



AGENDA
EXECUTIVE COMMITTEE MEETING
FRIDAY, AUGUST 7, 2015, 9:00 A.M.
OMNITRANS METRO FACILITY
1700 WEST 5TH 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.

THIS MEETING IS AVAILABLE BY TELECONFERENCE AT THE FOLLOWING LOCATIONS AND WILL BE CONDUCTED IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54953(B).

CITY OF CHINO HILLS, 14000 CITY CENTER DRIVE, CHINO HILLS, CA 91709

SHERATON SEATTLE HOTEL, 1400 6TH AVENUE, SEATTLE, CA 98101

THESE LOCATIONS ARE ACCESSIBLE TO THE PUBLIC AND MEMBERS OF THE PUBLIC MAY ADDRESS THE COMMITTEE FROM EITHER TELECONFERENCE LOCATION.

A. CALL TO ORDER

B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: Friday, September 4, 2015, 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 Administrative & Finance 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 – June 5, 2015 and June 23, 2015 | 2 |
| 2. Review Proposed Changes to Joint Powers Agreement and Recommend Changes be forwarded to Board Policy Committees for Review and Input | 9 |
| 3. Recommend the Proposed Transition Plan and Financial Analysis regarding Designation as the Consolidated Transportation Services Agency be submitted to SANBAG | 28 |

F. BOARD BUSINESS

There is no Closed Session.

G. REMARKS AND ANNOUNCEMENTS

H. ADJOURNMENT

ITEM # E1

**EXECUTIVE COMMITTEE MEETING
MINUTES
JUNE 5, 2015**

A. CALL TO ORDER

The Executive Committee Meeting was called to order by Chairman Alan Wapner at 9:35 a.m., Friday, June 5, 2015.

COMMITTEE MEMBERS ATTENDING

Mayor Pro Tem Alan Wapner, Board Chairman
Mayor Pro Tem Sam Spagnolo, Vice Chairman
Council Member Ed Graham, City of Chino Hills – via Teleconference
Council Member Penny Lilburn, City of Highland
Council Member Dick Riddell, City of Yucaipa

OTHER BOARD MEMBERS ATTENDING

Council Member Ron Dailey, City of Loma Linda

OMNITRANS STAFF ATTENDING

P. Scott Graham, CEO/General Manager
Vicki Dennett, Executive Assistant to CEO/General Manager

B. ANNOUNCEMENTS/PRESENTATIONS

Next Committee Meeting: Tuesday, July 7, 2015, 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 – April 3, 2015

M/S (Spagnolo/Lilburn) that approved the Executive Committee Minutes of April 3, 2015. Roll call vote taken and was unanimous by all Members present.

2. Review Proposed Changes to Joint Powers Agreement, Propose Additional Changes and Recommend Changes be forwarded to Board Policy Committees for Review and Input

Carol Greene said what has been done previously have been amendments, but the JPA has never been completely revamped. An amended and restated JPA would annotate all the changes, and would be signed by all the member agencies and become the governing document. Do we still want to be governed by the JPA, or would we rather become a different entity such as a Transportation District? This would be a time-consuming process, having to go through LAFCO. The general consensus was to go forward with amending the JPA, and look at governance changes in the future. Considerations for changing to a Transportation District would include going through an election in order to impose taxes. There may be some additional requirements such as continuation of services; Carol would have to look into that.

Carol went over the red-lined passages. She discussed a previous matter where a member was indicted on criminal charges, thus placing the agency's federal funding in jeopardy. Members questioned why we include the First District Supervisor when Omnitrans doesn't operate in the First District? That Supervisor sits on the VVTA Board, but there is no conflict between that agency and ours; all transportation agencies within the county fall under SANBAG's funding umbrella. Traditionally the alternates on VVTA are non-elected, and usually a member of the Supervisor's staff. If we lower our requirement from five to four supervisors, then the First District Supervisor could serve as an alternate to any one of the four.

Deletion of the weighted vote language was discussed. Alternates to the Omnitrans Board are allowed to vote (at SANBAG, alternates are not allowed to vote).

Regular Meetings--At SANBAG, committee meetings go dark in July; the Board goes dark in August. No changes are recommended.

Powers—The general statutory requirements governing County shall replace City.

Financial Support—Do we want to go under a general law city, the City of San Bernardino, or County of San Bernardino? We'll most likely change from City to County of San Bernardino.

CEO/General Manager—The position title in the JPA recommended to remain General Manager; the Board could still retain title CEO/General Manager in the personnel contract.

Treasurer—Does not have to be defined in the JPA (the Controller does, however).

Getting Started—This entire section is deleted.

Additional Parties—Section 2 is deleted.

Term—new date will be added.

Withdrawal of Party—Will be changed as recommended.

Winding Up—We have to have a windup dissolution procedure. Carol will look into some alternatives because the current language is outdated.

The JPA with recommended changes meets the legal requirements, and Chair Wapner said he is interested in having it meet broad, minimum legal requirements, so that the Board retains the power to enact new policy when necessary.

All the attachments regarding personnel and equipment, etc. will be deleted. And signatories will all be updated; each city will have to agendize the revised JPA, and it has to be adopted unanimously. Legal Counsel will incorporate recommended changes with the revisions presented to the Executive Committee at a future meeting. Beforehand, all cities should have input prior to agendizing it for adoption.

F. BOARD BUSINESS

There is no Closed Session item scheduled.

G. REMARKS AND ANNOUNCEMENTS

There were no Remarks or Announcements.

H. ADJOURNMENT

The Executive Committee adjourned at 10:43 a.m. The next Executive Committee Meeting is scheduled Tuesday, July 7, 2015, at 9:00 a.m., with location posted on the Omnitrans website and at the Omnitrans San Bernardino Metro Facility.

Prepared by:

Christine Vega, Administrative Secretary

**EXECUTIVE COMMITTEE MEETING
MINUTES
JUNE 23, 2015**

A. CALL TO ORDER

The Executive Committee Meeting was called to order by Vice Chairman Sam Spagnolo at 9:02 a.m., Tuesday, June 23, 2015.

COMMITTEE MEMBERS ATTENDING

Mayor Pro Tem Alan Wapner, Board Chairman – via Teleconference
Mayor Pro Tem Sam Spagnolo, Vice Chairman
Council Member Ed Graham, City of Chino Hills – via Teleconference
Council Member Penny Lilburn, City of Highland
Council Member Dick Riddell, City of Yucaipa

OTHER BOARD MEMBERS ATTENDING

Council Member Ron Dailey, City of Loma Linda

OMNITRANS STAFF ATTENDING

P. Scott Graham, CEO/General Manager
Vicki Dennett, Executive Assistant to CEO/General Manager

OTHERS ATTENDING

Beth Kranda, VTrans
Phil McGuire, Innovative Paradigms
Kimberly Perez, VTrans
Dave Sheasby, City of Ontario
Andrea Zureick, SANBAG

B. ANNOUNCEMENTS/PRESENTATIONS

Next Committee Meeting: Tuesday, July 7, 2015, 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. Transition Plan and Financial Analysis regarding Designation as the Consolidated Transportation Services Agency (CTSA) and submit to SANBAG

CEO/General Manager Scott Graham presented the proposed Transition Plan and Financial Analysis prepared in response to the SANBAG Board of Directors request to do so by September 1, 2015. The proposed plan was developed in advance of the Omnitrans Board of Directors' approval to do so as SANBAG is dark in August, and by getting the information to the Omnitrans Board of Directors in July, it would provide time to make any adjustments directed by the Board prior to presenting to SANBAG by its September 1st deadline.

The presentation included an overview of the Travel Training Program, the Transportation Reimbursement Escort Program (TREP), provided by driver volunteers and how the funds for TREP are passed from Omnitrans to VTrans, as well as touched on future expansion opportunities contained in VTrans' Five Year Business Plan (Fiscal Year 2015-2016 through 2019-2020) that included purchasing land, taking over community routes, hiring Coach Operators, etc.

Member Lilburn arrived at 9:09 a.m.

A review of the Financial Analysis of VTrans showed that 53% or \$1.2M of \$2.3M of Measure I funds are spent on administrative costs compared to a projected 28% or \$663,780 if Omnitrans were to become the CTSA. Omnitrans' proposed structure would add a Special Services Department and would include several of the same positions, to include the Maintenance facility and Maintenance staff in the short term; however Omnitrans would research other options such as providing a bay at the "I" Street facility for maintenance of the community route vehicles or contracting with the paratransit provider to maintain the vehicles.

Board Chair Wapner requested that the report be revised prior to being presented to the Board to include Omnitrans' plan for the \$5M reserve at VTrans, as well as more specificity about what will be done with the projected \$600,000 savings (i.e. Funds put back into services). Member Lilburn also suggested that Omnitrans ensure that insurance (Workers' Comp, Liability) costs are included in VTrans' proposed costs, if not already accounted for.

As a non-SANBAG member, Member Dailey asked whether Omnitrans was clear on SANBAG's purpose and whether the plan provides the desired outcome as the form motion is a bit vague.

CEO/General Manager explained that the plan takes a broad brush to illustrate how VTrans could be incorporated into Omnitrans and the cost savings by providing the same services under one umbrella. If Omnitrans were to become the CTSA, it would be important for Omnitrans to establish and continue to build upon the relationship that Vtrans' has built with the community and continue with the same passion. The issue is how best to serve the clients and that won't change if Omnitrans were designated as the CTSA. This is not about egos; it is about the best use of dollars and how best to coordinate the service that best suits the clients' needs.

Member Lilburn indicated that Omnitrans has been put in the middle between SANBAG and VTrans and explained that the elected officials want to ensure that the Measure I funds are being spent wisely.

The Committee touched briefly on other CTSA models, including the Riverside Transit Agency's Travel Training Program. Member Riddell inquired about the outcome of looking into the Riverside Transit Agency's Travel Training Program and whether Omnitrans could develop a similar program. Also discussed was whether VTrans' drivers and mechanics would become part of the Union.

CEO/General Manager Graham explained that VTrans uses volunteers to transport clients on the community routes and reimburses the volunteers for mileage; however, if the shuttles are provided by Operators rather than volunteers, the Union would have a role.

Member Riddell also asked about Vtrans' operating area. Ms. Kranda stated that it was the entire valley, including rural areas. As it relates to Measure I, she stated it is the entire valley.

Member Lilburn commented about the 53% of Measure I funds being spent on administrative costs, as coming from a non-profit agency herself, that dollars spent are to be watched carefully. She would like clarification from VTrans. Mr. McGuire confirmed that clarification would be provided.

Andrea Zureick stated that SANBAG's purpose for the request is to ensure that funds are being used as efficiently as possible, to ensure that Omnitrans understands the purpose of the CTSA and would be able to provide the same types of services, and if it were to be combined under one umbrella, whether it would benefit the system overall. Ms. Zureick further explained that, in 2010, 2% of the Valley's Measure I funds were earmarked for the CTSA. Further, the resolution that established the CTSA stipulated that a review would be completed in Fiscal Year 2015 to ensure that the funds were being spent as efficiently as possible, which is why the review is being done now. If there is a way to do it better, this is the time to do it.

Vice Chair Spagnolo stated that Omnitrans has prepared this information for consideration by the Omnitrans Board of Directors on July 1, which will allow time for any changes recommended by the Omnitrans Board to be incorporated and presented to SANBAG by its September 1 deadline.

Member Dailey asked about the potential risks to Omnitrans in becoming the CTSA.

CEO/General Manager Graham emphasized that, if the CTSA designation is approved, it is important for those providing the service have a passion for department would report to me or Deputy GM, so somplete eye on it. Community has to have confidence in Omnitrans. The service was already built; would like VTrans come over and say we want the tools, we want the clients have more flexibility and be better served. Need to take a step back and look at the clients.

Committee Chair Spagnolo thanked Ms. Zureick for the background she provided on the history of the CTSA and once we move forward, if the direction is given to move forward, it will give a lot of opportunity to Scott to address the clients and no scare tactics reassure them that their programs will not go away, but will only improve.

M/S (Riddell/Lilburn) that recommended the Board of Directors authorize the CEO/General Manager to prepare a transition plan and financial analysis regarding designation as the Consolidated Transportation Services Agency (CTSA) in the San Bernardino Valley subarea, as approved by the SANBAG Board of Directors at its June 3, 2015, meeting, and authorization the CEO/General Manager to submit the proposed plan to SANBAG by the September 1, 2015, deadline.

F. BOARD BUSINESS

There is no Closed Session item scheduled.

G. REMARKS AND ANNOUNCEMENTS

There were no Remarks or Announcements.

H. ADJOURNMENT

The Executive Committee adjourned at 9:49 a.m. The next Executive Committee Meeting is scheduled Tuesday, July 7, 2015, at 9:00 a.m., with location posted on the Omnitrans website and at the Omnitrans San Bernardino Metro Facility.

Prepared by:

Vicki Dennett, Executive Assistant to CEO/General Manager

ITEM # E2

DATE: August 7, 2015

TO: Board Chair Sam Spagnolo and Members of the Executive Committee

FROM: P. Scott Graham, CEO/General Manager

SUBJECT: PROPOSED CHANGES TO JOINT POWERS AGREEMENT

FORM MOTION

Review proposed changes to Joint Powers Agreement made as a result of Executive Committee input at its June 5, 2015, meeting, propose any subsequent changes, and recommend changes be forwarded to the Board policy committees for review and input.

BACKGROUND

On May 6, 2015, the Board of Directors provided authorization to the CEO/General Manager to begin the process of amending the Joint Powers Agreement, as well as the amendment process.

The amendment process will be presented to each Board Policy Committee, beginning with the Executive Committee, (Executive, Administrative & Finance, Plans & Programs, Operations and Safety) for review and input. County Counsel will guide the process and ensure that the proposed recommendations are in accordance with applicable law.

This process will give the entire Board of Directors an opportunity to scrutinize and provide input and recommendations for change.

CONCLUSION

Once approved by the Executive Committee, the proposed changes to the Joint Powers Agreement will be moved forward to the other Board policy committees for review and input, with the ultimate goal of presenting a proposed new Joint Powers Agreement to the Board of Directors for approval by June 2016.

PSG

Text in Red – First draft presented to Executive Committee Meeting - June 5, 2015
Text in italics (Blue) - Edits based on Executive Committee comments of June 5, 2015

AMENDED AND RESTATED JOINT POWERS AGREEMENT BETWEEN THE COUNTY OF SAN BERNARDINO AND THE CITIES OF CHINO, CHINO HILLS, COLTON, FONTANA, GRAND TERRACE, HIGHLAND, LOMA LINDA, MONTCLAIR, ONTARIO, RANCHO CUCAMONGA, REDLANDS, RIALTO, SAN BERNARDINO ~~AND UPLAND~~, AND YUCAIPA CREATING A COUNTY WIDE TRANSPORTATION AUTHORITY TO BE KNOWN AS “OMNITRANS”.

Comment [T1]: Joined January 8, 1992

Comment [T2]: Joined April 26, 1988

Comment [T3]: Joined June 6, 1990

THIS AGREEMENT, *originally* dated for convenience on the 8th day of March, 1976, *is hereby amended and restated on* _____, 2016, is entered into by and between the COUNTY OF SAN BERNARDINO and the Cities of CHINO, CHINO HILLS, COLTON, FONTANA, GRAND TERRACE, HIGHLAND, LOMA LINDA, MONTCLAIR, ONTARIO, RANCHO CUCAMONGA, REDLANDS, RIALTO, SAN BERNARDINO, ~~and~~ UPLAND ~~and~~ YUCAIPA, all of which are bodies politic in the STATE OF CALIFORNIA;

WITNESSETH:

WHEREAS, the County of San Bernardino (hereinafter sometimes referred to as “County”) and the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, ~~and~~ Upland, ~~and~~ Yucaipa (hereinafter sometimes referred to as “Cities”) have a mutual interest in deciding upon and implementing a public transit system to serve all the parties, and

WHEREAS, *previously* certain transit service authorities ~~now served~~ sub-areas of the County, utilizing either the County of San Bernardino or San Bernardino Transit System as transit operators; and

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WHEREAS, the parties now wish to *continue to* better coordinate transit efforts by *amending and restating the agreement used in* creating a single umbrella agency which will provide transit services as requested by the transit service authorities, and will serve the transit needs of the ~~entire County of~~ San Bernardino Valley and other areas as required.

NOW, THEREFORE, the County and Cities above mentioned, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

SECTION 1. PURPOSE.

