



ADMINISTRATIVE AND FINANCE COMMITTEE
THURSDAY, FEBRUARY 15, 2018– 8:00 A.M.
OMNITRANS METRO FACILITY
1700 WEST 5TH STREET
SAN BERNARDINO, CA 92411

The meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or Limited English Proficiency services are needed in order to participate in the public meeting, requests should be made through the Recording Secretary at least three (3) business days prior to the Committee Meeting. The Recording Secretary’s telephone number is 909-379-7110 (voice) or 909-384-9351 (TTY), located at 1700 West Fifth Street, San Bernardino, California. If you have comments about items on the agenda or other general concerns and are not able to attend the meeting, please mail them to Omnitrans at 1700 West Fifth Street, San Bernardino, California, Attention Board Secretary. Comments may also be submitted by email to BoardSecretary@omnitrans.org.

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call

B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: Thursday, March 15, 2018, 8:00 a.m.
Omnitrans Metro Facility Board Room

C. COMMUNICATIONS FROM THE PUBLIC

This is the time and place for the general public to address the Board for items that are not on the agenda. In accordance with rules applicable to meetings of the Administrative & Finance Committee, comments on items not on the agenda and on items on the agenda are to be limited to a total of three (3) minutes per individual.

D. POSSIBLE CONFLICT OF INTEREST ISSUES

Disclosure – Note agenda items contractors, subcontractors and agents, which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation in the appropriate item.

N/A

E. DISCUSSION ITEMS

1. Approve Administrative & Finance Committee Minutes – January 18, 2018 2
2. Recommend the Board of Directors Approval Fiscal Year 2019 Budget Assumptions – *Don Walker* 6
3. Recommend the Board of Directors Approve FY18 Operating Budget Transfer – *Marge Ewing* 10

F. ADJOURNMENT

ITEM # E1

**ADMINISTRATIVE & FINANCE COMMITTEE
MINUTES, JANUARY 18, 2018**

A. CALL TO ORDER

Committee Chair Sam Spagnolo called the regular meeting of the Administrative and Finance Committee to order at 8:00 a.m., Thursday, January 18, 2018.

1. Pledge of Allegiance
2. Roll Call

Committee Members Present

Council Member Sam Spagnolo, City of Rancho Cucamonga – Committee Chair
Council Member David Avila, City of Yucaipa
Council Member Ron Dailey, Loma Linda
Mayor Carey Davis, City of San Bernardino
Supervisor Curt Hagman, County of San Bernardino
Council Member John Roberts, City of Fontana
Mayor Pro Tem Alan Wapner, City of Ontario

Committee Members Absent

Mayor Pro Tem Sylvia Robles, City of Grand Terrace

Omnitrans Administrative Staff Present

P. Scott Graham, CEO/General Manager
Erin Rogers, Deputy General Manager
Trischelle Baysden, Director of Rail
Diane Caldera, Director of Operations
Samuel Gibbs, Director of Internal Audit Services
Marge Ewing, Director of Human Resources/Safety & Security
Jacob Harms, Director of Information Technology
Doug Stanley, Director Special Transportation Services
Don Walker, Director of Finance
Wendy Williams, Director of Marketing/Planning
Mark Crosby, Security & Emergency Preparedness Coordinator
Maurice Mansion, Treasury Manager
Oscar Tostado, Maintenance Manager
Julienne Overland-Villegas, Senior Executive Assistant to the CEO/General Manager

B. ANNOUNCEMENTS/PRESENTATIONS

The next Committee Meeting is scheduled Thursday, February 15, 2018, at 8:00 a.m.

C. COMMUNICATIONS FROM THE PUBLIC

There were no communications from the public.

D. POSSIBLE CONFLICT OF INTEREST ISSUES

There were no Conflict of Interest issues identified.

E. DISCUSSION ITEMS

1. Approve Administrative & Finance Committee Minutes – December 14, 2017

M/S (Roberts/Dailey) that approved the Committee Minutes of December 14, 2017. Motion was passed unanimously by Members present.

