOG’s website. A second bid was received after the RFP deadline, however the contract was awarded to the current firm, covering 4 years to end with the audit of 2019. SLOCOG reported to the Board that the next contract will be required to be awarded to a different firm and will be issuing an RFP in FY 19-20. Between 2009 and 2018, the auditing firm assigned different lead auditors of SoCo Transit, with the most recent change occurring in 2013.
5.	Staff appreciates feedback provided by fiscal auditors and consults with them during the course of the fiscal year should questions arise to ensure items are being addressed as proactively as possible. However, fiscal auditors have not found a “Material Weakness” or “Significant Deficiency” relating to Internal Control. Staff also actively cooperates with State triennial auditors and Federal triennial reviewers to ensure compliance with TDA and FTA requirements.
6.	SoCo Transit closely considers fiscal audit findings and takes swift corrective action. Staff has discussed prior findings with the Board, as was done at the January 16, 2019 meeting when the finding related to the shortfall in farebox recovery ratios was discussed with the Board. Staff also



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	regularly reports progress to the Board on recommendations made in State and Federal triennial performance reviews/audits.
7.	All employees are encouraged to identify shortcomings and provide recommendations. The Safety Resource Committee receives all employee recommendations (regardless of if safety is involved) and provides a group analysis of recommendations, with transparent follow up information on the status of all recommendations.
8.	Please see our response provided in item #7.
9.	Included in each quarterly SoCo Transit Board agenda is a Budget vs. Actual expense analysis that is presented on a modified accrual basis. In addition, staff presents information on performance of the services offered in order for information to be reviewed regarding service productivity in addition to fiscal productivity. Noted in the Administrator's report are any comments regarding significant variances from the budget and any necessary corrective action(s).
10.	SoCo Transit strictly follows its adopted Purchasing Policy that includes property disposal and protest procedures. These policies/procedures are also reviewed every three years by our State and Federal partners to ensure continued compliance. In addition, staff follows guidelines for the funding associated with each project should that funding source have additional requirements. Staff also has policies applicable to revenue collection to ensure that all funds are received and properly accounted for.
11.	Based on the purchasing policy, staff will complete a RFP process when deemed appropriate. When a proposed project exceeds the limits identified in the purchasing policy, staff seeks Board authority prior to beginning the formal bidding process.
12.	The results of each competitive bidding process is presented to the Board after the panel of evaluators have reviewed and scored the responding agencies. This is typically done at the same time staff requests the Board approve the resulting draft contract. Staff doesn't commonly report the scores that responders received on their bids.
13.	Performance reviews of specific functions/activities are only conducted and results reported to the Board if a specific shortcoming is identified. However, SoCo Transit undergoes a TDA Triennial Performance Audit and participates indirectly as part of the FTA Triennial Review, both of which include reports of findings beyond just fiscal matters to the Board. In addition, SoCo Transit undergoes a comprehensive Short Range Transit Plan effort every 5 to 7 years that includes reviews of institutional, operations, financial and capital elements. A kickoff meeting was held on December 10, 2018 for a new SRTP, with completion anticipated in early 2020.
14.	Please see our response to item #7.
15.	Due to the nature of oversight, SoCo Transit relies on the RTA for administration and finance. The RTA regularly uses an outside consultant to work with administrative staff and the Operations Supervisors to address attitudes, effectiveness, policies and procedures to determine what is working well, what needs improvement and what needs immediate attention. These items have been incorporated in the SoCo Transit Strategic Business Plan adopted by the Board on April 25, 2018. Staff also conducts Customer Perception Surveys every two years, including specific outreach to our employees; the results are presented to the Board.
16.	The RTA department heads from Administration, Operations and Maintenance work together under the guidance of the SoCo Transit Administrator to ensure employees receive information on regulatory changes, grants, legislation, and other external factors that may impact the agency. We maintain a wide network of peers, in addition to regular industry updates that provide regular information for discussion and further research to ensure compliance. Board packets are shared with employees, including placing a paper copy in each employee break room.

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17.	Although the RTA staff that manages the documents in storage for SoCo Transit are aware of the legal requirement for document retention, including those of the various grant programs, the RTA Record Retention schedule is significantly outdated and has been identified as a document for review and revision. Staff anticipates taking the information to the Board in 2019, including a policy for educating employees.
18	The SoCo Transit financial duties are segregated among various staff members within the RTA. Annually, when audit field work is being conducted, staff reviews with the lead auditor to ensure all opportunities for the segregation of duties are explored. These discussions are especially valuable given the very small administrative staff of seven, which can be significantly impacted with long term vacations or turnover. Additionally, periodic internal audits are conducted in order to monitor financial accuracy.
19.	SoCo Transit does not present a listing of all disbursements to the Board for approval either prior to the payment or after the fact. Instead, the Board reviews the Budget vs. Actual expenditure information at each quarterly meeting with notations on variances from budget, either over or under.
20.	Due to the limited staff size at the RTA, who complete these duties on behalf of SoCo Transit, bank reconciliations are performed by a staff person who is responsible for making deposits and initiating payments within fourteen days after the close of the banking period. The bank account is for limited purposes related to payroll, including ACH withdrawals by the payroll provider (ADP), which has control procedures in place and subsequent deposits via ACH from the County of San Luis Obispo based on an authorization to draw warrant that must be signed by two authorized signers. All bank reconciliations are reviewed and signed by the Administrator.
21.	SoCo Transit fixed assets that can be physically secured are secured, and those that cannot be physically (such as the vehicles) have security features to limit the threat of theft. Due to the nature of some of the assets, such as bus stop shelters and amenities, there is periodic damage and theft that does occur, which is reported to the Board. All assets are periodically counted and their state of repair is noted in order to ensure funding can be identified for replacement.
22.	The segregation of duties allows for files, reconciliations, and records to be routinely spot-checked. This “fresh set of eyes” enables us to review information to ensure it makes sense. Additionally, the various grant funds that SoCo Transit receive require additional audit steps to review information – which staff welcomes as an opportunity to ensure that expectations are being met.
23.	As staff prepares annually for the fiscal audit, we review and evaluate internal controls to ensure they continue to meet the needs of the agency and consider questions that should be addressed with the auditors while they are on site. Additionally, staff is encouraged to ask questions, either directly to peers within SoCo Transit, or the RTA staff, or directly to the auditors to ensure all opportunities to improve internal controls are explored.

## **SOUTH COUNTY TRANSIT**

**APRIL 24, 2019**

### **STAFF REPORT**

**AGENDA ITEM:** C-3

**TOPIC:** Drug & Alcohol Testing Program Update

**ACTION:** Adopt Updated Policies

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Adopt

#### **BACKGROUND/DISCUSSION:**

As required under U.S. Department of Transportation regulations, each recipient of FTA funds must adopt a compliant Drug and Alcohol Testing policy. The last update to the Drug and Alcohol Testing Policy was in 2009.

The U.S. DOT recently amended its regulations, and the attached *Safety-Sensitive Employee Drug and Alcohol Policy* meets the new requirements. Covered employees include everyone who operates a revenue vehicle or a non-revenue vehicle that requires a Commercial Driver's License, and those employees who control/dispatch a revenue vehicle. Covered employees also include those who maintain revenue service vehicles or equipment. In short, our Bus Operators, Supervisors, Technicians, Utility Workers, and Trainers are subject to this policy

Also attached is a *Non-DOT Drug and Alcohol Policy and Testing Provisions Policy* that ensures a drug- and alcohol-free workplace by requiring non safety-sensitive employees to comply with the policy. This policy covers all employees who are not subject to the *Safety-Sensitive Employee Drug and Alcohol Policy*; South County Transit does not currently have any employees that would be subject to the *Non-DOT Drug and Alcohol Policy and Testing Provisions Policy*.

#### **Staff Recommendation**

Adopt the attached *Safety-Sensitive Employee Drug and Alcohol Policy* and the *Non-DOT Drug and Alcohol Policy and Testing Provisions Policy*.

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## South County Transit

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# Safety-Sensitive Employee Drug and Alcohol Policy

Effective as of April 24, 2019

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## 1. Purpose of Policy

South County Transit (SoCo Transit) provides public transit services for the residents of Southern San Luis Obispo County. Part of SoCo Transit's mission is to ensure that this service is delivered safely, efficiently, and effectively by establishing a drug and alcohol-free work environment, and to ensure that the workplace remains free from the effects of drugs and alcohol in order to promote the health and safety of employees and the public.

This policy complies with 49 CFR Part 655, as amended and 49 CFR Part 40, as amended, for safety-sensitive employees at SoCo Transit. Copies of Parts 655 and 40 are available in the RTA Operations Manager's office and can be found on the internet at the Federal Transit Administration (FTA) Drug and Alcohol Program website <http://transit-safety.fta.dot.gov/DrugAndAlcohol/>.

All covered employees are required to submit to drug and alcohol tests as a condition of employment in accordance with 49 CFR Part 655.

Portions of this policy are not FTA-mandated, but reflect the SoCo Transit's policy. These additional provisions are identified by underlined text.

In addition, the DOT has published 49 CFR Part 32, implementing the Drug-Free Workplace Act of 1988, which requires the establishment of drug-free workplace policies and the reporting of certain drug-related offenses to the FTA.

All SoCo Transit employees – whether safety-sensitive or not – are subject to the provisions of the Drug-Free Workplace Act of 1988.

The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplaces. An employee who is convicted of any criminal drug statute for a violation occurring in the workplace shall notify the Operations Manager no later than five days after such conviction.

## 2. Covered Employees

This policy applies to every person, including an applicant or transferee, who performs or will perform a "safety-sensitive function" as defined in Part 655, section 655.4.

You are a covered employee if you perform any of the following:

- Operating a revenue service vehicle, in or out of revenue service
- Operating a non-revenue vehicle requiring a commercial driver's license
- Controlling movement or dispatch of a revenue service vehicle
- Maintaining (including repairs, overhaul and rebuilding) of a revenue service vehicle or equipment used in revenue service

A volunteer is a covered employee if:

- The volunteer is required to have a commercial driver's license to operate the vehicle, or
- The volunteer performs a safety-sensitive function and receives remuneration in excess of his or her actual expenses incurred.

See Addendum A for a list of covered positions by job title.

### 3. Prohibited Behavior

Use of illegal drugs is prohibited at all times. All covered employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a prohibited drug in the body at or above the minimum thresholds defined in Part 40. Prohibited drugs include:

- marijuana
- cocaine
- phencyclidine (PCP)
- opioids
- amphetamines

All covered employees are prohibited from performing or continuing to perform safety-sensitive functions while having an alcohol concentration of 0.04 or greater.

All covered employees are prohibited from consuming alcohol while performing safety-sensitive job functions, or while on-call to perform safety-sensitive job functions. If an on-call employee has consumed alcohol, they must acknowledge the use of alcohol at the time that they are called to report for duty. If the on-call employee claims the ability to perform his or her safety-sensitive function, he or she must take an alcohol test with a result of less than 0.02 prior to performance.

All covered employees are prohibited from consuming alcohol within four (4) hours prior to the performance of safety-sensitive job functions.

All covered employees are prohibited from consuming alcohol for eight (8) hours following involvement in an accident or until he or she submits to the post-accident drug and alcohol test, whichever occurs first.

### 4. Consequences for Violations

#### 4.1 FTA Consequences

Following a positive drug or alcohol (BAC at or above 0.04) test result or test refusal, the employee will be immediately removed from safety-sensitive duty and referred to a Substance Abuse Professional.

Following a BAC of 0.02 or greater, but less than 0.04, the employee will be immediately removed from safety-sensitive duties for at least eight hours or the duration of the workday, whichever is longer, unless a retest results in the employee's alcohol concentration being less than 0.02.

#### 4.2 SoCo Transit Consequences

##### **Positive Alcohol Test Results:**

Under SoCo Transit's sole authority, when a covered employee receives a confirmatory alcohol test result within the prohibited timeframes, the following disciplinary action will occur:

- A confirmed BAC of 0.04 or greater: Termination

The employee will not be permitted to return to service or resume their duties and will be referred to the SAP. The employee will not be permitted to drive their own vehicle, and an alternate means of transportation will be utilized.

- A confirmed BAC of 0.02 or greater but less than 0.04:

If after the initial test confirming a BAC between .02 and .039, the confirmation test after the fifteen-minute wait period is still between .02 and .039, the employee is terminated. If the confirmation test is under .02, the employee will be immediately removed from his/her safety-sensitive duties and placed on paid administrative leave. The employee will remain off duty until their next scheduled duty period, but not less than 8 hours following the administration of the test.

##### **Positive Prohibited Drug Test Results:**

Under SoCo Transit's sole authority, all covered employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a prohibited drug in the body above the minimum thresholds defined in CFR 49 Part 40.

Under SoCo Transit's sole authority, following a positive drug test result or refusal to test, the following disciplinary action will occur for covered employees:

- Job Applicants (applying for covered positions only): Not Hired
- Employee: Termination

When positive drug results are received from the Medical Review Officer (MRO), the Designated Employer Representative (DER) or Drug and Alcohol Program Manager (DAPM) in his/her absence will immediately notify the Executive Director, Deputy Director, Operations Manager, Maintenance Manager, and Marketing Manager. The employee will not be permitted to return to service or resume their duties and will be referred to the SAP.

## **Commercial Driver's License Suspension Due To a DUI Conviction:**

Under the sole authority of SoCo Transit, if a covered employee's commercial driver's license (CDL) is suspended for more than 30 days due to a DWI/DUI, whether stemming from the operation of a SoCo Transit vehicle or a privately owned vehicle the following disciplinary action will occur:

- Employee: Termination

## **Zero Tolerance**

Per the SoCo Transit policy, any employee who tests positive for drugs or alcohol (BAC at or above 0.04) or refuses to test will be referred to a Substance Abuse Professional (SAP) and terminated from employment.

### 5. Circumstances for Testing

All covered employees under SoCo Transit authority may be subject to testing for reasonable suspicion, post-accident, random, or return to duty/follow-up using non-DOT testing forms.

#### 5.1 Pre-Employment Testing

A negative pre-employment drug test result is required before an employee can first perform safety-sensitive functions. If a pre-employment test is cancelled, the individual will be required to undergo another test and successfully pass with a verified negative result before performing safety-sensitive functions.

If a covered employee has not performed a safety-sensitive function for 90 or more consecutive calendar days, and has not been in the random testing pool during that time, the employee must take and pass a pre-employment test before he or she can return to a safety-sensitive function.

A covered employee or applicant who has previously failed or refused a DOT pre-employment drug and/or alcohol test must provide proof of having successfully completed a referral, evaluation, and treatment plan meeting DOT requirements. Under SoCo Transit authority, failure of a pre-employment drug and/or alcohol test will disqualify an applicant for employment for a period of at least two years.

#### 5.2 Reasonable Suspicion Testing

All covered employees shall be subject to a drug and/or alcohol test when SoCo Transit has reasonable suspicion to believe that the covered employee has used a prohibited drug and/or engaged in alcohol misuse. A reasonable suspicion referral for testing will be made by a trained supervisor or other trained company official based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the covered employee.

Covered employees may be subject to reasonable suspicion drug testing any time while on duty. Covered employees may be subject to reasonable suspicion alcohol testing while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions. Under SoCo Transit's authority, an alcohol or drug test can be performed any time a covered employee is on duty. In addition to the definition of reasonable suspicion described in paragraph one of this section, an alcohol and/or drug test can be administered if SoCo Transit receives a formal report from a reliable source of an employee's drug use or alcohol misuse, or the employee exhibits a pattern of poor judgement indicative of drug use or alcohol misuse. Anonymous reports alone shall not be considered a reliable source for the purposes of tests performed outside the definition of reasonable suspicion in paragraph one of this section. All tests performed outside of the definition of paragraph one of this section will be conducted using non-DOT drug and alcohol testing forms.

SoCo Transit requires that a covered employee who is required to submit to a reasonable suspicion controlled substance and/or alcohol test of this policy not be assigned to operate any SoCo Transit vehicle and/or perform safety-sensitive functions pending the outcome of such test. SoCo Transit's policy is that such employee will be placed on paid administrative leave pending the results of the drug and/or alcohol testing.

### 5.3 Post-Accident Testing

Covered employees shall be subject to post-accident drug and alcohol testing under the following circumstances:

#### Fatal Accidents

As soon as practicable following a collision that results in the loss of a human life, drug and alcohol tests will be conducted on each surviving covered employee operating the public transportation vehicle at the time of the collision. In addition, any other covered employee whose performance could have contributed to the collision, as determined by SoCo Transit using the best information available at the time of the decision, will be tested.

#### Non-fatal Accidents

As soon as practicable following a collision or passenger injury not involving the loss of a human life, drug and alcohol tests will be conducted on each covered employee operating the public transportation vehicle at the time of the accident if at least one of the following conditions is met:

- a. The collision or passenger injury that results in injuries requiring immediate medical treatment away from the scene, unless the covered employee can be completely discounted as a contributing factor to the collision or passenger injury.
- b. One or more vehicles incurs disabling damage and must be towed away from the scene, unless the covered employee can be completely discounted as a contributing factor to the collision or passenger injury.

- c. The vehicle is a rail car, trolley car or bus, or vessel, and is removed from operation, unless the covered employee can be completely discounted as a contributing factor to the collision or passenger injury.

In addition, any other covered employee whose performance could have contributed to the collision or passenger injury, as determined by SoCo Transit using the best information available at the time of the decision, will be tested.

A covered employee subject to post-accident testing must remain readily available, or it is considered a refusal to test. Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following a collision or to prohibit a covered employee from leaving the scene of a collision for the period necessary to obtain assistance in responding to the collision or to obtain necessary emergency medical care.

#### 5.4 Random Testing

Random drug and alcohol tests are unannounced and unpredictable, and the dates for administering random tests are spread reasonably throughout the calendar year. Random testing will be conducted at all times of the day when safety-sensitive functions are performed.

Testing rates will meet or exceed the minimum annual percentage rate set each year by the FTA administrator. The current year testing rates can be viewed online at [www.transportation.gov/odapc/random-testing-rates](http://www.transportation.gov/odapc/random-testing-rates).

The selection of employees for random drug and alcohol testing will be made by a scientifically valid method, such as a random number table or a computer-based random number generator. Under the selection process used, each covered employee will have an equal chance of being tested each time selections are made.

A covered employee may only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions. A covered employee may be randomly tested for prohibited drug use anytime while on duty.

Each covered employee who is notified of selection for random drug or random alcohol testing must immediately proceed to the designated testing site.

Random Testing – End of Shift: Random testing may occur anytime an employee is on duty so long as the employee is notified prior to the end of the shift. Employees who provide advance, verifiable notice of scheduled medical or childcare commitments will be random drug tested no later than three hours before the end of their shift and random alcohol tested no later than 30 minutes before the end of their shift. Verifiable documentation of a previously scheduled medical or childcare commitment, for the period immediately following an employee's shift, must be provided four hours before the end of the shift.



## 6. Testing Procedures

All FTA drug and alcohol testing will be conducted in accordance with 49 CFR Part 40, as amended.

### 6.1 Dilute Urine Specimen

If there is a negative dilute test result, SoCo Transit will conduct one additional retest. The result of the second test will be the test of record.

Dilute negative results with a creatinine level greater than or equal to 2 mg/dL but less than or equal to 5 mg/dL require an immediate recollection under direct observation (see 49 CFR Part 40, section 40.67).

### 6.2 Split Specimen Test

In the event of a verified positive test result, or a verified adulterated or substituted result, the employee, at his or her own expense, can request that the split specimen be tested at a second laboratory. SoCo Transit guarantees that the split specimen test will be conducted in a timely fashion.

## 7. Test Refusals

As a covered employee, you have refused to test if you:

- a. Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by SoCo Transit.
- b. Fail to remain at the testing site until the testing process is complete. An employee who leaves the testing site before the testing process commences for a pre-employment test has **not** refused to test.
- c. Fail to attempt to provide a breath or urine specimen. An employee who does not provide a urine or breath specimen because he or she has left the testing site before the testing process commenced for a pre-employment test has not refused to test.
- d. In the case of a directly-observed or monitored urine drug collection, fail to permit monitoring or observation of your provision of a specimen.
- e. Fail to provide a sufficient quantity of urine or breath without a valid medical explanation.
- f. Fail or decline to take a second test as directed by the collector or SoCo Transit for drug testing.
- g. Fail to undergo a medical evaluation as required by the MRO or SoCo Transit's DER.
- h. Fail to cooperate with any part of the testing process.
- i. Fail to follow an observer's instructions to raise and lower clothing and turn around during a directly-observed test.
- j. Possess or wear a prosthetic or other device used to tamper with the collection process.
- k. Admit to the adulteration or substitution of a specimen to the collector or MRO.
- l. Refuse to sign the certification at Step 2 of the Alcohol Testing Form (ATF).

- m. Fail to remain readily available following an accident.

As a covered employee, if the MRO reports that you have a verified adulterated or substituted test result, you have refused to take a drug test.

As a covered employee, if you refuse to take a drug and/or alcohol test, you incur the same consequences as testing positive: you will be immediately removed from performing safety-sensitive functions, referred to a SAP, and terminated. Under SoCo Transit's authority, refusal to submit to a Federal drug or alcohol test or refusal to submit to a non-federal drug or alcohol test shall be considered a positive test result and a direct act of insubordination, and shall result in termination of employment and a referral to a substance abuse counselor.

#### 8. Voluntary Self-Referral

Any covered employee who has a drug and/or alcohol abuse problem and has not been selected for reasonable suspicion, random or post-accident testing or has not refused a drug or alcohol test may voluntarily refer herself or himself to the DAPM or DER listed in Addendum B, who will refer the individual to a substance abuse counselor for evaluation and treatment.

The substance abuse counselor will evaluate the employee and make a specific recommendation regarding the appropriate treatment. Employees are encouraged to voluntarily seek professional substance abuse assistance before any substance use or dependence affects job performance.

Any safety-sensitive employee who admits to a drug and/or alcohol problem will immediately be removed from his/her safety-sensitive function and will not be allowed to perform such function until successful completion of a prescribed rehabilitation program. To qualify for this confidential program, the employee must agree to the following, which shall be placed in writing and signed by all parties involved:

- a. Agreement to enter into and successfully complete a drug treatment program prescribed by an Employee Assistance Program (EAP) Counselor or employer approved counseling professional.
- b. Comply with all directions given by the EAP Counselor, or employer approved counseling professional, including, but not limited to, attendance at all required meetings.
- c. Sign a limited authorization for release of information that enables the EAP Counselor, or employer approved counseling professional, to report the employee's progress and any violations of this agreement to a designated SoCo Transit representative.
- d. Successfully pass a non-DOT drug and alcohol screen prior to returning to work.
- e. Comply with follow-up testing requirements including unannounced drug and/or alcohol testing following their return-to-duty test. The follow-up testing must be done for one to five years including a minimum of six test the first year.

## 9. Prescription Drug Use

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. Medical advice should be sought, as appropriate, while taking such medication and before performing safety-sensitive duties. All covered employees are required to inform their physician or medical professional that their job includes the operation and/or supervision of commercial vehicles and that they are subject to random drug testing under the FTA Drug and Alcohol Program. Using expired medications or Illegal use of prescription medication will result in termination.

## 10. Contact Person

For questions about SoCo Transit's anti-drug and alcohol misuse program, see Addendum B.

