



**JOINT MEETING OF THE STANISLAUS COUNCIL OF
GOVERNMENTS (StanCOG) EXECUTIVE COMMITTEE
AND THE STANISLAUS REGIONAL TRANSIT AUTHORITY
ADVISORY COMMITTEE
VIA TELECONFERENCE
MONDAY, NOVEMBER 9, 2020
9:00 AM**

Important Notice Regarding COVID-19

In accordance with Governor Newsom’s Executive Order N-29-20, any meeting room will be closed to the public. In the interest of maintaining appropriate social distancing measures, members of the public may participate in the meeting electronically and shall have the right to observe and offer public comment during the meeting.

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Committee Agendas and Minutes: Committee agendas, minutes and copies of items to be considered by this committee are available at least 72 hours prior to the meeting at the StanCOG offices located at 1111 "I" Street, Suite 308, Modesto, CA during normal business hours. The documents are also available on StanCOG's website at www.stancog.org.

Materials related to an item on this Agenda submitted to the committee after distribution of the agenda packet are available for public inspection at the address listed above during normal business hours. These documents are also available on StanCOG's website, subject to staff's ability to post the documents before the meeting.

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Notice Regarding Non-English Speakers: This committee meeting is conducted in English. Anyone wishing to address the Committee is advised to have an interpreter or to contact Cindy Malekos at (209) 525-4600 during regular business hours at least 72 hours prior to the time of the meeting so that an interpreter can be provided.

Aviso con Respecto a Personas que no Hablan el Idioma de Inglés: Las reuniones de los Comités del Consejo de Gobiernos de Stanislaus son conducidas en Inglés. Cualquier persona que desea dirigirse al Comité se le aconseja que traiga su propio intérprete o llame a Cindy Malekos al (209) 525-4600 durante horas de oficina regulares o a lo menos 72 horas antes de la reunión, para proporcionarle con un intérprete.

AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENTS

These matters may be presented only by interested persons in the audience. Discussion is limited to three minutes or at the discretion of the Chair.

4. CONSENT CALENDAR

- A. Motion to Approve the Stanislaus Regional Transit Authority Advisory Committee Minutes of 10/19/20

5. DISCUSSION/ACTION ITEMS

- A. Update on the Formation of the Stanislaus Regional Transit Authority
- B. Status Update of JPA Agreement (Verbal Report)
- C. Future Meeting Schedule

6. ADJOURNMENT



CONSENT CALENDAR



JOINT MEETING OF THE STANISLAUS COUNCIL OF GOVERNMENTS (StanCOG) EXECUTIVE COMMITTEE AND THE STANISLAUS REGIONAL TRANSIT AUTHORITY ADVISORY COMMITTEE VIA TELECONFERENCE

Minutes of October 19, 2020 (Monday) 9:00 am

Important Notice Regarding COVID-19

In accordance with Governor Newsom’s Executive Order N-29-20, the Stanislaus Council of Governments (StanCOG) Board Room was closed to the public, and the Stanislaus Regional Transit Authority Advisory Committee (SRTAAC) members and staff participated in this meeting via GoToMeeting. In the interest of maintaining appropriate social distancing measures, members of the public were able to participate in the meeting electronically and had the right to observe and offer public comment during the meeting.

MEMBERS PRESENT: Chair Jenny Kenoyer (City of Modesto); Vice-Chair Nicole Larson (City of Turlock); Bill Zoslocki (City of Modesto); Terry Withrow (Stanislaus County); Gil Esquer (City of Turlock); Richard O’Brien (Cities other than Modesto and Turlock)

ALSO PRESENT: Rosa Park, Karen Kincy, Elisabeth Hahn, Cindy Malekos, Josey Oshana, Edith Robles (StanCOG); Phil McGuire (McGuire Management Consultancy); Mohammad Ahmed (Interwest Consulting); Monica Streeter (Neumiller and Beardslee); Caluha Barnes, Adam Barth, Nathan Bray, Edward Cranford, Scotty Douglas, Amber Gomes, Jason Helton, Maria Hermenegildo, Dave Leamon, Darla Moen, Stacie Morales, Lucien Musso, Letti Ortiz, Sweena Pannu, Mike Pitcock, Bill Sandhu, Angela Swanson, Roslyn Thomas, Luis Uribe, Keira Vink, Wayne York (Members of the Public)

1. CALL TO ORDER

Chair Kenoyer called the meeting to order at 9:03 am.

2. **ROLL CALL**

3. **PUBLIC COMMENTS - NONE**

4. **CONSENT CALENDAR**

A. Motion to Approve the Stanislaus Regional Transit Authority Advisory Committee Minutes of 9/21/20

- **By Motion (Member Gil Esquer/Member Bill Zoslocki)**, and a unanimous roll call vote, the Stanislaus Regional Transit Authority Advisory Committee approved the Consent Calendar.

5. **DISCUSSION/ACTION ITEMS**

A. **Update on Stanislaus Regional Transit Authority Agency Formation Process**

Phil McGuire provided an update on the formation process of the JPA by the three agencies. He said the target formation date was January and that any comments on the JPA agreement were due back on October 30, 2020 so they could be discussed at the next meeting on November 9, 2020. Member Withrow encouraged the three agencies to continue to work together in order to continue to move forward. Member Zoslocki stated that the City of Modesto was on board with forming the JPA however needed some time to develop processes. Caluha Barnes stated that they were working on the timeline and the processes needed in order to move forward with the established timeline.

B. **Status Update of JPA Agreement**

Phil McGuire provided an update on the dissemination of the JPA agreement to the three agencies for their review. He explained that the agreement was distributed to the three agencies for legal and staff review and that comments were to be provided back by October 30, 2020, such that the Advisory Committee could review proposed edits to the draft Agreement at its meeting on November 9.

C. **Update Regarding Preparation of Transition Plan for the Stanislaus Regional Transit Authority Agency Formation**

Phil McGuire discussed the transition plan. The transition plan, as stated in previous meetings, would consist of the compilation of the Technical Memos on specific transition details. The most critical components of the formation process for the new authority include creation of an efficient staffing plan made up of the transit department employees of the operators. He described the process used to arrive at the proposed staff structure which included detailed discussion of the functions required of the new agency, the duties of the current transit staffs among the three jurisdictions, and efficiencies that could be achieved through consolidation of overlapping functions.

6. **ADJOURNMENT**

Chair Kenoyer adjourned the meeting at 10:13 a.m.

Next Regularly-Scheduled SRTAAC Meeting:
November 9, 2020 (Monday) @ 9:00 am

Minutes Prepared By:

Josey Oshana

Josey Oshana

Executive Administrative Assistant, StanCOG



DISCUSSION & ACTION ITEMS



TO: Stanislaus Regional Transit Authority Advisory Committee **Staff Report**
Discussion

FROM: Phil McGuire

DATE: November 9, 2020

SUBJECT: Update on the Formation of the Stanislaus Regional Transit Authority

Recommendation

Consider information presented.

Background

Actions toward the formation of the Stanislaus Regional Transit Authority have been underway since November 2019. They began with the extension of the consulting agreement with McGuire Management Consultancy, moved forward in January to the formation of the Transit Implementation Working group, and later included the adoption of an MOU establishing the formal formation process. Throughout this period there have been many meetings of the committees that are involved and many additional discussions of issues with various participants. Efforts toward the actual formation took a major step forward with the recommendation of the Advisory Committee created by the MOU that the Joint Powers Authority draft agreement be sent to the jurisdictions for review and comment.

The level of effort directed at the formation intensified greatly with adoption of the MOU. That agreement resulted in the creation of the Advisory Committee of elected officials charged with crafting the JPA agreement and with providing guidance on other issues involved in the decision process. Elected representatives from each jurisdiction participated in the meetings. In parallel, a new Staff Working Group was also established. This group started with the StanCOG consultant and all jurisdiction transit managers and soon after added representation of the senior management of all three participating jurisdictions. Representatives of each jurisdiction participated in the Staff Group meetings.

These committees have operated as intended since their creation. The Advisory Committee has engaged in detailed discussions of policy issues as well as strategic considerations such as the timing of completion of a Transition Plan for review by the jurisdictions. The Staff Group has also accomplished a great deal in the form of sorting through many operating and financial details that are highlighted by the formation process.

In spite of participation in the meetings referenced here, the City of Turlock acted upon a staff recommendation to terminate its participation in the MOU. On October 27, the City Council voted to terminate participation in the agency formation process. This action necessitates the consideration by the remaining parties to the MOU, the City of Modesto and Stanislaus County, as to the course of action going forward. It is hoped the these jurisdictions will reaffirm their commitment to the formation process and proceed with the intent to create a two party JPA.

Discussion

The withdrawal of Turlock from the formation process leaves the remaining jurisdictions with various options. Each of these includes its own set of issues and consequences. The summary of options is provided below for consideration. In laying out these options, it is important to consider the approach outlined in the *Transit Efficiency and Innovation Study*: the Study outlined a continuum of options based largely on political will and commitment. The continuum embodies additional approaches to improving transit in the county on a declining scale of overall impact. This is a brief summary of the options starting with the most impactful:

Full regional authority formation: The formation of a county-wide JPA creating a new transit authority remains the most comprehensive and ultimately beneficial option for the region. It should remain the number one option even if the only participants are Modesto and the County. Such a new agency would be responsible for nearly all of the territory and population of the County. The only portion not included would be Turlock. Their portion includes only 21 of the 133 buses in the entire County. The two agency JPA would still allow pursuit of regional transit integration only without the routes within the City of Turlock. Then, as defined in the next option moving down the continuum, Turlock dial-a-ride service could be brought into the service scope of the new JPA on an MOU basis much like Modesto/Ceres. The new JPA could negotiate with Turlock to operate county-wide dial-a-ride thus regionalizing all services except the Turlock fixed route.

This would allow for the selection of a county-wide contractor for dial-a-ride services and either a separate or combined contractor for Modesto and County fixed route services. The City of Turlock has gone on record multiple times supporting its participation in a county-wide dial-a-ride contract. This could be accomplished through an agreement with the new JPA similar to that of Modesto and Ceres.

Consolidate dial-a-ride/paratransit only: This option on the continuum called for the an agreement between the jurisdictions (likely an MOU similar to the Bay Area as described in the Study) to consolidate only paratransit operations under a new management structure and a single contractor. This option was downplayed in favor of the full JPA for reasons of the larger impact of the full JPA. However, if a JPA were not established, this would make a good option for at least the critical dial-a-ride/paratransit component.

No service integration/Collaboration on key features: This option at the low end of the continuum would include cooperation on fares, signage, planning, etc. Recent evidence reinforces the likelihood that this option would bear no fruit. The operators have recently demonstrated their historical separation on nearly all aspects of transit policy. There is no apparent mechanism available (other than the JPA) which would encourage/mandate this level of collaboration.

Many of the details of the formation process have been identified in the transition planning process supported by decisions regarding staffing, federal grant transfer, startup costs, and budget issues. Under the circumstance of the withdrawal of Turlock from the MOU, it is worth stating some of the likely consequences of not proceeding with the two jurisdiction JPA.

City of Modesto: The City of Modesto has a great deal to gain from continuing forward with agency formation. As with the other operators, Modesto is expected to fall below the farebox threshold in FY 2021-22 (beginning July 1, 2021). As of that date, all existing state legislative exemptions will have expired. This includes SB 903 and AB 90. Thus the next fiscal year would start the clock toward financial penalties. As has been stated throughout the agency formation discussions, it has been confirmed by Caltrans that simply through formation of the new JPA, all participating agencies will receive farebox exemption for 3+ fiscal years.

The City of Modesto terminated its procurement process for a paratransit vendor in August on the basis that a new JPA would be formed and take over the responsibility for conducting a county-wide vendor procurement in compliance with federal rules. Should Modesto withdraw from the JPA formation process, the potential exists for the City to be faced with reinstating the same procurement process for city-only service that was terminated with FTA approval. What appeared to be an excellent opportunity for establishing a regional service and in so doing solve a major problem for the City of Modesto would be lost.

Also importantly, the transition planning process has cast light upon the claims submitted by the jurisdictions for transit funds to cover jurisdiction overhead expenses. This analysis revealed that Modesto has claimed approximately \$1.5m in transit funds annually for administrative overhead. This process had gone without attention for many years on the good faith by StanCOG of the reasonableness of the TDA claims. With the revelation of substantial detail regarding the overhead expenses, StanCOG is now reconsidering its TDA claim process with the likely imposition of new limits on such claims.

Stanislaus County: Stanislaus County stands to benefit substantially from the JPA formation. It too would receive the 3+ year farebox exemption from the agency formation. Like the other jurisdictions, the County also faces the start of the farebox penalty phase in July, 2021. The County also faces conducting its own vendor procurement process sometime in FY 21-22. This would become the responsibility of the JPA if formed.

The County charges much less than Modesto in administrative overhead. There would be some impact to the County of the transfer of overhead funds to the new JPA. However, the County has not raised great concern over the impact on its operation.

City of Turlock: Turlock has withdrawn from the JPA formation process. Perhaps the single most significant immediate impact of this decision is the inability to qualify for the farebox exemption that is afforded by the JPA formation. Instead, Turlock will begin the farebox penalty cycle beginning July, 2021.

What is important to remember regarding the basis for the recommendation to form a new Stanislaus Regional Transit Authority is the benefit to the community of having a fully integrated regional transit system. This was stated throughout the Study as the reason to move forward with this concept. It was suggested that cost savings not be the primary reason to accomplish this. It was also stated that there are savings likely resulting from consolidation in the vendor contracts as well as efficiencies in service

deployment. Even without Turlock, the number of vendor contracts could be reduced from three to one. This alone offers efficiencies. The riding public could benefit from an integrated regional system with only Turlock's local service falling outside of the regional management structure.

This is a discussion item only. However, the available options present substantially different areas of emphasis to the Staff Group. An indication of support for a particular option would help to provide direction to the Staff Group.



STATUS UPDATE OF JPA AGREEMENT

**A VERBAL REPORT ON THIS ITEM
WILL BE MADE AT THE
STANISLAUS REGIONAL TRANSIT
AUTHORITY ADVISORY COMMITTEE
MEETING**