2. Recommend the Board of Directors Receive and File, Omnitrans' Fiscal Year Ended June 30, 2017 Audit Reports

The Committee Chair recognized Mr. Roger Alfaro, Partner of Vavrinek, Trine, Day & Company., LLP to present the Fiscal Year Ended June 30, 2017 Audit Reports, which reviewed the following documents:

1. Agreed-Upon Procedures Performed with Respect to the National Transit Database (NTD) Report
 1. Independent Accountants' Report on Applying Agreed-Upon Procedures
2. Single Audit Report on Federal Awards
 1. Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, The Transportation Development Act and California Government Code §8879.50
 2. Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133
3. Independent Auditors' Report on Proposition 1B
 1. Independent Auditors' Report on Proposition 1B Schedule of Unspent Funds and Cash Disbursements
4. Comprehensive Annual Financial Report

Mr. Alfaro noted that one finding was identified related to Prevailing Wage Rates and stated that staff has prepared a plan to address the issue. He explained that this particular

finding does not affect the numbers in the financial statements. Mr. Alfaro stated that there were no findings identified in the Financial Reports. He concluded his report by stating that there were no difficulties performing the audit work and mentioned that Agency staff was cooperative throughout the process.

Member Dailey acknowledged the Finance Department for their hard work on this audit process and was pleased with the successful Audit report.

The Committee received and recommended the report be presented to the Board.

3. Recommend the Board of Directors Authorize, FY18 Operating Budget Amendment

CEO/General Manager P. Scott Graham, provided a brief background on this item as detailed in the staff report.

M/S (Hagman/Avila) that authorized:

1. The CEO/General Manager to amend the FY18 Operating Budget by \$554,435 to include Low Carbon Transit Operations Program (LCTOP) funds.
2. The CEO/General Manager to move amended funds from the Ontario Airport Shuttle Service Pilot Program to the Yucaipa – San Bernardino Metrolink Freeway Express Program.

Motion was passed unanimously by Members present.

4. Receive and Forward to the Board of Directors, sbX Before and After Study

Service Planning Manager, Jeremiah Bryant presented this item as detailed in the staff report.

Member Wapner asked for the net increase of passengers that have transitioned from fixed route to the sbX service. He also asked for the sbX farebox recovery rate. Mr. Bryant responded that 94% of customers prefer riding the sbX rather than fixed route and stated that the farebox recovery rate is lower than the fixed route rate.

Chairman Dailey asked about the business satisfaction along the corridor. Mr. Bryant stated that 50% of the businesses expressed the desire to have more weekday and weekend sbX service.

Member Davis stated that a left turn signal issue was contributing to the dissatisfaction of some business owners, however Omnitrans and the City of San Bernardino worked together on getting the issue corrected and the results have been positive.

The Committee engaged in a discussion regarding changes in technology and trends when looking towards the future.

Member Davis brought in a 1952 Omnitrans bus schedule to share with the Committee.

The Committee received and recommended the report be presented to the Board.

F. ADJOURNMENT

The Administrative and Finance Committee meeting adjourned at 8:38 a.m.

The next Administrative and Finance Committee Meeting is scheduled Thursday, February 15, 2018, at 8:00 a.m., with location posted on the Omnitrans website and at Omnitrans' San Bernardino Metro Facility.

Prepared by:

Araceli Barajas, Executive Staff Assistant



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ITEM # E2

DATE: February 15, 2018

TO: Committee Chair Sam Spagnolo and
 Members of the Administrative & Finance Committee

