



VENTURA COUNTY TRANSPORTATION COMMISSION

AIRPORT LAND USE COMMISSION
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES
CONSOLIDATED TRANSPORTATION SERVICE AGENCY
CONGESTION MANAGEMENT AGENCY

www.goventura.org

AGENDA*

**Actions may be taken on any item listed on the agenda*

CAMARILLO CITY HALL
601 CARMEN DRIVE
CAMARILLO, CA

FRIDAY, JANUARY 12, 2018
9:00 AM

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in a Commission meeting, please contact the Clerk of the Board at (805) 642-1591 ext 101. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PUBLIC COMMENTS** – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Commission may, either at the direction of the Chair or by majority vote of the Commission, waive this three minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Also, the Commission may terminate public comments if such comments become repetitious. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Commission shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, the Board should not take action on or discuss matters raised during Public Comment portion of the agenda which are not listed on the agenda. Board members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

5. **CALTRANS REPORT** - *This item provides the opportunity for the Caltrans representative to give update and status reports on current projects.*
6. **COMMISSIONERS / EXECUTIVE DIRECTOR REPORT** - *This item provides the opportunity for the commissioners and the Executive Director to report on attended meetings/conferences and any other items related to Commission activities.*
7. **ADDITIONS/REVISIONS** – *The Commission may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Commission subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Commission. If there are less than 2/3 of the Commission members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*
8. **CONSENT CALENDAR** - *All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no discussion of these items unless members of the Commission request specific items to be removed from the Consent Calendar for separate action.*

8A. APPROVE SUMMARY FROM DECEMBER 1, 2017 VCTC MEETING – PG. 5

Recommended Action:

Approve

Responsible Staff: Donna Cole

8B. MONTHLY BUDGET REPORT – PG. 11

Recommended Action:

Receive and File

Responsible Staff: Sally DeGeorge

8C. PASSENGER RAIL UPDATE – PG. 17

Recommended Action:

Receive and File

Responsible Staff: Claire Grasty

**8D. CASH MANAGEMENT FOR DELAYED FEDERAL TRANSIT ADMINISTRATION GRANTS
PG.23**

Recommended Action:

Authorize the Executive Director to utilize State Transit Assistance (STA) fund balance for cash-flow purposes for the General Fund, VCTC Intercity Fund and Valley Express Fund expenditures until the Federal Transit Administration (FTA) grants are approved.

Responsible Staff: Sally DeGeorge

**8E. VCTC OFFICE SPACE LEASE EXTENSION AND NOTICE TO THE CITY OF CAMARILLO-
PG. 25**

Recommended Action:

- *Authorize the Executive Director to execute a 24 month lease extension with Lincoln's Inn, Marina Self Storage Inc. for a term of February 1, 2018 through January 31, 2020 at a lease rate of \$11,475 per month (\$1.70/square foot).*
- *Authorize the Executive Director to provide notice to the City of Camarillo of VCTC's intent to not proceed with the purchase and renovation of the building located at 2220 Ventura Boulevard, Camarillo.*

Responsible Staff: Darren Kettle

8F. LEGISLATIVE UPDATE- PG. 33

Recommended Action:

Receive and File

Responsible Staff: Peter De Haan

8G. COOPERATIVE FUNDING AGREEMENTS FOR AUTOMATIC VEHICLE LOCATION AND PASSENGER INFORMATION SYSTEM - PG. 35

Recommended Action:

- *Approve the Cooperative Funding Agreement between VCTC and the City of Moorpark for the Automatic Vehicle Location and Passenger Information System project and authorize the Executive Director to execute the agreement.*
- *Approve the Cooperative Funding Agreement between VCTC and the City of Thousand Oaks for the Automatic Vehicle Location and Passenger Information System project and authorize the Executive Director to execute the agreement.*
- *Approve amendment to the Transit Stop Enhancements program budget by: adding two revenues line-items, Local Contribution–Moorpark, in the amount of \$30,300, and Local Contribution—Thousand Oaks in the amount of \$130,200; and by increasing the expenditures line-item of Professional Services by a commensurate total amount of \$160,500.*

Responsible Staff: Aaron Bonfilio

9. SENATE BILL (SB) 1 IMPLEMENTATION INCLUDING TRANSIT STATE OF GOOD REPAIR RESOLUTION AND PROJECT LIST – PG. 45

Recommended Action:

- *Support the grant application of the Santa Barbara County Association of Governments (SBCAG) for Transit and Intercity Rail Capital Program (TIRCP) that would support fleet and facility improvements to enable expanded Coastal Express bus service, and contribute approximately \$100,000 in shared operating costs should the grant be successful.*
- *Support the grant application of Southern California Regional Rail Authority (SCRRA) application for the Transit and Intercity Rail Capital Program (TIRCP) including \$62,330,710 for Simi Valley double tracking and platform extension, committing to provide a \$2 million local match contingent on the future availability of local transit apportionments from SB 1.*
- *Approve the Attachment B Resolution #2018-01 authorizing the Executive Director to apply for VCTC's estimated SB 1 State of Good Repair apportionment of \$1,138,883 and to submit a list of Metrolink state of good repair projects to use the funds.*
- *Approve the increase in VCTC's request for Planning, Programming and Monitoring funds, from the \$1,007,000 previously approved to \$1,256,000 as allowed in the final version of the 2018-2023 State Transportation Improvement Program Fund Estimate.*

Responsible Staff: Peter De Haan

10. VCTC INTERCITY SERVICE AND REQUEST FOR PROPOSALS – PG. 53

Recommended Action:

- *Authorize the Executive Director to prepare documents for Commission consideration in February that, if approved by the Commission, would approve RATP Dev North America as an acceptable buyer of Roadrunner Management Services, and, to prepare an Amendment to the VCTC Intercity Transit Services Agreement consistent with the substantive terms set forth in Letter of Intent submitted by RATP Dev North America, dated January 4, 2018.*
- *Authorize the Executive Director to extend the timeline for the Request for Proposals for VCTC Intercity Transit Services (RFP #17-90164-FR) and reschedule the pre-bid conference for February 21, 2018.*

Responsible Staff: Aaron Bonfilio

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- 11. VCTC GENERAL COUNSEL'S REPORT**
- 12. AGENCY REPORTS**
- 13. CLOSED SESSION**
- 14. ADJOURN to 9:00 a.m. Friday, February 2, 2018**



Item #8A

Meeting Summary

VENTURA COUNTY TRANSPORTATION COMMISSION

AIRPORT LAND USE COMMISSION
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES
CONSOLIDATED TRANSPORTATION SERVICE AGENCY
CONGESTION MANAGEMENT AGENCY

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CAMARILLO CITY HALL
601 CARMEN DRIVE
CAMARILLO, CA

FRIDAY, DECEMBER 1, 2017
9:00 AM

MEMBERS PRESENT: Linda Parks, County of Ventura, Vice Chair
Jan McDonald, City of Camarillo
Ken Simons, City of Moorpark
Randy Haney, City of Ojai
Will Berg, City of Port Hueneme
Neal Andrews, City of San Buenaventura
Ginger Gherardi, City of Santa Paula
Mike Judge, City of Simi Valley
Claudia Bill-de la Peña, City of Thousand Oaks
Steve Bennett, County of Ventura
Peter Foy, County of Ventura
John Zaragoza, County of Ventura
Brian Humphrey, Citizen Rep., Cities
Jim White, Citizen Rep, County
Ali Zaghari, Caltrans District 7

ABSENT: Bryan MacDonald, City of Oxnard, Chair
Manuel Minjares, City of Fillmore
Kelly Long, County of Ventura

CALL TO ORDER

PLEDGE OF ALLGIANCE

ROLL CALL

PUBLIC COMMENTS FOR THOSE ITEMS NOT LISTED ON THIS AGENDA

CALTRANS REPORT -

Ali Zaghari gave a presentation about Caltrans policy on wired broadband in conjunction with Assembly Bill 1549 and also an overview of the current connected and autonomous vehicles (CAV) test projects in California.

On Dec 11-12 Caltrans is hosting an Autonomous Vehicle Summit to address elements and components of autonomous vehicles and policies.

EXECUTIVE DIRECTOR REPORT -

Federal Tax Reform – This past week I signed on to a letter of Southern California regional transportation agencies, expressing transportation-specific concerns with the tax reform bills currently being considered by Congress. The specific concerns include (1) elimination of some tax exemptions for bonds, leading to an increase borrowing costs for self-help counties; (2) elimination of the tax-free employer deduction for transit commuting fringe benefits, which is used in particular for purchase of Metrolink tickets; and (3) elimination of alternate-fuel tax credits. The letter also raised a more general concern that the projected increase in the federal deficit will make it more difficult to pass the potential infrastructure package or maintain existing transportation funding.

VCTC Intercity Bus RFP Process - On October 6, 2017 the Commission received a report from RATP Dev's President, Blaine Rigler, outlining a proposal regarding the potential acquisition of Roadrunner. The Commission also authorized the release of an RFP for VCTC Intercity transit service on October 6, 2017. At that time, RATP Dev had not made a formal proposal to VCTC regarding any modification they may request to the initial contract between VCTC and Roadrunner. VCTC has recently received a comprehensive proposal from RATP Dev and progress has been made during on-going negotiations. However, additional time is needed to thoroughly evaluate the proposal. In the interest of looking at all options to ensure the optimal continuity of transit service, I will be extended key dates within the RFP for VCTC Intercity services to allow for continued discussions with RATP Dev. If these discussions lead to continued progress, staff will bring forward a recommendation for the Commission's consideration at the January meeting.

VCTC Office Space Update – The current lease term for VCTC's office space expires on January 31, 2018. VCTC had entered into a purchase agreement with the city of Camarillo for property located at 2220 Ventura Boulevard in Old Town Camarillo but due primarily to a substantial increase in the estimated cost to renovate that building that option may have run its course. Another option that presented itself was leasing space in a newer building located at 4001 Mission Oaks Boulevard, Camarillo owned by the Ventura County Community Foundation (VCCF). VCTC staff and general counsel had negotiated extremely favorable terms for this space and was prepared to recommend approval of a lease agreement at today's meeting. However, as was advised by VCCF in their term-sheet that they were negotiating with other potential tenants for the same space, VCCF was able to finalize a lease with one of the other interested parties. VCCF staff has told me that there is strong interest from the Foundation to have VCTC located in the building and have office space that may be vacant shortly and would offer that space to VCTC on the same terms already negotiated. In the meantime I am working with the landlord for VCTC's current office space to extend the lease beyond the current January 31, 2018 expiration date.

New VCTC Staff Intro - It is my pleasure to announce the appointment of Claire Grasty to the position of Program Manager for Regional Transit Planning. Ellen Talbo held the position formerly before accepting a position with the County of Santa Clara. Claire is a familiar face in Ventura County transportation and were it not for her recent nuptials, we would still know her as Claire Winegar. Claire worked for Gold Coast Transit for eight years in several transit planning positions. She has an undergraduate degree from the University of California, Santa Cruz, and Masters in Public Administration from California State University, Northridge.

VCTC Intercity East/West Connector First Glance - The East-West Connector was launched on Veteran's Day, November 10th, and VCTC staff has been tracking this new route's performance for the three weeks since that date. The East-West Connector provides eight Westbound and six Eastbound trips per day between Simi Valley and Ventura with a trip length of approximately 45 miles and trip time of 1.5 hrs. Given that the service was launched during the holidays, the short period of time that the service has been running, and the fact that riders rode free as a maiden launch promotion, reliable ridership trends have yet to be established; however, current ridership is estimated at approximately 30 riders per day with the highest day reporting 40 riders. Stop locations with the strongest boardings and drop offs include Camarillo Metrolink Station, Moorpark Metrolink Station, Pacific View Mall and Simi Valley Metrolink Station, collectively comprising 60% of the ridership for this route. The route will continue to be monitored by VCTC staff and performance reported to the Commission. Please see the accompanying fact sheet describing the extensive marketing and media outreach efforts made by VCTC in advance of the start of the service and through the first two weeks of operations.

January 2018 Commission Meeting – The current adopted Commission 2018 meeting schedule sets the January meeting on the regular scheduled first Friday of the month, January 5, 2018. In light of various holiday schedules for both staff and Commissioners, staff is requesting the Commission postpone the January meeting to Friday, January 12. I have consulted with Chairman MacDonald and he concurs with this request.

COMMISSIONERS REPORTS

Commissioner McDonald expressed concerns about an accident which occurred on a Metrolink Train November 20, 2017 out of Union Station headed north. About a mile away from the Van Nuys Station a pedestrian was struck on the track. The officials went through their procedures while the passengers waited on the train. There are two things that are of concern. One was the number of homeless encampments in that area and whether that allowed the people to be there that could perhaps be struck by a train. The other one was that an hour into the incident, the conductor and the engineer had reached their worked time under federal regulations so they got off the train and told the passengers check the website for information. The website information was confusing and about 3 hours passed with the passengers sitting on the train by themselves. The agitation of the passengers began to build as they sat there alone and left with no one in charge and it could have escalated into a problem.

She requested a response from Metrolink to discuss the passengers and what happens in instances like this and, if indeed, they were left unattended, what do we need to do to be sure we don't have another problem because suddenly we have an incident inside the train.

Commissioner Humphrey said he will certainly look into the matter and pledged to have a written report. The protocol is that they cannot move the locomotive once they reach their hours, but they don't physically leave. Once the shuttle bus brings the new crew, if that is the case, only then do they dismount, but to leave the vehicle running they have to remain on the train.

Commissioner Gherardi said they will also check into the protocol on how long passengers have to wait on the train before a bus or alternative transportation comes.

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Commissioner Humphrey said the protocol is to develop a bus bridge and to transfer people to another train if that is at all possible. He further commented that he and Darren Kettle and he had a long discussion recently about the homeless encampments and staff is working aggressively and assertively with the approximately 178 municipalities affected by Metrolink across six counties. There is a challenge with local law enforcement and other code enforcement agencies, but here, in Ventura County, there has been a unified response under the guidance of our Executive Director and Martin has done a wonderful job as well.

Commissioner Gherardi commented that the VCTC staff has been working on the homeless issue on the Santa Paula Branch Line with the local sheriff and police to remove the encampments and its worked very well.

Commissioner Humphrey added that we sadly have a large number of suicides – people who have purposely stepped in front of a train. In some cases the staff cannot continue. They are traumatized after having made eye contact with those people. So we don't expect the crews to continue to operate the train after that.

Commissioner Humphrey reminded everyone that December is 4D awareness month. He asked everyone to please make holiday outreach statements to raise awareness of driving drunk drugged drowsey or distracted.

Commissioner Gherardi reported that on Saturday the Santa Clause train will run from Montalvo to Fillmore collecting unwrapped toys.