Each party to this Agreement has the power to own, maintain, and operate a public transportation system. Under authority of Title I, Division 7, Chapter 5, as amended, of the Government Code of the State of California, the parties desire by joint exercise of their common power, to create and constitute a ~~new~~ public transportation entity separate and distinct from each of the parties to be known as “Omnitrans”, which will own, maintain, operate and administer a public transportation system. This ~~new~~ transportation system will serve as a unifying umbrella agency to coordinate service desires of the various transit service authorities throughout ~~the San Bernardino County Valley~~, and to provide such service either directly or through subcontract with other operators. The transportation system ~~will initially absorb~~ the public transportation operations of the San Bernardino Transit System, and the County of San Bernardino Transportation Department’s Public Transit Division, ~~which presently serve the parties. The new entity Omnitrans~~ will provide a standardized system of fares, a universal system of transfers, and expanded transit services and facilities for the benefit of the citizens of the parties. ~~It is anticipated that the expertise, efficiencies, and economies resulting from the joint effort, and the utilization of available assistance programs will lend impetus to the new transit entity in developing an expanded County wide public transportation service.~~

SECTION 2. CREATION OF AUTHORITY

~~Omnitrans was created Pursuant to Section 6506 of the California Government Code there is hereby created a public entity to be known as “Omnitrans”, and said Authority shall is be~~ a public entity separate and apart from the Cities and County which are parties to this Agreement.

SECTION 3. GOVERNING BOARD

A. Membership.

The Authority (Omnitrans) shall be administered by a Board of Directors. The membership of the Board of Directors shall consist of an officially designated Mayor or Council Member from each member City and *four seats to be selected by Board of Supervisors with fifth seat as an alternate.* ~~all five Supervisors of the County of San Bernardino.~~ Each City representative may have one alternate who

Comment [T4]: In October 2011, the County Board of Supervisors directed that Districts 2-5 serve on Omnitrans based on Omnitrans service area, pending approval of the amended JPA by unanimous approval of the Omnitrans Board. Item was never moved forward by former CEO/GM. Does the Board want to remain at 5 or add language to remove District 1 since it is not in Omnitrans’ service area?

shall be a Mayor or City Council Member officially designated by the City Council. ~~The County representatives shall have no alternates.~~ The alternates shall serve in an official capacity and be entitled to vote only in the absence of the official representatives.

Comment [T5]: Based on above proposed change, should this be removed if the County is reduced to four reps, with an alternate.

B. Voting.

Each member of the Board of Directors shall have one vote, ~~provided, however, that upon the call of any Board member, a weighted voting shall be used with weighted votes calculated as follows:~~

~~Weighted vote entitlements shall be calculated based upon population. Each member agency shall receive one vote for each one percent (1%) of the total population of the Omnitrans service area that resides within the member agency's jurisdictional area. If the population percentage computation of a member agency results in a partial vote, the weighted vote calculation shall be made by rounding upward for population calculations of one half percent (1/2%) or more, and rounding downward for population calculations of less than one half percent (1/2%) except that no member agency shall have less than one vote when weighted voting occurs. The Controller shall compute the weighted vote entitlement for each member agency as of the preceding July 1st based on the most recent Department of Finance Population Statements. The entitlement for the County of San Bernardino shall be determined by utilizing the most recent County Planning Department information indicating the percentage of unincorporated population of the County residing within the service area of Omnitrans. In the event that the "off the top" funding method first approved by the Omnitrans Board of Directors for the 1983-84 fiscal year is no longer used by Omnitrans, then weighted voting entitlements shall thereafter be calculated in the manner that existed prior to this Amendment to the Omnitrans Joint Powers Agreement.~~

~~Weighted vote entitlements of each member agency shall be computed by the Controller designated in Section 3.D. of this agreement and such computations will control in determining weighted votes. The weighted votes to which the County is entitled shall be divided equally among those Supervisors present. The weighted votes of any single representative shall not be split. The weighted~~

~~voting of any single member agency shall not, of itself, constitute a majority vote.~~

Comment [T6]: Weighted voting no longer applies.

A quorum shall consist of a majority of the membership of the Board of Directors, except that all County representatives on the Board of Directors shall be counted as one for the purpose of establishing a quorum. Less than a quorum may adjourn from time to time. All actions taken by the Board shall require a majority vote of the members present, with a quorum in attendance, provided, however, that adoption of By-laws, Amendment of By-laws, adoption of an annual budget and such other matters as the Board may designate shall require a majority vote of the entire membership of the Board ~~(majority of total weighted votes of all parties if weighted voting is called for).~~ An abstention shall be considered neither an affirmative nor a negative vote, but the presence of the member abstaining shall be counted in determining whether or not there is a quorum in attendance.

Comment [T7]: Weighted voting no longer applies.

~~(Section 3.B. amended on October 1, 1984)~~

~~(Section 3.B. amended on September 1, 1980)~~

Comment [T8]: Prior Amendment No's 3 & 4 that amended Section 3.B. applied to Weighted Voting and is no longer applicable.

C. Meetings.

(1) Regular Meetings.

The Board of Directors shall provide for its regular meetings; provided, however, it shall hold at least one (1) regular meeting during each quarter of each fiscal year. The dates, hour, and place of the holding of the regular meetings shall be fixed by the Board by resolution.

Comment [T9]: Should the language be changed to monthly?

(2) Ralph M. Brown Act.

All meetings of the Governing Board, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code).

Comment [T10]: No need to revised; we can exceed the requirement without penalty.

(3) Minutes.

The Secretary of the Board shall cause to be kept minutes of regular, adjourned regular, and special meetings of the Governing Board, and shall cause a copy of the minutes to be forwarded to each member of the Board and to each of the parties hereto.

D. Officers.

The Board shall select a Chairman, a Vice Chairman, and other necessary officials. The Secretary shall be the ~~Chief Executive Officer~~ General Manager of Omnitrans. The Treasurer of the Authority shall be the General Manager of Omnitrans who shall be the depository and have custody of all money of the Authority from whatever sources. Omnitrans' Director of ~~Accounting-Finance~~ shall be the Controller of the Authority and shall draw all warrants to pay demands against the Authority. The Attorney for the Authority shall be designated by the Board. ~~The public officers or persons who have charge of, handle or have access to any property of the Authority shall file an official bond in accordance with Section 6505.1 of the California Government Code.~~ The Authority shall have the authority to appoint or employ such other officers, employees, consultants, advisors, and independent contractors as it may deem necessary.

(Section 3.D. amended on October 1, 1983)

E. Functions.

The Board of Directors shall perform the following functions:

- (1) ~~Adopt the budget; management, service and marketing plans and the Short Range Transit Plan.~~
- (2) Appoint a General Manager;
- (3) Appoint a technical committee;
- (4) Establish policy, including but not limited to:
 - (a) Uniform fares;
 - (b) ~~Marketing Procurement Policies;~~
 - (c) ~~Personnel Policies, User information.~~
- (5) Adopt rules and regulations for the conduct of business; and
- (6) Perform such other functions as are required to accomplish the purposes of this Agreement.

Comment [T11]: Based on Executive Committee's recommendation, title will remain General Manager in JPA; the Board can still retain the title of CEO/General Manager in the personnel contract, if desired. All subsequent references to Chief Executive Officer have been removed.

Comment [T12]: This has never been done. Is it applicable?

Comment [T13]: This language is required and usually waived upon appointment; Omnitrans needs to formally waive when appointing new hires in these positions.

Comment [T14]: Amendment No. 5 language incorporated into Section 3.D. with position titles proposed for revision to align with existing position titles.

Comment [T15]: Do we want to get this specific? This goes on & on - while future administrations may not perform same plans.

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SECTION 4. POWERS.

Omnitrans shall have the common power of the parties to own, operate and maintain a public transit system; and, in the exercise of the power under this Agreement, Omnitrans is authorized in its own name to:

- (1) Sue and be sued;
- (2) Employ agents and employees and contract for professional services;
- (3) Make and enter contracts;
- (4) Acquire, convey, construct, manage, maintain and operate buildings and improvements;
- (5) Acquire and convey real and personal property;
- (6) Incur debts, obligations and liabilities, provided, however, the debts, obligations and liabilities incurred by Omnitrans shall not be, nor shall they be deemed to be, debts, obligations, or liabilities of any party;
- (7) Invest funds not required for immediate use as the Board determines advisable - - in the same manner and upon the same conditions as other local entities in accordance with Section 53601 of the Government Code; and
- (8) Do all other acts reasonable and necessary to carry out the purpose of this Agreement.

Such powers are subject to the statutory restrictions upon the manner of exercising the powers of the City-County of San Bernardino.

Comment [T16]: *Do we want to consider adding power of eminent domain?*

Comment [T17]: Change to County of San Bernardino?

Comment [T18]: *Yes*

SECTION 5. FISCAL YEAR.

For the purposes of this Agreement, the term “Fiscal Year” shall mean the twelve (12) month period from July 1 to and including the following June 30.

