



**BOARD ADMINISTRATION AND OPERATIONS COMMITTEE MEETING
WEDNESDAY, OCTOBER 3, 2012, 1:00 P.M.
RIVERSIDE TRANSIT AGENCY BOARD ROOM
1825 THIRD STREET
RIVERSIDE, CA 92507**

1. **CALL TO ORDER**
2. **SELF-INTRODUCTIONS**
3. **PUBLIC COMMENTS– NON-AGENDA ITEMS** **RECEIVE COMMENTS**

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person’s presentation is limited to a maximum of three (3) minutes
4. **[APPROVAL OF MINUTES – SEPTEMBER 10, 2012, COMMITTEE MEETING \(P.3\)](#)** **APPROVE**
5. **CONSENT CALENDAR**

All items on the Consent Calendar will be approved by one motion and there will be no discussion on individual items unless a Board member or member of the public requests a specific item be pulled from the calendar for separate discussion

 - A. **[TRANSPORTATION CENTER MONTHLY REPORT – AUGUST \(P.6\)](#)** **RECEIVE AND FILE**
 - B. **[PERSONNEL REPORT – AUGUST \(P.9\)](#)** **RECEIVE AND FILE**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting or any person with limited English proficiency (LEP) who requires language assistance to communicate with the RTA Board during the meeting should contact the RTA Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable RTA to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda related writings or documents provided to the Board of Directors are available for public inspection in the office of the Clerk of the Board and at the reception desk while the meeting is in session.

6. AUTHORIZATION TO AMEND THE AGENCY'S MEMORANDUMS OF UNDERSTANDING (MOUS) WITH THE CITIES OF CORONA AND RIVERSIDE FOR THE COORDINATION OF TRANSPORTATION SERVICES (P.16) APPROVE
7. CONDUCT PUBLIC HEARING TO CONSIDER PROPOSED REVISIONS TO THE PUBLIC HEARING POLICY TO REFLECT COMPLIANCE WITH FEDERAL TRANSIT ADMINISTRATION (FTA) TITLE VI GUIDELINES IN CIRCULAR 4702.1B EFFECTIVE OCTOBER 1, 2012 AND APPROVE PROPOSED REVISIONS TO THE PUBLIC HEARING POLICY EFFECTIVE WITH THE CLOSE OF THE PUBLIC HEARING ON OCTOBER 25, 2012 (P.18) APPROVE
8. APPROVE BUS PASS SALES OUTLET POLICY (P.22) APPROVE
9. BOARD MEMBER COMMENTS AND REMARKS
10. OTHER BUSINESS
11. NEXT MEETING
ADMINISTRATION AND OPERATIONS COMMITTEE MEETING
WEDNESDAY, NOVEMBER 7, 2012
1:00 P.M.
RTA HEADQUARTERS
1825 THIRD STREET
RIVERSIDE, CA 92507
12. ADJOURN

RTA BOARD ADMINISTRATION AND OPERATIONS COMMITTEE MEETING
Minutes
September 10, 2012

1. CALL TO ORDER:

Committee Chair Zanowic called the Board Administration and Operations Committee meeting to order at 1:00 p.m., on September 10, 2012, in the RTA Board Room.

2. SELF-INTRODUCTIONS:

Self introductions of those in attendance took place.

Board Committee Attendees:

1. Committee Chair Ella Zanowic, City of Calimesa, Mayor
2. Committee Vice-Chair Bridgette Moore, City of Wildomar, Councilmember
3. Chairman of the Board, Doug McAllister, City of Murrieta, Mayor
4. Director Don Robinson, City of Banning, Mayor
5. Director Ike Bootsma, City of Eastvale, Councilmember
6. Director Daryl Hickman, City of Lake Elsinore, Mayor Pro Tem
7. Director Jesse Molina, City of Moreno Valley, Councilmember

RTA Staff:

1. Larry Rubio, Chief Executive Officer
2. Tom Franklin, Chief Operating Officer
3. Craig Fajnor, Chief Financial Officer
4. Vince Rouzaud, Chief Procurement and Logistics Officer
5. Rick Kaczerowski, Director of Information Technologies
6. Jim Kneepkens, Director of Marketing
7. Laura Murillo, Director of Human Resources
8. Gordon Robinson, Director of Planning
9. Eric Ustation, Government Affairs Representative
10. Natalie Gomez, Clerk of the Board of Directors
11. Virginia Werly, Contract Operations Manager
12. Natalie Zaragoza, Contracts Manager
13. Bob Bach, Director of Maintenance
14. Brad Weaver, Marketing Manager

Other Attendees:

None.

3. PUBLIC COMMENTS – NON-AGENDA ITEMS:

None.

4. APPROVAL OF MINUTES – July 11, 2012, COMMITTEE MEETING:

M/S/C (MOLINA/BOOTSMA) approving the minutes of July 11, 2012, Committee meeting. The motion carried unanimously.