## ADDENDUM A

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### **Safety-Sensitive Covered Positions**

The job descriptions of all SoCo Transit employees have been reviewed to identify those who perform safety-sensitive functions as a requirement of their positions. The job titles of each SoCo Transit position meeting the FTA criteria of a covered employee, and a numeric code identifying the primary type of safety-sensitive function required to be performed by the employee, are listed below:

- Operates a revenue service vehicle whether in or out of service: 001
- Maintains a revenue service vehicle or maintains equipment used in revenue service: 002
- Controls dispatch or movement of a revenue service vehicle: 003

<b>Title</b>	<b>SS Code</b>
Bus Operator	001
Bus Operator Trainee	001
Maintenance Supervisors	002
Mechanic	001
Safety and Training Manager	001
Transit Training Instructor	001
Mobility Specialist/Transit Training instructor	001
Utility Worker	001
Operations Supervisor	003
Lead Operations Supervisor	003

## **Addendum B**

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### **Program Contacts**

**Drug and Alcohol Program Manager (DAPM):**

Omar McPherson, Operations Manager

[omcpherson@slorta.org](mailto:omcpherson@slorta.org)

805-781-1171

**Designated Employer Representatives (DER):**

Tanya Ramirez, Operations Supervisor

[tramirez@slorta.org](mailto:tramirez@slorta.org)

805-781-1274

Kayleigh McLeod, Human Resources Officer

[kmcleod@slorta.org](mailto:kmcleod@slorta.org)

805-781-1292

## **Addendum C**

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### **Service Vendors**

#### **A. Collection Sites**

Family & Industrial Medical Center  
47 Santa Rosa St.  
San Luis Obispo, CA 93405  
P: 805-542-9891 F: 805-542-9952

MedPost Urgent Care  
500 1<sup>st</sup> Street  
Paso Robles, CA 93446  
Phone: (805) 226-4222

Star Drug Testing  
1223 Higuera, Ste. 102  
San Luis Obispo, CA 93401  
805-782-0903

After Hours:  
Star Drug Testing  
John Pallanes  
1223 Higuera, Ste. 102  
San Luis Obispo, CA 93401  
Regular hours: 805-782-0903  
After hours: 559-789-6394

#### **B. Laboratories**

Alere Toxicology Services, Inc.

Phone:(504) 934-8295 FAX:(504) 361-8298

MEDTOX Scientific, Inc. (Headquarters)  
402 West County Road D  
St. Paul, MN 55112

Phone: (800) 832-3244, FAX (651) 636-7466

#### **C. Medical Review Officers**

Brian Heinen, Sr., M.D.  
151 Leon St.  
Eunice, LA 70535

Phone: (337) 457-0493

#### **D. Substance Abuse Professionals**

Beverly J. Ford, Ph.D.      Michael Roth, SAP  
805-542-0100                  559-907-3346

## **Addendum D**

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### **Drug Free Workplace Policy**

SoCo Transit complies with the Drug Free Workplace Act of 1988 that requires recipients of Federal funds to certify that they provide drug-free workplaces for their employees.

- Each employee is required to notify SoCo Transit management of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. Failure of an employee to report within five days a criminal drug statute conviction for a violation occurring in the workplace shall result in termination.
- SoCo Transit must notify the federal government of each violation within 10 days of notification of a conviction.
- SoCo Transit must impose sanctions on the employee within 30 days following notification of a conviction.

SoCo Transit intends to have a workplace that is 100% free from drug or alcohol abuse. Employees are prohibited from engaging in unlawfully manufacturing, distributing, dispensing, possessing, or using controlled substances in the workplace. Employees are subject to termination of employment for any of the acts described in this section.

The passage of Proposition 64 legalized the recreational use of marijuana in the state of California. Proposition 64 also expressly recognizes the right of employers to maintain drug-free workplaces and to prohibit the use of illegal drugs by their employees. Under Federal law, marijuana remains classified as a Schedule I drug, a controlled substance with the high potential for abuse, and is therefore illegal to possess or use. SoCo Transit is a recipient of funding from the FTA, an agency of the U.S. Department of Transportation, and as such SoCo Transit is required to follow rule 49 CFR Part 655 (Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations) and rule 49 CFR Part 40 (Procedures for Transportation Workplace Drug and Alcohol Testing Programs). SoCo Transit complies with the Federal Drug Free Workplace Act of 1988 and Omnibus Transportation Employees Testing Act of 1991. SoCo Transit will continue to enforce this Drug and Alcohol Policy and will remain a Drug Free Workplace. All policies concerning marijuana remain in force, and any employee who has a positive drug test for marijuana, regardless of proposition 64, will constitute violation of SoCo Transit policies and will be subject to termination of employment.

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## Addendum E

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### Employee Acknowledgement

By signing this acknowledgement, you accept the receipt of SoCo Transit Drug and Alcohol Policy for safety-sensitive positions, which also includes the Drug Free Workplace Policy. Further, you agree to read and follow the policy as a condition of employment. Any questions that you have about this policy can be answered by persons on the contact list in Addendum B.

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Print Name

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Signature

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Date

**\* SoCo Transit Supervisor, detach signed Addendum E and place in employees' personnel file.**

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**SOUTH COUNTY TRANSIT**  
**NON-DOT DRUG AND ALCOHOL POLICY AND TESTING PROVISIONS POLICY**

South County Transit (SoCo Transit) recognizes that the abuse of alcohol and use of illegal drugs by any employee threatens the health and safety of that employee, the employee's co-workers, and the general public. SoCo Transit also recognizes that employees should be able to work in an alcohol and drug-free environment, and to work with other employees who are alcohol and drug-free. SoCo Transit has, therefore, adopted this drug and alcohol testing policy for all employees who are not covered by U.S. Department of Transportation (DOT) regulations. Employees covered under DOT regulations are covered by a separate *Safety-Sensitive Employee Drug and Alcohol Policy*.

Nothing in this *Non-DOT Drug and Alcohol Policy and Testing Provisions Policy* is intended, nor should it be construed by the employee, to alter the employment relationship between SoCo Transit and its employees. Either SoCo Transit or the Non-DOT employee may terminate the employment relationship with or without cause, and with or without notice, at any time. SoCo Transit also reserves the right to modify or terminate the provisions of this testing policy at any time, with or without prior notice.

**I. DEFINITIONS**

The following terms, when used in the *Non-DOT Drug and Alcohol Policy and Testing Provisions Policy*, are defined as follows:

- A. "Drug" – A substance considered a controlled substance and included in schedule I, II, III, IV, or V under the federal Controlled Substances Act, 21 U.S.C. § 801, et. Seq.
- B. "Non-DOT Employee" – For purposes of this *Non-DOT Drug and Alcohol Policy and Testing Provisions Policy* only, employee is a person employed by SoCo Transit whose job does not require a commercial driver's license and who is not subject to drug and alcohol testing under federal Department of Transportation regulations.
- C. "Prospective employee" – A person who applies, whether orally or in writing, for employment with SoCo Transit for a job that does not require a commercial driver's license and would not subject the prospective employee to drug and alcohol testing under federal DOT regulations.
- D. "Reasonable suspicion drug and alcohol testing" – Testing based upon evidence that an employee is using or has used alcohol and/or drugs in violation of this policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. For purposes of this policy, facts and inferences may be based upon, but are not limited to, any of the following:
  - i. observable phenomena while at work such as direct observation of drug use or alcohol abuse or of the physical symptoms or manifestations of being impaired due to alcohol or drug use;
  - ii. abnormal conduct or erratic behavior while at work or a significant deterioration in work performance;
  - iii. a report of alcohol or drug use provided by a reliable and credible source;
  - iv. evidence that an individual has tampered with any alcohol or drug test during the individual's employment with the current employer;
  - v. evidence that an employee has caused an incident or collision while at work which resulted in an injury to a person that, if suffered by an employee, a record or report could be required by CalOSHA, or resulted in damage to property, including to

- equipment, in an amount reasonably estimated at the time of the accident to exceed one thousand (\$1,000) dollars;
- vi. evidence that an employee has manufactured, sold, distributed, solicited, possessed, used, or transferred drugs while working or while on the employer's premises or while operating any of the employer's vehicles, machinery, or equipment.
- E. "Sample" – A sample from the human body capable of revealing the presence of alcohol and/or drugs or their metabolites. "Sample" does not include blood, except in circumstances where a blood test was administered by or at the direction of a person providing treatment to an employee involved in a workplace incident or collision. A blood sample cannot be administered at the request or suggestion of the employer.
  - F. "Legal drug" – A prescription medication prescribed for the employee consuming the medication, and being taken in the amount prescribed by the employee's treating physician, and in accordance with the prescribed directions, or over-the-counter medication being taken and used for its intended purpose and in accordance with any applicable directions.
  - G. "Under the influence of alcohol" – Being under the influence of alcohol shall mean having an alcohol concentration level of .04 grams of alcohol, or greater, per two hundred ten liters of breath, or its equivalent.

## **II. PROHIBITED CONDUCT**

SoCo Transit strictly prohibits the use, possession, consumption, sale, solicitation, transfer (or any attempt to sell, solicit, or transfer) of alcohol or any illegal or unauthorized drug including any "look alike" substance, or being under the influence of alcohol or any illegal or unauthorized drug, during work time, while conducting any type of business on SoCo Transit's behalf, or while on SoCo Transit's premises or property. Any employee engaging in such activity shall be subject to discipline up to and including the immediate termination of their employment with SoCo Transit pursuant to the terms of applicable state law.

An employee may use, possess, and be under the influence of a legal drug while on SoCo Transit's premises or property or during working time provided the prescription or over-the-counter drug will not impair the employee's work performance or present a safety risk to the employee, others or property. SoCo Transit reserves the right to take appropriate action (including relieving the employee from his/her work duties) if an employee's use of legal drugs either impairs or is likely to impair the employee's ability to perform his or her work assignments.

Failure to submit to any drug or alcohol testing under this policy including, but not necessarily limited to, an employee's failure to report in a timely manner to a collection site, sign any required consent form or otherwise fully cooperate in the collection of any authorized sample, is strictly prohibited, and will result in termination.

Any action taken against an employee or prospective employee pursuant to this policy based on a drug or alcohol test will be based only on the results of that test or the employee's refusal to submit to the test.

### III. WHEN DRUG OR ALCOHOL TESTING MAY BE CONDUCTED

SoCo Transit reserves the right to conduct any form of drug or alcohol testing permitted under State and Federal law. The testing methods SoCo Transit uses to test employees for drug or alcohol use include, but are not necessarily limited to, the following methods:

#### A. Pre-Employment Drug Testing

Prospective employees, who are determined to be minimally qualified and who have passed at least the first round of applicant screening, or to whom a conditional offer of employment has been made, may be required to submit to pre-employment drug testing. If drug testing is required as part of the hiring process, prospective employees must obtain a negative test result to be considered qualified for employment with SoCo Transit.

If drug testing is required, the testing shall screen for the presence of the following substances or similar substances:

- Cocaine
- Amphetamines
- Marijuana
- Opioids
- Phencyclidine (PCP)

Prospective employees will be given an opportunity to provide any information which may be considered relevant to the test, including identifying prescription or non-prescription drugs currently or recently used, or other relevant medical information.

A prospective employee who receives a confirmed positive drug test result will not be considered qualified for employment at SoCo Transit and will not be allowed to re-apply or be considered for a position with SoCo Transit or any of its affiliates for a period of two years. A prospective employee's refusal to submit to drug testing shall be viewed as a confirmed positive drug test. A prospective employee's negative dilute test will be deemed as a negative drug test. A past employee rehired within two years will not need to complete another pre-employment drug test.

#### B. Post-Incident/Collision Drug and Alcohol Testing

SoCo Transit may conduct drug and alcohol testing when investigating any incident in the work place, provided the incident results in an injury to any employee (including the employee causing the incident), or causes damage to property or equipment in an amount reasonably estimated at the time of the incident to exceed one thousand dollars (\$1,000). For purposes of this policy, the term "injury" is an abnormal condition or disorder. Injuries include cases such as, but not limited to, a cut, fracture, sprain or amputation as noted by the Occupational Safety and Health Administration (OSHA) [ 29 CFR 1904.46].

A test result indicating an alcohol concentration level of greater than .04 grams of alcohol per two hundred ten liters of breath, or its equivalent, shall be considered a positive test result within the meaning of this policy. Any employee who refuses to submit to testing under this provision will be deemed to have received a confirmed positive drug test. Reasonable suspicion testing is defined in Section I(D) of this policy.

If drug testing is required, the testing shall screen for the presence of the following substances or similar substances:

- Cocaine
- Amphetamines
- Marijuana
- Opioids
- Phencyclidine (PCP)

Employees will be given an opportunity to provide any information which may be considered relevant to the test, including identifying prescription or non-prescription drugs currently or recently used, or other relevant medical information.

Alcohol breath tests shall be conducted pursuant to the requirements governing evidential breath testing devices, alcohol screening devices and the qualifications for personnel administering the initial confirmatory test consistent with regulations adopted as of January 1, 1999 by the United States Department of Transportation governing alcohol testing required to be conducted pursuant to the Federal Omnibus Transportation Employee Testing Act of 1993. If SoCo Transit elects to use a breath test for purposes of determining the presence of alcohol, it will not provide for a split specimen at the time the sample is collected and it will not be reviewed by the Medical Review Officer.

If the employee being tested holds a position involving duties which could subject the employee, others, or property to injury or damage, the employee will be removed from his or her normal work duties and may be placed in a job (if available) that will not subject the employee, others, or property to injury or damage until the results of the reasonable suspicion drug test are received. If the employee's reasonable suspicion drug test is confirmed positive in violation of this policy, the employee will be discharged immediately.

#### C. Reasonable Suspicion Drug and Alcohol Testing

Any employee for whom a reasonable suspicion exists that the employee is under the influence of alcohol or an illegal or unauthorized substance will be subject to alcohol or drug testing using the same testing procedures described in the Post-Incident/Collision Drug and Alcohol Testing section above.

#### D. Rehabilitation Testing

Pursuant only to Section VII of this Policy, SoCo Transit may conduct drug or alcohol testing of employees during, and after completion of, drug or alcohol rehabilitation.

### **IV. DISCIPLINARY ACTION**

#### A. Positive Drug Test

Use of non-prescribed legal or illegal drugs on SoCo Transit time will result in termination from SoCo Transit.

#### B. Positive Alcohol Test

If a test of any employee results in an alcohol concentration of 0.04 or greater, the employee will be suspended for the remainder of his/her shift, and referred to an appropriate substance abuse counselor for assessment and enrollment in a treatment and rehabilitation program, and may be terminated.

Consumption of alcohol on SoCo Transit time will result in termination from SoCo Transit.

## **V. TREATMENT AND REHABILITATION PROGRAM**

- A. Employees referred to the treatment and rehabilitation program as a result of Medical Review Officer (MRO) verified positive drug test or breath test showing an alcohol concentration of 0.04 or greater, must immediately cease any substance abuse, must be subject to testing before returning to duty, must subject themselves to periodic unannounced testing for a period of not to exceed sixty months with at least six periodic unannounced tests in the first 12 months following the return to duty, and must comply with all other conditions of the treatment and counseling program recommended by the substance abuse professional.
- B. An employee required to take time off in order to participate in a rehabilitation program will be permitted to use accrued sick leave, vacation time, and/or unpaid leave as provided under the Family and Medical Leave Act.
- C. Participation in or seeking substance abuse treatment and rehabilitation will not result in disciplinary action; other than those actions outlined in this policy, however, non-covered duties may be assigned at the discretion of the SoCo Transit Administrator until it is determined that the employee may return to duty. Successful completion of the prescribed treatment and rehabilitation program will be required for the employee to continue employment with SoCo Transit.
- D. If an employee had a positive test for drugs or alcohol and is undergoing substance abuse treatment and counseling or has returned to duty upon successfully completing such treatment and rehabilitation, and a second test is verified by the MRO as positive, the employee will be terminated from SoCo Transit.
- E. Any employee who refuses to report for assessment, evaluation, and/or referral for treatment with a substance abuse counselor will be terminated from SoCo Transit.
- F. Any employee who, after assessment by a substance abuse counselor, is referred for rehabilitation and the employee refuses to enter or successfully complete such a rehabilitation program will be terminated by SoCo Transit.
- G. Any employee who refuses to provide an adequate breath volume for alcohol testing or refuses to provide an adequate urine sample without a valid medical explanation after he/she received notice of the requirement to be tested, or who engages in conduct that clearly obstructs the testing procedure, will be terminated from SoCo Transit.
- H. Employees who undergo substance abuse treatment and counseling under this policy and who continue to work must meet all established standards of conduct and job performance.

## **VI. EMPLOYEE ASSISTANCE PROGRAM**

SoCo Transit maintains an employee assistance program to assist employees with personal or behavior problems. See Human Resources for additional resources available.

## **VII. CONFIDENTIALITY**

SoCo Transit shall regard as confidential all communications it receives that pertain to the drug or alcohol test results of an employee or prospective employee, or any information SoCo Transit otherwise receives through its drug and alcohol testing program. SoCo Transit, however, reserves the right to disclose the results of a drug or alcohol test, or other related information, under the following circumstances:

- A. In an administrative SoCo Transit or judicial proceeding under workers' compensation laws, or unemployment compensation laws, or under common or statutory laws where any action taken by SoCo Transit based on a positive test result as defined by this policy is either relevant or challenged.
- B. To any federal or other unit of the federal government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract.
- C. To any state authorized to license individuals if the employee tested is licensed by that SoCo Transit and the rules of that SoCo Transit require such disclosure.
- D. To a substance abuse evaluation or treatment facility or professional for the purpose of evaluation or treatment of the employee.

### **VIII. ACCESS TO RECORDS**

Employees or prospective employees who are subject to a drug or alcohol test pursuant to this policy, and for whom a positive test result is obtained, shall be given access to any records relating to the employee's drug or alcohol test, including records of the laboratory where the testing was conducted, and any records relating to the medical review officer selected by SoCo Transit to interpret the test result.

Notwithstanding the above, a prospective employee shall be entitled to records under this section only if the prospective employee requests the records within fifteen calendar days from the date SoCo Transit provides the prospective employee with written notice of his or her test result as required by state or federal law. SoCo Transit shall not release any records concerning a positive test result obtained by a prospective employee unless the records are requested within that fifteen-day period.

All requests for drug or alcohol testing records shall be made in writing and addressed to the attention of the RTA Human Resources Department.



## NON-DOT ALCOHOL AND DRUG TESTING POLICY ACKNOWLEDGMENT

By my signature below, I acknowledge that I have received and understand that I must review the *Non-DOT Drug and Alcohol Policy and Testing Provisions Policy* and that I voluntarily agree to comply with this policy as a condition of employment or selection for employment. I understand that my compliance with this policy is a continuing condition of my employment.

All employees of SoCo Transit subject to the *Non-DOT Drug and Alcohol Policy and Testing Provisions Policy* are employed "at will." "At will" Employees have the right to terminate their employment at any time for any reason and the San Luis Obispo Regional Transit Authority retains a similar right to terminate the employment relationship at any time with or without cause. All statements contained in this policy shall be interpreted consistent with this termination policy and no officer or employee has any authority to modify this statement in any way.

I recognize that either SoCo Transit or I may terminate the employment relationship at any time for any reason.

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Print Name

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Employee Signature

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Date

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## **SOUTH COUNTY TRANSIT**

**APRIL 24, 2019**

### **STAFF REPORT**

**AGENDA ITEM:** C-4

**TOPIC:** South County Transit Employee Handbook

**ACTION:** Adopt

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Receive

#### **BACKGROUND/DISCUSSION:**

The previous South County Area Transit Employee Handbook included various policy and procedure revisions having been issued in the intervening years. To set the stage for updating SoCo Transit's employee manual, the steps undertaken by the San Luis Obispo Regional Transit Authority (RTA) can be used as a guide. The RTA underwent an extensive process to revise its employee handbook after working with its cohorts at other transit agencies, Teamsters Local 986, and the RTA jurisdictions to update its human resource documents into a consolidated new draft RTA Employee Handbook. The RTA provided the draft to each of the City Managers along with County Human Resources for review and comment, and the RTA Employee Handbook was adopted by the RTA Board on July 11, 2018.

As noted during the draft presentation at the January 16, 2019 SoCo Transit Board meeting, now that the RTA's process has been completed, staff recommended a revised South County Transit Employee Handbook be reviewed by the SoCo Transit jurisdictions. Staff provided it as an information item, with feedback and revisions planned for consideration at today's SoCo Transit Board meeting.

#### **Staff Recommendation**

Adopt the *Employee Handbook*.

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***Welcome Aboard!***

Whether you have just joined our staff or have been at South County Transit (SoCo Transit) for a while, we are confident that you will find our company a dynamic and rewarding place in which to work. We consider the employees of SoCo Transit to be one of our most valuable resources, and we look forward to a productive and successful relationship. This Handbook has been written to serve as the guide for the employer/employee relationship.

The Handbook begins with a summary of SoCo Transit's Strategic Business Plan, which includes our Vision, Mission Statement and Goals. We have selected you to be part of the SoCo Transit Team primarily because of your skills, knowledge and abilities that you have demonstrated to us when we were considering you for a position at SoCo Transit. You are also part of the SoCo Team because we believe that you can substantially contribute to our mission of providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

It is great to have you a part of our team!

Sincerely,

Geoff Straw  
Administrator

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## **SOUTH COUNTY TRANSIT VISION, MISSION, STRATEGIC DIRECTION & GOALS**

### **VISION**

The SoCo Transit of the future will help meet residents' and visitor's diverse transportation needs in the Five Cities Area.

#### **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**

South County Transit is committed to providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Areas

### **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 private automobile Vehicle Miles Traveled (VMT).
- Improve SoCo Transit's farebox recovery ratio to avoid Transportation Development Act (TDA) penalties
- Embrace technological improvements that will positively impact efficiency and quality of service.

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## **SOUTH COUNTY TRANSIT 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.

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**SOUTH COUNTY TRANSIT  
EMPLOYEE POLICIES AND PROCEDURES HANDBOOK**

Article 1 Introduction

Article 2 Employment

Article 3 Compensation and Benefits

Article 4 Equal Opportunity / Discrimination and Harassment Prevention

Article 5 Recruitment and Selection

Article 6 Performance Evaluation

Article 7 Disciplinary Actions

Appendix A: SoCo Transit Job Classifications (provided electronically at [www.slorta.org](http://www.slorta.org))

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# ARTICLE 1

## INTRODUCTION

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### **Section 1.1     Employee Policies & Procedures Handbook**

The purpose of this handbook is to provide the South County Transit (SoCo Transit) staff with guidance on major aspects of SoCo Transit's policies and procedures. It shall be the duty of all SoCo Transit employees to comply with and support the provisions of this Handbook, all laws and regulations, and any internal management memoranda as the SoCo Administrator shall issue.

This Handbook supersedes and replaces all previous personnel policies, practices, work rules and guidelines. SoCo Transit reserves full discretion to add to, modify, or delete provisions of this Handbook, or the policies and procedures on which they may be based, at any time, in accordance with the amendment procedure contained herein. In the event of any change to the policies set forth herein, all employees will receive notification from the SoCo Transit Administrator or designee detailing the changes made.

