



## MEMORANDUM

**TO: CITY COUNCIL**

**FROM: GEOFF ENGLISH, PUBLIC WORKS DIRECTOR**

**BY: GEOFF STRAW, SOUTH COUNTY TRANSIT ADMINISTRATOR**

**SUBJECT: CONSIDERATION OF AN AGREEMENT AMENDING AND RESTATING THE SOUTH COUNTY AREA TRANSIT JOINT POWERS AGREEMENT**

**DATE: FEBRUARY 28, 2017**

### **RECOMMENDATION:**

It is recommended the City Council approve and authorize the Mayor to execute an agreement amending and restating the Joint Powers Agreement with the City of Grover Beach, the City of Pismo Beach and the County of San Luis Obispo forming the South County Transit (SCT) agency.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

No financial impact is projected.

### **BACKGROUND:**

The City of Arroyo Grande is a member of the South County Area Transit Joint Powers Authority. Other members include the cities of Grover Beach and Pismo Beach, as well as the County of San Luis Obispo.

The current Joint Powers Agreement (JPA) has remained unaltered since it was ratified in February 1978. However, a number of the laws referenced in the JPA have changed, and the funding scenario changed considerably when the Decennial Census classified the SCT service area and adjoining areas as urbanized. Finally, SCT has changed the way it conducts business, particularly in the following ways:

1. Oversight of the system,
2. How the state-mandated treasurer function is addressed, and
3. Its moniker has changed from SCAT to SCT.

For these reasons, SCT staff worked with SCT Counsel and SCT Executive Committee members to review the current JPA and to develop language that would address the three issues presented above. In addition, outdated language has been updated to reflect current conditions.

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The SCT Board adopted the new JPA at its May 5, 2016 meeting, and it directed staff to present the new JPA for ratification at each jurisdiction's legislative body. Upon ratification by all parties, SCT staff will submit the amended JPA to the Secretary of State within 30 days of the last signature.

**ANALYSIS OF ISSUES:**

Of the three issues listed above, the most important one from a legal standpoint is addressing how the treasurer function is administered. The current JPA states that the treasurer function will be rotated annually among the three cities, although current law requires the County Treasurer perform this function.

Another important issue is the manner in which SCT is currently managed in comparison to the way that it was administered in 1978. SCT is now administered under contract to the San Luis Obispo Regional Transit Authority, whereas the oversight was originally rotated annually among the three city managers.

Finally, as a result of the 2010 Decennial Census, the area served by SCT is now designated as the Arroyo Grande – Grover Beach Urbanized Area. This new urbanized area includes the Avila Beach area, which was not included in the original JPA planning or service area. The urbanized designation has provided the opportunity to use Federal Transit Administration capital and operating funds, while also imposing new State of California and Federal requirements.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Approve and authorize the Mayor to ratify the Joint Powers Agreement on behalf of the City of Arroyo Grande;
2. Do not approve all or some of the JPA amendments; or
3. Provide direction to staff.

**ADVANTAGES:**

Ratifying the amended JPA will bring SCT into compliance with current State and Federal laws, and it will more accurately reflect how services are planned, budgeted and implemented.

**DISADVANTAGES:**

Staff is not aware of any disadvantages of ratifying the amended JPA.

**ENVIRONMENTAL REVIEW:**

No environmental review is required for this item.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.