

South County Transit Committee Agenda

Wednesday, May 1, 2024 **8:15 a.m. to 9:00 a.m.** (Ending time is approximate)

BOARD OF SUPERVISORS' CHAMBERS

COUNTY GOVERNMENT CENTER

1055 Monterey Street, San Luis Obispo, California 93401

The AGENDA is available/posted at: <http://www.slorta.org>

Members:

Dawn Ortiz-Legg (SCTC Chair, Third District – SLO County)
Jim Guthrie (SCTC Vice Chair, Arroyo Grande)

Daniel Rushing (Grover Beach)
Ed Waage (Pismo Beach)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency) by contacting the RTA offices at (805)541-2228 x4833. Please note that 48 hours advance notice will be necessary to honor a request.

RTA, de acuerdo con la Ley de Estadounidenses con Discapacidades (ADA), acomodará a las personas que requieran una modificación de la adaptación para participar en esta reunión. RTA también se compromete a ayudar a las personas con dominio limitado del inglés a acceder a los servicios públicos esenciales de la agencia y a la información pública en español. Para solicitar una adaptación, por favor llame al (805)541-2228 x4833. Requerimos al menos 48 horas de anticipación para proporcionar adaptaciones razonables.

FLAG SALUTE

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENTS: This portion of the agenda is reserved for any members of the public to directly address the South County Transit Committee on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Committee 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.

ADMINISTRATIVE ITEMS

ELECTION OF OFFICERS: Elect Chairperson and Vice Chairperson

A. ACTION AGENDA

A-1 Fiscal Year 2024-25 Operating and Capital Budget (Approve)

B. INFORMATION AGENDA

None

C. CONSENT AGENDA

C-1 South County Transit Committee Minutes of May 3, 2023 (Approve)

D. MEMBER COMMENTS

ADJOURNMENT

Fiscal Year 2024/2025 Operating Budget

Projected Five Year Capital Budget

Presented to the South County Transit Committee
For Transit Services in the Five Cities Area



May 1, 2024

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Vision Statement

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

Mission Statement

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

Vision Elements

- Continue successful partnerships with jurisdictions, county, other public agencies, businesses and schools.
- Provide excellent, reliable, sustainable seamless service that is effective in getting residents and visitors where they want to travel.
- Secure reliable funding.
- Implement an Intelligent Transportation Systems (ITS) program to improve service quality and provide efficiencies.
- Develop a well-executed image-building campaign with a single face for public transportation.

Strategic Direction

- Stabilize and grow funding.
- Continue to improve service quality: On-time performance, scheduling and routing, customer amenities on our vehicles and at our bus stops, operating procedures.
- Consolidate and streamline operations to improve efficiency and effectiveness of public transportation throughout the county.
- Include public transportation as part of the lifestyle evolution needed to confront climate change.
- Reduce private automobile Vehicle Miles Traveled (VMT).
- Improve SoCo Transit's farebox recovery ratio to avoid Transportation Development Act (TDA) penalties.

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

Goals

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

**SOUTH COUNTY TRANSIT COMMITTEE
MAY 1, 2024
STAFF REPORT**

AGENDA ITEM: A-1

TOPIC: Fiscal Year 2024-25 Operating and Capital Budget

ACTION: Adopt Fiscal Year 2024-25 Budget as Presented

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Adopt the SoCo Transit FY24-25 Budget as Presented

BACKGROUND

We appreciate the South County Transit Committee's (SCTC's) support and leadership during these unprecedented times as we work to present a financially constrained Fiscal Year 2024-25 operating budget. In addition, we are presenting a five-year capital program.

The budget packet contains the following items:

- Our Vision and Mission statements,
- Fiscally constrained FY24-25 operating and capital budgets, and
- Fiscally unconstrained FY25-26 operating budget, and
- Fiscally unconstrained FY25-26 through FY28-29 capital budgets (expense only for FY26-27 through FY28-29).

We are pleased to present the proposed South County Transit (SoCo Transit) Fiscal Year 2024-25 Operating and Capital Budget, which is also included as a separate column in the overall RTA budget. This is the fourth full-year budget that the SCTC will consider following consolidation into the RTA in January 2021, as approved by the South County Transit Board in October 2020. The SoCo Transit operating budget is proposed at \$2,523,850 and the capital budget at \$202,550. The SoCo Transit budget is balanced, based on proposed service levels and anticipated funding levels. The SoCo Transit FY24-25 budget assumes the same levels of fixed-route revenue service hours and miles for all routes, although staff does anticipate some route changes to take place during the fiscal year, it is not anticipated that these changes will impact the hours and miles operated.