This Handbook has been reviewed and adopted by the SoCo Transit Board of Directors (the Board). If any part of these policies and procedures is deemed illegal, unenforceable, or void for any reason, it will not affect the validity of the remaining portion. **As a condition of employment, each employee is required to review the policies and procedures and execute the acknowledgment of receipt at the end of the Handbook.**

### **Section 1.2     Applicability**

This Employee Handbook applies to all employees of SoCo Transit and its affiliates.

### **Section 1.3     Adopting Authority**

The Employee Policies & Procedures contained herein have been adopted by the SoCo Transit Board of Directors **<DATE>** and any subsequent amendments.

### **Section 1.4     References to County Ordinance and Reliance on County Policies**

SoCo Transit is an independent agency separate from the County of San Luis Obispo (the County) and is not subject to the County Civil Service ordinances. Nonetheless, in recognition of the SoCo Transit Board's direction for consistency between many SoCo Transit and County employee policies, and a desire to minimize the length and level of detail in this document where possible, certain sections of the County's ordinances are referred to herein and incorporated by reference when applicable. As referenced throughout the Handbook, the County Human Resources Department serves as the "third party contractor providing human resource services to SoCo Transit" and provides expertise on personnel matters as needed. Any

conflicts between the County's ordinances and these Employee Policies and Procedures shall be construed in favor of the Policies and Procedures.

**Section 1.5    Role in San Luis Obispo County Emergency Response Plan**

Employees of SoCo Transit will participate in a supporting role as part of the San Luis Obispo County Nuclear Power Plant Emergency Response Plan as set forth in the Standard Operating Procedures for County Public Works and Transportation. In addition, employees of SoCo Transit will support the San Luis Obispo County Emergency Operations Plan transportation tasks.

**Section 1.6    Amendments to This Policy**

All amendments to the policies in this document shall be made only through the approval of the SoCo Transit Board. All amendments must be consistent with the requirements of applicable statutes. Immediate changes required by statute will be made by the Administrator and ratified at the next available SoCo Transit Board meeting. The SoCo Transit Administrator or designee also has the authority to issue day-to-day operational guidelines through Transportation, Maintenance and Administrative Bulletins, which are not required to be amended into the Handbook. Bulletins are distributed to SoCo Transit employees and posted at SoCo Transit operating facilities.

## ARTICLE 2 EMPLOYMENT

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### Section 2.1. Employee Status

#### 2.1.1 Definitions:

2.1.1.1 Regularly Scheduled: The employee status designations described below will be determined by averaging the number of weekly hours worked during the previous four (4) pay periods and will include an analysis of the average number of weekly hours SoCo Transit expects the employee to work over the ensuing four (4) pay periods.

2.1.1.2 Full-Time Employee: An employee who is regularly scheduled to work more than 35 hours per pay period week. SoCo Transit designated Full-Time employees are eligible for benefits as described in this Handbook.

2.1.1.3 Part-Time Employee: An employee who is regularly scheduled to work less than 30 hours per pay period week and who regularly works more than 20 hours over two consecutive pay periods.

2.1.1.4 Casual Employee: An employee who is not promised a regular schedule with regular hours each week.

#### 2.1.2 Terms of Employment

There are two terms of Employment at SoCo Transit: At-will and Agreement.

2.1.2.1 At-will: SoCo Transit or the employee may terminate the employment relationship “at will” and there is no expressed or implied property right to a position with SoCo Transit. SoCo Transit retains the right to demote, discipline, change job duties, or alter the terms of employment, at any time, as provided herein. No one other than the SoCo Transit Board has the authority to alter this arrangement, to enter into a verbal or written agreement for employment for a specified period of time, or to make any agreement contrary to this policy. Any such agreement must be in writing and approved by the SoCo Transit Board.

There may be times when the business needs or interests of SoCo Transit or its Member Jurisdictions become inconsistent with your experience, skills, talents, abilities, or desires. There may also be situations in which efforts to train, support, or encourage you to become more successful in the workplace are unsuccessful. In such circumstances, particularly when your continued employment may have a negative impact on co-workers, SoCo Transit, or the public, SoCo Transit retains the right to terminate your employment, with or without “cause” and with or without notice, depending on the facts and circumstances of a given situation.

At-will status means that an employee may be terminated for any lawful reason, even if it doesn't rise to the level of "cause," which is misconduct or a willful violation of workplace standards of behavior. For example, an at-will employee may be terminated for performance-based reasons after provided with direction and an opportunity to improve, even if the performance deficiency does not constitute misconduct.

This policy may not be modified by the conduct of any employee or agent of SoCo Transit or by any verbal representation of any manager. No employee other than the Board or Administrator can modify this policy in any manner or enter into any agreement that is contrary to this policy unless it is in writing and signed by the Administrator and subsequently reported to the SoCo Transit Board at its next regularly-scheduled meeting.

2.1.2.2 Collective Bargaining Agreement (CBA): an agreement between SoCo Transit and a trade union setting forth the terms and conditions of employment or containing provisions in regard to rates of pay, hours of work and other working conditions.

### **2.1.3 Resignations**

Employees who choose to leave our employment are asked to give as much notice as possible.

Terminating employees will be asked to participate in an exit interview. The purpose of the interview is to be certain the reasons for the employee's termination are not founded on a misunderstanding or erroneous situation and also assist in helping increase SoCo Transit's retention efforts by identifying reasons employees are voluntarily separating. The interview will also cover what compensation the employee will be paid upon separation and when termination of benefits will occur.

Employees are expected to turn in all property assigned to them at the time of separation.

2.1.3.1 Return of Property: SoCo Transit may loan you property, materials or written information to help you do your job. You are responsible for protecting and controlling any property we loan you. You must also return any property given to you promptly upon request. If you terminate your employment at SoCo Transit, you must return all organization property at the time of separation.

The following are items that may be issued to you (not all employees will receive each and every item):

- Badges
- Keys
- Cell Phones
- Protective Equipment
- Security Passwords
- Tools
- Uniforms
- Credit Card(s)



- Laptop Computer

If you do not return our property and if the law allows, we may take money from your regular or final paycheck to cover the current replacement cost of all unreturned or damaged property. We may also take legal action to secure SoCo property.

#### **2.1.4 Re-employment Policy**

Employees who left our employment in good standing will be considered for open positions along with other applicants.

### **Section 2.2 Immigration Control and Enforcement Policy**

Our policy to fully comply with the regulations of the Immigration Reform and Control Act of 1986 (as amended) enforced by the Department of Homeland Security. We will hire only American citizens and non-citizens who are authorized to work in the United States.

The law requires SoCo Transit to do five things:

1. All new employees must complete Section 1 of the I-9 form within three business days of hire.
2. Check documents establishing employees' identity and eligibility to work.
3. The authorized SoCo Transit employee examining the documents must complete Section 2 of the I-9 Form and the Certification Section.
4. Retain the form for at least three years or until one year after the person leaves our employment.
5. Present the form for inspection to the Department of Homeland Security or Department of Labor officer upon request.

If an employee is hired for less than three days, Form I-9 still must be completed before the end of the employee's first working day. The I-9 Form contains instructions for completion. The employee assigned to this task must follow those instructions completely. I-9 Forms are to be kept separate from all other personnel records.

## **Section 2.3    Management Authority**

### **2.3.1 Introduction**

The SoCo Transit Administrator is appointed by the SoCo Transit Board and is responsible for administration of and adherence to the personnel system, and may delegate any such powers and duties to any other officer or employee. The SoCo Transit Administrator, or designee, shall have the authority to appoint, promote, transfer, discipline and terminate any employee of SoCo Transit in accordance with the procedures set forth herein. SoCo Transit, acting by and through the SoCo Transit Administrator, reserves to itself the exclusive authority to: determine the administrative goals and objectives of the agency; set standards of performance; determine the procedures and standards of selection for employment and promotion; direct employees; take disciplinary action; lay off employees due to lack of work, funding, or other legitimate reasons; maintain the efficiency of SoCo Transit's activities; determine the methods, means, and personnel by which SoCo Transit's activities are to be conducted; determine the content of position classifications; and exercise control and discretion over the organization and the equipment and technology required to perform its goals and objectives. The SoCo Transit Administrator may report to the Board or the Executive Committee of the Board on the status of personnel issues and relations within SoCo Transit.

### **2.3.2 Change in Employment Assignments (refer to CBA for those covered)**

SoCo Transit reserves the right to change the job assignment of any employee within their current job classification at any time.

### **2.3.3 Hiring Powers**

The SoCo Transit Administrator and any other positions designated by the Board are hired by, and serve at the pleasure of, the Board pursuant to Contracts for Employment. All other employees of SoCo Transit are hired by the SoCo Transit Administrator and are subject to the policies and procedures contained in this Handbook, as well as all other SoCo Transit policies, rules, practices and procedures.

### **2.3.4 Reduction in Work Force (Layoff) (reference the CBA for those covered)**

Whenever, in the judgment of the SoCo Transit Administrator and/or the SoCo Transit Board, it becomes necessary to reduce the number of positions, the Board may abolish a position or positions, and if necessary reduce personnel by laying off employees.

Determination of which classifications to reduce shall be at the sole discretion of the SoCo Transit Board or in accordance with contract agreements.

2.3.4.1 Determination of which employees to lay off shall be at the sole discretion of the SoCo Transit Administrator, based first on financial, organizational and programmatic needs.

2.3.4.2 Written Notice: Written notice of layoff shall be served on affected employees in person or by certified letter mailed to the last address on file with SoCo Transit. Notice will be served or mailed at least thirty (30) calendar days prior to the effective date of the separation. Notice shall be deemed served upon personal service or, in the case of certified mail, upon mailing.

## **Section 2.4    Medical Qualification**

### **2.4.1 Medical Standards Policy**

Employees shall meet the medical standards of the position to which they are appointed and are required to perform the essential functions of their position with or without reasonable accommodation. Application and interpretation of this article shall be subject to the provisions of the Americans with Disabilities Act, California Fair Employment and Housing Act, and all other related statutes and regulations.

### **2.4.2 New Employee Medical Qualification**

After receiving a conditional offer of employment and prior to starting work, candidates who will control the movement of a SoCo Transit revenue vehicle shall be required to take and pass a qualifying medical examination as a condition of employment. Qualifying medical examinations shall be made at the expense of SoCo Transit.

### **2.4.3 Medical Standards**

Minimum medical standards for each position shall be maintained in writing by Human Resources and kept updated for all job classifications. Positions within a classification may have additional standards, which may be identified at the time of a medical evaluation.

### **2.4.4 Current Employee Medical Examination**

Employees whose position entails the movement or control of a SoCo Transit revenue vehicle will be required to maintain a valid Medical Examiner's Certificate in order to remain in compliance with Commercial Drivers' License and other requirements. This Certificate will be maintained at the SoCo Transit's expense. If a first medical examination results in a medical disqualification, a current employee may request that a second qualifying medical examination be performed by a different medical examiner at their expense.

In addition, a current SoCo Transit employee may be required to submit to a medical examination when the SoCo Transit Administrator, or designee, reasonably believes that a medical or psychological condition is affecting an employee's ability to perform the essential

functions of the job, when an employee is re-assigned or promoted to a position which has substantially different essential functions that warrant a determination of medical qualification, or upon return from a medical leave of absence. If upon return from a medical leave of absence, the employee will be on an administrative leave of absence until the initial exam and initial results are provided. Final determination regarding medical qualification shall rest with the SoCo Transit Administrator, or designee.

#### **2.4.5 Medical Disqualification**

2.4.5.1 Candidates for Employment: A candidate for employment who fails to meet the medical standards of the position applied for shall be disqualified and their name removed from the eligible list for the job. Human Resources shall notify the candidate in writing of the disqualification and such notification shall include a general statement describing the reason for disqualification.

2.4.5.2 Current Employees: A current employee who fails to meet the medical standards of their position as demonstrated during a periodic medical recertification shall be placed on an unpaid leave of absence to provide an opportunity to obtain a valid medical certificate. If the employee is unable to obtain a valid medical upon the end of the leave of absence, the SoCo Transit will conduct an Interactive Process to evaluate potential reasonable accommodations, if any.

If the findings from this fitness for duty examination demonstrate a failure to meet the medical standards of their position, the employee shall be placed on an unpaid leave of absence to provide an opportunity to obtain a valid fitness for duty certification. If the employee is unable to obtain a valid fitness for duty certification by the end of the leave of absence, the SoCo Transit will conduct an Interactive Process to evaluate potential reasonable accommodations, if any. An employee who refuses to participate in a fitness for duty examination will be disqualified and their employment terminated without fault.

Compliance with the Americans with Disabilities Act and the California Fair Employment & Housing Act shall be evaluated prior to any such termination decision. Employees who are terminated for medical disqualification shall be issued a Notice of Termination by Medical Disqualification, which shall be served upon the employee in-person, by certified mail, or by other means confirming delivery. Service of the order shall be deemed complete upon personal service or, in the case of certified mail, upon mailing.

#### **2.4.6 Review of Medical Disqualification (refer to the CBA for those covered)**

Candidates for employment who fail a qualifying medical examination and are disqualified for employment shall have no contractual rights to appeal the final determination. Current at-will

SoCo Transit employees who fail a qualifying medical examination and are terminated due to medical disqualification have no rights to appeal the final determination.

## **Section 2.5    Personnel Records**

### **2.5.1 Official Personnel Records**

The SoCo Transit Administrator, or his or her designee, shall be responsible for maintaining a paper or electronic official personnel file for each employee.

2.5.1.1 Content of Official Personnel File: The file shall include, but not be limited to the following information:

- a. Original application materials.
- b. Employment contracts, if applicable.
- c. Information regarding change of Employee Status or Classification.
- d. Performance Evaluations.
- e. Payroll withholding authorizations.
- f. W-4 form.
- g. Disciplinary and other performance memoranda.
- h. Letters of appreciation.
- i. Copies of Licensure and Certificates required for employee's position (Training File).
- j. Academic or training certificates related to employee's position (Training File).

2.5.1.2 Excluded Content: The following documents shall not be placed in an employee's official personnel file:

- a. I-9 Forms.
- b. Any medical evaluation information, medical notes from a physician or documentation regarding an employee's medical condition or fitness for duty.
- c. Any medical information pertaining to leaves of absence, requested or approved.
- d. Any documentation with EEO statistics or other protected status information.
- e. Any documentation prohibited from an employee's file by federal or state law.

### **2.5.2 Confidential Medical File**

Medical information must not be placed in an employee's official personnel file or training file. Human Resources shall maintain a confidential medical file for each employee that is kept

physically separate from the employee's official personnel file and training file. The confidential medical file shall contain the following:

- a. Family /Medical leave or pregnancy-disability leave request forms if the employee has disclosed the nature of his or her illness.
- b. Return to work releases with any information regarding the employee's condition, prognosis or prescribed medications or specific treatment regimens.
- c. Workers' compensation records.
- d. Medical information about the employee related to reasonable accommodation under the Americans with Disabilities Act or Fair Employment and Housing Act.
- e. Any documentation related to a fitness for duty examination or determination.
- f. Any other medical information.

2.5.2.1 HIPAA and CMIA: SoCo Transit will follow the Health Insurance Portability and Accountability Act (HIPAA) and the California Confidentiality of Medical Information Act (CMIA) privacy and security provisions which apply to Protected Health Information (PHI) maintained by the organization

### **2.5.3 Employee Review of Personnel File**

Employees or their authorized representatives have the right to review the contents of their official personnel file by providing Human Resources with a written request. Human Resources will provide access to the file within five (5) work days at SoCo Transit Administrative office or other appropriate location. Employees or their representatives do not have the right to review the contents of the confidential medical file; SoCo Transit will produce confidential medical files sought through an administrative or judicial process and with the employee's express authorization. SoCo Transit shall keep a record of inspections of employee records by persons other than SoCo Transit Administrator or his or her authorized designee. Such record shall include employee name, date, name and signature of person reviewing the employee file.

### **2.5.4 Personal Data Changes**

It is important that SoCo Transit maintain certain personal information about its employees. Employees are responsible to inform Human Resources whenever there is a change in mailing address, telephone numbers, marital status, dependents' information, educational accomplishments, and other possibly related information.

SoCo Transit also maintains information about who to contact in case of an emergency. If an employee needs to change personal information or has questions about what information is required, the employee should contact Human Resources.

### **2.5.5 Confidentiality of Employee Records**

The confidentiality of employee records shall be maintained by designated SoCo Transit personnel. These records shall only be made available to individuals specifically authorized by this policy or by the SoCo Transit Administrator.

Personnel files are the property of SoCo Transit and may not be removed from SoCo Transit premises without written authorization from the SoCo Transit Administrator.

### **2.5.6 Employment References**

It is the policy of SoCo Transit that professional or character references will not be given for current and former employees except by the SoCo Transit Administrator or his or her designee. Reference requests should be referred to and handled by Human Resources. Responses to requests will include dates of employment, title, classification and rate of pay (if accompanied by a signed authorization by the former or current employee to release such information) only.

## **Section 2.6    Work Regulations**

### **2.6.1 Attendance/Punctuality Policy** (reference the CBA for those covered)

We expect employees to be reliable and punctual. Employees should report for work on time and as scheduled. If an employee cannot report to work as scheduled, the employee must notify his or her immediate supervisor as soon as possible.

Unplanned absences can disrupt work, inconvenience other employees, and affect productivity. Employees who demonstrated poor attendance record or excessive tardiness may be subject to disciplinary action, up to and including termination of employment. Disciplinary action will begin with the fourth (4) counted unexcused absence or tardiness within a floating 180-day period. This policy will be interpreted and enforced consistently with the Federal Family & Medical Leave Act (FMLA), the California Family Rights Act (CFRA), the California Fair Employment and Housing Act and pregnancy disability leave provisions, for employees who use authorized intermittent leave.

### **2.6.2 Personal Telephone Calls** (reference the CBA for those covered)

Personal telephone calls whether on SoCo Transit office phones or personal mobile phones are to be limited to essential matters and kept as brief as possible. Under no circumstances may an employee use a mobile phone or other personal electronic device while sitting in the driver's seat of a moving vehicle or while a vehicle is stopped in the lane of travel. Continued excessive use of phones for personal matters is subject to disciplinary action.

### **2.6.3 Smoking and Use of Tobacco Products**

SoCo Transit prohibits the use of tobacco products or the use of smokeless (“vaping”) products in the workplace, including without limitation marijuana. Smoking is prohibited within the confines of any SoCo Transit office and prohibited within 25 feet of SoCo Transit buildings, bus stops or vehicles. Smoking will be permitted out of doors only in an area designated by the SoCo Transit Administrator or City Ordinances. Cigarettes or other smoking devices or materials are to be extinguished and properly disposed of prior to entering any SoCo Transit office or vehicle.

### **2.6.4 Dress and Grooming Standards**

SoCo Transit considers the presentation of SoCo Transit’s image to its clients, customers and the public to be extremely important. Accordingly, it is expected that employees will wear apparel provided or approved by SoCo Transit while on-duty for those covered by the CBA and Operations Supervisors who will be interacting with the public. Each employee is expected to be neat and clean in appearance, with clean SoCo Transit apparel and good personal hygiene. Non-CBA covered employees are expected to be in business casual attire with name badges on while at work.

### **2.6.5 Employment of Relatives**

SoCo Transit will require a cooperatively developed supervisory plan with the SoCo Transit Administrator or his or her designee for any employee promoted into a supervisory position that oversees a relative, or member of his or her household. SoCo Transit will not hire someone in a position where he or she is directly or indirectly supervised by a relative or member of his or her household. “Relatives” are defined as husband, wife, son or daughter (including in-laws and step children), father or mother (including in-laws and step parents), brother or sister (including in-laws and step siblings), grandchild or grandparents and persons related by marriage or domestic partnership.

### **2.6.6 Use of Technology, Networks and Internet Policy**

Employees using SoCo Transit computing and information resources are expected to act in a responsible and professional manner by complying with all policies, relevant laws, and contractual agreements related to computers, SoCo Transit issued mobile devices, networks, software, computer information and data to which an employee has access. Employees shall comply with acceptable use technology-related policies adopted by SoCo Transit.

Internet access is provided to individuals based upon business needs that benefit the organization through connection to worldwide information resources. Wireless accessibility via personal devices (smartphones, tablets etc.) will not be provided to employees unless



authorized by the SoCo Transit Administrator. Employees have a responsibility to maintain and enhance SoCo Transit's public image while accessing the Internet by following these guidelines:

- a. Employees using Internet access via our hardware and software are representing the organization. As such, their conduct should be ethical and lawful at all times. Channels may be accessed for official organizational business to gain technical or analytical information and to establish business contacts.
- b. Internet access should not be used for personal gain or advancement of personal views, for solicitation of non-SoCo Transit business, or result in the disruption of our organizational network operation or interfere with personal productivity at work.
- c. Employees are responsible for the content of text, audio, or images they place or send over the Internet. Fraudulent, harassing, or obscene messages are prohibited. Messages transmitted for SoCo Transit business purposes on the Internet should be identified with the employee's name. Employees may not obscure the origin of messages and the information published should not violate or infringe upon the rights of others. Abusive, profane or offensive language transmitted through the system is strictly prohibited.
- d. Employees may not download software without the express acknowledgement and support of the Network Administrator to ensure that proper licenses are obtained and viruses are not transmitted.
- e. Employees may not send or upload any copyrighted materials, trade secrets, proprietary information, or similar materials to third parties. Employees may not violate the copyright laws in regard to receipt/download of materials available on the Internet by copying and disseminating information, except for purposes falling under the category of "fair use".
- f. Messages created, sent, or retrieved over the Internet are the property of the SoCo Transit and should be considered public information. SoCo Transit reserves the right to access and monitor messages and files on the computer system at any time. Communications can be disclosed to law enforcement officials or other third parties without prior consent of the sender or the receiver. More details are outlined in the Public Records Act.
- g. Harassment of any kind is strictly prohibited. Messages with derogatory or inflammatory remarks regarding race, religion, national origin or citizenship, sexual orientation, gender identity or expression, disability, or other protected attributes may not be transmitted.

Violations of this Policy may result in disciplinary action up to and including termination and illegal activities may result in prosecution by legal authorities.

#### 2.6.6.1 Personal Blogs/Social Networking

- a. Employees are not allowed to use organization-owned equipment, including computers, organization licensed software or other electronic devices, equipment or facilities on organization time to conduct personal blogging or social network activities.
- b. Employees may not use the organization logo or trademark on their personal blogs or networks.
- c. Employees may not post photographs or videos of other employees or their family members, customers, or vendors on personal posts without their permission.
- d. Employees are not to link from a personal blog or social network to the organization's internal or external websites.
- e. Employees are responsible for their commentary on blogs and social networks. Employees can be held personally liable for comments that are slanderous, obscene, defamatory or libelous by any offended party. Posts that include illegal content may result in prosecution by legal authorities.

Employees who have any questions regarding the proper use of social networking/blogging should contact their supervisor, manager, or director. Violations of this Policy may result in disciplinary action up to and including termination

#### 2.6.7 Conflicts of Interest

Employees are expected to devote their best efforts and attention to the performance of their jobs. Employees are expected to use good judgment, to adhere to high ethical standards, and to avoid situations that create an actual or potential conflict between the employee's personal interests and the interests of SoCo Transit. A conflict of interest exists where the employee's loyalties or actions are divided between SoCo Transit's interests and those of another, such as a business, individual or another public agency with which SoCo Transit's interests may conflict. Both the fact and the appearance of a conflict of interest should be avoided. Employees unsure as to whether a certain transaction, activity or relationship constitutes a conflict of interest should refer to the Conflict of Interest Policy and discuss it with their immediate supervisor or the SoCo Transit Administrator for clarification.

