



ADMINISTRATIVE AND FINANCE COMMITTEE

THURSDAY, FEBRUARY 13, 2020– 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 12, 2020, 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.

E. DISCUSSION ITEMS

1. Approve Administrative & Finance Committee Minutes – January 16, 2020 5
2. Receive and Forward to the Board of Directors, Omnitrans' Financial Audit Reports for Fiscal Year Ended June 30, 2019 – *Don Walker* 8
3. Recommend the Board of Directors Approve Staffing and Compensation Changes and Corresponding Update to Policy 402 – *Suzanne Pfeiffer* (EXE 2/7/20) 46
4. Recommend the Board of Directors Approve the Proposed Parameters Used to Develop Omnitrans Operating and Capital Budgets for Fiscal Year 2021 – *Maurice Mansion* (EXE 2/7/20) 61
5. Recommend the Board of Directors Approve the Proposed Policy Guidelines for the Measure I Regional Mobility Partnership Program and Authorize the Interim CEO/General Manager to Discontinue the Special Transportation Services (STS) Department Maintenance Program and Terminate the Current Lease for the Maintenance Facility Located in Ontario – *Aaron Moore* (EXE 2/7/20) 65



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SAN BERNARDINO, CA 92411

E. DISCUSSION ITEMS CONTINUED

- | | |
|--|----|
| 6. Recommend the Board of Directors Authorize Award – Contract STS20-03, Purchased Transportation Services – <i>Art Torres</i> | 91 |
| 7. Recommend the Board of Directors Authorize Award – Contract FIN20-13, Insurance Broker Services – <i>Art Torres</i> | 95 |

F. ADJOURNMENT

ITEM # D1

DATE: February 13, 2020

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

THROUGH: Erin Rogers, Interim CEO/General Manager

FROM: Art Torres, Director of Procurement

**SUBJECT: DISCLOSURE(S) REGARDING RECOMMENDATIONS FOR
ACTION BY THE OMNITRANS BOARD OF DIRECTORS**

FORM MOTION

Staff hereby provides a listing of principals and subcontractors associated with action items on the agenda for the Administrative & Finance Committee Meeting scheduled February 13, 2020.

Item	Contract	Principals & Agents	Subcontractors
#E6	Authorize Award Contract STS20-03 Purchased Transportation Services	<i>First Transit Inc. Cincinnati, OH Brandley Thomas President</i>	RideCo Lyft
#E7	Authorize Award Contract FIN20-13 Insurance Broker Services	<i>Alliant Insurance Services, Inc. Newport Beach, CA Michael Simmons Vice Chair Public Entities</i>	None

ER:AT

CONFLICT OF INTEREST FORM

PURPOSE: This form is provided to assist members of the Omnitrans Board of Directors in meeting requirements of Government Code Section 84308 and 87100 in documenting conflict of interest as related to Omnitrans Board/Committee agenda items.

INSTRUCTIONS: Under certain circumstances, Omnitrans Board Members may be required to disclose and disqualify themselves from participating in, influencing, or voting on an agenda item due to personal income, real property interests, investments, business positions, or receipt of campaign contributions. If applicable, Board Members must personally state the following information, for entry into the public record, prior to consideration of the involved agenda item(s) and turn in the completing form to the Recording Secretary prior to leaving the meeting.

BOARD MEMBER INFORMATION

BOARD MEMBER NAME	CITY/COUNTY NAME	MEETING DATE

CAMPAIGN CONTRIBUTIONS

1. I have a disqualifying campaign contribution of over \$250 from _____
(Name of Company and/or Individual)
 and therefore I am abstaining from participation on Agenda Item _____, Subject: _____
2. I have a disqualifying campaign contribution of over \$250 from _____
(Name of Company and/or Individual)
 and therefore I am abstaining from participation on Agenda Item _____, Subject: _____
3. I have a disqualifying campaign contribution of over \$250 from _____
(Name of Company and/or Individual)
 and therefore I am abstaining from participation on Agenda Item _____, Subject: _____

FINANCIAL INTEREST

1. I have a financial interest of _____
State income, real property interest or business position

Identify company or property location
2. I have a financial interest of _____
State income, real property interest or business position

SIGNATURE

Board Member Signature	Date
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ITEM # E1

**ADMINISTRATIVE & FINANCE COMMITTEE
MINUTES, JANUARY 16, 2020**

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 16, 2020.

1. Pledge of Allegiance
2. Roll Call

COMMITTEE MEMBERS PRESENT

Council Member Sam Spagnolo, City of Rancho Cucamonga – Committee Chair
Council Member Ron Dailey, City of Loma Linda
Mayor John Dutrey, City of Montclair
Supervisor Curt Hagman, County of San Bernardino
Council Member John Roberts, City of Fontana
Council Member Alan Wapner, City of Ontario – Via Teleconference

BOARD MEMBERS NOT PRESENT

Mayor David Avila, City of Yucaipa

OTHERS IN ATTENDANCE

Beatriz Valdez, SBCTA

OMNITRANS ADMINISTRATIVE STAFF PRESENT

Erin Rogers, Interim CEO/General Manager
Shawn Brophy, Director of Operations
Jeremiah Bryant, Director of Strategic Development
Alex Chen, Interim Director of Information Technology
Aaron Moore, Director Special Transportation Services
Suzanne Pfeiffer, Director of Human Resources
Nicole Ramos, Interim Director of Marketing
Connie Raya, Director of Maintenance
Art Torres, Director of Procurement
Melissa Castillo, Customer Service Manager
Harry Morck, Network Administrator
Krystal Turner, Contracts Administrator
Christine Van Matre, Contracts Administrator

LEGAL COUNSEL

Steve DeBaun, Legal Counsel

B. ANNOUNCEMENTS/PRESENTATIONS

The next Committee Meeting is scheduled Thursday, February 13, 2020, 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.

E. DISCUSSION ITEMS

1. Approve Administrative and Finance Committee Minutes – November 14, 2019

M/S (Dutrey/Roberts) that approved Administrative & Finance Committee Minutes November 14, 2019. Roll call vote was taken and the motion was passed unanimously by Members present.

2. Receive and Forward to the Board of Directors, Consolidation Study Monthly Update

Director of Strategic Development, Jeremiah Bryant provided a brief background on this item as detailed in the staff report.

Member Dailey arrived at 8:06 a.m.

Member Spagnolo asked about the Executive Committee's request to reconvene the Ad Hoc Committee. Mr. Bryant responded that in an effort to move the project forward, SBCTA staff would like to table the Ad Hoc until after March/April.

Member Hagman arrived at 8:10 a.m.

Member Dutrey stated that according to the project milestones and schedule on page 11 of the agenda, a report will be presented to the SBCTA and Omnitrans Committees in March and to both Boards in April. He asked if the consultant conducting the study could be present to answer any questions at future meetings. Staff noted the request.

The Committee received and forwarded this item to the Board.

3. Recommend the Board of Directors Authorize the Interim CEO/General Manager to Award Contract HRS20-24 for the provision of Strategic Planning Consulting Services

Director of Procurement, Art Torres provided a brief background on this item as detailed in the staff report.

Member Dailey referred to the two projects; the Consolidation Study and the development of the Strategic Plan; and asked that Ms. Rogers ensure collaboration as these two important projects move forward. Ms. Rogers stated that if any issues arise, she will bring them forward. She noted that the Strategic Planning Consultant would also be reviewing the Consolidation Study reports for Omnitrans.

Member Hagman noted the importance of data driven performance and reports and asked that staff stay abreast of current technology. He also recommended looking at what other agencies are doing. Lastly, Member Hagman stated that Omnitrans is a separate Board from SBCTA and is responsible for making the decisions for this Agency.

M/S (Hagman/Roberts) that recommended the Board of Directors authorize the Interim CEO/General Manager to award Contract HRS20-24 to MIG, Inc. of Berkeley, CA for the provision of Strategic Planning Consulting Services for a one (1) year base period beginning February 5, 2020 and ending February 4, 2021 in the amount of \$235,655 with the authority to exercise three (3) single option years extending the contract to no later than February 4, 2024 in the amount of \$28,830, plus a ten percent contingency of \$26,449 for a total not-to-exceed amount of \$290,934, should all options be exercised. Roll call vote was taken and the motion was passed unanimously by Members present.

F. ADJOURNMENT

The Administrative and Finance Committee meeting adjourned at 8:29 a.m.

The next Administrative and Finance Committee Meeting is scheduled Thursday, February 13, 2020, at 8:00 a.m., with location posted on the Omnitrans website and at Omnitrans' San Bernardino Metro Facility.

Prepared by:

Araceli Barajas, Sr. Executive Asst. to the CEO
Clerk of the Board

ITEM # E2

DATE: February 13, 2020

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

THROUGH: Erin Rogers, Interim CEO/General Manager

FROM: Donald Walker, Director of Finance

SUBJECT: OMNITRANS' FISCAL YEAR ENDED JUNE 30, 2019 AUDIT REPORTS

FORM MOTION

Receive and forward to the Board of Directors Omnitrans financial audit reports for fiscal year ended June 30, 2019. The financial audit includes the following reports:

- Management Letter (U.S. Auditing Standards – AICPA (Clarified) AU-C 260)
- National Transit Database (NTD) Report Agreed-Upon Procedures
 1. Independent Accountant's Report on Applying Agreed-Upon Procedures
- Single Audit Report on Federal Awards
 1. Independent Auditor's 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 (TDA) and California Government Code §8879.50
 2. Independent Auditor's 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 the Uniform Guidance
- Proposition 1B
 1. Independent Auditor's Report on Proposition 1B Schedule of Unspent Funds and Cash Disbursements
- Comprehensive Annual Financial Report Fiscal Year Ending June 30, 2019

BACKGROUND

As a recipient of federal, state, and local funding, Omnitrans is required to have an annual audit conducted by independent auditors in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Controller General of the United States. The audit also included fifteen tasks contained in San Bernardino County Transportation Authority (SBCTA) Transportation Development Act (TDA) 2005 Compliance Guide.

- The NTD was established by Congress to be the Nation’s primary source for information and statistics on the transit systems of the United States. Recipients or beneficiaries of grants from the Federal Transit Administration (FTA) under the Urbanized Area Formula Program (§5307) or Other than Urbanized Area (Rural) Formula Program (§5311) are required by statute to submit data to the NTD.
- Each year, the Federal Government provides over \$400 billion in grants to state, local and tribal governments, colleges, universities and other non-profit organizations (non-Federal entities). The Single Audit Act of 1984 and Office of Management and Budget (OMB) Circular A-133 provide audit requirements for ensuring that these funds are expended properly.
- The TDA requirement is mandated by California Code of Regulations, Title 21, sections 6661 and 6751. Local Transportation Fund and State Transit Assistance Fund recipients must submit a fiscal audit report to the State Controller’s Office annually and within 180 days after the end of the fiscal year. The audit report shall be conducted in accordance with generally accepted auditing standards and include a compliance certification with the TDA.
- The Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.9 billion available to Transportation, \$3.6 billion dollars was allocated to PTMISEA to be available to transit operators over a ten-year period. PTMISEA funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock (buses and rail cars) procurement, rehabilitation or replacement.
- The financial statements for fiscal year ended June 30, 2019 are presented in the Comprehensive Annual Financial Report (CAFR) along with comparative financial information for the year ended June 30, 2018. The audit expresses a professional opinion as to whether the financial statement prepared by management with the Board of Directors’ oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Omnitrans has received an “unqualified” or “unmodified” opinion on its financial statements since fiscal year 2005.

