

SOLANO COUNTY TRANSIT ("SolTrans")

JOINT POWERS AGREEMENT

This Joint Powers Agreement is by and among the CITY OF BENICIA, a municipal corporation (hereinafter "BENICIA"), the City of Vallejo, a municipal corporation (hereinafter "VALLEJO"), and the SOLANO TRANSPORTATION AUTHORITY (hereafter "STA"), a joint powers agency and the congestion management agency for Solano County (hereinafter "STA"), which public entities (collectively "Members" or "Member Agencies") have entered into this Joint Powers Agreement ("Agreement") creating Solano County Transit hereinafter "SolTrans", a joint powers agency. All Members of SolTrans are public entities organized and operating under the laws of the State of California and each is a public agency as defined in California Government Code Section 6500.

RECITALS

- A. Government Code Sections 6500-6515 permit two or more local public agencies, by agreement, to jointly exercise any power common to them and, thereby, authorizes the Members to enter into this Agreement.
- B. In the performance of their essential governmental functions, Benicia and Vallejo each provide transit services within their respective municipal boundaries and to areas outside of said boundaries in order to perform or participate in intercity, regional transit services.
- C. Among the responsibilities and transportation functions performed by STA, said agency provides planning, funding and management of intercity transit routes and paratransit services and, further, STA is eligible to act as a transit provider.
- D. Public entities have the opportunity to provide transit and related services in a cooperative and coordinated manner, in order to best manage the public resources committed and necessary for delivery of such transit services.
- E. The formation of SolTrans enables the Members to take advantage of the opportunities for more economical provision of transit services through economies of scale and to improve and expand the provision of a variety of transit services including, but not limited to, normal and customary intra-city bus transit, intercity transit, paratransit services, dial-a-ride, commuter and passenger ferries, and connecting transit to other transportation providers such as BART and/or the Capitol Corridor commuter train in such manner and at such time as the Members may decide necessary and appropriate for public benefit.
- F. The governing board of each Member has determined that it is in the Member's best interest and in the public interest, that this Agreement be executed and they become Participating Members of SolTrans.

AGREEMENT

1. Formation of Solano County Transit ("SolTrans")
Pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500) as amended from time to time, and commonly known as the Joint Powers Authority Law, the Members create a joint powers agency which is named Solano County Transit and may otherwise be referred to as "SolTrans" or such other acronym, brand or identifier as determined appropriate by the Board.

2. Parties to Agreement

In mutual consideration of the promises herein, each Member certifies that it intends to, and does, contract with every other Member which is a signatory to this Agreement and, in addition, with such other Member as may be later added as provided in Section 23. Each Member also certifies that the deletion of any Member from this Agreement does not affect this Agreement or the remaining Members' intent to contract with the other Members then remaining.

3. Purpose

SolTrans will be the agency created by the merger of the presently existing transit services in Benicia and Vallejo through this joint powers agreement. Upon execution of this Agreement, SolTrans will operate as a unified entity separate and apart from the originating Members.

4. Transfer of Assets; Succession to Existing Contracts

Upon approval of this Agreement, the Members will endeavor to enter into use agreements with regards to the assets designated in the transition plan for the transition period which will be from date of execution of this Agreement until July 1, 2011. The transition period may be extended by mutual consent of the parties. Once SolTrans receives approval of its status as a qualified grantee by necessary grantors, including the Federal Transit Administration (FTA), Benicia and Vallejo will transfer, and SolTrans will receive, designated transit related assets, personal property, rolling stock and equipment of each presently operating transit service. Unless prohibited by law, SolTrans shall succeed to and undertake designated transit related agreements in place as set forth in the transition plan. Any debt of a Member to be assumed by SolTrans such as, but not limited to, funds advanced by Members to their transit system, shall be specifically set forth and described in the asset transfer inventory and/or transition plan; provided, that nothing in this agreement shall require transfer of any asset subject to a lien or leasehold securing certificates of participation or other evidence of indebtedness issued by or on behalf of any Member unless such lien or leasehold is duly released by the holders of such certificates of participation or other evidence of indebtedness.

5. Transit Employees

To the degree allowed by law, or otherwise negotiated, existing transit employees of each Member Agency will become employees of SolTrans. Notwithstanding paragraph 22 of this Agreement (indemnification), SolTrans accepts responsibility for any claims arising due to such transfer of employment post formation of SolTrans, including, but not limited to, any Federal Section 13(c) claims or any employee association claims regarding changes in wages, benefits or working conditions.