While it is not feasible to describe all possible conflicts of interest that could develop, some of the more common conflicts, from which employees should refrain, include the following:

- a. Accepting personal gifts or entertainment (including meals) from individuals, other public agencies, customers, suppliers, or potential suppliers;
- b. Working for any individual, business or entity with which SoCo Transit's interests may conflict, including those listed above;

- c. Having a direct or indirect financial interest in or relationship with any individual, business or entity with which SoCo Transit's interests may conflict, or with whom SoCo Transit has a business relationship, including those listed above;
- d. Engaging in self-employment in competition with SoCo Transit;
- e. Using proprietary or confidential SoCo Transit information for personal gain or to SoCo Transit's detriment;
- f. Using SoCo Transit assets or labor for personal use;
- g. Acquiring any interest in property or assets of any kind, including a service-related business, for the purpose of selling or leasing the property, assets or services to SoCo Transit;
- h. Unauthorized commitment of SoCo Transit financial or staff resources or other support to any outside activity, organization, or person;
- i. Developing a personal relationship with a subordinate employee of SoCo Transit that might interfere with the exercise of impartial judgment in decisions affecting SoCo Transit or any employees of SoCo Transit. If an employee or someone with whom an employee has a close relationship (a family member or close companion) has a financial or employment relationship with a supplier, potential supplier, customer, business, individual or another public agency, with which SoCo Transit's interests conflict the employee must disclose this fact in writing to the SoCo Transit Administrator. Employees should be aware that if they enter into a personal relationship with a subordinate employee or with an employee of a supplier, potential supplier, customer, business, individual or another public agency, with which SoCo Transit's interests conflict, a conflict of interest may exist which requires full disclosure to SoCo Transit.

Employees planning to engage in outside employment must first disclose such employment to the SoCo Transit Administrator to ensure it does not pose a conflict of interest or is otherwise incompatible with SoCo Transit or its mission. Failure to adhere to this guideline, including failure to disclose any conflicts or to seek an exception, will result in discipline, up to and including termination of employment.

No employee shall use the authority, information or privileges associated with his or her position for personal gain. Evidence of using a position for personal gain may be interpreted as a breach of terms of employment and serve as a basis for discipline up to and including termination.

### **2.6.8 Safety**

The Occupational Safety and Health Act (OSHA) require all employers to provide a safe and healthful workplace for their employees. In this regard, it is important that adequate policies and procedures be developed and adhered to in order to ensure safe, efficient operating conditions, thereby safeguarding employees and facilities.

Our organization will not knowingly permit unsafe conditions to exist, nor will it permit employees to indulge in unsafe acts. In-depth information is outlined in the *System Safety Program Plan (SSPP)*. SoCo Transit SSPP includes an Injury and Illness Prevention Plan. Violations of organization rules and regulations will result in disciplinary action. The organization believes that the safety of employees and physical property can best be ensured by a meaningful safety program.

### **2.6.9 Security/Violence in the Workplace**

As detailed in the SoCo Transit *Policy Against Workplace Violence*, SoCo Transit will not tolerate violent acts or threats of violence, whether verbal, written, or implied, towards employees by other SoCo Transit employees, customers or members of the public. For purposes of this policy, “violence” includes any willful touching of a person in a harmful, threatening or unwanted way. A “threat” of violence includes any statement, course of conduct or other action that would cause a reasonable person to believe that violence may occur. Any incident of violence or threat of violence by any SoCo Transit personnel or any other person should be reported promptly to the employee’s supervisor, Human Resources or the SoCo Transit Administrator. Supervisors or any other employee of SoCo Transit who receive complaints or who observe conduct in violation of this policy shall inform Human Resources and the SoCo Transit Administrator immediately.

### **2.6.10 Drug-Free Workplace Policy**

SoCo Transit recognizes that the abuse of alcohol and use of illegal drugs by any employee threatens the health and safety of that employee, the employee’s co-workers, and the general public. SoCo Transit also recognizes that employees should be able to work in an alcohol and drug-free environment, and to work with other employees who are alcohol and drug-free. SoCo Transit has, therefore, adopted drug and alcohol testing policies for all employees and prospective employees. Refer to the SoCo Transit *Drug & Alcohol Policy, Program and Procedures* and the SoCo Transit *Non-DOT Drug and Alcohol Policy and Testing Provisions* for more information.

### **2.6.11 Vehicle Collision and Incident Reporting** (reference the CBA for those covered)

Every employee shall make one (1) report for each vehicle collision or safety incident occurring during the employee’s run or shift, as required by SoCo Transit. Such report shall be made not later than the completion of the employee’s run or shift.

SoCo Transit pays 100% of the premium on insurance provided by our Workers’ Compensation program. This law was designed to provide employees with benefits for any injury which an employee incurs arising out of their employment with the organization.

Under the provisions of the law, if an employee is injured while at work for the organization, this injury must be reported immediately to his or her supervisor, no matter how slight it might

seem. Failure to do so could result in a denial by the insurer of any claim an employee may submit for Workers' Compensation benefits. Even late reported injuries may result in delay or denial of Workers' Compensation benefits.

2.6.11.1 Paid Time to Complete Report: Employees who are required to make a report shall be allowed up to twenty (20) minutes of paid time, except that no allowance shall be granted when said report can be completed in time already being paid on the date report is being made. In the event travel is required, the employee shall be paid travel time (scheduled running time) and same shall be subject to the overtime provision (if applicable). Other reports and interviews required by SoCo Transit shall be paid for at the straight time rate.

2.6.11.2 Determination of Preventability: Vehicle collisions and safety incidents will be reviewed by the Operations Manager or designated Safety Committee. Where a collision or incident is determined to have been preventable, the employee will be notified in writing within ten (10) work days from the date of SoCo Transit knowledge of a collision or incident (except in rare cases, such as insufficient information for the decision of preventability to be made). Discipline may apply if the employee's conduct that led to the collision or incident was found to be improper. Any determination of preventability or disciplinary action will be based on the circumstances of the incident but will not adversely affect the processing of any Workers' Compensation claim or industrial injury benefits. Determinations of whether or not a claim of industrial injury is compensable under applicable workers' compensation standards will be made by SoCo's third-party claims administrator.

## **2.6.12 Solicitation Prohibited**

Employees are prohibited from soliciting (personally or via electronic mail or text messaging) for membership, pledges, subscriptions, the collection of money or for any other unauthorized purpose anywhere on SoCo Transit property during work time, especially those of a partisan or political nature. "Work time" includes time spent in actual performance of job duties but does not include lunch periods or breaks. Non-working employees may not solicit or distribute to working employees. Persons who are not employed by Soco Transit may not solicit or distribute for membership, pledges, subscriptions, literature or petitions on SoCo Transit's premises at any time for any reason. Employees are prohibited from distributing, circulating or posting (on non-general purpose bulletin boards, refrigerators, walls, etc.) literature, petitions or other materials at any time for any purpose without the prior approval of the SoCo Transit Administrator or his or her designee.

### **2.6.13 Visitors at Work**

Visitors, including an employee's family members, who wish to see an employee during working hours, must first check in at the front office. Visitors may be required to sign in and receive a visitor's badge. If a visit involves an emergency, the employee will be notified immediately, and will receive all possible cooperation from management.

Visitors should not disrupt business. Please remind your friends and relatives that unless there is an emergency involved, they should not disturb you while you are working. Refer to the *Transporting Family and Friends Bulletin* if they will be using SoCo Transit as their way of transportation.

## **Section 2.7    Work Week and Work Schedules**

### **2.7.1 Workweek Defined**

For the purposes of payroll and the Fair Labor Standards Act salary calculation, the workweek shall begin at 12:00 am on Sunday and will end at 11:59 pm on Saturday.

### **2.7.2 Assignment of Work Schedules** (refer to the CBA for those covered)

For at-will employees, the SoCo Transit Administrator or his or her designee has sole discretion to assign the work schedule of all employees working for SoCo Transit. To the extent possible, at least 24-hours advance notice shall be provided for any short-term or temporary reassignment of work schedule; at least 7 days advance notice shall be provided for any long-term reassignment of work schedule.

### **2.7.3 Break and Meal Periods** (refer to the CBA for those covered)

SoCo Transit will design shifts to comply with regulations regarding wages, hours and working conditions.

2.7.3.1 Break Periods: For all at-will employees, California law states employers need only to provide rest breaks, but not ensure that rest breaks are taken. Every employer must authorize and permit nonexempt employees to take rest breaks, which if practicable should be in the middle of each work period. The rest break must be based on the total hours worked daily at the rate of 10 minutes rest time per four hours of work. Rest breaks need not be allowed for employees whose total work time is less than 3 1/2 hours per day.

2.7.3.2 Meal Periods: For all at-will employees, no employee should work more than five hours without having a meal period of at least 30 minutes, except when a work period of not more than six hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee in writing. Employees shall be

relieved from all duties during their meal period. If the employee is not relieved of all duty during a meal period, the meal period shall be considered an “on duty” meal period and is counted as time worked. On-duty meal periods should be noted on time records for the applicable pay period. We encourage all employees to take their meal period and be relieved from duty during that period.

#### **2.7.4 Work Schedule During a Holiday Week** (refer to the CBA for those covered)

During any week in which a holiday occurs, all full-time employees shall receive pay for all hours worked in addition to Holiday pay (if applicable).

#### **2.7.5 Overtime**

Nonexempt status employees shall receive pay calculated at time and one-half (1½) for all authorized overtime worked during the pay period. Exempt employees are not eligible for overtime pay.

2.7.5.1 Overtime Defined: Overtime and overtime pay shall be defined and calculated pursuant to the provisions of the Fair Labor Standards Act. In general, “overtime” means the time spent in the performance of work ordered or authorized by the Supervisor which is in excess of forty (40) productive hours worked in any work week. Productive hours include only regular time worked and does not include holidays, vacation, PTO, sick, administrative, personal, or other authorized leave.

2.7.5.2 Prior Authorization: Nonexempt employees may only work overtime that has been approved in advance by their Supervisor. In the rare event that overtime must be worked and prior approval is not feasible, the employee shall notify their Supervisor as soon as reasonable.

2.7.5.3 Travel: Employees traveling to and from locations outside of San Luis Obispo County that involve SoCo Transit matters in which the employee is required to attend as a condition of his or her employment are expected to do so within the hours available during a normal 40-hour work week, if feasible and practical. If not feasible or practical, and travel time results in greater than 40 hours worked, such time will be compensated with paid time off or other pay as specified above. Seminars, conferences and related events are generally considered to be a privilege and not a condition of employment, unless the employee is expressly directed by a Supervisor to attend or participate.

Employees who wish to attend such events are expected to arrange for transportation and travel time during normal SoCo Transit working hours to the extent possible, or on their own non-compensable time outside of normal working hours. If warranted by circumstances, the SoCo Transit Administrator is authorized to approve, in advance, paid time for such travel on a case-by-case basis.

### **2.7.6 Miss-Outs and Work Assignment** (refer to the CBA for those covered)

A “miss-out” is defined to be: Each failure of any employee to report for duty at the proper time and at the proper place at which his or her assigned duties are scheduled to start. An employee who fails to report for their assignment at the proper time and place, or who fails to provide timely advance notice of for use of authorized intermittent leave, shall be charged with a miss-out. Disciplinary action up to and including termination is determined and enforced by each Department.

2.7.6.1 Waiver: The department manager may waive the imposition of a disciplinary penalty for a “miss-out” as hereinabove provided whenever, in his or her opinion, a valid reason for such “miss-out” exists.

### **2.7.7 Emergency Call-Back Minimum Hours** (refer to the CBA for those covered)

Whenever an employee has completed a normally scheduled shift and has left the worksite and their supervisor or designee calls the employee back to work when not regularly scheduled to be on duty, compensation will be for a minimum of half of their regularly scheduled shift.

On an unscheduled emergency, an employee shall receive a minimum of (1) one hour pay at the applicable overtime rate (if applicable).

### **2.7.8 Premium Pay** (refer to the CBA for those covered)

A Bus Operator who is assigned by the SoCo Transit Supervisor to work with a trainee, fill in as Dispatcher or Scheduler or other SoCo Transit Administrator-approved duties will be paid a premium, in addition to the employee’s hourly wage rate, while performing these duties.

### **2.7.9 Driver’s Log**

Those employees who obtain and Commercial Driver’s License (CDL) are required to keep a log of hours worked per the Federal Motor Carrier laws. A log is required under the following conditions.

1. On duty twelve (12) hours or more in a day: When an employee works more than twelve (12) hours in a day they fail to meet the exception in CCR Title 13, Div. 2, Chap. 6.5, Art. 3, Sec. 1212(e) and therefore must complete a log.
2. Days a CDL employee works two (2) jobs in one day: A log is required in this case so that the CDL employee can demonstrate to each employer AND the CHP that they are not in violation.



## ARTICLE 3

### COMPENSATION, BENEFITS AND LEAVES

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#### **Section 3.1    Compensation**

##### **3.1.1 Regulation of Compensation by the SoCo Transit Board** (refer to the CBA for those covered)

Compensation of all employees of SoCo Transit shall be determined by the SoCo Transit Board of Directors except as otherwise required by law. Human Resources shall maintain a salary table that includes all active classification titles and a corresponding seven step pay scale for each classification. A copy of the job classifications is included as Appendix A, which may be updated annually during the budget-making process. The SoCo Transit Board of Directors shall establish the first step for each classification in the table, also known as the salary range. Employees shall be paid a base salary, no less than Step 1 and no greater than Step 7 of the salary range approved by the SoCo Transit Board for the classification to which they are appointed.

##### **3.1.2 Administration of the compensation plan**

The SoCo Transit Administrator shall have discretion to set the salary of an employee at any step within the salary range approved by the SoCo Transit Board for the classification to which the employee is appointed, subject to the following conditions:

3.1.2.1 Any employee who is promoted to a classification with a higher salary range shall receive a salary increase to a step in the new salary range that is not less than the pay previously received. In no case shall the new salary exceed the highest step of the salary range.

3.1.2.2 Market adjustments are done on a position-by-position basis based upon market data and could result in pay adjustments for the individuals in those positions at anytime. The market adjustment is not intended to compensate employees for general inflation or cost of living increases. Market adjustments require approval of the SoCo Transit Board as part of an amendment to Appendix B.

3.1.2.3 Upon receiving a “Satisfactory” or better performance evaluation, the SoCo Transit Administrator may grant an employee a salary increase to the next step in the salary range. In no case shall the new salary exceed the highest step of the salary range. The performance evaluation may be a regular evaluation or probationary evaluation.

3.1.2.4 Upon receiving an overall “Unsatisfactory” performance evaluation, the SoCo Transit Administrator may lock an employee’s salary at his or her current salary until the employee’s performance is improved to “Satisfactory” or better. The performance evaluation may be a regular evaluation or probationary evaluation. An ensuing

“Unsatisfactory” performance evaluation shall be subject to the provisions of Article 7 (Disciplinary Actions) of this policy.

3.1.2.5 An employee who voluntarily demotes to avoid layoff or voluntarily demotes due to personal reasons may be placed by the SoCo Transit Administrator at any step in the salary range of the new classification not to exceed their current step without a concurrent performance evaluation.

### **3.1.3 Compensation – Payment Procedures** (refer to the CBA for those covered)

Policies and procedures for payment of compensation can be summarized as follows:

3.1.3.1 Time-Keeping: All employees (exempt and nonexempt) are required to record their hours worked. The SoCo Transit Administrator will designate those nonexempt employee classifications that are required to clock in and out at the beginning and end of their shift and for their lunches. If for any reason an employee is unable to use the time clock, the employee must submit an Exception Timesheet with the clock in/out times listed. For exempt employees time-keeping is for business purposes unrelated to compensation for hours worked, whereas nonexempt are paid only for hours worked.

3.1.3.2 Biweekly Payment: SoCo Transit will make every effort to issue the payroll every other Thursday starting no later 5:00 AM. In the event a Holiday falls on a Friday, SoCo Transit will make every effort to issue the payroll on the previous day. However, should a system breakdown occur, the payroll will be issued no later than the following Wednesday. No loss in pay will result should this occur.

### **3.1.4 Direct Deposit**

Employees are encouraged to participate in SoCo Transit’s direct deposit of wages program. Human Resources will make the arrangement for direct deposit with any credit union or bank that has electronic transmission capability. Your entire paycheck, or a specified amount, can be deposited. Human Resources will provide the necessary forms upon request.

### **3.1.5 Final/Termination Paycheck**

Final paychecks will be issued as part of the normal payroll cycle. SoCo Transit will attempt to accommodate early release of final/termination paychecks, including accrued but unused vacation, when it is able.

## Section 3.2 Employee Benefits

### 3.2.1 Vacation Policy (reference the CBA for those covered)

Paid vacation is one of the ways SoCo Transit recognizes length of service and performance. Employees covered by a CBA are provided vacation time as outlined in the agreement.

Eligible employees earn paid vacation based on length of continuous service, starting with their first year and increasing throughout their service in a pre-determined accrual formula. Please contact your immediate supervisor for more details.

#### VACATION ACCRUAL SCHEDULE:

Service Time	Days/year	Accrual Rate	Max Accrual
first year	10	3.08	160
second year	11	3.38	176
third year	12	3.69	192
fourth year	13	4.00	208
fifth year	15	4.62	240
sixth & seventh year	16	4.92	256
eighth & ninth year	17	5.23	272
tenth & eleventh year	18	5.54	288
twelfth & thirteenth year	19	5.85	304
fourteenth + year	20	6.15	320

Employees shall not carry a vacation balance of more than two times their annual rate from one fiscal year to the next. Balances in excess will be forfeited at the end of the calendar year. Vacation time may be taken at the request of the employee with the prior approval of his or her manager/supervisor. Vacation time may be approved or denied based on business needs at the time.

All accrued vacation provided by the policy that has not been taken at the time of termination will be paid to the employee. The right to vacation constitutes deferred wages for services rendered. Employment contracts and organization policies may not provide for forfeiture of vested paid time.

3.2.2.1 Maximum Vacation Accrual: The vacation accrual year will be January to December. Employees may accumulate vacation time from one year to the next year up to the maximum hours outlined in the table above. Should an employee's vacation bank exceed this amount, they will cease to accrue hours over maximum not taken at the end of the calendar year. An employee who has had scheduled vacation canceled due to scheduling conflicts will be given an opportunity to schedule the unused vacation in the following vacation accrual year.

### **3.2.2 Vacation Usage (refer to the CBA for those covered)**

3.2.2.1 Use of Vacation Pay: All requests for scheduled use of vacation pay shall be considered and granted at the discretion of the department manager/supervisor. All requests for scheduled vacation shall be made in writing. Requests for the scheduled use of vacation of one day or less shall be made a minimum of two work days prior to the start of the time-off. Requests for the scheduled use of vacation of two or three days shall be made at least one week prior to the start of the employee's time-off. Requests of more than three days shall be made at least twice as many work days prior to the vacation days being requested (e.g., one week of vacation must be requested at least two weeks in advance). The advance notice requirement may be waived, if warranted, at the discretion of the department manager/supervisor on a case-by-case basis. To the extent possible, the use of vacation during periods of sick leave shall be made with a minimum of two hours' notice to the department manager/supervisor when all sick leave available has been exhausted.

3.2.2.2 Vacation Cash-out: After one year of service with SoCo Transit, employees are eligible to cash-out a portion of their vacation time accrued. A vacation balance in excess of 120 hours may be cashed out during the last pay date of each calendar year. Vacation cash-out eligible employees are required to inform Human Resources one (1) week prior to the last pay date of each calendar year of their request to cash-out and the amount.

3.2.2.3 Vacation Donation: vacation donation allows a qualified employee to voluntarily donate vacation to another qualified employee who is unable to work because of an extended serious illness or injury. The procedure to initiate this process involves sharing the donating employee's intentions with their supervisor and Human Resources. The vacation donation will be limited to 50% of accrued vacation. SoCo Transit will ensure that donated vacation pay will only be used for medical sick leave purposes. Donating employees may only donate hours from their account when it is in excess of sixty (60) hours and only those hours that are in an excess of sixty (60). Donations will be calculated based on the donating and recipient's pay rates. Contact Human Resources for more information regarding donating or applying to receive donated vacation leave.

3.2.2.4 Limitation on Vacation Pay Usage: Vacation shall be paid at the employee's basic straight-time rate on a regularly scheduled workday, but not to exceed scheduled hours per day. Vacation payments to employees who are covered under California Workers' Compensation or disability insurance will be reduced by the amount of disability benefits payable under such plan. In no event will an employee receive pay in excess of his or her regular pay. Vacation pay shall not duplicate any other SoCo Transit pay.

3.2.2.5 Vacation Pay Cannot Cause Overtime: Vacation time taken cannot be used to put an employee into an overtime pay status.

### **3.2.3 Sick Leave** (refer to the CBA for those covered)

SoCo Transit provides paid sick time benefits to eligible employees who are temporarily absent due to illness or injury.

3.2.3.1 ELIGIBILITY: All full and part-time employees are eligible. Employees covered by a CBA should refer to the agreement.

All full-time employees accrue sick time benefits at the rate of 12 days per year. Employees shall use paid earned sick time for personal sick time off or FMLA/CFRA leave to care for eligible dependents. See section 3.2.10 for more information.

An employees who is unable to report to work because of an illness or injury should notify his or her supervisor before the scheduled start of his or her workday, if possible. The employee's supervisor must also be contacted on each additional day of absence. Before an employee can return to work after a sick leave absence of five (5) calendar days or more, you must provide a doctor's statement releasing to return to full or modified duty.

An employee on sick leave for an extended absence because of an illness or injury must apply for any other available compensation and benefits, such as workers' compensation and/or disability. Sick leave benefits will be used to supplement any payments that an employee is eligible to receive from workers' compensation or SoCo provided disability insurance program(s). The combination of these disability payments and sick leave may not exceed normal weekly pay.

Sick time is not eligible for cash out.

### **3.2.4 Holidays** (refer to the CBA for those covered)

SoCo Transit recognizes the following seven holidays: Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving Day (admin staff only), Christmas Day, and New Year's Day.

3.2.4.1 Full-Time Employee Eligibility: All eligible full-time employees shall receive eight (8) hours at their regular straight time rate of pay for the applicable Holidays outlined above, provided such employee completes their work assignment on their last scheduled or assigned work day prior to such holiday and their first scheduled or assigned work day after such holidays. Those employees who are scheduled to work and are late on the day before or the day after the holiday will be paid for the holiday time provided the employee reports within one (1) hour of his or her report time and in proper uniform. Holiday time shall not be counted when computing overtime pay.

**3.2.4.2 Pay Rate for Holidays Worked:** If an employee works on a SoCo Transit recognized holiday, that employee will be paid eight hours Holiday pay plus the Holiday rate (time and a half) applicable for the actual hours worked.

**3.2.4.3 Day Shifting:** For Administrative staff, in the event one of the holidays mentioned in this section falls on a Sunday, the Monday following the Sunday shall be the holiday. Should a holiday fall on a Saturday, the preceding Friday shall be the holiday. Fixed date holidays (New Year's Day, Christmas Day and Independence Day) are exempt from the day shifting. Please contact your supervisor to verify eligibility.

**3.2.4.4 Floating Holidays:** Eligible full-time employees receive six (6) floating holidays January 1<sup>st</sup> of each year. Floating holidays are to be used within the calendar year. If you do not use all floating holidays provided, you will lose them by December 31<sup>st</sup> of each year. Floating holidays do not roll over from year to year and are not paid out upon termination of employment with SoCo Transit.

### **3.2.5 Salary Reduction (125) Plan (Pre-Tax Premiums Deductions)**

Pre-Tax Premiums is a voluntary program that allows employees to pay the premiums for medical, vision and dental benefits with pre-tax dollars. Under Section 125 of the Internal Revenue Code, an employee may annually elect to reduce his or her taxable salary by the amount paid towards medical, dental and vision premiums. Participation in the salary reduction plan can result in an employee paying less federal, state and Medicare taxes.

Because of the tax savings employees receive, the federal government places certain restrictions on what an employee can and cannot do under this plan. This is an irrevocable choice, meaning that an employee wishing to change a decision to have premiums deducted pre-tax, as well as canceling or changing the benefits associated with these deductions, is not allowed until the next open enrollment period unless an employee experiences a qualifying event as defined in federal law.

### **3.2.6 Health, Dental, Vision and Life Insurance (refer to the CBA for those covered)**

SoCo Transit shall provide the administration of the Group Insurance Plan using Human Resources staff resources or contracted third-party resources.

**3.2.6.1 Eligibility:** Eligible full-time employees shall be any full-time employee as defined in Section 2.1.1.

**3.2.6.2 Coverage Levels:** SoCo Transit will cover a portion or all of the medical plan monthly premium offered to each full-time employee for the employee-only option. Unless otherwise stated in your offer letter, SoCo Transit will pay for 95% of the monthly premiums to provide the base healthcare plan (as of January 1, 2018, this plan is known as the "Solutions PPO Plan") for the employee. The employee will be responsible for the

remaining 5% through payroll deductions, as well as 100% of the additional monthly premiums should the employee choose a richer medical plan. See Human Resources for more information. In addition, SoCo Transit will cover 100% of the dental plan and vision plans for employee-only options unless otherwise stated in your offer letter. Should the employee wish to cover their spouse and/or dependents, the employee shall do so solely at their expense through payroll deductions. Refer to your offer letter for coverage information.

SoCo Transit may change insurance carriers at any time, and will strive to provide a comparable level of insurance benefits if a change is necessary.

**3.2.6.3 Medical:** The medical insurance plan at SoCo Transit offers employees and dependents access to medical care insurance benefits. Only Full-Time employees are eligible to participate in the medical insurance plan.

Eligible employees may participate in the medical insurance plan subject to the terms and conditions of the agreement between SoCo Transit and the insurance carrier.

You will find details of the medical insurance plan in the Summary Plan Description (SPD) posted on SoCo Transit payroll website. When you become eligible, you will receive your SPD and rate information prior to the enrollment date. For questions about medical insurance, contact Human Resources for additional information.

**3.2.6.4 Dental:** SoCo Transit offers dental coverage for full-time employees.

**3.2.6.5 Vision:** SoCo Transit offers vision coverage for full-time employees.

**3.2.6.6 Incidental Benefit for Opting Out:** SoCo Transit designated full-time benefited employees who can demonstrate during Open Enrollment that they have Affordable Care Act (ACA) qualifying Medical benefits, as well as Dental and Vision Benefits, through another means and who do not elect to receive Medical, Dental and Vision Benefits through SoCo Transit may “opt out” of these benefits and shall receive an incidental payment of \$175 monthly in lieu of the contribution as defined above.

Full-Time Benefited employees who can demonstrate during Open Enrollment that they have ACA-qualifying Medical Benefits through another means and who do not elect to receive Medical Benefits through SoCo Transit may “opt out” of the medical benefit and shall receive an incidental payment of \$125 monthly in lieu of the contribution as defined above.

**3.2.6.7 Life Insurance:** SoCo Transit offers a basic life insurance plan for eligible full-time employees. The basic life insurance plan includes Accidental Death and Dismemberment (AD&D) insurance. AD&D provides benefits in case an accident causes a serious injury or

death. Full-time employees may enroll in a supplemental life insurance plan at their own cost, subject to provider approval. There are more details about our basic life insurance plan in the Summary Plan Description. If you have questions about our life insurance plan, contact the Human Resources for more information.

### **3.2.7 457 Savings Plan** (refer to the CBA for those covered)

The 457 plan is a type of nonqualified, tax advantaged deferred-compensation retirement plan that is available for governmental and certain non-governmental employers in the United States. The employer provides the plan and the employee defers compensation into it on a pre-tax basis. Employees elect how much salary to contribute and to direct the investment so that each employee can tailor his or her own retirement package to meet his or her individual needs.

SoCo Transit has established a 457 plan to provide eligible employees with the potential for financial security in their retirement. Employees should refer to their employment offer letter for specific information.

Employees become eligible for the 457 plan on the first of the month following the employee's full-time hire date. Eligible employees may participate in the 457 plan subject to all terms and conditions of the plan.

SoCo Transit will also contribute an additional amount to each employee's 457 contribution based on the table below. Complete details of the 457 plan are described in the Summary Plan Description, and Human Resources can provide more information about the 457 plan.

<b>Service Time</b>	<b>Employer Contribution</b>
First year*	2.00%
Second year*	2.20%
Third year*	2.42%
Fourth year*	2.66%
Fifth year*	2.93%
Sixth year*	3.22%
Seventh + years*	3.54%

\*The structure is based on years in the eligible position



### **3.2.8 Uniform Policy** (reference the CBA for those covered)

SoCo Transit allows the supervisors to wear SoCo Transit company provided uniform (shirt and pants) or wear business casual attire when not operating a SoCo Transit vehicle. Supervisors who wear an approved SoCo Transit uniform more than 50% of the time will be eligible to receive SoCo Transit company provided uniform annually. Supervisors may choose to purchase their own approved pants and will receive a \$100 annual uniform allowance.

Supervisors who choose to wear business casual attire are not eligible for the \$100 annual uniform allowance.

### **3.2.9 Employee Assistance Program (EAP)**

SoCo Transit EAP is designed to provide confidential assistance to employees who are having personal or work related problems by providing professional consultation, assessment, and referral. The EAP is available to all employees and their families on the first day of employment at no charge and can assist with most personal problems affecting the quality of life at home and on the job. Contact Human Resources for further details.

### **3.2.10 Wellness Program**

In accordance with SoCo Transit's commitment to health and safety, we have established a Voluntary Wellness Program for the following purposes:

- a. To maintain and enhance employee interest in health and safety issues.
- b. To ensure that managers, supervisors and employees are aware through training activities that they are responsible for the prevention of workplace accidents.
- c. To help make health and safety activities an integral part of the organization's operating procedures, culture and programs.
- d. To provide an opportunity for discussion of health and safety problems and possible solutions.
- e. To inform and educate employees and supervisors about health and safety issues and research findings, etc.
- f. To help reduce the risk of workplace injuries and illness.
- g. To help ensure compliance with federal and state health and safety standards.

For additional information about SoCo Transit wellness programs, see Human Resources.

### **3.2.11 Suggestion Program**

We have a suggestion program at the SoCo Transit. All employees are eligible to participate in the suggestion program.

A suggestion is an idea that will help SoCo Transit solve a problem, reduce costs, improve

operations or procedures, enhance customer service, eliminate waste or spoilage, or make SoCo Transit a better or safer place to work. A suggestion should identify the problem and offer possible ideas for solving or improving an issue or provide a possible solution. A suggestion should not focus on personal attributes of co-workers or management.

Employees should submit suggestions to a supervisor, manager, or director. After it is reviewed, it will be forwarded to the appropriate parties for possible implementation.

### **3.2.12 Jury Duty** (refer to the CBA for those covered)

SoCo Transit encourages employees to fulfill civic responsibilities by serving jury duty when required. If an employee receives a jury duty summons, it should be presented to his or her immediate supervisor as soon as possible so that arrangements can be made to accommodate the employee's possible absence from work.

Should any full-time employee be required to serve on a jury duty, said employee will be paid his or her regular straight time rate of pay on a basis of eight (8) hours per day, less jury duty compensation, for a period of time not to exceed one (1) week excluding Saturdays and Sundays in a floating one (1) year period.

### **3.2.13 Voting**

SoCo Transit encourages employees to fulfill civic responsibilities by voting in elections. Generally, the polls are open for several hours in the morning and evening and we expect that employees will be able to vote either before or after work hours. If an employee does not have sufficient time before or after work, the employee may request up to two hours off without loss of pay for the express purpose of voting. This time needs to be requested in advance.

### **3.2.14 Bereavement** (refer to the CBA for those covered)

Bereavement leave is provided to full-time employees in the event of the death of an employee's: Father, Mother, Brother, Sister, Spouse, Child, Step-Father, Step-Mother, Step-Child, Father-in-law, Mother-in-law, Son-in-law, Daughter-in-law, Brother-in-Law, Sister-in-law, Grandchild, Grandparent and domestic partners registered with the State of California.

Paid time off will be given up to a maximum of three (3) eight (8) hour days for full-time employees.

If more than three (3) days are needed, the employee is permitted to take personal days, vacation days, or leave without pay, with the approval of the employee's immediate supervisor. Part-time and temporary employees may take unpaid bereavement leave.

### **3.2.15 Unemployment Insurance**

If an employee's employment is terminated, the employee may be eligible to receive unemployment insurance. The terminated employee must file a claim with the local Employment Development Department office in order to collect this benefit. If terminated, the employee should inquire about unemployment insurance at the time of separation from SoCo Transit. The full cost of unemployment insurance is paid by SoCo Transit.

### **3.2.16 Social Security/Medicare/Medicaid**

SoCo Transit participates in the provisions of the Social Security, Medicare and Medicaid programs. Employees' contributions are deducted from each paycheck and SoCo Transit contributes as established by federal law at the applicable wage base.

## **Section 3.3    Leaves of Absences**

### **3.3.1    Family and Medical Leave Act (FMLA)**

Under the provisions of the federal Family and Medical Leave Act (FMLA), eligible employees are entitled to take 12 weeks of family/medical leave within a rolling 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child (leave must be taken within 1 year of the child's birth or placement);
- To care for the employee's spouse, child, or parent who has a qualifying serious health condition;
- For the employee's own qualifying serious health condition that makes the employee unable to perform the employee's job;

For qualifying exigencies, as defined in the FMLA, related to the foreign deployment of a military member who is the employee's spouse, child, or parent.

- An eligible employee who is a covered service member's spouse, child, parent, or next of kin may also take up to 26 weeks of FMLA leave in a single 12-month period to care for the service member with a serious injury or illness.

The rolling 12-month period is measured backward from the date of the most recent use of leave for a covered FMLA event. This means that each time an employee requests a leave under the provisions of this policy, the available time for a leave of absence will be the balance of the total 12 weeks that has not been used during the 12-month period immediately preceding the commencement of leave.

**3.3.1.1 Eligibility:** To be eligible for leave, an employee must meet following requirements:

- Have worked for the employer for at least 12 months (52 weeks, not necessarily consecutively);
- Have at least 1,250 hours of service in the 12 months immediately preceding the use of the leave; and
- Work at a location where the employer has at least 20 employees within 75 miles of the employee's worksite.

**3.3.1.2 Serious Health Condition:** The term "serious health condition" means an illness, injury, impairment or physical or mental condition that involves inpatient care in a hospital, hospice or residential medical care facility or continuing treatment by a health care provider which prevents an employee from performing the essential functions of

his or her job or prevents a close family member from performing the functions of their job or attending school. An employee should contact his or her immediate supervisor to determine what qualifies as a serious health condition.

**3.3.1.3 Notice Requirements:** An employee requesting a leave of absence under this policy should see his or her supervisor and complete the proper leave request form. Where the need for leave is known in advance, the request must be submitted at least thirty (30) days prior to the desired beginning of the leave of absence. Failure to give at least thirty (30) days' notice of foreseeable need for a leave of absence may delay the start of such leave until thirty (30) days after the date the notice is received by the organization. If the request is less than thirty (30) days, the employee may be required to give an explanation of why advance notice was not feasible. If timely notice is not given, the period of delay counts as a non-FMLA absence.

If the need for a leave is not foreseeable or is an emergency situation, the employee must provide at least verbal notification to his or her immediate supervisor as soon as possible and must follow our call-in procedures. Employees must supply sufficient information to enable SoCo Transit to determine if the leave qualifies for FMLA, as well as the duration and timing of the leave.

**3.3.1.4 Certification of the Need for Leave:** Any employee who needs to have an FMLA-covered medical leave of absence must present certification completed by the employee's health care provider verifying the need for a leave of absence along with the leave request form. This certification must be provided within fifteen (15) days of the request unless it is not feasible under the circumstances. Human Resources has certification forms available for an employee to have completed by his or her health care provider. Failure to provide certification may result in the employee's leave being delayed, denied, or revoked. Note: SoCo Transit reserves the right to a second or third medical certification at our expense.

SoCo Transit also reserves the right to require recertification of the continuance of a serious health condition every six (6) months. Recertification may also be required if:

1. An employee requests an extension of leave;
2. Circumstances described by the original certification have changed significantly;
3. We receive information that casts doubt upon the continuing validity of the certification; or
4. An employee is unable to return to work because of the continuation, recurrence, or on-set of a serious health condition.

**3.3.1.5 Intermittent Leave:** Generally, FMLA leave must be taken in a single block. Under certain circumstances, however, FMLA leave may be taken on a reduced work schedule basis if the employee and the organization can agree on the schedule requested by the employee.

If intermittent leave is considered medically necessary for the employee or seriously ill family member, the requesting employee produces the required certification by a health care provider that there is a medical need for a leave of absence and that the medical need is best accommodated through an intermittent leave or reduced work schedule. SoCo Transit reserves the right to require a second or third medical opinion in appropriate cases where authorized to do so by the FMLA.

If medical leave is requested on an intermittent or reduced work schedule basis, SoCo Transit may, at the discretion of the SoCo Transit Administrator, transfer the employee temporarily to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee's regular position. Any such transfer will be to a job that offers pay and benefits that are equivalent to those available in the employee's regular job. Employees on authorized intermittent leave with episodic or unforeseeable intermittent absences will not be required to transfer to an alternative job.

A fitness for duty certification can be required every thirty (30) days in the case of intermittent or reduced schedule leaves if reasonable safety concerns exist. The employee has fifteen (15) days to provide this certification.

3.3.1.6 FMLA Leave is Unpaid Leave: Employees on approved FMLA leave of absence will be required to use any earned, unused vacation and sick days during the approved leave of absence unless the leave is for the employee's own serious health condition. Employees must follow the same terms and conditions of SoCo Transit's leave policy as those employees not on FMLA. SoCo Transit and employee may mutually agree to supplement worker's compensation or other disability benefits with any other form of paid time off benefits the employee may be entitled to, if state law permits.

3.3.1.7 Spouse Aggregation: In the case where both an employee and his or her spouse are employed by SoCo Transit, the aggregate number of weeks to which both employees are entitled because of the birth or placement of a child or to care for a parent with a serious health condition will be limited to twelve (12) workweeks during any twelve (12) month period. This limitation does not apply in instances where leave is taken because of an employee's own serious health condition or to care for a spouse or child with a serious health condition.

3.3.1.8 Health Insurance: FMLA is benefit protected leave and SoCo Transit will continue to pay its customary portion of group medical insurance coverage. An employee away from work due to FMLA leave may continue medical insurance coverage while on leave by timely payment of his or her portion of the monthly insurance premium on the same day such payment would be required if payment were made by payroll deduction. Where the need for family leave of absence is foreseeable, the employee will be asked to sign an agreement before the leave of absence begins that:

- Discloses the amount that the employee must remit on a timely basis to retain the coverage; and
- Indicates that the employee understands his or her insurance premium payment obligations.

If the FMLA leave is not foreseeable, this agreement must be signed as soon as possible after the leave begins. An employee's failure to pay premiums within thirty days of the due date for such premiums will result in the loss of his or her insurance coverage. If an employee does not return to work at the end of an approved FMLA leave, he or she may be required to repay the organization for the insurance premiums it paid.

**3.3.1.9 Health Insurance Continuation – COBRA:** The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) was enacted to ensure that employees and their dependents can continue their health insurance once they are no longer eligible under our health plan.

If an employee continues insurance under COBRA, the employee will pay the full cost of the insurance at SoCo Transit's group rates plus an administration fee. When an employee is eligible for SoCo Transit's health insurance plan, the employee will receive a written notice describing COBRA rights, applicable deadlines, and what to do if to take continuation coverage under COBRA. As such, it is important that the employee read it carefully and maintain it with insurance documents/records. Employees should contact your Human Resources with any questions regarding COBRA.

**3.3.1.10 Benefits During Leave:** Employees on a FMLA-related leave do not accrue benefits, including holiday pay, while on unpaid leave. Employees will not accrue vacation and sick pay while on unpaid leave. Vacation and sick pay will begin accruing when the employee returns to work.

### **3.3.2 California Family Rights Act (CFRA)**

Under the provisions of the California Family Rights Act (CFRA), eligible employees are entitled to take 12 weeks of family leave within a rolling 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child (leave must be taken within 1 year of the child's birth or placement);
- To care for the employee's spouse, domestic partner, child, or parent who has a qualifying serious health condition;
- For the employee's own qualifying serious health condition that makes the employee unable to perform the employee's job;

The rolling 12-month period is measured backward from the date of the most recent use of leave for a covered CFRA event. This means that each time an employee requests a leave under the provisions of this policy, the available time for a leave of absence will be the balance of the total 12 weeks that has not been used during the 12-month period immediately preceding the commencement of leave.

3.3.2.1 Eligibility: To be eligible for leave, an employee must meet following requirements:

- Have worked for the employer for at least 12 months (52 weeks, not necessarily consecutively);
- Have at least 1,250 hours of service in the 12 months immediately preceding the beginning of the leave; and
- Work at a location where the employer has at least 20 employees within 75 miles of the employee's worksite.

3.3.2.2 Serious Health Condition: The term "serious health condition" means an illness, injury, impairment or physical or mental condition that involves continuing treatment by a health care provider which prevents an employee from performing the functions of his or her job or prevents the family member from performing the functions of his or her job or attending school. Employees should contact his or her immediate supervisor with any questions regarding what qualifies as a serious health condition.

3.3.2.3 Notice Requirements: An employee requesting a leave of absence under this policy should see his or her supervisor and complete the proper leave request form. Where the need for leave is known in advance, the request must be submitted at least thirty (30) days prior to the desired beginning of the leave of absence. Failure to give at least thirty (30) days' notice of foreseeable need for a leave of absence may delay the start of such leave until thirty (30) days after the date the notice is received by the organization. If the request is less than thirty (30) days, the employee may be required to give an explanation of why advance notice was not feasible. If timely notice is not given, the period of delay counts as a non-CFRA absence.

If the need for a leave is not foreseeable or is an emergency situation or providing notice is not practicable, the employee must provide at least verbal notification to their immediate supervisor as soon as possible and must follow our call-in procedures. Employees must supply sufficient information to enable SoCo Transit to determine if the leave qualifies for FMLA and the duration and timing of the leave.

3.3.2.4 Certification of the Need for Leave: Any employee who needs to have an CFRA-covered medical leave of absence must present certification by a health care provider of the need for a leave of absence along with the leave request form. This certification must be provided within fifteen (15) days of the request unless it is not feasible under



the circumstances. Human Resources has forms available for an employee to have completed by their health care provider. Failure to provide certification may result in the employee's leave being delayed, denied, or revoked. Note: We reserve the right to a second or third medical certification at our expense.

We also reserve the right to require recertification of the continuance of a serious health condition every six (6) months. Recertification may also be required if:

- The duration for the leave, as stated on the certification has expired and the employee requests an extension of leave;  
or
- An employee is unable to return to work because of the continuation, recurrence, or on-set of a serious health condition.

3.3.2.5 Intermittent Leave: Generally, CFRA leave must be taken in a single block. Under certain circumstances, however, CFRA leave may be taken on a reduced work schedule basis if the employee and the organization can agree on the schedule requested by the employee.

If intermittent leave is considered medically necessary for self or seriously ill family member, the requesting employee produces the required certification that there is a medical need for a leave of absence and that the medical need is best accommodated through an intermittent leave or reduced work schedule, intermittent leave will be approved. SoCo Transit reserves the right to require a second or third medical opinion in appropriate cases where authorized to do so by the CFRA, including circumstances where SoCo Transit has an objective, good faith reason to question the validity of the certification.

If medical leave is requested on an intermittent or reduced work schedule basis, the organization may, at the discretion of management, transfer the employee temporarily to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee's regular position. Any such transfer will be to a job that offers pay and benefits that are equivalent to those available in the employee's regular job. Employees on unforeseeable intermittent leave will not be required to transfer to an alternative job.

A fitness for duty certification can be required every thirty (30) days in the case of intermittent or reduced schedule leaves if reasonable safety concerns exist. The employee has fifteen (15) days to provide this certification.

3.3.2.6 CFRA Leave is Unpaid Leave: Employees on approved CFRA leave of absence will be required to use any earned, unused vacation and/or sick days during the approved leave of absence unless the leave is for the employee's own serious health condition. If the employee is receiving partial wage replacement other than industrial injury benefits

from a third-party source (private disability insurance), the employee may mutually agree with SoCo Transit to apply paid leave accruals. Employees must follow the same terms and conditions of our leave policy as those employees not on CFRA. SoCo Transit and the employee may mutually agree to supplement worker's compensation or other disability benefits with any other form of paid time off benefits the employee may be entitled to, if state law permits.

**3.3.2.7 Parent Aggregation:** In the case where both parents are employed by SoCo Transit, the aggregate number of weeks to which both employees are entitled because of the birth or placement of a child or to care for a parent with a serious health condition will be limited to twelve (12) workweeks during any twelve (12) month period. This limitation does not apply in instances where leave is taken because of an employee's own serious health condition or to care for a spouse, registered domestic partner, or child with a serious health condition.

**3.3.2.8 Health Insurance:** CFRA is benefit-protected leave and SoCo Transit will continue to make its customary payment for the employee's group benefits. Employees remain responsible to cover their customary personal contributions in order to keep their benefits in effect. An employee away from work due to CFRA leave may continue medical insurance coverage while on leave by timely payment of his or her portion of the monthly insurance premium on the same day such payment would be required if payment were made by payroll deduction. Where the need for family leave of absence is foreseeable, the employee will be asked to sign an agreement before the leave of absence begins that:

- Discloses the amount that the employee must remit on a timely basis to retain the coverage; and
- Indicates that the employee understands his or her insurance premium payment obligations.

If the CFRA leave is not foreseeable, this agreement must be signed as soon as possible after the leave begins. An employee's failure to pay premiums within thirty days of the due date for such premiums will result in the loss of his or her insurance coverage. If an employee does not return to work at the end of an approved CFRA leave, he or she may be required to repay the organization for the insurance premiums it paid.

**3.3.2.9 Health Insurance Continuation – COBRA:** The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) was enacted to ensure that employees and their dependents can continue their health insurance once they are no longer eligible under our health plan.

If you continue your insurance under COBRA, you will pay the full cost of the insurance at our group rates plus an administration fee. When you are eligible for our health insurance plan, you will receive a written notice describing your COBRA rights. This

notice contains important information about your rights, strict deadlines to elect continuation coverage, and what to do if you need COBRA so it is important that you read it carefully and maintain it with your insurance documents. If you have any questions regarding COBRA, please contact your Human Resources.

