



179 Cross Street, Suite A
San Luis Obispo, CA 93401
(805) 781-4472 Fax (805) 781-1291
www.slorta.org

BOARD AGENDA

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

Wednesday, October 21, 2020 1:30 p.m. to 3:00 p.m. (Ending time is approximate)

Chairperson: Jimmy Paulding

Vice Chair: Desi Lance

Board Members:

Lynn Compton (Fourth District – SLO County)

Desi Lance (Grover Beach)

Jimmy Paulding (Arroyo Grande)

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.

Important Notice Regarding COVID-19

Due to the Coronavirus (COVID-19) and in accordance with the Governor's Executive Order N-29-20, **the South County Transit Board meeting on October 21, 2020 will be a virtual meeting held via Zoom webinar.**

Members of the public are encouraged to participate & provide comments in the following ways:

To watch and participate in live public comment: To provide public comment during the meeting, use the Zoom webinar link below. Please use the following link to register in advance of the webinar. **After registering, you will receive a confirmation email with details about joining the webinar:**

<https://us02web.zoom.us/j/86255420815?pwd=MXN2TkZpWFgyWkxMZkgyQ0plQmJtUT09>

HOW TO COMMENT:

- 1. Public Comments** – The SoCo Transit Board will still be accepting general public comments for items not on the October agenda, as well as public comments on specific items in the agenda. Public members can submit comments by:
 - **Phone – Verbal Public Comments – Call: (805) 781-4833** – State and spell your name, state the agenda item number you are calling about and leave your comment/s. **Verbal comments must be received no later than 12:30 p.m. on October 21, 2020** (the day of the meeting) and will be limited to **three (3) minutes**.

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

- **Email – Written Public Comments** – info@slorta.org with the subject line “public comment.” Include the agenda item number you are referencing or type “general comment,” if it is about an item not on the agenda. Emailed written comments must be submitted no later than **5:00 p.m. on Tuesday, October 20, 2020, 2020.**
- **Mail – Written Public Comments** – Public Comments by mail must be received no later than **5:00 p.m. on Tuesday, October 20, 2020.**

Mail to:
Clerk of the Board, SoCo Transit
179 Cross Street
San Luis Obispo, CA 93401

*****Note:** Every effort will be made to include your comments into the record, but due to time limitations, some comments may not be included

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.

BOARD ADMINISTRATIVE ITEMS

A. INFORMATION AGENDA

A-1 Administrator’s Report (Receive)

B. ACTION AGENDA

B-1 Fiscal Year 2020-21 Operating Budget Amendment #2 (Approve)

B-2 SoCo Transit Consolidation into the RTA (Approve)

B-3 Fiscal Year 2020-21 SoCo Transit Budget Consolidated into the RTA (Approve)

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 July 22, 2020 (Approve)

C-2 Declare Bus 201 Surplus and Procure Three New Vehicles (Approve)

C-3 Strategic Business Plan Results (Receive)

C-4 Authorize LCTOP Grant Application (Approve)

C-5 FY19-20 Fiscal & Compliance Audit and Annual Single Audit (Accept)

D. DIRECTORS’ COMMENTS

E. EXECUTIVE COMMITTEE MEMBERS’ COMMENTS

ADJOURNMENT

**SOUTH COUNTY TRANSIT
OCTOBER 21, 2020
STAFF REPORT**

AGENDA ITEM: A-1

TOPIC: Administrator's Report

PRESENTED BY: Geoff Straw, Administrator

STAFF RECOMMENDATION: Information

BACKGROUND/DISCUSSION:

Update on COVID-19 Pandemic Impacts:

SoCo Transit and its transit agency partners continue to respond to and plan for recovery from the COVID-19 pandemic. We are continuing to provide lifeline services, including transportation for vital healthcare workers and other essential employees responding to the pandemic. Public transit is also critical for many persons so that they can obtain necessary goods and services.

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

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

Since the previous July 22nd SoCo Transit Board of Directors meeting, the following additional COVID-19 initiatives (and pertinent dates) have been implemented:

1. Fall service “shake-up” and slight service revisions (August 16) – despite the shake-up, six part-time SoCo Transit Bus Operator bids remain unfilled and the RTA continues to provide staffing resources to cover these openings.
2. Training for and implementation of sanitizing foggers (August 18) – the five foggers back-ordered since March finally arrived in late July. Health and safety-related training protocols were then developed and on-site training was provided to our Utility employees, as well as select Technicians and Road Supervisors as a back-up. These CARES Act-funded foggers speed up the bus interior sanitizing process that takes daily in the Arroyo Grande, San Luis Obispo and Paso Robles operating locations; one fogger has been loaned to SLO Transit to assist with the sanitizing of their fleet of local fixed-route buses.

Update on the State’s Finances

On August 20th, the California Transit Association shared a Politico report that California took in \$30.3 billion in general fund revenues, \$2.6 billion (or 9.3 percent) more than state budget writers expected last month. Personal income taxes beat expectations by 12.6 percent for July. Meanwhile, sales and use taxes were ahead of the forecast by 47 percent — \$602 million above the nearly \$1.3 billion expected. However, total collections over the pandemic period from March through July are still down 6 percent compared to the same period last year — so, the good news is relative to predictions, not receipts. Also, it has been difficult to get accurate forecasts given the unprecedented nature of the economic crisis, along with a host of timing issues caused by changing deadlines and payment delays.

The Department of Finance says the big income-tax boost was “largely related to unexpected strength in the 2019 tax year,” for which payments were due in July. Spokesperson H.D. Palmer said that’s “likely due to capital gains and proprietorship income in 2019” outpacing the forecast. The final payment for second quarter taxable sales were due July 31. Finance officials say second quarter sales were stronger than expected, while some taxpayers may have delayed their payments from earlier months. Meanwhile, the report shows that income tax withholding was \$1.6 billion above the forecast of \$4.5 billion for the month — a sign that July 2020 income during the pandemic was stronger than expected, too.

It’s only the first month in the 2020-21 fiscal year, so state leaders are likely to remain cautiously optimistic. The withholding numbers are a strong indication that income — at least from the taxpayers upon which California relies most — is holding steady during the recession. The nonpartisan Legislative Analyst’s Office has said previously that withholding is going strong because the state’s progressive tax structure depends

mostly on upper-income earners, who have suffered fewer impacts than lower- and middle-income residents.

The uptick in sales tax revenues may also improve the funding outlook for transit agencies by itself, by increasing the funding transit agencies receive through the Transportation Development Act's Local Transportation Fund, local option sales taxes (not applicable in San Luis Obispo County), and the sales tax on diesel fuel.

Operations:

We regret to announce that Bus Operator Pam Garcia has retired from SoCo Transit, and plans to move out of state in the coming months. Please join me in thanking Pam for almost eight years of service to our community. Her full-time position has been filled by a long-time SoCo Transit employee (Mike Howell) who was promoted from our Casual ranks.

As mentioned above and in the previous SoCo Transit Board meeting, the RTA continues to provide coverage for open Bus Operator and Utility worker shifts at SoCo Transit. To date, employee shortages across all RTA managed transit programs appear to have stabilized. Nonetheless, should shortages worsen due to COVID-19 infections and/or employee separations, SoCo Transit may be forced to cut service – possibly by alternating Routes 21 and 24 to provide service every two hours in Shell Beach and Arroyo Grande's Village, as well as operating only Route 28 service to serve the Oceano and southwestern areas. This would effectively cut service levels in half, but would still provide coverage in the Five Cities. If this strategy becomes a necessity, I will immediately communicate with the City Managers and SoCo Transit Board members prior to announcing the cuts to the public.

The RTA and SCT conducted a socially-distanced Employee of the Quarter ceremony in July. Join me in congratulating RTA Technician Elmer Hart as the EOQ winner. Elmer was instrumental in developing the temporary "shower curtain" driver protection systems and led the effort to install the permanent Plexiglas systems on the revenue vehicle fleet. Elmer also recently earned his 11-year Safety Award with our team.

Marketing & Service Planning:

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

The RTA and SoCo Transit website has been updated to better ensure the content can be read by screen readers used by persons with vision impairments.

As noted in Agenda Item C-4, we contracted with LSC Transportation Consultants to complete a follow-up study on possible service changes on Routes 27 & 28 that might enable use of Low Carbon Transit Operations Program (LCTOP) funds when those existing grant funds cease at the end of this fiscal year. In general, the consultant suggests modifying the existing Routes 27/28 to better serve low-income areas in Oceano. That prompted us to work with the site manager for the La Brisa Marina apartment complex to survey residents regarding possible LCTOP-funded realigned service nearby.

Finance and Administration:

Our unaudited operating and financial results for the 2019-20 fiscal year are presented in the tables at the end of this report. This tabular information is summarized as follows:

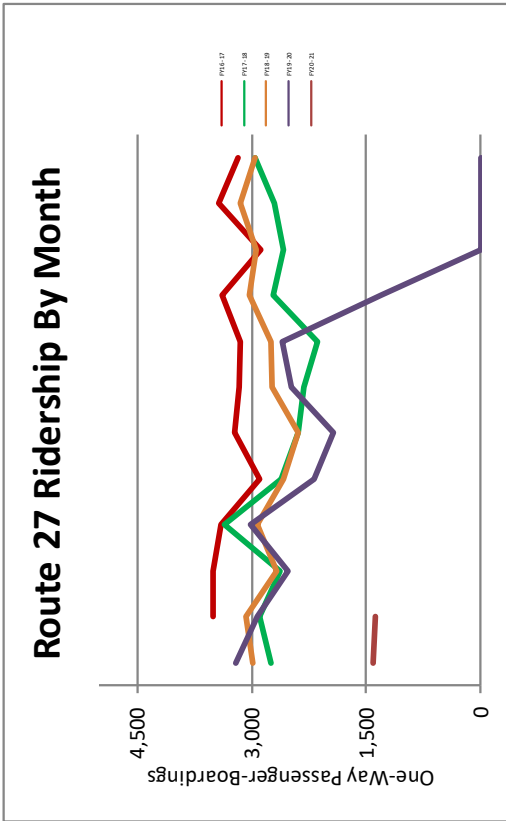
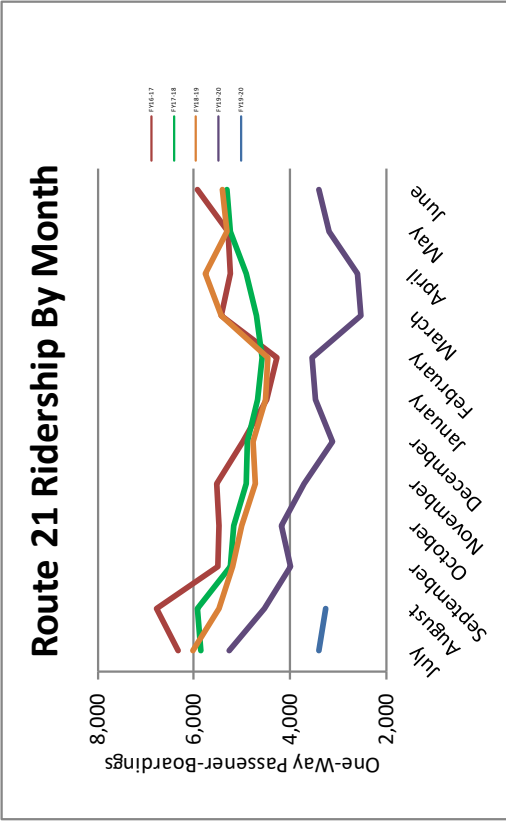
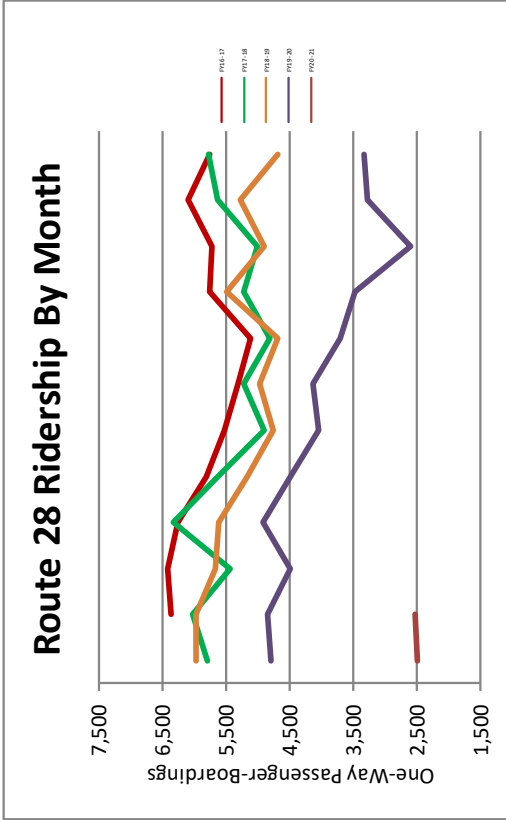
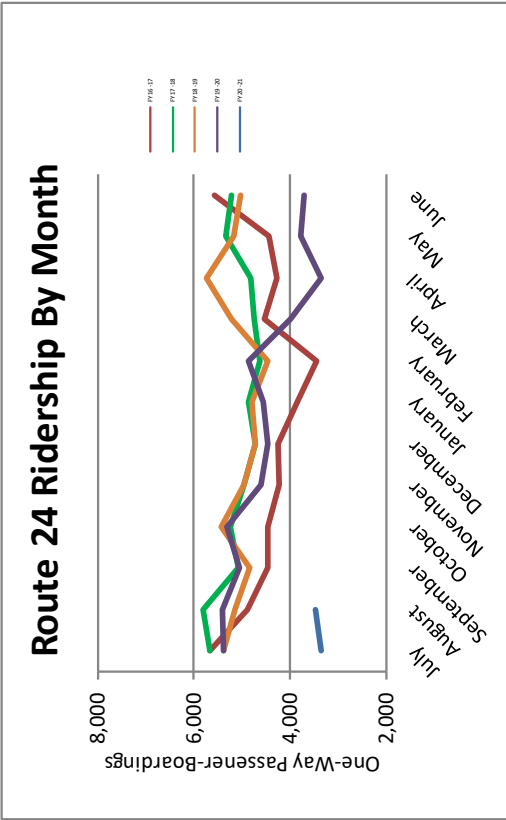
- Ridership totaled 168,412 for the fiscal year. In comparison, the ridership in FY18-19 was 220,528, which represents a decline of 23.6%. The decline once the COVID-19 pandemic hit in March was significant: 40,575 in 2020 vs. 75,546 in 2019 – a decline of over 44%.
- Trends over the past five years for ridership and productivity (which is defined as the average number of passenger-boardings per service hour), are provided in the graphs beginning on page A-1-6.
- In terms of financial results, staff worked hard to keep operating and capital costs within budget in light of the weakened ridership and other financial challenges. See the tables at the end of this report for details. Some important takeaways include:
 - In terms of overall non-capital expenses, we were slightly below budget – 95.4%.
 - Administrative costs were slightly below budget at 97.6%. The greatest deviation was in Audit expenses (almost double budget), followed by utilities costs and two-way radio expenses. We were well below in marketing expenses, primarily due to cancelled campaigns during the pandemic.
 - Overall Service Delivery costs were below budget at 95.4%, largely due to lower fuel prices and vehicle maintenance costs in light of reduce service levels. It should be noted that the RTA provided Bus Operator resources to cover open SoCo Transit shifts due to employee shortages, and the covering drivers tended to be higher in seniority and many were earning overtime wages.

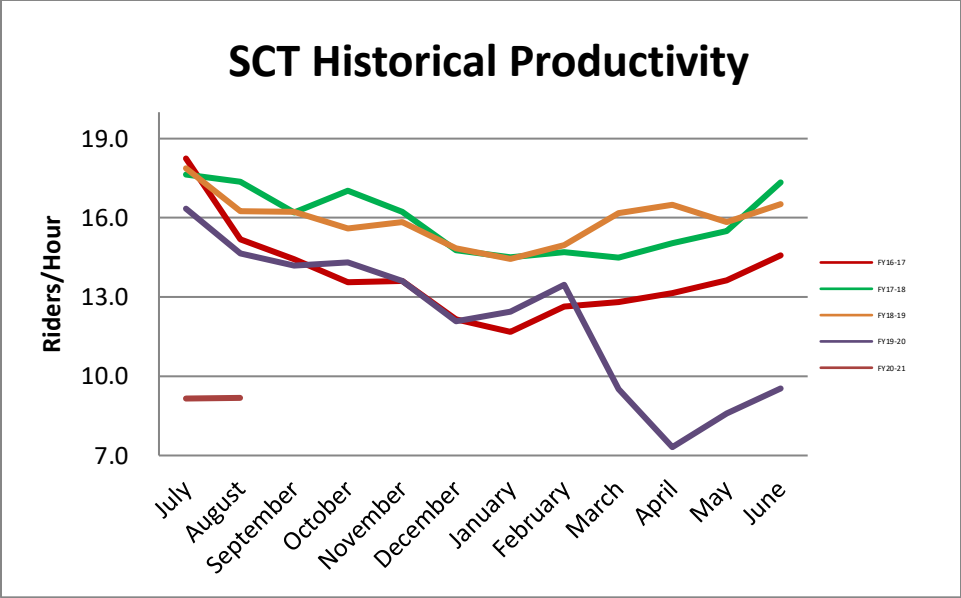
- The farebox recovery ratio equated to 6.3%. Obviously, suspending the collection of fares on March 23rd greatly influenced this performance result, and the results will remain below standards until such time that fares are fully re-implemented and ridership recovers. Fortunately, the State Legislature temporarily suspended farebox recovery and other TDA-related penalties in AB90 and AB107 during COVID-19 emergency declaration.
- The YTD subsidy per passenger-trip on core fixed-route services was \$7.82.

We have also provided preliminary operating and financial results through the end of August 2020.

STAFF RECOMMENDATION:

Accept this as an information item.





SOUTH COUNTY TRANSIT
2019-20 Budget vs. Actual (unaudited)

Use of Resources		FY 19/20 Adopted	Year to Date	Percent Year to Date
<u>Administrative Expenditures</u>				
Insurance				
Liability & Physical Damage		\$ 118,990	115,134	96.8%
Workers Compensation		59,710	56,864	95.2%
Property Insurance		740	735	99.4%
Rent		30,600	30,600	100.0%
Utilities		11,270	12,924	114.7%
Radio Expense		1,240	1,329	107.2%
Legal Services		1,590	550	34.6%
Payroll Processing		450	476	105.8%
Administration - Staff Time		82,190	82,190	100.0%
Finance - Staff Time		14,520	14,520	100.0%
Marketing - Staff Time		5,610	5,610	100.0%
Office Expense/Miscellaneous		6,450	4,352	67.5%
Audit		3,380	6,630	196.2%
Marketing/Community Relations/Printing		16,050	8,763	54.6%
Uniforms/Laundry/Physicals/Ads		8,270	8,069	97.6%
<u>Operating Expenditures</u>				
Salaries/Benefits		\$ 710,090	\$ 715,951	100.8%
Maintenance		211,530	185,775	87.8%
Dispatch		24,030	24,030	100.0%
SCT Bus Fuel		191,310	168,565	88.1%
Contingency		14,980	-	0.0%
9 Total Operating Expenditures		\$ 1,513,000	\$ 1,443,068	95.4%
<u>Capital Service</u>				
Short Range Transit Plan		\$ 54,265	\$ 47,177	86.9%
Support Vehicle		33,000	-	-
Facility Improvements/Bus Stop Amenities		89,000	-	-
Transit Center Improvements		93,750	-	0.0%
Total Capital Service		\$ 270,015	\$ 47,177	17.5%
10 Total Use of Resources		\$ 1,783,015	\$ 1,490,245	83.6%

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY
YEAR TO DATE THRU JUNE 30, 2020**

	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
REVENUES:						
FARES	\$ 22,110	\$ 20,260	\$ 19,858	\$ 18,755	\$ 80,983	\$ 3,342
TOTAL ROUTE REVENUES	\$ 22,110	\$ 20,260	\$ 19,858	\$ 18,755	\$ 80,983	\$ 3,342
EXPENDITURES:						
ADMINISTRATION	\$ 22,178	\$ 21,444	\$ 14,379	\$ 23,985	\$ 81,986	\$ 2,568
MARKETING	3,038	2,929	1,809	3,272	11,048	-
OPERATIONS/CONTINGENCY	201,574	195,137	130,995	218,480	746,186	10,827
FUEL	39,246	30,078	24,131	32,937	126,392	5,583
INSURANCE	41,076	31,546	21,934	34,200	128,756	5,329
TOTAL EXPENDITURES	\$ 307,112	\$ 281,134	\$ 193,248	\$ 312,874	\$ 1,094,368	\$ 24,308
FAREBOX RATIO	7.20%	7.21%	10.28%	5.99%	7.40%	13.75%
SERVICE MILES	49,046.5	37,593.2	28,617.2	40,985.8	156,242.6	7,855.8
SERVICE HOURS	2,609.3	2,532.3	1,910.5	2,858.9	9,911.0	363.6
RIDERSHIP (Automatic Counters)	32,857	43,192	22,184	36,969	135,202	4,284
RIDERS PER MILE	0.7	1.1	0.8	0.9	0.9	0.5
RIDERS PER HOUR	12.6	17.1	11.6	12.9	13.6	11.8
COST PER PASSENGER	\$ 9.35	\$ 6.51	\$ 8.71	\$ 8.46	\$ 8.09	\$ 5.67
SUBSIDY PER PASSENGER	\$ 8.67	\$ 6.04	\$ 7.82	\$ 7.96	\$ 7.50	\$ 4.89

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS
YEAR TO DATE THRU JUNE 30, 2020**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	RT 24 - SAT GROVER B. 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
REVENUES:									
FARES	\$ 3,764	\$ 2,848	\$ 3,313	\$ 2,396	\$ 3,413	\$ 4,626	\$ 20,360	\$ 101,343	\$ 104,685
TOTAL ROUTE REVENUES	\$ 3,764	\$ 2,848	\$ 3,313	\$ 2,396	\$ 3,413	\$ 4,626	\$ 20,360	\$ 101,343	\$ 104,685
EXPENDITURES:									
ADMINISTRATION	\$ 4,264	\$ 3,888	\$ 4,170	\$ 3,831	\$ 4,184	\$ 3,828	\$ 24,165	\$ 106,151	\$ 108,718
MARKETING	583	538	571	530	574	529	3,325	14,373	14,373
OPERATIONS/CONTINGENCY	38,886	35,831	38,077	35,362	38,220	35,288	221,664	967,850	978,678
FUEL	7,475	6,841	5,756	5,291	5,825	5,402	36,590	162,982	168,565
INSURANCE	7,893	7,240	6,076	5,590	6,143	5,707	38,649	167,404	172,734
TOTAL EXPENDITURES	\$ 59,101	\$ 54,339	\$ 54,649	\$ 50,604	\$ 54,946	\$ 50,754	\$ 324,392	\$ 1,418,760	\$ 1,443,068
FAREBOX RATIO	6.37%	5.24%	6.06%	4.74%	6.21%	9.11%	6.28%	7.14%	7.25%
SERVICE MILES	9,343.3	8,540.5	7,191.9	6,601.7	7,278.4	6,738.5	45,694.3	201,937.0	209,792.8
SERVICE HOURS	502.4	455.3	490.6	447.4	493.7	449.8	2,839.1	12,750.1	13,113.7
RIDERSHIP (Automatic Counters)	5,924	4,781	6,386	4,924	5,756	5,439	33,210	168,412	172,696
RIDERS PER MILE	0.6	0.6	0.9	0.7	0.8	0.8	0.7	0.8	0.8
RIDERS PER HOUR	11.8	10.5	13.0	11.0	11.7	12.1	11.7	13.2	13.2
COST PER PASSENGER	\$ 9.98	\$ 11.37	\$ 8.56	\$ 10.28	\$ 9.55	\$ 9.33	\$ 9.77	\$ 8.42	\$ 8.36
SUBSIDY PER PASSENGER	\$ 9.34	\$ 10.77	\$ 8.04	\$ 9.79	\$ 8.95	\$ 8.48	\$ 9.15	\$ 7.82	\$ 7.75

SOUTH COUNTY TRANSIT
2020-21 Budget vs. Actual (unaudited)

	FY 20/21 Adopted	July 2020	August 2020	Year to Date	Percent Year to Date
Use of Resources					
<u>Administrative Expenditures</u>					
Insurance					
Liability & Physical Damage		9,300	9,300	18,600	15.1%
Workers Compensation		5,269	5,269	10,538	14.9%
Property Insurance		79	79	158	17.9%
Rent		2,550	2,550	5,100	16.4%
Utilities		552	659	1,211	10.5%
Radio Expense		113	113	227	16.7%
Legal Services		-	-	-	0.0%
Payroll Processing		68	53	121	17.5%
Administration - Staff Time		6,866	6,866	13,732	16.7%
Finance - Staff Time		1,213	1,213	2,427	16.7%
Marketing - Staff Time		468	468	937	16.7%
Office Expense/Miscellaneous		77	81	158	3.4%
Audit		-	-	-	0.0%
Marketing/Community Relations/Printing		-	815	815	4.7%
Uniforms/Laundry/Physicals/Ads		236	170	406	4.0%
<u>Operating Expenditures</u>					
Salaries/Benefits		50,547	54,104	104,651	13.3%
Maintenance		15,656	19,140	34,796	13.9%
Dispatch		2,008	2,008	4,015	16.7%
SCT Bus Fuel		11,391	13,248	24,639	12.9%
Contingency		-	-	-	0.0%
9	\$ 1,653,170	\$ 106,393	\$ 116,136	\$ 222,529	13.5%
Total Operating Expenditures					
<u>Capital Service</u>					
Support Vehicle		-	-	-	0.0%
Short Range Transit Plan		-	6,735	-	#DIV/0!
Computer Upgrade		-	-	-	0.0%
Vehicles/ITS		-	-	-	0.0%
Facility Improvements/Bus Stop Amenities		-	-	-	0.0%
Total Capital Service					
	\$ 731,110	\$ -	\$ 6,735	\$ -	0.0%
10	\$ 2,384,280	\$ 106,393	\$ 122,871	\$ 222,529	9.3%
Total Use of Resources					

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY
YEAR TO DATE THRU AUGUST 31, 2020**

	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
REVENUES:						
FARES	\$ 1,445	\$ 1,675	\$ 1,056	\$ 1,536	\$ 5,713	\$ -
TOTAL ROUTE REVENUES	\$ 1,445	\$ 1,675	\$ 1,056	\$ 1,536	\$ 5,713	\$ -
EXPENDITURES:						
ADMINISTRATION	\$ 3,237	\$ 3,084	\$ 3,349	\$ 3,384	\$ 13,055	\$ -
MARKETING	338	320	348	352	1,358	-
OPERATIONS/CONTINGENCY	29,564	28,147	30,573	30,889	119,172	-
FUEL	5,773	4,460	4,730	4,528	19,490	-
INSURANCE	6,891	5,325	5,639	5,399	23,254	-
TOTAL EXPENDITURES	\$ 45,803	\$ 41,335	\$ 44,640	\$ 44,552	\$ 176,330	\$ -
FAREBOX RATIO	3.15%	4.05%	2.37%	3.45%	3.24%	#DIV/0!
SERVICE MILES	8,590.3	6,637.4	7,030.7	6,730.9	28,989.3	-
SERVICE HOURS	457.1	435.6	473.0	477.9	1,843.5	-
RIDERSHIP (Automatic Counters)	5,204	5,427	2,791	3,855	17,277	-
RIDERS PER MILE	0.6	0.8	0.4	0.6	0.6	#DIV/0!
RIDERS PER HOUR	11.4	12.5	5.9	8.1	9.4	#DIV/0!
COST PER PASSENGER	\$ 8.80	\$ 7.62	\$ 15.99	\$ 11.56	\$ 10.21	#DIV/0!
SUBSIDY PER PASSENGER	\$ 8.52	\$ 7.31	\$ 15.62	\$ 11.16	\$ 9.88	#DIV/0!

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS
YEAR TO DATE THRU AUGUST 31, 2020**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	RT 24 - SAT GROVER B. 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
REVENUES:									
FARES	\$ 268	\$ 208	\$ 189	\$ 108	\$ 160	\$ 185	\$ 1,119	\$ 6,831	\$ 6,831
TOTAL ROUTE REVENUES	\$ 268	\$ 208	\$ 189	\$ 108	\$ 160	\$ 185	\$ 1,119	\$ 6,831	\$ 6,831
EXPENDITURES:									
ADMINISTRATION	\$ 571	\$ 590	\$ 560	\$ 546	\$ 533	\$ 581	\$ 3,382	\$ 16,437	\$ 16,437
MARKETING	69	67	67	61	64	66	393	1,752	1,752
OPERATIONS/CONTINGENCY	5,296	5,428	5,191	5,022	4,941	5,356	31,234	150,406	150,406
FUEL	997	1,010	769	786	784	802	5,149	24,639	24,639
INSURANCE	1,164	1,192	897	927	915	946	6,041	29,295	29,295
TOTAL EXPENDITURES	\$ 8,096	\$ 8,287	\$ 7,484	\$ 7,342	\$ 7,237	\$ 7,753	\$ 46,199	\$ 222,529	\$ 222,529
FAREBOX RATIO	3.31%	2.50%	2.53%	1.47%	2.22%	2.39%	2.42%	3.07%	3.07%
SERVICE MILES	1,454.2	1,487.3	1,121.0	1,157.4	1,143.6	1,181.1	7,544.4	36,533.7	36,533.7
SERVICE HOURS	80.6	83.2	79.1	77.1	75.3	82.1	477.3	2,320.8	2,320.8
RIDERSHIP (Automatic Counters)	781	669	718	660	563	611	4,002	21,279	21,279
RIDERS PER MILE	0.5	0.4	0.6	0.6	0.5	0.5	0.5	0.6	0.6
RIDERS PER HOUR	9.7	8.0	9.1	8.6	7.5	7.4	8.4	9.2	9.2
COST PER PASSENGER	\$ 10.37	\$ 12.39	\$ 10.42	\$ 11.12	\$ 12.85	\$ 12.69	\$ 11.54	\$ 10.46	\$ 10.46
SUBSIDY PER PASSENGER	\$ 10.02	\$ 12.08	\$ 10.16	\$ 10.96	\$ 12.57	\$ 12.39	\$ 11.26	\$ 10.14	\$ 10.14

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**SOUTH COUNTY TRANSIT
OCTOBER 21, 2020
STAFF REPORT**

AGENDA ITEM: B-1

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

ACTION: Approve

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

STAFF RECOMMENDATION: Approve Budget Amendment #2 – *Does NOT Impact LTF Required from Jurisdictions*

SUMMARY:

The Fiscal Year 2020-21 SoCo Transit operating/capital budget was adopted on April 22, 2020 and was based on a range of early assumptions, notably the significant changes to service levels and administrative oversight to address the COVID-19 pandemic. At that April meeting, staff noted the federal CARES Act signed into law on March 27th provided an impending record-breaking \$2.2 trillion nationwide to help respond to and recover from the COVID-19 pandemic, including \$25 billion for public transit. The formula fund amounts are roughly triple the typical FTA Section 5307 annual apportionment in our region. For the Arroyo Grande – Grover Beach Urbanized Area, the CARES Act apportionment was \$4,755,669.

This one-time CARES Act funding can be used for all net operating expenses (after deducting fares) incurred since January 20, 2020; the typical 50% local match is not required. The transit agencies operating in the three urbanized areas in SLO County agreed to use these new funds to reimburse 100% of net operating costs from February 1 through June 30, 2020, and in principle agreed with SLOCOG officials on funding splits going forward. While the FY20-21 budget adopted on April 22nd included zero CARES Act funds, staff is now bringing a budget revision to the SoCo Transit Board for consideration that includes replacement of the Local Transportation Funds (LTF) with CARES Act funding; those LTF could now instead be used by the SoCo Transit jurisdictions for local streets/roads or other eligible transportation purposes in FY20-21.

The CARES Act funds allow a number of changes in the current fiscal year, which staff included in the first budget amendment for FY2020-21 that was adopted at the July 22nd SoCo Board meeting. Since that time, the allocation of State Transit Assistance (STA) funds was revised downward at the October 7th SLOCOG Board meeting, and the need for another SoCo Transit budget amendment. Changes are noted in **yellow** in the detailed pages. This amendment does NOT have an impact on LTF required for FY20-21 per budget Amendment #1 done in July 2020, versus the original budget adopted in April 2020

which included a LTF request of \$457,580. In other words, the LTF required in FY20-21 remains at zero.

Below is a summary of the **Operating Revenue and Expense** revisions:

1. Decrease in *TDA REQUIRED OPERATING RESERVE* of \$341,290 (from \$1,807,360 to \$1,466,070) due to the reduction STA revenue.
2. Changes to *OPERATING REVENUES*:
 - a. Decrease of *STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1* of \$177,640 based on the revised allocation approved by the SLOCOG Board.
 - b. Reduced use of *FTA 5307 OPERATING* of \$159,870 (from \$468,500 to \$308,630) due to the reduction of other funding. Max available to maintain a 50% local match.
3. Increase in Administrative Expenditure for the Audit of \$3,780 (from \$7,640 to \$11,420) due to the increase in audit requirements as a result of the agency receiving over \$750,000 in federal funds.

Below is a summary of the **Capital Revenue** revisions:

1. Decrease in *EQUIPMENT REPLACEMENT RESERVE* of \$28,970 (from \$384,350 to \$355,380) due to the reduction STA revenue.
2. Decrease of *STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1* of \$6,220 (from \$95,880 to \$89,660) based on the revised allocation approved by the SLOCOG Board.
3. Decrease in SLO County SRTP Match of \$22,750 which was left in the budget in error.

Staff Recommendation

Approve the budget amendment as indicated in the staff report.

SOUTH COUNTY TRANSIT
2020-21 Amendment #2 Budget

Funding Sources

Beginning Fund Balance
1 Estimated Fund Balance

2 Less Required Reserves:
TDA Required Operating Reserve
Equipment Replacement Reserve
Total Reserves

3 Fund Balance Available (Required)

Operating Revenues

Fares
STA Including STA SB1 Augmentation
Low Carbon Transit Grant
Federal Transit Adm (FTA) 5307 Operating
FTA 5307 Operating CARES
SLO County Trolley Operations & SRTP Match
RTA Operations Supervisor Contribution
Advertising and other income

4 Total Non-TDA Funds

5 Local Transportation Funds

Arroyo Grande
Grover Beach
Pismo Beach
SLO County

6 Total Operating Revenues

Non-Operating Resources

Interest
Prop 1B - Vehicle Replacement/ITS
Federal Transit Adm (FTA) 5307 Capital
Federal Transit Adm (FTA) 5339 Capital

7 Total Non-Operating Resources

8 **Total Resources**

FY 20/21 Amendment 2 Operating	FY 20/21 Amendment 1 Operating	FY 20/21 Amended Capital	FY 20/21 Adopted Capital
\$ 948,250	\$ 948,250	\$ 536,830	\$ 536,830
948,250	948,250	536,830	536,830
\$ 1,466,070	\$ 1,807,360	\$ -	\$ -
-	-	355,380	384,350
1,466,070	1,807,360	355,380	384,350
\$ (517,820)	\$ (859,110)	\$ 181,450	\$ 152,480
\$ 95,000	\$ 95,000	\$ -	\$ -
-	177,640	89,660	95,880
267,000	267,000	-	-
308,630	468,500	-	-
1,428,220	1,428,220	-	-
61,770	61,770	-	22,750
-	-	-	-
-	-	-	-
\$ 2,160,620	\$ 2,498,130	\$ 89,660	\$ 118,630
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
\$ 2,160,620	\$ 2,498,130	\$ 89,660	\$ 118,630
\$ 14,150	\$ 14,150	\$ -	\$ -
-	-	-	-
-	-	460,000	460,000
-	-	-	-
\$ 14,150	\$ 14,150	\$ 460,000	\$ 460,000
\$ 1,656,950	\$ 1,653,170	\$ 731,110	\$ 731,110

SOUTH COUNTY TRANSIT
2020-21 Amendment #2 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

Total Operating Expenditures

Capital Service
Support Vehicle
Short Range Transit Plan
Computer Upgrade
Vehicles/ITS
Facility Improvements/Bus Stop Amenities
Transit Centers Improvements

Total Capital Service

	FY 20/21 Amendment 2 Operating	FY 20/21 Amendment 1 Operating	FY 20/21 Amended Capital	FY 20/21 Adopted Capital
	\$ 123,310	\$ 123,310	\$ -	-
	70,710	70,710	-	-
	880	880	-	-
	31,060	31,060	-	-
	11,590	11,590	-	-
	1,360	1,360	-	-
	1,590	1,590	-	-
	690	690	-	-
	82,390	82,390	-	-
	14,560	14,560	-	-
	5,620	5,620	-	-
	4,580	4,580	-	-
	11,420	7,640	-	-
	17,180	17,180	-	-
	10,040	10,040	-	-
	\$ 787,380	\$ 787,380	\$ -	-
	250,940	250,940	-	-
	24,090	24,090	-	-
	191,190	191,190	-	-
	16,370	16,370	-	-
	\$ 1,656,950	\$ 1,653,170	\$ -	-
	\$ -	\$ -	\$ 50,000	50,000
	-	-	-	-
	-	-	1,500	1,500
	-	-	631,750	631,750
	-	-	47,860	47,860
	-	-	-	-
	\$ -	\$ -	\$ 731,110	\$ 731,110
	\$ 1,656,950	\$ 1,653,170	\$ 731,110	\$ 731,110

Total Use of Resources

**SOUTH COUNTY TRANSIT
OCTOBER 21, 2020
STAFF REPORT**

AGENDA ITEM: B-2

TOPIC: SoCo Transit Consolidation into the RTA

PRESENTED BY: Geoff Straw, Administrator

STAFF RECOMMENDATION: Resolve to:
1) Support the Amended/Restated RTA JPA
2) Terminate the SoCo Transit JPA

BACKGROUND/DISCUSSION:

As discussed at previous Board meetings, there is a net benefit of consolidating SoCo Transit into the RTA. During initial staff presentations to each of the RTA jurisdictions in 2018, it was clear that there is conceptual support for the notion of consolidating SoCo Transit into the RTA through measures identified in an amended and restated Joint Powers Agreement (JPA) for the RTA. In addition, during presentations to the SoCo Transit jurisdictions, universal support was voiced for the notion of terminating the existing South County Area Transit JPA as part of the consolidation effort.

The amended and restated RTA JPA includes policy statements that ensure local control of service levels and financial commitments for services by the four jurisdictions in the South County area. The RTA Board ratified the new JPA at its July 11, 2018 meeting, and it was originally planned for implementation on January 1, 2019. However, due to a dispute with CalPERS, the RTA Board subsequently suspended further action in August 2018. Now that the CalPERS dispute has been resolved, staff is asking all SoCo Transit and RTA jurisdictions, as well as the SoCo Transit and RTA Boards, to again consider the steps necessary to implement consolidation effective 12:00 AM on January 1, 2021.

Of particular interest to the SoCo Transit jurisdictions is the issue of continued local control over the local fixed-route services operated within the Five Cities Area. To that end, local fixed-route service levels (days, hours, routes, etc.), marketing efforts, and operating/capital budgets for South County local fixed-routes would be solely controlled through a new standing RTA *South County Transit Committee* (SCTC). The SCTC would be comprised of the RTA Board members from the cities of Arroyo Grande, Grover Beach, and Pismo Beach, as well as one member from the Board of Supervisors. As detailed in the attached amended and restated RTA Joint Powers Agreement, the SCTC would meet at least annually to address public transit issues of interest to the SCTC members and to consider the following year's budget for local public transit services in the Five Cities Area. Funding of the services authorized by the SCTC would be borne exclusively by the cities of Arroyo Grande, Grover Beach and

Pismo Beach, as well as the County on behalf of the communities of Oceano and Avila Beach.

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

Staff has attached the final RTA amended and restated JPA on pages B-2-7 to B-2-18; all recommended revisions are shown in red/underline. See pages B-2-19 through B-2-28 for a copy of the SoCo Transit JPA¹ that would be terminated. The attached Resolution also effectively assigns all of the SoCo Transit property and obligations to the RTA upon consolidation on January 1, 2021.

The RTA Board is scheduled to consider a budget amendment at its December 2, 2020 meeting that recognizes the operating and capital costs of SoCo Transit services for the second half of FY20-21 – similar to the way that SLOCAT and North County services are portrayed in separate columns.

Staff Recommendation

1. Approve the attached Resolution, which addresses the SoCo Transit Board’s support for the San Luis Obispo Regional Transit Authority amended and restated Joint Powers Agreement and terminates the current South County Area Transit Joint Powers Agreement.
2. Direct staff to work with the City Manager and Clerk at each jurisdiction to present a resolution seeking concurrence on termination of the South County Area Transit Joint Powers Agreement by SoCo Transit member jurisdictions, as well as execution of the San Luis Obispo Regional Transit Authority amended and restated Joint Powers Agreement.
3. Following termination of the South County Area Transit Joint Powers Agreement, direct staff to file necessary paperwork with the California Secretary of State.

¹ The signature pages are not included in order to save paper.

**SOUTH COUNTY TRANSIT
RESOLUTION NO. 20-____**

**A RESOLUTION OF THE SOUTH COUNTY TRANSIT BOARD OF DIRECTORS,
EXPRESSING SUPPORT FOR THE AMENDED AND RESTATED JOINT POWERS
AGREEMENT FOR THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY,**

AND

**TERMINATING THE SOUTH COUNTY AREA TRANSIT JOINT POWERS
AGREEMENT**

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

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

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

WHEREAS, the San Luis Obispo Regional Transit Authority Board of Directors will consider an amended and restated Joint Powers Agreement that consolidates South County Transit services into the agency at its December 2, 2020 meeting; and

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

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

WHEREAS, the existing South County Area Transit Joint Powers Agreement states that the Agency may sell, lease or assign all of its real and personal property and may cease

operations upon such terms and conditions as the Board determines to be reasonable;
and

WHEREAS, the existing South County Area Transit Joint Powers Agreement also states that the Agreement shall continue in full force and effect until cancelled by a majority of the member agencies.

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

BE IT FURTHER RESOLVED, that the South County Area Transit Joint Powers Agreement will be terminated effective 11:59 PM on December 31, 2020 upon ratification by a majority of the member agencies and upon full ratification of the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority by its member agencies.

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

BE IT FURTHER RESOLVED, that the Chairperson of the Board is directed to sign this resolution to terminate the South County Area Transit Joint Powers Agreement.

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

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

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 6th day of October 2020.

Jimmy Paulding, Chairperson
South County Transit

ATTEST:

Geoff Straw, Administrator
South County Transit

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
Nina Negranti, Counsel
South County Transit

Date: _____

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

WITNESSETH:

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

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

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

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

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

NOW THEREFORE, it is agreed as follows:

ARTICLE I
General Provisions

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

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

ARTICLE II Organization

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

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

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

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

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

Section 5. Members:

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

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

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

Section 7. Committees:

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

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

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

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

ARTICLE III Financial Provisions

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

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

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

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

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

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

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

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

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

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

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

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

Section 5. Annual Report: The Executive Director shall prepare and submit an annual report of the operations to the RTA Board, SLOCOG and State Controller ~~within 90 days of the~~ by January 31 following each fiscal year pursuant to Public Utilities Code, Section 99243.

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

ARTICLE IV Authority

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

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

Section 2. RTA is a Public Legal Entity: The RTA is a public entity duly formed and existing under the laws of the State of California. It is a separate and distinct legal entity from its member agencies. The debts, duties and obligations created pursuant to

this Agreement, shall be solely the obligations of the RTA and not those of its officers, employees, members of the Board of Directors or the member agencies.

ARTICLE V Miscellaneous Provisions

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

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

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

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

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

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

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

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

City of Arroyo Grande

By: _____

Clerk

Date:_____

Resolution No._____

City of Atascadero

By: _____

Clerk

Date:_____

Resolution No._____

City of Grover Beach

By: _____

Clerk

Date:_____

Resolution No._____

City of Morro Bay

By: _____

Clerk

Date:_____

Resolution No._____

City of Paso Robles

By: _____

Clerk

Date:_____

Resolution No._____

City of Pismo Beach

By: _____

Clerk

Date:_____

Resolution No._____

City of San Luis Obispo

By: _____

Clerk

Date:_____

Resolution No._____

County of San Luis Obispo

By: _____

Date: _____

Clerk

Resolution No. _____

Approved as to form and legal effect:

RITA L. NEAL
County Counsel

By: _____

~~Deputy~~ Assistant County Counsel

Date: _____

JOINT POWERS AGREEMENT
SOUTH COUNTY AREA TRANSIT

This agreement, by and between the cities of Arroyo Grande, Grover City, Pismo Beach, and the County of San Luis Obispo, representing the Oceano Area and the Avila Beach Area, is hereby entered into pursuant to Section 6500 et seq. of the Government Code of the State of California.

ARTICLE I
GENERAL PROVISIONS

SECTION 1: PURPOSES.

The purpose of this Agreement is to exercise the common powers of the member agencies by the formation of Joint Powers Agency with full power and authority to own, operate, plan for, and administer a public transportation system within the territory over which the Joint Powers Agency has jurisdiction (see map attached hereto as Exhibit A). This territory is consistent with the Arroyo Grande – Grover Beach Urbanized Area, which was designated as a result of the 2010 Decennial Census.

SECTION 2: NAME.

The official name of the Joint Powers Agency shall be South County Area Transit, and hereinafter referred to as “South County Transit” or alternately as “Agency.”

SECTION 3: POWERS.

The Agency shall have all the powers necessary to carry out the purposes of this Agreement, except the power to tax. The power to expend funds shall be limited only by the availability of funds as set forth in Section 1 of Article III, Financial Provisions of this Agreement. The powers of the Agency specifically include, but are not limited to, the following:

a. To operate a public transit system to serve all three incorporated cities in South San Luis Obispo County and the Oceano and Avila Beach areas of San Luis Obispo County, as is shown on the map attached hereto as Exhibit A.

b. To sue and be sued.

- c. To employ agents, employees and to contract for professional or other services.
- d. To make and enter into contracts including labor, purchase agreement and employment contracts.
- e. To acquire, convey, construct, manage, maintain and operate buildings and improvements.
- f. To acquire and convey real and personal property.
- g. To incur debts, liabilities and obligations from private, state and federal agencies.
- h. To apply for and execute contracts of financial assistance from state and federal agencies and to obligate the Agency to operate the improvements, equipment, or transportation system in accordance with the terms and conditions of said financial assistance.
- i. To purchase necessary insurance.
- j. To develop policies and procedures necessary to remain in compliance with Federal Transit Administration Section 5307 Urbanized Area Formula Program and other federal grant program funding requirements.

SECTION 4: AGENCY IS A PUBLIC LEGAL ENTITY.

The Joint Powers Agency, South County Transit, is a public entity duly formed and existing under the laws of the State of California. It is a separate and distinct legal entity from its member agencies. The debts, duties and obligations created pursuant to this Agreement, or those created pursuant to the previous Agreement, shall be solely the obligation of South County Transit and not those of its member agencies or of officers, employees, members of the Board of Directors or members of the member agencies.

ARTICLE II ORGANIZATION

SECTION 1: BOARD OF DIRECTORS.

The powers of the Agency are vested in its Board of Directors. The Board of Directors shall be composed of one representative from each member agency. Each member of the Board of Directors shall have one vote. Each member agency shall appoint one regular member and one alternate member to the Board of Directors, and shall notify the Agency in writing of their

appointments or of any change of representative. The representative shall serve solely at the pleasure of the appointing member agency. Representatives shall be either elected officials or officers or employees of the member agency.

SECTION 2: MEETINGS – VOTING QUORUM.

The Board shall establish a time, place and date for a regular quarterly meeting. Regular meetings may be adjourned from time to time. Special meetings may be called by the Chairman or upon written request by any two members of the Board. Members shall be given at least 48 hours written notice of special meetings, provided however, the representative of any member may waive said notice.

A majority of the members shall constitute a quorum for the transaction of business.

Unless specifically limited by this Agreement, the vote of the majority of the members present at any regular, adjourned or special meeting shall be sufficient to act upon any matter.

SECTION 3: OFFICERS.

The Board shall elect a Chairman and Vice-Chairman, and the Vice-Chairman shall act in the absence of the Chairman. The Board shall also elect such other officers as deemed necessary.

All officers shall serve for a term of one year from the date of their election or until their successors are elected. The Chairman or Vice-Chairman is authorized to execute all documents in the name of the Agency.

SECTION 4: ADMINISTRATION.

The Board may in its discretion, appoint an Administrator of the transit system, to serve at the pleasure of the Board, and to have the power to certify Agency documents as required by law and to assume such duties and responsibilities as the Board may direct.

SECTION 5: NEW MEMBERS.

The Board may accept new members to the Agency on such terms and conditions as the Board may prescribe.

SECTION 6: CHANGE OF BOUNDARIES.

The boundaries of this Agency are subject to change, as set forth hereinafter. If any portion of the unincorporated area of the County is annexed to a member city, that annexed portion shall automatically be included within the boundaries of this Agency, and the said member city shall assume any obligations of the County as to that area. If a new city should be formed in any portion of the unincorporated area of the County presently included within the territory of this Agency, and if such a new city should become a party to this Agreement, then the affected area shall be the responsibility of the new city and the County shall not be responsible for any obligations on account of the area so included within the new city as of the effective date of the incorporation of the new city. The boundaries of this Agency shall be adjusted to reflect annexations or new incorporations as set forth hereinabove.

SECTION 7: SERVICE LEVELS.

Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the annual Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted, but shall require unanimous approval of affected jurisdictions, with costs for the extra service to be distributed on the basis of formula developed by the Board members representing the affected jurisdictions.

SECTION 8: COMMITTEES.

a. Committees and subcommittees may be established as the Board may deem appropriate. Committees and subcommittees must abide by open meetings requirements of the Brown Act (Government Code Section 54950).

b. Membership on “ad-Hoc” policy committees shall be at the discretion of the Board Chairman. Nothing herein shall be construed to limit membership on these aforesaid committees to officials of the member agencies. The Chairman may appoint any individual deemed qualified to serve on a committee.

c. An Executive Committee comprised of the City Managers from the three cities and a County of San Luis Obispo-designated employee shall advise the Administrator and the Board on draft agendas, personnel issues, budget, and controversial, sensitive and major policy issues. Items for review shall be selected by the Administrator in consultation with the Chairman. All

Committee members may include agenda items as they desire. For purposes of conducting business, three members shall constitute a quorum.

d. No committee shall commit the Agency on any matter or questions of policy. Such matters or questions can only be decided by the Board.

e. All committees shall receive clerical assistance from Agency staff for the purpose of maintaining minutes of meetings, complying with Brown Act open meeting requirements, and other such duties as the Administrator may direct. The chair of each committee shall sign the original copy of the minutes indicating verification of contents upon committee adoption. Copies of minutes of all meetings shall be sent to Board members.

ARTICLE III FINANCIAL PROVISIONS

SECTION 1: BUDGET – LIMITATION OF FINANCIAL COMMITMENT.

The Board shall establish the fiscal year for the Agency and shall, prior to the commencement of each fiscal year, adopt an annual budget prepared by the Administrator.

A Consolidated Fund balance and cash balance will carry forward from one year to the next. The budget may additionally carry funds for future fiscal years where necessary to develop a multi-year Capital Improvement Program and to reflect obligations under state or federal funding agreements, to the extent allowable by California law.

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

No member Agency shall be required to expend any of its general fund monies to support the operations of the Agency, unless said expenditure is first approved by the legislative body of the member agency. The operation of the transit system shall be locally funded from Transportation Development Act monies or from grant monies, and from revenues derived from operations. Each member agency shall make an annual contribution to the Agency based upon the percentage of population related to the area served within that member agency. All population percentages utilized shall be those annually adopted by the San Luis Obispo Council of Governments for allocating Transportation Development Act Funds based annually on estimates

prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for cities and by the County Planning Department for unincorporated communities.

SECTION 2: EXPENDITURES.

The Board will establish procedures and policies to insure competitive prices for the purchases of goods and services that meet federal and state procurement requirements.

SECTION 3: TREASURER AND AUDITOR.

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

SECTION 4: ANNUAL AUDIT.

The Board of Directors shall cause an annual audit to be prepared and filed in accordance with Government Code Section 6505 and Public Utilities Code Section 99245.

SECTION 5: OFFICIAL BONDS.

The Administrator and such other employees or agents as the Board may direct shall file an official bond in an amount to be determined by the Board. The cost of said bond(s) shall be borne by the Agency.

SECTION 6: ANNUAL REPORT.

The Administrator shall prepare and submit an annual report of the operations to the the San Luis Obispo Council of Governments and the Office of the State Controller within 90 days of the end of the fiscal year pursuant to Public Utilities Code, Section 99243.

SECTION 7: PERIODIC REPORTING.

The Board may require periodic reporting of ridership, finances, or other information. It shall be the responsibility of the Administrator to provide such reports in a form acceptable to the Board.

ARTICLE IV MISCELLANEOUS PROVISIONS

SECTION 1: WITHDRAWAL OF MEMBERS.

Any member of this Agency may withdraw at any time after written notice to the Agency Board.

A withdrawing member's financial obligation under this Section is limited to the withdrawing member's pro-rata share of the currently adopted operating budget based upon ARTICLE III, SECTION 1 within the service area of the obligated commitments affecting the withdrawing member and any San Luis Obispo Council of Governments finding as to Unmet Transit Needs that are Reasonable to Meet pursuant to Public Utilities Code Section 99401.5. However, the obligations of a withdrawing member under this section is limited to the special transportation funds to which the withdrawing member would be entitled, such as Transportation Development Act funds, and this section shall not impose any obligation on the general funds of the withdrawing member.

SECTION 2: AMENDMENT OF AGREEMENT.

This Agreement may be amended at any time with the unanimous approval of the legislative bodies of the member agencies. No amendment to this Agreement shall be effective without such unanimous approval.

SECTION 3: RATIFICATION – EFFECTIVE DATE.

This Agreement shall become effective upon ratification by all member agencies. This Agreement shall be dated and shall be effective upon the last date ratified by a member agency.

SECTION 4: ASSIGNABILITY.

In the event it is deemed in the best public interest to have the public transportation system operated by another individual or entity, whether public or private, and provided that the assignment complies with state and federal law, the Agency on affirmative vote of all of its members, may sell, lease or assign all of its real and personal property and may cease operations upon such terms and conditions as the Board determines to be reasonable.

SECTION 5: TERMINATION.

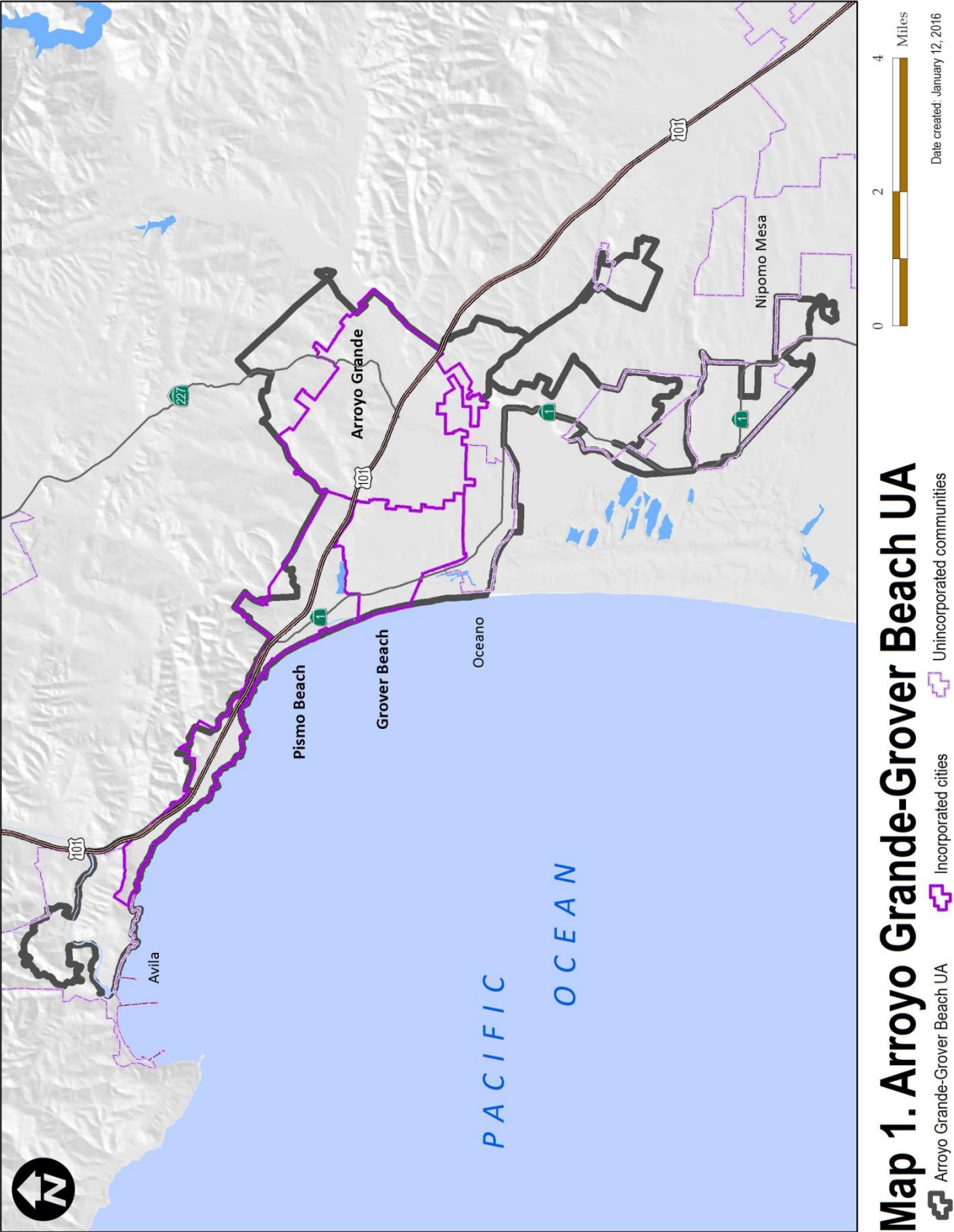
This Agreement shall continue in full force and effect until cancelled by a majority of the member agencies.

SECTION 6: NOTIFICATION TO SECRETARY OF STATE.

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

IN WITNESS WHEREOF, the parties have executed this Agreement as to be effective on the ____ day of _____, 2016, which is the last date of signing by a member.

Exhibit A – SCT Planning Area Map



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**SOUTH COUNTY TRANSIT
OCTOBER 21, 2020
STAFF REPORT**

AGENDA ITEM: B-3

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

ACTION: Approve

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

STAFF RECOMMENDATION: Approve South County Transit Budget Effective January 1, 2021 to be Included in the RTA Budget if Consolidated is Approved and Effective January 1, 2021

SUMMARY:

Upon ratification of the member jurisdictions and the RTA Board of Directors, effective January 2021, SoCo Transit will consolidate into the RTA. As such, the RTA budget will be amended at the December 2, 2020 RTA Board meeting to reflect the addition of SoCo Transit. The attached RTA budget schedules show the additional columns needed to include the newly consolidated services formerly provided by SoCo Transit as a separate entity.

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

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

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

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

Fiscal Year 2020-21

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

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

Fiscal Year 2021-22

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

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

Note: The projected RTA budget for FY21-22 notes the reduction in revenue from SoCo Transit for administration services as a result of consolidation.

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

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

Fiscal Year 2020-21

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

Fiscal Year 2021-22

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

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

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

Capital Expenditures (see page B-3-9)

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

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

Fiscal Year 2020-21

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

Fiscal Year 2021-22

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

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

As noted previously, this amendment to address the consolidation of SoCo Transit into the RTA does not require additional LTF from the member jurisdictions.

Staff Recommendation

Approve the SoCo Transit budget as identified as a component of the RTA budget effective January 1, 2021 should the consolidation of SoCo Transit into the RTA move forward with an effective date of January 1, 2021.

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

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

FUNDING SOURCES:

GENERAL RESERVES										
1.	ESTIMATED FUND BALANCE	5,351,291	948,250	111,070	589,310	3,777,820	3,777,820	1,165,170	125,500	513,780
		5,351,291	948,250	111,070	589,310	3,777,820	3,777,820	1,165,170	125,500	513,780
2. LESS REQUIRED RESERVES FOR FISCAL YEAR										
CASH FLOW REQUIREMENTS PER TDA										
	PERS BUYOUT	1,827,820	138,940	125,500	513,780	1,839,220	1,839,220	285,820	132,500	192,780
	DEBT SERVICE RESERVE FOR BUS MAINTENANCE FACILITY	-	-	-	-	-	-	-	-	-
	OFFSET RESERVE TO CARRYOVER TO FY21-22	-	-	-	-	-	-	-	-	-
		1,950,000	1,026,230	-	-	-	-	-	-	-
TOTAL		3,777,820	1,165,170	125,500	513,780	1,839,220	1,839,220	285,820	132,500	192,780
3. FUND BALANCE AVAILABLE										
		1,573,471	(216,920)	(14,430)	75,530	1,938,600	1,938,600	879,350	(7,000)	321,000

NON TDA SOURCES

[illegible]

FUNDING SOURCES:

TDA REQUIRED

Population
Based

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

18%
49%

DD

5. TDA REQUIREMENTS BEFORE 5311 EXCHANGE

5. LESS: RURAL TRANSIT FUND/5311 EXCHANGE

6. NET TDA REQUIREMENTS

7. TOTAL FUNDING SOURCES

8. FUNDING USES:

ADMINISTRATION
PERS BUYOUT
MANAGEMENT CONTRACTS
SERVICE DELIVERY
DEBT SERVICE RESERVE
CONTINGENCY

9. TOTAL FUNDING USES

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

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

FUNDING SOURCES:

1. BEGINNING CAPITAL PROJECTS RESERVE
ESTIMATED FUND BALANCE

2. LESS REQUIRED RESERVES FOR FISCAL YEAR

CAPITAL PROJECTS RESERVE

TOTAL

3. FUND BALANCE AVAILABLE

NON TDA SOURCES

STATE TRANSIT ASSISTANCE (STA) WITH SB1 AUGMENTATION
LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

PROPOSITION 1B FUNDING - SAFETY & SECURITY

STA SB1 STATE OF GOOD REPAIR

PROPOSITION 1B FUNDING - BUS REPLACEMENT & BUS MAINTENANCE FACILITY

APCD AB 617 FOR GARAGE PROJECT

RURAL TRANSIT FUND (Capital)

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

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

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

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

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

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

4.

