

**South Central RTD
Board of Directors Meeting
Wednesday,
February 28, 2024 - 1:30 PM**

MINUTES

MEMBERS PRESENT:

Javier Perea, RTD Chair, City of Sunland Park
Russell Hernandez, RTD Vice-Chair, Town of Mesilla
Cathy Lueningborg proxy Majorie Powey, Village of Williamsburg
Diana Murillo, City of Anthony
Manuel Sanchez, Doña Ana County
Yvonne Flores, City of Las Cruces

MEMBERS ABSENT:

Robert Martinez, Village of Hatch

SCRTD STAFF:

David Armijo, SCRTD Executive Director
Sara Vasquez, SCRTD
Crystal Gomez
Veronica De La O, SCRTD
Adam Shea, SCRTD

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

Javier Perea called the meeting to order at approximately 1:40.

1. CALL TO ORDER

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 MINUTES - January 24, 2024

Motioned by Russell Hernandez, second by Cathy Lueningborg. Passed unanimously.

5. PUBLIC INPUT

There was none.

6. EXECUTIVE DIRECTOR'S REPORT

David Armijo gave the Executive Director's report. It looks like there will be about 9,000 rides for the month, roughly 1,000 rides more than this time last year. Staff is working on an application for a grant called RAISE. It has been a while, and it is more difficult than anticipated. This grant is in the TIGER

Grant class, but it does have provisions for improving public transit as well as infrastructure. SCRTD is the only organization currently trying for this grant. Work done for this grant can also be used for future grant applications this year.

7. A RESOLUTION APPROVING THE BMO LOAN AGREEMENT - ADAM SHEA

Adam Shea presented the resolution. It is a request to seek funding with a commercial loan or commercial line of credit for capital funding due to the grant payouts being slow to arrive. Mr. Shea hopes to seek funding to be able to pay bills and then pay it all back when grants arrive. The BMO bank has new information requirements and Mr. Shea is doing research to see where else he can find funding. He hopes to find about \$60,000. The State has stopped paying 80% of the cost for buses up front. The SCRTD has to pay the vendor in full up front and then request reimbursement from the State. The FTA still has not finished paying out the grants from FY 2022 and 2023. SCRTD has an MOA with the County so that if the grant monies do not come through, they can use County money until the grants come through. Because SCRTD is small and does not use subcontractors extensively, the bank account is usually very tight. Larger agencies can operate with a larger discrepancy since they use subcontractors and have less overhead. BMO is a Canadian company and they do not seem to understand what the SCRTD is. They keep asking for tax returns. Any loan or line of credit would be wrapped up by June.

Resolution motioned by Yvonne Flores, second by Russell Hernandez. Passed unanimously.

8. WORKSHOP FOR THE FY2025 ANNUAL BUDGET - ADAM SHEA

Adam Shea presented the FY2025 SCRTD budget. The year starts out with an increase of 2.33% due to a full year of the current employee bid. The personnel increase includes a Special Projects Planner position, a Mechanic position, and a Driver position for the year, amounting to 51.4% northern routes and 48.6% southern routes. Mr. Shea has also added a 3.5% COLA into the expenditure, bringing it to \$1,521,329.69 or a total of 5.36% over the current budget year. Employee benefits are expected to decrease about 4.66% due to adjustments from FY2023. Travel and maintenance show 4.67% increase; this is a conservative estimate for travel, fuel, and maintenance. Supplies have 9.08% increase over the current year and it is hoped that the Sunland Park facility will be acquired before the end of the fiscal year, so those supplies are also included in this estimate. The insurance amount is a carryover from the current fiscal year because the new proposal has not arrived yet. They will send that information within a few weeks; at which time, this estimate will change. Contractual services show an 8.43% increase and is also a conservative estimate, as software usage and other services will probably increase. Operating costs show a decrease of 29.35% because it is not showing a carryover or a loan payback. Total expenditures show a decrease of 6.4%. The decrease in employee benefits is due to an overbilling in this fiscal year, so that credit with the insurance company will carry over into the new fiscal year. The goal is to keep actual expenditures low while estimating that they will be high, in order to have enough funds available. The grant monies are generally not accessible until at least June each year. The State awards more money for good performance. Moving on to revenue, Mr. Shea showed a decrease of about \$54,196.16 or 1.9% over the current budget. Most of the numbers he showed are estimated and many were carryovers from the current budget. July through September are the end of the budget year for New Mexico DOT, so they carry through the current budget. There is no anticipated increase in membership dues. The operating revenue has not yet been completely received so Mr. Shea does not know the standing on 5310. Gross Operating Revenue shows at \$2,759,397.61, putting the budget to the good of \$94,080.66 minus expenditures. Dave Harris, Senior Director for New Mexico Department of Public Transportation encouraged the SCRTD to make another request for 5310 funding for the coming year. This would help immensely to operate the services in Sierra County. For Capital, there has been an increase in capital projects of about 132.2% due to a great deal of carryover of the current capital to the next fiscal year budget and dependent on the purchase of the Sunland Park facility. This number includes buses, administrative vehicles, APCs, solar canopies, and many other fixed assets. This