FROM: P. Scott Graham, CEO/General Manager

SUBJECT: FISCAL YEAR 2019 BUDGET ASSUMPTIONS

FORM MOTION

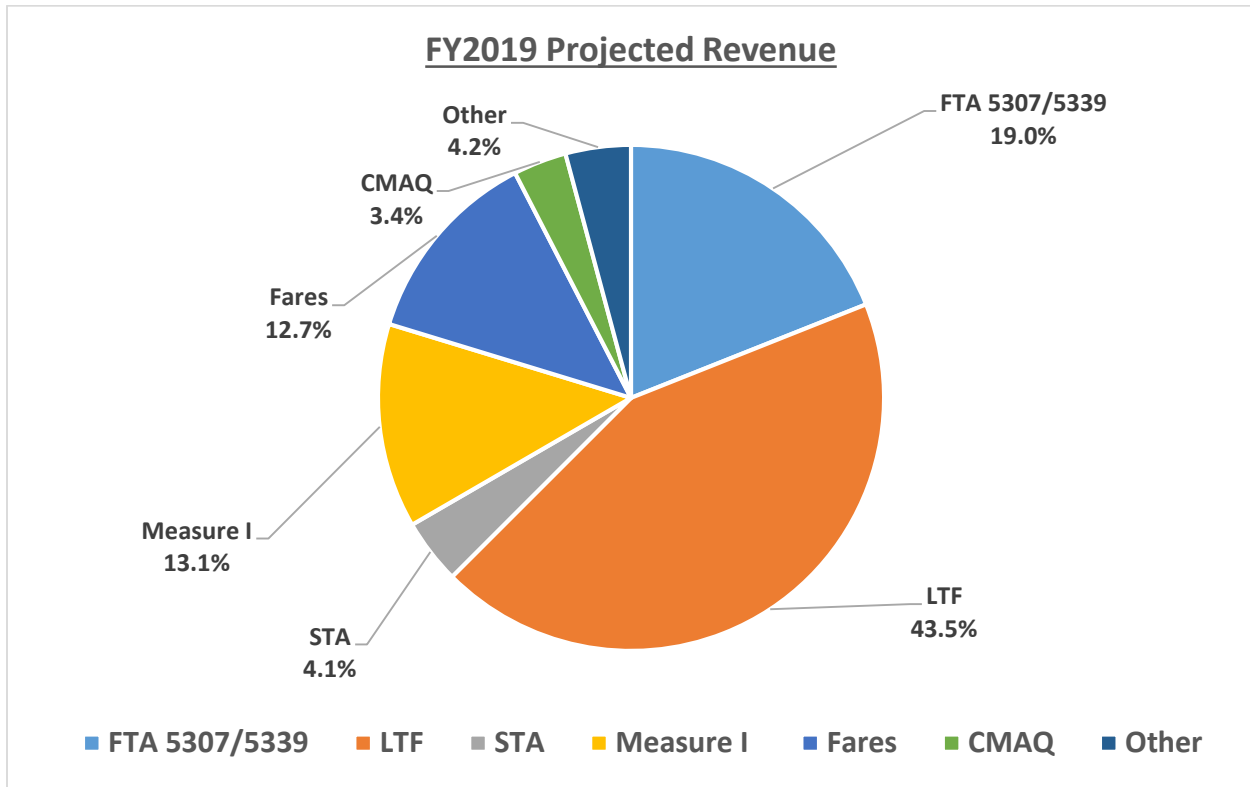
Recommend the Board of Directors approve the budget assumptions listed below to develop the Operating and Capital Budgets for Fiscal Year 2019.

BACKGROUND

There are two (2) critical components in the development of the Omnitrans’ Annual Operating and Capital Budgets. The first component is determining the amount of anticipated revenue the Agency will receive for the upcoming fiscal year. The table below lists Fiscal Year (FY) 2019 projected revenues.

	<u>Source</u>	<u>Amount</u>
1.	Federal Transit Administration (FTA) 5307	\$ 16,941,200.00
2.	Federal Transit Administration (FTA) 5339	\$ 1,723,500.00
3.	Local Transportation Fund (LTF)	\$ 42,820,819.00
4.	Measure I - Omnitrans	\$ 8,147,264.00
5.	Measure I - CTSA	\$ 2,715,755.00
6.	Measure I - Rail	\$ 2,000,000.00
7.	Low Carbon Transit Operations Program (LCTOP)	\$ 139,652.00
8.	State Transportation Assistance Fund (STA)	\$ 4,071,148.00
9.	Congestion Mitigation and Air Quality Improvement (CMAQ)	\$ 3,347,026.00
10.	State of Good Repair - SB1	\$ 166,042.00
11.	Fares	\$ 12,500,000.00
12.	Medi-Cal Reimbursement	\$ 1,500,000.00
13.	Low Carbon Fuel Standards Credit (LCFS)	\$ 1,500,000.00
14.	Other	<u>\$ 800,000.00</u>
	Total	\$ 98,372,406.00

The total revenue for FY2019 is \$98,372,406 compared to \$98,581,716 for FY2018. This is a \$209,310 or 0.2% decrease compared to the previous fiscal year. The pie chart below shows the various sources of revenues and the percentage of total revenue.