5. CONSENT CALENDAR:

M/S/C (MOORE/HICKMAN) approving the receipt and file of item A – Transportation Center Monthly Report – JUNE-JULY 2012. The motion carried unanimously.

M/S/C (MOORE/HICKMAN) approving the receipt and file of item B – Personnel Report – JUNE-JULY 2012. The motion carried unanimously.

6. FREE BUS RIDES ON NEW YEAR'S EVE

M/S/C (MOLINA/ROBINSON) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize the Agency to offer free rides on all fixed route buses from 6:00 p.m. to the end of business on Monday, December 31, 2012.

The motion carried unanimously.

7. BOARD MEMBER COMMENTS AND REMARKS

Committee Chair Zanowic stated Chairman McAllister was honored at the League of Cities for his service.

Director Hickman stated the City of Lake Elsinore Motocross races were held the weekend of September 8. More than twenty thousand people participated.

Director Bootsma stated a new City Manager, Carol Jacobs, started September 10. On September 22, there will be a Cigar and Wine Night fundraiser for the Law Enforcement and Fire Fighters Association (LEAFF.)

Committee Vice-Chair Moore encouraged Board members to submit a letter of support for the City of Wildomar.

Director Robinson stated that Banning Stagecoach Days were held the weekend of September 8 and Congresswoman Mary Bono Mack was the Grand Marshall.

8. OTHER BUSINESS:

Mr. Rubio congratulated Mr. Kneepkens and the Marketing Department for winning an APTA AdWheel award for one of RTA's billboard campaigns. Grand prize winner will be announced in October.

Mr. Rubio announced a tentative agreement had been reached with the Mechanics and Bus Drivers Union. Details will be presented at the Board meeting on September 27 in Closed Session.

9. NEXT MEETING:
Board Administration and Operations Committee Meeting
Wednesday, October 3, 2012
1:00 p.m.
RTA Headquarters
1825 Third Street
Riverside, CA 92507

10. ADJOURNMENT:
The meeting was adjourned at 1:14 p.m.

DRAFT

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

October 3, 2012

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Jim Kneepkens, Director of Marketing

SUBJECT: Transportation Center Monthly Report – August 2012

Summary: In August 2012, the Customer Information Center answered 34,894 calls, an 8.3% increase compared to August 2011. Calls included 232 commendations, general comments and valid complaints. The number of calls to Dial-A-Ride was 12,716, an 8.7% increase compared to August 2011. A total of 47,610 calls were received between the two call centers, an increase of 8.4% compared to the same period last year.

The attached report presents call volume history and details commendations, general comments and complaints by type.

Recommendation:

Receive and file.

Riverside Transit Agency

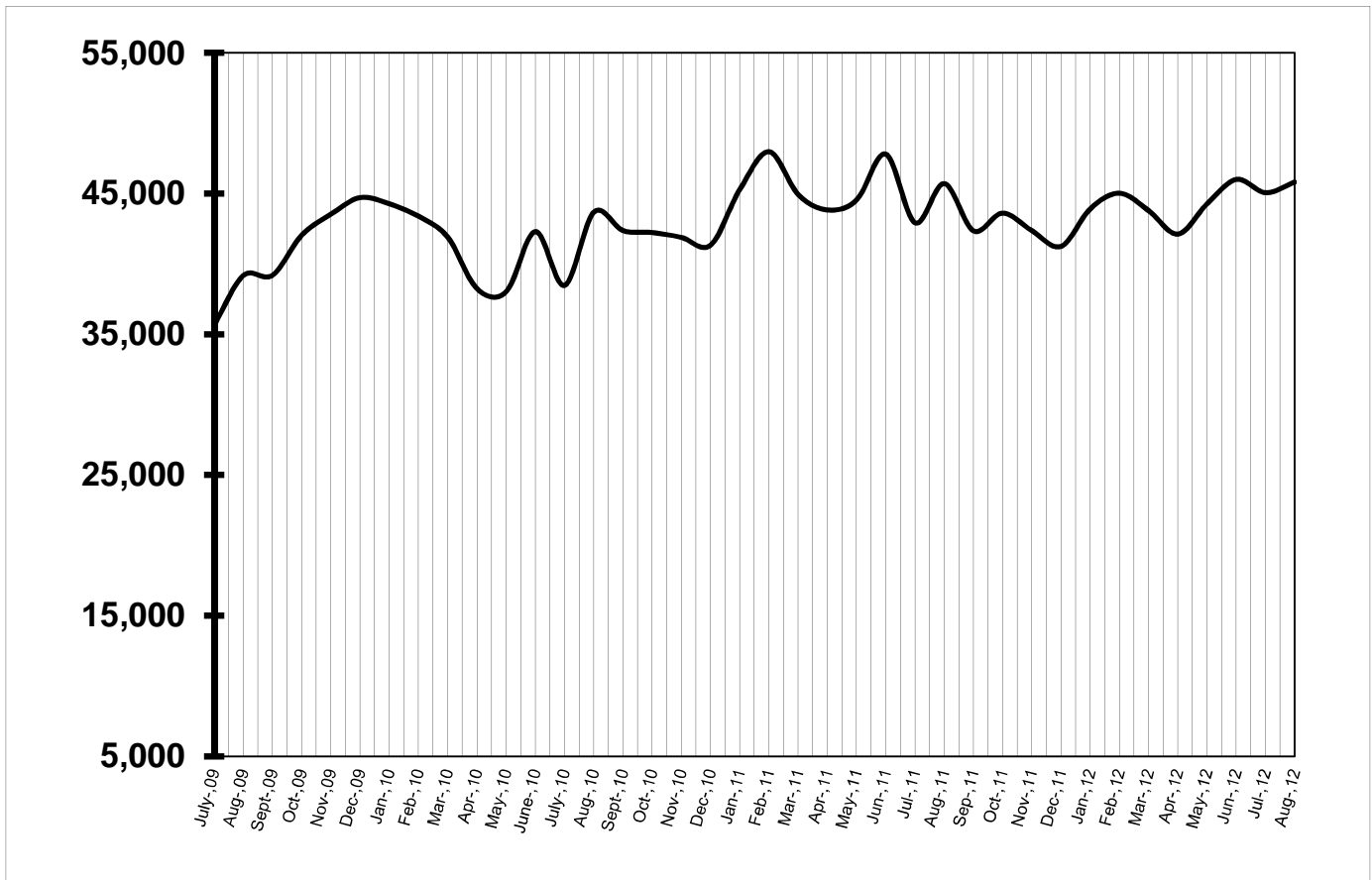
August 2012 Transportation Center Call Totals