6. Membership

In addition to the originating members Benicia, Vallejo and STA, the following entities, or types of entities, are eligible for membership in SolTrans:

- a. Municipal corporations located within the County of Solano;
- b. The County of Solano; or
- c. Any other public entity or public/private partnership providing, or proposed to provide, transit in Solano County.

7. Limitation

For purposes of California Government Code Section 6509, the powers of SolTrans shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed upon the City of Benicia, a general law city. Should Benicia withdraw as a Member, then the powers of SolTrans shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed upon any other general law city which is then a Member and, if there be none, as are imposed upon STA.

8. Guiding Principles

The following Principles are intended to guide SolTrans' provision of transit services:

- a. The Benicia Breeze and Vallejo Transit services were consolidated to streamline, simplify, and improve access for transit riders through enhanced service coverage, frequency, affordability, and mobility options contingent upon available funding. The consolidated service shall be responsible for coordinating transportation services in Benicia and Vallejo and to locations beyond the two cities such as Bay Area Rapid Transit (BART).
- b. Consolidated transit service is intended to improve standards for greenhouse gas emissions and energy reductions, reduce single-occupant vehicle miles traveled, thereby minimizing the carbon footprint of Benicia and Vallejo residents. A consolidated transit service will further the Benicia and Solano County Climate Action Plans greenhouse gas reduction targets.
- c. The Benicia Breeze and Vallejo Transit consolidation shall be consistent with the STA's Countywide Transportation Plan Transit Element to maximize the ability of Solano residents, workers, and visitors to reach destinations within, and adjacent to, Solano County, and to access regional transportation systems.
- d. The consolidated transit service shall be designed to be comparatively cost effective and efficient while considering the unique characteristics of each jurisdiction.
- e. The consolidation of services shall be managed in a public and transparent process to encourage participation by residents, stakeholders, and decision-makers in both communities.
- f. The consolidated transit service shall strive to maintain the continuity of current service provided by both jurisdictions, minimizing service disruptions and passenger inconveniences due to the transition. If possible, service levels shall be maintained or expanded.
- g. The consolidated transit service shall maximize opportunities for regional funding.

9. Powers

SolTrans is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement including, but not limited to, each of the following:

- a. Make and enter into contracts;
- b. Incur debts, liabilities and obligations; provided that no debt, liability or obligation of SolTrans is a debt, liability or obligation of any Member except as separately agreed to by a Member agreeing to be so obligated;
- c. Acquire, own, lease, hold, construct, manage, maintain, operate, sell or otherwise dispose of real and personal property by appropriate means, excepting only eminent domain;
- d. Receive gifts, grants, contributions and donations of property, funds, services and other forms of assistance from any source including, but not limited to, special or general taxes and assessments;

- e. Sue and be sued in its own name;
- f. Employ officers, agents and employees;
- g. Lease real or personal property as lessee and as lessor;
- h. Receive, collect, invest and disburse moneys;
- i. Issue revenue bonds or other forms of indebtedness, as provided by law;
- j. Carry out other duties as required to accomplish other responsibilities as set forth in this Agreement;
- k. Assign, delegate or contract with a Member or third party to perform any of these duties of the Board, including, but not limited to, acting as Executive Director for SolTrans;
- l. Exercise all other powers necessary and proper to carry out the provisions of this Agreement;
- m. Claim transit funds from state and federal sources;
- n. These powers will be exercised in the manner provided by applicable law and as expressly set forth in this Agreement or reasonably inferred therefrom.

10. Board of Directors

- a. The powers of SolTrans are vested in the Voting Members of its Board of Directors ("Board"). The initial Governing Board of SolTrans is comprised of five (5) voting directors and one (1) ex-officio, non-voting director as follows:
 - 1. Two Voting Directors from each Member Agency other than STA: Upon approval of this Joint Powers Agreement, the City Councils of Benicia and Vallejo will each appoint two Directors and one Alternate. When a Director is absent, the Alternate may act in his/her place. Each appointed and alternate Board member shall be a member of the governing body of the Member Agency that he or she represents and shall serve at the pleasure of such governing body.
 - 2. One Voting Director who shall be the Solano County representative to the Metropolitan Transportation Commission ("MTC"). In addition to the two Directors from each Member Agency, one additional Voting Director, who is the Solano County representative to the MTC shall be a Voting Director unless such Director is either a council member of one of the Member Agencies or a County Supervisor whose district includes all or part of any city which is a Member Agency. If no Director is so qualified or available, the remaining members of the SolTrans Board shall appoint a Voting Director who may, but need not be, the MTC representative notwithstanding his or her service as a member of the governing body of a Member Agency or as a County Supervisor whose district includes a Member Agency who shall serve until a new Solano County representative to MTC is appointed and is qualified to serve. Such process may include the appointment of the MTC representative from the aforementioned jurisdictions at the sole discretion of the remaining Voting Members of the JPA Board.
 - 3. One Non-Voting STA representative to participate as an ex officio Director. The STA Board will appoint the STA Representative which may be either a STA Board Director or staff. Notwithstanding any language to the contrary in this Agreement, the STA representative may participate in all discussions but shall have no vote in any action of the Board.

- b. All actions of the Board require the affirmative vote of a majority of the Voting Directors, which must include at least one affirmative vote of a Director representing each Voting Member Agency.
- c. Directors shall serve a term of two (2) years unless earlier removed or replaced by the appointing Member Agency in accordance with that Member Agency's procedures. A Voting Director is automatically removed if he or she is no longer an elected official or the Solano County representative to the MTC unless that Director is appointed by action of the remaining Directors pursuant to Section 10(a)(2) above, in which case, holding another elective or appointive office shall be a condition of service only if so provided in a resolution of the Board of SolTrans at the time he or she is appointed. Directors may serve any number of terms consistent with the appointment process of the Director's appointing governing body.
- d. Directors and Alternates are eligible for a stipend of up to \$100 per meeting with a maximum of one compensated meeting per month. The Board may authorize actual and necessary reimbursement of expenses incurred by Directors or Alternate Directors on behalf of SolTrans for which receipts are provided.
- e. The Board may delegate certain powers to specified committees but may not delegate the power to amend the Bylaws of SolTrans, to approve the budget, to appoint the Executive Director, or to appoint the Director under 10(a)(2).
- f. A majority of the voting Directors must be present to constitute a quorum for action on the business of the Board.
- g. The Board shall establish by resolution the date, time and place for regular meetings which shall occur at a minimum of four (4) times per year. Special meetings may be called by the Chairperson or by a majority of the voting Directors then in office. All meetings of the Board shall be in conformance with the Ralph M. Brown Act (California Government Code sections 64950 et seq.).

11. Conflicts of Interest

In accordance with state law, Directors and Officers are "public officials" within the meaning of the Political Reform Act of 1974, as amended, and its regulations, for purposes of financial disclosure, conflict of interest and other requirements of such Act and regulations. SolTrans shall adopt a conflicts of interest code in compliance with the Political Reform Act and all other applicable laws and regulations applicable to public officials, including, but not limited to, the restrictions on the acceptance or solicitation of contributions.

12. Committees

The following committees are established:

- a. Executive Management Committee. The Executive Management Committee periodically meets as necessary to assist in advising the employees or agents and the SolTrans Board, to review proposed budget items, service and fare adjustments, and to otherwise provide management assistance and oversight as necessary. The Executive Committee shall consist of the city manager or executive director, or chief administrative officer, or designee of each Member Agency.

- b. Technical Advisory Committee. The Technical Advisory Committee will consist of staff representatives appointed by the city manager or executive director of the Member Agencies to coordinate with Agency staff on funding and service issues.
- c. Public Advisory Committee. Each Member Agency will appoint three members of the public with demonstrated expertise or special interest in, transit issues and who reside within the boundaries of the agencies that they represent to serve on a Public Advisory Committee (PAC). This will include representatives selected by each Member Agency. The PAC will serve as an advisory committee to the SolTrans Board and will review and comment to the SolTrans Board on the following matters:
 - i. Service and fare adjustments,
 - ii. Development of Short Range Transit Plans, and
 - iii. Review SolTrans' annual work plan.
- d. Other Committees. The Board may create other committees from time to time as necessary and appropriate.

13. Officers and Employees

- a. The officers of SolTrans are the Board Chair, Vice-Chair, Executive Director, Legal Counsel, Chief Financial Officer/Treasurer, and Clerk to the Board. The positions of Chair and Vice-Chair shall be appointed by the members of the SolTrans Board from their membership. The Chair and Vice-Chair are Directors elected or appointed by the Board at its first meeting and serve the remainder of the year in which appointed and one additional year. Thereafter, terms for Chair and Vice-Chair are one year beginning January 1. The Chair and Vice Chair assume their office upon election by the SolTrans Board. If either the Chair or Vice-Chair ceases to be a director, the resulting vacancy will be filled at the next meeting of the Board.
- b. The Board shall appoint an Executive Director and Legal Counsel to SolTrans who shall serve at the pleasure of the Board. The Executive Director shall be charged with managing the operations of SolTrans, subject to the authority and direction of the Board. The Executive Director shall have charge of, handle and have access to all property of SolTrans, shall appoint the SolTran's Chief Financial Officer and the Clerk, both of whom shall serve at the pleasure of the Executive Director. Pursuant to California Government Code section 6505.1, the Executive Director shall file an official bond in an amount determined by the Member Agencies, through the Board, which shall not be less than the smallest bond required of the chief financial officer, treasurer or other fiscal officer of each of the Member Agencies or, upon the approval of the SolTrans Board of Directors, satisfy this requirement pursuant to Government Code section 1463.
- c. The appointment of a Chief Financial Officer/Treasurer shall be made no later than the second regular meeting of Board and in any event before SolTrans receives any funds or properties from any source. The Chief Financial Officer/Treasurer may be a designated member of SolTrans staff or appointed from one of the Member Agencies.
- d. The Board may authorize reimbursement of expenses incurred by officers or employees on behalf of SolTrans.
- e. The Board may create such other offices and appoint individuals to such offices it considers either necessary or convenient to carry out the purposes of this Agreement.