increases capital by about \$4,487,875.56 and the local funds are expected to increase by about \$270,720 or about 54.1%. Mr. Shea included information regarding the verified grant awards with DFA funding, NMDOT funding, and FTA funding. The actual carryover items are in question due to not knowing which fixed assets will be secured within this current fiscal year as opposed to carrying over to next fiscal year and forward. This is just a presentation of how Mr. Shea expects the new fiscal year to go but is not absolute.

There have been many difficulties getting electric buses, as many companies have gone out of business. SCRTD has requested over half a million dollars at the State Legislature and Mr. Armijo is not sure how much of that will actually be received. Therefore, the bus orders can be pushed back until there is money available.

9. CAPITAL PROJECTS AND GRANTS DISCUSSION - DAVID ARMIJO

David Armijo presented grants, funding, and capital projects. The assumed budget numbers of Operations include the labor and staff, fuel, maintenance, administrative, and technology. These costs can be better managed when the new electric buses come online because there are different rates for different times of day, so the buses can be charged when the rates are lower. The new Special Projects Planner, Tim McDaniel, has been working on 15 different projects and has been riding the buses to help with mapping. The numbers for Capital include vehicles, facilities, equipment, technology, and infrastructure. Grant partners include federal, state, and local entities. Rural operators are expected to spend the entirety of their grants in 365 days before the State takes it. SCRTD has managed to spend 99% of its most years. Program partners include DFA for about the last three years, SCRTD Board Members with their membership fees, the County MOA, and Sunland Park.

Before 1982 grants were categorical and based on population. The SCRTD was started in 2003, but federal money did not come in until 2017. Then, the money was received in a lump sum on October 1st. ISTEA introduced the opportunity for intermodal grants and federal monies to be transferred back and forth between highways and transit operations. The grant application processes have changed over the years, causing the SCRTD to lose track of where the money comes from and who to talk to and what the qualifications are. This means the large urban areas have taken most of the federal money. Recently the grants have been moved back to the rural areas. The grant applications have become extremely complicated and difficult. SCRTD has grown until it is in the top five of transit operators in the state.

Mr. Armijo showed a list of the grant programs. Most of the funds come from 5311 and 5339. There are also funds coming from the 5307 and 5310. The staff has become very good at working with all the different parts and the yearly reviews have been very good. Most of the money comes from New Mexico, but there is also money coming from Texas. The CMAC grants are large. Since SCRTD has taken over Sun Metro's services, the services have expanded and are available seven days a week and doing both the Yellow and Silver routes. Operating grants typically are 50/50, capital is 80/20, CMAC from El Paso MPO are 85/10, and the 5339 from the State of New Mexico are 90/10. Sometime in the future, there may be some grants at 100%. New Mexico gives 12 months to spend the 5311 funds before they are taken back. As long as there is a purchase order in place, the funds will be left alone. CMAC money needs to be spent in three years. Mr. Shea has to track all the grants and where they come from. It is hoped that Tim McDaniel should hopefully be able to help track existing grants and maybe get new ones. Mr. Armijo has a document that tracks the color of the money and the timeline for that money. He hopes to improve and update it soon and make it available for the Board to view. There will be two buses coming in soon. That will use up the last of the Department of Finance funds. A new accountant was hired earlier this year. Staff have been looking for possible partners in the state. NCRTD is of great interest as they have both contract operation and in-house and they are a very large operation. Staff are looking for ways to help the employees and adding more training for them. The current grant application that is under construction will be brought to the next meeting for presentation to the Board. Board

Members are pleased that there is not much competition in the area for the CMAC funding. Staff will work on a presentation to show the Board their ideas for expansion of services.

10. FUTURE AGENDA ITEMS/BOARD COMMENTS

Staff were congratulated on having the budget started already. Staff are examining every bus route to decide where to put new shelters in Sierra County. The funds to operate that service will come from 5310. Some of the signs are ready and more will be done soon. Staff expect to install the signage in April or the first part of May. Mr. Armijo will be spending time with local governments next month. He hopes to get the service running before the summer to catch the business to Elephant Butte. The schedule is ready with the connection at Hatch. The new, smaller buses are expected to be perfect for the new route. If they will not carry enough passengers, SCRTD has some larger buses available.

11. CLOSED SESSION - NONE

12. ADJOURNMENT - Next meeting March 27, 2024



Chairperson