Customer Information Center (CIC)	August 2012	August 2011	Percent Change
	Information Calls	34,662	31,915
Complaints	156	209	-25.4%
Comments	47	58	-19.0%
Commendations	29	36	-19.4%
Total CIC Calls	34,894	32,218	8.3%

Dial-A-Ride (DAR)

Total DAR Calls	12,716	11,702	8.7%
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Total Calls	47,610	43,920	8.4%
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Complaints, Comments & Commendations

Valid Complaints

Category	August 2012	August 2011	12 Month Average per Month	Complaints per 10,000 Passengers
Bus Stop	4	1	3	0.39
Careless Driving	22	11	17	0.64
Conduct	24	17	22	0.05
Crowded	2	4	2	0.30
Customer Service	13	26	15	0.32
Early Bus	5	5	5	0.03
Fare Dispute	5	5	3	0.18
Late Bus	26	30	25	0.07
Missed Transfer	2	12	8	0.07
No Show	6	12	6	0.35
Passed By	22	29	19	0.03
Passenger Conduct	4	0	2	0.08
Other	21	57	20	0.28
Total	156	209	147	2.79

Ridership

	August 2012	August 2011	12 Month Average per Month
All services	736,209	708,682	738,901

Comments

	August 2012	August 2011	12 Month Average per Month	Comments per 10,000 Passengers
General Comments	47	58	54	0.64

Commendations

	August 2012	August 2011	12 Month Average per Month	Commendations per 10,000 Passengers
General Commendations	29	36	32	0.39

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

October 3, 2012

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Laura Murillo, Director of Human Resources

SUBJECT: Personnel Report – August 2012

Summary: The attached report summarizes personnel activity that occurred in August 2012. The following information is outlined in the report:

- Number of budgeted positions versus number of filled positions by department and position.
- Percentage of minority and female employees by position classification.
- Number of disciplinary actions by gender.
- Percentage of minority and female applicants by position.
- Number of minority and female employees by personnel actions.

Recommendation:

Receive and file.

SUMMARY OF BUDGETED POSITIONS
August 2012

DEPARTMENT AND TITLE	BUDGETED POSITIONS	FILLED POSITIONS
<u>ADMINISTRATION</u>		
Chief Executive Officer	1	1
Executive Assistant/Clerk of the Board	<u>1</u>	<u>1</u>
Department Subtotal	2	2
<u>ACCOUNTING</u>		
Chief Financial Officer	1	1
Performance Reporting & Analysis Manager	1	1
Controller	1	1
Principal Financial Analyst	1	1
Accounting Supervisor	1	1
Payroll Coordinator	1	1
Revenue Account Coordinator	1	1
Accounts Payable Clerk	1	1
General Accounting Clerk	1	1
Coin Counter	<u>2</u>	<u>2</u>
Department Subtotal	11	11
<u>HUMAN RESOURCES</u>		
Director of Human Resources	1	1
Labor Relations Officer	1	1
Risk Manager	1	1
Training Manager	1	1
Risk Management Specialist	1	1
Human Resources Specialist - Benefits	1	1
Human Resources Specialist - Recruitment	1	1
Human Resources Clerk	1	1
Receptionist, Part Time	<u>2</u>	<u>2</u>
Department Subtotal	10	10
<u>INFORMATION TECHNOLOGY</u>		
Director of Information Technology	1	1
ITS Administrator	1	1
Systems Analyst	<u>1</u>	<u>1</u>
Department Subtotal	3	3
<u>MAINTENANCE</u>		
Director of Maintenance	1	1
Maintenance Manager	1	1
Maintenance Quality Control	1	1
Contract Operations Maintenance Supervisor	1	1
Maintenance Supervisor	6	6
Electronic Technician	1	1
Groundskeeper	1	1
Mechanic	27	27
Property Maintainer	1	1
Tire Servicer	1	1
Servicer	<u>11</u>	<u>10</u>
Department Subtotal	52	51