SECTION 6. FINANCIAL SUPPORT.

~~At the time of preparing Omnitrans annual proposed operating budget and proposed capital expenditure budget, the Board shall consider the amount of financial support to be provided by the various contracting entities for the ensuing fiscal year. A separate route~~

~~mileage charge for each transit division shall be utilized for calculating contractual fees. Any unanticipated or unusually large overhead or administrative charges incurred by a transit division shall also be charged to said division. In the use of sub contractor service, Omnitrans shall determine an appropriate percentage override to equitably fund overall Omnitrans activities.~~

Comment [T19]: No longer applicable.

Comment [T20]: Lay out the funding as various allocations go to Omnitrans that would go to members.

At the time of preparing Omnitrans annual proposed operating budget and proposed capital expenditure budget, the Board shall consider the amount of financial support to be allocated by the San Bernardino Associated Governments (SANBAG) on behalf of members' jurisdictions. SANBAG as the Transportation Planning Agency for San Bernardino County, and acting as the County Transportation Commission, is responsible for allocating Transportation Development Act (TDA) funding sources for transit and non-transit related purposes that comply with regional transportations plans.

The TDA provides two funding sources:

- 1. Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide.*
- 2. State Transit Assistance fund (STA), which is derived from the statewide sales tax on gasoline and diesel fuel.*

SECTION 7. GENERAL MANAGER.

The General Manager ~~of San Bernardino Transit System shall be the first General Manager~~ of Omnitrans ~~and~~ shall serve at the pleasure of and upon the terms prescribed by the Board of Directors.

The General Manager shall be responsible for carrying out the policy and directives of the Board of Directors. The duties of the General Manager shall include:

- ~~(1) —~~ The preparation and submission to the Board of Directors of the annual operating and capital improvement budgets ~~as provided in Section 6 of this Agreement.~~
- (1) The appointment, assignment, direction, supervision, and subject to the personnel rules adopted by the Board of Directors, the discipline or removal of Omnitrans employees;

- (2) Advising the Board of Directors concerning all matters relating to the operation of Omnitrans and the various programs of work, promotion and expansion;
- (3) Providing periodic financial reports covering Omnitrans and its operations in the manner and at the times determined by the Board of Directors; and
- (4) Approving for payment, under the procedure adopted by the Board of Directors, all valid demands against Omnitrans.

SECTION 8. TREASURER.

The Treasurer of the Authority shall receive, have custody of, and disburse Authority funds pursuant to the ~~accounting procedures developed by the Authority Board~~ *in conformance with Government Accounting Standards as nearly as possible in accordance with normal procedures of the City of San Bernardino*, and shall make disbursements required by this Agreement to carry out any of the provisions or purposes of this Agreement.

Comment [T21]: Define to FTA?

Comment [T22]: No, not all monies come under FTA.

SECTION 9. CONTROLLER.

The ~~Director of Finance, as~~ Controller, shall issue checks to pay demands against Omnitrans, which have been approved by the General Manager. ~~He shall be responsible on his official bond for his approval for the disbursement of Omnitrans money.~~

Comment [T23]: Applicable?

Comment [T24]: Yes.

The Controller shall keep and maintain records and books of accounts on the basis of the uniform classification of accounts adopted by the State Controller. The books of accounts shall include records of assets ~~and~~ liabilities. ~~and of contributions made by each party.~~

Comment [T25]: This needs to remain; there should be some record of contribution when members joined.

~~**SECTION 10. GETTING STARTED.**~~

~~**A. Organizational Meeting.**~~

~~The organizational meeting of the Board of Directors shall be called by the Chairman of the Board of Supervisors, who, after consultation with the other members, shall specify the date, time and place of meeting. The appointees shall meet and organize and shall elect a Chairman and Vice Chairman from their number, who shall serve for a period to be established by the Board of Directors. The organized Board of Directors shall adopt rules of procedure and shall~~

Comment [T26]: Delete Section 10 as it refers to initial start up in 1976.

Comment [T27]: Okay to delete.

~~establish a time for regular meetings, provided, however, that meetings shall be held not less often than four times per year.~~

~~At its organizational meeting the Board shall:~~

~~(1) Provide for notice of Joint Exercise of Powers Agreement to be filed with the Secretary of State within thirty (30) days after the effective date of this Agreement;~~

~~(1) Appoint a Technical Committee, which shall perform supportive functions necessary for the well being of the Authority;~~

~~(2) Provide for the selection of an Attorney.~~

~~Not later than 120 days following the organizational meetings of its Board, Omnitrans shall complete all required acts and procedures preliminary to initiating public transportation services; and within this time, on a date to be determined by the Board, Omnitrans shall commence and maintain the public transportation service in accordance with this Agreement.~~

~~A. Transfer of Assets~~

~~Within the period provided by Subparagraph A (120 days), and prior to initiating public transportation service, the Board of Directors shall accept for Omnitrans the conveyance and/or assignment of the assets scheduled in Exhibits "A" and "B" which Exhibits are attached to and made a part of this Agreement. Each party shall convey and/or assign, and Omnitrans shall accept, the scheduled assets subject to any encumbrance and any conditions listed. Omnitrans shall assume any outstanding indebtedness and the obligation of any conditions so listed.~~

Comment [T28]: Exhibits "A" and "B" attached and recommended for deletion.

~~B. Employee Seniority Rights~~

~~Omnitrans management may transfer employees between divisions, and any seniority rights of employees shall be as approved by the Board of Directors or as set forth in any applicable memorandum of understanding.~~

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~~(Section 10.C. amended September 1, 1984) - Amendment No. 6 - Language incorporated in above paragraph. - Initial JPA language incorporated Exhibits "C" and "D"; Amendment No. 6 removed any reference to these exhibits.~~

Comment [T29]: Exhibits "C" and "D" attached and recommended for deletion.

~~(Section 10.C. amended November 1, 1979) - Amendment No. 2~~

~~C. Provision of Transit Service.~~

~~On the date it initiates transportation service, Omnitrans shall exercise the common power of the parties by providing and maintaining a public transportation service in accordance with the desires of the various Transit Service Authorities. The Transit Service Authorities will determine service characteristics within their jurisdiction, which characteristics will include hours of operation, frequency, and areas or routes to be served. Within Omnitrans capabilities, as determined by the Board of Directors, service may also be provided to points outside the jurisdictional limits of the Transit Service Authorities if so requested. The parties who request extended service will be billed accordingly. Initially, the same fares and at least the same minimum service levels including equipment type shall be maintained by Omnitrans as was last provided by San Bernardino Transit System or the County, subject to the desire of the local Transit Service Authority to pay for said service under provisions of Section 6. Within Omnitrans capabilities, expanded transportation services, routes, and facilities shall be provided. As determined, Omnitrans shall provide a standardized system of fares and a uniform system of transfers.~~

~~For the period commencing upon the effective date of this Agreement and terminating July 1, 1980, Omnitrans shall maintain the central maintenance and operations headquarters for Omnitrans within the City limits of the City of San Bernardino and during said period shall not remove said central maintenance and operations headquarters from the City of San Bernardino without the City's written permission first obtained.~~

~~In the performance of its function, Omnitrans shall seek out and utilize all available programs of assistance and shall establish and maintain close liaison with regional, State, and Federal advisory and regulatory bodies.~~

~~D. Organizational Structure~~

~~Omnitrans shall operate utilizing a divisional structure appropriate to serve the needs of the various Transit Service Authorities. Initially, such organizational structure shall substantially conform to the structure outlined in Exhibit "E"~~

Comment [T30]: Exhibit "E" attached and recommended for deletion.

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~~which is attached hereto. The organizational structure may later be modified by the Board of Directors.~~

SECTION 11. PARTIES' LIABILITY.

Each party to this Agreement, whether individually or collectively, does not assume, nor shall a party be deemed to assume, liability for:

- (1) Any act of Omnitrans or for any act of Omnitrans agents or employees;
- (2) The payment of wages, benefits, or other compensation of officers, agents or employees of Omnitrans; or
- (3) The payment of workmen's compensation or indemnity to agents or employees of Omnitrans for injury or illness arising out of performance of this Agreement.

SECTION 12. ASSIGNABILITY.

With the unanimous approval of, and upon the terms agreed upon by the parties hereto, all or any of the rights and property subject to this Agreement may be assigned to facilitate, under the direction of another, the purpose of this Agreement, provided, however, no right or property of Omnitrans shall be assigned without compliance with all conditions imposed by any State or Federal entity from whom Omnitrans has procured financial assistance.

