

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
June 13, 2016**

ROLL CALL: Roll Call was taken at 5:30 p.m. PRESENT: Directors Budge, Hansen, Harris, Hume, Jennings, MacGlashan, Morin, Nottoli, Serna, Slowey and Chair Schenirer.

PLEDGE OF ALLEGIANCE – Led by Mike Wiley.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Speakers:

Arthur Ketterling – Mr. Ketterling noted a schedule change on Route 28; however, he has not seen new paper schedules placed in designated areas. Mr. Ketterling requested that Sunday service continue on Route 21, and asked the Board not to discontinue service on Route 95 (Citrus Heights City Ride).

Etta Larrabee* - Ms. Larrabee summarized what she believes public transportation is meant to be and how service changes would affect the riders, and that Regional Transit staff should reconsider their management practices.

Mike Barnbaum – Mr. Barnbaum noted that RT cannot make changes to any services in Citrus Heights without the consent of the Citrus Heights staff and Council. Mr. Barnbaum provided information about other jurisdictions meetings.

Joe Gamble – Mr. Gamble presented a Board item approved in 2015 adding additional funds to the General Manager's retirement package. Mr. Gamble noted several issues that the Amalgamated Transit Union (ATU) has: staff is being laid off, increased workloads for the rest of RT, and RT is paying the current General Manager additional retirement monies. Mr. Gamble noted that ATU believes that the new General Manager should take over on July 1, and the current General Manager's Personal Services Contract (PSC) should be canceled.

Eric Sunderland* - Mr. Sunderland is concerned about the employees who were laid off, and the additional workloads for others. He believes that cuts should be made in executive compensation, and is concerned about the additional monies which were added to the current General Manager's retirement compensation, as well as providing a PSC after Retirement with a \$110 per hour rate. Mr. Sunderland stated that RT has the second highest fares in the Country, and the monies are going to top executives instead of going to basic public services. Mr. Sunderland wants to see a public forensic audit of RT. Mr. Sunderland noted that if he fails to see a forensic audit coming in the

next couple of months, he will be filing a Grand Jury complaint outlining RT's financial misconduct, and other general inefficiencies by RT.

Jeffery Tardaguila – Mr. Tardaguila believes that the Board should know more about what happens with the Mobility Advisory Council. Mr. Tardaguila thanked Janice Labrado and Pam Flohr. Mr. Tardaguila believes that by combining the Green and Gold Lines that RT could save money. Additionally, Mr. Tardaguila noted that Customer Service is not available on weekends. Mr. Tardaguila noted that Kevin Welch from Paratransit, Inc., William Lowell, and Mike Barnbaum explained to him about transit, and that these 3 people helped him learn about transit. Mr. Tardaguila noted that he had a wonderful experience changing over his fares. Mr. Tardaguila mentioned problems with data and Wi-Fi at the Sacramento Valley Station.

Fabrizio Sasso – Mr. Sasso indicated that the Labor Council has been aware that RT has problems, and that the same problems, with the same solutions continue to exist (budget cuts, layoffs, fare increases, and service cuts). He believes the layoffs mean a loss in the ability of RT to maintain its current level of service delivery. He indicated that the riders and the workers are asked to pay for bad management and oversight. Mr. Sasso requests that RT not lay off workers, see what happens with the STA tax, and take no action until an independent forensic audit occurs. Mr. Sasso asked the Board to give Mr. Li a chance, and believes Mr. Li will do a fine job.

Delphine Cathcart – Ms. Cathcart offered criteria for making service changes. Ms. Cathcart provided her suggestions to changes on Gold and Green lines, and Routes 65. Ms. Cathcart also requested disclosure on how service changes are developed, maps showing bus and light rail stop boards, population density, areas of low income transit dependent riders and employment centers. Ms. Cathcart would like RT to perform an operational audit.

Nancy Vinson – Ms. Vinson noted that the American Federal of State, County and Municipal Employees (AFSCME) has taken their share of hits in layoffs (39%). Ms. Vinson indicated that the loss of revenue should have been noticed sooner. Ms. Vinson is asking for a forensic and internal audit. Ms. Vinson is concerned that RT is spending about \$80,000 out of the operating budget with a supplement to the General Manager's retirement, and to AFSCME that represents a couple of RT jobs. Ms. Vinson expressed her concern that AFSCME was not given adequate notice to negotiate the layoffs or provide other ways to possibly save jobs.

