Call to Order
Dr. Thomas E. Holden, Chair, called the regular meeting of the Board of Directors of Gold Coast Transit to order at 10:04 a.m. at the GCT Administrative Facility, 301 E. Third Street, Oxnard, California.

Roll Call
Dr. Thomas E. Holden, Chair
John C. Zaragoza, Vice Chair
Director Joe DeVito
Director Bill Fulton
Director Maricela P. Morales

Staff Present
Deborah C. Linehan, General Manager/Board Secretary
Steve Brown, Director of Planning and Marketing
Steve Rosenberg, Director of Administrative Services
Andrew Mikkelson, Director of Transit Operations
Helene Buchman, Planner
Ken Mills, Buyer/DBE Officer
Nancy Kierstyn Schreiner, General Counsel
Roxanna B. Ibarra, Office Manager/Clerk of the Board

Others Present
Members of the Public

Ceremonial Calendar
- The Pledge of Allegiance was led by Director DeVito

General Public Comment
None

Board of Directors’ Report
Director DeVito thanked Steve Brown for attending the Ojai City Council meeting. Chair Holden complemented staff on the new bus graphics noting that the buses turned out very nicely. Vice-Chair Zaragoza agreed and said the new graphics give the buses a clean, sporty look.

General Manager’s Report
None
Consent Agenda
1. Consider Approval of Minutes of Regular Board Meeting of April 1, 2009
2. Consider Approval of Expenditures for the Month of March 2009
3. Consider Approval of Treasurer's Cash Report for March 2009
5. Consider Approval of Financial Statements and Schedule of Money Transfers for March 2009

Director DeVito moved to approve Consent Agenda Items 1 through 5. Director Morales seconded the motion.

Roll Call
Yes:  
Director Morales  
Director DeVito  
Director Fulton  
Vice Chair Zaragoza  
Chair Holden  
No: None

The motion passed unanimously.

Public Comments on Agenda Items
None

Formal Items
6. Consider Ventura City Council Request for the GCT Board of Directors to Approve Re-Opening Contract Negotiations with SEIU Local 721 to Pursue up to a Five Percent Pay Cut Consistent with the City of Ventura’s Budget Practice- Director Bill Fulton (Deputy Mayor of Ventura)

Director Fulton stated that he was directed by the Ventura City Council at its last meeting to bring to the GCT Board of Directors a request to re-open contract negotiations with SEUI Local 721 and to pursue a five percent pay cut consistent with the City of Ventura’s budget practice. Director Fulton asked the Board to consider this request. Vice Chair Zaragoza stated that he had three concerns about re-opening contract negotiations. Vice Chair Zaragoza said that for one, this concern was not brought up by the City while the negotiations were going on. Second there are legal considerations and third, the morale of employees must be considered. Director Fulton stated that the City’s budget constraints and the poor condition of the economy in general were not as apparent at the time that GCT’s negotiations were ongoing. As far as the legal considerations, General Counsel Schreiner said that GCT can always request to re-open negotiations but whether that request will be granted and whether a contract amendment would be achieved are the larger questions. At the Vice Chair’s request General Manager Linehan commented on the potential affects on employee morale. She noted that the most recent contract negotiations were long and challenging to begin with and she expected that a request to re-open negotiations would undermine employee morale and be seen as very provocative by the represented employees and SEIU Local 721. The Board of Directors discussed Ventura’s request,
recognized the serious budget constraints confronting the City of Ventura and other GCT members, and thanked Director Fulton for bringing the Council’s request forward.

In further discussion Board members expressed many concerns about approving the proposal. Director Fulton moved to consider the Ventura City Council’s Request for the GCT Board of Directors to Approve Re-opening Contract Negotiations with SEIU Local 721 to Pursue up to a Five Percent Pay Cut Consistent with the City of Ventura’s Budget Practice. The motion was not seconded.


Deborah Linehan, General Manager

Chair Holden moved to approve the Letter of Support for HR1835 (Boren) “New Alternative Transportation to Give Americans Solutions Act of 2009”, extending the duration of the Federal Alternative Fuel Excise Tax Credit. Director Zaragoza seconded the motion.

**Roll Call**

Yes:  
Director Morales  
Director DeVito  
Director Fulton  
Vice-Chair Zaragoza  
Chair Holden

No: None

The motion passed unanimously.

8. **Consider Change to FY08-09 GCT Budget, Reducing the Operating Budget and Increasing the Capital Reserve Allocation-** Steve Rosenberg, Director of Administrative Services

Mr. Rosenberg reported that a year ago the Board of Directors approved a staff recommendation to increase GCT’s Operating Budget by $117,500 from the Preliminary Operating Budget to cover the anticipated continued increase in the cost of natural gas used to fuel GCT’s buses, paratransit fleet and support vehicles. Mr. Rosenberg said that rather than increase the request for member contributions, the needed funds were transferred into the operating budget from the Capital Reserve Fund. The Board directed staff that should the price of CNG drop during the year and the fuel budget be substantially underrun, staff should propose a budget change to restore full funding to the Capital Reserve. Mr. Rosenberg said fuel prices have dropped significantly and GCT’s costs year to date are less than half of the budgeted amount. Therefore staff recommends that the Board approve a change reducing the FY08-09 GCT operating budget by $117,500 and increasing the Capital Reserve Fund by the same amount.

Director Morales moved to approve the recommended change to the FY08-09 budget, reducing the operating budget by $117,500 and increasing the Capital Reserve Fund by the same amount. Vice-Chair Zaragoza seconded the motion.
Roll Call

Yes:  Director Morales
      Director DeVito
      Director Fulton
      Vice-Chair Zaragoza
      Chair Holden

No:  None

The motion passed unanimously.

9. Receive and Discuss Staff Presentation on GCT’s Preliminary Budget for FY2009/10, and Provide Direction to Staff—Steve Rosenberg, Director of Administrative Services

Mr. Rosenberg reported that since the Board’s Budget Workshop on April 1, 2009, budget proposals for fiscal year 2009/10 have continued to evolve and information which will serve as the basis for decisions has continued to be generated. Updated information has been obtained regarding the level of federal and local funding available to support GCT services, and additional input has been received from the Technical Advisory Committee (TAC) regarding potential service adjustments. Mr. Rosenberg presented a Preliminary Budget Review for FY2009/10. Mr. Rosenberg said that in April GCT received budget input from the Board Budget Workshop, TAC meeting, Ventura City Council, Ventura County Transportation Commission (VCTC) Budget Workshop, Regional Transit Operators (TRANS.COM) Meeting and the Ojai City Council.

Mr. Rosenberg said that the messages that GCT staff received were that all member governments face extraordinary financial challenges this year and that cost and service reductions will be needed. Budget projections were updated to include additional expense reductions and revenue improvements. In addition, refined service change proposals, a one-year deferral of the Capital Reserve Contribution and an incremental fare increase possibly beginning in January 2010 were presented for consideration. Mr. Rosenberg reviewed expense reductions which included reducing the fuel price factor by $.05/therm as well as lower updated estimates on liability insurance and Workers Compensation Insurance.

Mr. Rosenberg discussed revenue improvements which included rolling forward FY08 Federal Grant Funds for Preventive Maintenance and a small amount representing the last of the STA funds into the FY2009/10 budget. Also, VCTC’s estimate for GCT’s FTA 5307 funding increased by $115K from last month’s estimate, and this amount has been applied to operations-related activities. Mr. Rosenberg and planning staff presented proposed service adjustments which are factored into the budget. For the Cities of Oxnard and Port Hueneme, the proposed service changes were schedule adjustments to improve schedule adherence and these are revenue neutral. Director Morales asked what this would mean in terms of service. Steve Brown, Director of Planning & Marketing, said that the changes would provide more running time for trips on many routes and that will improve the reliability of schedules for passengers. The routes that are proposed for these changes are Routes 2, 4A, 4B, 5 and 15. Schedule adjustments to routes 1A/B and 3 will produce some
cost savings. Mr. Brown stated that these changes reduce frequency from every 20 minutes to every 25 minutes. Oxnard and the County share one proposed service increase; additional revenue service on Route 18B (Northside Tripper), to provide service to Villa Victoria and the Prototypes for Women facility. Director DeVito commented that he really appreciates staff working hard on adjusting the schedules. Ms. Linehan said that in good economic times when bus schedule adherence needs to be improved the solution is usually to increase frequency and adjust time points. In hard economic times the solution is usually to reduce frequency and adjust time points. GCT staff knows that this is a time not of economic growth but of contraction that requires cost reductions and service adjustments.

Proposed service changes for Ventura/Ojai and the County were discussed. They included schedule adjustments to Routes 10 and 11, schedule reductions to Routes 6A and B, and restructuring Route 16 in Ojai and Meiners Oaks. Routes 10 and 11 are adjustments which produce some cost savings, while the changes to Routes 6A and 6B and Route 16 are significant changes which produce substantive cost savings. For Routes 6A and 6B, service would be reduced from 20 minutes to 25 minutes during midday, while for Route 16 service would no longer run through Meiners Oaks and would terminate at the “Y” in Ojai, rather than providing service all the way to the Fox Street Park and Ride. The City of Ojai proposes to serve the affected areas with restructured Ojai Trolley service. Additionally, Route 12 (the Ventura Downtown/Harbor Shuttle) would be eliminated after Labor Day as the result of continued poor ridership.

Mr. Rosenberg also reported the elimination of regional express Routes 30X, 31X, and 32X. He discussed an alternative not in the proposal, to eliminate route 30X and retain and reconfigure Routes 31X and 32X. Director Morales asked why GCT would eliminate 30X and retain or reconfigure route 31X and 32X? Mr. Brown reported that 31X and 32X typically have had better ridership and are more popular than 30X. Mr. Rosenberg discussed the estimated change in the members’ contributions associated with all of the route adjustments, as well as the cost for options to restore any of the service changes.

Mr. Rosenberg also discussed deferral of the FY2009/10 capital reserve contribution. Members indicated a willingness to defer the FY2009/10 reserve contribution but requested a capital reserve status report. Mr. Rosenberg stated that the capital reserve balance is projected to be just over $2 million at the start of FY2009/10. Mr. Rosenberg said the bottom line is that until GCT starts building a new facility the capital reserve will be sufficient without the deferred contribution, however if funding for that project soon requires a 20% local match the capital reserve will not be funded adequately to support that requirement.

Mr. Rosenberg reported that the Board had previously directed staff to present for discussion an incremental fare increase proposal. The revised staff proposal is a two-step increase, starting with a proposed 8% increase targeted for January, 2010. This would equal a $.10 increase in the base fare. The time frame would allow adequate time for public comment. The second phase would be a proposed 11% increase in July, 2011. This would equal a $.15 increase in the base fare. Mr. Rosenberg stated that there has not been a fare increase in six years, and that this fare increase would help offset lost revenue from the elimination of State Transit Assistance (STA) funds and reduced Local Transportation Funds (LTF) resulting from lower sales tax revenues, as well as improving GCT’s farebox
recovery ratio. Vice-Chair Zaragoza asked what the ramifications of not meeting the 20% would be. Mr. Rosenberg stated that the ramifications would potentially include losing some future TDA funding. Mr. Rosenberg discussed the potential impact of a fare increase on fixed route ridership and fare revenue. Mr. Rosenberg stated that likely outcomes range from no incremental ridership decrease to a 4.5% ridership decrease vs. no fare increase. Mr. Rosenberg also mentioned to the Board other possible austerity measures, which would include reduced days or hours of service, substantially increased headways with GCT service becoming a "life-line only" service, and revisiting the issue of offering paratransit service for ADA-eligible passengers only, perhaps offset by free fixed route fare for all seniors (65+). This last option would require a more stringent VCTC ADA Certification Process.

Director Fulton stated that if the VCTC budget comes out more or less the way he now expects it will, then Ventura can possibly restore service to its top four priorities; this action would reduce the overall contribution for the other members. Chair Holden stated that Oxnard shouldn’t have to subsidize service reductions required by other members. Chair Holden stated that his goal is to get to a cost neutral affect when other members reduce service. Director Fulton told Chair Holden that he would do everything within reason to restore Ventura’s top four service priorities. Chair Holden stated that the direction to staff is to receive comments and preferences and move forward with the budget. Ms. Linehan stated that she had adequate Board input to proceed with development of a proposed budget for Board consideration and public hearing at the June Meeting. Ms. Linehan stated that she would be very mindful of each member government's needs.

Chair Holden stated that there are revenue numbers that are not yet finalized, and when these final numbers become available the Board of Directors will receive updated information. A final decision will made at the next Board meeting. Director Fulton stated he is certain that he will come to the June Board meeting very clear on Ventura’s budget numbers and service requirements. Chair Holden stated his direction to staff is to solidify the numbers GCT will be using and work with the City of Ventura to see what service cuts could be reinstated. He also indicated an interest in reviewing how GCT administrative costs are allocated among the members in future years. Chair Holden said that fare increases are an economic reality and it’s important to consider a fare increase as part of our future.

Vice-Chair Zaragoza moved to receive and file the staff presentation on GCT’s Preliminary Budget for FY2009/10. Chair Holden seconded the motion.

**Roll Call**

Yes: Director Morales  
Director DeVito  
Director Fulton  
Vice-Chair Zaragoza  
Chair Holden  

No: None

The motion passed unanimously
Information Items
A. GCT Fixed Route Service Update for March 2009 - Chuck McQuary, Transit Planner
B. ACCESS Paratransit Monthly Management Report for March 2009 - Steve Brown, Director of Planning & Marketing

Chair Holden adjourned the Board of Directors meeting at 11:53 a.m.

Minutes recorded by: Roxanna Ibarra, Clerk of the Board of Directors

Deborah C. Linehan
Secretary of the Board

Dr. Thomas E. Holden, Chair
Board of Directors

Unless otherwise determined by the Board of Directors, the next regular GCT Board meeting will be held on June 3, 2009 at 10:00AM, at the GCT Administrative Facility, 301 E. Third St., Oxnard. Copies of administrative reports relating to this agenda are available from the Office Manager, Gold Coast Transit, 301 E. Third St, Oxnard, CA, 93030-6048.