SECTION 13. ADDITIONAL PARTIES.

Any general purpose local public jurisdiction may join Omnitrans. Any such jurisdiction so joining shall become a member subject to:

- (1) Approval of the Board of Directors;
- ~~(2) Acquisition of at least \$5,000 of capital asset value of Omnitrans by either purchasing same from an existing shareholder or contributing funds in like amount to the capital asset account of Omnitrans; and~~
- ~~(3)~~(2) Execution of this Joint Powers Agreement.

Any such agency meeting the above conditions shall be entitled to appropriate representation on the Board of Directors as provided in Section 3.

SECTION 14. TERM.

This *original* Agreement ~~shall~~became effective on March 3, 1976, and *this Amended and Restated Agreement shall become effective on _____, and* shall continue in force until terminated by mutual agreement of the parties.

SECTION 15. WITHDRAWAL OF PARTY.

Any party may withdraw from this Agreement as of the first day of July of any year following six (6) months' notice to the other parties by resolution of intent to withdraw adopted by the legislative body of the party. A withdrawing party shall be compensated for its total capital asset value contributed less appreciation, by return of capital assets and/or cash payment, over a period not to exceed five (5) years, the method to be determined by the Board of Directors.

Comment [T31]: Delete?

Comment [T32]: Language still required; do not remove

SECTION 16. WINDING UP.

A. General Provision.

If this Agreement is terminated, assigned, or transferred in whole or in part, all assets owned by Omnitrans shall be distributed to the parties. Distribution to each party shall be made in the same proportion as that reflected in the parties' accumulated capital contribution accounts as shown in the Controller's books of accounts. Cash may be distributed in lieu of property or equipment.

If the parties cannot agree as to the valuation of property or to the manner of its distribution, the distribution or valuation shall be made by a panel of three (3) referees. One (1) referee shall be appointed by the objecting entity(ies) and one (1) referee shall be selected and appointed by the Board of Directors, and those referees shall appoint a neutral referee.

This Agreement shall not terminate until all property has been distributed in accordance with this provision; and the winding up and property distribution hereunder shall be effected in the manner calculated to cause the least disruption to existing public transportation service.

B. ~~Repurchase Option — City of San Bernardino~~

~~In the event of dissolution of Omnitrans for any reason, the City of San Bernardino shall have the first right to purchase the central maintenance facility at 5th and Muscoy in the City of San Bernardino and 75% of the appraised value of all motor vehicles and equipment listed in Exhibit "A", provided that during the first five (5) years of this Agreement, the number of vehicles available for said purchase shall be at least equal to the number of vehicles listed in Exhibit "A" hereof. In the event the City of San Bernardino, within thirty (30) days of the date of the establishment of the price as hereinafter set forth, determines the price thus determined to be satisfactory, it shall notify Omnitrans or its representative in writing of its acceptance. Payment of the purchase price shall be accomplished within three (3) years from the date of said acceptance. Should the City of San Bernardino decline to purchase said assets, then Omnitrans shall be free to dispose of said assets in accordance with Paragraph A above and shall not be~~

Comment [T33]: Language must remain; Do not delete. Dissolution procedures may need to be amended.

Comment [T34]: We can add a provision that in the event Omnitrans decides to convert to a Transit District, all assets and liabilities will transfer to the Transit District.

~~under any further obligation to the City of San Bernardino. The appraised value of the assets that the City of San Bernardino shall have the first right to purchase shall be determined as follows:~~

~~(1) The City of San Bernardino and Omnitrans shall each appoint a qualified appraiser to determine the fair market value of said assets being acquired by City. In the case of equipment purchased with the assistance of Federal grants, the appraisers shall determine the appraised value of only the local matching share of said assets being acquired by the City. In the event the two appraisers agree on a purchase price, this shall be the purchase price established for purposes of this repurchase option.~~

~~(1) In the event the two appointed appraisers are unable to agree on the fair market value of the assets, they shall jointly appoint a third independent appraiser and the three appraisers shall arrive at a purchase price for said assets by functioning as an arbitration panel. The purchase price thus established as fair market value, shall be the purchase price established for the said assets by said City from Omnitrans and, the City shall pay said price within three (3) years from the date it accepts said price. The City of San Bernardino shall be required to notify Omnitrans of its representative in writing of its acceptance or rejection of said purchase price within thirty (30) days from the date it is notified of the final price determination. Should the City of San Bernardino decline to purchase said assets, then Omnitrans shall be free to dispose of the same in accordance with Paragraph A above.~~

~~(2) The parties hereto shall each pay their respective appraisers, and in the event it is necessary to employ the third appraiser, the parties shall equally share the cost.~~

Comment [T35]: Okay to delete this section.

SECTION 17. PARTIAL INVALIDITY.

If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void, or voidable for any reason whatsoever by a Court of competent jurisdiction, each and all of the remaining terms,

provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

SECTION 18. SUCCESSORS.

This Agreement shall be binding upon and inure to the benefit of the successors of the parties.

SECTION 19: MULTIPLE COUNTERPARTS

This Agreement may be executed in multiple counterparts and a copy may be used as an original.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

Dated: March 8, 1976

COUNTY OF SAN BERNARDINO

ATTEST:

Leona Rap?? (signature)
Clerk of the Board

Dennis Hansberger (signature)
Chairman, Board of Supervisors

Dated: March 1, 1976

CITY OF CHINO

ATTEST:

Joan A. Kruse (signature)
City Clerk (Assistant)

Bob B. McLeod (signature)
Mayor

Dated: March 5, 1976

CITY OF COLTON

ATTEST:

Helen A. Ramos (signature)
City Clerk

? (signature)
Mayor

Dated: March 9, 1976

CITY OF FONTANA

ATTEST:

Patricia M. Murray (signature)
City Clerk

Frank H? (signature)
Mayor

Dated: March 8, 1976

CITY OF LOMA LINDA

ATTEST:

? (signature)
City Clerk

Kent Dickinson (signature)
Mayor

Dated: February 26, 1976

CITY OF MONCLAIR

ATTEST:

Gertrude L. Hill (signature)
City Clerk

Harold M Hayes (signature)
Mayor

Dated: February 27, 1976

CITY OF ONTARIO

ATTEST:

Marie Correggia (signature)
Deputy City Clerk

Paul A. Treadway
Mayor

Dated: March 8, 1976

CITY OF REDLANDS

ATTEST:

Peggy A. Moseley (signature)
City Clerk

Jack B. Cummings (signature)
Mayor

Dated: March 5, 1976

CITY OF RIALTO

ATTEST:

Joseph H. Sampson (signature)
City Clerk

Vernon A. Craig (signature)
Mayor

Dated: March 8, 1976

CITY OF SAN BERNARDINO

ATTEST:

Lucille ? (signature)
City Clerk

? (signature)
Mayor

Dated: February 26, 1976

CITY OF UPLAND

ATTEST:

Doreen K. ? (signature)
City Clerk

Abner B. Hildeman (signature)
Mayor

Dated:
September 19, 1978
CUCAMONGA

CITY OF RANCHO

ATTEST:

Lauren M. Wasserman (signature)
City Clerk

James C. Frost (signature)
Mayor

Dated: April 11, 1979

CITY OF GRAND TERRACE

ATTEST:

Seth Armstead (signature)

Tony Petta (signature)

City Clerk

Mayor

Dated: April 26, 1988

CITY OF HIGHLAND

ATTEST:

Pamela L. Lee (signature)
City Clerk

Dennis Johnson (signature)
Mayor Dennis Johnson

Dated: June 6, 1990

CITY OF YUCAIPA

ATTEST:

Leslie Keane Stratton (signature)
Leslie Keane Stratton, City Clerk

Gary R. Pitts (signature)
Mayor Gary Pitts

Dated: January 8, 1992

CITY OF CHINO HILLS

ATTEST:

Denise C. Cattern (signature)
Denise C. Cattern, Deputy City Clerk

Gwenn Norton-Perry (signature)
Mayor Gwenn Norton-Perry



1700 W. Fifth St.
San Bernardino, CA 92411
909-379-7100
www.omnitrans.org

ITEM# E3

DATE: August 7, 2015

TO: Board Chair Sam Spagnolo and Members of the Executive Committee

FROM: P. Scott Graham, CEO/General Manager

**SUBJECT: PROPOSED TRANSITION PLAN & FINANCIAL ANALYSIS FOR
CONSOLIDATED TRANSPORTATION SERVICES AGENCY
DESIGNATION**

FORM MOTION

Recommend the Proposed Transition Plan and Financial Analysis regarding Designation as the Consolidated Transportation Services Agency be submitted to SANBAG by the September 1, 2015, deadline.

SUMMARY

On June 3, 2015, the SANBAG Board of Directors, acting in its capacity as the San Bernardino County Transportation Commission, approved a request by staff to have Omnitrans submit to SANBAG by September 1, 2015, a transition plan and financial analysis for designation as a Consolidated Transportation Services Agency (CTSA) in the San Bernardino Valley subarea. (SANBAG agenda item attached.)

The Proposed Transition Plan and Financial Analysis (attached) was reviewed by the Executive Committee at its Special Meeting held June 23, 2015, and by the Board of Directors at its July 1, 2015, meeting, and has been modified to incorporate recommended changes. .

CONCLUSION

Upon approval by the Executive Committee, the Proposed Transition Plan & Financial Analysis will be forwarded to SANBAG by the September 1, 2015, deadline, for consideration by the SANBAG Board of Directors. .

PSG/vd



PROPOSED TRANSITION PLAN & FINANCIAL ANALYSIS CONSOLIDATED TRANSPORTATION SERVICES AGENCY DESIGNATION

PURPOSE: The purpose of this transition plan is to study the potential for Omnitrans to provide more cost-effective or efficient means of delivering certain services that VTrans currently provides, which could result in certain services being transferred or full consolidation of Valley Transportation Services (VTrans) with Omnitrans. The proposed plan provides a comparative cost analysis of the VTrans' current organizational structure and the new organizational structure within Omnitrans in the event consolidation is approved. In addition, cost avoidance will be addressed, as well as any other benefits that could enhance the social service transportation programs within the Valley. It must be noted that this analysis is not for the purpose of reducing or re-directing current Measure I or federal grant funds away from qualified recipients. Savings that would be achieved will be reinvested into the CTSA program only; there will not be any comingling of funds with ACCESS services, nor will those funds be used in any fashion to support fixed route operations.

BACKGROUND: The CTSA goal is to create mobility solutions through the coordination of social services transportation for the benefit of human service clients, including elderly and disabled individuals. These services are tailored toward coordinating service delivery options for these clients. In contrast, Omnitrans Access Service is an Americans with Disabilities Act (ADA) mandated public transportation service for qualified people unable to independently use the fixed route bus service for all or some of their trips. It is a service that "parallels" the level of Omnitrans' fixed route service being offered within a ¾ mile radius of a bus route, and is available during the same periods that fixed-route service operates. Access can only offer pick-up times, and cannot book trips by drop-off times because trip length, passenger loads, traffic conditions, and other variables can affect the travel time. Since trip prioritization is prohibited by federal law, all trips (medical appointments, school schedules, work schedules, beauty appointments, shopping trips, etc.) have equal priority. It needs to be understood that these services are not competitors. These services are complementary and should be operated as such. Operating the two under one agency ensures that the systems are complementary and yielding the greatest overall system advantage that includes helping to assist clients in selecting which service will offer them the greatest benefit.

TRANSITIONAL APPROACH: If approved, Omnitrans initial step would be to meet with the current Measure I stakeholders to assure them the current programs will remain intact. Early on in assuming the CTSA role, a workshop would be conducted to identify services and programs that could enhance current CTSA operations over the next five years. The workshop attendees would include stakeholders, the Omnitrans CTSA staff and staff from the Marketing & Planning Department to discuss subject matters such as community transportation routes, integration with OmniGo and Access operations, the benefits of traveling on the fixed route services, introduction

of technology aids for clients, as well as other transportation concerns that may surface throughout the workshop. Granted, there would be a learning curve if the current V-Trans staff does not transition to Omnitrans. However, the learning curve can be overcome and current programs would be unaffected.

At this time, there are limited programs and services that are duplicative between VTrans and Omnitrans; travel training, distribution of grant funding to qualified recipients, and maintenance of vehicles. As to travel training, many senior centers, schools and other organizations are trained by both agencies. For those with severe disabilities, however, VTrans conducts a more intense one-on-one travel training course of approximately 30 hours per trainee. Both Omnitrans and VTrans agree that travel training is a critical element of public service throughout the transit industry. It not only reduces costs, but provides a sense of independence for the clients. A more coordinated effort would greatly benefit current and future clients. Combining and coordinating assets in this area can better utilize travel training personnel outreach efforts and improve travel choices for the clients. Omnitrans would continue those services that are not duplicative, such as: Volunteer Driver and Taxi Voucher Programs.

As to grant funding, Omnitrans is the only direct recipient of Federal funds. Omnitrans distributes Federal funds to VTrans and other community service agencies for qualifying transportation programs. VTrans also distributes Measure I to some of the same community service agencies to serve as local match to the Federal grants. The direct distribution by Omnitrans of both the Measure I and Federal grant funds to local recipients eliminates the administrative two-step process that they currently have to follow.

As to the maintenance of vehicles, the VTrans vehicle maintenance facility has been in operation for less than 6 months; therefore, the intent is to continue the service for one year to determine if value exists in maintaining the operation. Other alternatives would also be explored, such as: relocating the service to "I" Street to reduce overhead costs; or providing direct financial assistance through Measure I funds to qualified recipients to offset the cost of repair of the vehicles in the private sector instead of creating the expense of a repair maintenance facility. However, if the services are critical to current CTSA operations, the service could remain in place until Omnitrans' West Valley Connector Corridor expansion is completed. This project includes construction of a maintenance facility to support all fleet vehicles in the western region of the county. The project includes a maintenance facility that would replace a leased facility in Rancho Cucamonga.

The CTSA funds held in reserve can be used to pursue and further expand the programs currently in use by VTrans to enhance the CTSA footprint and the service it provides. These include:

- Exploring opportunities to apply the successful V-Trans Pomona Valley Workshop, OPARC, and Loma Linda transportation model to other areas throughout the Valley.
- Researching the value of utilizing retiring Omnitrans' Type II vehicles in the operation of other transportation service programs. An effort can be made to institute a vehicle replacement program for community transportation vehicles, much in the same way Omnitrans does with its purchasing power on ACCESS vehicles. Omnitrans will look into the introduction of CNG replacement vehicles for CTSA clients; this would not only be environmentally friendly, but would reduce fuel costs.

- Technology initiatives that can provide notification to clients with interactive on-time arrival system programs and on-line trip reservations.
- Purchasing annual passes through Measure I for clients who transition off ACCESS would benefit clients and reduce costs. Omnitrans has the ability to track fixed route pass usage and report on the effectiveness of travel training programs such as the aggressive outreach program operated by the Riverside Transit Agency, “Freedom to Go” that has proven to slow ACCESS growth.

If approved, a “Special Services Department” will be established as a separate department within Omnitrans. The Department will be responsible for oversight of all current CTSA programs as well as supervising Access Service to provide for the full coordination of all services for clients. All administrative support functions will be distributed to existing functions within Omnitrans, such as: Human Resources/Safety and Regulatory Services, Information Technology, Procurement (vehicle procurements), Finance (payroll, grants), Marketing-Planning, and legal services, etc. The ideal situation would be to staff the Department with current V-Trans employees to fill the positions, as they have in-depth experience of existing social transportation programs, proven leadership, and a “passionate commitment” to the success of current and future social transportation programs. The Director will have a staff of ten (10) employees (refer to Figure#2.) To the maximum extent possible, VTrans’ employees will be provided preference in the selection process in accordance with Omnitrans’ Personnel Policies. If current VTrans’ staff members are retained, the transition to Omnitrans is estimated to take 30-45 days. If recruitment is required to fill the positions, it is estimated that transition and full operation at Omnitrans’ East Valley Division would require up to 90 days.

FINANCIAL ANALYSIS: From a financial perspective, it is difficult to provide a cost analysis of VTrans’ FY 2015/2016 Business Plan and beyond. Future additions to services and programs are extensive. The list of VTrans’ “potential projects” includes adding duplicative services, taking over Omnitrans functions such as Access, explore consulting services, and developing direct transit operations. VTrans acknowledges that it “is positioned to add programs and services to its financial portfolio through strategic dedication of resources.” The Plan states that the “Growth of services such as this would require VTrans to consider its long range facility needs, organization structure, and financial management strategies”. VTrans’ Plan further states this would include the purchasing of property, fleet management, employing drivers to operate vehicles and schedule services, development of unrestricted income sources, and pursuing a number of other new business ventures. With this aggressive expansion, there will become a point where this dramatic increase in infrastructure and operating costs will require difficult decisions on distribution of scarce transit funding between the two agencies by SANBAG.

Therefore, the financial analysis in this plan can only address payroll, benefits and services costs without consideration of the ‘potential projects’ outlined in VTrans’ Business Plan. The analysis below compares VTrans’ current organization structure costs in terms of payroll, benefits and contracted services based on their FY2015/2016 Budget to Omnitrans’ proposed Specialized Services Department. Omnitrans costs are based on the mid-point salary for related positions based on Omnitrans Policy 402 and estimated benefit costs.

VTRANS' PROPOSED ORGANIZATION STRUCTURE

Structure	Category	Annual Expense
<p>Vtrans' Proposed Organizational Chart (2015-2016) Figure 1</p>	Direct Payroll	\$ 702,828
	Benefits, Taxes	\$ 289,281
	Services	
	Accounting	\$ 58,560
	Legal	\$ 53,560
	Consulting	\$ 28,000
	Marketing	\$ 23,200
	Payroll Processing	\$ 7,000
	Services Total	\$ 170,320
	Facilities	\$ 92,594
	Total Organization Structure/Location Expense	\$ 1,255,023
	Annual Measure I Revenue	\$ 2,354,700
	Share of Measure I	53%

OMNITRANS' PROPOSED STRUCTURE

Structure	Category	Annual Expense
<p>Omnitrans' Proposed Special Services Department Organizational Chart Figure 2</p> <p style="color: orange; font-size: small;">Existing Omni Positions</p> <p style="text-align: center;">(1)</p>	Direct Payroll	\$470,948
	Benefits, Taxes	\$164,832
	Services	
	Accounting ⁽³⁾	\$ 0
	Legal ⁽³⁾	\$ 0
	Consulting	\$ 28,000
	Marketing ⁽³⁾	\$ 0
	Payroll Processing ⁽³⁾	\$ 0
	Services Total	\$ 28,000
	Facilities ⁽³⁾	\$ 0
	Total Organization Structure/Location Expense	\$ 663,780
	Annual Measure I Revenue	\$ 2,354,700
	Share of Measure I Allocation	28%
	Access Services Supervisor & Assessment Specialist ⁽²⁾ (Existing Omnitrans positions, not charged to Measure I, but maintain existing funding)	\$ 178,221

August 7, 2015

Notes: (1) CEO/GM Salary not included, built into Omnitrans' Cost Structure. (2) Access Services Supervisor and Assessment Specialists included below the line because they are existing, separately funded positions. (3) Accounting, Marketing, Payroll Processing, Legal and Facilities costs do not apply to this model because they would be integrated into Omnitrans' existing structure without increasing overall costs. If VTrans' Maintenance facility is retained, there would be an annual cost of \$23,050.

It is important to note that three positions in the Omnitrans Proposed Structure are existing Omnitrans positions that manage the ACCESS Program. These positions are included below the line in the exhibit above to allow for an above the line apples-to-apples comparison.

Adopting Omnitrans proposed structure would reduce the administrative costs of operating the CTSA to \$663,780 per year compared to \$1,255,023 in the current structure, a reduction of 47.1%. This reduces the overhead usage of the Measure I allocated to the CTSA from 53% of the overall allocation to 28% of the allocation, which allows more Measure I to be reinvested into the CTSA programs.

An additional benefit in Omnitrans proposal is the placement of the Access Services Supervisor under the Director of Special Services, which puts the tradeoffs between effectiveness and efficiency of service delivered between Access and Community Partners in one location. This allows one organization the ability to measure and recommend the best service that benefits users of both services.

POSITION ASSUMPTIONS IN OMNITRANS COST PROPOSAL

Policy 402 Level		Low	Mid	High	Q	Payroll	Benefits
2	Director	\$ 7,400	\$ 9,188	\$ 10,977	1	\$ 110,256	\$ 38,590
9	Travel Trainer	\$ 2,841	\$ 3,318	\$ 3,796	3	\$ 119,448	\$ 41,807
5	Program Administrator	\$ 4,824	\$ 5,825	\$ 6,711	1	\$ 69,900	\$ 24,465
6	Office Administrator	\$ 4,249	\$ 5,091	\$ 5,933	1	\$ 61,092	\$ 21,382
5	Maintenance Manager (Shift Supervisor)	\$ 4,824	\$ 5,825	\$ 6,711	1	\$ 69,900	\$ 24,465
Teamster	Mechanic		\$ 3,363		1	\$ 40,352	\$ 14,123
Total of CTSA Carryover Positions to Omnitrans						\$ 470,948	\$ 164,832
6	Operations Services Supervisor	\$ 4,249	\$ 5,091	\$ 5,933	1	\$ 61,092	\$ 21,382
Teamster	Eligibility Admin		\$ 2,933		2	\$ 70,387	\$ 25,360
Existing Omnitrans Positions (Maintain Existing Omnitrans Funding)						\$ 131,479	\$ 46,742

Minute Action

AGENDA ITEM: 28

Date: June 3, 2015

Subject:

San Bernardino Valley Consolidated Transportation Services Agency Designation

Recommendation:

That the Board, acting in its capacity as the San Bernardino County Transportation Commission, request Omnitrans to submit to SANBAG by September 1, 2015, a financial analysis and transition plan for designation as a Consolidated Transportation Services Agency in the San Bernardino Valley subarea.

Background:

At the conclusion of the August 2014 Commuter Rail and Transit Committee (CRTC), staff was requested to present an item at the next CRTC meeting to discuss the potential consolidation of Valley Transportation Services (VTrans) with Omnitrans. At the October 2014 CRTC meeting, staff presented the history of the designation of VTrans as the Consolidated Transportation Services Agency (CTSA), the terms of the contract between SANBAG and VTrans concerning that designation, and a brief discussion of the various successful CTSA models throughout the State. At the meeting, the Committee heard testimony of VTrans Board members and community partners concerning the unique nature and the quality of the services that VTrans provides. The Committee requested that staff look for potential efficiencies that can be achieved through coordination and shared resources between the agencies.

At the January 2015 CRTC meeting, SANBAG staff presented information concerning opportunities for operational efficiencies between VTrans and Omnitrans. The Committee received a presentation from Virginia Werly, Director of Contract Operations for Riverside Transit Agency, on the Freedom to Go travel training program that they have implemented in western Riverside County. The emphasis of the presentation was on their ability to track the effectiveness of the program and the resulting savings they have realized in their complementary paratransit services. This data for measuring the effectiveness of VTrans' travel training program is available but not currently tracked in San Bernardino County; therefore the Committee recommended the Board to direct staff to work with VTrans and Omnitrans to explore, analyze, and evaluate the RTA Freedom to Go program for implementation in San Bernardino County. At the February 2015 Board meeting, the Board amended this recommendation to instead analyze the potential consolidation of VTrans and Omnitrans to mirror the model in place in western Riverside County where the transit operator is also the designated CTSA. Resolution No. 11-004, which identifies VTrans as the CTSA, states that SANBAG will conduct a review of the performance of the CTSA no later than Fiscal Year 2014/2015.

Entity: CTA, CTC

Before discussing benefits of consolidation, it is important to understand the circumstances and assumptions during the initial designation of a separate entity as the CTSA. In May 2009 the SANBAG Board awarded a contract to Innovative Paradigms, a division of Paratransit, Inc., which is a single-purpose nonprofit CTSA in Sacramento County, to study the options for creating a CTSA in the Valley. An Ad Hoc Committee met in December 2009 and February 2010 to receive information on various options for CTSA structure and in April 2010 for a final determination of the proposed structure to recommend to the SANBAG Board for implementation. In August 2010 the SANBAG Board approved the establishment of a new non-profit entity to serve as the CTSA.

The options for CTSA operations and the associated case studies that were considered in the study included:

1. Single purpose non-profit agency – Paratransit, Inc. in Sacramento County and Access Services in Los Angeles County, both of which also operate the complementary paratransit services for the transit operators in the County. As previously noted, Innovative Paradigms, the consultant that performed the study, is a division of Paratransit Inc. and was therefore very familiar with this type of operation.
2. Multi-purpose non-profit agency – United Cerebral Palsy – Ride-On of San Luis Obispo
3. County Government – no specific counties examined
4. Public Transit Agency – Mendocino Transit Authority (The study stated this was typical of smaller counties and did not include a discussion of Riverside Transit Agency, which functions as the CTSA for western Riverside County and is likely more comparable to Omnitrans in the Valley. However, at the time of the study RTA had not yet implemented the successful Freedom to Go program.)

