

TRANSIT SERVICE CONSOLIDATION AGREEMENT
BETWEEN THE COUNTY OF MERCED, THE CITIES
OF ATWATER, DOS PALOS, GUSTINE, LIVINGSTON,
LOS BANOS AND MERCED

THIS AGREEMENT, made and entered into this 24TH day of JANUARY, 1995, by and between the County of Merced, the City of Atwater, the City of Dos Palos, the City of Gustine, the City of Livingston, the City of Los Banos, and the City of Merced, each of which is a political subdivision of the State of California.

WITNESSETH:

ARTICLE I. Nature and Authority for Agreement. It is agreed that each of the parties are public agencies within the meaning of Section 6500 of the Government Code of the State of California and that they have in common the legal power to acquire, develop, maintain, operate, dispose of and replace a public transportation service system and related facilities and equipment and pursuant to Title I, Division 7, Chapter 5, Article 1, and Article 2 of the California Government Code by these presents have entered into this agreement.

ARTICLE II. Purpose, Consideration and Powers. The parties agree that the present provision for public transit service in the unincorporated area of Merced County and the incorporated cities which are parties to this agreement contain certain duplications in such items as Administration, Maintenance, and actual service and the most effective, efficient and least costly method of providing and operating such public transit services is for the parties hereto to jointly acquire, develop and provide for the operation of such public transit services in a manner as will be most equitable, expedient, efficient, convenient and compatible with the public health, safety and well-being, and to that end the parties hereto pursuant to this agreement shall have all the powers which may be jointly exercised pursuant to said Title and Division above stated, subject to the express

conditions, limitations and procedures herein provided.

ARTICLE III. Policy Board. There shall be a policy board consisting of all those voting members of the Merced County Association of Governments who are parties to this agreement. The policy board shall meet and perform in accordance with said Association's by-laws, or in accordance with by-laws applicable only to said policy board and adopted by the policy board not in conflict with this agreement or law. The policy board's decisions, including but not limited to; decisions regarding the baseline transit service plan and costs thereof, fees to be charged for transit service, the transit services to be provided including the annual service plan and capital improvements, shall be binding on the administering agency and all member jurisdictions. However, the administering agency shall be solely responsible for day-to-day operation of the transit service.

Decisions of the Policy Board shall require a majority affirmative vote of the voting members, with the chair of the policy board being permitted to cast a vote in the same manner as the other members. No votes may be made by proxy, but may be cast by a designated alternate under association by-laws or under any special by-laws adopted by the policy board.

ARTICLE IV. Administering Agency. Subject to the specific conditions and limitations herein provided, the County of Merced, by and through its Department of Public Works shall be the agency which shall administer and manage the above described consolidated transit service. Additionally, the County of Merced shall perform all accounting and billing functions for the JPA including acting as the depository of all funds and otherwise acting in a fiduciary capacity on behalf of the JPA. In pursuance thereof it shall possess the common power specified in this agreement to contract to acquire property real and personal to be held in the name of the County for the benefit and account of the JPA, to employ

agents and employees, and to develop, maintain and operate public transit services and facilities. The County of Merced is hereby authorized and directed to pursue, apply for and use all Federal and State funds that are dedicated for the specific use of transit that are available to the Merced urban and rural areas for the use in the purchase of fixed assets, and the operation and provision of the public transit services described in the adopted Annual Transit Service Plan contained in Appendix 1 attached hereto. Compensation to the County for the services described herein and in the Annual Transit Service Plan shall be negotiated and approved by the Policy Board. In the event no agreement can be reached, then the Policy Board may appoint an alternate administering agency or call for member withdrawal or the dissolution of this Agreement pursuant to Articles X and XI herein.

ARTICLE V. Annual Transit Service Plan. The Annual Transit Service Plan shall be prepared by the Merced County Department of Public Works. The Plan will describe the public transit services to be provided throughout Merced County, its unincorporated communities and its incorporated cities.

The Annual Transit Service 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(s).

The Annual Transit Service Plan shall be prepared and presented to the Policy Board prior to December 1, of each calendar year. The Policy Board shall review said Plan and either approve and adopt said plan as presented, or approve and adopt said Plan with modifications. Any modification in service levels in the first years Annual Transit Service Plan must be agreed to by all member agencies paying the cost of those modified services. The Annual Transit

Service Plan may be expanded, modified or reduced by the Policy Board. Increases to the baseline level of service contained in the Annual Transit Service Plan may be approved by the Policy Board upon written notification from any member jurisdiction within Merced County. All costs associated with said increases in the baseline service shall be borne directly by the requesting member jurisdiction. Additionally, any jurisdiction that is not a party to the Agreement that receives public transit services under the Annual Transit Service Plan shall have its annual Transportation Development Act allocation reduced by the amount of the cost of the public transit services provided to that jurisdiction.

For the first year of this Agreement the Annual Transit Service Plan shall be the schedule of services described and detailed in Appendix 1 attached hereto.

