



## ADMINISTRATIVE AND FINANCE COMMITTEE

THURSDAY, AUGUST 15, 2019– 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](mailto:BoardSecretary@omnitrans.org).

### A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call

### B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: Thursday, September 12, 2019, 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 – June 13, 2019   | 4  |
| 2. Receive and Forward to the Board of Directors, Management Plan Strategic Initiatives and Key Performance Indicators FY19 Fourth Quarter Reports – <i>P. Scott Graham</i>       | 8  |
| 3. Receive and Forward to the Board of Directors, Fiscal Year End June 30, 2019, Financial Audit Statement on Auditing Standards (SAS) 114 Letter – <i>Donald Walker</i>          | 19 |
| 4. Recommend the Board of Directors Authorize the CEO/General Manager to Award MNT20-07 Hazardous Waste Treatment, Transportation and Disposal Services – <i>Eugenia Pinheiro</i> | 23 |
| 5. Receive and File an Informational Update on the Omnitrans/SBCTA Ad Hoc Committee – <i>P. Scott Graham</i>  | 26 |

### F. ADJOURNMENT

ITEM #           D1          

**DATE:** August 15, 2019

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

**THROUGH:** P. Scott Graham, CEO/General Manager

**FROM:** Eugenia F. Pinheiro, Contracts Manager

**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 and Finance Meeting scheduled August 15, 2019.

Item	Contract	Principals & Agents	Subcontractors
#E4	Authorize Award- MNT20-07 Hazardous Waste Treatment, Transportation, and Disposal	<i>Haz Mat Trans, Inc. San Bernardino, CA Mike Hammer General Manager</i>	<i>K-Vac Environmental Rancho Cucamonga, CA  Desert Environmental Victorville, CA</i>

PSG:EFP

## 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, JUNE 13, 2019**

**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, June 13, 2019.

1. Pledge of Allegiance
2. Roll Call

**Committee Members Present**

Council Member Sam Spagnolo, City of Rancho Cucamonga – Committee Chair  
Mayor Pro Tem David Avila, City of Yucaipa  
Council Member Ron Dailey, City of Loma Linda  
Council Member John Roberts, City of Fontana

**Committee Members Not Present**

Supervisor Curt Hagman, County of San Bernardino  
Council Member Alan Wapner, City of Ontario

**OmniTrans Administrative Staff Present**

P. Scott Graham, CEO/General Manager  
Erin Rogers, Deputy General Manager  
Trischelle Baysden, Director of Rail  
Shawn Brophy, Director of Operations  
Suzanne Pfeiffer, Director of Human Resources  
Jacob Harms, Director of Information Technology  
Connie Raya, Director of Maintenance  
Doug Stanley, Director Special Transportation Services  
Don Walker, Director of Finance  
Wendy Williams, Director of Marketing-Planning  
Melissa Castillo, Customer Service Manager  
Adrienne Fernandez, Executive Staff Assistant  
Marcus Garcia, Programs Administrator  
Anna Jaiswal, Development Planning Manager  
Maurice Mansion, Treasury Manager  
Eugenia Pinheiro, Contracts Manager  
Krystal Turner, Contracts Administrator

**B. ANNOUNCEMENTS/PRESENTATIONS**

The next Committee Meeting is scheduled Thursday, August 15, 2019, 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 & Finance Committee Minutes May 9, 2019

M/S (Roberts/Avila) that approved Administrative & Finance Committee Minutes May 9, 2019. Motion was passed unanimously by Members present.

2. Re-Organization of the Human Resources Department and Re-Classification of the Human Resources Analyst, Update to Policy 402

Director of Human Resources, Suzanne Pfeiffer presented a brief background on this item as detailed in the staff report.

Member Avila asked if this was a new position or a replacement and what the associated costs would be. Ms. Pfeiffer responded that the position was a current position that was reclassified due to additional duties performed. She also provided the cost breakdown.

Member Dailey asked if the Department had the funding to cover the additional costs. Ms. Pfeiffer confirmed that it did. He also had some questions regarding the reclassification process. Mr. Graham explained that a review process is conducted by the Executive Office.

Member Spagnolo mentioned a program at the City of Rancho Cucamonga that focuses on new employees and facilitates the onboarding process. He suggested a similar program for Omnitrans. Ms. Pfeiffer responded that the Agency is working on implementing a similar program.

M/S (Dailey/Roberts) that recommended the Board of Directors approve the re-organization of the Human Resources Department, re-classification of the Human Resources Analyst, and update to Policy 402. Motion was passed unanimously by Members present.

3. Policy 701 Substance Abuse (Alcohol, Drugs and Narcotics) Update

Director of Human Resources, Suzanne Pfeiffer, presented a brief background on this item as detailed in the staff report.

Member Hagman arrived at 8:13 during the discussion on Item E3.

The Committee engaged in a robust discussion regarding the proposed change *to eliminate the Agency requirement to drug test based on estimated accident damages exceeding \$5000.*

Member Hagman asked the about the feasibility of conducting the testing in-house. Ms. Pfeiffer provided some information regarding the Federal Transit Administration (FTA) requirements and noted that onsite testing may be costly and would require special certifications, equipment and possibly additional staff.

The Committee referred to the elimination of the \$5,000 accident level for post-accident testing, and requested that staff report back in 6 months with the data on the number of tests completed before and after the policy change.

M/S (Hagman/Dailey) that recommended the Board of Directors approve Policy 701 Updates. Motion was passed unanimously by Members present.

4. Cooperative Agreement with City of Ontario – Transformative Climate Communities Grant

Development Planning Manager, Anna Jaiswal, presented a brief background on this item as detailed in the staff report.

Member Dailey noted the current efforts to reduce Agency costs and asked what the potential financial impact would be. Ms. Jaiswal explained that the grant provided funding for the related routes and amenities for 3 years and explained that after the 3 years, the Agency has no obligation to continue the services and can assess if funding is available to continue the services.

Member Hagman asked if there was any flexibility on the vehicle types that would be utilized under this program and suggested that staff look into different vehicle type options if possible.

M/S (Hagman/Roberts) that recommended the Board of Directors authorize the CEO/General Manager to enter into a Cooperative Agreement with the City of Ontario, which establishes Omnitrans' roles and responsibilities in the pass-through of \$3,628,523.10 of Transformative Climate Communities (TCC) grant funds from the City to Omnitrans. Motion was passed unanimously by Members present.

5. Authorize Award – MNT19-71, Labor and Parts for Engine and Transmission Replacements

Contracts Manager, Eugenia Pinheiro, presented a brief background on this item as detailed in the staff report.

M/S (Hagman/Avila) that recommended the Board of Directors authorize the CEO/General Manager to award Contract MNT19-71 to Complete Coach Works of Murrieta, CA, for the provision of Labor and Parts for Engine and Transmission Replacements, in the amount of \$2,700,273, plus a five (5) percent contingency of \$135,014, for a total not-to-exceed amount of \$2,835,287. Motion was passed unanimously by Members present.

**F. ADJOURNMENT**

The Administrative and Finance Committee meeting adjourned at 8:42 a.m.

The next Administrative and Finance Committee Meeting is scheduled Thursday, August 15, 2019, at 8:00 a.m., with location posted on the Omnitrans website and at Omnitrans' San Bernardino Metro Facility.

Prepared by:

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

ITEM # E2

**DATE:** August 15, 2019

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

**FROM:** P. Scott Graham, CEO/General Manager

**SUBJECT: MANAGEMENT PLAN STRATEGIC INITIATIVES AND KEY  
PERFORMANCE INDICATORS FISCAL YEAR 2019 FOURTH QUARTER  
REPORTS**

**FORM MOTION**

Receive and forward to the Board of Directors the 2019 Management Plan Strategic Initiatives and Key Performance Indicators, Fourth Quarter and Fiscal Year End Reports.

**BACKGROUND**

In May 2018, the Board of Directors approved five Strategic Initiatives for Fiscal Year 2019. These initiatives were developed through a collaborative process with the Senior Leadership Team and align with the CEO/General Manager's goals, Omnitrans Short Range Transit Plan, as well as San Bernardino County Transportation Authority's (SBCTA) Short Range Transit Plan. Progress made on the Strategic Initiatives has been reported to the Board of Directors quarterly. (Attachment A) Additionally, each quarter Omnitrans staff prepares the Key Performance Indicators(KPI's) report to present to the Board. The attached report is the final 4<sup>th</sup> Quarter Report for Fiscal Year 2019. (Attachment B)

***Note:** Operating Expenses for FY2019 represents expenses as of 06/30/2019. There will be additional expenses for FY2019 as outstanding invoices are received and accrued.*

**CONCLUSION**

Receive and forward to the Board of Directors the 2019 Management Plan Strategic Initiatives and Key Performance Indicators, Fourth Quarter Reports.

PSG:ER

Attachments: A: Strategic Initiatives  
B: KPI's



## FY 19 Management Plan – 4th Quarter Report

### Strategic Initiative 1 - Financial Sustainability & Operational Cost Efficiencies

Strategic Actions FY19	Accountability Measures	Notes
Design and contract the construction of Pipeline Fueling Infrastructure at "I" Street.	100% completion of design and contract award for Pipeline/fueling infrastructure at "I" Street by Q3 (carry over from FY18).	<p>As part of the design process, it was discovered that the distance of the fuel line to the facility is problematic and cost prohibitive. As a result, this project will not go forward at this time.</p> <p>As an alternative, the East Valley Access fleet began fueling a portion of the fleet at the East Valley facility during Q2.</p> <p>On 1/21/19 (Q3) both East Valley and West Valley Access fleets began fueling at the East Valley and West Valley facilities.</p> <p>On January 25, 2019 (Q3) Purchase Order was issued to Creative Bus Sales located in Chino, CA for delivery of eighteen (18) CNG Access vehicles. Five (5) additional CNG Access vehicles scheduled for delivery in Q3 from the State of CA.</p> <p><i>*Fueled 50,233 gallons of CNG from East Valley and West Valley facilities for Access vehicles. This resulted in a cost reduction of \$105,489 and earned \$30,060 in fuel credits. A total cost reduction of \$184,815 and \$52,664 in fuel credits was obtained since the Access fleet began fueling in Jan 2019. On-going, this item will carry over to next fiscal year.</i></p>
2. Develop a strategy and identify partners to begin implementation of solar energy and stored energy solutions.	100% completion of RFI for alternative energy solutions by Q1; evaluate and select solutions by Q2, award contract for selected solutions by Q3.	<p>RFI completed in Q1.</p> <p>Evaluated Alternative Solutions in Q2.</p> <p>Preparing Scope of Work for release in Q3.</p> <p>A meeting was held with Southern California Edison (SCE) on available Incentive Programs. SCE to perform a preliminary site feasibility study for bus electrification in Q3.</p> <p>SBCTA consultant staff will conduct a county-wide zero emission bus study and analysis.</p> <p><i>SBCTA selected WSP to prepare county-wide study. Consultant working with Omnitrans staff, and report will be complete by December 2019.</i></p> <p><i>*On-going, this item will carry over to next fiscal year.</i></p>
3. Complete the grant-funded, near-zero engine repower project (on 63 buses).	Award contract for near-zero engine repower by Q2.	<p>Awarded contract for engines in Q4, FY 2018.</p> <p>Contract awarded for transmissions in Q2.</p> <p>Request for Proposals for installation of engines and transmissions was released at the February 6, 2019 Board of Directors meeting. Award was delayed until September, 2019.</p> <p><i>*Contract for engine Installation scheduled for award at September Board of Directors meeting. Begin re-power project by Q2, FY 2020, and complete by FY 2021.</i></p> <p><i>On-going, this item will carry over to next fiscal year.</i></p>

