North Central Regional Transit District  
Board Meeting  
Monday, August 28, 2017  
Jim West Regional Transit Center  
Española, New Mexico  
9:00 a.m. - 1:00 p.m.

CALL TO ORDER:

A special meeting of the North Central Regional Transit District Board was called to order on the above date by Mayor Dan Barrone, Chair, at 9:07 a.m. at the Jim West Regional Transit Center, Española, New Mexico.

1. Roll Call

Ms. Trujillo called the roll and it indicated the presence of a quorum as follows:

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<th>MEMBERS</th>
<th>ELECTED MEMBERS</th>
<th>ALTERNATE DELEGATES</th>
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<td>Town of Edgewood</td>
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<td>Los Alamos County</td>
<td>Councilor Antonio Maggiore</td>
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<td>Rio Arriba County</td>
<td>Commissioner Alex Naranjo</td>
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<td>Santa Fe County</td>
<td>Commissioner Ed Moreno</td>
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<td>Taos County</td>
<td>Commissioner Jim Fambro</td>
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<td>Nambé Pueblo</td>
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<td>Ohkay Owingeh</td>
<td>Ms. Christy Van Buren</td>
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<td>Pojoaque Pueblo</td>
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<td>San Ildefonso Pueblo</td>
<td>Ms. Lillian Garcia</td>
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<td>Santa Clara Pueblo</td>
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<td>City of Santa Fe</td>
<td>Councilor Joseph Maestas</td>
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City of Española                  Councilor Tim Salazar  
Town of Taos                      Mayor Dan Barrone    
Tesoque Pueblo                    Gov. Charles Dorame  
Rio Metro                         Ms. Elizabeth Carter

**Staff Members Present**
Mr. Anthony J. Mortillaro, Executive Director
Ms. Jackie Trujillo, Executive Assistant
Mr. Pat López, Interim Finance Director
Mr. Peter Dwyer, Legal Counsel
Ms. Stacey McGuire, Development Director
Ms. Delilah Garcia, Transit and Facilities Operations Director
Mr. Jim Nagle, Public Information Officer
Ms. Dora Anaya, HR Director

**Others Present**
Norm Silverman, P.E., TMD
Rosemary Romero, Romero Consulting
Marilyn Wood, Open Initiative
Keith Wilson, Santa Fe Trails
Thomas Del Sorbo, TMD
Ray Matthews, Santa Fe County
Thomas Martinez, Santa Fe Trails
Carl Boaz, Stenographer

2. **INTRODUCTIONS**

Everyone present introduced themselves.

3. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

4. **Moment of Silence**

A moment of silence was observed in memory and honor of officers and military forces.

5. **APPROVAL OF AGENDA**
Commissioner Naranjo moved to approve the Agenda as presented. Councilor Maggiore seconded the motion and it passed by unanimous (10-0) roll call vote with City of Española, Los Alamos County, Ohkay Owingeh, Rio Arriba County, City of Santa Fe, Santa Clara Pueblo, Santa Fe County, Taos County, Town of Taos, and Tesuque Pueblo voting in favor and none against.

6. PUBLIC COMMENTS

Mr. Chris Armijo, AFSCME union representative, said he addressed the merger when it first came up. He represented a hundred members of AFSCME at Santa Fe Transit, who are protected under the Public Employee Labor Relations Board and they must sit down prior to the merger and bargain to insure whether AFSCME comes over or the RTD Teamsters Union would prevail.

Ms. Monica Lemier with Chain Breakers Collective, a nonprofit organization for economic justice, said she hoped everyone here said the most vulnerable of the population in New Mexico rely heavily on public transportation. We need to understand how transportation affects the most vulnerable people in our community and how we go forward with them. It must make sense in the conversations. We are here to listen and be open minded but want to keep the best interests of our communities in mind.

PRESENTATION ITEMS:

A. Presentation and Discussion of the North Central Regional Transit District and City of Santa Fe Transit System Consolidation Study by Transportation Management and Design, Inc.