DEPARTMENT AND TITLE	BUDGETED POSITIONS	FILLED POSITIONS
<u>MARKETING</u>		
Director of Marketing	1	1
Marketing Manager	1	1
Government Affairs Representative	1	1
Customer Information Supervisor	1	1
Customer Information Clerk, Full-Time	1	1
Customer Information Clerk, On-Call	<u>16</u>	<u>17</u>
Department Subtotal	21	22
<u>OPERATIONS</u>		
Chief Operating Officer	1	1
Operations Manager	1	1
Executive Assistant	1	1
Operations Supervisor	14	13
Operations Analyst	2	2
Stops/Zones Supervisor	1	1
Stops/Zones Groundskeeper	8	8
Transit Clerk	1	1
Coach Operator		
Full-Time ¹	191	193
Part-Time ¹	<u>22</u>	<u>26</u>
Department Subtotal	242	247
<u>CONTRACT OPERATIONS</u>		
Contract Operations Manager	1	1
Contract Operations Analyst	1	1
Contract Operations Specialist	2	2
Customer Service Specialist, Full-Time	2	2
Travel Training Supervisor	1	1
Travel Training Specialist	2	2
Medi-Cal Administrative Activity (MAA) Coordinator	1	0
Contract Operations Administrative Clerk	<u>1</u>	<u>1</u>
Department Subtotal	11	10
<u>PLANNING</u>		
Director of Planning	1	1
Senior Planner	2	2
Scheduling Analyst	1	1
Planning Analyst	<u>1</u>	<u>1</u>
Department Subtotal	5	5
<u>PURCHASING</u>		
Chief Procurement & Logistics Officer	1	1
Contracts Manager	1	1
Contracts Administrator	2	2
Storeroom Supervisor	1	1
Buyer	1	1
Parts Clerk	<u>4</u>	<u>4</u>
Department Subtotal	10	10
Totals	367	371

¹The Agency experienced the following extended leaves of absences: 7 Coach Operators on workers' compensation, and 3 Coach Operators on disability leave.

TOTAL WORKFORCE AND UTILIZATION ANALYSIS

POSITION CLASSIFICATION	TOTAL EMPLOYEES	% OF MINORITY EMPLOYEES	% OF FEMALE EMPLOYEES	2000 CENSUS AVAILABILITY		UNDERUTILIZED	
				%MIN	%FEM	MIN	FEM
Executive/First/Mid Level Officials & Managers	45	51.1%	33.3%	31.4%	39.9%	No	Yes
Professionals	14	35.7%	28.6%	34.6%	49.8%	No	Yes
Administrative Support Workers	44	68.2%	79.5%	48.6%	72.8%	No	No
Operatives	219	73.1%	40.2%	69.9%	70.8%	No	Yes
Craft Workers	28	57.1%	0.0%	48.2%	5.6%	No	Yes
Laborers	10	40.0%	0.0%	73.7%	15.3%	Yes	Yes
Service Workers	11	90.9%	9.1%	59.2%	56.2%	No	Yes
Total	371						

DISCIPLINARY ACTIONS

DEPARTMENT	WARNINGS, COUNSELINGS & WRITTEN REPRIMANDS								SUSPENSIONS							
	Male				Female				Male				Female			
	(C	AA	H	O)	(C	AA	H	O)	(C	AA	H	O)	(C	AA	H	O)
Maintenance	1	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations	4	8	5	0	1	9	5	0	1	0	0	0	0	0	0	0
	(21)				(15)				(1)				(0)			

C=Caucasian, AA=African American, H=Hispanic, O=Other

APPLICATION ANALYSIS

<u>POSITION TITLE</u>	<u>TOTAL APPLICANTS</u>	<u>% OF MINORITY APPLICANTS</u>	<u>% OF FEMALE APPLICANTS</u>
Coach Operator, Part-Time	104	80%	51%
Operations Supervisor	54	70%	24%

PERSONNEL ACTIVITY

Full-Time and Part-Time:

Personnel Activity	All Employees			Minority Employees Male						Minority Employees Female						Total Minorities
	Total	Male	Female	AA	HISP	API	AIAN	NHOPI	MULTI	AA	HISP	API	AIAN	NHOPI	MULTI	Total
Activity																
New Hires	5	2	3			1				2		1				4
Promotions	0															0
Transfers	0															0
Demotions	0															0
Terminations	3	3		2												2
Resignations	3	2	1		1					1						2
Retirements	1		1													0
Other	0															0

FOR FISCAL YEAR 07/01/12 THROUGH 06/30/13
FULL-TIME SEPARATIONS

	<u>Administration</u>	<u>Other</u>
Terminations	0	3
Resignations	1	1
Retirements	0	1
Other	0	0

FOR FISCAL YEAR 07/01/11 THROUGH 06/30/12
FULL-TIME SEPARATIONS

	<u>Administration</u>	<u>Other</u>
Terminations	2	12
Resignations	2	4
Retirements	2	8
Other	0	1

AA = African American

AIAN = American Indian or Alaskan Native

HISP = Hispanic

NHOPI = Native Hawaiian or Other Pacific Islander

API = Asian/Pacific Islander

MULTI = Two or More Races

RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

October 3, 2012

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Amend the Agency's Memorandums of Understanding (MOUs) with the Cities of Corona and Riverside for the Coordination of Transportation Services

Summary: As the designated Consolidated Transportation Service Agency (CTSA) for western Riverside County, it is the Agency's responsibility to coordinate services with other providers to reduce the duplication of service and improve the efficiency and effectiveness of accessible transportation for persons with disabilities.

The Agency operates fixed route service in both Riverside and Corona while each city operates its own independent paratransit service. MOU's outlining the responsibilities of each party have been in place since August of 1992 and were last updated in February 2003.

The MOU's specifically identify the activities that each agency is responsible for coordinating and also reaffirms the commitment to work together to improve accessible transportation throughout the county. As recipients of federal funding, all three agencies are subject to periodic review by the Federal Transit Administration (FTA).

In March 2012, the FTA released its final report of the most recent review of the Agency's ADA paratransit services, conducted in February 2003. The FTA report recommended the Agency include additional provisions in the MOU's to strengthen the Agency's oversight capabilities. Specifically, the FTA identified a requirement that the Agency have a corrective action procedure should the services provided by the Cities fail to meet ADA standards.

In order to remain in compliance with the Americans with Disabilities Act (ADA) regulations, the MOU's must be updated.

Fiscal Impact:

N/A

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to amend the Memorandums of Understanding with the Cities of Corona and Riverside for the coordination of transportation services.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

October 3, 2012

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Gordon Robinson, Director of Planning

SUBJECT: Conduct Public Hearing to Consider Proposed Revisions to the Public Hearing Policy to Reflect Compliance with Federal Transit Administration (FTA) Title VI Guidelines in Circular 4702.1B Effective October 1, 2012 and Approve Proposed Revisions to the Public Hearing Policy Effective with the Close of the Public Hearing on October 25, 2012

Summary: On April 23, 2009, the Board of Directors (Board) approved the Agency's Public Hearing Policy for major service changes to formalize a public involvement process to solicit input before the approval of fare changes or major reductions in service that exceed 25 percent of a route's configuration. In addition, the Board approved the Agency's Limited English Proficient (LEP) policy at the same meeting. Since that time, the Federal Transit Administration (FTA) Office of Civil Rights finalized a revised Title VI Circular, 4702.1B, containing new guidelines and requirements from the previous version, Circular 4702.1A, effective May 13, 2007. The new Circular states that transit providers which operate 50 or more fixed route vehicles in peak service and are located in urbanized areas (UZA) of 200,000 or more people must now conduct an equity analysis for all fare changes and for major service reductions and expansions. In other words, equity analyses are required regardless of whether proposed major changes would cause positive or negative impacts to minority and low income communities.

Circular 4702.1B necessitates revisions to the Public Hearing Policy to meet new Title VI guidelines and requirements for inclusion in the public hearing process. Maintaining compliance with FTA Title VI guidance is critical for the Agency to obtain federal funding. In order to meet the new service and fare equity analysis guidelines and requirements outlined in Circular 4702.1B, staff is requesting approval to conduct a public hearing at the October 25, 2012 Board meeting to consider revisions to the Public Hearing Policy as follows:

For all proposed major service changes requiring a public hearing, RTA will conduct a service and fare equity analysis to determine disparate impact and/or disproportionate burden affects related to minority and low income communities for Board and public consideration per the three categories below:

1. All proposed fare changes excluding ride free promotional periods, and temporary fare reductions that are mitigating measures for other actions.
2. All promotional fare reductions remaining in effect after 6 months.
3. Proposed service expansions and reductions including all routing and timetable changes remaining in effect after 12 months that exceed 25 percent of their current configurations.

For review and consideration, proposed revisions to the Public Hearing Policy are attached in Attachment A.

On September 26, 2012, staff distributed public hearing notices in the Press Enterprise and La Prensa newspapers, through Rider's Alerts, and on the Agency's web site to encourage feedback by email, phone, postal mail, or attendance at public meetings. In addition, the Agency utilized social media communication methods such as Twitter, Facebook, and i-Alerts to notify customers of the proposed policy changes. This process follows procedures outlined in the Agency's current Public Hearing Policy and the LEP Policy.

The public hearing will be open 30 days during which two public meetings will be held at the dates, times, and locations listed below:

Date: Tuesday, October 16, 2012 Time: 12:00pm – 1:00pm
Location: Riverside City Hall 3900 Main Street 5th Floor Conference Room Riverside, CA 92501

Date: Tuesday, October 18, 2012 Time: 6:00pm – 7:00pm
Location: Temecula City Hall 41000 Main Street The Conference Center Temecula, CA 92590

At the October 25, 2012 Board meeting, staff will provide a summary of comments received from the public over the 30 day review period. At the close of the public hearing, staff will seek approval to incorporate the proposed revisions to the Public Hearing Policy in accordance with new Title VI guidelines per Circular 4702.1B to include not only major service reductions, but major service expansions as well as other proposed changes in fares.

Fiscal Impact:

No additional costs would be incurred to conduct the public hearing or to revise the Public Hearing Policy.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Conduct public hearing to consider proposed revisions to the Public Hearing Policy to reflect compliance with Federal Transit Administration (FTA) U.S. Department of Transportation (DOT) Title VI guidelines in Circular 4702.1B effective October 1, 2012; and, approve proposed revisions to the Public Hearing Policy effective with the close of the public hearing on October 25, 2012.

Riverside Transit Agency
Public Hearing Policy for Major Service and Fare Changes
(Approved 4/23/09)
Revised 10/25/12

Background:

The Riverside Transit Agency (RTA) periodically makes major changes to routing, timetables, and fares. Because these changes can affect RTA customers, the Agency, and the Board of Directors (Board), RTA must follow Federal Transit Administration (FTA) Office of Civil Rights Title VI guidelines and requirements per Circular 4702.1B effective October 1, 2012, and consider public input when deciding or approving major service and fare changes. Circular 4702.1B necessitates revisions to the Public Hearing Policy to meet new Title VI guidelines and requirements for inclusion in the public hearing process.

I. Policy

For all proposed major changes, RTA will hold at least one public hearing, advertised for 30 days prior, in order to receive public comments including Limited English Proficient (LEP) populations within the RTA service area. In addition, RTA will conduct a service and fare equity analysis for Board and public consideration per the three categories below:

1. All proposed fare changes excluding ride free promotional events, and temporary fare reductions that are mitigating measures for other actions¹.
2. All promotional fare reductions remaining in effect after 6 months¹.
3. Proposed service expansions and reductions including all routing and timetable changes remaining in effect after 12 months¹ that exceed 25 percent of their current configurations.

II. Procedures

1. All public hearings shall be held during a regular meeting of the Board.
2. RTA shall advertise notice of public hearings in general circulation paper(s) 30 days prior to the public hearing, through Rider's Alerts, and on the RTA web site in accordance with Title VI guidelines and requirements outlined in Circular 4702.1B.
3. In addition to the public hearing, RTA will follow the Agency's LEP policy, approved on April 23, 2009, to notify the public of the public comment period during which comments will be accepted by any standard method of communication such as email, phone, postal mail, at public meetings, at RTA headquarters, or at Board meetings.
4. RTA staff will provide a summary of the service and fare equity analysis to identify disparate impact including disproportionate burden affects related to minority and low income communities.
5. RTA staff will provide the Board with a summary of all input received from the public for consideration in evaluating proposed changes.
6. The Board will vote on the proposed changes including mitigations for identified disparate impacts, and RTA will publicize their decision to the public prior to implementing major changes.

¹ FTA's Circular 4702.1B, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients" Chapter IV Sections 13 and 19.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

October 3, 2012

TO: BOARD ADMINISTRATION AND OPERATIONS COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer
Jim Kneepkens, Director of Marketing

SUBJECT: Approve Bus Pass Sales Outlet Policy

Summary: More than 40 percent of customers who ride Riverside Transit Agency (Agency) buses each day use a bus pass. The Agency recognizes the importance of having bus passes accessible to customers through convenient and various means. The Agency provides bus passes for sale primarily at its office in Riverside, on its website, by mail or by phone and through bus pass sales outlets located throughout western Riverside County. The goal of the Agency's bus pass sales outlet program is to provide convenient points of purchase for bus riders. Bus riders who purchase a bus pass potentially realize savings per ride when compared to paying the single-ride cash fare. The Agency also benefits from riders using bus passes in that it expedites the fare collection process and speeds up boardings which assists in obtaining on-time performance. Bus passes also stimulate increased ridership because of their prepaid nature and convenience.

The Agency currently has 65 bus pass sales outlets which include retail stores, schools, chambers of commerce, employers and government agencies. Pass sales outlets located in neighborhoods where our customers live or work can attract new and repeat customers to the outlets. Additionally, bus pass outlets can receive up to a 5 percent commission on the bus pass sales they make to the public via a 5 percent discount provided by the Agency on passes sold to the outlet. Although the commission on fare media sold is small, the increased foot traffic brought to the outlet often generates the sale of additional higher margin products.

To become an Agency bus pass sales outlet, a Credit Sales Application and Pass Sales Agreement are completed. Upon receipt, credit and bank references are checked. A Dun &

Bradstreet (D&B) report is also generated to provide current and historical business information and to help determine credit risk.

Credit references, when provided, are gauged for comments regarding longevity of the relationship and payment promptness. Bank references, when provided, are evaluated on account longevity and average balance. The D&B report is assessed on multiple metrics, including PAYDEX score, financial stress score, and commercial credit score. PAYDEX scores are given for payment delinquency risk for both a 3-month and 12-month period. They are presented as a number between 1 and 100, with a higher number representing low risk of payment delinquency and a low number representing high risk of payment delinquency. Financial stress scores are given for risk of severe financial stress over the succeeding 12-month period. They are presented as a number between 1 and 5, with a lower number representing low risk of severe financial stress and a high number representing high risk of severe financial stress. Commercial stress scores are given for risk of severe payment delinquency over the succeeding 12-month period. They are presented as a number between 1 and 5, with a lower number representing low risk of severe payment delinquency and a high number representing high risk of severe payment delinquency. In addition to these metrics, the D&B report is reviewed for other information such longevity and ownership structure of the business enterprise.

Based on assessment of the aforementioned information, the Finance Department determines an appropriate initial credit limit.

Once established, the outlet is free to place orders for fare media. The outlet is also listed as an authorized pass sales outlet in the Ride Guide and on the Agency website. In some cases, employers purchase passes and resell them only to their employees, not making them available to the general public. In these cases no commission discount is provided.

The Agency is actively marketing the bus pass sales outlet program to increase the number of locations, primarily in underserved areas. Under the program's current structure, Marketing finds it difficult to open new outlets due to the inventory costs associated with some of our more expensive products: \$50 for a Local General 30-day pass and \$75 for a CommuterLink+Local General 30-day pass. Many potential outlets are unwilling to reserve cash for inventory that offers only a 5 percent return. To assist outlets and help the program grow, staff recommends adding the option of consignment to the existing net 30 and COD terms.

Attachment A to this staff report is the proposed Riverside Transit Agency Bus Pass Sales Outlet Policy. With the proposed consignment option, staff is confident that the policy will increase the ease for additional entities to become pass outlets resulting in an increase in the number of pass sales locations for our customers. The goal of the consignment option is to help locations become outlets and convert them to net 30 terms as sales volumes become consistent over time. The proposed policy continues to maintain existing financial controls, thereby reducing risk.

Fiscal Impact:

Under the current net 30 payment terms, outlets have 30 days after shipment of their order to make full payment. With the proposed consignment option, RTA will get paid after the passes sell to the end customer, which could be a few months after the item ships to the pass outlet. Within the first six months of joining the program, passes that don't sell may be returned to RTA for credit, exchange or refund. The proposed up-to-\$1,000 credit limit for consignment orders will help manage the amount of consigned product. The additional staff time required to physically review consignment inventory and manage outlets will be absorbed by existing staff.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Approve the Bus Pass Sales Outlet Policy.



Bus Pass Sales Outlet Policy

The purpose of the Riverside Transit Agency (RTA) Bus Pass Sales Outlet Policy is to provide general guidelines to facilitate distribution of bus passes to customers. The goal of the policy is to increase the number of locations selling passes for customer convenience while at the same time increasing the ease for locations to become bus pass sales outlets. While customer service is a key consideration, the policy also reduces risk by maintaining tight fiscal controls.

Eligibility

All interested sellers must apply and be approved by RTA to participate in the RTA Bus Pass Sales Outlet program. RTA reserves the right to refuse to accept any applicant that RTA, in its sole discretion, decides will not be in the best interest of RTA.

Application Procedure

Applicants may apply to sell bus passes by submitting the following completed documents to RTA:

COD terms:

- Pass Sales Agreement

Net 30 terms:

- Credit Sales Application
- Pass Sales Agreement

Consignment terms:

- Credit Sales Application
- Pass Sales Agreement

Evaluation Procedure

All applicants will be evaluated using the following criteria:

- **Location:** Pass outlets must provide value to RTA by being in a location where a presence is needed and is accessible by public transportation. The Marketing Department will determine if this criterion is met by the applicant.
- **Type of Business:** The applicant's primary function provides products and or services to the general public. This includes retail stores, government agencies, city government offices, government corporations, non-profit organizations and school districts. The applicant must possess excellent customer relations in its business or industry and maintain a customer service

friendly atmosphere. The Marketing Department will determine if this criterion is met by the applicant.

- Credit Worthiness: Bank, business and Dun & Bradstreet reference checks will be performed and assessed by the Finance Department utilizing the following criteria:

Criteria	Initial Credit Limit		
	\$750	\$500	COD
Bank Longevity	greater than 3 years	between 1 & 3 years	less than 1 year
Average Balance	mid 4 figures or higher	low 4 figures	less than 4 figures
PAYDEX - 3 month	between 100 - 80	between 79 - 60	less than 60
PAYDEX - 12 month	between 100 - 80	between 79 - 60	less than 60
Financial Stress	1	2	3 or greater
Commercial Stress	1	2	3 or greater

Based on the above, the Finance Department will set a credit limit for each applicant. Upon approval of an applicant's application, RTA Finance Department will fulfill an order and prepare an invoice to accompany the delivery of the pass order, according to the terms established.

Types of Passes Sold

RTA has three pass types available for sale through pass sales outlets; General, Youth, and Senior/Disabled/Medicare. A 5 percent discount is provided on all passes below unless otherwise indicated.

General Pass: Available to all passengers.

- 1-Day Pass, Local (no discount provided on 1-Day passes)
- 1-Day Pass, Local+CommuterLink (no discount provided on 1-Day passes)
- 7-Day Pass, Local
- 30-Day Pass, Local
- 30-Day Pass, Local+CommuterLink

Youth Pass: Available to customers first grade through 12th grade only.

- 30-Day Pass, Local

Senior/Disabled/Medicare Pass: Available to customers that meet RTA disability requirements, present a valid Medicare card or seniors age 60 or above.

30-Day Pass, Local

30-Day Pass, Local+CommuterLink

It is the outlet's responsibility to make sure the pass provided to a bus rider is a pass that may be used by the customer. Passes for youth, senior, or persons with disabilities have eligibility requirements that must be met. If a pass is sold to a customer who does not have acceptable ID, that customer will not be able to use the pass when boarding the bus. Sales to customers without appropriate ID will result in termination of the agreement and future orders will not be filled. Secret shoppers may be used to monitor outlet selling procedures.

Ordering Procedure

Orders may be submitted at any time. Orders for passes will be processed following an account review. RTA will not fill any order if the account is not current.

Orders can be placed by phone, email, fax or in-person with RTA's Revenue Accounts Coordinator. For all accounts in good standing, orders are processed and will ship within two business days from receipt of the order.

Commission/Discounts

Pass sales outlet commissions are generated by selling the fare media at the face value of the passes for which a 5 percent discount has been provided by the Agency.

Payment Terms

Three payment term options are available, subject to Finance Department approval.

1. Cash on Delivery (COD): Upon receipt of order, the Finance Department will fill the order and prepare an accompanying paid receipt. The receipt will reflect the total of the passes ordered less the applicable discount.
2. Net 30: Upon receipt of order, and assuming no financial issues with the account, the Finance Department will fill the order and mail the passes with an accompanying invoice. The invoice will reflect the total of the passes ordered less the applicable discount. Payment is due 30 days from the date of invoice. If payment is not received within 30 days, RTA will initiate collection activities in accordance to the terms of the agreement. Collection activities include customer follow-up, placing the outlet on credit hold or sending the account to collections.
3. Consignment: Upon receipt of order, the Finance Department will fill the order and mail the passes with an accompanying packing slip. The packing slip will reflect the total of the passes ordered less the applicable discount. Outlets will

inventory passes on the 15th day of each month and report to RTA sales history for the preceding period. In-person audits of inventory will be conducted by the Marketing Department to confirm reporting. Payment is due on the 30th day of each month for all passes sold. No new pass orders will be processed before payment of previous consignment sales is made. If payment is not received within 30 days of sale, RTA will initiate collection activities in accordance to the terms of the agreement.

Maximum credit limit for consignment is \$1,000. Businesses that desire or have sales history exceeding \$1,000 per month will immediately be transitioned to net 30 terms.

Refunds/Returns/Exchanges

RTA maintains an all sales final policy. RTA will not replace or provide credit for any lost or stolen passes. Since passes are printed without prices or expiration dates, the shelf life of an unused pass is indefinite.

Within the first six months of joining the Bus Pass Sales Outlet Program, passes that don't sell may be returned to RTA for credit, exchange or refund. After six months, pass refunds may only be granted when a Pass Sales Agreement terminates and then only applies to passes for which RTA received payment in full more than 30 days before request. Refunds are issued minus the 5 percent discount.

Termination

RTA reserves the right to terminate a pass sales outlet from the program for failure to comply with the rules and procedures or failure to meet financial obligations. This includes, but is not limited to, selling passes above the RTA published selling price, selling from an unauthorized location, selling reduced fare passes without proper identification, late payments or other violations of this policy.