“Other” includes Low Carbon Transit Operations Program, State of Good Repair-Senate Bill 1, Medi-Cal Reimbursement, and Low Carbon Fuel Standards Credit.

The second critical component in preparing the operating and capital budgets is the assumptions used to estimate the expenses for the fiscal year. This information was obtained through research performed using the Internet, review of Agency data, including the Service Plan assumptions and the Teamsters’ and the Amalgamated Transit Union’s Memorandums of Understanding. The assumptions include the following:

Service Level	Effective Date
sbX Revenue Hours: 3.3%	FY2019
Directly Operated Fixed Route Revenue Hours: -0.4%	FY2019
Contracted Fixed Route Revenue Hours: 0.0%	FY2019
Access Revenue Hours: 0.0%	FY2019
Source: Omnitrans Marketing/Planning Department, FY2019 Service Plan	

Maintenance and Administrative/Support Unit (Teamsters)	Effective Date
MOU End	June 30, 2021
Wage increase: Based on contract negotiation: 2.75%	
Step progression increase	MOU qualifications
Benefits Package: Medical Benefits:	July 1, 2018

Single: 100%; Plus 1: 90%; Family: 70% of medical premium
 Source: MOU effective July 1, 2016 through June 30, 2021

Coach Operators (ATU)	Effective Date
MOU End	March 31, 2019
Wage increase: Based on contract negotiation: 2.75%	
Step progression increase	MOU qualifications
Benefits Package: Medical Benefits:	April 1, 2017
Single: 100%; Plus 1: 85%; Family: 65% of medical premium	
Source: MOU effective April 1, 2016 through March 31, 2019	

Management /Confidential	Effective Date
Pay for Performance: In accordance with Personnel Policy Manual	FY2019
Benefit Package: In accordance with Personnel Policy Manual	FY2019
Source: Omnitrans Human Resources	

Insurance	Effective Date
Workers' Compensation SIR/IBNR – will increase	FY2019
SDI: 1%	FY2019
Medicare 1.45%	FY2019
Source: Omnitrans Finance Department	

CalPERS	Effective Date
12.464% Employer Contribution (2% @55 Plan and 2% @62 Plan) – Miscellaneous Plan	FY2019
Employee contribution covered in employee's wages	
Source: Omnitrans Finance Department	

Unemployment	Effective Date
Annual average expected to remain at 4.1%	November 2017
Source: U.S. Department of Labor Riverside/San Bernardino/Ontario CA Metropolitan Statistical Area http://www.bls.gov/eag/eag.ca_riverside_msa.htm	

Energy /Fuel Costs /Other Credits/Other Costs	Effective Date
CNG Fuel: \$.59/therm	FY2019
Source: Finance Department	
Unleaded Fuel: \$2.85/gallon	FY2019
Source: Finance Department	
Utility/ Energy costs: Approximately \$650,000 increase	FY2019
ADA Medi-Cal Reimbursement: \$1,500,000	FY2019
Source: State of California Reimbursement	

Consumer Price Index	Effective Date
Inflation of about 3.7%	December 2017
Source: U.S. Department of Labor http://www.bls.gov/eag/eag.ca_riverside_msa.htm	

Purchased Transportation – Access Contract	Effective Date
Current contract expires	June 30, 2018
Contract cost to increase \$2 - \$4 million	

CONCLUSION

Approval of the budget assumptions will allow Omnitrans to develop the budget for FY2019, which will be presented to the Board of Directors for approval in May.

PSG:DW

ITEM # E3

DATE: February 15, 2018

TO: Committee Chair Sam Spagnolo and
Members of the Omnitrans Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Marjorie Ewing, Director of Human Resources & Safety Regulatory Compliance

SUBJECT: FY18 OPERATING BUDGET TRANSFER

FORM MOTION

Recommend the Board of Directors approve and authorize the CEO/General Manager to transfer funds from Department 1300, Administration to Department 1600, Human Resources, Safety and Regulatory Compliance, in the amount of \$22,304.00 and increase the FY18 budgeted positions by one (1) Human Resources Specialist position in the Human Resources (HR) Safety Regulatory Compliance (SRC) Department effective April 4, 2018.

BACKGROUND

In 2010, the economic downturn affected the Agency and necessitated budget reductions. In order to balance the budget a number of strategies were employed, including service reductions, elimination or reduction of many department programs, salary freezes and the layoff of various positions. At that time, the HR and SRC Department reduced the budget by two positions; one (1) HR Specialist and the HR Manager.

The form motion is requesting consideration to return the HR Specialist position. Currently, all of the recruiting and hiring activities of the Agency are conducted by one HR Specialist. This work includes preparation of all position postings and advertisements, coordination of all testing and interviewing, arranging all required pre-employment testing and screening and preparation of offer letters. (Attachment A)

Omnitrans employs 686 employees: 560 represented employees, Coach Operators and Maintenance workers, and 126 Administrative employees. The turnover rate for 2017 was 10.38 up from 7.8 percent and 8.6 percent in 2016 and 2015, respectively. There are a number of factors contributing to this, namely low unemployment and a competitive job market. Not only is it difficult to find qualified candidates, but current employees are leaving for other positions.

At this time, there are twenty-one (21) approved Personnel Requisitions with 26 positions to fill. Due to limited staff resources and stringent hiring requirements, the average time to hire is 14.3

weeks. Adding an additional staff resource in this area would help in reducing the length of time this process takes and improve the process.

Another consideration is the Agency retirement forecast. The retirement forecast indicates seventy (70) employees are currently eligible for retirement and by the year 2022 there will be one hundred sixty-five (165) employees eligible to retire. (Attachment B) The Agency has recently embarked on a proactive succession planning effort, which will assist in preparing for these future vacancies, however, even promotions from within create another open position that must be filled.

Omnitrans strives to be an employer of choice and recruit the top talent in the transit industry. To meet the current recruiting and hiring demands and ensure we are prepared to meet the future demands, an additional HR Specialist is requested.

FUNDING SOURCE

The transfer of operating funds from Department 1300, Administration to Department 1600, HR and SRC, will cover the increased operating cost associated with this action for the remaining three months left in FY2018 (April through June) not to exceed \$22,304.

Funding for the future will be incorporated in the Fiscal Year Budgets going forward.

Department: Transfer 1300 to 1600
Account: 1600 Various Wages and Benefits

_____ Verification of Funding Source and Availability of Funds
(Verified and initialed by Finance)

CONCLUSION

Approval of this agenda item allows Omnitrans to increase the HR staff to maintain immediate staffing needs and ensure future recruiting and hiring demands are met.

PSG: ME

**OMNITRANS
Job Description**

Job Title: Human Resources Specialist
Department: Human Resources
Reports to: Employee Relations Manager
FSLA Status: Exempt Level VI; Range \$57,276 - \$68,628 - \$79,980
Approved By: Board of Directors
Approved Date: August 26, 2010
Reviewed Date: February 5, 2018

SUMMARY

Performs a wide variety of professional, administrative, analytical, and coordination duties in support of Human Resources functions and programs. This includes, but is not limited to the development, administering, and coordinating of recruitment and selection processes; administering the Agency's FTA drug regulated Drug and Alcohol program.

DUTIES AND RESPONSIBILITIES include the following. Other duties may be assigned. Administers the Agency's random drug and alcohol screening program; including annual FTA reporting and auditing.

Reviews employee medication forms for compliance.

Discusses personnel needs with Department Directors to prepare and implement the recruitment process.

Creates and updates job announcements. Places advertisements in newspapers, professional publications and social media. Provides information on Agency facilities and job opportunities to potential applicants.

Screens applications; tests, interviews applicants to obtain work history, education, training, job skills, and salary requirements.

Refers qualified applicants to department hiring personnel for follow up interview.

Arranges pre-placement physicals, performs reference and background checks on applicants.

Fingerprints candidates for employment through the Live Scan system and coordinates with the Department of Justice.

Coordinates New Hire Orientation and the Substance Abuse Training.

Represents the Agency at job fairs.

Job Title: Human Resources Specialist
Page 2

SUPERVISORY RESPONSIBILITIES

Provides work direction to others, but does not have direct performance appraisal responsibility.