3.3.2.10 Benefits During Leave: Employees on a CFRA-related leave do not accrue benefits, including holiday pay, while on unpaid leave. Employees will not accrue vacation and sick pay while on unpaid leave. Vacation and sick pay will begin accruing when the employee returns to work.

### **3.3.3 Pregnancy Disability Leave (PDL)**

A pregnancy disability is a physical or mental condition related to pregnancy or childbirth that prevents you from performing essential duties of your job, or if your job would cause undue risk to you or your pregnancy's successful completion. Your health care provider should determine whether or not you have a pregnancy disability.

Pregnancy-related disability leave ("PDL"), as part of the California Fair Employment and Housing Act, may be taken for the duration of the disability up to four months (17.3 weeks) for each pregnancy. PDL may be used in a continuous block of leave, or applied intermittently when the need for intermittent or reduced schedule leave is medically verified by the employee's health care provider. This assumes that the employee is disabled by childbirth or related medical conditions for four months. Pregnancy-related disability leave is counted towards an employee's FMLA entitlement and SoCo Transit will always apply PDL and FMLA concurrently. When an employee is no longer eligible for PDL, there is continued leave available for "Baby Bonding" under CFRA.

3.3.3.1 Eligibility: All employees who experience disabilities relating to pregnancy, childbirth or related medical conditions (meaning a physical or mental condition intrinsic to pregnancy or childbirth) may request leave or a reasonable accommodation under this policy.

3.3.3.3 Transfer and accommodation: SoCo Transit also provides reasonable accommodations, to the extent required by law, for conditions related to pregnancy, childbirth or related medical conditions. In addition, a transfer to a less strenuous or hazardous position or duties may be available pursuant to an employee's request, if such a transfer is medically advisable. Employees requesting a leave or reasonable accommodation should promptly notify human resources

3.3.3.3 Notice Requirements: Anyone requesting a leave of absence under this policy should see his or her supervisor and complete the proper leave request form. Where the need for leave is known in advance, the request must be submitted at least thirty (30) days prior to the desired beginning of the leave of absence. Failure to give at least thirty (30) days' notice of foreseeable need for a leave of absence may delay the start of

such leave until thirty (30) days after the date the notice is received by the organization. If the request is less than thirty (30) days, the employee may be required to give an explanation of why advance notice was not feasible.

If the need for a leave is not foreseeable, is an emergency situation or is not practicable, the employee must provide at least verbal notification to their immediate supervisor as soon as possible and must follow our call-in procedures. Employees must supply sufficient information to enable SoCo Transit to determine if the leave qualifies for FMLA and the duration and timing of the leave.

3.3.3.4 Certification of the Need for Leave: Any employee who needs to have a PDL-covered medical leave of absence must present certification of the need for a leave of absence along with the leave request form. This certification must be provided within fifteen (15) days of the request unless it is not feasible under the circumstances. Human Resources has forms available for an employee to have completed by their health care provider. Failure to provide certification may result in the employee's leave being delayed, denied, or revoked. Note: We reserve the right to a second or third medical certification at our expense.

3.3.3.5 PDL Leave is Unpaid Leave: Pregnancy-related disability leaves are unpaid. An employee who is granted a pregnancy-related disability leave may elect to use any accrued but unused paid time off benefits (i.e. vacation or sick leave) during the period of the leave. Any portion of a leave that occurs after all paid time off benefits have been exhausted is without pay. Any unpaid or paid portions of this leave policy shall be added together and will not extend the 4-month (17.3 weeks) total leave period limitation allowed under this pregnancy-related disability leave policy. Employees may mutually agree to supplement disability benefits with any other form of paid time off benefits the employee may be entitled to, if state law permits.

3.3.3.6 Health Insurance: PDL is benefit-protected leave. SoCo Transit will continue to pay its customary premium payments for the employee's health insurance benefit for a maximum of four months of PDL, and a maximum of 12 weeks of CFRA child bonding leave. Employees are responsible for their customary personal premium payment for their own or family coverage, including any additional premium due to adding a new child to the employee's family plan. An employee away from work due to PDL leave, and any CFRA child bonding leave that is taken consecutively to PDL, may continue medical insurance coverage while on leave by timely payment of his or her portion of the monthly insurance premium on the same day such payment would be required if payment were made by payroll deduction. Where the need for family leave of absence is foreseeable, the employee will be asked to sign an agreement before the leave of absence begins that:

- Discloses the amount that the employee must remit on a timely basis to retain the coverage; and

- Indicates that the employee understands his or her insurance premium payment obligations.

If the PDL leave is not foreseeable, this agreement must be signed as soon as possible after the leave begins. An employee's failure to pay premiums within thirty days of the due date for such premiums will result in the loss of his or her insurance coverage. If an employee does not return to work at the end of an approved PDL leave, he or she may be required to repay the organization for the insurance premiums it paid.

**3.3.3.7 Health Insurance Continuation – COBRA:** The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) was enacted to ensure that employees and their dependents can continue their health insurance once they are no longer eligible under our health plan.

If you continue your insurance under COBRA, you will pay the full cost of the insurance at our group rates plus an administration fee. When you are eligible for our health insurance plan, you will receive a written notice describing your COBRA rights. This notice contains important information about your rights, strict deadlines to elect continuation coverage, and what to do if you need COBRA so it is important that you read it carefully and maintain it with your insurance documents. If you have any questions regarding COBRA, please contact your Human Resources.

**3.3.3.8 Benefits During Leave:** Employees on a pregnancy-related disability leave do not accrue benefits, including holiday pay, while on unpaid leave. Employees will not accrue vacation and sick pay while on unpaid leave. vacation and sick pay will begin accruing when the employee returns to work.

**3.3.3.9 Lactation Policy:** We will accommodate employees who desire to express breast milk during working hours by providing a reasonable amount of break time to be used for this purpose and provide a room for a mother who desires to express milk in private. In the event that an employee requires additional time, other than the scheduled rest or meal periods, additional unpaid time off will be provided for this purpose.

### **3.3.4 Worker's Compensation**

SoCo Transit carries workers' compensation insurance coverage as required by law to protect employees who are injured on the job. This insurance provides medical, surgical, and hospital treatment in addition to disability payments, as provided by law, for work-related injuries. Compensation payments begin from the first day of an employee's hospitalization or after the third day following injury if an employee is not hospitalized. The cost of this coverage is paid completely by SoCo Transit.

**3.3.4.1 Duty to Report:** If an employee is injured while working, he or she must report it immediately to his or her supervisor, regardless of how minor the injury may appear to

be. Failure to immediately report an on-the-job injury may result in disciplinary action up to and including termination.

3.3.4.2 Limit of Liability: SoCo Transit and its worker's compensation insurance carrier are not liable for the payment of any benefits for an injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity which is not a part of the employee's work-related duties. The workers' compensation insurance carrier determines whether the claim is covered under worker's compensation.

### **3.3.5 Personal Leave of Absence Without Pay** (refer to the CBA for those covered)

A Personal Leave of Absence (LOA) is an unpaid absence of five (5) or more consecutive days. The general intent of SoCo Transit's LOA policy is to provide extended time off for illnesses and other reasonable conditions that prevent an employee from reporting to work. With the exception of FMLA, CFRA and PDL, in no case shall a personal LOA be granted for more than 30 days. An important point to remember about a LOA is that, with certain exceptions such as leaves for military duty or jury duty purposes, SoCo Transit provides no assurances or guarantees that a job will be held open until an employee returns.

3.3.5.1 Request for LOA: The granting of an LOA shall be at the sole discretion of the SoCo Transit Administrator or designee. All requests for LOA shall be in writing and shall include a description of the reason for the request. The advance timing of the request shall follow the protocol required for scheduled use of vacation leave, unless the request is for a medical or emergency purpose.

3.3.5.2 Impact on Health Insurance: Full-time employees who have SoCo Transit funded health and other insurance must make financial arrangements with Human Resources if he or she wishes to maintain insurance coverage during an LOA that extends beyond authorized job protected leave, such as FMLA, CFRA and PDL. During periods when no wages are earned, a personal premium payment plan can be worked out to keep the insurance coverage in force. Unless special arrangements are made, insurance coverage will be canceled on the last day of any month where there is no income and no personal payment is made.

3.3.5.3 Return to Work: When an employee is on an LOA for greater than 30 days, the employee must complete a retraining regimen approved by the Manager, Safety and Training.

3.3.5.4 Gainful Occupation: An employee, who accepts gainful occupation while on a leave of absence or sick leave, terminates his or her employment with SoCo Transit unless otherwise mutually agreed to between SoCo Transit and the employee.

### **3.3.6 Kin Care**

Under California Labor Code Section 233, Kin Care is a right granted to eligible employees under the California Labor Code. Kin Care authorizes employees to use up to one-half of the sick leave that they accrue annually to take time off to care for a sick family member. Kin Care is a protected leave.

A portion of the employee's current sick leave (up to 50%) may be applied as Kin Care for family care leave for a close family member.

Up to half an employee's annual accrual of sick leave may be used for care of children, siblings, parents (be they natural, adoptive, step, foster of the employee or their current spouse, if the employee is married), and spouse in a 12-month period beginning January 1st and ending December 31<sup>st</sup>.

### **3.3.7 Military Service Leave (USERRA) and California Military & Veterans Code**

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and other federal and state laws provide for certain LOA rights if an employee is called to active duty military service. In accordance with federal and state laws, this leave allows for five years of leave time and reinstatement rights. Under USERRA, employees returning from military service will be placed in the position they would have attained had they remained continuously employed, or a comparable position depending upon the length of military service. This leave is unpaid, but job protected and benefit protected.

Leave may also be available under the California Military & Veterans Code, if an employee is ordered to military service, including temporary military duty ordered for purposes of active military training, inactive duty training, encampment, naval cruises, special exercises, or similar activities. The leave is unpaid, but job protected and benefit protected, with full reinstatement rights. In certain situations, public employees may be eligible for civilian pay, based upon specific eligibility requirements. Employees ordered to active or reserve service should consult Human Resources about eligibility and leave options.

An employee who is a member of the reserve corps of the armed forces, of the National Guard or the Naval Militia and who has one full year of continuous service immediately preceding the leave, and who takes temporary military leave of 180 days or less (including ordered travel time) shall be maintained in his or her position. Upon the employee's return to duty after the prescribed period of temporary leave, the employee shall receive all vacation, sick leave and benefits arising from seniority in SoCo Transit and in the class which he or she would have accrued had he or she not been absent on military leave.

An employee who has satisfactorily completed six months of continuous service immediately prior to taking ordered military leave shall receive payment equal to one-half month's compensation the employee would otherwise have received for the first one-half month of the

military leave and an employee who has one full year of continuous service immediately prior to taking ordered military leave shall receive a payment equal to a full month's salary that would otherwise have been received for the first full month of military leave upon submitting satisfactory evidence of military service.

### **3.3.8 Military Spouse Leave**

The California Military and Veterans Code Section 394.5 applies to employees whose spouses are members of the United States Armed Forces, National Guard or the Reserves, and who have been deployed during a period of military conflict. SoCo Transit will provide any eligible employee under this policy an unpaid leave of absence during their spouse's leave from deployment for up to 10 days. To be eligible for leave under this policy, employees must work an average of at least 20 hours per week. Employees must notify his or her supervisor of the intent to take leave as far in advance as possible, but no later than two business days after receiving official notice that the spouse will be on leave from deployment. SoCo Transit may ask for written documentation certifying that the spouse will be on a qualifying leave from deployment. This leave is unpaid, but an employee may choose to use accrued vacation leave.

### **3.3.9 Rehabilitation Leave**

SoCo Transit is committed to providing assistance to employees to overcome substance abuse problems. SoCo Transit will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program as defined in the *SoCo Transit Drug and Alcohol Policy*. This accommodation may include unpaid time off for up to 30 calendar days, or an adjusted work schedule, provided the accommodation does not impose an undue hardship on business operations. Leave is unpaid but an employee may choose to apply accrued unused vacation and sick time.

In certain circumstances, and with a Health Care Provider's Certification, substance abuse may be a serious health condition under the CFRA. If properly certified and authorized as CFRA leave, an employee must use Sick Leave in accordance with the terms and conditions of CFRA leave described in this Handbook.

### **3.3.10 School Appearance Leave**

Under California Labor Code Section 230.7, employees may need to appear at his or her child's or grandchild's school in connection with disciplinary action by the school. This is an unpaid leave, although employees can choose to use available vacation leave. Documentation from the school noting the date and time of the employee's visit is required.

### **3.3.11 School and Child Care Activities Leave and Child Care Emergencies Leave**

Under California Labor Code Section 230.8, parents, guardians, or grandparents of a child in kindergarten, grades 1-12, or a licensed day care center may wish to take time off without pay to visit his or her child's school or day care center for a school activity. The time off must not be



more than eight hours each calendar month (up to a maximum of 40 hours each calendar year), provided reasonable notice is given for the planned absence.

This is an unpaid leave, and employees can choose to use available vacation leave. For scheduled events, employees should provide reasonable advance notice. In emergencies, SoCo Transit asks that employees provide at least one day notice or call before the beginning of the work day.

Child Care Emergencies Leave is available if an employee's child cannot remain in school or with a child care provider. An employee (parent, step parent, legal guardian or person who stands in loco parentis to a child) may use unpaid time off for a "child care emergency," which is defined as:

- The school or child care provider has requested that the child be picked up or has an attendance policy excluding planned holidays, that prohibits the child from attending or requires the child to be picked up from the school or child care provider;
- Behavior or discipline problems;
- Closure or unexpected unavailability of the school or child care provider, excluding planned holidays; or
- Natural disaster, including but not limited to fire, earthquake, or flood.

All time off for child care emergencies is unpaid. An employee can choose to use accrued unused vacation leave.

### **3.3.12 Volunteer Civil Service / Emergency Responder Leave**

Under California Labor Code Sections 230.3 and 230.4, time off to perform emergency duty as a volunteer firefighter, peace officer, or emergency rescue personnel (an officer, employee, or member of a fire department, fire protection, or firefighting of the federal government, state of California, or other local governments, or other special districts; an officer of a sheriff's department, police department, or private fire department).

A total of 14 days per calendar year, to engage in fire, law enforcement or emergency rescue training is also allowed.

All time off to serve is unpaid. An employee can choose to use accrued unused vacation leave.

### **3.3.13 Volunteer Civil Air Patrol**

Under California Military and Veterans Code 395.10, a volunteer member of the California Wing of the civilian auxiliary of the U.S. Air Force Civil Air Patrol, responding to an emergency operation mission is entitled up to 10 days of leave per year. However, the leave for a single emergency mission cannot exceed 3 days, unless the emergency is extended by the entity in charge of the operation.

All time off to serve is unpaid, and an employee can choose to use accrued unused vacation leave.

### **3.3.14 English Literacy Programs**

If you identify an English literacy challenge, for which you are enrolling in an English literacy course, we will seek to accommodate your work schedule (subject to make-up or alternate work schedules as allowed by law) as long as it does not unduly burden the workplace or SoCo Transit operations.

All time off needed for literacy programs is unpaid. Employees, however, may use accrued vacation leave during the period of work missed to attend literacy classes.

### **3.3.15 Domestic Violence, Sexual Assault and Stalking Leave**

Under California Labor Code Section 230, employees who are victims of domestic violence, sexual assault, or stalking are eligible for unpaid leave. Leave may be requested for judicial action, such as obtaining restraining orders, appearing in court to obtain relief to ensure your health, safety, or welfare, or that of your child, or for medical treatment or psychological counseling related to an experience covered by this policy. SoCo Transit will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave under this provision.

This is an unpaid leave, and employees can choose to use available sick leave or vacation leave. Domestic violence, sexual assault and stalking victims' leave for medical treatment or counseling services will run concurrently with FMLA-CFRA, allowing for 12 weeks in a 12-month period, less any previous FMLA-CFRA time taken.

SoCo Transit provides reasonable accommodations, to the extent required by law, for employees under circumstances where domestic violence or talking requires security measures or time off to obtain resources or services. Reasonable accommodations may include a temporary transfer, modified schedule, changed work telephone or email, installed lock, assistance in documenting domestic violence or stalking that occurs in the workplace or other safety procedures. SoCo Transit will implement reasonable accommodations that do not create an undue hardship. SoCo Transit will also take all necessary and appropriate steps to prevent any form of actual or threatened retaliation against an employee who takes time off or requests other reasonable accommodations under this policy. An employee who believes that reasonable accommodations are required should contact Human Resources.

### **3.3.16 Crime Victims' Leave**

Under California Labor Code Section 230.2, any employee who has been a victim of a serious or violent crime, may take time off work to attend judicial proceedings related to the crime. Such crimes may include any of the following: vehicular manslaughter while intoxicated; felony child abuse likely to produce great bodily harm or a death; assault resulting in the death of a child

under eight years of age; felony domestic violence; felony physical abuse of an elder or dependent adult; felony stalking; solicitation for murder; a serious felony; hit-and-run causing death or injury; felony driving under the influence causing injury; and sexual assault. Judicial proceedings for purposes of this policy also include any court proceeding where the victim's rights are in issue, including a delinquency proceeding involving a post-arrest release decision, plea, sentencing or post-conviction release decision.

Employees may also take time off if an immediate family member, domestic partner or domestic partner's child has been a victim of such crimes and needs to attend judicial proceedings related to the crime. Immediate family member is defined as spouse, child, stepchild, registered domestic partner or child of domestic partner, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

Employees must give Human Resources reasonable advance notice of the need to take time off, unless advance notice is "not feasible." If an unscheduled absence occurs, no adverse action may be taken or threatened if the employee provides a certification to the employer regarding the absence. A certification shall be deemed sufficient if it is one of the following: (1) a police report indicating the employee was a victim of a specified offense; (2) a court order protecting or separating the employee from the perpetrator or other evidence from the court or prosecutor that the employee appeared in court; OR (3) documentation from a health care provider, domestic violence or sexual assault victim's advocate, or other counsel showing that the employee was undergoing treatment related to being a victim of an offense as specified above.

Employees may elect to use accrued paid vacation time, paid sick leave time, or other paid time off for the absence. If the employee does not elect to use paid time off, the absence will be unpaid. However, exempt employees will be paid their full salary for any workweek interrupted by the need for time off under this policy. Unpaid leave for documented purposes under this provision will be authorized and such leave is both job-protected and benefit-protected.

### **3.3.17 Witness Duty** (refer to the CBA for those covered)

If you are summoned to be a witness for SoCo Transit or if we ask you to testify, we will give you time off with pay.

Any regular full-time or regular part-time employee who is required to act as a witness in a non-work related legal proceeding will be required to use vacation or leave without pay to attend court. Employees who need to be a witness in their domestic violence proceeding or as a victim of specified crimes for self or close family will be allowed to use up to 3 days/24 hours of sick leave for this purpose. Documentation may be requested.

If you need time off to be a witness for SoCo Transit or non-work related reasons, show the subpoena, police report, letter from prosecutor, etc. to your immediate supervisor as soon as you receive it. We expect you to report for work whenever you are not needed in court.

### **Section 3.4    Policy Against Retaliation Regarding Leaves**

No employee will be subject to, and SoCo Transit prohibits, any form of discipline or retaliation for reporting in good faith incidents of unlawful discrimination, pursuing any such claim, or cooperating in any way in the investigation of such reports. SoCo Transit does not condone and will not tolerate retaliation against any employee for cooperating in an investigation, for making a truthful complaint of a violation of this policy in good faith, for opposing perceived violations of this policy, or for filing an administrative claim with the California Department of Fair Employment and Housing (DFEH) and/or the Equal Employment Opportunity Commission (EEOC), even if the allegations are not substantiated by SoCo Transit's investigation. Any employee who feels he or she has experienced or witnessed any conduct which he or she believes to be retaliatory in nature, should follow the reporting procedures described above.

SoCo Transit will not discriminate against any employee in the following situations:

- a. For taking time off to perform emergency duty as a volunteer firefighter, a reserve peace officer, or emergency rescue personnel
- b. For taking time off to serve on a jury or appearing as a witness in court.
- c. An employee who is a victim of domestic violence and/or a victim of sexual assault for taking time off from work to obtain relief or attempt to obtain relief to help ensure his or her health, safety, or welfare, or that of his or her children
- d. For using, or attempting to exercise the right to use sick leave to attend to the illness of a child, parent, spouse, domestic partner, or child of the domestic partner of the employee.
- e. For any other conduct that is protected by public policy.

## ARTICLE 4

### EQUAL OPPORTUNITY, DISCRIMINATION AND HARASSMENT

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#### **Section 4.1    Policy**

The SoCo Transit Board maintains a strong commitment to support equal employment opportunity and to prohibit and prevent discrimination, harassment and retaliation in employment. SoCo Transit sets forth this procedure for reporting, investigating and resolving internal complaints related to discrimination, harassment and retaliation. All covered individuals are encouraged to report, as soon as possible, any conduct that is believed to violate this policy. Such conduct need not rise to the level of a violation of law to violate this policy. Conduct which may lead to discrimination, harassment or retaliation is in violation of this policy and will not be tolerated. Violation of this policy by any officer, employee, agent, or volunteer shall be grounds for discipline or other appropriate sanctions. In support of this policy, all employees of SoCo shall receive discrimination and harassment prevention training upon hire.

#### **4.1.2 American with Disabilities Act (ADA) and Fair Employment and Housing Act (FEHA) Policy**

A Reasonable accommodation is available to an employee with a disability when the disability affects the performance of job functions. SoCo Transit makes employment decisions based on the qualifications in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists.

We follow all state or local laws that give more protection to a person with a disability than the ADA gives, including without limitation the California Fair Employment & Housing Act. SoCo Transit will provide reasonable accommodations, where appropriate and necessary, and we have an established process for evaluating requests for accommodations.

SoCo Transit is committed to taking all other actions that are necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and any other applicable federal, state, and local laws.

#### **Section 4.2    Equal Employment Opportunity**

SoCo Transit maintains and promotes a policy of equal employment opportunity. SoCo Transit is committed to maintaining a work environment that is merit based, and free from illegal discrimination, which includes harassment and retaliation.

The Board of Directors, its managers, employees, agents, and volunteers will not discriminate against any applicant for employment, employee, intern, volunteer, contractor, subcontractor,

vendor, or client because of age, ancestry, color, creed, marital status, medical condition (cancer or genetic characteristics), national origin, citizenship, physical or mental disability, political affiliation or belief, pregnancy, race, religion, sex, sexual orientation, gender identity or expression, or any other legally protected characteristic or status.

This policy shall apply to all employment actions including, but not limited to: recruitment, testing, hiring, training, promotion, demotion, transfer, layoff, performance evaluation, discipline, salary and benefits administration, terms and conditions of employment, and participation or appointment to all boards and commissions. All employment decisions shall be made on the basis of individual qualifications, bona fide occupational qualifications for the job in question, and the feasibility of any necessary job accommodations.

This policy shall apply to all SoCo Transit worksites, and to the conduct of all individuals who interact with SoCo Transit employees, including contractors, vendors, suppliers, business partners, visitors that are discriminatory toward SoCo Transit employees or creates a hostile, offensive, intimidating or abusive work environment for any SoCo Transit employee.