*\*Italicized sections represent Quarter 4 updates*

## FY 19 Management Plan – 4th Quarter Report

### Strategic Initiative 1 - Financial Sustainability & Operational Cost Efficiencies

<p>4. Advocate for funding to mitigate projected shortfalls in operational funding.</p> <p>A. Partner with SBCTA to develop a consistent outreach plan designed to inform political and private stakeholders about Omnitrans projects and initiatives, as well as legislative and/or administrative challenges.</p>	<p>100% completion Advocacy Outreach Plan intended to mitigate projected funding shortfalls by Q4.</p>	<p>Omnitrans and SBCTA staff developed updated Operating and Capital Cost financial forecasts for the Short-Range Transit Plan (SRTP). The resulting cost and revenue forecasts were on the February Executive Committee and Board of Directors meeting agendas. A Board of Directors Workshop was held on March 14, 2019.</p> <p>Draft legislation to change Omnitrans from a JPA to a statutorily created transit district has been approved by both the Omnitrans and SBCTA Boards. Along with approval of this draft legislation is a MOU which ensures SBCTA engages Omnitrans in discussions of the inclusion of dedicated transit funding in a concurrent or future tax measure.</p> <p>Assembly member Gomez Reyes has agreed to author the bill. The bill is moving through the committees. Changes to the original version were required to obtain support. This includes adding a Board compensation limit of \$125 per meeting, \$500 per month; and including a public works construction bidding threshold of \$10,000, similar to other Transit District legislation. Discussion of additional changes requested by CALAFCO are pending.</p> <p>The joint Omnitrans-SBCTA Board of Directors Ad Hoc Committee was formed. The committee gave both agencies direction to develop solution to resolve forecasted budget deficits. <i>Recommendations have been developed and will be shared with the Ad Hoc committee on August 26, 2019. The joint recommendation from SBCTA and Omnitrans will include increased revenue and service reductions.</i></p> <p><i>*The Omnitrans Transit District legislation (AB1457) successfully moved through all committees and all requested amendments were addressed. Assemblymember Gomez Reyes made the decision to park the bill in policy committee after individual Board members expressed concerns. Assemblymember Gomez Reyes requested Omnitrans staff report back to her regarding the progress and outcome of the Ad Hoc Committee by October 2019.</i></p> <p><i>*On-going, this item will carry over to next fiscal year.</i></p>
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## FY 19 Management Plan – 4th Quarter Report

### Strategic Initiative 2 – Service Expansion Funding Growth

Strategic Actions FY19	Accountability Measures	Notes
<p>1. Establish partnerships and agreements to support Arrow Rail service.</p> <p>A. Execute Three Party Agreement with SBCTA and Metrolink.</p> <p>B. Release Request for Proposals (RFP) and award contract for Operations and Maintenance of Equipment.</p>	<p>100% completion of RFP for Operations and Maintenance contractor by Q2 FY 20.</p>	<p>The three-party agreement was finalized and executed in May Q4 FY 19</p> <p>The RFP for Operations and Maintenance of Equipment is scheduled for release in Q3 FY20.</p> <p>A rail feeder service plan has not been developed at this time.</p> <p><i>*On-going, this item will carry over to next fiscal year.</i></p>
<p>2. Partner with SBCTA staff to advance the West Valley Connector (WVC) Project, including Small Starts grant application.</p>		<p>Omnitrans staff worked in collaboration with SBCTA staff to develop draft Small Starts application and environmental document in Q1.</p> <p>SBCTA deferred Small Starts application until the funding plan for the project is further developed. SBCTA is preparing for public circulation of the draft environmental document for the project under CEQA and NEPA, with public hearings tentatively scheduled for June – July 2019.</p> <p>SBCTA and Omnitrans are discussing a shared bidirectional bus lane option with the City of Ontario, which could save cost on the project for right-of-way acquisition and construction of the dedicated bus lane on Holt Boulevard in Ontario.</p> <p>The updated Financial Forecast that went to the February Executive Committee and Board of Directors meeting addresses the long-term funding uncertainty which may impact the WVC.</p> <p><i>*Partnering with SBCTA, the draft environmental document was released for public comment. Public meetings to gather feedback were held during July 2019.</i></p> <p><i>*On-going, this activity will carry over to next fiscal year.</i></p>
<p>3. Complete 2019-2025 Short Range Transit Plan (SRTP) which identifies both financially constrained and unconstrained service implementation plans.</p>	<p>100% completion SRTP and Board approval by Q3.</p>	<p>At the January Plans and Programs Committee and the February Board of Directors Meeting, staff recommended delaying the completion of the SRTP until other guiding documents were completed (Bus Electrification Study and LRTP both by SBCTA) and until there is further information and direction regarding project timing and funding for the WVC.</p> <p><i>*The financial analysis and recommendations being developed for the Ad Hoc Committee will ultimately lead to the financial forecasts necessary to complete the SRTP, now scheduled within the FY2020 management plan.</i></p>
<p>4. Partner with city, county, and other stakeholders on opportunities to implement transit-oriented development (TOD).</p>	<p>Number and value of grant opportunities collaborated on for TOD funding.</p>	<p>Staff have provided input on several member cities' active transportation plans and the City of Redlands Transit Village Specific Plan.</p>

## FY 19 Management Plan – 4th Quarter Report

### Strategic Initiative 2 – Service Expansion Funding Growth

		<p>Several cities have worked with Omnitrans to incorporate bus stops and amenities into development plans or other city projects.</p> <p>Omnitrans continues to participate in steering committee meetings for AQMD potential funding opportunity.</p> <p>Staff continues to work with the cities of San Bernardino and Ontario on implementation of recent grants they have received which include funding for purchase of bus shelters, transit passes, real time signage and service frequency improvements.</p> <p><i>*During Q4, Omnitrans executed the final agreement with the City of Ontario to begin to implement the programs initiated through Ontario's TCC grant.</i></p>
5. Invest in premium shelters to enhance customer amenities and safety.	Deploy premium shelters once design elements are finalized.	<p>The Board approved a plan and strategy in Q2 to move forward with two premium shelters per year.</p> <p><i>*During Q4, premium shelters were installed at Crafton Hills College and on Foothill Boulevard at Riverside Avenue.</i></p>

## FY 19 Management Plan – 4th Quarter Report

### Strategic Initiative 3 – Technology

Strategic Actions FY19	Accountability Measures	Notes
1. Design Transit Asset Management System (TAM) to comply with Federal Transit Administration (FTA) regulation	100 % completion of TAM Plan SOW by Q1.	<p>TAM Plan completed in October.</p> <p>TAM reporting information compiled and submitted to the FTA in October.</p> <p><i>*Follow up action of implementing TAM software solution is out for solicitation and on schedule for completion by end of Q4 FY20.</i></p>
2. Develop strategy for meeting California Air Resource Board (CARB) requirement for Zero Emission Bus technology.	100 % completion of Electrification Study complete for Zero Emission Bus technology including support infrastructure and impact to agency by Q4.	<p>Electrification study RFP has been awarded by SBTCA for all of San Bernardino County; consultant currently working with SBTCA staff to complete the study.</p> <p>An update was provided to the Operations and Safety Committee in February regarding CARB's Innovative Clean Transit Regulation, the fleet plan, and the challenges associated with transitioning the fleet and facilities to comply with the regulation.</p> <p>Submitted FTA Low-No Grant application to partner with a vendor for four electric buses and charging infrastructure.</p> <p><i>*In July, Omnitrans was notified that we were not successful in the FTA Low-No Grant. The FTA awarded one grant award per state. Omnitrans had \$2.5 million in designated local funding associated with this grant that will be moved to other electric bus initiatives.</i></p>
3. Optimize SAP functionality and utilization for procure-to-pay, recruitment, and electronic timekeeping	<p>1. 3rd Party recruitment system implemented by Q2;</p> <p>2. Complete paperless invoicing process and procurement process review by Q3;</p> <p>3. 100 % completion of Management Confidential Employee Timekeeping by Q3.</p>	<p>3rd Party recruiting implementation completed Q2.</p> <p>SAP Ariba (procurement module) / OpenText (document storage) business case under development. Cost may be prohibitive; exploring other potential options.</p> <p><i>*Trapeze Timekeeping, FMLA, and leave request awarded in March. On track to be completed by end of Q3 FY20.</i></p>
4. Implement paratransit online booking software to improve efficiency and customer experience.	Paratransit online booking software implemented by Q3	<p><i>*Trapeze WEB procurement approved at November 2018 Board of Directors meeting. Weekly implementation meetings with 1<sup>st</sup> round of testing completed June 2019, with final testing starting August 2019. Go Live, soft-release, date set for Q2 FY20.</i></p> <p><i>*Software will allow clients with mobile or desktop device to schedule trips, cancel trips, view scheduled trips and check on status of scheduled trips.</i></p>
5. Finalize technology requirements for Arrow Rail service	Develop procurement plan for required systems and equipment for Arrow Rail Q1.	Awaiting list / description of systems from SBTCA.

## FY 19 Management Plan – 4th Quarter Report

### Strategic Initiative 4 - Safety and Security

Strategic Actions FY19	Accountability Measures	Notes
1. Implement monthly safety campaigns to enhance the safety culture of the Agency.	100% completion of safety & security campaign topics for FY19 by Q1.	<p>Completed three Safety and Security Newsletter campaigns with the following safety topics (Heat Illness/Hide, Lock, Take/ Not on My Shift/ and Stop the Bleed/ Active Shooter.</p> <p>Completed 559 Environmental Health and Safety training computer-aided courses in Q1.</p> <p>Safety and Security continue to produce and distribute monthly Safety Newsletters. Additionally, Operations conducts monthly safety campaigns on topical issues based on trend analysis.</p>
2. Develop the training model to complete the Baseline Assessment for Security Enhancement of the TSA Gold Standard.	100% completion of training model by Q3.	<p>Developed presentation on TSA to be delivered to Senior Leadership Team.</p> <p>Performed Gap Analysis on TSA requirements to determine items to be delivered.</p> <p>Developed presentation of Security Training modules to be delivered in Q3.</p> <p>Q3 Staff redirected resources from this item to focus on the Public Transportation Agency Safety Plan (PTASP) which is a federally mandated program. We will meet many of the TSA Gold Standard elements through the creation and implementation of this plan.</p>
3. Conduct exercises/drills on the System Security Emergency Response Preparedness Plan to ensure readiness.	30% improvement in agency readiness via the After-Action Reports.	<p>Designed two Field Exercise themes: 1. Release of toxin or bacteria upon coach in route. 2. Major hazardous chemical spill within EV bus yard.</p> <p>To be developed further in Q4 in collaboration with impacted departments and Executive Office.</p> <p>Q3 Staff has implemented a Safety and Security Outreach Campaign and has met with several agencies to collaborate on safety and security. In addition, Community Response Team meetings are being held which involve various agencies within the community. Presentation to the Ops and Safety Committee on this topic will be delivered at the August 28, 2019 meeting.</p>
4. Create a detailed plan for failover/recovery and operation during an incident involving loss of data/critical infrastructure; and ensure readiness.	100% completion of Failover/Recovery Plan in coordination with IT Department by Q4.	<i>*Datacenter equipment repurposed and installed in WV; duplicate server and databased replication complete; detailed IT failover plan will be completed by Q4 FY20.</i>
5. Enhance current paratransit mobility securement devices for customer safety with new and improved mobility securement devices.	Install Q-Straint CUBE securement systems by Q4 and 25% reduction in number of paratransit incidents related to mobility device securements by Q4.	<p>Q4 FY17, added CUBE securement systems to 2 paratransit vehicles for testing - no incidents related to mobility devices reported.</p> <p><i>*Q1 FY19 added CUBE securement systems to 28 paratransit vehicles due Q2 FY20 and FY20. Future purchases will include CUBE system.</i></p>

## FY 19 Management Plan – 4th Quarter Report

### Strategic Initiative 4 - Safety and Security

6. Submit entry for APTA Bus Safety and Security Excellence Award.	On time submission for APTA Bus Safety and Security Excellence Award.	<p>Meeting scheduled with Operations for late Q2 to review APTA's Criteria for Bus Security and Safety Award and develop first draft approval to Executive Office by Q3.</p> <p>Q3 Submitted and won APTA Gold Award for Safety and Security.</p>
7. Enhance security posture by implementing new programs and initiatives to support customer safety and security on-board our vehicles and at our facilities.	<p>Evaluate fare enforcement alternatives for bus and rail system and implement on-board fare enforcement by Q2.</p> <p>Evaluate and implement paid parking to offset additional security requirements.</p>	<p>A draft of a - "<u>Passenger Code of Conduct: Transit Suspension Procedure Policy</u>" was written and is in committee review. These policies and procedures govern passenger conduct on Agency property and associated limitations on access to Agency property as a result of infractions of acceptable conduct as described therein.</p> <p><u>LED Exterior Security Lighting</u> – this item was approved by the Board of Directors at the February 6, 2019 meeting. All of the exterior lighting at the East Valley facility with energy efficient LED lights.</p> <p><u>Stop the Bleed &amp; Active Shooter Training</u> –Loma Linda Health trained 103 Omnitrans employees in how to "Stop the Bleed". The group of trainees consisted of Directors, Managers, Supervisors and Staff.</p> <p><u>Stop the Bleed Kits</u> –Stop the Bleed kits were installed at SBTC, EV, and WV locations, a total of 11 kits were installed.</p> <p><u>Emergency Communications Radio Project</u> – The San Bernardino County Office of Emergency Services (OES) and security met with Facilities regarding running the ham radio repeater cable and antenna on the Agency's tower. All other equipment is being programmed by OES.</p> <p><i>*Approval of SB-1 grant funding to be utilized for installing lighting at bus stop locations for increased security and safety.</i></p> <p><i>*Operation supervisors have been conducting fare check enforcement onboard sbX buses to reduce fare evasion.</i></p>

## FY 19 Management Plan – 4<sup>th</sup> Quarter Report

### Strategic Initiative 5 - Workforce Stability

Strategic Actions FY19	Accountability Measures	Notes
1. Expand Leadership Development Academy (LDA) to include Manager and Supervisor tracks.	<p>30% of LDA "graduates" eligible to compete for Manager/Supervisor vacancies.</p> <p>50% of class enrollment in Supervisor LDA Track to target enrollment.</p>	<p>Leadership Development Academy expanded to include Manager Track, with 12 participants. Plans to implement Supervisor track will be developed in Q3-Q4.</p> <p>Q3 Director Track participants graduated 1/24/19; Manager Track participants graduated 4/22/19.</p> <p><i>*Developing supervisor training in collaboration with Insight Strategies. Continue in FY20.</i></p>
2. Provide opportunities for Interns for expanded workplace experiences to enhance their exposure to the transit industry.	Number of interns placed in service.	<p>There are currently 12 interns working at Omnitrans.</p> <p>The interns attended the Leonard Transportation Center Dialogue Series on Transportation Funding in Q2.</p> <p><i>*Seven interns are currently working in various departments. Continue in FY20</i></p>
3. Evaluate operational processes that impact Coach Operator overtime and improve personnel utilization.	Reduce operator overtime by 10%.	<p>Process evaluation complete.</p> <p>A number of adjustments have been made to the Coach Operator hiring process and utilization of personnel.</p> <p>Coach Operator overtime has been reduced by over 50 percent since the beginning of the fiscal year.</p> <p><i>*Overtime continued to trend with reductions of greater than 50%.</i></p>
4. Prepare for and conduct labor negotiations. Identify provisions in Coach Operator Collective Bargaining Agreement to improve cost efficiencies Coach Operator work environment.	Complete labor negotiations by Q3.	<p>Negotiating team provided a briefing to the Board of Directors in closed session at the December meeting.</p> <p>Negotiations began January 14, 2019.</p> <p>Q3 Negotiations continue. Fourteen meeting held. Tentative Agreements on 46 out of 63 articles.</p> <p><i>*Negotiations continue. Board was updated in closed session on July 10.</i></p>



Key Performance Indicators & Level/Level Item	Annual Performance Target	YTD	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<b>1. Cost Effectiveness</b>						
Cost Per Hour - Fixed Route (non-sbX)	< \$104.00	\$104.52	\$101.28	\$105.58	\$107.35	\$103.89
Cost Per Hour - Access	< \$94.00	\$101.06	\$90.37	\$103.19	\$99.52	\$93.50
Cost Per Hour - sbX	< \$136.00	\$134.33	\$132.07	\$134.89	\$137.71	\$132.54
Fare Recovery Ratio - Fixed Route (non-sbX)	> 20.00%	26.77%	27.87%	26.86%	26.47%	25.94%
Fare Recovery Ratio - sbx	> 20.00%	17.91%	17.50%	17.61%	18.75%	17.70%
Fare Recovery Ratio - Access	> 10.00%	14.72%	30.48%	28.03%	(12.53%)	13.15%
<b>2. Service Performance</b>						
Ridership Growth - Systemwide	>= 1.10%	(2.97%)	(5.34%)	(2.42%)	(5.60%)	1.58%
Productivity - Passengers Per Hour - Fixed Route	>= 16.5	15.40	15.50	16.00	14.90	15.10
Productivity - Passengers Per Hour - Access	>= 2.4	2.30	2.30	2.20	2.30	2.30
Complaints Per 100,000 Boardings - Systemwide	<= 13.00	14.21	13.91	13.81	16.88	15.52
Complaints Per 100,000 Boardings - Fixed Route	<= 13.00	13.73	13.87	13.65	16.12	14.66
Complaints Per 100,000 Boardings - Access	<= 19.00	28.32	15.20	18.87	38.72	41.06
Compliments Per 100,000 Boardings - Systemwide	>= 1.00	1.02	0.93	1.07	1.12	1.12
Compliments Per 100,000 Boardings - Fixed Route	>= 1.00	1.05	0.96	1.10	1.15	1.12
Compliments Per 100,000 Boardings - Access	>= 0.50	0.28	0.00	0.00	0.00	1.11
<b>3. Reliability</b>						
Mechanical - Miles Between Failures - DO Fixed Route	> 8,000.00	6,737	8,560	5,803	5,439	7,143
Loss of Service Hours Per Qtr - Operations - DO Fixed Route	< 3,600	2,026	1,458	466	43	22
Loss of Service Hours Per Qtr - Maintenance - DO Fixed Route	< 840	516	256	160	64	36
Equipment Availability - DO Fixed Route	>= 100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
On-time Performance - Fixed Route	> 85.00%	86.02%	86.13%	83.56%	87.63%	85.42%
On-time Performance - Access	> 88.00%	88.60%	89.21%	90.72%	86.53%	87.14%
<b>4. Budget</b>						
Operating Revenue - Actuals to Budget - Systemwide	> 95.0%	97.29%	93.24%	100.74%	96.59%	98.60%
2019 - Operating Revenue		\$86,950,000	\$20,832,283	\$22,509,454	\$21,579,593	\$22,028,670
2018 - Operating Revenue		\$82,977,800	\$20,103,551	\$20,738,956	\$21,476,897	\$20,658,396
2017 - Operating Revenue		\$75,877,502	\$19,029,528	\$19,377,342	\$18,765,336	\$18,705,296
2016 - Operating Revenue		\$76,623,814	\$18,361,287	\$20,430,370	\$16,820,309	\$21,011,848

Key Performance Indicators & Level/Level Item	Annual Performance Target	YTD	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Operating Expense - Actuals to Budget - Systemwide	<= 100.0%	98.36%	93.35%	100.37%	99.45%	100.31%
2019 - Operating Expense		\$87,903,998	\$20,847,021	\$22,425,017	\$22,220,594	\$22,411,366
2018 - Operating Expense		\$83,331,930	\$19,302,768	\$19,929,874	\$19,621,433	\$24,477,855
2017 - Operating Expense		\$77,149,225	\$18,137,736	\$19,142,742	\$19,123,346	\$20,745,401
2016 - Operating Expense		\$72,807,625	\$17,661,650	\$19,348,974	\$16,647,818	\$19,149,183
<b>5. Safety &amp; Security</b>						
Employee Injuries (FY 2019)	< 86	90	25	23	21	21
Losses & Claims (FY 2019)	< 80	63	17	15	15	16
Preventable Safety Events Per 100,000 Miles - DO Fixed Route	< 1.0	1.10	0.80	0.90	1.50	1.10
Non-Preventable Safety Events Per 100,000 Miles - DO Fixed Route		4.53	3.75	4.78	5.17	4.42
Uncategorized Accidents Per 100,000 Miles - DO Fixed Route		0.00	0.00	0.00	0.00	0.00
<b>6. Labor</b>						
Turnover	< 10.00%	20.19%	6.00%	4.73%	4.64%	4.82%
Absenteeism Operators	< 185,000	148,270	50,647	33,303	34,733	29,587
Training (FY 2019)	>= 5,000	3,648	1,093	1,089	1,025	441
Training - ATU Represented (FY 2019)	>= 10,500	31,692	1,644	16,114	6,398	7,536
Training - Teamsters Represented (FY 2019)	>= 696	1,841	227	751	411	452

ITEM #           E3          

**DATE:** August 15, 2019

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

**THROUGH:** P. Scott Graham, CEO/General Manager

**FROM:** Donald Walker, Director of Finance

**SUBJECT: OMNITRANS' FISCAL YEAR ENDED JUNE 30, 2019 FINANCIAL  
AUDIT STATEMENT ON AUDITING STANDARDS (SAS) 114 LETTER**

**FORM MOTION**

Receive and forward to the Board of Directors Vavrinek, Trine, Day & Co., LLP (VTD) SAS 114 letter for fiscal year ended June 30, 2019.

**SUMMARY AND 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 and the standards applicable to financial audits contained in Government Auditing Standards. The audit also included (15) fifteen tasks contained in San Bernardino County Transportation Authority (SBCTA) Transportation Development Act 2005 Compliance Guide.

The SAS 114 letter is an American Institute of Certified Public Accountants (AICPA) required communication letter for all financial statement audits. The purpose of the letter is to communicate to those charged with governance, such as the Board of Directors, Audit Committee, President, or Management, the scope of audit procedures performed, significant findings, and other information, such as disagreements with management, audit adjustments and significant estimates, that aren't communicated in the audited financial statements.

In short, the responsibility of VTD is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and are in conformity with Generally Accepted Accounting Standards.

The audit includes obtaining an understanding of Omnitrans and its environment, including internal control, and risk of material misstatements. Material misstatements may result from:

1. Errors
2. Fraudulent financial reporting
3. Misappropriation of assets
4. Violation of laws or governmental regulations

If any member of the Administrative and Finance Committee or the Board of Directors is aware of matters that have a material bearing on the financial statements taken as a whole (such as those listed above in items 1 – 4), please contact Roger Alfaro at (909) 466-4410 or email at [ralfaro@vtcdcpa.com](mailto:ralfaro@vtcdcpa.com).

### **CONCLUSION**

Omnitrans is in receipt of the Statement Auditing Standards Letter for fiscal year ended June 30, 2019.

PSG: DW

Attachments: VTD's SAS 114 Letter



**VAVRINEK, TRINE, DAY & CO., LLP**  
 Certified Public Accountants

VALUE THE *difference*

May 28, 2019

To the Board of Directors  
 Omnitrans  
 San Bernardino, California

We are engaged to audit the financial statements of Omnitrans for the year ended June 30, 2019. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards* and the Uniform Guidance

As stated in our engagement letter dated May 20, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider Omnitrans' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether Omnitrans' financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about Omnitrans' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on Omnitrans' compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on Omnitrans' compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to 1) Management's Discussion and Analysis, 2) Schedule of Changes in the Net Pension Liability and Related Ratios, and 3) Schedule of Contributions, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the Schedule of Expenditures of Federal Awards and Schedule of Proposition 1B Unspent Funds and Cash Disbursements, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory section or the statistical section, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

If any member of the Board is aware of matters that have a material bearing on the financial statements taken as whole (such as those described in items 1-4), please contact me at (909) 466-4410 or by email at [ralfaro@vtdcpa.com](mailto:ralfaro@vtdcpa.com) by September 1, 2019.

We expect to begin our audit in May 2019 and issue our report in December 2019. Roger Alfaro is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the 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.

Very truly yours,



Roger E. Alfaro, Partner  
Of Vavrinek, Trine, Day & Co., LLP

RA:gbl



ITEM # E4

**DATE:** August 15, 2019

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

**THROUGH:** P. Scott Graham, CEO/General Manager

**FROM:** Eugenia F. Pinheiro, Contracts Manager

**SUBJECT: AUTHORIZE AWARD – MNT20-07  
HAZARDOUS WASTE TREATMENT, TRANSPORTATION,  
AND DISPOSAL**

### **FORM MOTION**

Recommend the Board of Directors authorize the CEO/General Manager to award Contract MNT20-07 to Haz Mat Trans, Inc., of San Bernardino, CA, for the provision of Hazardous Waste Treatment, Transportation, and Disposal Services for a three (3) year base period beginning October 1, 2019 and ending September 30, 2022 with the authority to exercise two (2) single option years ending no later than September 30, 2024 in the amount of \$235,000, plus a ten percent contingency of \$23,500, for a total not-to-exceed amount of \$258,500, if all options are exercised.

### **BACKGROUND**

Omnitrans requires a contractor to provide hazardous waste services on an as-needed basis for the East Valley and West Valley locations. Services include the hauling and disposal of motor oil, waste coolant, paint booth filters, oily rags, aerosol cans and other hazardous materials. In addition, the contractor shall provide 24-hour emergency response service in the event of a hazardous material spill within Omnitrans' service area including motor vehicle related traffic accidents.

On May 1, 2019, Omnitrans' Board of Directors authorized the release of Request for Proposals RFP-MNT20-07. Notices were published in two (2) newspapers of general circulation, two (2) minority newspaper publications, and posted on Omnitrans' online bidding system.

Four (4) proposals were received by the June 13, 2019 deadline and all were deemed responsive and evaluated in accordance with the selection criteria included in the Request for Proposals (RFP) and were ranked from highest to lowest final score:

<b>Criteria</b>	<b>Possible Points</b>	<b>Haz Mat Trans, Inc. of San Bernardino, CA</b>	<b>Patriot Environmental Services, Inc. of Wilmington, CA</b>	<b>NRC Environmental Services, Inc. of Houston, TX</b>	<b>North State Environmental of South San Francisco, CA</b>
Qualifications of Firm	40	31.33	32.27	29.60	30.40
Quality of Work	25	19.75	18.92	18.25	18.17
Experience	20	15.33	15.40	15.87	15.67
<b>Technical Total</b>	<b>85</b>	<b>66.41</b>	<b>66.59</b>	<b>63.72</b>	<b>64.24</b>
<b>BAFO Pricing Score</b>	15	15.00	10.30	8.65	5.00
<b>Final Score</b>	<b>100</b>	<b>81.41</b>	<b>76.89</b>	<b>72.37</b>	<b>69.24</b>
<b>* Final BAFO Pricing</b>		<b>\$155,597</b>	<b>\$226,661</b>	<b>\$269,885</b>	<b>\$467,168</b>

\*Pricing is for evaluation purposes only and is based on estimated usage.

In accordance with the solicitation, staff conducted competitive negotiations with all firms before inviting best and final offers (BAFOs). All firms held their original pricing.

Haz Mat Trans, Inc. (Haz Mat) received the second highest technical score and proposed the overall lowest pricing. The firm's workplan demonstrates a thorough understanding of Omnitrans' requirements as identified in the RFP. Haz Mat, the incumbent contractor, has over 30 years of experience providing hazardous waste services, and provides extensive training to their employees.

Award is recommended to Haz Mat based on the evaluation of the written proposals, and the firm's qualifications and experience. Price is deemed fair and reasonable based on competition.

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 cost associated with this procurement is budgeted in the Maintenance Department's Operating budget as follows:

Department Number           1200  
Expenditure Code           505060

\_\_\_\_\_ Verification of Funding Sources and Availability of Funds.  
(Verified and initialed by Finance)

Short Range Transit Plan/Strategic Initiative Supported – This procurement supports Omnitrans' Short Range Transit Plan goal to support initiatives that are financially and environmentally sustainable in the short and long term.



## **CONCLUSION**

By proceeding with this award, Omnitrans will remain compliant regarding hazardous waste disposal and services.

PSG:EFP:KNT

ITEM # E5

**DATE:** August 15, 2019

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

**FROM:** P. Scott Graham, CEO/General Manager

**SUBJECT: UPDATE ON OMNITRANS/SBCTA AD HOC COMMITTEE**

**FORM MOTION**

Receive and file an informational update on the Omnitrans/SBCTA Ad Hoc Committee.

*This item was reviewed by the Executive Committee at its August 2, 2019 meeting.*

**BACKGROUND**

In May 2018, Omnitrans staff alerted the Board of Directors of the potential for a long-term operating deficit in a Financial White Paper. The White Paper was developed after receipt of the Fiscal Year (FY) 2018-2027 revenue forecast from SBCTA. The level of Omnitrans Local Transportation Fund allocation from SBCTA was capped at a 3 percent growth rate between 2014 and 2020. The updated revenue forecast continued the 3 percent growth rate through FY 2027.

The purpose of the White Paper was to inform the Board that based on this forecast, Omnitrans' budget would be balanced for FY 2018-2019 however, beginning in FY 2021 there would be an operating deficit as estimated cost growth would exceed projected revenue growth. In addition, the operating deficit would be further compounded by a capital deficit due to the newly enacted electric bus regulations.

In February 2019, the Board of Directors was presented an Updated Financial Forecast which provided the Board with additional information, a high level overview of key issues, and recommended the formation of a joint Omnitrans and SBCTA Ad Hoc Committee to discuss funding alternatives. The Board approved this recommendation and the Ad Hoc Committee was formed. The Ad Hoc Committee is comprised of the Omnitrans Board Chairman, the SBCTA Board President, and two Board Members from each agency.

Two meetings of the Ad Hoc Committee have been held. The last meeting was held on May 30, 2019; Executive staff from both Omnitrans and SBCTA were in attendance. The Ad Hoc Committee gave direction to Omnitrans staff to develop a strategy to align service levels with forecasted revenues and meet with SBCTA staff to discuss and review prior to the next scheduled

meeting of the Ad Hoc Committee.

On July 8, 2019 Omnitrans and SBCTA staff met and discussed the long term operating and capital budget forecasts. The meeting was very productive. Omnitrans provided service level scenarios to address projected operating deficits. Capital costs were modified to support the proposed service levels and to focus on mandates, safety and state of good repair items. SBCTA staff received the service scenario forecasts and planned to evaluate them.

On July 29, Omnitrans and SBCTA staff reconvened to further discuss the budget forecasts after SBCTA reviewed the service scenarios Omnitrans presented at the previous meeting. Omnitrans and SBCTA staff reached a consensus on the strategy that will be presented to the Ad Hoc Committee on August 26, 2019. The strategy includes reducing service levels to better align service with recent ridership trends and available revenue. In addition, SBCTA staff will propose an adjustment in the revenue forecast at the SBCTA Transit Committee meeting in August and the Board of Directors meeting in September. If approved, Omnitrans will be operationally sustainable through 2040. The combination of service level and revenue forecast adjustment addresses the operating and capital budget deficit through the Short-Range Transit Plan Period (FY2021-2025). The capital deficit beyond this period will be addressed through the Countywide Electrification Study currently underway and the Long- Range Transit Plan (LRTP).

An update on the status of the joint Omnitrans and SBCTA recommendation to the Ad Hoc committee was provided to the Executive Committee meeting on August 2, 2019. Updates will also be provided to the Administrative and Finance and the Operations and Safety Committees in August 2019. At the September 4, 2019 Board of Directors meeting, this Committee update will be presented along with an update on any recommendations stemming from the Ad Hoc meeting on August 26, 2019.

Should the recommendation include service reductions as anticipated, initial reductions for consideration will be presented at the October 2019 Plans and Programs Committee and the November 2019 Board of Directors meetings. This will be followed by the required rounds of public meetings and city meetings. Based on input from these meetings recommendations would be refined and presented to the Board for approval as early as January 2020. The full set of recommendations would be presented to the Board for adoption in May 2020 with the FY2021-2025 Short-Range Transit Plan (SRTP) and the Annual FY2020 Service Plan and FY2020 Budget.

## **CONCLUSION**

Receive and file and informational update on the Omnitrans/SBCTA Ad Hoc Committee.

PSG: ER