14. By-Laws

The SolTrans Board shall adopt bylaws as necessary and proper for the efficient and effective functioning of SolTrans.

15. Limitation on Liability of Members for Debts and Obligations of SolTrans

Pursuant to Government Code section 6508.1, the debts, liabilities, and obligations of SolTrans do not constitute debts, liabilities, or obligations of any Member Agency. However, a Member may separately contract for or assume responsibility for specific debts, liabilities, or obligations of SolTrans.

16. Limitation of Financial Commitment

SolTrans shall not look to Member Agencies for financial contributions from their general fund, or any other fund, unless each Member Agency separately contracts for and agrees to otherwise set aside transit moneys as part of their annual budgetary process.

17. Fiscal Year

The first fiscal year of SolTrans is the period from the date of this Agreement through June 30, 2011. Each subsequent fiscal year of SolTrans begins on July 1st and ends on June 30th unless the Board of Directors provides otherwise by resolution.

18. Budget

The Board shall adopt a budget not later than sixty (60) days before the beginning of a fiscal year. In the Board's sole discretion, the budget may be an annual or multi-year budget.

19. Annual Audits and Audit Reports

The Chief Financial Officer/Treasurer will cause an annual financial audit to be made by an independent certified public accountant with respect to all SolTrans receipts, disbursements, other transactions and entries into the books. A report of the financial audit will be filed as a public record with each Member. The audit will be filed no later than required by state law. SolTrans will pay the cost of the financial audit in the same manner as other administrative costs.

20. Establishment and Administration of Funds

- a. The Chief Financial Officer/Treasurer shall be responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with the provisions of law relating to the establishment and administration of funds, particularly section 6505 of the California Government Code.
- b. The funds will be accounted for on a full accrual basis according to generally accepted accounting principles and applicable laws and regulations.
- c. The Chief Financial Officer/Treasurer will receive, invest, and disburse funds only in accordance with procedures established by the Board and in conformity with applicable state or federal law.
- d. Should SolTrans contract with a Member Agency for the provision of all or some financial services, the funds of SolTrans will be maintained in a separate account(s) from those of the Member Agency itself.

21. Bi-Annual Transit Service Plan

SolTrans shall cause to have prepared a Transit Service Plan every two years. A SRTTP (Short Range Transit Plan) may be used to fulfill this requirement. The Plan shall contain

the baseline levels of transit service to be provided and shall include days of service; hours of service, areas to be served, types of transit service to be provided and rates of passenger fares to be charged for said service. The Transit Service Plan shall be prepared and presented to the Board prior to December 1 of every odd numbered calendar year. The Board shall review said Plan and either approve and adopt said plan as presented or approve and adopt said Plan with modifications. The Plan may be expanded, modified or reduced by the Board.

22. Indemnification

- (a) SolTrans shall hold each member, its elective and appointive Boards, Commissions, officers, agents and employees, harmless from any liability for damage or claims for damage for any tort, personal injury, including death, as well as from claims from property damage which may arise from SolTran's employees, contractors, subcontractors, or agents' operation under this Agreement. SolTrans agrees to and shall defend each Member and its elective and appointive Boards, Commissions, officers, agents and employees from any suits or actions at law or equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations that occur on or after the date of formation of SolTrans.
- (b) Each Member Agency shall indemnify SolTrans, its Boards, officers, agents and employees and the respective other Member Agencies, harmless from any liability for damage or claims for damage for any tort, personal injury, including death, as well as from claims from property damage which may arise from that Member Agency's employees, contractors, subcontractors or agent's operations occurring prior to the formation of SolTrans.

23. New Members

- a. For the purpose of this section only, all Members admitted after the initial creation of SolTrans are New Members. Each New Member Agency of SolTrans shall appoint two Directors and one Alternate.
- b. A public entity meeting the criteria in Section 6 above may be admitted as a New Member upon a two-thirds (2/3) vote of the Voting Members of the Board and upon complying with all other requirements established by the Board and the Bylaws.
- c. Each applicant for membership as a New Member must pay all fees and expenses, if any, set by the Board in order to pay for the costs of adding the New Member and to address their participation in the ownership of SolTrans assets and liability for any debt of SolTrans upon approval as a New Member.

24. Withdrawal From Membership

Members may withdraw from SolTrans by filing a written notice of withdrawal with the Executive Director 180 days before the actual withdrawal. Such a withdrawal shall be effective on July 1st of the subsequent fiscal year after the 180 day period has passed following the filing of the withdrawal notice. The withdrawal of a Member Agency shall not in any way discharge, impair or modify voluntarily-assumed obligations of the withdrawn Member Agency in existence as of the date of the withdrawal. Withdrawal of a Member Agency shall not affect the remaining Member Agencies. A withdrawn Member Agency shall not be entitled to the return of any grant funds previously or historically allocated to it provided that SolTrans is the current grantee for those funds at the time of withdrawal. However, the return of assets previously contributed by the Member Agency to SolTrans shall be provided for in a withdrawal plan, prepared by SolTrans, to address return of funds or assets from SolTrans to a member opting to withdraw from SolTrans. Such withdrawal plan may include 1) the compensation for real

property whose title has passed to SolTrans; 2) the purchase of a withdrawing Member's assets used by but not yet transferred to SolTrans; or 3) compensation for the depreciated value of assets or rolling stock transferred at the time of formation. SolTrans and the Member Agency which proposes to withdraw will negotiate in good faith toward mutual agreement on a withdrawal plan to address return of funds or assets from SolTrans to the Member Agency and assignment of liabilities associated with those funds or assets to that Member Agency. In the event of a disagreement regarding the amount of compensation due for real property even after a reasonable period of good faith negotiations, the parties may resolve the matter via alternative dispute resolution or any other mutually acceptable means.

25. Termination and Distribution

- a. This Agreement continues until terminated or SolTrans is dissolved.
- b. This Agreement may be terminated by the written consent of two-thirds (2/3) of the governing bodies of the Member Agencies; provided, however, that this Agreement and SolTrans shall continue to exist after termination for the purpose of disposing of all claims, distribution or assets and all other functions necessary to conclude the obligations and affairs of SolTrans.
- c. At the termination of this agreement resulting in termination and dissolution of SolTrans, and after payment of debts, a dissolution plan shall be prepared by SolTrans and reviewed and approved by the Member Agencies to address the surplus property of SolTrans, both real and personal, including all funds on hand, after payment of all liabilities, costs, expenses, and charges validly incurred under this Agreement, shall be returned to the respective Member Agencies as nearly as possible in proportion to the contributions, if any, made by each.
- d. After termination or dissolution of SolTrans, any surplus money on deposit in any fund or account of SolTrans will be returned to the Member Agencies as required by law. The Board is vested with all powers of SolTrans for the purpose of concluding and dissolving the business affairs of the agency.

26. Notices

Notice to each Member under this Agreement is sufficient if mailed to the Member and separately to the Member's Directors to their respective addresses on file with SolTrans.

27. Prohibition Against Assignment

No Member may assign a right, claim, or interest it may have under this Agreement. No creditor, assignee or third party beneficiary of a Member has a right, claim or title to any part, share, interest, fund or asset of SolTrans. However, nothing in this section prevents SolTrans from assigning any interest or right it may have under this Agreement to a third party.

28. Amendments

This Agreement may be amended by the Members acting pursuant to a resolution of their respective governing bodies. A proposed amendment must be submitted to each Member at least thirty (30) days in advance of the date when the Member considers it. An amendment is to be effective upon execution unless otherwise designated.

29. Severability

If a portion, term, condition or provision of this Agreement is determined by a court to be illegal or in conflict with a law of the State of California, or is otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions is not affected.

30. Liability of SolTrans

Subject to limitations thereon contained in any trust agreement or other documents pursuant to which financing of SolTrans is implemented, funds of SolTrans may be used to defend, indemnify, and hold harmless SolTrans, any Member Agency, any Director or Alternate, and any employee or officer of the agency for actions taken within the scope of their duties and acting on behalf of SolTrans.

31. Governing Law

This Agreement will be governed by and construed in accordance with the laws of the State of California.

32. Counterparts

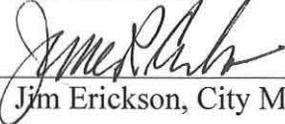
This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes but one and the same instrument.

