



AGENDA
SPECIAL EXECUTIVE COMMITTEE MEETING
TUESDAY, JUNE 23, 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 BELOW LISTED 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

GRAND AMERICA HOTEL, 555 SOUTH MAIN STREET, SALT LAKE CITY, UT 84111

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

A. CALL TO ORDER

B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: Tuesday, July 7, 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

E. DISCUSSION ITEMS

1. Recommend the Board of Directors Authorize CEO/General Manager to Prepare a Transition Plan and Financial Analysis regarding Designation as the Consolidated Transportation Services Agency and submit to SANBAG

F. BOARD BUSINESS

There is no Closed Session.

G. REMARKS AND ANNOUNCEMENTS

H. ADJOURNMENT

N/A

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

ITEM # E1

DATE: June 23, 2015

TO: Board Chair Alan Wapner 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 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 authorize the CEO/General Manager to submit the proposed plan 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.

Due to the time constraints to submit the proposed plan to SANBAG, provided herein is the proposed plan and financial analysis for review and authorization by the Board of Directors to forward to SANBAG in response to their request.

PURPOSE: The purpose of this transition plan is to study the potential 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 study 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 the elderly, disabled individuals, and persons of low income. 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 complimentary and yielding the greatest overall system advantage that includes helping to assist clients in selecting which service will offer them the greatest benefit.

PROGRAMS AND SERVICES

- 1. Travel Training Programs.** VTrans is a niche Agency that provides specialized mobility options/training for seniors, persons with disabilities and persons of low income with transportation services within San Bernardino Valley. Similarly, Omnitrans provides training throughout the Valley. In 2013, Omnitrans provided a total of 24 classes to the senior, disabled, and student communities; training 623 people – 362 trips were generated over a seven day period from the passes provided through this program. In some instances, VTrans trainers accompanied Omnitrans’ Travel Training personnel to outreach areas and assisted in providing orientation training. Therefore, to some degree, there is duplication of services by the Agencies in providing group training opportunities. Although much of the targeted population can be accommodated with orientation training, the more severely disabled require VTrans’ to conduct a more intense one-on-one travel training course that requires approximately 30 hours per trainee. To date, there is no data available to determine whether this is a successful model, as opposed to prequalifying the applicant for Access services. It can only be confirmed by VTrans that a percentage of these trainees have used the fixed route system for the initial one (1) month period; it cannot be confirmed beyond that point as to the extent this intense one-on-one training has enabled the trainee to remain independent of the Access service or whether the trainee has returned to Access or family/friends for travel assistance. An incentive for a client to remain independent of Access service, and to track the success of the training program, is to offer a lifetime pass to the client. This has proven successful in other transit agencies and will be explored.
- 2. Agency Partnerships Programs and Transportation Reimbursement Escort Program (TREP).** A successful element of VTrans’ focus is on community partnership agreements; building on the resources of community agencies and offering federal grant support and Measure “I” subsidies for Transportation Partnership Programs and TREP. As a direct recipient of Federal funds, Omnitrans currently distributes these funds to VTrans, who in turn releases them to qualifying recipients. The proposed consolidation of VTrans with Omnitrans provides for the direct distribution of these funds by Omnitrans to local partners, thereby eliminating the administrative two-step process that is currently in existence. Prior to

the formation of VTrans, Measure “I” funds for the CTSA were held by SANBAG and therefore were not available for distribution by Omnitrans.

- 3. Future Financial Challenges.** Although it is difficult to address from a financial perspective, VTrans’ FY2015/2016 Business Plan adds a number of duplicative services and programs that would result in difficult decisions regarding distribution of scarce transit funding between the two agencies by SANBAG. VTrans’ states that it “is positioned to add programs and services to its financial portfolio through strategic dedication of resources.” The Plan acknowledges 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.

FINANCIAL ANALYSIS: A financial analysis was completed on the payroll, benefits and services costs of two different CTSA organization structures. The analysis below compares VTrans’ current organization structures costs in terms of payroll, benefit and contracted services based on their FY2015/2016 Budget compared 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’ CURRENT STRUCTURE

Structure	Category	Annual Expense
<p style="text-align: center;">Vtrans’ Proposed Organizational Chart (2015-2016) Figure 1</p> <pre> graph TD Board[Board of Directors] --> CEO[Chief Executive Officer] CEO --> AM[Administrative Manager] CEO --> CS[Contract Services Accounting Legal IT Support] CEO --> TTM[Travel Training Manager] CEO --> PA[Program Administrator] CEO --> MM[Maintenance Manager] AM --> AA[Administrative Assistant] TTM --> TT[Travel Trainers] PA --> CO[Coordinator] MM --> ME[Mechanics] </pre>	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>(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

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.

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.

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 individual the ability to measure and recommend best business practices and the optimal services that benefit 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

ORGANIZATIONAL TRANSITION: If approved, a “Special Services Department” will be established as a separate department within Omnitrans. It will involve oversight of all current social transportation programs, to include Access Services. All administrative support functions will be distributed to other departments, such as: Human Resources, Information Technology, vehicle procurements, payroll, marketing, legal services, safety and security, etc. The selected Director must have in-depth experience in 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. If current VTrans’ staff is 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.

CONCLUSION

If the recommended action is approved by the Omnitrans Board of Directors, the proposed transition plan and financial analysis will be forward to SANBAG for consideration by its Board of Directors as requested.

PSG