



**C-TRAN BOARD OF DIRECTORS
SPECIAL MEETING MINUTES**

July 29, 2009

The C-TRAN Board of Directors Special Meeting was held Wednesday, July 29, 2009, at the C-TRAN Administration Building, 2425 NE 65th Avenue, Vancouver, Washington 98661.

CALL TO ORDER

Chair Jim Irish called the meeting to order at 5:40 p.m.

PLEDGE OF ALLEGIANCE

Chair Jim Irish led the Pledge of Allegiance.

ROLL CALL OF MEMBERS

PRESENT: Linda Dietzman, Bill Ganley, Jeanne Harris, Tim Leavitt, Tom Mielke, Jeanne Stewart, Steve Stuart, Chair Jim Irish

ABSENT: Marc Boldt

2009/2010 BUDGET DISCUSSION

- Staff Initiated 2009/2010 Budget Cuts
- 2011-2012 Forecasts
- Staff Feedback
- Proposed Service Reduction: Detail

Chair Jim Irish asked for assurance the staff initiated budget cuts do not affect safety or the delivery of service. Executive Director/CEO Hamm advised staff feels the cuts do not affect operability of the agency.

Board Member Jeanne Stewart asked for clarification on the sizeable cut in security funding. Director of Operations Lynn Halsey responded the cut is for contracted services for Wackenhut, which is outside of the current contract.

Board Member Tim Leavitt questioned if proposed cuts have been shared with the rank and file. Executive Director/CEO Hamm said the staff initiated cuts are a result of meetings of the management team. The rank and file has also provided ideas for cost cutting which will be reviewed this evening.

Board Member Steve Stuart asked how staff feedback was obtained. Executive Director/CEO Hamm stated nine Question & Answer sessions with the Executive Director/CEO were scheduled covering all work shifts. A short overview was presented, and then staff was given the opportunity to provide feedback.

Board Member Steve Stuart asked where the American Recovery and Reinvestment Act (ARRA) funds are reflected. Controller Diane Coey stated the funds have been redirected.

Controller Coey advised the Board of Directors should determine what level of reserves they would like to include in the budget. The minimum reserve levels were previously set by the Board of Directors as flat dollar amounts. Staff is asking the Board to consider other options for setting reserves such as a percentage or related to expense.

Board Member Jeanne Stewart asked if the investments are fully liquid. Controller Coey advised investments are a mixture of both liquid and short-term investments (i.e. CD's).

Board Member Steve Stuart asked what the total current investment is. Controller Coey responded approximately \$20 million in short term investments.

Director of Administrative Services Arlene Doern advised C-TRAN self-insures up to \$2 million and excess loss insurance covers up to \$12 million for public liability over the \$2 million self-insured limit.

Board Member Mielke said changes to an unproductive route could result in a ridership reduction; however, the savings in operations cost would offset the loss of ridership.

Board Member Steve Stuart added service does not pay for itself, as the fare recovery rate is approximately 20 percent of the cost of providing the service.

Board Member Jeanne Stewart stated without additional revenue, C-TRAN has a problem that will not go away. Executive Director/CEO Hamm said without additional revenue, the organization would look different.

Executive Director/CEO Hamm stated he has spoken with ATU representation and they are willing to have discussions, but have made no commitments.

Board Member Steve Stuart asked when the current labor contracts expire. Administrative Services Director Doern said the IAMAW Machinist contract expires December 2009, ATU Operators contract expires August 2010, and the ATU Dispatch/Clerical contract expires August 2011.

Staff was directed to assign dollar amounts to the staff feedback cost cutting suggestions.

Proposed Service Reductions:

Senior Development & Public Affairs Manager Jim Quintana and Operations Chief Debbie Wright gave the staff report. Board Member Jeanne Stewart said it would be helpful for the data to include the number of riders the proposed change affect.

Five members of C-TRAN's Service Planning Committee (SPC) conducted multi-faceted analysis of routes identified as "Below Standard" and "Underperforming" based on Board adopted standards. In addition to examining route performance by day of week, time of day, route segment, location, and demographics, the SPC also considered key criteria such as the percent of passenger boardings affected, revenue hours saved, projected improvement in passengers per revenue hour, and an estimated cost per boarding comparative.

The SPC's service analysis is based on February 2009 data, which was considered a favorable representation of system performance (absent of Holidays and school breaks).

In addition to addressing low performing service segments, the SPC recommendation includes some innovative approaches in correcting service deficiencies. An example is the proposed adjustment to Route 39, which is an operator-initiated idea to improve ridership and appropriately adjust service levels in the Plomondon Loop.

Manager Quintana said staff is looking for Board direction to take the proposed Service Adjustments to the community for outreach and feedback.

Special Service Changes by Route:

Route 2

Reducing frequency on weekdays and Saturdays will eliminate boardings currently costing \$28.29 per boarding as compared to \$8.07 for route overall.

Route 3

Trimming early and late trips seven days a week will eliminate boardings currently costing \$13.24 per boarding as compared to \$5.32 for route overall.

Route 7

Trimming first trip on Saturday and last trip on Sunday will eliminate boardings currently costing \$14.28 per boarding as compared to \$4.71 for route overall.

Route 9

Reducing the span of service on weekdays and discontinuing service on Saturdays and Sundays will eliminate boardings currently costing \$16.60 per boarding as compared to \$6.82 for route overall.

Route 19

Reducing span of service on weekdays and Saturdays, discontinuing service on Sundays will eliminate boardings currently costing \$18.69 per boarding as compared to \$8.83 for route overall.

Route 25

Trimming early morning and/or late evening trips, and removing manufacturing segment of Fruit Valley north of Community Center will restore on-time performance and eliminate boardings currently costing \$8.26 per boarding as compared to \$4.36 for route overall.

Route 30

Trimming early morning and/or late evening trips, and replacing the 192nd /Wal-Mart loop with separate service more suited to demand will restore on-time performance and eliminate boardings currently costing \$8.05 per boarding as compared to \$5.17 for route overall. New routing will add ride generators including The Quarry Retirement complex and provide direct service to Clark College's new eastside campus.

Route 32

Trimming first and last trip on Saturday and first trip on Sunday will eliminate boardings currently costing \$22.12 per boarding as compared to \$4.02 for route overall.

Route 35

This is a new route resulting from changes to Route 30.

Route 37

Trimming first trip on Saturday will eliminate boardings currently costing \$17.73 per boarding as compared to \$3.26 for route overall.

Route 39

Redesigned route will provide more convenient connections with other routes and new trip generators including Town Plaza, Parsley Center, major grocery stores, and Lewis and Clark school. Modified route will increase service frequency to every 60 minutes resulting in three additional weekday trips and to accommodate an 8:00 a.m. work shift and medical appointments at Southwest Washington medical complex. Additionally, routes 4 and 39 will expand service availability to riders in the Bagley Downs neighborhood including the Jim Parsley Center.

Route 80

Trimming the last evening trip on weekdays, Saturdays and Sundays will eliminate boardings currently costing \$7.98 per boarding as compared to \$4.27 for route overall.

Route 92

Reducing service frequency to 60 minutes early mornings and/or late evenings on weekdays and Saturdays will eliminate boardings currently costing \$32.57 per boarding as compared to \$6.41 for route overall.

Camas Connector

Trimming underutilized mid-day service will eliminate boardings currently costing \$53.26 per boarding as compared to \$31.77 for service overall.

Board Member Steve Stuart asked staff to include ride options for affected routes when taking the information to the public, or advise riders if no other options exist.

Board Member Jeanne Harris asked if the proposed service adjustments would result in a reduction of the number of operators.

Executive Director/CEO Hamm said yes, and the staff reductions were recently discussed with the ATU. Over the course of a normal year, the agency will experience a turn over of 10 to 20 operators; however, since October 2008 only two operators have left the agency so historical attrition rates do not apply.

Board Member Mielke asked staff to use overlays to show current routes versus proposed routes.

Board Member Steve Stuart asked staff to prepare information on a representative trip on the new routes to compare with old route and include time changes.

Board Member Bill Ganley stated staff has received previous direction from the C-TRAN Board to take service hours from unproductive routes and reallocate to productive routes. Some of the proposed changes should be made no matter what the economic climate may be.

Board Member Steve Stuart asked staff to prepare information on where those saved service hours could be reallocated.

Chair Jim Irish advised staff has done their homework and is not just suggesting service cuts to save money but is looking at those routes that are not productive.

Board Member Steve Stuart asked staff to look into possible weekend service for shoppers on the proposed new #35 route.

Board Member Jeanne Harris said she is concerned the proposed cuts could affect the core of the service provided and asked staff to ensure all options are explored to maintain the current level of service.

Board Member Tom Mielke said he supports the staff proposal.

BILL GANLEY MOTIONED, TOM MIELKE SECONDED, AND MOTIONED CARRIED WITH STEVE STUART VOTING NAY, TO TAKE THE STAFF PROPOSAL OUT TO THE COMMUNITY FOR PUBLIC INPUT.

Board Member Steve Stuart said staff's proposal are service efficiencies rather than service reductions and those service hour savings can be redeployed or banked, and would like to see potential scenarios for use of those saved service hours.

Board Member Jeanne Stewart said eliminating staff positions is only a temporary fix for the budget issues and if C-TRAN has the opportunity to expand service at a later date, those positions are necessary.

Board Member Jeanne Stewart said in light of the current budget situation, she feels public outreach on the 20 Year Plan should be postponed.

Executive Director/CEO Hamm said the agency needs to cut \$1 million in labor costs and he needs the Board to provide direction if staff should move forward with any of the proposed budget cuts.

Board Member Steve Stuart said he needs to hear public feedback before he can direct staff to pursue any service reductions and added there are capital costs that can be reduced.

Board Member Steve Stuart said he did not support the motion because it did not direct staff to take the option for redeployment of service hours to the public.

Executive Director/CEO Hamm stated in November 2009, staff will come to the board with a proposed budget adjustment for 2010 and this could include a request to take an additional \$5 million from the reserves to balance the budget.

STEVE STUART MOTIONED, JEANNE STEWART SECONDED, AND MOTIONED CARRIED WITH TIM LEAVITT AND TOM MIELKE VOTING NAY, TO DEVELOP A PACKAGE THAT IS BILLED AS A SERVICE ADJUSTMENT; GET PUBLIC FEEDBACK; STAFF TO USE PROFESSIONAL JUDGMENT FOR DEPLOYMENT OF SERVICE HOURS.

Executive Director/CEO Hamm asked the Board for direction on other labor cost savings for 2010.

Tim Leavitt left the meeting at 8:14 p.m.

Staff was directed to continue talks with union representation on changes to current contract; advise non-represented staff they should not anticipate wage increases during the 2010 budget year.

Tom Mielke left the meeting t 8:16 p.m.

Executive Director/CEO Hamm said an emergent budget crisis has not been declared, which makes it difficult to tell employees they need to cut back when the ridership is not being asked to cut back.

Board Member Harris said she does not feel the ridership should always be asked to make sacrifices.

Board Member Steve Stuart asked staff to start looking at timeframes when it would be feasible to go to the voters with a ballot measure.

Board Member Harris said the agency should be able to demonstrate to the voters that cuts have been made and the budget trimmed before asking for additional revenue.

Board Member Jeanne Stewart asked staff to obtain information from other jurisdictions, such as the City of Vancouver and Clark County regarding what concessions have been made by their unions.

Board Member Steve Stuart said the non-represented employees of Clark County had their wages frozen in 2009 however; the non-represented employee wages will not be frozen for the 2010 budget year.

ADJOURNMENT

BILL GANLEY MOTIONED, STEVE STUART SECONDED, AND MOTION CARRIED TO ADJOURN THE MEETING.

The meeting was adjourned at 8:25 p.m.

Prepared By: Debbie Jermann