ADDITIONS/REVISIONS – None

CONSENT CALENDAR -

Commissioner Gherardi made a motion to approve all items as recommended on the Consent Calendar:

8A. APPROVE SUMMARY FROM NOVEMBER 3, 2017 VCTC MEETING – Approve

8B. MONTHLY BUDGET REPORT – Receive and File

8C. PASSENGER RAIL UPDATE – Receive and File

8D. FY 18/19 TRANSPORTATION DEVELOPMENT ACT (TDA) UNMET TRANSIT NEEDS SCHEDULE, PROCEDURES AND DEFINITIONS OF “UNMET TRANSIT NEEDS” AND “REASONABLE TO MEET” – Review and Approve Unmet Transit Needs Schedule and Definitions

8E. ALLOCATION OF TRANSPORTATION DEVELOPMENT ACT (TDA) FISCAL YEAR (FY) 2017/18 ARTICLE 3 BIKE PATH MAINTENANCE FUNDS- Approve the allocations for FY 2017/2018 Transportation Development Act (TDA) Article 3 Bicycle/Pedestrian maintenance funds.

8F. COMPREHENSIVE ANNUAL FINANCIAL REPORT- Approve the audited Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2016/2017

8G. COOPERATIVE FUNDING AGREEMENT WITH GOLD COAST TRANSIT DISTRICT FOR AUTOMATIC VEHICLE LOCATION AND PASSENGER INFORMATION SYSTEM-

- *Approve the Cooperative Funding Agreement between VCTC and Gold Coast Transit District (GCTD) for the Automatic Vehicle Location and Passenger Information System project and authorize the Executive Director to execute the agreement.*
- *Approve amendment to the Transit Stop Enhancements program budget by: adding a revenues line-item, Local Contribution -GCTD, in the amount of \$431,500; and increasing the expenditures line-item of Professional Services by an equal amount of \$431,500.*

The motion was seconded by Commissioner Bill-de la Peña and passed by a unanimous roll call vote.

9. SENATE BILL (SB) 1 COMPETITIVE GRANT APPLICATIONS

Commissioner Zaragoza made a motion to

- *Support Caltrans application for \$68,606,000 in Trade Corridor Enhancement Program funds for the Rice Avenue Grade Separation project.*
- *Support LOSSAN Rail Corridor Agency application to include rail corridor improvements in Ventura County comprising the Camarillo Station Pedestrian Undercrossing and double tracking in the vicinity, for a TIRCP request of up to \$27.3 million for improvements in Ventura County.*

The motion was seconded by Commissioner Gherardi and passed by a unanimous roll call vote.

10. VCTC GENERAL COUNSEL'S REPORT – *Nothing to Report*

11. AGENCY REPORTS – *No Reports*

12. CLOSED SESSION – *No Closed Session*

13. ADJOURN to 9:00 a.m. Friday, January 12, 2018

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Item # 8B

January 12, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

FROM: SALLY DEGEORGE, FINANCE DIRECTOR

SUBJECT: MONTHLY BUDGET REPORT

RECOMMENDATION:

- Receive and file the monthly budget report for November 2017

DISCUSSION:

The monthly budget report is presented in a comprehensive agency-wide format on a modified accrual basis. The reports include a combined Balance Sheet, a Statement of Revenues, Expenditures and Changes in Fund Balance detailed by fund and an Investment Report by institution. There are six funds presented consisting of the General Fund, the Local Transportation Fund (LTF), the State Transit Assistance Fund (STA), the Service Authority for Freeway Emergencies (SAFE) fund, the VCTC Intercity fund and the Valley Express fund. The Statement of Revenues, Expenditures and Changes in Fund Balance also includes the annual budgeted numbers that are updated as the Commission approves budget amendments or administrative budget amendments are approved by the Executive Director. Staff monitors the revenues and expenditures of the Commission on an on-going basis.

The November 30, 2017 budget reports indicate that revenues were approximately 26.44% of the adopted budget while expenditures were approximately 25.64% of the adopted budget. The revenues and expenditures are as expected. Although the percentage of the budget year completed is shown, be advised that neither the revenues nor the expenditures occur on a percentage or monthly basis. Furthermore, revenues are often billed and reimbursed in arrears.

Some revenues are received at the beginning of the year while other revenues are received after grants are approved. In many instances, the Ventura County Transportation Commission (VCTC) incurs expenses and then submits for reimbursement from federal, state and local agencies which may also cause a slight lag in reporting revenues. Furthermore, the State Transit Assistance (STA), Local Transportation Fund (LTF) and Service Authority for Freeway Emergencies (SAFE) revenues are received in arrears. The State Board of Equalization collects the taxes and remits them to the Commission after the reporting period for the business. STA revenues are paid quarterly with a two to three month additional lag and LTF receipts are paid monthly with a two month lag. For example, the July through September STA receipts are often not received until October or November and the July LTF receipts are not received until September. The Department of Motor Vehicles collects the SAFE funds and remits them monthly with a two month lag.

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The Commission's capital assets are presented on the Balance Sheet. Capital assets that are "undepreciated" consist of land and rail lines owned by the Commission. Capital assets that are depreciated consist of buildings, rail stations, transit equipment, highway call box equipment and office furniture. Capital assets and depreciation are adjusted annually at year-end.

The Commission's deferred outflows, deferred inflows and pension liability are presented on the Balance Sheet. These accounts represent the accrual information for pension accruals with the implementation of the Government Accounting Standards Board (GASB) Statement 68. This information is based on actuarial information that is provided once a year. The deferred outflows, deferred inflows and pension liability are adjusted annually at year-end.

The Commission's liability for employee vacation accrual is presented on the Balance Sheet. The vacation accrual is adjusted annually at year-end.

**VENTURA COUNTY TRANSPORTATION COMMISSION
BALANCE SHEET
AS OF NOVEMBER 30, 2017**

ASSETS AND DEFERRED OUTFLOWS

Assets and Deferred Outflows

Cash and Investments - Wells Fargo Bank	\$ 8,555,829
Cash and Investments - County Treasury	15,314,457
Petty Cash	130
Receivables/Due from other funds	2,530,779
Prepaid Expenditures	31,631
Deposits	17,134
Capital Assets, undepreciated	26,236,268
Capital Assets, depreciated, net	32,286,943
Deferred Outflows for pension	488,680
Total Assets and Deferred Outflows	<u>\$ 85,461,851</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities and Deferred Inflows:

Accrued Expenses/Due to other funds	\$ 1,259,210
Deferred Revenue	3,898,478
Deposits	400
Accrued Vacation	159,661
Pension Liability	1,716,672
Deferred Inflows	351,041
Total Liabilities and Deferred Inflows:	<u>\$ 7,385,462</u>

Net Position:

Invested in Capital Assets	\$ 58,523,211
Fund Balance	19,553,178
Total Net Position	<u>\$ 78,076,389</u>

For Management Reporting Purposes Only

**VENTURA COUNTY TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2017**

	General Fund Actual	LTF Actual	STA Actual	SAFE Actual	VCTC Intercity Actual	Valley Express Actual	Fund Totals Actual	Budgeted Actual	Variance Actual	% Year Actual
Revenues										
Federal Revenues	\$ 901,168	\$ 0	\$ 0	\$ 0	\$ 1,555,773	\$ 251,527	\$ 2,708,468	\$ 15,467,001	(12,758,533)	17.51
State Revenues	176,558	9,447,017	895,191	203,320	292,050	186,691	11,200,827	42,568,061	(31,367,234)	26.31
Local Revenues	505,427	0	0	1,038	898,591	1,125,077	2,530,133	4,188,223	(1,658,090)	60.41
Other Revenues	1,258	0	0	0	0	0	1,258	0	1,258	0.00
Interest	1,586	6,052	18,216	10,167	524	154	36,699	105,000	(68,301)	34.95
Total Revenues	1,585,997	9,453,069	913,407	214,525	2,746,938	1,563,449	16,477,385	62,328,285	(45,850,900)	26.44
Expenditures										
Administration										
Personnel Expenditures	966,863	0	0	0	69,151	25,663	1,061,677	3,000,950	(1,939,273)	35.38
Legal Services	6,607	0	0	0	0	0	6,607	25,000	(18,393)	26.43
Professional Services	41,914	0	0	0	0	0	41,914	121,200	(79,286)	34.58
Office Leases	67,221	0	0	0	0	0	67,221	158,000	(90,779)	42.54
Office Expenditures	205,027	0	0	0	43,856	16,276	265,159	579,350	(314,191)	45.77
Total Administration	1,287,632	0	0	0	113,007	41,939	1,442,578	3,884,500	(2,441,922)	37.14
Programs and Projects										
Transit & Transportation Program										
Senior-Disabled Transportation	89,918	0	0	0	0	0	89,918	263,500	(173,582)	34.12
Fare Collection APC Systems	5,715	0	0	0	0	0	5,715	178,800	(173,085)	3.20
VCTC Intercity Bus Services	0	0	0	0	3,479,651	0	3,479,651	8,587,800	(5,108,149)	40.52
Valley Express Bus Services	0	0	0	0	0	825,173	825,173	2,027,500	(1,202,327)	40.70
Transit Stop Enhancement	25,084	0	0	0	0	0	25,084	1,541,650	(1,516,566)	1.63
Transit Grant Administration	241,141	0	0	0	0	0	241,141	7,105,300	(6,864,159)	3.39
Total Transit & Transportation	361,858	0	0	0	3,479,651	825,173	4,666,682	19,704,550	(15,037,868)	23.68
Highway Program										
Motorist Aid Call Box System	0	0	0	86,648	0	0	86,648	695,000	(608,352)	12.47
Highway Project Management	3,651	0	0	0	0	0	3,651	697,800	(694,149)	0.52
SpeedInfo Highway Speed Sensor	0	0	0	41,600	0	0	41,600	144,000	(102,400)	28.89
Total Highway	3,651	0	0	128,248	0	0	131,899	1,536,800	(1,404,901)	8.58
Rail Program										
Metrolink & Commuter Rail	2,577,419	0	0	0	0	0	2,577,419	5,040,032	(2,462,613)	51.14
LOSSAN & Coastal Rail	59	0	0	0	0	0	59	4,700	(4,641)	1.26
Santa Paula Branch Line	269,158	0	0	0	0	0	269,158	966,652	(697,494)	27.84
Total Rail	2,846,636	0	0	0	0	0	2,846,636	6,011,384	(3,164,748)	47.35

	General Fund Actual	LTF Actual	STA Actual	SAFE Actual	VCTC Intercity Actual	Valley Express Actual	Fund Totals Actual	Budgeted Actual	Variance Actual	% Year Actual
Commuter Assistance Program										
Transit Information Center	5,426	0	0	0	0	0	5,426	30,400	(24,974)	17.85
Rideshare Programs	32,665	0	0	0	0	0	32,665	179,200	(146,535)	18.23
Total Commuter Assistance	38,091	0	0	0	0	0	38,091	209,600	(171,509)	18.17
Planning & Programming										
Transportation Development Act	75,469	7,729,379	0	0	0	0	7,804,848	30,204,232	(22,399,384)	25.84
Transportation Improvement Program	3,981	0	0	0	0	0	3,981	58,900	(54,919)	6.76
Regional Transportation Planning	63,798	0	0	0	0	0	63,798	378,500	(314,702)	16.86
Airport Land Use Commission	19	0	0	0	0	0	19	9,000	(8,981)	0.21
Regional Transit Planning	55,347	0	0	0	0	0	55,347	531,100	(475,753)	10.42
Freight Movement	497	0	0	0	0	0	497	21,800	(21,303)	2.28
Total Planning & Programming	199,111	7,729,379	0	0	0	0	7,928,490	31,203,532	(23,275,042)	25.41
General Government										
Community Outreach & Marketing	63,902	0	0	0	0	0	63,902	229,400	(165,498)	27.86
State & Federal Relations	49,477	0	0	0	0	0	49,477	108,100	(58,623)	45.77
Management & Administration	24,750	0	0	0	0	0	24,750	74,900	(50,150)	33.04
Office Building Purchase	13,971	0	0	0	0	0	13,971	4,135,801	(4,121,830)	0.34
Total General Government	152,100	0	0	0	0	0	152,100	4,548,201	(4,396,101)	3.34
Total Expenditures	4,889,079	7,729,379	0	128,248	3,592,658	867,112	17,206,476	67,098,567	(49,892,091)	25.64
Revenues over (under) expenditures	(3,303,082)	1,723,690	913,407	86,277	(845,720)	696,337	(729,091)	(4,770,282)	4,041,191	15.28
Other Financing Sources										
Transfers Into GF from LTF	4,506,731	0	0	0	0	0	4,506,731	4,506,731	0	100.00
Transfers Into GF from STA	96,643	0	0	0	0	0	96,643	4,302,025	(4,205,382)	2.25
Transfers Into GF from SAFE	1,243	0	0	0	0	0	1,243	28,300	(27,057)	4.39
Transfers Into VI from STA	0	0	0	0	2,132,525	0	2,132,525	3,320,144	(1,187,619)	64.23
Transfers Out of LTF into GF	0	(4,506,731)	0	0	0	0	(4,506,731)	(4,506,731)	0	100.00
Transfers Out of STA into GF	0	0	(96,643)	0	0	0	(96,643)	(4,302,025)	4,205,382	2.25
Transfers Out of SAFE into GF	0	0	0	(1,243)	0	0	(1,243)	(28,300)	27,057	4.39
Transfers Out of STA into VI	0	0	(2,132,525)	0	0	0	(2,132,525)	(3,320,144)	1,187,619	64.23
Total Other Financing Sources	4,604,617	(4,506,731)	(2,229,168)	(1,243)	2,132,525	0	0	0	0	0.00
Net Change in Fund Balances	1,301,535	(2,783,041)	(1,315,761)	85,034	1,286,805	696,337	(729,091)	(4,770,282)	4,041,191	15.28
Beginning Fund Balance	1,464,395	7,651,852	8,338,130	4,406,925	-	-	21,861,302	17,255,238	4,606,064	127
Long-term Pension Liability adjustment*	(1,491,286)	-	-	-	(87,747)	-	(1,579,033)	-	(1,579,033)	0
Ending Fund Balance	\$ 1,274,644	\$ 4,868,811	\$ 7,022,369	\$ 4,491,959	\$ 1,199,058	\$ 696,337	\$ 19,553,178	\$ 12,484,956	7,068,222	157

*Government Accounting Standards Board (GASB), Statement 68, *Accounting Reporting and Financials for Pensions*, requires the full pension liability be accrued on financial statements.

For Management Reporting Purposes Only

**VENTURA COUNTY TRANSPORTATION COMMISSION
INVESTMENT REPORT
AS OF NOVEMBER 30, 2017**

As stated in the Commission's investment policy, the Commission's investment objectives are safety, liquidity, diversification, return on investment, prudence and public trust with the foremost objective being safety. VCTC has the ability to meet its expenditure requirements, at a minimum, for the next six months. Below is a summary of the Commission's investments that are in compliance with the Commission's investment policy and bond documents, if applicable.

