

ITEM #6 July 27 Minutes

**South Central RTD
Board of Directors Meeting**

**Wednesday,
June 22, 2022 - 1:30 PM**

MINUTES

MEMBERS PRESENT:

Nora Barraza, RTD Vice Chair, Town of Mesilla
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
Majorie Powey, Village of Williamsburg
Peter Atencio, Village of Hatch
Sharon Thomas, Citizens Advisory Committee

SCRTD STAFF:

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

OTHERS PRESENT:

Becky Baum, RC Creations, LLC, Transcriptionist

1. CALL TO ORDER

Nora Barraza called the meeting to order at approximately 1:41.

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

Nora Barraza recommended postponing item 11, Human Resources Manual, until the next meeting. Motioned by Diana Murillo, second by Councilor Flores. Passed unanimously.

5. PUBLIC INPUT

There was none.

6. APPROVAL OF SCRTD MEETING MINUTES OF May 25, 2022

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

7. EXECUTIVE DIRECTOR'S REPORT

David Armijo gave the Executive Director's report. He introduced the two high school interns from the county: Daisy Flores from Anthony and Ben Gaytan from Gadsden. This is a summer internship program for high school students; five at the Town of Mesilla. Last year ridership numbers were shown; 53,000. This year ended with a 5% growth; numbers have been going up by nearly 1,000 a month in the past couple months. The fiscal year will end in September and Mr. Armijo is expecting larger numbers on each route by then; new routes tend to take a couple years to mature with ridership. The additional ridership of 24,355 will bring a growth rate over the last 12 months of 45%; some of the best growth rates in the United States.

SCRTD has been very fortunate the county has been very supportive with the MOU agreement. Last year the county allowed some adjustments to the agreement; \$628,000 to \$725,000. This year they added another \$100,000 to go to capital; this includes the increase in fuel. Many services are being affected by the fuel crisis; used to be \$150,000 for fuel and is now \$300,000. The grant award did well. From a ridership point of view, they came in fourth out of 23 operators in the state: 61,398 rides. The operating ratio was around 11th and cost per passenger trip was second with an average cost of \$14.22. The cost per vehicle mile was second with \$2.32 per vehicle mile. The RTPO gave a number one rating. They were number one for the administrative operating budget expended; have been in the upper 98% but now they're finally to 100%. They were number two for the administrative operating award. Out of all 23 operators in the rural state SCRTD was number one; ratio was 3.29. They carried 11% of ridership in the state for rural but only received 4.5% of the funding.

Mr. Armijo will discuss receiving more funding from the state. They have always been funded based on the ridership number. When you begin there's not as many, so it takes time to grow the funds. The entire state of New Mexico lost 30% of ridership across the board year over year; SCRTD is up. The reason for this was when the pandemic hit two years ago, 15% was cut due to the schools being closed but everything else was kept up. The county kept funding and service continued. They kept employees and expanded services. The county had frozen the money both in 2020 and 2021 so majority of the money came from the CARES Act. Mr. Armijo discussed the monetary funds during the pandemic. They are projecting \$123,000 out of the \$696,000 from the 5307 funds and

are using the extra \$100,000 from the county to match. Adam Shea and Mr. Armijo are working to get the application in. Item number eight will be the first of the three contingents to get funding from the regional office.

The first step is receiving the legal authority to apply for the funds. Then staff can work on everything else, drug policies, training, and etcetera. There are additional funds that can be pulled in if needed but they'd rather not do that. Under the DOT funding SCRTD was awarded additional funds for services; federal funds are vanishing. They will be able to operate the tight budget this year. They will be looking for efficiencies in operations; Green Route going to Garfield adds 20 minutes to the Hatch route and is only carrying one person per day. Item eight is a modification from what was approved at last meeting. The attorney Mr. Cadillo in concert with the DC attorney Katie Johnson felt that the form should have Mr. Armijo's and Javier Perea's names on it.

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

David Armijo gave the presentation. The item is specifically to help receive local authority and approval to submit for the grant application section 5307 Urban Funds for this region for fiscal year 2022; began in October of last year. This will remain in effect for five years once it's provided.

Motioned by Lynn Ellins, seconded by Councilor Flores. Passed unanimously.

9. DISCUSSION OF FY2023 NMDOT 5311 AWARD FOR FUNDING

David Armijo gave the presentation. They received this information a week ago which gave some time to work through it. The numbers are now included in Adam Shea's presentation, and they will take action on that as part of the preliminary budget for the coming year. They expect to come back next month to finalize the budget. This will allow Mr. Shea to proceed today and submit to the Department of Finance Administration for the budget year.

10. DISCUSSION AND RESOLUTION APPROVING PRELIMINARY FY2023 BUDGET

Adam Shea gave the presentation. This budget has been a challenge due to the CARES Act going away; moved back to normal prior to the pandemic. There has been growth since then and have fortunately received additional funding. The first several pages had a highlight of revenue and capitals expenditures. There will be a decrease of 1.8% in the operating revenue from fiscal year 2022. They are supposed to receive as much as they require to be able to continue operations.

The total operating revenue of \$2,022,241.89 has been decreased by \$38,000 from fiscal year 2022. That gives a balance of roughly \$12,524.20. Capital appropriations has increased due to the fact that they submitted for buses which have not been received; many is carryover from 2022. The 5307 funds are a five year; the 5339 funds are multiple years but are held by the state of New Mexico and SCRTD is given one year to spend or encumber it. As they have a contract for the buses it has been encumbered and therefore can be carried over for at least three years. They have been waiting on three buses for

two years; some are electric or zero emissions which impacts it. Due to the pandemic everything was pushed back. The state has adjusted the budget roughly \$35,000 per bus; however, the prices of the buses are going up more. The state will help with the federal side but not the local match. There is a bus coming in next week which will be bought at the old rate; two buses had to be retired from age. Staff hopes things will change soon as they need additional buses. As the cost goes up SCRTD has to find a local match for 20%. There is a contract price locked in but once the bus is finished and ready for shipment there is a potential for increase.

The increase in capital appropriations brings them to \$1,372,627.18. That provides for an additional van for the van pool program and two more buses. They are carrying over funds from fiscal year 2022 to 2023. Capital balance after the local match would be \$75,104.76 to SCRTD's favor; allows them to include that with the balance operating carryover of \$12,000 giving a balance of \$87,628.96. Expenditures have worked out as a decrease of 9.3%. The top section is only covering the sections included in travel and maintenance, supplies, insurance, projects, contractual services, and operating expenses. The personnel expenses are below as the Board requested the additional information regarding cost of living adjustment (COLA). The expenditures to date with salaries, wages, and employee benefits listed there is a total of \$1,400,237.68 which is an 11.3% increase over fiscal year 2022; does not include the requested COLA figures. There is COLA listings for 3.5%, 4%, and 5% which does not include a merit increase.

The 3.5% COLA would include an additional \$38,525.99 which would cover 17.1% of the operating budget. The budget would increase up to 6.1% overall. The same with 4% and 5% there is additional amounts and increases the overall budget by 6.4% and 7%. Details of the expenditures for 2023 is in columns H through J; does not include a COLA. Columns L through N is the 3.5% COLA; P through R is the 4%. There is a breakdown of how the amounts interact with the total overall budget at the bottom. The projected revenue is \$2.22 million. The fiscal year 2023 budget without a COLA has expenditures at \$2,009,717.69; the 3.5% COLA would have expenditures of \$2,048,243.68. The 4% and 5% are also shown. The 3.5% COLA increase would mean a deficit of roughly \$26,000. However, there is the \$87,000 carryover could potentially be used. Nora Barraza stated that she's most comfortable doing the 3.5% in order to have a little bit of cushion money. Mr. Shea stated that they don't know exactly how things will impact for the expenditures. There may be an amount a lot lower than projected; the fuel was increased to \$324,000.

There was personnel increase; this was an increase in the taxes and retirement. The 17.1% is a portion if the entire budget for personnel. The figures shown for the COLA increase could be half COLA and half merit if the Board wishes it or just a COLA. Councilor Flores would like to go to 4%; it would add an additional \$44,000 to the budget. 5% would be an additional \$55,000 to the budget. There is \$87,000 left in the bank without a COLA; it will be reduced with one. Projected revenue is \$2.22 million; operations is \$2,009,000. Nora Barraza is uncertain the Board wishes to have such a low amount in carryover for unexpected expenditures by doing the 5% COLA. If by mid-year expenditures are less than anticipated they could consider an additional COLA or merit increase. If the Board does the COLA of 3.5% it would increase the personnel amount going out by roughly \$2,500 a month. Mr. Shea stated he will be very cautious of the amount spent in the next fiscal year. Funds can be moved around as needed with amendments. Councilor is comfortable with the 3.5%; she wishes they could do 5% plus merit.

The Board can relook at the budget mid-year for expenditures. Loans are not included in the budget. Mr. Armijo added that they underrun the budget last year by a significant amount of money. They always budget a full load but typically it isn't always used. Next Monday Mr. Shea will be in Santa Fe for a state conference talking about procurements. That will allow a discussion on carryovers. There is roughly \$800,000 in carryover with \$200,000 in match. If the buses are deferred another year then that local match dollars could potentially be available. Mr. Armijo doesn't suggest spending it; their goal is to raise the reserves up to \$200,000. The bus coming in will have a 20% outright payment with 30 days to pay the balance of the bus. Once the checks go to the contractor they can submit for reimbursement from the state for the 80%. There is \$74,000 excess cash which means there are the funds to do this.

Add a 3.5% COLA increase to the fiscal year 2023 budget was motioned by Councilor Flores, seconded by Nora Barraza. Passed unanimously.

11. DISCUSSION AND RESOLUTION APPROVING HUMAN RESOURCES MANUAL 2022

MOVED TO NEXT MONTH'S MEETING JULY 27, 2022

12. DISCUSSION OF THE CORRESPONDENCE OF City OF ELEPHANT BUTTE WITHDRAWAL FROM SCRTD

David Armijo stated that they received a call earlier in the month from the City of Elephant Butte. A letter dated in May was received in June. There aren't enough services going to Sierra County. Mr. Armijo is having conversations with the state to have a pilot project with additional funds. He has also talked with Marjorie Powey, but she hasn't stated what she wants to do next; she indicated that they would even accept a local service. The nature of the letter with Elephant Butte is the intent for the city to withdraw from SCRTD.

There was a similar letter almost three years ago from Truth or Consequences. Looking at the bylaws from 2006 or 2003 the City of Socorro was also in the service area. Elephant Butte is still interested but wishes to see service. SCRTD will pursue that as best as they can; didn't come in the award but they can work with the state for reserve funds. Mr. Armijo will continue with those discussions and bring it to the Board. Nora Barraza is sad to hear that and is hopeful for a pilot program. Kathy Harmon was the representative.

13. BOARD COMMENT

There was none.

14. ADJOURNMENT - Next meeting July 27, 2022

Meeting was adjourned at 2:49 pm.



Chairperson