Valley Express

HERITAGE VALLEY TRANSIT SERVICE
POLICY ADVISORY COMMITTEE (HVPAC)
Fillmore City Hall, Council Chambers
240 Central Avenue

September 27, 2017
10:00 a.m.

AGENDA

ITEM 1 **CALL TO ORDER**

ITEM 2 **INTRODUCTIONS & ANNOUNCEMENTS**

ITEM 3 **PUBLIC COMMENTS**: Any member of the public may address the Committee for up to two minutes on any subject within the jurisdiction of the Committee that is not scheduled for a public discussion before the Committee.

ITEM 4 **AGENDA ADJUSTMENTS**

ITEM 5 **APPROVAL OF MINUTES – For Action**
Recommendation: That the Committee waive the reading and approve the minutes for the regular meeting of July 10, 2017.

ITEM 6 **YEAR-END SERVICE INDICATORS REPORT**
Recommendation: None. Receive and file report.

ITEM 7 **OUTREACH REPORT REGARDING FARE INCREASE**
Recommendation: Receive and file report, and consider modification to proposed Fare Changes.

ITEM 8 **AMENDMENT TO AGREEMENT FOR TRANSIT SERVICES WITH MV TRANSPORTATION**
Recommendation: Consider recommendation of proposed Amendment(s) to the Agreement between the Ventura County Transportation Commission and MV Transportation.

ITEM 9 **DETERMINE NEXT COMMITTEE MEETING DATE AND LOCATION – For Action**
Recommendation: That the Committee determine the next Committee meeting date and location.

ITEM 10 **ADJOURNMENT**

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Valley Express

HERITAGE VALLEY TRANSIT SERVICE
POLICY ADVISORY COMMITTEE (HVPAC)
Santa Paula City Hall, Council Chambers
970 Ventura Street, Santa Paula, CA 93060

Monday, July 10, 2017
11:00 a.m.

MEETING MINUTES

MEMBERS PRESENT:	Manuel Minjares, City of Fillmore Ginger Gherardi, City of Santa Paula Kelly Long, County of Ventura Darren Kettle, VCTC
VCTC STAFF PRESENT:	Aaron Bonfilio, Program Manager – Transit Services Martin R. Erickson, Public Transit Director Heather Miller, Transit Planner

ITEM 1 CALL TO ORDER
Chair Minjares called the meeting to order at 11:01 a.m.

ITEM 2 INTRODUCTIONS & ANNOUNCEMENT
Ms. Gherardi thanked MV Transportation for providing transportation for Heritage Valley community members on the Fourth of July at no charge.

ITEM 3 PUBLIC COMMENTS
None.

ITEM 4 AGENDA ADJUSTMENTS
None.

ITEM 5 APPROVAL OF MINUTES

ACTION

Gherardi moved, seconded by Long, that the Committee approve the April 24, 2017 meeting minutes. The motion passed with no objections.

ITEM 6 FIXED ROUTE SCHEDULE CHANGES AND GENERAL PUBLIC DIAL-A-RIDE RESERVATION POLICIES
Mr. Erickson, VCTC, gave a brief history of the transit services provided in the Heritage Valley.

Mr. Bonfilio arrived at 11:04 a.m.

ACTION

Gherardi moved, seconded by Long, that the Committee approve the implementation of the draft Fixed Route schedule changes and the updated General Public Dial-a-ride reservation policies as recommended by the Heritage Valley Technical Advisory Committee. The motion passed unanimously.

ITEM 7 PROPOSED FARE INCREASE
Mr. Bonfilio provided a brief review of actions taken by the HVTAC and HVPAC at recent meetings related to farebox adjustment scenarios. He recommended that staff undertake a public outreach

process and stated that the proposed fare increase will not solve the farebox recovery shortfall.

Discussion

The Committee discussed 1) the proposed rate increases, 2) the process required for swapping TDA funds with the City of Santa Paula's Measure T funds, 3) the need for public outreach, and 4) the timeline for implementation.

ACTION

Long moved, seconded by Gherardi, that the Committee direct staff to conduct public outreach regarding the proposed fare increases for the Valley Express bus service and, following outreach and HVTAC review, direct staff to return to the HVPAC for consideration.

ITEM 8 MARKETING AND COMMUNITY OUTREACH PROGRAM

Mr. Bonfilio provided a brief explanation of the process taken to select Celtis Ventures for the Marketing and Community Outreach Program for the Valley Express.

Celtis Ventures provided a brief introduction and overview of their firm's approach to the Valley Express Marketing and Community Outreach Program. She discussed Dial-A-Ride awareness, the connection to the VCTC Route 126,

Ms. Devon Cichoski, Celtis Ventures, discussed opportunities and challenges including farebox recovery, the transition from fixed-route to dial a ride, transit connections with the VCTC 126 route, the target audiences, balancing the use of technology and community events, and the lack of awareness of the Valley Express service and options.

Ms. Susana Andres (double check spelling), Celtis Ventures, discussed goals including increase ridership, achieve farebox target, growing pass sales, promoting key services especially Dial-A-Ride, improving the Valley Express image and awareness, and leveraging technology.

Discussion

The Committee discussed the need for different strategies targeting the youth versus seniors and the Spanish speaking population.

ITEM 9 DETERMINE NEXT COMMITTEE MEETING DATE AND LOCATION

The Committee agreed to meet on September 27, 2017 at 9:00 a.m. in the Fillmore Council Chambers.

