

**MINUTES**  
**REDWOOD COAST TRANSIT AUTHORITY**  
**WEDNESDAY, FEBRUARY 15, 2017 AT 3:30 P.M.**

Members Present: Roger Gitlin (Chair), Darrin Short, Lori Cowen

Members Absent: Jake Smith, Heidi Kime

Also Present: Joseph Rye, Nicole Burshem, Kevin Heckman, Bill Lonsdale

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**1. Call Meeting to Order. Roll Call.**

Chairman Gitlin called the meeting to order at 3:30 p.m. Nicole Burshem conducted rollcall.

**2. Approve the Minutes of January 26, 2017**

On a motion by Director Short, seconded by Director Cowen, and unanimously carried on a polled vote, the Redwood Coast Transit Authority board of Directors, approved the Minutes of January 26, 2017, as presented.

Bill Lonsdale commented he was not able to join in at the last meeting, but wanted to take this opportunity to thank the Board for the results of handling the eligibility verification issue for riders on Dial-A-Ride. The solution that was proposed by staff seemed to be very fair and a sensitive approach.

**3. Public Comment**

Public comment: None

**4. Approve 3-Month Short Term Contract with First Transit for Continuing Operations and Maintenance Services for Period October 1, 2016 through December 31, 2016 Extending the Terms and Scope of Work of the Original 2008 Contract, in the Amount of \$212,281 and Authorize the General Manager to Execute Contract Documents.**

Discussion was held in regards to the 3-month short term contract. Mr. Rye reported this item has been brought before the Board the last couple of meetings. There was discussion in regards to Caltrans' refusal to approve prior extension requests on the original 2008 contract. The new operations contract was awarded on November 16, 2016 and was to begin on January 1, 2017. The original contract began in 2008. The revised Amendment 6 as approved by Caltrans was only for July 1, 2015 to September 30, 2016. This constitutes (in Caltrans' view) a three-month lapse of the contract. Mr. Rye reported legal counsel advised him there is the legal precedent of implied contract. Mr. Rye noted the implied contract would hold up but yet he felt better getting this short term contract approved just in case there were claims or incidents. Mr. Rye reported Caltrans' approval of Amendment 6 only gave First Transit a CPI of 2%, which

was less than the Board and Mark had negotiated and approved in December 2015. This short term contract offers the opportunity to pay off what had become a growing balance owed by RCTA to First Transit, due to Caltrans. Over the course of the year this monthly shorting of payments accumulated to a balance owed of approximately \$44,000. However, Mark had negotiated a credit from First Transit for an overestimation of staffing levels needed when the Greyhound project began that involves First Transit issuing a credit to RCTA in the amount of \$22,000.

At Joe's direction, First Transit had begun spending much of the credit on improvements to the Williams Drive facility that were desired and are eligible for repayment using recently reprogrammed PTMISEA capital funds. First Transit expended over \$17,000 of the \$22,000 credit on facility improvements which will be paid back using the PTMISEA funds. What the Board is approving today is a short term contract that includes the 3 months worth of invoices billed at the Board-approved billing rates for 2016 PLUS additional funding to repay First Transit for the monthly short-pays (the Caltrans issue) and the facility improvements. Chairman Gitlin asked if the approval is for the retroactive approval of the three-month contract and if this will be a negative impact to the RCTA operations budget. Mr. Rye responded no, that these operational expenditures were budgeted for and that the Board had established budget for the facility improvements with the Amended Budget adopted in December 2016. Chairman Gitlin noted he has concerns of the impact.

On a motion by Director Short, seconded by Director Cowen, and unanimously carried on a polled vote the Redwood Coast Transit Authority Board of Directors approved the 3-month short term contract with First transit for continuing Operations and Maintenance Services for period October 1, 2016 through December 31, 2016 extending the terms and scope of work of the original 2008 contract, in the amount of \$212,281 and authorize the General Manager to execute contract documents.