A Comprehensive Annual Financial Report for FY2019 was submitted to the Government Finance Officers Association (GFOA) for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by an Agency and its management. Omnitrans was awarded a Certificate of Achievement for its' FY1998, FY1999, FY2000, FY2006, FY2007, FY2008, FY2009, FY2010, FY2011, FY2012, FY2013, FY2014, FY2015, FY2016, FY2017 and FY2018 CAFR's.

CONCLUSION

Receive and forward to Board of Directors Omnitrans' financial audit reports for fiscal year ended June 30, 2019.

ER:DW

Attachments: A. Management Letter
B. National Transit Database (NTD) Report
C. Single Audit Report on Federal Awards
D. Independent Auditors' Report on Proposition 1B
E. Comprehensive Annual Financial Report



January 28, 2020

Board of Directors
Omnitrans
San Bernardino, California

We have audited the financial statements of Omnitrans as of and for the year ended June 30, 2019, and have issued our report thereon dated January 28, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our engagement letter dated May 20, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether Omnitrans complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Omnitrans' major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Omnitrans solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of Omnitrans' major federal program compliance, is to express an opinion on the compliance for Omnitrans' major federal program based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of Omnitrans' internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's 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* dated January 28, 2020. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated January 28, 2020.

Planned Scope and Timing of the Audit

The timing of our audit was modified to allow management additional time to prepare the introductory and statistical section of the comprehensive annual financial report.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Omnitrans is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are Management's estimates of the fair value of investments, estimate of the risk management liability for claims payable, and the estimate of amounts related to the net pension liability and the related deferred inflows and outflows of resources.

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Omnitrans' financial statements relate to:

The disclosure of Omnitrans' defined benefit pension plan, net pension liability and related deferred inflows of resources and deferred outflows of resources in Note 8 to the financial statements. The valuation of the net pension liability and related deferred outflows/inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate. As disclosed in Note 8, a 1% increase or decrease in the discount rate has a material effect on Omnitrans' net pension liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following misstatement that we identified as a result of our audit procedures was brought to the attention of, and corrected by, management:

Description	Debit	Credit
Deferred Outflows of Resources		\$ 884,682
Pension Expense	\$ 884,682	
<i>To reduce deferred outflows for the previous year's unfunded accrued liability payment and properly state deferred outflows related to pensions as of June 30, 2019.</i>		

There were no uncorrected misstatements identified as a result of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated January 28, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Omnitrans, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Omnitrans' auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing Omnitrans' audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of Omnitrans and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California



National Transit Database Report
Agreed-Upon Procedures
June 30, 2019
Omnitrans

Independent Accountant’s Report On Applying Agreed-Upon Procedures	1
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Procedures and Findings.....	3



Independent Accountant's Report On Applying Agreed-Upon Procedures

Board of Directors
Omnitrans
San Bernardino, California

The Federal Transit Administration ("FTA") has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form FFA-10 ("FFA-10") for the Omnitrans annual National Transit Database ("NTD") report:

1. A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
2. A system is in place to record data on a continuing basis and the data gathering is an ongoing effort.
3. Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
4. A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
5. The data collection methods are those suggested by FTA or meet FTA requirements.
6. The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
7. Data are consistent with prior reporting periods and other facts known about Omnitrans' operations.

We have performed the procedures described in the attached procedures and findings of this report, which were agreed to by Omnitrans and the FTA and specified in the declarations section of the 2019 Policy Manual, solely to assist you in evaluating whether Omnitrans complied with the standards described above and that the information included in the NTD report FFA-10 form for the year ended June 30, 2019, is presented in conformity with the requirements of the *Uniform System of Accounts and Records and Reporting System; Final Rule*, as specified in 49 CFR part 630, *Federal Register*, January 15, 1993 and as presented in the 2019 Policy Manual. Omnitrans' management is responsible for Omnitrans' compliance with those standards and the accuracy of the FFA-10 form. The sufficiency of these procedures is solely the responsibility of Omnitrans and FTA. Consequently, we make no representation regarding the sufficiency of the procedures described in attached procedures and findings either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings described in the attached procedures and findings of this report, which are referenced in order to correspond to the *2019 Policy Manual* procedures, were applied separately to each of the information systems used to develop the reported vehicle revenue miles (VRM), passenger miles (PM), fixed guideway directional route miles (FG DRM), High Intensity Bus Lanes directional route miles (HIB DRM), and operating expenses of Omnitrans for the year ended June 30, 2019, and for each of the following modes: (1) Motor Bus - directly operated (MBDO), (2) Motor Bus - purchased transportation (MBPT) and (3) Demand Response - purchased transportation (DRPT).

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the procedures noted in Exhibit 77 of the *2019 Policy Manual* or on the FFA-10. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Omnitrans management, Omnitrans Board of Directors and the FTA and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
October 31, 2019

Excerpt from the FTA *2019 Policy Manual* Exhibit 77 - Federal Funding Allocation Data Review Suggested Procedures:

FTA has specified and agreed to a set of procedures for the independent auditor to perform to satisfy the requirements of the Federal Funding Allocation data review. Several of the procedures below require the auditor to select a random sample of documents or data. The procedures do not specify the selected number (i.e., the percentage of the total documents/data). The auditor should use professional judgment to determine the percentage that will enable the auditor to make the required assurances.

The source documents and other records (such as data summaries) may be in the form of digital data files. The auditor should ensure that these files are securely stored and that a contingency plan is in place to ensure that the transit agency retains source documents for a minimum of three years.

- a. The procedures to be applied to each applicable mode and type of service (TOS) (directly- operated (DO) and purchased transportation (PT) are: Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2019 Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Results – We obtained and read a copy of written procedures related to the system for reporting and maintaining data and found them in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, Dated January 15, 1993, and as presented in the *2019 Policy Manual*.

- b. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
 - The extent to which the transit agency followed the procedures on a continuous basis, and
 - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2019 Policy Manual*.

Results – We inquired regarding Omnitrans’ procedures for the MBDO, MBPT and DRPT services noting that the asserted procedures were consistently applied. In addition, based on our inquiry with the Planning and Scheduling Manager and the Operations Services Supervisor, management asserted that the procedures resulted in the accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, Dated January 15, 1993, and as presented in the *2019 Policy Manual*.

- c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.

Results – We inquired with the Planning and Scheduling Manager and the Operations Services Supervisor, regarding Omnitrans’ retention policy for NTD data, Total Modal Operating Expenses data, Actual Vehicle Revenue Mile and Passenger Miles Traveled. Per inquiry, the current practice is to retain paper and electronic data for at least three years.

- d. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.

Results – We inspected the following source documents for each type of service, selected three months out of the year and determined that the documents existed for each of these periods:

<i>Type of Service</i>	<i>Source Document</i>	<i>Months Tested</i>
<i>MBDO</i>	<ul style="list-style-type: none"> <i>MBDO Statistics Reports (queried from TransTrack Manager System database)</i> <i>Passenger Mile Survey Summary from Automated Passenger Count system GFI database</i> <i>Ridership by Trip Reports</i> <i>Trapeze FX Summaries by Route</i> <i>Route Plans</i> 	<ul style="list-style-type: none"> <i>September 2018, January 2019 and May 2019.</i> <i>Three years of data were noted to be archived on Omnitrans' network.</i>
<i>MBPT</i>	<ul style="list-style-type: none"> <i>MBPT Statistics Reports (queried from TransTrack Manager System database)</i> <i>Ridership by Trip Reports</i> <i>Trapeze FX Summaries by Route</i> <i>Route Plans</i> <i>Passenger Mile Survey Summary</i> <i>Survey Trip Sheets</i> 	<ul style="list-style-type: none"> <i>September 2018, January 2019 and May 2019.</i> <i>Three years of data were noted to be archived on Omnitrans' network.</i>
<i>DRPT</i>	<ul style="list-style-type: none"> <i>DRPT Statistics Reports (queried from TransTrack Manager System database)</i> <i>Daily Totals from the Trapeze Pass system</i> <i>Trip Distance Productivity Reports from the Trapeze Pass system</i> <i>Driver Manifests generated from the Trapeze Pass system</i> <i>Passenger Mile Survey Summary</i> <i>Survey Trip Sheets</i> 	<ul style="list-style-type: none"> <i>September 2018, January 2019 and May 2019.</i> <i>Three years of data were noted to be archived on Omnitrans' network.</i>

- e. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.

Results - We inquired regarding the system of internal controls noting that each respective mode/type of service is being reviewed by personnel independent of the preparation process. On a regular basis, data from the TransTrack System for the MBDO, MBPT and DRPT modes of service are being reviewed for completeness and reasonableness by the Planning and Scheduling Manager for the MBDO and MBPT modes and the Operations Services Supervisor for the DRPT mode.

- f. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

Results – For the MBDO and MBPT modes data is collected by automated systems. The collected data is reviewed and approved by a supervisor who documents monthly results and signs off on performance reports. We inspected performance reports from three months for each mode and noted supervisor signatures without exception. For the DRPT mode, we randomly selected three test days, inspected ten Driver Manifests for each of those days, and noted that drivers and supervisors signed the manifests without exception.

- g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.

Results – We obtained the worksheets utilized by Omnitrans to transcribe statistics to the Federal Funding Allocation Statistics form and compared the data to summaries without exception. We tested the arithmetical accuracy of the summarizations without exception.

- h. Discuss the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the *2019 Policy Manual*.

Results – Sampling was conducted for the MBDO, MBPT and DRPT mode. We inspected the sampling methodologies and noted that the sampling methodology used met the requirements of the *2019 Policy Manual*.

- i. Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:
- According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
 - The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
 - Service purchased from a seller is included in the transit agency's NTD report.
 - For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
 - Determine how the transit agency estimated annual PMT for the current report year.

Results – Omnitrans sampled all three modes in the current year and did not utilize the three year sampling option allowed for purchased transportation modes.

- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

Results – For the MBDO, MBPT and DRPT modes, we obtained a copy of Omnitrans' methodology used in the statistical sampling to estimate average PM and determined that the methodology used by Omnitrans resulted in a random selection of runs and that the stated sampling procedure was followed without exception.

- k. Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summary.

Results - For MBDO, we randomly selected a total of 80 route surveys throughout the year. We verified the mathematical accuracy of the Trip Report Details and that the data was properly input to the accumulation worksheet to calculate the average PM without exception.

For MBPT, we randomly selected 40 route surveys throughout the year. We verified the mathematical accuracy of the Trip Report Details and that the data was properly input to the accumulation worksheet to calculate the average PM without exception.

For DRPT, we randomly selected 40 trip surveys throughout the year. We verified the mathematical accuracy of the Trip Report Details and that the data was properly input to the accumulation worksheet to calculate the average PM without exception.

- I. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.

Results – The procedure identified above is not applicable. Per inquiry with Omnitrans’ management, Omnitrans did not provide charter or school bus services.

- m. For actual vehicle revenue mile (VRM) data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:

- If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.

Results – For the MBDO and MBPT modes, Omnitrans tracks actual VRM in real time using the Trapeze Intelligent Transportation System from which data is uploaded monthly to the TransTrack Manager System. The results are reviewed by management against total scheduled VRM and any discrepancies are investigated. The tracking is performed from the first to last stop on fixed routes only and will report deadhead miles separately. We selected September 2018, January 2019 and May 2019, recalculated the MBDO VRMs and compared them to amounts used in the total VRM without exception. We selected September 2018, January 2019 and May 2019, recalculated the difference between the MBPT VRMs and compared them to amounts used in the total VRM without exception.