Institution	Investment Type	Maturity Date	Interest to Date	Rate	Balance
Wells Fargo – Checking	Government Checking	N/A	\$2,349.14	0.08%	\$ 8,555,828.78
County of Ventura	Treasury Pool	N/A	34,349.70	0.93%	15,310,340.78
Total			\$36,698.84		\$23,866,169.56

Because VCTC receives a large portion of their state and federal funding on a reimbursement basis, the Commission must keep sufficient funds liquid to meet changing cash flow requirements. For this reason, VCTC maintains checking accounts at Wells Fargo Bank. A small portion of interest earned in the Wells Fargo accounts is for unearned revenues and the interest is not recognized until the revenues are recognized.

The Commission's checking accounts for the General Fund are swept daily into a money market account. The interest earnings are deposited the following day. The first \$250,000 of the combined deposit balance is federally insured and the remaining balance is collateralized by Wells Fargo Bank. A portion of interest earned in the General Fund is for Proposition 1B funds and is reclassified and is not shown as General Fund interest in the Statement of Revenues, Expenditures and Changes in Fund Balance.

The Commission's Local Transportation Funds (LTF), State Transit Assistance (STA) funds and SAFE funds are invested in the Ventura County investment pool. Interest is apportioned quarterly, in arrears, based on the average daily balance. The investment earnings are generally deposited into the accounts in two payments within the next quarter. Amounts shown are not adjusted for fair market valuations.

For Management Reporting Purposes Only



Item #8C

January 12, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

**FROM: CLAIRE GRASTY, PROGRAM MANAGER – REGIONAL PLANNING
HEATHER MILLER, TRANSIT PLANNER**

SUBJECT: PASSENGER RAIL UPDATE

RECOMMENDATION:

- Receive and file.

BACKGROUND:

This report provides a monthly update of regional passenger rail activities. The information in this update focuses on regional Commuter rail (Metrolink), Intercity rail (Amtrak), and other rail-related issues pertinent to Ventura County.

DISCUSSION:

Metrolink Commuter Rail

Ridership and On-Time Performance

Based on data provided by Metrolink, system-wide ridership on commuter rail decreased by 6% over last year's average in the same month with 38,043 Daily Passengers for the month of November. The Ventura County Line, which includes both Ventura County and Los Angeles County Stations, averaged 3,479 daily passenger trips for November; this represents an 8% drop from the previous year's average during the same month and a 1% decrease from October's average of 3,528. A "10-Year Snapshot" of ridership trends is provided in Attachment A and C.

Metrolink ridership originating from Ventura County Stations on the Ventura County Line for the month of November averaged 803 total boardings per weekday. This represents a decrease of 9% compared to the same month in the previous year and a 2.5% decrease from last month's boardings. Ventura County boardings represent approximately 22.5% of all boardings on the Ventura County Line. This is a waning proportion from the historical average of 25%. Staff will be working with Metrolink to promote the Ventura County Line in an effort to boost ridership. Station boardings for the month of November are shown in Attachment B.

Metrolink on-time performance, which denotes trains arriving within five minutes of scheduled time, averaged 95.01% “On Time” arrival on the Ventura County Line for the month of November, a decrease in performance from 97.27% in October but is still very high. “On Time” performance on the Ventura County Line continues to perform above the system-wide average which averaged 93.19% in November.

LOSSAN Intercity Rail Corridor (Amtrak Pacific Surfliner)

2018 Transit and Intercity Rail Capital Program (TIRCP) Application

The LOSSAN Agency is submitting three TIRCP applications in coordination with its member agencies. The LOSSAN North corridor application includes two projects located within Ventura County.

The first project, the Camarillo Station Improvements project, would construct pedestrian undercrossing and other station improvements at a cost estimate of \$5.8 million. The pedestrian undercrossing would remedy the current “3 step move” required when two trains meet at Camarillo. A 3 step move is when one train arrives at one end of the siding and has to wait for the opposing train to pick up its passengers then depart. The waiting train then must reverse out of the siding and switch onto the appropriate track to enter the station. This maneuver typically requires 7-10 minutes of additional time. The added time produces cascading delays when trains are “out of slot” and has compelled LOSSAN to remove Camarillo as a stop for other trains in order to keep the area moving. With fully ADA and accessible platforms from the siding and from the station, trains can serve the station without this “3 step move”.

The second project, the Leesdale Siding project, would extend siding located on the Union Pacific (UP) right of way between the Camarillo Station and Oxnard Station. The siding would add an additional “meet location” allowing trains to pass in a corridor lacking such opportunities. The project benefits include more efficient use of the Coast route, reduced passenger and freight travel times, increased capacity and improved reliability. The project provides increased operational flexibility with Amtrak trains for the entire 351-mile Los Angeles – San Diego – San Luis Obispo rail corridor, allowing LOSSAN to re-slot trains, remove extra time, and reduce chances of delay throughout the system.

Applications will be submitted to CalSTA on January 12, 2018 with projects recommended for award scheduled to be announced by May 2018.

Attachment A

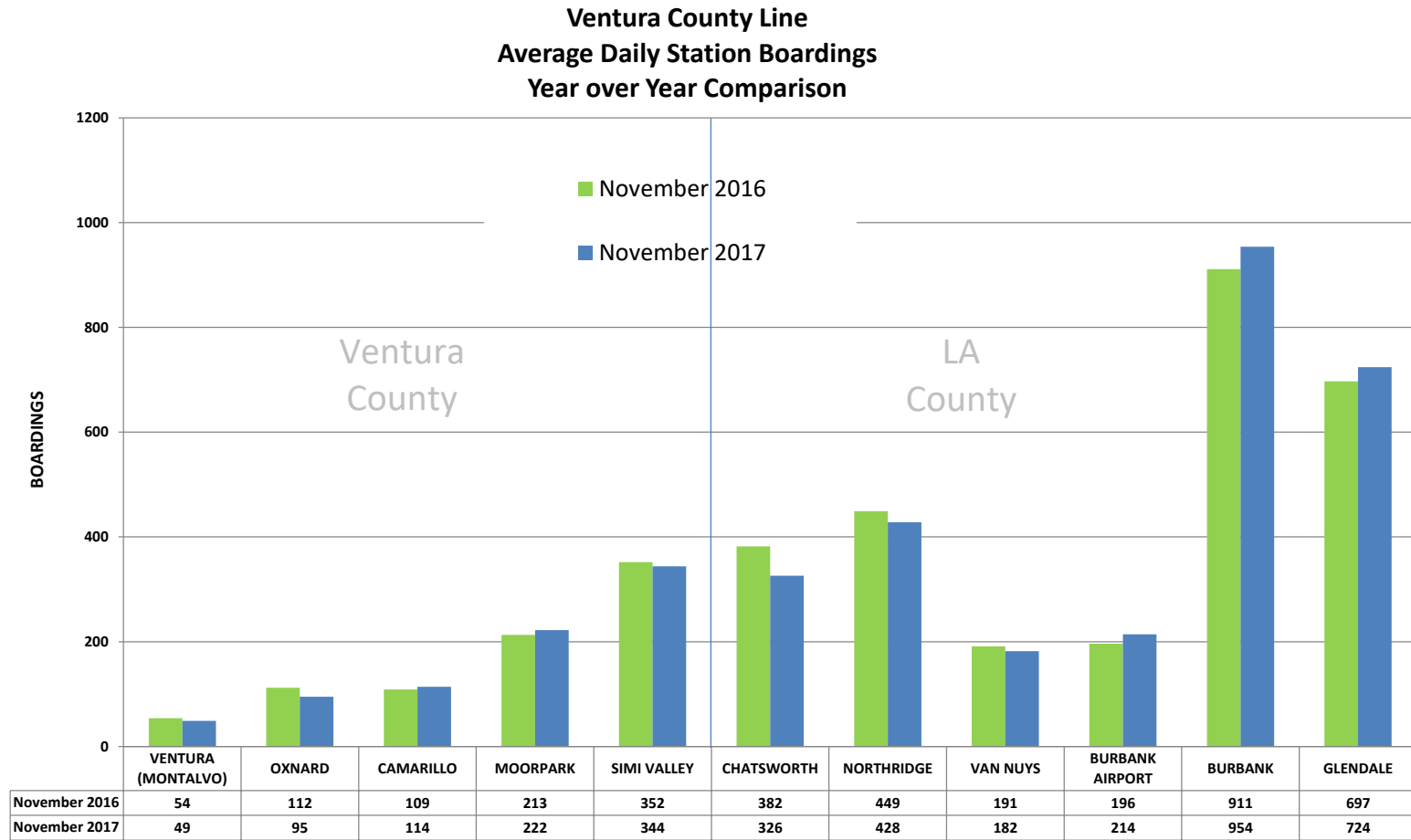
METROLINK RIDERSHIP

10 Year Snapshot of Monthly
Year over Year Change in Average Weekday Ridership

Month Year	Ventura County Station Boardings*	% Change Ventura County Station Boardings	Ventura County Line Passenger Trips	% Change Ventura County Line	Metrolink System Passengers Grand Total	% Change Metrolink System Grand Total
November 2017	803	-9%	3,479	-8%	38,043	-6%
November 2016	879	2%	3,762	4%	40,279	-3%
November 2015	861	-10%	3,632	-4%	41,552	-1%
November 2014	957	4%	3,787	4%	41,778	-1%
November 2013	916	-5%	3,643	-8%	42,181	-3%
November 2012	968	6%	3,943	4%	43,418	6%
November 2011	913	2%	3,774	5%	40,848	3%
November 2010	899	2%	3,589	1%	39,739	-3%
November 2009	880	-17%	3,559	-20%	40,813	-12%
November 2008	1,060	2%	4,452	7%	46,434	6%

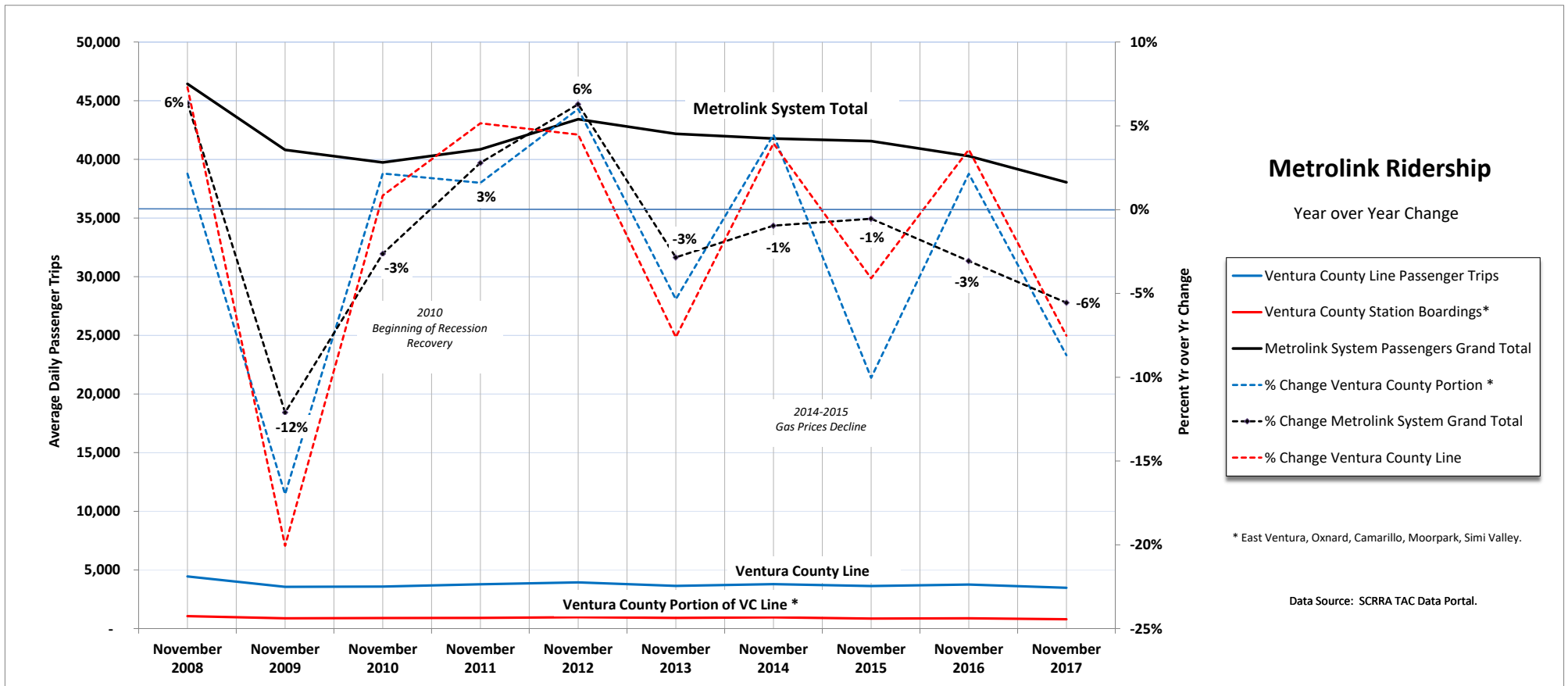
* East Ventura, Oxnard, Camarillo, Moorpark and Simi Valley.

Attachment B



Source: SCRRA TAC Reporting Portal.

Attachment C



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Item # 8D

January 12, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

FROM: SALLY DEGEORGE, FINANCE DIRECTOR

SUBJECT: CASH MANAGEMENT FOR DELAYED FEDERAL TRANSIT ADMINISTRATION GRANTS

RECOMMENDATION:

- Authorize the Executive Director to utilize State Transit Assistance (STA) fund balance for cash-flow purposes for the General Fund, VCTC Intercity Fund and Valley Express Fund expenditures until the Federal Transit Administration (FTA) grants are approved.

BACKGROUND:

The Ventura County Transportation Commission (VCTC) funds a large portion of its transit activities with Federal Transit Administration (FTA) funds. The grant approval process is long; therefore, VCTC requests (or preprograms) the FTA funds a year before expected use, so that funds will be available when expenditures are made. The grants intended to fund this fiscal year's activities were delayed due to the late approval of the FY 16/17 federal budget which then caused lengthy delays in the FTA grant process. The grant couldn't be submitted until the federal budget passed and FTA then issued the apportionment notice.

DISCUSSION:

Due to these grant delays, VCTC staff is requesting a temporary State Transit Assistance (STA) cash-flow loan until grant funding is available to pay for expenditures. At this time staff does not have an estimate of when the grants will be approved, but is hopeful it will be within a few months. The delayed FTA grant include \$1,815,249 in federal funds for VCTC in the Fiscal Year 2017/2018 budget as follows: \$1,045,000 for General Fund activities and \$770,249 for VCTC Intercity Services. The STA loan will not be drawn down all at once but as needed. As grants are approved the STA loan will be returned to the STA fund accordingly.

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Item #8E

January 12, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

FROM: DARREN KETTLE, EXECUTIVE DIRECTOR

SUBJECT: VCTC OFFICE SPACE LEASE EXTENSION AND NOTICE TO THE CITY OF CAMARILLO

RECOMMENDATION:

- Authorize the Executive Director to execute a 24 month lease extension with Lincoln's Inn, Marina Self Storage Inc. for a term of February 1, 2018 through January 31, 2020 at a lease rate of \$11,475 per month (\$1.70/square foot).
- Authorize the Executive Director to provide notice to the City of Camarillo of VCTC's intent to not proceed with the purchase and renovation of the building located at 2220 Ventura Boulevard, Camarillo.

DISCUSSION:

The Commission occupies 6750 square feet of office space at 950 County Square Drive, a professional office building known as Lincoln's Inn. VCTC's current lease was approved by the Commission in February 2017 with a term through January 31, 2018 at the current monthly rate of \$12,082.50 (\$1.79/square foot). This amendment extends the current lease with the slight decrease (approximately 5%) in lease rate through January 31, 2020 and allows for termination with 60 day notice thus providing the Commission flexibility should new space opportunities arise over the course of the lease term. These terms are comparable to terms for space recently leased by the County of Ventura for the Employee Assistance Program located in the same building.

As the Commission is aware, VCTC had been working toward the purchase and renovation of a new main office located at 2220 Ventura Boulevard in Camarillo. When VCTC entered into the purchase agreement with the City of Camarillo for the 2220 Ventura Boulevard building, the opportunity with the City to purchase the building for \$1 and renovate for \$3.5 million was a very good deal for the 12,500 square foot building. The primary funding source for the renovation construction is State Transit Assistance (STA) funds. The Fiscal Year 2017/2018 budget includes \$3.25 million for construction at the 2220 Ventura Boulevard location and \$250,000 for fixtures and equipment. Unfortunately, the estimated cost of the project has increased significantly. If VCTC were to proceed with the project it would require an additional \$1.5 - \$2 million drawdown from the VCTC's STA fund balance at a time when there are several financial unknowns that present some risk to the sustainability of services funded with STA funds, specifically the VCTC Intercity Bus system and Metrolink service. It is because of those risk factors and the substantial increase in the estimated renovation cost of the building that staff recommends that VCTC formally notify the City of Camarillo that it is VCTC's intent to not move forward with the purchase and renovation of the building.

Rental Contract

December 5, 2017

This lease made and entered into by and between Lincoln's Inn, Marina Self Storage Inc. (hereinafter referred to as "Lessor"), and Ventura County Transportation Commission. (Hereinafter referred to as "Lessee")

Witnessth:

For and in consideration of the mutual covenants, terms and conditions hereinafter expressed, Lessor leases to Lessee and Lessee takes from Lessor a lease of the following described real property, hereinafter referred to as the "premises".

Approximately 6750 square feet of office space known as Suite 108, 110 & 207 at 950 County Square Drive, Ventura, CA 93003.

TERMS:

1. The terms of the lease shall be for a two year period from February 1, 2018 to January 31, 2020. The date of the beginning of the term hereof shall be no later than February 1, 2018.

TERMINATION OF THE TERM:

The actual basic term shall terminate in Twenty Four Months, remainder of time on previous lease, after the first month that tenant actually pays rent for the possession of said premises. Lessee has the right, with 60 days notice, to terminate the lease after One year.

HOLDOVER

2. If Lessee, with Lessor's consent, remains in possession of premises, or any part thereof after the expiration of the term hereof, such occupancy shall be a tenancy from month to month upon all the provisions of this lease pertaining to the obligations of Lessee except the rental rate.

RENT

3. Lessee shall pay Lessor fixed rent for said premises at the rate of Eleven Thousand Four Hundred Seventy Five and 00/100 dollars (\$11,475.00) per month, payable monthly commencing February 1, 2018 except as agreed between the Lessor and the tenant.

Late Charges: Lessee hereby acknowledges that late payment by Lessee to Lessor of rental and other sums due hereunder will cause Lessor to incur costs not contemplated by the lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Lessor by

the terms of any mortgage or trust deed covering the premises. Accordingly, if any installments of rent or other sum due from Lessee shall not be received by Lessor or Lessor's designee within ten (10) days after such amount shall be due, Lessee shall pay the Lessor a late charge equal to ten percent (10%) of such overdue amount. The parties estimate of the costs Lessor will incur by reason of late charges represent a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charges by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amounts, not prevent Lessor from exercising any of the other rights and remedies granted hereunder.

EXTENSION OF TERM

4. Provided that Lessee is not in default at the date of the notice of exercise or at the date the additional term is to commence, Lessee shall have the option to extend the term for two (2) years upon the same terms and conditions and stated herein except for the base rental and annual CPI (Consumer Price Index) increase for the extended term.

Lessee shall give Lessor written notice of its intention to exercise its said right as to each such extension at least thirty (30) days prior to the expiration of the original and extended terms.

SECURITY DEPOSIT

5. Lessor is holding a deposit of Five Thousand Sixteen and 00/100 dollars (\$5016.00) as security for the Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provisions of this lease, Lessor may use, apply or retain all or an portion of said deposit, Lessee shall within ten (10) days after written demand theretofore deposit cash with Lessor in an amount stated and Lessee's failure to do so shall be a material breach of this lease. If the monthly rent shall, from time to time, increase during the term of the lease, Lessee shall thereupon deposit with Lessor additional security deposit, so that the amount of security deposit held by Lessor shall at all times bear the same proportion the current rent as the original security deposit bears to the original monthly rent set forth in paragraph 3 hereof. Lessor shall not be required to keep said deposit separate from its general accounts. If the Lessee performs all of Lessee's obligations hereunder, said Lessor, shall be returned, without payment of interest or other increment by its use, to Lessee

FIRST RIGHT OF REFUSAL

6. Lessee is hereby granted, and it is expected by Lessor, that Lessee shall exercise its right to a first right of refusal to release the premises after termination of the basic term.

LESSEE'S FIXTURES AND EQUIPMENT:

7. Lessee may affix, attach to or install in or on the premises all such fixtures and equipment including wire, cables, and appurtenances as it may require for the transaction of its business. Lessee shall at all times have access to the premises for the purpose of using connecting, disconnecting and otherwise managing all fixtures and equipment.

Lessee's employees shall also have access to the premises prior to the commencement of the term of this lease for the purpose of installing telephone facilities.

Title to all fixtures and equipment installed in or affixed to the premises by the Lessee shall be owned by the Lessee and may be removed by Lessee at any time prior to the end of the term heretofore or in the case of other termination as herein provided, such removal shall be completed within ten (10) days after such termination. Lessee shall at its expense repair all damage to the premises resulting from any removal of fixtures and equipment.

Lessee agrees to return the premises to its original condition after the removal of any fixtures, equipment or any interior remodeling.

FIRE COVENANTS:

8. Lessor shall and does hereby release Lessee from all liability for damage to or destruction of the premises caused by fire or any other risk covered by extended coverage fire insurance whether due to Lessee's negligence or otherwise.

Lessor shall carry extended coverage fire insurance on the premises during the term hereof or any extension thereof and shall obtain a waiver of subrogation in favor of Lessee from the insurance carrier. Lessor shall furnish Lessee with a copy of said waiver of subrogation no later than the commencement of the term hereof.

Subject to the provisions of this section, damage to the premises caused by fire or by any other risk covered by extended coverage fire insurance, by the elements, by acts of nature, or by any agency beyond the control of Lessee shall be repaired by Lessor at Lessor's own expense. Should all or a substantial part of the premises unfit for Lessee's occupancy and so that they cannot be restored by reasonable diligence within sixty (60) working days after the commencement of actual work, then this lease may be terminated with a period of thirty (30) days after such damage, by either party, upon written notice to the other, whereupon Lessee shall surrender the premises to the Lessor and shall not be liable for any further rental from the date of such damage and whereupon Lessor shall refund any unearned rent paid in advance by Lessee; such refund shall be calculated at a daily rate based upon the

monthly rental. Should this lease be not so terminated, or if such damage so caused is such that premises can be made fit for Lessee's occupancy within sixty (60) working days from commencement of work or if only a small portion of the premises is damaged or made unfit for Lessee's occupancy, Lessor shall with all reasonable speed and diligence repair the damage at Lessor's sole cost and make the premises fit for the Lessee's occupancy. Lessee shall, between the date of such damage and the completion of such repairs, pay an amount of rent proportionate to the amount of space, if any, which is fit for Lessee's occupancy.

Lessor shall not be responsible for the Lessee's contents or fixtures damaged by fire during the course of said lease.

REPAIR AND MAINTENANCE:

9. Lessor shall assume the cost of and shall make such repairs to any portion of the premises as may be necessary to replace faulty construction or to correct unsafe or unsanitary conditions of any kind not caused by Lessee, and shall keep the premises in good condition and repair including, but not limited to, maintenance of the roof, and such painting or other treatment of the interior or exterior as is necessary to maintain the premises in reasonable good sanitary conditions and neat appearance. Subject to the terms of Section 7 of this lease, should Lessor fail to make or begin such repairs or corrections within thirty (30) days after written notice from Lessee to do so, Lessee may either terminate this lease by giving written notice to Lessor of such intention to do terminate, or make said repairs or corrections at Lessor's expense. Should Lessor fail, after demand thereof, to reimburse Lessee for the cost of such repair or corrections, the amount paid for such repairs or corrections by Lessee may be deducted from any rent due or to become due.

USE OF PREMISES:

10. The premises shall be used for office use only.

TAXES:

11. Lessor shall pay all real property taxes and general and special assessments of every kind and nature levied against the premises during the term of this lease or any extension thereof. If such taxes and assessments are assessed to Lessee, Lessee shall pay them, and Lessor shall reimburse Lessee upon demand the full amount thereof. If Lessor does not so reimburse Lessee, Lessee shall have the right to recover from Lessor, by deduction from any rent due or to become due or otherwise, the full amount so paid by Lessee.

All taxes levied against personal property, trade fixtures and real property improvement owned by and assessed to Lessee, shall be paid by Lessee. If such taxes or any of them are assessed to Lessor, they shall be paid by Lessor, and Lessee shall reimburse Lessor upon receipt of a copy of Lessor's receipted tax bill, the full amount so paid by Lessor.

ALTERATIONS:

12. Lessor must approve any and all alterations and repairs requested by the Lessee, in writing.

SIGNS:

13. The Lessee shall not be entitled to any signs on the exterior of the building, but is entitled to a sign on the exterior of Lessee's door at Lessee's sole expense and in the reception room

DEFAULT OF LEASE:

14. Should Lessee be in default under any of the terms hereof and should such default continue for a period of thirty (30) days from the time that Lessor gives Lessee written notice thereof, Lessor may, in addition to such other remedies as it may have, forthwith terminate this Lease upon giving written notice of such termination to Lessee, and thereafter may re-enter the premises and remove all persons there from.

Any personal property left on the premises by the Lessee once the Lessor retakes possession, shall become the property of Lessor.

Lessor had the right to retake the possession peacefully at anytime after the service of a three-day notice to pay or quit the premise.

ATTORNEY FEES:

15. Should litigation be necessary then the prevailing party shall be entitled to attorney fees and any other professional fees that are reasonable necessary to prosecute the right under the lease.

SUBLEASE AND ASSIGNMENT:

16. Lessee shall not sublet or assign the premises without first having secured Lessor's written consent; provided, however, that such consent shall not be necessary should Lessee assign its assignment, consolidated or merger which embraces all or substantially all of its property of business to or into a successor or surviving corporation.

RULES AND REGULATIONS:

17. Lessor reserves unto itself from time to time the right to prepare and maintain in force reasonable rules and regulations for the safety, care and cleanliness of the premises and for the benefit of all of the tenants of said building. Lessor agrees that such rules and regulations shall apply equally to all tenants of said building. Lessor agrees that such rules and regulations shall apply equally to all tenants and their agents, servants, employees, invitees and guests, to obey all such rules and regulations; however, where said rules and regulation conflict with the terms of the lease, the terms of this lease will be in control.

END OF TERM:

18. Lessee shall surrender and deliver the premises to Lessor immediately upon termination of this lease whether by expiration of time or otherwise in as good condition as that in which they were received by Lessee, reasonable wear and tear and damage by fire, by the elements, by acts of nature, or by any agency beyond the control of Lessee excepted.

NOTICE OR DEMAND:

19. Any notice or demand called for by this agreement to be given by either party hereto to the other shall be deemed to have been duly given when personally served on the other party or when the notice or demand is deposited in the regular channel of the United States mail, postage prepaid, addressed as follows or to such other places as Lessor or Lessee may hereafter in writing direct:

To Lessor: Lincoln's Inn
C/O Marina Self Storage Inc.
5386 N. Ventura Avenue
Ventura, CA 93001

To Lessee: Ventura County Transportation Commission
Suite 207
Lincoln's Inn
950 County Square Dr.
Ventura, CA 93003

RENTAL PAYMENT:

20. The rental specified herein shall be paid as and when due to Lessor at the address set forth in Section 19 of this lease, or such other person or at such other address as Lessor hereafter may designate by written notice to Lessee. Payment of said rent to any person so designated by Lessor shall exonerate Lessee from all responsibility therefore or for the proper distribution thereof. First's month prorated rent plus security deposit equal to one month's rent shall be paid in advance upon signing of this document.

BINDING AGREEMENT:

21. Subject to the provisions of Section 16, this lease shall be binding on the successors and assigns of the parties hereto.

SECTION HEADING:

22. The heading of the sections of this lease are explanatory only. In construing the meaning of the Lease, the heading shall be disregarded.

IN WITNESS THEREOF, the parties hereto have caused this lease to be executed May 26, 2015

(Lessor)



James P. Sandefer, Marina Self Storage, Inc.

(Lessee)

Darren Kettle, Exc. Director
Ventura County Transportation Commission

VCTC General counsel



Item #8F

Janaury 12, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

FROM: PETER DE HAAN, PROGRAMMING DIRECTOR

SUBJECT: LEGISLATIVE UPDATE

RECOMMENDATION:

- Receive and file Legislative Update.

DISCUSSION

Federal Issues

On Wednesday, December 20th, President Trump signed into law the tax reform bill. During the previous month, Southern California transportation agencies had expressed concerns including the following: (1) elimination of some tax exemptions for bonds leading to increased borrowing costs for agencies such as self-help counties; (2) elimination of the tax-free employer deduction for transit commuting fringe benefits, which is used in particular for purchase of Metrolink tickets; and (3) elimination of alternate-fuel tax credits.

The final version of the bill preserved the tax exemption for Private Activity Bonds as requested by agencies such as self-help counties. However, the advance refundability of bonds was eliminated despite opposition from Southern California agencies. The commuter tax benefit was retained as a non-taxable item, but the ability of employers to deduct this cost as a business expense was eliminated. The alternate fuel tax credit was not restored.

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Item # 8E

January 12, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

FROM: AARON BONFILIO, PROGRAM MANAGER – TRANSIT SERVICES

SUBJECT: COOPERATIVE FUNDING AGREEMENTS FOR AUTOMATIC VEHICLE LOCATION AND PASSENGER INFORMATION SYSTEM

RECOMMENDATION:

- Approve the Cooperative Funding Agreement between VCTC and the City of Moorpark for the Automatic Vehicle Location and Passenger Information System project and authorize the Executive Director to execute the agreement.
- Approve the Cooperative Funding Agreement between VCTC and the City of Thousand Oaks for the Automatic Vehicle Location and Passenger Information System project and authorize the Executive Director to execute the agreement.
- Approve amendment to the Transit Stop Enhancements program budget by: adding two revenues line-items, *Local Contribution–Moorpark*, in the amount of \$30,300, and *Local Contribution—Thousand Oaks* in the amount of \$130,200; and by increasing the expenditures line-item of *Professional Services* by a commensurate total amount of \$160,500.

BACKGROUND & DISCUSSION:

At its November 3, 2017 meeting, the Commission approved a contract with Syncromatics Corporation for an Automatic Vehicle Location and Passenger Information System (System) to replace the arrival information system provided by Nextbus.

The scope of work for the System replacement includes the induction and deployment of new technologies and includes a contract option for Automatic Voice Annunciators (or AVAS), which some, but not all, of the county transit operators previously included in their budgets. The AVAS technology, which assists passengers using automated verbal and visual announcements onboard the bus, equates to a significant additional cost per fleet. To the extent that any transit operators with available funding wish to exercise this particular option, VCTC has drafted a Cooperative Funding Agreement which facilitates funding from the applicable agency for the AVAS technology. The operators which have indicated interest in exercising / funding the AVAS option include, Gold Coast Transit District (GCTD), Thousand Oaks Transit, Simi Valley Transit and Moorpark City Transit.

January 12, 2018
Item #8E
Page #2

At its November 1, 2017 board meeting, the GCTD Board of Directors approved the Cooperative Funding Agreement. Subsequently, at the December 1, 2017 Commission meeting, the Commission approved the Cooperative Funding Agreement with GCTD. Both the Moorpark and Thousand Oaks city councils have since approved analogous items. At its December 6, 2017 council meeting the Moorpark City Council approved VCTC's draft Cooperative Funding Agreement and authorized the Moorpark City Manager to execute the final Cooperative Agreement with VCTC. Similarly, at its December 12, 2017 council meeting the Thousand Oaks City Council approved the subject Cooperative Funding Agreement with VCTC.¹

Staff's recommendation is two-fold: first, to approve the Cooperative Funding Agreements with each City, and second, to approve amendment of the Transit Stops Enhancement program budget, in order to incorporate this new funding.

As mentioned previously, the recently approved contract with Syncromatics envisioned this eventuality so no contract modification is required. Once the Cooperative Agreement is approved and budget amended, VCTC will move forward with issuing notice to proceed for the AVAS aspect of the project.

Attachment:

Cooperative Agreements between the City of Moorpark and VCTC & between the City of Thousand Oaks and VCTC

¹ Similar action is expected by the City Council of Simi Valley for AVAS funding.

COOPERATIVE AGREEMENT
BETWEEN
VENTURA COUNTY TRANSPORTATION COMMISSION
AND
CITY OF MOORPARK

THIS COOPERATIVE AGREEMENT (Agreement) is entered into between Ventura County Transportation Commission (VCTC) and the City of Moorpark (MOORPARK) regarding the administration of MOORPARK's share of funds to support the Automatic Vehicle Location and Passenger Information System Project (Project).

WHEREAS, VCTC has historically provided, and is lead agency in the current procurement, for a county-wide Automatic Vehicle Location and Passenger Information System; and,

WHEREAS MOORPARK, in adopting its Fiscal Year 2017/18 budget, has budgeted and programmed thirty thousand three hundred dollars, (\$30,300.00) to purchase transit fleet technologies, including Automatic Voice Annunciator System (AVAS) for the MOORPARK fleet; and,

WHEREAS, VCTC intends to enter into an Agreement with Syncromatics Corporation (Syncromatics) which will include contract purchase options for integrated technologies, such as AVAS; and,

WHEREAS, VCTC intends to issue Project Task Orders which shall direct Syncromatics Corporation as to the options that each transit operator fleet will receive; and,

WHEREAS, it is the intention of VCTC to enter into this Agreement with MOORPARK regarding the provision of the funds to the Project.

NOW THEREFORE THE PARTIES DO AGREE AS FOLLOWS:

1. Funding Summary: MOORPARK will provide up to thirty thousand three hundred dollars (\$30,300.00) for the Project from federal and local sources as summarized in the Attachment to this Agreement.
2. Method of Payment: Within thirty (30) days of the execution of this Agreement, MOORPARK shall transfer to VCTC the funds programmed for the Project, consisting of thirty thousand three hundred dollars (\$30,300.00).
3. Project Scope: The scope of the Project funded under this Agreement shall be to deploy the Syncromatics option for Automatic Voice Annunciator System (AVAS), which shall be integrated into the Automatic Vehicle Location and Real-time Passenger Information System procured by VCTC. This includes system design, installation, and testing, staff training, and annual licensing and warranty support for years one and two. VCTC shall be responsible for any costs associated with the AVAS for the remaining years of the Syncromatics Agreement.
4. Federal Grant Administration: VCTC shall ensure compliance with all Federal requirements.
5. Amendments to the Agreement: The provisions of this Agreement may be amended upon written acceptance and ratification of any such amendment by both VCTC and MOORPARK.

Cooperative Agreement for Automatic Vehicle Location and Passenger Information System Option(s)

6. Termination: This Fund Exchange Agreement will terminate upon final reconciliation of expenses for the Project.
7. Indemnification: VCTC shall protect, defend, indemnify, and hold harmless MOORPARK, its officers, agents, servants, and employees, from any and all liability arising out of, caused by any act or omission of VCTC or its officers, agents, servants, and employees as a result of any act or omission by VCTC in its performance pursuant to this Agreement.

MOORPARK shall protect, defend, indemnify, and hold harmless VCTC, its officers, agents, servants, and employees, from any and all liability arising out of, caused by any act or omission of MOORPARK or its officers, agents, servants, and employees as a result of any act or omission by MOORPARK in its performance pursuant to this Agreement.

The obligations of VCTC and MOORPARK in these indemnity provisions survive the expiration or earlier termination of this Agreement.

8. Insurance: With respect to performance of work under this Agreement and any Project Agreement entered into by VCTC as an element of Project Implementation, VCTC shall maintain and shall ensure that its contractors maintain insurance as described below:

Workers' Compensation Insurance – VCTC's contractors shall maintain, during the life of the Project, Workers' Compensation Insurance for any contractor or subcontractor employees employed at the sites of the Project. In case any class of employees engaged in work under this Agreement at the site of the Project is not protected under any Workers' Compensation law, VCTC shall provide or shall cause each contractor and subcontractor to provide, adequate insurance for the protection of employees not otherwise protected. VCTC hereby agrees to indemnify MOORPARK for any damage resulting to it from failure of any VCTC contractor or subcontractor to take out or maintain such insurance.

Public Liability and Property Damage Insurance – VCTC shall secure and maintain during the life of this Agreement such public liability and property damage insurance and shall name MOORPARK, their elective and appointive boards, commissions, officers, agents, and employees as additional insureds in regard to any claims for damages for personal injury, including death, as well as for claims for property damage which may arise from VCTC's or any contractors or subcontractors operations hereunder, whether such operations be by VCTC or any contractor or subcontractor, or by anyone directly or indirectly employed by either VCTC or any contractor or subcontractor, and the amounts of such insurance shall be as follows:

(1) Public Liability Insurance: In an amount not less than \$1,000,000 for injuries, including, but not limited to death, to any one person and, subject to the same limit for each person, in an amount not less than \$2,000,000 on account of any one occurrence:

(2) Property Damage Insurance: In an amount of not less than \$500,000 for damage to the property of each person on account of any one occurrence.

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Cooperative Agreement for Automatic Vehicle Location and Passenger Information System Option(s)

**VENTURA COUNTY TRANSPORTATION
COMMISSION**

CITY OF MOORPARK

Darren M. Kettle, Executive Director

Steven Kueny, City Manager

Approved as to Form

Steven T. Mattas, General Counsel

Cooperative Agreement for Automatic Vehicle Location and Passenger Information System Option(s)

ATTACHMENT

**FUNDING SUMMARY
MOORPARK SHARE FOR VCTC AUTOMATIC VEHICLE
LOCATION AND PASSENGER INFORMATION SYSTEM
OPTIONAL TECHNOLOGY: AUTOMATIC VOICE
ANNUNCIATOR SYSTEM**

Fund Source	Amount	Comments
TSM	\$15,150	\$15,150 used as local match for Section 5307 funds.
Section 5307	\$15,150	See above regarding match.
TOTAL	\$30,300	

**COOPERATIVE AGREEMENT
BETWEEN
VENTURA COUNTY TRANSPORTATION COMMISSION
AND
CITY OF THOUSAND OAKS**

THIS COOPERATIVE AGREEMENT (Agreement) is entered into between Ventura County Transportation Commission (VCTC) and the City of Thousand Oaks (CITY) regarding the administration of City's share of funds to support the Automatic Vehicle Location and Real-time Passenger Information System Project (Project).

WHEREAS, VCTC has historically provided, and is lead agency in the current procurement, for a county-wide Automatic Vehicle Location and Real-time Passenger Information System; and,

WHEREAS, City, in adopting its Fiscal Year 2017/18 budget, has budgeted and programmed \$130,200 to purchase transit fleet technologies, including Automatic Voice Annunciator System (AVAS) for the City fleet; and,

WHEREAS, VCTC intends to enter into an Agreement with Syncromatics Corporation which will include contract purchase options for integrated technologies, such as AVAS; and,

WHEREAS, VCTC intends to issue Project Task Orders which shall direct Syncromatics Corporation as to the options that each transit operator fleet will receive; and,

WHEREAS, it is the intention of VCTC to enter into this Agreement with the City regarding the provision of funds to the Project.

NOW, THEREFORE, THE PARTIES DO AGREE AS FOLLOWS:

1. Funding Summary: City shall provide up to \$130,200 for the Project from federal and local sources as summarized in Exhibit A to this agreement.
2. Method of Payment: Within thirty (30) days of the execution of this Agreement, City shall transfer to VCTC the funds programmed for the Project, consisting of \$130,200.
3. Project Scope: The scope of the Project funded under this agreement shall be to deploy the Syncromatics option for Automatic Voice Annunciator System and Infotainment System, which shall be integrated into the Automatic Vehicle Location and Real-time Passenger Information System procured by VCTC. This includes system design, installation, and testing, staff training, and annual licensing and warranty support for years one and two.

4. Federal Grant Administration: VCTC shall ensure compliance with all Federal requirements.
5. Amendments to the Agreement: The provisions of this Agreement may be amended upon written acceptance and ratification of any such amendment by both VCTC and City.
6. Termination: This Fund Exchange Agreement will terminate upon final reconciliation of expenses for the Project.
7. Indemnification: VCTC shall protect, defend, indemnify, and hold harmless City, its officers, elected officials, agents, servants, and employees, from any and all liability arising out of, caused by any act or omission of VCTC or its officers, agents, servants, and employees as a result of any act or omission by VCTC in its performance pursuant to this Agreement.

City shall protect, defend, indemnify, and hold harmless VCTC, its officers, agents, servants, and employees, from any and all liability arising out of, caused by any act or omission of City or its officers, agents, servants, and employees as a result of any act or omission by City in its performance pursuant to this Agreement.

The obligations of VCTC and City in these indemnity provisions survive the expiration or earlier termination of this Agreement.

8. Insurance: With respect to performance of work under this Cooperative Agreement and any Project Agreement entered into by VCTC as an element of Project Implementation, VCTC shall maintain and shall ensure that its contractors maintain insurance as described below:

Workers Compensation Insurance – VCTC's contractors shall maintain, during the life of the Project, Workers' Compensation Insurance for any contractor or subcontractor employees employed at the sites of the Project. In case any class of employees engaged in work under this Agreement at the site of the Project is not protected under any Workers' Compensation law, VCTC shall provide or shall cause each contractor and subcontractor to provide, adequate insurance for the protection of employees not otherwise protected. VCTC hereby agrees to indemnify City for any damage resulting to it from failure of any VCTC contractor or subcontractor to take out or maintain such insurance.

Public Liability and Property Damage Insurance – VCTC shall secure and maintain during the life of this Agreement such public liability and property damage insurance and shall name City, their elective and appointive boards, commissions, officers, agents, and employees as additional insureds in regard to any claims for damages for personal injury, including death, as well as for claims for property damage which may arise from VCTC's or any contractors or subcontractors operations hereunder, whether such operations

be by VCTC or any contractor or subcontractor, or by anyone directly or indirectly employed by either VCTC or any contractor or subcontractor, and the amounts of such insurance shall be as follows:

(1) Public Liability Insurance: In an amount of not less than \$1,000,000 for injuries, including, but not limited to death, to any one person and, subject to the same limit for each person, in an amount of not less than \$2,000,000 on account of any one occurrence:

(2) Property Damage Insurance: In an amount of not less than \$500,000 for damage to the property of each person on account of any one occurrence.

**VENTURA COUNTY TRANSPORTATION
COMMISSION**

CITY OF THOUSAND OAKS

Darren M. Kettle
Executive Director

Andrew P. Fox, Mayor

APPROVED AS TO FORM:

ATTEST:

Steven T. Mattas
General Counsel

Cynthia M. Rodriguez
City Clerk

APPROVED AS TO ADMINISTRATION:

Andrew P. Powers
City Manager

APPROVED AS TO FORM:
Office of the City Attorney

Tracy Friedl
Deputy City Attorney

EXHIBIT A

**FUNDING SUMMARY
CITY SHARE FOR VCTC AUTOMATIC VEHICLE LOCATION AND REAL-TIME
PASSENGER INFORMATION SYSTEM OPTIONAL TECHNOLOGY: AUTOMATIC
VOICE ANNUNCIATOR SYSTEM**

Fund Source	Amount	Comments
LTF	\$55,000	\$55,000 used in part as local match for Section 5307 funds.
Section 5307	\$75,200	See above regarding match.
TOTAL	\$130,200	



Item #9

January 12, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

FROM: PETER DE HAAN, PROGRAMMING DIRECTOR

SUBJECT: SENATE BILL (SB) 1 IMPLEMENTATION INCLUDING TRANSIT STATE OF GOOD REPAIR RESOLUTION AND PROJECT LIST

RECOMMENDATION:

- Support the grant application of the Santa Barbara County Association of Governments (SBCAG) for Transit and Intercity Rail Capital Program (TIRCP) that would support fleet and facility improvements to enable expanded Coastal Express bus service, and contribute approximately \$100,000 in shared operating costs should the grant be successful.
- Support the grant application of Southern California Regional Rail Authority (SCRRA) application for the Transit and Intercity Rail Capital Program (TIRCP) including \$62,330,710 for Simi Valley double tracking and platform extension, committing to provide a \$2 million local match contingent on the future availability of local transit apportionments from SB 1.
- Approve the Attachment B Resolution #2018-01 authorizing the Executive Director to apply for VCTC's estimated SB 1 State of Good Repair apportionment of \$1,138,883 and to submit a list of Metrolink state of good repair projects to use the funds.
- Approve the increase in VCTC's request for Planning, Programming and Monitoring funds, from the \$1,007,000 previously approved to \$1,256,000 as allowed in the final version of the 2018-2023 State Transportation Improvement Program Fund Estimate.

BACKGROUND:

At previous meetings the Commission has discussed the Road Repair and Accountability Act, SB 1, which passed the Legislature on April 6th. Approximately two-thirds of the funds from SB 1 are for road repair and maintenance, with funds going to Caltrans and by formula to cities and counties. The remaining third is primarily designated for competitive grants, with very limited availability for freeway improvements. Over the past several months staff has been participating in the statewide efforts to develop guidelines for the competitive programs. At the last meeting the Commission approved supporting applications from Caltrans for the Rice Avenue Grade Separation for \$68,606,000 in Trade Corridor funds, and from LOSSAN for up to \$27.3 million in Transit Capital funds for rail line improvements in Ventura County. The Commission was also informed that staff could be providing letters of support for additional possible applications to be submitted by SCRRA and SBCAG for Transit Capital funds, in which case a recommendation would be coming in January.

DISCUSSION:

Transit Capital Program

The SB 1 Transit Capital and Intercity Rail Program will be combined with Cap-and-Trade funds and administered as a single program, with a basic eligibility requirement that all projects must demonstrate a reduction in greenhouse gas emissions by attracting trips to transit. A major criterion is improvement to transit service to Disadvantaged Communities as specifically identified by the California Environmental Protection Agency (CalEPA) based on income and pollution criteria, with a large portion of Oxnard as well as downtown and western Ventura being currently defined as Disadvantaged Communities. The applications are due January 12, and award notification is expected in May, 2018.

SBCAG Application

VCTC and SBCAG currently operate the Coastal Express transit service through a Memorandum of Understanding (MOU) in which the operating costs are split evenly. SBCAG is applying for \$9.6M in TIRCP grant funds to establish a "pilot program" that would include 5 electric over the road coaches. These motor coaches would be used to provide additional daily Coastal Express service in support of the re-timed Pacific Surfliner rail service that would serve commuters traveling from Oxnard and Ventura to Goleta and Santa Barbara. The proposal presents a service enhancement to an already successful regional transit partnership (Coastal Express). If awarded, VCTC would contribute approximately \$100,000 per year toward the operating costs of the service, likely from Cap-and Trade funding (which is expected to be over \$800,000 in the next year). The grant would also fund facility improvements and charging infrastructure at the Gold Coast Transit District (GCTD) facility in Oxnard, and the Santa Barbara Metropolitan Transit District (MTD) facility in Goleta. It is anticipated that service could begin as soon as May 2019, although the anticipated time for electric bus delivery, particularly for over the road coaches, could take longer.

SCRRA Application

At the last Commission meeting staff mentioned that work was continuing with SCRRA on its development of a Transit Capital application for systemwide capital improvements that would include work in Ventura County. As allowed by the program guidelines SCRRA has segregated its application into priority tiers so that the State Transportation Agency will have the ability to fund the higher-priority projects based on funding availability. Attachment A lists the proposed SCRRA projects in Ventura County. Based on its operational analysis SCRRA has identified the Simi Valley station area as the most critical location for double-tracking to accommodate future train volume increases in eastern Ventura County. Therefore, the TIRCP application's top priority in Ventura County will be double tracking at this location along with platform lengthening. The estimated cost for this project is \$64,330,710. Although VCTC has limited resources for match staff believes that in this case the expectation of future SB 1 transit apportionments will allow VCTC to provide \$2 million over several years as match, to allow the leveraging of a total TIRCP funding request of \$62,330,710. It is understood that should the state select this project for funding, those funds would only be committed if there are future SB 1 funds, so VCTC's \$2 million match will also only be required should SB 1 revenues continue flowing.

Transit State of Good Repair Program

SB 1 includes a program for Transit State of Good Repair, with funds distributed using the same formula as State Transit Assistance. VCTC's estimated FY 2017/18 apportionment of State of Good Repair funds is \$1,138,883. Based on the guidelines issued by Caltrans, these funds can be used as follows:

- Transit capital projects or services to maintain or repair a transit operator's existing transit vehicle fleet or transit facilities, including the rehabilitation or modernization of the existing vehicles or facilities.
- The design, acquisition and construction of new vehicles or facilities that improve existing transit services.
- Transit services that complement local efforts for repair and improvement of local transportation infrastructure.

To avoid a loss of apportioned funds, in January all recipients must submit to Caltrans a list of projects that will use the funds, as well as a Board resolution. The project list need not be constrained to the amount of available funds. Also, agencies can add projects to their lists at a later date provided that the initial list was submitted by January.

In the past, most of the funding through the STA formula went to VCTC since it is the Regional Transportation Planning Agency, while small amounts went to SCRRA and Gold Coast Transit. Under the provisions of AB 1113 passed last year, the cities of Camarillo, Moorpark, Thousand Oaks and Simi Valley have been added to the transit operator distribution. All the agencies receiving apportionments will need to approve project lists by January to avoid loss of funds State of Good Repair funds.

For the VCTC funds, it must be recognized that VCTC has financial obligations as a member of the SCRRA, the operator of the Metrolink commuter rail service. SCRRA's work to develop an asset management plan has identified tens of millions of dollars of critical work required in Ventura County, including extensive track and signal work. Staff has also been warned of the pending need to refurbish 25-year old Metrolink rail cars with VCTC's share of the cost being \$6.7 million, including \$2.9 million in FY 18/19.

Given that the rehabilitation-related needs for Metrolink are eligible for the State of Good Repair funds and can easily use the entire VCTC apportionment, staff recommends that all of that apportionment, equal to \$1,138,883, be committed for Metrolink rehabilitation for the upcoming fiscal year. Therefore, staff has prepared a list of SB 1 State of Good Repair projects that is limited to Metrolink rehabilitation. However SCRRA has preliminarily identified a large number of rehabilitation projects for FY 18/19. It is at this time premature to determine what will be the highest priority for the funds. Therefore, staff has structured the SB 1 list to provide sufficient flexibility to use the funds for the highest priority projects to be determined as next year's budget is developed. TRANSCOM approved this list at its December 7, 2017 meeting.

SB 1 has also caused an increase in the apportionment of "regular" STA funds, with the total Ventura County apportionment for FY 2017/18 increasing by \$2,335,000 due to SB 1. Staff anticipates determining the distribution of these additional funds as part of the budget process.

Planning, Programming & Monitoring Funds

As part of the State Transportation Improvement Program, VCTC is allowed to use 5% of its county share for Planning, Programming & Monitoring (PPM) activities. In October when the Commission approved the 2018 STIP nomination, there was \$1,007,000 approved for PPM for Fiscal Years 20/21, 21/22, and 22/23. This approved funding would have caused a reduction of \$77,000 in VCTC's annual level of PPM funding. However, due to the provisions of SB 1 to stabilize STIP funding in the long-term, the final Fund Estimate increased VCTC's PPM funding for the three years to \$1,256,000, which will continue PPM funding at approximately the current level. Staff therefore recommends that VCTC approve the submittal of \$1,256,000 for PPM funds in the 2018 STIP.

**METROLINK APPLICATION FOR TRANSIT CAPITAL PROGRAM
VENTURA COUNTY PROJECTS**

PRIORITY	PROJECT DESCRIPTION	TIRCP Request	Match
A	Simi Valley	\$62,330,710	\$2,000,000
B	Moorpark Maintenance Facility	\$180,000,000	
B	Moorpark/Simi Valley Double Track	\$186,554,808	

RESOLUTION #2018-01

**AUTHORIZATION FOR THE EXECUTION OF THE
CERTIFICATIONS AND ASSURANCES
FOR THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM AND ADOPTION OF THE PROJECT
LIST FOR FISCAL YEAR 2017/18**

WHEREAS, the Ventura County Transportation Commission is an eligible project sponsor and is designated to receive State Transit Assistance funding from the State of Good Repair Account (SGR); and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2017) named the Department of Transportation (Department) as the administrative agency for the SGR; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors (Local Agencies); and

WHEREAS, the Ventura County Transportation Commission (VCTC) wishes to delegate authorization to execute these documents and any amendments thereto to the Executive Director; and,

WHEREAS, the VCTC is required to adopt a list of eligible projects to use the funds apportioned from the SGR account.

NOW THEREFORE, BE IT RESOLVED by the VCTC that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances document and applicable statutes, regulations and guidelines for all SGR funded transit projects.

BE IT FURTHER RESOLVED that the Executive Director be authorized to execute all required documents of the SGR program and any Amendments thereto with the California Department of Transportation.

BE IT FURTHER RESOLVED that the VCTC hereby adopts the attached list of projects to potentially receive the SGR funds apportioned to it for fiscal year 2017/18.

PASSED AND ADOPTED by the VCTC at its regular meeting this 12th day of January 2018.

Bryan MacDonald, Chair

ATTEST:

Donna Cole, Clerk

APPROVED AS TO FORM:

Steven T. Mattas, General Counsel

**VENTURA COUNTY TRANSPORTATION COMMISSION
FY 2017/18 STATE OF GOOD REPAIR PROJECTS**

Subrecipient	Project Title	Project Description	FY 17/18 99313 SGR Funds
SCRRA	Bombardier Gen 1 Rail Car Mid-Life Overhaul	Refurbish the original 1992 Metrolink rail cars to replace and upgrade running gear, hardware, systems and components extending the useful life by 15 years.	\$2,916,000
SCRRA	Rolling Stock Rehabilitation	Progressive overhaul of Metrolink rolling stock including door motor overhaul, pushback coupler overhaul, HVAC overhaul, and rubber window gasket replacement.	\$1,280,000
SCRRA	Grade Crossing Component Rehabilitation	Add crossing Gate Savers, rehab entrance gates, rehab predictor units, batteries, and other miscellaneous crossing equipment.	\$2,595,080
SCRRA	Signal & Communication System Rehabilitation	Replace Signal System back-up battery banks, replace worn electrologic units, Eletrocode units, changeable message signage, communication system components, and other miscellaneous signal rehabilitation.	\$1,006,320
SCRRA	Metrolink Capital Maintenance / Rehabilitation	Rehabilitation, reconstruction or replacement of Metrolink structures, track, trackbed, communication systems, facilities, stations, platforms, signage, equipment, and system, to ensure state of good repair.	\$1,200,000

Note: FY 2017/18 SGR apportionment = \$1,138,883

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Item # 10

January 12, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

**FROM: DARREN M. KETTLE, EXECUTIVE DIRECTOR
MARTIN R. ERICKSON, PUBLIC TRANSIT DIRECTOR
AARON B. BONFILIO, PROGRAM MANAGER, TRANSIT SERVICES
STEVE MATTAS, GENERAL COUNSEL**

SUBJECT: VCTC INTERCITY SERVICE AND REQUEST FOR PROPOSALS

RECOMMENDATION:

- Authorize the Executive Director to prepare documents for Commission consideration in February that, if approved by the Commission, would approve RATP Dev North America as an acceptable buyer of Roadrunner Management Services, and, to prepare an Amendment to the VCTC Intercity Transit Services Agreement consistent with the substantive terms set forth in Letter of Intent submitted by RATP Dev North America, dated January 4, 2018.
- Authorize the Executive Director to extend the timeline for the Request for Proposals for VCTC Intercity Transit Services (RFP #17-90164-FR) and reschedule the pre-bid conference for February 21, 2018.

BACKGROUND:

At the April, 2017 Commission meeting, the Commission approved the Settlement and Contract Termination Agreement (Termination Agreement) with Roadrunner Management Services (Roadrunner), the firm which currently operates the VCTC intercity transit service. Pursuant to the Termination Agreement, Roadrunner had the option to sell its company or a majority interest therein to an "acceptable buyer" and then request assignment of the VCTC Intercity Transit Services Agreement to the acquiring company, or, if Roadrunner was unable to sell, the services contract would be terminated following the procurement of a new transit operator by VCTC.

At the October, 2017 Commission meeting, the Commission received a report regarding the potential sale and acquisition of Roadrunner by RATP Dev North America (RATP Dev). In addition, the Commission considered the release of a Request for Proposals (RFP) solicitation for the procurement of a replacement contractor. Following the report regarding Roadrunner's potential acquisition, the Commission authorized the release of an RFP for the VCTC Intercity Transit Services Agreement. The Commission directed staff to pursue a "dual-path" approach: that is, VCTC would continue discussions with Roadrunner and RATP Dev, and at the same time VCTC would release the RFP and begin the procurement process in case a Roadrunner/RATP Dev agreement did not occur, and/or the terms of

Roadrunner and RATP Dev's proposal were unacceptable to the Commission in its sole discretion.² Following the October 2017 Commission meeting, RATP Dev and Roadrunner submitted a formal proposal to VCTC's Executive Director that described the planned RATP Dev acquisition of Roadrunner (as well as its parent company, Airport Connection, Inc.).

RATP Dev also conducted a due diligence review of the VCTC Intercity Transit Services Agreement and presented the results of that review to VCTC staff. RATP Dev reported to VCTC that the current service agreement is not, in its opinion, economically sustainable because of the fleet specifications and post-award changes in laws and regulations. Specifically, RATP Dev identified two key areas for VCTC's consideration as cause for potential rate adjustment(s): maintenance expenses and recruitment/retention (i.e., wages). To mitigate any proposed rate increases, RATP Dev's proposal includes additional cost reduction measures that would be passed back through to VCTC.

Attached to this item are two documents: *RATP Dev's Letter of Intent* dated January 4, 2018, which includes its business proposal to VCTC (see Attachment A); and the *Two-party Letter between RATP Dev and Roadrunner* confirming the planned acquisition of Roadrunner by RATP Dev, which is contingent upon the Commission's action on the amended Intercity Transit Services Agreement to incorporate the contract changes proposed by RATP Dev (see Attachment B). Staff has been advised that RATP Dev and Roadrunner are preparing a stock purchase agreement pursuant to which RATP Dev would purchase all stock in Roadrunner and its affiliated company. Staff has also been advised that the stock purchase agreement is expected to be complete prior to the time that the agenda for the February Commission meeting will be issued. Finally, as set forth in the letter from RATP Dev and Roadrunner, the only changes that RATP Dev will seek in the Transit Services Agreement are those that are set forth in the RATP Dev's January 4, 2018 Letter of Intent.

SUMMARY OF RATP DEV'S PROPOSAL

A high-level summary of RATP Dev's proposal is provided below.³

- RATP Dev would commence operations of the VCTC Intercity transit service effective March 1, 2018 and for the remainder of the existing term of the agreement, provided that (1) RATP Dev and Roadrunner finalize a stock purchase agreement, (2) the Commission recognizes RATP Dev as an acceptable buyer of Roadrunner, (3) agreement on the terms of an amendment to the existing Intercity Transit Services Agreement, and (4) VCTC issuing a Notice to Proceed.
- The riding public would experience a seamless transition, as there would be no change in the operating authority. RATP Dev will retain the company name of Roadrunner Management Services, and daily operations and maintenance would proceed from the existing facility.
- The current, dedicated Roadrunner/RATP Dev staff servicing the Intercity Services Agreement would be retained. Minor modifications to day-to-day functions would be implemented to reduce inefficiencies; for example, adjustments would be made between dispatcher and road supervisor job functions.

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² A formal proposal regarding the acquisition of Roadrunner by RATP Dev had not yet been submitted to VCTC before the October 6, 2017 meeting.

³ Final terms would be subject to any negotiations and approval by the Commission.

- Wages and benefit packages would be implemented that conform to RATP Dev's standards. Generally speaking, all staff and driver wages would increase after the transition. RATP Dev will update the existing benefits program to match its corporate standard. Accrued benefits, such as vacation time and/or paid time off, would be retained by the employees.
- Given fleet type and daily mileages, RATP Dev would increase its maintenance investment to conform with company standards, and plans to extend the existing fleet life beyond FTA "useful-life" standards, including greater expense for recurring preventative maintenance, rebuilds, and staffing (i.e. recruitment and retention).
- RATP Dev will incorporate its standardized training program into the existing VCTC Intercity/Roadrunner new-hire and recurring training program. RATP Dev will also implement its corporate standards related to payroll, fleet management, safety programs, Key Performance Indicator tracking, and human resources processes.

RATP DEV PROPOSAL: OVERALL RATE MODIFICATION AND FINANCIAL IMPACT

The table below compares the net change between (1) the original annualized expense under the Roadrunner contract, (2) the effective annual expense based on the costs in the Termination Agreement, and (3) RATP Dev's proposed rates; including those with cost-control modifications, and those without such modifications:

<u>Operator</u>	<u>Annual Expense⁴</u>	<u>Change From Original</u>	<u>Change From Term. Agr.</u>
Roadrunner Baseline (Original Agreement)	\$7,417,611		
Roadrunner Baseline + Termination Agreement	\$8,257,611		
RATP Dev Proposal (No Cost Controls)	\$9,416,703	26.95%	14.04%
RATP Dev Proposal (Cost Controls Applied)	\$8,796,056	18.58%	6.52%

As described above, RATP Dev has identified several specific modifications to the rate structure contained in the original VCTC Intercity transit services agreement, and these proposed modifications will result in an overall increase in the annual expense to provide the Intercity Services.

SUMMARY OF RATP DEV PROPOSED CONTRACT MODIFICATIONS

Staff provides a summary of the RATP Dev proposed contract modifications, and in the next section below provides a more detailed discussion of each modification.

Modifications which decrease, at least initially, proposed rate(s) – Cost-control measures

1) Fuel Pass-through at actual cost vs. Agreement. VCTC currently reimburses Roadrunner at an assumed rate of \$3.90 per gallon for fuel, regardless of the actual market price of the fuel. RATP Dev proposes purchasing fuel at cost and then invoicing VCTC for the actual fuel cost, with no mark-up. This change could expose VCTC to additional costs if the fuel costs increase beyond \$3.90 per gallon. The current market rate for fuel is less than \$3.90 per gallon.

⁴. Annual expense for contract year #3 of the Roadrunner agreement(s) and as proposed by RATP Dev.

2) Elimination of certain supervisory positions: RATP Dev plans to eliminate two dispatcher and three road supervisor positions, leaving staffing in these areas more in alignment with industry standards for a transit system of VCTC's size. This action reduces an expense to the contract that would otherwise have been compensated if staffed as proposed by Roadrunner and further defined in the Roadrunner contract.

Modifications which will increase rate(s)

1) Increased Wages and Fringe Benefits. RATP Dev proposes increasing average driver wage from approximately \$15.80 per hour to \$17.50 per hour, and adjusting non-driver wages by similar amounts. The driver wage scale would be adjusted upwards immediately.

2) Increased Maintenance Expense. RATP Dev proposes increasing the maintenance cost per mile from approximately \$0.17/mi to \$0.35/mi.

ANALYSIS OF RATP DEV'S PROPOSED MODIFICATIONS

Staff has analyzed RATP Dev's proposed modifications and provides the following discussion. Staff and VCTC's general counsel also provide an analysis of the procurement and funding considerations related to RATP Dev's proposed contract modifications.

1) Fuel Pass-through at Actual Cost (Cost-control)

In a fuel pass-through arrangement, the Client reimburses the contractor for the actual price of fuel procured for the services provided. Pass-through of actual fuel expense is a common industry practice for contracted transit services.

VCTC currently reimburses Roadrunner at an assumed rate of \$3.90 per gallon for fuel, regardless of what Roadrunner actually pays for fuel. RATP Dev proposes purchasing fuel at cost and then invoicing VCTC for the actual fuel cost, with no mark-up. This modification would shift the risk of fuel price fluctuation from the contractor to VCTC. Current diesel fuel prices range from approximately \$3.25 to \$3.55 per gallon.

The annualized estimated savings would be between \$140,000 and \$360,000 when compared to the price per gallon built into the existing agreement with Roadrunner.

If the contract is changed to allow a fuel expense pass-through, VCTC could explore options to minimize any volatility in market prices, and possibly reduce fuel expenditure costs altogether. These options would include:

- Purchase fuel directly, as part of a government-to-government arrangement; (e.g. from the County of Ventura).
- Purchase of fuel through a jointly-procured public agency cooperative purchase agreement (e.g. "piggyback" on an existing cooperative fuel purchasing program).
- In addition to above paths, VCTC could utilize the available Federal Fuel Excise Tax exemption as a public agency.

As stated above, this practice is common in the industry and as part of an assignment to RATP Dev VCTC staff supports this modification.

2) Staffing: Eliminate 3 Road Supervisors and 2 Dispatchers (Cost-control)

RATP Dev proposes to reduce supervisory staff positions, specifically to reduce Road Supervisors from six to three, and Dispatchers from five to three.

This proposal aligns with industry best-practices. Roadrunner's contract requires six (6) full-time Road Supervisors and five (5) full-time Dispatchers. In other transit operations (such as, Gold Coast Transit and Santa Barbara MTD), these "two" functional roles are commonly referred to as transit supervisors, or just supervisors, and duties are often shared. Based on Staff's analysis, RATP Dev's proposed three (3) road supervisors and three (3) dispatcher positions is in line with industry standards and should be sufficient staffing support for the VCTC system.

In addition, since the start of the contract Roadrunner has struggled to fill the full complement for the Road Supervisor position, and five (5) of the six (6) budgeted Road Supervisor positions are presently vacant. VCTC has been minimally impacted and sustained this need in part due to new technologies which assist with supervision and create efficiencies in the field, as well as having an abundance of Dispatchers (all five Dispatcher positions are filled), and having other management fill gaps as needed.

Similar to RATP Dev's analysis, VCTC staff finds that, as part of an assignment to RATP Dev, consolidation of the existing six staff (5 Dispatchers and 1 Road Supervisor) into the envisioned six positions, and the formal elimination of the 3 Road supervisor and 2 Dispatcher positions would provide an opportunity for VCTC to limit cost increases that would otherwise need to be compensated if staffed at the higher level, as well as create efficiencies potentially without any individual loss of employment.⁵

3) Increased Wages and Benefits for VCTC Intercity project employees (Cost escalation)

Following the recent implementation of changes to State Minimum Wage law as well as other sick time regulations, Roadrunner has stated a difficulty with retention, specifically amongst commercial driver positions. Similarly, transit providers around the State, including in this region have grappled with recruitment for much-needed driver positions, and increased wage scales or other compensation to address this challenge. In particular, contract operators like Roadrunner, which have the authority from the state to train and certify new drivers, often see new-hires turnover once they are properly trained and have the requisite credentials.

While VCTC has provided interim temporary relief payments to assist Roadrunner, with—among other things—employee recruitment and retention, RATP Dev's proposal formally makes this request to realign proposed wages to recruit and stabilize employee retention. This request is to provide "livable wages" for the employees as the cost-of-living is relatively high in the region.

VCTC has performed a comparative analysis for the region's transit services and reviewed historical VCTC service performance information as well as data related to staff turnover. Based on this analysis, Staff believes RATP Dev's request (to increase wages) is reasonable considering the high cost-of-living and competitive nature of the industry.⁶ However, staff recommends validation of RATP Dev's

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⁵ Presently, Roadrunner has informed VCTC that it utilizes any salary savings to support recruitment efforts and wages for additional drivers. (Recruitment and Driver wages are discussed under Modification Item #3).

⁶ For example: RATP Dev's proposed driver wage range is \$14.75-22.00/hour; current Gold Coast Transit driver wage range is \$17.74-24.91/hour, and Santa Barbara MTD is \$16.50 – 26.58/hour.

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commitment, i.e. proof that this additional compensation by VCTC will be passed through to the current and future employees, following implementation of any such rate adjustment. Similar to the process undertaken by VCTC's other transit contractor (MV Transportation), RATP Dev should demonstrate to VCTC that the increased compensation is being passed through to the RATP Dev employees assigned to the VCTC contract.

4) Increased Maintenance Expense (Cost escalation)

Through its due diligence RATP Dev identified that the current maintenance program is not in its opinion sufficient. Specifically, the mileage accrual rate is high relative to the maintenance cost per mile currently budgeted by Roadrunner (\$0.17/mi). As the level of service operated daily grows, the advanced wear and tear requires a higher rate of investment to maintain the fleet. RATP Dev's model reflects additional cost expenditures related to preventative maintenance, mid-life fleet rebuilds and greater investiture in maintenance staff recruitment and retention (i.e., wage and/or benefit increases). RATP Dev's standard program is designed to extend fleet utility beyond the FTA's useful life standards, which is 12 years to upwards of 15 years for motor coaches.

VCTC Staff analyzed this request in relation to a number of factors: the age of the fleet, the miles operated per time-period (daily and 45-day intervals), and other regional transit agencies' wage scales. Maintenance is often one of the hardest areas for an agency to staff. Moreover, industry-standard cost per mile rates are often double or triple what Roadrunner currently has budgeted in the contract.

RATP Dev is requesting an approximate doubling in the compensatory rate, from \$0.17/mi to \$0.35/mile. Staff believes that as part of an assignment to RATP Dev, this proposed increase is reasonable based on market comparison data and will provide VCTC necessary assurances that its fleet is properly maintained. Similar to the request for increased compensation to address wages, staff recommends that this increase be subsequently reviewed and backup from RATP Dev provided for validation purposes.

PROCUREMENT ANALYSIS AND FUNDING CONSIDERATIONS

In accordance with VCTC's procurement policies and in compliance Federal Transit Administration (FTA) requirements, prior to any procurement action, VCTC staff conducts an independent cost estimate to evaluate whether proposed costs are in-line and within a range of reasonableness for existing market conditions. Similarly, VCTC must determine if the proposed vendor is "responsible", that is, the vendor has the financial and resource capabilities to carry out the scope of work.

While additional information – such as audited financial statements and references from similar projects – would normally be provided and reviewed during the request for proposals process, RATP Dev thus far presents as a responsible vendor in this regard, as VCTC has reviewed its audited financial statements. Additionally, RATP Dev operates multiple high-dollar bus and rail services across the globe and RATP Dev's primary North American subsidiary, McDonald Transit, is a well-known operator in the South and Midwest regions, operating multiple large-scale contracts for well over 25 years. VCTC Staff has begun the reference check process, as well.⁷

In consideration of the FTA regulations and VCTC procurement policies, VCTC conducted an independent cost estimate to evaluate both the pricing from recent VCTC procurements, as well as other like services and those operated in or near-to the region, to establish the range for market conditions. In addition, VCTC considered factors related to contractor turnover, such as transitional costs and risks.

⁷ Reference check inquiries were ongoing at the time of this report's distribution.

Independent Cost Estimate

At the close of June, 2014, VCTC received proposals from several firms for operation of the VCTC Intercity Transit Service. These proposals generally reflect what can be anticipated as the reasonable range of rates to operate the scope of work specified by VCTC, which included a heightened level of service similar to what is operated today. It is reasonable to assume that, at a minimum, similar rates as those proposed would be anticipated if the solicitation were held again. The proposers included: MV Transportation, First Transit and Roadrunner Management Services. An additional proposer, Silverado Stages, was deemed non-competitive and removed from consideration.

The following table reflects comparative pricing for the current level of service (rounded to 84,000 hours) from Roadrunner Management Services, RATP Dev, and pricing from the MV Transportation and First Transit proposals.

Firm	<u>Roadrunner</u> <u>(VCTC Bid)</u>	<u>Roadrunner</u> <u>(w/Term Agr.)</u>	<u>RATP Dev</u> <u>(Proposed)</u>	<u>MV Transp.</u> <u>(VCTC Bid)</u>	<u>First Transit</u> <u>(VCTC Bid)</u>
Avg. Annual Cost	\$7,693,229	\$8,556,562	\$9,587,027	\$9,807,494	\$10,682,566
Total (6 years)	\$46,159,372	\$51,339,372	\$57,552,160	\$58,844,966	\$64,095,394

In addition, Staff's analysis included review of similar contracted transit services. While scope of work and commitment of resources by the contracting agency varied, when contract cost per revenue hour is analyzed, the rates proposed by RATP Dev are advantageous to VCTC.

For example, the Clean Air Express contract, a daily commuter-oriented intercity service connecting northern Santa Barbara County with the South Coast area, was recently out to bid. Unlike the VCTC Intercity, 100% of the Clean Air Express fleet is provided by the agency; whereas VCTC's contractor provides approximately half of the fleet and charges this expense back to VCTC. This expense—to provide half of the fleet—accounts for approximately 15% of the annual payments made to VCTC's contractor. If similar fleet requirements were included for the Clean Air Express contract, it is reasonable to expect that these rates would be even higher.

The proposed rates to operate the Clean Air Express, which *does not* require the provision of a fleet by the contractor, were approximately 10-20% higher than those rates that VCTC pays Roadrunner today, and approximately 6%-14% higher than those rates proposed by RATP Dev.

Additional Risks and Cost Considerations

1) Facility

Roadrunner has an existing facility, which was recently retrofitted to service the entire VCTC fleet. The facility is located at 240 South Glenn Drive in Camarillo and is owned by Roadrunner shareholders. Roadrunner charges VCTC approximately \$12,500 a month under the agreement for the use of this facility, which is a competitive rental rate.

At the time of the last procurement in 2014, all the other proposers offered to use a facility well-known to VCTC as the operating facility, 258 Lambert Street in Oxnard. This location, which is ideal for a transit terminal, was rented to a construction company shortly before the contract start with Roadrunner, for a similar 9-year term, and is no longer available for use as a fleet facility.

Staff conducted a survey of other potential facilities in the VCTC service area to evaluate the comparative cost if the Roadrunner facility were no longer used, and a new service provider was required to secure a fleet facility. Based on that survey, Staff determined that pricing for a similar location will range from approximately \$15,000 to 22,500 a month, a \$2,500 to \$10,000 monthly facility "risk."

Roadrunner's management has agreed to continue to lease the existing facility to RATP Dev at the current rate, which equates to an approximate annual savings of \$30,000 to \$120,000 for VCTC.

2) Startup Costs

While end-of-term contract transition would typically include future absorption of startup-costs to the contracting agency, in this case, if a reprourement occurred mid-term, those costs would be incurred immediately. These costs would include: administration of fleet procurement and retrofit, facility installation, recruitment, staff on-boarding and certification, travel and lodging, and permitting.

Reprocurement at this juncture would accelerate the expenditure for VCTC. The anticipated expense, again based on recent procurements (adjusted for inflation), would be between \$190,000 and \$350,000. RATP Dev proposes acquisition of all facility resources and assumption of the service as-is, with its corporate onboarding standards to follow as they relate to benefits, fringes, training and personnel procedures.

3) Fleet Transition

Turnover Inspections

Similar to start-up costs, end-of-term fleet turnover is an expected one-time event with cost. Those include turnover inspections, or buyback inspections as is commonly referred. The cost for buyback inspections can range between \$3,500 to \$6,000 per vehicle, or higher depending on the condition of the bus. The nature of the inspection process requires continual inspections until such time that deficiencies are repaired.

While the cost for repairing the fleet, if deficient, is passed back to the preceding contractor, the cost of inspections is not. At the time of the envisioned mid-term transition, VCTC's fleet will consist of 34 vehicles. This expense, which can range between \$119,000 and \$204,000 when the fleet is in good condition, would again be accelerated with an early contract transition.

Facility and Fleet Retrofit of New Vehicles

The Termination Agreement with Roadrunner included one option that would have required that VCTC assume the leases for the Roadrunner provisioned fleet if Roadrunner is unable to sell to another suitable provider.

Specifically, Roadrunner provides 14 vehicles that are anticipated to be assumed by VCTC if Roadrunner does not sell itself to RATP Dev. However, the reassignment of the fleet leases is incumbent upon Roadrunner. If the leasing agencies refuse assignment, or, if Roadrunner is unable to transfer the terms of leases to VCTC, than as part of the Request for Proposal process, VCTC must solicit providers to again acquire approximately half of the fleet. One-time costs associated with retrofitting new buses are required irrespective of the purchaser. Similarly, there were one-time facility costs that VCTC has absorbed aside from any startup costs related to this equipment implementation.

These include transfer of equipment already purchased and installed at Roadrunner's facility and onboard the fleet: such as fareboxes, onboard video surveillance, back-end data systems and "garage probe" systems. The approximate cost for a facility/fleet transition in this regard would be approximately \$132,000. Through its acquisition, RATP Dev is assuming all Roadrunner fleet leases and financing agreements, and no transition of these agreements, or purchase of replacement fleet vehicles by the provider will be required.

In sum the mid-term transitional costs, not including recurring facility risk, could be between \$441,500 and \$686,000. The additional recurring cost for the facility could range between \$30,000 and \$120,000 annually.

LEGAL ANALYSIS AND OTHER PROCUREMENT CONSIDERATIONS

There are two primary legal issues presented from the proposed RATP Dev purchase of Roadrunner's stock. First, does the existing Transit Service Agreement and relevant federal and state law authorize the type of transaction proposed by RATP Dev? Second, can VCTC amend the existing Transit Services Agreement to incorporate the terms proposed by RATP Dev? Our conclusion is that the proposed transaction is lawful and is authorized by the 2014 Transit Services Agreement and the Transit Services Agreement can be amended provided the amendments are supported by cost justifications and the adjustments are made pursuant to the terms of the original Transit Services Agreement.

A. Is the RATP Dev Proposed Stock Purchase Viable under the 2014 Transit Services Agreement and Existing Law?

1. Sale Discussions Post September 30, 2017

The Termination Agreement includes a window of time with a deadline for Roadrunner to engage in and then complete any purchase discussions with third parties. Roadrunner and VCTC set a deadline of September 30, 2017 for Roadrunner to close on a third party transaction.

Section 2.4 of the Termination Agreement states that:

Sale Closing Date. The Sale Closing Date shall be the date that (a) Roadrunner and the Acceptable Buyer close escrow on an asset transfer, stock purchase, merger, sale or other similar form of transaction, and, (b) the Acceptable Buyer assumes all of the rights, duties, and obligations under the Transit Services Agreement and begins providing service. In no event shall the Sale Closing Date be later than September 30, 2017. If the Sale Closing Date does not occur by September 30, 2017, the Parties agree the Commission shall proceed under the terms of the Settlement Agreement as if Roadrunner had not secured an Acceptable Buyer on or before September 30, 2017 (emphasis added).

The Sale Closing Date did not occur on or before September 30, 2017. VCTC has issued an RFP for a new provider pursuant to the authority set forth in the Termination Agreement, but has not terminated the 2014 Transit Services Agreement. Although the parties have not amended the Termination Agreement to extend this date, the Termination Agreement does not contain any penalties if a sale does not occur by September 30 and Roadrunner's negotiations continue. VCTC can either extend the date through amendment, or, ratify the waiver of the date in any agreement with Roadrunner/RATP Dev once the acquisition is closed.

2. *Stock Acquisition by RATP Dev*

As discussed above, the 2014 Transit Services Agreement limits Roadrunner's right to assign or subcontract without VCTC's prior, written consent, and that any subcontract, assignment, or delegation without VCTC's prior written consent is void. The 2014 Transit Services Agreement does not place any limits on ownership transfers or acquisitions. Roadrunner is required to assign "only competent management personnel to perform the services" under the 2014 Transit Services Agreement but no specific individuals are identified.

We have identified no local, state, or federal statutes that would prevent RATP Dev from acquiring a majority interest in Roadrunner, or that would prevent Roadrunner (then owned by RATP Dev) from continuing to perform following such acquisition.

The Termination Agreement defines an "Acceptable Buyer" as a:

third party individual, corporation, or other legal entity that (a) acquires substantially all of the assets of Roadrunner or acquires at least 51% of the voting and controlling stock or ownership of Roadrunner, (b) is financially capable of continuing to perform the services required under the Transit Services Agreement for the full term of that agreement, (c) has the necessary skills, experience, facilities, and qualifications required to perform the services required under the Transit Services Agreement, (d) not be owned by (defined as holding majority or controlling interest) any current owner or family member thereof of Roadrunner) and (e) demonstrate that it can operate the services safely and in accordance with all applicable laws and regulations.

VCTC staff believe that the proposed transaction with RATP Dev will likely meet these requirements and that VCTC staff will likely recommend RATP Dev as an "Acceptable Buyer" pursuant to the Termination Agreement.

B. Can VCTC Amend the Contract on Terms Similar to Those Proposed by RATP Dev Post-Closing?

RATP Dev proposes making adjustments to the services provided under the 2014 Transit Services Agreement related to fuel, maintenance, and staffing. To accommodate for the costs associated with these changes, RATP Dev proposes increasing the fixed hourly rate and the fixed monthly rate. The details of RATP Dev's proposals are contained in RATP's Letter of Intent attached hereto.

We have analyzed whether the contract or relevant law would prevent VCTC from amending the 2014 Transit Services Agreement on terms substantially similar to those proposed by RATP Dev.

1. *Change Limitations Imposed by Federal law*

(a) *Cost Justifications Required*

The 2014 Transit Services Agreement is funded in part by the federal government and State Transit Assistance funds, and VCTC must comply with state laws and regulations and with Federal Transit Administration (FTA) requirements, including FTA Circular 4220.1 and FTA Circular 5010.1D. The Federal Acquisition Regulation (FAR) does not apply to federally assisted procurements (see FTA Circular 4220.1), but FAR Part 31 cost principles do apply to grants and agreements with private, for-profit entities.

The FTA places responsibility for evaluating and making changes on the recipient (VCTC), based on the terms of the contract, but expects cost justifications for each change that is issued, and that any changes are allowable, allocable, and within the scope of the grant or cooperative agreement. (See FTA Circular 4220.1). The FTA also publishes a "Best Practices Procurement Manual", which uses procedures, methods, and examples based on the FAR. The Best Practices Procurement Manual is not binding on FTA recipients, and does not state official FTA policy, but does provide relevant guidance.

VCTC Staff has reviewed the RATP Dev proposal and prepared a cost analysis that compares RATP Dev's offer to the 2014 Transit Services Agreement and the Termination Agreement rates, the rates proposed by other bidders as part of the RFP that resulted in the selection of Roadrunner and the expected market rates if VCTC were to competitively bid the contract. That evaluation is set forth in an earlier part of this memorandum.

(b) 2014 Transit Service Agreement Change Clauses

As discussed above, the 2014 Transit Services Agreement contains several provisions that allow VCTC to consider cost increase requests and enter into negotiations with Roadrunner or an entity such as RATP Dev that may have acquired Roadrunner as is proposed in the Letter of Intent:

- Section 10, the Cost of Living clause, provides in part that "the annual adjustments to the fixed hourly rate and fixed monthly rate set forth in Sections 8(a) and 8(b) of this Agreement provide for the usual cost of living and inflation growth associated with expenditures, including for fuel. In the event that circumstances arise beyond the Contractor's control that significantly affect the cost of operation, VCTC would be willing to discuss, without obligation, the possibility of adjusting the rate(s) pertinent to the changed circumstances, without any commitment on the part of VCTC to make any such adjustment."
- Section 21, the force majeure clause, excuses performance and liability of both parties in the event of certain sudden, unexpected events, such as riot, war, emergency, governmental restrictions or limitations, shortage of fuel, water, or utilities, natural disasters, and impassable routes. That Section also provides that "[i]n the event that circumstances arise beyond [Roadrunner's] control that significantly affect the cost of operation, VCTC will meet and confer with CONTRACTOR to discuss, without obligation, the possibility of adjusting the hourly rate pertinent to the changed circumstances, without any commitment on the part of VCTC to make any such adjustment." Although this contract clause is contained within Section 21, and therefore presumably limited to the events giving rise to a force majeure, VCTC's authority to negotiate contract changes is not expressly tied to the enumerated events.
- Section 24 of the Contract addresses potential rate adjustments in the event of service expansion and reduction. If VCTC intends to operate service at or above 83,125 hours per year, this section may provide VCTC with a basis to discuss changes to both the fixed hourly rate and the fixed monthly rate. This Contract section does not provide specific guidance as to how the increase (if any) should be calculated, only that any adjustment shall be subject to negotiation between VCTC and Roadrunner.
- In addition, Section 2.3 of the Termination Agreement provides that the Commission may, "in its sole discretion, approve or disapprove any modification to terms of the Transit Service Agreement that may be requested by the Acceptable Buyer." This clause can be read to expand VCTC's authority to negotiate changes to the 2014 Transit Services Agreement, beyond those identified in the Contract, in order to complete the intent of the Termination Agreement, that is, a financially stable transit provider that can provide service through the life of the 2014 Transit Service Agreement without interruptions.

To the extent the RATP Dev proposed changes come within the scope of these provisions and the costs can be justified, the changes are likely permissible.

(c) Limitation on Cardinal Changes

FTA Circular 4220.1F prohibits so-called “cardinal changes” to the Contract. A cardinal change is defined as “a major deviation from the original purpose of the work or the intended method of achievement, or a revision of contract work so extensive, significant, or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract.”

The FTA rules also prohibit improper contract expansion, which is generally defined as a larger scope, greater quantities, or options beyond the original recipient’s reasonably anticipated needs.

Federal court decisions generally define a cardinal change as one outside the general scope of the contract. *Miller Elevator Co., Inc. v. U.S.* (Fed. Cir. 1994) 36 F.3d 1111. The scope of the contract is defined as all the work that is fairly and reasonably within the contemplation of the parties when the contract was entered into. See *Freund v. U.S.* (1922) 260 U.S. 60.

The FTA recognizes that cardinal changes can be difficult to identify and does not try to characterize or classify them; they must be evaluated on a case-by-case basis. The FTA recognizes that creating guidelines or requirements “fails to account for the realities of the marketplace and unnecessarily restricts a recipient from exercising reasonable freedom to make minor adjustments contemplated fairly and reasonably by the parties when they entered into the contract.”

RATP Dev’s proposed contract adjustments appear likely to fall within the general scope of the original contract, as the proposed adjustments only affect price, staffing, and maintenance requirements within the general parameters of the service hours, service territory, and routes that are required under the Contract.

2. Change Limitations Imposed by California law

Absent a statutory requirement, a public entity is not bound to engage in competitive bidding. *San Diego Service Auth. v. Sup. Ct.* (1988) 198 Cal.App.3d 1466, 1469. “Notwithstanding the powerful purposes served by competitive bidding, there is no all-pervasive public policy that requires all public entities to engage in that practice. Rather, the Legislature imposes competitive bidding requirements on public entities within its purview when the Legislature determines it is in the public interest to do so.” *Id.*

VCTC was created pursuant to Public Utilities Code section 130050.1 and is subject to the County Transportation Commissions Act (the “Act”). Public Utilities Code section 130221 provides that VCTC may contract with “any department or agency of the United States of America, with any public agency (including, but not limited to, the Department of Transportation, the multicounty designated transportation planning agency, or any transit district, county, or city), or with any person upon such terms and conditions as the commission finds is in its best interest.”

Public Utilities Code section 130232 requires that “purchase of all supplies, equipment, and materials, and the construction of all facilities and works” in excess of \$25,000 be competitively bid and awarded to the lowest, responsible bidder. By its terms, this statute does not apply to the services provided under the current agreement with Roadrunner. There are no provisions in the Public Utilities Code sections related to VCTC that address the scope, cost, or method of changes to existing contracts.

VCTC has developed Procurement Policies and Procedures pursuant to its Administrative Code. These policies and procedures address methods of procurement, evaluation of submissions, protest issues, award, and contract clauses. There are no policies or procedures related to contract changes or amendments post-award.

Thus, an amendment to the 2014 Transit Services Agreement that incorporates the contract terms proposed by RATP Dev is likely consistent with the applicable federal, state and VCTC regulations.

CONCLUSION

VCTC has always strived to provide the greatest value for taxpayer dollar in the provision of transit services. RATP Dev's proposal, as set forth in the January 4, 2018 Letter of Intent with no other changes, provides an opportunity to gain a bona-fide operator for the VCTC Intercity transit services and its thousands of customers who depend daily on the service. RATP Dev's proposal is comprehensive, cogent, and financially attractive when compared to the potential costs of operating the service from a new operator. With the availability of additional transit funding through SB 1, VCTC will endeavor to maintain the current level of transit service even with higher contract rates that are proposed in the Letter of Intent. For all the reasons noted in this report, VCTC staff recommends the Commission authorize the Executive Director to prepare documents for Commission consideration in February that, if approved by the Commission, would approve RATP Dev North America as an acceptable buyer of Roadrunner Management Services, and, to prepare an Amendment to the VCTC Intercity Transit Services Agreement consistent with the substantive terms set forth in Letter of Intent submitted by RATP Dev North America, dated January 4, 2018. Staff recommend this approach as it presents an opportunity to maintain existing continuity of operations with a manageable cost increase that allows for stable and predictable intercity transit operations.

Attachment(s):

Attachment A: Letter of Intent to the Ventura County Transportation Commission by RATP Dev, dated January 4, 2018

Attachment B: Letter from Roadrunner and RATP Dev dated January 8, 2018