#### **4.2.1 Policy Against Discriminatory Harassment**

It is the policy of SoCo Transit that all employees shall have a working environment free of unlawful discrimination. A businesslike workplace helps to ensure courteous treatment for both employees and the public we serve. Harassment of an applicant or employee by any employee or officer on the basis of age, ancestry, color, creed, marital status, medical condition (cancer or genetic characteristics), national origin, physical or mental disability, political affiliation or belief, pregnancy, race, religion, sex, sexual orientation, gender identity or expression, or any other legally protected status is employee misconduct that constitutes illegal discrimination and is grounds for disciplinary action up to and including termination. SoCo Transit requires that all employees and officers treat the public and other employees with courtesy and respect.

Discriminatory harassment includes unwelcome derogatory comments, physical acts, written or visual insults which are made on the basis of an employee's protected status (race, religion, etc.). In order for the harassing conduct to be considered discriminatory harassment, it must unreasonably interfere with an employee's work performance by creating an intimidating, hostile or offensive working environment.

Because SoCo Transit seeks to prevent any form of illegal harassment, behavior such as unnecessary touching, sexual or discriminatory remarks or joking, which may lead to illegal harassment, will not be tolerated and shall be the basis for immediate and appropriate corrective action, including discipline or termination.

4.2.1.1 Abusive Conduct: In addition to harassment based on a protected characteristic, SoCo Transit prohibits acts of bullying or abusive conduct, whether by words, gestures, written or electronic communications. A safe and civil environment is necessary for employees to achieve the high standards we expect. Demonstration of appropriate

behavior, treating others with civility and respect, and refusing to tolerate harassment and bullying are expected of all employees.

Under California law effective January 1, 2015, abusive conduct is defined as “conduct of an employer or employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer’s legitimate business interests.”

**4.2.1.2 Bullying:** In addition to harassment based on a protected characteristic, or membership in a protected class, SoCo Transit prohibits acts of bullying, whether by words, gestures, written or electronic communications. A safe and civil environment is necessary for employees to achieve the high standards we expect. Demonstration of appropriate behavior, treating others with civility and respect, and refusing to tolerate harassment and bullying are expected of all employees. Bullying is repeated, health-harming mistreatment of another employee. Examples of prohibited bullying include, but aren’t limited to: screaming; swearing; name calling; stealing; giving dangerous work assignments; using threatening, intimidating, or cruel behaviors; deliberately humiliating a person; denying advancement; and stealing work credit.

Generally, bullying involves: (1) written, verbal, graphic or physical acts (including electronically transmitted content, such as using the Internet, a cell phone, a personal digital assistant (PDA), or a wireless handheld device); (2) behavior that substantially interferes with work, opportunities, and benefits of one or more employees, sometimes through actual sabotaging of work; (3) behavior that adversely affects an employee’s ability to function at work by placing the employee in reasonable fear of physical harm or by causing emotional distress.

Because bystander support can encourage bullying, SoCo Transit also prohibits both active and passive support for acts of bullying. Employees should either walk away from these acts when they see them or attempt to stop them. In either case, employees should report incidents to a manager or supervisor, or to Human Resources. Those who engage in bullying or retaliation for complaints about bullying will be subject to appropriate discipline up to and including termination of employment.

#### **4.2.2 Policy Against Sexual Harassment**

It is the policy of SoCo Transit that all employees shall have a working environment free of sexual harassment. A businesslike workplace helps to ensure courteous treatment for both employees and the public we serve. Sexual harassment of an applicant or employee by any employee or officer is employee misconduct that constitutes illegal discrimination and is grounds for disciplinary action up to and including termination. SoCo Transit requires that all employees treat the public and other employees with courtesy and respect.

Sexual harassment includes unwelcome sexual overtures by any officer, employee, supervisor or manager, whether written, physical, visual or verbal (may include sexual innuendo, graphic or explicit jokes, suggestive sounds, or stories of a sexual nature), where submission is made a term or condition of employment or the basis of an employment decision. Sexually harassing conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive working environment.

Some of the basic forms of sexual harassment include:

- a. Unwelcome sexual advances, where submission to the conduct is an explicit or implicit term or condition of employment.
- b. Unwelcome sexual advances, where submission to, or rejection of, the conduct is used as the basis for an employment decision.
- c. The conduct had the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.
- d. Sexual harassment includes behavior by women directed at men, by men directed at women, same-sex harassment, and harassment based on sexual orientation.
- e. Under California law, the conduct does not have to be motivated by sexual desire in order to constitute illegal harassment.

Because SoCo Transit seeks to prevent any form of illegal harassment, behavior such as unnecessary touching, sexual or discriminatory remarks or joking, which may lead to illegal harassment, will not be tolerated.

#### **Section 4.3    Reporting Discrimination or Harassment**

Any incident of harassment, including work-related harassment by any SoCo Transit personnel or any other person, should be reported promptly to the employee's supervisor, Human Resources, or the SoCo Transit Administrator, or to the County of San Luis Obispo Human Resources (which provides third party contractor providing human resource services to SoCo Transit). Supervisors who receive complaints or who observe harassing conduct are required to inform the SoCo Transit Administrator immediately.

SoCo Transit emphasizes that an employee is not required to complain first to his or her supervisor if that supervisor is the individual who is harassing the employee; rather a complaint about the employee's supervisor should be made to the SoCo Transit Administrator, or to the County Human Resources department.

Upon receipt of a complaint, SoCo Transit will conduct a timely investigation to determine the facts and any appropriate corrective action. The investigation is a neutral fact-finding inquiry by a qualified investigator. Should SoCo Transit determine that the individual circumstances require an independent investigator to ensure impartiality, SoCo Transit will take appropriate steps to engage a qualified investigator. All individuals who participate in the investigation,



whether as the person making the complaint, the person(s) whose behavior is being investigated, or individual witnesses will be treated with respect and will be afforded due process.

SoCo Transit will ensure that statements of the complainant, alleged offender and all witnesses are documented thoroughly and that the investigation is conducted in a thorough, objective and neutral manner, and is considerate of the rights and emotions of all the parties involved. After all evidence and information is collected and evaluated, SoCo Transit will reach prompt and reasonable conclusions.

In addition to notifying SoCo Transit about harassment or retaliation complaints, affected employees may also direct their complaints to the DFEH and/or the EEOC, which has the authority to conduct investigations of the facts. Employees can contact the nearest DFEH office at the locations listed on SoCo Transit's DFEH poster or by checking the state government listings in the local telephone directory.

Disciplinary action for a violation of the policies described herein can range from verbal or written warnings up to and including immediate termination, depending upon the circumstances.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, imposition of discipline, and social and recreational programs. It is the responsibility of all SoCo Transit personnel to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with his or her immediate supervisor, the SoCo Transit Administrator, or to the County Human Resources department.

#### **Section 4.4    Policy Against Retaliation**

SoCo Transit prohibits any adverse employment action, including threats of reprisals against those who in good faith report, or supports someone who reports violations of SoCo Transit policy or State / Federal law, or engages in other legally protected activity. SoCo Transit further prohibits retaliation against anyone who participates (as witnesses or accused) in investigations into complaints of alleged misconduct. Disciplinary action, up to and including termination, will be taken against an employee or officer who is found to have violated this policy. Any consultant or contractor who violates this policy will be subject to appropriate sanctions. This policy applies to all SoCo Transit officers, employees, volunteers, interns, consultants, contractors and vendors, and prohibits retaliation because of any of the protected activity as defined herein.

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## ARTICLE 5

### RECRUITMENT, SELECTION AND CLASSIFICATION

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#### **Section 5.1    Policy** (refer to the CBA for those covered)

All employee selections and promotions shall be made according to merit, qualifications, and the job requirements. The policies and procedures outlined below are consistent with policies regarding Equal Opportunity Employment laws as enforced by the Department of Labor.

#### **Section 5.2    Job Descriptions**

SoCo Transit strives to develop and maintain accurate job descriptions for all job classifications. A job description includes the following sections:

- Job information;
- Job summary (gives a general overview of the job's purpose);
- Essential duties and responsibilities;
- Qualifications (includes education and/or experience, language skills, mathematical skills, reasoning ability, and any certification required);
- Physical demands; and
- Work environment.

SoCo Transit uses job descriptions to identify the requirements of a job, set up the hiring criteria, set standards for employee performance evaluations, and establish a basis for making reasonable accommodations for individuals with disabilities.

In cooperation with the lead supervisor, manager or director of your department, Human Resources will prepare a job description when a new job is created. Human Resources reviews existing job descriptions and update them when a job changes. A job description does not necessarily cover every task or duty that an employee might be assigned; an employee may be assigned additional responsibilities as necessary. If an employee has questions or concerns about his or her job description, the employee should discuss those concerns with his or her immediate supervisor.

#### **Section 5.3    Recruitment** (refer to the CBA for those covered)

Whenever a position vacancy occurs, it may be filled in one of the following three ways as determined by each department manager:

- Open/On-going Recruitment – A competitive process in which all interested persons are eligible to apply for a vacant position.
- Internal Recruitment – A competitive process in which only current SoCo Transit employees are eligible to apply for a vacant position.

- Direct Appointment – Upon approval of the SoCo Transit Board, a position may be filled through direct appointment.

### **5.3.1 Duration of Recruitments**

All open/on-going recruitments must be announced to the general public for a minimum of five (5) work days. All internal recruitments must be announced to SoCo Transit employees for a minimum of ten (10) work days. The SoCo Transit Administrator may authorize extending a previously established final filing date.

### **5.3.2 Recruitment Announcement**

All open external recruitments shall, at a minimum, be announced through an online “Employment Opportunities” page and be available to the public upon request. Announcement of all internal recruitments shall be posted on a bulletin board accessible by all SoCo Transit employees. The recruitment announcement shall, at a minimum, include the title of the position, the salary range, the minimum qualifications for admission to the recruitment process, and the final filing date.

### **5.3.3 Applications**

Persons interested in employment or promotion with SoCo Transit must submit an application for employment or promotion using the systems and methods included in the recruitment announcement. Applications shall be accepted until 11:59 pm (external) and 4:30 PM (internal) of the final filing date. False information on an application may be considered grounds for removal from the recruitment or, if already employed, may be considered grounds for termination of employment.

### **5.3.4 Minimum Qualifications**

All employees shall meet the minimum qualifications of the position to which they are assigned, and shall possess and maintain licensure as required in the job specifications. Only applicants who meet the minimum qualifications for the job (as described in the job specifications) may compete in the selection process. Applicants who do not meet the minimum qualifications shall be notified as such and shall have five (5) work days from the date of the notice to provide additional information to be considered in the minimum qualifications determination.

### **5.3.5 Employee Referral Program**

Employees who know of someone who is interested in working for SoCo Transit should refer him or her to Human Resources.

For each applicant that an existing SoCo Transit employee refers that is hired will receive a monetary reward after the new employee has completed his or her probationary period.

**Section 5.4    Selection** (refer to the CBA for those covered)

Except for a direct appointment approved by the SoCo Transit Board, selection and promotion of employees by department managers and Human Resources shall be by a competitive selection process.

**5.4.1 Selection Process**

Applicants that meet the minimum qualifications of the job and are eligible to compete in the selection process shall be considered to be “candidates.” All open recruitments or internal recruitments must include one or more competitive selection elements. These elements may include, but are not limited to: oral interview, competitive application rating, written test, practical performance test, or any other valid and reliable selection method. All selection elements shall be job related and based on merit principles. At the conclusion of the recruitment process, all candidates shall be placed on an eligible list in rank order based on his or her final evaluation, including Veteran’s preference. An eligible list shall remain in effect for no less than six (6) months.

5.4.1.1 Selection Notification: Candidates shall be notified of their results in any element of a selection element in which they participated. Such notification shall, at a minimum, include whether they passed or failed that element of the selection process.

5.4.1.2 Selection Records: Records of a competitive selection shall be maintained for a period of not less than one year. Selection materials are confidential and are not subject to direct review by candidates.

5.4.1.3 Veterans Preference: A candidate who competes in an open recruitment and has a valid Veterans Certificate on file with the San Luis Obispo County Veterans Services office or the U.S. Veterans Administration shall be given preference amongst all other applicants, provided the Veteran can perform the essential duties of the position.

**5.4.2 Interview of Certified Candidates**

Upon establishment of the eligible list and prior to filling a position, the department manager and Human Resources shall at a minimum invite the top three ranked candidates on the eligible list to be interviewed. Subsequent ranks may be invited for an interview, however in no instance may ranks be skipped. Failure of a candidate to respond to an invitation for an interview shall be considered a decline to interview.

### **5.4.3 Background and Reference Checks**

To ensure that individuals who join SoCo Transit meet our standard qualifications and have a strong potential to be productive and successful, it is our policy to check the employment references and criminal background checks of all applicants after a conditional offer of employment is provided. For some positions, such as management, or positions requiring access to financial, confidential data or other positions of trust, SoCo Transit also requires a credit check in accordance with the applicable federal and state standards.

In addition to checking references of applicants, we will respond in writing only to those reference check inquiries that are submitted in writing on former employees. Responses to such inquiries will be limited to factual information that can be substantiated by our records. SoCo will only provide dates of employment, title and rehire status without written consent. Wage information will be provided upon written authorization and release signed by the individual who is the subject of the inquiry.

### **5.4.4 Licensing**

The following provides a summary of licensing and medical certification required for the Bus Operator position and other SoCo Transit positions that control the movement of a SoCo Transit revenue vehicle:

5.4.4.1 DMV License: It is the employee's responsibility to cover the costs of obtaining a Commercial Driver's License (CDL) and any renewals.

5.4.4.2 Medical Certificate for Safety Sensitive Position for New Hires: SoCo Transit will provide to each candidate with a list of authorized examining doctors that will complete the US DOT required physical examination at no cost to the employee.

5.4.4.3 Medical Certificate for Existing Employees: SoCo Transit shall post a list of employees who are due to renew their medical certificate on the first day of each month. If the employee chooses to use a doctor that is not on SoCo Transit provided list, the employee will be solely responsible for the costs of the physical examination.

5.4.4.4 Unpaid Time to Obtain/Maintain Licensing: Candidates for new safety sensitive positions and existing employees shall obtain or maintain commercial driver's licenses and/or medical certificates on their own time, with the exception of SoCo Transit provided Verification of Transit Training paid time. In no case shall SoCo Transit be liable for pay or other benefits while the candidate or employee is conducting such off-site licensing business.

## **Section 5.5     Recruitment and Selection Services**

SoCo Transit may contract with third party providers of recruitment and selection services. The third party service provider shall have broad discretion in interpretation of SoCo Transit policies related to recruitment and selection in order to ensure adherence to merit principles and equal opportunity in employment. The provisions of this article shall be interpreted to allow for conformance with the third-party systems and processes. Applicants and candidates shall use the systems and comply with the requirements of the third party service provider authorized by the SoCo Transit Board.

## **Section 5.6     Classification**

SoCo Transit shall prepare and maintain written job specifications for each classification approved by the SoCo Transit Board. All positions shall be assigned to an approved classification. See Appendix B for details on SoCo Transit job classifications.

### **5.6.1 Approval of Job Specifications**

Job Specifications for newly created classifications or revisions to job specifications for existing classifications must be submitted to and approved by the SoCo Transit Board.

### **5.6.2 Upward Reclassification of Positions (refer to the CBA for those covered)**

At the sole discretion of the SoCo Transit Administrator, a position that has been assigned to a classification series may be reassigned to a higher level classification within that series. Such reassignment of classification is known as a career series promotion. A career series promotion is a non-competitive promotion.

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## ARTICLE 6

### EMPLOYEE PERFORMANCE EVALUATION

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#### **Section 6.1    Background and Scope** (refer to the CBA for those covered)

The SoCo Transit Administrator shall establish, implement and maintain an effective system for periodic evaluation of the performance and conduct of employees at SoCo Transit. The objective of this system shall be to record the performance of employees during the past evaluation period, assist supervisors and their employees in measuring progress toward work goals, identify employee development needs and establish a basis for personnel decisions.

#### **Section 6.2    Evaluation Procedure** (refer to the CBA for those covered)

In accordance with SoCo Transit procedures and on forms approved by the SoCo Transit Administrator, managers/supervisors shall evaluate, record and report the performance of their direct-report employees. Performance evaluations shall be one of the following:

- a. Regular Evaluation: Employees shall receive an annual performance evaluation in July of each year, unless hired in the three months prior.
- b. Special Evaluation/Performance Improvement Plan: The SoCo Transit Administrator may, at his or her discretion, issue a special evaluation. All special evaluations shall be created and administered in accordance with the provisions of this Rule.

Each evaluation shall be discussed with the employee by their supervisor and the employee shall be given a copy of the evaluation report following the discussion. The employee shall sign the report last as an acknowledgement that the report was discussed with him/her. The employee shall have the right to review the performance evaluation report with the SoCo Transit Administrator or designated representative. The evaluation report shall be maintained in the employee's official personnel record.

Our objectives are to:

- a. Motivate and guide employees toward improved work performance, professional growth and development by discussing significant strengths and areas needing improvement in a positive, constructive manner.
- b. To promote communication between you and your supervisor to work-related matters.
- c. To provide a uniform process for supervisors to assess employee performance in relation to performance requirements. Additionally, supervisors can use performance appraisals to recommend merit increases. Therefore, no employee should expect to receive a salary increase based solely on the passage of time.
- d. To provide a method of evaluating employee suitability for continuation of employment, job transfers and/or promotions.
- e. To provide a record of employee progress.

This program is not a guarantee of advancement. The SoCo Transit Board of Directors and economic forces affecting the budget are the ultimate consideration regarding salaries.

## ARTICLE 7

### PERSONAL CONDUCT

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#### **Section 7.1    Personal Conduct** (refer to the CBA for those covered)

The orderly and efficient operation of SoCo Transit facilities and work sites requires that all employees maintain certain standards of job performance and good conduct. When performance or conduct do not meet SoCo Transit standards, SoCo Transit will endeavor when it deems appropriate to provide all employees a reasonable opportunity to correct the deficiency. If, however, you fail to make the correction, you will be subject to discipline, including termination of employment.

#### **Section 7.2    Job Performance** (refer to the CBA for those covered)

All SoCo Transit employees are expected to observe professional standards of job performance and conduct in support of the mission and vision of SoCo Transit, and to show courtesy and respect to co-workers and the public we serve.

When performance or conduct does not meet the standards and expectations of SoCo Transit, employees should be given an opportunity, when appropriate, to correct the deficiency. If, however, the employee fails to make the correction, he or she will be subject to discipline.

It is not possible to provide employees a complete list of every possible type of action which may result in discipline or termination. Management reserves the right to establish standards of conduct as it deems necessary. However, in order to provide employees some guidance concerning unacceptable behavior, the following are considered impermissible. Employees who engage in misconduct or whose performance is unsatisfactory may be subject to disciplinary action, up to and possibly including termination. The list below is intended simply to provide some examples of disciplinary offenses.

Employees may be disciplined up to and including termination for poor performance including, but not limited to, the following:

1. Below-average work quality or quantity as set forth in job description and compensation plan, or as determined by executive or division managers.
2. Poor attitude (for example, discourtesy, rudeness or lack of cooperation) or failure to follow the instructions of a supervisor or manager.
3. Excessive absenteeism, tardiness or abuse of break and lunch privileges.
4. A demonstrated pattern of erratic or poor attendance that is not part of an authorized leave of absence or other reasonable accommodation established by SoCo Transit.
5. Failure to follow instructions or SoCo Transit procedures.

6. Failure to follow established safety regulations, policies, procedures or hazard communication training.
7. Reporting to work or attempting to work when physically or mentally unfit for reasons such as: illness, injury, lack of sleep, influence of stimulants, depressants, liquor or drugs, emotional strain or other unfit condition.
8. Creating or contributing to unhealthful, unsanitary or unsafe conditions, including littering, graffiti or failure to properly dispose of debris, expired food items or other trash in proper areas.
9. Loafing, wasting time or sleeping during working hours.
10. Failure to meet a reasonable measure of efficiency or to follow business-related instructions from a manager or supervisor.
11. Failure to be at work position at start of shift or end of lunch period and/or failure to remain at work position up to start of lunch period or end of shift.
12. Repeated refusal of overtime work assignments without satisfactory reasons or authorized reasonable accommodations.
13. Inattention, carelessness or negligence (willful or otherwise) which causes or could cause injury to other employees or damage to SoCo Transit property.
14. Horseplay or mischief which endangers the safety of others or creates the possibility of damage to SoCo Transit property.
15. Repetitive violation of industrial safety rules and/or regulations.

**Section 7.3    Misconduct That May Result in Discipline up to and Including Termination**

(refer to the CBA for those covered)

1. Theft, abuse or defacing of any property belonging to SoCo Transit or fellow workers, including stealing from customers' property.
2. Falsification or forgery of or making a material omission on forms, records, or reports, including time cards, applications for employment, customer records or checks, entertainment receipts, or SoCo Transit credit cards.
3. Lying to any supervisor or manager or submitting false or misleading documentation to support any requested benefit, including use of sick leave or other leaves of absence.
4. Actual or threatened physical violence towards another employee or subcontractor of SoCo Transit.
5. Possessing or bringing firearms, knives, weapons, or chemicals on or to SoCo Transit property.
6. Insubordination, refusing to follow a supervisor's directions, or other disrespectful conduct to a supervisor.
7. Use of abusive language, verbal or visual, to any other person on SoCo Transit premises. Loud screaming, laughing or disruptive behavior.
8. Destroying or damaging property, records or other materials owned or leased by the SoCo Transit or any employee or subcontractor performing work pursuant to an agreement with SoCo Transit.

9. Violating safety or health rules or practices or engaging in conduct that creates a safety or health hazard.
10. Using, possessing, distributing, selling or being under the influence of alcohol or unlawful drugs while on duty, while on SoCo Transit's property or customer premises, or while operating a SoCo Transit owned or leased vehicle.
11. Sexual harassment or other unlawful harassment bullying or abusive conducted directed toward another employee.
12. Misappropriation or theft of SoCo Transit's funds, including unauthorized use of SoCo Transit funds, SoCo Transit credit cards and charge accounts for personal use.
13. Copying of any confidential information or records for known or unknown use by others outside SoCo Transit.
14. Bringing to work or displaying any writings, posters, pictures or literature on SoCo Transit premises unless authorized in writing by management.
15. Solicitation to customers or other employees for sale of products including cosmetics, kitchenware or other items during business hours. Employees are urged to limit this type of activity to after hours.
16. Violation of SoCo Transit policies including breaches of security or trade secret disclosure.
17. Tampering with or in any way falsifying a document or record submitted to the SoCo Transit to support any request for benefits, including sick leave, other leaves of absence, or compensation.
18. Tampering with, destroying or in any way falsifying a SoCo Transit business record.
19. Any behavior that brings discredit to the SoCo Transit.
20. Absence of two or more days without authorization.
21. Failure to pass a drug test administered pursuant to the established SoCo Transit drug testing policy.
22. Punching another employee's time card.

#### **Section 7.4    Investigation of Employees for Misconduct**

SoCo Transit may occasionally find it necessary to investigate employees, where behavior or other relevant circumstances raise questions concerning work performance, reliability, honesty, trustworthiness, or potential threat to the safety of coworkers or others. Employee investigations may, where appropriate, include credit reports and investigations of criminal records (including appropriate inquiries about any arrest for a crime of dishonesty, theft, drugs or violence) and for which the employee is out on bail or awaiting trial. Employees subject to an investigation are required to cooperate with SoCo Transit's lawful efforts to obtain relevant information.

