

## BOARD AGENDA

Wednesday, July 20, 2016  
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: Jim Guthrie  
Director: Shelly Higginbotham

Vice Chair: Lynn Compton  
Director: Barbara Nicolls

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 781-1338. 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 Retirement Recognition for Coleen Kubel (Receive)

A-2 Administrator's Report (Receive)

### B. ACTION AGENDA

B-1 SCT Agreement with RTA (Approve)

B-2 Proposal to Reorganize SCT Supervision Structure (Approve)

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

C-1 SCT Minutes of May 5, 2016 (Approve)

**D. DIRECTORS' COMMENTS**

**E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS**

**ADJOURNMENT**

Next South County Transit Board meeting: **October 19, 2016**

Please note that the location of this meeting will be at the Pismo Beach City Council Chambers, 760 Mattie Road, Pismo Beach, CA 93449

*South County Transit Honoring*

**COLEEN KUBEL**

*On Her Retirement*

**WHEREAS**, *Coleen Kubel, South County Transit Supervisor, retired on June 29, 2016, after 14 years of service to the residents of and visitors to the Five Cities Area; and*

**WHEREAS**, *Coleen began her career with the South County Transit on October 6, 2002; and*

**WHEREAS**, *Coleen recruited and trained many dozens of Bus Operators that safely served our community; and*

**WHEREAS**, *throughout her many years of service, Coleen has served the people of this area with fairness and dedication: Therefore, be it*

**RESOLVED**, *that we, the Members of the Board, do hereby extend to Coleen our sincere and grateful appreciation for her dedicated service to South County Transit, our congratulations on her well-earned retirement, and our best wishes to her for continued success, happiness, and good health in the years to come.*

*Adopted in Arroyo Grande, California, this twentieth day of July 2016, by South County Transit.*

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*James Guthrie, Chairman  
South County Transit*

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*Geoff Straw, Administrator  
South County Transit*

## SOUTH COUNTY TRANSIT

July 20, 2016

### STAFF REPORT

**AGENDA ITEM:** A-2

**TOPIC:** Administrator's Report

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Information

#### BACKGROUND/DISCUSSION:

##### Operations:

SCT successfully operated modified services on Father's Day weekend in response to traffic congestion caused by the car show in Pismo Beach. Working in conjunction with Pismo PD, SCT decided to bypass the downtown core of Pismo Beach on Routes 21 and 24, while a Trolley bus was used to link the downtown area with Routes 21 and 24 at the Pismo Outlets – commonly called a “bus bridge” in the industry. Staff has also planned for and responded to service disruptions that were caused by heavy traffic on the July 4<sup>th</sup> weekend; no bus bridge was required during this relatively less-impacted weekend. Below is a picture of an on-bus LED screen depicting the public announcement for July 4<sup>th</sup>.



## **Marketing & Service Planning:**

Staff has spent a considerable amount of time marketing the upcoming service and fare changes slated for July 30<sup>th</sup>. Examples include:

- Public presentations – Oceano Community Service District (May 25), Pismo Beach (June 21), Oceano Community Advisory Council (June 27), Arroyo Grande (June 28), and Grover Beach (scheduled July 5).
- Information Flyers – included in Arroyo Grande, OCSD and Grover Beach utility mailers.
- Arroyo Grande High School – two staff members handed out information flyers and other SCT marketing materials during the lunch hour on June 6. Directly engaged about 20 students, and handed out materials to many more. Also placed flyers in the AG High bus stop shelter.
- Press release to local media which was run by the Tribune.
- An article in the July edition of California Transit magazine.
- KCBX Radio show: Phil Moores was interviewed about the service and fare changes with Randal White for local news show.
- Planned outreach efforts:
  - Exterior ads on SCT buses
  - On-bus LCD screen messages on SCT and Route 10 buses for new routes, Free Ride Weekend, and new fare structure
  - Print Ads promoting new routes and Free Ride Weekend on new routes
  - New bus stop and shelter media: kiosk and shelter signs
  - New redesigned printed brochure with updated map/schedule
  - New website pages for the new routes
  - “Coming Soon” info on website Homepage
  - Letter to SCT-area Runabout riders for fare increase
  - Spanish language radio
  - KSBY and Spectrum (Charter) cable television ads; Charter ads will only be shown in Zip Codes served by SCT
  - PR for Free Ride Weekend (English and Spanish media)
  - One-page info flyer for Bus Operators to distribute to riders
  - One-page info flyer that will be inserted into AG High students Back to School package (August)

We ordered replacement bus stop signs that include the new SCT logo, and will post them soon after they are delivered (scheduled for July 20<sup>th</sup>). The new SCT logo is also now featured on the SCT webpage, on all buses, and on a new banner sign at the SCT facility.

SCT and Ride-On staff have begun discussions on developing a new contract for the Five Cities Senior Shuttle services. Staff suggests that once the draft agreement is completed, the SCT Board would: 1) consider the agreement between SCT and Ride-On, and 2) adopt a budget amendment that outlines the services operated by Ride-On and each city's and the county's respective maximum annual obligation.

**Finance and Administration:**

With the departure of long-time SCT Supervisor Coleen Kubel at the end of June, staff has developed a recommended reorganization of the SCT supervision function. See Agenda Item B-2 for more details.

The operating results for the first eleven months of FY15-16 were mixed, although the financial results were more encouraging. As shown in the attached table, a total of 187,107 passenger-boardings were recorded, which down from 204,325 in the previous fiscal year. As mentioned in previous Administrator Reports, this decline is not surprising given lower fuel prices and the fact that in September 2015 SCT stopped forcing passengers to transfer at Ramona Garden when staying on the same route. The average fare per passenger ( $\$129,549 / 187,107 = \$0.69$ ) remains higher than the same period last year, which suggests that essentially the same number of persons are riding despite the lower number of total boardings. The farebox recovery ratio is 15.2%, which remains below the TDA-required 20% standard.

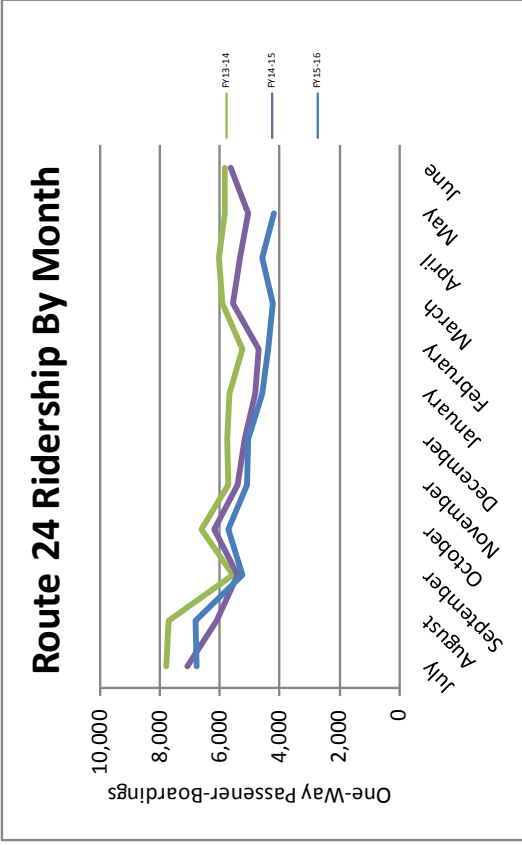
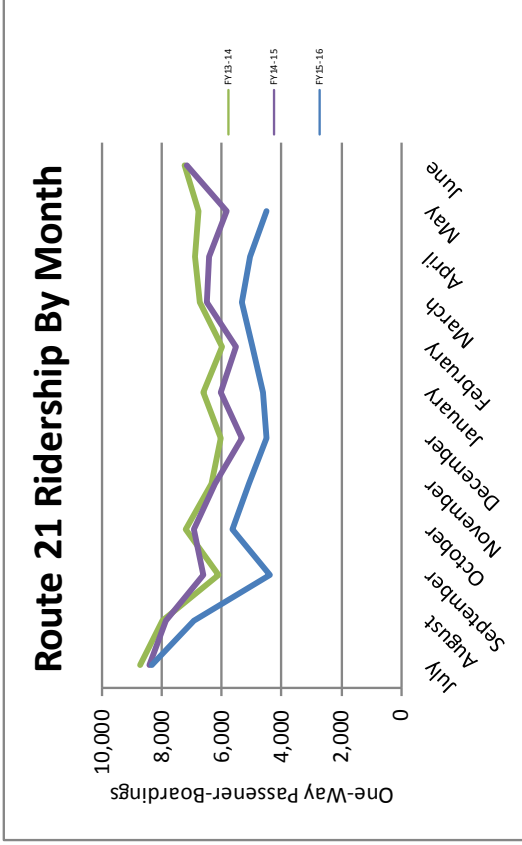
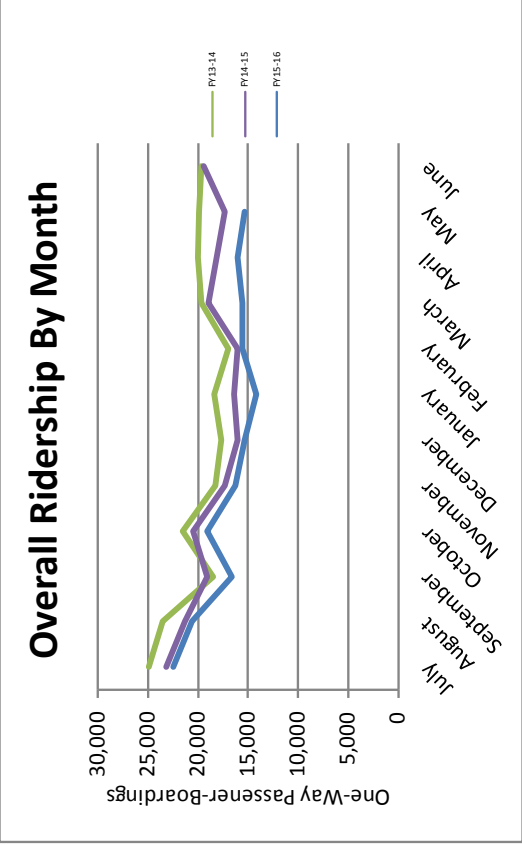
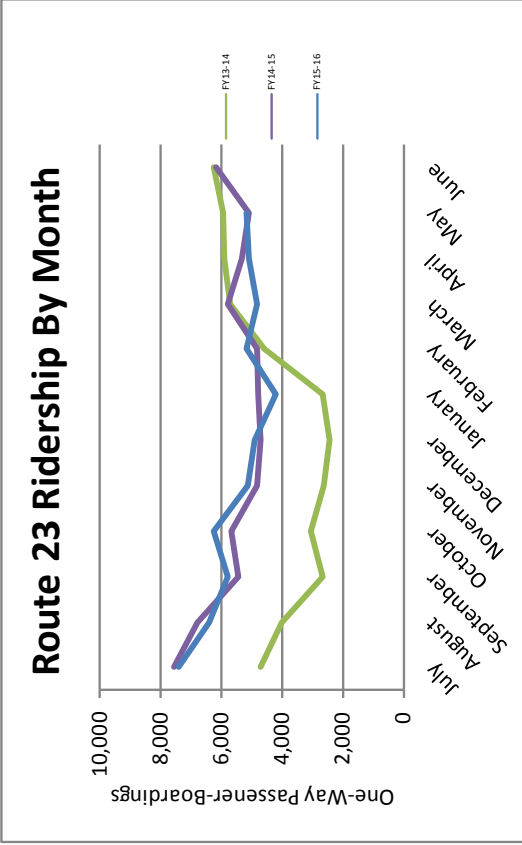
In terms of budget vs. actual results, the last table below shows that total operating expenditures equaled 78.5% of budget – despite 91.2% of the budget year having been completed. Notable large-ticket variances include salaries/benefits (78.2%), fuel (47.8%) and vehicle maintenance (115.5%). Staff expects SCT to end the year below budget, and those savings will automatically be rolled-over to the beginning balance for FY16-17.

**Maintenance**

All maintenance inspections and repairs are being completed according to manufacturer recommendations.

**STAFF RECOMMENDATION:**

Accept this as an information item.



**SOUTH COUNTY TRANSIT  
2015-16 Budget vs. Actual (unaudited)**

	<b>FY 15/16 Adopted</b>	<b>January 2016</b>	<b>February 2016</b>	<b>March 2016</b>	<b>April 2016</b>	<b>May 2016</b>	<b>Year to Date</b>	<b>Percent Year to Date</b>
<b>Use of Resources</b>								
<u>Administrative Expenditures</u>								
Insurance								
Liability & Physical Damage	\$ 68,400	\$ 5,602	\$ 5,602	\$ 5,602	\$ 5,598	\$ 5,598	\$ 61,597	90.05%
Workers Compensation	51,000	3,979	3,979	3,979	3,979	3,979	44,158	86.58%
Property Insurance	700	53	53	53	53	53	584	83.44%
Rent	25,500	2,125	2,125	2,125	2,125	2,125	23,375	91.67%
Utilities	8,450	772	654	925	481	792	7,637	90.38%
Radio Expense	1,240	103	103	103	-	206	1,133	91.37%
Legal Services	500	1,860	-	-	310	-	4,883	976.50%
Payroll Processing	3,490	70	140	106	325	114	1,318	37.76%
Administration	65,410	5,451	5,451	5,451	5,451	5,451	59,959	91.67%
Finance	14,420	1,202	1,202	1,202	1,202	1,202	13,218	91.67%
Office Expense/Miscellaneous	5,990	2,077	1,902	434	618	745	8,665	144.66%
Audit	3,070	-	-	-	-	-	3,075	100.16%
Marketing/Community Relations/Printing	18,000	-	5,847	-	3,212	1,671	13,762	76.46%
Uniforms/Laundry/Physicals/Ads	7,550	548	856	166	72	475	7,383	97.79%
<u>Operating Expenditures</u>								
Salaries/Benefits	\$ 509,760	\$ 30,576	\$ 35,327	\$ 35,804	\$ 34,651	\$ 35,682	\$ 398,562	78.19%
Maintenance	111,200	9,249	11,109	15,197	12,724	20,327	128,460	115.52%
Dispatch	18,750	1,563	1,563	1,563	1,563	1,563	17,188	91.67%
Sign Maintenance	3,000	-	-	-	-	-	-	0.00%
SCT Bus Fuel	208,800	6,933	6,836	8,561	9,366	10,519	99,739	47.77%
Contingency	15,000	-	-	-	-	-	-	0.00%
<b>9 Total Operating Expenditures</b>	<b>\$ 1,140,230</b>	<b>\$ 72,162</b>	<b>\$ 82,750</b>	<b>\$ 81,272</b>	<b>\$ 81,730</b>	<b>\$ 90,503</b>	<b>\$ 894,696</b>	<b>78.47%</b>
<u>Capital Service</u>								
Vehicles/ITS	\$ 186,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,215	17.84%
Facility Improvements/Bus Stop Amenities	83,340	-	-	-	-	-	3,212	3.85%
<b>Total Capital Service</b>	<b>\$ 269,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,427</b>	<b>13.51%</b>
Extraordinary item - Wage order 9 penalty	\$ 41,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,709	94.02%
Carryover cost savings to next fiscal year	41,157	-	-	-	-	-	41,157	100.00%
<b>10 Total Use of Resources</b>	<b>\$ 1,492,107</b>	<b>\$ 72,162</b>	<b>\$ 82,750</b>	<b>\$ 81,272</b>	<b>\$ 81,730</b>	<b>\$ 90,503</b>	<b>\$ 1,010,988</b>	<b>67.76%</b>



**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY  
YEAR TO DATE THRU MAY 2016**

	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 25 HIGH SCHOOL PM TRIPPER	TOTAL WEEKDAY SERVICE	AVILA BEACH TROLLEY
<b>REVENUES:</b>						
<b>FARES</b>	30,971	31,674	29,903	11,992	104,540	5,616
<b>TOTAL ROUTE REVENUES</b>	30,971	31,674	29,903	11,992	104,540	5,616
<b>EXPENDITURES:</b>						
<b>ADMINISTRATION</b>	22,033	21,646	22,069	1,518	67,266	3,686
<b>MARKETING</b>	3,060	3,006	3,063	231	9,360	1,218
<b>OPERATIONS/CONTINGENCY</b>	133,845	131,506	133,667	9,183	408,202	25,202
<b>FUEL</b>	20,809	24,905	21,154	1,702	68,570	7,450
<b>INSURANCE</b>	22,525	26,959	22,899	1,894	74,277	6,202
<b>TOTAL EXPENDITURES</b>	202,272	208,022	202,852	14,529	627,675	43,757
<b>FAREBOX RATIO</b>	15.31%	15.23%	14.74%	82.54%	16.66%	12.84%
<b>RIDERSHIP</b>	47,992	48,874	46,115	10,848	153,829	8,092
<b>SERVICE MILES</b>	42,719.60	51,128.00	43,428.00	3,553.20	140,828.80	12,660.80
<b>SERVICE HOURS</b>	2,824.08	2,774.52	2,823.24	189.28	8,611.12	579.20
<b>RIDERS PER MILE</b>	1.12	0.96	1.06	3.05	1.09	0.64
<b>RIDERS PER HOUR</b>	16.99	17.62	16.33	57.31	17.86	13.97
<b>COST PER PASSENGER</b>	4.21	4.26	4.40	1.34	4.08	5.41
<b>SUBSIDY PER PASSENGER</b>	3.57	3.61	3.75	0.23	3.40	4.71

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKEND, TROLLEY, AND TOTAL  
YEAR TO DATE THRU MAY 2016**

	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.	TOTAL WEEKEND SERVICE	TOTAL SCT ONLY SERVICE	TOTAL SCT AND AVILA SERVICE
<b>REVENUES:</b>									
<b>FARES</b>	5,018	3,094	4,956	4,037	4,402	3,503	25,010	129,549	135,166
<b>TOTAL ROUTE REVENUES</b>	5,018	3,094	4,956	4,037	4,402	3,503	25,010	129,549	135,166
<b>EXPENDITURES:</b>									
<b>ADMINISTRATION</b>	4,251	3,773	4,303	3,840	4,442	3,840	24,450	91,716	95,402
<b>MARKETING</b>	558	492	564	501	569	501	3,185	12,545	13,763
<b>OPERATIONS/CONTINGENCY</b>	25,119	22,828	25,425	23,235	26,208	23,235	146,049	554,251	579,453
<b>FUEL</b>	3,927	3,556	4,530	4,102	3,992	3,615	23,719	92,289	99,739
<b>INSURANCE</b>	4,283	3,874	4,941	4,469	4,354	3,938	25,860	100,137	106,340
<b>TOTAL EXPENDITURES</b>	38,138	34,522	39,763	36,147	39,565	35,129	223,264	850,939	894,696
<b>FAREBOX RATIO</b>	13.16%	8.96%	12.46%	11.17%	11.13%	9.97%	11.20%	15.22%	15.11%
<b>RIDERSHIP</b>	6,830	4,474	6,293	5,050	6,267	4,364	33,278	187,107	195,199
<b>SERVICE MILES</b>	8,113.95	7,323.36	9,360.00	8,448.00	8,248.50	7,444.80	48,938.61	189,767.41	202,428.21
<b>SERVICE HOURS</b>	536.24	483.84	542.76	492.48	556.24	492.48	3,104.04	11,715.16	12,294.36
<b>RIDERS PER MILE</b>	0.84	0.61	0.67	0.60	0.76	0.59	0.68	0.99	0.96
<b>RIDERS PER HOUR</b>	12.74	9.25	11.59	10.25	11.27	8.86	10.72	15.97	15.88
<b>COST PER PASSENGER</b>	5.58	7.72	6.32	7.16	6.31	8.05	6.71	4.55	4.58
<b>SUBSIDY PER PASSENGER</b>	4.85	7.02	5.53	6.36	5.61	7.25	5.96	3.86	3.89

**SOUTH COUNTY TRANSIT  
July 20, 2016  
STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** SCT Agreement with RTA for Services

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Authorize SCT Chairperson and Administrator to Ratify SCT-RTA Agreement Document

**BACKGROUND/DISCUSSION:**

The current agreement between South County Transit (SCT) and RTA was ratified in June 2001. However, the scope of work has significantly changed, as has the Census designation for SCT's service area (now small urbanized). In particular, the latter has required SCT to adopt a number of policies and change operating procedures so that SCT remains in compliance with Federal Transit Administration urbanized area grant requirements. In addition, when the current agreement was ratified, SCT provided vehicle maintenance tasks using in-house staff; RTA now provides all vehicle maintenance services. Although the current agreement does not reference the four distinct services provided by RTA (Administration, Finance, Maintenance and Dispatch), the annual budget report includes them.

Staff worked with Counsel and the SCT Executive Committee members to review the current agreement document and to develop language that would address the issues discussed above. In addition, outdated language has been updated to reflect current conditions.

**Staff Recommendation**

Authorize SCT Chairperson and Administrator to ratify the SCT-RTA Agreement document.

**CONTRACT FOR ADMINISTRATIVE AND FINANCIAL SERVICES  
BETWEEN  
SOUTH COUNTY TRANSIT  
AND  
THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**THIS CONTRACT** is entered into this 20<sup>th</sup> day of July 2016, by and between SOUTH COUNTY AREA TRANSIT, a joint powers authority formed pursuant to Government Code section 6500 et seq. and doing business as "South County Transit" (hereinafter referred to as "SCT) and the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY, a joint powers authority formed pursuant to Government Code section 6500 and doing business as "RTA" (hereinafter referred to as "RTA" and referred to as "Contractor");

**WITNESSETH:**

**WHEREAS**, SCT is responsible for local fixed route transit services within the Arroyo Grande – Grover Beach Urbanized Area (Pismo Beach, Arroyo Grande, Grover Beach, Shell Beach, Oceano, and Avila Beach); and

**WHEREAS**, SCT has determined a need for Administration, Finance, Maintenance, Marketing, and Dispatch services; and

**WHEREAS**, Contractor is responsible for regional transit and other regional transportation services, and is deemed trained, experienced, expert and competent to perform such services; and

**WHEREAS**, the SCT Board approves staff and committee recommendations to engage in Administration, Finance, Maintenance, Marketing and Dispatch services with said Contractor during its annual budget-making process; and

**WHEREAS**, the Contractor agrees to perform the Administration, Finance, Maintenance, Marketing and Dispatch tasks included in the SCT Annual

Budget report adopted in April of each year in return for the compensation associated with those tasks in each such Annual Budget Report.

**NOW, THEREFORE**, the parties do mutually agree as follows:

1. Retention of Services. SCT hereby engages Contractor and Contractor hereby agrees to perform for SCT the services hereinafter set forth for the compensation annually budgeted by the SCT Board and agreed to by the Contractor, all pursuant to the terms and conditions herein.

2. Scope of Services. Pursuant to this Contract, Contractor shall provide to SCT the Administration, Finance, Maintenance, Marketing and Dispatch services identified in the Annual Budget Report that is prepared annually as part of the budget-making process. The scope of services will be spelled out in sufficient detail within the SCT Annual Budget report for the Board members to make informed decisions. The scope of services included in the SCT Annual Budget report must be ratified separately by the SCT Board and the RTA Board as part of each Agency's budget-adoption process. At a minimum, details will be provided for the following four budget sections: Administration, Finance, Maintenance, Marketing, and Dispatch services.

3. Compensation. SCT shall pay to Contractor as compensation in full for all services performed by Contractor pursuant to this Contract, a sum equal to that annually budgeted by the SCT Board and agreed to by the Contractor, to provide all Administration, Finance, Maintenance, Marketing, and Dispatch services, and SCT hereby warrants that funds are available from which payment may be made. Said compensation shall be paid in the following manner: SCT shall pay said compensation to Contractor on a quarterly basis through a San Luis Obispo County Journal Entry.

4. Term of Contract. This Contract shall commence effective on the date of the last signatory and shall continue with automatic annual renewal, unless terminated earlier as provided herein. Contractor will furnish

sufficient personnel to: complete all phases of the tasks included in the SCT Annual Budget report.

5. Termination of Contract for Convenience of Either Party. Either party may terminate this Contract at any time by giving to the other party ninety (90) days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of the transaction occurring prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of such termination.

6. Termination of Contract for Cause. If, through any cause within its control, Contractor fails to fulfill in a timely and professional manner its obligations under this Contract, or if Contractor violates any of the terms or provisions of this Contract, SCT shall have the right to terminate this Contract effective immediately upon SCT's giving written notice thereof to Contractor. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of such termination.

7. Modification. This Contract, together with each year's adopted SCT Annual Budget report, constitutes the entire understanding of the parties hereto and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties.

8. Non-Assignment of Contract. Inasmuch as this Contract is intended to secure the specialized services of the Contractor, Contractor shall not assign, transfer, delegate, or sublet this Contract or any interest herein without the prior written consent of the SCT Board, and any such assignment, transfer, delegation, or sublet without SCT's prior written consent shall be considered null and void.

9. Covenant. The validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California.

10. Enforceability. The invalidity and unenforceability of any terms or provisions hereof shall in no way affect the validity or enforceability of any other terms or provisions.

11. Employment Status. Contractor shall, during the entire term of the Contract, be construed to be an independent Contractor, and shall in no event be construed to be an employee of SCT. Contractor understands and agrees that it is not, and will not, be eligible for membership in or any benefits from any SCT group plan for hospital, surgical or medical insurance, or for membership in any SCT retirement program, or for paid vacation, paid sick leave, or other leave, with or without pay, or for any other benefit which accrues to a SCT employee.

12. Warranty of Contractor. Contractor warrants that it is properly certified and licensed under the laws and regulations of the State of California to provide the services agreed to herein.

13. Conflicts of Interest. No officer, employee, director or agent of SCT shall participate in any decision relating to this Contract which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested; nor shall any such person have any interest, direct or indirect, in this Contract or the provisions thereof.

14. Indemnification. Contractor shall defend, indemnify and save harmless SCT, its officers, agents and employees, from any and all claims, demands, damages, costs, expenses, or liability arising out of this contract or occasioned by the performance or attempted performance of the provisions hereof except those arising from the sole negligence or willful misconduct of SCT, including, but not limited to, any act or omission to act on the part of the Contractor or his agents or employees or other independent contractors directly responsible.

15. Insurance. Contractor and SCT each maintain separate insurance policies in sufficient coverage amounts for the following coverage areas: Bodily Injury Liability, Property Damage Liability, Personal Injury Liability

Insurance, and Workers' Compensation Insurance. Contractor and SCT agree to maintain these insurance policies through the entire term of this Contract.

16. Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing, and shall be sent by certified or registered mail to:

SCT:                    South County Transit  
                             800 Rodeo Drive  
                             Arroyo Grande, CA 93420

RTA:                    San Luis Obispo Regional Transit Authority  
                             179 Cross Street, Suite A  
                             San Luis Obispo, CA 93401

17. Progress Reports. Brief progress reports shall be submitted by Contractor to SCT. Progress reports accompanied by invoices shall describe the work performed, plus any problems anticipated in performing said work in the future.

18. Copyright. Any reports, maps, documents or other materials produced in whole or part under this Contract shall be the property of SCT, and shall not be subject to any application for copyright by or on behalf of the Contractor.

19. Findings Confidential. To the extent permitted by law, no reports, maps, information, documents, or any other materials given to or prepared by Contractor under this Contract which SCT requests, in writing, to be kept confidential, shall be made available to any individual or organizations by Contractor without the prior written approval of SCT. However, Contractor shall be free to disclose such data as is publicly available, already in its possession, or independently developed.

20. Legal Representation. Since both RTA and SCT both utilize legal services made available through the County of San Luis Obispo, any



disagreement regarding this Contract or the provision of services pursuant to it may require the retention of outside counsel. Should any such situation arise as determined jointly by the SCT Board Chairman and the SCT Administrator, the SCT Administrator will solicit proposals for outside counsel services and report back to the full Board for consideration of contracting with the recommended firm at the next regularly-scheduled or special Board meeting.

**IN WITNESS WHEREOF**, SCT and Contractor have executed this Contract effective on the date of the last signatory.

BY: \_\_\_\_\_ By: \_\_\_\_\_  
James Guthrie, SCT Chairperson      Jan Marx, RTA President

**ATTEST:**

\_\_\_\_\_  
Geoff Straw, Administrator  
South County Transit

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**ATTEST:**

\_\_\_\_\_  
Geoff Straw, Executive Director  
San Luis Obispo Regional Transit Authority

**APPROVED AS TO FORM AND LEGAL EFFECT:**

By: \_\_\_\_\_  
Timothy McNulty, Counsel  
RTA and SCT

Date: \_\_\_\_\_

**SOUTH COUNTY TRANSIT  
July 20, 2016  
STAFF REPORT**

**AGENDA ITEM:** B-2

**TOPIC:** Proposal to Reorganize SCT Supervision Structure

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:**

1. Amend the SCT organizational structure to include two full-time SCT Road Supervisors
2. Share the increased cost of the new organizational structure with RTA

**BACKGROUND/DISCUSSION:**

The SCT FY16-17 budget currently assumes four distinct positions:

1. SCT Supervisor (full-time)
2. SCT Road Supervisor (30 hours/week)
3. SCT Bus Operators (full-time, part-time, and casual)
4. SCT Utility Worker (30 hours/week)

See the attached SCT Organization Chart for details on all reporting relationships (the SCT Utility Worker is currently combined under the Manager of Maintenance & Facilities in the grey-shaded area).

With the recent departure of the SCT Supervisor, it is prudent to review the existing reporting relationships within the SCT organization and determine if a revision to the supervision structure should be considered. When SCT was fully-staffed in the recent past<sup>1</sup>, the full-time SCT Supervisor position worked from 6:00 AM to 2:30 PM Monday through Friday, and the part-time SCT Road Supervisor worked from 2:00 PM through 8:00 PM on weekdays. When special events occurred on weekends, these two employees' weekday schedules would be modified to provide coverage, but this resulted in missing coverage on the weekdays that were switched out. In many cases, RTA Operations Supervisors were called-in to respond to operational emergencies, help stranded customers, or provide fill-gap route coverage until a replacement Bus Operator could report to duty. In any case, the SCT service was efficiently and cost-effectively provided during the SCT Supervisor absences without any discernible increase in verifiable passenger or employee complaints.

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<sup>1</sup> The SCT Supervisor position was temporarily vacant between April and August 2015, and again between October 2015 and June 2016.

It should be noted that the Paso Express fixed-route and Paso Dial-A-Ride services were consolidated into North County RTA operations in June 1014. The North County operations includes a peak of up to nine RTA and Paso Express fixed-route buses, three Runabout vans, and one Paso Dial-A-Ride van – all operating out of a remote operating facility in Paso Robles. As part of the consolidation effort, two RTA Operations Supervisors were appointed to manage the combined North County transit services. This is a good support model to consider for SCT because it provides good customer service, strong Bus Operator support, and immediate accountability back to the RTA Lead Dispatcher housed in RTA’s main operating facility in San Luis Obispo. Let me emphasize that I am only discussing supervisor coverage therein; in no way is staff recommending a consolidation of SCT and RTA herein.

There are a variety of ways to look at potential future operations supervision alternatives at SCT. The table below provides the annual operating cost for three options:

<b>Option</b>	<b>Annual Payroll</b>	<b>Supervisor-Only Payroll</b>	<b>% Total Payroll</b>
Status Quo (one full-Site SCT Supervisor & one 30 hr/week SCT Operations Supervisor)	\$572,730	\$111,890	19.5%
Two full-time SCT Operations Supervisors	\$586,310	\$117,670	20.1%
One full-time SCT Supervisor & one full-time SCT Operations Supervisor	\$590,070	\$121,440	20.6%

As shown, continuing with the FY16-17 budgeted Status Quo full-time SCT Supervisor and the part-time SCT Road Supervisor organizational structure requires approximately \$111,890 for supervision/support, including medical, vision and dental benefits costs for the full-time SCT Supervisor (these and other benefits are not provided for part-time employees) at the former SCT Supervisor’s salary. However, SCT might have difficulty retaining a part-time SCT Road Supervisor because these types of positions are typically best filled by eager and focused employees who desire full-time work and they may choose to seek full-time work at RTA or another nearby transit agency when a full-time opening occurs. SCT certainly experienced difficulty attracting candidates when we recruited for the previous part-time supervisor opening in mid-2015, particularly since RTA was also recruiting for a full-time supervisor position.

If two full-time SCT Operations Supervisors are instead provided, the cost would increase to approximately \$117,670, or an increase of approximately \$5,780 over the status quo. This support structure would result in two full-time positions, which is better from a recruitment and retention scenario. More importantly, it would maximize supervisor coverage – especially critical during early morning start-up to ensure Bus Operators report on-time and are safe/ready for service. Under this scenario, one SCT Operations Supervisor would be scheduled Sunday-Thursday, and the other Tuesday-Saturday. Both SCT Operations Supervisors would report directly to the RTA Lead Dispatcher, who would be responsible for Bus Operator scheduling and payroll. It should be noted that the \$5,780 needed to increase supervision resources represents less than 0.5% of SCT's adopted FY16-17 operating budget of \$1,276,330.

The highest-cost option would be to continue with a full-time SCT Supervisor and replace the part-time SCT Road Supervisor with a full-time SCT Operations Supervisor, which would require approximately \$121,440. This would have the greatest recruiting/retention opportunity, but would result in a higher cost than staff believes would be necessary given the relatively small size and straightforward nature of SCT fixed route-only services.

Staff did not depict an option of a full-time SCT Operations Supervisor and a part-time SCT Operations Supervisor because – even though they would be classified in the same working title – it is likely the full-time employee would feel empowered to direct the part-time position. Although it would obviously be the lowest-cost alternative, it could be unwieldy for upper level management to determine if a hierarchy problem is emerging since the site is relatively remote from RTA's main operating base. There would also remain the challenge of recruiting and retaining a part-time supervisor.

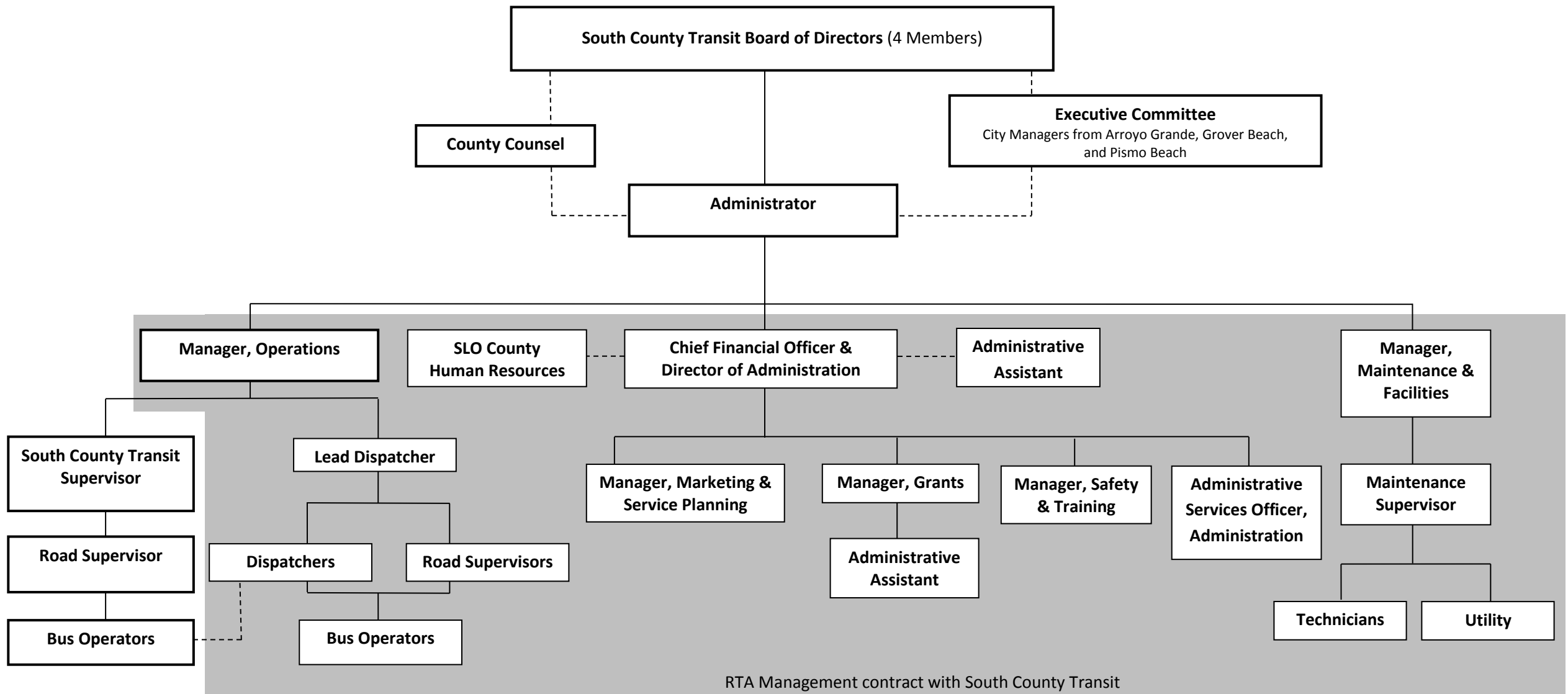
### Summary

After reviewing these scenarios with the SCT Executive Committee comprised of the City Managers at a July 5<sup>th</sup> meeting, staff recommends that a slightly revised version of the two full-time SCT Operations Supervisors scenario be implemented. Since RTA would benefit due to improved response times to incidents that occur in the Five Cities area, it would be appropriate for RTA to partially fund this new organizational structure. While it is difficult to predict what percentage of time the SCT Operations Supervisors would spend on incidents involving RTA services in the Five Cities area, staff recommends that RTA initially provide the \$5,780 difference between the status quo and the recommended new scenario. Staff will monitor the proportion of time that SCT Operations Supervisors devote to responding to RTA issues and present that information to the SCT Board during FY17-18 budget development to determine if the proportional cost should be adjusted. In summary, the recommended model would increase the number of supervision hours provided in the SCT service area by 10 hours per week over the status quo, and this model would make it easier to recruit and retain qualified employees into full-time positions while also providing a higher level of customer/employee support.

**Staff Recommendation**

Staff recommends the following:

1. Amend the SCT organizational structure to include two full-time SCT Operations Supervisors.
2. Share the increased cost of the new organizational structure with RTA.



**DRAFT**  
**SOUTH COUNTY TRANSIT**  
**MINUTES OF MAY 5, 2016 BOARD MEETING**  
**City Council Chamber, Arroyo Grande**  
**C-1**

Directors Present:	Jim Guthrie, Chairperson	City Council Member, Arroyo Grande
	Lynn Compton, Vice Chair	County Supervisor, District 4
	Shelly Higginbotham	Mayor, Pismo Beach
	Barbara Nicolls	City Council Member, Grover Beach

Directors Absent:

Staff Present:	Geoff Straw	Administrator
	Tania Arnold	RTA CFO and Director of Administration
	Phil Moores	Manager, Operations
	Jon Mackenzie	SCT Operations Supervisor
	Shelby Walker	RTA Administrative Assistant
	Mary Gardner	Marketing Manager

**CALL TO ORDER AND ROLL CALL:** Chairperson Jim Guthrie called the meeting to order at 1:35 p.m. Roll call was taken; a quorum was present.

**PUBLIC COMMENT:** Chairperson Guthrie asked for public comment on non-agenda items.

**Mr. Joseph Holmes** thanked **Mr. Phil Moores** and staff for meeting with himself and other passengers to listen to concerns that they have regarding the new routes changes. Made the passengers feel like their voices were heard. **Chairperson Guthrie** thanked **Mr. Holmes** for organizing the meeting at Sylvester's in Oceano and getting the people together.

**Ms. Virginia Rodgers** had heard the local bus companies may consolidate from North Santa Barbara county through Monterey county. **Chairperson Guthrie** stated there are no plans for consolidation. **Mr. Geoff Straw** stated that the draft RTA Short Range Transit Plan, which is a 5-7 year road map, has no plans to make any consolidations.

**Mr. Paul Keller** stated he is concerned with the lack of service to the central Grover Beach area with the new proposed routes. Many people in that area depend on public transportation and have no other means of getting around. He understands the expenses of providing services but believes the needs in that mile-square area are particularly high. **Chairperson Guthrie** stated that the proposed route changes are in the agenda for discussion and to hold any other comments until that time.

**Chairperson Guthrie** closed public comment.

**BOARD ADMINISTRATIVE ITEMS:** None

**A. INFORMATION AGENDA:**

**A-1 Administrator's Report:** **Mr. Straw** thanked staff for taking care of everything while he was out on medical leave. He thanked **Ms. Tania Arnold** and **Mr. Phil Moores** in particular for their hard work and leadership.

On April 10th there were some small service changes to the schedule in order to alleviate time pressures from the February 14th changes. The changes will help with transfers as well as give the Bus Operators better break times.

SCT and RTA are currently recruiting Bus Operator candidates. Training will begin on May 23rd and the Bus Operators will be ready to be on the road sometime in July.

As mentioned earlier there was public outreach on April 7th to discuss the proposal for routes 27/28. **Mr. Moores** will discuss some of the feedback that the staff received in agenda item B-3.

Each of the Cities and the County provide funding for the Five Cities Senior Shuttle which operates Tuesday-Thursday. Currently, there is no contract for the service. Staff is suggesting to develop a request for proposals based on a scope of services and an agreement on how it is operated. We will work to reach an agreement for continuing the service with Ride-On. Currently the service has been running Monday-Friday, and the annual cost of the service should not be higher than budgeted but it may have long-term effects if it continues to run all five days.

Financial information for the Fiscal Year 15-16 through March 31st show ridership is down by 7.8% from last year. Low fuel prices and the stopping of the interlining on routes are both reasons why we are down. The operating budget is currently at 63% with 75% of the FY being completed, seeing savings in fuel cost. The maintenance costs are a little high. We expect there to be some carry over funds to FY 16-17.

**Mr. Straw** concluded his report.

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

**Director Shelly Higginbotham** asked for clarification on the days of service for the Five Cities Senior Shuttle. It was supposed to be Tuesday-Thursday but they have been operating Monday-Friday. **Mr. Straw** stated yes, the first incident was in June 2015. He also stated that the data we receive from Ride-On is in paper-format and it is hard to parse it out, told them that they must send data electronically from now on. Also told them to cease operations on Mondays and Fridays until an agreement is made. **Director Higginbotham** stated that prior to June 2015, Ride-on knew they would be getting paid for the Tuesday-Thursday service but then it just changed. **Mr. Straw** stated that it was due the dispatchers made the decision without informing anyone. The cost will not go over the annual budget. **Director**



**Higginbotham** asked if this will impact those who have relied on that service. **Mr. Straw** stated that yes it would have an impact.

**Chairperson Guthrie** asked if the cost for the senior shuttle up or down from last year. **Mr. Straw** stated that it is about the same or slightly down from last year. He said that if the Board would like, the service could continue Monday-Friday service within the budget while the process of reaching an agreement is underway.

Further discussion ensued.

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

**A-2 SCT Agreement with RTA:** **Mr. Straw** stated that the final draft document of the SCT Agreement with RTA is being presented. The biggest change from the original document, which was adopted 2001, is using the annual budget process to negotiate the services that RTA provides to SCT including Administration, Finance, Maintenance, and Dispatch. Another significant change to the document is the inclusion of legal representation if there is need to seek outside counsel. The document will also include policies and changes to operating procedures so that SCT remains in compliance with Federal Transit Administration urbanized area grant requirements to still be eligible for funding. Staff is recommending that the Board review and comment on the document and it will be brought back to the July 20th meeting for ratification.

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

**Chairperson Guthrie** stated that this has always been something that he wanted to fix and is happy with the progress.

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

## **B. ACTION AGENDA:**

**B-1 Revised Joint Powers Agreement:** **Mr. Straw** stated that the Joint Powers Agreement is the formation document that empowers SCT to operate its own program. The current SCT JPA was ratified in February 1987 and has not been updated since. In the 2010 Census designated the area as urbanized so changes need to be made for funding purposes. The moniker of the company needs to be changed from SCAT to SCT. Meetings, committees, and accounting changes have been included in the changes to the document. Also map updates have been included. Staff is recommending that the Board allow us to take it to each jurisdiction for ratification and to submit final signed JPA document to the Secretary of State within 30 days of the final ratification.

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

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

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

**B-2 Adopt New SCT Logo:** **Mr. Straw** stated that the current bus stop signs are not appropriate for our area. The signs have wrong information on them and are old and faded. The current signs do not represent SCT well. Staff secured a FTA funding in 2014 to replace the bus stop signs with new ones that would meet ADA requirements. After initial logo ideas were rejected, the Board directed us to try to develop a new logo. **Mr. Straw** stated that **Ms. Mary Gardner** will be presenting the new logo. **Ms. Gardner** thanked the subcommittee members, Director Lynn Compton and Director Barbara Nicolls, and the designer Pierre Rademaker for their work on the logo. The logo was created to reflect the coastal nature of the area with wave and bird. Many things will be able to happen when the logo is approved, including new bus stop signs, uniforms, bus passes. **Mr. Straw** stated that staff is recommending the adoption of the logo and direct staff to implement it on the exterior of existing SCT buses and on new bus stop signs.

**Chairperson Guthrie** opened Board comment.

**Chairperson Guthrie** asked the new bus stop signs will be reusable and able to move. **Mr. Straw** said yes, they will be.

**Chairperson Guthrie** opened to public comment.

**Mr. Fred Overby** stated that public input was ignored, particular with the bird included in the logo. He also asked the Board to please speak up and be clear when they are speaking because he is having trouble hearing them. **Chairperson Guthrie** stated that they will try and speak up more.

**Director Higginbotham** asked when did **Ms. Gardner** first start working with RTA. **Mr. Straw** stated she has been working for RTA for almost two years. **Director Higginbotham** stated that the logo is quite an accomplishment.

**Chairperson Guthrie** stated this has been a long time coming and appreciates Ms. Gardner's efforts on the logo.

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

**Director Higginbotham** moved to approve Agenda Item B-2. **Director Compton** seconded and the motion carried on a roll call vote.

**B-3 Public Hearing to Consider Proposed Service Changes and Fare Program Changes:** **Mr. Straw** states that with the robust passenger activity data from the Information Transportation System, staff has had the opportunity to look further into how we can improve our services for SCT. The data is valid and the drivers support the data. While the proposed changes may have a negative impact on some, we believe this will be beneficial to most riders. The previous proposed Route 26 was not the best alternative for the funding that we are receiving. **Mr. Phil Moores**, Operations Manager, will be discussing some the information we learned from the data and how Route 27/28 will help improve services. **Mr. Straw** also

stated that we need to call this a public hearing. **Chairperson Guthrie** called the public hearing to consider proposed service changes and fare program changes.

**Mr. Moores** states that like Mr. Straw said earlier we were originally going to go with the plans for Route 26 but after getting more of the data from the ITS we decided to improve the service change plans. On page B-3-7 there is a map of the current Route 23 with the stops ranked by demand. Route 23 is the best that we could do with one bus going one direction and covering the lower areas. After looking at the route we can see that Ramona Garden Park is the most used stop and Soto Sports Complex is the least used. On page B-3-8 shows the proposed Route 27/28. The route 27 runs clockwise and the route 28 runs counterclockwise which gives riders more direct options to get to the locations they want to. Some exciting things about the proposed routes are the new bus stops that will give access to riders in the community, the inclusion of a stop at Wal-Mart is something that will be helpful for riders, and there is the benefit of the shorter mileage will give the Bus Operators more opportunities for better break times.

**Chairperson Guthrie** opened public comment.

**Mr. Overby** asked if the frequency at Ramona Park include transfers? Mr. Moores stated that it does include transfers. **Mr. Overby** asked if the new route will also stop at the K-Mart. **Mr. Moores** stated that the 28 will have a stop at the K-Mart. **Mr. Overby** asked if there is a location where all four routes go. **Mr. Moores** stated that Ramona Garden Park will and Wal-mart as well. **Mr. Overby** stated that the reason that there is low ridership is because the stopping of interlining.

**Ms. Virginia Rodgers** stated the ridership dropped because the efficiency of the inaccurate timing from the time changes. **Mr. Straw** stated that the dials were turned too far when the time changes were first made in February 2016. **Mr. Moores** stated that the times were supposed to help give the drivers better breaks. **Ms. Rodgers** stated that the new times aren't as bad.

**Chairperson Guthrie** opened to Board comment.

**Chairperson Guthrie** asked about a certain bus stops passenger boardings on a different route. Mr. Moores stated that he did not have the information with him.

**Mr. Moores** continued the discussion by bringing up the fare structure changes. He stated that on B-3-4 the table shows the potential future increases. He noted that the cash fare would be increasing by \$.25 and the discounted fare increasing by \$.15. He also noted that the 31-Day pass would be increasing by \$7.00. As well as the route fare increases there will also be increases on the fares for the Runabout services. When the fixed routes fares increase the Runabout fares have to increase. It has been quite awhile since a fare increase has taken place for SCT. While the increase may seem like a lot to some, it is beneficial for the new services in the long run. Mr. Straw stated that the route and fare changes discussion started back in 2013 when the area became urbanized. Once the area became urbanized the

farebox recovery ratio increased to 20%, currently we are not meeting that. These changes will help us make that farebox recovery ratio.

**Mr. Fred Overby** stated that as a retiree the fare increase makes a lot of sense. The more passes that are sold at different locations more the riders are encouraged to buy them. **Mr. Straw** stated that we are looking at different locations to sell passes as well as eventually putting ticket vending machines at the Pismo Outlet stop and Ramona Garden stop.

**Ms. Laura** stated that the fare increase has primarily affected the seniors and disabled, she agrees with the increases but was shocked when she saw the figures. **Mr. Moores** stated that while it looks that way some of the increases are just by pennies. **Mr. Straw** stated the federal government requires the half fare price to the elderly and disabled during peak times and we honor that.

**Mr. Keller** stated the inconsistency of the bus service at particular stops discouraged him from taking bus transportation as often as he used to. He believes that SCT should be looking to increase service consistency. **Mr. Moores** stated that the Transit Tracker application can allow you to find out if the bus is on schedule as well as receive updates on when the bus will be arriving.

**Ms. Elaine Wilson** of SLOCOG stated that is good to be proactive in finding ways to meet the farebox recovery ratio and the increase in fares will be a good start. The penalty can be shrunk if the gap is reduced between the fares and what the fares should be. For SCT there are no special fares or supplemental fares that would be beneficial if any local businesses were to buy passes in bulk.

**Chairperson Guthrie** asked how the passes figure in to bus transfers. **Mr. Moores** stated that no transfer is free between different routes, if you are going to use multiple buses in the same day is it best to purchase a Day-pass. The passes also help save time because it is easier to board the bus with a pass. **Chairperson Guthrie** asked what SCT is doing to promote the use of passes. **Mr. Straw** said that using cash on the bus takes more time, it makes more sense if you are doing a round trip to get the Day-pass. The challenge is where to sell the passes. **Chairperson Guthrie** asked if the Bus Operators will be able to sell the passes. **Mr. Straw** said the farebox can issue day passes.

**Mr. Overby** asked if the new route and the stopping of the interlining happened at the same time. **Mr. Moores** stated that the new routes will not be interlined. **Mr. Overby** stated that the farebox should accept the dollar coin.

**Director Higginbotham** asked where we are at the ticket vending machine funding. **Mr. Straw** stated it is on its way and currently the first vending machine will be placed at the government center in San Luis Obispo with hopes to bring the vending machines to Ramona Garden and the Pismo Outlets. **Director Higginbotham** said that the City of Pismo Beach has been trying to find a new location for the passes to be sold since the City Hall location isn't use very often. **Ms. Gardner** stated that it is hard to find businesses that are willing to sell the passes.

**Director Compton** asked if there has been any consideration for a mobile fare-paying application. **Mr. Straw** responded the cost of that is very high. We will be promoting the stored value cards as part of the process.

**Mr. Keller** asked if the ticket vending machine will accept cash or credit. **Mr. Straw** stated it will accept both.

**Ms. Kennedy** asked if the current stored valued cards will would be honored. **Mr. Straw** stated that they would be.

**Ms. Rodgers** asked if any of the Board of Directors take the bus. She believes that the route changes are being made from inaccurate data from the ITS. **Mr. Straw** stated that we have been analyzing the data from September 2015 through March 2016 and looking at all the parts of it, and it is defensible data. **Director Nicolls** states she does not ride the bus currently; the decision is being made for the best interest of the passengers. **Director Compton** states the decision is based on the best available information.

**Chairperson Guthrie** stated that route changes are something he has been waiting for a long time. We need to be looking at the primary market and the primary locations passengers are going to. This is data-based and the data is more accurate than in the past. The stops are not set in cement because it may be that the stops would be better in other locations. The changes would be a 33% increase in service with the addition of the new routes. On fares, we need to increase with the increase of service. TDA will be needed later down the line. Staff needs to promote pass usage. It is necessary that this happens quickly, would like to see a marketing plan at the July meeting.

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

**Director Higginbotham** moved to approve Agenda Item B-3 part 1. **Director Compton** seconded and the motion carried on a roll call vote. **Director Compton** moved to approve Agenda Item B-3 part 2. **Director Higginbotham** seconded it and the motion carried on a roll call vote.

**B-4 SCT FY 16-17 Budget:** **Mr. Straw** stated that **Ms. Tania Arnold** will be presenting the budget to the board. **Ms. Arnold** stated that she is pleased to present the South County Transit FY 2016-17 budget. The operating budget is proposed at \$1,270,000 and the capital budget at \$123,380. We are presenting the budget plan based on assumptions regarding the Local Transit Fund and the State Transit Assistance programs. The budget assumes the same levels of service hours for Route 21 and 24 as well as the Beach Trolley with the replacement of the Route 23 with bi-directional Route 27 and Route 28. Staff has done a great job of holding the line on expenses. The delivery of the fourth Gillig low-floor bus in March 2015 helped reduce projected vehicle maintenance cost that effected SCT core services in previous years. Routes 27/28 and the accompanying changes to the fare program are considered "major" and will exempt SCT from the 20% farebox recovery ratio the ensuing three years. It should be noted that the Beach Trolley service is presented in a separate column. Any farebox or other shortfalls in the Beach

Trolley are the responsibility of the County since it is a fare-free service. We are budgeting fuel conservatively at a lower cost per gallon in comparison to FY 2015-16.

The LTF funds is projected by SLOCOG to be unchanged for FY 2016-17 from FY 2015-16. However, STA funding is projected to be lower for FY 2016-17.

SCT currently employs three full-time hourly Bus Operators. With the addition of the service changes, we are proposing one addition full-time hourly Bus Operator position and one part-time position.

After reviewing CalTIP rates for the bodily injury, property damage, personal liability, employment practices, the number of claims for the pool were discussed. There are fewer claims lower but the significance of those claims were high. **Director Compton** asked if SCT had a high number of claims or was it the pool. **Ms. Arnold** responded that it was the pool overall experienced the high cost claims. We are looking at a variety of different options for workers' compensation, including a possible increase in our deductible.

RTA provides oversight services on an annual fixed cost basis to SCT. The services include program administration, operations management, financial reporting and oversight, human resources, marketing, grants management, accounts payable and Board meeting administration. The proposed charge for Administration- Staff Time is \$74,750, an annual increase of \$9,340 in comparison to the last fiscal year. The Finance-Staff Time cost are proposed at \$13,200 which is down approximately \$1,120 from the current year. Marketing-Staff Time is proposed at \$5,100 and based on 10 hours/month. Dispatch-Time Staff cost are proposed at a higher level at \$21,850, which accounts for actual proportional time spent by RTA dispatchers, schedulers and road supervisors handling SCT needs. The time is coded when an employee is working on SCT. Staff is proposing to implement a new safety award program. This type of program is used across the transit industry to try to minimize risk management costs and the additional cost for it is reflected in the budget.

There will be some carry over for capital budget items but that information will be brought back at the October Board meeting for amendment approval.

If you are looking at the slides in your packet you will see that the pie chart shows the fund balance is \$301,800 for operating revenue sources. The federal revenues source is at 39.3%. The 12.1% for LCTOP funding will help fund Route 27/28. On the Local Transit Funds slide gives an idea of how much local jurisdictions have had to put in. On the capital revenue sources slide you can see that 47.7% is from federal dollars, which provides relief for operations. The Administration and Service Delivery slide correlates with page B-4-14. As it shows the salaries/benefits is the highest cost. Lastly, the Vehicle Capital Expenditures by Service Type graph shows the waves that SCT goes through for funding.

**Ms. Arnold** concluded her report.

**Mr. Straw** noted that one of the capital projects is updating the transit amenities.

**Director Higginbotham** asked if the Wal-Mart stop improvement was finished. **Mr. Straw** stated that yes, it has been finished and it was a great partnership project.

**Director Higginbotham** noted the addition of weekend service for the new Route 27. **Mr. Straw** responded that is about a \$51,000 difference if the Route 27 was to operate on the weekend as well. If additional funding comes through we can add that weekend service.

**Chairperson Guthrie** asked about the reasoning for budgeting the fuel cost so conservatively and not budgeting to where fuel is at currently. **Mr. Straw** stated that other transit agencies are budgeting conservatively as well because the cost of fuel is unpredictable. When we save in the fuel cost it gets rolled over into the next year's budget. **Chairperson Guthrie** states that there should be a contingency. **Mr. Straw** states that it is based on the reserve policy.

**Director Higginbotham** stated that the budget was well done, she understands that RTA is not getting the full amount back for the hours working with RTA but appreciates that more hours were included in the budget.

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

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

**Director Compton** moved to approve Agenda Item B-4. **Director Nicolls** seconded and the motion carried on a roll call vote.

**B-5 Lease Agreement for 800 Rodeo Drive, Arroyo Grande:** **Mr. Straw** stated that the current lease agreement for the SCT facility goes until June 2016. He thanked the city of Pismo Beach for the assistance of counsel Dave Fleishman during the negotiations of a new contract. The monthly rental amount would not exceed \$3,000 but it is a 20% increase from the current amount. The current issue with the lease is the issue of repairs vs. maintenance, would hope that in the new lease that issue will be amended. This will allow us to continue negotiations on the agreement.

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

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

**Director Compton** moved to approve Agenda Item B-5. **Director Higginbotham** seconded and the motion carried on a roll call vote.

**C. CONSENT AGENDA:**

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

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

- C-1 SCT Minutes of January 20, 2016 (Approve)
- C-2 Youth Ride Free Summer Promotion (Approve)
- C-3 Pacific Surfliner Transit Transfer Agreement (Approve)
- C-4 Contract for Fiscal and TDA Compliance Audit (Approve)
- C-5 Workers Compensation Provider Options (Approve)

**Director Higginbotham** moved to approve Consent Agenda. **Director Compton** seconded and the motion carried on a voice vote.

**D. DIRECTORS' COMMENTS:** None

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

**ADJOURNMENT:** The meeting was adjourned at 3:45 p.m.

Respectfully submitted, Shelby Walker, Administrative Assistant