Mr. Mortillaro reviewed the history of this transit system consolidation issue, which began in March 2016 when this Board and Santa Fe City Council approved a letter of intent to look for a contractor to study the possible consolidation. In July 2016, the Board approved a contract to conduct the merger consolidation analysis with Transportation Management and Design (TMD) and they have had consultants working with them, specifically, Felsburg, Holt and Ulevig and Rosemary Romero Consulting. At this point, TMD has completed Tasks 2 and 3 and are ready to present here the results of that analysis. At 4:00 pm, they will make a presentation to Santa Fe City Council. At 6:30 is a public meeting presentation for District 1 and 2 and tomorrow evening at District 3 and 4.

Mr. Thomas Del Sorbo and Ms. Rosemary Romero were introduced.

Commissioner Naranjo said he has been on the Board for 1½ years and haven't heard the purpose behind this.

Mr. Mortillaro said it is referenced in the statute and one thing mentioned is looking at providing service throughout the region.

Commissioner Naranjo asked, “service for who?”
Mr. Mortillaro replied that it is everybody in this regional district area - rural community, commuter service, etc. It was designed to reduce duplication, provide services for quality of life, for economic development, to reduce traffic on the roadways, improving the environment, etc.

Ms. Romero shared first the proposed agenda for this two-hour presentation. It has four sections and she would like to ask people to hold questions until after the presentation of each section. She pointed out that no decision is being made today but it is a study session. Each of the public meetings will be recorded including tonight and tomorrow.

Mr. Mortillaro reinforced that there would be no decision made today. This is information only and it will be a discussion item for the October meeting when the Board can provide direction to Staff for moving forward.

Mr. Norm Silverman made the first presentation and explained that this is an analysis for the tasks completed. There are four tasks and they now have task 3 completed. This is an overview of where we are right now.

Task 3 has four elements: financial analysis, physical assets analysis, labor force, fixed and paratransit routes. This is to help policy makers make a decision. It is not a service design study but a management study, with benefits, constraints, etc.

He changed the order to: 1 - routes, 2 - physical assets, 3 - financial and, 4 - labor force.

Mr. Silverman compared the character of the two systems: RTD and Santa Fe Trails (SFT) and contrasted the operations. The service area for the RTD is huge and spread out; SFT is compact and there is a small overlap of service area. SFT is intense and RTD is not. He identified the numbers of routes and pointed out that for RTD, the service is trip-based with limited frequency and designed to longer distance trips. The local service for Taos and Española are more intense than other routes.

He described SFT and listed the fare structure.

This study assumes the routes will remain the same after a merger as they are now.

Vehicles are different. The RTD has 53 gas powered buses; STF has 34 mid-size, 18 paratransit and 16 non-revenue vehicles and almost all use CNG for power. Almost all maintenance for SFT is internal.

Ridership is 268,000 for RTD, growing significantly since inception in 2007. It is 937,000 for SFT, down from over one million in 2014.

Service integration has a limited opportunity for fixed routes with a large disparity in frequency and span of service and differences in fare structure. Integration of service would require a common fare structure and intensity and frequency of routes and changes in connections. Dispatching vehicles is easier to do with SFT than with RTD. It appears there is some opportunity to use SFT maintenance facility to help support RTD maintenance needs.
Lastly, communication of locations and schedules could be done on a single information platform with a merger.

For service planning, RTD has two employees working to optimize and meet changing demands. SFT has no dedicated employees for planning.

Paratransit integration is easier because it is based on geography and not on service frequency for fixed schedules. Both RTD and SFT have call centers and similar procedures for providing the service but operate separately now. A common paratransit fare would need to be uniform in a merger.

Ms. Van Buren asked if he was suggesting a fare structure for RTD.

Mr. Silverman said that is one option to consider.

Ms. Van Buren asked how SFT is funded now. FTA handles us.

Mr. Mortillaro said the impact of fares upon our 5311 grant is a dollar for dollar decrease with fare revenues. It also impacts what paratransit fares can be charged.

Mr. Silverman said the goal of the analysis is not to generate revenue but to provide transit services.

Councilor Maestas said RTD is moving to in-house maintenance and asked if they looked at maintenance overall.

Mr. Silverman said the transition of RTD to CNG would be very expensive. It would require a brand new fleet and a big change to the facility. Hybrid electric and electric is coming in so they didn’t recommend converting to CNG.

B - Physical Assets Analysis

Mr. Silverman said the fleet sizes are comparable in size but different in nature. Service needs are vastly different, requiring different style vehicles.

For fleet replacement/expansion, RTD needs $6 million over 10 years; SFT needs $9 million over 20 years. RTD is looking to expand its service; SFT is not. RTD is planning to expand the maintenance facility. At issue is the use of SFT facility by RTD.

For the Capital Plan, the RTD plan is unfunded and SFT has no plan for fleet growth. The City only funds on a year-to-year basis but RTD funds for future years.

For vehicle technologies and communications, both have location service but on different platforms.

For fare collection to be offered, it would cost RTD $640,000. The 5311 offset is a DOT function.
Councilor Maestas pointed out that SFT must have a 20-year plan.

Mr. Silverman said he was not aware of any LRP plan for SFT.

Chair Barrone asked if physical assets finances would be covered later.

Mr. Silverman said the study did not value the assets.

Commissioner Naranjo asked if fare collection was part of consolidation.

Mr. Silverman said it was not a requirement of consolidation but a separate decision.

Ms. Van Buren was concerned that fares was a reporting nightmare.

Mr. Silverman said they could help make it simple.

Councilor Maggiore asked about fleet replacement and expansion over a ten-year period had options for using vehicles of SFT for RTD.

Mr. Silverman said that remains separate.

Councilor Maggiore asked what the likelihood of one organization applying for grant funding for both is and how it would affect things.

Mr. Silverman didn’t think that was likely as there is no economy of scale. The procurements are separate although you could consolidate a grant application. It is possible but is not a significant factor in consolidation.

Mr. Mortillaro clarified that the numbers shown for fleet replacement are just replacement but the revenue to mitigate the cost is in the financial analysis. It is dependent on what the federal government does with funding for transit and it is cloudy right now.

He suggested that Dave Harris, from DOT was present and could possibly speak to it.

Mr. Mortillaro said there are 47 transit agencies in New Mexico. If funded equally, it would not buy one bus each.

C - Finances.

Mr. Del Sorbo compared the budgets: $13.2 million for SFT and $7.8 million for RTD. He mentioned the review of GRT increments and the projected likely deficit in 2020.

The study has three options for fiscal sustainability: 1) consolidation without new revenues or cost savings; 2) nine positions could be consolidated or eliminated; 3) removal of ¾% MGRT and replaced by
increase in County Regional GRT from 1/8 cent to 1/3 cent.

Scenario assumptions were reviewed and he shared the scenario outcomes for financial sustainability. Scenario 3 has the best impact.

Councilor Maggiore thought the maintenance facility was already at capacity and a new facility would be built on the south side.

Mr. Del Sorbo said one possibility would be a 3rd shift to increase capacity.

Mr. Silverman agreed they would need to do something.

Councilor Maestas asked if they assumed the Santa Fe fare box revenue is included.

Mr. Del Sorbo said yes.

Councilor Maestas liked Scenario 3 the best but was concerned about the higher GRT subsidy. The Study proposed the increase in 2021 but in the scenario, it is 2019.

Mr. Del Sorbo agreed they did move it up but it will be controversial. It might need more time to play out.

Councilor Maestas was concerned with that assumption.

Mr. Del Sorbo said they could include a variety of options. The timing is subject to the policy makers.

Councilor Maestas added that there is a much higher risk in scenario 3. He wondered what the other counties would say about the GRT increase. The $1 million would no longer be transferred, he assumed.

Mr. Del Sorbo thought it would stay in the consolidated agency.

Councilor Maestas asked about the reserve amount.

Mr. Del Sorbo said in New York it is 1%. 8% is very reasonable. But 25% is an extremely limiting factor.