Each of these was evaluated on the following criteria:

- Status in transportation decision structure – does the agency have status in the local transportation decision making structure
- Coordination as a purpose for existence – is coordinating transportation services a primary purpose for existence
- Partnerships – does the agency have partnerships in the community
- Funding creativity – does the agency demonstrate creativity in developing new funding relationships
- Capacity – has the agency increased the capacity of the transportation system
- Service quality – has the agency increased the ride quality through reduced ride time, improved consistency of service, or perceived security
- Leadership commitment – does the agency have a passionate commitment to coordinating services

In addition to the evaluation criteria described above, interviews were conducted with 43 individuals representing more than 25 community and public agencies. These interviews looked at the interests of the organization, their views of the services available in the community, and in particular, the Omnitrans' Access paratransit service. The stakeholder interviews were stated as having a significant impact on the decision making process with most community agencies stating that they were not supportive of Omnitrans as the designated CTSA. It is not clear in the study whether the stakeholders considered that there would be a dedicated source of revenue with this designation that would allow Omnitrans to enhance services as a CTSA. It should also be noted that the report by Innovative Paradigms was not finalized and staff has not been able to

obtain copies of the stakeholder interview questions or responses from the consultant; this information is based entirely on reports that were provided to the Ad Hoc Committee and SANBAG Board at the time.

The conclusion of the study presented to the Ad Hoc Committee was the following:

“While some might argue that a new organization simply creates more administrative overhead, the fact is that the senior staff of the successful organizations have been the champions of coordination and among the most zealous in pursuing its objectives. This role is not a duplication of administration but instead a new form of leadership dedicated to very specific objectives. The leadership of a new nonprofit CTSA in San Bernardino should be no different.”

The functional programs proposed for consideration as early priorities for implementation that would offer the greatest impact were coordinating with community agencies to provide Measure I funds to leverage other sources and travel training.

Looking back at the conclusions reached in the study, the following comparisons are noted:

- “While some might argue that a new organization simply creates more administrative overhead...”

It is true that the creation of a new agency will create more administrative overhead; in addition to the cost of staffing redundancies, Omnitrans and VTrans determined that even remaining as separate agencies, there could be at least \$67,000 in annual administrative overhead savings by co-locating and sharing certain resources. Couple this with the current annual administrative salary and benefits expenses of \$285,000 and almost \$250,000 in professional service contracts and other expenses that could be subsumed by Omnitrans staff, over the next three years of the contract with VTrans, this is over \$1.8 million in Measure I funds that could have been reinvested into CTSA-sponsored programs. Not only does formation of a new agency create new overhead, it also creates organizational inefficiencies. For example:

- The CTSA, who is typically coordinating transportation alternatives for special needs populations, does not have a direct line of communication with the transit operator who may be providing service to those populations at a very high price through the complementary paratransit service. In the first 22 months of travel training at VTrans, 188 individuals were trained, 80 (43%) of which were eligible for diversion from paratransit services, whereas the RTA Freedom to Go program had touched 491 individuals over a similar time period from start-up with the same number of staff, of whom 301 (61%) were eligible for diversion from paratransit services. As of June 2014, 207 (72%) of these individuals were still enrolled in the program and using their RTA-provided bus passes. The ability to track the continued success of the travel training program is currently not used by VTrans and Omnitrans, which is one area the Committee asked them to explore in January 2015, because individuals are not offered free bus passes after the initial 31-day period as they are at RTA. While there is extensive coordination between VTrans and community agencies, there are what SANBAG staff considers to be perceived barriers between VTrans and Omnitrans that are restricting the ability of VTrans to have the measured impact on paratransit services that RTA has had.

- While travel training can be shown to divert riders to fixed route services, RTA has gone so far as to modify fixed route bus stops to accommodate potential riders and also replaced costly paratransit service with express shuttle service at core locations to connect to fixed route service. This type of change to various services allows riders to leave more expensive services for fixed route and can be more efficiently accomplished when one agency is providing all services.
- VTrans supports the transportation programs of many important community agencies throughout the Valley including Pomona Valley Workshop, Central City Lutheran Mission, Community Connections, and OPARC by providing Measure I funds to leverage other funds. However, it is important to recognize that VTrans is not operating these transportation programs, but essentially providing grant funds to support the service provided by the agency. The majority of community agencies working with VTrans are also receiving federal grant funding that is administered by Omnitrans as this is not a function VTrans is eligible to perform. If Omnitrans were the CTSA, it would be one agency dedicated to coordinating local and federal funding needs of these community agencies.
- VTrans' Five-Year Business Plan proposes additional ventures, such as the maintenance facility that has already been constructed, consulting services, and further expansion of technical staff, intended to grow VTrans as an organization beyond the constraints of Measure I, which is funding the start-up of these activities. As the expansion of the organization goes beyond the eligibility of the Measure I funds, it becomes increasingly difficult to isolate which operational costs of the organization are attributable to Measure I activities and therefore eligible for Measure I funds.
- "...the fact is that the senior staff of the successful organizations have been the champions of coordination and among the most zealous in pursuing its objectives. This role is not a duplication of administration but instead a new form of leadership dedicated to very specific objectives. The leadership of a new nonprofit CTSA in San Bernardino should be no different."

It should not be assumed that an existing transit agency cannot employ the sort of individual that is passionate about coordinated transportation. RTA is the perfect example of having the right individual with a passion for success for the CTSA. While Omnitrans may not currently have the staff that fills this role, the designation of CTSA also brings funding with it that can allow Omnitrans to add the staff necessary to fill the function that VTrans has served. Because of administrative overlap between the two agencies, Omnitrans estimates that they would be able to provide the same services at a slightly lower cost than VTrans is currently budgeting.

While VTrans has implemented the functional programs above, there is question as to whether the programs are as effective as they could be under an alternative CTSA structure, particularly in light of the success RTA is demonstrating with its consolidated CTSA/transit operator function. As was presented at the February 2015 Board meeting, there are minor operational efficiencies that can be achieved by VTrans and Omnitrans sharing resources, such as IT support, legal, marketing, and office space. However, after receiving RTA's presentation on Freedom to Go, it became apparent that there are other efficiencies that can be achieved through a combined CTSA/transit agency. Although VTrans' Five-Year Business Plan suggests the possibility of VTrans taking over Access services from Omnitrans in the future, which would be full

implementation of the agency model recommended for approval by the SANBAG Board in 2010, this would place a substantial amount of public funding in the hands of a Board that is not required to be composed of elected officials and still not allow for the operational efficiencies that can be achieved by the connection to fixed route service.

In consideration of this discussion and the information contained in the prior item concerning the Five-Year Business Plan, VTrans' plans for future growth, and the added cost of supporting two separate entities with overlapping responsibilities, staff recommends that the Board take this opportunity to review the efficiency of the CTSA model chosen in 2010 in advance of the June 30, 2018, expiration of the funding agreement with VTrans for CTSA services. California Government Code Section 15951, which defines the intent of the Legislature in promoting the consolidation of social service transportation services, and Government Code Section 15952, which sets out the parameters by which CTSA are to attain the benefits set out in the legislative intent, emphasize the importance of using existing administrative capabilities and expertise and existing agency operating and maintenance personnel and expertise in centralization and consolidation activities, as well as involving local elected officials in the process.

Staff recommends that the effectiveness of this model in the use of the Measure I resources available for this purpose be examined by requesting Omnitrans to analyze the VTrans Five-Year Business Plan and provide a financial estimate of the cost of providing certain appropriate CTSA services that are currently being or are proposed to be provided by VTrans but that Omnitrans demonstrates they could provide more efficiently or effectively. Additionally, because the current funding agreement with VTrans expires on June 30, 2018, staff recommends Omnitrans prepare a transition plan for potentially shifting responsibility for those certain services from VTrans to Omnitrans by June 30, 2018, with special consideration of the importance of developing a program that addresses the intent of not only Measure I but also State law in designation of a CTSA. This information, along with information recommended for inclusion in VTrans' Five-Year Business Plan, will provide data so that the Board can identify whether designation of an additional CTSA in the Valley with a split in functions between the two agencies would provide a more cost effective and efficient means of meeting the legislative intent of the establishment of a CTSA.

Financial Impact:

This item is consistent with the Fiscal Year 2014/2015 SANBAG Budget.

Reviewed By:

This item was reviewed and recommended for approval (5-4-0; Opposed: Eaton, Robertson, Musser and Ramos) by the Commuter Rail and Transit Committee on May 14, 2015.

Responsible Staff:

Andrea Zureick, Director of Fund Administration

Approved
Board of Directors
Date: June 3, 2015

Witnessed By: