



**AGENDA**  
**EXECUTIVE COMMITTEE MEETING**  
**FRIDAY, OCTOBER 4, 2019 – 8:00 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](mailto:BoardSecretary@omnitrans.org).

**A. CALL TO ORDER**

**B. ANNOUNCEMENTS/PRESENTATIONS**

1. Next Committee Meeting: November 1, 2019 – 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 – August 2, 2019 2
2. Recommend the Board of Directors Adopt the Service Adjustment Guiding Principles and Overall Scale of the Proposed Service Reductions – *Erin Rogers* 5

**F. REMARKS AND ANNOUNCEMENTS**

**G. ADJOURNMENT**



## **E. DISCUSSION ITEMS**

### 1. Approve Executive Committee Minutes – July 12, 2019

M/S (Spagnolo/Lilburn) that approved the Executive Committee Minutes of July 12, 2019. Roll call vote was taken and the motion was passed by Members present, with the exception of Member Dutrey, who abstained.

### 2. Receive and File, Update on the Ad Hoc Committee

CEO/General Manager, P. Scott Graham provided some background information by stating that Omnitrans recently met with SBCTA to review the proposed service reduction scenarios. He explained that SBCTA was receptive to the proposed changes and expressed their support for Scenario 2, which would be reviewed in detail during today's presentation. There was also some discussion regarding an item that would be presented to the SBCTA Transit Committee in August requesting additional local and state funding for Omnitrans. With the service reduction implementation and the additional funding, the Agency would have a balanced operating budget through 2040. Mr. Graham introduced Director of Strategic Development, Jeremiah Bryant, to review a PowerPoint presentation.

Member Dailey arrived at 9:06 a.m. during the presentation on Item #E2.

Mr. Bryant reviewed the 3 scenarios in more detail and stated that the staff would be presenting the recommendation to the Ad Hoc Committee in September.

Member Dailey stressed the importance of communicating with each of the respective cities regarding the proposed service reductions prior to presenting the information to the Board.

Deputy General Manager, Erin Rogers stated that the specific route information has not been determined, however staff would be updating the various Committees in the coming weeks and months as the plan develops. Additionally, Ms. Rogers reminded the Committee that Assembly Member Reyes asked that a response be provided to her in October regarding the Board's position on the legislation.

A discussion ensued regarding the meeting timeline. Member Dailey did not agree with the information being presented to the Board prior to being presented to the Ad Hoc Committee. SBCTA Director of Fund Administration, Andrea Zureick explained that SBCTA asked that the Ad Hoc Committee meet after the September SBCTA Board Meeting to ensure that the request for additional funding for Omnitrans was approved by their Board.

The Committee requested that the Ad Hoc Meeting be rescheduled to occur before Board meeting. SBCTA and Omnitrans staff noted the request.

The Committee received and filed this report.

### 3. CEO/General Manager's Report

The CEO Reported on the following items:

- Redlands Passenger Rail Groundbreaking Ceremony was held on 19 July in downtown Redlands. Members Avila, Spagnolo and McNaboe were in attendance along with several other distinguished guests.
- Safety Management System (SMS) training was held from 31-July – 2 Aug at Omnitrans. The participants learned about FTA's SMS framework including executive leadership and accountability for safety, creating a positive safety culture, preventive risk analysis, and building an effective employee safety reporting program.
- Omnitrans will be hosting the California Air Resources Board (CARB) meeting the 2<sup>nd</sup> week of October. The meeting will address implementing the Innovative Clean Transit (ICT) Regulation, funding programs available and the Low Carbon Fuel standard. Mr. Graham encouraged any Board Members interested to attend.
- At the APTA Transit Board & Transit Board Administrator conference held in Jacksonville, FL, a speaker named Artis Hampshire-Cowan gave a presentation on Transit Board Member and Transit CEO roles & responsibilities. He suggested that perhaps Omnitrans and RTA could host a joint workshop for the Members on this important topic.
- Lastly, Mr. Graham presented his letter of resignation to the Committee and stated that his last date of employment with the Agency would be November 6<sup>th</sup>.

### **F. BOARD BUSINESS**

1. Public Employee Performance Evaluation – Deputy General Manager pursuant to Government Code Section 54957

The Committee adjourned into Closed Session at 10:19 a.m.

The Committee reconvened at 10:59 am. with no reportable action.

### **G. REMARKS AND ANNOUNCEMENTS**

There were no announcements.

### **H. ADJOURNMENT**

The Committee adjourned at 10:59 a.m. The next Executive Committee Meeting is scheduled Friday, September 6, 2019, at 9:00 a.m., with location posted on the Omnitrans website and at the 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:** October 4, 2019

**TO:** Board Chair David Avila and Members of the Executive Committee

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

**SUBJECT: SERVICE ADJUSTMENTS: GUIDING PRINCIPLES AND SCALE OF REDUCTIONS**

### **FORM MOTION**

Recommend that the Board of Directors adopt the Service Adjustment Guiding Principles and overall scale of the proposed service reductions at 71,000 service hours per year.

### **BACKGROUND**

In May 2018, Omnitrans issued the Financial White Paper, which accomplished three things:

1. It described \$4.5 million in annual cost reductions/efficiencies that Omnitrans was able to implement to deliver balanced budgets without impacting transit service levels;
2. It identified that Omnitrans was able to continue to deliver balanced budgets through the end of Fiscal Year 2020, but had a forecasted operating budget deficit starting in Fiscal Year 2021; and,
3. It initiated a series of discussions, meetings and reports that culminated in the development of an Updated Financial Forecast in February 2019 and ultimately the creation of a joint Omnitrans/SBCTA Ad Hoc committee.

The Ad Hoc committee was formed in April 2019 and met three times between April and August 2019. After directing staff to either develop a plan to close the forecasted deficit or to hire a consultant to develop this plan, the Ad Hoc committee adopted a joint recommendation from both Omnitrans and SBCTA staff to:

1. Reduce bus service by 11% equivalent to approximately 71,000 service hours per year; and,
2. To increase SBCTA's allocation of state and local funding to Omnitrans from a 2.8%-2.9% growth rate per year to a 3.5% growth rate per year through 2040.

The recommendation to reduce service was developed after a thorough evaluation of options. Omnitrans had already reduced administrative costs by \$4.5 million per year as described in the Financial White Paper. This did not leave viable alternatives to further reduce costs without also

reducing service levels. Omnitrans staff evaluated three service reduction scenarios: five percent, eleven percent and twenty percent. In discussing these scenarios with SBCTA staff, the 11% service reduction was selected as it provided a sustainable operating budget forecast through 2040. The recommendation for SBCTA to increase state and local funding from 2.8%-2.9% to 3.5% per year generates approximately \$100 million in additional revenue for Omnitrans between FY2021 and FY2040.

If the Ad Hoc Committee recommendations to reduce service by 71,000 service hours (11 percent) and to increase state and local funding are implemented by Omnitrans' Board of Directors and SBCTA's Board of Directors, this recommendation would:

1. **Operating Budget Forecast:** Provide a balanced overall operating budget for Omnitrans through Fiscal Year 2040, which is the final year of Measure I, the half-cent sales tax collected throughout San Bernardino County for transportation improvements;
2. **Capital Budget Forecast:** Provide a balanced overall capital forecast through 2025, which is the end of the current planning horizon for Omnitrans' upcoming Short-Range Transit Plan (SRTP). There remains a significant forecasted capital deficit from 2026-2040 primarily caused by California Air Resources Board's (CARB's) Innovative Clean Transit (ICT) regulation that requires Zero Emission Buses (ZEBs). Omnitrans and SBCTA are working collaboratively with a consultant to develop a Countywide Electrification Plan that will identify the vehicle, infrastructure and funding requirements to meet this regulation. The electrification study is expected to be completed by the end of 2019.

Omnitrans and SBCTA staff took initial staff reports to their respective Boards in September 2019 to describe the recommendations of the Ad Hoc Committee and to begin the approval process of implementing the two recommendations.

At its September 4, 2019 meeting, the Omnitrans Board of Directors received the update and adopted the Ad Hoc Committee's recommendation to move forward to examine adjusting service levels and increase long-term funding. This effectively directed Omnitrans staff to develop detailed service reduction recommendations and return to the Board to seek approval of the 71,000 service hour (11 percent) reduction.

At its September 4, 2019 meeting, the SBCTA Board of Directors:

- 1) Conditionally approved the increase in state and local funding to Omnitrans, contingent on the Omnitrans Board of Directors approving the recommended service reduction; and,
- 2) Directed SBCTA staff to bring back an item to the Board that would initiate a study to evaluate consolidation of Omnitrans, SBCTA, other transit providers in the county.

In order to move both recommendations forward, Omnitrans staff anticipates taking multiple staff reports to the October 2019 Plans and Programs Committee Meeting and, if approved at Committee, to the November 2019 Board of Directors Meeting. These items include:

- Receive and File Initial Draft Detailed Service Proposals;
- Receive and File Initial Draft ADA Access Service Proposals; and,
- Approve Guiding Principles and Scale of Service Reduction (This Staff Report).

Following these items, Omnitrans staff will further initiate public, stakeholder and city feedback in addition to completing required service equity analysis required under Title VI of the Civil Rights Act of 1964. Omnitrans staff would ask the Board to issue a call for Public Hearings in January/February of 2020. Staff would then bring final draft service recommendations in the form of the FY2021-2025 SRTP and the FY2021 Annual Service Plan to the Board in May 2020. If approved, service reduction would begin in September 2020. Staff is evaluating the pros and cons of implementing the entire service reduction in one service change (September 2020) or phasing it in over multiple service changes (September 2020, January 2021).

In order to bring draft detailed service proposals to Committee in October and Board in November, staff began working on a potential service reduction strategy in June/July 2019 at the same time the SBCTA and Omnitrans staff were developing the joint proposal for the Ad Hoc Committee.

Staff diligently analyzed key ridership, service level, and duplication of service data. Service reduction strategies and the types of data that supports these strategies were shared with Omnitrans Executive Committee, Administrative and Finance Committee, Plans and Programs Committee and Operations and Safety Committee in August 2019. Each of these committees forwarded the report to the Omnitrans Board of Directors meeting in September 2019.

In each of these meetings, Omnitrans staff presented Draft Guiding Principles to be used in developing a service reduction. These principles include:

- 1) Minimize Customer Impact
- 2) Business Approach: Maximize Efficiency & Productivity
- 3) Maintain Core Weekday Productivity Network
- 4) Reduce Coverage Area Duplication
- 5) Provide Only Mandated ADA Service
- 6) Maintain Service Quality
- 7) Minimize Impact on Employees

In consideration of the discussion at the August Committee meetings and the September Board meeting, staff is recommending the addition of a principle related to ensuring service is available to all JPA member cities. When the guiding principles return to the Plans and Programs Committee and to the Board for adoption, an eighth principle will be added for consideration:

- 8) Provide Service to All JPA Members

Utilizing these eight guiding principles and the data collected, Omnitrans staff has developed a series of service changes for both regular fixed route bus service and for ADA Access paratransit service. Omnitrans staff will provide details of these service proposals at the October 2019 Plans and Programs Committee meeting and the November 2019 Board of Directors meeting. At a high

level, the proposed service change is outlined in Attachment A.

During late September and early October, Omnitrans' staff offered to meet with each Board Member and/or other city staff members to describe the initial specific service proposals in each city or supervisorial district. As of the writing of this report on September 30, 2019, Omnitrans staff had met with three Board Members and have meetings scheduled with nine other Board members. These meetings provide Board Members the opportunity to understand the initial proposed impact to their community and provide input, while also allowing the Committee and Board Meetings to focus on the broader regional impact.

After providing details on the initial draft service reduction at the individual meetings, the October 2019 Plans and Programs Committee and the November 2019 Board of Directors meeting, the Board of Directors will be asked to approve the guiding principles and approve the scale of the service reductions.

Approving the guiding principles will allow staff to further complete the proposed service reductions.

Approving the scale of the service reductions will allow staff to:

- Further refine the service reduction plan; and,
- Follow up with SBCTA during the development of the FY2021 Budget and Service Plan since SBCTA's funding plan was contingent upon Omnitrans implementing a service reduction.

## **CONCLUSION**

Recommending that the Board of Directors adopt the guiding principles and the scale of the service changes will allow for further progress towards adopting the Ad Hoc Committee's recommendation.

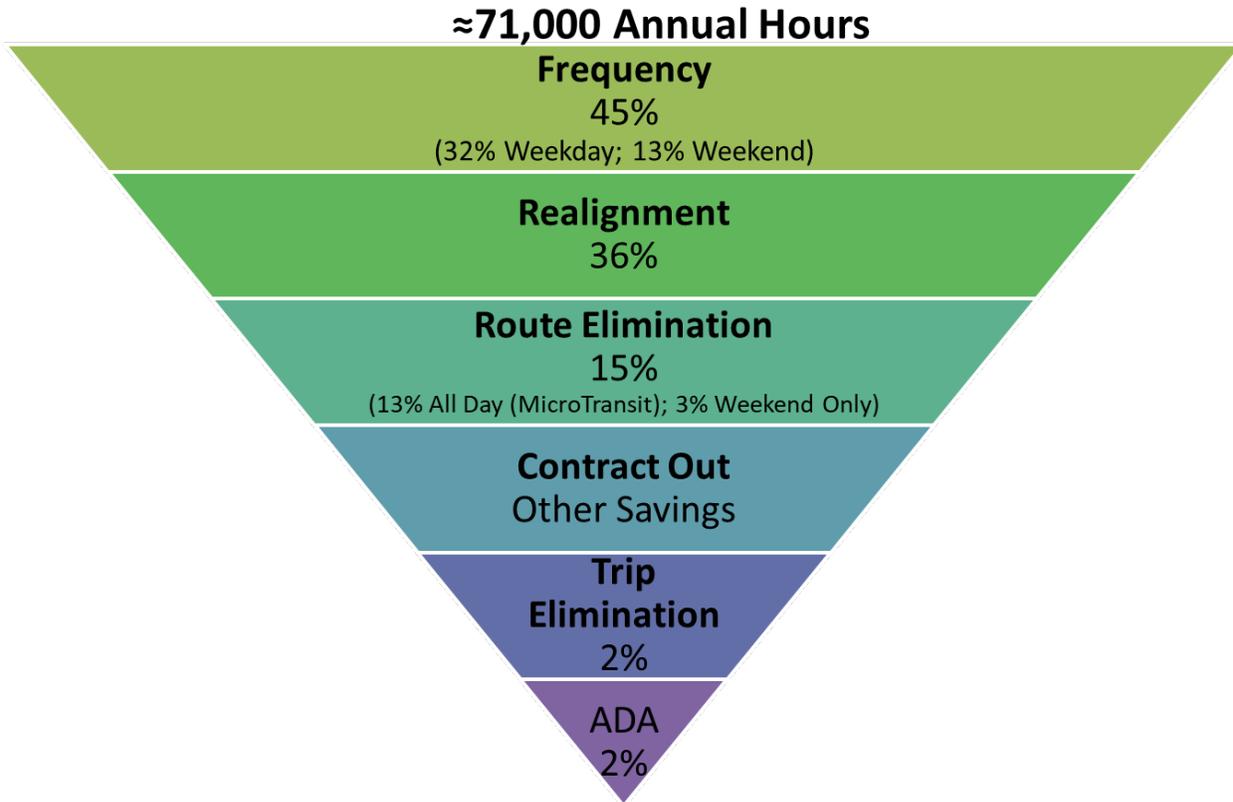
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Attachment A: Annual Service Hours Reduction by Strategy

## Attachment A: Annual Service Hours Reduction by Strategy

The exhibit below quantifies the proposed service reduction strategies utilized to reach the 71,000 hour (11%) reduction in service. Each strategy is described below the exhibit.

**Exhibit 1: Annual Service Hours Reduction by Strategy**



The categories of service change mean:

- **Frequency Reduction:** The route remains, but the number of trips per hour is reduced. An example is a bus currently comes every 15 minutes may now be proposed to come every 20 minutes, or a bus that comes every 30 minutes now may come every hour.
- **Route Realignment:** Two routes currently may share some common service areas. In the proposal these routes may be combined to create a new route covering all or most of the service area of the previous two routes.
- **Route Elimination:** The route is eliminated in its entirety or the service is eliminated on weekends, but still runs on weekdays.
- **Contract Out:** In some areas or some days, Omnitrans can utilize Access/OmniGo contractor to utilize smaller vehicles to operate service. These potentially contracted hours may offer savings, but were not specifically captured in the 71,000 hour service reductions.
- **Trip Elimination:** Low performing trips on some routes can be eliminated, even if the peak frequency and service area map remain unchanged.
- **ADA:** There are two types of ADA service changes. The first is the elimination of service that goes beyond the ¾-mile ADA service area mandate and the second is if there is a change to the fixed route network, then the ADA service in the area would change accordingly.