



AGENDA
EXECUTIVE COMMITTEE MEETING
FRIDAY, MARCH 2, 2018 – 9:00 A.M.
OMNITRANS
1700 WEST FIFTH 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 Board Secretary at least three (3) business days prior to the Committee Meeting. The Board Secretary's telephone number is 909-379-7110 (voice) or 909-384-9351 (TTY). 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

B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: April 6, 2018 – 9:00 a.m.
Omnitrans Metro Facility

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 Executive 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

N/A

E. DISCUSSION ITEMS

- | | |
|--|----|
| 1. Approve Executive Committee Minutes – January 5, 2018 | 2 |
| 2. Receive and File Safety & Security Update – <i>P. Scott Graham</i> | 6 |
| 3. Receive and Recommend to the Board of Directors, Vacant Land for Sale Adjacent to South I Street Facility – <i>Don Walker</i> | 18 |
| 4. Receive and Forward to the Board of Directors, Financial White Paper – <i>P. Scott Graham</i> | 20 |

F. BOARD BUSINESS

Closed Session

1. Threat to Public Services or Facilities – pursuant to Government Code Section 54957(a)
Consultation with P. Scott Graham – CEO/General Manager

G. REMARKS AND ANNOUNCEMENTS

H. ADJOURNMENT

ITEM # E1

**EXECUTIVE COMMITTEE MEETING
MINUTES
JANUARY 5, 2018**

A. CALL TO ORDER

The Executive Committee Meeting was called to order by Chair Ron Dailey at 9:00 a.m., Friday, January 5, 2018 at the Omnitrans Administrative Offices.

COMMITTEE MEMBERS ATTENDING

Council Member Ron Dailey, City of Loma Linda – Board Chair
Council Member David Avila, City of Yucaipa – Board Vice Chairman
Mayor Penny Lilburn, City of Highland
Council Member John Roberts, City of Fontana
Council Member Sam Spagnolo, City of Rancho Cucamonga

OTHERS ATTENDING

Mayor Pro Tem Alan Wapner, City of Ontario – Via Teleconference
Haviva Shane, General Counsel

OMNITRANS STAFF ATTENDING

P. Scott Graham, CEO/General Manager
Erin Rogers, Deputy General Manager
Julienne Overland-Villegas, Senior Administrative Assistant to the CEO/General Manager

B. ANNOUNCEMENTS/PRESENTATIONS

Next Committee Meeting: Friday, February 2, 2017, 9:00 a.m.
 Omnitrans Metro Facility

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 Executive Committee Minutes – October 6, 2017

M/S (Spagnolo/Lilburn) that approved the Executive Committee Minutes of October 6, 2017. Motion was unanimous by Members present.

2. Adopt Calendar Year 2018 Committee Meeting Schedule

M/S (Spagnolo/Lilburn) that adopted Calendar Year 2018 Executive Committee Schedule, set for 9:00 a.m., the first Friday of each month:

January 5, 2018

February 2, 2018

March 2, 2018

April 6, 2018

May 4, 2018

June 1, 2018

July 6, 2018

August 3, 2018

September 7, 2018

October 5, 2018

November 2, 2018

December 7, 2018

Motion was unanimous by Members present.

3. Establishment of Rail Ad Hoc Committee

Chairman Dailey provided a brief background on this item by stating that Member Wapner brought forth the idea of forming a Rail Ad Hoc Committee several months ago due to the unique differences related to operating a rail system. Since then, several discussions have taken place between Chair Dailey, Member Wapner, and the CEO/General Manager P. Scott Graham. A conference call was held prior to this meeting and the consensus was that the Ad Hoc would be formed and operate under a broad definition as to the responsibilities of the Committee.

Chairman Dailey stated that CEO/General Manager P. Scott Graham drafted a proposed definition of the Committee's Purpose and Responsibilities as listed below:

Ad Hoc Committee

Purpose

To work with the CEO/GM on development of the Redlands Rail Project as it pertains to; joint agreements with other agencies; Operational & Maintenance

Service Contract; FTA direct recipient activities, budget and funding, project updates as required; and regulatory compliance issues that may arise.

The Ad Hoc Committee will end with the completion of the Project delivery phase and Omnitrans' assumption of maintenance of equipment and rail operations.

Talking Points:

On February 3, 2016, as a result of an SBCTA study, our BOD approved an agreement with SBCTA that Omnitrans was the best fit as the managing agency for the Redlands Rail Maintenance of Equipment and Rail Operations.

- The study further concluded that Metrolink should be responsible for "Maintenance of Way".
- SBCTA was responsible for the "Project Delivery" with oversight by the FRA.
- The agencies have developed a three party agreement that will be brought before all three BODs for approval in the near future.
- Many of Alan Wapner's recommendations for the scope for the Ad Hoc Committee are addressed in that document; some responsibilities are shared, other are the responsibility of the individual agency.
- Omnitrans staff is developing an RFP for Maintenance of Equipment and Rail Operations that will be brought before our Board within the next couple of months for release.

Chairman Dailey asked about the status of the Three-Party Agreement between Metrolink, SCRRA (Metrolink), and Omnitrans. General Counsel, Haviva Shane responded that the Agreement is still under review by Metrolink's legal staff. Mr. Graham stated that some issues related to insurance were raised, therefore Metrolink's legal staff along with a consultant that was hired to assist with this process are continuing their review of the Agreement. Ms. Shane stated that she would reach out to SBCTA and Metrolink to schedule a meeting in an effort to move the process forward.

Chairman Dailey asked Member Wapner for his thoughts on the discussion. Member Wapner agreed with moving forward with the Ad Hoc description as provided noting that additional responsibilities may be included once the Three-Party Agreement is approved.

Chairman Dailey stated as far as membership is concerned, the Board Members who volunteered to serve on the Ad Hoc Committee were Supervisor Ramos and Member Davis. The Ad Hoc Committee will also include Ad Hoc Chair Wapner, Chairman Dailey and Vice Chairman Avila.

F. BOARD BUSINESS

There was no Closed Session.

G. REMARKS AND ANNOUNCEMENTS

There were no remarks and announcements.

H. ADJOURNMENT

The Committee adjourned at 9:18 a.m. The next Executive Committee Meeting is scheduled Friday, February 2, 2018, at 9:00 a.m., with location posted on the Omnitrans website and at the Omnitrans San Bernardino Metro Facility.

Prepared by:

Araceli Barajas, Executive Staff Assistant

ITEM # E2

DATE: March 2, 2018

TO: Board Chair Ron Dailey and Members of the Executive Committee

FROM: P. Scott Graham, CEO/General Manager
Diane Caldera, Director of Operations
Marge Ewing, Director of Human Resources/Safety & Security
Jacob Harms, Director of Information Technology

SUBJECT: SAFETY AND SECURITY UPDATE

FORM MOTION

Receive and file Informational Brief on security incidents and security measures for Omnitrans' Customers, Coach Operators and Facilities.

BACKGROUND

The Omnitrans FY2018 Management Plan restates the Agency's Safety and Security Strategic Initiative. Omnitrans' outcomes and performance indicators for this initiative are continually being evaluated and significant progress has been achieved. This report is intended to provide an update on improvements that have enhanced our safety and security posture.

Information Technology

The Information Technology Department supports a broad range of systems and hardware intended to enhance security for both customers and personnel. As there have been a number of upgrades completed recently, this presentation is designed to give a brief overview of these main security related systems, including: Onboard Video Surveillance Systems (OBVSS), the Public Address System (PA System), and the Closed Circuit Television System (CCTV) or Facilities Surveillance System.

Operations

The Operations Department has implemented several safety measures to increase bus safety for both passengers and Coach Operators. The results have been significant in reducing workers' compensation and passenger liability claims. These new safety features include the installation of new wheelchair securement equipment and audible turn signals. In support of the coach operators request to adjust the standee line on all new bus builds, a 2'ft buffer zone giving the Operators a greater distance from passengers to avoid distractions while the coach is in motion has been implemented. In addition, a consultant is reviewing and revising the de-escalation

training and will be on-site March 8-10, to train the Operations Safety Trainers. The consultant will also participate in the Annual Required Training Class for Coach Operators.

CONCLUSION

Receive and file Informational Brief on security incidents and security measures for Omnitrans' Customers, Coach Operators and Facilities.

PSG:DC:ME:JH:MC

SAFETY AND SECURITY UPDATE

Item #E2



OmniTrans

Connecting Our Community.



ABBG Service Quality Area Priorities – Ranked

Customer's Stated Service Priorities

(Top 3 Service Attributes)

1. Availability of Service

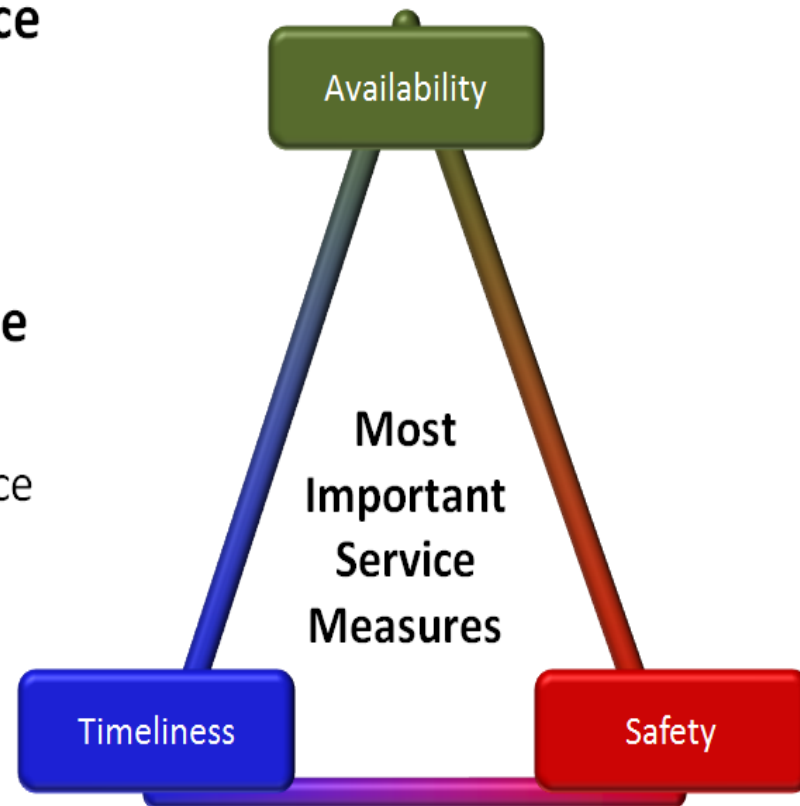
- Route Locations
- Days of Service

2. Timeliness of Service

- Travel Time
- On-Time Performance

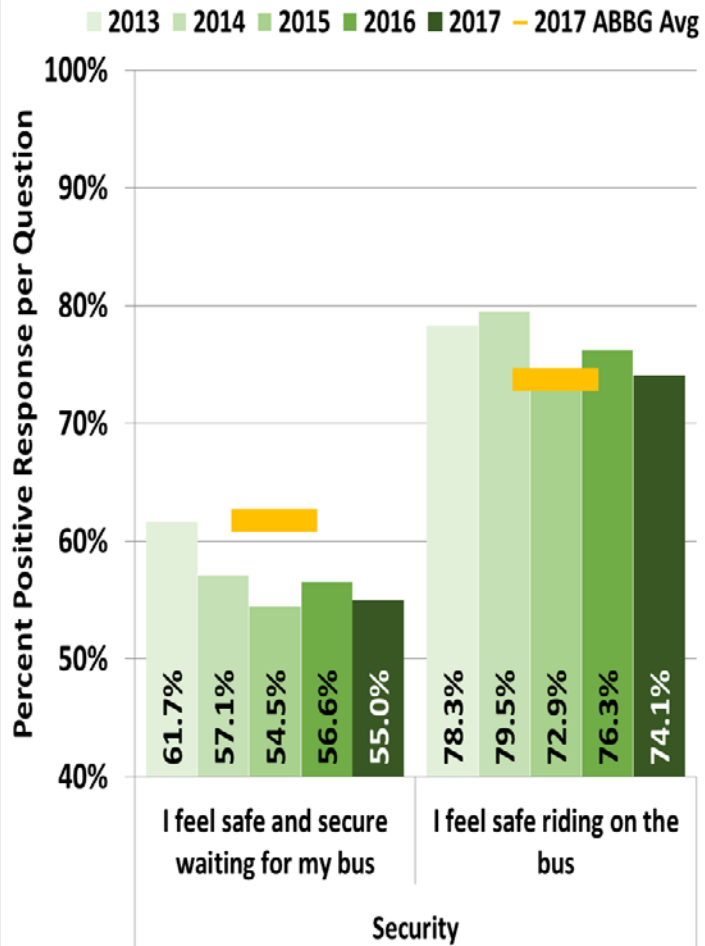
3. Safety & Security

- At Bus Stops
- On-Board the Bus

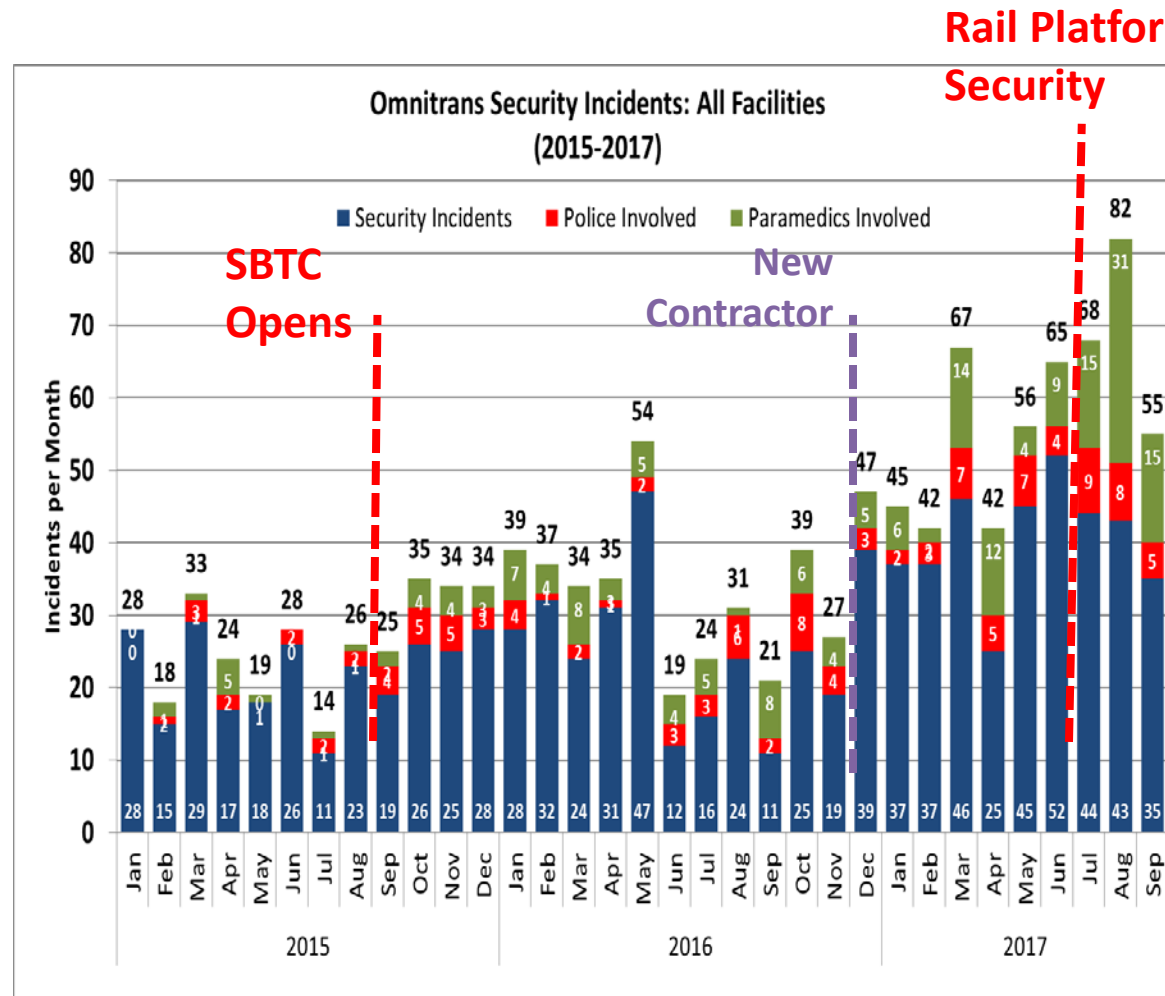


Security

- **Waiting at Stop:**
 - 55.0% Positive
 - 29.2% Neutral
 - **SBTC Survey:** 92% positive
 - **Onboard Survey:** 82% positive
- **Riding the Bus:**
 - 74.1% Positive
 - 18.9% Neutral



Total Number of Security Incidents All Causes & All Facilities (2015-2017)





Operations

- Bus Safety
- Escalating Situations
- Communication Skills Improvements



Bus Safety

- Increase Safety
 - Accident Frequency Rate - .94 per 100,00 miles
 - QPod Stations
 - Passive Rear Facing System
 - Audible Turn Signals – Video



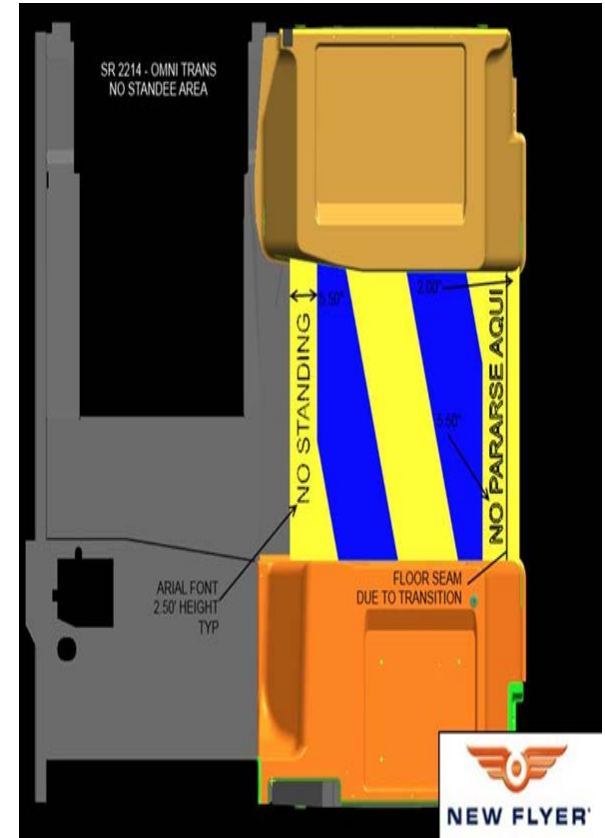
Bus Safety

- Lower Operating Costs
 - Reduce Operator Worker Compensation Claims
 - FY14 – \$139,877 Days Lost – 929
 - FY15 – \$194,765 Days Lost – 1725
 - FY16 – \$134,061 Days Lost – 879
 - FY17 – \$42,173 Days Lost – 405
 - Reduce Passenger Liability Claims
 - Zero claims on QPods



Communication Skills Improvements

- 2nd Standee Line
 - Creates a 2' ft Buffer Zone
 - Increases Sense of Security
 - Reduces Distraction
- ATCR Training 2018
 - Training – March 8 – 10
 - Focus is De-escalation
 - Train the Trainer Course
 - Customer Coaching





QUESTIONS?



OmniTrans

Connecting Our Community.

ITEM # E3

DATE: March 2, 2018

TO: Board Chair Ron Dailey and Members of the Executive Committee

FROM: P. Scott Graham, CEO/General Manager

SUBJECT: VACANT LAND FOR SALE ADJACENT TO SOUTH I STREET FACILITY

FORM MOTION

Receive and recommend to the Board of Directors approval to authorize the Chief Executive Officer/General Manager to proceed with the purchase of two (2) parcels of vacant land adjacent to the South I Street Facility.

BACKGROUND

Bonaventure Realtors recently listed two parcels of vacant land for sale adjacent to Omnitrans' South I Street facility. The assessor's parcel number, or APN for the first parcel is 0137-091-16-0000, and is 8,000 square feet listed for \$59,000. The property is zoned as industrial - vacant land. The second parcel is APN 0137-91-31-0000, and is 15,286 square feet listed for \$99,000. The property is zoned as residential/commercial – vacant land. The seller is looking to sell both as one and willing to sell both for \$150,000. The total of both parcels is 23,286 square feet which is a little more than half an acre (0.53 acre).

There are several reasons why Omnitrans should consider purchasing the two parcels:

- First and foremost, the parcels are adjacent to Omnitrans' existing property line.
- Additional space will improve parking for both Access Service vehicles and privately owned vehicles.
- Transitioning the Access Service vehicles from unleaded to compressed natural gas (CNG) will require space to accommodate a pipeline fueling infrastructure.
- During construction/renovation a staging area will be needed to store materials and equipment.
- Additional space will be needed for a bus wash facility when the master plan for the site is developed.
- Prevents encroachment with existing and future site plans.

FUNDING SOURCE

The cost associated with this procurement will be budgeted in Omnitrans' FY2019 Operating Budget.

FUNDING	GRANT	YEAR	PROJECT NAME	INTERNAL ORDER	AMOUNT
Measure I S&D	N/A	2019	I Street Property	TBD	\$ 150,000.00
Total					\$ 150,000.00

RECOMMENDATION

Receive and forward to the Board of Directors recommending approval to authorize the Chief Executive Officer/General Manager to proceed with the purchase of two (2) parcels of vacant land adjacent to the South I Street Facility. Forwarding of this item recommending approval will support Omnitrans' mission of providing the San Bernardino Valley with comprehensive mass transportation services.

PSG

ITEM # E4

DATE: March 2, 2018

TO: Board Chair Ron Daily and Members of the Omnitrans Executive Committee

FROM: P. Scott Graham, CEO/General Manager

SUBJECT: FINANCIAL WHITE PAPER

FORM MOTION

Receive and forward to the Board of Directors as an information item.

EXECUTIVE SUMMARY

Omnitrans is in receipt of the Fiscal Year 2018-2027 revenue forecast from San Bernardino County Transportation Authority (SBCTA). The level of Omnitrans Local Transportation Fund allocation from SBCTA has been capped at a 3 percent growth rate between 2014 and 2020. SBCTA's most recent revenue forecast continues this 3 percent growth rate through FY2027. The SBCTA allocation to Omnitrans accounts for almost 70 percent of the revenue available to Valley-area operators and this percentage is expected to increase over time as the 3 percent growth in operating subsidy outpaces the projected growth in revenue. SBCTA has indicated that continuing this 3 percent growth in LTF operating subsidy may not be sustainable if current revenue projections are realized. Therefore, the projections would be a major obstacle in sustaining existing service levels in the future.

The Agency is aware of the revenue uncertainties from State mandates and the changing economic environment. However, Omnitrans has continued to adapt to these conditions by significantly reducing costs through capital improvements and operational efficiencies to avoid service reductions. The information contained in this "white paper" provides detail regarding cost efficiencies implemented, rising operational costs, and potential sources of revenue that may be considered.

As you know, Omnitrans is funded through a variety of local, state and federal funds, most of these revenues flow through, and are allocated by, SBCTA, including Measure I funds, Federal Transit Administration (FTA) 5307, State Transit Assistance Funds (STAF), and Local Transportation Funds (LTF); of these funding sources, the LTF accounts for nearly 50 percent of operating funds. (Attachment A) Omnitrans plays a critical role in getting people where they need to go across the San Bernardino Valley each day—to work, school, shopping, medical appointments, and recreation destinations. As the prime provider of public transportation in the Valley we are supporting the San Bernardino County Transportation Authority (SBCTA) Cost Effectiveness Indicators and Measures of: Congestion Reduction, Economic Vitality, and Environmental Sustainability.

Omnitrans is currently developing an update to the Short Range Transit Plan (SRTP), OmniConnects, that will extend the current plan out to FY 2025. For Omnitrans to maintain current service levels, and respond to the need for additional services, if required, securing LTF funding beyond minimal inflationary growth is needed. Based on revenue and cost forecasts, it is unlikely that Omnitrans will be able to continue to deliver balanced budgets without service reductions unless additional revenue sources are allocated to Omnitrans. (Attachment B)

As we plan and prepare for the future, there are two significant projects in the planning phases – the Redlands Passenger Rail Project (RPRP) and the West Valley Connector (WVC) Project. The recently released revenue forecast raises serious concerns regarding future funding as it relates not only to sustaining current service levels but also to ensuring consistent, sustainable long-term funding for these future projects and service expansion.

Cost Efficiencies Implemented

In 2013, following the completion of the Comprehensive Operational Analysis (COA) and prior to adoption of the OmniConnects 2015-2020 Short-Range Transit Plan (SRTP), Omnitrans was facing a \$2.4 million per year operating deficit. The primary driver of the deficit was that LTF revenues were estimated to grow at only 3% per year which was below the Agency's projected cost escalation rates.

In order to close the deficit without impacting customers with an overall reduction in service, Omnitrans staff implemented a wide variety of cost cutting strategies, listed below. This was a challenge given that Omnitrans was already operating efficiently at 19% below the average hourly cost of peers within the American Bus Benchmarking Group (ABBG).

Cost efficiencies that were developed and implemented include:

- **Consolidation of four administrative departments** - combining Human Resources and Safety & Security; and, Marketing and Planning into two departments instead of four
- **Restructuring the Senior Leadership Team** - eliminating of the Chief Financial Officer, Director of Planning and Director of Safety and Security positions
- **Wages and Benefits** – administrative staff was placed on a four-year wage freeze and began paying 10% of the health care premium
- **Medi-Cal Reimbursement Program** - Omnitrans staff initiated a process to bill the state for the trips made by Medi-Cal eligible Access customers, generating approximately \$1.8 million annually
- **Change in Fuel Type for Access Vehicles** - transitioning the Access fleet from gasoline to lower cost Compressed Natural Gas (CNG)

- **Transition from trucked in Liquefied Natural Gas (LNG) to pipeline CNG** - savings generated by elimination of transportation costs of LNG and the inefficiency of converting LNG into CNG prior to dispensing
- **Participate in Low Carbon Standard Fuel (LSCF) Program** - Omnitrans purchases Renewable Natural Gas (RNG) in the CNG pipeline which allows for the sale of Cap and Trade credits, this generates approximately \$1.5 million annually
- **Federal Alternative Fuel Tax Credits** - Omnitrans was able to utilize four years of tax credits for LNG/CNG purchases during this time period that has since expired
- **ATU and Teamsters Contract Negotiations** - both contracts were negotiated with average annual increased below 3% and both contracts require employees paying for a larger share of health care costs

Collectively these initiatives have saved approximately \$4.5 million per year. The additional savings were necessary as Omnitrans ridership declined, driving fare revenue approximately \$1 million per year lower than originally anticipated. Additionally, in light of declining ridership and because the savings generated allowed for it, Omnitrans did not implement a planned fare increase in FY2017.

In addition, Omnitrans also implemented cost neutral service changes that redistributed agency resources into more productive services. These include:

- **Eliminated OmniLink Service and redirected operating funds to Freeway Express Service** - The elimination of OmniLink, a low productivity general public dial-a-ride service that was duplicative with OmniGo and had flat ridership for several years, allowed for the seed funding for the development of Route 290 Freeway Express service between San Bernardino and Montclair, which has been Omnitrans second fastest-growing route over the last three years
- **Reduced Route 2 service, the underlying local route of sbX, and moved operating resources to serve San Manuel Casino** - Shifting resources from the Route 2 to Route 1 allowed for an extension of the route to San Manuel Casino, which within a year became a top 20 Omnitrans bus stop in terms of ridership
- **Straight-lined Routes in West Valley** - Omnitrans eliminated route duplication and straight-lined routes allowing for faster service and expansion of service in West Valley
- **Ontario International Airport Service** - Omnitrans shifted Route 80 service into the airport with no additional operating cost coinciding with local control of the airport

These changes have delivered some of the only areas of ridership growth within Omnitrans services over the last three years. Following the implementation of the cost controls and service changes, Omnitrans is now in the lowest cost quartile for operating cost per hour within ABBG and operates with costs 24% below the peer group average.

SBCTA has recognized Omnitrans' cost effectiveness through two key structural changes. In 2015, SBCTA designated Omnitrans the Consolidated Transportation Services Agency redirecting the designation from Valley Transportation Services (VTrans). This shift occurred because SBCTA believed that Omnitrans could deliver more service through cost efficiency. Following the consolidation of VTrans and Omnitrans, Omnitrans has proven this to be true saving approximately \$500,000 in the first year. Similarly, SBCTA has designated Omnitrans as the operator of Redlands Rail/Arrow as SBCTA studies indicated that Omnitrans would deliver the operations of the project more cost effectively than other alternatives considered.

Rising Operational Costs and Upcoming Challenges

While Omnitrans has effectively managed operating costs the last several years with a tightly constrained budget, it will become increasingly difficult to keep cost growth at this rate through 2027.

Some of the cost drivers that Omnitrans anticipates in the upcoming years include:

- **Benefit Costs** - Premiums have been increasing 6-8% per year. Omnitrans has mitigated cost increases by negotiating employees pay a higher share.
- **Wages** - Omnitrans neighboring transit agencies have issued contracts offering 4% wage increases per year, while Omnitrans has negotiated between 2.75% and 3% per year following a three-year contract with 0% increases for all three years. This challenge is exacerbated by the ongoing increases in the state minimum wage, which puts significant pressure on wages for the contracted paratransit drivers under the Access contract.
- **Coach Operator Shortages** - As a result of the low unemployment rate in San Bernardino County (3.9% as of December 2017 according to the State of California Employment Development Department), wage pressure will continue to grow. This has been evidenced by difficulty attracting, hiring and retaining Coach Operators.
- **Attracting and Keeping High Quality Managers and Directors** - 80 percent of Omnitrans Senior Leadership Team is anticipated to retire within the next five years. Recent and open recruitments have clearly demonstrated that Omnitrans salary ranges for higher level management positions are below peers. Historically, Omnitrans was able to hire qualified staff within from the minimum to mid-point in the salary range. In trying to recruit for department directors, qualified candidates are demanding top of scale or above scale. With the turn over expected, Omnitrans must attract top talent in order to deliver continuity of service. Omnitrans is trying to mitigate these costs by implementing a new succession planning strategy with the Leadership Development Academy.
- **Proposed Innovative Clean Transit Regulation (Zero Emission Bus Rule)** - Proposed state regulations will require 25% of new bus purchases after 2020 meet zero emission requirements. This will have significant capital, facility and electric costs. Omnitrans will evaluate the use of solar energy and solar storage solutions to mitigate some of these cost increases.

- **Access Contract** - Measure I provides a dedicated funding source (Senior and Disabled) for Access Paratransit service costs. However, between FY2015-2020 Access costs were \$2.1 million to \$3.0 million in excess of this funding allocation. As a result, LTF funding was used to fund the shortfall. The Access contract is currently in the procurement process and the bids received indicate that costs will rise in the range of \$1.5 to \$3 million per year.
- **Low Carbon Transit Operations Program (LCTOP) Funding/Express Bus Service** - Omnitrans launched new Express Bus Service in 2015 with LCTOP funding. This funding is intended to serve as “start-up” funding for new or expanded services that demonstrate Green House Gas (GHG) reductions. As these projects become part of the baseline transportation network, other funding sources must be identified to replace the LCTOP funds as over time the services no longer represent a net GHG reduction. As a result, an alternate funding source must be identified to sustain these services.

Future Service Demand

There will be demand for service increases to coincide with planned development and population growth. This includes the need for feeder service to the Arrow Rail service and West Valley Connector bus rapid transit projects being delivered by SBCTA. In addition, there is a need for long-term, sustainable operating funding to support these significant capital investments.

Based on SCAG population forecasts, the Omnitrans service area population will grow at a rate of approximately 1% per year. Since much of this growth is occurring in open fields rather than in fill development, Omnitrans resources will be stretched. Routine requests for additional services have come to extend service to outlying areas of Highland, Redlands, Rialto, Fontana, Rancho Cucamonga, Ontario, Chino and Chino Hills. Omnitrans also receives regular requests for more frequent service on existing routes to help promote TOD growth opportunities and encourage higher density development, particularly in the West Valley. This population growth and business development may generate demands for additional service, not just a restructuring of service.

In order to maximize the transit investment being planned with the Redlands Rail/Arrow and West Valley Connector, Omnitrans will need to deliver feeder service. Whether Omnitrans delivers this service with traditional bus service, innovative microtransit solutions or partnerships with private providers, there is a cost associated with the feeder service. Two SCAG led studies (the Intercounty Study and Customer-Based Ride Sharing Study) have identified the need for higher frequency service on core north-south services in West Valley. Customer feedback as well as general public feedback continues to support this with the focus on higher frequency and higher quality service as the most important improvement to retain current and attract new riders.

Additionally, assuming that the West Valley Connector is successful in getting FTA Small Starts funding, a condition of the funding will be that the BRT must be implemented without degrading service elsewhere in service network.

Potential Funding Sources

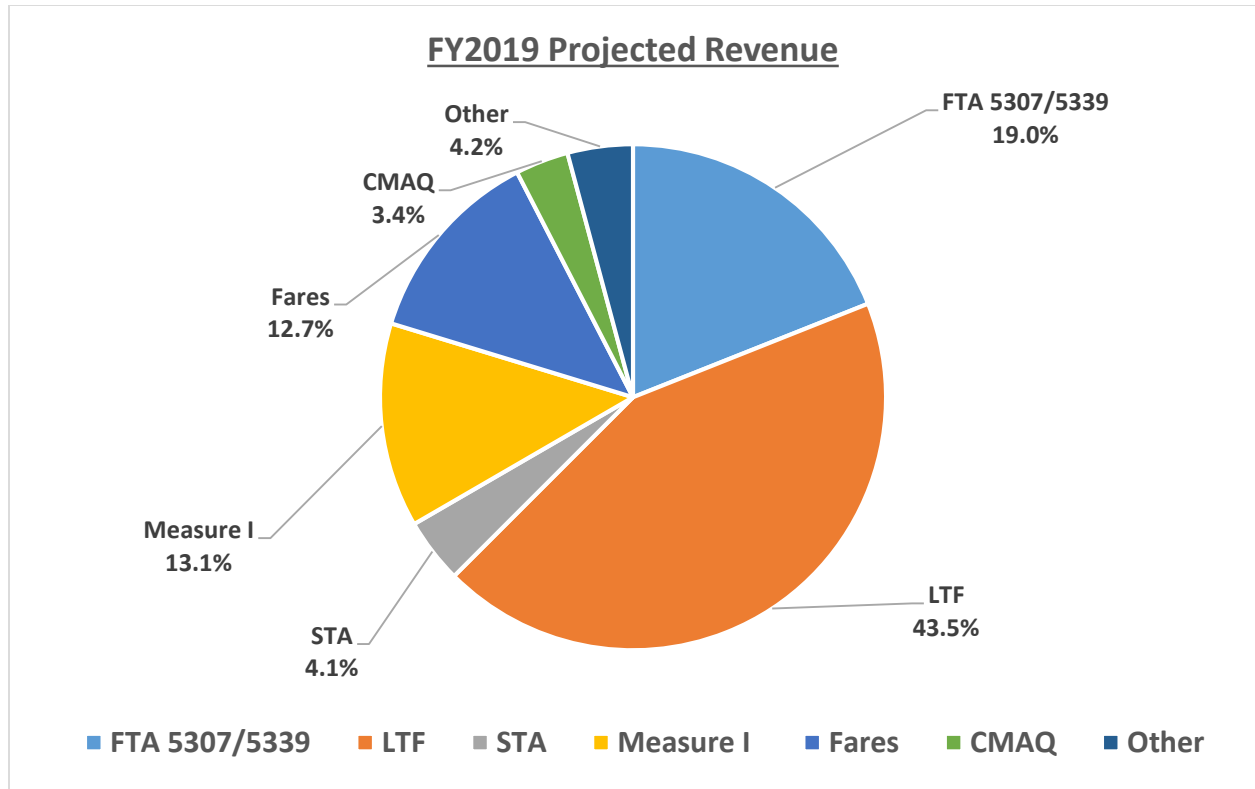
- **SB 1 Funding:** These gas tax and related funding sources can flow to Omnitrans in the form of State Transit Assistance funds and if available, will increase the State of Good Repair funding. Neighboring agencies such as Riverside Transit Agency, with a similar annual operating budget to Omnitrans, are projecting to receive \$7-8 million dollars per year in additional funding over the next decade due to SB 1. Should these funds become available, consideration should be given to maximizing the allocation of these funds to Omnitrans.
- **Local Transportation Fund (LTF):** Between 2013 and 2017, sales tax revenue in San Bernardino, which drives LTF growth, grew at 5.2% per year, significantly exceeding the 3% LTF growth rate planned for Omnitrans. However, over the 10-year period from 2008-2017 the average growth rate was 1.94 percent. In planning and programming for future years, Omnitrans recognizes the uncertain long term cycles of the economy and must plan accordingly.
- **Federal 5307 Funds:** These funds flow from the Federal Transit Administration (FTA) and can be used for capital and certain operating costs. Omnitrans regular allocation of 5307 funds from SBCTA has remained flat at \$16.9 million per year. The allocation of this funding source is anticipated to remain flat in the period of the upcoming Short Range Transit Plan.
- **Measure I Reauthorization:** As SBCTA works on developing a reauthorization of Measure I, Omnitrans suggests that measure includes dedicated funding support for general transit operations. A \$3-\$5 million set aside would allow Omnitrans deliver feeder service to the high-quality transit services funded through other measure programs. In addition, SBCTA is recommending passing through 100 percent of the Senior and Disabled funding available, this will increase Omnitrans future allocation by approximately \$2 million per year.
- **Fares:** Omnitrans will also seek to increase fares approximately every three years between 2019 and 2025. Given that Omnitrans has the highest base fare amongst neighboring agencies, Omnitrans is not seeking to increase fares in the upcoming year.

CONCLUSION

Based on current budget assumptions, Omnitrans will deliver a balanced budget plan for Fiscal Year 2018-2019. However, the recent long range revenue forecast by SBCTA caps the growth rate of the LTF allocation to Omnitrans at three percent through 2027. Based on revenue and cost forecasts, it is unlikely that Omnitrans will be able to continue to deliver balanced budgets without service reductions unless additional revenue sources are allocated to Omnitrans. Omnitrans is seeking support from the Board of Directors and SBCTA in obtaining sufficient funding to sustain current service levels.

PSG

ATTACHMENT A



ATTACHMENT B

