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

## BOARD AGENDA

Wednesday, October 18, 2017

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

Chairperson: Lynn Compton

Vice Chair: Barbara Nicolls

Board Members:

Lynn Compton (Fourth District – SLO County)  
Tim Brown (Arroyo Grande)

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

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

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

### CALL TO ORDER AND ROLL CALL

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

### A. INFORMATION AGENDA

- A-1 Administrator's Report (Receive)
- A-2 Triennial Performance Audit Recommendations (Receive)

### B. ACTION AGENDA

- B-1 Bus Stop Improvement Plan (Approve)

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

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

- C-1 Draft SCT Minutes of July 19, 2017 (Approve)
- C-2 SCT Strategic Business Plan Results through July 2017 (Receive)
- C-3 Annual Fiscal & Compliance Audit for Fiscal Year 2016-17 (Accept)

**D. CLOSED SESSION CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL:** It is the intention of the Board to meet in closed session concerning the following items:

- D-1 Conference with Labor Negotiator Geoff Straw concerning the following labor organization:  
Teamsters Local 986

**E. DIRECTORS' COMMENTS**

**F. EXECUTIVE COMMITTEE MEMBERS' COMMENTS**

**ADJOURNMENT**

Next South County Transit Board meeting: **January 17, 2018**

## SOUTH COUNTY TRANSIT

October 18, 2017

### STAFF REPORT

**AGENDA ITEM:** A-1

**TOPIC:** Administrator's Report

**PRESENTED BY:** Geoff Straw, SCT Administrator

**STAFF RECOMMENDATION:** Information

#### BACKGROUND/DISCUSSION:

##### Operations:

SoCo Transit representatives began formal negotiations with Teamsters Local 986 representatives on October 11<sup>th</sup> to replace the current SoCo Transit CBA, which ends on January 31, 2018. The RTA Bus Operators and maintenance staff – represented by the same union – ratified a new 4-year Collective Bargaining Agreement on September 19<sup>th</sup>, and the RTA Board of Directors will consider the CBA at its November 1<sup>st</sup> meeting.

We conducted a SoCo Transit Driver Forum on September 12<sup>th</sup>, and the following issues were discussed:

1. Difficulty with the bus stop on Grand @ 16th: due to low-hanging tree limbs and a short red zone area, it is difficult to fully pull up to the curb. Response: Staff will work with Grover Beach officials to trim the tree and to jointly develop long-term alternatives.
2. Need more Road Supervisor coverage on some nights. Response: We explained that the number of Supervisor hours in South County increased with the recent RTA partnership, which provides greater Supervisor coverage than SoCo Transit has ever experienced. Nonetheless, staff committed to adjusting the hours to ensure coverage is provided during critical hours (within existing budgetary constraints).
3. Will future pay reflect the future increases in minimum wage? Response: We explained that wages are addressed in the CBA, and that we expected to begin negotiations with the Teamsters in October to renew the current CBA that ends in January 2018.

##### Marketing & Service Planning:

The Santa Barbara County Association of Governments is leading the Santa Maria-San Luis Obispo Transit Connections Study. The recommendations (RTA Route 10 service be re-routed to the Broadway corridor in Santa Maria, and longer daily spans of service and more frequent service during peak travel periods) were accepted by the SLOCOG

Board at its October 4<sup>th</sup> meeting. As implementation steps are considered further, staff will share them with the SoCo Transit and RTA Boards.

Staff has begun our biennial Customer Perception Survey. On-bus surveyors will distribute and collect paper surveys in the second and third week of October to ensure all of the runs are surveyed over a typical day. In addition, an online general public survey is currently being promoted using the on-bus LCD screens, and staff posted notices at major bus stops and on our website. Finally, an employee survey is being conducted. The resulting information can be used to inform the update of the SoCo Transit Strategic Business Plan in early 2018.

### **Finance and Administration:**

The San Luis Obispo Council of Governments (SLOCOG) allocated \$441,293 in new Senate Bill 1 funds to RTA as partial local match funding for the planned new bus maintenance facility project. Staff is very appreciative of this new funding source, since it will help SoCo Transit and the other transit operators in the region to fund critical capital projects. This new bus maintenance facility will be used to dispatch and oversee operations of SoCo Transit vehicles, as well to maintain SoCo Transit buses.

Staff has developed audited year-end FY16-17 operating and financial results and presented the tables toward the end of this report. Below are some important findings for the past fiscal year:

- SoCo Transit's core fixed-route ridership totaled 225,071 one-way passenger-trips as reported by the Automatic Passenger Counters (APCs). When comparing the GFI farebox data year over year, fixed-route boardings are down 9.5% (184,028 vs. 203,309) from FY15-16 results. Remember that fares were increased on July 30, 2016, so the fact that the decline was relatively small is encouraging.
- The overall farebox recovery ratio for SoCo Transit fixed routes was 11.6%, well below the 20% standard. It should be noted that this is the gross figure; TDA law permits SLOCOG to deduct the proportional change beyond inflation for liability costs and fuel, as well as extensions of service such as Route 27. However, even with these deductions, the agency did not come close to achieving the 20% standard. In comparison, the RTA achieved a 21.9% result – well above the 17.34% blended rural/urban standard.
- The subsidy per passenger-trip on core fixed route services was \$5.57 in FY16-17, which equates to a 45.8% annual increase over the \$3.82 result in FY15-16. In comparison, the RTA's subsidy per passenger-trip on its fixed route services was \$5.71. SoCo Transit's steep increase is due to the relatively large increase in service level, stagnating ridership and increasing costs due to the higher Bus Operator wages reflected in the Collective Bargaining Agreement.

- In terms of financial results, staff worked hard to keep operating and capital costs within budget in light of the declining ridership. Some important takeaways include:
  - Total operating costs equated to 95.2% of budget. Staff focused on reducing costs that are essentially discretionary, while most other “fixed” operating costs were also closely monitored to ensure good stewardship of public funds.
  - As a reminder, the FY16-17 budget reflects a relatively large service extension – the incorporation of the Low Carbon Transit Operations Program-funded Route 27/28 service on July 30, 2016. While ridership on the new bidirectional Route 27/28 pair is higher than the previous Route 23 service, productivity (passenger boardings per hour of service) is slightly lower. Staff will closely track these metrics and provide recommendations to the Board as the 3-year LCTOP funding expiration date nears.
  - The greatest variance was experienced in fuel costs (65.1% of budget), which is the second-greatest single line-item in our budget. This was a welcome relief on the financial side, but also impacted ridership as some riders chose to instead drive their personal automobiles. On the flip-side, costs related to vehicle maintenance (parts, supplies & materials) were 43.5% above budget. Both of these variances were reported throughout the past fiscal year, and staff believes the amounts identified in the FY17-18 budget are more realistic.

SoCo Transit is not alone in experiencing ridership declines: the American Public Transportation Association (APTA) data shows that from 2014-2016 nearly every major transit system in America saw a decline in ridership. The national average was a loss of 4.5 percent of transit ridership over that time. Lower fuel costs, the uptick of new transportation options from companies like Uber and Lyft, and an increase in telecommuting are often cited as reasons for this decline. However, I do not believe “disruptive” options like Uber and Lyft have had a profound impact nationwide and likely much less in our area. For example, when the City of Austin banned Uber and Lyft, mass transit saw a very modest one percent bump in ridership. A recent ENO Transportation article noted the National Transit Database (NTD) showed an actual decline of 5.2 percent in the number of miles traveled by the nation’s public bus systems from 2009-2014, so this certainly has contributed to the overall ridership decline in the past few years, too. In any case, APTA reported that at its most recent CEO conference in San Diego, declining ridership was a main point of concern among the attendees.

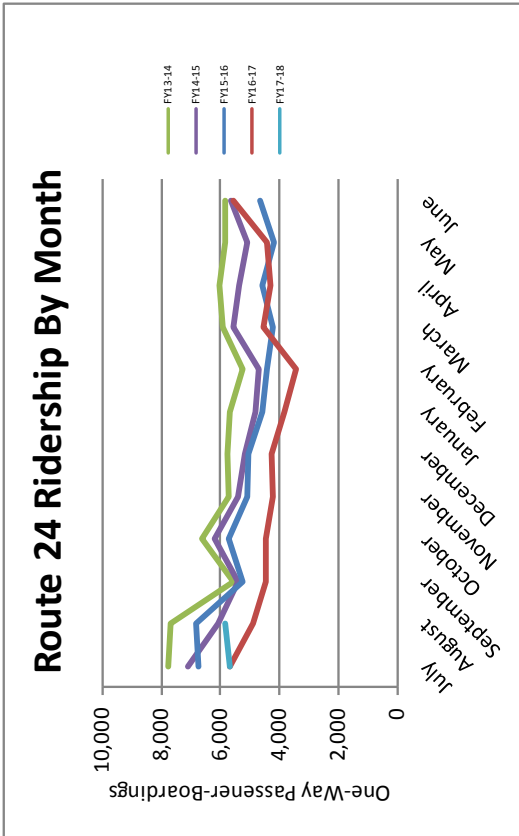
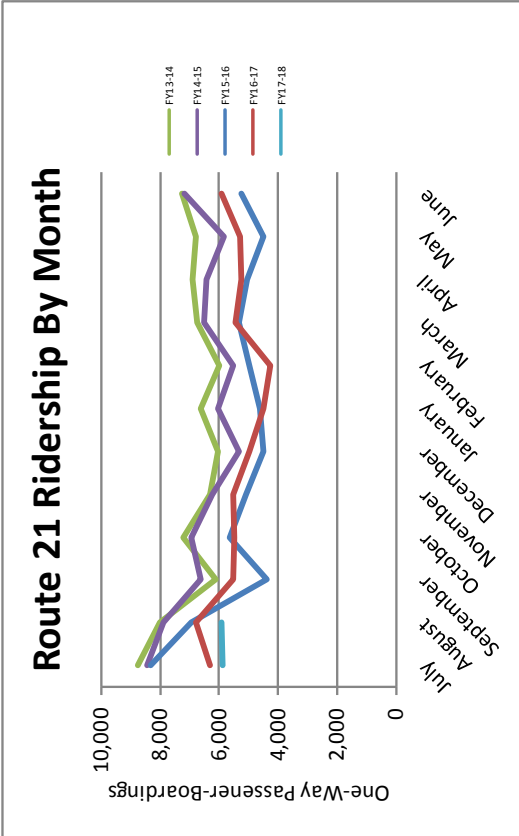
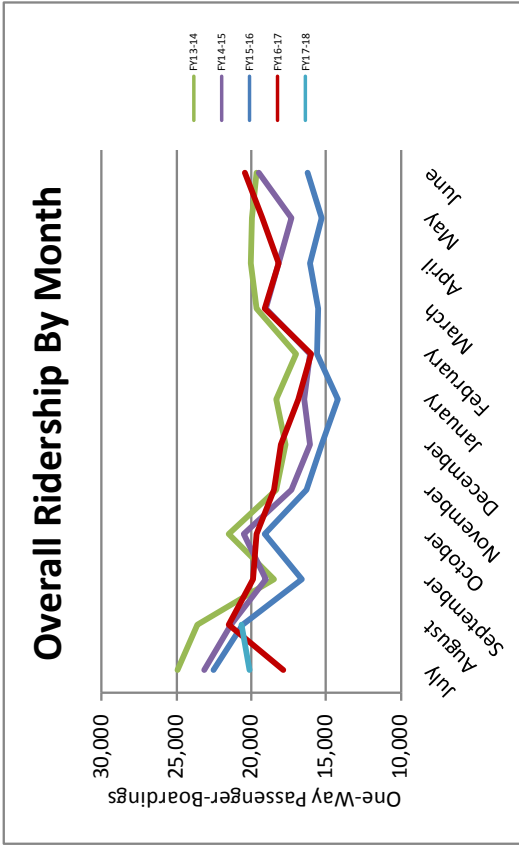
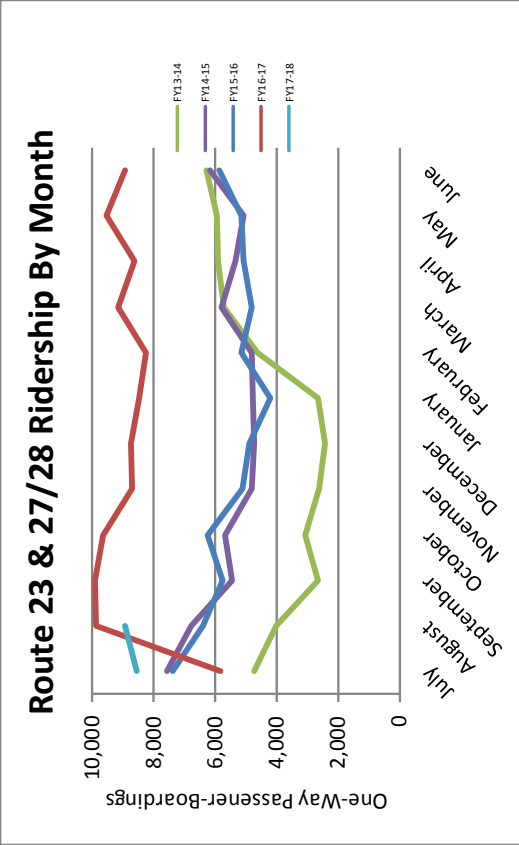
Also, attached are preliminary operating and financial data for the first two months of FY17-18. Those two tables are provided at the end of this report. Overall combined ridership in July and August 2017 is up 3.6% in comparison to the same period in 2016 (40,766 vs 39,361). In terms of the individual routes, ridership was down 9.1% on Route

21, although boardings were up 8.6% on Route 24 and up 11.4% on the Routes 27/28 pair in comparison to the old Route 23 (July 2016 only) and new Routes 27/28. The financial results are also provided, although with only two months of result, no substantial variances were reported.

The graph on the next page depicts monthly ridership over the past five fiscal years. As shown, ridership has declined year-over-year since the record ridership experienced in FY13-14. Remember that the use of APCs beginning in July 2016 for reporting ridership will generally depict higher numbers, so it is best to more closely focus on the current and past fiscal year. However, overall ridership in SLO County has rebounded somewhat in the past several months, and staff will continue to closely monitor the results and look for new ways to bolster ridership.

**STAFF RECOMMENDATION:**

Accept this as an information item.



**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY  
YEAR TO DATE THRU JUNE 2017**

	RT 21 PISMO & SHELL BEACH	RT 23 A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 24 GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 27 GROVER B, AG, OCEANO CLOCKWISE	RT 28 GROVER B, AG, OCEANO COUNTER CW	TOTAL WEEKDAY SERVICE	AVILA BEACH TROLLEY
<b>REVENUES:</b>							
FARES	\$ 34,374	\$ 3,079	\$ 27,939	\$ 18,673	\$ 26,997	\$ 111,062	\$ 11,411
<b>TOTAL ROUTE REVENUES</b>	\$ 34,374	\$ 3,079	\$ 27,939	\$ 18,673	\$ 26,997	\$ 111,062	\$ 11,411
<b>EXPENDITURES:</b>							
ADMINISTRATION	\$ 19,230	\$ 1,696	\$ 18,403	\$ 18,839	\$ 20,266	\$ 78,436	\$ 4,765
MARKETING	5,289	359	5,178	5,164	5,274	21,263	164
OPERATIONS/CONTINGENCY	151,118	12,640	144,341	148,487	160,625	617,211	40,959
FUEL	31,222	3,269	23,353	23,776	24,118	105,738	8,355
INSURANCE	30,360	3,417	22,702	23,006	23,345	102,830	8,737
<b>TOTAL EXPENDITURES</b>	\$ 237,219	\$ 21,382	\$ 213,976	\$ 219,271	\$ 233,628	\$ 925,477	\$ 62,980
<b>FAREBOX RATIO</b>	14.49%	14.40%	13.06%	8.52%	11.56%	12.00%	18.12%
<b>SERVICE MILES</b>	50,651.3	6,800.0	37,940.6	37,873.4	38,392.5	171,657.8	15,996.0
<b>SERVICE HOURS</b>	2,614.2	256.0	2,500.0	2,534.7	2,722.8	10,627.7	689.1
<b>RIDERSHIP (Automatic Counters)</b>	51,371	4,331	42,404	35,740	50,232	184,078	8,262
RIDERS PER MILE	1.0	0.6	1.1	0.9	1.3	1.1	0.5
RIDERS PER HOUR	19.7	16.9	17.0	14.1	18.4	17.3	12.0
COST PER PASSENGER	\$ 4.62	\$ 4.94	\$ 5.05	\$ 6.14	\$ 4.65	\$ 5.03	\$ 7.62
SUBSIDY PER PASSENGER	\$ 3.95	\$ 4.23	\$ 4.39	\$ 5.61	\$ 4.11	\$ 4.42	\$ 6.24
<b>RIDERSHIP (GFI Fareboxes)</b>	44,369	4,728	40,222	24,977	38,260	152,556	8,262
RIDERS PER MILE	0.88	0.70	1.06	0.66	1.00	0.89	0.52
RIDERS PER HOUR	16.97	18.47	16.09	9.85	14.05	14.35	11.99
COST PER PASSENGER	\$ 5.35	\$ 4.52	\$ 5.32	\$ 8.78	\$ 6.11	\$ 6.07	\$ 7.62
SUBSIDY PER PASSENGER	\$ 4.57	\$ 3.87	\$ 4.63	\$ 8.03	\$ 5.40	\$ 5.34	\$ 6.24



**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS  
YEAR TO DATE THRU JUNE 2017**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	RT 23 - SAT A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 23 - SUN A.G. VILLAGE, A.G. H.S. & GRANDE AVE	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
<b>REVENUES:</b>											
FARES	\$ 5,079	\$ 3,652	\$ 630	\$ 448	\$ 3,779	\$ 2,770	\$ 4,016	\$ 3,312	\$ 23,687	\$ 134,749	\$ 146,159
<b>TOTAL ROUTE REVENUES</b>	\$ 5,079	\$ 3,652	\$ 630	\$ 448	\$ 3,779	\$ 2,770	\$ 4,016	\$ 3,312	\$ 23,687	\$ 134,749	\$ 146,159
<b>EXPENDITURES:</b>											
ADMINISTRATION	\$ 3,482	\$ 3,179	\$ 295	\$ 272	\$ 3,259	\$ 2,921	\$ 3,452	\$ 3,135	\$ 19,994	\$ 98,430	\$ 103,195
MARKETING	918	836	62	58	875	787	868	889	5,294	26,557	26,721
OPERATIONS/CONTINGENCY	27,308	24,895	2,199	2,027	25,505	22,849	27,260	24,553	156,596	773,807	814,766
FUEL	5,556	4,954	154	154	4,029	3,818	4,132	3,687	26,484	132,221	140,576
INSURANCE	5,414	4,827	161	161	3,909	3,719	4,018	3,575	25,783	128,613	137,350
<b>TOTAL EXPENDITURES</b>	\$ 42,678	\$ 38,691	\$ 2,871	\$ 2,671	\$ 37,577	\$ 34,093	\$ 39,729	\$ 35,840	\$ 234,151	\$ 1,159,627	\$ 1,222,607
<b>FAREBOX RATIO</b>	11.90%	9.44%	21.95%	16.78%	10.06%	8.12%	10.11%	9.24%	10.12%	11.62%	11.95%
<b>SERVICE MILES</b>	9,040.0	8,059.1	320.0	320.0	6,808.3	6,214.8	6,633.9	5,937.1	43,333.1	214,990.9	230,986.9
<b>SERVICE HOURS</b>	473.0	430.1	44.5	41.0	443.7	395.3	466.8	420.2	2,714.8	13,342.5	14,031.6
<b>RIDERSHIP (Automatic Counters)</b>	7,848	6,023	769	723	6,925	4,762	7,258	6,685	40,993	225,071	233,333
RIDERS PER MILE	0.9	0.7	2.4	2.3	1.0	0.8	1.1	1.1	0.9	1.0	1.0
RIDERS PER HOUR	16.6	14.0	17.3	17.6	15.6	12.0	15.5	15.9	15.1	16.9	16.6
COST PER PASSENGER	\$ 5.44	\$ 6.42	\$ 3.73	\$ 3.69	\$ 5.43	\$ 7.16	\$ 5.47	\$ 5.36	\$ 5.71	\$ 5.15	\$ 5.24
SUBSIDY PER PASSENGER	\$ 4.79	\$ 5.82	\$ 2.91	\$ 3.07	\$ 4.88	\$ 6.58	\$ 4.92	\$ 4.87	\$ 5.13	\$ 4.55	\$ 4.61
<b>RIDERSHIP (GFI Fareboxes)</b>	6,432	4,310	557	439	5,193	3,666	5,913	4,962	31,472	184,028	192,290
RIDERS PER MILE	0.71	0.53	1.74	1.37	0.76	0.59	0.89	0.84	0.73	0.86	0.83
RIDERS PER HOUR	13.60	10.02	12.51	10.70	11.70	9.27	12.67	11.81	11.59	13.79	13.70
COST PER PASSENGER	\$ 6.64	\$ 8.98	\$ 5.15	\$ 6.08	\$ 7.24	\$ 9.30	\$ 6.72	\$ 7.22	\$ 7.44	\$ 6.30	\$ 6.36
SUBSIDY PER PASSENGER	\$ 5.85	\$ 8.13	\$ 4.02	\$ 5.06	\$ 6.51	\$ 8.54	\$ 6.04	\$ 6.56	\$ 6.69	\$ 5.57	\$ 5.60

**SOUTH COUNTY TRANSIT**  
**2016-17 Budget vs. Actual (unaudited)**

	FY 16/17 Adopted	April 2017	May 2017	June 2017	Year to Date	Percent Year to Date
<b>Use of Resources</b>						
<u>Administrative Expenditures</u>						
Insurance	\$ 82,800	\$ 6,879	\$ 6,879	\$ 6,879	\$ 82,593	99.7%
Liability & Physical Damage	57,000	4,505	4,505	4,505	54,056	94.8%
Workers Compensation	700	32	32	32	701	100.2%
Property Insurance	36,000	2,550	2,550	2,550	30,600	85.0%
Rent	8,450	764	734	483	8,603	101.8%
Utilities	1,240	103	103	103	1,236	99.7%
Radio Expense	6,200	-	-	-	-	0.0%
Legal Services	1,680	239	75	67	1,362	81.1%
Payroll Processing	74,750	6,229	6,229	6,229	74,750	100.0%
Administration - Staff Time	13,200	1,100	1,100	1,100	13,200	100.0%
Finance - Staff Time	5,100	425	425	425	5,100	100.0%
Marketing - Staff Time	10,370	798	907	597	9,950	96.0%
Office Expense/Miscellaneous	3,000	-	-	-	3,020	100.7%
Audit	25,000	730	50	721	24,171	96.7%
Marketing/Community Relations/Printing	10,270	86	1,132	134	9,892	96.3%
Uniforms/Laundry/Physicals/Ads						
<u>Operating Expenditures</u>						
Salaries/Benefits	\$ 579,750	\$ 45,789	\$ 65,173	\$ 42,802	\$ 568,810	98.1%
Maintenance	115,800	12,013	20,069	11,625	166,134	143.5%
Dispatch	21,850	1,821	1,821	1,821	21,850	100.0%
Sign Maintenance	3,000	-	-	-	-	0.0%
SCT Bus Fuel	215,770	12,618	12,853	12,463	140,574	65.2%
Contingency	12,640	-	-	-	6,006	47.5%
<b>9 Total Operating Expenditures</b>	<b>\$ 1,284,570</b>	<b>\$ 96,681</b>	<b>\$ 124,635</b>	<b>\$ 92,535</b>	<b>\$ 1,222,607</b>	<b>95.2%</b>
<u>Capital Service</u>						
Facility Improvements/Bus Stop Amenities	\$ 141,010	\$ -	\$ -	\$ -	\$ 7,389	5.2%
ITS	156,600	-	104,787	24,882	129,669	82.8%
Transit Center Improvements	62,500	-	-	-	-	0.0%
Total Capital Service	\$ 360,110	\$ -	\$ 104,787	\$ 24,882	\$ 137,058	38.1%
<b>10 Total Use of Resources</b>	<b>\$ 1,644,680</b>	<b>\$ 96,681</b>	<b>\$ 229,422</b>	<b>\$ 117,417</b>	<b>\$ 1,359,666</b>	<b>82.7%</b>

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY  
YEAR TO DATE THRU AUGUST 2017**

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<b>REVENUES:</b>						
FARES	\$ 6,024	\$ 6,244	\$ 5,473	\$ 6,419	\$ 24,160	\$ 613
<b>TOTAL ROUTE REVENUES</b>	\$ 6,024	\$ 6,244	\$ 5,473	\$ 6,419	\$ 24,160	\$ 613
<b>EXPENDITURES:</b>						
ADMINISTRATION	\$ 3,024	\$ 3,022	\$ 3,034	\$ 3,172	\$ 12,251	\$ 1,580
MARKETING	549	551	561	588	2,249	-
OPERATIONS/CONTINGENCY	24,364	24,336	24,390	25,491	98,581	12,450
FUEL	5,543	4,230	4,261	4,336	18,370	3,235
INSURANCE	5,401	4,120	4,145	4,220	17,886	3,369
<b>TOTAL EXPENDITURES</b>	\$ 38,881	\$ 36,258	\$ 36,392	\$ 37,806	\$ 149,337	\$ 20,634
<b>FAREBOX RATIO</b>	15.49%	17.22%	15.04%	16.98%	16.18%	2.97%
<b>SERVICE MILES</b>	8,585.1	6,549.6	6,593.6	6,710.9	28,439.2	5,342.0
<b>SERVICE HOURS</b>	450.6	450.0	450.9	471.3	1,822.8	237.7
<b>RIDERSHIP (Automatic Counters)</b>	9,283	8,970	5,650	8,918	32,821	3,370
RIDERS PER MILE	1.1	1.4	0.9	1.3	1.2	0.6
RIDERS PER HOUR	20.6	19.9	12.5	18.9	18.0	14.2
COST PER PASSENGER	\$ 4.19	\$ 4.04	\$ 6.44	\$ 4.24	\$ 4.55	\$ 6.12
SUBSIDY PER PASSENGER	\$ 3.54	\$ 3.35	\$ 5.47	\$ 3.52	\$ 3.81	\$ 5.94
<b>RIDERSHIP (GFI Fareboxes)</b>	8,271	7,468	4,825	7,822	28,386	3,237
RIDERS PER MILE	0.96	1.14	0.73	1.17	1.00	0.61
RIDERS PER HOUR	18.36	16.59	10.70	16.60	15.57	13.62
COST PER PASSENGER	\$ 4.70	\$ 4.86	\$ 7.54	\$ 4.83	\$ 5.26	\$ 6.37
SUBSIDY PER PASSENGER	\$ 3.97	\$ 4.02	\$ 6.41	\$ 4.01	\$ 4.41	\$ 6.18

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS  
YEAR TO DATE THRU AUGUST 2017**

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<b>REVENUES:</b>									
FARES	\$ 1,096	\$ 741	\$ 1,284	\$ 971	\$ 1,000	\$ 1,088	\$ 6,181	\$ 30,341	\$ 30,955
<b>TOTAL ROUTE REVENUES</b>	\$ 1,096	\$ 741	\$ 1,284	\$ 971	\$ 1,000	\$ 1,088	\$ 6,181	\$ 30,341	\$ 30,955
<b>EXPENDITURES:</b>									
ADMINISTRATION	\$ 591	\$ 542	\$ 581	\$ 518	\$ 586	\$ 541	\$ 3,359	\$ 15,610	\$ 17,190
MARKETING	97	90	96	84	97	90	554	2,803	2,803
OPERATIONS/CONTINGENCY	4,818	4,410	4,727	4,227	4,775	4,403	27,360	125,940	138,391
FUEL	1,047	966	776	735	816	755	5,094	23,464	26,700
INSURANCE	1,026	947	759	720	800	740	4,991	22,877	26,246
<b>TOTAL EXPENDITURES</b>	\$ 7,579	\$ 6,954	\$ 6,940	\$ 6,285	\$ 7,072	\$ 6,528	\$ 41,358	\$ 190,696	\$ 211,329
<b>FAREBOX RATIO</b>	14.46%	10.66%	18.51%	15.45%	14.15%	16.67%	14.94%	15.91%	14.65%
<b>SERVICE MILES</b>	1,626.2	1,500.9	1,204.7	1,142.6	1,267.5	1,172.7	7,914.5	36,353.6	41,695.6
<b>SERVICE HOURS</b>	89.2	81.6	87.5	78.3	88.4	81.5	506.6	2,329.3	2,567.0
<b>RIDERSHIP (Automatic Counters)</b>	1,392	1,120	1,465	1,050	1,533	1,385	7,945	40,766	44,136
RIDERS PER MILE	0.9	0.7	1.2	0.9	1.2	1.2	1.0	1.1	1.1
RIDERS PER HOUR	15.6	13.7	16.7	13.4	17.3	17.0	15.7	17.5	17.2
COST PER PASSENGER	\$ 5.44	\$ 6.21	\$ 4.74	\$ 5.99	\$ 4.61	\$ 4.71	\$ 5.21	\$ 4.68	\$ 4.79
SUBSIDY PER PASSENGER	\$ 4.66	\$ 5.55	\$ 3.86	\$ 5.06	\$ 3.96	\$ 3.93	\$ 4.43	\$ 3.93	\$ 4.09
<b>RIDERSHIP (GFI Fareboxes)</b>	1,150	772	1,206	882	1,135	1,072	6,217	34,603	37,840
RIDERS PER MILE	0.71	0.51	1.00	0.77	0.90	0.91	0.79	0.95	0.91
RIDERS PER HOUR	12.89	9.46	13.78	11.27	12.84	13.15	12.27	14.86	14.74
COST PER PASSENGER	\$ 6.59	\$ 9.01	\$ 5.75	\$ 7.13	\$ 6.23	\$ 6.09	\$ 6.65	\$ 5.51	\$ 5.58
SUBSIDY PER PASSENGER	\$ 5.64	\$ 8.05	\$ 4.69	\$ 6.03	\$ 5.35	\$ 5.07	\$ 5.66	\$ 4.63	\$ 4.77

**SOUTH COUNTY TRANSIT**  
**2017-18 Budget vs. Actual (unaudited)**

	FY 17/18 Adopted	July 2017	August 2017	Year to Date	Percent Year to Date
<b>Use of Resources</b>					
<u>Administrative Expenditures</u>					
Insurance	\$ 99,200	\$ 8,308	\$ 8,308	\$ 16,615	16.7%
Liability & Physical Damage	71,180	4,762	4,762	9,524	13.4%
Workers Compensation	740	53	53	106	14.4%
Property Insurance	30,600	2,550	2,550	5,100	16.7%
Rent	8,980	584	621	1,205	13.4%
Utilities	1,240	103	103	206	16.6%
Legal Services	3,000	-	-	-	0.0%
Payroll Processing	1,280	69	75	143	11.2%
Administration - Staff Time	77,600	6,467	6,467	12,933	16.7%
Finance - Staff Time	13,700	1,142	1,142	2,283	16.7%
Marketing - Staff Time	5,290	441	441	882	16.7%
Office Expense/Miscellaneous	12,790	185	1,645	1,830	14.3%
Audit	3,150	-	-	-	0.0%
Marketing/Community Relations/Printing	16,000	-	1,922	1,922	12.0%
Uniforms/Laundry/Physicals/Ads	9,740	-	80	80	0.8%
<u>Operating Expenditures</u>					
Salaries/Benefits	\$ 611,270	\$ 49,611	\$ 50,877	\$ 100,488	16.4%
Maintenance	197,550	13,156	14,375	27,532	13.9%
Dispatch	22,680	1,890	1,890	3,780	16.7%
SCT Bus Fuel	199,280	12,912	13,788	26,700	13.4%
Contingency	13,850	-	-	-	0.0%
<b>Total Operating Expenditures</b>	<b>\$ 1,399,120</b>	<b>\$ 102,232</b>	<b>\$ 109,098</b>	<b>\$ 211,329</b>	<b>15.1%</b>
<u>Capital Service</u>					
Facility Improvements/Bus Stop Amenities	\$ 41,350	\$ -	\$ -	\$ -	0.0%
Computer Upgrade	1,500	-	-	-	0.0%
Transit Center Improvements	120,000	-	-	-	0.0%
<b>Total Capital Service</b>	<b>\$ 162,850</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Use of Resources</b>	<b>\$ 1,561,970</b>	<b>\$ 102,232</b>	<b>\$ 109,098</b>	<b>\$ 211,329</b>	<b>13.5%</b>



## **SOUTH COUNTY TRANSIT**

**October 18, 2017**

### **STAFF REPORT**

**AGENDA ITEM:** A-2

**TOPIC:** Triennial Performance Audit  
Recommendations

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Accept Staff's Recommended Steps to  
Address Findings & Recommendations

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

At its August 2, 2017 meeting, the San Luis Obispo Council of Governments accepted the Triennial Performance Audit (TPA) report for SoCo Transit. The findings and recommendations are summarized at the end of this Staff Report (beginning on page A-2-5). SoCo Transit staff provided a more detailed set of responses to each draft finding and recommendation to SLOCOG staff in several correspondence in May 2017, and we will work with SLOCOG staff to address any actionable deficiencies.

Below are brief summaries of the two recommendations, as well as staff's response to each:

1. **ORGANIZATIONAL ALIGNMENT:** Consider consolidation with RTA, which would be accompanied with a realignment of the RTA management function to ensure SCT maintains a local focus.

The primary reasons to consider consolidation include elimination of redundancy, reduction in rider confusion, and – most importantly – addressing SoCo Transit's inability to achieve the recently-implemented 20% farebox recovery ratio (FRR) requirement. As a reminder, the Federal designation of the Arroyo Grande-Grover Beach Urbanized Area as a result of the 2010 Census triggered a State requirement that the FRR be increased from 10% to 20%. On the positive side, the Federal designation currently provides roughly \$1.5 million more annually in FTA formula funds that are used for transit capital and operating purposes – and this has reduced transit's proportional use of TDA funds in the Arroyo Grande-Grover Beach Urbanized Area.

To determine the net financial impact of consolidation to the region, further analysis is required by SoCo Transit, RTA and SLOCOG staff. The other issue is political will, since there has been a stated desire to maintain local control in the South County as it relates to public transit in the Five Cities Area. A possible model is the one used in Paso Robles: the local fixed-route and dial-a-ride services are operated by the RTA as part of a consolidation agreement, but the City Council formally accepts the service level and

other operating parameters as part of the annual budget-making process. All of the existing Paso Robles Express branding remains on the buses and bus stops, although the plan is to transition to RTA branding as the buses and bus stop signs are due for replacement. The Paso Robles Express and RTA bus schedules are combined into one North County document so that riders can more easily understand the differences between the local and regional routes.

As mentioned in previous reports to the SoCo Transit Board, there is a relatively small amount of staff redundancy across both agencies. The recent agreement between SoCo Transit and RTA for administrative services spells out the amount of paid time and costs that the various RTA staff persons allot for SoCo Transit needs, and that would not change drastically under consolidation. If a consolidation model similar to the one used in North County is pursued, there would be fewer SoCo Transit Board meetings per year; each meeting requires approximately 20-30 hours of combined senior staff time to research and develop materials, and to conduct the meetings. Assuming three SoCo Transit Board meetings would be avoided each year, those staff resources could be used to address other matters such as policy development, service planning and marketing efforts. There would also be savings in the amount of time our payroll staff persons spend on separately coding SoCo Transit and RTA wages/benefits.

The region could also save resources currently spent on preparing for and conducting two separate annual Fiscal and Compliance audits, as well as for two separate TDA Triennial Performance Audits conducted every three years. The roughly \$3,000 cost of the annual fiscal and compliance audit is currently paid directly by SoCo Transit. Conversely, the triennial audits are paid directly by SLOCOG, which uses TDA funds “off the top” – and reducing those costs would provide additional funds to all jurisdictions in the county. SLOCOG’s most recent procurement for TPA services included audits for SoCo Transit and the RTA in FY16-17, and the total contract with Majic Consulting was \$60,000. Assuming RTA’s TPA required 2/3 of the consultant’s time, eliminating one TPA could save the region approximately \$20,000 every three years. Savings could also be realized in conducting single Short Range Transit Plans every 5 to 7 years; those studies typically use a combination of FTA and TDA funds, which could be used instead for capital or operating purposes.

In FY16-17, the RTA achieved an unaudited FRR of 21.9% while SoCo Transit’s audited figure was 11.9%. Based on a cursory review of RTA’s and SoCo Transit’s annual operating expenses and farebox revenues, RTA could “absorb” SoCo Transit and still meet the RTA’s current “blended” rural/urban FRR requirement on 17.34%.



The following challenges should also be considered:

1. Consolidating the RTA and SoCo Transit would incrementally raise the RTA's current blended rural/urban 17.34% FRR requirement, since the proportion of urban miles operated would increase. The RTA Board would need to accept the consolidation while realizing its overall cost-effectiveness would decline.
2. An important consideration for the RTA Board is how future cost increases and recent declining ridership trends across the United States could impact the RTA's FRR over time. In particular, the planned California minimum wage increases and the trend of rising liability costs will result in overall higher costs of doing business for both SoCo Transit and the RTA.
3. Another cost impact is health insurance: because SoCo Transit has fewer than 50 employees, there is no requirement under the Affordable Care Act (ACA) to provide health insurance to employees who work greater than 30 hours per week. SoCo Transit currently has six full-time employees that are provided health/vision/dental, and all seven regular part-time employees would qualify for health-only benefits under the ACA if consolidation occurs. This alone would account for a net annual increase of roughly \$40,000 in operating costs, although we would likely experience better employee retention over time because of the additional benefits provided. Studies show that improved employee retention typically results in lower liability cost over the long-term, since collisions tend to occur early in an employee's tenure – but it difficult to quantify cost impacts in the short-term.
4. With regard to vehicle-related insurance, both SoCo Transit and RTA participate in the California Transit Indemnity Pool (CalTIP), which provides both liability insurance and physical damage coverage. In FY17-18, SoCo Transit budgeted \$99,200 and RTA budgeted \$615,000. Consolidating would essentially save the region about \$17,000 annually by paying only one “administrative fee” instead of separate fees for both agencies. However, SoCo Transit has a higher Experience Modification factor than RTA (1.142 vs. 0.917) because SoCo Transit has a relatively worse safe-driving record. This results in SoCo Transit paying a higher per-mile cost for liability insurance (gross cost of \$0.48/mile vs. \$0.36/mile). Assuming the higher ExMod rate results in a “worst case scenario” preliminary estimate of \$82,320 by consolidating, but the combined costs would surely be lower once a combined experience is fully examined, since the RTA operates so many more miles than SoCo Transit (1,722,730 vs. 206,350). We have requested that CalTIP evaluate two scenarios as part of the annual actuarial analysis – SoCo Transit and RTA separately, and combined. Staff expects a net lower combined insurance cost under consolidation, although it could result in slightly higher costs for the RTA due to the escalated combined rate. We will not receive this updated information until early 2018.

5. Staff is also working with CSAC-EIA, our pooled workers compensation carrier, to determine the net impact of consolidating. Again, we would expect to reduce costs if only one administrative fee is paid. In FY17-18, SoCo Transit budgeted \$71,180 for workers compensation fees, while the RTA budgeted \$810,590. In terms of annual service hours, the RTA is considerably larger (\$4,648,000 in wages vs. \$514,050). Staff expects a net lower combined workers compensation cost under consolidation, but we will not receive this updated information until early 2018.

On a related note, TDA law expressly permits the regional transportation planning agency in counties with a population below 500,000 to set the FRR requirement as low as 15% in small urbanized areas. Staff has already submitted a request to SLOCOG to consider lowering the FRR requirement to 15% in both the El Paso – Atascadero Urbanized Area and the Arroyo Grande – Grover Beach Urbanized Area. This lower level was provided to the City of Atascadero for its local Dial-A-Ride program following the consolidation of the El Camino Shuttle into RTA in 2014 – so it is not unprecedented.

The preliminary estimate of the net cost savings to the County and the Cities of Arroyo Grande, Grover Beach and Pismo Beach of consolidating SoCo Transit into RTA is on the order of \$60,000 annually. This is based primarily on the projected savings of avoiding a TDA penalty, as well as the reduction in costs associated with duplication.

2. **MARKETING AND PUBLIC INFORMATION:** Enhance the SCT brand, develop a sustained marketing program, improve the availability of public information, and provide additional opportunities for public participation.

*Staff Response:* SoCo Transit does not have an adopted public participation policy, although it has adhered to the RTA's adopted policy in order to remain in compliance with FTA rules. In any case, staff agrees with the TPA consultant that the RTA Public Participation Policy focuses solely on fare and/or service changes, and that SoCo Transit should adopt a more extensive policy in FY17-18 to also cover other types of outreach efforts. Staff bring a draft Public Participation Policy to the Executive Committee for review in January 2018.

With regard to a formal Marketing Plan, staff is still researching the best course of action for both SoCo Transit and the RTA. None of our adjacent transit agency partners (MST, SCCMTD, SMAT, SLO Transit, Morro Bay Transit, Atascadero Dial-A-Ride) have a standalone marketing plan similar to what is suggested in the TPA. It has been my experience that many small to midsize transit agencies use SRTP efforts and annual budget plans as the basis for marketing efforts, and that is included in the draft scope of work to update the 2011 SRTP. The 2015-17 RTA Strategic Business Plan also provides direction on our marketing efforts. We will continue to evaluate this recommendation in the coming months and provide an update to the SoCo Transit Board as part of the development of the FY18-19 budget.

**Staff Recommendation**

Accept Staff's recommended steps to address the findings and recommendations in the TDA Triennial Performance Audit report.

**South County Transit  
2017 Triennial Performance Audit Recommendations**

**RECOMMENDATION 1: ORGANIZATIONAL ALIGNMENT**

**Consider consolidation with RTA, which would be accompanied with a realignment of the RTA management function to ensure SCT maintains a local focus.**

Situation Analysis: In the 2010 U.S. Census, SCT's service area was designated an urbanized area (population over 50,000). Under TDA, it would now be required to achieve a minimum 20 percent farebox recovery ratio or be subject to the 50 percent limitation for TDA funding. SCT was given a five (5) year waiver but will be required to meet the 20 percent by FY 17/18. From the data available, it does not appear SCT will achieve this goal. Consideration of previous employee issues and the SCT Board's concerns requires that SCT maintains a local focus.

Proposed Action: By the agreement of both the RTA and the SCT Boards, RTA could consolidate SCT operations with RTA. Consolidation would change the basic structure of SCT operations and management. The RTA Board would set policy, and RTA would absorb SCT employees into its workforce. Through various Board and/or committee alignments, SCT could ensure a mechanism is in place to maintain local input.

Expected Results: RTA staff estimated the cost savings that would occur by consolidating SCT fully into RTA would be approximately \$20,000; however, SCT may not realize even this small savings due to the need to keep local accountability. The major benefit would be that the combined SCT and RTA farebox recovery ratio would supersede SCT's 20% farebox recovery ratio requirement.

**RECOMMENDATION 2: MARKETING AND PUBLIC INFORMATION**

**Enhance the SCT brand, develop a sustained marketing program, improve the availability of public information, and provide additional opportunities for public participation.**

Situation Analysis: SCT's new logo has been placed on all signage, buses, and collateral materials. While the logo is prominent in all materials, the text still uses "SCT" to refer to the service and organization. Public participation was limited during the Audit period to outreach related to the fare and route changes and attendance at Board meetings.

Navigating to SCT's web page can be confusing to potential riders. As with most transit agencies, SCT has limited marketing dollars. It is important to leverage SCT's marketing dollars through clear, focused marketing and customer outreach activities.

Proposed Action: This recommendation is carried forward from a partially implemented recommendation in the prior Audit. It has been modified to address SCT's progress. An annual marketing plan and budget would provide structure to ongoing marketing activities.

Inclusive would be a Public Participation Plan that would provide SCT staff and Board with additional and relevant input on the service from riders and the local community. A mechanism to augment public input would be to expand the Executive Committee to include riders and members of the community or implement a Riders/Citizens Advisory Committee.

Expected Results: The goal is to identify potential users and provide sufficient information to promote the service as a solution to their transportation and mobility issues. The primary benefit is the strategic use of SCT's limited marketing dollars to increase ridership. The secondary goal is to provide the local communities with a sense of pride and ownership of the transit system. To minimize costs and leverage marketing dollars, SCT and RTA could develop a joint marketing plan.



**SOUTH COUNTY TRANSIT**  
**October 18, 2017**

**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** South County Transit Bus Stop Improvement Plan and Procurement

**ACTION:** Approve South County Transit Bus Stop Improvements Plan and Authorize SCT Administrator to Solicit Bids at a Cost Not to Exceed \$96,200

**PRESENTED BY:** Geoff Straw, SCT Administrator

**BACKGROUND/DISCUSSION:**

South County Transit (SoCoTransit) provides fixed route service throughout the Five Cities area, currently serving 83 bus stops on Route 21, 24, 27 and 28. Staff developed a comprehensive bus stop assessment and improvement plan for in order to identify and prioritize improvements and to create an operational and capital plan to implement those improvements.

A comprehensive assessment of bus stop boardings and alightings, which are important factors in determining whether enhanced passenger amenities are warranted, was made possible by the installation of automatic passenger counters in SoCoTransit, RTA and Paso Express buses during 2015-16. In addition to average daily boardings, bus stops were assessed based on a variety of other factors, such as the condition of existing amenities, speed limits, traffic lanes, nearby pedestrian crossings, accessibility for pedestrians and persons using mobility devices, lighting, and operational effectiveness of the bus stop location.

The principle finding of the assessment is that the presence of bus stop amenities largely meets or exceeds recommended standards based on average daily boardings (20 boarding daily for a shelter, 10 for a bench). The only stops that currently warrant additional amenities were recently established: one at the Oceano Community Center, one on Highway 1 at 21<sup>st</sup> Street (south side), and a third on Fair Oaks across from Arroyo Grande High School campus. Several amenities were in place at bus stops that were discontinued as a result of the July 2016 service realignment, and these amenities can be either relocated at low cost to currently served stops, or stored for future use.

In addition to stops warranting additional amenities, 27 stops lack a sufficiently large area for mobility devices to load and unload (5' by 8' clear space, per ADA standards). Another 18 stops have accessible pathway deficiencies. Staff should work with the

individual jurisdictions to prioritize the correction of accessibility issues related to imperfect or incomplete pathways and sidewalks, as well as place mobility pads where possible. Improvements to lighting at bus stops is warranted at many stops without functioning lights or other nearby sources of illumination.

The rebranding of the service as SoCoTransit involved the replacement of all bus stop sign, which solved a prior issue with faded signs and inconsistency in messaging. A similar effort is under way to replace old schedule holders with simpler types of schedule displays, which are easier to update and maintain.

Designated bus stop areas, typically marked by red curbs or posting of “no parking” signs, are implemented in cooperation with local jurisdictions and considered on a case-by-case basis. As such, an overall plan is not needed, and capital costs for these improvements are minimal.

Staff should continue to work with jurisdictions within the SoCoTransit service area to include transit-friendly amenities as part of new development proposals. Two opportunities for this are the redevelopment of a large mixed use spaced on the south side of Grand at Courtland, the Cherry Street development, and potential realignment of the Oak Park at El Camino Real intersection.

The highest priority improvements are listed below:

- 1) Ramona Garden Park – this location is the highest use location and currently has three passenger shelters in place. However, the shelters are significantly weathered. Rehabilitating these shelters would be a cost-effective alternative to replacement. The estimated cost for shelter repainting and part replacement is \$4,000.
- 2) 19<sup>th</sup> Street at Wilmar – relocate the currently unused shelter nearby on Wilmar Street to this location, as recent boarding data at the new stop indicates high usage. The estimated cost is \$1,200. If additional concrete pads or excavation is required, the expense would be approximately \$6,000 more than is included in the total for concrete pads.
- 3) Highway 1 at 21<sup>st</sup> Street – this new stop has a level of usage warranting a bench installation, in part because of a new medical clinic recently opened nearby. Installing a new bench would also meet a recommendation by Caltrans. The estimated cost is \$750.
- 4) Price Street at Wadsworth – add bench, with an estimated cost of \$750.
- 5) Arroyo Grande Hospital stop at Fair Oaks and Halcyon – add bench to accommodate elderly or infirm persons seeking transportation from the hospital. The estimated cost is \$750.



- 6) Elm at Fair Oaks – add bench, due to proximity of senior residences. The estimated cost is \$750.
- 7) Firefighters Park (in AG village) – relocate from the current stop location to the more accessible site on Traffic Way at Poole. The estimated cost is \$1,200.
- 8) Three additional shelters to be relocated to active routes. The combined estimated cost is \$3,600.

In general, system-wide improvements to bus stops, which constitute a second priority list of projects, are described below:

To address the deficiencies in landing pads for mobility devices, an estimated \$41,300 for a combination of decomposed granite, asphalt and concrete pads would be needed. This amount could be modified based on prioritization of repairs and conditions at the individual stops.

To address lighting issues at bus stops, fifteen pole-mounted solar lights could be purchased for \$13,500, a supply of 15 solar repair components for \$4,100, and four complete shelter lighting units for \$11,200.

- A supply of 22 rectangular bus stop poles could be purchased for \$1,650, with an additional \$2,250 allocated for installation in earth or concrete.
- A supply of four benches can be purchased for \$3,000.
- A supply of five pole-mounted seats could be purchased for \$3,750.
- A supply of sign templates for bus stop schedule display would cost approximately \$1,200.
- A supply of five small and five large trash receptacles could be purchased for approximately \$4,250.

The total for all proposed improvements is estimate at **\$96,200**.

### **Budget:**

Currently, SoCoTransit has secured adequate funds for all of the bus stop improvements that are recommended in the Plan. Eighty percent of the funds will come from the Federal Transit Administration Section 5307 grant program and the remaining 20% would be comprised of local sources.

### **Staff Recommendation**

Approve SoCoTransit Bus Stop Improvement Plan, and authorize the SCT Administrator to solicit bids to implement the recommendations at a cost not to exceed **\$96,200**.

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# Assessment of Fixed-Route Bus Stops and Bus Stop Improvement Plan



**\*DRAFT\***  
September 2017

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DRAFT

## **Executive Summary:**

The South County Transit system provides public transportation service in the Five Cities area of southern San Luis Obispo County. This service area consists of the incorporated Cities of Pismo Beach (which includes Shell Beach), Grover Beach and Arroyo Grande, as well as the unincorporated community of Oceano. This report has been prepared to identify and prioritize improvements and to create a cohesive operational and capital plan to implement those improvements. The implementation of these improvements would increase passenger safety and comfort, while also improving operational efficiency.

South County Transit, or SoCo Transit (referred to in this report by the acronym SCT), serves 82 stops on four fixed routes, providing service 362 days of the year. Previously, three fixed routes served the area: Routes 21 and 24 were complementary loops connecting Pismo Beach, Grover Beach and Arroyo Grande, primarily along the Grande Avenue and U.S. Highway 101 corridors. Route 23 served the southern parts of Grover Beach and Arroyo Grande, and the Oceano area. A significant service change was implemented in July of 2016, realigning the unidirectional and circuitous Route 23 into the bi-directional Routes 27 and 28, along with other schedule modifications to Routes 21 and 24 to improve inter-route connectivity. In addition to operational improvements from the route realignment, several problematic bus stops were eliminated, and new stops installed at generally more ideal locations. These new stops initially had minimal amenities put in place (typically a pole, sign and schedule). An Intelligent Transportation system (ITS) was installed in SCT and RTA buses during 2015-16. This ITS system allows for much more comprehensive passenger counting than was previously available through on-board surveys. With new ridership patterns having had time to develop, the use of the new (and existing) stops and appropriate improvements to the amenities can be determined, particularly based on stop usage.

In addition to average daily boardings, bus stops were assessed based on a variety of other factors, such as the condition of existing amenities, speed limits, traffic lanes, nearby pedestrian crossings, accessibility for pedestrians and persons using mobility devices, lighting, and operational effectiveness of the bus stop location.

### **Principle findings:**

Throughout the SCT system, the presence of bus stop amenities meets or exceeds recommended standards as based on average daily boardings. The only stops which currently warrant additional amenities were recently established: one at the Oceano Community Center, one on Highway 1 and 21<sup>st</sup> Street (southside) and a third across from Arroyo Grande High School. Several amenities were in place at bus stops which were discontinued in the July 2016 service realignment. These amenities can be

relocated at low cost to currently-served stops, or stored for future use. Additions of amenities are detailed in the “List of Priority Bus Stop Improvements” later in this report.

The SCT system has three major passenger facilities, served by multiple routes and providing convenient connectivity between the SCT (and other) routes. These hubs are located at Ramona Garden Park in Grover Beach (Routes: 21, 24, 27 and 28), the Pismo Premium Outlets in Pismo Beach (Routes: 21, 24, and RTA Route 10), and Town Center in Arroyo Grande, with Wal-Mart as the anchor store (Routes 21, 24, 27 and 28). While these locations are built to accommodate multiple vehicles, and currently have amenities appropriate for their high usage, some improvements are recommended in the “List of Priority Bus Stop Improvements” section.

The results of the field survey identified numerous other bus stops which could warrant improvements to passenger safety and comfort, accessibility and operational efficiency. The most common area in need of improvement is accessibility; 27 stops lack a sufficiently large area for mobility devices to load and unload. Adding or extending these pads, to the extent practicable, is recommended. Another 18 stops have pathway issues. Working with the individual jurisdictions to correct accessibility issues related to imperfect or incomplete pathways and sidewalks, the construction and modification of which are outside the responsibility of the SCT, is also recommended.

Lighting at bus stops is another area in which many potential improvements are warranted. Transit routes operate until 8:00 p.m. on weekdays, which is during nighttime hours for much of the year. Lighting helps insure passenger visibility and safety. Insufficient lighting is present at twelve bus stops, and eleven transit shelters have lighting fixtures which are not currently functioning. Installing and/or repairing lighting at these locations is recommended.

Signage and schedules are posted at each bus stop. The rebranding of the service as SoCo Transit involved the replacement of all signage with uniform new signs. A similar effort is under way to replace schedule holders with simpler types of schedule displays, which are easier to update and maintain.

Designated bus stop areas, typically marked by red-curbing or posting of “no parking” signs, are implemented in cooperation with local jurisdictions, and considered on a case-by-case basis. As such, an overall plan is not needed, and capital costs for these improvements are minimal.

Overall, the recommended improvements in this plan are estimated to cost \$96,200 to implement.

## Assessment of Bus Stops

The assessment of the existing SCT bus stops began with a comprehensive field survey of all existing bus stops in the SCT system. The survey involved measuring and assessing the accessibility, operational efficiency and safety, and amenities at each bus stop. The specific elements include in the survey were:

- 1) Type of property adjacent to the bus stop.
- 2) Size and slope of landing area (for mobility devices), and any obstructions in the wheelchair ramp/lift landing area.
- 3) Whether a sidewalk is present, and any obstructions for pedestrians or mobility devices using it as a pathway.
- 4) Any surface issues affecting access (such as uneven or soft ground).
- 5) Proximity to a railroad crossing.
- 6) Posted speed limit in the area of the bus stop.
- 7) Number of traffic lanes on roadway by bus stop.
- 8) Nearest pedestrian crossing to other side of street or road, and whether crossing is controlled.
- 9) The type of space for the bus sat the stop (such as, full pull-out, designated lane, or simply located by the roadside).
- 10) Any hazards posed by the placement of the bus stop.
- 11) Any obstructions to visibility for approaching traffic for an operator approaching or leaving the stop (i.e., trees, stop located on or near a curve or rise in the road).
- 12) The presence of designated “no parking” areas before or after the stop.
- 13) Whether the stop is on the nearside of a signalized intersection (an ideal stop location).
- 14) What amenities are present at the stop (poles, benches, shelters, etc.) and what condition they are in; the ranking system utilized the descending categories of: New, Good, Fair, Poor and Non-functional/missing.
- 15) Photographing the bus stops from the approach and exit, view of the opposite side of the street, and looking back toward the stop. See sample views below:



Appendix **A** of this document includes the template of the bus stop field assessment form.

Various criteria influence the overall quality of a bus stop, including safety, regulatory compliance, functionality, and condition. The details of these criteria are described below, along with the prevalence of issues which should be addressed.

### **Safety:**

Safety issues constitute the highest priority. Repair of damaged amenities, removal of nearby hazards, and correction of unsafe operational conditions were addressed promptly upon identification, and should continue to receive priority going forward. For example, a bus stop located opposite the Butterfly Trees along Highway 1 (northbound) posed many issues, including a lack of a pedestrian crossing, no solid surface for landing, and proximity to an active railroad track with no fencing or other barriers. The stop was removed from service, with riders directed to an existing bus stop north of that location. Other already-completed stop relocations or removals for safety reasons included those stops located on the highway side of frontage roads, where lack of pedestrian crossings or level waiting and loading areas pose safety hazards. Most recently, a stop at Grand Avenue and Courtland was relocated from the existing shelter structure due to chronic misuse of the shelter by loiterers, which created an unsanitary environment.

### **Bus Stop Placement:**

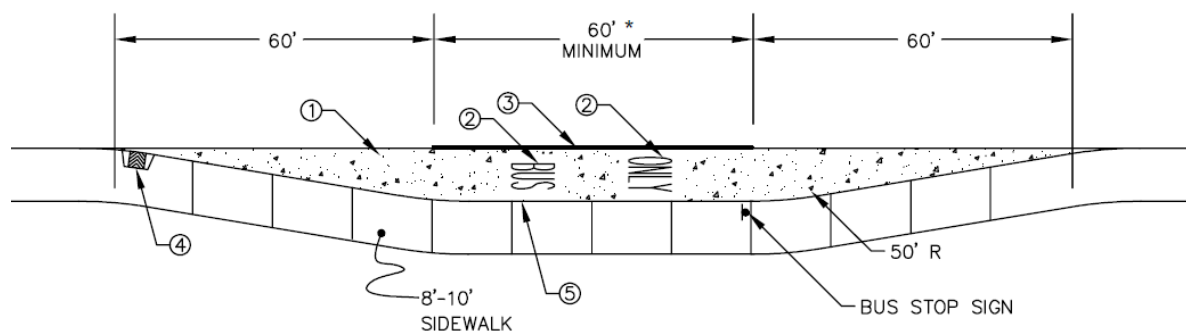
Some bus stop locations can become deficient in accessibility or safety due to changes in their immediate environment. These changes can include nearby demolition, construction, land erosion or growth of vegetation. Discontinuing service to a bus stop location in favor of another existing stop, or establishing a new stop at a nearby location, is one means of addressing these issues if they cannot be effectively addressed at the current site. Based on assessments used in this report, only one SCT bus stop has been identified as warranting relocation; this stop is located opposite Lighthouse Suites in Pismo Beach, and staff is currently working with Caltrans to relocate the stop to a location with better pedestrian crossing access.

In addition, several more locations have been identified through operational input for potential additional bus stop relocations. The proposed relocations are typically short distances, meant to improve accessibility and operational efficiency. The stop locations are indicated by the nearest intersection, and details on their potential new locations are listed below.



- 1) Price and Wadsworth – The current stop is located just before a driveway. Moving the stop beyond the driveway would be a preferable location.
- 2) Dolliver and Pomeroy – Moving the stop to a new location immediately north of the current one would improve access for mobility devices.
- 3) 13<sup>th</sup> Street at Messina – moving the stop further north (closer to the intersection) would improve accessibility.
- 4) Shell Beach Road at Spyglass Village – Relocation of the stop to the yellow-curbed zone just past the current red-curbed zone would make it easier for buses to access the stop.
- 5) Shell Beach Drive at Cuyama – the current bus stop is in front of a high-traffic business; moving it immediately south would help prevent conflicts with stopped or parked cars.
- 6) Grand Avenue at 16<sup>th</sup> - (westbound) – The current stop location has limited pull-in space; moving the stop further west, past the driveway just beyond the bus stop, would correct this.
- 7) Grand Avenue at Courtland –Locating the stop on Grand Avenue at the Figueroa Mountain Restaurant, east of the current location, would be much closer to the destinations typically used by riders.
- 8) Firefighters Park – Relocating the stop to south would improve accessibility.

Ideally, a stopped bus should not obstruct traffic flow or block the line-of-sight view for pedestrians or drivers along the same path of travel. A bus stop should also have sufficient space for easy entry to the bus stop while decelerating, allow the bus to stop parallel to the curb or edge of the roadway, and have sufficient space to safely accelerate when exiting the bus stop and re-entering the traffic flow. Also, an ideal bus stop provides room for passengers to safely load or remove bikes from the exterior bike rack(s) on the buses. Turn-out bus stops, which provide a space (typically a lengthy concrete pad) for a bus to completely exit the flow of traffic while stopped, require extensive construction and are not practical at many locations. Turn-outs can be promoted when operationally and financially practical; the construction of new commercial or residential developments provide opportunities for such an installation. A diagram of a bus turn-out is below:



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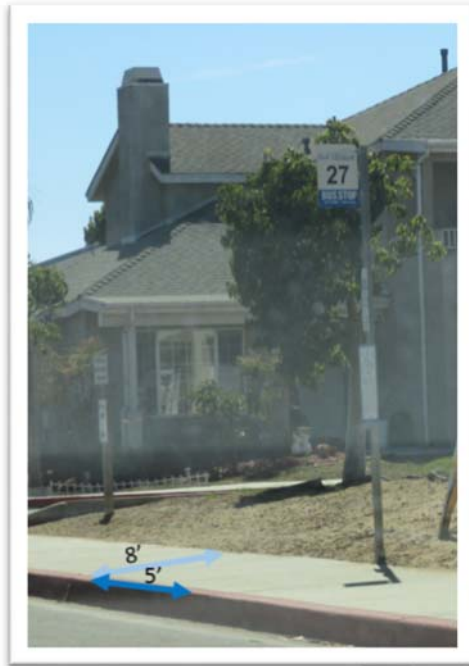
In lieu of a turn-out type bus stop, a designated “no parking” zone to insure adequate space, either by posted signage or red-curbing the bus stop is a practical option.

For a 35' bus (the length of buses typically used by SCT), would ideally have a 100' no-parking/red zone for the bus entry into and exit from the stop. The ideal red-curb length varies with the location of the stop relative to intersections and traffic flow. For example, bus stops located adjacent to existing driveways or at an intersection, effectively provide some of the space necessary for the bus to enter or exit the stop, and therefore require a smaller designated curbside no parking area. In many locations, rarely-utilized street parking (such as at stops located in low-density residential areas or by vacant lots) makes official designation of a no parking zone at a bus stop unnecessary. Changes to parking usage, which affect bus stop access can be dealt with on a case-by-case basis. For example, the bus stop at Dolliver and Bay Streets has experienced parked cars encroaching on or blocking the stop, and red curbing would alleviate this issue. On previous occasions, stops within the City of Grover Beach have had no-parking areas added with the help of City staff, particularly city engineering technician Keith MacGregor.

A controlled pedestrian crossing in close proximity to a bus stop is desirable in order to minimize incentives for pedestrians to cross streets mid-block. A signalized crosswalk (typically at an intersection with traffic lights) is ideal, though in a residential area painted crosswalks at an intersection with stop signs are equally acceptable. A total of 20 SCT stops are located more than 150 feet from any controlled pedestrian crossing and this warrants consideration for relocation.

### **ADA Accessibility Requirements**

The Americans with Disabilities Act (ADA) lays out accessibility requirements for bus stops. Any stop utilized by fixed-route bus services must have a landing pad with a firm and stable surface at least 5' wide by 8' in length. The length is measured perpendicularly from the edge of the transit vehicle's deployable mobility device ramp to the edge of the solid surface. The surface can be a variety of materials, so long as it is firm, smooth and level. The landing pad should have no greater than a 2% slope (towards the roadway), and it must connect to an accessible path to and from the stop site.



ADA-compliant landing area shown on sidewalk.

An ADA-accessible landing area is not present at many SCT stops. This is in part due to changing construction standards; on transit routes, sidewalks typically provide this landing area. Many sidewalks along bus routes predate the ADA, and do not provide the required 8' depth, while more recent construction typically meets or exceeds it. A total of 28 stops have a landing area that is less than the required depth, or where obstructions on the sidewalk (such as utility poles) create a barrier to the required landing area width of 5' or pathway width of 3'. Addressing this issue is a recommended priority but is the responsibility of the jurisdictions in which the stop is located.

Staff should continue work with the County and the Cities of Pismo Beach, Grover Beach and Arroyo Grande to improve accessibility to stops through the construction of pathways in connection with street repair and realignment, and commercial/residential development. Such developments can also present opportunities for bus stops with designated pullouts, especially at locations along thoroughfares with heavy traffic. Two opportunities for such future improvements are the redevelopment of a large mixed use spaced on the south side of Grand Avenue at Courtland, and potential realignment of the Oak Park/El Camino Real intersection. Potential sidewalk improvement in the vicinity of the South County Library on Branch Street would improve accessibility at that site. Also, Caltrans is planning improvements to the Highway 1 corridor through Oceano's commercial area. Requests for improvements to sidewalk connectivity and

pedestrian crossings along the corridor were submitted by staff for inclusion on the Caltrans plan.

Loadings at SCT bus stops by persons using a mobility devices is shown in the Table 1 below. This data is for weekdays from January 1 to June 16, 2017:

**Table 1: Usage of Mobility Devices (MD's) at SCT stops**

Stop name	MD loadings
13th & Belridge	1
13th & Farroll	1
13th & Highway 1	1
13th & Long Branch	1
13th & Messina	1
13th & Trouville	1
Arroyo Grande Hospital	1
Elm & Paul	1
Grand @ AM PM	1
James Way & Ventana	1
Oak Park & Grand	1
Oak Park & Newport	1
Grand & Elm	2
K Mart	2
Arroyo Grande High School	3
Traffic & Firefighters Park	3
Highway 1 & 21st	5
Grand & 13th	6
Town Center/Walmart	6
Pismo Beach Premium Outlets	18
Ramona Garden Park	84
<b>Total</b>	<b>159</b>

Based on this data, the use of SCT stops by persons in mobility devices is limited, averaging 1.25 per day during the sample period. Most of the usage was at the transit hubs, which have adequate facilities for the loading and unloading of mobility devices. It is worth noting that because a mobility device must be manually recorded by the bus operator, the data shown above may not be all-inclusive. The data in the table above can nonetheless be used to prioritize improvements to the landing pads at various stops.

## **Roadway Conditions**

Some of SCT's routes operate on corridors with a highway or rural character, or on a frontage road. In particular, Cienega (State Highway 1), eastern Fair Oaks Drive, and Mattie Road all have speed limits of 45 m.p.h. or greater. Often along such roadways, limited sidewalks and street crossing opportunities create accessibility deficiencies. Six SCT stops are located along corridors with these high speed limits.

Working with local and regional jurisdictions is necessary when considering the placement of, and improvements to, bus stops. Staff will continue to cultivate relationships with the planning and public works departments of the cities of Pismo Beach, Arroyo Grande, Grover Beach, and the County of San Luis Obispo and CalTrans to help facilitate optimal initial placement of stops, either due to route changes or public requests, and bus stop relocations, when needed.

## **Accommodations for Non-Sighted or Low-Vision Riders**

Braille pads, which display a bus stop's number in both braille and text, are attached to the bus stop pole at 35 SCT bus stops. This legacy system provides a one- to three-digit number at those stops. A new system of bus stop identification, using four-digit numbers, was implemented in connection with the system-wide ITS project. The new four-digit numbering system allows for texting from mobile devices to get current bus arrival times. Updating the braille pads to provide a uniform consistent stop numbering system should be considered. In lieu of that option, emerging ITS solutions provide improvements to access for non-sighted or low-vision riders, particularly through mobile phone apps with auditory features.

## **Signage:**

In the initial survey of the bus stops, numerous deficiencies in signage were found. These included signs that were faded, damaged or defaced, and a lack of a standard logo, with a mixture of SCAT and RTA signage on display throughout the service area. The rebranding of the system from "SCAT" to "SoCo Transit" after the adoption of the marketing plan involved the replacement each bus stop sign. The new signs effectively solved the issues of quality and consistent branding. In addition, the new signs are location-specific, displaying the number(s) of the route(s) serving the stop, helping passengers to better find their proper stop and adjust to the new service changes.

Samples of the old and new signage are shown below:



Old SCAT sign on bus stop pole



New bus stop signage now in use

### **Bus Stop Usage:**

Usage is typically measured in average passenger boardings per day for purposes of determining the appropriate level of passenger amenities and/or service frequency for a given location. All stops include signage and schedule information for the route or routes serving the stop. These are typically mounted on a pole installed for that purpose, but can also be placed on existing utility poles or affixed to structures at the stop location. Additional amenities are determined by passenger boardings, and include benches and passenger shelters.

Prior to the installation of the new ITS system, passenger counts were gathered via on-board surveys, typically in connection with marketing studies or data collection for the National Transit Database (NTD). This method of data collection was labor-intensive and provided a limited sampling rate. The ITS Automatic Passenger Counters (APC's) recently installed in the SCT fleet allows for a much more comprehensive collection of passenger data. The table below shows the total boardings (passengers getting on the bus) and alightings (passengers getting off the bus) at each stop during a period from January 1 through June 16, 2017 (120 days in all). Because weekdays are typically the busiest service days, with longer service hours and added passenger loads from commuters and students, the table below contains weekday data only.

**Table 2: SCT Ridership by Stop and Stop amenities (revise page breaks)**

Stops are listed in ascending order, based on boardings

Statistics are for 120 weekdays from January 1, 2017 to June 16, 2017

Stop Name	Total Boardings	Total Alightings	Average Boardings per Day	On Route #	Bench?	Shelter?
James Way & Ridge (sb)	7	62	0.1	21	Y	N
Mattie & Foothill	7	1	0.1	21	Y	N
Mattie & Valencia	9	10	0.1	21	Y	N
James Way & Ventana	12	11	0.1	24	N	N
James Way & Ridge (nb)	13	0	0.1	24	Y	N
Branch & Vernon	20	23	0.2	28	Y	N
Highway 1 & Le Sage (nb)	24	15	0.2	21	Y	N
Elm & Paul	26	53	0.2	27	Y	N
Pismo Beach City Hall	28	22	0.2	21	Y	N
James Way & 4th (nb)	36	258	0.3	24	Y	N
Price & Hinds	49	358	0.4	24	N	Y
James Way & Highland	52	41	0.4	21	Y	Y
Shell Beach & Terrace	57	116	0.5	21	N	N
13th & Wilmar	62	51	0.5	27	N	N
Lighthouse Inn North	69	419	0.6	21	Y	N
Highway 1 & Le Sage (sb)	72	87	0.6	24	Y	N
Elm & The Pike (nb)	79	195	0.7	28	N	N
Dolliver & San Luis	92	227	0.8	21	Y	N
Oak Park & Newport (sb)	92	322	0.8	28	N	N
Shell Beach & Cuyama	94	117	0.8	21	Y	N
Oak Park & Newport (nb)	96	105	0.8	27	N	N
Oak Park & Ramona	105	695	0.9	28	N	N
Traffic & Firefighters Park	108	362	0.9	28	Y	N
13th & Belridge	120	581	1.0	27, 28	N	N
Dolliver @ Butterfly Tree	130	174	1.1	24	Y	N
Price & Harbor View	131	49	1.1	21, 24	Y	Y
13th & Farroll	158	254	1.3	27, 28	N	N
Dolliver & Bay	171	94	1.4	24	N	N
19th & Wilmar	175	244	1.5	27	N	N
13th & Messina	185	108	1.5	28	Y	N
13th & Trouville	204	562	1.7	27	N	N
Dolliver & Frady	218	480	1.8	24	Y	N

Stop Name	Total Boardings	Total Alightings	Average Boardings per Day	Stop on Route #	Bench?	Shelter?
Wilmar & 13th	228	176	1.9	27	N	N
Fair Oaks & Halcyon (eb)	237	440	2.0	28	Y	N
Highway 1 & 25th (wb)	237	335	2.0	27	Y	N
Arroyo Grande Hospital	238	337	2.0	28	Y	N
South County Library	244	264	2.0	24	N	N
Grand & 13th (wb)	251	1,523	2.1	21,28	Y	N
Shell Beach & Pier	254	197	2.1	21	Y	N
Grand & Halcyon	257	228	2.1	21	Y	N
Fair Oaks & Traffic Way	271	122	2.3	27	N	N
Price & Wadsworth	291	497	2.4	21	N	N
Grand & 7th	303	856	2.5	24	Y	N
James Way & Oak Park (nb)	316	588	2.6	24	Y	N
Grand & 2nd	331	348	2.8	21	Y	Y
Fair Oaks & Halcyon (wb)	358	229	3.0	27	N	N
Grand & Courtland	382	593	3.2	21	N	N
Halcyon Park & Ride	402	653	3.4	28	Y	Y
Elm & The Pike (sb)	418	192	3.5	27	N	N
6th & Grand	442	96	3.7	27	Y	N
Arroyo Grande City Hall	443	628	3.7	24	Y	N
Price & Stimson	450	217	3.8	24	N	N
James Way & Oak Park (sb)	463	377	3.9	21	Y	N
Dolliver & Pomeroy	464	1,473	3.9	21	Y	N
Grand & Elm (eb)	466	410	3.9	24	Y	N
Elm & Fair Oaks (wb)	473	371	3.9	28	N	N
Spyglass Village	492	780	4.1	21,24	Y	N
Pismo Coast Village	499	162	4.2	24	Y	N
13th & Long Branch	516	56	4.3	27,28	Y	Y
13th & Mentone	517	199	4.3	28	N	N
Oak Park & Grand	527	241	4.4	27,28	N	N
Arroyo Grande High School (eb)	549	2,004	4.6	28	Y	Y
Oak Park & Long Branch	557	563	4.6	28	Y	N
Grand & Branch	580	730	4.8	24, 27	Y	N
Highway 1 & 21st (wb)	612	978	5.1	27	Y	N
Grand & Elm (wb)	664	466	5.5	21	Y	N
Grand & Alder	677	1,045	5.6	24	Y	N
13th & Highway 1	715	527	6.0	27, 28	N	N
K Mart	759	832	6.3	24	N	N
Highway 1 & 25th (eb)	804	559	6.7	28	N	N
Grand & Oak Park	831	624	6.9	24, 27	Y	Y



Stop Name	Total Boardings	Total Alightings	Average Boardings per Day	Stop on Route #	Bench?	Shelter?
Elm & Fair Oaks (eb)	880	176	7.3	27	Y	N
Grand & 16th (wb)	928	1,561	7.7	21,28	Y	N
Highway 1 & 21st (eb)	929	526	7.7	28	N	N
Dolliver & Hinds	1,253	560	10.4	24	Y	Y
Oceano Airport	1,274	1,330	10.6	27, 28	Y	N
Grand & 13th (eb)	1,276	251	10.6	24,27	Y	N
Grand @ AM PM	1,421	1,055	11.8	21, 28	Y	Y
Wilmar & 19th	1,871	1,293	15.6	28	N	N
Grand & 16th (eb)	1,996	1,038	16.6	24, 27	Y	Y
Arroyo Grande High School (wb)	2,004	354	16.7	27	N	N
Walmart Shopping Center	5,502	6,002	45.9	21,24,27,28	Y	Y
Pismo Beach Premium Outlets	14,859	13,466	123.8	21, 24	Y	Y
Ramona Garden Park	22,736	21,829	189.5	21,24,27,28	Y	Y

	Level of usage warrants bench
	Level of usage warrants shelter

As the data above shows, a relatively few of the SCT stops have more than 10 boardings per day on average.

Current standards for the addition of bus stop amenities at SCT stops recommend a shelter if there are 20 average daily boardings at a stop, though standards for other amenities are not defined. It is suggested that SCT use similar standards as those employed by the RTA, as listed below (and indicated by shading in the table above):

- 1) 10 passenger boarding per day on average warrant the installation of a bench.
- 2) 20 passengers boarding per day on average warrant a shelter installation;
- 3) 40 passengers per day on average warrant a larger (or, alternately, multiple) shelter installation.
- 4) A trash receptacle should be installed with any shelter, and also at other stops on an as-needed basis, such as where trash accumulation is an issue.

All stops that meet the ridership thresholds above have benches and/or shelters, except for the relatively new stops at Wilmar and & 19<sup>th</sup> Street (daily average of 15.6 passenger boardings), and Highway 1 at 21<sup>st</sup> Street, and across from Arroyo Grande High School (16.7) – both of which warrant placement of a bench and consideration of a shelter. At some other bus stop locations, special circumstances make additional amenities desirable. These include the stops at Elm and Fair Oaks, due to the proximity of a senior residential facility, and the new westbound stop at Arroyo Grande hospital.

Due to technical imperfections in the ridership data gathering, 1,392 alightings were not attributed to a particular bus stop (or “platform”). However, this number only accounts for 1.7% of the total recorded ridership, making it statistically minor.

### **Lighting:**

Bus stop lighting is an important contributor to safety and security during non-daylight hours. Passengers awaiting pick up at those times are less visible to bus operators at stops without lighting, which increases the risk of missed pick-ups. This is especially true in bus stop shelters, which are parallel to the roadway and thus partially conceal passengers seated within them. Also, having lighting at bus stops provides a higher sense of personal security to waiting riders. While some stops without built-in lighting fixtures receive adequate light from nearby streetlights or buildings with exterior lighting, other stops are too far from these sources for them to provide effective illumination. Lighting fixtures are recommended for stops where sufficient ambient lighting is not present. In most cases, solar-powered lighting is recommended over electrically wired lighting for ease of installation and maintenance.

### **Types of Bus Stop Improvements**

Various means of addressing deficiencies in accessibility, amenities and lighting at bus stops are available. Descriptions and costs for the various types of bus stop improvements are described below. While some variables exist in cost, such as the availability of discounted products through state contracts, price fluctuation, and materials used (i.e. galvanized steel vs aluminum in signage), this section provides good general guidelines.

**Bus Stop Poles** - \$75. In the past, round steel poles were typically used for bus stops. These have a deficiency in that when they are bent (typically by being struck by motor vehicles) the entire pole needs to be replaced, as the pole is weakened at the bent point and can sometimes be straightened but then lacks strength and durability. Also, the round poles require specialized brackets for mounting signage and schedules. New poles and replacements are now using square, perforated poles with a separate base section, into which the main pole slides and can be secured. The replacement of the poles, when needed, becomes a much simpler process requiring no excavation or concrete cutting (except in the event of severe damage). Also, signage can be bolted directly onto the pole, rather than secured with brackets, simplifying the process.

**Pole Installation In Earth** - \$100. These are installed by excavating a small hole, placing the pole in the center, and filling it with concrete. While not as durable as a pole mounted in a concrete slab (poles in the ground tend to loosen and tilt over time), they are easier to install, and are effective in most settings.

**Pole Installation in Concrete** - \$150. When a pole is installed into existing concrete (typically a sidewalk), the concrete must be cut, and fresh concrete poured to match

the slope of the sidewalk and smoothly fill the cut. Extensive set-up and clean-up are also part of this process. Use of a square pole base reduces the chance that this process would need to be repeated.

**Schedule Display** - (Varies). Many stops utilize a rectangular schedule holder, into which the current schedule for routes serving that stop is inserted, usually on a laminated sheet. Recently a move was made to replace these kiosks with rectangle metal sheet (essentially a blank aluminum sign template), onto which an adhesive decal of the schedule can be placed. Using these templates allows for easier replacement of the schedule display, when it becomes either weathered, vandalized or obsolete, and new decal is affixed), and the replacement of damaged signs. An adequate supply of these sign templates could be purchased for approximately \$1,200.

**Pole-Mounted Seat** - \$750. In an area in which installing a bench is not practical, but some type of seating is warranted by level of usage or customer requests, a specialized seat can be mounted directly to a bus stop pole.

**Small Trash Receptacle** - \$250. A small (approximately 2-gallon capacity) trash receptacle, mounted on an existing bus stop pole, can be used in locations where small trash items (such as cigarette butts or gum wrappers) accumulate, but a larger receptacle is not needed or practical.

**Large Trash Receptacle** - \$600. A larger trash receptacle (approximately 30-gallon capacity) can be used wherever a high volume of passengers and/or a pervasive litter problem exists.

**Solar Lighting Components (For Repair of Existing Lighting Fixtures)** - \$270 (per unit). Some shelters with existing lighting fixtures have developed mechanical or electrical issues over time. Many of these issues can be addressed through the replacement of components. The price of \$270 reflects the replacement of two of the components that most commonly have issues.

**Pole-Mounted Solar Lighting** - \$900. At stops without a shelter, and without sufficient lighting from another nearby source of illumination, a solar powered fixture can be attached to the top of the stop pole for lighting. This increases passenger visibility for the bus operator, and passenger security. One such unit is already in place at Spyglass Village.

**Shelter Lighting** - \$2,800. For a shelter without any built-in lighting, a full solar powered lighting fixture can be installed on the roof of the shelter. Lighting inside shelters is especially helpful for bus operators because waiting passengers are made far more visible inside.

**Decomposed Granite (DG) Pad** - \$30 (per square foot). A DG pad, when properly installed and compacted, provides a stable, level surface to meet accessibility

requirements. It is less expensive to install and repair than other pad options, though not as durable.

**Asphalt Pad** - \$2,500. (for 100 square feet). At a bus stop located along a road with no sidewalk, and particularly with an uneven, earthen surface, an asphalt pad provides a durable, level landing area. Amenities such as a bench and/or trash receptacle can also be installed within the pad area.

**Concrete Pad** - \$6,000. (approximate, cost varies by size). A concrete pad can insure lasting accessibility compliance and also serve as a base for the installation of other amenities, such as shelters in non-post mounted benches.

**Bench** - \$750. A bench provides a comfortable waiting area for passengers at the more frequently used bus stops.

**Shelter Relocation and Installation** - \$1,200. Sometimes a bus stop with a modular (rather than structural) shelter is closed for operational or safety reasons. The shelter can be relocated to a high-ridership location and installed there.

**Shelter Repainting** - \$1,000 (est.) Repainting shelters to reverse the damages of weathering, rust and vandalism is a cost effective alternative to shelter replacement.

**Shelter** - \$8,000. A bus stop shelter provides protection from the elements, and enclosed seating, as well convenient places to display transit information. A larger shelter (13' length vs 10' length) can be purchased for a higher cost (approx. 25%).

## **Recommended Priority Bus Stop Improvements**

A list of priority improvements at specific stops is listed below, with the estimated costs for each of the improvements.

- 1) Ramona Garden Park – this location, the highest use location in the SCT service area, currently has several shelters in place. However, the shelters are significantly weathered. Rehabilitating these shelters would be a cost-effective alternative to replacement. Estimated cost for shelter repainting and part replacement is \$4,000.
- 2) 19<sup>th</sup> Street at Wilmar – relocate the currently unused shelter nearby on Wilmar Street to this location, as recent data at the new stop indicates high usage. Estimated cost is \$1,200. If additional concrete pads or excavation is required, the expense will be approximately \$6,000 more than is included in the total for concrete pads.
- 3) Highway 1 and 21<sup>st</sup> street – this new stop has a level of usage warranting a bench installation, in part because of a new medical clinic recently opened

nearby. Installing a new bench would also meet a recommendation by Caltrans. Estimated cost is \$750.

- 4) Price Street at Wadsworth – add bench, estimated cost is \$750.
- 5) AG Hospital stop at Fair Oaks and Halcyon - add bench to accommodate elderly or infirm persons seeking transportation from the hospital. Estimated cost is \$750.
- 6) Elm and Fair Oaks – add bench, due to proximity of senior residences. Estimated cost is \$750.
- 7) Firefighters Park (in AG village) – relocate from the current stop location, to the more accessible site at Poole and Traffic Way. Estimated cost is \$1,200.
- 8) Three additional shelters to be relocated to active routes. Estimated cost is \$3,600.

General, system-wide improvements to bus stops, which constitute a second priority list of projects, are described below:

To address the deficiencies in landing pads for mobility devices, an estimated \$41,300 for a combination of DG, Asphalt and Concrete pads would be needed. This amount could be modified based on prioritization of repairs and conditions at the individual stops.

To address lighting issues at bus stops, 15 pole-mounted lights could be purchased for \$13,500, a supply of 15 solar repair components for \$4,100, and four complete shelter lighting units for \$11,200.

- A supply of 22 rectangular bus stop poles could be purchased for \$1,650., with an additional \$2,250 allocated for installations in earth and concrete.
- A supply of four benches can be purchased for \$3,000.
- A supply of five pole-mounted seats could be purchased for \$3,750.
- A supply of sign templates for bus stop schedule display would cost approximately \$1,200.
- A supply of five small and five large trash receptacles could be purchased for approximately \$4,250.

The total for all proposed improvements is estimate at **\$96,200**. Costs are as shown in **Table 3** below:

	<b>Cost</b>	<b>Total Items To Be Purchased</b>	<b>Total Cost</b>
Bus stop poles	\$75.00	22	\$1,650.00
Pole Installation in earth	\$100.00	9	\$900.00
Pole Installation in concrete	\$150.00	9	\$1,350.00
Schedule Display	(varies)	110	\$1,200.00
Pole-Mounted Seat	\$750.00	5	\$3,750.00
Small trash Receptacle	\$250.00	5	\$1,250.00
Large Trash Receptacle	\$600.00	5	\$3,000.00
Solar Lighting Components	\$270.00	15	\$4,100.00
Pole-Mounted Solar Lighting	\$900.00	15	\$13,500.00
Shelter Lighting	\$2,800.00	4	\$11,200.00
Decomposed Granite (DG) Pads	\$30.00	per sq. ft.	\$9,800.00
Asphalt Pads (3)	\$2,500.00	per 100 sq. ft.	\$7,500.00
Concrete Pads (4)	\$6,000.00	4	\$24,000.00
Bench	\$750.00	4	\$3,000.00
Shelter Relocation and Installation	\$1,200.00	5	\$6,000.00
Shelter Repainting	\$1,000.00	4	\$4,000.00
Shelter	\$8,000.00	0	\$0.00
	<b>Total Cost</b>		<b>\$96,200.00</b>

**APPENDIX A**  
**Sample Field Survey Sheet**

At stop (name) \_\_\_\_\_

- Photographs:  From approach (70' distance)  
 From opposite stop  
 From stop, viewing path of departure  
 From approx. 50' past stop

Adjacent Properties	
Landing pad size	
Pad Slope (< or >2% grade)	(parallel to street)
	(perpendicular to street)
Landing pad obstructions	
Sidewalk Y/N	
Sidewalk obstructions	
Pedestrian surface issues	
Railroad crossing	
Posted Speed Limit, total traffic lanes	
Nearest crossing	
Pull out type	
Stopped bus obstructs	

Placement hazards	
Sight dist. impairments	
No parking before/after	
Nearside Signaled int.?	
Conditions affecting access	

Notes:

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**Amenities:**

Shelter \_\_\_\_\_

Sign \_\_\_\_\_

Kiosk \_\_\_\_\_

Trash Receptacle \_\_\_\_\_

Bench \_\_\_\_\_

Lighting \_\_\_\_\_

Braille \_\_\_\_\_



## APPENDIX B

### Bus stop Shelter Lighting

#### Survey of Bus stop shelters with light fixtures - January 2017

##### Arroyo Grande

East Grand Avenue @ Courtland Street	Light fixtures not working
South Elm Street @ Elm Street Park	No light fixtures
El Camino Real @ Halcyon Park and Ride	Light fixtures not working
Fair Oaks Ave. @ AG High School	Light fixtures not working
East Grand Avenue @ Oak Park	Light fixtures not working
E. Grand Ave. @ El Camino Real (am/pm)	Light fixtures not working
Wal Mart Shopping Center	No light fixtures - parking lot lights nearby

##### Grover Beach

West Grand Avenue @ 2nd Street WB	Light fixtures not working
Ramona Garden Park - Grover Beach (3 shelters)	Solar-powered lights working in one shelter
West Grand Avenue @ 16th Street EB	Lights not working

##### Oceano

Wilmar Avenue @ 19th Street	No lights in shelter
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##### Pismo Beach

Price Street @ Dolliver Street NB	Indirect spot light from building
James Way @ 4th Street SB	Weak lighting from indirect solar lights
Pismo Beach Premium Outlets	1 light in shelter working

## APPENDIX C

### Bus Stop Field Survey Results

#### Existing Bus stop amenities

Bus Stop Name	Condition of the shelter:	Condition of seating:
13th and Belridge	N/A	N/A
13th and Longbranch	Good, needs cleaning	Good - four seater
13th and Mentone	N/A	N/A
13th south of Farroll (across from La Selva)	N/A	Fair
13th St at Highway 1	N/A	Good
4th at Longbranch	N/A	Fair (weeds growing)
Air Park Drive at Mendel	N/A	Fair
Arroyo Grande High school	2, Good	In shelter
Ash St at Soto sports complex	N/A	Poor
Branch St, W of Mason, AG	N/A	Good
Dolliver at Hinds FS (southside)	N/A	Fair - worn wood and concrete
E Grand at El Camino	Shelter good - could use cleaning under canopy	Good - 2 signs, both RTA
E Grand at El Camino (northside)	N/A	Fair (wood slat type)
E Grand at Elm (northside)	N/A	Good - slat bench
E Grand at Elm (southside)	N/A	Good - slat bench
E. Grand @ 16th (southside)	Fair	Good - 4 seater
E. Grand @ Adler (northside)	N/A	Good
E. Grand @ Alder (southside)	N/A	Good - faux wood slat bench.
E. Grand @ Traffic (northside)	N/A	?
E. Grand @ Traffic (southside)	N/A	Fair - plastic slat bench
El Camino at Oak Park Blvd.	N/A	N/A
El Camino at Stonecrest	N/A	N/A
Fair Oaks @ Halcyon	N/A	Fair (etched)
Farroll at Huber (northside)	N/A	N/A
Farroll east of 13th	N/A	Poor - bent
Firefighters memorial park AG	N/A	Good
Halcyon Park and Ride	Good 14' long	3 seater
Highway 1 at 21st St	N/A	Fair
Highway 1 at 25th St	N/A	N/A
Highway 1 at Butterfly trees (southbound)	N/A	Fair
Highway 1 at Frady (eastside)	N/A	Good
Highway 1 at Frady (westside)	N/A	Fair
Highway 1 at Le Sage (es)	N/A	Fair
Highway 1 at Le Sage (ws)	N/A	Fair

Bus Stop Name	Condition of Shelter	Condition of Seating
Hwy 1 at 13th St	N/A	N/A
James & Highland	N/A	good
James @ Ridge (WS)	N/A	Good
James at 4th (southwest side)	Good (RTA)	Good
James at Paseo Laderu (northside)	N/A	OK
James Way @ Ridge eastside	N/A	Good/fair
James Way north of Oak Park (west side)	N/A	good
James Way west of Oak Park (eastside)	N/A	Good
Mattie Drive @ Valencia (NB) FS	N/A	fair - landscaped plants under bench - trimmed at present
Oak Park at Driftwood	N/A	Good - RTA sign
Oak Park at Driftwood	0	Good - 4 seater
Oak Park at Monaco	N/A	Good - RTA sign
Oak Park Blvd (north of Grand ave.)	N/A	N/A
Oak Park Blvd (north of Grand ave.)	N/A	N/A
Oak Park Blvd at Longbranch (south of Grand)	N/A	Good
Oceano Park	N/A	N/A
Pismo Beach City hall/McClintocks	N/A	Good
Pismo Outlets	Stuco structure	OK
Price at Hinds (northside)	N/A	Fair
Price at Hinds (northside)	N/A	Good
Price at San Luis (ns)	N/A	Hood - green mesh 4-seater
Price at Wadsworth (ss)	N/A	N/A
Ramona Garden Park	3, 2 standard and 1 cinderblock	Several
S. Elm @ Paul Place	Fair	Good - 4 seater
S. Elm at Fair Oaks (eastside)	N/A	Fair
Shell Beach Drive @ Cuyama	?	Good
Shell Beach Drive @ Harbor Drive (NS)	Good	N/A
Shell Beach Drive @ Harbor View (southside)	N/A	Fair
Shell Beach Drive @ Inn of the Cove	N/A	Good
Shell Beach Drive @ Lighthouse suites	N/A	Good
Shell Beach Drive at Spyglass village	N/A	Good
Shell Beach Drive at Terrace NS	N/A	Good
Shell Beach Drive at Terrace NS	N/A	2 concrete barrells
Shell Beach Drive opposite of Lighthouse suites	Fair	Good - 4 seater
South Elm at Ash (westside)	Fair	Good
The Pike at Avenida Pelicanos	Fair	Good - 4 seater

<b>Bus Stop Name</b>	<b>Condition of Shelter</b>	<b>Condition of Seating</b>
The Pike at Avenida Pelicanos	Fair	Good - 4 seater
Town Center (shopping center)	Yes - poor condition	(built into shelter)
W Branch @ K-Mart	None	Fair
W Grand at 13th (northside)	N/A	Good - slat type
W Grand at 16th (northside)	N/A	Good - slat bench
W Grand at 3rd	N/A	N/A
W Grand at 7th (north side)	N/A	Good - plastic slat
W. Branch at AG Library - FS	None	Fair
W. Branch at Vernon - FS	None	N/A
W. Grand @ 13th St. (southside)	N/A	Good - slat type
W. Grand at 7th (southside)	N/A	good - slat type
W. Grand at Courtland	Good - block and tile structure	Built in to shelter
W. Grand at Oak Park	Fair	Good - 2 seater in shelter
W. Grand at Oak Park	Fair	Good - 2 seater in shelter
Wilmar at 20th	Fair	in shelter

New Stops implemented July 2016

<b>Bus Stop Name</b>	<b>Condition of the shelter:</b>	<b>Condition of seating:</b>
AG High Fair Oaks at Valley Road (westbound)	N/A	N/A
Highway 1 and 25th (westbound)	N/A	N/A
Highway 1 and 21st (westbound)	N/A	N/A
Wilmar and 13th (westbound)	N/A	N/A
Wlimar and 19th (eastbound)	N/A	N/A
19th at Wilmar (northbound)	N/A	N/A
Elm at Pike (southbound)	N/A	N/A
Elm at Pike (northbound)	N/A	N/A
Elm at Fair Oaks (southbound)	N/A	N/A
13th Street at Farroll (northbound)	N/A	N/A
Oak Park at Newport (northbound)	N/A	N/A
Oak Park at Newport (southbound)	N/A	N/A
Nelson at Traffic Way (westbound)	N/A	N/A
El Camino and stonecrest	N/A	N/A

(Yellow highlighting indicates a discontinued stop, from which amenities might be re-used)

**DRAFT**  
**SOUTH COUNTY TRANSIT**  
**MINUTES OF JULY 19, 2017 BOARD MEETING**  
**City Council Chamber, Arroyo Grande**  
**C-1**

Directors Present:	Lynn Compton, Chairperson	County Supervisor, District 4
	Sheila Blake	City Council Member, Pismo Beach
	Barbara Nicolls, Vice Chair	City Council Member, Grover Beach
	Tim Brown	Mayor Pro Tem, Arroyo Grande

Directors Absent:

Staff Present:	Geoff Straw	Administrator
	Tania Arnold	RTA Deputy Director and CFO
	Phil Moores	Manager, Operations
	Mark Diamond	SCT Operations Supervisor
	Shelby Walker	RTA Administrative Assistant
	Mary Gardner	Marketing Manager

**CALL TO ORDER AND ROLL CALL:** Chairperson Lynn Compton called the meeting to order at 1:32 p.m. Roll call was taken; a quorum was present.

**PUBLIC COMMENT:** None

**A. INFORMATION AGENDA:**

**A-1 Administrator's Report (Receive):** Mr. Straw stated that on June 17th, staff became aware that SoCo Transit Bus Operators were accepting gratuities primarily on Avila Trolley and we immediately issued a directive prohibiting the practice.

Staff received complaints from Bus Operators and riders that some riders exhibit foul odors on the bus. **Director Tim Brown** asked if mental health can get involved. **Mr. Straw** stated that staff worked with Transitions Mental Health Association and the Five Cities Homeless Coalition to reach out to the rider and to provide badly needed services. He continued by stating that staff unfortunately had to use the Passenger Code of Conduct to deny service to this individual – both an initial 7-day suspension and a follow-up 30-day suspension. We will continue to work with our social service partners and interested riders to help address this issue.

He stated that staff conducted a SoCo Transit Driver Forum on June 6th, and several issues were discussed. One issue was animals being brought on the bus by some riders that are not on a leash and

they run in the bus. Staff reviewed the existing policy on service animals, which prohibits that practice. Mr. Straw showed the car card that will be used to notify passengers.

RTA staff has issued a purchase order for six LED next-bus signs that will be installed at the major transit centers in the RTA and SoCo Transit service area. Two important SoCo Transit locations include the Pismo Outlets and Ramona Garden passenger facilities. The radio system for the Bus Finders does not work in the Five Cities area.

The Santa Barbara County Association of Governments is leading the Santa Maria-San Luis Obispo Transit Connections Study. One of the preliminary recommendations of the consultants is that RTA Route 10 service be re-routed to the Broadway corridor instead of continuing to serve two low-ridership bus stops at Marian Hospital. Another important recommendation is the need for a “super-regional” pass so that riders can easily travel across SMAT, RTA and SoCo Transit routes. More information is available at [www.Route10Plan.com](http://www.Route10Plan.com). As further details emerge, staff will share them with the SoCo Transit and RTA Boards.

RTA staff began negotiations on July 6th with Teamsters Local 986 who represent RTA Bus Operators and maintenance staff. Once RTA-Teamsters negotiations are completed, SoCo Transit will begin negotiations on its CBA with the Teamsters; both the RTA and SoCo Transit CBAs expire on January 31, 2018.

He stated that ridership is down 10.6 % from the previous year. Low fuel prices are part of the reason. He also stated that primary numbers were below budget. The Short Range Transit Plan grant was denied, staff will look into other grant opportunities

**Mr. Straw** concluded his report.

**Chairperson Compton** opened Board and public comment.

**Chairperson Compton** closed Board and public comment.

## **B. ACTION AGENDA:**

**B-1 Consider Five Cities Senior Shuttle Agreement with Ventura Transit Systems (Approve):** The San Luis Obispo Council of Governments (SLOCOG) currently allocates funding to Ride-On Transportation to provide countywide Senior Shuttle services Monday through Friday. The Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the County of San Luis Obispo, has also funded Ride-On to supplement Senior Shuttle Service levels above and beyond the SLOCOG-funded countywide services. Since at least 2005, the enhanced Five Cities Senior Shuttle (FCSS) services have traditionally been provided Tuesday through Thursday. However, after Ride-On unilaterally increased the availability of FCSS service to Monday through Friday in July 2015, Ride-On approached SCT staff in early 2016 to determine if additional funding could be secured to continue with the five days/week service in the Five Cities area.

After a review of historical documents to determine the optimal way to amend the agreement, SCT staff discovered that a formal agreement for FCSS services had never been executed. As such, SCT staff recommended no additional funding and that a formal agreement be developed to help define expectations. More importantly, a formal agreement would provide indemnification for the jurisdictions that fund the FCSS services and also provide control over the service levels operated by the vendor.

Staff reported to the SoCo Transit Board at its July 20, 2016 meeting that it had reached consensus with Ride-On Transportation on a draft Scope of Services for the FCSS services. The Board subsequently authorized execution of the final draft agreement at its October 19, 2016 meeting. However, SoCo Transit staff subsequently reported to the City Managers in December 2016 that there were inconsistencies in Ride-On's cost allocation methodologies for FCSS as they relate to countywide Senior Shuttle services funded through SLOCOG. The City Managers strongly suggested that the service be competitively bid to ensure appropriate pricing and service quality issues could be assured. Two firms submitted formal proposals by the May 17th deadline, and both firms were interviewed by the Selection Committee comprised of three SoCo Transit officials and the Co-Chair of the County Commission on Aging. Following telephone reference checks, the Selection Committee unanimously recommended award to Ventura Transit Systems. It should be noted that the VTS price per passenger boarding is significantly lower than that bid by Ride-On Transportation, so that means the annual outlay by each jurisdiction will be lower

Staff worked with SCT Counsel and the successful bidder to refine the draft Agreement that was included in the RFP, and the final draft document is included as an attachment to this staff report. Staff also worked with City/County officials to develop staff reports for each jurisdiction, since all three cities and the county must individually execute the Agreement. The term is a base of three years, with two one-year extensions.

**Mr. Straw** concluded his report.

**Director Sheila Blake** asked if it was the same amount of trips. **Mr. Straw** stated it is the same dollar amount maximum but with the lower price per trip more trips can be provided. Riders can plan their trips in advance using the new phone number.

**Chairperson Compton** closed Board and public comment.

**Director Brown** moved to approve Agenda Item B-1. **Director Nicolls** seconded and the motion carried on a roll call vote.

### **C. CONSENT AGENDA:**

C-1 Draft SCT Minutes of April 26, 2017 (Approve)

**Chairperson Compton** opened Board and public comment on any items listed on Consent.

**Chairperson Compton** closed Board and public comment.

**Director Brown** moved to approve Consent Agenda. **Director Blake** seconded and the motion carried on a roll call vote.

**D. CLOSED SESSION:**

The Board choose to not meet in closed session.

**E. DIRECTORS' COMMENTS:** None

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

**ADJOURNMENT:** The meeting was adjourned at 2:06 p.m.

Respectfully submitted, Shelby Walker, Administrative Assistant



# Report on SCT Performance Standards

July 2016 through July 2017

## South County Transit Standards of Excellence: Service Quality and Efficiency

**Summary:** 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 the resources available.

**Standard 1:** Passengers per vehicle service hour (also known as “productivity”) will be 15 or greater.

*Measurement:* Objective.

- Administrator will review monthly and report quarterly.

The table below shows a slight rise in productivity for FY2017 in comparison to previous fiscal years. This increase is related in part to the new Automated Passenger Counting (APC) system numbers, which run higher than the GFI farebox data we had been using.

### Passengers per Service Hour

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

\* Using APC data

**Standard 2:** Service delivery rate shall be 99% or greater.

*Measurement:* Objective.

- Administrator will report biannually.

SCT delivered 100% of the promised service.

## Report on SCT Performance Standards

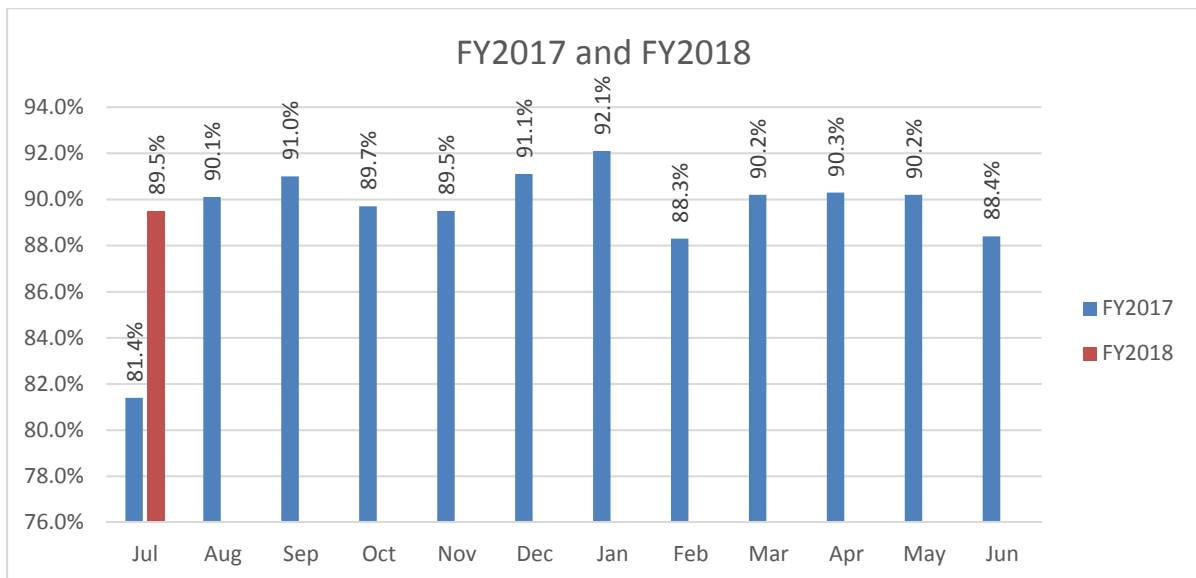
July 2016 through July 2017

**Standard 3:** System wide On-Time Performance (OTP) shall be 95% or greater. “On-time” is defined as no later than six minutes from any timepoint in the published schedule.

*Measurement:* Objective.

- Administrator will report quarterly.

After the introduction of the automated GPS-based ITS system, the OTP is hovering around 90%. The drop in the results from previous years is due to the more comprehensive and dependable process the ITS system uses for calculating OTP. During the development of the next Strategic Business Plan, the SCT Board should consider a revised goal that would represent a more achievable target. Nonetheless, we are actively working with the Bus Operators to improve OTP where possible.



**Standard 4:** SCT 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.

- Administrator will report annually.

The new Routes 27 and 28 were introduced on July 30, 2016. These new bidirectional loops replaced the circuitous Route 23. Customers feedback is positive. The new routes improved access to the Wal-Mart shopping center, provide more direct service when considering both legs of a roundtrip, and introduced many new bus stops to the system. These kinds of changes are the most effective when trying to attract new ridership. Minor adjustments to stops and routing are always being considered. In addition, system efficiency opportunities between RTA and SoCo are reviewed.

## Report on SCT Performance Standards

July 2016 through July 2017

**Standard 5:** The number of bus trips with passenger standees will not exceed 10% of the daily bus trips on that route.

*Measurement:* Objective.

- Reviewed quarterly by the SCT Supervisor, and reported by Administrator biannually.

With the exception of the two Tripper runs that serve Arroyo Grande High School during bell times, SCT does not have any cases of standees exceeding 10% of the daily trips on a route.

### South County Transit Standards of Excellence: Revenue and Resources

We will live within our means. 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 SCT.

**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 quarterly.

Fiscal Year 2012-13 Result: Operating Costs were 94% of the adopted budget

Fiscal Year 20-1314 Result: Operating Costs were 90% of the adopted budget

Fiscal Year 2014-15 Result: Operating Costs were 84% of the adopted budget

Fiscal Year 2015-16 Result: Operating Costs were 90% of the adopted budget

Fiscal Year 2016-17 Result: Operating Costs are 83% of the adopted budget (*unaudited*)

Fiscal Year 2017-18 Result: Operating Costs are 6.5% of the adopted budget (*as of July 31, 2017, 8.3% of the fiscal year*)

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

**Standard 2:** Farebox Recovery Ratio shall be greater than 20%.

*Measurement:* Objective.

- Administrator will review monthly and report quarterly.

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

## Report on SCT Performance Standards

July 2016 through July 2017

Fiscal Year 2012-13 Result: 14.2%

Fiscal Year 2013-14 Result: 16.3%

Fiscal Year 2014-15 Result: 17.4%

Fiscal Year 2015-16 Result: 13.6%

Fiscal Year 2016-17 Result: 12% (*unaudited*)

Fiscal Year 2017-18 Result: 19.7% (*as of July 31, 2017, with a large pass sale purchase from DSS which overinflates July information and will average out over the fiscal year*)

**Standard 3:** No significant financial audit findings.

*Measurement:* Objective.

- Administrator will report any negative audit findings.

SCT 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 community evaluation survey, feedback from communities and review of the annual capital program by staff and 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.

### South County Transit Standards of Excellence: Safety

We recognize the tremendous importance of safety in the operation of SCT 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.

- Administrator will review monthly and report annually.

The results for the previous fiscal years are presented below. As shown, SCT finally achieved this goal in FY15-16, but we missed the goal by one minor collision in FY16-17.

Fiscal Year 2013-14 Result: 2.00

Fiscal Year 2014-15 Result: 2.26

Fiscal Year 2015-16 Result: 0.90

## Report on SCT Performance Standards

July 2016 through July 2017

Fiscal Year 2016-17 YTD: 1.30

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

*Measurement:* Objective.

- List shall be compiled with action items and timelines by the Administrator.

The safety committee entered 33 new items, closed 22 items, 12 open items and 4 items are reoccurring items. The four open items include the Heart-TA health awareness program, posting Safety Committee meeting minutes for all employees to see, posting quarterly Collision Statistics, and maintaining the days without a preventable collision counter poster.

**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 reported by Finance and Administration.

Fiscal Year 2014-15 Result: 3 lost-time claims (no medical only)

Fiscal Year 2015-16 Result: 1 medical only (no lost-time claims)

Fiscal Year 2016-17 Result: 1 lost-time claim (no lost-time claims)

Fiscal Year 2017-18 Result: no claims as of July 31, 2017

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

*Measurement:* Objective.

- As measured by biannual community survey.

The first comprehensive Customer Perception Survey was completed in 2013. Staff will be conducting a follow-up survey in October 2017.

**Standard 5:** Total risk management costs shall not exceed 8.5% of total operating costs.

*Measurement:* Objective.

- Reported by Finance and Administration in financials and YTD budget reports monthly.

We achieved the goal during Fiscal Years 2012-13 and 2013-14. Fiscal Years 2014-15 and year-to-date 2015-16 results are higher as a result of significant development in liability and workers compensation claims, as well as generally higher liability costs in the public transit market. This includes property, workers compensation, liability, and auto physical damage insurance costs.

Fiscal Year 2012-13 Result: 6.1% of total operating costs

Fiscal Year 2013-14 Result: 7.4% of total operating costs

Fiscal Year 2014-15 Result: 10.2% of total operating costs

## Report on SCT Performance Standards

July 2016 through July 2017

Fiscal Year 2015-16 Result: 11.6% of total operating costs

Fiscal Year 2016-17 Result: 10.1% of total operating costs

Due to the tightening market in California, staff expects these costs to 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. Staff is also evaluating options to fund a self-insured retention (deductible) in order to reduce risk management costs overall, which will include a presentation regarding the reserve policy.

### South County Transit Standards of Excellence: 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 Administrator and Department Heads.

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

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

2012 – 9%

2013 – 14%

2014 – 19%

2015 – 28%

2016 – 22%

2017 – 9% (through August 2017)

**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.

## Report on SCT Performance Standards

July 2016 through July 2017

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

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

*Measurement:* Subjective.

To help connect with passengers on a more personal level, administrative staff and all managers have been issued nametags. This program was carried forward on the buses in March 2017 by posting the Bus Operator's name inside the bus. We also continually stress the tenets of *Verbal Defense and Influence*, which focused us how to communicate more effectively with each other and our customers. A total of 13 RTA staff members and one SCT Road Supervisor also meet bi-weekly staff to discuss general items that may affect other departments; others are invited as needed and to address specific issues (when possible, including one Bus Operator and one RTA Road Supervisor). Management also participates in a quarterly SCT Driver's Forum to discuss issues and ideas that could improve SCT services. Finally, the SCT Administrator and the three RTA department heads meet weekly to ensure consistency in messaging and direction for the organization; these four employees also held an overnight retreat in July 2015 and 2016, and are currently planning for October 2017, to address challenges and major projects facing SCT and RTA.

**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 SCT's Standards and SCT's KPIs.

SCT currently completes formal annual evaluations for its 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.

### South County Transit Standard of Excellence: 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:** Replace all revenue vehicles no more than 40% beyond the FTA-defined useful life standard in terms of years or miles.

*Measurement:* Objective.

## Report on SCT Performance Standards

July 2016 through July 2017

- Will be reported by the Administrator.

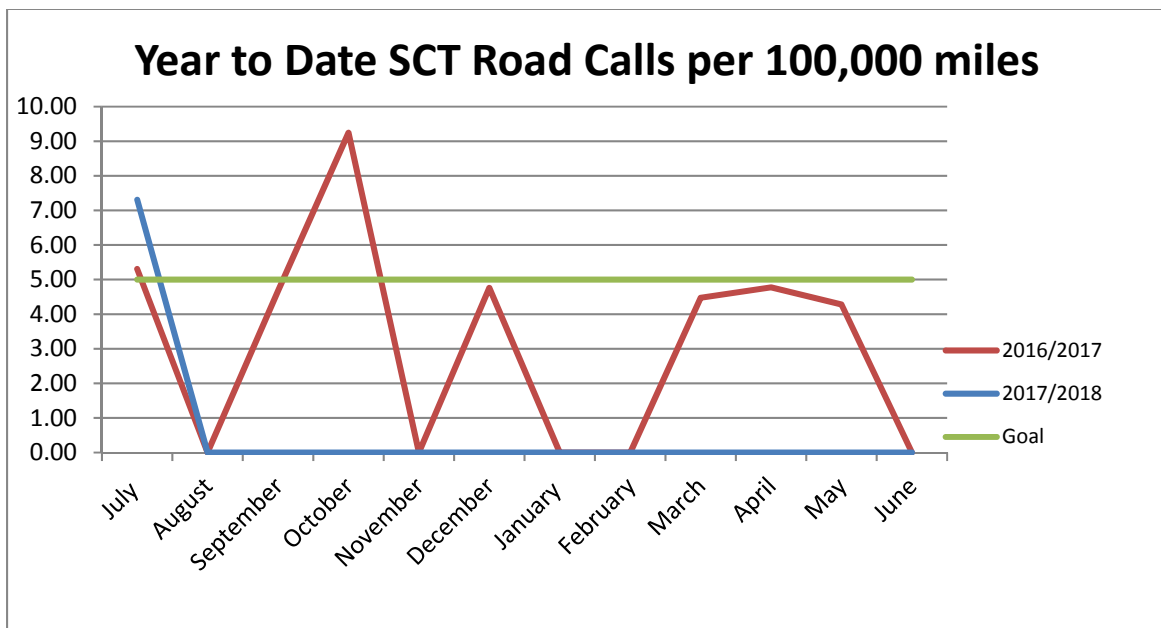
As of June 30, 2017 the average SCT fixed route vehicle age is 7.5 years with an average of 247,147 miles. The design life of a fixed route bus is 12 years/500,000 miles.

**Standard 2:** Road calls will not exceed 5 per 100,000 miles of vehicle service miles.

*Measurement:* Objective.

- Administrator will report biannually.

The average for SCT in FY16-17 is 3.13, which is well below the limit of 5. RTA's reporting (on behalf of SCT) matches the definition as used in the National Transit Database. We will closely track this standard as our fleet ages and/or if breakdowns appear to be happening more frequently.



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

*Measurement:* Subjective.

- As measured by employee and customer feedback.

The first comprehensive Customer Perception Survey was completed in 2013. As mentioned above, the next Customer Perception Survey will be completed in October 2017.

**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 annual Community Evaluation conducted by Marketing.



## Report on SCT Performance Standards

July 2016 through July 2017

As mentioned above, the next Customer Perception Survey will be completed in October 2017.

**Standard 5:** Achieve all federal, state-mandated maintenance practices, as well as vendor recommended maintenance schedules for our fleet and facilities.

*Measurement:* Objective.

- No negative FTA or TDA audit findings.
- Preventative maintenance schedules for all equipment shall be done on a timely basis (3,000 mile intervals or as mandated by equipment OEM vendor).

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

### South County Transit Standards of Excellence: 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, our community, with our stakeholders and 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 SCT Board.

Staff believes that we have maintained strong relationships with most local, state and federal agencies. Staff has completed updates to the South County Transit JPA, which was presented to the three City Councils and the Board of Supervisors. Staff has also submitted a grant application to fund an update to the 2011 SCT SRTP. RTA staff (on behalf of SCT) continues to manage State and Federal grant programs for the region, including FTA Section 5307, 5311, 5339 and TIGER.

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

*Measurement:* Subjective.

- To be evaluated and monitored by SCT Board.

The Administrator and other senior staff attend City Council and other policy board meetings throughout the county, as well as civic group meetings, as appropriate. An on-going example is SCT's participation in Arroyo Grande Halcyon Corridor study meetings and correspondence.

## Report on SCT Performance Standards

July 2016 through July 2017

Another example is the shared Road Supervisor program between RTA and SCT, which has improved Bus Operator support and customer service in the entire South County area.

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

*Measure:* Subjective.

- To be evaluated by the Administrator.

Senior staff members engaged SCT Bus Operators and riders on March 17 as the culmination of the Driver Appreciation Week. One issue involving SLOCOG's Unmet Transit Needs program was effectively addressed while the SCT Administrator rode a Route 27 bus. Administrative staff are required to ride an SCT or RTA bus at least once every quarter, and to report any findings back to senior management for resolution.

**Standard 4:** Provide effective leadership for public transportation within the County.

*Measurement:* Subjective.

- To be evaluated by the Administrator and SCT 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 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 SCT to ensure that transit amenities are considered in planning documents and development proposals.

**SOUTH COUNTY TRANSIT**

**October 18, 2017**

**STAFF REPORT**

**AGENDA ITEM:** C-3

**TOPIC:** Annual Fiscal & Compliance Audit

**ACTION:** Review and Accept the FY2016-17 Audit Report

**PRESENTED BY:** Tania Arnold

**STAFF RECOMMENDATION:** Review and Accept the FY2016-17 Annual Fiscal and Compliance 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 Moss, Levy & Hartzheim, LLP.

Staff recognizes there is a significant balance of capital projects related to bus stop amenities and transit center improvements. At this time staff is working on completing the bus stop assessment for Board approval. Once the assessment has been approved, staff will be soliciting bids to address the needs in South County in conjunction with the needs included in the RTA bus stop assessment approved by the RTA Board on March 1, 2017. Once the timeline and project milestones are established, a budget amendment to carryover the project to FY17/18 and/or FY18/19 will be brought before the SoCo Transit Board.

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 2016-17 Annual Fiscal and Compliance Audit report.

**SOUTH COUNTY TRANSIT**  
FINANCIAL STATEMENTS  
June 30, 2017



**SOUTH COUNTY TRANSIT**  
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June 30, 2017

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Moss, Levy & Hartzheim LLP  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
South County Transit  
San Luis Obispo, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the South County Transit (Agency) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 entity'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 entity'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 opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the South County Transit, as of June 30, 2017, and the respective changes in financial position, and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Report on Summarized Comparative Information*

We have previously audited the South County Transit's 2016 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with audited financial statements from which it has been derived.

### *Required Supplementary Information*

Management has omitted 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the South County Transit's basic financial statements. The schedule of expenses – budget and actual 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 September 24, 2017, on our consideration of the South County Transit'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.

*Moss, Levy & Hutzheim LLP*

September 24, 2017  
Santa Maria, California

**SOUTH COUNTY TRANSIT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**  
**WITH COMPARATIVE TOTALS FOR JUNE 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 302,583	\$ 839,528
Accounts receivable	35,618	18,209
Prepaid items	5,997	4,085
Deposits	<u>2,000</u>	<u>2,000</u>
Total current assets	<u>346,198</u>	<u>863,822</u>
Capital assets:		
Depreciable:		
Buildings and improvements	152,006	264,718
Equipment and vehicles	2,690,289	3,034,270
Less accumulated depreciation	<u>(1,435,731)</u>	<u>(1,821,550)</u>
Total net capital assets	<u>1,406,564</u>	<u>1,477,438</u>
 Total assets	 <u>1,752,762</u>	 <u>2,341,260</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	106,588	268,561
Accrued payroll	21,113	14,193
Unearned revenue	<u>9,656</u>	<u>130,599</u>
Total current liabilities:	<u>137,357</u>	<u>413,353</u>
Noncurrent Liabilities		
Compensated absences	<u>4,386</u>	<u>2,549</u>
Total noncurrent liabilities:	<u>4,386</u>	<u>2,549</u>
 Total liabilities	 <u>141,743</u>	 <u>415,902</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,406,564	1,477,438
Unrestricted	<u>204,455</u>	<u>447,920</u>
 Total net position	 <u>\$ 1,611,019</u>	 <u>\$ 1,925,358</u>

The notes to 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, 2017**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>Operating Revenues:</b>		
Passenger fares	\$ 145,021	\$ 139,508
Advertising and other income	1,138	4,538
Total operating revenues	<u>146,159</u>	<u>144,046</u>
<b>Operating Expenses:</b>		
Salaries and benefits	568,810	458,580
Maintenance and operation	565,847	485,390
Administration and financial services	87,950	79,830
Depreciation	207,932	232,615
Total operating expenses	<u>1,430,539</u>	<u>1,256,415</u>
 Operating income (loss)	 <u>(1,284,380)</u>	 <u>(1,112,369)</u>
<b>Non-Operating Revenues (Expenses):</b>		
Interest income	4,791	4,344
Transportation Development Act funds	235,546	189,302
Low Carbon Transit Operations Program	97,348	
Fees and reimbursements from other governmental agencies	51,569	46,729
Federal grants	440,019	372,691
Gain on disposal of capital assets	3,710	
Settlement payments		(38,409)
Total non-operating revenues (expenses)	<u>832,983</u>	<u>574,657</u>
<b>Capital Contributions:</b>		
Federal capital grants	100,000	
State capital grants	37,058	33,215
Local transportation capital grants		3,212
Total capital contributions	<u>137,058</u>	<u>36,427</u>
 Change in net position	 (314,339)	 (501,285)
Net position, beginning of fiscal year	<u>2,426,646</u>	<u>2,426,646</u>
 Net position, end of fiscal year	 <u>\$ 1,611,019</u>	 <u>\$ 1,925,358</u>

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

**SOUTH COUNTY TRANSIT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 133,905	\$ 185,192
Payments to suppliers and wages	(1,377,735)	(908,891)
Net cash (used) by operating activities	<u>(1,243,830)</u>	<u>(723,699)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Acquisition and construction of property, plant, and equipment	(137,058)	(36,427)
Sale of capital assets	3,710	
Capital grants received	108,308	51,038
Net cash provided (used) by capital and related financing activities	<u>(25,040)</u>	<u>14,611</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Operating subsidies	235,546	189,302
Fees, grants, and reimbursements received	491,588	419,420
Settlement payments		(38,409)
Net cash provided by noncapital financing activities	<u>727,134</u>	<u>570,313</u>
<b>Cash Flows From Investing Activities:</b>		
Interest income	4,791	4,344
Net cash provided by investing activities	<u>4,791</u>	<u>4,344</u>
Net decrease in cash and cash equivalents	(536,945)	(134,431)
Cash and cash equivalents, beginning of fiscal year	<u>839,528</u>	<u>973,959</u>
Cash and cash equivalents, end of fiscal year	<u>\$ 302,583</u>	<u>\$ 839,528</u>

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

**SOUTH COUNTY TRANSIT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>Reconciliation of operating loss to net cash (used) by operating activities:</b>		
Operating loss	\$ (1,284,380)	\$ (1,112,369)
Adjustments to reconcile operating income to net cash used by operating activities		
Depreciation expense	207,932	232,615
Change in operating assets and liabilities:		
Accounts receivable	(17,409)	37,321
Prepaid items	(1,912)	(317)
Accounts payable	(161,973)	114,088
Accrued payroll	6,920	4,349
Compensated absences	1,837	(3,211)
Unearned revenue	<u>5,155</u>	<u>3,825</u>
Net cash (used) by operating activities	<u>\$ (1,243,830)</u>	<u>\$ (723,699)</u>

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

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – REPORTING ENTITY**

The 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 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**

- A. Accounting Policies - The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants (AICPA).
- B. Accounting Method - The Agency follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred regardless of the timing of related cash flows.
- C. Fund Financial Statements – The fund financial statements provide information about the Agency's fund.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

GASB Statement No. 34, defines major funds and requires that the Agency's major proprietary-type fund be identified and presented separately in the fund financial statements.

Major funds are defined as funds that have either assets, liabilities, revenues or expenses equal to ten percent of their fund-type total and five percent of the grand total. The Agency maintains one proprietary fund as follows:

Proprietary Fund Type

**Enterprise Fund**

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.

- D. Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.
- E. Property, Plant, and Equipment – Capital assets purchased by the Agency are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. 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.
- G. 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.
- H. Compensated Absences – Accumulated unpaid employee vacation and sick leave benefits are recognized as liabilities of the Agency.



**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. Revenue Recognition - The South County Transit's primary source of revenues include passenger fares, State Transit Assistance 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 County of Governments administers the State Transit Assistance and Transportation Development Act 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 to it by San Luis Obispo Council of Governments to the extent approved by San Luis Obispo Council of Governments.

J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

K. Use of Estimates -The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, 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.

L. 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.

M. Future Accounting Pronouncements

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

Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provisions of this statement are effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 83	"Certain Asset Retirement Obligations"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
Statement No. 85	"Omnibus 2017"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

M. Future Accounting Pronouncements (Continued)

Statement No. 86	"Certain Debt Extinguishment Issues"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

**NOTE 3 - CASH AND INVESTMENTS**

On June 30, 2017, the Agency had the following cash and investments on hand:

Cash on hand and in banks	\$	47,419
Investments		<u>255,164</u>
Total cash and investments	\$	<u>302,583</u>

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

Cash and investments, statement of net position	\$	<u>302,583</u>
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The Agency categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Agency's investments are in the San Luis Obispo Investment Pool and in the Local Agency Investment Fund which are external investment pools not valued under level 1, 2 or 3.

Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for the Agency by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>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.

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Disclosures Relating to Interest Rate Risk (Continued)

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:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
San Luis Obispo County Investment Pool	\$ 37,835	\$ 37,835	\$ -	\$ -	\$ -
Local Agency Investment Fund	<u>217,329</u>	<u>217,329</u>			
<b>Total</b>	<b><u>\$ 255,164</u></b>	<b><u>\$ 255,164</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Disclosures Relating to Credit Risk

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.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt from Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
San Luis Obispo County Investment Pool	\$ 37,835	N/A	\$ -	\$ -	\$ -	\$ 37,835
Local Agency Investment Fund	<u>217,329</u>					<u>217,329</u>
<b>Total</b>	<b><u>\$ 255,164</u></b>		<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 255,164</u></b>

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. There are no investments in any one issuer that represent 5% or more of total Agency investments.

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 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.

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 the San Luis Obispo County Investment Pool or LAIF).

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

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.

**NOTE 4 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
<i>Business-type activities:</i>				
Capital Assets, being depreciated				
Building and improvements	\$ 264,718	\$ 5,121	\$ 117,833	\$ 152,006
Vehicles and equipment	3,034,270	131,937	475,918	2,690,289
Total capital assets, being depreciated	<u>3,298,988</u>	<u>137,058</u>	<u>593,751</u>	<u>2,842,295</u>
Less accumulated depreciation for:				
Building and improvements	262,164	2,066	117,833	146,397
Vehicles and equipment	1,559,386	205,866	475,918	1,289,334
Total accumulated depreciation	<u>1,821,550</u>	<u>207,932</u>	<u>593,751</u>	<u>1,435,731</u>
Net depreciable capital assets	<u>\$ 1,477,438</u>	<u>\$ (70,874)</u>	<u>\$ -</u>	<u>\$ 1,406,564</u>

Depreciation expense for the fiscal year ended June 30, 2017, was \$207,932. Depreciation expense for the fiscal year ended June 30, 2016, was \$232,615.

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

The Agency was allocated the following funds from the Local Transportation Funds (LTF) and State Transit Assistance Fund for the fiscal years ended June 30, 2017 and 2016:

<u>Allocation Assigned By/Claimant</u>	<u>Article/Section</u>	<u>Amount</u>	
		<u>2017</u>	<u>2016</u>
Local Transportation Fund:			
City of Arroyo Grande	4 / 99260(a)	\$ 64,432	\$ 38,757
City of Grover Beach	4 / 99260(a)	48,577	29,374
City of Pismo Beach	4 / 99260(a)	28,505	17,237
County of San Luis Obispo	4 / 99260(a)	<u>27,156</u>	<u>16,625</u>
Total Article 4 – LTF		<u>168,670</u>	<u>101,993</u>
State Transit Fund:			
Regional Transit Authority	6.5 / 99313	66,088	83,561
Regional Transit Authority	6.5 / 99314	<u>5,417</u>	<u>6,960</u>
Total Article 6.5 – STF		<u>71,505</u>	<u>90,521</u>
Total TDA Revenue		<u>\$ 240,175</u>	<u>\$ 192,514</u>

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

	Amount	
	2017	2016
Operating expenses	\$ 1,430,539	\$ 1,256,415
Plus/(minus):		
Capital purchases with LTF and STA	4,629	3,212
Depreciation	(207,932)	(232,615)
Fare revenues	(145,021)	(139,508)
Other operating revenues	<u>(1,138)</u>	<u>(4,538)</u>
Maximum total allocation	1,081,077	882,966
TDA operating allocations received and accrued	<u>240,175</u>	<u>192,514</u>
Allocation over/under maximum	<u>\$ (840,902)</u>	<u>\$ (690,452)</u>

**NOTE 6 – FARE REVENUE RATIO**

The Agency had fare revenue ratios for the year ended June 30, 2017 and 2016, computed as follows:

	2017	2016
(a) Operating revenues – passenger fares	\$ 145,021	\$ 139,508
(b) Operating costs – net of depreciation expense	1,222,607	1,023,800
(c) Fare revenue ratio [ (a) / (b) ]	11.86%	13.63%
Minimum ratio required	20.00%	20.00%
Under minimum ratio requirement	8.14%	6.37%

The Agency was not in compliance with applicable TDA regulations pertaining to acceptable fare revenue ratios which require a minimum ratio of 20%.

**NOTE 7 – LONG TERM DEBT – COMPENSATED ABSENCES**

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Compensated absences	\$ 2,549	\$ 9,951	\$ 8,114	\$ 4,386

**NOTE 8 – UNEARNED REVENUE**

Unearned revenue at June 30, 2017, and June 30, 2016, consisted of the following:

	June 30, 2017	June 30, 2016
Bus Pass Sales	\$ 9,629	\$ 4,474
Low Carbon Transit Operations Program		97,348
Prop 1B funding	<u>27</u>	<u>28,777</u>
Total Unearned revenues	<u>\$ 9,656</u>	<u>\$ 130,599</u>

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT**

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B in November 2006, included a program of funding in the amount of \$4 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, \$3.6 billion in the PTMISEA was made available to project sponsors in California for allocation to eligible public transportation projects for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or rolling stock procurement, rehabilitation, expansion, or replacement. PTMISEA eligibility is based on STA allocations to each project sponsor during the fiscal years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11, and were made available during the 2011-12 fiscal year. Qualifying expenditures must be encumbered within three years from the date of allocation and expended within three years from the date of the encumbrance.

Interest earned on funds to date is \$8,622. The Agency had qualifying expenditures incurred under this program from previous allocation totaling \$28,332, which was used for the Intelligent Transportation Systems (ITS) procurement on transit coaches and is included in State capital grants in the accompanying financial statements.

**NOTE 11 – THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)**

The Low Carbon Transit Operations Program (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 \$1,110. The Agency had qualifying expenditures incurred under this program from previous allocation totaling \$98,458, which was used for operating expenses for the new route 27 and 28 service and is included in the accompanying financial statements.

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**SUPPLEMENTARY INFORMATION SECTION**





**SOUTH COUNTY TRANSIT  
 PROPRIETARY FUND  
 SCHEDULE OF EXPENSES  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Administrative Expenditures</b>			
Insurance			
Liability and Physical Damage	\$ 82,800	\$ 82,593	\$ 207
Workers Compensation	57,000	54,056	2,944
Property Insurance	700	701	(1)
Rent	36,000	30,600	5,400
Utilities	8,450	8,603	(153)
Radio Expense	1,240	1,236	4
Legal Services	6,200		6,200
Payroll Processing	1,680	1,362	318
Administration - Staff Time	74,750	74,750	
Finance	13,200	13,200	
Office Expense/Miscellaneous	10,370	9,950	420
Audit	3,000	3,020	(20)
Marketing/Community Relations/Printing	25,000	29,271	(4,271)
Uniforms/Laundry/Physicals/Ads	10,270	9,892	378
<b>Operating Expenditures</b>			
Salaries/Benefits	579,750	568,810	10,940
Maintenance	115,800	166,134	(50,334)
Dispatch	21,850	21,850	
Sign Maintenance	3,000		3,000
SCT Bus Fuel	215,770	140,573	75,197
Contingency	12,640	6,006	6,634
Total administration and operations	<u>1,279,470</u>	<u>1,222,607</u>	<u>56,863</u>
<b>Capital Outlay</b>			
Facility Improvements/Bus Stop Amenities	141,010	7,389	133,621
ITS	156,600	129,669	26,931
Transit Center Improvements	62,500		62,500
Total capital outlay	<u>360,110</u>	<u>137,058</u>	<u>223,052</u>
Total expenses, budgetary basis	<u>\$ 1,639,580</u>	<u>\$ 1,359,665</u>	<u>\$ 279,915</u>
<b>TOTAL EXPENSES, BUDGETARY BASIS</b>		<b>\$ 1,359,665</b>	
<b>ADD:</b>			
DEPRECIATION		207,932	
<b>LESS:</b>			
CAPITALIZED EXPENSES		(137,058)	
<b>TOTAL OPERATING EXPENSES PER FINANCIAL STATEMENTS</b>		<u>\$ 1,430,539</u>	





Moss, Levy & Hartzheim LLP

Certified Public Accountants

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

Board of Directors  
South County Transit  
San Luis Obispo, California

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 basic financial statements of the South County Transit (the Agency), as of and for the fiscal year ended June 30, 2017, and the related notes to basic financial statements, and have issued our report thereon dated September 24, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Agency's internal control over financial reporting (internal control) to determine the 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 entity'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 of 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 determination of financial statement amounts. Our audit was further made for purposes of determining compliance with the Transportation Development Act Section 99260, the California Administrative Code, and the rules and regulations of the San Luis Obispo Council of Governments. In our audit, we performed, to the extent applicable, the tasks contained in Section 6667 of the California Administrative Code. Also part of our audit, we performed tests of compliance to determine whether certain State bond funds were received and expended in accordance with applicable bond act and State program requirements pursuant to SB 88, Chapter 181, Article 5. Specifically, we verified receipt of funds under the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA), and allocation of interest earned on unexpended PTMISEA funds. The PTMISEA funds were received for the purpose of the South County Transit Coach Replacement. We verified appropriate expenditure of PTMISEA funds and interest earned as of June 30, 2017. Also part of our audit, we performed tests of compliance to determine whether certain State bond funds were received and expended in accordance with applicable bond act and State program requirements pursuant to SB 862. Specifically, we verified receipt of funds under the Low Carbon Transit Operations Program (LCTOP), and allocation of interest earned on unexpended LCTOP funds. The LCTOP funds were received for the purpose of operational subsidies for South County Transit Routes 27 and 28. We verified appropriate expenditure of LCTOP funds and interest earned as of June 30, 2017. 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. We did identify one non-compliance where South County Transit did not meet the minimum required fare revenue ratio as described in Finding 2017-1.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moss, Remy & Hartgen LLP*

September 24, 2017  
Santa Maria, California

**SOUTH COUNTY TRANSIT**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
For the Fiscal Year Ended June 30, 2017

**FINDING 2017-1**  
**Fare Revenue Ratio**

**Criteria:**

The required fare revenue ratio for South County Transit is 20%.

**Condition:**

During our calculations of the fare revenue ratio, we noted that the Agency had a ratio of 11.86%.

**Cause:**

Not enough passenger fares are received to pay for Agency operations.

**Effect:**

The Agency is using more State revenue than allowed to pay for its operations and while no penalties currently apply, the Agency may potentially lose some funding in future years beginning in the fiscal year ended June 30, 2019

**Recommendation:**

The Agency needs to create a plan to raise its fare revenue ratio over the minimum of 20%.

**Agency's Corrective Action Plan:**

On July 30, 2016 South County Transit implemented a fare increase as well as a significant service change by eliminating Routes 23 and 25 and added Route 27 and 28. The Agency had hoped that the fare and service change would result in attaining the farebox ratio requirement and continues to strive to increase the ratio. Staff will continue to evaluate options, including the recommendations included in the TDA performance audit presented to the SLOCOG Board on August 2, 2017.

**SOUTH COUNTY TRANSIT**  
**SCHEDULE OF PRIOR FISCAL YEAR AUDIT FINDINGS AND QUESTIONED COSTS**  
For the Fiscal Year Ended June 30, 2017

**FINDING 2016-1**  
**Fare Revenue Ratio**

**Criteria:**

The required fare revenue ratio for South County Transit is 20%.

**Condition:**

During our calculations of the fare revenue ratio, we noted that the Agency had a ratio of 13.63%.

**Cause:**

Not enough passenger fares are received to pay for Agency operations.

**Effect:**

The Agency is using more State revenue than allowed to pay for its operations and while no penalties currently apply, the Agency may potentially lose some funding in future years.

**Recommendation:**

The Agency needs to create a plan to raise its fare revenue ratio over the minimum of 20%.

**Current Status:**

Not implemented.



Moss, Levy & Hartzheim LLP

Certified Public Accountants

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

Board of Directors  
South County Transit  
San Luis Obispo, California

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*Moss, Renz & Hartgen LLP*

September 24, 2017  
Santa Maria, California