- If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.

Results – This procedure is not applicable because VRMs were measured using real time Trapeze Intelligent Transportation System tracking.

- If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.

Results - For the DRPT mode, Revenue Miles are calculated based on the odometer readings from the first pickup to the last drop off. Deadhead miles were excluded from the Revenue Miles calculations. We selected 40 trips to test and noted that the deadhead miles were not included in the Revenue Miles calculations without exception.

- n. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Results – The procedure identified above is not applicable as Omnitrans does not provide rail service.

- o. If fixed guideway or High Intensity Busway directional route miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Busway (HIB) in that the service is:
- Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR); or
 - Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW); and
- i. Access is restricted;
 - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway;
 - iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation.

Results – We interviewed the Planning and Scheduling Manager and noted that the MBDO service operates over exclusive access rights-of-way (ROW) meeting the FTA's definition of fixed guideways.

- p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Results – We determined that the mileage was computed in accordance with the FTA definitions of FG DRM. Per inquiry with the Planning and Scheduling Manager, we determined that there were no changes during the year that resulted in an increase or decrease in DRMs. We recomputed the average monthly DRM for all reported segments and reconciled the total to the FG DRM without exception.

- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to an FG segment(s), the following apply:
- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
 - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Results – Per inquiry of the Planning and Scheduling Manager, there were no temporary interruptions in transit service during the report year.

- r. Measure FG/HIB DRM from maps or by retracing route.

Results – We recalculated the length of all fixed guideway directional routes for the MBDO mode of service using publicly available maps without exception.

- s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and OE for the service operated over the same FG/HIB.

Results – We interviewed the Planning and Scheduling Manager and noted that no other public transit agencies operate service over the same DRMs as Omnitrans.

- t. Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2019 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2019 report year, the Agency Revenue Service Date must occur within the transit agency's 2019 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (\$5337) and Bus and Bus Facilities (\$5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.

Results – This procedure is not applicable because Omnitrans did not add any new segments during the 2019 report year.

- u. Compare operating expenses with audited financial data after reconciling items are removed.

Results – Operating expenses were compared to the trial balances subject to audit without exception.

- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of PT-generated fare revenues. The PT fare revenues should equal the amount reported on the Contractual Relationship form.

Results – We identified the purchased transportation fare revenues reported on the B-30 and reconciled the amounts to the general ledger without exception.

- w. If the transit agency's report contains data for PT services and assurances of the data for those services are not included, obtain a copy of the IAS-FFA regarding data for the PT service. Attach a copy of the statement to the report. Note as an exception if the transit agency does not have an Independent Auditor Statement for the PT data.

Results – The data for purchased transportation are included in the reporting by Omnitrans, therefore, no IAS for the purchased transportation services is included.

- x. If the transit agency purchases transportation services, obtain a copy of the PT contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.

Results – We inspected the MBPT and DRPT service contracts and determined that they contained the items noted above without exception. We inquired with the Planning and Scheduling Manager and the Operations Services Supervisor, regarding Omnitrans' retention policy for executed contracts for purchased transportation programs. Per inquiry, the current practice is to retain contracts for at least three years.

- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

Results - Omnitrans provides services in more than one UZA but does not provide services to non-urbanized areas. For the MBDO and MBPT modes, allocations to urbanized areas are based on trip pattern analysis. The number of yearly trips per pattern is multiplied by the number of miles determined for each UZA. Eight allocations were tested for the MBDO and MBPT services without exception.

For the DRPT mode, vehicles are dispatched from two depots, one in each UZA. VRMs are tracked by depot and used to calculate the percentages for the UZA split of the data. The allocation was tested without exception by recalculation of total VRMs by depot.

- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

Results – The following fluctuations were noted on the FFA-10 Form:

- A 17.8% increase in Passenger Miles for MBPT
- A 16.8% increase for Operating Expenses for MBPT
- A 13.5% decrease for Passenger Miles for DRPT
- A 22% increase for Operating Expenses for DRPT

A 17.8% increase in the Passenger Miles for MBPT was noted. Per inquiry with the Operations Services Supervisor, passenger counts increased.

A 16.8% increase in Operating Expenses for MBPT was noted. Per inquiry with the Operations Services Supervisor, the purchased transportation services contract was modified to require the provider to purchase vehicle insurance under the agreement resulting in an increase in the annual expense.

A 13.5% decrease in Passenger Miles for DRPT was noted. Per inquiry with the Operations Services Supervisor, passenger counts, and average passenger miles decreased.

A 22% increase for Operating Expenses for DRPT was noted. Per inquiry with the Operations Services Supervisor, the purchased transportation services contract was modified to require the provider to purchase vehicle insurance under the agreement resulting in an increase in the annual expense.

- aa. The auditor should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor but not by FTA.

Results – We have documented the procedures followed based on the FTA 2019 Policy Manual Exhibit 77 - Federal Funding Allocation Data Review - Suggested Procedures, and noted the documents reviewed and tests performed in our workpapers. Additional procedures were not performed.



Single Audit Report
June 30, 2019

Omnitrans

Omnitrans
Single Audit Report
for the Year Ended June 30, 2019

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**Independent Auditor's 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**

Board of Directors
Omnitrans
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Omnitrans as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Omnitrans' basic financial statements, and have issued our report thereon dated January 28, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Omnitrans' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Omnitrans' internal control. Accordingly, we do not express an opinion on the effectiveness of Omnitrans' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Omnitrans' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6667 of Title 21 of the California Code of Regulations and California Government Code §8879.50 et seq., and the allocation instructions of San Bernardino County Transportation Authority, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Section 6667 of Title 21 of the California Code of Regulations, or the California Government Code §8879.50 et seq.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
January 28, 2020



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Directors
Omnitrans
San Bernardino, California

Report on Compliance for Each Major Federal Program

We have audited Omnitrans' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Omnitrans' major federal programs for the year ended June 30, 2019. Omnitrans' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Omnitrans' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Omnitrans' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Omnitrans' compliance.

Opinion on Each Major Federal Program

In our opinion, Omnitrans complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Omnitrans is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Omnitrans' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Omnitrans' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Omnitrans as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Omnitrans' basic financial statements. We have issued our opinion thereon dated January 28, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
January 28, 2020

Omnitrans
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Grant Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Transportation:				
<u>Direct Assistance:</u>				
<u>Federal Transit Cluster:</u>				
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Y850-00	\$ 623,587	\$ 317,405
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Y939-00	95,556	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z009-00	371,057	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z112-00	359,891	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-90-Z280-00	570,181	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2017-148	483,630	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2017-114	110,521	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2019-169	407,702	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2018-026	1,645,306	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2017-032-00	446,902	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2018-040-00	332,871	332,871
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2019-145	12,571,876	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2019-000	12,790	-
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	CA-2019-141	754,913	-
Subtotal - 20.507			<u>18,786,783</u>	<u>650,276</u>
Bus and Bus Facilities Formula Program (Bus Program)	20.526	CA-2017-097-00	15,324	-
Subtotal - Federal Transit Cluster			<u>18,802,107</u>	<u>650,276</u>
<u>Transit Services Programs Cluster:</u>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	CA-2018-034-00	136,985	136,985
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AM18-00760	150,278	-
Subtotal - 20.513			<u>287,263</u>	<u>136,985</u>
Job Access and Reverse Commute Program	20.516	CA-37-X146-00	2,187	2,187
Job Access and Reverse Commute Program	20.516	CA-37-X174-00	85,454	14,173
Subtotal - 20.516			<u>87,641</u>	<u>16,360</u>
New Freedom Program	20.521	CA-57-X062-00	13,194	13,194
New Freedom Program	20.521	CA-57-X089-00	183,213	2,034
Subtotal - 20.521			<u>196,407</u>	<u>15,228</u>
Subtotal - Transit Services Programs Cluster			<u>571,311</u>	<u>168,573</u>
Total - U.S. Department of Transportation			<u>19,373,418</u>	<u>818,849</u>
Total Expenditures of Federal Awards			<u>\$ 19,373,418</u>	<u>\$ 818,849</u>

See accompanying note to Schedule of Expenditures of Federal Awards.

Note #1 – Summary of Significant Accounting Policies

(A) Scope of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Omnitrans under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Omnitrans, it is not intended to and does not present the financial position, changes in net position, or cash flows of Omnitrans.

(B) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are recognized when Omnitrans becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

(C) Indirect Cost

Omnitrans elected not to use the 10% de minimis indirect cost rate.

I. Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>
Identification of major federal programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.500/20.507/20.525 /20.526	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.

Federal Award Prior Year Findings

Finding No.	Program	CFDA No.	Compliance Requirements	Status of Corrective Action
2018-001	Federal Transit Cluster	20.500, 20.507, 20.526	Special Tests and Provisions - Wage Rate Requirements Cross-Cutting Section	Implemented.



Proposition 1B

June 30, 2019

Omnitrans

San Bernardino, California

Independent Auditor's Report on Proposition 1B Schedule of Unspent Funds and Cash Disbursements	1
Schedule of Unspent Funds and Cash Disbursements	2



**Independent Auditor's Report on Proposition 1b Schedule of
Unspent Funds and Cash Disbursements**

Board of Directors
Omnitrans
San Bernardino, California

We have audited the financial statements of Omnitrans as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise Omnitrans' basic financial statements and have issued our report thereon dated January 28, 2020, which expressed an unmodified opinion on those financial statements. Those financial statements are the responsibility of Omnitrans' management. Our responsibility is to express an opinion on the financial statements based on our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Omnitrans' basic financial statements. The accompanying Proposition 1B Schedule of Unspent Funds and Cash Disbursements is presented for purposes of additional analysis, to satisfy the requirements of Section 6667 of Title 21 of the California Code of Regulations, the California Government Code §8879.50, and the California State Senate Bill 88 (2007), et seq. and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
January 28, 2020

Omnitrans
Schedule of Unspent Funds and Cash Disbursements
Year Ended June 30, 2019

	<u>PTMISEA (1)</u>	<u>CTSG (2)</u>	<u>Total</u>
Unspent Prop 1B funds as of June 30, 2018	\$ 15,250,667	\$ 371,784	\$ 15,622,451
Prop 1B funds received during the year ended June 30, 2019	-	-	-
Interest revenue earned on unspent Prop 1B funds during fiscal year ended June 30, 2019	83,189	687	83,876
Change in fair market value of investments during the year ended June 30, 2019	15,088	-	15,088
Prop 1B disbursements during the year ended June 30, 2019	<u>(3,624,156)</u>	<u>(176,838)</u>	<u>(3,800,994)</u>
Unspent Prop 1B funds as of June 30, 2019	<u>\$ 11,724,788</u>	<u>\$ 195,633</u>	<u>\$ 11,920,421</u>

(1) Public Transportation, Modernization, Improvement, and Service Enhancement Account

(2) California Transit Security Grant

CONNECTING OUR COMMUNITY



OmniTrans, San Bernardino, CA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2019



FULL REPORT PROVIDED AS A SEPARATE LINK

ITEM # E3

DATE: February 13, 2020

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

THROUGH: Erin Rogers, Interim CEO/General Manager

FROM: Suzanne Pfeiffer, Director of Human Resources

**SUBJECT: FY21 STAFFING AND COMPENSATION REVIEW AND UPDATE TO
POLICY 402**

FORM MOTION

Recommend the Board of Directors approve staffing and compensation changes and corresponding update to Policy 402.

This item was reviewed by the Executive Committee at its February 7, 2020 meeting and recommended to the Board of Directors for approval.

BACKGROUND

This year's recommendation on compensation and staffing are a result of a comprehensive review and analysis. These recommendations address several areas: fiscal responsibility/financial sustainability, provide career paths for employees, reward employees, and continue to attract and retain an experienced and skilled work force.

The goal was to evaluate each position and determine whether it meets the current business needs of the organization, if the position could be better utilized in another area, or if the position can be eliminated. A year ago, we began this evaluation process as positions became vacant. We will continue this practice going forward.

Details

- 1) Each department reviewed the following: staffing levels, job descriptions, reporting structure, and position classifications.
- 2) A particular focus was on administrative support positions in response to the 11% service reduction. Some of the recommended position eliminations are vacant. Other positions that are currently filled will be eliminated through attrition and pending retirements.

- 3) Human Resources performed its bi-annual compensation review. The details of this compensation review informed the recommended changes to Policy 402 - Salary Ranges, Management and Confidential Classifications (Policy 402).
- 4) All policies related to this comprehensive analysis were reviewed and revised. Policy 402 is included in this Board item (Attachment A) for approval. Other Policy changes will be brought forward for discussion and approval at future meetings.
- 5) Customer Service staffing and offices hours were evaluated for efficiency and to minimize impact on customers.

Recommendations

As a result of this evaluation, staff recommends the following:

Eliminate Positions

1. Positions Directly Associated with Service Reduction

The ConnectForward Plan reduces service by 71,000 service hours. The corresponding reduction in operating personnel:

Operations:

Coach Operators (45-50) (ATU)

Maintenance:

Mechanic Helper (3) (Teamsters)

Tire Worker (1) (Teamsters)

The Coach Operator workforce will be reduced through attrition. We will stop hiring Coach Operators in June and the required reduction is projected to be achieved by September.

2. Administrative Support Positions

The comprehensive staffing review has identified the following administrative support positions to be eliminated or re-purposed* to fill a different business need within the organization:

Operations:

Administrative Clerk (1) (Teamsters)

Field Supervisors (1)

Fleet Safety and Training Instructor (1)

Marketing:

Marketing Manager* (1) (FTE to be used for Service Planning Manager)

Sales Supervisor* (1) (FTE to be used for an Outreach Coordinator)

Customer Service Rep I (1.5)

Human Resources:

Human Resources Assistant (1)

Information Technology

Systems Specialist (1)

Strategic Development

Stops and Stations Worker (1) (Teamsters)

These administrative positions are either vacant or will be vacant by July. No lay-off of personnel is anticipated at this time. All positions will continue to be evaluated as they become vacant. The net proposed reduction of administrative support personnel is 7.5 positions for an estimated annual cost savings of approximately \$500,000.

3. Special Transportation Services Department (CTSA) Positions

In addition to the positions listed above, the following Special Transportation Services Department positions will be eliminated.

Administrative Assistant (1)
Travel Trainer (2)
Office Manager (1)

These positions are funded through Measure I and therefore do not impact the operating budget. However, the review indicated that based on current business needs, these positions are no longer necessary.

Reclassification of Positions and Incumbents

During this review it was determined that several positions required re-classification due to additional duties and/or the salary survey showed the classifications were under market. These reclassifications and restructuring also provide for future employee advancement opportunities. It is not the intent to increase the salaries of the individuals in these positions unless their current salary is below the new proposed salary range. This impacts two employees for a total cost increase of approximately \$1,600 annually.

Department	Current Classification	Current Level	Recommended Classification	Recommended Level
Operations	Assistant Transit Manager	5	Operations Manager	4
	Transportation Manager	3	Deputy Director	2
Maintenance	Fleet Analyst	8	Sr. Admin Asst.	7
	Maintenance Manager (only 1 position)	3	Deputy Director	2
	Capital Projects Manager	4	Capital Projects Manager	3
Finance	Accountant (only 1 position)	6	Sr. Accountant	5
Strategic Development and Marketing	Administrative Assistant	8	Sr. Admin Asst	7
Marketing	Customer Service Manager	5	Customer Service Manager	4

Adjust Salary Ranges

In addition to an annual compensation review, Human Resources performs a more comprehensive bi-annual review and analysis of all non-represented classifications. The market survey indicated that certain levels are under market and it is recommended to adjust accordingly. For example, Director level positions have been consistently below market by over 9%. In addition, level 5 is also under market approximately 8%. With an average under market for all levels at 5.5%. Due to several anticipated retirements, senior leadership has almost all new members. Several positions took a long time to fill and our Director of Safety and Security is still vacant after over a year.

In addition, over time the salary levels have gotten out of alignment. The range between minimum and maximum should be approximately 50%. Changes are recommended to better align the salary ranges and ensure consistency between the salary ranges.

These adjustments are reflected in the proposed revisions to Policy 402 (Attachment A). This is clean-up based on the compensation survey; it is not the intent to impact employees' current salaries.

Cap Annual Merit Increase

While the Board approved Policy 404 allows for 5% merit increases, the budget proposal for FY21 will assume all merit increases will be capped at 3%. Equaling an annual savings of approximately \$125,000 dollars.

While we are not proposing a permanent change, we will be reviewing all Performance Management (Evaluation) tools, policies and merit increases as part of the Management Plan and on-going processes.

Reduce Office Hours for Customer Service Staff

Beginning in May 2020, the Omnitrans Customer Service Call Center and San Bernardino Transit Center will be closed on Sundays as a cost reduction measure. Call volume reduces by more than 50% on Sundays vs. weekdays, and customer information is available via the Omnitrans website and Transit App. Additionally, the Omnitrans call center will begin operation one hour later, at 8 am, on weekdays. The result of this change is the elimination of 1.5 Customer Service FTE with cost savings estimated to be approximately \$65,000.

In summary, the total annual savings associated with the proposed changes is approximately \$690,000.

CONCLUSION

Recommend the Board of Directors approve staffing and compensation changes and corresponding update to Policy 402.

ER:SP

Attachments: A. Policy 402 Redline Version
B. PowerPoint Presentation



PERSONNEL POLICY MANUAL

POLICY 402 PAGE 1 OF 3

SUBJECT

Salary Ranges
Management Confidential Classifications
APPROVED BY OMNITRANS
BOARD OF DIRECTORSDATE: ~~July 10, 2019~~ March 4, 2020**I. Purpose**

To state Omnitrans' policy on salary ranges for Management and Confidential classifications.

II. Scope

All Departments

III. Procedure

- A. The Director of Human Resources is responsible for compensation administration and will modify and issue, from time to time, pay ranges and guidelines for salary adjustments as approved by the Board of Directors.

Job Level	Job Title	FLSA	Salary Breakdown	Pay Range		
				Minimum	Mid-Point	Maximum
1	(reserved for future consideration) Director of Finance Director of Human Resources Director of Information Technology Director of Maintenance Director of Marketing & Communications Director of Operations Director of Procurement Director of Safety & Risk Management Regulatory Compliance Director of Special Transportation Services (STS) Director of Strategic Development	Exempt	Bi-weekly Monthly Annual	\$4,419.85 \$9,576.33 \$114,916.00	\$5,524.81 \$11,970.42 \$143,645.00	\$6,629.77 \$14,364.50 \$172,374.00
2	Director of Finance Director of Human Resources Director of Information Technology Director of Maintenance Director of Marketing Director of Operations Director of Procurement Director of Rail Operations Director of Safety & Regulatory Compliance Director of Special Transportation Services (STS) Director of Strategic Development Deputy Director of Operations Deputy Director of Maintenance	Exempt	Bi-weekly Monthly Annual	\$3,952.15 \$8,563.00 \$102,756.00 \$3,877.08 \$8,400.33 \$100,804.00	\$4,907.08 \$10,632.00 \$127,584.00 \$4,846.35 \$10,500.38 \$126,005.00	\$5,862.46 \$12,702.00 \$152,424.00 \$5,815.59 \$12,600.45 \$151,205.00



PERSONNEL POLICY MANUAL

POLICY 402 PAGE 2 OF 3

SUBJECT

Salary Ranges Management Confidential Classifications

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: ~~July 10, 2019~~ March 4, 2020

3	Accounting Manager <u>Capital Projects Services Manager (moved from Level 4)</u> Contracts Manager Database Manager Development Planning Manager Employee Relations Manager Facility Manager Maintenance Manager Safety & Regulatory Compliance Manager Service Planning Manager <u>Transportation Manager (1 re-classed to Deputy Director, Level 2; 1 re-classed to Operations Manager, Level 4)</u> Treasury Manager Rail Compliance Officer	Exempt	Bi-weekly Monthly Annual	\$ 3,228.46	\$ 3,999.69	\$ 4,771.38
				\$ 6,995.00	\$ 8,666.00	\$ 10,338.00
4	Capital Projects Services Manager (moved to Level 3) Customer Service Manager (market adjustment; moved from Level 5) Materials Manager Network Administrator <u>Operations Manager (title change & re-class from Assistant Transportation Manager, Level 5 and Transportation Manager, Level 3)</u> Senior Contract Administrator Special Transportation Services Manager System Coordinator Technical Services Manager	Exempt	Bi-weekly Monthly Annual	\$ 2,968.62	\$ 3,498.46	\$ 4,028.77
				\$ 6,432.00	\$ 7,580.00	\$ 8,729.00
				\$ 77,184.00	\$ 90,960.00	\$ 104,748.00
				\$ 2,983.27	\$ 3,729.09	\$ 4,474.91
				\$ 6,463.76	\$ 8,079.70	\$ 9,695.64
				\$ 77,565.00	\$ 96,956.00	\$ 116,348.00



PERSONNEL POLICY MANUAL

POLICY 402 PAGE 3 OF 3

SUBJECT

Salary Ranges Management Confidential Classifications

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: ~~July 10, 2019~~ March 4, 2020

Job Level	Job Title	FLSA	Salary Breakdown	Pay Range		
				Minimum	Mid-Point	Maximum
5	Application Developer	Exempt	Bi-weekly	\$ 2,575.85	\$ 3,110.77	\$ 3,583.85
	Application Specialist		Monthly	\$ 5,581.00	\$ 6,740.00	\$ 7,765.00
	Assistant Transportation Manager		Annual	\$ 66,972.00	\$ 80,880.00	\$ 93,180.00
	(title change & re-class to Operations Manager, Level 4)			\$2,616.91	\$3,271.13	\$3,925.36
	Business Intelligence Analyst			\$5,669.96	\$7,087.46	\$8,504.95
	Contract Administrator			\$68,040.00	\$85,049.00	\$102,059.00
	Customer Service Manager (market adjustment, moved to Level 4)					
	Dispatch Supervisor					
	Environmental/Occupational Health & Safety Specialist (re-titled to Safety & Regulatory Compliance Specialist)					
	Facility Supervisor					
	Fleet Safety & Training Supervisor					
	Sr. Human Resources Analyst					
	Security & Emergency Preparedness Coordinator Specialist (title change only)					
	Maintenance Supervisor-STC					
	Marketing Manager					
	Network Engineer					
	Programs Administrator-STC					
	Purchased Transportation Administrator					
	Safety & Regulatory Compliance Specialist					
	Senior Accountant (1 of 2 Accountant positions re-classified)					
	Sr. Executive Assistant to the CEO/Clerk of the Board					
	Senior Financial Analyst					
	Shift Supervisor					
	Systems Engineer					
	Systems Specialist					
	Web Designer					
6	Accountant	Exempt	Bi-weekly	\$ 2,268.92	\$ 2,718.46	\$ 3,168.46
	Executive Staff Assistant		Monthly	\$ 4,916.00	\$ 5,890.00	\$ 6,865.00
	Field Supervisor		Annual	\$ 58,992.00	\$ 70,680.00	\$ 82,380.00
	Fleet Safety & Training Instructor			\$2,295.53	\$2,869.42	\$3,443.30
	Human Resources Analyst			\$4,973.65	\$6,217.07	\$7,460.48
	Community Outreach Coordinator (new position; FTE from eliminated Sales Supervisor)			\$59,684.00	\$74,605.00	\$89,526.00
	Scheduling Analyst					
	Sales Supervisor					
	Stops and Stations Supervisor					
	Transit Technical Trainer					



PERSONNEL POLICY MANUAL

POLICY 402 PAGE 4 OF 3

SUBJECT

Salary Ranges Management Confidential Classifications

APPROVED BY OMNITRANS
BOARD OF DIRECTORS

DATE: July 10, 2019 March 4, 2020

7	Dispatcher	Non-Exempt	Hourly	\$ 25.89	\$ 31.03	\$ 36.16
	Department Senior Secretary		Bi-weekly	\$ 2,070.92	\$ 2,482.15	\$ 2,892.92
	Senior Administrative		Monthly	\$ 4,487.00	\$ 5,378.00	\$ 6,268.00
	Assistant (title change only)		Annual	\$ 53,844.00	\$ 64,536.00	\$ 75,216.00
	Contract Review Analyst	Exempt		\$25.17	\$31.46	\$37.76
	Marketing Specialist			\$2,013.62	\$2,517.03	\$3,020.44
	Planner I			\$4,362.85	\$5,453.57	\$6,544.28
	Rail Operations Analyst			\$52,354.00	\$65,443.00	\$78,531.00
	Senior Fleet Analyst					

Job Level	Job Title	FLSA	Salary Breakdown	Pay Range		
				Minimum	Mid-Point	Maximum
8	Administrative Secretary	Non-Exempt	Hourly	\$ 22.58	\$ 26.30	\$ 30.02
	Administrative Assistant (title change only)		Bi-weekly	\$ 1,806.46	\$ 2,104.15	\$ 2,401.85
	Client Relations Coordinator-STS		Monthly	\$ 3,914.00	\$ 4,559.00	\$ 5,204.00
	Fleet Analyst (position re-classed to Sr. Admin. Assistant, Level 7)		Annual	\$ 46,968.00	\$ 54,708.00	\$ 62,448.00
	Human Resources Technician			\$21.33	\$26.66	\$32.00
	Paratransit Eligibility Technician			\$1,706.46	\$2,133.08	\$2,559.69
	Payroll Technician			\$3,697.33	\$4,621.67	\$5,546.00
	Travel Trainer-STS			\$44,368.00	\$55,460.00	\$66,552.00
	Warranty Coordinator					
9	Human Resources Assistant	Non-Exempt	Hourly	\$ 18.60	\$ 21.73	\$ 24.85
	Administrative Assistant-STS		Bi-weekly	\$ 1,488.00	\$ 1,738.62	\$ 1,988.34
	Class B Technician-STS		Monthly	\$ 3,224.00	\$ 3,767.00	\$ 4,308.00
			Annual	\$ 38,688.00	\$ 45,204.00	\$ 51,696.00
				\$18.08	\$22.60	\$27.12
				\$1,446.15	\$1,807.69	\$2,169.23
				\$3,133.33	\$3,916.67	\$4,700.00
				\$37,600.00	\$47,000.00	\$56,400.00

Range changes occur every two years.

Performance merit increases for employees who reach the maximum of their pay range will be treated as follows:

- The employee's base pay will be brought to the maximum of their pay range;
- Any amount in excess pay, over the maximum pay range, will not be included in the employee's base pay;
- The excess amount of the merit award will be paid in a one-time lump sum.

The CEO/GM has the authority for a special merit award up to 3% of an employee's salary for work outside routine responsibilities.



COMPENSATION STUDY

**ADMINISTRATIVE AND FINANCE COMMITTEE
FEBRUARY 13, 2020**



STAFFING RECOMMENDATIONS

1. Elimination of positions
2. Reclassification of positions
3. Update to Policy 402
4. Cap annual merit increase for Management & Confidential employees to 3%
5. Reduce office hours for Customer Service



COMPENSATION STUDY OVERVIEW

Compensation Study conducted for Management & Confidential salary ranges every two years.

- We compare salaries to relevant labor market of organizations from which we draw or lose employees:
 - Third-party surveys
 - Transits and local public employers with similar positions

Goals of the study:

- Meet the market using survey data and peer comparisons
 - Current range spreads and midpoint differentials vary widely
 - Adjust ranges to a constant midpoint differential and consistent range spread of 50%.



Current Challenges:

- 19 employees at top of salary range.
- 22 more will likely reach top at next performance evaluation.
- Steady increase in employees leaving for other organizations. Turnover for MC positions was 19% last year. "Other Job" was the #1 reason.
- Director level is over 9% under market. Level 5 is about 8% under market. All levels average 5.5% under market.
- Difficulty hiring and retaining employees. Lack of applicants.
- Inconsistent range spreads and midpoint differentials cause issues with pay compression (new hires, promotions, subordinate/supervisor).



- Constant midpoint progression
- Consistent range spread of 50%
- Set midpoint at market;
minimum at 80%, maximum at 120%

Proposed Range Adjustments



- Set midpoints to meet the market
- Align market rates, midpoint differentials and range spreads
- Proposed increases are to levels only, not individual employees (unless they fall out of the new range).

Proposed Market Adjustments



- Ranges at Market
- No employees at top of range
- Only 2 employees below minimum; \$1,599 total to bring to new minimum.

Proposed Results





EXAMPLE – LEVELS 4, 5 & 6

Current Level 4

Minimum	Midpoint	Maximum
\$77,184	\$90,960	\$104,748

Market Rate: \$97,671 7.4% Below Market
Range Spread: 36% Midpoint Differential: 12%

Proposed Level 4

Minimum	Midpoint	Maximum
\$77,565	\$96,956	\$116,348

Market Rate: \$97,548 0.6% Below Market
Range Spread: 50% Midpoint Differential: 14%

Current Level 5

Minimum	Midpoint	Maximum
\$66,972	\$80,880	\$93,180

Market Rate: \$87,421 8% Below Market
Range Spread: 39% Midpoint Differential: 14%

Proposed Level 5

Minimum	Midpoint	Maximum
\$68,040	\$85,049	\$102,059

Market Rate: \$85,662 1% Below Market
Range Spread: 50% Midpoint Differential: 14%

Current Level 6

Minimum	Midpoint	Maximum
\$58,992	\$70,680	\$82,380

Market Rate: \$72,807 3% Below Market
Range Spread: 40% Midpoint Differential: 10%

Proposed Level 6

Minimum	Midpoint	Maximum
\$59,684	\$74,605	\$89,526

Market Rate: \$72,807 2% Above Market
Range Spread: 50% Midpoint Differential: 14%



THANK YOU

ITEM # E4

DATE: February 13, 2020

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

THROUGH: Erin Rogers, Interim CEO/General Manager

FROM: Maurice Mansion, Treasury Manager

SUBJECT: FISCAL YEAR 2021 BUDGET DEVELOPMENT UPDATE

FORM MOTION

Recommend the Board of Directors approve the proposed parameters used to develop the Omnitrans Operating and Capital Budgets for Fiscal Year 2021.

This item was reviewed by the Executive Committee at its February 7, 2020 meeting and recommended to the Board of Directors for approval.

BACKGROUND

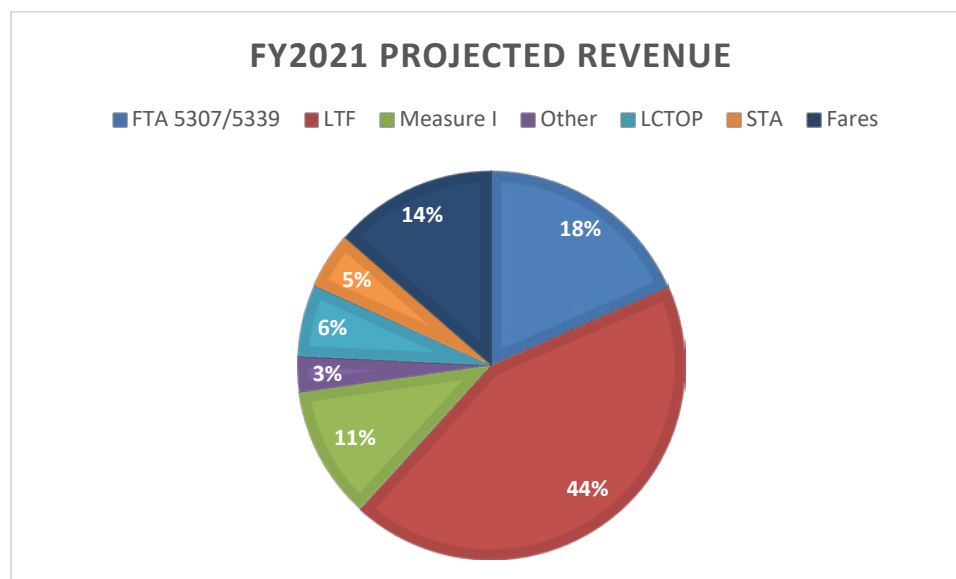
The development of the Fiscal Year 2021 (FY21) budget is underway. The budget for FY 21 will include the Board approved 11 percent service reduction, which will be implemented in September 2020. In addition, the budget proposal will include a corresponding reduction in operating personnel including Coach Operators and Maintenance workers. A comprehensive staffing evaluation has also been conducted and a reduction in administrative personnel is included in the budget development assumptions.

There are two (2) critical components to 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) 2021 projected revenues.

	<u>Source</u>	<u>Amount</u>
1.	Federal Transit Administration (FTA) 5307	\$16,941,200.00
2.	Federal Transit Administration (FTA) 5339	\$ 2,355,819.00
3.	Local Transportation Fund (LTF)	\$45,428,607.00
4.	Measure I - Omnitrans	\$8,726,358.00
5.	Measure I - CTSA	\$2,908,700.00
6.	Low Carbon Transit Operations Program (LCTOP)	\$5,900,000.00
7.	State Transportation Assistance Fund (STA)	\$4,929,027.00
8.	State of Good Repair - SB1	\$214,000.00
9.	Fares	\$14,303,106.00

10.	Low Carbon Fuel Standards Credit (LCFS)	\$1,612,000.00
11.	Other	\$800,000.00
	Total	\$ 104,118,823.00

The total projected revenue for FY2021 is \$104,118,823 compared to \$96,270,643 for FY2020. This is a \$7,848,180 or 8.2% increase compared to the previous fiscal year. The increase in revenue is principally driven by \$5.6 million in LCTOP funds compared to the prior year. The pie chart below shows the various sources of revenues and the percentage of total revenue.



“Other” includes State of Good Repair-Senate Bill 1 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
General Public Fixed Route Service: -11.0%	FY2021
Access Revenue Hours: -1%	FY2021
Service reduction effective September 2020	
Source: Omnitrans Strategic Development Department	
Maintenance and Administrative/Support Unit (Teamsters)	Effective Date
MOU End	June 30, 2021
Wage increase: Based on contract negotiation: 3.00%	
Step progression increase	MOU qualifications
Benefits Package: Medical Benefits:	
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:

Step progression increase

MOU qualifications

Benefits Package: Medical Benefits:

Single: 100%; Plus 1: 85%; Family: 65% of medical premium

Source: MOU effective April 1, 2016 through March 31, 2019 –

Currently Under Negotiations

Management /Confidential	Effective Date
--------------------------	----------------

Pay for Performance: Propose capped at 3%*

FY2021

Benefit Package: In accordance with Personnel Policy Manual

FY2021

Source: Omnitrans Human Resources

*Policy 404 allows up to 5 percent, propose cap at 3 percent

Insurance	Effective Date
-----------	----------------

Workers' Compensation SIR/IBNR – based on actuarial

FY2021

SDI: 1%

FY2021

Medicare 1.45%

FY2021

Source: Omnitrans Finance Department

CalPERS	Effective Date
---------	----------------

10.819% Employer Contribution (2% @55 Plan and 2% @62 Plan) –

FY2021

Miscellaneous Plan

Employee contribution deducted from employee's wages

Unfunded Accrued Liability: \$2,114,295

Source: CalPERS Actuarial Office

Unemployment	Effective Date
--------------	----------------

Unemployment rate:3.5%

December 2019

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
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CNG Fuel: \$.65/therm

FY2021

Source: Finance Department

Unleaded Fuel: \$3.30/gallon

FY2021

Source: Finance Department

Low Carbon Fuel Standard Credits: Remain in effect

FY2021

Source: Finance Department

Consumer Price Index	Effective Date
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Inflation of about 2.9%

November 2019

Source: U.S. Department of Labor

http://www.bls.gov/eag/eag.ca_riverside_msa.htm

CONCLUSION

Recommend the Board of Directors approve the proposed parameters used to develop the Omnitrans Operating and Capital Budgets for Fiscal Year 2021.

ER:DW:MM

ITEM # E5

DATE: February 13, 2020

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

THROUGH: Erin Rogers, Interim CEO/General Manager

FROM: Aaron Moore, Director of Special Transportation Services

SUBJECT: MEASURE I REGIONAL MOBILITY PARTNERSHIP PROGRAM

FORM MOTION

Recommend the Omnitrans Board of Directors:

- 1) Approve the proposed Policy Guidelines for the Measure I Regional Mobility Partnership Program.
- 2) Authorize the Interim CEO/General Manager to discontinue the Special Transportation Services (STS) Department Maintenance Program and terminate the current lease for the maintenance facility located in Ontario.

This item was reviewed by the Executive Committee at its February 7, 2020 meeting and recommended to the Board of Directors for approval.

BACKGROUND

In November of 2015 the San Bernardino County Transportation Authority (SBCTA) designated Omnitrans as the Consolidated Transportation Services Agency (CTSA) for the San Bernardino Valley subregion. Consequently, Omnitrans is now the designated recipient of the Measure I funding which is allocated for the formation and operation of a CTSA within the region. At the same time, the former CTSA, Valley Transportation Services (VTrans) was incorporated into a newly established department of Special Transportation Services (STS) at Omnitrans. This department manages the CTSA and mobility management efforts initiated by the Agency. The STS Department inherited a maintenance program and facility from VTrans, along with several other mobility management programs. These transportation programs operated in partnership with several community nonprofit agencies that receive Measure I funding. A comprehensive review of these programs was conducted and identified that formal, written procedures to inform program administration are needed. The Regional Mobility Planning (RMP) Partnership Program Guidelines have been developed to formalize and continue these efforts and to govern the

budgeting and dissemination of the Senior and Disabled Measure I funds the Agency receives.

RMP Proposed Policy Guidelines

The RMP Policy Guidelines have been developed with four primary purposes in mind:

- To create a strategy for the dissemination of Measure I funds.
- To provide the guidance necessary for budgeting Measure I funding and developing forecasts for future funding allocations and program development.
- To increase transparency to the management of the Measure I funds currently allocated to Omnitrans.
- To provide guidance to the staff of participating agencies or to those eligible agencies which may be interested in participating in the program.

The Measure I Regional Mobility Partnership Program Guidelines (Attachment A) define the program objectives as follows:

- provide funding for local, community-based transportation programs which provide service to seniors and individuals with disabilities throughout the San Bernardino Valley region.
- allow Omnitrans JPA members, human health and service agencies, local private nonprofit and charitable organizations and other eligible agencies to develop and implement transportation programs for seniors and disabled individuals in their community.
- provide transportation options and mobility programs which compliment rather than duplicate, as well as expand the reach of Omnitrans fixed route and Access paratransit service.
- create additional mobility programs which enhance the coordination and efficiencies of transportation services provided throughout the San Bernardino Valley region in accordance with the guidance provided by the Public Transit-Human Services Transportation Coordination Plan for San Bernardino County¹.
- develop and establish innovative and creative transportation models which improve the delivery of mobility services to seniors and individuals with disabilities in the San Bernardino Valley region.

Participation in the Omnitrans RMP is contingent upon maintaining Measure I eligibility. In accordance with the guidelines to maintain Measure I eligibility, the participating transportation programs must:

- serve the demographics identified in the Measure I ordinance
- submit a Service Plan

¹ This plan, which was developed by AMMA Transit Planning for the San Bernardino County Transportation Authority (SBCTA), is a unified comprehensive strategy for public transportation service delivery that identifies the transportation needs of individuals with disabilities, older adults, and individuals with limited incomes, and lays out strategies for meeting these needs and prioritizing services.

- enter into a cooperative funding agreement with Omnitrans that defines the conditions of use of the RMP funds
- adhere strictly to the funding and reporting guidelines as outlined in the applicable cooperative service agreements
- address one or more of the unmet transportation needs identified in the Public Transit-Human Services Transportation Coordination Plan for San Bernardino County.

As is outlined in the RMP, Omnitrans will work with each entity, during annually scheduled site visits, to recertify the Measure I eligibility of the transportation and mobility programs operated by participating agencies.

The RMP Policy Guidelines also establish the Measure I funding allocation process. Under the RMP, funding will be distributed to eligible agencies through an annual, competitive Measure I Call for Projects. The method and criteria for agency and project selection are included in the annual Call for Projects application and instructions package that is made available as part of this process. Further, the proposed Policy Guidelines stipulate that if an annual Call for Projects is undersubscribed, Omnitrans may utilize the remaining funds in the development and support of new and innovative transportation programs that meet the Measure I Guidelines and support the goals of the Coordinated Plan. Other significant provisions of the proposed RMP Policy Guidelines include match requirements, service plan adoption, reporting requirements, auditing and inspection of records.

Maintenance Program and Facility

As part of the comprehensive review of these programs, the performance and productivity of the Maintenance Program was also conducted. The original intent of the maintenance facility has not been realized due to underutilization of the facility. Currently, only two of the fourteen nonprofit partners use this facility to maintain their program vehicles. When leadership from the program participants were surveyed to determine the cause, most indicated that the facility was too far from their operations base and that they had already established a relationship a local maintenance shop.

Omnitrans entered into a five-year lease for this facility. The annual cost of the facility is approximately \$346,500, detailed below.

Lease	\$63,000
Salaries and Benefits	\$190,000
Parts	\$70,000
Custodial	\$2,000
Repairs – Buildings and Equipment	\$7,000
Utilities	\$4,500
Misc. Expenses	\$10,000
Total	\$346,500

With a little less than four years remaining on the lease for the maintenance facility, the total cost of the maintenance program for the remainder of the lease period will be approximately \$1.2 million.

If the Maintenance Program was discontinued, there would be a cost of approximately \$250,000 associated with buying out the remaining portion of the lease. In addition, funds would need to be allocated to the two program participants utilizing the facility to cover the cost of maintenance services using a local shop facility. With this amount added to the total of the lease buy out, the total expense is approximately \$300,000. Based on this information, staff recommends discontinuing the maintenance program and proceeding with the necessary steps to terminate the lease on the facility. This action will result in a net savings of approximately \$900,000 through the term of the facility lease.

CONCLUSION

Recommend the Board of Directors approve the Measure I Regional Mobility Partnership Program Policy Guidelines and authorize the Interim CEO/General Manager to discontinue the associated maintenance program and terminate the lease for the maintenance facility located in Ontario.

ER:AM

Attachments: A. Measure I Regional Mobility Partnership Program - Policy Guidelines
B. PowerPoint Presentation

Omnitrans Measure I Regional Mobility Partnership Program - Policy Guidelines

1.0 Overview and Program Purpose

The Omnitrans Measure I Regional Mobility Partnership Program (RMP) provides funding to support the development and sustainability of programs that provide transportation services to seniors and individuals with disabilities throughout the San Bernardino Valley region. The RMP is an expansion of the effort originally established by V-Trans and then continued by Omnitrans once designated as the Consolidated Transportation Services Agency (CTSA) for the San Bernardino Valley region in 2015. The RMP Program Guidelines have been developed to formalize and continue these efforts utilizing the Measure I¹ funding Omnitrans receives for this purpose.

2.0 Program Objectives

- To provide funding for local, community-based transportation programs which provide service to seniors and individuals with disabilities throughout the San Bernardino Valley region.
- To allow Omnitrans JPA members, human health and service agencies, local private nonprofit and charitable organizations and other eligible agencies to develop and implement transportation programs for seniors and disabled individuals in their community.
- To provide transportation options and mobility programs which compliment rather than duplicate, as well as expand the reach of Omnitrans fixed route and Access paratransit service.
- To create additional mobility programs which enhance the coordination and efficiencies of transportation services provided throughout the San Bernardino Valley region in accordance with the guidance provided by the Public Transit-Human Services Transportation Coordination Plan for San Bernardino County².
- To develop and establish innovative and creative transportation models which improve the delivery of mobility services to seniors and individuals with disabilities in the San Bernardino Valley region.

¹ Measure I is the half-cent sales tax collected throughout San Bernardino County for transportation improvements. In accordance with the terms stipulated in Measure I, 8% of the generated revenue must be designated to support transportation programs and efforts specifically designed to meet the transportation needs of seniors and individuals with disabilities, with at least 2% of the collected revenue directed to the creation and sustainability of a regional Consolidated Transit Service Agency (CTSA).

² This plan, which was developed by AMMA Transit Planning for the San Bernardino County Transportation Authority (SBCTA), is a unified comprehensive strategy for public transportation service delivery that identifies the transportation needs of individuals with disabilities, older adults, and individuals with limited incomes, and lays out strategies for meeting these needs and prioritizing services.

3.0 Program Eligibility Requirements

Participation in the Omnitrans RMP is contingent upon maintaining Measure I eligibility. To maintain Measure I eligibility, the transportation programs operated by participating local governmental authorities, human health and service agencies, local private nonprofit and charitable organizations and other eligible agencies must:

- serve the demographics identified in the Measure I ordinance
- submit a Service Plan as described in Section 7.0
- enter into a cooperative funding agreement with Omnitrans that defines the conditions of use of the RMP funds
- adhere strictly to the funding and reporting guidelines as outlined in the applicable cooperative service agreements
- address one or more of the unmet transportation needs identified in the Public Transit-Human Services Transportation Coordination Plan for San Bernardino County.

Omnitrans will work with each entity, during annually scheduled site visits, to recertify the Measure I eligibility of the transportation and mobility programs operated by participating agencies.

4.0 Funding Allocation Method & Distribution

Funding will be distributed to eligible agencies through an annual, competitive Measure I Call for Projects. The method and criteria for agency and project selection are included in the application and instructions package that is distributed as part of the annual Call for Projects. If an annual Call for Projects is undersubscribed, Omnitrans may utilize remaining funds in the development and support of new and innovative transportation programs that meet the requirements of the Measure I Guidelines and support the goals of the Coordinated Plan.

Maximum program funding allocations are based on the actual Measure I revenues received by Omnitrans to be used in support of the RMP program. Funding will be distributed in accordance with the distribution method outlined in the cooperative funding agreement between Omnitrans and each agency. All RMP funds must be expended within three years of receipt unless otherwise stipulated in the individually executed cooperative funding agreements.

Omnitrans, at its discretion, may grant a two-year extension not to exceed five years from the date of the initial funding allocation. Participating agencies requesting an extension beyond the initial funding must submit a justification letter and updated project/program budget for review and approval by Omnitrans at least 90 days prior to the end of the last fiscal year outlined in the applicable cooperative funding agreement.

5.0 Match Requirements

Participating local government authorities and other eligible agencies must provide a minimum twenty percent (20%) match of the total annual program expenditures. Match funding may be comprised of cash subsidies, fare revenues, donations, agency owned assets or capital, or in-kind contributions such as salaries and benefits for the participating agency employees who perform work on the program. In order to ensure program stability, Omnitrans requires that at least five percent (5%) of the twenty percent (20%) match be comprised of cash subsidies or fare revenue. Participating and eligible agencies are not required to contribute the minimum match requirement on a monthly basis; however, the minimum twenty percent (20%) match requirement must be met by the end of each fiscal year, defined as June 30.

6.0 Service Guidelines

The services provided under the RMP are available to seniors (aged 62+) and individuals with disabilities. The RMP funds are specified for use in developing transportation programs and mobility options which serve the specified demographics in the County of San Bernardino Valley subarea.

Participating agencies have discretion in how the transportation service is operated. Transportation and mobility management programs may be operated using direct employees, contract employees, or volunteers

Participating agencies whose program offers subsidized taxi service, or the transportation services provided by a Transportation Network Company (TNC), for the identified demographics must ensure that any trips provided utilizing Measure I funds are consistent with the trip types as specified in these guidelines.

7.0 Driver Training

Program participants must ensure that its vehicle operators, or its contracted operators, are properly licensed and trained to proficiency to perform essential transportation related duties safely, and in a manner which treats its riders with respect and dignity. Should a participating agency require assistance with driver training, Omnitrans will provide training at no cost. Participating and eligible agencies will need to complete and submit a separate driver training program application in order to be considered for participation in this program.

8.0 Service Plan Adoption

Program participants must submit an RMP Service Plan (see Exhibit A). The Service Plan must be submitted using a template provided by Omnitrans and must be adopted by the participating or eligible agency's governing body and approved by Omnitrans. Any revision to the adopted RMP Service Plan must be submitted to Omnitrans in advance for review and approval. Revisions to the trips listed on the service plan will require an amendment to cooperative funding agreement prior to implementing a change in program services.

9.0 Insurance

Participating agencies shall procure and maintain insurance coverage as specified in the RMP cooperative agreements with Omnitrans.

10.0 Marketing and Outreach

Participating agencies shall participate as appropriate in Omnitrans Marketing and outreach efforts to encourage the use of fixed route transit service by seniors and individuals with disabilities.

11.0 Recognition of Omnitrans Sponsorship

Participating agencies shall note Omnitrans sponsorship and the support of Measure I funding in any promotional material for transportation services funded by Omnitrans and shall display an Omnitrans provided decal on vehicles used in this program, excluding taxis and Transportation Network Company vehicles which may be subsidized by program participants.

12.0 Vehicle Maintenance

Program participants shall perform or ensure that a contracted vendor performs maintenance of all vehicles used in the RMP, including but not limited to:

- Daily pre-trip inspections and completion of checklists identifying each vehicle component and system inspected.
- Scheduled preventative maintenance that meets or exceeds the vehicle manufacturer's standards.
- Maintaining maintenance records for each vehicle funded under the RMP for a minimum of five years.
- If required, cooperation in annual motor coach carrier terminal inspections conducted by the California Highway Patrol.

Adherence to this program requirement will be verified each year during an annual site visit conducted by Omnitrans staff (refer to Section 14.0).

13.0 Eligible Expenses

Program participants shall ensure that Measure I funds, are used for eligible direct program related expenses which may include contract service providers, staff time, vehicle maintenance, fuel, insurance, vehicle acquisition, program supplies and materials, marketing materials, and community outreach. Additional items may be considered and outlined within individual RMP cooperative agreements. All program expenses are subject to audit.

14.0 Program Revenue

Participating agencies must maintain adequate controls for collecting and reporting program revenue, including donations, fees, and cash fares. Program revenue must be used to support the transportation service and may be used as part of the participating agencies' 20 percent local match requirement.

15.0 Reporting

Participating agencies are required to submit reports using templates provided by Omnitrans. The required metrics may vary and be adjusted dependent upon the nature of the transportation program being operated by the participating agency. Required reporting data will include, but not be limited to, the following:

A. Operational Reports

- Number of Trips by Category
- Vehicle Service Hours
- Vehicle Service Miles

Operational reports are due no later than thirty (30) days after the end of the service month.

B. Financial Reports

- Program Cost Detail by Expense Category and Percentage of Total Operating Cost
- Fares, Fees and Other Operating Revenue
- Participating and Eligible Agency Total Contribution Source
- Participating and Eligible Agency Share as Percentage of Total Operating Cost
- Cumulative Participating and Eligible Agency Share to Date
- Omnitrans Contribution (RMP Funding)
- Omnitrans Contribution as Percentage of Total Operating Cost

Financial reports are due on a monthly basis not later than thirty (30) days after the end of the month. Financial Summary reports are due on a quarterly basis not later than sixty (60) days after the end of the quarter. Monthly and Quarterly reports must be certified by the participating and eligible agency's Finance Director or Finance Director's financial designee. Participating agencies shall be required to maintain supporting documentation to substantiate reporting data. Supporting documentation may include, but is not limited to, actual receipts, contractor invoices, trip sheets, payroll, timesheets, fuel logs, and maintenance records/receipts.

C. Annual Self-Certification and Site Visit Documentation

Participating agencies shall certify their compliance with these Guidelines annually by having their Program Manager or Program Manager's designee sign a completed version of the annual self-certification document and site visit packet provided by Omnitrans. Eligible agencies shall also submit all compliance-related documents requested by Omnitrans. Completed self-certification documents and annual site visit packages must be

submitted to Omnitrans within ninety (90) days of the end of the fiscal year.

Failure to meet the established reporting deadlines for any of these reports may result in withholding or loss of future funding.

16.0 Audits and Inspection of Records

Measure I funding is subject to audit. Participating and eligible agencies shall maintain program documentation and records for a period of no less than five years. Program documents and records, including but not limited to payroll, trip sheets, invoices, vehicle maintenance, fuel, and other program-related expenses, shall be available for review by Omnitrans RMP administrators, auditors, and authorized agents upon request. Participating and eligible agencies must follow established accounting requirements and applicable laws regarding the use of public funds. Failure to submit to an audit in a timely manner may result in withholding or loss of future funding. Failure to comply with the approved Service Plan may impact program eligibility and may require remediation including repayment of funds and/or reduction in overall allocation.

Audits shall be conducted by Omnitrans, or other authorized agent, as determined by Omnitrans.



Regional Mobility Program Agency Service Plan

Cities and eligible agencies participating in the Omnitrans Regional Mobility Program (RMP) must complete the following Service Plan in order to receive RMP funding. The Service Plan must be developed in accordance with RMP Guidelines and submitted to Omnitrans for review and approval.

Participant Information:

Agency _____ Date _____

Program Contact _____

Phone _____ Email _____

Service Description:

1. Program goals and objectives:

2. Indicate how RMP service will be operated: *(Please check all that apply)*

☐

Directly-Operated

☐

Subsidized Bus Fare

☐

Contract Service Provider

☐

Other (Please Describe)

☐

Volunteers

3. Please provide a description of the types of trips your agency will provide using the RMP funding.

4. Fare structure:

5. Number of vehicles:

6. Projected annual ridership:

7. Source(s) of 20 percent match funding:

IN WITNESS WHEREOF, (Agency Name) has formally adopted the

Regional Mobility Program Agency Service Plan as written above.

AGENCY REPRESENTATIVE

(Signature)

Name: _____

Title: _____

OMNITRANS REPRESENTATIVE

(Signature)

Name: _____

Title: _____



MEASURE I REGIONAL MOBILITY PARTNERSHIP (RMP) PROGRAM GUIDELINES

**ADMINISTRATIVE & FINANCE COMMITTEE
FEBRUARY 13, 2020**



BACKGROUND

SBCTA designated Omnitrans as the Consolidated Transportation Services Agency (CTSA) for the San Bernardino Valley in November 2015.

- Previous CTSA (VTrans) was consolidated into Omnitrans
- Omnitrans inherited programs established by Vtrans
- Measure I includes funding for CTSA functions

COMPREHENSIVE PROGRAM REVIEW

Key Findings:

- Formal written procedures and guidelines are needed
- Recommendation to discontinue vehicle maintenance program



PROGRAM GUIDELINES - PURPOSE

- To create a strategy for distributing Measure I funds
- To provide guidance to the Measure I budgeting process
- To increase transparency of the management of Measure I funds
- To provide guidance to current and potential partner agency regarding Measure I funded programs

KEY OBJECTIVES

1. To provide funding for local, community-based senior and disabled transportation programs
2. To allow eligible agencies to develop senior and disabled transportation programs
3. To create mobility programs which compliment and enhance Omnitrans' Access service
4. To enhance the coordination and efficacy of transportation in the San Bernardino Valley
5. To create innovative mobility options for seniors and disabled individuals

PROGRAM ELIGIBILITY REQUIREMENTS

- Must serve demographics identified in Measure I
- Development of a formal Service Plan
- A cooperative funding agreement with Omnitrans
- Strict adherence to the funding agreement
- Address unmet needs identified in the Public Transit-Human Service Coordination Plan



**Public Transit – Human Services
Transportation Coordination Plan for
San Bernardino County,
2016 - 2020**

February 2017

FUNDING DISTRIBUTION

- Funding for current projects is allocated in accordance with demonstrated need
- Funding for new projects is awarded through an annual competitive Call for Projects (CFP)
- Participating agencies must provide a 20% match
- Funding match may be comprised of cash subsidies, fare revenues, donations, agency owned assets or capital, or in-kind contributions
- If an annual CFP is undersubscribed, Omnitrans may use remaining funds to develop new, innovative transportation programs that meet the requirements of Measure I and support the objectives of the Coordinated Plan

MAINTENANCE PROGRAM

A program and facility inherited from VTrans

- Determined to be underperforming and unproductive
- The marginal benefits are outweighed by the cost of continued operation

Cost to Continue the Maintenance Program		
Annual Cost	Number of Years	Total
\$ 346,500.00	3.5	\$ 1,212,750.00

MAINTENANCE PROGRAM

The cost to discontinue the program while providing additional maintenance funding to the impacted nonprofits is approximately \$310,000

Cost to Discontinue the Maintenance Program		
Remaining Lease	Agency Maint Allowance	Total
\$ 249,114.60	\$ 60,000.00	\$ 309,114.60

MAINTENANCE PROGRAM

The savings garnered by discontinuing the maintenance program is approximately \$900,000

Savings Garnered from Discontinuance	
Cost to Continue	\$ 1,211,000.00
Cost to Discontinue	\$ 309,114.60
Savings	\$ 901,885.40

Staff recommendation is to discontinue the maintenance program

RECOMMENDATIONS

- Approving the Policy Guidelines allows for consistent implementation and usage of Measure I Funds
- Authorizing the lease termination in order to achieve savings of \$900,000



THANK YOU

ITEM # E6

DATE: February 13, 2020

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

THROUGH: Erin Rogers, Interim CEO/General Manager

FROM: Art Torres, Director of Procurement

**SUBJECT: AUTHORIZE AWARD - CONTRACT STS20-03
PURCHASED TRANSPORTATION SERVICES**

FORM MOTION

Recommend the Board of Directors authorize the CEO/General Manager to award Contract STS20-03 to First Transit, Inc. of Cincinnati, OH, for the provision of Purchased Transportation Services to include a ninety-day transition and three-year service period beginning April 1, 2020 and ending June 30, 2023, and the authority to exercise two (2) two-year options ending no later than June 30, 2027, for an amount of \$110,210,569 plus a five percent contingency of \$5,510,528, for a total not-to-exceed amount of \$115,721,097, if all option years are exercised.

BACKGROUND

OmniTrans utilizes the services of a Contractor to operate Access, OmniTrans' complementary paratransit service as required by the Americans with Disabilities Act (ADA) and Omni Go, a neighborhood circulator service. The current contract for these services expires June 30, 2020.

On September 4, 2019, OmniTrans' Board of Directors approved the release of Request for Proposals RFP-STS20-03. Notices were published in accordance with OmniTrans' policies and posted on OmniTrans' online bidding system.

The RFP included a provision for additional fixed-route services on weekends and an option for Microtransit services, a shared-use, on-demand solution similar to services provided by Transportation Network Companies (TNCs) such as Uber and Lyft. Firms were invited to propose all services, or Access/OmniGo only or Microtransit only.

Six proposals were received by the December 2, 2019 deadline and all were deemed responsive. Five firms submitted proposals for all services and one firm proposed Microtransit services only. The proposals were evaluated in accordance with the selection criteria in the RFP. Three firms for Access/OmniGo and four firms for Microtransit were identified in the competitive range and were

invited to participate in a presentation/interview. A total of 110 points were possible for Access/OmniGo. Ten bonus points were included as the State of California Labor Code 1072, Chapter 4.6 Public Transit Service Contracts states, in part, that an awarding authority soliciting for a service contract shall give a ten percent preference to any proposer who agrees to retain the employees of the prior contractor or subcontractor; pursuant to a proposer declaring it will retain the employees of the prior contractor for a period of not less than ninety days.

The following firms are ranked from highest to lowest score. Access/OmniGo and Microtransit were scored separately:

Access/OmniGo

Criteria:	Possible Points	First Transit, Inc	Transdev Services, Inc.	MV Transportation, Inc.	Keolis Transit America LLC	National Express Transit Corp.
Qualifications and Availability of Proposed Staff	25	22.25	22.00	20.00	19.00	16.50
Quality of Technical Approach	25	22.25	22.25	21.00	19.00	17.50
Experience	20	18.00	18.00	17.20	15.00	13.40
Technical	70	62.50	62.25	58.20	53.00	47.40
Interview and Presentation	15	12.75	13.65	9.90		
Subtotal	85	75.25	75.90	68.10		
Overall Cost	15	15.00	13.17	14.31		
Bonus Points	10	10.00	10.00	10.00		
Total Possible	110	100.25	99.07	92.41		

Microtransit

Criteria:	Possible Points	First Transit, Inc.	Transdev Services, Inc.	Nomad Transit LLC	MV Transportation, Inc.	Keolis Transit America LLC	National Express Transit Corp.
Qualifications and Availability of Proposed Staff	25	22.00	21.75	23.50	20.25	18.75	16.00
Quality of Technical Approach	25	21.25	19.75	18.75	20.25	17.00	15.25
Experience	20	16.40	15.60	17.60	15.60	14.20	12.80
Technical	70	59.65	57.10	59.85	56.10	49.95	44.05
Interview and Presentation	15	12.00	10.65	13.50	10.65		
Subtotal	85	71.65	67.75	73.35	66.75		
Overall Cost	15	11.15	15.00	2.54	5.17		
Total Possible	100	82.80	82.75	75.89	71.92		

Pricing proposed from lowest to highest:

	FIRST TRANSIT	MV TRANSP.	TRANSDEV
ACCESS / OMNIGO			
Total 7 Years	94,475,505.07	103,708,510.86	110,131,956.45
OPTION – OMNIGO			
Total 7 Years	13,024,097.95	13,058,605.68	14,493,040.64
MICROTRANSIT one zone Chino Hills; one vehicle			
Total 7 Years	2,101,638.77	4,529,563.03	1,562,407.63
STARTUP COSTS			
Access / OmniGo	609,327.00	0.00	503,105.00
Microtransit		22,460.00	69,314.00
Total Startup	609,327.00	22,460.00	572,419.00
GRAND TOTAL	110,210,568.79	121,319,139.57	126,759,823.72

In total the score for both Access/OmniGo and Microtransit, First Transit achieved the highest overall score with a 100.25 and 82.80, respectively. Transdev follows with a scores of 99.07 and 82.75, respectively, for Access/OmniGo and Microtransit. First Transit, Inc. offered the lowest price. The pricing proposed by First Transit is significantly less than the other proposers over the 7-year term of the contract.

Omnitrans entered negotiations with First Transit; defining contract terms and conditions and the parameters of the Microtransit program. First Transit was requested to and submitted a Best & Final Offer (BAFO), resulting in no change to the pricing.

First Transit's proposed team is very strong with extensive and diverse experience. First Transit has an impressive central support group to better utilize its resources and provide support to their local management team. Value-added items offered by First Transit include: 1) Geotab ProPlus which supports the real-time tracking of fleet location and condition, monitoring vehicle conditions, and identifying driving habits that need correcting; 2) Info-Reports which provides real time operating statistics for the contractor, client management, and can be utilized by Omnitran to track performance, and identify operational trends; 3) Tablets for maintenance technicians and field supervisors; and 4) First Voice, a proprietary automated call-taking solution with the capacity to handle up to 64 calls at a time, providing passengers with access to their vehicle's time of arrival.

The Microtransit service delivery model requested in the RFP will allow more flexibility and fluidity with respect to the provision of transportation services. Omnitran's Microtransit service is designed to improve the passenger experience by reducing travel time, decreasing walking distance and increasing service frequency. Initial deployment is a two-year pilot program in the Chino Hills area with five single option years. As the Microtransit service becomes more defined and proves successful, a scalable solution is proposed which will allow Omnitran the flexibility to add additional service areas.

First Transit proposed to partner with RI deco for a Microtransit application software to provide on-demand transit similar to TNCs. RI deco has deployed 23 projects in Asia and North America and provides its partners with management reports to track demand and to conduct trend analysis. Their software provides the customers a branded mobile application to:

- Book rides on-demand in real time
- Book prescheduled rides for later that same day, or even for a future date and time in accordance with the parameters established by Omnitrans
- Check the arrival status of their ride
- Cancel rides with the push of a button
- Manage and pay for rides when rides are requested
- Indicate they have a disability that requires specialized vehicle accommodations
- Book trips by calling the First Transit call center in the event they do not have access to a smartphone.

The services will utilize fleet and leased vehicles operated by First Transit drivers.

If the Microtransit program proves successful, staff has already identified additional candidate regions within Omnitrans' service area where similar Microtransit models may be deployed. Staff will provide the Board regular updates regarding the performance of the Chino Hills pilot program.

The Evaluation Committee's recommendation for this item was audited by a designated reviewer.

This procurement meets the requirements of Omnitrans' Procurement Policies and Procedures.

FUNDING SOURCES

The required services will be budgeted in the Special Transportation Services Department's operating budget as follows.

Department Number 2110, 2500, 3000
Expenditure Code 508220

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

Agency Strategic Plan Goal Supported – Strategic Initiative – Improve and expand public transportation service to our customers and community.

CONCLUSION

By proceeding with this award, Omnitrans will continue to provide paratransit service, Omni Go service, and implement an innovative Microtransit pilot program.

ER:AT:CV

ITEM # E7

DATE: February 13, 2020

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

THROUGH: Erin Rogers, Interim CEO/General Manager

FROM: Art Torres, Director of Procurement

**SUBJECT: AUTHORIZE AWARD – CONTRACT FIN20-13
INSURANCE BROKER SERVICES**

FORM MOTION

Recommend the Board of Directors authorize the Interim CEO/General Manager to award Contract FIN20-13 to Alliant Insurance Services, Inc. of Newport Beach, CA for the provision of Insurance Broker Services for a base period beginning April 1, 2020 and ending June 30, 2023, with the authority to exercise two (2) single option years ending no later than June 30, 2025, in the amount estimated at \$3,500,000, plus a ten percent contingency of \$350,000, for a total not-to-exceed amount of \$3,850,000, should all options be exercised.

BACKGROUND

Omnitrans currently uses the services of an independent insurance broker to provide property, crime, pollution, earthquake and flood insurances. The current contract expires June 30, 2020. On October 2, 2019, Omnitrans' Board of Directors authorized the release of Request for Proposals RFP-FIN20-13. Notices were published in two (2) local newspapers of general circulation and posted on Omnitrans' online bidding system.

Three (3) proposals were received by the December 12, 2019 deadline. All were deemed responsive and evaluated in accordance with the selection criteria included in the RFP and were ranked from highest to lowest.

Criteria:	Possible Points	Alliant Insurance Services, Inc.	USI Insurance Services	Marsh USA, Inc.
Qualifications of Firm	35	31.50	29.75	29.17
Quality of Work Plan	25	22.92	20.00	19.58
Experience	20	18.00	16.33	16.67
Cost / Price	20	20.00	20.00	20.00
Total	100	92.42	86.08	85.42

All firms proposed no broker fees and received the full points possible for price. The Insurance brokers are compensated by receiving commissions directly from the insurance carriers. Alliant scored highest technically and meets the RFP requirements. Alliant currently manages the insurance pool for CalTIP (California Transit Insurance Pool) and the Counties Excess Insurance Authority, Joint Powers Authority Excess Workers' Compensation Program (CSAC-EIA), which Omnitrans is a member of both.

The Evaluation Committee's recommendation for this item was audited by a designated reviewer.

This procurement meets the requirements of Omnitrans' Procurement Policies and Procedures.

FUNDING SOURCE

The required services will be budgeted in the Finance and Human Resources Departments' operating budget for Fiscal Years 2021 through 2025.

Department Number Various
Expenditure Code 506110

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

Short Range Transit Plan/Strategic Initiative Supported – N/A

CONCLUSION

By proceeding with this award, Omnitrans will continue to protect its interests and fixed assets at a reasonable cost for the next five years.

ER:AT:CV