5. TOTAL FUND BALANCE & NON TDA FUNDING

6.

FINANCING FOR BUS MAINTENANCE FACILITY

7.

TOTAL FUNDING SOURCES

8.

FUNDING USES:

CAPITAL

LOAN PAYDOWN

9.

TOTAL FUNDING USES

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

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

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

South County Transit	Proposed	Proposed	Proposed	Proposed	Proposed	Total	Projected
	Route 21	Route 24	Route 27	Route 28	Trolley	Proposed	Budget
	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2021-22
	1,790	1,765	1,410	1,980	375	7,320	14,640
	34,100	26,260	20,700	28,530	8,110	117,700	235,400
	25,060	22,590	17,550	25,170	4,260	94,630	196,160
Administration:							
Total Administration (Net of Contracts)							
Service Delivery:							
Labor - Operations	112,070	110,420	85,270	124,560	17,230	449,550	955,130
Labor - Operations Workers Comp	10,540	8,040	6,270	8,750	1,770	35,370	55,780
Labor - Maintenance	12,610	12,440	9,940	13,950	2,640	51,580	109,560
Labor - Maintenance Workers Comp	1,030	1,010	810	1,140	220	4,210	8,940
Fuel	28,490	21,720	16,950	23,650	4,790	95,600	191,200
Insurance	18,380	14,010	10,930	15,250	3,090	61,660	110,380
Maintenance (parts, supplies, materials)	16,090	12,390	9,760	13,100	3,720	55,060	106,680
Maintenance Contract Costs	4,100	3,160	2,490	3,790	1,080	14,620	31,270
Total Operations	203,310	183,190	142,420	204,190	34,540	767,650	1,568,940
Capital/Studies:							
Total Capital Outlay	176,570	173,960	134,340	196,240	-	681,110	730,810
Contingency	2,440	1,860	1,450	2,030	410	8,190	17,240
Interest Expense	-	-	-	-	-	-	-
TOTAL FUNDING USES	407,380	381,600	295,760	427,630	39,210	1,551,580	2,513,150
TOTAL NON-CAPITAL EXPENDITURES	230,810	207,640	161,420	231,390	39,210	870,470	1,782,340

DRAFT
SOUTH COUNTY TRANSIT
MINUTES OF July 22, 2020 BOARD MEETING
Via Teleconference
C-1

Board Members Present:	Lynn Compton	County Supervisor, District 4
	Sheila Blake	City Council Member, Pismo Beach
	Jimmy Paulding (Vice Chair)	City Council Member, Arroyo Grande
	Desi Lance	City Council Member, Grover Beach

Board Members Absent: None

Staff Present:	Geoff Straw	Administrator
	Chelsea Sperakos	RTA Administrative Assistant
	Nina Negranti	SLO County Counsel

CALL TO ORDER AND ROLL CALL

Vice Chairperson Jimmy Paulding called the meeting to order at 1:30 PM. Roll call was taken and a quorum was present.

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.

There was no public comment.

BOARD ADMINISTRATIVE ITEMS

1. **WELCOME NEW DIRECTOR: Desi Lance**

Vice Chairperson Paulding welcomed new board member **Ms. Desi Lance** who is representing Grover Beach due to former **Chairperson Barbara Nicholls'** resignation.

2. **ELECTION OF OFFICERS: Elect Chairperson and Vice Chairperson**

Ms. Sheila Blake nominated **Mr. Jimmy Paulding** for the position of SCT Board Chairperson, and **Ms. Desi Lance** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>Board Member</u>	<u>Yes</u>	<u>No</u>
SHEILA BLAKE	X	
LYNN COMPTON	X	
DESI LANCE	X	

Chairperson Jimmy Paulding nominated **Ms. Desi Lance** for the position of SCT Board Vice Chairperson, and **Ms. Blake** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>Board Member</u>	<u>Yes</u>	<u>No</u>
SHEILA BLAKE	X	
LYNN COMPTON	X	
JIMMY PAULDING	X	

A. INFORMATION AGENDA

A-1 Administrator's Report (Receive)

Mr. Geoff Straw stated a list of working solutions to COVID-19 response. Face coverings required on all buses and at bus stops as of June 12 and all employees and riders must wear a face covering while using our services beginning on June 14. The Governor issued a statewide order on June 19. On June 14, a nominal base cash fare of \$0.50 and a senior/disabled/youth cash fare of \$0.25 were implemented to help save limited capacity for truly essential travel. Staff worked with Token Transit to develop a special new electronic \$7.50 fare media that persons with a Smartphone can use in lieu of coins. As of June 28, services were ramped back up to full service without express trips. There was a driver bid shakeup and SCT is short drivers. If employee shortages worsen due to COVID-19, SCT may be forced to cut services. Staff is currently in recruitment. A small amount of planning grant funds remain after completing the 2019 SCT Short-Range Transit Plan (SRTP). Staff has amended the agreement with LSC Transportation Consultants to complete a follow-up study on possible service changes on Routes 27 & 28 that might enable use of LCTOP funds when those existing grant funds cease at the end of this fiscal year. SCT ridership totaled 157,963 through the end of May 2020, which is a decline from the previous year; COVID-19 should be considered when hearing the statistics.

Questions:

Ms. Blake asked if there has been any issues with homeless sheltering on the bus?

Mr. Straw stated that riders are only allowed to ride 1 loop, then are required to depart from the bus. Drivers are charging every time someone steps on to deter sheltering on the bus.

Vice Chairperson Lance asked if staff is constantly recruiting for additional trainees or does recruitment occur as needed?

Mr. Straw stated that due to the turnover that happens with drivers, staff is in constant recruitment.

Chairperson Paulding asked how the RTA ridership decline compares to SCT?

Mr. Straw stated that the decline is 60% in RTA compared to 47% in SCT.

B. ACTION AGENDA

B-1 Fiscal Year 2020-21 Budget Amendment (Approve)

Mr. Straw stated SCT received triple the standard federal funding via the CARES Act, approved on March 27th. For the Arroyo Grande – Grover Beach Urbanized Area, the apportionment was \$4,755,669. This one-time CARES Act funding can be used for all net operating expenses (after deducting fares) incurred since January 20, 2020; no local match is required. SCT will be able to return previously budgeted LTF funds to the jurisdictions due to the increase in funding. SCT is up against a potential staffing crisis due to some drivers not being comfortable working during the pandemic.

Questions:

Ms. Lynn Compton asked how many employees are uncomfortable with working during the pandemic? If employees leave on their own, are they eligible for unemployment?

Mr. Straw stated that there are two drivers at SCT and three or four at RTA who have vocalized concerns, and both agencies could potentially lose permanent employees. Positive COVID cases have recovered and are back at work.

Chairperson Paulding asked if there have been discussions with the employee union, and are there any demands for additional protections? Do we need to look at incentives to retain employees?

Mr. Straw stated it is difficult to provide bonuses for public employees.

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

<u>Board Member</u>	<u>Yes</u>	<u>No</u>
SHEILA BLAKE	X	
LYNN COMPTON	X	
DESI LANCE	X	
JIMMY PAULDING	X	

C. CONSENT AGENDA: (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the 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 April 22, 2020 (Approve)

Ms. Compton made a motion to approve consent agenda item C1, and **Ms. Blake** seconded the motion. The motion via roll call vote passed unanimously as follows:

<u>Board Member</u>	<u>Yes</u>	<u>No</u>
SHEILA BLAKE	X	
LYNN COMPTON	X	
DESI LANCE	X	
JIMMY PAULDING	X	

D. DIRECTORS' COMMENTS

Chairperson Paulding thanked the SCT team and board and welcomed **Vice Chairperson Lance** to the SCT Board.

E. ADJOURNMENT

The meeting was adjourned at 10:51 AM.

Next Meetings: October 21, 2020, and January 20, 2021

Respectfully Submitted,

Acknowledged by,

Chelsea Sperakos
Administrative Assistant

Jimmy Paulding
SCT Board Chairperson 2020

**SOUTH COUNTY TRANSIT
OCTOBER 21, 2020
STAFF REPORT**

AGENDA ITEM: C-2

TOPIC: Vehicle Procurement

PRESENTED BY: Geoff Straw, Administrator

STAFF RECOMMENDATION: Declare Bus 201 Surplus, and Authorize Administrator to Procure Three (3) Low-Floor Cutaway Vehicles at a Cost Not to Exceed \$575,000

BACKGROUND/DISCUSSION:

On behalf of SoCo Transit, the RTA has been awarded funding from the Federal Transit Administration (FTA) to purchase three (3) new medium-duty low-floor cutaway vehicles. These three vehicles will replace one (1) 2003 Gillig Phantom heavy-duty bus (35-passenger + 2 Wheelchair) currently begin used in the SoCo Transit fixed-route fleet (Vehicle ID #201).

The vehicle replacement plan to replace existing heavy duty buses with smaller low-floor cutaway vehicles is in accordance with the 2020 South County *Short Range Transit Plan*, which recommends the use of smaller vehicles where appropriate on SoCo Transit's four fixed-routes. The SRTTP demonstrated that current and future passenger loads can be accommodated on these smaller vehicles, while also reducing operating and capital costs, noise, and other neighborhood impacts. Accordingly, as larger vehicles warrant replacement, new smaller low-floor cutaway vehicles (with a capacity of approximately 20 seated passengers as well as two wheelchair positions) should be purchased. While a specific manufacturer and vehicle model has yet to be identified, it will ultimately be a low-floor model with easier passenger ingress/egress and Bus Operator access.

These three (3) vehicles will be funded with \$460,000 in FTA Section 5307 formula funding apportioned in FY18-19. SoCo Transit will use State Transit Assistance (STA) funding as local match, totaling \$115,000.

These three wheelchair-accessible vehicles will be purchased from the CalACT joint procurement list, which is approved by FTA and Caltrans. Staff will ensure that it will comply with all FTA regulations for the procurement of rolling stock. Once the Purchase Order is issued, it will take approximately 4-6 months for delivery.

The replaced 2003 35-ft. bus will be disposed of in accordance with Federal regulations once the replacement vehicles are put into service.

Staff Recommendation

Staff requests the Board's concurrence to: 1) declare bus number 201 surplus, 2) direct the Administrator to dispose of the vehicles using established disposition policies and procedures, and 3) authorize the Administrator to issue a purchase order to procure the three medium-duty low-floor cutaway vehicles at a cost not to exceed \$575,000.

**SOUTH COUNTY TRANSIT
OCTOBER 21, 2020
STAFF REPORT**

AGENDA ITEM:	C-3
TOPIC:	Strategic Business Plan Results
ACTION:	Receive
PRESENTED BY:	Geoff Straw, Administrator
STAFF RECOMMENDATION:	Receive Annual Report on Performance Results for FY19-20

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, 2019 through June 30, 2020, 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 *2019 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 the end of the fiscal year. 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 7.1% vs. a goal of 20%) and our productivity standard (13.0 vs. a goal of 17.0) have been severely impacted by the pandemic.

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 the recently adopted *Short Range Transit Plan* recommended revised and/or new standards that will be considered when the 2018-20 SBP is next updated.

SCT's Performance Results through June 2020			
Performance Metric	Standard	Result	Achieved?
Productivity (boardings/hour)	17.0	13	No
Service Delivery (actual divided by scheduled)	99%	99%	Yes
On-Time Performance	90%	93%	Yes
Bus Overcrowding	Various load factors	None exceeded	Yes
Systemwide Operating Budget (live within means)	< 100%	95%	Yes
Farebox Recovery Ratio (fares / net operating costs)	20.0%	7.1%	No
Preventable Collision Rate (per 100k miles traveled)	1.0	1.4	No
Preventable Workers Compensation Rate	Lost-time <4	2	Yes
	Med-only <5	1	
Risk Management Costs (percent of operating budget)	Industry norms	At or below market	Yes
Road Calls (per 100k miles traveled)	5	3.6	Yes

Staff Recommendation:

Receive the attached annual report on performance results achieved through June 2020.

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	FY2017*	FY2018*	FY2019*	FY2020*
JUL	17	18	18	18	16
AUG	17	19	17	16	14
SEP	17	18	16	16	14
OCT	17	17	17	16	14
NOV	17	17	16	16	14
DEC	17	16	15	15	13
JAN	17	15	15	14	12
FEB	17	15	15	15	14
MAR	17	16	14	16	11
APR	17	16	14	15	10
MAY	17	17	15	14	12
JUN	17	18	17	15	12
YTD		17	16	15	13

* Using APC data

SoCo Transit achieved an annual productivity average of 15 for FY18-19 and is at an average of 13 for FY19-20. However please note that the ridership decreased due to COVID-19 which started mid-March and continued through the end of the fiscal year.

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

Measurement: Objective.

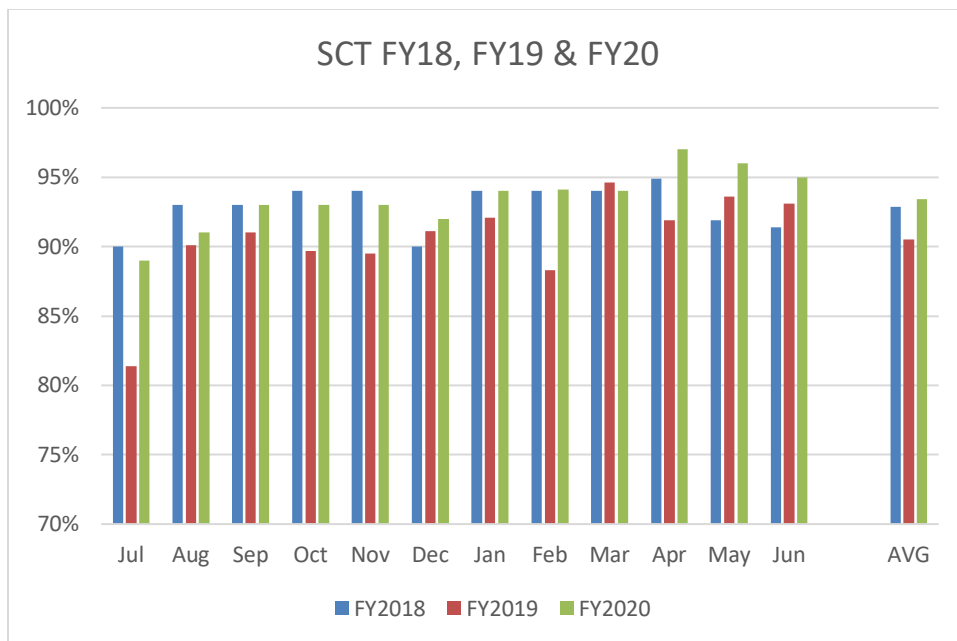
- Reviewed quarterly by Operations, and reported by Administrator bi-annually to the Board.

In FY19-20, SoCo Transit has missed five local trips and one Trolley trip, equating to a service delivery achievement of 99%.

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 time point 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.



For FY19-20 SoCo Transit has met the 90% threshold every month except July and achieved an annual average of 93%.

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 (SRTP) study was adopted by the SoCo Transit Board at its January 2020 meeting. The SRTP study provided an in-depth assessment of current services, and provided a 5- to 7-year “road map” for future changes.

Consolidation with the RTA is a recommendation of the approved SRTP. Faced with significant farebox recovery ratio penalties in the coming years, SoCo Transit would save money by consolidating services with the RTA. Additional benefits included less costly health benefits for eligible full-time employees and more efficient use of staff resources.

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 experienced 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 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 were 94% of the adopted budget
Fiscal Year 2019-20 Result: Operating Costs were 95% of the adopted budget
(unaudited)

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.

SoCo Transit 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 2015-16 Result: 13.6%
- Fiscal Year 2016-17 Result: 11.9%
- Fiscal Year 2017-18 Result: 13.3%
- Fiscal Year 2018-19 Result: 11.7%
- Fiscal Year 2019-20 Result: 7.1% (unaudited), 9.9% through January 2020 prior to the COVID-19 pandemic impacts

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. SoCo Transit achieved an excellent stretch of 969 without a preventable collision, which unfortunately came to an end on December 22, 2019.

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 Result: 0.00
Fiscal Year 2019-20 Result: 1.43

We are proud of the Bus Operators that helped to provide service to our communities in spite of the challenging circumstances.

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.

During FY19-20, the Safety Resource Committee closed-out 46 action items, opened 46 new suggestions, opened 18 action items, and only 2 reoccurring items remain on the agenda. Suggestions that are not directly related to the Committee are forwarded to the appropriate department for resolution. We appreciate Bus Operators working with RTA in the identification and mitigation of hazards, from trees needing trimmed so as to not damage a bus to route deviations during holidays to lessen the risk of a collision. This collaboration will help us achieve safety standards in the Five Cities area.

Our FY19-20 annual refresher-training classes for Bus Operators, Supervisors and Dispatchers continued throughout the year. This year the training focused on the fundamentals of driving skills, *Verbal Influence and Defense* tactics, and customer service skills. In addition, the drivers returning to work received additional on-road training with a certified instructor. Staff from the County Community Resource Project provides 211 training pertaining to local social services programs. Finally, San Luis Obispo County staff provided enhanced Sexual Harassment Training to employees in response to January 1, 2020 rule changes in California.

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 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: 0 claims
Fiscal Year 2019-20 Result: 2 lost-time claims (both remain open as of June 30, 2020); 1 medical-only claim

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

Measurement: Objective.

- As measured by biannual Community Perception Survey.

Based on the results of the Customer Perceptions Survey conducted in March 2020, system safety was rated 3.6 out of 4 – which equates to 90%. Staff continues to strive to achieve this standard.

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.

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: 12.1% of total operating costs

Fiscal Year 2019-20 Result: 12.0% of total operating costs

Staff has worked diligently to close claims that were opened in prior years. With fewer claims than in previous years, workers compensation costs declined 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 eliminate duplicate annual 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.

The annual calendar year turnover rates for SoCo Transit improved greatly over the past two years, as follows:

2012 – 9%	2017 – 20%
2013 – 14%	2018 – 10%
2014 – 19%	2019 – 5%
2015 – 28%	2020 – 0%
2016 – 22%	

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, in late 2017 we implemented mandatory retraining after six months from the date when new Bus Operators were placed into revenue service, which has improved 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. Office staff members meet bi-weekly 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.

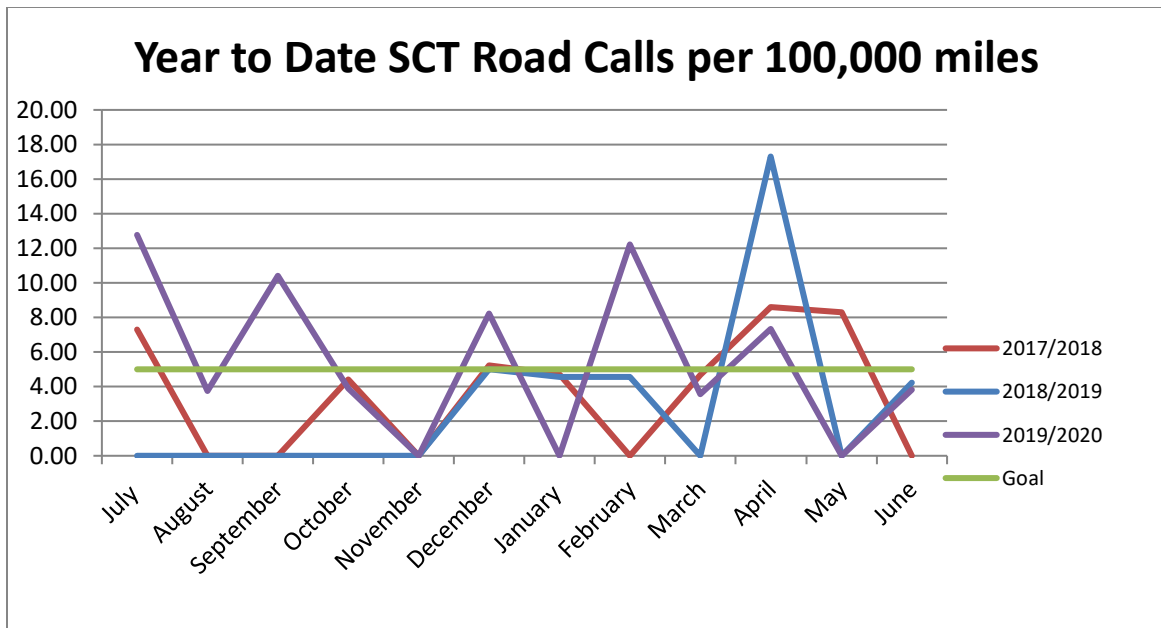
As of June 30, 2020 the average SoCo Transit fixed-route vehicle age is 8 years with an average of 304,029 miles. The design life of a fixed-route bus is 12 years/500,000 miles.

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 SoCo Transit is 3.60 in FY 17-18, 2.97 in FY 18-19 and 5.49 in FY 19-20. RTA’s reporting to the Federal Transit Administration (on behalf of SoCo Transit) matches the definition as used in the National Transit Database. We will closely track this standard, since our fleet is aging and 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.

Based on the results of the Customer Perception Survey that was conducted in March 2020, there are two questions that provide valuable information. Those questions were "cleanliness of buses" and "bus exterior appearance" which ranked at 3.4 and 3.5 out of four. In an effort to improve interior bus sanitation for the health and wellbeing of our staff and community during the COVID-19 pandemic, exterior cleanings have occurred less frequently. As such, we would anticipate customer perceptions would be lower for exterior cleanliness but higher for overall cleanliness. Due to the pandemic, employee surveys have been delayed until October 2020 so we are unable to compare customer perceptions to employee perceptions in this annual report.

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.

The bus stop appearance question included in March 2020 survey provides a good snapshot, and the results are a ranking of 3.2 out of 4, or an 82% favorable ranking. Although this meets the favorable standard, staff is developing a strategy to improve the this perception.

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 2019 TDA Triennial Audit nor in the 2019 FTA Triennial Review. Preventable maintenance has been completed on a timely basis with no CHP findings in at least the last five 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 local, state and federal agencies. RTA staff (on behalf of SoCo Transit) continues to manage State and Federal grant programs for the region, including FTA Section 5307, 5311, 5339 and other discretionary funds. Staff has begun negotiations with other transit agencies in the region to appropriately share in CARES Act funding that will help SoCo Transit respond to and recover from the COVID-19 pandemic.

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 RTA 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. Finally, without the support of the RTA’s Bus

Operator ranks, SoCo Transit would have been able to operate even the reduced COVID-19 level of service due to a lack of SoCo Transit employees who were willing to work.

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

Measure: Subjective.

- To be evaluated by the Administrator.

Senior staff members continue to conduct bi-monthly Driver's Forums with SoCo Bus Operators to maintain open lines of communication. 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. Staff has also provided on-going written and oral communications (postings in operating facilities, weekly Frequently Asked Questions memos, etc.) during the COVID-19 pandemic.

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
OCTOBER 21, 2020
STAFF REPORT**

AGENDA ITEM: C-4

TOPIC: Authorize Low-Carbon Transit Operations Program Grant Application

ACTION: Approve Resolution Authorizing Administrator to Submit Application for State of California Low-Carbon Transit Operations Program (LCTOP) Grant Funds

PRESENTED BY: Melissa C. Mudgett, RTA Grants and Finance Manager

BACKGROUND/DISCUSSION:

The Low-Carbon Transit Operations Program (LCTOP) is one of several programs funded as part of the State of California that has a goal of reducing greenhouse gas emissions and providing other community benefits. This grant program is funded by auction proceeds from the California Air Resource Board's Cap-and-Trade Program, with proceeds deposited into the Greenhouse Gas Reduction Fund.

The amount of LCTOP available for the San Luis Obispo County regional apportionment in FY20-21 has not yet been determined, but for the purposes of this discussion staff assumes it will be similar to the FY19-20 amount of \$517,000. Eligible recipients of the LCTOP funds include South County Transit, the RTA, SLO Transit, Paso Express, Atascadero Dial-A-Ride, Morro Bay Transit and SLOCAT. Eligible projects will support new or expanded bus services (up to five years) or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. LCTOP grant applications will be due to SLOCOG towards the end of calendar year 2020, and the SLOCOG Board of Directors will likely consider award recommendations at its February 2021 meeting.

As indicated in the *2020 Short Range Transit Plan* adopted by the South County Transit Board of Directors at its January 15, 2020 meeting, ridership demand and other operating data suggest that changes to the Routes 27/28 pair be considered, including new service to the high density residential developments north of Ramona Garden along 9th Street and Atlantic Avenue. In the attached follow-up *SoCo Transit Route 27-28 Realignment Report* study, additional revisions in the Oceano area were further developed. More specifically, the study recommends revisions that would better serve low-income passengers by establishing new Route 27 and 28 bus stops south and west

of the Oceano Community Center. The study also recommends eliminating Route 27 service to the Oceano Park area due to low ridership and instead use those resources to serve Arroyo Grande Village. All of these service-related changes require public outreach efforts, which would be undertaken in early 2021 so that these revisions could be considered by the SoCo Transit Board and, if supported, possibly implemented in summer 2021. This project will require approximately \$275,000 annually, and will ensure continued bidirectional service along the Routes 27/28 pair. It is staff's highest-priority LCTOP project.

Another important LCTOP-eligible project is to begin replacing our diesel-powered buses with zero-emission buses to meet the California Air Resources Board's Innovative Clean Transit rules. More specifically, 25% of the buses that transit agencies in San Luis Obispo County purchase in 2026 must be battery-electric or hydrogen powered, and all new bus purchases must be zero emission beginning in 2029. No internal combustion-powered buses can operate after 2040. Staff is recommending as a second-tier project the purchase of battery-electric buses and recharging infrastructure using LCTOP funds to serve the SoCo Transit area.

STAFF RECOMMENDATION:

Approve the attached resolution authorizing the South County Transit Administrator to submit an LCTOP FY20-21 grant application in the amount of up to \$275,000 for revised Routes 27 and 28 service, and up to \$300,000 to partially fund the purchase of two zero-emission replacement buses, supporting equipment and infrastructure.

**SOUTH COUNTY TRANSIT
RESOLUTION NO. 20-__**

**A RESOLUTION OF THE SOUTH COUNTY TRANSIT BOARD OF
DIRECTORS, AUTHORIZING SUBMITTAL OF A GRANT APPLICATION
TO THE STATE OF CALIFORNIA
LOW-CARBON TRANSIT OPERATIONS PROGRAM
FY2020-21**

WHEREAS, South County Transit is an eligible applicant for Low-Carbon Transit Operations Program funds; and,

WHEREAS, South County Transit is in need of various materials, supplies, and equipment, all of which are eligible for purchase under the Low-Carbon Transit Operations Program; and

WHEREAS, South County Transit will continue to provide fixed route services in the southern portion of San Luis Obispo County; and

WHEREAS, South County Transit is seeking grant funding to optimize the use of local TDA funds provided by the various agencies included in the Joint Powers Agency Agreement; and

WHEREAS, South County Transit is requesting up to **\$275,000** from the Low Carbon Transit Operations Program to support new or expanded bus services and up to **\$300,000** which includes operator portion to purchase zero-emission replacement buses, equipment and infrastructure with the goal of reducing greenhouse gas emissions.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the South County Transit Board of Directors authorizes the Administrator to submit a proposal to the State of California Low Carbon Transit Operations Program of up to **\$575,000** for continued operations and the purchase of various materials, supplies and equipment.

BE IT FURTHER RESOLVED, that the Chairperson of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

BE IT FURTHER RESOLVED, that the Administrator is hereby authorized to submit said funding requests.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 21st day of October 2020.

Jimmy Paulding, Chairperson
South County Transit

ATTEST:

Geoff Straw, Administrator
South County Transit

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
Nina Negranti, Counsel
South County Transit

Date: _____



SoCo Transit 27-28 Route Alignment Report

Prepared for the
San Luis Obispo Regional Transit Authority



LSC Transportation Consultants, Inc.

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SoCo Transit

27-28 Route Alignment Report

Prepared for the

San Luis Obispo Regional Transit Authority
179 Cross St.
San Luis Obispo, CA 93401

Prepared by

LSC Transportation Consultants, Inc.
2690 Lake Forest Road
P.O. Box 5875
Tahoe City, CA 96145
530-583-4053

August 5, 2020

LSC #187570

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Chapter I: Introduction

The South County Transit service (SoCo Transit) is the local public transit service for the urbanized portions of southern San Luis Obispo County, including the Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well the Oceano and Avila Beach areas of unincorporated San Luis Obispo County. The general route structure consists of two large hourly loops with one route running in each direction on each loop (with variations). The northern area is served by Route 21 (clockwise direction) and Route 24 (counterclockwise direction), while the southern area is served by Route 27 (clockwise direction) and Route 28 (counterclockwise direction).

The San Luis Obispo Regional Transit Authority (RTA), as the operator of the SoCo Transit service, recently adopted the *San Luis Obispo County Transit Short-Range Transit Plan*. Among the findings of that study was that Routes 27 and 28 warranted route realignments. The study also identified the potential for additional ridership in specific portions of this Route 27 and 28 areas that merited additional future investigation.

This document presents the results of this additional focused study regarding alignment strategies for Routes 27 and 28. As discussed in subsequent sections, this study focuses on the following specific issues:

- Rerouting Routes 27 and 28 to the north of Ramona Garden Transit Center to serve a new neighborhood and expand ridership.
- Possible route options to serve the Oceano airport stop to improve efficiency and/or improve on-time performance.
- A concern regarding a potentially hazardous maneuver on Route 27 entering State Route 1 in Oceano.
- Possible realignments to improve service in the Arroyo Grande Village area, and possible to allow travel time savings for Route 21.

The following analysis builds upon the most recently adopted 2019 SoCo Transit Short Range Transit Plan (SoCo Transit SRTP) to support the pursuit of additional Low Carbon Transit Operations Program (LCTOP) funding to better serve the South County region. The study first provides an overview of existing routes by service area, schedule, annual ridership, and average daily boardings by stop, after which potential route alternatives are recommended to maximize ridership and improve transit system efficiency.



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Chapter II: Existing Transit Services

Routes 21 and 24 serve the south county areas of Pismo Beach, Shell Beach, Grover Beach, and Arroyo Grande while routes 27 and 28 provide service to the south county areas of Arroyo Grande, Oceano, and eastern portions of Grover Beach. The following describes a brief overview of their service, schedule, and annual ridership. Figure 1 presents a map of the overall service.

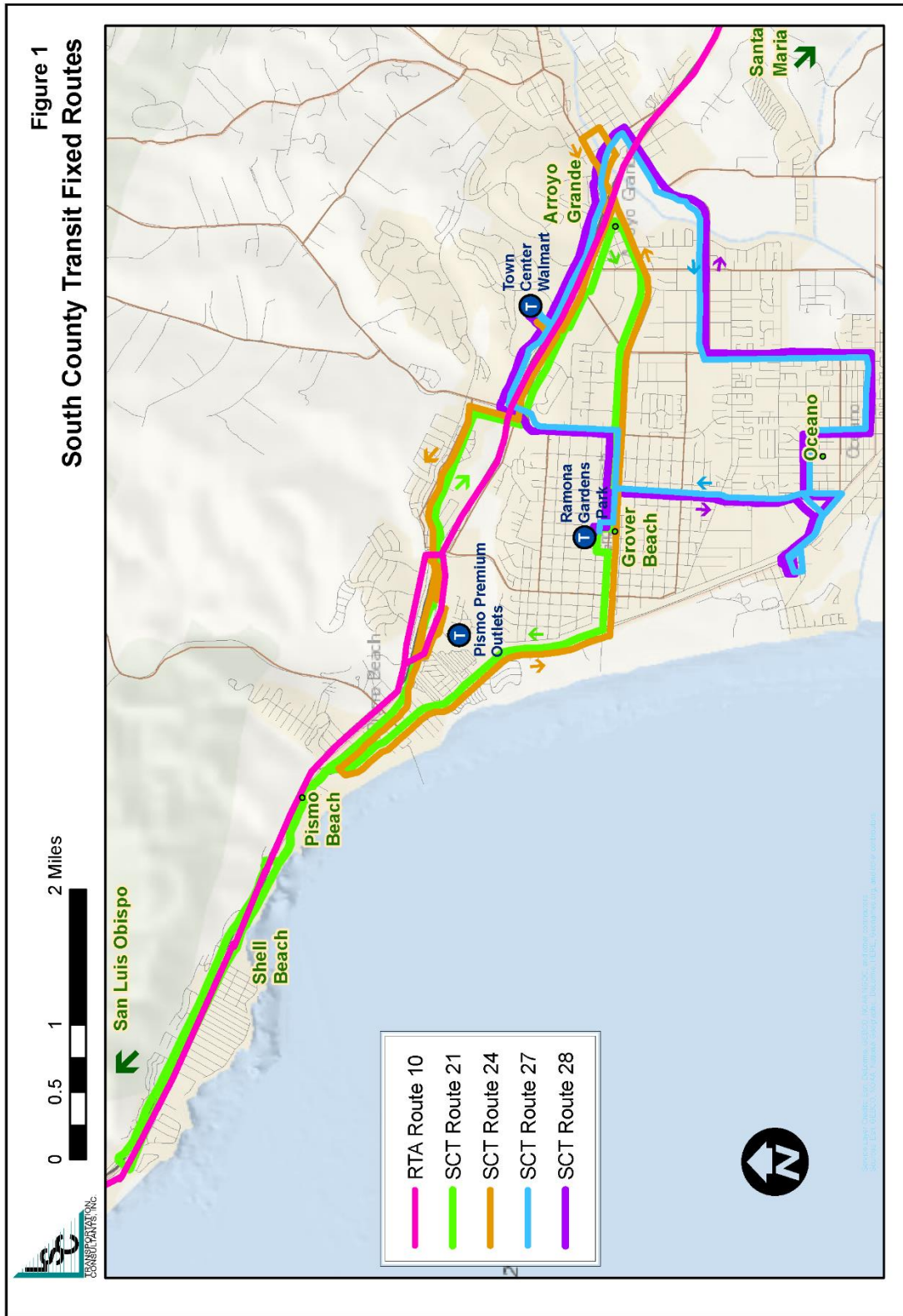
TRANSIT SERVICE OVERVIEW

The following describes a brief overview of the existing routes:

- **Route 21:** This hourly route operates from 6:29 AM to 7:29 PM on weekdays, 7:29 AM to 7:29 PM on Saturdays, and 7:29 AM to 6:29 PM on Sundays. The route consists of a large clockwise loop traveling south on James Way and West Branch serving Arroyo Grande, west on Grand Avenue serving Grover Beach, and north on Price Street and US 101 to complete a smaller counter-clockwise loop serving Pismo and Shell Beach. This route connects with RTA Route 10 at the top of the hour at the Pismo Beach Premium Outlets (Pismo Beach Outlets), and with Routes 24, 27, and 28 at Ramona Garden Park Transit Center in Grover Beach at 29 minutes after the hour.
- **Route 24:** Service is provided hourly from 6:29 AM to 7:29 PM on weekdays, 7:29 AM to 7:29 PM on Saturdays, and 7:29 AM to 6:29 PM on Sundays. This loop route serves the core of Pismo Beach, Grover Beach, and Arroyo Grande primarily in a counter-clockwise direction. It is largely aligned (in the opposite direction) with Route 21, except that Route 24 adds service to downtown Arroyo Grande but does not serve the Shell Beach area of Pismo Beach. From the Pismo Beach Outlets, the route travels northwest towards Pismo Beach circling south on Highway 1 to Ramona Garden Park Transit Center in Grover Beach. The route then travels east on Grand Avenue, north towards Arroyo Grande, and west looping back towards the Town Center/Walmart stop before returning to the Pismo Beach Outlets.
- **Route 27:** Hourly service is provided from 6:03 AM to 8:13 PM on weekdays only. This route travels in the clockwise direction serving Arroyo Grande, Oceano and the eastern portions of Grover Beach. This route connects with Routes 21 and 24 at Ramona Gardens at 29 minutes after the hour and with Route 28 at 32 minutes after the hour.
- **Route 28:** Hourly service is provided from 6:20 AM to 8:14 PM on weekdays, 7:32 AM to 8:14 PM on Saturdays, and 7:32 AM to 7:14 PM on Sundays. This route travels in a counter-clockwise direction serving the same route as Route 27 in reverse order (except for one block around Long Branch Avenue and Oak Park Boulevard). This route connects with Routes 21 and 24 at Ramona Garden Park at 29 minutes after the hour and with Route 27 at 32 minutes after the hour.



Figure 1
South County Transit Fixed Routes



Service Area

Routes 27 and 28 serve stops in Arroyo Grande, Oceano, and Grover Beach. Major stops along these two routes include Ramona Garden Park, Arroyo Grande High School, Highway 1, and Walmart. Evidenced by surveys conducted in March 2019, most of the passengers taking these routes live in Grover Beach, Oceano, Nipomo, and unincorporated San Luis Obispo.

Annual Route Ridership

Table 1 presents annual ridership over the last three fiscal years for which data is available for the four SoCo Transit fixed routes. As shown, overall ridership grew by 13.1 percent over this period (23,728 passenger boardings). Most of this growth was on Route 21, which grew by 79.4 percent. This offset a decline of 9.9 percent on Route 24, to result in a 21.5 percent overall increase on the northern route pair. In comparison, the southern route pair (Routes 27 and 28) had relatively small changes in ridership: a 6.5 percent increase in Route 28 ridership and a small (1.5 percent) decrease in Route 27 ridership yielded an overall 3.7 percent increase in the southern loop total ridership.

TABLE 1: SoCo Transit Annual Ridership					
Route	FY 2016-17	FY 2017-18	FY 2018-19	2-Year Change	
				#	%
21	65,242	61,484	62,141	-3,101	-4.8%
24	54,091	61,108	60,927	6,836	12.6%
27	35,740	32,063	34,218	-1,522	-4.3%
28	64,175	65,843	63,242	-933	-1.5%
Total	219,248	220,498	220,528	1,280	0.6%
<u>Subtotal</u>					
North Routes	119,333	122,592	123,068	3,735	3.1%
South Routes	99,915	97,906	97,460	-2,455	-2.5%
<i>Source: SoCo Transit Historical Ridership, Provided by SLORTA, 2020</i>					

Average Weekday Boardings by Stop

Data was obtained from the passenger monitoring system used on SoCo Transit buses, for a full year of service (July 2018 through June 2019). While this provides a good indication of the relative passenger activity by stop and route, data was not collected on some runs due to mechanical problems. The available data was therefore adjusted to equal the total observed passenger boardings, and then factored based on ridership by day of week data to define the average weekday passenger activity at each stop along the four routes. The resulting estimates of passenger activity are included as Appendix A.



TABLE 2: Average Weekday Boarding/Alighting Activity For Selected Stops

	Routes									Total		
	24			27			28					
	16/17	17/18	18/19	16/17	17/18	18/19	16/17	17/18	18/19	16/17	17/18	18/19
Arroyo Grande City Hall	8.3	7.8	10.9	-	-	-	-	-	-	8.3	7.8	10.9
Branch & Vernon	0.4	0.6	0.4	-	-	-	-	-	-	0.4	0.6	0.4
Grand & Branch	5.8	4.4	4.9	3.0	2.3	2.4	1.8	2.4	2.0	10.6	9.1	9.3
Arroyo Grande High School	-	-	-	16.9	17.6	30.2	14.7	18.4	20.6	31.7	36.0	50.9
Fair Oaks & Traffic Way	-	-	-	2.5	3.2	3.0	-	-	-	2.5	3.2	3.0
Oceano Park	-	-	-	8.1	5.5	4.9	9.5	13.0	8.0	17.7	18.5	12.9
Traffic Way & Firefighters Park	-	-	-	-	-	-	3.7	3.7	4.3	3.7	3.7	4.3
Source: Annual Boardings Report FY 2016/17 - FY 2018/19, SLORTA, 2020												

LSC also studied passenger boarding trends within the Arroyo Grande downtown and Oceano Airport area over the past three fiscal years. These stops are only currently served by Routes 24, 27, and 28. Table 2 shows weekday average daily boardings by stop and route. As shown, the lowest daily weekday ridership of the transit stops analyzed, was Branch and Vernon along Route 24 (0.06 passengers per day in FY 2018/19) whereas the highest occurred at Arroyo Grande High School along Route 27 (23.46 passengers per day in FY 2018/19). Along Route 27, Arroyo Grande High School stop has increased average daily weekend ridership by 63 percent over the past three fiscal years. Route 24's stop at the Arroyo Grande City Hall has also increased by about 24.6 percent.

On-Time Performance

The reliability of a transit service is a key factor in the usefulness to the passenger, and thus the ability to attract and retain long term ridership. It is also important in providing a good work environment for the drivers and to encourage safe operations. Table 3 shows the on-time performance results for a typical month of service during the school year (October 2019). As shown, all four SoCo Transit year-round routes meet the current standard of at least 90 percent of all timecheck points being served on-time (with on-time defined as between 1 minute early and 6 minutes late). Overall, Routes 21 and 24 are "best" at 94.0 percent on-time, while Route 28 is "worst" at 91.8 percent on-time.

TABLE 3: SoCo Route On-Time Performance*October, 2019*

Route	Percent of All Timecheck Points		
	Early	On Time ¹	Late
21	1.4%	94.0%	4.7%
24	0.6%	94.0%	5.4%
27	3.0%	92.6%	4.4%
28	0.7%	91.8%	7.5%
Total	1.4%	93.0%	5.7%
Note 1: "On Time" is defined as between 1 minute early and 6 minutes late.			



Chapter III: Route Alternatives

Alternatives for evaluation in this study were defined from the following:

- A review of detailed data analysis presented in the *San Luis Obispo South County Transit Short-Range Transit Plan*, including a review of public input generated by that planning process.
- Discussions and input from SoCo Transit staff and management.
- Further detailed evaluation of ridership activity data, areas served (and not served) by current routes and stops, and operational issues.

The following discusses route alternatives.

ROUTE 27 AND 28 ALONG THE ATLANTIC CITY AVENUE CORRIDOR

The current routes have both the 21/24 route pair and the 27/28 route pair serving the Grand Avenue corridor between Ramona Garden and Oak Park Boulevard. There is a substantial residential area to the north of this area that is not within a convenient (five-minute or quarter-mile) walk of a bus stop. One option would be to shift Routes 27 and 28 to serve this area. Departing Ramona Gardens, Route 27 would turn right on 9th Street and head north, turning right on Atlantic City Avenue, right on 16th Street, left on Saratoga Avenue and left on Oak Park Boulevard (at the four-way stop). Route 28 would leave the current route by turning right (west) from Oak Park Boulevard to Atlantic City Avenue, then left (south) on 9th Street, with lefts on Brighton Avenue, 10th Street and Ramona Avenue to enter the transit center. New stops would be established (in both directions) near the Atlantic City Avenue/9th Street and Atlantic City Avenue/12th Street intersections as well as at Saratoga/Oak Park Boulevard (Route 27) and Atlantic City Avenue/Oak Park (Route 28). These new stops would provide service within a five-minute walk of an area roughly bounded by Newport Avenue on the south, 6th Street on the west, Ocean View Avenue/Ritchie Road on the north and 14th Street on the east. While much of this area is single family homes, north of Atlantic City Avenue there are several multifamily complexes, including Vista Pacific Apartments.

This realignment would eliminate Route 27 service to the stops at Grand/16th Street and Oak Park Boulevard/Grand that serve a total of 9.2 passenger boardings and alightings per day, and shift the 1.7 passengers using the Oak Park/Newport stop one block north to Saratoga. Route 28 service would be eliminated to the Oak Park Boulevard/Ramona Avenue, Oak Park/Long Branch and Grand/16th stops (serving an average of 26.0 boardings and alightings per day) and the Oak Park/Newport stop (with 1.9 passengers per day) shifted to Saratoga. As all the stops eliminated from Route 27/28 service would still be within a short walking distance of stops served by Routes 21/24, some service would still be available (though a transfer might be required for specific trips). In total, 35.2 existing Routes 27/28 daily passenger-trips would be impacted, of which approximately 25 per day would shift to other stops and 10 would choose to stop using the service. Over the course of the year, this would equal a loss of 3,200 passenger-trips.



An analysis of the potential new service area indicates that an additional 540 dwelling units would be served. Considering the overall transit ridership per household in the SoCo Transit fixed-route service area and the relatively high proportion of low-income and zero-vehicle households in the new service area, this shift in service would generate 7,800 new annual passenger-trips. The net impact of this route realignment would result in an increase of 4,600 passenger-trips annually.

Route 27 would be reduced in length by 0.2 miles per run, while Route 28 would remain at the existing length. Actual running time would be reduced by several minutes as the six signals on Route 27 and five signals on Route 28 along Grande Avenue would be avoided, though scheduled time would remain unchanged. As shown in Table 4, annual overall operating cost would be reduced by \$1,300. Between the reduction in cost and a \$4,600 increase in fare revenues, this option would reduce overall subsidy by \$5,900 per year. Overall, this option reduces costs and subsidy needs while increasing ridership and reducing travel times.

TABLE 4: Route 27/28 Revision Alternatives Analysis and Plan											
	Service Quantities				Change in Annual				Performance Measure		
	Per Run		Annual Service		Operating	Passenger	Fare		Psgrs/	Cost per	Subsidy per
	Hours	Miles	Hours	Miles	Cost ²	Trips	Revenue	Subsidy	Veh-Hr	Psgr-Trip	Psgr-Trip
Reroute Routes 27 and 28 to Expand Service to Neighborhood North of Ramona Garden											
27	0	-0.2	0	-725	-\$1,300						
28	0	0	0	0	\$0						
TOTAL			0	-725	-\$1,300	4,600	\$3,700	-\$5,000	--	-\$0.35	-\$1.09
Eliminate Route 27 and Tripper Service to Oceano Park											
27	-0.1	-1.25	-389	-4,856	-\$8,700	100	\$100				
27 Tripper	-0.1	-1.25	-19	-231	-\$400	-130	-\$130				
28 Tripper	-0.1	-1.25	-19	-231	-\$400	-10	-\$10				
TOTAL			-426	-5,319	-\$9,500	-40	-\$40	-\$9,460	0.1	\$237.50	\$236.50
Route 27 Service to Arroyo Grande Village											
27	0.07	0.4	259	1,554	\$2,800	3,100	\$3,100	-\$300	12.0	\$0.90	-\$0.10
New Stops on Routes 27 & 28											
			0	0	\$0	2,400	\$2,400	-\$2,400	--	\$0.00	-\$1.00
Note 1: At a FY 2020/21 marginal cost of \$52.17 per vehicle service-hour plus \$1.79 per vehicle service-mile.											
Note 2: Considering mileage-related costs only, as vehicle-hours of service would not change.											

Changes in Service to Oceano Park Stop

Serving the portion of Oceano southwest of the UPRR tracks requires a long loop extension of Routes 27 and 28 that add 1.25 miles and 6 minutes of travel time to each hourly loop, only to serve a single stop at Oceano Park¹. As ridership generated by this stop is low, it is appropriate to assess whether service should be reduced. As shown in Table 5, serving this stop requires 2.9 vehicle-hours and 36.25 vehicle-miles per day. At the estimated unit costs of \$52.17 per service-hour and \$1.79 per service mile (based on the FY 2019-20 SoCo Transit budget and adjusted for inflation), \$216.18 in costs are incurred each day to serve the stop. The review of ridership by stop indicates that an average of 8.0 passengers are served (boardings

¹ This stop was recently relocated from a location adjacent to the Oceano Airport.



TABLE 5: Analysis of Service to Oceano Park Stop

Route	Service Quantities					Cost per Weekday	Psgr-Trips Per Weekday	Psgr-Trips per Vehicle-Hr	Cost per Psgr-Trip
	Per Run		Runs per Day	Per Weekday					
	Hours	Miles		Hours	Miles				
27	0.1	1.25	15	1.5	18.75	\$111.82	4.9	3.3	\$22.82
28	0.1	1.25	14	1.4	17.5	\$104.36	8.0	5.7	\$13.05
Total				2.9	36.25	\$216.18	12.9	4.4	\$16.76

Note 1: At a FY 2020/21 marginal cost of \$52.17 per vehicle service-hour plus \$1.79 per vehicle service-mile.

plus alightings) per weekday on Route 28, and 4.9 per day on Route 27. 68 percent of the ridership is served by Route 28. The Route 28 service serves 5.7 passenger-trips per vehicle-hour of service at a cost of \$13.05 per passenger-trip, while the figures for Route 27 are 3.3 passenger-trips per vehicle-hour of service and \$22.82 per passenger-trip. In addition to low efficiency of service, the 6 minutes of additional travel time delay the trips of the many more passengers traveling through the area on the two routes.

Given the ridership pattern (lower ridership on Route 27 than on Route 28, consistently over the last three years (per Table 2), one option would be to serve this area only with Route 28, eliminating service on Route 27 (other than the Arroyo Grande High School Tripper run).

Tripper run ridership was reviewed for the 23 school days in October 2019. For Ocean Park, a total of only 3 boardings on Route 27 and 1 alighting on Route 28 were recorded over the entire month. This would indicate that tripper service could also be eliminated without any significant impact on ridership.

If the Oceano Park stop is dropped from Route 27, other modifications would need to be made in the vicinity. Simply dropping the Route 27 section north of Belridge Street would change the existing right turn movement onto SR 1 to a left turn movement, which is probably not a movement that can be accomplished in peak traffic periods without substantial delay. The simple modification would be to operate the Belridge Street / 13th Street / Highway 1 triangle in a clockwise direction rather than counterclockwise, to provide for right turn movements on to and off Highway 1. However, the movement from southbound 13th Street to northbound Highway 1 is an acute angle with a tight curb return radius that would not allow a bus to make this movement without encroaching into oncoming traffic lanes. Instead, the route should turn south from Wilmar Avenue onto 15th Street, right on Paso Robles Street, right on Highway 1, right on Belridge Street and then left onto northbound 13th Street. This will require establishing new stops in the vicinity of Wilmar Street/15th Street, Paso Robles Street/Highway 1 and Belridge Street/13th Street. The resulting route is 1.25 miles shorter than the current route.

Some of the existing Route 27 ridership at this stop would shift to Route 28. For those persons traveling to/from locations on the opposite side of the loop (such as Walmart), travel time would be roughly comparable though the number of departures per hour would be cut in half. On the other hand, some



passengers use Route 27 in one direction and Route 28 in the other direction², indicating that loss of Route 27 ridership would also result in some loss in Route 28 ridership. Overall, a loss of approximately 1,300 existing total passenger-trips is estimated. However, the existing passengers on the buses traveling through this stop would benefit from a shorter travel time. Passenger count data indicates that 21 percent of Route 27 ridership is traveling past (not getting on or off at) the Oceano Park, and therefore are experiencing a trip that is 6 minutes longer than if the route did not include this stop. Over the course of a year, this results in 7,200 passenger-trips that are longer than they need to be. Reflecting that a quicker trip would attract more ridership to the service making through trips, an elasticity analysis indicates that providing a quicker transit trip would increase ridership by an estimated 1,370 passenger-trips per year, or roughly equal to the loss of existing ridership. Overall, therefore, there would be no significant impact on total ridership.

As an aside, elimination of both Route 27 and Route 28 service to Oceano Park was not considered, as it would eliminate all fixed route service to the area.

Improving Transit Service in Arroyo Grande Village

The historic downtown area of Arroyo Grande, known as Arroyo Grande Village, focuses on the area along East Grand Avenue between US 101 on the west and Crown Hill Street on the east. It includes a busy selection of small shops and restaurants as well as the Arroyo Grande City Hall, with Paulding Middle School a few blocks to the east.

At present, Route 24 is the only transit route that directly serves eastern Arroyo Grande Village. As shown in Table 2, the Arroyo Grande City Hall stop currently serves about 11 passengers per day. This section of the route takes approximately four minutes to complete every hour. This route is the counterclockwise direction of the northern loop. The Arroyo Grande City Hall stop is served hourly from 6:40 AM to 6:40 PM on weekdays, 7:40 AM to 6:40 PM on Saturdays and 7:40 AM to 5:40 PM on Sundays. This existing service plan provides a convenient direct trip to Walmart (6 minutes travel time) and to Premium Outlets (15 minutes travel time) where connections are available to RTA Route 10 and onward to San Luis Obispo or Santa Maria. However, this existing service has the following limitations:

- Service from Premium Outlets to City Hall require a 45 minute travel time while a trip from Walmart requires 54 minutes. This is for a trip that is only 1.5 miles in length.
- Route 24 does not serve any of the substantial area of Arroyo Grande south of Grand Avenue. As a result, approximately 2,600 Arroyo Grande residents (15 percent of the total citywide population) can only access City Hall by either walking 0.3 miles from the nearest Route 27/28 stop (at E. Grand Avenue/W. Branch Street) or by using Route 27 or 28 to transfer to/from Route 24 at Ramona Garden. A stop on Route 27 or Route 28 at City Hall would allow these 2,600 residents a direct bus trip to City Hall (and the remainder of the eastern portion of Arroyo Grande Village).

² Available onboard survey responses for passengers using this stop are not sufficient to clearly identify ridership patterns.



- A trip from San Luis Obispo to Arroyo Grande City Hall currently either requires a 0.6 mile long walk from the Route 10 southbound stop at Grand Avenue / El Camino Real or a transfer from Route 10 to Route 24 at Premium Outlets and a 45-minute ride to City Hall.
- The Pauling Middle School enrollment area includes all of Arroyo Grande and Oceano east of 22nd Street south of The Pike and extending westward to 13th Street north of The Pike. The existing Route 24 stop at City Hall is approximately 1,900 feet from the Middle School (a 7 minute walk), while the nearest Route 27/28 stop is 3,700 feet (a 14 minute walk). As a result, students in the large area not within convenient walk distance of the Route 24 stops along Grand Avenue are faced by a long walk to/from the public bus stop.

One straightforward way to improve service to Arroyo Grande Village would be to extend Route 27 eastward on E. Branch Street, serve a stop near City Hall, and turn right on S. Mason Street and Nelson Street followed by a left turn onto the existing route at Traffic Way. This stop would be served at 49 minutes past the hour. A new stop would also be served on Nelson Street north of Bridge Street.

This realignment would provide:

- Direct service between City Hall and southern Arroyo Grande and Oceano;
- Transit options for Paulding Middle School students living in southern Arroyo Grande and Oceano, particularly for an afternoon trip home after extracurricular activities;
- A short 7 minute trip from Walmart; and
- Service to an additional 120 dwelling units within a 5 minute walk of the Route 27/28 loop.

However, it will not provide for a more convenient trip from San Luis Obispo to Arroyo Grande City Hall, as the southbound Route 10 stops on Grand Avenue at 5 minutes past the hour compared to 47 minutes past the hour on Route 27.

Several other options were considered to improve transit service to the Arroyo Grande Village area:

- Another Route 27 route option to serve the same area would be to make the right turn from E. Branch Street onto Traffic Way, and then operate a counterclockwise loop around Nelson Street, Mason Street, E. Branch Street and back on Traffic Way. This would add 0.4 miles to the total route length but would avoid the need to establish new stops. This should be considered if providing new stops proves to be infeasible.
- A route option that would extend Route 27 south on Mason Street to Allen Street, and then west on Allen Street, north on Traffic Way and west on Fair Oaks Avenue was also considered. This would allow a stop to be served near the Mason/Allen intersection, which would provide transit service within a five-minute walk for approximately 150 additional homes. However, it would require a difficult maneuver from westbound Allen street to westbound Fair Oaks Avenue, jogging across 2



northbound lanes of Traffic Way in a 120-foot distance. For this reason, this option was not considered further.

- An option of extending Route 28 to Arroyo Grande City Hall was also considered (either with or without extension of Route 27). However, there is not sufficient available running time within Route 28's hourly schedule to add the four minutes for this service without cutting service elsewhere (such as Oceano Park) or degrading on-time performance. This option was also not considered further.

In summary, the relatively simple extension of Route 27 east along Branch Street to Nelson Street is the most appropriate means of improving service to the Arroyo Grande Village area.

Route 27 Service Along Farroll Road and Oak Park Avenue

Elimination of Route 27 service to Oceano Park would provide additional time within the hourly schedule to add service area elsewhere along the route. One option would be to provide service along Farroll Road and Oak Park Avenue. At present, there is a substantial area of residential development within the Route 27/28 loop that is not well served (more than a quarter-mile walk) from the existing routes. The area is roughly bounded by Ash Street on the north, Bakeman Lane on the east, The Pike on the south and 16th Street on the west. This area encompasses an estimated 433 single family homes, along with the Fairgrove Elementary School campus.

This area was previously served by the South County Area Transit (SCAT) Route 23. Service was provided hourly to stops at Oak Park/The Pike and at Oak Park/Farroll. Counts conducted in 2010 as part of the 2010 South County SRTP indicated only 4 passenger boardings or alightings at these two stops over the course of a weekday (or approximately). Over the last 10 years, there has been some development in the area (along the north side of Farroll Road east of 16th Street) which could increase transit demand slightly. However, potential ridership in this new service area would probably remain low (on the order of 1,200 per year). This option was therefore not considered further.

Relocate and Provide Additional Bus Stops

As part of this analysis, the existing bus stop spacing was reviewed for Routes 27 and 28. Providing appropriate bus stop spacing is important in the effectiveness of a fixed route transit program. On one hand, too few stops can result in long passenger walk distances that discourage ridership. On the other hand, too many stops can slow transit operations, which both increases operating costs and reduces the quality of service by generating long travel times.

Neither SoCo Transit nor the RTA have adopted standards regarding bus stop spacing. A good guideline is provided by the Transit Cooperative Research Program (TCRP) Report 19: *Guidelines for the Location and Design of Bus Stops*. For suburban areas (appropriate for the Five Cities service area), this document identifies a general range of spacing of 650 to 2,640 feet, with a typical spacing of 1,250 feet (roughly every quarter-mile). This report also stresses that stops should be located with consideration to key passenger activity generators, the presence of cross-streets and the availability of safe pedestrian access.



Existing transit stop spacing was assessed for Routes 27 and 28 using this general guideline, as well as the following other factors:

- Adjacent land uses;
- Presence of cross-streets and sidewalks to provide pedestrian access to new areas;
- The need to create bus pullouts. As a general rule, transit systems find it acceptable to stop in a travel lane (blocking following traffic) for low-passenger-activity stops on low-traffic-activity roadways, so long as the traffic volume does not exceed 4,000 vehicles per lane per day (8,000 total 2-way vehicles per day on a 2-lane roadway and 16,000 on a 4-lane roadway); and
- The observed relative passenger activity of the various neighborhoods.

This analysis focused on the southern and western portions of Routes 27 and 28, as other areas are either addressed in other alternatives (north of Ramona Garden, Arroyo Grande Village) or are very constrained by existing roadways (the route segments along US 101). Table 6 presents this analysis, and the resulting recommended changes. In sum, the following changes are recommended:

- Reroute both routes from S. Elm Street between Highway 1 and Paso Robles Street to 25th Street and establish new stops on each route around the 25th Street / Paso Robles Street intersection. This rerouting addresses the difficulty of providing stops directly on S. Elm Street, due to the narrow pavement width and rural nature of the street. The existing stop on S. Elm Street at Paul Place on Route 27 (which only serves 1 passenger-trip per day) would be eliminated;
- New stops on both routes along Highway 1 near 23rd Street;
- New stops in both directions along Fair Oaks Avenue near Walnut Street;
- New stops in both directions along 19th Street near Paso Robles Street; and
- The route realignment north of Ramona Garden, as discussed above, will result in new stops along Atlantic City Avenue and the elimination of existing stops along Oak Park Boulevard between Grand Avenue and Saratoga Avenue.

As a whole, these new stops will increase the number of homes within a 5 minute (quarter mile) walk of a SoCo Transit bus stop by 175. Considering the average transit ridership generation of Oceano homes, this will result in an increase of approximately 2,400 additional transit boardings per year (9 per average weekday). This modest increase in passenger activity indicates that the impact on route travel times will be small.

