

**South Central RTD
Board of Directors Meeting
Wednesday,
May 25, 2022 - 1:30 PM**

MINUTES

MEMBERS PRESENT:

Nora Barraza, RTD Vice Chair, Town of Mesilla
Majorie Powey, Village of Williamsburg
Lynn Ellins, Doña Ana County
Diana Murillo, City of Anthony
Yvonne Flores, City of Las Cruces

MEMBERS ABSENT:

Javier Perea, RTD Chair, City of Sunland Park
Edna Trager proxy for Cathy Harmon, City of Elephant Butte
Peter Atencio, Village of Hatch
Sharon Thomas, Citizens Advisory Committee

SCRTD STAFF:

David Armijo, SCRTRD Executive Director
Sara Vasquez, SCRTRD
Cristina Gamboa, SCRTRD
Adam Shea, SCRTRD

OTHERS PRESENT: Becky Baum, RC Creations, LLC, Transcriptionist

1. CALL TO ORDER

Nora Barraza called the meeting to order at approximately 1:35.

2. PLEDGE OF ALLEGIANCE

ALL STAND FOR THE PLEDGE OF ALLEGIANCE.

3. ROLL CALL

A quorum was determined to be present.

4. APPROVAL OF THE AGENDA

There were no changes to the agenda. Motioned by Councilor Flores, second by Diana Murillo. Passed unanimously.

5. PUBLIC INPUT

There was none.

6. APPROVAL OF SCRTD MEETING MINUTES OF April 27, 2022

There were no changes to the minutes. Motioned by Councilor Flores, seconded by Diana Murillo. Passed unanimously.

7. EXECUTIVE DIRECTOR'S REPORT

David Armijo gave the Executive Director's report. Ridership continues to be record making each of the past three months. The free fares have made a big difference; took a while for people to realize that. The first week of May there was almost 2,000 rides. Ridership is now projected at 8,200 for the month. Assuming June is the same ridership could hit 75,000 or 76,000 rides for fiscal year; the NTD fiscal year runs until September so the numbers could be even higher. The Red Route almost did 1,000 rides which has never happened before. The Turquoise Route was the worst route but has seen good growth. The Green Route is also seeing good growth and the local Copper Route is doing very well as it is approaching 100 rides when it's barely begun. Mr. Armijo hopes that in the next few years it will catch up to the Green Route in ridership. It seems that ridership may hit an annual record.

The grant applications will be requesting for three buses and capital money for the facility from the 5309 grant. Many buses that were acquired in 2015 are reaching the end of their life cycle; some can go to 10 years but would require new engines and transmissions. It would work except that the engines don't necessarily exist anymore. Many vehicles need to be replaced in 2023. After taking the chart of the buses Mr. Armijo made a zero emissions plan. There will be more gas buses coming in due to ordering them in 2020 and taking so long to come in. Next year if everything goes well five vehicles will be able to be retired; only grow the fleet by one. By 2031 the entire bus fleet will be zero emission. As the buses go forward, the battery operated buses go from zero to 105,000 miles then in 2032 it should be 420,000 miles. Currently they are doing 448,000 miles with gas or diesel vehicles. Electric vehicles will also create significant cost savings at the gas pump.

A year ago the SCRTD asked the county for \$628,000 and during the course of the year there was record number of fuel cost. The county gave the SCRTD to come in mid-year and do a modification; adjusted the contract and increased to \$725,000. That was the baseline for this year's budget but another \$100,000 was added to specifically go to capital bus purchases with the electric buses.

8. DISCUSSION AND APPROVAL OF RESOLUTION AUTHORIZING THE FILING OF SECTION 5307 APPLICATION WITH THE FEDERAL TRANSIT ADMINISTRATION

David Armijo gave the presentation. He and Adam Shea had a conference call with the Federal Transit Administration's District 6 office in Fort Worth roughly three weeks ago. They gave support to begin the process of starting as a direct grant recipient and a new recipient in the process for the FTA. To apply directly they will have to submit everything that's ever been done on grants over the coming months; much of this is getting the correct paperwork. Mr. Armijo is asking the Board is for a form and the resolution would be submitted to the FTA's office after today's meeting to allow them to codify and say Mr. Armijo and Mr. Shea are certified to begin the process of beginning the grant application. The FTA indicated that it could take roughly three months or longer to do depending on how quickly the paperwork gets to them.

Staff is also working on another document with their local lawyer and attorney in D.C. that will also help identify the process. The first item of the legal authority is the resolution today. Next the documents from the attorney's will be brought to the Board hopefully next month and the Board will be asked to support the efforts again. There will be a lot of documentation over the next few months.

Motioned by Councilor Flores, seconded by Diana Murillo. Passed unanimously.

9. DISCUSSION AND APPROVAL OF RESOLUTION TO APPLY FOR FEDERAL FUNDING FOR THE FY2022 LOW OR NO LOW EMISSIONS GRANT PROGRAM

David Armijo gave the presentation; it was presented last month as well. The resolution identifies the cost for three Gillig buses that are 100% electric, includes the associated charging stations, the training for employees to the sum of \$50,000, delivery cost, and etcetera. The total is just over \$3 million. It identifies the federal funds and the local match; lion share of local match would come from the county as well as the \$200,000 from the state legislature. This will be done over the course of two years; local match is \$600,000 and staff has half of it already; the other half wouldn't be needed until 2024 and so they can ask legislature to help with that in the next session. The amount applied for will be \$3,040,354 with a match of \$608,071 to purchase the three electric buses to replace the existing vehicles.

Motioned by Councilor Flores, seconded by Diana Murillo. Passed unanimously.

10. DISCUSSION AND APPROVAL OF RESOLUTION TO APPLY FOR FEDERAL FUNDING THROUGH THE FY2022 SECTION 5339 (b) GRANT PROGRAM

David Armijo gave the presentation. This is the same grant application as previous but has one caveat. It includes roughly \$700,000 for the facility improvements that would happen at Sunland Park. The government normally has \$180,000 a year for the program and this past year the program had \$1.1 billion for both programs. The federal government asked SCRTD to apply for both twice for the same buses;

the federal government wants to provide at least 250 projects around the country to be funded. They also want to provide roughly 25% of those to be rural; select which bucket they would fund SCRTD from. If larger funds for the facility is received then staff would need to get more funding from legislature or own funds to match.

Nora Barraza asked where they will get the additional funds if it's more than the \$608,000 match. Mr. Armijo clarified that it would be either or, not in addition to; only an additional \$140,000. They also may not be awarded the entirety which means the match would be lower. Both will need to be submitted; Mr. Armijo has one done and will finish the other tonight. Majorie Powey asked what would happen if they didn't receive the matching funds. Mr. Armijo stated that there is a provision as to what the sustaining part of the project would be. He ran the numbers at a lower rate for a backup; one less bus. With changes after elections it's difficult to know what changes will occur in legislation.

Motioned by Councilor Flores, seconded by Diana Murillo. Passed unanimously.

11. DISCUSSION AND RESOLUTION APPROVING PRELIMINARY FY2023 BUDGET

Adam Shea gave the presentation. For budget fiscal year 2023 revenue would increase by 29.2% over fiscal year 2022; expenditures would increase by 38.7%. Mr. Shea did a breakdown of personnel services, employee benefits, travel and maintenance, supplies, insurance, projects, contractual services, and operating expenses. Capital appropriations have an increase of 35.4%. Considering the zero emissions goal this is essential to gain new buses and enhance the capital. Lynn Ellins asked if the 29.2% revenue increase was just from fares or other funding. Mr. Shea clarified that it is specifically to the membership dues, grants, agreements, and other sourced revenues. There was discussion on why travel and maintenance are together; it's how it's shown in the budget. Mr. Shea can break it out if the Board would like. Mr. Armijo added that it includes fuel as well. Mr. Shea stated that expenditures as related to travel is roughly \$5,000 of the total amount requested; everything else is maintenance and fuel.

The increase of revenue is due to the 5307 funds. Those funds won't become available until the grant application is approved by the FTA. The funds are programmed in the budget which begins in July but access to the funds won't happen for several more months. Nora Barraza commented on the significant increase in membership dues. Mr. Shea commented that it was approved last Board meeting; increased by \$29,000 or so based on population figures. There is an anticipated salary increase for existing staff by 3.5%; last year it was 2% merit increase. There is not a cost of living increase which is why it was left at the 3.5% merit increase; managers can approve up to that figure but isn't always that amount. Councilor Flores asked if there was a regulatory cost of living adjustment for employees. Mr. Shea doesn't know of one; it's up to the company to determine that. Typically

companies would look at cost of living as it exists and then approve an amount in their budget. The company in this situation would be SCRTD and the Board. Councilor Flores believes there should be a cost of living adjustment.

Mr. Shea clarified that typically a company would have one or the other; cost of living adjustment or merit increase based on performance. The cost of living increase depends a lot on inflation; currently it's 8%. Councilor Flores has a concern about employees where prices have increased exponentially and employees have to go elsewhere to afford things; it's more expensive to hire new employees than keep them. She recommends Mr. Armijo and Mr. Shea look into doing a cost of living adjustment increase but merit increases should also be encouraged. Mr. Shea agrees with Councilor Flores to have a separate cost of living adjustment as well as a merit increase. As this is the preliminary FY23 budget he can add in a line item for the cost of living adjustment specifically for the final presentation in June; he just needs to know what percent. Nora Barraza agrees that it would be helpful and appreciated due to inflation. Balancing the budget will be the trick. She recommends starting with a 3.5% cost of living adjustment.

Majorie Powey commented that sometimes the merit increase can depend on the relationship between the employee and the supervisor. She's seen it be used in punitive ways. She would rather see a 3.5% increase across the board and see the standards for merit increases. Mr. Shea stated that in every company he's worked for in private industry has a merit base; primarily to give the power to the supervisor to evaluate the employees accurately. Councilor Flores stated that if they have both increases they would need standards on the merit increases. The COLA happens at the beginning of the year and the merit increase happens on the employee anniversary date after an evaluation. Mr. Shea added that each position is measured differently; a bus driver is evaluated on different criteria than a mechanic. There is an evaluation form that is used which is in depth and covers a wide range of areas.

Mr. Armijo stated that they didn't have two numbers in place when creating this preliminary budget; the numbers from the county have now been received. However, the number from the state of New Mexico hasn't been awarded yet. Currently they hope the numbers that were programmed last year with the state will be approved. If they are approved there would be a substantial windfall of resources. This issue will probably be addressed better in a month from now. Currently they are comfortable with programming 3.5%. Increasing it to 5% would be a challenge without knowing the awarded money. Mr. Armijo added that there was an assumption of bringing up the lowest level staff to \$15 an hour which the county is doing. For the county to do that, it will add \$500,000 into the budget in the coming year; even small increases can add up to a very large amount. Staff will bring up the employees to \$15 an hour at SCRTD as well.

Nora Barraza stated that she would rather see a COLA than a merit pay increase; equal across the board and would help everyone. If then there's room for merit increase in the budget it would be nice. She recommended a 4% increase in COLA; if merit pay is added then it would make the increase up to 7% which is significant. She added that minimum wage is increasing within two years and so the Board needs to look to the future and find a way to sustain those increases also. Majorie Powey agreed that she would prefer the COLA to the merit. Councilor Flores agreed as well but would also like to see Mr. Shea and Mr. Armijo make it both rather than either or have an analysis on what that would look like. Mr. Shea stated he will change the 3.5% to a COLA, add a 3.5% merit increase, and show the difference. Nora Barraza asked for 4% COLA increase as well; Mr. Shea will add that one as well. Mr. Shea stated that the amount requested from the state was submitted last year and no one anticipated an 8% inflation increase or the gas increases. Personnel is the biggest expense.

MOTION DID NOT PASS DUE TO LACK OF QUORUM.

12. DISCUSSION AND RESOLUTION APPROVING HUMAN RESOURCES MANUAL

Due to lack of quorum the Board decided to postpone this discussion until next meeting.

13. BOARD COMMENT

There were none.

14. ADJOURNMENT – Next meeting June 22, 2022

The next meeting will be held at the Doña Ana County Government Center.



Chairperson