QUALIFICATIONS To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

EDUCATION and/or EXPERIENCE

Bachelor's degree (B.A.) from a four-year college or university and three to five years of related experience and/or training; or an equivalent combination of education and experience. Knowledge of FTA DOT substance abuse regulations is desired.

LANGUAGE SKILLS

Ability to read, analyze and interpret general business periodicals, professional journals, technical procedures or governmental regulations. Ability to write reports, business correspondence and procedure manuals. Ability to effectively present information and respond to questions from groups of managers, clients, employees, customers and the general public.

MATHEMATICAL SKILLS

Ability to calculate figures and amounts such as discounts, interest, commissions, proportions, percentages, area, circumference, and volume.

COMPUTER SKILLS

Must be familiar with current business operating systems, software and programs.

REASONING ABILITY

Ability to solve practical problems and deal with a variety of concrete variables in situations where only limited standardization exists. Ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form.

OTHER SKILLS AND ABILITIES

Knowledge of:

- FTA DOT knowledge on substance abuse regulations.

Ability to:

- Learn to utilize the HR information system.
- Establish and maintain effective working relationships with a variety of individuals, departments, outside agencies, and vendors.
- Apply the provisions of employment related laws.
- Must work well with others.

Job Title: Human Resources Specialist
Page 3

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions for this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee is frequently required to sit. The employee is occasionally required to stand; walk; use hands to finger, handle, or feel; and reach with hands and arms. The employee must occasionally lift and/or move up to 20 pounds. Specific vision abilities required by this job include close vision, depth perception and ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderate.

By Department	Current no. of Employees	Age 64+ by						Key positions 64+ & vested in 2017		Key positions 64+ in 2022		Key positions 64+ in 2027	
		2017		2022		2027							
Operations	479	48	10%	109	23%	185	39%	5	1%	9	2%	20	4%
Maintenance	101	6	6%	29	29%	48	48%	0	0%	6	6%	9	9%
Executive Office/Rail	6	2	33%	2	33%	3	50%	2	33%	2	33%	3	50%
IT	8	0	0%	1	13%	1	13%	0	0%	1	13%	1	13%
Marketing/Planning	31	4	13%	9	29%	15	48%	0	0%	1	3%	4	13%
HR/Safety & Security	15	3	20%	6	40%	7	47%	2	13%	5	33%	5	33%
Procurement	18	3	17%	3	17%	5	28%	1	6%	1	6%	2	11%
Finance	12	3	25%	4	33%	6	50%	1	8%	2	17%	3	25%
Special Transit Svcs	13	1	8%	2	15%	2	15%	0	0%	1	8%	2	15%
Totals	683	70	10%	165	24%	272	40%	11	2%	28	4%	49	7%

Summary:

The average retirement age for the past 3 years is 64; the average employee age is 49

In 2017, 10% of employees are age 64 or over

By 2022, five years from now, nearly one quarter of current employees will be age 64 or over

By 2027, ten years from now, 40 percent of current employees will be age 64 or over

In 2014, there were 25 retirements; 3 held key positions

In 2015, there were 16 retirements; 5 held key positions

In 2016, there were 14 retirements; 2 held key positions

In 2017, there have been 11 retirements (as of 9/6/17); 3 held key positions

In 2017, 11 employees are in key positions and are 64+ and vested

Within 10 years, 49 current employees in key positions will be 64 or over

Retirement Forecast
2017 - 2027

By MC Level	Current no. of Employees	Key positions 64+ & vested in 2017		Key positions 64+ in 2022		Key positions 64+ 2027	
Contract positions	2	1	50%	1	50%	1	50%
Level 2	9	2	22%	4	44%	7	78%
Level 3	13	3	23%	6	46%	8	62%
Level 4	6	0	0%	0	0%	2	33%
Level 5	33	1	3%	6	18%	9	27%
Level 6	34	2	6%	8	24%	16	47%
Level 7	12	2	17%	3	25%	6	50%
Level 8	11	0	0%	0	0%	0	0%
Level 9	9	0	0%	0	0%	0	0%
Totals	129	11	9%	28	22%	49	38%

Summary:

Besides the contract position, Level 2 has the highest percent potential turnover in the next 10 years at 78%.