Note that should any of the services be increased, reduced and/or eliminated, there are "fixed" expense items that would need to be reallocated to the other services (such as administration costs, and operations management/oversight costs) as part of the final budget or a future budget amendment. Additionally, the allocation model for maintenance labor and workers compensation is now being allocated to each route or service based on miles instead of hours.

Below are the key issues staff is working to address:

KEY ISSUES

1. Address the uncertainties the agency currently faces, including state funding uncertainty. Impacts of these uncertainties include:

- a. Liability costs, which have recently stabilized due to the RTA's good safety record, but the market continues to be extremely volatile.

In March 2024, staff was pleased to learn that workers compensation insurance provided by PRISM (Public Risk Innovation Solutions Management) is projected to be in line with prior years projections, not incurring the significant increases the agency had recently endured, which is of note, especially in times of increasing wages. The premiums continue to be predictable and provide a welcome relief – especially with the realization that worker's compensation across all employment sectors, including for transit services, is especially challenging statewide as loss development trends for the state have not been favorable.

In late March 2024 we also received the estimated premium for our general liability and vehicle physical damage insurance policies. The annual premium cost for these two insurance policies is also projected to be in line with what was projected during the FY23-24 budget process as a result of staff's continual work with our employee committee that has evaluated workplace safety and has initiated a proactive program to reduce the number and severity of claims.

Property insurance has increased due to fully insuring the new Bus Maintenance Facility and the addition of flood insurance, which is required because the facility was federally funded and located in a 100-year floodplain.

- b. Address staffing and retention, particularly in the Bus Operator classification.

The new and relatively low-cost paid family leave program implemented in July 2022 continues to bring positive feedback from staff. It brings the RTA leave program more in line with the leave provided by many private employers who participate in the state disability insurance (CA SDI) program.

The budget presentation has been updated starting in FY24-25 to show the subcategories included in Labor – Operations in order to provide more understanding about the cost drivers. This helps as the agency looks at which subcategories would and would not be impacted by service level changes.

2. Continue efforts to implement Zero-Emission Bus technologies, including implementing our first two battery-electric buses (BEBs) delivered in March 2024 and expansion of recharging infrastructure for planned additional BEBs in the coming years. Included in the fixed route capital program for FY25-26 is the replacement of:
 - Two diesel-powered buses purchased in 2010 and three diesel-powered buses purchased in 2013, with five BEBs ordered in December 2023.
 - Three diesel-powered buses purchased in 2013, with BEBs to be ordered in the fall of 2024.
 - Four diesel-powered buses purchased in 2013, with diesel-powered buses to be ordered in the fall of 2024.

Of note is the significant financial resources required for vehicle replacements, which is based the vehicle replacements and type included in the *RTA Zero Emission Rollout Plan* adopted by the Board in March 2023. It is also important to note that our annual budget plan show the year(s) that capital project expenditures occur – not necessarily the year(s) when we begin to apply for various funds through grant proposals for higher-cost projects such as bus purchases. This can be confusing to the casual reader, since SLOCOG and our other funding partners show the year(s) that funds are allocated to our capital projects rather than the year(s) the funds are expended.

3. State Transit Assistance (STA) funds are projected to be down slightly in the region compared to the original FY23-24 allocation. With the additional STA funds made available through the SB-1 augmentation, the RTA has been able to leverage STA as the local match on more capital projects, keeping other local funding available for operations.

Staff continues to apply for the competitive funds from SLOCOG under the State of Good Repair program, and the RTA has applied for funding toward the replacement of four diesel vehicles which are included in the advisory FY25-26 budget.

4. Local Transportation Funds (LTF) used for operating purposes and also projected to be lower to the region, but staff will continue to maximize all other funding sources before determining the need for LTF.

LTF funds are derived from the statewide $\frac{1}{4}$ percent sales tax, and has traditionally been used to fund operations, but can be used for capital projects as well, although the FY24-25 capital budget does not include LTF funds.

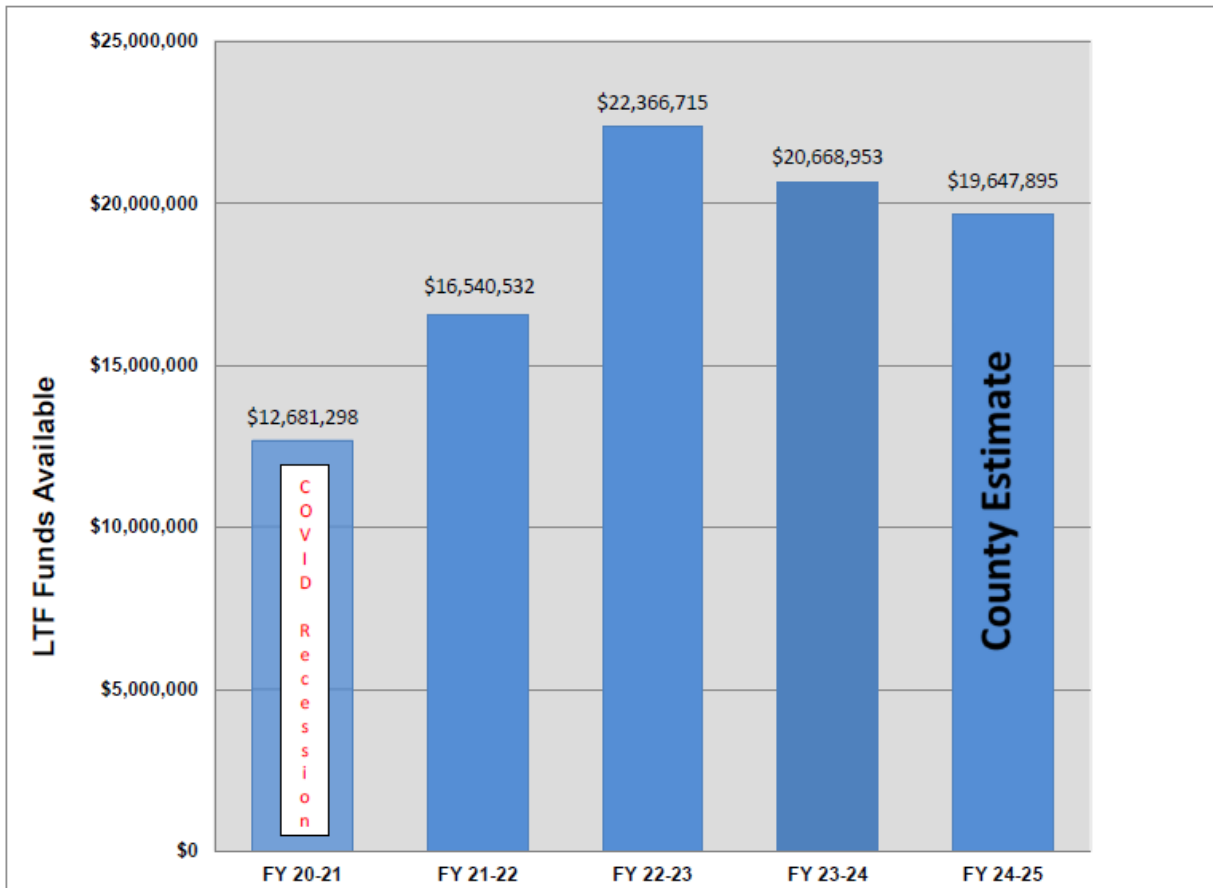
Staff acknowledges current LTF estimates to the region, as presented in the April 3, 2024 SLOCOG Agenda Item B-2. That staff report discusses the LTF coming into the region as:

“2024/25 Local Transportation Fund (LTF) - \$19,647,895 (5% decrease in LTF available for distribution)

The County Auditor’s estimated cash balance at June 30, 2024 is \$1,897,895, 35% below FY 23/24. The decrease in opening cash balance is primarily due to a high beginning cash balance in FY 22/23, which was allocated in that year. This figure is difficult to predict. The estimate shows expected revenue deposits equaling \$17,750,00 (inclusive of interest income) for a total of \$19,647,895. Figure 1 depicts the trend in LTF Distribution:

Figure 1

Historical LTF Allocations
(Allocations based on estimated receipts + opening cash balance)



The proposed South County budget includes LTF of \$646,880 for operations, which is a decrease from the amount included as an advisory FY24-25 total LTF projection of \$918,690 which was presented at the May 2023 South County Transit Committee meeting. This is largely due to the larger amount of Federal Transit Administration Section 5307 fund that are higher than in recent years.

- Fuel costs continue to be volatile and significantly higher than prior years; this also impacts ridership and fare revenues.

Due to the current global uncertainty, fuel prices have continued to swing wildly, especially in the last few months. Staff has tried to budget fuel somewhat conservatively and believes the \$5.10 included in the March 2024 budget assumptions be in line with current market conditions. If the projections need to be adjusted, staff will bring a budget amendment to the Board for consideration. It should be noted that diesel-powered buses manufactured after 2009 also require the use of Diesel Exhaust Fluid (DEF) to meet emissions requirements. DEF costs more than diesel fuel, and it is used at a roughly 5% ratio DEF to diesel; its use is included in the fuel line item.

Revised Revenue Assumptions

The overall Administration Expense is up by approximately 15% compared to FY24-25. Two main factors are associated with this increase. As previously noted, the property insurance line-item has been impacted by the difficult insurance market. Additionally, the professional technical services line-item has increased in order to upgrade the software system used for our legacy fare collection system as well as a partnership with Achievement House to service specific bus stops in the South County region.

The proposed Service Delivery cost is up by roughly 7% from what was identified in the FY23-24 budget. The primary reason for this increase are associated with the increase in wages as assumed for the Collective Bargaining Agreement that covers Bus Operators, Mechanics, Parks Clerk and Utility employees, as well as rising fuel prices. As noted earlier, the labor for operations has been delineated more finely in four pertinent subcategories.

Capital Program

The focus of the SoCo Transit capital program will to continue bus stop improvements, largely at Ramona Garden Park. No LTF funds are programed for capital projects in FY24-25.

It should be noted that a portion of the FY23-24 capital funds for fully funded projects, such as the bus stop improvements for Ramona Garden Park and the Route 27 and 28 routing realignment, is not carried over to the proposed FY24-25 budget. This will happen with a budget amendment after the FY24-25 has started, and the carryover will have no new financial impact to local jurisdictions because the funding has been previously secured.

Conclusion

Fiscal Year 2024-25 will be a particularly challenging year. We look forward to working with our customers, the SCTC and other stakeholders in providing stability and the highest quality of transportation services to residents of and visitors to our community. We believe that this budget reflects the path set by your Committee in previous years and, although we would like to do more, we believe that this budget provides the optimum levels of service within the confines of existing limited resources.

Staff Recommendation:

Recommend that the SCTC adopt the SoCo Transit FY24-25 budget as presented.

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
OPERATING REVENUE BUDGET FOR 2024/2025**

		2023/24 Amendment #1 SoCo Transit Budget	2024/25 Proposed SoCo Transit Budget	2025/26 Projected SoCo Transit Budget
FUNDING SOURCES:				
	GENERAL RESERVES	393,279	759,860	480,190
1.	ESTIMATED FUND BALANCE	393,279	759,860	480,190
2.	LESS REQUIRED RESERVES FOR FISCAL YEAR			
	CASH FLOW REQUIREMENTS PER TDA	357,660	480,190	488,460
	OFFSET RESERVE TO CARRYOVER TO FUTURE FISCAL YEARS	402,200		
	TOTAL	759,860	480,190	488,460
3.	FUND BALANCE AVAILABLE	(366,581)	279,670	(8,270)
NON TDA SOURCES				
	FARES	139,530	107,240	117,930
	SoCo TRANSIT MANAGEMENT CONTRACT	-	-	-
	COUNTY MANAGEMENT CONTRACT	-	-	-
	NORTH COUNTY MANAGEMENT CONTRACT	-	-	-
	INTEREST	-	-	-
	STATE TRANSIT ASSISTANCE (STA) INCLUDING SB1	399,330	433,890	493,960
	RURAL TRANSIT FUND (Administration)	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating	-	-	-
	FTA (Section 5311) - Operating CARES/CRRSAA/ARPA	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operating	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating	-	-	-
	FTA (Section 5307-SM) - Operating CARES	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operating	1,021,530	944,460	999,600
	CUESTA CONTRIBUTION FOR ROUTE 12 AND 14	-	-	-
	CUESTA CONTRIBUTION NORTH COUNTY	-	-	-
	SPECIAL EVENTS REVENUE/OTHER	422,570	111,710	110,000
4.	SUB TOTAL	1,982,960	1,597,300	1,721,490
5.	TOTAL FUND BALANCE & NON TDA FUNDING	1,616,379	1,876,970	1,713,220
TDA REQUIRED				
	CITY OF ARROYO GRANDE	281,299	254,570	342,073
	CITY OF ATASCADERO	-	-	-
	CITY OF GROVER BEACH	195,390	177,086	237,955
	CITY OF MORRO BAY	-	-	-
	CITY OF PASO ROBLES	-	-	-
	CITY OF PISMO BEACH	122,721	111,717	150,117
	CITY OF SAN LUIS OBISPO	-	-	-
	COUNTY OF SAN LUIS OBISPO	113,341	103,507	139,085
	TDA REQUIREMENTS BEFORE 5311 EXCHANGE	712,751	646,880	869,230
	LESS: RURAL TRANSIT FUND/5311 EXCHANGE	-	-	-
6.	NET TDA REQUIREMENTS	712,751	646,880	869,230
7.	TOTAL FUNDING SOURCES	2,329,130	2,523,850	2,582,450
FUNDING USES:				
	ADMINISTRATION	173,260	213,060	215,940
	PERS BUYOUT	-	-	-
	BUILDING DECOMMISSIONING	-	-	-
	MANAGEMENT CONTRACTS	133,360	141,160	149,210
	SERVICE DELIVERY	1,992,740	2,139,700	2,181,760
	CONTINGENCY	29,770	29,930	35,540
9.	TOTAL FUNDING USES	2,329,130	2,523,850	2,582,450

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
CAPITAL AND PLANNING REVENUE BUDGET FOR 2024/2025**

FUNDING SOURCES:		2023/24 Amended SoCo Transit Capital Budget	2024/25 Proposed SoCo Transit Capital Budget	2025/26 Projected SoCo Transit Capital Budget
	BEGINNING CAPITAL PROJECTS RESERVE	231,850	135,080	121,530
1.	ESTIMATED FUND BALANCE	231,850	135,080	121,530
2.	LESS REQUIRED RESERVES FOR FISCAL YEAR			
	CAPITAL PROJECTS RESERVE	135,080	121,530	154,950
	TOTAL	135,080	121,530	154,950
3.	FUND BALANCE AVAILABLE	96,770	13,550	(33,420)
	NON TDA SOURCES			
	STATE TRANSIT ASSISTANCE (STA) WITH SB1 AUGMENTATION	82,220	142,500	82,430
	LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)	-	-	-
	STATE OF GOOD REPAIR	-	-	203,810
	TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM (TIRCP)	-	-	3,469,530
	RURAL TRANSIT FUND (Capital)	-	-	232,280
	FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	-	-	254,120
	FEDERAL TRANSIT ADM (FTA) (Section 5339) - Bus and Bus Facilities	-	-	66,830
	FEDERAL TRANSIT ADM (FTA) (Section 5307-North County)	-	-	254,120
	FEDERAL TRANSIT ADM (FTA) (Section 5307-Santa Maria) - CARES	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5307-South County)	430,140	46,500	301,420
	OTHER	-	-	-
4.	SUB TOTAL	512,360	189,000	4,864,540
5.	TOTAL FUND BALANCE & NON TDA FUNDING	609,130	202,550	4,831,120
	TDA REQUIRED			
	CITY OF ARROYO GRANDE	-	-	-
	CITY OF ATASCADERO	-	-	-
	CITY OF GROVER BEACH	-	-	-
	CITY OF MORRO BAY	-	-	-
	CITY OF PASO ROBLES	-	-	-
	CITY OF PISMO BEACH	-	-	-
	CITY OF SAN LUIS OBISPO	-	-	-
	COUNTY OF SAN LUIS OBISPO	-	-	-
		Population Based		
			18%	
			49%	
	TDA REQUIREMENTS FOR TIFIA LOAN REPAYMENT	-	-	-
6.	FINANCING FOR BUS MAINTENANCE FACILITY	-	-	-
7.	TOTAL FUNDING SOURCES	609,130	202,550	4,831,120
8.	FUNDING USES:			
	CAPITAL	609,130	202,550	3,326,990
	LOAN PAYMENTS	-	-	-
	SHORT RANGE TRANSIT PLAN	-	-	-
	REGIONAL CONTACTLESS CHARGING	-	-	-
	ELKS LANE PROJECTS	-	-	-
	MASTER PLANNING & IMPLEMENTION- OFFSITE FAST CHARGING	-	-	1,504,130
9.	TOTAL FUNDING USES	609,130	202,550	4,831,120

		Actual Combined FY 2022-23	Amended Operating Budget FY 2023-24	Proposed Operating Budget FY 2024-25	Projected Operating Budget FY 2025-26
Administration and Service Delivery Totals					
	Hours		83,260	79,390	81,910
	Miles		1,776,120	1,851,210	1,894,480
Administration:					
Labor	operations cost	1,424,645	1,260,560	1,334,260	1,410,390
Labor - Administration Workers Comp	operations cost	41,821	45,630	47,560	49,570
Office Space Rental	operations cost	53,398	58,030	59,770	62,680
Property Insurance	operations cost	216,314	239,060	283,570	336,370
Professional Technical Services	operations cost	162,538	247,410	320,550	289,490
Professional Development	operations cost	52,975	91,450	97,340	114,400
Operating Expense	operations cost	334,951	398,380	419,320	433,770
Marketing and Reproduction	operations cost	130,169	148,920	141,300	170,930
North County Management Contract	operations cost	(52,870)	(55,770)	(59,030)	(62,400)
County Management Contract	operations cost	(108,970)	(114,950)	(121,670)	(128,610)
SCT Management Contract	operations cost	(126,430)	(133,360)	(141,160)	(149,210)
Total Administration		2,128,541	2,185,360	2,381,810	2,527,380
Service Delivery:					
Labor - Operations	hourly	7,017,330			
Bus Operators	hourly		5,268,100	5,581,200	5,817,440
Training Staff	hourly		403,910	422,910	440,890
Operations Supervisors/Schedulers	hourly		1,458,720	1,551,600	1,654,560
Ops. Mgt. / Oversight	hourly		414,340	448,750	469,870
Labor - Operations Workers Comp	hourly	322,174	346,030	360,680	375,950
Labor - Maintenance	miles	1,783,771	1,809,490	1,998,840	2,045,360
Labor - Maintenance Workers Comp	miles	86,580	94,750	98,760	102,940
Fuel	miles	1,643,778	1,651,890	1,565,280	1,565,280
Insurance (Liability, Physical Damage, Employment Practices)	miles	767,693	855,850	1,010,430	1,150,710
Special Transportation (for SLOCAT)	n/a	63,066	33,740	33,500	35,160
Maintenance (parts, supplies, materials)	miles	694,948	1,029,610	1,059,720	1,178,010
Maintenance Contract Costs	miles	83,598	167,990	156,120	160,220
Total Operations		12,462,938	13,534,420	14,287,790	14,996,390
Contingency	hourly	-	187,680	200,040	210,290
PERS Buyout	operations cost	178,308	178,310	178,310	178,310
Building Decommissioning		-	-	-	-
Management Contracts		288,270	304,080	321,860	340,220
TOTAL FUNDING USES		15,058,057	16,389,850	17,369,810	18,252,590

	Actual Capital Budget FY 2022-23	Amendment #1 Capital Budget FY 2023-24	Proposed Capital Budget FY 2024-25	Projected Capital Budget FY 2025-26	Projected Capital Budget FY 2026-27	Projected Capital Budget FY 2027-28	Projected Capital Budget FY 2028-29
Capital and Planning Expenditures							
Capital/Studies:							
Computer System Maintenance/Upgrades	72,787	180,750	296,730	111,570	117,150	123,010	129,160
Miscellaneous Capital							
Maintenance Equipment	186,898	46,500	48,800	49,600	50,400	51,200	51,970
Vehicle ITS/Camera System	-	138,000	-	-	-	-	-
Bus Stop Improvements	16,789	467,480	106,400	108,000	109,700	111,400	113,070
Large Capital Repairs	302,212	869,800	375,000	375,000	-	-	-
Vehicles							
Support Vehicles	34,948	256,070	45,600	46,600	76,900	37,800	80,750
Fixed Route Vehicles	689,850	3,130,460	-	15,075,780	5,361,600	3,930,800	4,091,900
Trolley replacement vehicles	-	293,200	-	-	-	350,000	-
Cutaway and Dial A Ride Vehicles	-	177,280	-	-	203,870	466,200	-
Runabout Vehicles	247,463	834,500	842,000	1,140,100	448,400	-	294,720
Total Capital Outlay	1,550,947	6,394,040	1,714,530	16,906,650	6,368,020	5,070,410	4,761,570
Loan Repayments	444,635	472,140	472,140	458,060	458,060	458,060	458,060
Short Range Transit Plan	-	250,000	-	-	-	-	-
Regional Contactless Charging	-	-	-	2,238,000	-	-	-
Elks Lane Projects	-	-	403,000	4,500,000	-	-	-
Master Planning & Implementation - Offsite fast charging	-	-	-	2,200,000	-	-	-
TOTAL FUNDING USES	1,995,582	7,116,180	2,589,670	26,302,710	6,826,080	5,528,470	5,219,630

		Total Adopted Budget	Proposed Route 21 Budget	Proposed Route 24 Budget	Proposed Route 27 Budget	Proposed Route 28 Budget	Total Proposed Budget	Projected Budget
		FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	FY 2025-26
South County Transit								
	Measure:							
	Annual Hours	13,890	3,810	3,850	3,030	3,860	14,550	14,550
	Annual Miles	219,180	74,100	57,090	39,640	53,400	224,230	224,230
Administration:								
Total Administration (Net of Contracts)		\$ 306,620	\$ 100,580	\$ 92,590	\$ 70,170	\$ 90,880	\$ 354,220	\$ 365,150
Service Delivery:	Basis:							
Labor - Operations	hourly	\$ 1,190,800						
Bus Operators	hourly		\$ 253,390	\$ 256,050	\$ 201,520	\$ 256,720	\$ 967,680	\$ 977,610
Training Staff	hourly		\$ 19,200	\$ 19,400	\$ 15,270	\$ 19,450	\$ 73,320	\$ 74,090
Operations Supervisors/Schedulers	hourly		\$ 70,440	\$ 71,180	\$ 56,020	\$ 71,370	\$ 269,010	\$ 278,050
Ops. Mgt. / Oversight	hourly		\$ 20,370	\$ 20,590	\$ 16,200	\$ 20,640	\$ 77,800	\$ 78,960
Labor - Operations Workers Comp	hourly	\$ 54,620	\$ 16,380	\$ 16,550	\$ 13,020	\$ 16,590	\$ 62,540	\$ 63,180
Labor - Maintenance	miles	\$ 285,590	\$ 75,690	\$ 58,320	\$ 40,490	\$ 54,550	\$ 229,050	\$ 229,020
Labor - Maintenance Workers Comp	miles	\$ 14,950	\$ 3,740	\$ 2,880	\$ 2,000	\$ 2,700	\$ 11,320	\$ 11,530
Fuel	miles	\$ 199,180	\$ 61,220	\$ 47,170	\$ 32,750	\$ 44,120	\$ 185,260	\$ 181,020
Insurance	miles	\$ 103,200	\$ 39,520	\$ 30,450	\$ 21,140	\$ 28,480	\$ 119,590	\$ 133,080
Maintenance (parts, supplies, materials)	miles	\$ 124,150	\$ 41,540	\$ 32,000	\$ 22,220	\$ 29,940	\$ 125,700	\$ 136,760
Maintenance Contract Costs	miles	\$ 20,250	\$ 6,090	\$ 4,690	\$ 3,260	\$ 4,390	\$ 18,430	\$ 18,460
Total Operations		\$ 1,992,740	\$ 607,580	\$ 559,280	\$ 423,890	\$ 548,950	\$ 2,139,700	\$ 2,181,760
Capital/Studies:								
Total Capital Outlay		\$ 243,530	\$ 57,520	\$ 52,940	\$ 40,130	\$ 51,960	\$ 202,550	\$ 3,326,990
Contingency	hourly	\$ 29,770	\$ 8,500	\$ 7,820	\$ 5,930	\$ 7,680	\$ 29,930	\$ 35,540
Loan Repayment	operations cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FUNDING USES		\$ 2,572,660	\$ 774,180	\$ 712,630	\$ 540,120	\$ 699,470	\$ 2,726,400	\$ 5,909,440
TOTAL NON-CAPITAL EXPENDITURES		\$ 2,329,130	\$ 716,660	\$ 659,690	\$ 499,990	\$ 647,510	\$ 2,523,850	\$ 2,582,450

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SOUTH COUNTY TRANSIT COMMITTEE

MINUTES OF May 3, 2023

Members Present: Dawn Ortiz-Legg County Supervisor, District 3 (Chairperson)
Ed Waage City of Pismo Beach
Jim Guthrie City of Arroyo Grande (Vice-Chairperson)
Daniel Rushing City of Grover Beach

Members Absent: None

Staff Present: Geoff Straw Administrator
Tania Arnold RTA Deputy Director and CFO
Luzion Campitelli Administrative Assistant

CALL TO ORDER AND ROLL CALL: The South County Transit Committee meeting was called to order at 8:15 am. Roll call was taken. A quorum was present.

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

There was no public comment

BOARD ADMINISTRATIVE ITEMS

ELECTION OF OFFICERS: Elect Chairperson and Vice Chairperson.

Mr. Jim Guthrie made a motion to elect **Ms. Dawn Ortiz-Legg** as chair of the South County Transit Committee. **Mr. Daniel Rushing** seconded the motion. **Mr. Daniel Rushing** made a motion to elect **Mr. Jim Guthrie** to Vice-Chair. **Ms. Dawn Ortiz-Legg** seconded the motion. The motion to appoint officers to the South County Transit Committee passed unanimously via roll call vote as follows:

<u>Board Member</u>	<u>Yes</u>	<u>No</u>
DAWN ORTIZ-LEGG	X	
ED WAAGE	X	
JIM GUTHRIE	X	
DANIEL RUSHING	X	

A. ACTION AGENDA

A-1 Fiscal Year 2023-24 Operating and Capital Budget (Approve)

Ms. Tania Arnold presented the proposed South County Transit Fiscal Year 2023-24 Operating and Capital Budget. This is the third full-year budget that the SCTC will consider following into the RTA in January 2021. The SoCo Transit operating budget is proposed at \$2,239,130 and the capital budget at \$245,530. The budget is balanced based on service levels and funding levels. The SoCo Transit FY23-24 budget assumes the same levels of fixed-route revenue service hours and miles for all routes although we do anticipate there to be some route changes throughout the fiscal year.

Ms. Tania Arnold addressed the following key issues:

1. Uncertainties with liability costs, Runabout cost and staffing retention. Keeping an eye on the demand being higher than pre-covid demand in other cities
2. Continuing efforts to implement zero-emission vehicles, with the first two arriving by the end of late fall/early winter and the recent completion of our recharging infrastructure.
3. State transit assistance funds projected to be flat compared to original current fiscal year.
4. Local Transportation Funds projected to be flat in the region but RTA continues to maximize all other funding sources before needing LTF.
5. Federal Transit Administration formula funds are higher than recent years which will help reduce the need for LTF by all transit operators throughout the County.
6. Fuel remains really volatile and higher than prior years, which also impacts ridership and fare revenues.

Ms. Tania Arnold informed that in March of 2023, we were pleased to learn that workers compensation is projected to be in line with previous projections. Also, in March 2023 we received estimated premium for liability and vehicle physical damages. Relayed that our property insurance has increased due to fully insuring our new facility and the addition of flood insurance since we are located in a hundred year floodplain. Informed that the Diversity, Equity, Inclusion and Belonging program will continue in FY 23-24 and there will be additional eLearning courses for all staff to ensure we maintain astounding treatment for each employee. Expressed the amount of positive feedback we have received from employees due to the new and relatively low-cost paid family leave program that was implemented in July 2022.

Ms. Tania Arnold included that in the capital program for FY23-24 is the replacement of two diesel buses with the zero-emission battery-electric buses. Informed the Committee that although we are happy to transition to zero-emission buses, it will also be a significant financial increase. Although, RTA was awarded an FTA grant for the replacement of five diesel vehicles with Battery-electric buses. Confirmed with the Committee that once the full funding plan is developed, it will be presented for consideration.

Ms. Tania Arnold expressed that the Administration expense is up by approximately 5%. The Service Delivery cost is up by 6.8%. The focus of the SoCo Transit capital program will to implement bus stop improvements at Ramona Garden Park. No LTF funds are programmed for capital projects in FY23-24.

Ms. Tania Arnold concluded the report with expressing that FY 23-24 will be a challenging year but we look forward to working with the Board and our customers. Our goal is to provide stability and maintain the highest quality of transportation service for the community.

MEMBER COMMENTS:

Long term goal of Grover Beach to move the transit center from Ramona Garden to the train station. As soon as we get ARBOC vehicle shipping information we can move forward. This project has been on hold because buses have been delayed with supply chain issues.

PUBLIC COMMENTS: There was no public comment

Chairperson Ortiz-Legg made a motion to adopt the South County Transit Fiscal Year 2023-24 Operating and Capital Budget and **Vice Chairperson Guthrie** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>Board Member</u>	<u>Yes</u>	<u>No</u>
DAWN ORTIZ-LEGG	X	
ED WAAGE	X	
JIM GUTHRIE	X	
DANIEL RUSHING	X	

B. INFORMATION AGENDA

None

C. CONSENT AGENDA

C-1 South County Transit Committee Minutes of May 4, 2022 (Approve)

PUBLIC COMMENT: There was no public comment

Vice Chairperson Guthrie made a motion approve consent agenda item C-1 and **Mr. Rushing** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>Board Member</u>	<u>Yes</u>	<u>No</u>
DAWN ORTIZ-LEGG	X	
ED WAAGE	X	
JIM GUTHRIE	X	
DANIEL RUSHING	X	

D. MEMBER COMMENTS

E. ADJOURNMENT

The meeting was adjourned at 8:41 AM

Respectfully Submitted,

Tania Arnold
CFO/Deputy Director

Acknowledged by,

Dawn Ortiz-Legg
SCT Board Chairperson 2023