Address Driver Sight Distance at Highway 1 / 19th Street

SoCo Transit drivers and staff have long had a concern regarding the adequacy of driver sight distance for Route 28 transit drivers making the southbound left turn movement from 19th Street onto California State



TABLE 6: SoCo Transit Cost Allocation Model

FY 2017-18

Line Item	Total	Total Vehicle Service Hours	Total Vehicle Service Miles	Fixed
<u>Administrative Expenditures</u>				
Insurance	\$159,770	-	-	\$159,770
Rent	\$32,555	-	-	\$32,555
Utilities	\$8,684	-	-	\$8,684
Radio Expense	\$1,133	-	-	\$1,133
Legal Services	\$3,875	-	-	\$3,875
Payroll Processing	\$876	-	-	\$876
Administration - Staff Time	\$77,600	-	-	\$77,600
Finance - Staff Time	\$13,700	-	-	\$13,700
Marketing - Staff Time	\$5,290	-	-	\$5,290
Office Expense/Miscellaneous	\$7,207	-	-	\$7,207
Audit	\$3,105	-	-	\$3,105
Marketing /Community Relations/Printing	\$13,902	-	-	\$13,902
Uniforms/Laundry/Physcials	\$4,936	-	-	\$4,936
<u>Operating Expenditures</u>				
Salaries/Benefits	\$616,662	\$616,662	-	-
Maintenance	\$182,755	-	\$182,755	-
Dispatch - Staff Time	\$22,680	\$22,680	-	-
SCT Bus Fuel	\$166,972	-	\$166,972	-
Contingency	\$750	-	-	\$750
<u>Total Operating Expenditures</u>	\$1,322,452	\$639,342	\$349,727	\$333,383
Unit Quantities		14,493	231,808	-
Cost Per Unit		\$44.11	\$1.51	\$333,383
Source: FY 2017-2018 & FY 2018-2019 South County Transit Budget, Dated March 24, 2017 and April 25, 2018				

Highway 1 in Oceano. This intersection is controlled by a stop sign on the 19th Street approach only. To the west, Highway 1 curves back to the north, limiting the sight distance of southbound drivers looking for adequate gaps in traffic coming from the west. A chain link fence is also present that can sometimes have signs or vegetation growing along it that limits sight distance. As there is a center two-way left turn lane on Highway 1 east of this intersection, there is the opportunity to make a two-stage left turn movement onto the highway.

LSC conducted a review of the statewide *Transportation Injury Mapping System* for this section of Highway for the ten-year period from 2010 through 2019. Over this period, there were no reported accidents resulting in injury or fatality associated with the southbound left-turn movement. While there was one injury crash associated with a single westbound vehicle running off the road and hitting an object, this was



not related to the turn movement in question. It can be concluded from this review that there is no undue safety hazard associated with this movement. So long as the RTA can work with San Luis Obispo County staff to ensure that signs or vegetation do not reduce driver sight distance, there is no need to relocate the route to avoid this movement.



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Chapter IV: Recommended Plan

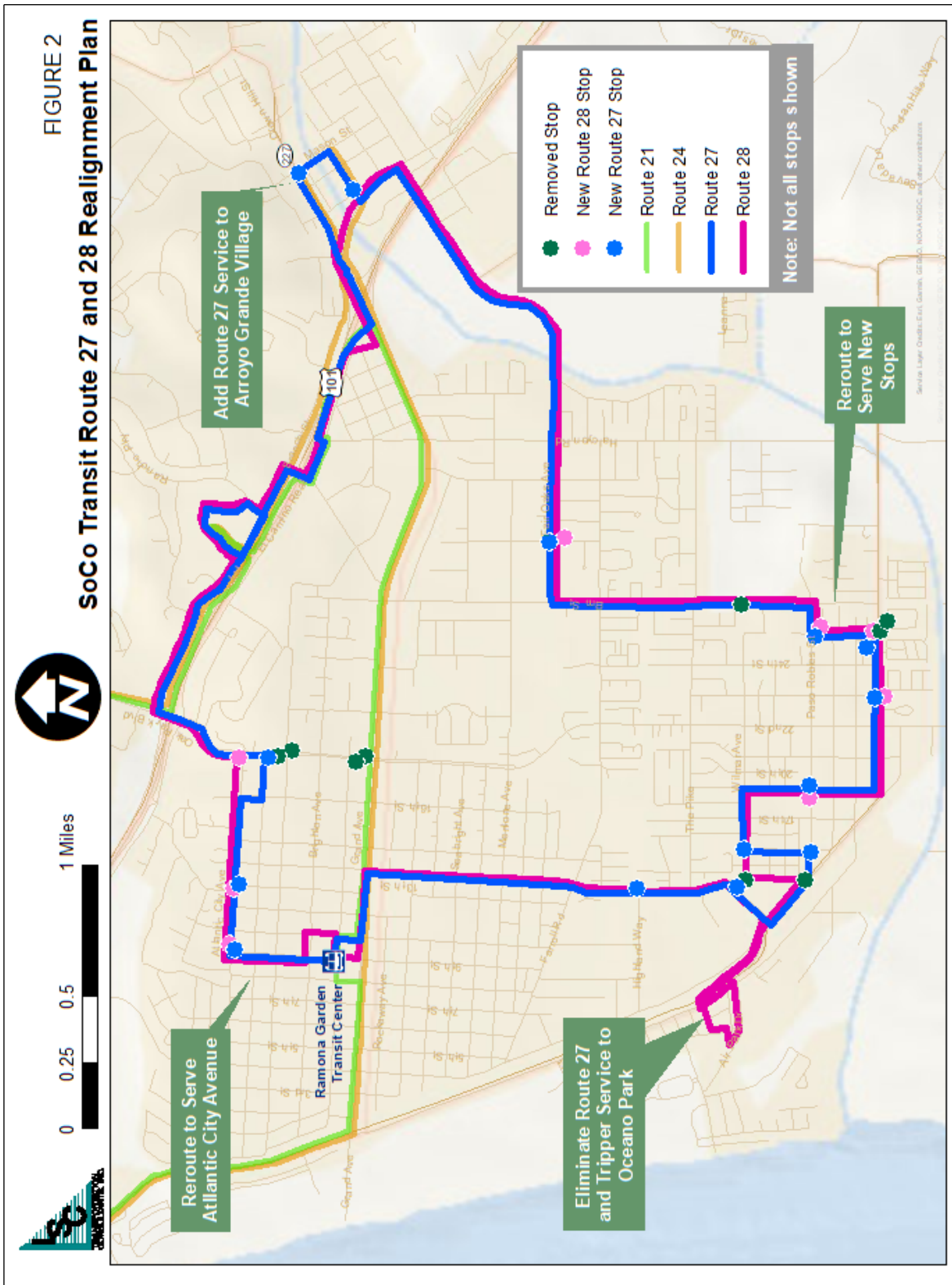
Based on the analysis presented in previous chapters, the following plan is recommended to expand ridership and improve the effectiveness of SoCo Transit Routes 27 and 28. The reader is encouraged to review the previous discussion for additional detail regarding the individual plan elements. Figure 2 presents a graphical summary of the following plan elements:

- **Revise Routes 27 and 28 to Serve the Atlantic City Corridor** -- This will reduce the overlap between these routes and Routes 21 and 24 and provide some travel time savings by avoiding the traffic signals on Grand Avenue.
- **Drop Route 27 Service to Oceano Park** – This change will provide additional route running time to be used elsewhere and benefit the remaining riders by reducing their travel time by six minutes. As 68 percent of passenger activity at Oceano Park is on the remaining Route 28, there would be little overall impact on total ridership. The tripper buses should also cease serving Oceano Park, as records indicate they only serve four passengers per month.
- **Provide Route 27 Service to Arroyo Grande Village** – This element will provide direct service between the southern portions of Arroyo Grande and Oceano and the Arroyo Grande City Hall area and increase transit access for Paulding Middle School students as well as other nearby residents.
- **Establish Additional Stops** – New transit stops should be established to reduce walk distances for transit passengers and, in turn, encourage additional ridership.

While Route 27 travel time will be added by the extension of service to Arroyo Grande Village and to a small degree by the additional stops, more time will be saved through elimination of service to Oceano Park and by the realignment to Atlantic City Boulevard. This will help maintain on-time performance to adopted standards. On Route 28, the additional time needed to serve the additional stops will be offset by the reduction in travel time generated by the Atlantic City Boulevard realignment.

In total, this plan will provide new transit access within a five-minute walk of 835 additional residences in Arroyo Grande and Oceano, without any change in the required number of buses in operation. As shown in Table 7, overall, this plan reduces annual operating costs by \$8,000 per year, while increasing passenger ridership on Routes 27 and 28 by an estimated 10,060 annually (a 10.3 percent increase). With the additional \$9,160 in fare revenues, the annual operating subsidy will be reduced by \$17,160.





Appendix A: SoCo Transit Passenger Activity by Stop



SoCo Route 21 Passenger Activity by Stop

July 2018 - June 2019

Stop	Observed Total		Estimated Total		Average Weekday Stop Activity		% of Total		% of Total	
	Boardings	Alightings	Boardings	Alightings	Boarding	Alighting	Route Activity	Total	Route Activity	SoCo Fixed Route Activity
Ramona Garden Park	12,169	8,172	12,980	8,683	38.8	25.9	64.7	17.4%	5.1%	
6th & Grand	1,822	430	1,943	457	5.8	1.4	7.2	1.9%	0.6%	
Grand & 2nd	1,601	649	1,708	690	5.1	2.1	7.2	1.9%	0.6%	
Highway 1 & Le Sage	146	129	156	137	0.5	0.4	0.9	0.2%	0.1%	
Dolliver & Frady	310	1,021	331	1,085	1.0	3.2	4.2	1.1%	0.3%	
Dolliver & Pomeroy	1,407	5,493	1,501	5,837	4.5	17.4	21.9	5.9%	1.7%	
Dolliver & San Luis	703	979	750	1,040	2.2	3.1	5.3	1.4%	0.4%	
Mattie & Foothill	29	29	31	31	0.1	0.1	0.2	0.0%	0.0%	
Pismo Beach City Hall	193	190	206	202	0.6	0.6	1.2	0.3%	0.1%	
Mattie & Valencia	80	91	85	97	0.3	0.3	0.5	0.1%	0.0%	
Shell Beach & Seaciff	1,612	1,731	1,719	1,839	5.1	5.5	10.6	2.9%	0.8%	
Shell Beach & Terrace	314	486	335	516	1.0	1.5	2.5	0.7%	0.2%	
Shell Beach & Cuyama	500	546	533	580	1.6	1.7	3.3	0.9%	0.3%	
Shell Beach & Pier	968	490	1,033	521	3.1	1.6	4.6	1.2%	0.4%	
Lighthouse Inn North	461	1,538	492	1,634	1.5	4.9	6.4	1.7%	0.5%	
Price & Harbor View	305	307	325	326	1.0	1.0	1.9	0.5%	0.2%	
Price & Stimson	911	574	972	610	2.9	1.8	4.7	1.3%	0.4%	
Pismo Beach Premium Outlets	20,400	19,306	21,759	20,514	65.0	61.3	126.3	34.0%	10.0%	
James Way & 4th	242	405	258	430	0.8	1.3	2.1	0.6%	0.2%	
James Way & Ridge	40	150	43	159	0.1	0.5	0.6	0.2%	0.0%	
James Way & Oak Park	1,337	1,347	1,426	1,431	4.3	4.3	8.5	2.3%	0.7%	
Walmart Shopping Center	4,335	5,355	4,624	5,690	13.8	17.0	30.8	8.3%	2.4%	
Grand @ AM PM	1,589	740	1,695	786	5.1	2.3	7.4	2.0%	0.6%	
Grand & Halcyon	1,207	852	1,287	905	3.8	2.7	6.6	1.8%	0.5%	
Grand & Alder	708	558	755	593	2.3	1.8	4.0	1.1%	0.3%	
Grand & Elm	1,908	2,284	2,035	2,427	6.1	7.3	13.3	3.6%	1.1%	
Grand & 16th	2,391	3,483	2,550	3,701	7.6	11.1	18.7	5.0%	1.5%	
Grand & 13th	571	1,147	609	1,219	1.8	3.6	5.5	1.5%	0.4%	
Grand Total	58,259	58,482	62,141	62,141	185.6	185.6	371.3	100.0%	29.4%	

SoCo Route 24 Passenger Activity by Stop

July 2018 - June 2019

Stop	Observed Total		Estimated Total		Average Weekday Stop Activity		% of Total Route Activity	
	Boardings	Alightings	Boardings	Alightings	Boarding	Alighting		
Ramona Garden Park	8,328	10,155	9,397	11,266	28.3	34.0	62.3	17.0%
Grand & 13th	1,149	579	1,297	642	3.9	1.9	5.8	1.6%
Grand & 16th	2,835	1,956	3,199	2,170	9.6	6.5	16.2	4.4%
Grand & Oak Park	2,335	1,493	2,635	1,656	7.9	5.0	12.9	3.5%
Grand & Elm	1,378	1,218	1,555	1,351	4.7	4.1	8.8	2.4%
Grand & Alder	1,372	1,272	1,548	1,411	4.7	4.3	8.9	2.4%
Grand & Branch	369	1,096	416	1,216	1.3	3.7	4.9	1.3%
Arroyo Grande City Hall	1,426	1,803	1,609	2,000	4.8	6.0	10.9	3.0%
Branch & Vernon	20	108	23	120	0.1	0.4	0.4	0.1%
South County Library	930	914	1,049	1,014	3.2	3.1	6.2	1.7%
Walmart Shopping Center	4,502	5,142	5,080	5,705	15.3	17.2	32.5	8.9%
Carl's Junior	553	831	624	922	1.9	2.8	4.7	1.3%
James Way & Oak Park	918	1,439	1,036	1,596	3.1	4.8	7.9	2.2%
James Way & Ventana	20	71	23	79	0.1	0.2	0.3	0.1%
James Way & Ridge	57	74	64	82	0.2	0.2	0.4	0.1%
James Way & 4th	99	569	112	631	0.3	1.9	2.2	0.6%
Pismo Beach Premium Outlets	18,484	17,969	20,857	19,935	62.9	60.1	122.9	33.5%
James Way & Highland	84	113	95	125	0.3	0.4	0.7	0.2%
Price & Hinds	175	758	197	841	0.6	2.5	3.1	0.9%
Price & Wadsworth	630	1,004	711	1,114	2.1	3.4	5.5	1.5%
Dolliver & Bay	348	359	393	398	1.2	1.2	2.4	0.6%
Dolliver & Hinds	4,063	1,574	4,585	1,746	13.8	5.3	19.1	5.2%
Pismo Coast Village	1,091	364	1,231	404	3.7	1.2	4.9	1.3%
Dolliver @ Butterfly Tree	632	427	713	474	2.1	1.4	3.6	1.0%
Highway 1 & Le Sage	123	326	139	362	0.4	1.1	1.5	0.4%
Grand & 3rd	841	1,270	949	1,409	2.9	4.2	7.1	1.9%
Grand & 7th	1,232	2,034	1,390	2,257	4.2	6.8	11.0	3.0%
Grand Total	53,994	54,918	60,927	60,927	183.6	183.6	367.2	100.0%

SoCo Route 27 Passenger Activity by Stop

July 2018 - June 2019

Stop	Observed Total Activity		Estimated Total Activity		Average Weekday Stop Activity		% of Total Route Activity
	Boardings	Alightings	Boardings	Alightings	Boarding	Alighting	
Ramona Garden Park	10,979	13,600	13,153	16,333	50.8	63.1	113.8
Grand & 16th	811	224	972	269	3.8	1.0	4.8
Oak Park & Grand	570	390	683	468	2.6	1.8	4.4
Oak Park & Newport	207	160	248	192	1.0	0.7	1.7
Walmart Shopping Center	3,054	2,310	3,659	2,774	14.1	10.7	24.8
Grand & Branch	373	142	447	171	1.7	0.7	2.4
Fair Oaks & Traffic Way	313	340	375	408	1.4	1.6	3.0
Arroyo Grande High School	6,076	460	7,279	552	28.1	2.1	30.2
Fair Oaks & Halcyon	338	348	405	418	1.6	1.6	3.2
Elm & Fair Oaks	455	1,313	545	1,577	2.1	6.1	8.2
Elm & The Pike	214	737	256	885	1.0	3.4	4.4
Elm & Paul	84	133	101	160	0.4	0.6	1.0
Highway 1 & 25th	445	528	533	634	2.1	2.4	4.5
Highway 1 & 21st	1,193	2,171	1,429	2,607	5.5	10.1	15.6
19th & Wilmar	317	600	380	721	1.5	2.8	4.2
Wilmar & 13th	290	703	347	844	1.3	3.3	4.6
Oceano Park	518	542	621	651	2.4	2.5	4.9
13th & Highway 1	767	259	919	311	3.5	1.2	4.7
13th & Wilmar	229	46	274	55	1.1	0.2	1.3
13th & Farroll	467	724	559	869	2.2	3.4	5.5
13th & Trouville	196	448	235	538	0.9	2.1	3.0
Grand & 13th	667	2,315	799	2,780	3.1	10.7	13.8
Grand Total	28,563	28,493	34,218	34,218	132.1	132.1	264.2
							100.0%

SoCo Route 28 Passenger Activity by Stop

July 2018 - June 2019

Stop	Observed Total		Estimated Total		Average Weekday Stop Activity		% of Total Route Activity	
	Activity		Activity		Boarding	Alighting		
	Boardings	Alightings	Boardings	Alightings				Total
Ramona Garden Park	22,135	18,564	24,641	20,563	71.7	59.9	131.6	35.7%
Grand & 13th	2,027	691	2,256	765	6.6	2.2	8.8	2.4%
13th & Long Branch	697	131	776	145	2.3	0.4	2.7	0.7%
13th & Mentone	1,530	1,165	1,703	1,290	5.0	3.8	8.7	2.4%
13th & Messina	598	680	666	753	1.9	2.2	4.1	1.1%
13th & Belridge	655	1,511	729	1,674	2.1	4.9	7.0	1.9%
Oceano Park	1,309	1,163	1,457	1,288	4.2	3.8	8.0	2.2%
13th & Highway 1	1,536	1,330	1,710	1,473	5.0	4.3	9.3	2.5%
Wilmar & 19th	3,517	2,882	3,915	3,192	11.4	9.3	20.7	5.6%
Highway 1 & 21st	3,528	2,694	3,927	2,984	11.4	8.7	20.1	5.5%
Highway 1 & 25th St	1,388	1,040	1,545	1,152	4.5	3.4	7.9	2.1%
Elm & The Pike	1,032	428	1,149	474	3.3	1.4	4.7	1.3%
Elm & Fair Oaks	2,781	1,798	3,096	1,992	9.0	5.8	14.8	4.0%
Arroyo Grande Hospital	789	1,030	878	1,141	2.6	3.3	5.9	1.6%
Arroyo Grande High School	921	5,472	1,025	6,061	3.0	17.6	20.6	5.6%
Traffic & Firefighters Park	579	751	645	832	1.9	2.4	4.3	1.2%
Grand & Branch	339	267	377	296	1.1	0.9	2.0	0.5%
Grand @ AM PM	1,705	1,646	1,898	1,823	5.5	5.3	10.8	2.9%
Halcyon Park & Ride	920	1,108	1,024	1,227	3.0	3.6	6.6	1.8%
Walmart Shopping Center	5,068	5,907	5,642	6,543	16.4	19.1	35.5	9.6%
Carl's Junior	872	1,069	971	1,184	2.8	3.4	6.3	1.7%
Oak Park & Newport	60	540	67	598	0.2	1.7	1.9	0.5%
Oak Park & Ramona	511	2,188	569	2,424	1.7	7.1	8.7	2.4%
Oak Park & Long Branch	1,177	1,582	1,310	1,752	3.8	5.1	8.9	2.4%
Grand & 16th	1,136	1,458	1,265	1,615	3.7	4.7	8.4	2.3%
Grand Total	56,810	57,095	63,242	63,242	184.1	184.1	368.3	100.0%

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**SOUTH COUNTY TRANSIT
OCTOBER 21, 2019
STAFF REPORT**

AGENDA ITEM: C-5

TOPIC: FY19-20 Fiscal & Compliance Audit and Annual Single Audit

ACTION: Review and Accept the FY19-20 Audit Report and Single Audit

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

STAFF RECOMMENDATION: Accept the FY19-20 Annual Fiscal and Compliance Audit and Single Audit

BACKGROUND/DISCUSSION:

The Transportation Development Act (TDA) requires an annual fiscal and compliance audit of each TDA recipient. The attached audit report was completed for SoCo Transit by Brown Armstrong Accountancy Corporation.

Of particular interest to SoCo Transit Board members is the Independent Auditor's Report at the beginning of the document, which provides summary findings of the audit team. In short, the auditors found our financial statements to fairly present the financial position of SoCo Transit, and that we expressed our financial position and cash flows in accordance with generally accepted accounting principles. In addition, the auditor found no deficiencies in internal control or compliance with federal programs that might be considered material weaknesses or significant deficiencies.

Staff Recommendation

Staff recommends that the Board review and accept the Fiscal Year 2019-20 Annual Fiscal and Compliance Audit report, as well as the Fiscal Year 2019-20 Single Audit.

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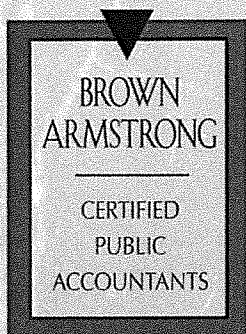
**SOUTH COUNTY TRANSIT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

SOUTH COUNTY TRANSIT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019

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FINANCIAL SECTION



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
South County Transit
San Luis Obispo, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the South County Transit (the Agency) as of and for the fiscal year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents. The financial statements as of June 30, 2019, were audited by other auditors, whose report dated March 4, 2020, expressed an unmodified opinion on these statements. We have included these balances for comparison purposes only.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

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

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The Schedule of Expenses - Budget and Actual on page 16, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenses - Budget and Actual is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 12, 2020

**SOUTH COUNTY TRANSIT
STATEMENT OF NET POSITION
JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and investments	\$ 949,571	\$ 952,952
Accounts receivable	16,862	20,312
Grants receivable	651,495	40,588
Prepaid items	3,198	4,002
Deposits	2,000	2,000
Total Current Assets	<u>1,623,126</u>	<u>1,019,854</u>
Capital Assets:		
Depreciable		
Buildings and improvements	152,006	152,006
Equipment and vehicles	2,347,183	2,650,914
Less accumulated depreciation	<u>(1,658,431)</u>	<u>(1,785,890)</u>
Total Net Capital Assets	<u>840,758</u>	<u>1,017,030</u>
Total Assets	<u>2,463,884</u>	<u>2,036,884</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	39,950	323,332
Accrued payroll	21,200	29,891
Unearned revenue	<u>230,860</u>	<u>157,840</u>
Total Current Liabilities	<u>292,010</u>	<u>511,063</u>
Noncurrent liabilities:		
Compensated absences	<u>2,878</u>	<u>7,178</u>
Total Noncurrent Liabilities	<u>2,878</u>	<u>7,178</u>
Total Liabilities	<u>294,888</u>	<u>518,241</u>
NET POSITION		
Net investment in capital assets	840,758	1,017,030
Unrestricted	<u>1,328,238</u>	<u>501,613</u>
Total Net Position	<u>\$ 2,168,996</u>	<u>\$ 1,518,643</u>

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

**SOUTH COUNTY TRANSIT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Passenger fares	\$ 103,139	\$ 153,140
Advertising and other income	<u>1,547</u>	<u>8,400</u>
Total Operating Revenues	<u>104,686</u>	<u>161,540</u>
OPERATING EXPENSES:		
Salaries and benefits	715,951	619,594
Maintenance and operation	624,799	665,929
Administration and financial services	102,320	95,430
Depreciation	<u>176,272</u>	<u>183,933</u>
Total Operating Expenses	<u>1,619,342</u>	<u>1,564,886</u>
Operating Income (Loss)	<u>(1,514,656)</u>	<u>(1,403,346)</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest income	16,596	14,402
Transportation Development Act funds	701,649	643,530
Low Carbon Transit Operations Program	304,571	221,919
Fees and reimbursements from other governmental agencies	45,953	54,895
Federal grants	1,107,859	507,150
Settlement payments	<u>(47,177)</u>	<u>(50,735)</u>
Total Non-Operating Revenues (Expenses)	<u>2,129,451</u>	<u>1,391,161</u>
CAPITAL CONTRIBUTIONS:		
Federal capital grants	35,558	40,588
State capital grants	<u>-</u>	<u>-</u>
Total Capital Contributions	<u>35,558</u>	<u>40,588</u>
Change in Net Position	650,353	28,403
Net Position, Beginning of Fiscal Year	<u>1,518,643</u>	<u>1,490,240</u>
Net Position, End of Fiscal Year	<u><u>\$ 2,168,996</u></u>	<u><u>\$ 1,518,643</u></u>

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

**SOUTH COUNTY TRANSIT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 108,136	\$ 122,059
Payments to employees	(728,942)	(619,594)
Payments to suppliers	<u>(1,009,697)</u>	<u>(687,023)</u>
Net Cash Used by Operating Activities	<u>(1,630,503)</u>	<u>(1,184,558)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants received	<u>35,558</u>	<u>190,588</u>
Net Cash Provided by Capital and Related Financing Activities	<u>35,558</u>	<u>190,588</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating subsidies	1,576,192	865,449
Fees, grants, and reimbursements received	45,953	562,045
Settlement payments	<u>(47,177)</u>	<u>(50,735)</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,574,968</u>	<u>1,376,759</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>16,596</u>	<u>14,402</u>
Net Cash Provided by Investing Activities	<u>16,596</u>	<u>14,402</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(3,381)	397,191
Cash and Cash Equivalents, Beginning of Fiscal Year	<u>952,952</u>	<u>555,761</u>
Cash and Cash Equivalents, End of Fiscal Year	<u><u>\$ 949,571</u></u>	<u><u>\$ 952,952</u></u>

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

**SOUTH COUNTY TRANSIT
STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (1,514,656)	\$ (1,403,346)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	176,272	183,933
Change in operating assets and liabilities:		
Accounts receivable	3,450	(37,411)
Prepaid items	804	1,301
Accounts payable	(283,382)	59,835
Accrued payroll	(8,691)	9,932
Compensated absences	(4,300)	3,268
Unearned revenue	<u>-</u>	<u>(2,070)</u>
Net Cash Used by Operating Activities	<u><u>\$ (1,630,503)</u></u>	<u><u>\$ (1,184,558)</u></u>

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

**SOUTH COUNTY TRANSIT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE TOTALS FOR 2019**

NOTE 1 – REPORTING ENTITY

South County Transit (the Agency) is a Joint Powers Agency created by a joint powers agreement among the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the County of San Luis Obispo (the County). The Agency's accounting and financial management affairs are maintained by San Luis Obispo Regional Transit Authority (SLORTA), as an agent of the Agency.

The purpose of the Agency is to operate a fixed route transit system within the southern part of San Luis Obispo County with services to the participating member communities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Agency are in conformity with accounting principles generally accepted in the United States of America applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the significant accounting policies:

- A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Agency distinguishes operating revenues and expenses result from nonoperating items. Operating revenues and expenses generally result from providing transportation services. The principal operating revenues of the Agency are charges to passengers for transportation services (passenger fares). Operating expenses include the cost of providing service, including general and administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

- B. Fund Financial Statements – Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises —where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Agency reported its enterprise fund as a major fund in the accompanying basic financial statements.

- C. Revenue Recognition – The Agency's primary source of revenues include passenger fares, State Transit Assistance (STA) funds, and Local Transportation Fund/Transportation Development Act (TDA) allocations made to the participating members, but assigned by the members to this Agency for its sole use. The San Luis Obispo Council of Governments administers the STA and TDA funds, approves claims for such funds submitted by this Agency, and makes payments to the Agency based upon such claims.

Generally, amounts due from other governments are recorded as revenues when earned. However, when the expenditure of funds is the prime factor for determining eligibility for grants, revenue is accrued when the related expenditures have been made on an approved grant. The Agency recognizes as revenues the amounts allocated and approved to it by San Luis Obispo Council of Governments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- D. Cash and Investments – For purposes of the statement of cash flows, cash and investments include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.
- E. Accounts Receivables – The Agency did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable are shown at full value.
- F. Capital Assets – Capital assets purchased by the Agency are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired. Capital assets are defined by the Agency as assets with initial, individual costs of more than \$1,000 and estimated useful life in excess of two years.
- G. Depreciation – Capital assets purchased by the Agency are depreciated over their estimated useful lives (ranging from 3-15 years) under the straight-line method of depreciation.
- H. Compensated Absences – Accumulated unpaid employee vacation and sick leave benefits are recognized as liabilities of the Agency.
- I. Net Position – In the Statement of Net Position, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation/amortization and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

- J. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.
- K. Comparative Data/Totals Only - Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the Agency's financial position, operations, and cash flows. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.
- L. New Accounting Pronouncements – Implemented

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

- M. Future Accounting Pronouncements

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Future Accounting Pronouncements (Continued)

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

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

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

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

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

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

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

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022, and all reporting periods thereafter. The Agency will implement GASB Statement No. 96 if and where applicable.

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

NOTE 3 – CASH AND INVESTMENTS

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

Cash on hand and in banks	\$ 44,171
Investments	<u>905,400</u>
Total Cash and Investments	<u>\$ 949,571</u>

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

Cash and investments, statement of net position	\$ 949,571
Total Cash and Investments	<u>\$ 949,571</u>

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where most restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where most restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	10%	5%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Investment Pool	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

NOTE 3 – CASH AND INVESTMENTS (Continued)**Disclosures Relating to Interest Rate Risk**

Information about the sensitivity of the fair values of the Agency's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table, that shows the distribution of the Agency's investments by maturity:

Investment Type	Carrying Amount	Remaining Maturity			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
San Luis Obispo County Investment Pool	\$ 833,647	\$ 833,647	\$ -	\$ -	\$ -
Local Agency Investment Fund	71,753	71,753	-	-	-
Total	<u>\$ 905,400</u>	<u>\$ 905,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
San Luis Obispo County Investment Pool	\$ 833,647	N/A	\$ -	\$ -	\$ -	\$ 833,647
Local Agency Investment Fund	71,753		-	-	-	71,753
Total	<u>\$ 905,400</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,753</u>

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

NOTE 3 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

The Agency may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Cash held by the County).

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

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

NOTE 4 – CAPITAL ASSETS

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

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital Assets Being Depreciated:				
Buildings and improvements	\$ 152,006	\$ -	\$ -	\$ 152,006
Vehicles and equipment	2,650,914	-	(303,731)	2,347,183
Total Capital Assets Being Depreciated	2,802,920	-	(303,731)	2,499,189
Less Accumulated Depreciation For:				
Buildings and improvements	149,873	1,024	-	150,897
Vehicles and equipment	1,636,017	175,248	(303,731)	1,507,534
Total Accumulated Depreciation	1,785,890	176,272	(303,731)	1,658,431
Total Capital Assets Being Depreciated, Net	\$ 1,017,030	\$ (176,272)	\$ -	\$ 840,758

Depreciation expense for the fiscal year ended June 30, 2020, was \$176,272. The depreciation expense for the fiscal year ended June 30, 2019, was \$183,933.

NOTE 5 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS

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

Allocation Assigned By/Claimant	Article/Section	Amount	
		2020	2019
Local Transportation Fund:			
City of Arroyo Grande	4/99260(a)	\$ 172,087	\$ 180,602
City of Grover Beach	4/99260(a)	130,549	136,908
City of Pismo Beach	4/99260(a)	78,968	83,990
County of San Luis Obispo	4/99260(a)	74,860	83,990
Total Article 4 - LTF		456,464	485,490
State Transit Fund:			
Regional Transit Authority	6.5/99313	230,000	148,700
Regional Transit Authority	6.5/99314	15,185	9,340
Total Article 6.5 - STF		245,185	158,040
Total TDA Revenue		\$ 701,649	\$ 643,530

NOTE 5 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS (Continued)

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

	2020	2019
Operating expenses	\$ 1,619,342	\$ 1,564,886
Plus/(minus)		
Depreciation	(176,272)	(183,933)
Fare revenues	(103,139)	(153,140)
Other operating revenues	(1,547)	(8,400)
Maximum Total Allocation Amount	1,338,384	1,219,413
TDA operating allocations received and accrued	701,649	643,530
Allocation over/(under) maximum	<u>\$ (636,735)</u>	<u>\$ (575,883)</u>

NOTE 6 – FARE REVENUE RATIO

The Agency had fare revenue ratios for the fiscal years ended June 30, 2020 and 2019, as computed as follows:

	2020	2019
(a) Operating fare revenues	\$ 104,686	\$ 161,540
(b) Operating expenses, net of depreciation	1,443,070	1,380,953
(c) Fare revenue ratio [(a)/(b)]	7.25%	11.70%
Minimum ratio required	20.00%	20.00%
Under minimum ratio requirement	<u>N/A</u>	<u>8.30%</u>

Due to COVID-19, the compliance requirement for the farebox recovery ratio was waived for the fiscal year ended June 30, 2020. The Agency would not have been in compliance with applicable TDA regulations pertaining to acceptable fare revenue ratios which require a minimum ratio of 20% as of June 30, 2019.

NOTE 7 – LONG-TERM DEBT – COMPENSATED ABSENCES

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Compensated absences	<u>\$ 7,178</u>	<u>\$ 14,788</u>	<u>\$ (19,088)</u>	<u>\$ 2,878</u>

NOTE 8 – UNEARNED REVENUE

Unearned revenue at June 30, 2020, and June 30, 2019, consisted of the following:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Bus Pass Sales	\$ 11,452	\$ 7,840
Interest	7,710	-
LCTOP funding	<u>211,698</u>	<u>150,000</u>
Total Unearned Revenues	<u>\$ 230,860</u>	<u>\$ 157,840</u>

NOTE 9 – INSURANCE

The Agency is exposed to various risks of loss related to torts, theft, damage to, or destruction of an asset and errors or omissions. The Agency maintains comprehensive general liability including automobile insurance of \$25 million for buses, vans, equipment, and facilities. The Agency also purchases commercial Special Liability Insurance and Special District Property Insurance with limits of \$10 million per occurrence and \$100 million annual aggregate.

NOTE 10 – LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

The LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. For agencies whose service area includes disadvantaged communities, at least 50 percent of the total moneys received shall be expended on projects that will benefit disadvantaged communities. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund (Fund) for LCTOP, beginning in 2015-16.

Interest earned on funds to date is \$12,647. The Agency had qualifying expenditures incurred under this program from previous allocation totaling \$304,571, which was used for operating expenses for the new route 27 and 28 service and is included in State operating grants in the accompanying financial statements.

NOTE 11 – SUBSEQUENT EVENTS

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

Subsequent events have been evaluated through October 12, 2020, the date these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**SOUTH COUNTY TRANSIT
PROPRIETARY FUND
SCHEDULE OF EXPENSES – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Adopted Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Administration:			
Insurance			
Liability and Physical Damanger	\$ 118,990	\$ 115,134	\$ 3,856
Workers Compensation	59,710	56,864	2,846
Property Insurance	740	735	5
Rent	30,600	30,600	-
Utilities	11,270	12,924	(1,654)
Radio Expense	1,240	1,329	(89)
Legal Services	1,590	550	1,040
Payroll Processing	450	476	(26)
Administration - Staff Time	82,190	82,190	-
Finance	14,520	14,520	-
Marketing	5,610	5,610	-
Office Expense/Miscellaneous	6,450	4,352	2,098
Audit	3,380	6,630	(3,250)
Marketing/Community Relations/Printing	16,050	8,763	-
Uniforms/Laundry/Physicals/Ads	8,270	8,069	201
Operating Expenditures			
Salaries/Benefits	586,200	592,061	(5,861)
Salaries/Benefits - Road Supervision	123,890	123,890	-
Maintenance	211,530	185,775	25,755
Dispatch	24,030	24,030	-
SoCo Bus Fuel	191,310	168,568	22,742
Contingency	14,980	-	14,980
Total Administration and Operations	<u>1,513,000</u>	<u>1,443,070</u>	<u>69,930</u>
Capital Outlay and Non-Operating Expenditures			
Support Vehicle	33,000	-	33,000
Short Range Transit Plan	54,265	47,177	7,088
Facility Improvements/Bus Stop Amenities	89,000	-	89,000
Transit Center Improvements	93,750	-	93,750
Total Capital Outlay and Non-Operating Expenditures	<u>270,015</u>	<u>47,177</u>	<u>222,838</u>
Total Expenses, Budgetary Basis	<u>\$ 1,783,015</u>	<u>\$ 1,490,247</u>	<u>\$ 292,768</u>
TOTAL EXPENSES, BUDGETARY BASIS		\$ 1,490,247	
ADD:			
DEPRECIATION		<u>176,272</u>	
TOTAL EXPENSES PER FINANCIAL STATEMENTS		<u>\$ 1,666,519</u>	

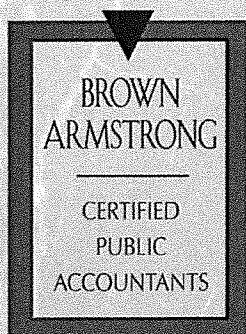
**SOUTH COUNTY TRANSIT
COMPLIANCE REPORTS
FOR THE YEAR ENDED JUNE 30, 2020**

SOUTH COUNTY TRANSIT

JUNE 30, 2020

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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San Luis Obispo, California

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the South County Transit (the Agency), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated October 12, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

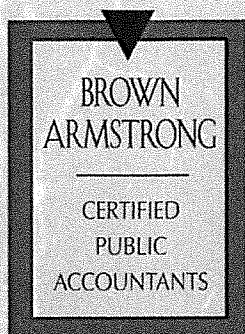
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 12, 2020



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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San Luis Obispo, California

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Report on Compliance for Each Major Federal Program

We have audited the South County Transit's (the Agency) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2020. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

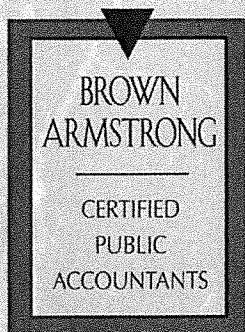
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Agency as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements. We issued our report thereon dated October 12, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 12, 2020



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Directors
South County Transit
San Luis Obispo, California

Report on Compliance with Transportation Development Act Requirements

We have audited the South County Transit's (the Agency) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by the Agency were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Santa Barbara County Association of Governments as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the year ended June 30, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the applicable statutes, rules, and regulations of the TDA.

Auditor's Responsibility

Our responsibility is to express an opinion on each of the Agency's compliance requirements referred to in Section 6667, which requires that for a transit claimant, the independent auditor will perform at least the following tasks:

- a) Determine whether the claimant was an entity eligible to receive the funds allocated to it,
- b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99234,
- c) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and counties with populations of less than 5,000,
- d) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions,

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- e) Determine whether interest earned on funds received by the claimant pursuant to the TDA were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6,
- f) Verify the amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2,
- g) Verify the amount of the claimant's actual fare revenues for the fiscal year,
- h) Verify the amount of the claimant's actual local support for the fiscal year,
- i) Verify the amount the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649,
- j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1,
- k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273,
- l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251,
- m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7, and
- n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

Compliance with the requirements referred to above is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

Opinion on Transportation Development Act Compliance

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable to the Agency for the year ended June 30, 2020.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the TDA. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 12, 2020

FINANCIAL STATEMENTS

**SOUTH COUNTY TRANSIT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Identifying Number	Total Federal Expenditures
U.S. Department of Transportation/ Federal Transit Administration			
Federal Transit Cluster			
Operating Grants:			
CARES FTA Section 5307	20.507	CA-2020-116	\$ 575,349
FTA Section 5307 - (July 1, 2019 - Jan 31, 2020)	20.507	CA-2019-082	532,510
Capital Grants:			
FTA Section 5307 - (SCT SRTP)	20.507	CA-2018-041	<u>35,558</u>
Total Federal Transit Cluster			<u>1,143,417</u>
Total Federal Transit Administration			<u>1,143,417</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,143,417</u></u>

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

**SOUTH COUNTY TRANSIT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all Federal award programs of the South County Transit (the Agency). All Federal awards received directly from Federal agencies as well as Federal awards passed through from other government agencies are included on the Schedule.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as a reimbursement.

NOTE 3 – INDIRECT COST RATE

The Agency has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

NOTE 4 – RELATIONSHIP TO FINANCIAL STATEMENTS

Federal award monies are reported in the Agency's financial statements as revenues from Federal grants.

FINDINGS AND QUESTIONED COSTS SECTION

SOUTH COUNTY TRANSIT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

____ Yes X No

Significant deficiencies identified that are not considered
to be material weaknesses?

____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness identified?

____ Yes X No

Significant deficiencies identified that are not considered
to be material weaknesses?

____ Yes X None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with the Uniform Guidance?

____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

20.507

Federal Transit Cluster
Formula Grants

Dollar threshold used to distinguish Type A and B programs:

\$750,000

Auditee qualified as low risk auditee?

X Yes ____ No

II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards (GAGAS)

None.

III. Federal Award Findings and Questioned Costs

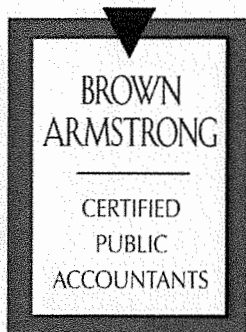
None.

IV. State Award Findings and Questioned Costs

None.

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

None.



BROWN ARMSTRONG

Certified Public Accountants

Board of Directors and
South County Transit
San Luis Obispo, California

We have audited the financial statements of the South County Transit (the Agency) for the fiscal year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 19, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 2 to the financial statements. As described in Note 2 to the financial statements, the Agency adopted Governmental Accounting Standards Board (GASB) Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* during the year ended 2020. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Agency's financial statements was:

Management's estimate of the useful lives of capital assets for purposes of calculating annual depreciation expense. Estimated useful lives range from three to fifteen years. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Capital Assets and Depreciation in Note 4 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 12, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenses – Budget and Actual, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Board of Directors and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
October 12, 2020