ARTICLE VI. Federal Section 13(c) Labor Protections of Existing City of Merced Transit Employees. It is a condition of this Agreement that the City of Merced Transit employees will be offered the opportunity to transition into the employment of the Consolidated Transit Services Contracted Operator and/or the County. The City of Merced hereby agrees to satisfy and resolve any and all Federal Section 13 (c) labor protection requirements applicable to the existing City of Merced transit employees. For those City of Merced transit employees who choose to transition into the employment of the Consolidated Transit Services Contracted Operator and/or the County, the City of Merced hereby agrees to be financially responsible for any and all wage and benefit level differentials that may exist between the existing City of Merced transit employees and the Consolidated Transit Service Contracted Operator employees at the time of the transition until such time that the wage and benefit levels of all said Consolidated Transit Service employees reach parity or until City's 13(c) obligations otherwise expire, whichever occurs first. The City of Merced's Transit Superintendent shall be

transferred to an equivalent position in the classified service of the Merced County Department of Public Works. All existing City of Merced Transit employees transitioning to the Consolidated Transit Services Contracted Operator and/or the County, shall continue to be afforded the Federal Section 13(c) Labor Protections as prescribed by law. Neither the Consolidated Transit Service Contracted Operator nor the County shall terminate a transitional employee or reduce his/her benefits below the level of similar employees while the City of Merced remains financially responsible for any and all wage and benefit level differentials, provided that such an employee may be disciplined or terminated for good cause pursuant to 13(c) regulations.

ARTICLE VII. Financing Sources to be used to fund the Annual Transit Service Plan. The Annual Transit Service Plan shall be funded with the following transit financing sources in the descending order of priority as follows:

1. Passenger Fares
2. Interest Earnings
3. Advertising Revenues
4. Federal Transit Section 9 Urban Funds
5. Federal Transit Section 18 Rural Funds
6. State Transit Assistance Funds
7. ISTEA-CMAQ Funds
8. Personnel Service Revenues
9. AB 2766 DMV Fees (When Available)
10. Any other Dedicated Transit Funds
11. Local Transportation Funds (LTF)

It shall be the policy of the Policy Board that the Annual Transit Service Plan shall be funded with dedicated transit funds first and foremost with discretionary sources of funding being used secondly.

The City of Merced shall receive full credit for the Federal Section 9 transit funds received by the Consolidated Transit System for application to the City of Merced's contribution pursuant to Article IX hereof.

ARTICLE VIII. Reports. The County shall provide an annual operating report to the Policy Board within 120 days of the close of each fiscal year. The annual report shall include ridership, costs, vehicle service hours, vehicle mileage, farebox revenues received, and the detailed transit performance measures contained in the Public Utilities Code Sections 99246 and 99247.

ARTICLE IX. Contributions of Member Jurisdictions. The member jurisdictions that have executed this Agreement shall contribute to the costs of providing the services described in the adopted Annual Transit Service Plan. The calculation of each members share of cost shall be made based on the level of service provided to each jurisdiction. The calculation of each members share of cost shall be adjusted each year by the Policy Board. The annual recalculation of each members share of cost will be based on the service levels in the approved Annual Transit Service Plan.

Should any party named in this Agreement fail to approve or execute said Agreement, the proportion of Local Transportation Funds needed to finance said service, shall be deducted from said non-member party's Annual Transportation Development Act Claim and redistributed to the remaining party's claims on a population basis. Said proportions of Local Transportation Funds shall be adjusted by recalculation of the remaining parties contribution upon a service level basis.

ARTICLE X. Term of Agreement. The initial term of this Agreement shall be for a period of five years from the date of its execution. It is understood that this Agreement shall be self renewing on an annual basis thereafter. Any member Agency that elects to withdraw from this Agreement may

do so upon providing one year's written notice prior to the date of the withdrawal to the Joint Powers Authority. Any Agency not providing the one year's written notice of withdrawal shall be financially responsible for its share of transit services specified under the most recently approved Annual Transit Service Plan until one year after written notice of withdrawal is given. The withdrawing agency shall remain liable for all debts and obligations incurred by the JPA prior to the effective date of withdrawal. The withdrawal of any member contributing 25% or more of the costs of providing service in the adopted Annual Transit Service Plan in effect upon notice of withdrawal shall result in the automatic dissolution of the JPA.

ARTICLE XI. Disposition of Assets. In the event of dissolution of this Agreement, the Policy Board may sell all or any portion of the equipment and supplies and, after payment of all debt, distribute to each member the member's proportionate share of the proceeds and all other assets of the JPA based upon original percentages of capital contributions, agreed to be as follows:

City of Merced	45.40%
City of Los Banos	11.35%
County of Merced	43.25%

In the alternative, the Policy Board may transfer all or a portion of the equipment and supplies to members in an amount approximately equal to their original percentages of capital contribution.

Upon the withdrawal of any member which does not result in dissolution of the JPA, the member shall forfeit any and all contributions and may not thereafter participate in any distribution upon dissolution.

ARTICLE XII. Indemnification. The County, in administering the consolidated transit service, shall hold each member jurisdiction, its elective and

appointive Boards, Commissions, officers, agents, and employees, harmless from any liability for damage or claims for damage for personal injury, including death as well as from claims from property damage which may arise from County's contractors', subcontractors', agents' or employees' operation under this Agreement. County agrees to and shall defend each member jurisdiction 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.

IN WITNESS WHEREOF, the parties hereto pursuant to resolutions of their respective governing boards have caused this Agreement to be executed this 24TH day of JANUARY, 1995, Merced, California.

COUNTY OF MERCED

By Jerald R. O'Banion
Jerald R. O'Banion, Chairman JAN 24 1995
Merced County Board of Supervisors

CITY OF LIVINGSTON

By Mayor S. Nagi
Mayor

CITY OF ATWATER

By Kenneth DeBe
Mayor

CITY OF LOS BANOS

By [Signature]
Mayor

CITY OF DOS PALOS

By [Signature]
Mayor

CITY OF MERCED

By Richard Benasconi
Mayor

CITY OF GUSTINE

By [Signature]
Mayor Pro Tem

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