



# RESOURCE MANAGEMENT AGENCY COUNTY OF TULARE AGENDA ITEM

## BOARD OF SUPERVISORS

KUYLER CROCKER  
District One

PETE VANDER POEL  
District Two

AMY SHUKLIAN  
District Three

EDDIE VALERO  
District Four

DENNIS TOWNSEND  
District Five

**AGENDA DATE:** June 30, 2020

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>

CONTACT PERSON: Celeste Perez    PHONE: (559) 624-7010

**SUBJECT:** Consider the County's participation in the Tulare County Regional Transit Agency Joint Powers Agreement

**REQUEST(S):**

That the Board of Supervisors:

1. Receive a presentation regarding the proposed Tulare County Regional Transit Agency Joint Powers Agreement; and
2. Approve Option A or Option B:

Option A:

- Approve the Tulare County Regional Transit Agency Joint Powers Agreement; and
- Authorize the Chairman of the Board to sign the Tulare County Regional Transit Agency Joint Powers Agreement; and
- Appoint a member of the Board of Supervisors to sit on the Board of Directors of the Tulare County Regional Transit Agency; and
- Appoint an alternate member of the Board of Supervisors to sit on the Board of Directors of the Tulare County Regional Transit Agency.

Option B:

- Decline to participate in the Tulare County Regional Transit Agency Joint Powers Agreement.

**SUMMARY:**

On May 20, 2020, the Tulare County Association of Governments (TCAG) circulated a letter to the City Managers, Administrators and the County Administrative officer for

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the cities in Tulare County as well as the County. The letter, attached hereto as Attachment A, requested that the agencies consider the adoption of the Tulare County Regional Transit Agency Joint Powers Agreement (the JPA), attached hereto as Attachment B, by July 17, 2020. The JPA was prepared by a TCAG ad hoc committee and approved by TCAG at its April 20, 2020 meeting. The JPA was previously presented to the Board of Supervisors for consideration as part of a Study Session on May 5, 2020. The JPA would create the Tulare County Regional Transit Agency (the Agency), a new consolidated transit agency responsible for transit services within the jurisdictions of its members.

**TERMS OF THE JPA:**

Some important terms of the JPA are presented below:

**Voting (Article II, Section 8):** The proposed JPA would consolidate its member transit services into one combined transit agency. Under the proposed terms, the JPA's governing Board of Directors (the JPA Board) would include one voting member from each member agency and one alternate, plus ex officio members from TCAG and CalVans. In addition, most decisions would be determined by a majority vote, but certain decisions, such as budget approval, local transportation fund (LTF) claims, mid-year withdrawal of an agency (or withdrawal under certain circumstances), or readmission of an agency, would require unanimous consent.

**Service Levels (Article III, Section 2):** The JPA Board would have final decision regarding transit service levels, which would be established for areas in the County based on established criteria. Individual member agencies could request a higher service level and would be responsible for the marginal cost increase.

**Service Changes (Article III, Section 3):** A member agency may request additional services or service but the JPA Board has the ultimate decision on whether to implement any requested service changes.

**Sources of Funds (Article III, Section 4):** To fund the baseline service as determined in the Service Levels section, each member agency would contribute funds according to a formula. The funding formula is half based on population of the member agency and half based on service hours offered within the jurisdiction. The population of the various potential member agencies is as follows:

Agency	Population	Share by Pop.
Dinuba	24,461	5.25%
Exeter	10,485	2.25%
Farmersville	10,703	2.30%
Lindsay	13,463	2.89%
Porterville	59,599	12.78%
Tulare	65,496	14.05%
Visalia	134,605	28.87%

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<b>Woodlake</b>	7,658	1.64%
<b>Unincorporated County</b>	139,725	29.97%
<b>Countywide Total</b>	<b>466,195</b>	

Source: U.S. Census Bureau, Population Estimates Program (PEP), July 1, 2019 (V219)  
[Unincorporated County population determined by difference between total county population and that of the cities]

Several significant policy decisions described below would need to be made by the JPA Board before the County's exact share based on service hours can be determined. However, the County's share based on service hours may be estimated based on current service levels, as follows:

	<b>Service Hours</b>	<b>Share</b>
Dinuba Area Regional Transit (inc. Dinuba Connection)	14,937	5.01%
Porterville Transit (inc. some County Areas)	52,834	17.71%
Tulare InterModal Express	36,841	12.35%
Visalia Transit (inc. Exeter, Farmersville, some County areas)	156,230	52.36%
Woodlake (inc. some County areas)		
Tulare County Area Transit (inc. Lindsay & some City areas)	37,513	12.57%
<b>Countywide Total</b>	<b>298,355</b>	<b>100.00%</b>

Source: 2018/19 State Controller's Report by System. Note: Woodlake's State Controller's Report was not readily available to staff

Depending on policy determinations by the JPA Board, the County may be required to pay a lesser or greater share than estimated above. The estimate for service levels assumes that services provided by the County for the cities are roughly equivalent to those provided to the County by the cities.

Based on the assumptions and data above, the County's overall budgetary share is expected to be 21.3% while its voting share of the JPA board would be approximately 11.1% (1 out of 9 votes).

However, the City of Visalia considered the JPA on June 15, 2020 and determined that it would not become a member. As such, the County's share of the population would increase to 42.1% and, assuming that the share of service hours between Visalia, Exeter and Farmersville is proportionate to the population and Farmersville and Exeter join the JPA, the County's share of hours would be approximately 23%.

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In this scenario, the County's total budgetary share would be approximately 32.4% while its voting share of the JPA Board would be 12.5% (1 out of 8 votes).

**LOOP Bus & Emergency Services:** Under the terms of the JPA, the LOOP Bus and the County's emergency services would be limited and would require approval by the JPA Board. As such, the County should enter into a separate agreement with the Agency to provide these services if the County enters into the JPA.

### 2019 TULARE COUNTY REGIONAL TRANSIT COORDINATION STUDY

The JPA follows the 2019 Tulare County Regional Transit Coordination Study by SBLB, LLC in association with Multimodal Solutions for TCAG (the Study), which included a series of steps and best practice recommendations towards the implementation of a JPA. In Section 6 of the Study, SBLB recommends Policy Makers consider, among other things, two service plan options for a coordinated transit system: A Clean Slate model and the One Region Model. The Clean Slate model essentially recommends an overhaul of all transit services countywide, while the One Region Model recommends changes to the current system to improve efficiencies with minimal disruption. In addition, a different service model than the two recommended options could be adopted.

On June 10, 2020, SBLB released the *TCAG Update*, attached hereto as Attachment C, which updates the Study focusing on two issues: (1) changed conditions in the previous six months and (2) changes possible if less than total consolidation by all of the county's transit agencies.

The first part of the *TCAG Update* focuses on the impacts of COVID-19 to transit systems as well as changes or decreases to transit funding that may impact the systems.

The second part focuses on what would happen if less than all five transit agencies in the county were joined the JPA. Here, there is discussion about other consolidation efforts that stalled or failed initially, that after additional negotiations, were completed some years later. It also notes that the JPA should have terms to allow late entry by a potential member agency, which it does. The report also recommends proceeding if at least three of the five county transit agencies elect to participate so long as the majority of service levels is represented. Here, Visalia Transit represents over half of current service levels including those provided to Exeter and Farmersville. Should Exeter and Farmersville retain their current relationship wherein they are served by Visalia transit and not join the JPA, the JPA would represent less than half of the current service levels.

### ANTICIPATED BENEFITS

The JPA is anticipated to have some benefits to transit riders throughout the County. Many of these benefits would be realized by having a single entity controlling all transit systems throughout the County, which would allow for consistent branding

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and more rider-focused planning regardless of jurisdictional boundaries within the County. The Agency would have more freedom to create new and different fare options for the riders. For example, the JPA could implement a zone-based or distance-based fare system, which would be difficult under the current system of operations. In addition, a single consolidated agency could more easily implement an electronic fare collection system, which the individual transit agencies are currently working through the Transit Forum to implement. However, the ability of the new agency to experience these benefits would be reduced somewhat as the City of Visalia will not initially be a participating entity and therefore at least two transit operators would exist in the county.

A JPA may have some administrative benefits as compared to the current transit system. First, the agency may be able to benefit from economies of scale. By combining multiple agencies, the transit agency would reduce some reporting and regulatory requirements, such as the Title VI plan, the Transit Asset Management Plan, and Short Range Transit Plan. However, there are limits, as some of the reporting and planning becomes more complex with a larger system. Some County transit services would be subject to stricter requirements because the JPA would receive FTA § 5307 federal funding, as compliance with FTA § 5311 federal funding that the County currently receives is generally less intensive. We expect that this could result in some savings from staff time and overhead but cannot quantify this cost savings at this time because staffing levels and decisions at other agencies are not fully known to County staff.

The Agency may also benefit by being able to bid one or more service contracts under one combined agency as opposed to separately. In a recent procurement, the County partnered with the Cities of Tulare and Visalia to attempt to increase competition from the bid. However, the City of Tulare and the County only received bids from their existing contractor. The City of Visalia received two bids. Discussion with nonparticipating prospective bidders suggests that the requirement to submit named personnel for all three bids simultaneously factored into their decision not to bid. As such, bidding of contract services is a situation where the JPA would have a benefit even over a coordinated effort by the separate transit agencies.

The Joint Powers Agreement before your Board today has been reviewed in its current form and approved by County Counsel. If the Board elects to participate in the JPA, staff will obtain final formal approval of the agreement by Counsel prior to execution of the agreement by the Chair.

**FISCAL IMPACT/FINANCING:**

There will be No Net County Cost to the General Fund. This JPA includes a provision in Article III, Section 9 that the Agency "shall not obligate Member Agencies to expenditure of general funds for transit purposes." However, a member agency may contribute general fund moneys to the Transit Agency to provide certain services beyond what is called for in the basic service plan.

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The JPA has the potential for significant impacts to the County Roads Fund, however the exact impact is not known for the short or long term as the initial JPA budget and service plans will be determined by the JPA Board after formation.

Under the JPA, all transit-only funding will be the primary funding source for the JPA. Transit only funds are comprised of local, state and federal funds that TCaT currently receives, including: State Transit Assistance (STA), State of Good Repair funds (SGR), FTA § 5311, Measure R Transit Funding, and may also include transit fares and other revenues. The JPA would also be eligible for other transit funding, including FTA § 5307, and would be eligible for competitive grants, whether transit only or not, and transit-eligible grants such as the Low Carbon Transit Operations Program (LCTOP), FTA § 5339, and Congestion Mitigation and Air Quality grants (CMAQ).

Funds beyond those which are available from the other "transit only" sources described above will primarily come from Local Transportation Fund (LTF). LTF funds are unique in that if the transit system does not have any unmet needs that are reasonable to meet, leftover LTF funds can be transferred to the Roads fund for maintenance as "Streets and Roads" apportionment of LTF. Approximately \$4.5 million of LTF is expected to be transferred to the County's Roads fund in FY 2020/21, which is approximately 7.5% of the Roads fund income for the year.

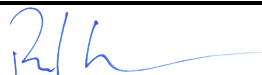
The County's share of the costs under the LTF program are estimated at 21.3% of the JPA budget if all agencies join or 32.4% without the City of Visalia. Thus, depending on the JPA's elected service plans and expenditure rates, the excess LTF funds that drop to County Streets and Roads could be impacted.

Because an initial budget and service plan are not being adopted, total costs cannot be determined. Further, as the City of Visalia has declined to participate the Agency would need to negotiate with the City of Visalia for funds under FTA § 5307 as Visalia acts as the direct federal recipient and the new agency would be a subrecipient of these funds.

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

This program links to Strategic Initiative 1: Safety and Security includes the goal of improving and maintaining adequate transportation infrastructure. The proposed action would enter the County into a joint powers agreement which would focus on improving and maintaining the County's transit system.

**ADMINISTRATIVE SIGN-OFF:**



Reed Schenke, P.E.  
Director

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Cc: County Administrative Office

Attachment(s): A. JPA Circulation Letter from TCAG dated 5-20-2020  
B. Tulare County Regional Transit Agency Joint Powers Agreement  
C. TCAG Update by SBLB from June 10, 2020

# BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF CONSIDER THE )  
COUNTY'S PARTICIPATION IN THE ) Resolution No. \_\_\_\_\_  
TULARE COUNTY REGIONAL TRANSIT ) Agreement No. \_\_\_\_\_  
AGENCY JOINT POWERS AGREEMENT )

UPON MOTION OF SUPERVISOR \_\_\_\_\_, SECONDED BY  
SUPERVISOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE  
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD JUNE 30, 2020, BY  
THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST: JASON T. BRITT  
COUNTY ADMINISTRATIVE OFFICER/  
CLERK, BOARD OF SUPERVISORS

BY: \_\_\_\_\_  
Deputy Clerk

\* \* \* \* \*

1. Received a presentation regarding the proposed Tulare County Regional Transit Agency Joint Powers Agreement; and
2. Approved Option A or Option B:

## Option A:

- Approve the Tulare County Regional Transit Agency Joint Powers Agreement; and
- Authorize the Chairman of the Board to sign the Tulare County Regional Transit Agency Joint Powers Agreement; and
- Appoint a member of the Board of Supervisors to sit on the Board of Directors of the Tulare County Regional Transit Agency; and
- Appoint an alternate member of the Board of Supervisors to sit on the Board of Directors of the Tulare County Regional Transit Agency.

## Option B:

- Decline to participate in the Tulare County Regional Transit Agency Joint Powers Agreement.

# Attachment A

JPA Circulation Letter from  
TCAG dated 5-20-2020



**210 North Church St. Suite B.  
Visalia, California 93291  
Phone (559)623-0450  
Fax (559)733-6720  
[www.tularecog.org](http://www.tularecog.org)**

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May 20, 2020

Dear City Managers, Administrators, and County Administrative Officer:

On April 20, 2020 the Tulare County Association of Governments approved a Joint Powers Agreement (JPA) for circulation to all Tulare County agencies for consideration. The JPA is a culmination of years of regional coordination, planning, and analysis. The final document was prepared by way of an ad hoc committee and has been reviewed for legality. All member agencies are requested to present the JPA for creation of the Tulare County Regional Transit Agency (TCRTA) to their respective governing bodies and submit a copy of their resolution to TCAG by July 17, 2020. Once action has been taken by agencies, circulation for signature and establishment of the TCRTA will begin.

The JPA approved April 20<sup>th</sup> is attached. Please contact me or Ted Smalley if you have any questions or if you would like TCAG staff to attend your meeting.

Thank you for your consideration and assistance throughout this process.

Sincerely,

Elizabeth Forte  
Principal Regional Planner, TCAG

Attachment C

TCAG Update by SBLB from  
June 10, 2020

# SBLB, LLC TCAG Update

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JUNE 10

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Robert Babbitt, Project Manager



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# SBLB, LLC TCAG Update

In Association with Multimodal Solutions

***“...many of our nation’s transit public transportation systems are facing extraordinary challenges...”***

K Jane Williams, FTA Acting Administrator; April 2, 2020

# Tulare County Council of Governments (TCAG) Post Covid-19 Coordination

Consolidating the structure of transit service allows the region to optimize resources, respond more quickly to passenger needs, enhance funding opportunities, adjust service provision models and fulfill regulatory requirements.

## CHANGED CONDITIONS IN LAST SIX MONTHS

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### **Decline in Sales Tax Revenues**

The State of California is losing revenue due to the pandemic. In May 2020 Governor Newsom proposed a \$203 billion state budget that dealt with the \$54 billion gap caused by the pandemic.

This will far exceed any amount of federal supplements that may be received. This will impact the TDA funding level for a longer period and in turn will accelerate the time it will take for the region to deplete TDA and local sales tax funding. The entities that do not work together will be exposed to utilizing their general funds to supplement the traditional transit funding.

### **Decline in Farebox revenue**

New fare policy and collection methods need to be developed for the future that address both regional fare plans and touchless fare collection. This is an opportunity to centralize fare policy to best position the region to respond to the individual mobility needs of the residents. Transit systems that have suspended their fares due to COVID-19 include Foothills Transit -West Covina, Omnitrans-San Bernardino, San Diego-MTS, Big Blue Bus-Santa Monica, AC Transit-Oakland and the Santa Clara VTA.

### **Reduction of Ridership on Fixed Route/Need for New Alternatives**

There is a growing demand for microtransit and personalized service that works best through regional service provision.

Transit agencies across the country are reviewing the operating service models to maintain mobility but to also address their customer's reluctance to ride. Listed below is a review of programs that have been initiated as a result of transit agencies responding to COVID-19.

May 2020

Columbus, OH

COTA is providing a new microtransit plus service that is designed to complement existing transit options during the COVID-19 pandemic. This three-month pilot will provide transit access for customers who are experiencing reduced service or lost fixed route service in parts of the Columbus metro.

April 2020

Los Angeles, CA

LA Metro has made emergency adjustments to the Mobility on Demand Program as a result of COVID-19 in order to ensure there are transportation options for people who need them most during this difficult time.

Denton County Texas, Detroit and St. Louis also have initiated microtransit services as a result of their COVID-19 crisis.

### **Changing service Delivery Models**

Transit agencies in Austin, Houston, Dallas, Reno, Spokane and San Diego-CTSA have adjusted their service delivery models to help in delivering meals to residents and Yolo Bus-Davis is delivering food from their Food Bank in order to assist communities and utilize equipment.

The City of Helena and Green Bay have suspended their fixed route services and allowed for medical trips only on paratransit.

### **Maintaining safety and cleaning protocols**

The Corona virus has no boundaries within the service area, therefore; regional safety and cleaning protocols should be developed and applied throughout the service area. In addition, economies of scale should be pursued in supply procurements.

### **Opportunities for Innovation and Coordination Considerations**

Although coordination can be viewed as an agency by agency function there are other ways that could be pursued.

Consider centralizing some functions as a staged reorganization process. Capital projects, grant administration and regulatory compliance come first as a pilot project. The other functions are implemented over time. Select paratransit to be the initial regional service. Fund an enhanced technology and microtransit system as a regional priority. Include fare promotions and enhanced marketing to raise the level of awareness from the public regarding transit innovation and responsiveness. The jurisdictions that join the JPA first will receive the first microtransit implementation for their residents.

## CHANGES POSSIBLE IF LESS THAN FIVE SYSTEMS CONSOLIDATE =====

### Full Consolidation

There have been several cases in which policy choices for transit reorganization have hesitated. In Dallas, the vote for the Lone Star Transportation Authority failed in 1979. The revised plan for Dallas Area Rapid Transit passed in 1983. In Atlanta, the vote for MARTA failed in 1968. The revised plan passed in 1971.

In California, there are many successful cases of transition to a Joint Powers Authority. There are also similarities in the challenges faced on the path toward transition.

Jurisdictions often do not want to lose ownership of the organization that has been built. Control is frequently a stumbling block in this path. This is not unlike the challenges private sector companies face when offered a potential merger. Many efforts of this type in transit proceed with a due diligence phase in which employee issues, contractor issues, board composition, voting requirements, financial forecasts, technological impacts and veto powers are resolved.

Among the many California cases, Victor Valley, Calaveras, Solano, and Eastern Sierra are noteworthy. Victor Valley began contract service for one Barstow route in 2011. VVTA was encouraged by the county to consider merger of the smaller Barstow operation. The benefits were clear to many. The agreement began in September 2014. The hesitations were resolved for the Barstow policy makers through use of a two year lease of the fleet. If certain positive results were not achieved, the vehicles could be returned to Barstow and the merger could cease.

The Eastern Sierra Transit Authority JPA was created in 2006 by the four partner agencies. For a year, the integration of services took shape and the

partners (Mono County, Inyo County, Bishop and Mammoth Lakes) agreed to the last step in the transition in mid 2007. ESTA assumed operations of all services at that point.

Calaveras Transit Agency is a Joint Powers Authority formed in March, 2018. The City of Angels Camp had contracted with Calaveras County for over a decade. The Public Works department had managed the system until a pattern of riders and revenue decrease brought the focus to the JPA. The change in voting, and in local government funding were significant changes. The process included the transit system turnover to the Calaveras Council of Governments and the creation of the JPA Board. The failure to reach the 10% fare recovery ratio led to the decisions.

In August 2019, Calaveras Connect announced new services/fares to Columbia College. The program is an example of what is possible after full coordination. It is funded by Caltrans, Columbia College, the student association and foundations.

The SolTrans JPA held its first meeting in December 2010. This followed years of planning and negotiations. The new Board of Directors and the transition team sorted through many issues: federal grant status, financial stability, transition of employees and operations, and new bylaws. There were many issues negotiated and resolved in the first year. The JPA assumed transit operations in 2011.

In the first five years, the agency staff grew from one to eleven members. The proof of concept is the number of state, regional and national awards won during the period. The Mayor of Vallejo was the first chair. The first Board of Directors included the Mayor of Benicia.

## What if Four or Three Systems Consolidate

Though most Joint Powers Authorities debate issues and negotiate for many months, it is possible that unanimous agreement among five systems may yield issues of control, funding, voting or identity that remain challenging.

If four of the five agree to form the JPA, the benefits will scale differently, but these benefits will remain. The four systems could coordinate and merge. Then, in turn, they would coordinate with the Tulare County or City of Visalia or another system that chose to remain independent. This scenario would alter the decisions on size and location of garage activities. It would not alter the decisions on transit centers, all five systems have existing centers. The regional cooperation on fares, electric buses, future long term plans would be altered, not halted.

If three of the five agree to form the JPA, the impacts would depend on which two chose to remain independent. As long as the majority of the current service level is represented by the three that choose the new organization, we would recommend proceeding.

In either case, we recommend that the initial founding members keep the process open to the other prospective members joining at a later date. Many JPAs, like many private partnerships, include steps to exit or enter at later dates.

The COVID-19 issues have led to temporary drops in ridership and increase in FTA funding. Of the many therapies and immunizations being tested, some solutions are emerging. After the current economic recession indicators begin to rebound, the public will want to know how we are making the community more competitive and their social and economic opportunities more plentiful.