The purpose of the investigation is to discover the underlying reasons for the problem so that management can take corrective action. Investigations are a tool for management to use in analyzing the reasons for problems or gathering data to make management decisions.

#### **7.4.1 Reports or Complaints of Misconduct:**

SoCo Transit will also investigate any possible fraudulent or dishonest use or misuse of SoCo Transit resources or property by management or employees, or other misconduct. Anyone found to have engaged in a fraudulent or dishonest conduct is subject to disciplinary action by SoCo Transit up to and including termination of employment. SoCo Transit also may pursue civil or criminal prosecution when warranted.

#### **7.4.2 Policy Against Retaliation for Reporting:**

SoCo Transit will not retaliate against any employee who makes a report or complaint in good faith, believing the allegations to be true, whether or not the ultimate investigation substantiates the perceived misconduct.

#### **7.4.3 Duties of Employees Participating in Investigations:**

Any employee who participates in an official SoCo Transit investigation, whether as reporting/complaining party or as independent witness, is required to provide truthful, good faith information that is within your personal knowledge. Violations of this policy may result in discipline, up to and including termination. Providing false information, when substantiated, will result in automatic termination.

#### **7.4.4 Policy Against Baseless Allegations:**

Any employee who makes allegations with reckless disregard for their truth or falsity, as determined by a neutral investigation, may be subject to disciplinary action and /or legal claims by individuals accused of misconduct.

#### **7.4.5 Compliance with Policies and Procedures**

SoCo Transit employees shall be in compliance with all rules, regulations, policies and procedures, orders, bulletins, and instructions provided by SoCo Transit. Ignorance on the aforementioned will not be accepted as a valid reason for failing to comply.

### **Section 7.5 Notice of Change in Employment Status**

When there is a change of employment status, whether termination, leave of absence, or switching from an employee to independent contractor relationship, SoCo Transit will provide you with a written notice on SoCo Transit letterhead providing (a) your name, (b) the type of change in employment status, and (c) the effective date of the change. SoCo Transit is not required to specify the reason for the employment status change.

If the change in status is because SoCo Transit has terminated, laid off, or placed an employee on a leave of absence, then SoCo Transit shall provide to the employee a copy of the

Employment Development Department pamphlet DE 2320, "For Your Benefit, California's Program for the Unemployed".

**Section 7.6    Exit Interview**

Upon separation from SoCo Transit, every employee will be asked to participate in an exit interview. This gives both the employee and SoCo Transit an opportunity to discuss the reasons the employee is leaving and the employment relationship. Management is always anxious to receive constructive comments on its business operations and the satisfaction of employees. The exit interview provides this opportunity.

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## **EMPLOYEE POLICIES AND PROCEDURES HANDBOOK EMPLOYEE ACKNOWLEDGEMENT**

I have received my copy of SoCo Transit Employee Policies and Procedures Handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures including the Harassment Policy contained in the Handbook.

I understand that, any and all policies or practices can be changed at any time by SoCo Transit. SoCo Transit reserves the right to change my hours, wages, and working conditions at any time. I understand and agree that other than the SoCo Transit Administrator, no manager, supervisor, or representative of SoCo Transit has the authority to enter into any agreement, express or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the SoCo Transit Administrator has the authority to make any such agreement and then only in writing, signed by the SoCo Transit Administrator.

I understand and agree that nothing in the Handbook creates or is intended to create a promise or representation of continued employment and that employment at SoCo Transit is employment at-will: employment may be terminated at the will of either SoCo Transit or myself. My signature certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between SoCo Transit and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations concerning my employment with SoCo Transit.

Any information that I learn about SoCo Transit or its representatives as a result of working for SoCo Transit that is not otherwise publicly available constitutes confidential information. I may not disclose confidential information to anyone who is not employed by SoCo Transit or to other persons employed by SoCo Transit who do not need to know such information to assist in rendering services. The disclosure, distribution, electronic transmission or copying of SoCo Transit's confidential information is prohibited. Any employee who discloses confidential SoCo Transit information will be subject to disciplinary action (including possible termination), even if he or she does not actually benefit from the disclosure of such information. I understand the above policy and pledge not to disclose confidential information.

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Employee's Signature

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Date

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Employee's Name (Print)

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## **South County Transit Job Description**

**JOB TITLE:** Bus Operator  
**DEPARTMENT:** Operations  
**REPORTS TO:** Lead Operations Supervisor  
**FLSA STATUS:** Non-exempt

**SUMMARY:** The position of Bus Operator is responsible for the safe, dependable, and professional operation of South County Transit (SoCo) Buses, Paratransit Vehicles, and Trolleys in order to provide the highest quality of service to SoCo customers and communities.

### **ESSENTIAL DUTIES AND RESPONSIBILITIES:** (Other duties may be assigned)

- Operates assigned SoCo equipment in a safe, reliable, professional and courteous manner
- Ability to operate all vehicles within the company's service operations fleet
- Provides the highest quality of customer service to passengers and the general public
- Keeps scheduled time points per the printed run sheets and adheres to running time between time points
- Ensures customers pay appropriate fare or possess appropriate fare media
- Ensures vehicle has necessary schedules and customer information. Provides information to customers and the general public on SoCo services as well as other services in the County.
- Ensures that vehicles are inspected before use and are safe. Inspects radio, farebox, and all onboard equipment to ensure that it is operable. When turning over the bus, trolley or paratransit vehicle to another operator, provides any information relevant on the vehicle condition
- Notifies dispatch of any accident, incident, equipment failure, or when there is an operating issue that would require a detour or that is out of the ordinary
- Follows all SoCo operating policies and procedures

### **MINIMUM QUALIFICATIONS:**

**Education/Experience:** High School diploma/GED or job experience necessary to provide the knowledge and skills to perform the duties of Bus Operator.

**Certificates and Licenses:** Must maintain an active California CDL with appropriate endorsements throughout employment; must pass a DOT physical and drug/alcohol screen prior to acceptance and annual/random drug/alcohol screens for the duration of employment with RTA.

### **OTHER EMPLOYMENT STANDARDS:**

- Good driving record with no Driving While Intoxicated (DWI), Driving Under the Influence (DUI) or similar charges; reckless driving, railroad crossing violations, failures to appear (FTA) or leaving the scene of an accident offenses. (Consideration may be given after ten (10) years)
- No more than a total of two (2) moving violations or accidents within the last three (3) years.
- No suspended or revoked licenses within the past 10 years for moving violations or violations of criminal laws.

- Any combination of violations, unfavorable road observations or accidents that indicates a pattern of unsafe vehicle operation behavior, whether on or off the job.
- Minimum of five years driving experience.
- Ability to perform simple math and write basic reports and learn and understand motor vehicle regulations.
- Reasonable knowledge of the service area and ability to read basic maps.
- A background and reference check will be conducted.

**WORK ENVIRONMENT:**

This position may be required to work shifts, weekends and holidays. While performing the duties of this job, the employee will be sitting for long periods while driving and is frequently exposed to work near moving mechanical parts and fumes or airborne particles. The employee is occasionally exposed to toxic or caustic chemicals; outdoor weather conditions and risk of electrical shock. The noise level in the work environment is usually moderate to loud.

**PHYSICAL DEMANDS:**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. While performing the duties of this job, the employee is regularly required to sit; use of hands and fingers, handle or feet reach with hands and arms; and talk or hear. Position requires ability to lift, push, pull, assist and secure wheelchair passengers and minimum 50 lbs. Visual acuity to determine color, depth and field of vision.

FLSA Status: Non Exempt

## **South County Transit Job Description**

**JOB TITLE:** Utility Worker  
**DEPARTMENT:** Maintenance  
**REPORTS TO:** RTA Manager, Maintenance and Facilities  
**FLSA STATUS:** Non-exempt

### **JOB SUMMARY**

Under general supervision, and to a schedule and detailed checklist, cleans the interior and exterior of buses, vans, and facilities, including bus stops and related passenger amenities, and other related work as required.

### **ESSENTIAL DUTIES AND RESPONSIBILITIES** other duties as assigned

Sweeps, dusts and cleans the interior and exterior of all vehicles; replaces notices and advertisements as necessary on buses and at bus stops; use sound judgment; keeps schedule racks stocked; removes graffiti and notifies supervisor of any un-reported damage or needed repairs; cleans bus stops and related equipment; services bus stop waste containers; performs minor repairs on bus stop fixtures, trims tree branches, shrubs and weeds; performs general grounds keeping and facility cleaning/upkeep duties; may include operating non-commercial vehicles on public roadways and commercial vehicles in the yard. Hours of work will vary and may include evening and/or weekend work.

### **QUALIFICATIONS**

Education/Experience: Graduation from high school or a GED certificate; demonstrated ability or ability to learn to operate commercial vehicles as necessary in the yard; experience working cooperatively with others; experience in the use of the methods, equipment and tools required in the cleaning and upkeep of transit-related equipment including but not limited to common hand and power tools, mop/bucket, window cleaning equipment, weed trimmer, leaf blower, pressure washer and upholstery cleaner. Experience working in positions that demonstrated the ability to stand for long periods of time; lift and move heavy objects; bend or stoop repeatedly; perform other physical demands of vehicle cleaning, grounds keeping and facility cleaning/upkeep. Must pass a DOT physical and drug/alcohol screen.

#### Licenses:

A valid California driver's license is required at the time of application.

### **PHYSICAL AND MENTAL REQUIREMENTS**

The essential functions of this job are performed in both a shop environment and outside in various weather conditions, including extreme heat and cold. Work is performed on ladders, around moving vehicles, equipment and machinery with moving parts, under wet and slippery conditions and, occasionally, with hands in water. Incumbents are exposed on a daily basis to a dry atmosphere, intermittent loud noise and vibrations, dust, silica, fumes, smoke, gases, grease,

oils, electrical energy, and toxic and/or caustic chemicals.

On a daily basis, the essential functions of the job require employees to climb ladders, stoop, kneel, crouch, stand, and walk and occasionally to crawl into confined spaces; to extend arms and use upper extremities, finger dexterity and hand strength to reach, pick, pinch and grasp tools and controls and/or to feel the attributes of objects; to lift, and carry objects weighing up to 50 pounds; to push and pull objects weighing up to 150 pounds; to hear and talk to receive and communicate instructions and other information; to rotate neck left and right and bend neck forward and backward; to bend and twist torso; to read and see objects clearly within one foot to arms length, and occasionally to twenty feet, requiring a full field of vision and good depth perception with the ability to adjust focus and distinguish basic colors and shades of color; and to operate vehicles and equipment requiring the use of both feet and hands.

## **SOUTH COUNTY TRANSIT**

**APRIL 24, 2019**

### **STAFF REPORT**

**AGENDA ITEM:** C-5

**TOPIC:** Memorandum of Understanding – Dental Program

**ACTION:** Approve

**PRESENTED BY:** Tania Arnold, RTA Deputy Director/CFO

**STAFF RECOMMENDATION:** Approve

#### **BACKGROUND/DISCUSSION:**

Effective January 1, 2019, SoCo Transit transitioned to the CSAC Excess Insurance Authority (CSAC-EIA) dental insurance program, allowing the agency to obtain dental insurance for full time employees as part of a pool. This provided enhanced benefits in addition to a reduction in cost, both for the agency and employees.

Since that time, the CSAC-EIA has made a revision to the Memorandum of Understanding for the dental program. As noted by CSAC-EIA: on May 17, 2018, the CSAC EIA Employee Benefits Committee, which governs the EIA Dental Program, approved, effective January 1, 2019, the implementation of a Dental Health Maintenance Organization (DHMO) Program segment to be offered through Delta Dental. The original EIA Dental MOU was adopted on October 26, 2009 and had never been amended. With the addition of a new dental program segment, it has been determined by EIA Counsel that the EIA Dental Program MOU must be amended to include a definition of the DHMO segment and the requirements for participation. Given the time that has transpired since adoption, the amended MOU not only includes the DHMO update, but also includes updates to the EIA's standard MOU language.

#### **Staff Recommendation**

Approve the attached Memorandum of Understanding – Dental Program with CSAC-EIA and SoCo Transit in order to continue to participate in the CSAC EIA dental program.

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## **MEMORANDUM OF UNDERSTANDING DENTAL PROGRAM**

This Memorandum of Understanding (hereinafter “Memorandum”) is entered into by and between the CSAC Excess Insurance Authority (hereinafter “Authority”) and the participating members of the Dental Program (hereinafter “Members”) that are signatories to this Memorandum.

1. **CREATION OF THE PROGRAM.** There is hereby created by this Memorandum the Dental Program (hereinafter “Program”).
2. **JOINT POWERS AGREEMENT.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereinafter “Agreement”), and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
3. **PROGRAM COVERAGE SEGMENTS.** The Program is formed for the purpose of establishing dental coverage under the following Program coverage segments:
  - a. Self-Insured Segment
  - b. Fixed-Rate Preferred Provider Organization (PPO) Pooled Segment
  - c. Fully-Insured Dental Health Maintenance Organization (DHMO) Segment
4. **PROGRAM COMMITTEE.** The Employee Benefits Committee (hereinafter “Committee”) shall consist of nine (9) members. Except as otherwise provided herein, said Committee shall have full authority to determine all matters affecting the Program and its Members, including but not limited to, approval of new Members, premium/rate setting, addition of new Program segments and/or services, claims review, and amending the Memorandum. A majority of members of the Committee must be Members of the Program.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. All actions of the Committee shall require the affirmative vote of a majority of the members of the Committee.

Except as otherwise provided herein, the Committee shall be authorized to do such acts as are reasonably necessary to further the purposes of this Memorandum and implement its provisions. The Committee may delegate any or all of this authority as deemed appropriate.

The Committee, when necessary to fulfill the purposes of this Memorandum, shall meet at the call of the Chair of the Committee as provided in Article 12 of the

Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws"). Any meeting of the Committee shall be subject to the applicable provisions of Government Code §54950 et seq., commonly known as the "Brown Act."

5. **PREMIUM.** Participating Member rates/premiums shall be established by Delta Dental of California (hereinafter "Delta Dental") in consultation with the Program underwriters, actuaries, and the Committee. The participating Members, in accordance with the Program premium provisions of Article 14 of the Agreement, shall be assessed an annual premium for the purpose of funding the Program in which they participate. Premiums will vary based on Member segment participation, benefit plan coverage, Member employee/retiree participation, and claims experience.
6. **MEMBERSHIP.** Membership in the Program consists of participation in one or more of the following:
  - a. A "Self-Insured" Member is defined as a Member who participates in the group purchase Program for administrative services only and is fully responsible for their own dental Program; and/or
  - b. A "Fixed-Rate PPO" Member is defined as a Member who joins the Program and is part of the self-insured Fixed-Rate PPO pool; and/or
  - c. A "Fully-Insured DHMO" Member is defined as a Member who joins the Program and is part of the fully insured DHMO pool.
7. **PROGRAM PARTICIPATION.** Adoption of this Memorandum by a Member allows for participation in the Program. Participation in the Program may be in one or more of the following segments; the Self-Insured Pool, the Fixed-Rate PPO Pool, and/or the DHMO pool. A Member shall be entitled to participate in the Program until they have withdrawn in accordance with the provisions of paragraph 16 of this Memorandum.
8. **RENEWALS.** All Program renewal rate action will be approved by the Committee with assistance from Program underwriters, actuaries, and Delta Dental. Fixed-Rate PPO Pool Members that have Legacy Premium Stabilization Funds (see paragraph 10.a.) may use those funds to offset renewal rate increases.
9. **BILLINGS AND LATE PAYMENTS.** Billing dates, payment due dates, and any late fees and/or penalties will be set by the Committee. All Members will receive separate notification of any changes in due dates and/or penalty fees at least thirty (30) days prior to the effective date of any such change.

Notwithstanding any other provisions to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the

Committee, any Member that fails to pay an invoice when due and as billed may be given a ten (10) day written notice of cancellation.

10. **PREMIUM STABILIZATION FUNDS.** Premium Stabilization Funds as set forth apply only to Fixed-Rate PPO segment Members.
  - a. Legacy Premium Stabilization Fund. Delta Dental Members who are fully insured with Delta Dental are required to have their stabilization funds (if any) transferred to the EIA upon entry into the Fixed-Rate PPO Program segment. These funds will be accounted for individually for the Member's use. The Member may use their Legacy Premium Stabilization Funds to buy down their renewal or request a full disbursement from the Authority. If the Member leaves the Program with a fund balance remaining, those funds remain in the Program and the Member has no equity rights to those funds
  - b. Program Premium Stabilization Fund. The Program Stabilization Fund shall consist of accumulated excess reserves (in excess of the required Incurred But Not Reported (IBNR) and Claims Fluctuation Margin (CFM) requirements) generated by the Program with all years combined on a go forward basis. The Committee shall have authority to determine the use of these funds. These funds are not Member specific and they are separate from the Legacy Premium Stabilization Funds.
11. **STABILIZATION INTEREST.** Interest generated by both premium stabilization funds are available for the Committee to use for any purpose, including administrative fees, rate offsets, or claim payments.
12. **DIVIDENDS AND ASSESSMENTS (Applicable to Fixed-Rate PPO Members Only).** Should the Fixed-Rate PPO Program segment not be adequately funded for any reason, pro-rata assessments to the Members may be utilized to ensure the approved funding level for applicable policy periods. Any assessments, which are deemed necessary to ensure approved funding levels, shall be made upon the approval of the Committee in accordance with the following:
  - a. Any dividends or assessments shall be based upon the preceding three (3) years' of percentage of contributions for losses for Fixed-Rate PPO Pooled Members only.
  - b. Self-Insured and DHMO segments are not eligible for dividends or assessments.
13. **APPROVAL OF NEW MEMBERS – APPLICATION TO THE PROGRAM.** Any public entity wishing to become a Member of the Program shall make application to and be approved by a majority vote of the Committee in a manner prescribed by them. The Committee has developed underwriting guidelines that outline

specific criteria for accepting new Members. Program underwriting guidelines are available by request to the Authority.

14. **COVERAGE DOCUMENTS.** Coverage documents shall be issued by Delta Dental to each individual Member. Coverage shall be governed in accordance with these documents. Any changes to the benefits, as determined by the Member, are subject to Delta Dental, Committee, actuarial, and/or other consultants' pricing requirements.
15. **CLAIMS ADMINISTRATION.** The Committee shall authorize the retention of the services of Delta Dental to provide claims services for the Program.
16. **WITHDRAWAL.** Withdrawal of a Member from the Program shall be as follows:
  - a. Fixed-Rate PPO and DHMO Pool Members. After becoming a participant in the Program, a Fixed-Rate PPO and/or DHMO Pool Member may withdraw from the Program at the end of a policy year only if they provide the Authority with sixty (60) days written notice prior to the end of the policy year.
  - b. Self-Insured Member. After becoming a participant in the Program, a Self-Insured Member may withdraw from the Program at the end of their specific policy year by giving the Authority sixty (60) days written notice prior to the end of their specific policy year.
17. **LIASION WITH THE AUTHORITY.** Each Member shall maintain staff to act as a liaison with the Authority and Delta Dental and between the Member and the Authority's and Delta Dental's designated representative.
18. **RESOLUTION OF DISPUTES.** The Committee shall first determine any question or dispute with respect to the rights and obligations of the parties to this Memorandum; however, all final determinations shall be in accordance with Article 31 of the "Agreement."
19. **ADMINISTRATION COSTS.** The Authority shall be entitled to assess annual administration costs associated with the Program. Administrative costs for the Program shall be determined through the Authority's budget process. The source of the funds for the Program will be administrative charges, interest earnings, or a combination of both.
20. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.

21. **SEVERABILITY.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
22. **AMENDMENT OF MEMORANDUM.** This Memorandum may be amended by a majority vote of the Committee upon ninety (90) days advance written notice of the proposed amendments to the Members and county counsels. Each Member shall approve of any amendment by signature on the Memorandum by a Member's designated representative, or alternate, who shall have authority to execute this Memorandum. Should a Member of the Program fail to execute any amendment to this Memorandum within the time provided by the Committee, the Member will be deemed to have withdrawn from the Program on the next annual renewal date.
23. **EFFECTIVE DATE OF AGREEMENT.** This Memorandum shall become effective on the first effective date of coverage for the Member, or upon approval by the Employee Benefits Committee of any amendment, whichever is later.
24. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the undersigned have executed the Memorandum as of the date set forth below.

Dated: 4/9/19



CSAC Excess Insurance Authority  
Michael D. Fleming, Chief Executive Officer

Dated: \_\_\_\_\_

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Member Entity

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**South County Transit  
April 24, 2019  
STAFF REPORT**

**AGENDA ITEM:** C-6

**TOPIC:** Parking Yard Lease

**PRESENTED BY:** Geoff Straw, SCT Administrator

**STAFF RECOMMENDATION:** Authorize the Administrator to negotiate and enter into a new lease agreement with the County of San Luis Obispo for facility at 800 Rodeo Drive in Arroyo Grande

**BACKGROUND/DISCUSSION:**

Staff has been working with the County's Real Property Services Department and Pismo Beach City Attorney Dave Fleishman to negotiate lease terms for a new lease agreement for SCT's operations and parking facility at 800 Rodeo Drive in Arroyo Grande. For perspective, the June 2, 2016 lease extension letter is attached. As noted, the monthly rent is currently \$3,000 through June 30, 2019.

**Staff Recommendation**

Authorize the Administrator to negotiate and enter into a new lease agreement with the County of San Luis Obispo for the facility at 800 Rodeo Drive in Arroyo Grande for an initial monthly rental amount not to exceed \$3,150.

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179 Cross Street, Suite A  
San Luis Obispo, CA 93401  
(805) 781-4472 Fax (805) 781-1291  
[www.slorta.org](http://www.slorta.org)

June 2, 2016

Will Clemens  
Central Services Director  
County of San Luis Obispo  
1087 Santa Rosa Street  
San Luis Obispo, CA 93408

Re: **Extension of Lease at 800 Rodeo Drive in Arroyo Grande**

Dear Mr. Clemens:

Pursuant to the Lease dated June 7, 2011, subsequently amended via the First Amendment to Lease dated November 20, 2012, between the County of San Luis Obispo ("County") and the San Luis Obispo Regional Transit Authority and South County Area Transit ("RTA/SCT") and as provided for in Section 4 Option to Extend of said Lease, RTA/SCT hereby states its desire to exercise its Option to Extend the Lease Term for an additional three (3) year period. The Option to Extend shall extend the Lease Term from July 1, 2016 through June 30, 2019. The monthly rental payment for the 3-year extension period shall be Three Thousand Dollars (\$3,000.00) payable in advance on the first of each month pursuant to the terms of Section 5 Rental of the Lease. All other covenants, conditions, and terms of said Lease, as amended, shall remain the same. RTA/SCT requests County's mutual written consent to this request. Please sign where indicated below, and this letter agreement between the parties shall constitute RTA/SCT and County's mutual written consent to the above.

THE ABOVE IS AGREED AND APPROVED:

COUNTY OF SAN LUIS OBISPO

By: Will Clemens  
Will Clemens

Central Services Director

Date: 6/6/16

SAN LUIS OBISPO REGIONAL TRANSIT  
AUTHORITY and SOUTH COUNTY TRANSIT

By: Geoff Straw  
Geoff Straw

RTA Executive Director / SCT Administrator

Date: 6-2-16

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

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