**5. Approve Execution of New 5-Year Contract with First Transit for Operations and Maintenance Services - Previously Awarded by the RCTA Board on November 16, 2016 Taking Effect January 1, 2017.**

Discussion was held in regards to execution of new 5-year contract with first transit for operations and maintenance services. Mr. Rye reported Legal Council wants to see an official action authorizing the Chairman to sign the contract.

On a motion by Director Short, seconded by Motion short second Cowen, and unanimously carried on a polled vote the Redwood Coast Transit Authority Board of Directors approved Execution of New 5-year Contract with First Transit for operations and maintenance services – previously awarded by RCTA Board of November 16, 2016 taking effect January 1, 2017.

**6. Discussion of Caltrans' Statewide Funding Reductions in Federal Transit Administration Section 5311(f) (Rural Intercity) Funding and Anticipated Impacts Upon Redwood Coast Transit.**

Discussion was held in regards to Caltrans' Statewide Funding Reductions. Mr. Rye reported this item is informational only. We are funded through four main sources of funding. Those sources are TDA, State Transit Assistance, Federal Transit Administration (FTA) Section 5311, and FTA Section 5311(f). The 5311(f) is funneled through Caltrans and made to be competitive at the statewide level. In the last few years Redwood Coast Transit Authority did very well with that fund. It paid for Route 20. For several year RCTA had received a steady \$300,000 per year, the Caltrans maximum per "project" under their management of 5311(f). In recent years, Caltrans began funding more projects out of 5311(f) due to the sudden infusion of "toll credits", additional funding obtained by the collection of bridge tolls within the state. Unfortunately, these "toll credits" are no longer available, and Caltrans realized there were an abundance of 5311(f) projects and not enough money. Caltrans then enacted "across the board" cuts to all 5311(f) projects starting in Fiscal Year 2016/17, and RCTA instantly lost approximately \$45,000 in operating money. Caltrans warned everyone that FY 2017/18 will be worse, and released a funding amount of \$122,000.

RCTA has no reserves (monies stashed away during good times to mitigate unexpected funding losses due to economic cycles or lost grant funds) to buffer this funding loss, and will need to reduce expenditures dramatically in FY 2017/18. At this time RCTA staff is appealing to Caltrans to help buffer some of this funding loss by "exchanging" some 5311(f) money that was awarded to RCTA for a bus purchase, and rather getting some of it back in additional operating money. If this is successful RCTA will still need to cut service and expenses, just not quite as deep. So far, Caltrans has been unwilling to help.

RCTA will need to implement a package of cost reduction measures in order to survive FY 2017/18. Caltrans states that they have brought a consultant in to analyze the whole program and hope to evaluate all 5311(f) projects and de-fund some in order to return to fully funding others. It is unclear how Route 20 will fare against all the other 5311(f) projects statewide, considering the low population of Del Norte County. Caltrans will be looking for the worthiest projects. Caltrans will be hosting a session at the CalACT Spring Conference in a couple of months to explain what has happened with the 5311(f) program and what the next steps might be.

Mr. Rye reported that this lost funding was for the Route 20, but that the cost reduction package that will be brought to the Board in March will contain reductions beyond just Route 20. Mr. Rye presented some examples of low-productive service that might be reduced, such as: Eliminating Route 10, Reducing Route 20 Services by 40%-50%, Modest First Transit operations staff reduction, Reducing or eliminating Route 199 service, and Reducing evening service on Crescent City local routes. Director Short asked how many riders take Route 10. Mr. Heckman responded it's in the mid to single digits every day. Director Cowen asked if some of the Routes can be taken over by Tribal services. Mr. Rye responded that most of Route 10's ridership has been absorbed by YTTS already. Chairman Gitlin

asked if the reduction is \$170,000 this year. Mr. Rye responded that is for next year. Director Gitlin asked does this board wish to consider giving direction to Mr. Rye to implement a reserve. Director Short responded this is not the time to do that. Director Cowen stated that if RCTA is successful in negotiating the bus replacement fund “exchange” that Caltrans has so far denied, there might be a chance to set aside a small amount of money in 2017/18 to begin funding a reserve. However, it might be more appropriate to establish the mechanics of a reserve, but defer the actual funding of reserves until 5311(f) funding is restored to RCTA? Mr. Rye reported he met with Tamera Leighton of Del Norte Local Transportation Commission this morning and both agreed on the merits of establishing a reserves fund using TDA funds and that the mechanism needed to be clarified.

Bill Lonsdale commented this is not a happy time and hard to think a short while ago we were going to simply reduce the fares in order to benefit the passengers of Route 20. Staff should be looking at that. Is there a run that is not used on the night service on Route 20? Mr. Lonsdale asked staff to preserve the core services.

## **7. General Manager Verbal Report**

- **Update on Spring Service Changes and New Zonal Fare and Pass Structure** – Mr. Rye reported as we approach the March Board Meeting we will be discussing a package of minor service changes that have been under development for months that will improve on-time performance, and the concept of the distance-based zonal fare for Route 20 can be included in that. Mr. Rye will be doing a budget overview and FY 2017/18 Budget Preview, along with presenting the aforementioned package of cost reduction strategies to balance the depleted FY 2017/18 budget. Dan Herron and Mr. Rye will both be present for the March meeting. Staff will prepare service changes that can be implemented as soon as April. Director Cowen asked if there is ridership to Humboldt State. Mr. Rye responded that it is likely ,but not a large known market at this time. HSU students don’t get any price breaks right now, and discussions with HSU Administration about a student fare discount program have yet to begin. Chairman Gitlin asked Mr. Rye to make an outreach to see what students would be going to Humboldt state from High School or College of the Redwoods. Chairman Gitlin suggested doing an outreach by mail.
- **Update on Advertising Revenue Request for Proposals** – Mr. Rye reported the advertising revenue can be a small part of the effort to fill in the funding void. Mr. Rye has hopes of bringing to the Board an item to release the Advertising Revenue Request for Proposals at the next meeting.

## **8. First Transit (Operations) Verbal Report**

Mr. Heckman reported there is three new hires. One didn’t make it through the process, but we have 16 active drivers now. First Transit Crescent City is now currently fully staffed. Mr. Heckman reported there are four vehicles out of service for repairs. There should be another vehicle active in about a week or so. Mr. Heckman reported there have been two complaints since the last meeting. Mr. Heckman reported on-time

performance has dropped due to weather. Mr. Heckman reported the road paving has been delayed due to weather. Mr. Heckman reported we have started our partnership with College of the Redwoods, where the college is purchasing bulk amounts of bus passes from RCTA at discount prices and providing them to groups of students. Chair Gitlin asked if the owners of the Dog Boarding business along the new access road through the Fairgrounds were aware of our upcoming investment in extending and paving the gravel road? Mr. Heckman talked to Jennifer Henyon and she is happy with the changes and agrees it will be a boom to her business. Chairman Gitlin thanked Mr. Heckman for his efforts.

#### **9. Announcements**

The following Board members reported on the following: Chairman Gitlin asked if there is any information on the bus stop enclosure on Oregon Street. Chairman Gitlin reported the Parks Service super intendant wants the discussion of service into Stout Grove continued. The plan for the next meeting will be on the 15<sup>th</sup> of March at 3:30 p.m. Mr. Rye responded the bus stop enclosure hasn't happened yet because the purchase is part of the ordering of the two new LCTOP-funded shelters.

#### **10. Adjourn**

There being no further business to come before the Director, the Chairman Gastineau adjourned the meeting at 4:16 p.m. until the next scheduled meeting on Marc 15, 2017 at 3:30 p.m.

Respectfully submitted,

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Joseph Rye, General Manager

Redwood Coast Transit Authority