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

## BOARD AGENDA

Wednesday, October 19, 2016

**\*\*PLEASE NOTE LOCATION\*\***

**CITY OF PISMO BEACH, CITY COUNCIL CHAMBERS**

**760 Mattie Road, Pismo Beach 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 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

**NOTE: Pismo Beach City Offices are served hourly by SCT Route 21.**  
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 Recognize Directors Higginbotham and Guthrie for Their Years of Service
- A-2 Administrator's Report (Receive)

### B. ACTION AGENDA

- B-1 Fiscal Year 2016-17 Budget Amendment (Approve)
- B-2 Five Cities Senior Shuttle Agreement (Approve)
- B-3 South County UZA MOU (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 20, 2016 (Approve)

C-2 Conflict of Interest Policy (Adopt)

C-3 Annual Fiscal & Compliance Audit for Fiscal Year 2015-16 (Accept)

C-4 Seek Sustainable Transportation Planning Grant "Sustainable Communities" Grant to update SRTP (Due 11/4/2016)

C-5 Resolution Authorizing Executive Director to Submit Application for Low Carbon Transit Operations Grant Funds (Approve)

**D. DIRECTORS' COMMENTS**

**E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS**

**ADJOURNMENT**

Next South County Transit Board meeting: **January 18, 2017**

**SOUTH COUNTY TRANSIT**  
**October 19, 2016**  
**STAFF REPORT**

**AGENDA ITEM:** A-2

**TOPIC:** Administrator’s Report

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Information

**BACKGROUND/DISCUSSION:**

**Operations:**

SCT successfully implemented the service and fare changes on July 30, 2016. To recap, the following fare changes were implemented:

<b>SCT REVISED FARE PROGRAM CHANGES</b>			
<b>Fare Type</b>	<b>Current Fares</b>	<b>July 2016 Fares</b>	<b>% Increase</b>
Cash Regular	\$1.25	\$1.50	20.0%
Cash Discounted	\$0.60	\$0.75	25.0%
SCT 31-Day Pass Regular	\$30.00	\$37.00	23.3%
SCT 31-Day Pass Discounted	\$15.00	\$18.50	23.3%
20-Ride Regular	\$20.00	\$24.00	20.0%
20-Ride Discounted	\$8.00	\$12.00	50.0%
Regular SCT Day Pass	Not Applicable	\$3.00	N/A
Discounted SCT Day Pass	Not Applicable	\$1.50	N/A
Transfer	Free	No longer accepted	N/A

The service changes included replacing the previous 7 days/week Route 23 and academic year-only Route 25 with the weekday-only Route 27 and 7 days/week Route 28 (along with tripper Routes 27 & 28 to serve Arroyo Grande High School bell times).

Although it typically takes up to two full years for a new service to reach its full potential impact, preliminary data for August 2016 can be compared to the similar data for August 2016 to get an of early impacts. As shown in the first table below, there were varying impacts in terms of total ridership and financial impacts.

## SCT FARE AND COST ANALYSIS FOR AUGUST 2015 & 2016

Passenger Fare Type	Aug-16		Aug-15	
	Totals	% Total	Totals	% Total
\$1.50 Regular Cash	2,997	17.4%	5,016	24.4%
\$0.75 Discounted	1,101	6.4%	1,882	9.2%
SCT Transfer	141	0.8%	2,755	13.4%
SCT 31-Day Pass Regular	454	2.6%	800	3.9%
SCT 31-Day Pass Discounted	1,025	6.0%	565	2.7%
SCT Stored Value Card	37	0.2%	1	0.0%
SCT 20-Ride Regular	239	1.4%	290	1.4%
SCT 20-Ride Discounted	91	0.5%	130	0.6%
SCT Day Pass Regular Used	1,198	7.0%	N/A	N/A
SCT Day Pass Regular Sold	484	2.8%	N/A	N/A
SCT Day Pass Discounted Sold	194	1.1%	N/A	N/A
SCT Day Pass Discounted Used	744	4.3%	N/A	N/A
Regional Day Pass Sold	267	1.6%	352	1.7%
Regional Day Pass Used	1,461	8.5%	1,536	7.5%
ADA	236	1.4%	266	1.3%
Regional 31-Day Pass Regular	1,226	7.1%	1,343	6.5%
Regional 31-Day Pass Disabled	1,492	8.7%	1,463	7.1%
Promotions (Youth Ride Free)	1,845	10.7%	2,544	12.4%
Summer Youth Ride Free	207	1.2%	372	1.8%
Free	756	4.4%	399	1.9%
Riders without full fare	370	2.2%	165	0.8%
Amtrak Pass	4	0.0%	N/A	N/A
VIP Pass (Age 80+)	464	2.7%	607	3.0%
7-Day Pass Regular	158	0.9%	79	0.4%
7-Day Pass Discounted	6	0.0%	0	0.0%
<b>TOTAL PASSENGERS</b>	<b>17,160</b>	<b>100%</b>	<b>20,564</b>	<b>100%</b>
EXPECTED CASH AT FAREBOX	\$9,660.94		\$9,695.21	
SCT 20-RIDE PASS SALES DISTRIBUTED	\$498.48		\$148.00	
REVENUE SHARING DISTRIBUTED	\$1,245.30		\$1,983.21	
MONTHLY PASS SALES DISTRIBUTED	\$509.50		\$540.00	
ACTUAL CASH DEPOSITED	\$9,660.94		\$10,222.16	
<b>TOTAL FARE REVENUE</b>	<b>\$11,914.22</b>		<b>\$12,893.37</b>	
VEHICLE OPERATIONS	\$1,638.95		\$1,562.50	
VEHICLE OPERATION COSTS	\$38,051.80		\$37,604.28	
VEHICLE INSURANCE COSTS	\$10,139.74		\$9,624.76	
VEHICLE FUEL COSTS	\$10,081.70		\$10,333.83	
VEHICLE MAINTENANCE COSTS	\$7,950.24		\$9,347.28	
ADMINISTRATIVE COSTS	\$8,714.13		\$6,880.87	
MARKETING COSTS	\$11,711.83		\$81.26	
<b>TOTAL TRANSIT COSTS</b>	<b>\$88,288.40</b>		<b>\$75,434.78</b>	
PASSENGERS PER SERVICE HOUR	15.2		16.8	
PASSENGERS PER SERVICE MILE	0.87		1.01	
TOTAL TRANSIT COST PER HOUR	\$78.13		\$61.73	
TOTAL TRANSIT COST PER MILE	\$4.46		\$3.71	
TOTAL TRANSIT COST PER PASSENGER	\$5.15		\$3.67	
<b>TOTAL FARE REVENUE PER PASSENGER</b>	<b>\$0.69</b>		<b>\$0.63</b>	
<b>FAREBOX RECOVERY RATIO</b>	<b>13.5%</b>		<b>17.1%</b>	

Below are some interesting takeaways:

1. In August 2015, a total of 2,755 free transfers were provided between the three SCT fixed routes, which equates to 13.4% of total passenger-boardings. In August 2016, a total of 2,620 boardings were recorded using the new SCT Day Passes (combined), equating to 15.2% of total monthly boardings.
2. In August 2015, a total of 2,755 free transfers were provided between the three SCT fixed routes, which equates to 13.4% of total passenger-boardings. In August 2016, a total of 2,620 boardings were recorded using the new SCT Day Passes (combined), equating to 15.2% of total monthly boardings.
3. The number of single-ride cash transactions dropped dramatically, from 6,898 (33.5% of total) in August 2015 to 4,098 (23.8% of total) in August 2016.
4. At the same time, the proportion of 31-Day Passes used also changed year over year. In particular, the use of 31-Day Discounted passes used by senior and disabled riders increased dramatically (from 2.7% to 6.0%), while the use of 31-Day Regular passes dropped but at a lower rate. Overall, this is encouraging from an on-time performance perspective, since cash fares take longer to execute and can quickly add up (delaying bus operations).
5. All free rides combined (promotions, youth ride free, Amtrak reimbursement, and ADA) equated to 3,048 in August 2016 vs. 3,581 in August 2015. The biggest contributor was lower use by the YMCA of the summer youth ride free program in 2016 in comparison to previous years.
6. While still a relatively small impact, the proportion of persons unable to pay the full fare more than doubled year over year, and it is a trend that I have been watching. Staff will continue to monitor this to determine if a public outreach campaign might be necessary to inform riders that this is a growing concern.
7. The costs to market the new service and fare changes were dramatically higher than expended in August 2015. Both an overall drop in ridership and this relatively costly line-item contributed greatly to the higher unit costs presented at the bottom of the table.
8. The average fare per passenger has increased, from \$0.63 in August 2015 to \$0.69 in August 2016. This equates to a 10.7% increase.

The table below depicts year over year ridership by route for the month of August. As shown, the biggest drop occurred on Route 24, which declined by over one-third. As mentioned earlier, lower gasoline prices contributed to the decline in transit ridership across the nation, and elimination of SCT route interlining on August 31, 2015 inflated passenger boardings. On the flip-side, the two new Routes 27/28 pair provided 8.8% more passenger-boardings than the

<b>Analysis of SCT's First Full Month of New Service Plan (August 2016)</b>									
<b>SCT Route</b>	<b>Ridership</b>			<b>Service Hours</b>			<b>Productivity</b>		
	Aug-16	Aug-15	% 2016 of 2015	Aug-16	Aug-15	% 2016 of 2015	Aug-16	Aug-15	% 2016 of 2015
Route 21	5,660	6,930	81.7%	300	356	84.3%	18.9	19.5	96.9%
Route 24	4,548	6,835	66.5%	302	362	83.3%	15.1	18.9	79.9%
Route 23	N/A	6,388	108.8%	N/A	353	149.9%	N/A	18.1	72.6%
Route 27	2,369	N/A		235	N/A		10.1	N/A	
Route 28	4,583	N/A		293	N/A		15.6	N/A	
<b>Totals</b>	<b>17,160</b>	<b>20,153</b>	<b>85.1%</b>	<b>1,130</b>	<b>1,070</b>	<b>105.6%</b>	<b>15.2</b>	<b>18.8</b>	<b>80.7%</b>

former Route 23 service although the overall productivity is currently lower than the previous Route 23. It is interesting to note that the productivity of Route 28 is roughly one-third higher than its “sister” Route 27. To some degree, this might be caused by the fact that much of the new Route 28 operates in the same direction as most of the old single-direction Route 23 – so some riders may be most comfortable with it. We will continue to keep any eye on this and see if a focused outreach effort might help educate Route 28 riders that they can likely shorten their return trip by using the opposite-direction Route 27 bus.

Finally, the table below presents weekday Routes 27 and 28 ridership results by bus stop for the first two months of the new service plan (August and September 2016) in comparison to the results for Route 23 in May and June 2016. As shown, the average daily ridership increased from 207.0 to 300.4, which represents a change of 251%. It should be noted that we now operate traditional “tripper” runs to meet Arroyo Grande High School bell times, so those boardings are now counted directly in the Routes 27 and 28 totals; previously, we operated a separate Route 25. The Ramona Garden Park passenger facility continues to have the highest number of average weekday boardings, while Arroyo Grande High School has moved up in the rankings, followed closely by Wal-Mart, and Wilmar/19<sup>th</sup>. The number of “Unknown” or unassigned trips has increased dramatically since the service change, although we expect those numbers to down over time as the ITS system “learns” the bus stop patterns better over time. The one bus stop that appears to have taken a big hit is the Halcyon Park-n-Ride – ridership has dropped dramatically from 12.4/weekday prior to the service change to 4.6. In discussions with Bus Operators, many riders on the clockwise Route 27 seem to be transferring at Wal-Mart to the Route 24 bus to make the RTA Route 10 connections at the Prime Outlets passenger facility.

The table also shows the average daily ridership on Route 23 in August and September 2015 (that data was taken from the electronic farebox system since the ITS system was not yet fully operational). As shown, ridership changed from 234.1 to 300.4 – a change of 128.3%. It should be noted that we have boarding information at the bus stop level going back to October 2015, so we can begin to more closely monitor changes beginning next month.

Routes 27 & 28 Combined Weekday			Route 23 Weekday			
August 1 - September 30, 2016			May 1 - June 30, 2016 (excluding Memorial Day)			
Platform	Total Boardings	Daily Boardings	Platform	Total Boardings	Daily Boardings	Change 2016 over 2015
Ramona Garden Park	5,149	117.0	Ramona Garden Park	2,626	61.1	192%
Arroyo Grande High School	876	19.9	Arroyo Grande High School	499	11.6	172%
Walmart Shopping Center	843	19.2				N/A
Wilmar & 19th	741	18.6	Wilmar & 19th	647	15.0	124%
19th & Wilmar	79					
Unknown	598	13.6	Unknown	92	2.1	635%
Highway 1 & 21st	566	12.9	Highway 1 & 21st	455	10.6	122%
Elm & Fair Oaks	441	10.0	Elm & Fair Oaks	246	5.7	175%
Oceano Airport	426	9.7	Oceano Airport	354	8.2	118%
Highway 1 & 25th	382	9.4	Highway 1 & 25th	364	8.5	111%
Highway 1 & 25th St	30					
Grand & 16th	390	8.9				N/A
13th & Highway 1	297	6.8	Highway 1 & 13th	102	5.1	133%
Grand & 13th	299	6.8	13th & Highway 1	117		
Oak Park & Long Branch	232	5.3	Grand & 13th	146	3.4	200%
Halcyon Park & Ride	202	4.6	Oak Park & Long Branch	404	9.4	56%
13th & Long Branch	169	3.8	Halcyon Park & Ride	535	12.4	37%
Grand @ AM PM	147	3.3	13th & Long Branch	100	2.3	165%
Elm & The Pike	135	3.1	Grand @ AM PM	130	3.0	111%
13th & Mentone	137	3.1	The Pike & Elm	203	4.7	65%
Arroyo Grande Hospital	126	2.9	13th & Mentone	183	4.3	73%
13th & Farroll	121	2.8	Arroyo Grande Hospital	312	7.3	39%
K Mart	122	2.8	Farroll & 13th	120	2.8	99%
Grand & Branch	89	2.0			0.0	N/A
Oak Park & Grand	81	1.8	Grand & Branch	48	1.1	181%
13th & Wilmar	20	1.7			0.0	N/A
Wilmar & 13th	55		13th & Wilmar	31	0.7	236%
Traffic & Firefighters Park	72	1.6	Traffic & Firefighters Park	122	2.8	58%
13th & Belridge	64	1.5	13th & Belridge	147	3.4	43%
El Camino Real & Stonecrest	68	1.5	El Camino Real & Stonecrest	56	1.3	119%
Fair Oaks & Traffic Way	46	1.0			0.0	N/A
13th & Messina	45	1.0	13th & Messina	28	0.7	157%
Oak Park & Ramona	42	1.0	Oak Park & Ramona	213	5.0	19%
Oak Park & Newport	42	1.0			0.0	N/A
13th & Trouville	32	0.7			0.0	N/A
Fair Oaks & Halcyon	33	0.8			0.0	N/A
Elm & Paul	14	0.3	Elm & Paul	60	1.4	23%
El Camino Real & Brisco	8	0.2			0.0	N/A
<b>Grand Total</b>	<b>13,219</b>	<b>300.4</b>	<b>Grand Total (incl. stops below)</b>	<b>8,903</b>	<b>207.0</b>	<b>145%</b>
Route 23 Aug-Sep 2015 (42 weekdays, GFI data)	9,832	234.1	<b>Average Daily Ridership Increase Aug-Sep 2016 over May-Jun 2016</b>		<b>93.4</b>	<b>251%</b>
Increased Boardings	3,387	66.3				
<b>Average Daily Ridership Increase Aug-Sep 2016 over Aug-Sep 2015</b>		<b>128.3%</b>	<b>DISCONTINUED BUS STOPS</b>			
			Elm St Park	186	4.3	
			Oak Park & Driftwood	151	3.5	
			El Camino Real & Oak Park	44	1.0	
			Farroll & 8th	85	2.0	
			4th & Grand	38	0.9	
			Grand & 7th	17	0.4	
			Oak Park & Monaco	24	0.6	
			Soto Sports Complex	14	0.3	
			The Pike & Avenida Pelicanos	4	0.1	

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

Staff spent a considerable amount of time marketing the July 30<sup>th</sup> service and fare changes. 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 (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 Randol White for local news show.
- 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.
- Letter to SCT-area Runabout riders for fare increase.
- Ads on Spanish language radio.
- KSBY and Spectrum (Charter) cable television ads; Charter ads were only shown in Zip Codes served by SCT.
- Press release for Free Ride Weekend (English and Spanish media).



- One-page info flyer for Bus Operators to distribute to riders.
- One-page info flyer that was inserted into AG High students Back to School package.

We installed replacement bus stop signs that include the new SCT logo. 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.

### **Finance and Administration:**

The operating results for the FY15-16 were mixed, although the financial results were more encouraging. As shown in the tables at the end of this report, a total of 203,309 passenger-boardings were recorded, which down from 223,803 in the previous fiscal year. As mentioned in previous Administrator Reports, this decline is not surprising given lower fuel prices and the fact that on August 31, 2015 SCT stopped forcing passengers to transfer at Ramona Garden when staying on the same route. The FY15-16 average fare per passenger ( $\$135,006 / 203,309 = \$0.66$ ) remains the same as in FY14-15, which suggests that essentially the same number of persons are riding despite the lower number of total one-way passenger-boardings. The preliminary year-end farebox recovery ratio was 13.9%, which remains below the TDA-required 20% standard that SCT must ultimately achieve within the next three years.

In terms of overall trends, the table directly below depicts year-end results for FY15-16, as well as for the preceding four years. As shown, last year's ridership is actually lower than that recorded in FY11-12 – but still higher than in FY10-11, when only 173,502 passenger-trips were recorded. This table also presents the average cost of gasoline in each calendar year, which tracks relatively closely with ridership changes over the five-year evaluation period. The other issue with which we continue to grapple is rising liability costs. Our 2015-17 Strategic Business Plan states a liability cost goal of 8.5% of total operating costs, yet the actual proportion has almost tripled over the past five years to where the result is now almost 12%. This is reaching an almost crisis for transit agencies across the state, and our liability pool has asked that the legislature provide tort reform relief to help loosen the liability market and/or provide TDA farebox recovery requirements relief.

In terms of budget vs. actual results, the table below shows that total operating expenditures equaled 89.8% of the annual budget. Notable large-ticket variances include salaries/benefits (89.9%), fuel (56.6%) and vehicle maintenance (137.3%); combined these three largest line-items accounted for 88.9% of the annual budget ( $\$729,443$  actual vs.  $\$849,760$  budget). The overall savings accrued at the end of FY15-16 have automatically been rolled-over to the beginning balance for FY16-17.

<b>SCT Operating and Financial Performance Trends</b>						
<b>Metric</b>	<b>Standard</b>	<b>FY11-12</b>	<b>FY12-13</b>	<b>FY13-14</b>	<b>FY14-15</b>	<b>FY15-16</b>
Annual Ridership	N/A	213,620	234,690	239,101	223,803	203,309
<i>Average Cost of Gasoline</i>	<i>N/A</i>	<i>\$3.53</i>	<i>\$3.64</i>	<i>\$3.53</i>	<i>\$3.37</i>	<i>\$2.45</i>
Annual Service Miles	N/A	194,252	198,325	201,494	207,002	206,714
Annual Service Hours	N/A	13,928	13,276	13,055	12,877	12,765
Subsidy per Passenger-Trip	N/A	\$3.51	\$3.37	\$3.02	\$3.20	\$4.13
Average Fare	N/A	\$0.570	\$0.557	\$0.590	\$0.667	\$0.664
Average Price Per Gallon of Gasoline	N/A	\$4.044	\$4.080	\$4.128	\$3.634	\$3.103
Farebox Recovery Ratio	20%	14.0%	14.2%	16.3%	17.4%	13.9%
Productivity (Passenger Boardings per Service Hour)	15 Px/Hr	15.3	17.7	18.3	17.4	15.9
Systemwide Preventable Collisions (per 100k Miles)	1.0	1.5	0.5	2.0	2.4	1.0
Annual Risk Management Costs (% of Ops. Budget)	8.5%	4.0%	6.3%	7.4%	10.2%	11.6%
Systemwide Road Calls (per 100k miles)	5.0	5.1	4.0	3.0	2.9	5.8

Note 1: Source US Department of Commerce, Bureau of Economic Analysis "Average Historical Annual Gasoline Pump Price, 1929-2015"

### FY16-17 Results for August 2016

The operating and financial results for the first two months of FY16-17 are presented in the tables below. In summary, SCT expended 14.7% of budget, despite completing 16.7% of the fiscal year. As discussed above, SCT focused a relatively large amount of resources on marketing the new fare and service changes that were implemented on July 30<sup>th</sup>, and we expect these proportional costs to come in line with the annual budget as time passes. Fuel and vehicle maintenance costs continue to vary from budgeted levels, and staff will closely monitor these expenses.

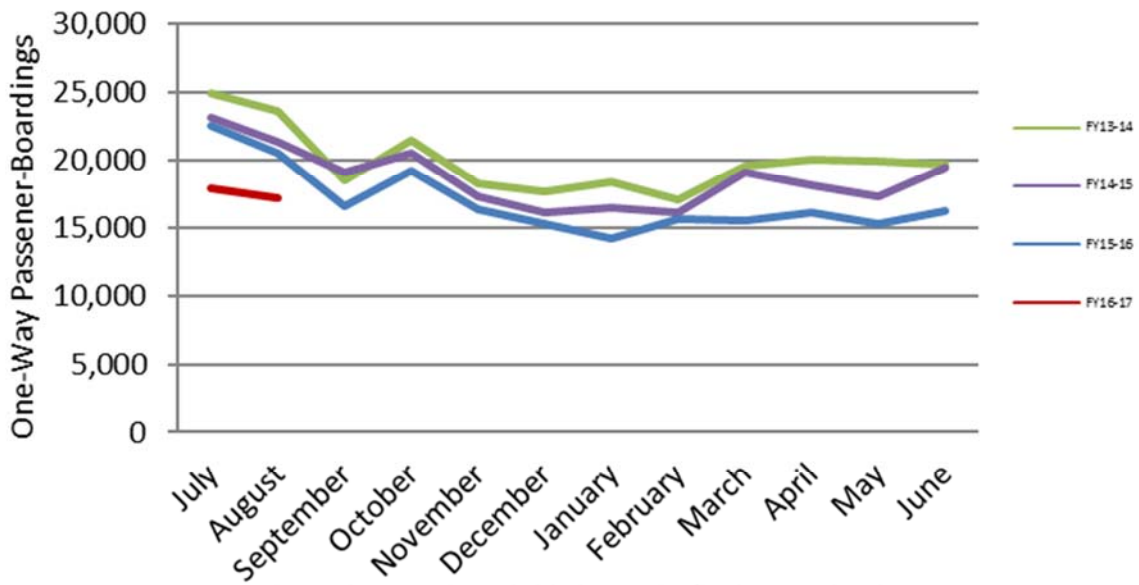
### **Maintenance**

All maintenance inspections and repairs are being completed according to manufacturer recommendations. In terms of big-ticket repairs, RTA and SCT are experiencing failures of the Diesel Particulate Filters on our ten 2013-series buses. These DPFs cost over \$4,000 each, and they seem to last about 3 years or 175,000 miles. Staff is seeking warranty assistance from the engine manufacturer (Cummins), even though the vehicles are technically outside the warranty period.

### **STAFF RECOMMENDATION:**

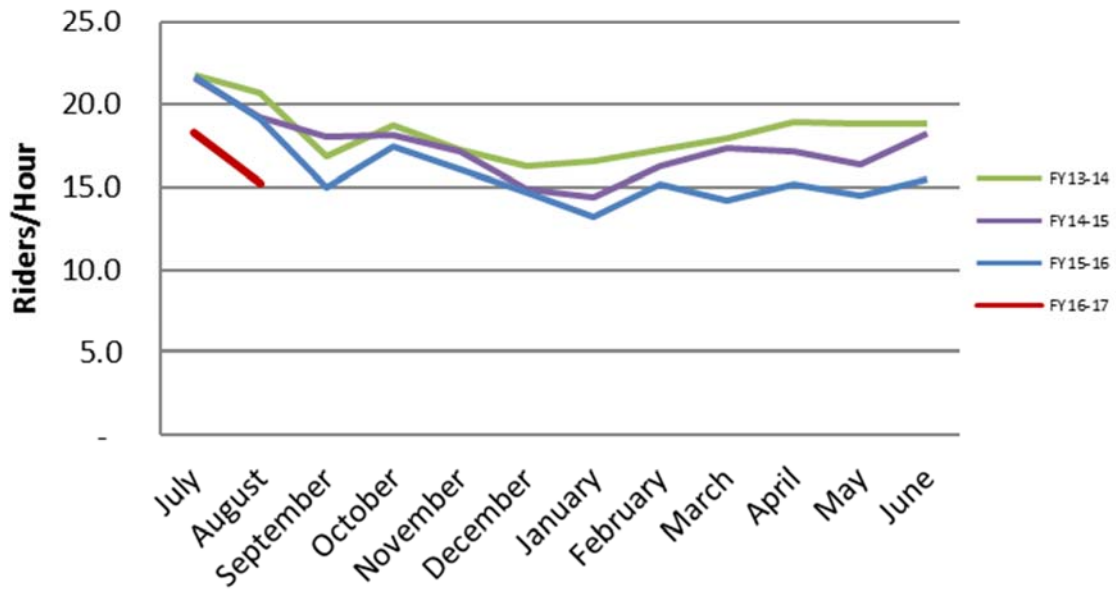
Accept this as an information item.

## Overall Ridership By Month <sup>1</sup>



Note 1: On August 31, 2015 SCT eliminated route interlining which had previously inflated passenger boardings

## SCT Historical Productivity



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

	<b>FY 16/17 Adopted</b>	<b>July 2016</b>	<b>August 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	\$ 82,800	\$ 6,867	\$ 6,867	\$ 13,734	16.59%
Workers Compensation	57,000	4,505	4,505	9,009	15.81%
Property Insurance	700	58	321	380	54.25%
Rent	36,000	2,550	2,550	5,100	14.17%
Utilities	8,450	433	697	1,130	13.37%
Radio Expense	1,240	103	103	206	16.61%
Legal Services	6,200	-	-	-	0.00%
Payroll Processing	1,680	154	154	307	18.30%
Administration - Staff Time	74,750	6,229	6,229	12,458	16.67%
Finance - Staff Time	13,200	1,100	1,100	2,200	16.67%
Marketing - Staff Time	5,100	425	425	850	16.67%
Office Expense/Miscellaneous	10,370	51	2,178	2,229	21.50%
Audit	3,000	-	20	20	0.67%
Marketing/Community Relations/Printing	25,000	950	11,287	12,237	48.95%
Uniforms/Laundry/Physicals/Ads	10,270	85	446	531	5.17%
<u>Operating Expenditures</u>					
Salaries/Benefits	\$ 571,510	\$ 37,446	\$ 38,479	\$ 75,925	13.29%
Maintenance	115,800	14,319	10,849	25,168	21.73%
Dispatch	21,850	1,821	1,821	3,642	16.67%
Sign Maintenance	3,000	-	-	-	0.00%
SCT Bus Fuel	215,770	11,009	11,356	22,366	10.37%
Contingency	12,640	-	-	-	0.00%
<b>9</b> Total Operating Expenditures	<b>\$ 1,276,330</b>	<b>\$ 88,106</b>	<b>\$ 99,387</b>	<b>\$ 187,492</b>	<b>14.69%</b>
<u>Capital Service</u>					
Facility Improvements/Bus Stop Amenities	\$ 60,880	\$ -	\$ 5,121	\$ 5,121	8.41%
Transit Center Improvements	62,500	-	-	-	0.00%
Total Capital Service	\$ 123,380	\$ -	\$ 5,121	\$ 5,121	4.15%
<b>10</b> Total Use of Resources	<b>\$ 1,399,710</b>	<b>\$ 88,106</b>	<b>\$ 104,508</b>	<b>\$ 192,613</b>	<b>18.84%</b>

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY  
YEAR TO DATE THRU AUGUST 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 27 GROVER B, AG, OCEANO CLOCKWISE	RT 28 GROVER B, AG, OCEANO COUNTER CW	TOTAL WEEKDAY SERVICE	AVILA BEACH TROLLEY
<b>REVENUES:</b>							
<b>FARES</b>	9,655	3,079	7,006	1,390	2,391	23,521	4,419
<b>TOTAL ROUTE REVENUES</b>	9,655	3,079	7,006	1,390	2,391	23,521	4,419
<b>EXPENDITURES:</b>							
<b>ADMINISTRATION</b>	3,211	1,696	3,205	1,815	1,682	11,609	2,006
<b>MARKETING</b>	2,681	359	2,709	2,439	2,261	10,449	-
<b>OPERATIONS/CONTINGENCY</b>	20,417	12,640	20,321	9,923	9,196	72,496	15,666
<b>FUEL</b>	4,446	3,269	3,465	2,059	1,950	15,189	3,173
<b>INSURANCE</b>	4,555	3,417	3,549	2,071	1,961	15,553	3,459
<b>TOTAL EXPENDITURES</b>	35,310	21,382	33,248	18,307	17,050	125,296	24,304
<b>FAREBOX RATIO</b>	27.34%	14.40%	21.07%	7.60%	14.02%	18.77%	18.18%
<b>RIDERSHIP</b>	9,491	4,728	8,347	2,369	3,726	28,661	3,666
<b>SERVICE MILES</b>	8,978.20	6,800.00	6,996.00	4,045.70	3,831.80	30,651.70	6,827.40
<b>SERVICE HOURS</b>	446.96	255.96	445.50	235.37	218.12	1,601.91	282.10
<b>RIDERS PER MILE</b>	1.06	0.70	1.19	0.59	0.97	0.94	0.54
<b>RIDERS PER HOUR</b>	21.23	18.47	18.74	10.07	17.08	17.89	13.00
<b>COST PER PASSENGER</b>	3.72	4.52	3.98	7.73	4.58	4.37	6.63
<b>SUBSIDY PER PASSENGER</b>	2.70	3.87	3.14	7.14	3.93	3.55	5.42

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKEND, TROLLEY, AND TOTAL  
YEAR TO DATE THRU AUGUST 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.	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>											
<b>FARES</b>	1,255	812	630	448	1,113	832	309	388	5,789	29,310	33,729
<b>TOTAL ROUTE REVENUES</b>	1,255	812	630	448	1,113	832	309	388	5,789	29,310	33,729
<b>EXPENDITURES:</b>											
<b>ADMINISTRATION</b>	589	540	295	272	576	528	376	426	3,600	15,209	17,215
<b>MARKETING</b>	446	409	62	58	436	400	375	452	2,638	13,087	13,087
<b>OPERATIONS/CONTINGENCY</b>	3,823	3,504	2,199	2,027	3,740	3,428	2,281	2,538	23,540	96,036	111,702
<b>FUEL</b>	820	752	154	154	639	586	446	452	4,004	19,193	22,366
<b>INSURANCE</b>	843	772	161	161	657	602	454	460	4,110	19,663	23,123
<b>TOTAL EXPENDITURES</b>	6,521	5,977	2,871	2,671	6,048	5,544	3,932	4,329	37,892	163,189	187,492
<b>FAREBOX RATIO</b>	19.25%	13.58%	21.95%	16.78%	18.41%	15.01%	7.87%	8.97%	15.28%	17.96%	17.99%
<b>RIDERSHIP</b>	1,374	900	557	439	1,051	766	669	626	6,382	35,043	38,709
<b>SERVICE MILES</b>	1,663.20	1,524.60	320.00	320.00	1,296.00	1,188.00	893.10	904.40	8,109.30	38,761.00	45,588.40
<b>SERVICE HOURS</b>	82.80	75.90	44.52	41.04	81.00	74.25	51.13	57.46	508.10	2,110.01	2,392.11
<b>RIDERS PER MILE</b>	0.83	0.59	1.74	1.37	0.81	0.64	0.75	0.69	0.79	0.90	0.85
<b>RIDERS PER HOUR</b>	16.59	11.86	12.51	10.70	12.98	10.32	13.08	10.89	12.56	16.61	16.18
<b>COST PER PASSENGER</b>	4.75	6.64	5.15	6.08	5.75	7.24	5.88	6.91	5.94	4.66	4.84
<b>SUBSIDY PER PASSENGER</b>	3.83	5.74	4.02	5.06	4.70	6.15	5.41	6.29	5.03	3.82	3.97

## **SOUTH COUNTY TRANSIT**

**October 19, 2016**

### **STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Fiscal Year 2017 Budget Amendment

**ACTION:** Approve FY17 Budget Amendment

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

**STAFF RECOMMENDATION:** Approve Budget Amendment

#### **SUMMARY:**

The Fiscal Year 2016-17 SCT operating and capital budget was adopted on May 5, 2017 and was based on a range of assumptions, including pending lease negotiations and delivery dates for FY15-16 and FY16-17 capital projects.

At this time, staff is bringing back capital items that are being carried over to FY16-17 and the adjustment for the supervision structure approved at July 20, 2016. The following is a detailed description of the proposed budget adjustment that has been incorporated and highlighted in the amended budget on the following pages.

#### **Revenue Changes**

1. Beginning Fund Balance for Capital: based on FY15-16 fund balance available for capital projects not completed (\$62,465) which resulted in an increase in fund balance available. Caused by the delay in lease negotiations with the County and vehicle ITS project not being completed during FY15-16.
2. RTA Operations Supervisor Contribution: based on the approved revised supervision structure on July 20, 2016 and approved by the RTA Board on August 3, 2016 (\$8,240).
3. Non-Operating Prop 1B – Intelligent Transportation System: balance of funds for vehicle ITS project not completed during FY15-16 (\$27,995).
4. Non-Operating Federal Transit Administration (FTA) 5307 and 5339: balance of funds for vehicle ITS project and bus stop amenities not completed during FY15-16 (\$170,665).

#### **Expenditure Changes**

1. Salaries and Benefits: based on the approved revised supervision structure on July 20, 2016 and approved by the RTA Board on August 3, 2016 (\$8,240).

2. Capital - Intelligent Transportation System: carryover unspent amount from FY15-16 (\$153,000).
3. Capital – Bus Stop Amenities: carryover unspent amount from FY15-16 (\$50,130).
4. Capital – Facility Improvements: carryover unspent amount from FY15-16 (\$30,000).

The net effect for the above referenced budget adjustments is that there is no impact on the jurisdictions.

**Staff Recommendation**

Approve the budget amendment as indicated in the staff report.



**SOUTH COUNTY TRANSIT  
2016-17 Amended Budget**

	<b>FY 14/15 Actual</b>	<b>FY 15/16 Amended Operating</b>	<b>FY 15/16 Amended Capital</b>	<b>FY 16/17 Adopted Operating</b>	<b>FY 16/17 Amended Operating</b>	<b>FY 16/17 Adopted Capital</b>	<b>FY 16/17 Amended Capital</b>
<b>Funding Sources</b>							
	\$ 606,796	\$ 440,850	\$ 312,168	\$ 546,030	\$ 546,030	\$ 65,440	\$ 127,905
<b>1</b>	Estimated Fund Balance	\$ 606,796	\$ 440,850	\$ 546,030	\$ 546,030	\$ 65,440	\$ 127,905
<b>2</b>	Less Required Reserves:						
	TDA Required Operating Reserve	\$ 157,310	\$ 214,928	\$ -	\$ 244,230	\$ -	\$ -
	Equipment Replacement Reserve	308,998	-	65,436	-	112,940	109,340
	Total Reserves	\$ 466,308	\$ 214,928	\$ 65,436	\$ 244,230	\$ 112,940	\$ 109,340
<b>3</b>	Fund Balance Available (Required)	\$ 140,488	\$ 225,923	\$ 246,732	\$ 301,800	\$ (47,500)	\$ 18,565
	<u>Operating Revenues</u>						
	Fares	\$ 149,222	\$ 141,750	\$ -	\$ 154,420	\$ -	\$ -
	STA	101,331	104,750	-	-	89,380	89,380
	Low Carbon Transit Grant	-	32,450	-	89,240	-	-
	Federal Transit Adm (FTA) 5307 Operating	384,161	372,690	-	501,200	-	-
	SLO County Avila Trolley	45,553	58,940	-	57,060	-	-
	RTA Operations Supervisor Contribution	-	-	-	-	8,240	-
	Advertising and other income	3,090	-	-	-	-	-
<b>4</b>	Total Non-TDA Funds	\$ 683,357	\$ 710,580	\$ -	\$ 801,920	\$ 81,160	\$ 89,380
<b>5</b>	Local Transportation Funds	\$ 469,297	\$ 284,255	\$ (181,062)	\$ 168,670	\$ -	\$ -
	Arroyo Grande	178,801	108,017	(68,804)	64,432	-	-
	Grover Beach	136,095	81,865	(52,146)	48,577	-	-
	Pismo Beach	79,311	48,039	(30,599)	28,505	-	-
	SLO County	75,087	46,334	(29,513)	27,156	-	-
<b>6</b>	Total Operating Revenues	\$ 1,152,654	\$ 994,835	\$ (181,062)	\$ 970,590	\$ 978,830	\$ 89,380
	<u>Non-Operating Resources</u>						
	Interest	\$ 2,640	\$ 1,800	\$ -	\$ 3,940	\$ -	\$ -
	Prop 1B - Vehicle Replacement/ITS	33,309	-	61,210	-	-	27,995
	City of Grover Beach	3,237	-	-	-	-	-
	Federal Transit Adm (FTA) 5307 Capital	389,066	-	130,000	-	81,500	211,500
	Federal Transit Adm (FTA) 5339 Capital	36,114	-	12,670	-	-	12,670
<b>7</b>	Total Non-Operating Resources	\$ 464,366	\$ 1,800	\$ 203,880	\$ 3,940	\$ 81,500	\$ 252,165
<b>8</b>	<b>Total Resources</b>	\$ 1,757,508	\$ 1,222,557	\$ 269,550	\$ 1,276,330	\$ 1,284,570	\$ 360,110

**SOUTH COUNTY TRANSIT  
2016-17 Amended Budget**

	<b>FY 14/15 Actual</b>	<b>FY 15/16 Amended Operating</b>	<b>FY 15/16 Amended Capital</b>	<b>FY 16/17 Adopted Operating</b>	<b>FY 16/17 Amended Operating</b>	<b>FY 16/17 Adopted Capital</b>	<b>FY 16/17 Amended Capital</b>
<b>Use of Resources</b>							
<u>Administrative Expenditures</u>							
Insurance							
Liability & Physical Damage	\$ 47,609	\$ 68,400	\$ -	\$ 82,800	\$ 82,800	\$ -	\$ -
Workers Compensation	43,632	51,000	-	57,000	57,000	-	-
Property Insurance	638	700	-	700	700	-	-
Rent	25,500	25,500	-	36,000	36,000	-	-
Utilities	8,268	8,450	-	8,450	8,450	-	-
Radio Expense	1,130	1,240	-	1,240	1,240	-	-
Legal Services	2,580	500	-	6,200	6,200	-	-
Payroll Processing	3,148	3,490	-	1,680	1,680	-	-
Administration - Staff Time	64,530	65,410	-	74,750	74,750	-	-
Finance - Staff Time	14,230	14,420	-	13,200	13,200	-	-
Marketing - Staff Time	-	-	-	5,100	5,100	-	-
Office Expense/Miscellaneous	6,636	5,990	-	10,370	10,370	-	-
Audit	2,970	3,070	-	3,000	3,000	-	-
Marketing/Community Relations/Printing	7,619	18,000	-	25,000	25,000	-	-
Uniforms/Laundry/Physicals	5,932	7,550	-	10,270	10,270	-	-
<u>Operating Expenditures</u>							
Salaries/Benefits	\$ 427,441	\$ 509,760	\$ -	\$ 571,510	\$ 579,750	\$ -	\$ -
Maintenance	64,272	111,200	-	115,800	115,800	-	-
Dispatch - Staff Time	18,500	18,750	-	21,850	21,850	-	-
Sign Maintenance	-	3,000	-	3,000	3,000	-	-
SCT Bus Fuel	158,140	208,800	-	215,770	215,770	-	-
Contingency	-	15,000	-	12,640	12,640	-	-
<b>9 Total Operating Expenditures</b>	<b>\$ 902,775</b>	<b>\$ 1,140,230</b>	<b>\$ -</b>	<b>\$ 1,276,330</b>	<b>\$ 1,284,570</b>	<b>\$ -</b>	<b>\$ -</b>
<u>Capital Service</u>							
Support Vehicle	\$ 90,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles/ITS	458,309	-	186,210	-	-	-	156,600
Facility Improvements/Bus Stop Amenities	16,189	-	83,340	-	-	60,880	141,010
Transit Centers Improvements	-	-	-	-	-	62,500	62,500
<b>Total Capital Service</b>	<b>\$ 564,783</b>	<b>\$ -</b>	<b>\$ 269,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 123,380</b>	<b>\$ 360,110</b>
Extraordinary item - Wage order 9 penalty	\$ -	\$ 41,170	\$ -	\$ -	\$ -	\$ -	\$ -
Carryover cost-savings to next fiscal year	289,950	41,157	-	-	-	-	-
<b>10 Total Use of Resources</b>	<b>\$ 1,757,508</b>	<b>\$ 1,222,557</b>	<b>\$ 269,550</b>	<b>\$ 1,276,330</b>	<b>\$ 1,284,570</b>	<b>\$ 123,380</b>	<b>\$ 360,110</b>

**SOUTH COUNTY TRANSIT  
Five Year Capital Projection**

Capital Service

Support Vehicle  
Computer Upgrade  
Vehicles/ITS  
Bus Stop Amenities  
Passenger Protection 1300 buses  
Facility Improvements  
    Bus Bay Lighting  
    Security Cameras  
    Gutters  
    Roof Repairs  
    Roll Up Door  
    Window Flashing  
Transit Centers Improvements  
Large Vehicle Repairs

Total Capital Service

Increase Capital Reserves

10

**Total Use of Resources**

	<b>FY 14/15 Adopted Capital</b>	<b>FY 15/16 Amended Capital</b>	<b>FY 16/17 Adopted Capital</b>	<b>FY 16/17 Amended Capital</b>	<b>FY 17/18 Projected Capital</b>	<b>FY 18/19 Projected Capital</b>	<b>FY 19/20 Projected Capital</b>	<b>FY 20/21 Projected Capital</b>
Support Vehicle	\$ 90,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Upgrade	-	-	-	-	1,500	-	-	1,500
Vehicles/ITS	458,309	186,210	-	<b>153,000</b>	-	-	-	1,101,300
Bus Stop Amenities	16,189	53,340	<b>39,380</b>	<b>89,510</b>	40,360	41,370	42,400	43,460
Passenger Protection 1300 buses	-	-	<b>3,600</b>	<b>3,600</b>	-	-	-	-
Facility Improvements								
Bus Bay Lighting	-	-	<b>11,500</b>	<b>11,500</b>	-	-	-	-
Security Cameras	-	-	<b>10,000</b>	<b>10,000</b>	-	-	-	-
Gutters	-	15,000	-	<b>15,000</b>	-	-	-	-
Roof Repairs	-	10,000	-	<b>10,000</b>	-	-	-	-
Roll Up Door	-	2,500	-	<b>2,500</b>	-	-	-	-
Window Flashing	-	2,500	-	<b>2,500</b>	-	-	-	-
Transit Centers Improvements	-	-	<b>62,500</b>	<b>62,500</b>	-	50,000	-	-
Large Vehicle Repairs	-	-	-	-	-	-	-	-
Total Capital Service	\$ 564,783	\$ 269,550	\$ <b>126,980</b>	\$ <b>360,110</b>	\$ 41,860	\$ 91,370	\$ 42,400	\$ 1,146,260
Increase Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Use of Resources</b>	\$ 564,783	\$ 269,550	\$ <b>126,980</b>	\$ <b>360,110</b>	\$ 41,860	\$ 91,370	\$ 42,400	\$ 1,146,260

**SOUTH COUNTY TRANSIT**  
**October 19, 2016**  
**STAFF REPORT**

**AGENDA ITEM:** B-2

**TOPIC:** Five Cities Senior Shuttle Services

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Authorize SCT Administrator to Negotiate and Execute Agreement with Ride-On for Five Cities Senior Shuttle Services

**BACKGROUND/DISCUSSION:**

This staff report presents a recommended course of action to arrive at an agreement between SCT (representing the Five Cities jurisdictions) and Ride-On Transportation for enhanced Senior Shuttle services.

As background, the San Luis Obispo Council of Governments (SLOCOG) pays Ride-On to provide countywide Senior Shuttle services Monday through Friday. For many years, the Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the County of San Luis Obispo, fund Ride-On to supplement Senior Shuttle Service levels above and beyond the SLOCOG-funded countywide services. The enhanced Five Cities Senior Shuttle (FCSS) services are provided Tuesday through Thursday. However, after Ride-On increased the availability of these 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, SCT staff discovered that a formal agreement for FCSS services has not been executed. SCT staff also discovered that – despite two additional days of service – the projected FY15-16 FCSS costs would not exceed the costs for services provided in FY14-15, so no additional funding should be recommended.

In Fiscal Year 2014-15, Ride-On provided 1,686 rides on the FCSS program, as follows:

<b>Jurisdiction</b>	<b>One-Way Passenger Trips</b>	<b>Net Reimbursement</b>
Arroyo Grande	904	\$18,613
Grover Beach	194	\$4,074
Pismo Beach	391	\$8,211
Unincorporated County	197	\$4,095
<b>Total</b>	<b>1,686</b>	<b>\$34,993</b>

As depicted, the majority of trips originate in Arroyo Grande, followed by Pismo Beach. Trips originating in Grover Beach and Oceano were roughly the same in FY14-15, although preliminary FY15-16 data show that Oceano trips declined in the first half of FY15-16. The “net reimbursement” shown in the table above reflects Ride-On’s charge of \$24.00 per one-way passenger-boarding, minus the \$3.00 one-way fare charged to each rider in FY14/15.

In the past, it appears that no formal maximum financial obligation was negotiated by each jurisdiction. Conversely, it appears that the previous year’s financial outlay was traditionally used by each jurisdiction as part of their respective annual budget-making processes. It should be noted that Ride-On submits a monthly invoice to SCT, SCT pays Ride-On, and then SCT remits invoices on a quarterly basis to each jurisdiction. When SCT is reimbursed, the account is reconciled. In essence, SCT “floats” the cost of the FCSS service and trusts that each jurisdiction will honor the reimbursement request.

In any case, based on my professional judgment, Ride-On provides a cost-effective method of transporting eligible seniors throughout the Five Cities area, as well as throughout the county. In addition, there appears to be general satisfaction by the jurisdictions and Ride-On about the FCSS program. However, the problem remains that there is no formal agreement in place that identifies the maximum obligation by each jurisdiction, requisite liability coverage, reporting requirements, and accountability measures for the funding used.

#### Preliminary Negotiations

SCT and Ride-On staff met to review a draft Scope of Services developed by SCT staff, and the resulting final draft document is attached hereto. Below are important issues that should be considered by the SCT Board:

1. The FCSS service type can be described as curb-to-curb dial-a-ride service for seniors age 65 and older.
2. The proposed service span is identified as 9:00 AM to 5:00 PM Monday through Friday.
3. Service would be provided on a first-come, first-served reservation basis. There are no minimum service provision requirements similar to those required under the Americans with Disabilities Act for Runabout service – so ride requests can be denied and/or negotiated without penalty to the agency.
4. Current fares would remain at \$3.00 per one-way passenger-boarding.
5. **(Revised Item)** An agreement would be developed for execution by the SCT Chairperson, Ride-On, and the four SCT jurisdictions. An annual maximum obligation for the entire FCSS program would be adopted annually through SCT Board Resolution as part of the SCT budget-making process. For the remainder of

FY16-17, it is assumed that the same FY14-15 payments by each jurisdiction would be used. Each jurisdiction’s maximum obligation in FY16-17 would be as follows:

<b>Jurisdiction</b>	<b>FY14-15 Payment</b>
Arroyo Grande	\$18,613
Grover Beach	\$4,074
Pismo Beach	\$8,211
Unincorporated County	\$4,095
<b>Total</b>	<b>\$34,993</b>

Future year maximum obligations would be developed during the annual SCT budget-making process.

6. SCT would control FCSS service levels; any changes beyond the thresholds identified in the Scope of Service (25% daily span of service or 40% weekly days of operation) would require SCT Board approval. Any changes – whether below or above the thresholds – would be provided in writing by the SCT Administrator and 30 days’ notice would be provided to Ride-On.
7. Ride-On would be responsible for ensuring that the maximum annual financial obligations identified in the funding table are adhered to. Should one or more of the jurisdictions experience vastly greater demand than expected and the annual obligation appears to be insufficient, the Ride-On Executive Director must inform the SCT Administrator and suggest a corrective course of action (additional funding request, fare changes, service reduction, etc.).
8. The Scope of Service identifies service quality expectations, financial and operations performance reporting, and other TDA-related requirements. Those reports would be folded into periodic Administrator Reports to the SCT Board.
9. **(New Item)** Ride-On is currently negotiating with an area taxicab company to potentially provide some or even all of the FCSS trips through a brokering arrangement. For FY16-17, Ride-On would use any cost-savings from this arrangement to increase the number of trips provided but still remain within the maximum dollar amounts presented above for each jurisdiction. If this arrangement works for both the riders and Ride-On, the agreement could be amended in future year(s) to share any cost-savings with the jurisdictions.

Farebox Recovery Ratio Issue

SCT staff is working with SLOCOG officials to develop performance-based metrics for this FCSS community service in lieu of traditional TDA-required farebox recovery ratio (FRR) requirements necessary for general public fixed route services. In short, without outside funding to augment FCSS fare revenues (i.e., possible future Self-Help Measure funds and/or private contributions), merely folding the FCSS program into SCT services

would further erode SCT's attempts to meet the required 20% FRR. SCT staff recommends waiting to finalize negotiations with Ride-On until this matter can be fully resolved.

Assuming the FRR issue can be resolved, SCT would assume administration of the annual TDA claims process for each of the four jurisdictions for FCSS services. This would preclude annual auditing of any TDA funds used by each jurisdiction for FCSS services.

**Staff Recommendation**

Authorize SCT Administrator to negotiate an agreement based on the Scope of Services and the maximum financial obligations presented herein. Authorize the SCT Administrator to negotiate a resolution to the farebox recovery ratio issue with SLOCOG; if ultimately resolved, authorize the SCT Board Chairperson and SCT Administrator to execute the resulting agreement with Ride-On Transportation.

## **Scope of Services Five Cities Senior Shuttle**

### **I. Definitions**

The following terms are used throughout this Scope of Work, and shall have the meanings set forth below.

- A. **Advance Reservation:** The Five Cities Senior Shuttle (FCSS) program is an advanced reservation service. It is suggested that Riders call up to two days in advance to schedule their trips. FCSS also provides same day trips as time and space allows.
- B. **Deadhead Miles:** Miles when the vehicle is not in revenue service (i.e., travel from Ride-On's yard to first pick-up and from the last drop off back to the yard).
- C. **Curb-to-Curb Service:** A type of paratransit service where, on both the origin and destination ends of the trip, the Bus Operator typically gets out of the vehicle and assists the passenger between the vehicle and a sidewalk or other waiting area no more than (15) fifteen feet from the vehicle. Bus Operators may NOT enter a residence and must keep the vehicle in sight at all times.
- D. **Eligible Riders:** Seniors age 65 and older are eligible for FCSS service.
- E. **Manifest:** A manifest is defined as a list of passenger trips provided to the Bus Operator by the Dispatcher. The manifest includes at the minimum the following: customer name, pick-up and drop off addresses and times, mobility device(s) used by the passenger, payment status, and any other information specific to the passenger.
- F. **No-Show:** An individual is considered a No-Show if the rider has not notified Ride-On at least one hour before the scheduled pick-up time that her or she will not be traveling as scheduled, or if the Bus Operator waits five minutes after the pick-up time and the individual is not ready for boarding.
- G. **On-Time Performance:** On-time performance is measured by the status of pick-ups made within fifteen minutes before until fifteen minutes after the allotted pick-up time.
- H. **Pick-Up Window:** The pick-up window is the span of time which determines if FCSS is on time. This window is fifteen minutes before until fifteen minutes after a scheduled pick-up time.
- I. **SCT Jurisdictions:** The four entities that comprise the South County Transit Joint Powers Authority, which include the City of Arroyo Grande, the City of Grover Beach, the City of Pismo Beach, and San Luis Obispo County (representing the unincorporated community of Oceano).



- J. **Vehicle Revenue Hours:** The hours a vehicle travels from the time it arrives at the first pick-up, even if that pick-up is a no-show, until the last drop off or release from service by dispatch, minus time for lunch and breaks.
- K. **Vehicle Revenue Miles:** The miles a vehicle travels from the time it arrives at the first pick-up until the last passenger is dropped off.
- L. **Vehicle Service Hours:** The hours a vehicle travels from the time it leaves Ride-On's yard for a scheduled reservation each day until it returns to the yard, minus lunch and breaks.
- M. **Vehicle Service Miles:** The miles a vehicle travels from the time it pulls out from Ride-On's yard to go into revenue service to the time it pulls in to the yard on return from revenue service.

## **II. System Description**

The service area for the FCSS services is the same as the service area in which South County Transit (SCT) operates hourly fixed-route bus services. The SCT service area is defined as within the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated community of Oceano.

The FCSS program provides curb-to-curb service that currently operates from 9:00 AM to 5:00 PM. Monday through Friday. The FCSS complements countywide Senior Shuttle services currently funded by the San Luis Obispo Council of Governments (SLOCOG) and provided by Ride-On. The FCSS program only subsidizes passenger-trips within the SCT service area, while any passenger-trips that exit or enter the SCT service area are currently funded through SLOCOG's contract with Ride-On.

The FCSS program observes seven (7) holidays: New Year's Day, Memorial Day, Independence, Labor Day, Thanksgiving Day, Christmas Eve, and Christmas Day. Service does not operate on these holidays. Reservations for FCSS service are taken from 8:00 AM to 5:00 PM Monday through Friday, excluding the seven holidays mentioned above. Trips can be booked up to two weeks in advance. Same-day trips are provided subject to availability. The current fares for each one-way passenger-trip is \$3.00. These fares are collected by the FCSS Bus Operators and deposited into Ride-On's account. Ride-On maintains records of riders, and prepares invoices to and sends bills SCT.

## **III. SCT Responsibilities**

### **A. Management**

The SCT Administrator is responsible for administering the Agreement, including the monitoring and evaluation of service quality and approval of all invoices. Day to day communications regarding the contract performance shall be between the Ride-On Executive Director and the SCT Administrator.

**B. System Planning, Design and Administration**

SCT shall be responsible for system design of FCSS services, setting of fare levels, productivity analysis, as well as marketing and promotion. Ride-On will be expected to provide input to assist SCT in making determinations on these matters as requested.

**C. Adjustments to Service**

Any adjustments to service shall be a sole prerogative of SCT. However, SCT expects to work closely with Ride-On on such modification in order to provide efficient and responsive service. No operational change that affects service, scheduling, hours of operation, response times, or any other characteristics of the FCSS shall be made by Ride-On without the written approval of the SCT Administrator. SCT may modify the service area for fiscal, jurisdictional, geographic, coordination or passenger travel pattern reasons. Major modifications made may affect up to 25 percent of the specified daily service span or up to 40 percent of the weekly days of operation without changing any other term or condition of the Agreement. SCT will notify Ride-On thirty (30) days in advance of any major service changes. It would be expected that agreements regarding minor service changes in a shorter time would be possible through cooperative efforts of SCT and Ride-On. SCT reserves the right to pursue methodologies for service redesign at its sole discretion at any time during the duration of this Agreement. Service redesign could include a larger or smaller role for Ride-On during the course of the Agreement term.

**A. Annual Maximum Financial Obligation and Monthly Payments**

As part of SCT's annual budget-making process, the SCT Board of Directors will adopt the maximum obligation that each SCT jurisdiction will pay to Ride-On for FCSS services. Under no circumstances will any of the four SCT jurisdictions be required to pay Ride-On an amount higher than the amount adopted in the annual SCT budget unless expressly authorized in advance and in writing by the SCT Administrator.

The SCT Administrator will work with Ride-On to monitor monthly expenditures to determine if service levels should be adjusted as they relate to the annual budget or otherwise. Ride-On's monthly invoice will include the current monthly reimbursement rate for each of the four SCT jurisdictions, the year-to-date reimbursement for each of the four SCT jurisdictions, and the proportional amount remaining for each of the four SCT jurisdictions. The monthly invoice will be submitted in MS Excel format via email to the SCT Administrator.

**B. Coordination**

Ride-On will cooperate with SCT and with various governmental agencies to ensure that effective coordination is achieved among all public transportation services provided in the SCT service area. Ride-On shall designate key staff as contact personnel to assure ongoing communication with neighboring governmental agencies.

**C. Advertising and Promotion**

SCT shall be responsible to prepare, place, schedule and pay for all advertising and promotional materials designed to inform patrons of service operations and to promote ridership. Additionally, SCT shall provide Ride-On all schedules and like materials required to effectively operate the service as defined in this Scope of Work. Ride-On shall distribute and disseminate such materials in accordance with the provisions of this Scope of Work and any directions supplemental thereto provided by SCT.

**D. Service Monitoring**

SCT reserves the right to use SCT staff and/or third-party services to monitor service quality without notice to Ride-On.

**IV. Ride-On Duties and Responsibilities**

**A. General duties**

Ride-On shall be responsible for the operation of FCSS services as defined in this Scope of Work, including the provision and maintenance of all related equipment and vehicles. Ride-On shall maintain all vehicles, provide Bus Operators and all project personnel, train personnel as necessary, develop administrative procedures, keep financial records, and develop methods to improve effectiveness and maximize service efficiency. Ride-On is responsible for scheduling and dispatching of all FCSS services. Ride-On will obtain and provide all required State and local permits and ensure that all Bus Operators are properly licensed for FCSS services. Ride-On shall manage FCSS service in accordance with the guidelines and parameters established herein. Ride-On is responsible for collection of all fares and proper reporting of same.

**B. Personnel Requirements**

Ride-On shall be solely responsible for the satisfactory work performance of all employees as described in this Scope of Work or any reasonable performance standard established by SCT. Ride-On shall develop and maintain an established human resources program, which includes recruitment, hiring, training, and performance reviews. Ride-On shall use appropriate Bus Operator screening and selection criteria in order to employ Bus Operators. These criteria will include Department of Motor Vehicles license check, criminal record checks and physical examination sufficient to meet applicable requirements for FCSS services. Ride-On shall be solely responsible for payment of all employees and/or subcontractor's wages and benefits, in accordance with the payment schedules established for this project. Ride-On's personnel wages, benefits, and work hours shall be in accord with the local, County, State and Federal regulations affecting such personnel. Without any expense to SCT, Ride-On shall comply with the requirements of employee liability, worker's compensation, employment insurance and social security. Ride-On shall hold harmless and defend SCT from any liability, damages, claims, costs, and expenses of any nature arising from violations of personnel practices, applicable local, state and federal laws related to labor and employment, and any applicable labor agreements. Ride-On shall remove any personnel provided for SCT services on demand,

for cause, by SCT, and Ride-On shall be fully responsible for any liability or damages arising from the wrongful acts or omissions of its employees. All such personnel will be employees of Ride-On, and Ride-On will be solely responsible for payment of their wages, benefits and all other obligations that may be owed to its employees, whether derived from statute, regulation or agreement, both during and subsequent to the term of the Agreement.

**C. Required Key Management Positions**

Subject to the approval of SCT, Ride-On shall designate three key staff positions to appropriately manage all services defined by this Agreement; a Project Manager, an Operations Assistant Manager, and a Maintenance Manager. Ride-On may not remove or reassign key staff without SCT approval. SCT shall retain the right of refusal or any new hire or reassigned project management personnel. The personnel selected to fill the key positions are expected to be available for the entire Agreement period.

**1. Project Manager**

The Project Manager must have a minimum of five years of experience in public transportation operations or similar industry, including three years of supervisory experience. The Project Manager will provide both on-line supervision and the management of the project's accounts and operating records and will coordinate closely with the SCT Administrator. The Project Manager or designee in his/her absence shall be available by telephone or in person during all hours that FCSS services are provided to make decisions or provide coordination as necessary at the request of SCT. SCT shall have the right to demand replacement, for cause, of the Project Manager upon six weeks' notice after the authorization of the SCT Board of Directors.

This Scope of Work assumes that the Ride-On Executive Director will serve as the initial Project Manager for FCSS services at the time the Agreement is executed. Should the Project Manager separate employment from Ride-On for any reason, the resume and qualifications of the proposed replacement shall be submitted to SCT for approval as soon as possible. SCT shall have up to ten (10) working days following the receipt of these documents to respond to Ride-On concerning acceptance of the candidate(s). The candidate(s) may receive an oral interview by SCT representatives. If an acceptable replacement is not found by the time the Project Manager had departed, Ride-On shall assign a senior management member, or other supervisor approved by SCT to serve as interim Project Manager until a suitable permanent replacement is found. If Ride-On is unable to locate a suitable replacement within four weeks of the Project Manager's departure, SCT will deduct from the subsequent invoice \$100 per weekday in liquidated damages until a suitable replacement is accepted.

The responsibilities of the Project Manager shall include but not be limited to the following:

- Scheduling of all regularly assigned project personnel and vehicles.
- Arranging the assignment of back-up personnel and vehicles.
- Distribution and/or collection of daily operating reports and fares.
- Personal, unscheduled, periodic inspection of vehicles.
- Preparation of monthly reports from the daily operational data and insuring the validity of all reports.
- Maintenance of project accounts.
- Preparation of monthly invoices which will document all charges.
- Immediate responsibility for any operational problems and/or passenger complaints, and accurately reporting of these problems to the SCT Administrator in a timely manner.

Ride-On shall have at least one individual available to fill in and “stand in the shoes” of the Project Manager on short notice when the Project Manager is not going to be available for any period exceeding seven calendar days (i.e., on vacation, out sick, out on emergency, attending meeting/seminars, etc.). This individual must be familiar with FCSS services, as well as the Agreement between SCT and Ride-On. Ride-On must submit the identity of this individual in writing for SCT approval within thirty (30) days of the ratification of the Agreement. The written submission of the fill-in staff person must include a complete resume as well as a description of his or her knowledge and familiarity of the FCSS service Agreement.

**2. Operations Assistant Manager**

Ride-On shall designate an Operations Assistant Manager acceptable to SCT. The Operations Assistant Manager will assist the Project Manager in carrying out all activities related to FCSS operations. The Operations Assistant Manager shall be expected to directly supervise the dispatch and scheduling operations. Any new Operations Assistant Manager’s appointment is subject to SCT approval.

**3. Maintenance Manager**

Ride-On shall designate a Maintenance Manager acceptable to SCT. The Maintenance Manager shall have a minimum of three years of journey level experience, including air conditioning systems and wheelchair lifts, as well as experience in directing the

work of other maintenance personnel. Any new Maintenance Manager's appointment is subject to SCT approval.

**4. Dispatchers**

At least one Dispatcher shall be on-duty during all regular FCSS service hours and days. Ride-On shall designate a Lead Dispatcher with a minimum of two (2) years' experience. The Lead Dispatcher may be counted toward the minimum coverage requirement of one dispatcher during all FCSS service hours/days. Ride-On shall provide an adequate number of persons to staff the dispatching and scheduling functions in a manner that is efficient, cost effective and keeping with the overall goals and requirements of the Agreement.

Dispatch personnel shall be adequately trained to handle all incoming telephone calls and to promptly dispatch the necessary FCSS vehicle(s). Dispatch personnel shall be trained as to the special needs of seniors and shall respond to requests for service with both sensitivity and efficiency. Dispatch personnel shall be computer literate and able to use state-of-the-art computerized dispatching and scheduling software programs and systems. Dispatch personnel shall be proficient in professional technique, radio protocol and in cooperative approaches with Bus Operators and passengers. Dispatch personnel shall be proficient in maintaining radio control with all vehicles in service and for maintaining a daily dispatch log.

**5. Road Supervision**

Ride-On shall provide adequate road supervision as required to monitor Bus Operators and vehicles, and to assist Bus Operators in revenue service. SCT shall request that Ride-On provide additional road supervision support if SCT determines that a given situation warrants it. SCT shall consult with Ride-On's Project Manager before making such a request.

**6. Bus Operators**

Bus Operators must have a valid California Class B license and medical examination certificate, as well as any other licenses and or certifications required by applicable federal, state, and local regulations to provide curb-to-curb services for senior citizens in the Five Cities Area. A Bus Operator who does not pass the medical examination shall not be permitted to operate an FCSS vehicle for any service described by this Agreement. Additionally, Bus Operators shall be provided with current maps and/or GPS technology to ensure the ability to quickly and efficiently navigate the FCSS service area.

Bus Operators shall leave their seats when necessary to assist all passengers, giving special attention to those who have difficulty negotiating the steps of the vehicle. Regularly assigned Bus Operators or trained back-up Bus Operators shall be available and report on time and ready for duty to ensure consistent and reliable service. Bus Operators shall maintain in their vehicle an adequate supply of information regarding

the FCSS service. They may also be periodically requested to hand out notices to passengers or otherwise render assistance in SCT required monitoring functions. Bus Operators shall be dressed in clothing that is clean, neat in appearance and devoid of any messaging that might be considered offensive by FCSS riders. Each Bus Operator shall have an accurate timepiece available and in clear sight at all times during vehicle operation in order to maintain scheduling efficiency.

Each Bus Operator shall complete a Daily Vehicle Inspection Report as established by Ride-On and approved by SCT. Any safety-related vehicle defects shall be reported by the Bus Operator immediately to the Dispatcher via radio or phone to await further instructions.

Bus Operators shall record each passenger boarding, and legibly complete trip sheets and Bus Operator's logs and/or electronic manifests according to procedures approved by SCT. All Bus Operator records described in this paragraph and the preceding paragraph shall be turned in to the on-duty Dispatcher immediately upon the completion of each day's service. All documents shall bear the signature or initials of the Bus Operator.

Bus Operators shall ensure that their vehicle is in a clean and neat manner at all times. Bus Operators are required to collect the applicable fares from all passengers and follow all handling procedures in accordance with SCT-approved Ride-On policy.

#### **7. Technicians**

Ride-On shall provide the services of at least one (1) qualified on-duty Technician during all FCSS service hours. The Maintenance Manager may serve as the on-duty Technician. The Maintenance Manager shall report directly to the Project Manager. There must be a Technician physically on duty at all times when there are FCSS vehicles on the road.

In conjunction with Dispatchers, Technicians are required to review Daily Vehicle Inspection Reports to ensure that no vehicle is placed into revenue service if a safety-related defect is reported. Repairs of safety-related defects must be adequately communicated to the Bus Operator who reported each defect to ensure vehicles remain in safe and operable condition.

#### **8. Employee Retention/Replacement**

In order to ensure continuity of service and minimize the impact to customers, SCT expects Ride-On to retain qualified personnel. Ride-On may not replace existing key management positions (Project Manager, Operations Assistant Manager and Maintenance Manager) without the express written approval of the SCT Administrator.

#### **D. Drug & Alcohol Program**

Ride-On will establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the State Oversight Agency of the State of California, or SCT to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. Ride-On shall certify annually its compliance with Parts 653 and 654 and to submit the Management Information System reports before March 15 to SCT. To certify compliance, Ride-On shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements", which is published annually in the Federal Register.

#### **E. Training**

##### **1. Bus Operator Training**

Bus Operators shall be trained in all FCSS operational procedures including but not limited to the following:

- the special skills (including applicable sensitivity training) required to provide transportation to seniors and individuals with disabilities.
- defensive driving and vehicle handling.
- the operation of all types of vehicles, wheelchair lifts and securement systems, and other equipment, which may be expected to be used in FCSS services.
- Annual documented refresher instruction.

Bus Operators shall assist passengers who use wheelchairs and other mobility devices in boarding/alighting, and shall be trained in the correct procedures to safely utilize all mobility device securement devices.

##### **2. Maintenance Training**

Maintenance personnel shall include vehicle or subsystem manufacturer provided training, maintenance safety training, and relevant environmental training. ASE certification training is preferred. Maintenance training programs shall receive sufficient resources to remain current with all new vehicle equipment parts and components, as well as emissions standards and regulations.



### **3. Dispatcher Training**

Dispatchers shall receive appropriate training in the efficient use of the RouteMatch scheduling software program, Microsoft Office software, dispatching techniques, phone etiquette, and a knowledge of the service area.

### **F. Vehicle Maintenance**

Ride-On shall use its own facilities and equipment to service, maintain and repair all vehicles required in connection with the operation of FCSS in a safe and operable condition at all times. All maintenance services provided shall be performed in accordance with manufacturer's recommended maintenance procedures as well as with applicable federal and state regulations. Ride-On shall provide all labor, lubricants, solvents, repairs, parts, supplies, maintenance tools, equipment and services required to fulfill these maintenance responsibilities.

Ride-On shall maintain and provide to SCT a list of vehicles used for the FCSS services. When vehicles are added to or removed from FCSS services, Ride-On shall notify SCT as part of the monthly invoicing process.

Ride-On shall perform daily vehicle inspections on all vehicles used in FCSS revenue service. Daily servicing will include, but not be limited to, fueling; engine oil, coolant, water and transmission fluid check; fare handling equipment check; wheelchair lift check; brake check; light and flasher check; interior sweeping and dusting; exterior and interior visual inspection; and check of all vehicle performance defects reported by previous Bus Operators to identify potential safety and reliability items that require immediate attention. Ride-On shall develop, implement and maintain a written Daily Vehicle Inspection Report, which is a checklist of items included in the daily servicing of each vehicle. The checklist will be utilized and kept on file for SCT and the California Highway Patrol review.

All repairs to vehicles used in FCSS service shall be performed by Ride-On or by other vendors and suppliers at Ride-On's sole expense. Repairs shall include, but not be limited to: work to correct loss or damage; adjustments due to normal wear and tear; and overhaul, rebuilding or replacement of components. Repair work shall be conducted as soon as practicable upon learning that such work is required. Ride-On shall perform repair work expeditiously in response to identification of problems by Bus Operators, other staff members or by SCT. Ride-On shall assure SCT that safety-related repairs are not deferred.

In the event that towing of any vehicle used in FCSS service is required due to mechanical failure or damage, Ride-On shall be responsible to provide such towing at Ride-On's sole expense.

Ride-On shall establish and maintain an ongoing spare parts inventory sufficient to minimize vehicle downtime and ensure that FCSS peak vehicle requirements are met.

Vehicles utilized in FCSS service shall be safe for operations on public streets and freeways and meet all requirements in the California Vehicle Code for a bus. All parts of vehicles and all equipment mounted on or in vehicles shall conform to the California Vehicle Safety Standards, the California Administrative Code, Title 13 and the Americans with Disabilities Act (ADA). Particular attention shall be directed to CHP Motor Carrier Safety Regulations.

**1. Preventive Maintenance Program and Running Repairs**

Ride-On's preventive maintenance program shall adhere to the maintenance schedules and standards of the industry, which are based on manufacturer's recommended service intervals. Preventive maintenance inspections and servicing shall occur not less than every 4,500 miles or forty-five days, whichever is less.

Adherence to preventive maintenance schedules shall not be regarded as reasonable cause for deferring maintenance where Ride-On's employees observe that maintenance is needed in advance of schedule.

Ride-On shall not defer preventive maintenance or running repairs for reasons of shortage of maintenance staff or operable vehicles, nor shall service be curtailed for the purpose of performing maintenance/repairs without prior written consent of SCT. Ride-On shall adjust the work schedules of its employees as necessary to meet all scheduled services and complete preventive maintenance activities according to the schedule approved by SCT. Preventive maintenance and running repairs of vehicles used in FCSS service shall receive first priority in the use of Ride-On's maintenance resources.

**2. Tires**

Ride-On shall be responsible for the purchase and appropriate replacement of tires for all vehicles providing FCSS services.

**3. Vehicle Fueling**

Ride-On is responsible for the purchase and fueling of all vehicles described in this Agreement.

**4. Environmental Compliance**

"Applicable Environmental Laws" means any and all laws concerning the protection of human health and the environment which include, but will not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1471 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629; and the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; as they have been or will be amended from time to time, and the regulations implementing such statutes; and any similar state, county, municipal or other local laws and ordinances concerning

the protection of human health and the environment and the regulations implementing such statutes.

“Hazardous Substance(s)” means any substance, material, chemical or waste that is or will be listed or defined as hazardous, toxic or dangerous under any Applicable Environmental Law, or any petroleum products, or any substance, material, chemical or waste which is or may become, directly or indirectly, by chemical reaction or otherwise, hazardous, toxic or dangerous to life, health, property or the environment by reason of toxicity, flammability, explosiveness, corrosivity or any other reasons.

In performing maintenance obligations defined by this Agreement, Ride-On shall be responsible for the proper storage, handling, use, transportation and disposal of all Hazardous Substances in accordance with Applicable Environmental Laws, including without limitation, all lubricants, solvents, motor oil and other petroleum products. Ride-On shall only dispose of such materials at facilities which are permitted or licensed in accordance with Applicable Environmental Laws. Furthermore, in the event that Ride-On engages the services of a disposal company for the and disposal of any Hazardous Substances, Ride-On shall ensure that such company is properly licensed, and insured, and that it transports and disposes of Hazardous Substances in accordance with the terms of this Contract. Ride-On shall maintain procedures for its employees and any subconsultants who handle Hazardous Substances and shall retain records regarding compliance with the responsibilities contained herein.

#### **5. Vehicle Washing**

Ride-On shall maintain an up to date record of all vehicle washings and major cleanings. Said records shall be made available to SCT upon request. A vehicle used in FCSS service may be removed from service by SCT for unacceptable appearance.

Ride-On shall maintain vehicles in a clean and neat condition at all times. The interior of all vehicles shall be kept free of litter and debris to the maximum practicable extent throughout the operating day. Unless otherwise approved by SCT, there are to be no advertisements, posters, stickers or other unauthorized materials placed on or in vehicles. Vehicles shall be swept and dusted daily. Interior panels, windows and upholstery shall be cleaned of marks as necessary. The interiors of all vehicles shall be thoroughly washed at least once per week, including all windows, seats, floors, stanchions and grab rails. All foreign matter such as gum, grease, dirt and graffiti shall be removed from interior surfaces during the interior cleaning process. Any damage to seat upholstery and/or flooring shall be repaired immediately upon discovery. Ceilings and walls shall be thoroughly cleaned at least once per month or more often if necessary.

In light of on-going drought conditions in California, SCT is cognizant that washing vehicles daily would be excessive. However, exteriors of vehicles used in FCSS service shall be washed as required to maintain a clean, inviting appearance and in no event

less than once every two weeks. Exterior washing shall include van body, all windows and wheels. Rubber or vinyl exterior components such as tires, bumper fascia, fender skirts and door edge guards shall be cleaned and treated with a preservative at least once per month, or as necessary to maintain an attractive appearance.

**6. Maintenance Audit**

If Ride-On receives an unsatisfactory rating from CHP, Ride-On shall so notify SCT by telephone and in writing immediately (email is acceptable) and state the steps which will be taken to correct any deficiency. Should Ride-On or any service vehicle be shut down by an agency in authority, including SCT, as a result of an unsatisfactory rating by CHP, the vehicles shut down shall not operate and \$100.00 per day in liquidated damages shall be assessed until a satisfactory inspection report is obtained.

SCT reserves the right in its sole discretion to review maintenance records of, inspect and reject temporarily or permanently, by notice to Ride-On, any vehicle Ride-On uses in FCSS which SCT deems unacceptable. In the event any revenue vehicle is rejected temporarily by SCT as a result of deficient vehicle condition or appearance, \$100.00 a day per vehicle in liquidated damages shall be assessed until the condition is corrected satisfactorily to SCT.

The vehicles used for FCSS services and the vehicle maintenance facility are required to be inspected at least annually by CHP. Results of said inspections shall be transmitted to SCT within ten (10) calendar days.

**E. Facilities and Equipment**

Ride-On shall provide at its sole expense all facilities and equipment sufficient to reasonably house dispatching, Bus Operator support, administrative support, and maintenance activities. Additionally, Ride-On shall provide telecommunication equipment, radio communication equipment and basic office furniture, as well as major tools and supportive equipment.

**F. Provision of Revenue Vehicles & Vehicle Replacement**

Ride-On shall provide sufficient vehicles in good condition to reasonably provide all FCSS services as described by this Scope of Work.

**G. Fares, Deposits and Transfer Policy**

**1. Property of SCT**

All fares collected are the property of SCT. The collected fare will be used as part of its compensation to Ride-On under this Agreement. Ride-On is responsible for collecting, safekeeping, record-keeping and accounting of all fares.

## **2. Fare Collection and Accountability**

Fare levels shall be determined by SCT for all FCSS services. Ride-On will ensure that all Bus Operators are aware of and adhere to the fare structure established by SCT. Ride-On will further ensure that any changes to the fare structure are implemented in accordance with instructions conveyed to Ride-On by SCT.

Bus Operators shall assure each patron pays the appropriate fare prior to being provided transportation service. Bus Operators will, when requested by SCT, hand out notices to passengers or otherwise render assistance regarding customer relations, promotion, monitoring, and supervisory functions. All fares shall be emptied from the fare collection system daily by the Bus Operator, recorded daily, and reported to SCT on a monthly basis.

## **3. Fare Revenue**

Ride-On will comply with all procedures established by SCT for the collection of fares. Cash fares will be the responsibility of Ride-On. Responsibility of Ride-On means that SCT is assured that the collection, accounting and transporting of fare revenue will be administered accurately.

SCT reserves the right to periodically audit and inspect Ride-On's fare collection systems as well as fare collection processes without prior notice. Ride-On shall maintain a written fare collection/accounting procedure, including control and security measures subject to approval by SCT. Ride-On shall, in accordance with a procedure approved by SCT, account for revenues collected on SCT vehicles and deposit them into local bank accounts designated by Ride-On for that purpose. SCT will be entitled to deduct from payments due to Ride-On, a sum equal to the fare revenue lost due to the dishonesty of Ride-On's employees or the consistent disregard of the fare policy by Ride-On's employees.

## **H. Software and Technology**

Ride-On shall be responsible for proper use of RouteMatch software resulting in efficient scheduling, dispatching and reporting of FCSS services. Ride-On is responsible for any and all training required for its employees to effectively use RouteMatch software. Ride-On shall be solely responsible for the annual maintenance fees associated with RouteMatch software.

I. **Records/Management & System Reports**

Ride-On shall maintain all books, records, documents, accounting ledgers and similar materials relating to FCSS services on file according to Ride-On's adopted record retention policy, which is included as Appendix A. Any changes to Ride-On record retention policy must be authorized by SCT prior to implementation. The above records retention requirement shall include daily Bus Operator's logs, route manifests, trip tickets, as well as all other books, records and documents. Any duly authorized representatives of SCT, and any of its grantors, shall have access to such records for the purpose of inspection, audit and copying at reasonable times during Ride-On's usual and customary business hours. All project records prepared by Ride-On shall be owned by SCT and shall be made available to the SCT at no additional charge. Summary reports shall be emailed in monthly Microsoft Office format to the SCT Administrator. Said monthly reports shall be received no later than the 15th calendar day of the following month. The format to be used for operating reports and monthly summaries shall be developed by Ride-On and approved by the SCT Administrator.

1. **Service performance**

Ride-On shall collect, record and report to SCT relevant operational data in a format to be approved by SCT on a monthly basis. Monthly reports are required within (15) calendar days after the end of the operating month in order to receive reimbursement for the prior month's service. Operational data for FCSS service shall include at a minimum the following information:

- Actual count of all passengers.
- Vehicle miles listed by service miles, deadhead miles and revenue miles.
- Vehicle hours listed by service hour, revenue hours and non-revenue hours.
- Passengers per revenue hour, service hour, revenue mile and service mile.
- Total fare collected by passenger-trip.
- Number of No-Shows.
- Number of late cancellations (more than one-hour but less than eight hours).
- Wheelchair lift availability.
- Number of wheelchair boardings.
- Number of roadcalls.
- Number of vehicle collisions (chargeable and non-chargeable).
- Number of passenger incidents (behavior-related, injury and non-injury).
- Summary of service complaints.
- On-time performance.
- Average trip distance.
- Number of same day trips.
- Passenger pick-up and drop-off times and locations.

Additionally, Ride-On shall maintain daily Bus Operator manifests that are generated by the RouteMatch software system. The manifests do not have to be turned in to the

SCT but must be made available upon request at any time. Manifests shall include at a minimum the following information:

- Bus Operator name and vehicle number.
- Mileage recorded for each passenger pick-up and drop-off as well as daily mileage by vehicle, including mileage leaving from and at return to base.
- All pertinent passenger information in regard to same day trips.

Dispatcher logs shall be maintained daily and shall include but not be limited to the following information:

- Dispatcher(s) on duty, time on duty, and subsequent shift change information about who is on duty throughout each service day.
- Any and all accident/incident information, which occurred during the day. Include all pertinent information (i.e., time of collision/incident, vehicle and Bus Operator information, whether or not there were injuries, whether or not the police were called, etc.).
- Any and all information regarding unusual circumstances involving passenger behavior, difficulties locating passengers, etc.
- Information regarding complaints from riders, including the name, contact information and nature of complaint.
- Record of callers cancelling rides for the current day, including time of call.
- Monthly totals of the operating data, documenting any discrepancies in the reported number of passengers carried and the amount of fares collected by the Bus Operator.
- Daily Bus Operators and Dispatcher logs as relevant back-up information to the monthly summary report.
- The Project Manager shall also document operational problems or passenger complaints and describe any action taken regarding the problems.
- Passenger complaints related to safety or serious operational deficiencies shall be reported to SCT no later than the next working day following Ride-On's receipt of complaint.

**2. Maintenance Records**

Maintenance records shall be maintained for all vehicles used in FCSS service indicating preventive maintenance and repairs performed on each vehicle. All such records and reports shall be prepared and maintained in such a manner so as to fulfill any applicable state or federal requirements, as well as any needs of SCT to enable it to accurately evaluate Ride-On's maintenance performance.

Records of all maintenance and inspections shall be made available to SCT, the California Highway Patrol and/or such other regulatory agencies with jurisdiction when requested.

Ride-On shall prepare and submit quarterly maintenance records and reports in a form approved by SCT. Such quarterly reports shall include, but not be limited to, a summary listing each vehicle, vehicle mileage, preventive maintenance inspection history, and vehicle roadcalls. The summary will also list Ride-On's summary of maintenance problems, particularly vehicles or major components with high incidences of in-service failures, and steps taken or recommendations to reduce such problems and in-service failures.

**3. Financial records**

Ride-On shall maintain financial records in keeping within current accepted accounting standards. All financial records related to FCSS services shall be made available for inspection/audit at any time.

All costs incurred in connection with this project and any relevant financial records and documents shall be recorded in accounts separate from those used for other business activities and in conformance with the guidelines of SCT. These financial records must also be in conformance with San Luis Obispo Council of Governments requirements for Transportation Development Act funding. The Project Manager shall email a monthly invoice to the SCT Administrator for the services rendered during the reporting period. The invoice shall follow a Microsoft Office-based electronic format provided by Ride-On and approved by the SCT Administrator. All invoices and related records will be available for inspection and/or independent audit at the election of SCT.

**4. National Transit Database Records/Reporting**

It shall be the responsibility of Ride-On to collect and properly report to SCT the annual data required for the National Transit Database and other pertinent ridership information. All source documents shall be maintained for five years following final payment and may be audited by SCT and/or FTA at any time within this period.

**V. Service/Maintenance Standards**

Ride-On shall strive at all times to provide service in a manner which will maximize productivity and at the same time maximize customer service. Recognizing that the goals of productivity and



customer service level may conflict, this Agreement includes specific service standards that are intended to be reasonably attainable by Ride-On, fair to the customer and consistent with expectations that Ride-On will always perform at its highest level. Below are standards that apply to FCSS services:

<b>Performance Criteria</b>	<b>Acceptable Monthly Minimum</b>
Schedule Adherence	90%
Chargeable Collision / 100,000 Miles	0.5
Road Calls / 100,000 Miles	5.0
Wheelchair Lift Availability	100%
Customer Complaints/Boardings	5%

Ride-On and SCT shall periodically meet to evaluate performance of the FCSS service based upon these standards. If the standards are not fulfilling SCT’s intended purpose, they shall be adjusted based upon recommendations made by Ride-On and as presented solely by the SCT Administrator for consideration by the SCT Board of Directors. Should it be found that Ride-On’s performance has contributed to FCSS’s failure to achieve these standards, Ride-On shall take all reasonable actions requested by SCT to correct deficiencies in performance. Should deficiencies persist, SCT may take whatever additional action is required, including termination of the Agreement.

**VI. Safety Program**

Ride-On shall assume full responsibility for assuring that the safety of passengers, operations personnel, and the vehicles and equipment used for the FCSS service are maintained at the highest possible level. Ride-On shall comply with all applicable California Highway Patrol and OSHA requirements. Ride-On shall maintain a formal safety program acceptable to SCT that includes periodic safety meetings, participation in safety organizations, and participation in risk management activities under the auspices of Ride-On’s insurance carrier or other safety-focused organization. Ride-On will require all Bus Operators, Dispatchers, vehicle maintenance Technicians, and Supervisors to participate in the safety program.

**VII. Accident & Incident Procedures**

Ride-On shall maintain formal procedures, approved by SCT, to respond to collisions, incidents and service interruptions. Such occurrences to be addressed include, but are not necessarily limited to: vehicle collisions, passenger injuries, passenger disturbances, in-service vehicle failures, wheelchair lift failures, and vehicles operating more than sixty minutes behind the promised schedule.

All traffic collisions involving FCSS vehicles, irrespective of injury, shall be reported to local Police Department or Highway Patrol, as appropriate. Ride-On will advise such agency of the collision and request a police unit to investigate the incident.

In cases involving injury, Ride-On shall notify the SCT Administrator immediately upon receipt by Ride-On of such information. A complete written report of any injury-related incident shall be delivered to the SCT Administrator within twenty-four (24) hours following the occurrence.

Vehicles damaged due to collisions shall be promptly removed from service and repaired by Ride-On. All vehicle damage resulting from a collision is the sole responsibility of Ride-On and repairs must be consistent with the manufacturer's repair standards. Both chargeable and non-chargeable collisions will be reported to SCT as part of its monthly report.

#### **VIII. Customer Complaint/Commendation Procedure**

Ride-On customer service staff shall be the primary point of contact to receive complaints and accept commendations, suggestions and recommendations regarding FCSS services. It is the responsibility of Ride-On to provide prompt response and action to any customer complaints, suggestions and recommendations. Ride-On shall investigate, respond and document each incident as soon as possible, but no later than ten (10) working days from receipt of a complaint. Should Ride-On's personnel, in the course of their daily work, receive complaints, suggestions and recommendations regarding the services, this information shall be entered into a customer service database as a new complaint immediately; Ride-On must provide and document its response/action as soon as possible, but no later than ten (10) working days after receipt. All customer service complaints, commendations, suggestions and recommendations shall be summarized in the monthly report submitted to SCT.

## SOUTH COUNTY TRANSIT

October 19, 2016

### STAFF REPORT

**AGENDA ITEM:** B-3

**TOPIC:** Memorandum of Understanding (MOU) for FTA Planning & Programming in AG-GB UZA

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Authorize the SCT Administrator to Execute the Updated MOU with RTA, SLOCOG and the County to cooperatively plan and program FTA funds apportioned to the Arroyo Grande-Grover Beach UZA

**BACKGROUND/DISCUSSION:** As a result of the 2010 U.S. Census, the Arroyo Grande-Grover Beach area was designated as an Urbanized Area (UZA). The UZA boundary is depicted below in yellow, and it includes the populated areas in the Cities of Arroyo Grande, Grover Beach, Pismo Beach and unincorporated portions of San Luis Obispo County.

Public transportation operators that serve the UZA are eligible to apply for and receive (FTA) funds through the San Luis Obispo Council of Governments (SLOCOG), which is the governor-designated Metropolitan Planning Organization (MPO) for San Luis Obispo County and its three UZAs. SLOCOG is also the governor-designated recipient of FTA funds in the county.

As a result of the 2010 Census UZA designation, public transportation operators can apply as grantees for FTA Section 5307 for operating or capital purposes and FTA Section 5339 funds for capital purposes. Section 5307 funds can be used to provide a maximum of 50% FTA contribution for eligible operating purposes (total operating costs minus fare revenues), and both Section 5307 and Section 5339 funds can be used to provide up to 80% for eligible capital purposes.



Attached is an update draft Memorandum of Understanding (MOU) from that which was approved by the SCT Board in November 2012. The FTA requires that the MOU be updated periodically to capture the new Federal legislation including the 2015 Fixing America's Surface Transportation Act (FAST) that supersedes MAP-21 and became retroactive to October 1, 2015.

**Staff Recommendation**

Give staff the authority to execute the updated draft MOU with RTA, SLOCOG and the County of San Luis Obispo to cooperatively plan and program Federal Transit Administration funds apportioned to the Arroyo Grande-Grover Beach Urbanized Area

**MEMORANDUM OF UNDERSTANDING (MOU)**  
**BETWEEN THE SAN LUIS OBISPO COUNCIL OF GOVERNMENTS**  
**THE REGIONAL TRANSIT AUTHORITY (RTA)**  
**AND SOUTH COUNTY TRANSIT (SCT)**

**“Regarding the Coordination of On Going Transit Planning and Programming Federal Transit Funds that Support the On Going and Future Deployment of Transit Services in the South County”**

This Memorandum of Understanding (MOU) is entered into between the SAN LUIS OBISPO COUNCIL OF GOVERNMENTS (SLOCOG), the REGIONAL TRANSIT AUTHORITY (RTA) and the SOUTH COUNTY TRANSIT (SCT). Both RTA and SCT are hereinafter referred to as “Public Transportation Providers”. The purpose of this MOU is to:

1. Foster a cooperative and mutually beneficial working relationship between noted agencies for the provision of comprehensive, effective and coordinated transit planning on behalf of South County public transportation systems;
2. Identify the transit planning responsibilities in coordination with the State of California for the purpose of programming Federal transit funds within the SLOCOG Federal Transportation Improvement Program (FTIP); and
3. Be consistent with most recent Federal transit guidelines and otherwise update the original MOU first crafted in 2012 as a result of the Census 2010 designation of the Arroyo Grande – Grover Beach Urbanized Area.

WITNESSES THAT:

**WHEREAS**, the major populations of the Cities of Arroyo Grande, Grover Beach, Pismo Beach plus the less populated and smaller portions of San Luis Obispo County (namely Oceano and Avila Beach) were designated as a new urbanized area by the 2010 Census (See Exhibit A); and

**WHEREAS**, the Public Transportation Providers are eligible to apply for and receive Federal Transit Administration (FTA) Section 5307 funding for capital, operating and planning assistance, FTA Section 5339 for capital-only purposes for the delivery of public transportation, and FWHA Congestion Mitigation Air Quality funding for transit-related capital and operating projects that reduce emissions; and

**WHEREAS**, SLOCOG is a Regional Transportation Planning Agency (RTPA) and the Metropolitan Planning Organization (MPO) for San Luis Obispo County; and

**WHEREAS**, the 2015 Fixing America’s Surface Transportation Act (FAST) is the new Federal legislation that supersedes MAP-21 and became retroactive to October 1, 2015. This legislative framework continues to require MPOs to work cooperatively with public transportation providers to develop Regional Transportation Plans (RTPs) and the transit elements of the Transportation Improvement Program (TIPs). These plans and programs are intended to further the national interest, encourage and promote the safe and efficient management, operation, and development of surface transportation systems. These systems should serve the mobility of people and freight, and foster economic growth and development within and through urbanized areas, while minimizing transportation-related fuel consumption, air pollution and greenhouse gas emissions; and

**WHEREAS**, SLOCOG and the Public Transportation Providers rely upon a cooperative relationship to foster comprehensive regional transit planning which feeds directly into state and national planning; and

**WHEREAS**, the need for this agreement is supported by the recent update to the Joint Powers Agreement (JPA) among the local jurisdictions under the umbrella of South County Transit (the local public transportation provider, previously designated as South County Area Transit).

**NOW, THEREFORE**, in consideration of the mutual benefits of the parties hereto, and in consideration of the covenants and conditions herein contained, the parties agree as follows:

**SECTION 1: Responsibilities of SLOCOG and the Public Transportation Providers**

**1.1 Communication**

A critical component of this relationship involves open and productive communication, which leads to setting project priorities and federal funding needs. SLOCOG is required to update the Federal Transportation Improvement Program (FTIP) every two years and also include as part of its public hearing notice this language, "San Luis Obispo Regional Transit Authority relies upon SLOCOG, the Metropolitan Planning Organization (MPO) to meet the public participation requirements for the Federal Transit Administration (FTA) Program of Projects (POP)." The need to ensure responsive communication between the parties is imperative in order to meet this federal programming mandate and secure access to the Federal funds in an effective and timely manner.

**1.2 Governance**

The Public Transportation Providers, individually and jointly, will cooperate with SLOCOG in the development and implementation of a committee structure (See Section 2.10) to assure the applications for and use of FTA Sections 5307 and 5339 and CMAQ funding are consistent with the most recently adopted Regional Transportation Plan and reflected by an approved Federal Transportation Improvement Program (FTIP).

Besides the Federal, state and regional requirements and similar to the North County operating agreement, designating RTA as the grantee to administer, monitor, prepare quarterly reports and ensure full compliance with the FTA grant submittal rules, the South County jurisdictions will continue to work with RTA as the grantee for all South County Federal transit funding. Those responsibilities also include the Triennial Review preparation for the Federal Transit Administration (FTA), including the conduct of field interviews by a third party, under contract to the FTA.

**SECTION 2: Public Transportation Planning**

**2.1 Overall Work Program (Regional)**

In accordance with state and federal requirements, SLOCOG annually prepares, adopts, and updates an Overall Work Program (OWP) describing regional planning activities. The OWP relates regionally significant planning activities of the State, transit operators, local governments, and SLOCOG in an integrated and comprehensive scope. Public Transportation Providers agree to annually prepare a list of regionally significant transit related planning studies (as needed) for the next fiscal year and submit those to SLOCOG according to the following schedule:

- a) A brief description of said studies by December 1<sup>st</sup> of each year
- b) A detailed description of said studies by January 14<sup>th</sup> of the following year (including budget, tasks description, lead role, anticipated timeline by task in the next fiscal year as well as any future fiscal year, if applicable)

**2.2 Short Range Transit Plans (Public Transportation Providers)**

In accordance with metropolitan planning regulations and FTA guidance, the Public Transportation Providers are required to prepare a five (5) year short-range transit plan to support sound financial and operations decision-making in transit planning and programming. In the development of future SRTPs, the Public Transportation Providers will provide a draft list of candidate projects for FTA funding. The list shall:

- a) Identify and describe the scope of the specific projects and services, which address on going and increased transit demands. These projects and services are to include provisions for meeting requirements of the Americans with Disabilities Act (ADA)
- b) Provide qualitative and quantitative analysis showing how the project addresses transit needs
- c) Supply a preliminary priority list of operating and capital projects, subject to funding availability
- d) Identify the amount and type of federal and non-federal funds required supporting the projects for each year represented in the plan. In addition, identify anticipated discretionary funding estimates for the FTIP (also applicable to large scale projects, who may not tap into Federal grants)

**2.3 Coordinated Human Services Public Transportation Plan (SLOCOG, public and private providers)**

SLOCOG will work with the Public Transportation Providers, other providers of transit and paratransit services in the public and private sectors to regularly update this Plan. The Federal mandate for the Specialized Transit Needs in the region partly relates to the regional allocation of FTA Section 5310 discretionary grants, a function performed in close coordination with Caltrans. Consistency will be sought with this Plan, especially in identifying the respective roles of the stakeholders and in enhancing coordination among transportation resources toward seniors, persons with disabilities and population of low income.

**2.4 Long Range Transit Plan (Regional)**

In accordance with metropolitan planning regulations and FTA guidance, SLOCOG in coordination with the Public Transportation Providers will update the Long Range Transit Plan (LRTP). The LRTP will assess the transportation needs of the public and set forth improvements necessary to address those needs over a twenty (20) year period. This analysis will be more programmatic or less detailed than the scope of future projects in near term SRTPs. The LRTP may not need to be a standalone product; for instance, it can consist of the relevant excerpts from the most recent RTP, related to regional transit and paratransit policies, performance goals and proposed service improvements or projects.

## **2.5 Planning Assistance (As needed)**

SLOCOG will provide input into the development of transit planning documents produced by Public Transportation Providers, including the SRTP and other special studies. In addition, SLOCOG will work cooperatively and assist the Public Transportation Providers in their efforts to generate planning and forecasting information needed for updating the local and regional Short Range Transit Plans. The type of assistance provided by SLOCOG includes, but is not limited to, the following:

- a) Obtain and analyze data from various sources to develop concrete demographic, growth and use assumptions for transit demand forecasts and financial projections (such as detailed socio-economic tables, trip generation tables, census information, maps, revenue growth assumptions by type of source)
- b) Assist in securing funds to conduct transit demand studies and in-depth analysis (such as researching funding options and writing discretionary grants)
- c) Assist in obtaining state and federal funding of projects consistent with the SLOCOG Regional Transportation Plan (such as reviewing or completing forms or checklists for Caltrans, supplying supplemental information requested by the FTA, facilitating the timely and accurate FTIP amendments related to transit activities)

## **2.6 FTIP Programming Criteria**

As part of the FTIP updates, federally funded projects are programmed by SLOCOG on behalf of all transit providers receiving federal transit funds through the FTIP; this also includes regionally significant projects that may be funded with state or other funds. For proposed transit projects, the criterion used for fund programming within the SLOCOG's FTIP is essential. SLOCOG and the Public Transportation Providers will employ the following selection criteria to set priorities for transit funding:

- 1) Project purpose and need
- 2) Anticipated benefits, as well as costs and environmental impacts (if any)
- 3) Degree to which a project will improve transit availability
- 4) Degree to which a project will improve level of service performance standards
- 5) Air quality benefits and reduction in greenhouse gas emissions
- 6) Overall cost effectiveness
- 7) Leveraging with other funding sources and balancing the allocation of resources among the three small UZA's in the region.
- 8) Financial sustainability of any new service in light of projected funding changes at the state or Federal levels.

## **2.7 Regional Planning (Region)**

SLOCOG will provide a forum that will foster partnerships so the optimal development of public transit services in South County can be accomplished. As part of the coordinated regional transportation system, SLOCOG will expand the continuing, cooperative, and consistent planning of the transportation systems operated by the Public Transportation Providers and enhance linkages with local, regional and interregional transit networks.

SLOCOG will be responsible for the development of regional planning documents such as the Regional Transportation Plan (RTP, every 4 years), and the Long Range Transit Plan. SLOCOG will lead the state mandated analysis and determination of Unmet Transit Needs under the



Transportation Development Act (TDA) in cooperation with Public Transportation Providers. The Public Transportation Providers will have the opportunity to provide technical advice during the development of these documents through the SLOCOG regional advisory committees' structure and local transit advisory bodies. As a part of the regional planning process, the Public Transportation Providers will assist SLOCOG with efforts to achieve regional goals including the requirement to achieve state and federal air quality standards, consistent with the California Transportation Commission (CTC) guidelines.

## **2.8 Application for Federal Transit Funding**

The RTA as the designated grantee for FTA monies in the South County shall prepare and submit an application to the FTA for Federal funds. At first, based on the recommended Program of Projects, and with the assistance of SLOCOG, the RTA will submit draft grant applications to SLOCOG prior to forwarding it to the FTA regional office. SLOCOG will review the accuracy of the application, consistency of projects with FTIP programming, then prepare and submit a letter of concurrence to FTA with all proper back up documents. If the information warrants some refinements, SLOCOG will wait for the proper revisions to be made before finalizing the letter. The FTA grant application shall be consistent with the most recent of SLOCOG RTP or SCT's SRTP as required by federal guidelines. RTA shall work with SLOCOG and Caltrans to develop consistent funding requests from all potential transit funding sources in order to prevent delays. The above activities most directly apply to the FTA Section 5307 urbanized area and 5339 capital funding programs.

## **2.9 Program of Projects-2-year cycle (see programming calendar - Exhibit B)**

By the end of January of every other year, the Public Transportation Providers in coordination with the South County Transit Technical Committee (See Exhibit C) shall prepare a "Program of Projects" (POP) consistent with the requirements of Title 49 U.S.C Section 5307 (c) (1) thru (7). The POP shall first be reviewed by the South County Transit Technical Committee, followed by the Executive Committee (SCT elements) and ultimately brought to the South County Transit Board of Directors for adoption. The POP consists of capital, operating and planning projects for implementation by the Public Transportation Providers; such funds must be guaranteed adequate local matching funds to be eligible for FTA support.

## **2.10 Incorporation or Rejection in the FTIP**

SLOCOG will include all POP projects nominated from the bi-annual urbanized area allocation in its entirety in the FTIP unless SLOCOG finds that: a) The POP is inconsistent with the planning and programming process in this agreement; or b) There are insufficient funds to implement the POP based on the federal allocation; or c) The POP is inconsistent with the RTP and/or adopted local transit plans.

If SLOCOG proposes to reject the POP, it will provide notice to the Public Transportation Providers no later than 10 days after it receives the proposed POP from the South County Transit Technical Committee. SLOCOG's Executive Director may provide notice by letter; the notice does not require formal Board action. The SLOCOG Board will act on the proposed rejection of a POP in a public hearing no later than early April. Whenever SLOCOG rejects the POP, the South County Transit Policy Committee (See section 2.10-b) shall convene, and the Public Transportation Providers shall refine and resubmit the POP.

## 2.11 Committees

Two committees are established through this Memorandum as shown in Exhibit C

- a) The South County Transit Technical Committee made of five (5) voting staff members: One (1) from the City of Grover Beach; One (1) from the City of Arroyo Grande; One (1) from the City of Pismo Beach; One (1) from the County of San Luis Obispo; and One (1) from the Regional Transit Authority. Three non-voting staff members shall include One (1) representative from SLOCOG, One (1) representative from the Air Pollution Control District and One (1) representative from Caltrans District 5 as ex-officio members.
- b) The South County Transit Policy Sub Committee made of five (5) voting members: One (1) elected representative on the SLOCOG Board from each of the three (3) Cities in the South County Transit service area- or a subtotal of three (3) local representatives for the Cities-and two (2) elected representatives from the San Luis Obispo Council of Governments (SLOCOG) Board representing the County of San Luis Obispo in the South County area (Districts 3 & 4). The Sub Committee needs only meet if there is a vote on the POP (by the Transit Technical Committee) that is not unanimous. The Policy Sub Committee may also be convened if requested by signatories in this agreement for other planning and coordination issues.

## 2.12 Disputes

If a dispute regarding the allocation of funds arises between SLOCOG and the Public Transportation Providers, the agencies shall negotiate in good faith to resolve the dispute. If such negotiation does not result in resolving the differences, the issue shall be forwarded to the South County Transit Policy Sub Committee for review and recommendation. The recommendation of this Sub Committee shall be forwarded to SLOCOG for review and potential revision of the urban area POP allocation. SLOCOG shall consider the recommendations of the Policy committee and make a final determination of the POP. Its decision shall be final.

## **SECTION 3: FTIP Project Monitoring and Maintenance**

### 3.1 Progress Reporting

The SLOCOG shall be responsible for tracking the overall progress of all projects in the FTIP. SLOCOG will prepare a mid-year report for the SLOCOG Board of Directors to review that identifies those transit projects that have been programmed, and their status of completion (e.g., on schedule, behind schedule, or completed). In addition, per federal guidelines, SLOCOG is required to produce an annual list of projects for which federal funds have been obligated in the preceding year and will ensure that it is made available for public review. The Public Transportation Providers will assist SLOCOG's effort to track the overall progress of FTIP projects by submitting quarterly reports that address the status of each project receiving federal funds. Most of this data will be readily available in a consistent format from the RTA Grants and Financial Manager, who gathers quarterly updates from each provider under the FTA grant reporting rules. At a minimum, the quarterly report will:

- a) Show projects by category consistent with the adopted FTIP (e.g., Operations, Capital Purchase, Maintenance, Rights of Way and Fixed Facilities Projects). This may include a scope change, needing to be defined under e) below.
- b) Document the stage of project implementation.
- c) If project is behind schedule, give the reasons for the delay.
- d) Status of amount of federal funding obligated, received and used to support projects.
- e) Identify the need for FTIP amendment with the rationale.

In addition to providing the above supporting documents, the Public Transportation Providers will forward to SLOCOG a final copy of all planning documents produced as a result of receiving Federal funding. This will assist SLOCOG in overall transit planning as well as ensure that FTA Section 5307 funds used for planning purposes meet the FTA's requirements.

### **3.2 FTIP Amendments**

The SLOCOG's Executive Director will exercise the authority delegated by the SLOCOG Board to process administrative FTIP amendments, involving, for instance, minor changes in project scope or re-allocation of the FTA Section 5307 funds, would other grants materialize for the same project or shifting of funds between project phases within the biennial element of the FTIP.

With the submittal of the quarterly progress report (See item 3.1) or sooner if required, the Public Transportation Providers will alert SLOCOG of the need for amending the FTIP. In general, reasons for formal FTIP amendments include, for example, funding shortfalls, delays in project implementation and/or new projects that need to be amended into the document.

#### **SECTION 4: MOU Amendment**

This MOU may be amended by the written consent of all parties.

#### **SECTION 5: MOU Termination**

Either party upon thirty (30) days of written notification to the other may terminate this MOU.

#### **SECTION 6: Authorization of MOU**

By signature, we agree that the responsibilities outlined in this MOU foster healthy collaboration for the purpose of fostering transit planning and programming federal funds within the SLOCOG Federal Transportation Improvement Program.

**SECTION 7: Signatures to Witness Agency Consent**

\_\_\_\_\_  
**Jan Marx, President**

San Luis Obispo Council of Governments &  
San Luis Obispo Regional Transit Authority

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

\_\_\_\_\_  
**Jim Guthrie, Board Chairman**

South County Transit

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

\_\_\_\_\_  
**Lynn Compton, Chair**  
San Luis Obispo County

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

APPROVE AS TO FORM AND LEGAL EFFECT:

\_\_\_\_\_  
Tim McNulty, Legal Counsel

San Luis Obispo Council of Governments  
South County Transit  
San Luis Obispo Regional Transit Authority  
San Luis Obispo County

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

**List of Exhibits**

- Exhibit A: South County Urbanized Area map
- Exhibit B: Programming Calendar
- Exhibit C: South County Advisory Structure

# Arroyo Grande-Grover Beach Urbanized Area



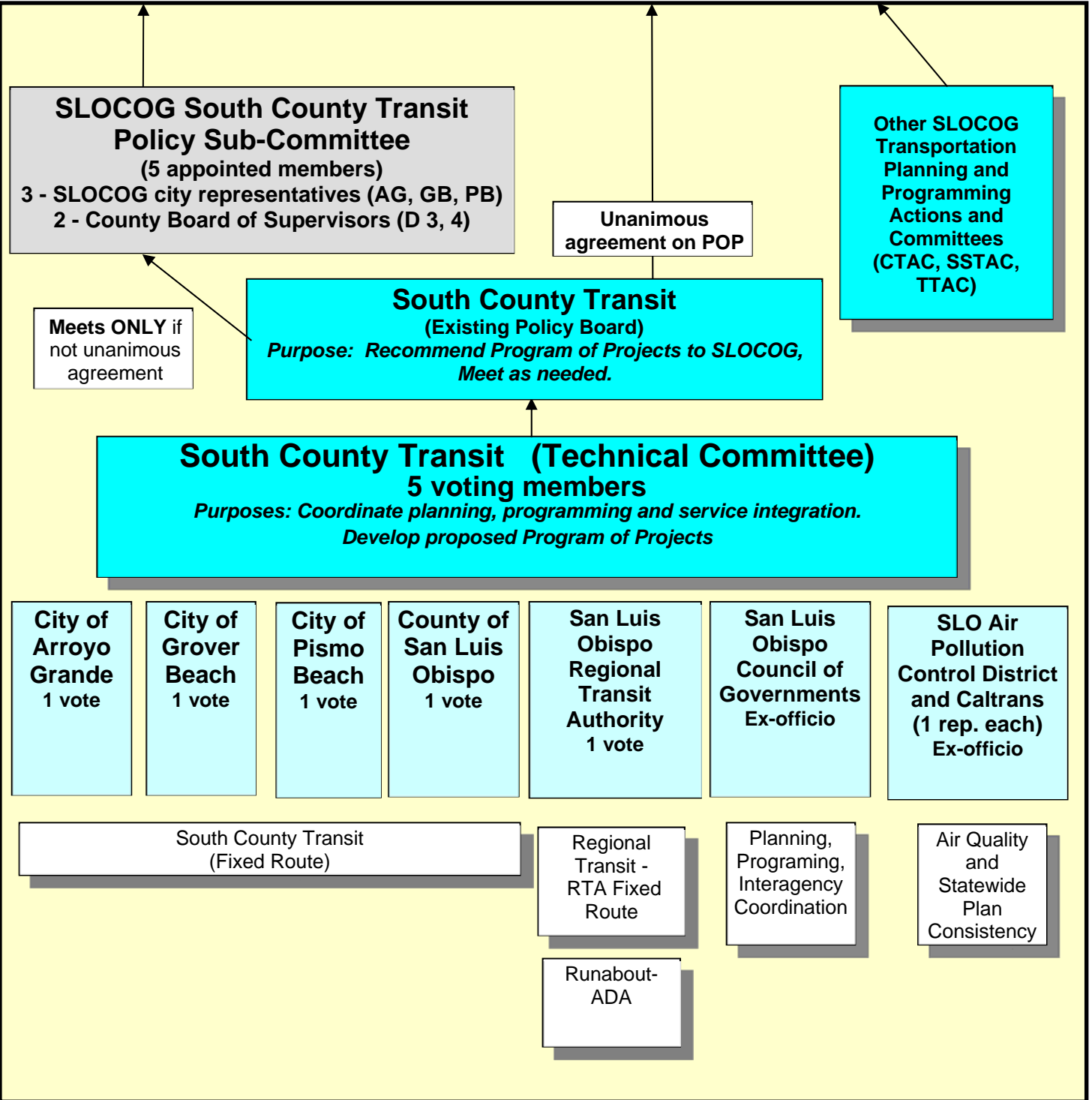
**Exhibit B: Programming Calendar**

<b>EXHIBIT B</b>				
<b>DRAFT PROGRAMMING CALENDAR</b>				
		<b>Even Year(s)</b>	<b>Responsibility/ Lead</b>	<b>Details</b>
<b>1</b>	Schedule 1st POP meeting; MOU Revisions as necessary	January/February	SLOCOG	Funding targets identified, needs discussed, scoring strategy
<b>2</b>	Hold 1st POP meeting (publicly noticed)	March	SLOCOG/UZA TAC	List of candidate projects identified
<b>3</b>	Urbanized Area TAC approves the POP (publicly noticed)	April/May	SLOCOG/UZA TAC	
<b>4</b>	<i>Extra time in case of a dispute re-Draft POP</i>	May	Locals	
<b>5</b>	Locals endorse POP	May	Locals	May be Board action or administrative
<b>6</b>	Adopt 2-Year POP	June or August	SLOCOG	Requires Public Hearing
<b>7</b>	FTIP Approval	August	SLOCOG	Requires Public Hearing
<b>8</b>	Prepare draft grant application to FTA	January (Every year)	Locals & RTA	
<b>9</b>	Prepare Concurrence Letters	February (Every year)	SLOCOG	FTA requires that SLOCOG send a Letter agreeing with the Application
<b>10</b>	Grant Funds Approved	April-October (Every year)	FTA	

# Exhibit C: SOUTH COUNTY ADVISORY STRUCTURE

## San Luis Obispo Council of Governments

*Purpose: Review and Approve Program of Projects (POP) in Federal Transportation Improvement Program amendments (FTIP). Other duties: 1) Make available Public Information on Urbanized Area, 2) Develop proposed POP, 3) Publish proposed POP, 4) Provide opportunity for input, and 5) Ensure coordination of Transit Services in UZA*



**MEMORANDUM OF UNDERSTANDING (MOU)**  
**BETWEEN THE SAN LUIS OBISPO COUNCIL OF GOVERNMENTS**  
**THE REGIONAL TRANSIT AUTHORITY (RTA)**  
**AND SOUTH COUNTY TRANSIT (SCT)**

**“Regarding the Coordination of On Going Transit Planning and Programming Federal Transit Funds that Support the On Going and Future Deployment of Transit Services in the South County”**

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1. Foster a cooperative and mutually beneficial working relationship between noted agencies for the provision of comprehensive, effective and coordinated transit planning on behalf of South County public transportation systems; ~~and~~
2. Identify the transit planning responsibilities in coordination with the State of California for the purpose of programming Federal transit funds within the SLOCOG Federal Transportation Improvement Program (FTIP); ~~and~~
3. ~~To be~~ consistent with most recent Federal transit guidelines and otherwise update the original MOU first crafted in 2012 as a result of the Census 2010 designation of the Arroyo Grande – Grover Beach Urbanized Area ~~South County small urbanized area.~~

WITNESSES THAT:

**WHEREAS**, the major populations of the Cities of Arroyo Grande, Grover Beach, Pismo Beach plus the less populated and smaller portions of San Luis Obispo County (namely Oceano and Avila Beach) were designated as a new urbanized area by the 2010 Census (See Exhibit A); and

**WHEREAS**, the Public Transportation Providers are eligible to apply for and receive Federal Transit Administration (FTA) Section 5307 funding for capital, operating and planning assistance, as well as FTA Section 5339 for capital-only purposes for the delivery of public transportation, and FWHA Congestion Mitigation Air Quality funding for transit-related capital and operating projects that reduce emissions; and

**WHEREAS**, SLOCOG is a Regional Transportation Planning Agency (RTPA) and the Metropolitan Planning Organization (MPO) for San Luis Obispo County; and

**WHEREAS**, the 2015 Fixing America’s Surface Transportation Act (FAST) is the new Federal legislation that supersedes MAP-21 and became retroactive to October 1, 2015. This legislative framework continues to require MPO’s to work cooperatively with public transportation providers to develop Regional Transportation Plans (RTP’s) and the transit elements of the Transportation Improvement Program (FTIP’s). These plans and programs are intended to further the national interest, encourage and promote the safe and efficient management, operation, and development of surface transportation systems. These systems should serve the mobility of people and freight, and foster economic growth and development within and through urbanized areas, while minimizing transportation-related fuel consumption, air pollution and greenhouse gas emissions; and



**WHEREAS**, SLOCOG and the Public Transportation Providers rely upon a cooperative relationship to foster comprehensive regional transit planning which feeds directly into state and national planning; and

**WHEREAS**, the need for this agreement is supported by the recent update to the ~~South County~~ Joint Powers Agreement (JPA) among the local jurisdictions under the umbrella of South County Transit (the local public transportation provider, previously designated as South County Area Transit).

**NOW, THEREFORE**, in consideration of the mutual benefits of the parties hereto, and in consideration of the covenants and conditions herein contained, the parties agree as follows:

**SECTION 1: Responsibilities of SLOCOG and the Public Transportation Providers**

**1.1 Communication**

A critical component of this relationship involves open and productive communication, which leads to setting project priorities and federal funding needs. SLOCOG is required to update the Federal Transportation Improvement Program (FTIP) every two years ~~and shall also include~~ as part of its public hearing notice this language, "San Luis Obispo Regional Transit Authority relies upon SLOCOG, the Metropolitan Planning Organization (MPO) to meet the public participation requirements for the Federal Transit Administration (FTA) Program of Projects (POP).". The need to ensure responsive communication between the ~~three~~ parties is imperative in order to meet this federal programming mandate and secure access to the Federal funds in an effective and timely manner.

**1.2 Governance**

The Public Transportation Providers, individually and jointly, will cooperate with SLOCOG in the development and implementation of a committee structure (See Section 2.10) to assure the applications for and use of FTA Sections 5307 and 5339 ~~and CMAQ~~ funding are consistent with the most recently adopted Regional Transportation Plan and reflected by an approved Federal Transportation Improvement Program (FTIP).

Besides the Federal, state and regional requirements and similar to the North County operating agreement, designating RTA as the grantee to administer, monitor, prepare quarterly reports and ensure full compliance with the FTA grant submittal rules, the South County jurisdictions will continue to work with RTA as the grantee for all South County Federal transit funding. Those responsibilities also include the Triennial Review preparation for the Federal Transit Administration (FTA), including the conduct of field interviews by a third party, under contract to the FTA.

**SECTION 2: Public Transportation Planning**

**2.1 Overall Work Program (Regional)**

In accordance with state and federal requirements, SLOCOG annually prepares, adopts, and updates an Overall Work Program (OWP) describing regional planning activities. The OWP relates regionally significant planning activities of the State, transit operators, local governments, and SLOCOG in an integrated and comprehensive scope. Public Transportation Providers agree to annually prepare a list of regionally significant transit related planning studies (as needed) for the next fiscal year and submit those to SLOCOG according to the following schedule:

- a) A brief description of said studies by December 1<sup>st</sup> of each year
- b) A detailed description of said studies by January 14<sup>th</sup> of the following year (including budget, tasks description, lead role, anticipated timeline by task in the next fiscal year as well as any future fiscal year, if applicable)

**2.2 Short Range Transit Plans (Public Transportation Providers)**

In accordance with metropolitan planning regulations and FTA guidance, the Public Transportation Providers are required to prepare a five (5) year short-range transit plan to support sound financial and operations decision-making in transit planning and programming. In the development of future [SRTP's/SRTPs](#), the Public Transportation Providers will provide a draft list of candidate projects for FTA funding. The list shall:

- a) Identify and describe the scope of the specific projects and services, which address on going and increased transit demands. These projects and services are to include provisions for meeting requirements of the Americans with Disabilities Act (ADA)
- b) Provide qualitative and quantitative analysis showing how the project addresses transit needs
- c) Supply a preliminary priority list [of operations and capital projects](#), subject to funding availability
- d) Identify the amount and type of federal and non-federal funds required supporting the projects for each year represented in the plan. In addition, identify anticipated discretionary funding estimates for the FTIP (also applicable to large scale projects, who may not tap into Federal grants)

**2.3 Coordinated Human Services Public Transportation Plan (SLOCOG, public and private providers)**

SLOCOG will work with the Public Transportation Providers, other providers of transit and paratransit services in the public and private sectors to regularly update this Plan. The Federal mandate for the Specialized Transit Needs in the region partly relates to the regional allocation of FTA Section 5310 discretionary grants, a function performed in close coordination with Caltrans. Consistency will be sought with this Plan, especially in identifying the respective roles of the stakeholders and in enhancing coordination among transportation resources toward seniors, persons with disabilities and population of low income.

**2.4 Long Range Transit Plan (Regional)**

In accordance with metropolitan planning regulations and FTA guidance, SLOCOG in coordination with the Public Transportation Providers will update the Long Range Transit Plan (LRTP). The LRTP will assess the transportation needs of the public and set forth improvements necessary to address those needs over a twenty (20) year period. This analysis will be more programmatic or less detailed than the scope of future projects in near term [SRTP's/SRTPs](#). The LRTP may not need to be a standalone product; for instance, it can consist of the relevant excerpts from the most recent RTP, related to regional transit and paratransit policies, performance goals and proposed service improvements or projects.

**2.5 Planning Assistance (As needed)**

SLOCOG will provide input into the development of transit planning documents produced by Public Transportation Providers, including the SRTP and other special studies. In addition, SLOCOG will work cooperatively and assist the Public Transportation Providers in their efforts to generate planning and forecasting information needed for updating the local and regional Short Range Transit Plans. The type of assistance provided by SLOCOG includes, but is not limited to, the following:

- a) Obtain and analyze data from various sources to develop concrete demographic, growth and use assumptions for transit demand forecasts and financial projections (such as detailed socio-economic tables, trip generation tables, census information, maps, revenue growth assumptions by type of source)
- b) Assist in securing funds to conduct transit demand studies and in-depth analysis (such as researching funding options and writing discretionary grants)
- c) Assist in obtaining state and federal funding of projects consistent with the SLOCOG Regional Transportation Plan (such as reviewing or completing forms or checklists for Caltrans, supplying supplemental information requested by the FTA, facilitating the timely and accurate FTIP amendments related to transit activities)

## 2.6 FTIP Programming Criteria

As part of the FTIP updates, federally funded projects are programmed by SLOCOG on behalf of all transit providers receiving federal transit funds through the FTIP; this also includes regionally significant projects that may be funded with state or other funds. For proposed transit projects, the criterion used for fund programming within the SLOCOG's FTIP is essential. SLOCOG and the Public Transportation Providers will employ the following selection criteria to set priorities for transit funding:

- 1) Project purpose and need
- 2) Anticipated benefits, as well as costs and environmental impacts (if any)
- 3) Degree to which a project will improve transit availability
- 4) Degree to which a project will improve level of service performance standards
- 5) Air quality benefits and reduction in greenhouse gas emissions
- 6) Overall cost effectiveness
- 7) Leveraging with other funding sources and balancing the allocation of resources among the three small UZA's in the region.
- 7.9) Financial sustainability of any new service in light of projected funding changes at the state or Federal levels.

## 2.7 Regional Planning (Region)

SLOCOG will provide a forum that will foster partnerships so the optimal development of public transit services in South County can be accomplished. As part of the coordinated regional transportation system, SLOCOG will expand the continuing, cooperative, and consistent planning of the transportation systems operated by the Public Transportation Providers and enhance linkages with local, regional and interregional transit networks.

SLOCOG will be responsible for the development of regional planning documents such as the Regional Transportation Plan (RTP, every 4 years), and the Long Range Transit Plan. SLOCOG will lead the state mandated analysis and determination of Unmet Transit Needs under the Transportation Development Act (TDA) in cooperation with Public Transportation Providers.

The Public Transportation Providers will have the opportunity to provide technical advice during the development of these documents through the SLOCOG regional advisory committees' structure and local transit advisory bodies. As a part of the regional planning process, the Public Transportation Providers will assist SLOCOG with efforts to achieve regional goals including the requirement to achieve state and federal air quality standards, consistent with the California Transportation Commission (CTC) guidelines.

**2.8 Application for Federal Transit Funding**

The RTA as the designated grantee for FTA monies in the South County shall prepare and submit an application to the FTA for Federal funds. At first, based on the recommended Program of Projects, and with the assistance of SLOCOG, the RTA will submit draft grant applications to SLOCOG prior to forwarding it to the FTA regional office. SLOCOG will review the accuracy of the application, consistency of projects with FTIP programming, then prepare and submit a letter of concurrence to Caltrans-FTA with all proper back up documents. If the information warrants some refinements, SLOCOG will wait for the proper revisions to be made before finalizing the letter. The FTA grant application shall be consistent with the most recent of SLOCOG RTP or SCT's SRTP as required by federal guidelines. RTA shall work with SLOCOG and Caltrans to develop consistent funding requests from all potential transit funding sources in order to prevent delays. ~~procedures in place for the 5307 formula program are not always aligned with those used by Caltrans for the separate 5339 program, itself directly administered by Caltrans on behalf of the FTA.~~ The above activities most directly apply to the formula-FTA Section 5307 & 5339 urbanized area and 5339 capital funding programs.

**2.9 Program of Projects-2-year cycle** (see programming calendar - Exhibit B)

By the end of January of every other year, the Public Transportation Providers in coordination with the South County Transit Technical Committee (See Exhibit C) shall prepare a "Program of Projects" (POP) consistent with the requirements of Title 49 U.S.C Section 5307 (c) (1) thru (7). The POP shall first be reviewed by the South County Transit Technical Committee, followed by the Executive Committee (SCT elements) and ultimately brought to the South County Transit Board of Directors for adoption. The POP consists of capital, operating and planning projects for implementation by the Public Transportation Providers; such funds must be guaranteed adequate local matching funds to be eligible for FTA support.

**2.10 Incorporation or Rejection in the FTIP**

SLOCOG will include all POP projects nominated from the bi-annual urbanized area allocation in its entirety in the FTIP unless SLOCOG finds that: a) The POP is inconsistent with the planning and programming process in this agreement; or b) There are insufficient funds to implement the POP based on the federal allocation; or c) The POP is inconsistent with the RTP and/or adopted local transit plans.

If SLOCOG proposes to reject the POP, it will provide notice to the Public Transportation Providers no later than 10 days after it receives the proposed POP from the South County Transit Technical Committee. SLOCOG's Executive Director may provide notice by letter; the notice does not require formal Board action. The SLOCOG Board will act on the proposed rejection of a POP in a public hearing no later than early April, 15<sup>th</sup>. Whenever SLOCOG rejects the POP, the South County Transit Policy Committee (See section 2.10-b) shall convene, and the Public Transportation Providers shall refine and resubmit the POP.

## 2.11 Committees

Two committees are established through this Memorandum as shown in Exhibit C

- a) The South County Transit Technical Committee made of five (5) voting staff members: One (1) from the City of Grover Beach; One (1) from the City of Arroyo Grande; One (1) from the City of Pismo Beach; One (1) from the County of San Luis Obispo; and One (1) from the Regional Transit Authority. Three non-voting staff members shall include One (1) representative from SLOCOG, One (1) representative from the Air Pollution Control District and One (1) representative from Caltrans District 5 as ex-officio members.
- b) The South County Transit Policy Sub Committee made of five (5) voting members: One (1) elected representative on the SLOCOG Board from each of the three (3) Cities in the South County Transit service area- or a subtotal of three (3) local representatives for the Cities-and two (2) elected representatives from the San Luis Obispo Council of Governments (SLOCOG) Board representing the County of San Luis Obispo in the South County area (Districts 3 & 4). The Sub Committee needs only meet if there is a vote on the POP (by the Transit Technical Committee) that is not unanimous. The Policy Sub Committee may also be convened if requested by signatories in this agreement for other planning and coordination issues.

## 2.12 Disputes

If a dispute regarding the allocation of funds arises between SLOCOG and the Public Transportation Providers, the agencies shall negotiate in good faith to resolve the dispute. If such negotiation does not result in resolving the differences, the issue shall be forwarded to the South County Transit Policy Sub Committee for review and recommendation. The recommendation of this Sub Committee shall be forwarded to SLOCOG for review and potential revision of the urban area POP allocation. SLOCOG shall consider the recommendations of the Policy committee and make a final determination of the POP. Its decision shall be final.

## SECTION 3: FTIP Project Monitoring and Maintenance

### 3.1 Progress Reporting

The SLOCOG shall be responsible for tracking the overall progress of all projects in the FTIP. SLOCOG will prepare a mid-year report for the SLOCOG Board of Directors to review that identifies those transit projects that have been programmed, and their status of completion (e.g., on schedule, behind schedule, or completed). In addition, per federal guidelines, SLOCOG is required to produce an annual list of projects for which federal funds have been obligated in the preceding year and will ensure that it is made available for public review. The Public Transportation Providers will assist SLOCOG's effort to track the overall progress of FTIP projects by submitting quarterly reports that address the status of each project receiving federal funds. Most of this data will be readily available in a consistent format from the RTA Grants and Financial Manager, who gathers quarterly updates from each provider under the FTA grant reporting rules. At a minimum, the quarterly report will ~~include~~:

- a) Show projects by category consistent with the adopted FTIP (e.g., Operations, Capital Purchase, Maintenance, Rights of Way and Fixed Facilities Projects). This may include a scope change, needing to be defined under e) below.
- b) Document the stage of project implementation.
- c) If project is behind schedule, give the reasons for the delay.
- d) Status of amount of federal funding obligated, received and used to support projects.
- e) Identify the need for FTIP amendment with the rationale.

In addition to providing the above supporting documents, the Public Transportation Providers will forward to SLOCOG a final copy of all planning documents produced as a result of receiving Federal funding. This will assist SLOCOG in overall transit planning as well as ensure that FTA Section 5307 funds used ~~accordingly~~ for planning purposes meet the FTA’s requirements.

**3.2 FTIP Amendments**

The SLOCOG’s Executive Director will exercise the authority delegated by the SLOCOG Board to process administrative FTIP amendments, involving, for instance, minor changes in project scope or re-allocation of the [FTA Section 5307](#) funds, would other grants materialize for the same project or shifting of funds between project phases within the biennial element of the FTIP.

With the submittal of the quarterly progress report (See item 3.1) or sooner if required, the Public Transportation Providers will alert SLOCOG of the need for amending the FTIP. In general, reasons for formal FTIP amendments include, for example, funding shortfalls, delays in project implementation and/or new projects that need to be amended into the document.

**SECTION 4: MOU Amendment**

This MOU may be amended by the written consent of all parties.

**SECTION 5: MOU Termination**

Either party upon thirty (30) days of written notification to the other may terminate this MOU.

**SECTION 6: Authorization of MOU**

By signature, we agree that the responsibilities outlined in this MOU foster healthy collaboration for the purpose of fostering transit planning and programming federal funds within the SLOCOG Federal Transportation Improvement Program.

**3.3 SECTION 7: Signatures to Witness Agency Consent**

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\_\_\_\_\_  
**Jan Marx, President**

San Luis Obispo Council of Governments &  
San Luis Obispo Regional Transit Authority

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

\_\_\_\_\_  
**Jim Guthrie, Board Chairman**

South County Transit

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

\_\_\_\_\_  
**Lynn Compton, Chair**

San Luis Obispo County

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

APPROVE AS TO FORM AND LEGAL EFFECT:

\_\_\_\_\_  
Tim McNulty, Legal Counsel

San Luis Obispo Council of Governments  
South County Transit  
San Luis Obispo Regional Transit Authority  
San Luis Obispo County

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

**List of Exhibits**

- Exhibit A: South County Urbanized Area map
- Exhibit B: Programming Calendar
- Exhibit C: South County Advisory Structure

|

DRAFT

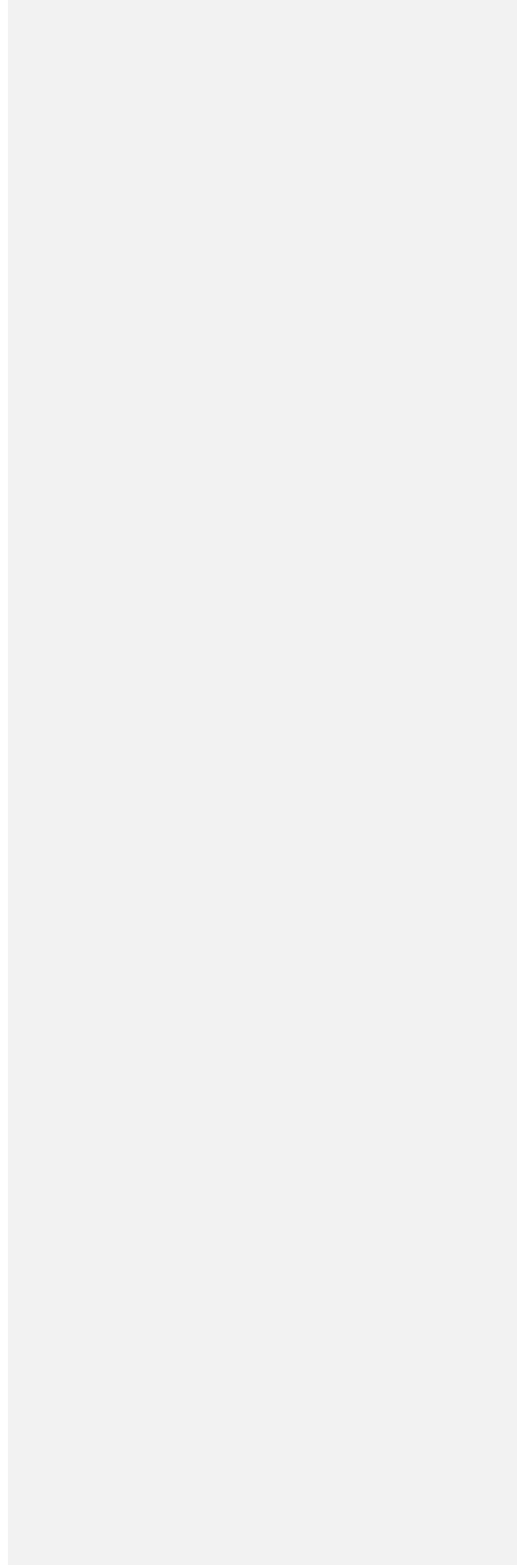




Exhibit A: South County Urbanized Area Map

### Arroyo Grande-Grover Beach Urbanized Area



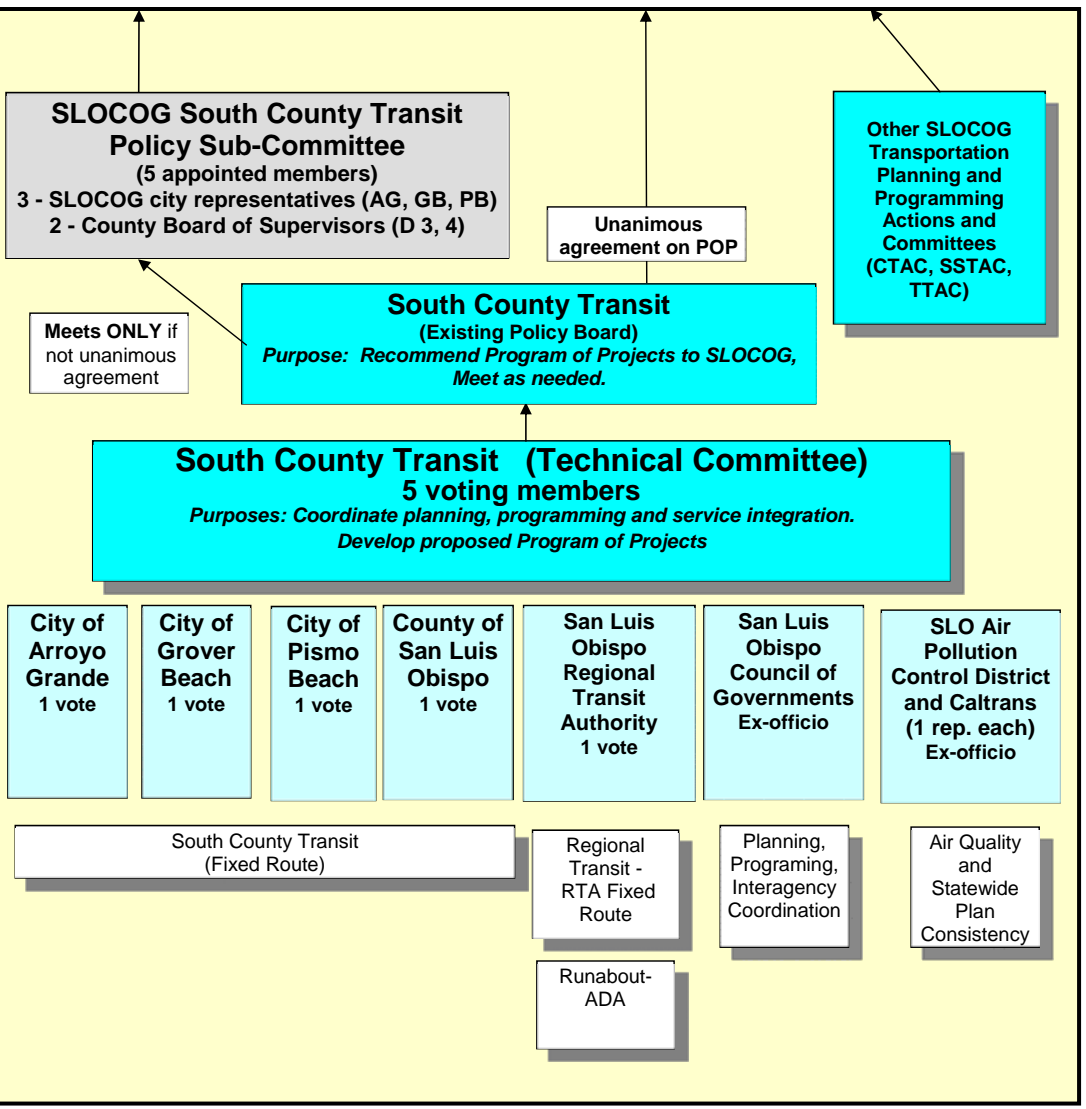
**Exhibit B: Programming Calendar**

EXHIBIT B				
DRAFT PROGRAMMING CALENDAR				
		Even Year(s)	Responsibility/ Lead	Details
1	Schedule 1st POP meeting; MOU Revisions as necessary	January/February	SLOCOG	Funding targets identified, needs discussed, scoring strategy
2	Hold 1st POP meeting (publicly noticed)	March	SLOCOG/UZA TAC	List of candidate projects identified
3	Urbanized Area TAC approves the POP (publicly noticed)	April/May	SLOCOG/UZA TAC	
4	<i>Extra time in case of a dispute re-Draft POP</i>	May	Locals	
5	Locals endorse POP	May	Locals	May be Board action or administrative
6	Adopt 2-Year POP	June or August	SLOCOG	Requires Public Hearing
7	FTIP Approval	August	SLOCOG	Requires Public Hearing
8	Prepare draft grant application to FTA	<del>December</del> January (Every year)	Locals & RTA	
9	Prepare Concurrence Letters	<del>March-February</del> (Every year)	SLOCOG	FTA requires that SLOCOG send a Letter agreeing with the Application
10	Grant Funds Approved	April-October (Every year)	FTA	

## Exhibit C: SOUTH COUNTY ADVISORY STRUCTURE

### San Luis Obispo Council of Governments

*Purpose: Review and Approve Program of Projects (POP) in Federal Transportation Improvement Program amendments (FTIP). Other duties: 1) Make available Public Information on Urbanized Area, 2) Develop proposed POP, 3) Publish proposed POP, 4) Provide opportunity for input, and 5) Ensure coordination of Transit Services in UZA*



**DRAFT**  
**SOUTH COUNTY TRANSIT**  
**MINUTES OF July 20, 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
	Jon Mackenzie	SCT Operations Supervisor
	Shelby Walker	RTA Administrative Assistant
	Mary Gardner	Marketing Manager
	Shelly Kubel	Lead Operations Supervisor

**CALL TO ORDER AND ROLL CALL:** Chairperson Jim Guthrie called the meeting to order at 1:37 p.m. Roll call was taken; a quorum was present.

**PUBLIC COMMENT:**

Chairperson Guthrie opened public comment.

Ms. Virginia Rogers stated that RTA Marketing Manager, Ms. Mary Gardner, contacted her about being in a commercial for South County Transit. She asked a couple of friends to join her in the commercial as well as Chairperson Guthrie. She was happy to be able to participate.

Chairperson Guthrie closed public comment.

**A. INFORMATION AGENDA:**

**A-1 Retirement Recognition for Coleen Kubel (Receive):** Chairperson Guthrie read a letter of recognition to Ms. Kubel and thanked her for her service with South County Transit.

Chairperson Guthrie opened Board and public comment.

**Director Barbara Nicolls** thanked **Ms. Kubel** for her all years of service to SCT and she will be missed.

**Director Shelly Higginbotham** thanked **Ms. Kubel** for her hard work to improve the previous bus yard and thanked her for her dedication to SCT. She hoped that her shoulder gets on the mend.

**Chairperson Guthrie** appreciate her dedication to working with the drivers over the past ten years.

**Director Lynn Compton** wished her well in retirement.

**Mr. Adam Ayers** stated he has been a long time rider on SCT. Remembers when it was the smaller buses and the smaller routes, he appreciates **Ms. Kubel's** work on expanding the services over the years. He stated he appreciated all of **Ms. Kubel's** hard work for the SCT and that she will be missed.

**Ms. Sylvia Medina** thanked **Ms. Kubel** for hiring as a Bus Operator for SCT and appreciated all her hard work.

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

**A-2 Administrator's Report:** **Mr. Geoff Straw** announced that **Ms. Sylvia Medina** is the Employee of the Quarter. He stated it has been a long time coming and he appreciates her hard work and dedication.

SCT service on Father's Day weekend was successfully operated. SCT worked closely with Pismo Beach PD to make sure the system ran smoothly during the traffic congestion caused by the car show.

The LCD screens on the buses are working with showing updates and alerts to riders, the most recent alert on the screen show the 4th of July Holiday schedule. **Mr. Straw** stated that it gives SCT the ability to possibly run advertising. **Director Lynn Compton** asked if people will pay for advertising on the screens. **Mr. Straw** stated that yes, but it has not started yet. When it does the money will help increase the farebox recovery ratio.

He continued his report by stating that service changes will be starting on July 30th. Staff has spent a considerable amount of time marketing the upcoming service and fare changes. Public presentations within the Five Cities were given, informational flyers were sent out, Arroyo Grande High School students were given informational flyers by staff members (and will receive another one in the back to school paperwork), and a press release was given to local media and was run by the Tribune; these are some examples of outreach to notify the public of the changes. There is also more planned outreach to make sure the community is aware.

New bus stop signs will be going up as soon as they arrive. The new signs, as well as the SCT webpage, buses, and banner sign, feature the new SCT logo.

SCT and Ride-on have begun discussions on developing a new contract for the Five Cities Senior Shuttle. Hope to have a draft agreement to bring to the Board at the October 19, 2016 meeting.

**Mr. Straw** stated that the operating results for the first eleven months of FY 15-16 were mixed. Passenger boardings were down from the previous fiscal year due to lower fuel prices and that in September 2015 SCT stopped forcing passengers to transfer at Ramona Garden when staying on the same route. The new routes will make improvements on ridership. The budget is looking good overall, with total operating expenditures at 78.5% of budget through 91.2% of the budget year completed. Vehicle maintenance cost is going up.

**Mr. Straw** concluded his report.

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

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

#### **B. ACTION AGENDA:**

**B-1 SCT Agreement with RTA:** **Mr. Straw** stated that staff has been working on the SCT Agreement with RTA for about a year. The agreement was last updated in 2001. A redline draft copy was provided to the Board and public in January. Since the Census, the area is now urbanized which increased the farebox recovery ratio. When the agreement was last amended, maintenance was not included. RTA now provides the vehicle maintenance. **Mr. Straw** stated that staff is recommending the ratification of the SCT-RTA Agreement document.

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

**Director Shelly Higginbotham** mentioned that the RTA Board adopted the agreement at their July 13, 2016 Board meeting.

**Chairperson Guthrie** said when we are establishing the cost of administration it is done through the budget process, just wanted to make sure the public is aware. **Mr. Straw** stated that budget assumptions get made in January and brought back to the Board in April.

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

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

**B-2 Proposal to Reorganize SCT Supervision Structure (Approve):** **Mr. Straw** stated this is something that has been discussed with the Executive Committee. With the departure of the site supervisor at SCT, it was a good time to take a look at the supervisor model and see if that is how we want to continue to

operate. The current site supervisor would work from 6 p.m.-2:30 p.m. and a part-time supervisor working 2:00 p.m.-8:00 p.m. on weekdays and having no one for weekend coverage. This creates issues when there are collisions, passenger injury, or passenger complaint. An RTA supervisor would come down in that situation but it is has not been a timely solution, and is especially important when a trip is missed. On page B-2-2 there is a table that list the supervisor options.

The table shows what it would cost with 2 full-time supervisors. The current situation is not good during the week, important that the drivers feel safe and supported. The supervisors would report to the RTA Lead Supervisor, **Ms. Shelly Kubel**, but will be SCT employees.

**Director Nicolls** asked for clarification of a Road Supervisor and a Site Supervisor. **Mr. Straw** explained that the Road Supervisor is there to support the drivers and passengers, the Site Supervisor is there to also help with service planning, bus stop issues, and long term planning.

**Mr. Straw** continued by mentioning that the idea of having one full time supervisor and one part-time supervisor could create hierarchal issues as well as the fact that it is hard to find someone who would want a part time supervisor position.

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

**Director Higginbotham** mentioned that the adjusted cost on the table were not consistent, she asked if SCT would be responsible for the extra cost or RTA. **Mr. Straw** stated that RTA would be responsible for the additional cost, which would have to get approval from RTA Board.

Further discussion ensued about the cost and allocation for the supervisors' role.

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

**Chairperson Guthrie** moved to approve Agenda Item B-2. **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 the Consent agenda.

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

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

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

**D. DIRECTORS' COMMENTS:**

**Director Higginbotham** thanked **Mr. Straw** for coming to the city council meetings in the South County area to discuss the new routes and fare increases.

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

ADJOURNMENT: The meeting was adjourned at 2:26 p.m.

Respectfully submitted, Shelby Walker, Administrative Assistant



**SOUTH COUNTY TRANSIT**

**October 19, 2016**

**STAFF REPORT**

**AGENDA ITEM:** C-2

**TOPIC:** Conflict of Interest Policy

**ACTION:** Adopt New Policy

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Approve Resolution

**BACKGROUND/DISCUSSION:**

The State Political Reform Act of 1974 (Government Code Section 81000, et seq.) requires every local government agency to establish and then review its "Conflict of Interest Code" policy biennially to determine if it is accurate or, alternatively, that the policy must be amended.

Staff is hereby submitting for Board consideration an SCT Conflict of Interest Code policy that identifies SCT Board delegates, SCT Board alternates, the SCT Administrator as designated positions. In addition, the RTA Deputy Director/CFO and the RTA Grants Manager are also identified as designated positions. Although technically neither of these latter two positions is staffed by SCT employees, they serve as "consultants" provided by RTA to assist in the administration of SCT and they participate in decisions that may have a material effect on an SCT financial interest.

The standard conflict of interest code as provided for in Section 18723 of the California Code of Regulations, including any amendments thereof, are being adopted by reference into this SCT Conflict of Interest Code policy.

# SOUTH COUNTY TRANSIT CONFLICT OF INTEREST CODE

## ARTICLE I – GENERAL

### Section

#### 100. Purpose and Effect:

- a) Pursuant to the provisions of Government Code Section 87300, South County Transit (SCT) hereby adopts the following Conflict of Interest Code. This Code shall be interpreted in a manner consistent with Government Code Section 81000 – *the “Political Reform Act of 1974,”* et seq.; (the “Act”) and the Regulations adopted pursuant thereto by the Fair Political Practices Commission. The provisions of this Code are in addition to Government Code Sections 87100, 1090-1097, 1125-1127, Education Code Section 1171, et seq., and other laws pertaining to conflicts of interest.
- b) This Code has the force and effect of law and any violation of this Code shall be deemed a violation of Chapter 7 of the Act, Government Code Section 87100, et seq., and will be subject to the enforcement and penalty provisions provided for in the Act.

#### 101. Definitions. Except as provided in subsections (a) and (b), the definitions contained in the Act and the regulations adopted pursuant thereto are incorporated into this Code.

- a) The definition of “Investment” contained in the Act (Government Code Section 82034) is incorporated herein, except that the term “investment” shall not include ownership of less than one-half (1/2) of one (1) percent of the outstanding securities of a business entity whose securities are registered with the Securities and Exchange Commission of the United States Government.
- b) The definition of “Income” contained in the Act (Government Code Section 82030) is incorporated herein, except that “income” shall not include a designated employee’s compensation received from the Council.

#### 102. Effective Date of Code. This Code shall become effective on \_\_\_\_\_.

#### 103. Severability. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase or word of this Code is for any reason held to be invalid, unconstitutional or unenforceable, such decision shall not affect the validity of the remaining portions of this Code. It is hereby declared that this Code, and each section, subparagraph, sentence, clause, phrase and word thereof, would have been adopted irrespective of the fact that one or more of such portions of this Code be declared invalid, unconstitutional or unenforceable.

#### 104. Statute of Limitations. No action based on a disqualification provision of this Code shall be brought pursuant to Government Code Section 91003(b) to restrain the execution of, or to set aside official action of the SCT unless commenced within ninety (90) days following the official action.

## ARTICLE II – DESIGNATED POSITIONS AND REPORTABLE FINANCIAL INTERESTS

### Section

200. Designated Positions and Designated Employees. The positions within the SCT identified in Exhibit “A” of this Code are hereby established as “designated positions.” Any officer, employee, governing board member (where appropriate) or consultant of the SCT whose position with the SCT is a “designated position” in Exhibit “A” of this Code is a “designated employee.” A person is a designated employee when the person’s position with the SCT entails the making or participation in the making of decisions, which may foresee ably have a material effect on a financial interest.
201. Reportable Financial Interests. In Exhibit “A” of this Code, each designated position is assigned disclosure category numbers, which correspond to specific financial disclosure categories set forth in Exhibit “B.” Each designated employee shall disclose those financial interests required in the Exhibit “B” disclosure categories listed next to his/her designated position in Exhibit “A.”
202. Scope of Reportable Financial Interests. Only “financial interests” can be made reportable by a conflict of interest code. For disclosure purposes, the Act divides financial interests into three groups: investments, interests in real property and income (Government Code Section 87302(b)). Except as modified in Section 101 of this Code, the broad definitions and limitations of the terms investment, interest in real property and income are found in the Act (Government Code Sections 82034, 82033, and 82030). If a financial interest does not fit within any of these three definitions, a designated employee cannot be required by a conflict of interest code to disclose that interest. In addition, the types and scope of investments, interests in real property and income made reportable by a designated employee’s disclosure categories may, in many situations, be narrower than the basic definitions found in the Act. To prevent over disclosure, each designated employee should therefore consult the definitions of investments, interests in real property, and income, as well as his or her specific disclosure categories before filling out the statement of financial interests.
203. Manner of Reporting Financial Interests. Except as provided in subsections (a) & (b), the manner of reporting reportable investments, interests in real property and income shall be pursuant to Government Code Sections 87206 and 87207.
- a) Designated employees are not required to comply with Government Code Section 87206(e).
  - b) For purposes of Government Code Section 87207(b)(2) and (3), the disclosure of the names of clients or customers who paid fees to the business entity is required only if it is reasonably foreseeable that financial interest of the client or customer may be materially affected by any SCT related decisions made or participated in by the designated employee.

## ARTICLE III – FILING OF STATEMENTS OF FINANCIAL INTERESTS

### Section

300. Duty to File Statements of Financial Interests. It shall be the duty of each designated employee to file statements of financial interests conforming to all applicable requirements of this Code. Such statements shall be on forms provided by the County Clerk upon request.
301. Designation and Duties of Filing Officer; Place of Filing Statements:
- a) The SCT herewith delegates authority and responsibility to the County Clerk for receipt of all statements of financial interests and for administration of the duties of the filing officer delineated in Government Code Sections 81008, 81010, and 91013.
  - b) Designated employees shall file any statements required by this Code with the County Clerk who shall retain the original and forward a copy to the SCT. Both the County Clerk and the SCT shall make statements accessible to the public in a manner consistent with Government Code Section 81008.
  - c) Upon request, the County Clerk shall supply copies of pertinent sections of the Act, this Code, disclosure forms and instruction manuals for filling out disclosure forms.
302. Times of Filing and Periods Covered by Statements:
- a) Initial Statements shall be filed by each designated employee within thirty (30) days after the effective date of this Code and shall disclose investments and interests in real property (but not income) held at the time of filing. Persons appointed, promoted, or transferred to designate positions shall file initial statements within thirty (30) days after the date of assuming the position.
  - b) Annual Statements shall be filed April 1 disclosing reportable investments, interests in real property and income held or received in the period since the closing date of the designated employee's previously filed statement and December 31<sup>st</sup>.
  - c) Leaving Office Statements shall be filed by every person who leaves a designated position specified in Exhibit "A" within thirty (30) days after leaving the position, disclosing his or her reportable investments, interests in real property and income during the period since the closing date of the previous statement filed pursuant to this Code. The statement shall include any reportable investments, interests in real property, and income held or received at any time during the period covered by the statement, whether or not still held at the time of filing.

## ARTICLE IV – DISQUALIFICATION

### Section

#### 400. Circumstance Requiring Disqualification:

- a) A designated employee must disqualify himself or herself from making or participating in the making of any decision, or from using his or her official position to influence an SCT decision, if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from the decision's effect on the public generally, on any reportable<sup>1</sup> financial interest (except gifts of less than \$250.00) or upon any business entity in which the designated employee holds a position of management or is a director, officer, partner, trustee, or employee.
- b) No designated employee shall be prevented from making or participating in the making of any decision:
  - 1) Which relates to his or her compensation from the SCT, or the terms and conditions of his or her employment or contract with the SCT; or
  - 2) To the extent his or her participation is legally required for the decision to be made. The fact that an official's vote is needed to break a tie does not make his or her participation legally required for purposes of this section.

#### 401. Manner of Disqualification:

- a) If a person required to disqualify pursuant to Section 400 is a member of a decision-making board, commission or committee, he or she shall:
  - 1) Give notice of the existence of the conflict at the meeting during which consideration of the decision takes place, the notice to be made part of the official record; and
  - 2) Refrain from participating in the decision or in any way attempting to use his or her official position to influence the decision.
- b) All other designated employees required to disqualify pursuant to Section 400 shall do so by notifying his or her supervisor in writing, describing with particularity the nature of the conflicting financial interest. Upon receipt of such statement, the supervisor shall reassign the matter to another employee.

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<sup>1</sup> Although not required by this Code, under Government Code Section 87100 and other conflict of interest laws, a public official or employee (whether designated or not) may be required to disqualify himself or herself from making or participating in a decision in situations where a financial interest, although not subject to disclosure by a conflict of interest code, may foresee ably be materially affected by the decision.

## SOUTH COUNTY TRANSIT CONFLICT OF INTEREST CODE

### EXHIBIT A – Designated Position List

<b>Designated Position</b>	<b>Disclosure Category Numbers<sup>2</sup></b>
<u>SCT Director</u> <sup>3</sup>	1, 2, 3
<u>Alternate SCT Director</u>	1, 2, 3
<u>SCT Administrator</u>	1, 2, 3
<u>RTA Deputy Director/Chief Financial Officer</u> <sup>4</sup>	1, 2, 3
<u>RTA Grants Manager</u> <sup>5</sup>	1, 2, 3

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<sup>2</sup> Disclosure Categories Numbers are presented in Exhibit B.

<sup>3</sup> An SCT Director who is a Board of Supervisors Member reports under Conflict of Interest Code for the County Board of Supervisors and is not required to file a separate statement under the SCT Code.

<sup>4</sup> This position, while not technically an SCT employee, makes decisions or participates in the making of a decision that may have a material effect on an SCT financial interest.

<sup>5</sup> Ibid.

# SOUTH COUNTY TRANSIT CONFLICT OF INTEREST CODE

## EXHIBIT B – Disclosure Categories

<b>Category Number</b>	<b>Description</b>
1	Interests in real property <sup>6</sup> located within, or not more than one-half (1/2) mile outside the County boundary.
2	Investments <sup>7</sup> in, and income <sup>8</sup> from, any business entity doing business within the County.
3	Income of any business entity in which the filer or spouse owns a 10% interest or greater, which is derived from client(s) or customer(s) who, with reasonable foresee ability, could be materially affected by the decisions made or participated in by the filer. Names of such client(s) or customer(s) must be reported under this category if the filer's pro rata share of fees from such client or customer was greater than \$1,000 in the reporting period in the case of businesses providing legal or brokerage services, or \$10,000 for all other types of businesses.

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<sup>6</sup> Interests in real property of the filer include those of the filer's spouse and dependent children as well as the filer's pro rata share of interests in real property owned by any business entity or trust in which filer or spouse owns a 10% interest or greater. Excluded are interests in real property with a fair market value of less than \$1,000 or property, which is used principally as the place of residence of the filer. (Government Code Sections 82033 and 87206.5).

<sup>7</sup> Investments of a filer include those of the filer's spouse and dependent children as well as the filer's pro rate share of investments owned by any business entity or trust in which the filer or spouse owns a 10% interest or greater. Excluded are assets with the fair market value of less than \$1,000 or ownership of less than one-half (1/2) of 1% of the outstanding securities of a business entity whose securities are registered with the Securities and Exchange Commission. (Government Code Section 82034 and Section 101 of this Code).

<sup>8</sup> Income includes a filer's community property interest in income of his or her spouse, as well as the filer's pro rata share of income of any business entity or trust in which the individual or spouse owns a 10% interest or greater. Income also includes non-family gifts worth more than \$25. (Government Code Section 82030).

**SOUTH COUNTY TRANSIT**

**October 19, 2016**

**STAFF REPORT**

**AGENDA ITEM:** C-3

**TOPIC:** Annual Fiscal & Compliance Audit

**ACTION:** Review and Accept the FY2015-16 Audit Report

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Review and Accept the FY2015-16 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 SCT by Moss, Levy & Hartzheim, LLP.

Of particular interest to SCT 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 SCT, 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 2015-16 Annual Fiscal and Compliance Audit report.



**SOUTH COUNTY TRANSIT**  
FINANCIAL STATEMENTS  
June 30, 2016

**SOUTH COUNTY TRANSIT**  
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June 30, 2016

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## 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, 2016, 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, 2016, 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 2015 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, 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 29, 2016, 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, Remy & Haugheim LLP*

September 29, 2016  
Santa Maria, California

**SOUTH COUNTY TRANSIT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**  
**WITH COMPARATIVE TOTALS FOR JUNE 30, 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 839,528	\$ 973,959
Accounts receivable	18,209	55,530
Prepaid items	4,085	3,768
Deposits	2,000	2,000
Total current assets	<u>863,822</u>	<u>1,035,257</u>
Capital assets:		
Depreciable:		
Buildings and improvements	264,718	261,506
Equipment and vehicles	3,034,270	3,583,529
Less accumulated depreciation	<u>(1,821,550)</u>	<u>(2,171,409)</u>
Total net capital assets	<u>1,477,438</u>	<u>1,673,626</u>
 Total assets	 <u>2,341,260</u>	 <u>2,708,883</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	268,561	154,473
Accrued payroll	14,193	9,844
Unearned revenue	130,599	112,163
Total current liabilities:	<u>413,353</u>	<u>276,480</u>
Noncurrent Liabilities		
Compensated absences	<u>2,549</u>	<u>5,760</u>
Total noncurrent liabilities:	<u>2,549</u>	<u>5,760</u>
 Total liabilities	 <u>415,902</u>	 <u>282,240</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,477,438	1,673,626
Unrestricted	<u>447,920</u>	<u>753,017</u>
 Total net position	 <u>\$ 1,925,358</u>	 <u>\$ 2,426,643</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, 2016

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>2016</u>	<u>2015</u>
<b>Operating Revenues:</b>		
Passenger fares	\$ 139,508	\$ 149,222
Advertising and other income	4,538	3,090
Total operating revenues	<u>144,046</u>	<u>152,312</u>
<b>Operating Expenses:</b>		
Salaries and benefits	458,580	427,441
Maintenance and operation	485,390	396,574
Administration and financial services	79,830	78,760
Depreciation	232,615	202,531
Total operating expenses	<u>1,256,415</u>	<u>1,105,306</u>
Operating income (loss)	<u>(1,112,369)</u>	<u>(952,994)</u>
<b>Non-Operating Revenues (Expenses):</b>		
Interest income	4,344	2,640
Transportation Development Act funds	189,302	464,330
Fees and reimbursements from other governmental agencies	46,729	45,553
Federal grants	372,691	384,161
Settlement payments	(38,409)	
Total non-operating revenues (expenses)	<u>574,657</u>	<u>896,684</u>
<b>Capital Contributions:</b>		
Federal capital grants		85,179
State capital grants	33,215	373,309
Local transportation capital grants	3,212	106,295
Total capital contributions	<u>36,427</u>	<u>564,783</u>
Change in net position	<u>(501,285)</u>	<u>508,473</u>
Net position, beginning of fiscal year	2,426,646	1,894,103
Prior-period adjustment		<u>24,067</u>
Net position, beginning of fiscal year-restated	<u>2,426,643</u>	<u>1,918,170</u>
Net position, end of fiscal year	<u>\$ 1,925,358</u>	<u>\$ 2,426,643</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, 2016**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 185,192	\$ 111,366
Payments to suppliers and wages	<u>(908,891)</u>	<u>(1,105,544)</u>
Net cash (used) by operating activities	<u>(723,699)</u>	<u>(994,178)</u>
 <b>Cash Flows From Capital and Related Financing Activities:</b>		
Acquisition and construction of property, plant, and equipment	(36,427)	(564,783)
Capital grants received	<u>51,038</u>	<u>651,623</u>
Net cash provided by capital and related financing activities	<u>14,611</u>	<u>86,840</u>
 <b>Cash Flows from Noncapital Financing Activities:</b>		
Operating subsidies	189,302	464,330
Fees, grants, and reimbursements received	419,420	429,714
Settlement payments	<u>(38,409)</u>	<u>          </u>
Net cash provided by noncapital financing activities	<u>570,313</u>	<u>894,044</u>
 <b>Cash Flows From Investing Activities:</b>		
Interest income	<u>4,344</u>	<u>2,640</u>
Net cash provided by investing activities	<u>4,344</u>	<u>2,640</u>
 Net decrease in cash and cash equivalents	(134,431)	(10,654)
 Cash and cash equivalents, beginning of fiscal year	<u>973,959</u>	<u>984,613</u>
 Cash and cash equivalents, end of fiscal year	<u>\$ 839,528</u>	<u>\$ 973,959</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, 2016**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>2016</u>	<u>2015</u>
<b>Reconciliation of operating loss to net cash (used) by operating activities:</b>		
Operating loss	\$ (1,112,369)	\$ (952,994)
Adjustments to reconcile operating income to net cash used by operating activities		
Depreciation expense	232,615	202,531
Change in operating assets and liabilities:		
Accounts receivable	37,321	(38,546)
Prepaid items	(317)	(1,049)
Accounts payable	114,088	(199,202)
Accrued payroll	4,349	(881)
Compensated absences	(3,211)	(1,637)
Unearned revenue	3,825	(2,400)
Net cash (used) by operating activities	<u>\$ (723,699)</u>	<u>\$ (994,178)</u>

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

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016**

**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. 74	"Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
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. 77	"Tax Abatement Disclosures"	The provisions of this statement are effective for fiscal years beginning after December 15, 2015.
Statement No. 78	"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"	The provisions of this statement are effective for fiscal years beginning after December 15, 2015.
Statement No. 79	"Certain External Investment Pools and Pool Participants"	The provisions of this statement are effective for fiscal years beginning after December 15, 2015.

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

M. Future Accounting Pronouncements

Statement No. 80	"Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
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.

**NOTE 3 - CASH AND INVESTMENTS**

On June 30, 2016, the Agency had the following cash and investments on hand:

Cash on hand and in banks	\$ 22,381
Investments	<u>817,147</u>
Total cash and investments	<u>\$ 839,528</u>

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

Cash and investments, statement of net position	<u>\$ 839,528</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

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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.

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	\$ 601,224	\$ 601,224	\$ -	\$ -	\$ -
Local Agency Investment Fund	<u>215,923</u>	<u>215,923</u>			
<b>Total</b>	<b><u>\$ 817,147</u></b>	<b><u>\$ 817,147</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	\$ 601,224	N/A	\$ -	\$ -	\$ -	\$ 601,224
Local Agency Investment Fund	<u>215,923</u>					<u>215,923</u>
<b>Total</b>	<b><u>\$ 817,147</u></b>		<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 817,147</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.

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

Custodial Credit Risk (Continued)

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).

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, 2016, was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
<i>Business-type activities:</i>				
Capital Assets, being depreciated				
Building and improvements	\$ 261,506	\$ 3,212	\$ -	\$ 264,718
Vehicles and equipment	3,583,529	33,215	582,474	3,034,270
Total capital assets, being depreciated	<u>3,845,035</u>	<u>36,427</u>	<u>582,474</u>	<u>3,298,988</u>
Less accumulated depreciation for:				
Building and improvements	258,012	4,152		262,164
Vehicles and equipment	1,913,397	228,463	582,474	1,559,386
Total accumulated depreciation	<u>2,171,409</u>	<u>232,615</u>	<u>582,474</u>	<u>1,821,550</u>
Net depreciable capital assets	<u>\$ 1,673,626</u>	<u>\$ (196,188)</u>	<u>\$ -</u>	<u>\$ 1,477,438</u>

Depreciation expense for the fiscal year ended June 30, 2016, was \$232,615. Depreciation expense for the fiscal year ended June 30, 2015, was \$202,531.

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016 and 2015:

<u>Allocation Assigned By/Claimant</u>	<u>Article/Section</u>	<u>Amount</u>	
		<u>2016</u>	<u>2015</u>
Local Transportation Fund:			
City of Arroyo Grande	4 / 99260(a)	\$ 38,757	\$ 178,801
City of Grover Beach	4 / 99260(a)	29,374	136,095
City of Pismo Beach	4 / 99260(a)	17,237	79,311
County of San Luis Obispo	4 / 99260(a)	<u>16,625</u>	<u>75,087</u>
Total Article 4 – LTF		<u>101,993</u>	<u>469,294</u>
State Transit Fund:			
Regional Transit Authority	6.5 / 99313	83,561	94,600
Regional Transit Authority	6.5 / 99314	<u>6,960</u>	<u>6,731</u>
Total Article 6.5 – STF		<u>90,521</u>	<u>101,331</u>
Total TDA Revenue		<u>\$ 192,514</u>	<u>\$ 570,625</u>

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:

	<u>Amount</u>	
	<u>2016</u>	<u>2015</u>
Operating expenses	\$ 1,256,415	\$ 1,105,306
Plus/(minus):		
Capital purchases with LTF and STA	3,212	
Depreciation	(232,615)	(202,531)
Fare revenues	(139,508)	(149,222)
Other operating revenues	<u>(4,538)</u>	<u>(3,090)</u>
Maximum total allocation	882,966	750,463
TDA operating allocations received and accrued	<u>192,514</u>	<u>464,330</u>
Allocation over/under maximum	<u>\$ (690,452)</u>	<u>\$ (286,133)</u>

**NOTE 6 – FARE REVENUE RATIO**

The Agency had fare revenue ratios for the year ended June 30, 2016 and 2015, computed as follows:

	<u>2016</u>	<u>2015</u>
(a) Operating revenues – passenger fares	\$ 139,508	\$ 149,222
(b) Operating costs – net of depreciation expense	1,023,800	902,775
(c) Fare revenue ratio [ (a) / (b) ]	13.63%	16.53%
Minimum ratio required	20.00%	20.00%
Under minimum ratio requirement	6.37%	3.47%

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

**SOUTH COUNTY TRANSIT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Compensated absences	\$ 5,760	\$ 10,643	\$ 13,854	\$ 2,549

**NOTE 8 – UNEARNED REVENUE**

Unearned revenue at June 30, 2016, and June 30, 2015, consisted of the following:

	June 30, 2016	June 30, 2015
Bus Pass Sales	\$ 4,474	\$ 649
Low Carbon Transit Operations Program	97,348	97,419
Prop 1B funding	28,777	14,095
Total Unearned revenues	\$ 130,599	\$ 112,163

**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 \$20 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 \$9,040. The Agency was allocated an additional \$47,116 for ITS sign improvements in July 2015. The Agency had qualifying expenditures incurred under this program from previous allocation totaling \$33,215, which was used for the procurement of one transit coach and is included in State capital grants in the accompanying financial statements.



**SUPPLEMENTARY INFORMATION SECTION**

**SOUTH COUNTY TRANSIT**  
**PROPRIETARY FUND**  
**SCHEDULE OF EXPENSES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 68,400	\$ 69,658	\$ (1,258)
Workers Compensation	51,000	48,137	2,863
Property Insurance	700	637	63
Rent	25,500	25,599	(99)
Utilities	8,450	8,279	171
Radio Expense	1,240	1,236	4
Legal Services	500	4,883	(4,383)
Payroll Processing	3,490	1,455	2,035
Administration	65,410	65,410	
Finance	14,420	14,420	
Office Expense/Miscellaneous	5,990	9,470	(3,480)
Audit	3,070	3,075	(5)
Marketing/Community Relations/Printing	18,000	15,581	2,419
Uniforms/Laundry/Physicals/Ads	7,550	7,766	(216)
<b>Operating Expenditures</b>			
Salaries/Benefits	509,760	458,580	51,180
Maintenance	111,200	152,680	(41,480)
Dispatch	18,750	18,750	
Sign Maintenance	3,000		3,000
SCAT Bus Fuel	208,800	118,184	90,616
Contingency	15,000		15,000
Total administration and operations	<u>1,140,230</u>	<u>1,023,800</u>	<u>116,430</u>
<b>Capital Outlay</b>			
Vehicles/ITS	186,200	33,215	152,985
Facility Improvements/Bus Stop Amenities	<u>83,340</u>	<u>3,212</u>	<u>80,128</u>
Total capital outlay	<u>269,540</u>	<u>36,427</u>	<u>233,113</u>
<b>Nonoperating Item - Wage Order 9 Settlement</b>	<u>41,170</u>	<u>38,409</u>	<u>2,761</u>
Total expenses, budgetary basis	<u>\$ 1,450,940</u>	<u>\$ 1,098,636</u>	<u>\$ 352,304</u>
<b>TOTAL EXPENSES, BUDGETARY BASIS</b>		\$ 1,098,636	
<b>ADD:</b>			
<b>DEPRECIATION</b>		232,615	
<b>LESS:</b>			
<b>CAPITALIZED EXPENSES</b>		(36,427)	
<b>NONOPERATING EXPENSES</b>		(38,409)	
<b>TOTAL OPERATING EXPENSES PER FINANCIAL STATEMENTS</b>		<u>\$ 1,256,415</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, 2016, and the related notes to basic financial statements, and have issued our report thereon dated September 29, 2016.

**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, 2016. 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 2016-1.

**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, Levy & Hartzheim LLP*

September 29, 2016  
Santa Maria, California

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

BEVERLY HILLS · CULVER CITY · SANTA MARIA

**SOUTH COUNTY TRANSIT**  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016

**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%.

**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. Prior to these changes the Agency likely would not have achieved the 20% farebox recovery ratio requirement by the fifth full year of transit service since being designated an urbanized area. Failure to achieve it in the determination year (FY17/18) would have resulted in a fiscal penalty that would have been assessed in the "penalty year" (FY18/19). The new Routes 27/28 and new fare program will effectively push the determination year to FY18-19 and the penalty year to FY19-20.



Moss, Levy & Hartzheim LLP

Certified Public Accountants

September 29, 2016

To the Board of Directors  
South County Transit

We have audited the basic financial statements of the governmental activities of South County Transit for the fiscal year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 13, 2016. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by South County Transit are described in Note 2 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

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

##### *Difficulties Encountered in Performing the Audit*

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

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

##### *Disagreements with Management*

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

##### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 29, 2016.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Very truly yours,

*Moss, King & Hultgreen LLP*

September 29, 2016

Santa Maria, California

## **SOUTH COUNTY TRANSIT**

**October 19, 2016**

### **STAFF REPORT**

<b>AGENDA ITEM:</b>	<b>C-4</b>
<b>TOPIC:</b>	<b>Caltrans Sustainable Transportation Planning Grant Funds</b>
<b>ACTION:</b>	<b>Approve</b>
<b>PRESENTED BY:</b>	<b>Geoff Straw, Administrator</b>
<b>STAFF RECOMMENDATION:</b>	<b>Resolution Authorizing the Administrator to Submit an Application and Execute a Sustainable Transportation Planning Grant to Update the SCT 2011 SRTP</b>

#### **Background:**

The Sustainable Transportation Planning Grant Program was created to support the California Department of Transportation's (Caltrans) current Mission: Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability. Grant Program Overarching Objectives were also identified to ensure consideration of these major efforts in transportation planning, including: Sustainability, Preservation, Mobility, Safety, Innovation, Economy, Health, and Equity.

An estimated total of \$9.3 million is allocated in the various categories of Sustainable Transportation Planning Grant Program funds available Statewide in FY17-18, and grant applications are due by November 4, 2016. In terms of applicable sub-category funds, it would be appropriate for SCT to seek "Sustainable Communities" funds to update the 2011 SCT Short Range Transit Plan (SRTP), which technically expires after FY17-18. A total of \$7.8 million of Sustainable Communities sub-grant funds are budgeted for FY17-18 Statewide. The Sustainability Communities sub-grant funds are comprised of FTA Section 5304 funds and State Highway Account funds that are passed through Caltrans.

The current 2011 SRTP was developed in 2009 and 2010, during which United States communities were still recovering from the economic recession. Additionally, the South County area was yet to be officially designated as a federally-recognized Small Urbanized Area, which has provided approximately \$700,000 annually in FTA Section 5307 funds to the area since 2012. Finally, the Low-Carbon Transit Operations Fund Program had yet to be established at the State level, and that funding source was recently used by SCT to implement the new Route 27 and 28 services on July 30, 2016. For these reasons, it is imperative that SCT seek to update the SRTP to reflect current and projected future conditions.

The Sustainable Transportation Planning Grant Program requires a minimum 11.47% local match. A \$80,000 total grant results in \$9,176 in local funds and \$70,824 in Sustainable Transportation Planning Grant funds. Local funds would likely be provided using Transportation Development Act funds, which would be considered for adoption during development of the FY17-18 SCT budget.

**Staff Recommendation:** Staff is requesting authorization to submit a grant application of up to \$80,000 to update the SCT SRTP. Staff recommends approval of the attached resolution.



**SOUTH COUNTY TRANSIT  
RESOLUTION NO. 16-\_\_\_**

**A RESOLUTION OF THE SOUTH COUNTY TRANSIT BOARD OF  
DIRECTORS, AUTHORIZING THE ADMINISTRATOR TO SUBMIT AND  
EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF  
TRANSPORTATION FOR THE SCT SHORT RANGE TRANSIT PLAN UPDATE**

**WHEREAS**, Caltrans has issued a call for projects for Fiscal Year 2017-18 Sustainable Transportation Planning Grant funds totaling \$9.3 million statewide; and

**WHEREAS**, South County Transit is an eligible applicant for Sustainable Transportation Planning Grant "Sustainable Communities" Grant funds; and,

**WHEREAS**, South County Transit is in need to update its recently-expired 2011 Short Range Transit Plan, a planning project that is eligible under the Sustainable Transportation Planning Grant "Sustainable Communities" Grant Program; and

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

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

**WHEREAS**, South County Transit is requesting up to **\$80,000** (including the local 11.47% match) from the Sustainable Transportation Planning Grant "Sustainable Communities" Grant Program to update the recently-expired 2011 Short Range Transit Plan; and

**WHEREAS**, South County Transit wishes to delegate authorization to submit a grant application; and

**WHEREAS**, a Restricted Grant Agreement will need to be executed with the California Department of Transportation before such funds can be claimed through the Transportation Planning Grant Programs; and

**WHEREAS**, South County Transit wishes to delegate authorization to execute these agreements and any amendments thereto;

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the South County Transit Board of Directors authorizes the Administrator to submit a grant proposal to the California Department of Transportation for a Sustainable Transportation Planning Grant "Sustainable Communities" Grant of up to **\$80,000** (including the local 11.47% match) to update the 2011 Short Range Transit Plan.

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

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

**BE IT FURTHER RESOLVED**, that the Board of Directors of South County Transit authorizes the Administrator to execute all Restricted Grant Agreements and any amendments thereto with the California Department of Transportation.

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINING:**

The foregoing resolution is hereby adopted this 19<sup>st</sup> day of October 2016.

\_\_\_\_\_  
Jim Guthrie, Chairperson  
South County Transit

**ATTEST:**

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

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

Rita L. Neal  
County Counsel

By: \_\_\_\_\_  
Timothy McNulty, Counsel  
South County Transit

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

**SOUTH COUNTY TRANSIT**

**October 19, 2016**

**STAFF REPORT**

**AGENDA ITEM:** C-5

**TOPIC:** State of California Low-Carbon Transit Grant Program

**ACTION:** Approve

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Resolution Authorizing the Administrator to Submit an Application for LCTOP Funds

**Background:**

The Low-Carbon Transit Operations Program (LCTOP) is one of several programs funded as part of the State of California FY14-15 budget, which has a goal of reducing greenhouse gas emissions and achievement of other benefits. These grant programs are funded by auction proceeds from the California Air Resource Board's Cap-and-Trade Program, with proceeds deposited into the Greenhouse Gas Reduction Fund. The LCTOP received \$25 million in FY14-15, and five (5) percent will be continuously appropriated annually.

There is an estimated \$150,000 in LCTOP funds available in San Luis Obispo County in FY16/17. Eligible recipients of the LCTOP funds include South County Transit, RTA, SLO Transit, Paso Express, Atascadero Dial-A-Ride, Morro Bay Transit and SLOCAT. Eligible projects will support new or expanded bus services (up to three years) or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

**Staff Recommendation:** Staff is requesting authorization to submit a grant application of up to \$100,000 for the continuation of operating services for SCT Routes 27 and 28 in FY17-18. Staff recommends approval of the attached resolution.

**SOUTH COUNTY TRANSIT  
RESOLUTION NO. 16-\_\_\_**

**A RESOLUTION OF THE SOUTH COUNTY TRANSIT BOARD OF  
DIRECTORS, AUTHORIZING SUBMITTAL OF A GRANT APPLICATION  
TO THE STATE OF CALIFORNIA  
LOW-CARBON TRANSIT OPERATIONS PROGRAM  
FY2016-17**

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

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

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

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

**WHEREAS**, South County Transit is requesting up to **\$100,000** from the Low Carbon Transit Operations Program to support new or expanded bus services with the goal of reducing greenhouse gas emissions.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the South County Transit Board of Directors authorizes the Administrator to submit a proposal to the State of California Low Carbon Transit Operations Program of up to **\$100,000** for the purchase of various materials, supplies and equipment.

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

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

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINING:**

The foregoing resolution is hereby adopted this 19<sup>st</sup> day of October 2016.

\_\_\_\_\_  
Jim Guthrie, Chairperson  
South County Transit

**ATTEST:**

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

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

Rita L. Neal  
County Counsel

By: \_\_\_\_\_  
Timothy McNulty, Counsel  
South County Transit

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