

Paratransit, Inc. Special Board of Directors Meeting
June 24, 2010

The Paratransit, Inc. (PI) Board of Directors scheduled a special meeting to adopt its FY 10-11 budget on June 24, 2010.

During Steve Robinson-Burmester's budget presentation, he stated PI will do the following to close the \$974,000 funding gap:

- Eliminate 8.5 FTE's (additional FTEs)
- Provide 1.81 trips per hour (+6%) at \$37.31 cost per trip (-13%)
- Divert \$190,000 in capital funds for operations
- Increase assumptions in Diversified Services revenue by \$248,000
- Slightly lower service demand projections

RoseMary Covington presented testimony prior to Board adoption; nearly all board members asked questions of RoseMary or made comments encouraging RT to learn more about the paratransit service before questioning the higher costs. Both Francis Gracechild and Katherine Baird echoed this sentiment. RoseMary responded to each question and comment and reassured the PI Board that RT is very familiar with its paratransit service. Board members also asked RoseMary what would happen if the PI Board did not adopt a budget. RoseMary responded by saying it is up to PI to adopt its budget; however, RT staff will be recommending budget adoption at its Board meeting on June 28, which will include an \$8,400,000 contribution for ADA paratransit services. Director Hammond noted that the RT Board intends to adopt the budget. The issue later became RT's ability to modify the budget before adoption. On several occasions, Linda Deavens, CEO referred to weak assumptions in RT's budget, (e.g. union concessions) indicating there was room for negotiation.

In summary, after extensive Board discussion the budget was adopted. Apparently, Board members were uncertain about the wording of its final resolution. The resolution will include language acknowledging a budget deficit totaling \$974,000, as well as trip denials. We have requested clarification from PI regarding trip denials; specifically, if trip denials refer to ADA or non-ADA trips. Some Board members also expressed an interest in scheduling another special meeting on or before June 30, but our representatives (Lauren Hammond and Bonnie Pannell) stated they will not be in attendance.

During the public comment period Linda Deavens informed the Board that RT and PI agreed to move forward with facilitation efforts, to be provided by SACOG, in resolving this funding issue. She said meetings will be scheduled during the next 3-4 months.