Councilor Maestas opined that lowering the reserve would help sell the GRT.

Mr. Del Sorbo agreed and the large balance might not be palatable. An even lower reserve would make that balance more extreme.

Mr. Mortillaro said one reason we have the high reserve is to give us the luxury of funding capital without going to the federal. It would enable the District to continue during an economic downturn. We've had no layoffs or RIFs. There are good reasons why we kept high reserves.

Councilor Maggiore agreed the Scenario 3-line graph looks the best but you are talking about raising
district-wide GRT by almost a factor of three and tapping the source for a regional provider. He didn’t see that as feasible. Removing the sunset will be a hard election on its own.

Chair Barrone would like to say the consolidation would actually save money and help the footprint on the earth and have no increase in GRT in northern New Mexico. We keep raising taxes on the poor and not increasing the contribution to ride the bus. In our communities, it is a necessity. He was looking for something on which to hang our hat.

Mr. Del Sorbo said Scenario 1 is that.

Commissioner Naranjo wondered if down the road there would be a fare increase?

Mr. Del Sorbo said any fare increase would only be 1 or 2%.

Commissioner Naranjo said Rio Arriba County will consider the GRT soon.

Councilor Maestas thought the saving would be more than a half million. But we won’t know, under the scope of this study, if we cannot quantify it. And that won’t mean much to the public.

D. Labor Force Alternatives

The current Teamsters contract ends June 30, 2019 and calls for increases each year. The SFT contract ended June 30, 2017 and negotiations are in progress now. There was a $0.50 per hour increase in 2014; none for 2015 and 2016.

In the study, they dealt with the need to consolidate union representation.

E. Consolidation of Organizational Structure.

Mr. Del Sorbo said all fixed routes would combine all employees under one umbrella.

Councilor Maestas asked if this assumes status quo for employees.

Mr. Del Sorbo said it certainly does in scenario 1 and 2. They did not assume changes in rates and contributions but those are subject to negotiations.

Councilor Maestas thought the rate structure in SFT would be the norm.

Mr. Del Sorbo said if so, then the scenario future would be worse by at least a half million in salaries and benefits.

Mr. Mortillaro explained that the City contributes more to pension than RTD but health insurance is more with RTD than SFT. What the District found with the Taos merger was that negotiations worked it all
out. It is a negotiation at the end of the day. It won’t set up a false premise. But they have all been favorable to the employee. The Taos employees got more take-home pay and higher increases. He assured the Board that, at the end of the day, no one will be harmed.

Councilor Maestas thought there could be potential FTE reductions.

Mr. Silverman said not on day one. As it progressed, the services will become more comparable and more efficient.

Councilor Maestas asked with the Taos consolidation, if the outcome was higher wages and higher benefits or if it stayed the same.

Mr. Mortillaro said Taos had no union, although they were days away from approving one. So, we didn't have that difference. No RTD employees were impacted and no Taos employees were negatively impacted. Some chose not to transfer to RTD - a dispatcher and a Part-time driver and a mechanic. The Town of Taos had positions for them. That might be true for SFT too. There were Tier 2 changes were made.

And on route consolidation, we reduced the amount of time for shift changes and reduced overtime. We implemented that in March and it saved the Town over $200,000 in that consolidation. They got to keep their contribution but we gained a maintenance facility/yard and they gave their fleet. We also had a bigger pool of employees for Taos runs.

During the Española consolidation, a lot of them transferred with improved wages and leave rates were better. Those differences have gone away and that is not an issue.

Commissioner Fambro said there was also seniority and bidding for routes and it was worrisome at the time but worked itself out very well.

Mr. Mortillaro agreed. The two issues for unions were that all transferred employees would have a six-month probation period and we needed that test period to experience that employee. If we had access to personnel files, they would only have a 3-month probation period. If not, it was like having a new employee.

The other issue was seniority and we were supportive of bringing their seniority over for bidding. The union disliked that for bidding purposes. We agreed to bring it up in negotiations. We broke them into domiciles and they had seniority within those domiciles. There are creative ways to negotiate them. And we found that common ground.

Chair Barrone recalled accumulated sick and vacation leave was a big one and Town of Taos had to write a check to NCRTD for that.

Councilor Maestas said it appeared that higher GRT is needed for consolidation but that is not true. There is an inherent benefit to the whole district for higher GRT. He didn’t know the full cost of LRP and that is also included in scenario 3.
Mr. Mortillaro agreed. If the District did no consolidate, the LRP had 3 scenarios. 1) didn’t include any funding for LRP like increasing hours or weekends. 2) said to fund them would need a revenue increase. And with no GRT increase, it would reduce the allocations to SFT, Los Alamos Atomic Transit and Rail Runner by a total of $1 million/year. 3) would increase GRT 1/8% or about $100 million over 20 years. That could be flattened somewhat to please the general public.

Commissioner Moreno pointed out that we have 14 members of this Board and this will be a change and require hand-holding. We have a national environment by making things more complicated and uncertain. Our voters in Santa Fe have a couple of votes coming and he was not sure how they will turn out. We will need a lot of hand holding there as we walk down this road. What I’m hearing is that are a lot of opportunities for things to go awry. The sunset clause issue - what will happen if one or two counties don’t pass it. Lots of actors to consider. So I’m interested to attend the presentations this week. It makes me nervous because the environment around it is uncertain. This organization is well run and as I told a reporter, I’m going to support it until it is no longer supportable. If we stay on our toes, it will be okay but it will require a lot of clear language and straight talk.

Councilor Maggiore said he got frustrated when he looked at surveys that are not apples and apples. The sheets on representations are not straight comparisons and when just flipping through, a person might think they are like positions but they are not. We need to be clear with that language of comparison. That is misleading and we need to be honest with that.

There were no other comments or questions.

Chair Barrone said there is a presentation at 4:00.

Ms. Romero said it is at City Council Chambers at 4 pm. She anticipated different questions will come. The report is also online. The meeting following that is at 6:30 for City Districts 1 and 2. Tomorrow for Districts 3 and 4 will be at the Genoveva Chavez Community Center on Rodeo Road. The public is invited to the Council meeting also.

In the contract, we wanted to make sure the questions were recorded accurately. Charmaine Clair will record the public meetings and that will be available verbatim.

Mr. Silverman said for the next steps, they will summarize comments from the governing bodies and the public meetings. Then they will complete task 4 - the final report, addressing study comments. And then the policy makers will determine feasibility of consolidation.

Councilor Maestas asked, if he were a member of the public, which task would give him the “one-stop shop” snapshot of the study.

Mr. Silverman said they could do something for that. All of it will also be on the web site at the City and at the RTD web site.

Ms. Romero said on the web site is a full report and particular sections can be pulled out on the RTD web site and the TMD web site. She didn’t know if that could be done on the City web site.
Mr. Mortillaro added that by the time the Board deals with it in October, we will have the summary of all comments for the Board members to review. We will have a series of policy reports to guide the Board on the direction to go.

Councilor Maestas said he was adamant about putting the cost in scenario 3.

Mr. Mortillaro said that is in the spreadsheets. It might be challenging for people but - at least 1/8 of GRT and 1/3 for operation and LRP. The balance is the displacement of 1.4% of Santa Fe GRT.

Matters from the Board

There were no matters from the Board.

Miscellaneous

There were no miscellaneous items.

Adjournment

Commissioner Fambro moved to adjourn the meeting. Commissioner Moreno seconded the motion and it passed by unanimous voice vote.

The meeting was adjourned at 11:10 a.m.

Next Board Meeting: September 8, 2017 at 9:00 a.m.

Approved by:

[Signature]
Daniel R. Barrone, Chair

Attest:

[Signature]
Dennis Tim Salazar, Secretary

Submitted by:

[Signature]
Carl Boaz for Carl G. Boaz, Inc.

North Central Regional Transit District Board August 28, 2017