33. Effective Date

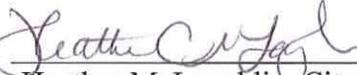
This Agreement becomes effective and SolTrans exists as a separate public entity when approved by the governing boards of the three original Members.

IN WITNESS WHEREOF, the parties, pursuant to resolutions of their respective governing boards, have caused this Agreement to be executed this 30th day of Nov, 2010

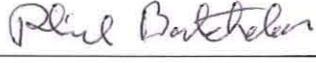
CITY OF BENICIA

By: 
Jim Erickson, City Manager

APPROVED AS TO FORM

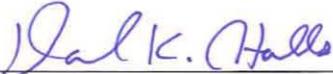
By: 
Heather McLaughlin, City Attorney

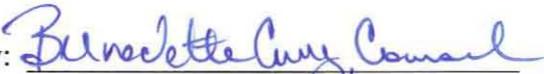
CITY OF VALLEJO

By: 
Phil Batchelor, City Manager

By: 
Fred Soley, City Attorney

SOLANO TRANSPORTATION AUTHORITY

By: 
Daryl K. Halls, STA Executive Director

By: 
Bernadette Curry, STA Legal Counsel

Solano County Transit Joint Powers Agreement *

Last year, the STA Board recommended the consolidation of the Benicia Breeze and Vallejo Transit into one transit system. This was one of several recommendations to emerge following the conclusion of an 18-month long Countywide Transit Consolidation Study. The STA has worked with members of the city council and staff from both agencies through a Memorandum of Understanding (MOU) to develop a draft Joint Powers Agreement (JPA) and transition plan. The STA has been recommended to be a partner with the Cities of Benicia and Vallejo in the formation of the new transit JPA, to be called Solano County Transit (SolTrans). At the July 2010 Board meeting, the item was tabled at the request of STA staff in response to some last minute issues pertaining to the JPA and proposed transition plan that were raised by Vallejo's legal counsel and finance staff. These issues have been reviewed and responded to by the consultant team for the study and by STA legal counsel. Staff is recommending the STA Board authorize joining the SolTrans JPA and approval of the transition plan merging Benicia and Vallejo's transit systems subject to several conditions being addressed that will protect the financial and operational integrity of the proposed new transit JPA.

2010 Solano Commute Challenge Off to Promising Start

A record number of Solano County employers are participating in the 4th Annual Solano Commute Challenge. A total of 46 employers have registered to participate eclipsing last year's record total of 43. As of August 31st, 531 of their employees have signed up to take transit, ride a bike, vanpool or walk to work during the three month long Commute Challenge.

Commute Profile for Solano and Napa *

Earlier this year, the STA, in partnership with Napa County Transportation and Planning Agency, commissioned a Commute Profile survey of Solano and Napa residents. The purpose was to assess the issues, obstacles and priorities of residents as they travel both within and outside the county. A summary will be provided at the meeting.

Attachment:

- A. STA Acronyms List of Transportation Terms (Updated February 2010)



DATE: August 30, 2010
TO: STA Board
FROM: Elizabeth Richards, Director of Transit and Rideshare Services
RE: Solano County Transit Joint Powers Agreement (JPA)
Consolidation of Benicia and Vallejo Transit Services

Background:

The issue of consolidating some or all of the Solano's transit services had been discussed and proposed for evaluation for several years prior to the STA Board members discussing it formally at the February 2005 Board retreat. At the Board retreat, participants expressed interest and support for transit service becoming more convenient through a seamless system, that there should be a reasonable level of service throughout the county, and that local transit issues and needs would have to be considered and addressed. Subsequently, the STA Board directed STA staff to initiate a countywide Transit Consolidation Study and approved goals, objectives and evaluation criteria to be incorporated in the scope of work for this study. The Transit Consolidation Study was then conducted and in June 2009, the STA Board approved the following recommendations:

1. Option 1: Consolidation of Benicia and Vallejo transit services;
2. Option 4c: Decentralize intercity paratransit service to local transit operators and continue study of consolidation of interregional Solano transit services under one operator to be selected by the STA Board;
3. Forward the STA recommended transit consolidation recommendations to the affected agencies for their consideration and participation;
4. Direct STA staff to work with the affected local transit staff to develop Implementation Plans for Option 1 and Option 4c; and
5. Report back to the STA Board by September 2009 on the status of the Implementation Plan.

Discussion:

Since the STA Board action in June 2009, the STA, and the cities of Benicia and Vallejo have met multiple times to discuss and evaluate the potential consolidation of Benicia Breeze. Over the past year a Memorandum of Understanding (MOU) was approved by the three organizations to guide the development of a Solano County Transit Joint Powers Agreement (JPA) and Transition Plan. The JPA and the Transition Plan are the topic of this staff report.

The development of the MOU, JPA and Transition Plan have been guided by the Solano County Transit Coordinating Committee in coordination with a Management Committee

and a Staff Working Committee. The Coordinating Committee members are Benicia Mayor Patterson, Vallejo Mayor Davis, Benicia Councilmember Ioakimedes, and Vallejo Councilmember Hannigan. The Management Committee consists of the Benicia and Vallejo City Managers and the STA's Executive Director. The Staff Working Committee is comprised of transit and management staff from all three agencies with support from legal counsel and consultants.

Over the past year, there has been a high level of discussion and interest in working toward consolidation and better transit coordination and service. Guiding principles were developed and incorporated into a MOU that was approved by the three agencies (Benicia, Vallejo and STA) to establish a framework for moving toward consolidation (Attachment A). The STA approved the MOU in September 2009 (Attachment B).

A JPA was drafted by STA Legal Counsel, reviewed multiple times and approved by the Coordinating Committee in May 2010 (Attachment C). Key points contained in the JPA are:

- The consolidated Benicia/Vallejo transit agency will be known as Solano County Transit (SolTrans);
- The JPA Board will be comprised of the Mayors of Benicia and Vallejo, a City Councilmember from each jurisdiction, and the fifth voting member is designated as Solano's MTC representative;
- The STA will be an ex-officio member of the Board;

The Coordinating Committee directed that the JPA be forwarded to the member agencies once a Transition Plan was completed. The Transition Plan has been prepared to guide the development of the new SolTrans organization (Attachment D). The Transition Plan covers the following:

- Background
- Structure and Governance
- Financial Management (including a one and 10-year budget)
- Organizational and Human Resources Management
- Service Planning and Operations
- Capital Project Management
- Other Issues: WETA Transition and new Administration Building
- Implementation Schedule

In June 2010, the STA Board approved a contract to retain Phil McGuire, an experienced transit consultant, to function as a consultant to the MOU and as the Interim Executive Director of the new JPA. When the JPA is approved by the member agencies, it is intended that he will work with the new SolTrans Board to begin the steps necessary to build the organization prior to transferring and hiring staff, hiring a permanent Executive Director, transferring service and other contracts, and transferring operating funds and capital assets related to operating service. This transitional process is projected to conclude prior to July 1, 2011, the beginning of the next fiscal year.

Construction of transit capital projects such as Curtola Park and Ride, Vallejo Station, and Benicia's Park-and-Rides are recommended to remain with the cities of Benicia and Vallejo. With the transfer of transit service operations from the Cities to the JPA, the intention is to reimburse both cities for any documented and auditable funds they have

advanced to cover transit costs as well as to start the new JPA on sound financial grounds. To address these and other one-time transitional costs (moving, re-branding, professional services), an estimate has been developed with the Cities and is incorporated into the Transition Plan. It is proposed that STA and SolTrans approach MTC to assist with these one-time transitional costs. The STA Board has dedicated State Transit Assistance Funds (STAF) funds to serve as local match, subject to the JPA being approved by all three agencies as part of a transition plan. During the transition, service levels are proposed to remain consistent in both cities. Funding for a joint Short Range Transit Plan (SRTP), requested by the MOU Coordinating Committee, has been secured from MTC and will provide the opportunity for the new agency in its first year to review, assess, and prioritize how the newly combined transit service area may be served.

Subsequent to action by the MOU Coordinating Committee, additional and new issues were raised by Vallejo finance staff, legal counsel and members of the Vallejo Council's Transit Advisory Committee (VTAC). The STA Board tabled this agenda item at its July Board meeting at the request of STA staff to allow time to respond to the issues that had just been raised. As part of this action, the STA Board requested the item be returned to the September Board meeting. The STA consultant team, staff, and legal counsel and Vallejo transit staff have been working to respond to the issues raised by Vallejo finance and legal staff. A meeting was held in early August with Vallejo management and staff, STA staff, and consultants at the meeting. Responses to the issues raised by Vallejo finance and legal were presented and discussed including new information that was provided that potentially impacts the viability of the Soltrans JPA. The SolTrans JPA and Transition Plan have been agendaized for the September 14 Vallejo Council meeting. The Benicia City Council had previously reviewed and discussed the JPA and Transition Plan at a Council Workshop on July 6, 2010.

In addition, STA has been requested by the City of Vallejo to become more involved with the discussion concerning the transfer of the Baylink Ferry from Vallejo to the Water Emergency Transportation Authority (WETA). Some of the issues being raised in those discussions should be incorporated into the SolTrans Transition Plan. The SolTrans Coordinating Committee will be reconvened to address any proposed modifications to either the Transition Plan or the JPA.

The issues raised are surmountable if certain conditions are met and these have been included in staff's recommendation. Although this process has its challenges, benefits remain to the transit riders of the systems, the Cities of Benicia and Vallejo and to the county and region; these have been summarized on Attachment E.

Conditions

- 1. All key transit operating assets and rolling stock are identified to be transferred and are verified by a third-party as available for use by the JPA via transfer of assets or agreement, including the Broadway bus yard, prior to transfer of transit staff or service contracts;**

Some of the recent issues that have been raised concerned the ability to transfer or use some key transit operating facilities. The SolTrans JPA needs to be assured that key operating assets and rolling stock can be transferred or used through an agreement prior to transfer of staff or service contracts.

- 2. An updated SolTrans FY2011-12 operating budget is approved by SolTrans Coordinating Committee without a projected operating deficit or service reduction prior to the completion of FY 2011-12;**

Agencies' staff and the SolTrans Coordinating Committee have been discussing and updating an initial year SolTrans budget since the Fall of 2009. Since the beginning of the process, new revenues and expenses have become known. Throughout, the draft budget assumptions have been remained constant and conservative. A recent issue raised by Vallejo has a potential \$2.7m reduction to the TDA reserve which had not been taken into account previously. Staff recommends that the Coordinating Committee review and approve an updated SolTrans FY2011-12 operating budget to ensure there is not an operating deficit.

- 3. As part of the transition, the Vallejo bus system and its revenues and assets will be held separate from the City of Vallejo's bankruptcy proceedings;**

To protect Vallejo transit funds and assets from being diminished by potential bankruptcy proceedings in the near future, staff recommends that they be held separate from the City of Vallejo general fund to ensure the transit funds and assets currently assumed for SolTrans remain secure.

- 4. A Request for Proposal (RFP) is released to begin the Benicia/Vallejo Short Range Transit Plan (SRTP) to assess and plan for future transit service in Benicia and Vallejo and to develop a longer range transit operating and financial plan;**

A funding agreement has been executed between the Metropolitan Transportation Commission (MTC) and the City of Vallejo to prepare a joint SRTP for the Benicia/Vallejo area. Although the joint SRTP is intended to be guided by the SolTrans JPA during the transition and staff from the three agencies involved, Vallejo is the grantee and will begin the process. This is a key planning process that needs to be initiated in the near term in order to be completed in time for implementation in FY2011-12. The SRTP will provide guidance on future service planning and financial plan.

- 5. All Benicia and Vallejo transit funds (TDA, RM2, State, Federal, and other transit operating funds) are transferred to the SolTrans JPA as part of the JPA's preparation to be established as a direct transit claimant for Benicia and Vallejo;**

Over the course of the transition, SolTrans JPA will be incurring the financial liability of staffing and service contracts, maintaining transit operating assets, and the new administration building. In the long-term, the JPA will directly claim various operating funds. In the interim, transit operating funds that have already been claimed by Benicia and Vallejo will need to be transferred to the SolTrans JPA in a timely manner.

6. SolTrans JPA operates as an independent agency per the JPA and Transition Plan and is not prevented or inhibited from utilizing the Guiding Principles outlined in the JPA for the proposed consolidation.

If the JPA is approved by these three agencies, the SolTrans JPA will become an agency independent of the member agencies: Cities of Benicia and Vallejo and the STA. Approval of the formation of the JPA is a major step which will be followed by many steps along the transition process. Each member agency is expected to facilitate and coordinate with, and not inhibit, the formation of the SolTrans JPA and the funding and operations of the specified transit service in a manner consistent with the Guiding Principles approved by the SolTrans Coordinating Committee.

Fiscal Impact:

STA is currently supporting the transition with staff time, legal counsel services, and consultant services. This is being funded through STAF funds approved by the STA Board.

Recommendation:

Approve STA entering into a JPA with the Cities of Benicia and Vallejo to form Solano County Transit contingent upon the Benicia and Vallejo City Councils approving the establishment of the SolTrans JPA and the conditions as specified in Attachment F.

Attachment:

- A. South County Transit Guiding Principles
- B. South County Transit MOU – October 29, 2010
- C. Solano County Transit JPA
- D. Solano County Transit Transition Plan – July 2, 2010
- E. Benefits/Risks of Soltrans JPA
- F. Conditions of Approval for STA Joining the SolTrans JPA