ITEM 10 ADJOURNMENT

Chair Minjares adjourned the meeting at 11:44 a.m.

Item 6

DATE: SEPTEMBER 27, 2017

MEMO TO: HERITAGE VALLEY POLICY ADVISORY COMMITTEE (HVPAC)

FROM: AARON BONFILIO, PROGRAM MANAGER – TRANSIT SERVICES
HEATHER MILLER, TRANSIT PLANNER

SUBJECT: YEAR-END SERVICE INDICATORS REPORT

RECOMMENDATION

- Receive and file report.

BACKGROUND

Staff presents the attached Performance Report for fiscal year 2016/2017. This data reflects the year-end final Operating Costs as defined by the Transportation Development Act (TDA). The Valley Express Operating Costs encompass Contractor Service Expense + Staff Expense related to operations, and "Other Admin" [1] related to operations.

Year-end Highlights

- *Ridership trends saw a decrease of 25% system-wide for FY1617, with a 24% decrease on Fixed Routes, and a 21% decline on Dial-A-Ride (DAR) service. Key Performance Indicators are shown in Table 1.*
- *Piru Fixed Route service performed strongest with 27,608 Riders or 38% of the Total Fixed Route service. River Central was the weakest performer for the year and was eliminated with the August service reduction. Detailed ridership is shown in Table 2.*
- *Passengers per Hour across the service experienced a decline from 4.90 passengers per hr to 4.22 per hr. Performance of the Fillmore and Santa Paula "Tripper" routes were strongest at 27.68 and 10.54 passengers per hr, respectively. Passenger per Revenue Hour statistics are shown in Table 3.*
- *Total Operating Costs for the Valley Express service were reduced by 12% for the 2016-17 fiscal year, realizing a reduced Cost per Hour, from $67.21 per hr to $66.08 per hr.*
- *Overall, Farebox Revenue system-wide decreased by 9% for FY1617. However, fare revenue collected per passenger increased by19% from $0.89 to $1.06. To achieve a 10% Farebox Recovery Ratio would require a revenue averaging $1.57 per passenger. Thus, the current revenue represents a $.51 per passenger shortfall. With a total of 97,812 Riders system-wide, the total shortfall for FY1617 equals $49,385. Figure 2 tracks the Actual Farebox Recovery Ratio monthly trend for FY1617.*[2]

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[1] Includes costs such as service marketing, legal, consultant, etc.
[2] Year-end farebox recovery ratio is preliminary as final audit process will take place this October.

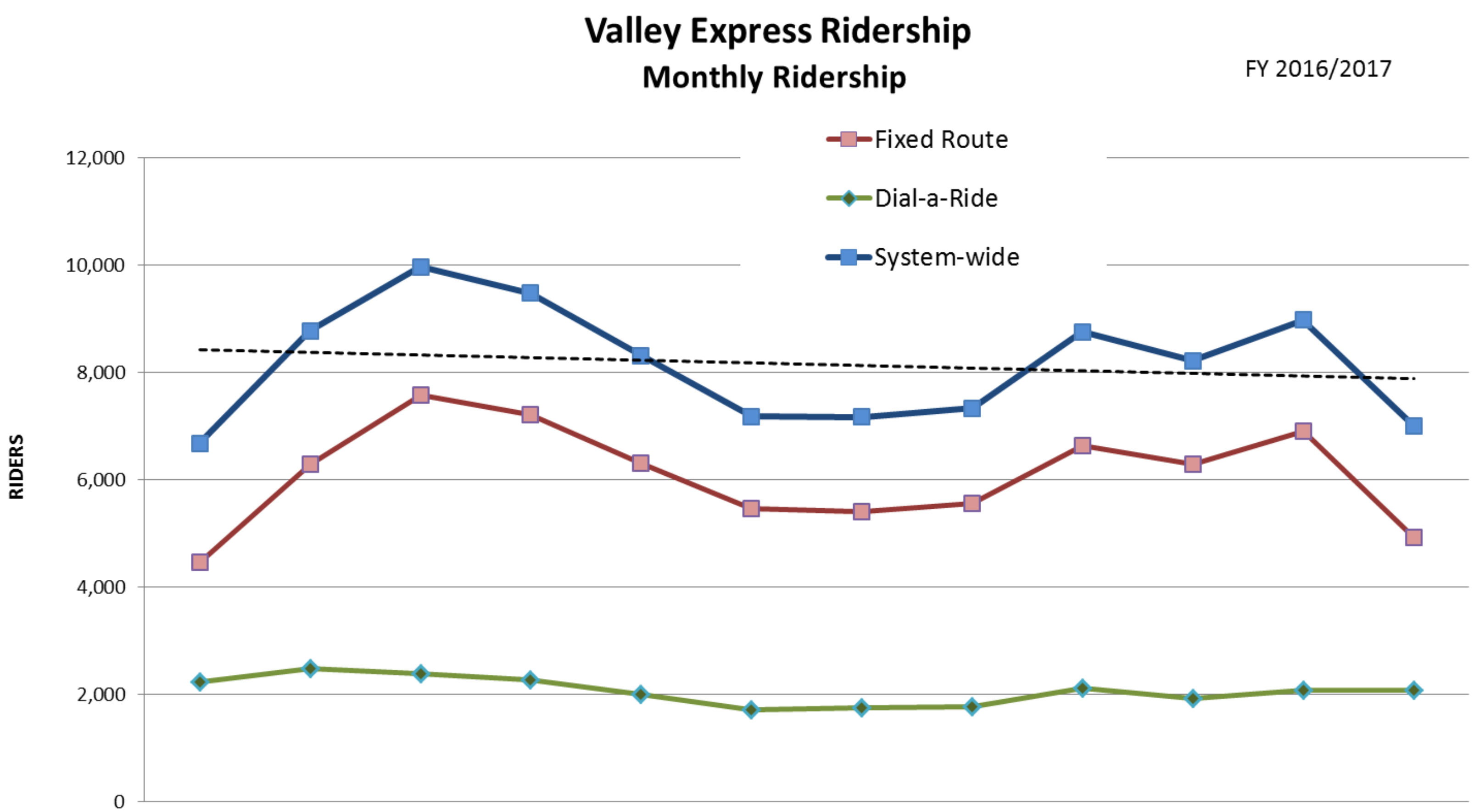
HVPAC 9/19/2017
YEAR-END SERVICE INDICATOR REPORT
Table 1

Valley Express

Key Performance Indicators		FY15/16 Annual	FY15/16 Monthly Average	FY16/17 Annual	FY16/17 Monthly Average	Yr over Yr % Change
Ridership	Fixed Route	96,992	8,083	72,999	6,083	-25%
	Dial-A-Ride (DAR)	31,486	2,624	24,813	2,068	-21%
	System-wide	128,479	10,707	97,812	8,151	-24%
Passengers per Hr	System-wide	4.90		4.22		-14%
Revenue Hrs	System-wide	26,237	2,186	23,192	1,933	-12%
Operating Cost	System-wide	$ 1,763,367	$ 146,947	$ 1,532,523	$ 127,710	-13%
Farebox Revenue	System-wide	$ 114,605	$ 9,550	$ 103,868	$ 8,656	-9%
Farebox Recovery Shortfall	**System-wide**	**$ (61,732)**		**$ (49,385)**		-20%
Farebox Recovery Ratio Actual	**System-wide**	**6.50%**		**6.64%**		
Cost per Hr	System-wide	$ 67.21		$ 66.08		-2%
Farebox Recovery 10% Goal per Hr	System-wide	$ 6.72		$ 6.61		-2%
Actual Farebox Recovery per Hr	System-wide	$ 4.37		$ 4.48		3%
Fare Revenue per Passenger	System-wide	$ 0.89		$ 1.06		19%
Farebox Recovery 10 % Goal per Passenger	System-wide	$ 1.37		$ 1.57		14%
Fare Shortfall per Passenger	System-wide	$ 0.48		$ 0.50		5%

Item 6

HVPAC 9/27/2017
YEAR-END SERVICE INDICATOR REPORT
Figure 1



	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Fixed Route	4,454	6,281	7,571	7,205	6,314	5,462	5,412	5,564	6,638	6,291	6,893	4,914
Dial-a-Ride	2,226	2,490	2,395	2,266	1,998	1,714	1,752	1,766	2,118	1,920	2,083	2,085
System-wide	6,680	8,771	9,966	9,471	8,312	7,176	7,164	7,330	8,756	8,211	8,976	6,999

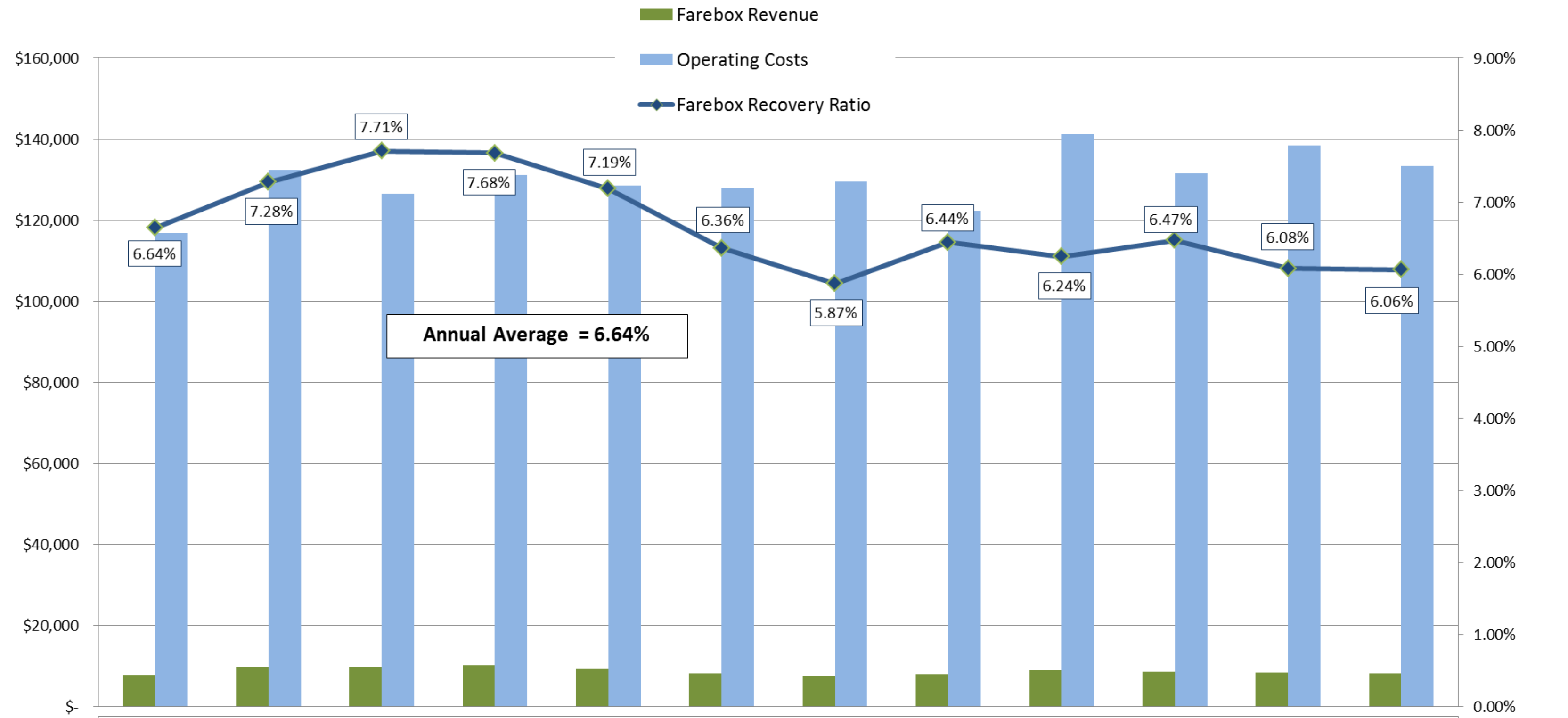
HVTAC - September2017

HVPAC 9/27/2017
YEAR-END SERVICE INDICATOR REPORT
Figure 2

Valley Express Fixed and DAR

FY 2016/2017

Farebox Revenue, Operating Expense and Farebox Recovery Ratio



	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Farebox Revenue	$7,751.93	$9,628.88	$9,748.87	$10,073.73	$9,236.29	$8,134.97	$7,597.89	$7,875.39	$8,821.06	$8,500.90	$8,411.68	$8,086.19
Operating Costs	$116,724.57	$132,315.55	$126,461.61	$131,169.47	$128,502.63	$127,878.55	$129,444.55	$122,323.89	$141,270.81	$131,460.46	$138,393.57	$133,433.85
Farebox Recovery Ratio	6.64%	7.28%	7.71%	7.68%	7.19%	6.36%	5.87%	6.44%	6.24%	6.47%	6.08%	6.06%

Source: VCTC , September 2017

HVPAC 9/27/2017
YEAR-END SERVICE INDICATOR REPORT
Table 2

RIDERSHIP														
FIXED ROUTE		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FYTD
RIDERSHIP	Route													
	Piru	2,083	2,418	2,292	2,228	2,221	2,014	2,081	2,122	2,504	2,620	2,607	2,418	27,608
	Santa Paula B	887	1,211	1,443	1,497	1,170	974	737	882	1,127	1,033	1,068	854	12,883
	Santa Paula A	793	932	979	1,054	863	795	737	767	915	815	840	749	10,239
	Fill - Tripper 1	-	411	1,168	940	965	764	850	864	1,000	1,114	1,272	268	9,616
	Fillmore	558	895	1,111	949	668	550	652	520	610	457	493	375	7,838
	SP - Tripper AM	-	306	443	403	315	275	289	332	367	169	484	127	3,510
	River Central	133	108	135	134	112	90	66	77	115	83	129	123	1,305
	TOTAL RIDERSHIP	**4,454**	**6,281**	**7,571**	**7,205**	**6,314**	**5,462**	**5,412**	**5,564**	**6,638**	**6,291**	**6,893**	**4,914**	**72,999**
DIAL-A-RIDE														
RIDERSHIP	Service Area													
	Santa Paula	1,520	1,617	1,371	1,361	1,231	1,078	1,126	1,085	1,316	1,166	1,258	1,302	15,431
	Fillmore	706	873	1,024	905	767	636	626	681	802	754	825	783	9,382
	TOTAL RIDERSHIP	**2,226**	**2,490**	**2,395**	**2,266**	**1,998**	**1,714**	**1,752**	**1,766**	**2,118**	**1,920**	**2,083**	**2,085**	**24,813**
SYSTEM-WIDE TOTAL	RIDERSHIP	6,680	8,771	9,966	9,471	8,312	7,176	7,164	7,330	8,756	8,211	8,976	6,999	97,812

HVPAC 9/27/2017
YEAR-END SERVICE INDICATOR REPORT
Table 3

PASSENGERS PER REV HOUR														
FIXED ROUTE		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FYTD
PASSENGERS PER REV HR	Route													
	Fill - Tripper 1		21.30	28.82	30.44	27.78	24.74	27.53	24.87	28.79	30.38	29.96	23.14	27.68
	SP - Tripper AM		10.09	11.81	10.63	13.02	10.12	9.53	9.92	9.03	9.23	12.06	9.81	10.54
	Piru	8.69	9.36	9.58	8.94	9.28	8.09	8.36	9.23	9.69	10.93	10.48	9.72	9.36
	Santa Paula B	4.19	5.29	6.81	6.80	5.52	4.42	3.34	4.34	4.92	4.88	4.85	3.88	4.94
	Santa Paula A	3.68	4.05	4.58	4.71	4.04	3.58	3.32	3.73	3.98	3.78	3.79	3.38	3.89
	Fillmore	3.46	4.98	6.73	5.63	4.04	3.19	3.78	3.29	3.40	2.83	2.86	2.17	3.86
	River Central	1.46	1.12	1.50	1.42	1.25	0.97	0.71	0.89	1.19	0.91	1.38	1.32	1.18
	SYSTEMWIDE AVERAGE	**4.85**	**6.02**	**7.59**	**7.03**	**6.45**	**5.38**	**5.32**	**5.85**	**6.21**	**6.46**	**6.63**	**5.01**	**6.08**
DIAL-A-RIDE														
PASSENGERS PER REV HR	Service Area													
	Santa Paula	2.65	2.46	2.32	2.39	2.28	1.93	2.10	2.07	2.21	2.05	2.21	2.21	2.25
	Fillmore	2.37	2.36	2.81	2.62	2.05	2.05	1.77	2.19	1.93	2.04	1.96	2.08	2.18
	SYSTEMWIDE AVERAGE	**2.56**	**2.42**	**2.51**	**2.48**	**2.18**	**1.98**	**1.97**	**2.11**	**2.10**	**2.05**	**2.10**	**2.16**	**2.22**
SYSTEM-WIDE TOTAL	PASSENGERS PER REV HR	3.73	4.24	5.10	4.88	4.39	3.81	3.75	4.10	4.21	4.29	4.42	3.60	4.22

DATE: SEPTEMBER 27, 2017

MEMO TO: HERITAGE VALLEY POLICY ADVISORY COMMITTEE (HVPAC)

FROM: MARTIN ERICKSON, DIRECTOR OF PUBLIC TRANSIT
AARON BONFILIO, PROGRAM MANAGER – TRANSIT SERVICES

SUBJECT: OUTREACH REPORT REGARDING PROPOSED FARE INCREASE

RECOMMENDATION

- Receive and file report and consider modifying proposed fare increase.

BACKGROUND

At the July 10, 2017, Heritage Valley Policy Advisory Committee (HVPAC) meeting, staff was directed to conduct public outreach regarding proposed fare increases for the Valley Express bus service. The HVTAC had previously discussed continued farebox recovery shortfalls, and at the July meeting presented fare changes for the HVPAC's consideration.

Since that HVPAC meeting, staff has made presentations regarding the proposed fare changes at the Piru Neighborhood Council, the City of Santa Paula council meeting and the City of Fillmore council meeting. In addition, feedback was solicited online using social media, and notices were posted on the buses and at the pass sales outlets. Lastly, staff also attended the annual Santa Paula Senior Center Luau Luncheon.

While public comment has been mixed, among the Valley Express user group, the feedback received has indicated that the proposed fare increases would present commenters and their constituencies with financial hardship. In addition, the city councils from Santa Paula and Fillmore both expressed concerns during recent presentations, which led to discussion regarding the necessity of the increase and made additional alternative recommendations regarding increases.

During its meeting, the Santa Paula city council recommended that of the fares, only the ***Student cash fare*** be increased: from $0.60 to $1.00, (and all other categories remain the same). In addition, Councilmember Gherardi reiterated that the City of Santa Paula is going to be contributing a significant amount of eligible non-TDA revenue to the operational funding for fiscal year 2017/2018. As discussed under Item #6 of this Agenda, the recent farebox recovery shortfall for the year was approximately $49,000. This new source of funding will be utilized as "route guarantee," which alleviates the issue of potential TDA farebox recovery ratio shortfalls.

At the September 20, 2017 Heritage Valley Technical Advisory Committee (HVTAC) meeting, the Committee discussed this item including the necessity of the fare change. The City of Fillmore member conveyed information regarding their recent City Council meeting discussion, and the County member reminded the group that the impetus for raising fares was directly related to the need to address the TDA farebox requirement. The TAC members agreed that if the City of Santa Paula's local Measure T funds could be utilized to address potential fare revenue shortfall, then they were in support of leaving fares unchanged.

In addition, it should be noted that the cost of revising and reprinting the brochure collateral which contains the fare price information is approximately $8,000; the additional marketing expense for which would/could further impact the farebox ratio.

For reference, the following tables reflect the previously discussed fare changes, including the recommendation by the City of Santa Paula.

CURRENT	**Fixed Route**		**Dial-A-Ride**	
	Cash	**Monthly**	**Cash**	**Monthly**
Adult	$1.25	$20	$2.00	$30
Youth	$0.60	$10	$2.00	$30
Senior/Medicare/ADA	$0.60	$10	$2.00	$25

FARE CHANGES AS PROPOSED

PROPOSED	**Fixed Route**				**Dial-A-ride**			
	Cash	***% ch***	**Monthly**	***% ch***	**Cash**	***% ch***	**Monthly**	***% ch***
Adult	$1.25	*0%*	$25	*25%*	$2.50	*25%*	$40	*33%*
Youth	$1.00	*67%*	$25	*150%*	$2.50	*25%*	$40	*33%*
Senior/Medicare/ADA	$0.60	*0%*	$12	*20%*	$2.00	*0%*	$30	*20%*

FARE CHANGE DISCUSSED AT SANTA PAULA CITY COUNCIL MEETING

PROPOSAL B	**Fixed Route**				**Dial-A-ride**			
	Cash	***% ch***	**Monthly**	***% ch***	**Cash**	***% ch***	**Monthly**	***% ch***
Adult	$1.25	*0%*	$20.00	*0%*	$2.00	*0%*	$30	*0%*
Youth	$1.00	*67%*	$10.00	*0%*	$2.00	*0%*	$30	*0%*
Senior/Medicare/ADA	$0.60	*0%*	$10.00	*0%*	$2.00	*0%*	$25	*0%*

Valley Express

DATE: **SEPTEMBER 27, 2017**

MEMO TO: **HERITAGE VALLEY POLICY ADVISORY COMMITTEE (HVPAC)**

FROM: **AARON BONFILIO, PROGRAM MANAGER – TRANSIT SERVICES**

SUBJECT: **AMENDMENT TO AGREEMENT FOR TRANSPORTATION SERVICES WITH MV TRANSPORTATION**

RECOMMENDATION

- Consider recommendation of proposed Amendment(s) to the Agreement between the Ventura County Transportation Commission and MV Transportation; and,
- Approve the Executive Director to negotiate the final terms and conditions of the Amendment, and authorize the full Commission to consider approval of the final negotiated Amendment at the next available Commission meeting.

BACKGROUND

In 2014 the Cities of Santa Paula, Fillmore and the County of Ventura entered into a cooperative agreement with the Ventura County Transportation Commission (VCTC). Per the Heritage Valley Transit Service (HVTS) Cooperative Agreement (Coop Agreement), VCTC is responsible for contracting for and administering the HVTS—which operates under the name *Valley Express*. Per the Coop Agreement, two committees were formed that include representatives from each member-agency. A Transit Committee, made up of VCTC Commissioners which represent the Heritage Valley area (also referred to as the Heritage Valley Policy Advisory Committee or HVPAC), and a Technical Advisory Committee (HVTAC), made up of staff from each of the member-agencies as well as VCTC. Per Coop Agreement, the HVPAC reviews and approves the annual budget and service levels, prior to the full VCTC Commission taking formal action. The HVPAC receives recommendations and technical guidance from the HVTAC. Most recently, the Valley Express service provider, MV Transportation, has approached VCTC regarding proposed amendment to the transit services agreement.

In light of recent changes in State minimum wage law, the State of California Sick Leave Act, as well as implementation of a Collective Bargaining Agreement (CBA) between MV Transportation and its Santa Paula Division employees, MV has requested an increase to the fixed hourly rate of approximately $5.10 per hour. This increase request is based on the adjustment of minimum staffing rates and which affects staff payroll expense. According to MV, the additional revenues will go directly to fund this additional cost. MV's letter request is attached to this item. Per the agreement with MV, rate adjustments may be considered if/when cost increases should occur that are outside the control of the provider. In addition MV has provided VCTC backup information including "before and after" payroll register data, and bid models for staffing. Information provided by MV Transportation identified the fully-burdened employee payroll expense, specifically, as the subject line-item for the proposed rate increase(s).

The following table reflects the proposed annual rate increases requested by MV Transportation. The budget impact for the current fiscal year is included, as well. The net change due from each member-agency is included.

Proposed Rate Modifications

Contract Year		Current Rate		Proposed Rates		Net Change	
Mar-17	Feb-18	$	58.96	$	64.05	$ 5.09	8.63%
Mar-18	Feb-19	$	59.95	$	65.12	$ 5.17	8.62%
Mar-19	Feb-20	$	61.16	$	66.44	$ 5.28	8.63%

Annual Budget Impact

Fiscal Year 2017-2018	Current Budget	Based on Proposed Rates (eff. 3/1/17)	Net Change (Budget)	
City of Fillmore	$301,958	**$342,548**	**$40,590**	13.44%
City of Santa Paula	$687,177	**$783,559**	**$96,383**	14.03%
County of Ventura	$194,532	**$220,781**	**$26,249**	13.49%
Subtotal	$1,183,667	$1,346,888	$163,221	13.79%
FTA Revenues	$539,923	$539,923		
Farebox Revenues (10%)	***$183,910***	***$202,046***		
Total	$1,907,500	$2,088,857		

The above budget analysis includes the following assumptions:

1) That the proposed retroactive rate increase (effective between March 1, 2017 and June 30 2017) would be absorbed during Fiscal Year 2017/2018. This cost is approximately $40,000.

2) That year-end costs will be in-line with the projected level of service. However, if fixed route service is reduced, or (more likely) that Dial-a-ride service demand at year-end is *less* than anticipated, there would be cost savings to each member agency. In addition, each member-agency has accrued cost-savings from the prior fiscal year.[1] Such accrued savings could presumably be amended into the current Fiscal Year, if necessary. The total cost savings related to contract services during FY16/17 were approximately $251,000. The final amounts apportioned specifically to each member are currently being reconciled by VCTC.

Impact to Farebox Recovery

Fiscal Year 2017-2018	Current Budget	Based on Proposed Rates (eff. 3/1/17)
Projected Farebox Revenues	**$119,750**	**$119,750**
Farebox Shortfall	**$64,160**	**$82,296**

The proposed rate increases, if effectuated retroactively to March 1, 2017, would affect farebox recovery by adding an additional approximately $18,000 to the farebox recovery goal of 10%. Currently, projected farebox revenues are anticipated to be approximately $119,750. The projected shortfall is

[1] On an annual basis, per the existing LTF claim cycle, claimant's past year's savings do not get applied until the fiscal year after next. For example, savings from the FY15/16 were applied to the FY17/18 budget, and the FY16/17 savings would normally be applied in FY18/19.

shown with the existing rate structure and the proposed rate structure is shown above. The projected farebox revenues, combined with the local match route guarantee provided by the City of Santa Paula's Measure T funds ($100,000), equates to more than $219,000, and thus the system will likely continue to meet the requirement of 10% local revenues.

Recommendation

Staff has reviewed the request and backup payroll and CBA information provided by MV Transportation. The information provided by MV has been validated by VCTC staff. Review of payroll register information demonstrates that the increased payroll expense for covered employees following the ratification of the Collective Bargaining Agreement is approximately $5.11 per hour. This is in-line with MV's request.

Staff recommends that the HVPAC approve the Executive Director to negotiate the final terms and conditions of the Amendment(s), and authorize the Commission to consider the final negotiated Amendment for approval at the next available Commission meeting. If approved by the Commission, Staff will return to the Committee(s) with a recommended budget amendment, if necessary, which will take into consideration, the updated rates, the current and projected ridership demands, i.e. budget performance to-date, as well as the final carryover amounts following reconciliation of FY16/17.

September 5, 2017

Mr. Aaron Bonfilio
Manager Contracted Services
Ventura County Transportation Commission

Re: Contract for Heritage Valley Express

Dear Mr. Bonfilio,

Thank you for meeting with Erin, Fadi and myself to discuss the current state of our contract and the impact of the recent changes in Labor laws.

As we discussed, the new State minimum wage law, the Local City and County Minimum Wage Acts, and laws relative to sick leave and healthcare have greatly affected MV's Heritage Valley Operating Model. These changes, listed below, presented us with many challenges in attracting, recruiting, and retaining qualified employees, and have forced us to substantially increase wages for many positions across our operation.

- In 2016, post bid submittal and contract startup, a new State minimum wage law was passed in California effectively raising the minimum wage in yearly increments to $15.00 per hour in the upcoming years.
- The State of California also passed a new Sick Leave Act, the Healthy Workplaces & Healthy Families Act, that took effect in July of 2015, resulting in added additional costs to our employee benefits structure. This, in turn, resulted in a need for additional staffing to compensate for the labor protection rules it introduced.
- On the Federal Level, the enactment of the Affordable Care Act further impacted us on a financial level.
- It is also important to note that an ancillary – and significant – impact of the minimum wage increases relates to mechanics that provide their own tools. State Law dictates that the hourly pay rates of these employees must be double the State minimum wage. For example, a mechanic that was making $16.00 an hour in 2013, when minimum wage was $8.00 per hour is now being paid $21.00

an hour (a $5.00 per hour increase) as the minimum wage increased to $10.50. Additionally, in January of 2018, the rate will go up to $22 when minimum wage goes up to $11 and in 2019 to $24 when minimum wage goes up to $12.

MV remains committed to an employee model. Based on the company's experience, this approach offers the best method of maintaining consistently high Key Performance Indicators (KPIs) and meeting the standards of VCTC. In keeping with this commitment to excellence, MV increased employee wages to a level above that initially proposed in our bid response

At the same time, the company will continue to do so as the minimum wage increases, ensuring we have the right resources to meet service demands and contractual requirements. MV values our partnership with VCTC and the Heritage Valley commission and we remain committed to meet or exceed all contractual KPIs, thus confirming the company maintains constant focus on the service delivered to Valley Express passengers.

In closing, asking for a rate increase is not easy for us. However, we could not foresee the changes in the laws when we bid this work. This type of rate adjustment to comply with legal requirements remains common industry practice.

We appreciate and remain grateful for your ongoing partnership in this matter.

Sincerely,

Tom Conlon

General Manager

MV transportation

Current

BASE PACKAGE SCHEDULED VEHICLE REVENUE HOURS (ANNUAL)	HOURLY RATE YEAR 1	HOURLY RATE YEAR 2	HOURLY RATE YEAR 3	HOURLY RATE YEAR 4	HOURLY RATE YEAR 5
19240 - 28860*	60.93	$58.00	$58.96	$59.95	$61.16

Proposed

BASE PACKAGE SCHEDULED VEHICLE REVENUE HOURS (ANNUAL)	HOURLY RATE YEAR 1	HOURLY RATE YEAR 2	HOURLY RATE YEAR 3	HOURLY RATE YEAR 4	HOURLY RATE YEAR 5
19240 - 28860*	60.93	$58.00	$64.05	$65.12	$66.44

Current

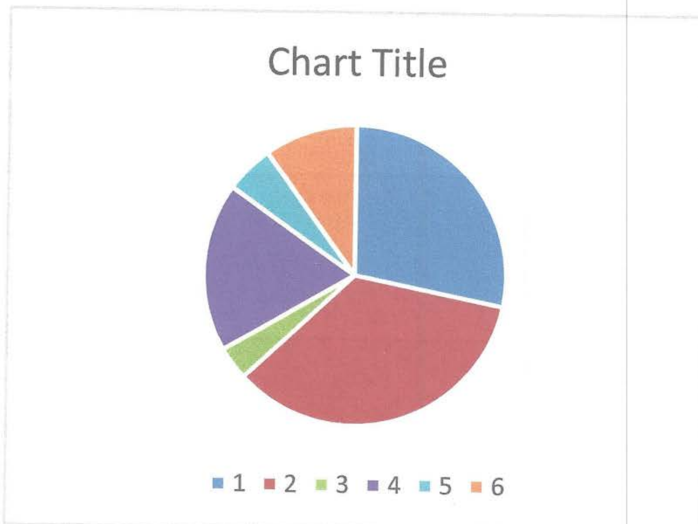
BASE PACKAGE SCHEDULED VEHICLE REVENUE HOURS (ANNUAL)	Expansion Option Exercised*	HOURLY RATE YEAR 1	HOURLY RATE YEAR 2	HOURLY RATE YEAR 3	HOURLY RATE YEAR 4	HOURLY RATE YEAR 5
28861-43860	Option A: FR*	$52.24	$50.28	$51.19	$52.12	$53.22
28861-34860	Option B: DAR**	$58.28	$55.85	$56.82	$57.80	$58.99
28861-49860	Option C: DAR + FR	$51.76	$50.10	$50.98	$51.96	$53.04

Proposed

BASE PACKAGE SCHEDULED VEHICLE REVENUE HOURS (ANNUAL)	Expansion Option Exercised*	HOURLY RATE YEAR 1	HOURLY RATE YEAR 2	HOURLY RATE YEAR 3	HOURLY RATE YEAR 4	HOURLY RATE YEAR 5
28861-43860	Option A: FR*	$52.24	$50.28	$55.29	$56.29	$57.48
28861-34860	Option B: DAR**	$58.28	$55.85	$61.37	$62.52	$63.71
28861-49860	Option C: DAR + FR	$51.76	$50.10	$55.06	$56.12	$57.28

Payroll Burden

1	State	6.20%
2	FICA	7.65%
3	FUTA	0.80%
4	WC INS	4%
5	Sick Leave	1.15%
6	Health & Welfare	2.20%



Contract start Date 3/2/2015
Minumum Wage at Contract Start

$11.0

At Time of Bid California's minimum wage was $9/hour. The new law will increase this amount as follows for employers who employ 26 or more employees:

1. On January 1, 2017, the minimum wage will increase to $10.50 per hour.
2. On January 1, 2018, the minimum wage will increase to $11 per hour.
3. On January 1, 2019, the minimum wage will increase to $12 per hour.
4. On January 1, 2020, the minimum wage will increase to $13 per hour.
5. On January 1, 2021, the minimum wage will increase to $14 per hour.

Increase for March 1, 2017 to Feb 28, 2018

Current Minimum wage		12.5
Difference	$	1.50

Revenue hours in BM: 28,000

Employee Catagories	Hours incurred 3/1/2016 to 2/28/2017	Minimum Wage Increase	Employer Taxes and benefits	Total
	12	$ 1.50	22%	
Driver	29,021	43,532	9,577	53,108.43
Maintenace	7,367	22,101	4,862	26,963.22
Staff	15,485	23,228	5,110	28,337.55
	51,873	88,860	19,549	$ 108,409.20

Current Rates	
2017	58.96
2018	59.95
2019	61.16
Proposed Rates	
2017	64.05
2018	65.12
2019	66.44
Increase	
2017	5.09
2018	5.17
2019	5.28

21,315
5.09
8.6%

Increase for March 1, 2018 to Feb 28, 2019

Current Minimum wage		13.5
Difference	$	1.00

Employee Catagories		Minimum Wage Increase	Employer Taxes and benefits	Total
		$ 1.00	0.22	
Driver	29,021	29,021	6,385	35,405.62
Maintenace	7,367	7,367	1,621	8,987.74
Staff	15,485	15,485	3,407	18,891.70
	51,873	51,873	11,412	$ 63,285.06

Wages
Payroll Taxes
WC Insurance
Benefits

5.09

Increase for March 1, 2019 to Feb 28, 2020

Current Minimum wage		14.5
Difference	$	1.00

Employee Catagories		Minimum Wage Increase	Employer Taxes and benefits	Total
		$ 1.00	0.22	
Driver	29,021	29,021	6,385	35,405.62
Maintenace	7,367	7,367	1,621	8,987.74
Staff	15,485	15,485	3,407	18,891.70
	51,873	51,873	11,412	$ 63,285.06

Increase for March 1, 2020 to Feb 28, 2021

Current Minimum wage		15.5
Difference	$	1.00

Employee Catagories		Minimum Wage Increase	Employer Taxes and benefits	Total
		$ 1.00	0.22	
Driver	29,021	29,021	6,385	35,405.62
Maintenace	7,367	7,367	1,621	8,987.74
Staff	15,485	15,485	3,407	18,891.70
	51,873	51,873	11,412	$ 63,285.06

Summary of increase	
2017/2018	$ 108,409.20
2018/2019	$ 171,694.26
2019/2020	$ 234,979.32
2020/2021	$ 298,264.38
Total Increase over 4 option years	$ 813,347.16

	Rev Hrs.	2017 Year 3 rate increase Current		Proposed	
Opt A	21315	58.96	$1,256,732	64.05	$1,365,226
Opt A	33815	57.00	$1,927,455	61.56	$2,081,651
Opt B	26315	58.00	$1,526,270	62.64	$1,648,372
Opt C	38815	56.00	$2,173,640	60.48	$2,347,531

DATE: SEPTEMBER 27, 2017

MEMO TO: HERITAGE VALLEY POLICY ADVISORY COMMITTEE (HVPAC)

FROM: AARON BONFILIO, PROGRAM MANAGER - TRANSIT

SUBJECT: DETERMINE THE NEXT MEETING DATE AND LOCATION

RECOMMENDATION

- Provide availability for the next HVPAC meeting.

BACKGROUND

Below are recommended dates and times for the Policy Advisory Committee to meet again in late January or early February 2018. ***Please be prepared to share your availability either prior to or at the HVPAC meeting.***

JANUARY

- Monday, January 22nd – After 11:00 a.m.
- Thursday, January 25th – Before Noon
- Monday, January 29th – After 11:00 a.m.

FEBRUARY

- Thursday, February 1st – After 11:00 a.m.
- Monday, February 5th – After 11:00 a.m.