APPROVED MINUTES

SHASTA REGIONAL TRANSPORTATION AGENCY
Tuesday, February 26, 2013, 4:00 p.m.
Shasta County Board of Supervisors Chambers
1450 Court Street, Suite 263, Redding, California

(Note: These minutes are not intended to serve as a transcript or verbatim record of the proceedings of the Shasta Regional Transportation Agency, but rather as a record of the meeting time, place and attendance; the order and general nature of discussion; board deliberations; and actions taken, if any.)

Board members McArthur, Giacomini, Jones, Moty, Susie Baugh, Watkins and Kehoe were present.

1. **Call to Order**
   Chair Moty called the meeting to order at 4:00 p.m.

2. **Pledge of Allegiance**

3. **Staff Introductions**

4. **Elect SRTA Chair and Vice-Chair**

Motion was made and seconded (Kehoe/McArthur) that board member Watkins be elected chair and board member Baugh as vice-chair.

Alternate motion was made and seconded (Watkins/Jones) that board member Watkins be elected chair and board member Jones be elected vice-chair.

> Board member Kehoe: Neither the city of Shasta Lake nor the city of Anderson has been represented as the chair for the past few years.
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> Board member Watkins: Norma Comnick (of Anderson) was chair about three years ago, and the city of Redding has not been chair recently. Longevity versus someone new is also important; learning and knowing everything that SRTA does. Therefore, experience is also important in the vice-chair position, especially since they will also be on the fiscal and possible other sub-committees.
>
> Board member Kehoe: In 2009-2010 Dick Dickerson was chair. Although he represented RABA, the city of Redding and RABA representatives are one and the same.

Board member Watkins motion failed with two in favor (Watkins, Jones), and five opposed (Giacomini, McArthur, Baugh, Moty, Kehoe).

Board member Kehoe's motion passed unanimously.

Incoming chair Watkins presented outgoing chair Moty with an appreciation plaque for his leadership in being chair during the transition of the SRTA.

5. Public Comment Period

Alan Kost, board member of the Trails and Bikeways Council of Greater Redding: I am speaking to agenda item #9. Thank you for the East Redding Bike Lanes. The number one reason people say they don't ride bicycles is because it is not safe. There are more and more people riding these days. That's because there are more bike lanes and better shoulders. Bicycle lanes and shoulders help protect the edge of the road. So when bike lanes are built, it benefits the bicyclists as well as the motorists.

Leon Wagner, citizen of the city of Shasta Lake: Spoke to agenda item #8 and the need for changes on route #14 of the RABA system and the need for buses in Mountain Gate.

Lisa Yeats, citizen: Spoke to agenda item #8 and the problems with some of the bus drivers.

Consent Calendar

6-1 Minutes – November 30, 2012, SRTA Special Meeting

6-2 Minutes – December 20, 2012, SRTA Meeting

6-3 Future Meeting Schedule Through February 2014 – Information Only

6-4 Support of City of Redding Community-Based Transportation Planning Grant to Update the Downtown Redding Specific Plan

6-5 Authorize Submittal of a Community-Based Transportation Planning Grant for Transportation Data and Model Upgrades

6-6 Authorize Request for Proposals (RFP) for Regional Transportation Plan (RTP) Environmental Impact Report (EIR)

6-7 Approve Section 404 of the Financial and Accounting Policies and Procedures Manual Regarding Agency Investments

6-8 Amend Financial and Accounting Policies and Procedures Manual

6-9 Correspondence

By motion made, seconded and unanimously carried (Jones/Moty), the consent calendar was approved with board member Giacomini and Baugh recusing from items 6-1 and 6-2, and board member McArthur recusing from item 6-1 .

Regular Calendar

7. Executive Director's Report

Executive Director Little: staff will be conducting a series of workshops throughout the year at every SRTA meeting to go over different funding sources as well as revisiting all the SRTA policies.

The Federal Transportation Authorization Act sets funding levels for different transportation programs from transit to streets and roads to maintenance. Federal programs and policies are then implemented at the state level. Federal authorization has a trend that's troubling for a region our size in that a lot of transportation dollars are formulated to be distributed in the state within the regions by population. It doesn't speak to how many road miles we have or how many bridges. It doesn't speak to the actual needs. Mid-sized regions such as ours – through a coalition known as the North State Super Region – is working to change that and get some weighting factor in the distribution formula for our highway miles. SRTA staff is also coordinating with statewide working groups to address this issue.

There was a funding source of about $200,000 a year for the Shasta region known as the Transportation Enhancement (TE) fund that the state has decided to eliminate. It was consolidated into another program that the state, instead of this board, will decide how the money is now spent. The TE program funded non-motorized projects.

8. 2013/14 Transit Needs Assessment and Unmet Transit Needs Hearing (Public Hearing)

Executive Director Little: This is an annual process where SRTA looks at unmet transit needs in the area. A recommendation will come back to the board at the April or June meeting concerning what level of transit service SRTA will fund.

Staff member Talbo gave a presentation: The Transit Needs Assessment is an annual analysis of the transit riding population in Shasta County. It is done in order to locate the transit riding population throughout the county to know if their needs are being served by the existing service; also we analyze the adequacy of transit services available and analyze if there is a need for any new service routes. Completing the unmet transit needs assessment is a Transit Development Act (TDA) requirement that must be met before any TDA funds can be released for streets and roads.

The definition of the term farebox ratio is the portion of fare paid by the passenger that supports the operating costs. For example, if passengers pay 19 cents for every dollar to operate the service, then the farebox ratio for that service is 19%.

In 2009 SRTA approved a temporary reduced farebox ratio for RABA on a graduated scale that goes up to 19% by 2015. For fiscal year 2011/12 the farebox ratio requirement was 17.3% with RABA obtaining a 17.46% ratio. This represents a 2.4% increase in actual ridership performance compared to the previous fiscal year.

In April the Social Services Transportation Advisory Council will present their recommendations to this board.

Chair Watkins opened the public hearing.

Chair Watkins noted that there was a letter from Mr. Greelman in regard to routes on Churn Creek, Twin View and Oasis Road.

Chair Watkins closed the public hearing noting that comment was heard from two transit riders during the general meeting public comment period.

9. **Conduct Transportation Development Act (TDA) Workshop and Consider Revision of TDA Policies**

Executive Director Little gave an overview of the format of the workshop, noting that he would be reviewing five fact sheets by funding sources and four issue papers. Discussion will be used to inform policy recommendations at the April board of directors meeting.

Executive Director Little reviewed the following fact sheets: 1) General SRTA Transit Funding; 2) Federal Transit Administration (FTA) Section 5310; 3) FTA Section 5307; 4) FTA Section 5311; 5) State Transit Assistance (STA); and 6) Local Transportation Fund (LTF).

Executive Director Little reviewed the four issue papers: 1) Farebox Penalty; 2) RABA 80/20 Cost Sharing Formula; 3) STA Allocation Formula; and 4) Bike and Pedestrian LTF Claims.

Executive Director Little: This board sets a standard of farebox ratio. If a standard is set at 19% that means that for every dollar spent on RABA operations, 19-cents has to come through the farebox. There have been times that RABA could not meet that farebox. The board has discretion to approve the farebox requirement down to 15% permanently or, as they've chosen to do in the past, roll it back to 15% and gradually bring it back to 19%. Although failure to meet farebox reduces eligibility for funding, it's not really a penalty. For example, if RABA received $90,000 less to operate, member agencies of RABA, the jurisdictions, would make up for that $90,000 to make RABA whole and allow RABA to continue its operations.

In effect we penalize ourselves. We're the member agencies (the cities and the county); so by setting a higher standard that can't be met, we're penalizing ourselves.

This exercise of penalizing ourselves and repaying the funds creates line items in audits which becomes very cumbersome and complicated to track. It creates a lot of work for something that provides no practical meaning or benefits.

When we set a farebox standard it's only for purposes of farebox penalties. If we were to lower it to 15% permanently, and as long as RABA is above the 15% farebox ratio, we wouldn't have to do the calculations for farebox penalty. What it does not mean is that if we consider a new service it only has to meet 15% instead of a 20% farebox ratio. We still have our unmet needs definition, and it says new service must continue to meet the 20% requirement.

Board member Moty: Farebox ratio is a red herring; we're doing nothing more than penalizing ourselves. I have no desire to further cut RABA routes. It's very easy to say we're spending too much money, but that's what the transit money is for. The transportation routes are there for a reason. The people who use them need them. I'm in favor of going to the 15% and be done with all the unnecessary paper work.

Board member Jones: We have an obligation to the people that we receive money from, which is sales and gas tax, to use it in an efficient manner. We're talking about a farebox ratio that is very low and I think we owe it to the people that we represent to use this money as efficiently as we can. There is no motivation for the RABA board to take a look at these routes and be efficient because there is no penalty. I want to motivate the RABA board to be as efficient as possible and to look over these routes.

Executive Director Little: The three alternatives are: 1) status quo; where we continue to raise and lower farebox ratio and assess penalties if RABA doesn't meet the farebox ratio; 2) keep the goal of 19% and have a simple finding in the resolution to address the penalty. So we keep 19% and if RABA does not meet it, instead of going through the exercise of putting money in and out, we make a simple finding that the farebox penalty is hereby assessed and is hereby repaid by the agency and there is no line item or audit tracking. The regulations; however, are ambiguous as to if this is permitted; 3) lower the farebox ratio to 15% to avoid the farebox penalty issue entirely.

Board member Giacomini: I think we do have to have performance measures; we do have to have a goal, but let's not play this swap game anymore. It just doesn't seem to make any sense.

Executive Director Little: Is there a motion to permanently reduce the farebox ratio to 15% or just try to address it by a simple finding in the budget resolution and hold it at 19%?

Board member Giacomini: I would prefer to do a finding until we can see if this works for a couple years and then let's discuss whether we do permanent type issue at that point. That would be my motion.

Board member McArthur: Second the motion.

Board member Giacomini: If I may clarify the motion, I think it was a combination of alternative #2 and #3. We want the percentages in there so there are the hard goals that we are looking for, as well as the 15% target. But to have that accountability, have the goals set, and then put the findings in the resolution. Have a 15% farebox ratio for the time being.

Executive Director Little: This is only for purposes of farebox penalties, so we're not taking our eye off the performance goals. Our overall goal is still going to be 20% for the urban system; this has been established by prior board resolution.

The motion is for alternative #3, to reduce the farebox ratio for purposes of the penalty to 15%, but to still maintain a definition in the unmet needs resolution for considering new services and for what our overall goal is, which is 20% (not 19%) in urban areas and 10% for rural services.

Board member Moty: We are essentially saying that instead of being 19% for farebox penalty it's going to be 15%, but we're still shooting for an overall goal of 20% which has always been the case.

By motion made and seconded (Giacomini/McArthur) the staff recommendation passed with six in favor (Giacomini, McArthur, Moty, Watkins, Kehoe and Baugh) and one opposed (Jones).

Executive Director Little: The RABA fixed route system operates in the three cities and in the county and has had a formula in place for 20 years on how to share the cost to provide that system. The formula looks at the total service hours of the fixed route, meaning how much time the buses are in service and running in each jurisdiction, compared to the population in the service area. It's a weighted formula based on 80% service hours; and 20% population in the RABA service area. This formula has been used for several years, but the board has complete discretion over the type of formula used. The formula can be changed and maybe revisited if funding becomes problematic for any RABA member agency.

Discussion was held between board members with the consensus being that the board maintains the RABA 80/20 percent cost sharing formula at this time. The board could revisit the issue as necessary.

Executive Director Little: The next issue paper concerns the State Transit Assistance (STA) formula. The county has a growing reserve of transit funding, and a lack of transit needs to spend that money. The county is going to have about a million dollars in transit funding reserves and $388,000 in transit needs this year. It is projected that this reserve will grow annually. SRTA could take that incremental difference for the County of Shasta and put it to work towards other regional transit needs, thereby freeing up more money for local streets and roads. SRTA distributed the funds to agencies by population as a matter of practice other than policy or any legal rational. A policy for distributing those funds is needed. The board may ratify the status quo or allocate it more based on a transit formula. Partner agencies would be consulted to ensure an equitable policy recommendation.

Shasta County Public Works Director Minturn: These funds are only available for transit and to the extent that they are made available for distribution they would free up streets and roads for other agencies. The county has accumulated a balance of about $230,000 as Mr. Little has acknowledged. We received $380,000 in STA this year, so that represents perhaps 2/3 of the year's allocation for us. Transit costs are unpredictable; they generally rise with labor, etc. so it's not a large buffer for us. We may need to purchase a bus at some point. But it is a buffer that is there, so potentially the surplus could be moved to serve purposes in other agencies. There is a $230,000 balance now, however, it's not a large balance relative to the amount of revenue and the capital costs are a consideration.

Executive Director Little: STA isn't the only money that has to be used for transit only; there are also the 5311 FTA funds that go to transit. Right now there is enough FTA revenue to cover all the counties transit costs. It's $400,000 in apportionment in federal funds to cover $380,000 in transit costs. Right now, none of the STA is needed. The projected county reserves will be $1 million after next fiscal year.

Board member McArthur: Are you looking for a motion to recommend that these counties funds that are held in reserve be distributed in a formula to be decided later?

Executive Director Little: Yes. Is there a general consensus from the board that we adopt a policy that does not create a growing reserve of STA funds? We put those reserves to use now for transit purposes which in turn frees up funds for each jurisdictions backlog of street maintenance. With this board direction, we would get back with staff from the agencies and work out the details of what that would look like.

Board member McArthur: Motion made that we will look at how to distribute those funds that are being held by the county and not create a large reserve.

Board member Jones: I second the motion.

Board member Baugh: If we change things for the county does that change things for the cities as well?

Executive Director Little: It would result in more streets and roads monies for the cities.

Board member Moty: I heard you (Mr. Little) say a couple times now there is over a million dollars in the reserve, but Mr. Minturn mentioned about $230,000. Which number is correct?

Executive Director Little: Mr. Minturn is correct in that's what was budgeted. What we have now is the past years reserve that we budgeted; we have the increase in the FTA revenue from $238,000 to $400,000 which was not budgeted. Then there is the next $380,000 in STA funds next year. When that is added up, we are looking at a million in county transit reserves in next year's budget. The difference is between a budgeted amount one year ago and what we know today.

Board member Moty: I motion that staff meet with the staff of all four agencies and discuss what might be a reasonable solution, and then bring that back to the SRTA board.

Board member Kehoe: I second the motion.

By motion made and seconded (Moty/Kehoe) the staff recommendation passed with five in favor (Giacomini, Moty, Watkins, Kehoe and Baugh) and two opposed (Jones and McArthur).

The board members then elected to vote on the first motion (McArthur/Jones). The staff recommendation failed with two in favor (McArthur and Jones) and five opposed (Kehoe, Giacomini, Moty, Baugh and Watkins).

Executive Director Little: Having completed the STA discussion, Executive Director Little switched to a discussion on the Local Transportation Fund. The Local Transportation Fund (LTF) is a quarter cent of the sales tax, which is the largest share of transit funding, and can also go to streets and roads. What's not commonly known is that the law allows for 2% of the funds of the LTF, off the top, to be used for bike and pedestrian facilities or about $140,000 annually. The board has never formally weighed in on this from a policy perspective. Options at the discretion of the board include: 1) Maintain status quo, which has been to not entertain any claims or requests for bike and pedestrian facilities; 2) take it case by case, consider claims, and approve or disapprove them; or 3) run a regional program and do a fixed set aside of that 2% and let that build or spend it annually for a bike and pedestrian program that is managed by this board. The board might want to consider this, since the federal authorization act eliminated the non-motorized program that was the sole source of funds dedicated to bike and pedestrian facilities in the region. Dedicating some funds to these activities would help implement the board's policies for non-motorized activities. In a small way, it would also serve a segment of our transportation constituency that is not currently addressed through a dedicated program.

Keith Williams, bicyclist: Bicycle only infrastructure can lead to reduced bicycle/pedestrian collisions. What gets often overlooked sometimes are the economic benefits these investments are to businesses.

Amy Pendergast, Healthy Shasta: Active transportation (walking/bicycling) is very important for the public's health. Having safe bike and pedestrian infrastructure helps reduce injuries. As people walk and bike more often it helps air quality and the cost of maintenance of the roads with less vehicle miles traveled. Healthy Shasta has done bicycle and pedestrian counts the past five years. The local trend reflects the national trend which is an increase in bicycling and walking.

Sarah Sundquist, Healthy Shasta: Providing good, safe infrastructure to bike and walk to school can increase the number of children who bike and walk to school. Parents greatest concern for allowing their children to bike and walk to school are traffic speed and volume, as well as intersection/crossing safety. Mistletoe school had an inadequate crosswalk in front of their school in 2009 and only about 4% of children walked or biked to school. Improvements were made to the crosswalk in 2011 and the number of children that walked or biked to school went up to about 13%.

Francie Sullivan, former county resident: We have 200 miles of bike and pedestrian paths here. The connectivity is the issue. Shasta Cascade Wonderland is now advertising our area as a biking and pedestrian destiny. The issue is when people get here it would be a wonderful thing if they could get to the bike paths and around our county without first driving their cars to a path.

Board member Kehoe: I'm going to move that we accept alternative three.

Board member Moty: I'll second that.

Board member Jones: I would rather support alternative number two and allow up to 2%, but leaving some wiggle room. I motion for alternative number two.

Board member Giacomini: I'll second that.

Board member Moty: If we choose option number three and actually set money aside and go for ten years without a project, then all of a sudden we have a great non bike and pedestrian need; could we turn around and say we're taking that $1.4 million we set aside and use it for some greater need?

Executive Director Little: It could be redistributed through the claims process. The money would not have to fund a $1.5 million project if that were the case. There are still some state grants that require matching funds and this could be a good source for matching funds to leverage state and federal dollars.

Motion was made for alternative number three with the provision that it's written into the policy that the SRTA board has the option, after a certain period of time, if the funds have not been used that they can be reverted back to road maintenance funds. Motion was seconded (Kehoe/Moty) the staff recommendation passed with four in favor (Moty, Kehoe, Giacomini and Watkins) and three opposed (Baugh, Jones and McArthur).

The motion by Jones/Giacomini was not voted on.

10. <u>Accept Fiscal Year 2011/12 Fiscal and Compliance Audit</u>

Chief Fiscal Officer Wallace: DH Scott & Company has completed their audit of the Metropolitan Planning Organization as well the State Transportation Assistance Fund and Local Transportation Fund. DH Scott issued a qualified audit opinion which indicated that for the most part the records are in good shape and those things that are presented in the financial statements are accurate, however, they had some concerns and uncertainties on certain parts of the financial information that was presented to them. Most of these findings were related to Transportation Development Act (TDA) compliance issues. In the past the Agency was under the internal controls of Shasta County. Beginning July 1, it became an independent agency. Because of that, the auditor sighted concerns about the amount of oversight that the agency has on our partners that receive funding such as Anderson, RABA and Shasta Lake; as well as the amount of discretion that this board has in such distributions.

Board member Jones: Our finding on the TDA in 2011/12 – where the agency overpaid RABA approximately $1.5 million in the past four years for RABA's operation, and paid the City of Shasta Lake $535,000 in the past years while failing to require the City of Shasta Lake to currently demonstrate the need for prior payments – how is this going to be addressed as we move forward?

Chief Fiscal Officer Wallace: What's required with TDA regulations is that an agency like the City of Shasta Lake has to justify or indicate exactly what projects will be used to spend the $535,000 on. Once a commitment or an apportionment to a particular city or county is made; there then has to be follow through. If the funds are not spent, then that agency has to justify what exactly it's going to use those funds for in the future. That's the part that's been missing from our claims process. Going forward, when a claim is submitted, the balance will be held and there will have to be justification. Under TDA statutes if funds are not used they can be reallocated after a certain period of time. What we will do now is rather than indiscriminately putting the funds forward we are asking for prioritization and project details. This extends to streets and roads as well.

Regarding RABA being overpaid $1.5 million – this was in the form of advances that SRTA had given them for operations. In the past RABA has received money for cash flow purposes. Beginning in 2008 unused monies began to be accumulated. It is proposed that we get those funds back and make a RABA reserve. Another $1.5 million would be distributed for streets and roads.

Chair Watkins: The audit that DH Scott did was the most thorough that I've ever seen. But the credit really goes to Dave Wallace. Between Dave, what he found initially in his 90 page report, then working with DH Scott, we have gotten the most complete audit that this agency has ever had.

By motion made and seconded (Moty/Jones) the staff recommendation passed with six in favor (Giacomini, Moty, Watkins, Jones, Kehoe and Baugh) and one absent (McArthur).

11. Revision of Redding Area Bus Authority (RABA) Reserve Policy

Chief Fiscal Officer Wallace: In the State Transit Assistance (STA) fund, there was board action in 2007 to set aside about a $1 million cash reserve that could be used for RABA. Because of interest it's gone up to about $1.2 million. In review of RABA financial statements, it was discovered that RABA has an overpayment of about $1.1 million. We propose to recover the $1.1 million; take that money and deposit it in an investment and make it available to be loaned to RABA for operations. The money would not be held by Shasta county, it would be held in an approved investment by this board. The $1.2 million that sits in the STA fund would then be released through the claims process, ultimately resulting in more funds for streets and roads. We would still maintain our regular accounts with STA in regards to the quarterly receipt of monies from the state and disbursements to the various agencies.

Board member Jones: Since we're going to return this money, where did it originally come from and were there any stipulations with the funds?

Chief Fiscal Officer Wallace: It originally came from their monthly STA allocations. Each year they estimate the total amount of money that RABA will require. Generally it's the total cost adjusted for inflation plus a 3% contingency. What typically happened is every year that amount was trued-up. That's what they did throughout the year 2007; then the process stopped.

Chair Watkins: Do we have a policy as to where and how SRTA would invest this money that is returned from RABA?

Chief Fiscal Officer Wallace: Yes. The board will approve all investments. Once the board approves that investment then we'll request the refund from RABA and deposit it in the investment that was specified.

By motion made and seconded (Jones/McArthur) the staff recommendation passed unanimously.

12. <u>Consider Approval of Employer-Employee Resolution and Related Actions</u>

Executive Director Little: There are two staff recommendations. The first is an employer-employee relations resolution. It's required of all public agencies. We're recommending adoption of the resolution regardless of action on the second item.

By motion made and seconded (Moty/McArthur) the staff recommendation to adopt the resolution passed unanimously.

Executive Director Little: Regarding the second item, the employees of this agency, while under the county, were represented by a union. Staff has stated no desire to be represented by a union at this time. They would, however, like to have some avenue for communication of labor relations with the board. Staff suggests more of an informal process to achieve this that could be less adversarial, less cumbersome and less costly for all parties concerned. It will take some good faith efforts on all the parties to make this work because there are no laws that we're bound by. The line of thinking is to work out an informal process and appoint an ad hoc labor committee – a sub-committee of this board with two to three members of your choosing. Then have communications with staff and come up with something that would mirror the components of a labor MOU, only less formal.

> Chair Watkins: It seems the simple thing to do is have the ad hoc committee consist of the chair, vice chair and standing member – Leonard Moty. It would be a three member board, the same participants as the financial committee.

Motion was made by board member Kehoe for staff recommendation number two with the inclusion of the formation of an ad hoc committee consisting of the chair, vice chair and Leonard Moty. Motion was seconded (McArthur) and passed unanimously.

There being no other business to discuss, Chair Watkins adjourned the meeting at 7:10 p.m.

Respectfully submitted,

Daniel S. Little, AICP, Executive Director

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