CONSENT CALENDAR

1. Motion: Approval of the Action Summary of May 23, 2016
2. Resolution: Awarding a Contract to Folsom Lake Ford for the Purchase of Five Enforcement Utility Vehicles (Kennedy)

3. Resolution: Approving the First Amendment to the Contract with the City of Folsom for Peace Officer Assignment (Leong)
4. Resolution: Approving the Second Amendment to the Contract for Elevator Maintenance and Repair Services with Otis Elevator (Cain)
5. Resolution: Authorizing Renewal of General Liability Coverage Including Public Officials Errors and Omissions; Property; Boiler & Machinery; Excess Workers' Compensation; Employment Practices Liability; Crime/Employee Dishonesty Insurance; Privacy & Network Liability and Underground Storage Tank Pollution Liability for the Period of July 1, 2016 through June 30, 2017 (Spangler)
6. Resolution: Delegating Authority to the General Manager/CEO or Designee to Execute Grant Documents with California Governor's Office of Emergency Services to Receive FY2015-16 Proposition 1B California Transit Security Grant Program California Transit Assistance Funds (Li)
7. Resolution: Certifying the Initial Study/Mitigated Negative Declaration and Approving the Mitigation Monitoring and Reporting Plan for the Sacramento Valley Station Area Improvements Project (Damon)
8. Resolution: Authorizing a Six-Month Extension of the Prepaid Fares Established for Purchase and Validation with a Mobile Application (Bernegger)
9. Resolution: Waiving the Advertising Requirements of Title VII of the Sacramento Regional Transit District Administrative Code (Resolution No. 09-11-0184) and Delegating Authority to the General Manager/CEO to Enter into a Purchase and Sale Agreement for 2220 Cemo Circle, Gold River (Spangler)
10. Resolution: Authorizing Temporary Inter-fund Borrowing from the Developer Fee Trust Account to Cover Any Cash Flow Needs as a Result of Potential Delays in Receiving RT's Operating Funds (Bernegger)

Speakers: Item 8 – Jeffery Tardaguila

ACTION: APPROVED - Director Budge moved; Director Harris seconded approval of the consent calendar with the exception of Item 9. Motion was carried by voice vote.

9. Resolution: Waiving the Advertising Requirements of Title VII of the Sacramento Regional Transit District Administrative Code (Resolution No. 09-11-0184) and Delegating Authority to the General Manager/CEO to Enter into a Purchase and Sale Agreement for 2220 Cemo Circle, Gold River (Spangler)

Speaker: Ramey Osborne

ACTION: SUBSEQUENT MOTION: APPROVED – Motion by Director MacGlashan to

deny the staff recommendation and go back to the two firms that submitted the originals bids for the Cemo Circle property and negotiate with them, and return to the Board with a Purchase and Sale Agreement for approval; seconded by Director Nottoli. Motion was carried by voice vote.

GENERAL MANAGER'S REPORT

11. General Manager's Report
 - a. Government Affairs Update
 - b. System-Wide Improvement Initiative (Ham)
 - c. Service Analysis – Tools and Visualizations for Service Evaluation
 - d. RT Meeting Calendar

In addition to the written report, Laura Ham noted that there are five transit agents deployed on the system; seven in training and another thirteen in the final training group. Ms. Ham and Captain Leong will be bringing a report back on the homeless navigator program, and introduce the navigator to the Board. Ms. Ham noted that staff is preparing for security camera upgrades and other improvements. RT has released a Request for Proposal for 28 credit/debit fare vending machines, which expand RT's and the passenger's ability to pay for fare and parking with credit/debit cards. Staff is also considering a partnership with the City of Sacramento for parking enforcement and citation management. Ms. Ham noted that Mr. Tardaguila's issue with providing Wi-Fi or access to a data network will be resolved with the implementation of the permanent mobile application, and that staff is working on a demonstration of Wi-Fi at the Sacramento Valley Station.

Chair Schenirer requested that Captain Leong provide a report back within 60 days to provide information on what impact the transit agents are having on security and fares.

James Drake provided information on staff's tools and visualizations for service evaluation when considering service changes which were depicted in his power point. Mr. Drake noted that many customers and Board members had provided input on the service changes over the past month during the Board meeting and at the open houses.

Speaker: Mike Barnbaum

INTRODUCTION OF SPECIAL GUESTS

UNFINISHED BUSINESS

PUBLIC HEARING

NEW BUSINESS

12. Resolution: Approving an Employment Agreement with Henry Li as RT's General Manager/CEO (Spangler)

Speaker: Barbara Stanton

ACTION: APPROVED - Director Hume moved; Director Hansen seconded approval of the consent calendar as written. Motion was carried by roll call vote. Ayes: Directors Budge, Hansen, Harris, Hume, Jennings, MacGlashan, Morin, Nottoli, Serna and Chair Schenirer. Noes: None. Abstain: Director Slowey. Absent: None.

13. Resolution: Adopting a Transition Vision for RT's General Manager/CEO (Carter)

Doug Carter noted that the purpose of the transition vision is to set goals for service quality, fiscal sustainability, leadership, cultural changes, and partners to help keep RT on track. This plan carries forward the initiatives, plans, projects, programs and priorities that are already in place. There are five transition vision goals: customer's first; valued partnerships; fiscal sustainability; organizational excellence; and building capacity. Mr. Carter noted that RT currently does not have a "tag line", and it is not necessary to have one.

Director Hansen stated that the new General Manager/CEO and RT's Marketing team should work with some professionals to come up with a "tag line" recommendation and back it back to the Board.

Speaker: Michael Ault

ACTION: APPROVED - Director Hansen moved; Director Hume seconded approval of the consent calendar as written. Motion was carried by voice vote.

14. Information: Operating Budget Update (Li)

Henry Li thanked all the RT employees for their hard work and professionalism and his appreciation of the strong support from the riders, transit supporters, business leaders and peer agency representatives. Mr. Li noted that RT will make sweeping cultural and business changes quickly to significantly improve our service quality and customer experience.

Mr. Li noted that RT, in the last 45 days, staff heard feedback from customers, Board members and the public, and has now decided not to consider major service changes for the FY 2017 budget, partially because riders will lose their essential transportation options. Staff is looking for various revenue sources to offset the service changes. The Sacramento Area Council of Governments (SACOG), the Sacramento Metropolitan Air Quality Management District (AQMD) and RT met to discuss potential operating funding sources of approximately \$1.2 million. With these potential funding sources, RT decided to cancel the service change proposal. The potential funding sources will be used for reserves or to

improve our service quality.

RT's Planning team re-analyzed the whole list of service changes, and identified 20% (a small subset) of the service changes that would have minimal impact on riders. This 20% will be again put out to the Board and the public for comment to see if RT can get support on these small changes.

Mr. Li noted that revenue estimates are always moving targets, and in the last 45 days staff recognized a \$2 million shortage for FY 2017 revenue sources, so RT had to look for other cost cutting measures to offset the revenue reduction. RT looked at business processes to see if there were any improvement opportunities. In the near future, RT will not have many capital projects, so the business model is unable to support some capital positions.

Additionally, RT looked at combining some functions and reducing others, and initiated a reduction in the work force. Some of those employees are eligible for retirement. RT provided the affected employees with a severance package equally approximately \$100,000 for the 20 employees; RT will pay for the COBRA (medical insurance) for the next six months, and gave 30 or 45 days of administrative leave to allow the affected employees to look for other opportunities. RT is providing counselling sessions and has provided the affected employees with informational meetings to provide assistance.

These actions were taken to balance the budget and to run RT more like a business. The actions that were taken above reflect the new transition vision, which is to put the customer first, relentlessly pursuing organizational efficiency; strive to enhance RT's financial future stability, and building stronger partnerships with our stakeholders.

Mr. Li thanked SACOG and the AQMD for their assistance and in helping to find additional potential revenue sources.

Director Nottoli inquired as to what will happen with Route 54 since the Elk Grove Unified School District (EGUSD) terminated their Lease Agreement with RT. Greta Vohlers noted that Route 54 service will change on June 19, under the General Manager's authority, due to the termination of the Lease Agreement by EGUSD, and will make the closest stop over ½ mile from the Elk Grove facility on Gerber. The termination of the Lease Agreement, which allowed RT to drive on to the property to board/unload passenger and turn around, now makes it impossible to serve that segment of the impacted road along Gerber Road because there are no sidewalks. Staff looked at every alternative to keep the service close to the school facility. Mike Wiley noted that there is the ability to revisit another Lease Agreement with EGUSD if the school district changes their mind.

Director Harris re-confirmed that service changes are off the table. Director Harris wanted to confirm his conversation with Mark Lonergan about taking a "top down" view of the entire system using GIS data, employment data, etc. to understand where RT's routes will be best served, and keep an open mind to align/combine to make the RT system more functional. Mr. Li is working with SACOG to bring in a consultant to help RT look at the entire regional area and determined a solution for service. Mr. Li, working with SACOG

and other transit providers in the region, will try to start this project in a 6 month time frame, before the end of the FY 2017, and should have some proposals to the Board for consideration.

ACTION: NONE - Oral Presentation

REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS

15. Paratransit, Inc. Board of Directors Meeting – May 26, 2016 (Nottoli)

No further comments were provided.

16. San Joaquin Joint Powers Authority Meeting – May 27, 2016 (Hume)

Director Hume announced that the San Joaquin JPA is offering a program right now of: buy one fare at full price and get up to five family companion fares for half price.

Speaker: Mike Barnbaum

CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)

ANNOUNCEMENT OF CLOSED SESSION ITEMS

RECESS TO CLOSED SESSION

CLOSED SESSION

RECONVENE IN OPEN SESSION

CLOSED SESSION REPORT

ADJOURN

*Handout

Chair Schenirer adjourned the meeting in memory of those who died in Sunday's tragedy in Orlando, Florida.

As there was no further business to be conducted, the meeting was adjourned at 7:20 p.m.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary