

**November 21, 2019**

**Board of Directors Study Session**

DOUG TISDALE: --about 5:30 PM Mountain Standard Time on Thursday, November 21 of 2019. The record will reflect that all of the Directors are present here in the R, T, & D conference room except for Director Folska and Director Buzek. And I believe that we have at least one-- if not both-- of those Directors on the phone. Director Folska, are you on the phone? Director Folska, are you on the phone with us?

CLAUDIA FOLSKA: Yes, I am. Thank you Chair Tisdale.

DOUG TISDALE: Thank you very much, Director. And Director Buzek, are you on the phone with us?

VINCE BUZEK: I'm here, Mr. Chair.

DOUG TISDALE: Thank you very much. So the record will reflect that all of the Directors are present either in person or two on the telephone as identified. Please note, everyone, that the official meetings of the RTD Board of Directors are digitally video and audio recorded, and they will be captioned and made available to the public by way of the Board's website.

We begin, as always, with our safety briefing. At RTD safety is our core value. If we have a medical emergency and 911 needs to be called, I will ask a representative of our General Counsel to make that telephone call. I'm not sure if the General Counsel is present here this evening.

SPEAKER 1: Mr. Chair.

DOUG TISDALE: Oh, OK. So we have-- OK, thank you. So we have-- we have a lawyer in the room, all right.

[LAUGHTER]

So that's fine. And any medically trained individuals in the room are respectfully requested to assist if needed, and automatic emergency defibrillator, an AED device, is in a glass case located just outside this room. And it's on the wall to the right as you go out.

In the event that we must evacuate the building for fire or other emergency, please, we ask you calmly exit out the door through which you entered at the back of this room. Go up the stairs to the first floor, around the security desk, and exit through the front door. Police and security officers will be there to direct you to a safe meetup area. And of course, anyone who needs special assistance will be provided that assistance by RTD staff as necessary.

And a reminder-- RTD takes every reasonable precaution to ensure the safety and security of its passengers, vehicles, and facilities. That said, the agency relies on both staff and the general public to be aware of and alert to any suspicious or dangerous activities on buses and trains and around stations, stops, and platforms. So we encourage all RTD employees and patrons to download the RTD Transit Watch app, which allows users to report suspicious or dangerous activity and communicate directly with RTD transit security personnel on a real-time basis in the event of any emergency situation. The Transit Watch app is available on Google Play and the Apple App Store. Use Transit Watch, and you'll never ride alone. Thank you.

We have two topics to cover in tonight's Study Session. First we will hear a presentation from RTD staff regarding the results of the agency's recent outreach efforts surrounding a possible proposal to adjust service on a temporary sunsetted basis so as to bring RTD's service levels in line with current staffing levels. This has variously been referred to as our operator shortage issue or as our temporary service reduction issue.

As noted previously and elsewhere, the RTD agency has recently conducted both employee and rider surveys and has held a number of stakeholder meetings and town halls and other outreach efforts across the entire district in order to gather and to consider feedback concerning this issue from as many people as possible from our staff-- including those operators who would be most affected by the proposal-- from our constituents, and from all interested parties. For example, we had a meeting of elected officials just last week to go through a personal presentation to them relative to the issues and solicited input.

Before I recognize our General Manager, Dave Genova, to speak to us on this subject, let me set the table. The Board is committed to communicate, to collaborate, and to cooperate with our constituents, our partners, our other elected officials, with each other, and with all of our staff. This is not an empty promise. It's not a hollow pledge. It's a functional reality of how we operate.

We listen with open minds and with respect to staff and to each other. We ask questions not to challenge or confront, but to explore and to discover. Our oath of office compels us to proceed in that manner, and we all strive to honor that oath.

These are challenging and difficult decisions. But this elected Board is more than up to the task. And we are confident that our staff is as well. Thank you. Let me now recognize General Manager Genova, who will lead us off in this conversation this evening with the assistance and support of the other members of senior leadership. General Manager Genova, the floor is yours.

DAVE GENOVA: Thank you, Mr. Chair. And thank you, Board. And we're very eager to present results to you tonight. Of course, you've had the packet. So you've probably had some time to spend with the presentation and seen some of the information. So a variety of us will be presenting different parts of the presentation tonight. It's really-- this is a subject that all departments in the organization are deeply and heavily involved in, so I thought it'd be good to hear from a variety of us tonight on this particular topic.

I'll move into just covering a bit of background. I think the Chair did a good introduction about-- so I won't have to get into a lot of detail on that. But jumping right into background, we know that we started to experience an operator shortage in about 2015.

You know historically, not just the Denver metropolitan area, but the transit industry in general-- availability of workforce is an up and down thing. And in particular for operators, it's always been historically a challenging area for the entire industry. Sometimes they're more challenging than others. We're in a time right now where we've been under a rapid expansion. We're under historically low levels of unemployment and a variety of other things happening.

So I do just want to reiterate that this isn't something that just cropped up. It's been developing over time as we've been expanding and delivering our services. Safety and reliability being our core values, one of our concerns is that safety and reliability are being impacted right now by our ability to fill all of our routes. So I'm going to ask Mike Meader to just talk about safety for a moment.

[SIDE CONVERSATION]

MICHAEL MEADER: Thank you. This is Mike Meader, the Chief Safety and Security Officer. I appreciate the opportunity to talk to you tonight a little bit about this. This is very important, as Dave said. These are core values at RTD. And the situation we're confronting is impacting those things.

So if you will allow me, I wanted to just give you a definition of those things because I think it helps put in context what we're talking about here. This is a definition. There's many out there. Safety is a state of being in which hazards and conditions leading to physical, psychological, or material harm are controlled in order to preserve the overall health and well-being of individuals and the community. So it's more than just physical safety we're talking about. We're talking about overall health and well-being, about feeling valued and the needs of people being met.

Reliability's definition is the quality of being trustworthy and performing in a consistent manner, being able to count on the things that we say being accurate. It's about trust. It's about us doing what we say we will do.

So I want to move away from that just a second and talk about it in the context of some of the other things we have mentioned here on the slide. It's no secret we're mandating operators six days a week every single week, and we've been doing that for quite some time. This creates an awful lot of stress on our operators. It also impacts our ability to deliver the service we promise.

We've got a list of some things up here, and I'll just speak to a couple of those. It creates fatigue. People are tired. When people get tired, obviously they don't perform at optimum levels. No one does. So there's concerns with that from a safety perspective as well.

The lack of family time and relationships impacts people. It creates more stress and distraction and can lead to things like health issues. We already have a lot of people in a very sedentary job, and they don't have the time to address those things from a wellness standpoint. And it can lead

to depression, so that creates even more stress. But I think it's also important we mention that although the operators seem to be bearing the brunt of this--

[BEEP]

--there's other people that are affected. There's the supervisors out on the street. There's the people in the division, the managers. All of the people that work very hard to support the service that we provide are affected by this as well. It's a challenge for everybody.

And not just our employees-- we're seeing transference of some of these things to our customers. It's very difficult when you're standing out there in the cold or in the dark and you're saying, boy, my bus will be here soon, and it doesn't show up. Or you don't know if it will show up. Or you're missing work, or you're missing appointments as a result of a schedule that's published but doesn't seem to be working. It creates internal strife in customers' families and relationships as well.

As Dave said, these are core values. They're very, very important. So why haven't we done something before now? Maybe we should have done more.

But we measure these things incessantly. We report a lot of these things to you. We use lagging indicators like preventable accidents and on-time performance to measure these two things.

We use leading indicators more and more to try to be more proactive. How many hours are people working, those kinds of things. It's all very critical actionable data that we use so that we can take steps to mitigate and eliminate hazards and make sure we're doing our very best so that we don't put anybody in harm's way.

The issue is now we're getting to that point where we start to see some of these things moving in a direction, these indicators, that really tell us we need to take action. We really need to do some things now. So I talked about these being core values. And if you'll just give me one more minute just to talk about what that means, certainly to me, from a values perspective, values are meant to guide decision-making and a sense of what's important.

They're our compass, essentially. They're the things that we should be using to make all of the decisions and all of the interactions we have at every level. They should be a reflection of those values, and they should always point in the same direction.

And I think what our mission statement says is that's how we treat people and provide service-- safe, reliable, clean, courteous service. Those are our values. We talk about that. And I talked to several of you about the climate out there. You've heard from some of the employees. You see the interviews.

When our decisions and our values don't align it affects our employees, it affects our customers, and it affects our performance. We risk creating cynical and dispirited employees. We alienate customers. And we're seeing both of those things right now to some extent. And even greater, it

undermines the credibility of leadership if we're not aligned on those things. So I think that's an important thing to mention as well. The great thing, though, is when those do align--

[BEEP]

--you build trust and you build cohesion. So I think it's important.

[BEEP]

I feel like we have an opportunity right now to demonstrate that commitment to our values of safety and reliability, send a really strong and positive message to our employees and our customers, kind of reverse this trend, maybe eliminate those safety and reliability concerns with the decisions we make addressing this issue we have right now. Thank you.

DAVE GENOVA: Thanks. Thank you, Mike. So just quickly, a few numbers that we've been asked about so we thought we'd include them in the presentation. You can see numbers in front of you. On the bus side, how many bus operators we've hired versus lost-- barely a net gain there. And on the rail side we've actually lost a few more than we've hired--

[CHIME]

--over the last 33 months. Of course, we're looking forward to that class that just joined us not long ago of 31 to help supplement quickly. What percentage or how many operators are actually getting mandated? About 69% of our bus operators are being mandated and about 42% of our rail workforce.

And I will just say that the situation is a little bit different between bus and rail. We really-- we're not doing a very large number of mandates on light rail until earlier this year and then especially after we opened the Southeast Rail Extension or the EFR extension. That's when we really saw a pretty significant increase in mandating. And then shortly after that is when we started to see dropped runs on light rail, which was something, really, we had not seen before.

But we've had questions about how much service has actually been lost. This is some information on the bus side, a little over 8,000 hours through September of 2019. And rail hours, just-- this is just during the month of October-- is 850 hours. So I'm going to ask our Chief Financial Officer and Assistant General Manager of Administration to cover the recruiting and retention efforts.

HEATHER MCKILLOP: This is Heather McKillop. So I just want to talk a little bit about what we've been doing over the last three years. I joined RTD in May of 2015 and in the fall of 2015 started having conversations with Dave about the fact that we seem to be losing more and more people and we weren't able to hire as many people. So we set up a working group from all disciplines across RTD to try to come up with ways that we could really enhance our recruiting efforts, to start with. And then we started looking at retention efforts.

Some of the things we did starting in early 2016-- and I have to say prior to that we probably were not self-promoting very well at all. We didn't do anything much than advertise in some of your very traditional things like Monster and Indeed and newspapers and things like that. So at first we had a lot of low-hanging fruit we could go after, just like advertising on our own buses, putting up billboards, putting up-- on the back of all of our carpool vehicles we put "RTD is hiring," just some really simple things like that that had not been done. And so we started doing that.

We then started looking at a comprehensive marketing campaign. One of Dave's things was, why are we using people that don't work here as our marketing? And so we really did an outreach about looking at some of the employees that are really exceptional in the operator and mechanics field and also looking at diversity-- women, different minority groups, and using those. So that was the next major step.

Then we started looking at pay-type issues. We implemented a referral and a signing bonus in 2016. And we also looked at different ways of increasing the ability to get people through our hiring process. And we call it a one-stop process where you can come in and instead of doing it over multiple days, as an operator you come in for an interview, you go, and you get your background check done that day. You get your drug testing check done that way. You go through the whole process.

Now, it doesn't mean we'll get the results all in that day, but at least you've gone through the process. So what we were finding is we were losing people when they were being given the option to have a week to get their drug testing done or something like that. So now we do that all in one period.

We also looked at increasing shift differential pay, pay for working split shifts, and also looking at those people that were required to be mandated and paying them extra. That was all done outside of CBA negotiations. We also did a \$1 increase for operators prior to CBA negotiations happening. That occurred in 2017.

In 2018 when we went into CBA negotiations, we made substantial increases in pay so that we would be at least at the Denver market for CDL drivers-- not bus drivers, but CDL drivers. And as I think some of the information we've shown you is now we exceed-- we're above market currently in the Denver metro area. We also made significant changes in working conditions as part of the CBA. Unfortunately, some of those changes in working conditions resulted in the need for additional operators but did provide some really improvements to restroom breaks and other things that were needed.

We've increased the professional funds from \$1,500 to \$2000. The unfortunate part about that is our operators don't have time to use those professional development funds, so it's kind of a double-edged sword there. And then we continue to look at now-- starting in late 2017, early '18 we really focused on those things for in the retention category.

And so we've done quite a bit of work in looking at how we can retain employees, and that's pretty much where we've gotten to this place where we've gotten to a place where we need to

break that cycle and be able to retain employees. Because we are being able to hire at quite a high rate. It's the matter of keeping them and also the amount of money that we're spending in training employees and then turning around and losing on that. We could be better investing in the overall system.

DAVE GENOVA: Thanks, Heather.

MICHAEL FORD: Hi, this is Michael Ford, COO. And I just wanted to talk to you a little bit about the training and union collaboration part of this presentation. Coach operators of the bus side-- they are getting seven weeks of training, five in classroom, five on the road. If there is additional training they need, we help provide that. Or if they're not comfortable on a particular run, we'll take time with them to give them a piece of work that will help them feel more comfortable. On the light rail side we also have an 11-week training class, five weeks inside the classroom and five weeks "behind the stick" I guess they call it and then a week of certifications.

Again, we really take time with our operators to make sure they're feeling comfortable. And if they are needing more time, we work with them on those type of issues so they can feel ready and prepared to go out. What I'd like to highlight is the collaboration between the ATU and the RTD.

We've been working with them on a variety of issues over the last several months, probably years now. And one thing is around part-timers and retirees and how we can utilize that resource better. So we've been working on that.

We have some MOUs, or memorandums of understanding, that we're working through right now that will give us a little bit more flexibility so we can help stabilize some of the service issues and provide some continuity to the drivers. I mean, that doesn't fix the problem. But again, it's ways in which we are trying to think outside the box to help address the issue.

We're also dealing with, as I mentioned, part-timers and retirees. But we're also exercising portions of the contract that maybe haven't been exercised in a while, where it gives us a little more flexibility to utilize the manpower in a more meaningful way that helps bring some reliability back. Again, that's not a fix, but it is a part of our collective bargaining agreement that we're definitely going to utilize and have been utilizing to help us.

So again, there's been a lot of work in terms of not just the training and the collaboration and memorandums of understanding, but getting and meeting with the union regularly, addressing issues-- anything from bathrooms to biohazardous issues to pets on buses-- and creating language and really focusing on the drivers' quality of life and health and making sure that they are feeling valued. We also have buddy and mentoring systems within the organization that we work with. But we always need more help on that.

So again, I just wanted to give some kind of context with regard to the work that we've been doing with the ATU and the training on rail and bus. As a result, obviously we're at a point where we're considering some kind of proposed reduction in service. Obviously that's a discussion that needs to continue to move forward on the light and rail bus operator portion.

We've done a lot of things to try to stem the tide. But obviously there are other things that we really have to look at critically. So again, these are the efforts that we've been making in the operations, and I just wanted to alert you of that as part of this presentation.

[SIDE CONVERSATION]

PAULETTA TONILAS: So last month when the staff came to the Board with the idea of a potential temporary service reduction, the Board asked that we pursue an outreach process so that we could hear from the public. And so our communications team went into full force and put an outreach process together that we could actually do in short order. And they remarkably put this plan together within less than a week's time and implemented it. And the way that we chose to do this, given the short time frame that we had, was to do this by way largely of an online survey that we thought we could really reach the masses that way. And we did some other things.

But the way that we did outreach was really in three different buckets, employee feedback, the general public, and then key stakeholders. And what we did with the employees was emails. We had a special email setup that made it convenient for employees on their time that they had available to email us what they felt. We also did a number of listening sessions at the divisions across the whole district and had actually face-to-face conversations.

And what we really wanted to focus on from the employees was more qualitative content. Because we wanted to see how this is impacting them. And so that was largely what we asked them was, how is this current situation impacting you?

As it relates to the public feedback, what we chose to do was a telephone town hall meeting, which we had about 5,000 people that participated with us or stayed on the line for some amount of time during that hour long. And that was random call-outs across the whole 15-district area that we serve. We also did a number of pop-up events, 19 that we did. And we were out there giving people the opportunity to use the tablet and do the survey, or we gave them the information of how to do it themselves.

And also Director Menten-- she was out there doing some different visits with the hard-- I think she told you this-- with the hard copy of the survey, giving people an opportunity to fill that out. And then we compiled those, and Director Williams was there. So at these pop-up events we had many of you out there at yours. But then in addition, we had Director Menten doing hers.

And then we did a lot with social media. We had a very aggressive social media campaign that we pushed out. And we did geofencing and geofarming, where we put out ads targeting to people for what we know about them in the back end of social media world. And a lot of this data comes from people's cell phones that is public because they have locations on their phones.

And so a third party captures that and gives us the opportunity to be able to target to people if we know they're around our station areas. And it's kind of a fascinating thing. We can talk about that another time. But through that, we got tremendous impressions through this social media campaign, 4.3 million impressions through what we did through social media.

And we also sent out emails to our distribution list. 50,000 people got the email, including our elected officials and key stakeholders that are on that list that we have. For key stakeholders and elected officials, we had the email. But then we also did some meetings. Many of you were at the meeting we had last Friday, and that was our local government's committee meeting where we used Slido. We also used Slido at a couple of other meetings that we already had planned because the intent was, let's use what we already have to try to optimize the two-week period that we had.

So what did people say? Well, as for our employees, again, we wanted to hear qualitative information from them. And we ended up hearing from about 170 operators. And it really fell into two buckets. The themes fell into these two buckets of themes opposing a service change or supporting a temporary service reduction.

And as it relates to opposing the service reduction, it fell into some themes like people were saying the service reduction will negatively impact customers. A lot of our operators felt they didn't want to negatively impact our customers. Operators want and need overtime. Many of them did say that they don't mind working six days a week. They like the extra money. They just don't like to be required to work six days a week. They like to choose when they can. But many of them actually do like making the overtime.

And then operators believe that increased pay and benefits will attract more operators. Those are just some of the comments. We wanted to give you a feel for the types of actual verbatim comments that we got.

The other bucket was people who favor the temporary service reduction. And of these operators, they said, well, RTD should implement a reduction and adjust headways, drop low-ridership runs, buses that don't have a lot of people on them. Implementing a reduction would allow for more days off, improve the well-being, much of what Mike was talking about.

Current mandating negatively affects their family and personal lives. I heard personally from several operators who told me their story. And it impacts their families.

One guy said that his girlfriend broke up with him. He was depressed. And so these are real-life things that are affecting people.

Also, our customers are very unhappy right now. You've all heard it. Believe me, we've all heard it too. Current mandating negatively affects health, and operators feel they are treated inhumanely. Those are the main themes of what we heard.

As far as the public feedback that we got, the biggest was through our online survey. We had about 13,000 people that completed the survey. When we asked them the question, would you want to keep the level of service we have knowing you'll have to keep up day-to-day on what trips might be dropped, or would you rather have a reduced level of service that aligns with our workforce and at least it would be more reliable, 59% said they would rather have us do a temporary service reduction with more reliability. When we asked the question of, what is about the right amount of time that you feel is appropriate between buses and trains, and it was about

18 minutes. And that means 18 minutes before the next bus or train comes. So that's what we heard through the survey results.

Now, the telephone town hall meeting-- as I mentioned, we had about 5,000 people participate at some level. When we did the electronic polling question, 58% favored the temporary service reduction. And they said that they felt time between buses or trains-- about 30 minutes.

And then the social media where we got a tremendous amount of feedback-- it really ended up in four buckets. It was about the existing service. There were a lot of comments that we captured through social media and through our email from the public that people were just frustrated and angry at the situation.

They want us to get our act together. They're not happy about it. They're late to work. They're late to school. We need to do better. And we don't like what's going on.

We also got comments about the survey itself. Many people didn't like the way it was worded. They didn't like the options. They said you should be able to give us better options. And then we also got recommendations, some very salient recommendations from people through social media.

People talked about, make cuts on the buses that have the lowest ridership. We see three people on a bus. Why do you have to operate a bus during those times? And then we got other comments. Those were kind of just bucketed in just random other things, like raise the pay, hire more drivers, operate like a business. So those are just some examples of the comments.

Key stakeholders-- of the people that we use the Slido tool that people use on their smartphone, we had 97 participants that engaged with us through that tool. And 63% said they favor a temporary service reduction and that 30 minutes was about all right. We can live with that, 30 minutes between buses and trains.

So as far as our next steps, tonight we are happy to all answer your questions and take direction from the Board on the next steps. We are prepared as staff to come back to you at a Study Session on December 12, if you so wish, to bring you a draft plan. And then, of course, our team will continue the recruitment and retention efforts and all the work that my colleagues have mentioned that we're already doing. And we're happy to take any questions.

DOUG TISDALE: Thank you very much to all of the members of the team. One thing I would like to point out is that this process is because the Board said to staff, we want you to discuss then propose, rather than propose and then discuss. When we do our three-times-a-year run board changes, typically we come up with a specific proposal. And then we socialize that, and we discuss it.

And the Board specifically instructed, staff, well, instead of doing that, let's go out and discuss with people first. And then you can come back with some proposal when it's appropriate to do so. So we appreciate that. We have a number of Directors in the queue already. Director Menten, you are recognized.

NATALIE MENTEN: Thank you. I'll focus on the employee responses if I can get a little more information please. And excuse me if I did miss something that was already in there. So the first, what is the split on those who are-- of employees who are in favor of the reduction--

PAULETTA TONILAS: OK--

NATALIE MENTEN: --versus no reduction because I didn't spot that.

PAULETTA TONILAS: Yeah, and that was-- it was tough because we were looking for qualitative. But of all the comments that we got from employees, there was a slight majority that favored the temporary service reduction to stop the mandating at the level that we're doing right now.

NATALIE MENTEN: And when you say slight, like single digit?

PAULETTA TONILAS: It was about-- it was so close. It's probably like 55 to 45.

NATALIE MENTEN: OK, so a little bit less than the public.

PAULETTA TONILAS: So yeah, less than the public because a lot of them really focused on that they like making the overtime and that they would work over time and choose to do that. They just don't want to do it every week. And it was fairly close. But again, as best as we could capture through subjective comments, it was more favoring the temporary service reduction.

NATALIE MENTEN: OK. And then with the-- when I was doing the surveying and we had the electronic devices that were being used also, we did focus on-- I think I took it off mine because I was facing the person taking the survey-- your response is anonymous. But with the employees what I heard is that they had to send it in by email, so their email address was present. So they were not in that situation. Would that be right?

PAULETTA TONILAS: So they had the opportunity to send an email, and we gave that to all employees and operations employees to make it convenient for them. And many of them did email us. But a lot of the qualitative feedback that we got was through the listening sessions of the divisions.

NATALIE MENTEN: OK, so what I'm going after there is whether they had, like, a safe method where if they felt uncomfortable saying-- let's say something-- union leadership is not working-- I'm just giving an example-- would they have used those same forums to do that? Or would they perhaps have felt uncomfortable?

PAULETTA TONILAS: You know, I don't recall any comments where it was to that level where it really even called out anyone or the union or management. It was really about the mandating, the overtime. I've worked here for three years and have had to be mandated the whole time. It was really those kinds of comments. So it wasn't anything that I think would compromise them. And of course, we respect what people told us and plan to keep that confidential.

NATALIE MENTEN: OK. And do you think that count of 170 operators and drivers total chiming in-- does that seem like a low number? Because to me, it seems like a low number.

PAULETTA TONILAS: Well, it is a representative sample, however. But again, because of the situation, we weren't able to get a lot of operators that would be able to engage with us at the divisions because so many of them were out on the streets or what have you. But we gave as much opportunity as we can within the few weeks that we had. But I think we're pleased with what we got. Because to me, so many of the comments were similar. And so I feel like it's a good representative sample across the board of our operations staff.

NATALIE MENTEN: OK, one last comment and then I'll let other people go because I know I'm hogging time here. I know that I'm not the only Board Director who would be interested in having some sort of an open forum where the drivers, the operators are able to speak. We are getting mixed messages-- we really are-- on the mandating.

We just heard here it was a bare amount that's leaning towards a service reduction or adjustment, whichever way you want to call it. That's surprising to me-- they like the overtime. They say, we've recommended that we get more part-time. I've heard it on that side. Now they're saying they don't want more part-timers.

It's the Board. I can't speak for maybe-- just myself. But it's very mixed messages. So I'm interested in somewhere, and can we fit that in maybe on the GM forum on December 6? Because that's already an event that's on the schedule.

PAULETTA TONILAS: Yeah, so I guess we can look into that and see if that's something that we might be able to take advantage of. I will say in alignment with what you're saying, we've heard a lot of mixed messages too, which is why, for me, it was very valuable to hear from people what they actually feel. And when we had our employee barbecues and I went to the light rail maintenance facility Elati and to hear from people themselves, it surprised me what I heard that day. Because it was very different than some of the things that people say the operators are saying. And so again, what I heard that day and why I have confidence in what we heard through this process is it was very similar to what we got through this feedback.

NATALIE MENTEN: Great, thank you. I'll let some others chime in. Thank you very much.

DOUG TISDALE: Thank you very much, Director Menten. I take it there that included a proposal that perhaps at the December 6th general manager forum there could be a Slido question put on for the employees to respond to on some of these things and is just additional information.

DAVE GENOVA: There could be. We don't have a lot of represented attendance at that event typically. So I think to better gather information around that we'd have to think of some other venues or forums to be able to do that.

DOUG TISDALE: All right, thank you. Director Williams, you are recognized.

KATE WILLIAMS: Thank you, Chair Tisdale. I have a couple questions and a couple statements. Pauletta, how many hours did you work this week? Ballpark.

PAULETTA TONILAS: More than eight hours a day, and that's this week.

KATE WILLIAMS: Mike? Ballpark. More than 40?

MICHAEL FORD: 60.

KATE WILLIAMS: 60? Heather?

HEATHER MCKILLOP: More than 40. Usually every week, it varies.

KATE WILLIAMS: Rolf, how many hours did you work this week, ballpark?

ROLF ASPHAUG: Somewhere between 55.

KATE WILLIAMS: OK, so that's my first question. My second question-- it's all related. You'll see when I'm done that it's all tied together. I think who needs to be at the table that isn't here are the union representatives so that we could ask them these questions. Because I hear a lot of "what I hear," "what they said," "what he said."

I work in the nonprofit world. We don't make any money. Nobody on my staff makes any more than a bus driver makes, and everybody works 50 hours a week. I did ask, what is the average number of hours worked by operators? And it's 52.4 hours a week.

If you check in the nonprofit world in this area, that's about the average. So what I'm getting at is, why is our agency suddenly crippled by people who are working the average number of hours and many, many people who are working more hours? So I'd like to have the union come to the table, and let us talk to them about that and not just you all, who I believe are doing the best that you can do, as are we all.

And then I-- and this question would go to them, but I'm going to put it out there because I'd like to hear it now. Do we do exit interviews?

PAULETTA TONILAS: When people leave?

KATE WILLIAMS: Yeah. So if people are quitting due to the hours that they work, why don't we let them work less hours? And then we'd have more people. Some of them could work less hours. Some of them could work more hours.

I am under the impression that that is related to the union. I could be wrong. I don't know that. But it seems to me that that is so obvious based on what we just saw, that the people who don't want to work more hours-- let them work less hours, but we still have more drivers.

HEATHER MCKILLOP: So-- do you want me--

DAVE GENOVA: Go ahead.

HEATHER MCKILLOP: So just two points on that-- one is people don't get a choice whether they can work or not. They're mandated. And it's all done based on seniority, which are the rules of the collective bargaining agreement. So it is the same people-- this is the issue-- the same people and then being new people that are continually being required to work day after day, week after week, year after year. We have to start over every day with the bottom of the seniority list.

So I think what you heard through the survey is people would like to work some overtime. And there will never be a lack of overtime in this organization, especially with all these special events that we do. But what they would like to do is choose and not have it forced upon them if they don't want to do it. And we do believe that is a large issue as it comes to retention because they don't get a choice.

KATE WILLIAMS: And are you making them do that, Heather?

HEATHER MCKILLOP: Well, we are complying with the Collective Bargaining Agreement.

KATE WILLIAMS: The collective bargaining agreement between this agency and the union representatives. But I don't--

HEATHER MCKILLOP: That is correct.

KATE WILLIAMS: --see anybody from the union representatives here participating in this discussion. Thank you.

DOUG TISDALE: Thank you, Director Williams. Director Whitmore, you are recognized.

TROY WHITMORE: Thank you, Mr. Chair, and thank you to the staff for this very concise and well-organized presentation. You guys did a lot in a very short amount of time, and I appreciate that. Yeah.

A question for you, Mr. Ford-- or others-- I'm curious what we feel our part-time or retiree pool could be. We congratulated a couple retirees Tuesday night, and three of us were recruiting him to come back before he even got to take his chair, right? And it seems like such a great opportunity. And there are younger people with huge amounts of talent.

Are the obstacles to utilizing these people difficult to overcome as far as knowing what our pool could be? And furthermore, how interested are they? Is this a pipe dream, thinking that they do want to come back, or not? I'm just curious about that situation.

MICHAEL FORD: Well, I think there's more we can do to maybe incentivize. I think we have a lot of folks that are out there that I think we could dial back into. I think we could do more outreach in that area. I think some of the CBA language, that we're working on right now, will

give us a little bit more flexibility and address some of their concerns as people that are retired or at a part-time level.

So working through the contractual language, we actually sat down with their attorney and the union president and members of the ATU. They provided us-- we provided them a draft agreement. They provided us-- we're looking at that right now. And we're working through what those impediments are, anything from maybe vision and dental or some other things that might be something to consider. These are ideals that have come up through the discussion, and we can be looking at some other things.

So I can't tell you the pool right now. I'd probably have to lean on my staff to give me a number of folks that we could probably get. But it's an opportunity to dial back in with those folks, ask what it takes, and see what that yields. But I do think there's a good opportunity there.

TROY WHITMORE: So is there an active effort to survey the retirees or part-timers?

MICHAEL FORD: Yes.

TROY WHITMORE: OK.

MICHAEL FORD: I'm looking in that right now. As part of this discussion and this memorandum of understanding, suggestions have been made to dial back in, talk to them, find out what it will take, what other things would be of consequence for them to consider coming back.

DAVE GENOVA: Some of it would be around the flexibility of how that work gets assigned because that's typically the last work that gets assigned is my understanding of it--

MICHAEL FORD: That's correct.

DAVE GENOVA: --is the part-timers. And so if we could get more flexibility around that, then that would help our pool in that we'd have more people interested in doing it.

TROY WHITMORE: OK, thank you. Mr. Chair, if I may, so one other comment on the average hours per week-- I was just visiting with Director Broom. If we're at an average of 52 or 54 hours, I would assume the low end-- not counting the part-timers-- is 40, correct? So if you have 40 at the low end and 52 in the middle, you're way above 60.

I'm not real good at math-- that's why I'm glad we've got Heather here-- but you're bumping into the 60, 62, 65 hours a week. And you know, 62 hours for me at my job is rough, but I'm not driving a bus. I don't have people's lives in my hands. And I think it's different. So I think that's something we've got to consider to Mr. Meader's comments. Thank you, Mr. Chair.

DOUG TISDALE: Thank you very much, Director Whitmore. We appreciate that observation. And I will, just to emphasize and annotate the comment by our Chief Operating Officer-- on packet page 13, it does state that we are working with union leadership to provide more

flexibility on how we use our workforce. So that's just an amplification on what the COO said because I think it is important to know that the union absolutely is a partner in this process.

But I believe Director Williams' point that was being made was, nonetheless, there is no representative of the union here at the table for this Study Session. But we know that staff is working with the union. Madam Second Vice Chair, Director Angie Rivera-Malpiede, you are recognized.

ANGIE RIVERA-MALPIEDE: Thank you, Mr. Chair. I would first like to express my sincere gratefulness to your team, Mr. Genova, for putting together really a comprehensive plan of action and information that has really helped me understand a lot of different components and have been able to utilize this information in terms of thinking of my constituencies.

I have two things I'd like to talk about. The first one is on the anniversary of rail, I also attended, I think, four different barbecues on a very snowy day. And the information I heard directly from drivers and body mechanics and telephone operators was very different. It was very concerning and very negative. So I want to put that out there as well. Because I think that I share what other Directors have been saying, which is we're hearing a different story. And somehow we need to just kind of work together.

So correct me if I'm wrong. We transport around 350,000 people a day. Is that correct? It's like somewhere around there, right?

DAVE GENOVA: Correct, in that neighborhood.

ANGIE RIVERA-MALPIEDE: All right. So when I look at your outreach plan, I have a couple of questions. The first one is that you had 97 participants in 14 days. And if I average that out, that's just under seven people a day that you talked to, which tells me that we need to do a whole lot more of outreach.

But additionally to that, I'd like to know, particularly in my community, were these surveys available in other languages like Spanish, different languages, or in-- what is it, TTY for the blind community, so that when we were doing outreach that it really truly was an outreach to the diverse populations that we serve?

PAULETTA TONILAS: So one thing I did not mention was we did do some meetings with the disabled community and took advantage of some meetings that we had. And actually, the comments that they made were-- it was a lower percentage that were in favor of a service reduction. So it was 50% of the disabled community favored a temporary service reduction, because they were worried that even fixed-route service that gets reduced is going to impact them, to 45%.

In terms of other languages, we did not translate the survey instrument online into Spanish or any other languages. And I think a lot of that is just by way of what we had to do in terms of time frame that we had to work with. But we did reach out to the ADA community and used a couple of opportunities we had with them

ANGIE RIVERA-MALPIEDE: Thank you for that. I will share with you it's a great concern of mine because I feel like a great number of our communities of diversity were excluded from this process. And I would really love to hear what they're feeling about this. Because many of my constituencies are transit-dependent and do not speak English. So I just wanted to ask you about that. Thank you.

PAULETTA TONILAS: Yeah, one thing I'll just say is the 97 people that you mentioned-- those were the key stakeholders, elected officials that we were able to converge with within a few meetings that we had. So that was specific to the key stakeholders. The survey instrument that was more of a public display for anyone-- we ended up getting 13,000 submissions.

DOUG TISDALE: Thank you very much, Madam Second Vice Chair. Yes, I was counting, and I got over 18,000 direct contacts plus the 97 electeds, not counting the 4.3 million impressions that were made. So I was just lost in the number 97 there for a second. Director Lubow, you are recognized.

JUDY LUBOW: Thank you so much. Thank you for the presentation. Obviously you spent a lot of time, a lot of beyond 40-hour a week, so I appreciate it. I want to say that I'm not ready at this point to vote to cut service until I would get to see operators and the union-- not just the union, but the operators themselves-- and hear from them their own opinions about why we have such trouble retaining operators.

And they might be able to tell us things that, frankly, we could address with money. And then we could then decide, OK, maybe we won't have a particular project that is important. All of our projects are important, but this is most important, other than safety.

This is so damaging to the operators, to the riders, and to RTD. I mean, this is just creaming us in terms of status and reputation. This is, in my opinion, an emergency. And so I would hope that there is not just option one and two, keep the things the same-- which aren't good-- or reduce the service-- which isn't good.

Maybe there's also improving quality of life in some way that just would require some more money. And we could rearrange the budget somewhat, and we could be open to that idea. And in order to do that, I personally think it would be great to have an open house in a way that you guys would best be able to figure out where the Board could meet with the operators and the union-- not just the union, but the operators themselves-- and hear from them, what would it take to retain people?

Because they are going to know much more than anybody else. And I would hope that there are some quality of life issues that'll just take money. And we could maybe think about rearranging our budget. That's about it, thank you.

DOUG TISDALE: Thank you very much, Director. Let me just come back to something that was mentioned, and that is in terms of, tell us why we can't retain them. I think it was the Chief Financial Officer who addressed the exit interviews that are conducted.

We had the statistics on losing even more light rail operators than we hired and losing a huge percentage of the bus operators. And did you have some conclusions you've drawn from the exit interviews? I don't know that you shared that, and I apologize. I may have missed it.

[SIDE CONVERSATION]

HEATHER MCKILLOP: This is Heather McKillop. So our exit interviews are pretty broad as far as voluntary reasons, involuntary reasons. And then with involuntary, you moved, personal reasons. Most of them come back with personal reasons. So we don't require that they divulge what those personal reasons are.

But what we've also done is if you remember with Ruth Seleske before she left, they actually reached out to 100 operators after they had left. And the issues around mandating and working conditions were one of the number one reasons for leaving. And I think we can provide some of those results, Dave, to them.

DAVE GENOVA: Yeah, they're a little bit dated, but it is informing. And the reason we really haven't made that widely available is I think that work was done in I want to say '17 or around the 2017 time frame. We're trying to work to get more robust exit interviews, but frankly, it's difficult to get information as people are on their way out. And some of them are willing to share detail, and some of them just want to be general. But we're working towards trying to get more robust information.

MICHAEL FORD: This is Michael Ford, COO. I can offer a little bit of information. We've been also working with folks through focus groups, marketing communication. I've gone out and done a lot of outreach trying to get information about the concerns. I know Dave's had some forums, and there was some follow-up that has been done.

Some of that information is pretty robust and helpful in terms of what people are feeling. I think it's consistent with what we talked about. And there are some suggestions that they've come up with as well. So along with that and the employee survey that's just been conducted, I see a lot of opportunity to start needling down into those issues and getting something moving forward and maybe a task force or something like that.

JUDY LUBOW: Thank you.

DAVE GENOVA: I think we'll get some very good information out of the employee survey.

JUDY LUBOW: Thank you. And I'm wondering if it might just be helpful that they would know that the Board wants to meet with them and listen to their concerns. They may not feel listened to.

DOUG TISDALE: And it's been a number of years since the Chair has practiced labor law. I do recall the constraints on Boards not being allowed to meet with employees who are represented. But as I say, maybe the law has changed since I was practicing it.

So that's something I leave to general counsel to respond to, to see if there is an opportunity for that or if there are restrictions. But that's-- it need not be tonight. This is not a pop quiz on labor law.

[LAUGHTER]

ROLF ASPHAUG: And Chair-- this is Rolf Asphaug, General Counsel. The structures still continue to remain the same, and we have to be very sensitive to avoid negotiating directly with employees who are represented by a union.

DOUG TISDALE: Thank you. All right, anything further, Director Lubow? Madam Treasurer, Director Cook, you are recognized.

SHELLEY COOK: Thank you, Chair. I have two questions if that's fine. So first of all, we had a lot of concerns expressed by people who would be affected by any loss of access to Access-a-Ride. And so considering that these are temporary reductions, do we have a provision or is there a chance that if there is an entire route eliminated that removes from the area of eligibility people who are relying on us for Access-a-Ride services-- is there a provision to keep that in spite of the reduction or elimination of a route that would otherwise qualify them?

DAVE GENOVA: That would be our choice whether we would want to keep that service. So my understanding is we're mandated to provide the service within a certain distance of fixed route, but it doesn't mean that if their route isn't there that we cannot provide service. We could provide that service. It would be our choice.

SHELLEY COOK: OK, thanks. The second thing is I had been puzzling about why suddenly-- it seemed like we had reports that were showing that we were narrowing the gap steadily through the year. And in fact, the operations report that was provided in November graphically shows that for the light rail. We were really making progress.

And then suddenly midyear, it reversed rather dramatically and coincided with the sudden acute onset of rider call-ins and cancelations on light rail. And so I guess I've got a-- it's a two-pronged question. I'm glad you mentioned SERE. Because I was thinking, oh, 2.3 miles-- the time frame looked right. But until I read the article this week in CPR, I didn't realize the commitment of service, the robust level of service that SERE represents.

And that probably just sort of sucked the air out of it, kicked us in the rear a bit and may be the reason that those mandated hours went up so sharply and we saw that acute problem with light rail. Meanwhile, it looked like the bus-- I mean, in this whole several months now, I haven't heard much about bus shortages or outages. And in fact, Tina's report shows that year-to-date hours lost for personnel related issues was about a third of what they were last year at this time. So it seems like we were making progress there.

So my worry is, are we doing this because of the acute problem that we hit the wall with SERE? Would we otherwise be doing it? Would we be facing this pretty dramatic reduction or desperate situation here if it wasn't for SERE?

And if that's true, I'm worried that we are on the backs of some of the-- I mean, it's not that we shouldn't take care of it. But would we have had the luxury to take care of it in other ways? Are we going to be saddling our bus riders with a problem that really rests with that very robust service plan that we can't reduce, I understand?

DAVE GENOVA: Well, I'll take parts of that. So on the bus side, yes, I think the team got very good at making adjustments, very focused on filling as much service as possible. But at the same time, we've accomplished that through lots of mandating. And so that mandating has not backed off on the bus side for months and months and months and years, so it's just continuing to accumulate.

So the observation's correct. We don't have that much dropped service on the bus side, but the mandating is still at a level that I believe is a concern and an issue. So for me, when I started to see the issues on light rail shortly after SERE opening or the EFR extension opening and then we started to see that pretty dramatic rise in the number of dropped trips-- for me, that was really what, in my mind, sealed me that we need to look at taking some kind of an action.

Because even though on the bus side we're filling most of the work, we're doing it at a cost to the employees, really. And so I think that's why an adjustment is suggested there. But the issue really got sharply manifested after the opening of the E,F, and, R.

The other thing that we have-- we actually started the year with more light rail operators than where we have now. So the situation was also impacted by not only did we add a lot of service, but we actually have fewer operators in our headcount now. And I think a lot of that is because of the rise in the mandating that happened very quickly at light rail.

COOK: But you're saying we would have needed to act as urgently had we not had the problem with light rail because it didn't seem like it. We were-- it sounded like you were reporting progress month by month, we were getting there, et cetera.

DAVE GENOVA: Well, on light rail, it was really, I would say, in my mind, that's what kind of sealed in my mind that we needed to have this conversation of looking at a temporary reduction. That's what kind of pushed me over the edge. It says this-- we really need to address this

DOUG TISDALE: Thank you very much, Madam Treasurer. It triggered a question in my mind I just wanted to bring up while we're here. If you look at page 10 of the packet, you do point out the bus hours dropped through September in 8,520 and the rail hours dropped during October of 2019 being 850 hours just for that month. But I do recall, based upon the numbers that Madam Treasurer was referring to in the other reports, that, nonetheless, our total service hours as scheduled that we meet are approximately 94% on the light rail side and approximately 98% or so on the bus side. Is that a correct recollection on my part?

[SIDE CONVERSATIONS]

DOUG TISDALE: And it's-- and I'm saying approximation. I don't need to get precise. If you're within three percentage points either way--

SHELLEY COOK: Well, here it says 99%.

DOUG TISDALE: Yeah, all right. Well, it says-- Madam Treasurer showed me it's 99.3%, so on the bus side.

DAVE GENOVA: So I just confirmed-- Mr. Worthen, what did you say we're at, 99.7% on the bus side?

SHELLEY COOK: 0.3.

DAVE GENOVA: 99.6% he said on bus. Rails, 96% from--

DOUG TISDALE: OK. Now, are you sure? Question's been asked by others. I want to make sure. Are you sure?

DAVE GENOVA: As of what date would that be? What's the year to date? As of end of October. So those numbers can change depending on the timing--

DOUG TISDALE: Yeah.

DAVE GENOVA: That we take them.

DOUG TISDALE: Did they drop 20%? 30%? No, they're always within 3%, 4%, 5% at the most either way, right? Yes or no? Thank you. Just the question that was asked, I just want to make sure we have a record on that. All right Thank you. Anything further, Madam

SHELLEY COOK: No, thank you.

DOUG TISDALE: Based on my questions. Director Broom, you are recognized.

BOB BROOM: Thank you, Chair. I'm a little suspect at this 55/45 split.

DOUG TISDALE: I'm sorry. A question has been raised whether we're going to acknowledge those on the phone. Absolutely we are. I thought I would go through those who are in the queue first-- which queue continues to grow, phone participants, so bear with us, please. But yes, absolutely, that is on my list that we will get to those on the phone. Director Broom, please continue, sir.

BOB BROOM: Thank you. As I was saying, I'm a little suspect of the 55/45 split because a lot of the drivers voted with their feet. I mean. They simply quit because of this mandatory overtime, so you didn't get their input into that equation. So, you know, I think this probably should be adjusted somewhat.

The other thing is that, to me, this really represents a huge safety issue. When you read about what's going on across the country with the over-the-road truck drivers and how they're really cracking down on the number of hours that they drive because, you know, it's dangerous when

they drive so many hours over what's normal, then that's not good. So even though they may like all this overtime, the fact of the matter is it's dangerous.

And then finally, you know, I'd like to get some kind of a feel, going back to the chairman's just recent comments, about what are we talking about here in terms of the ballpark and service cuts. Is it 5%? Does that fix it? Is it less than 5%? A lot of people are really concerned. It seems like, you know, 20% of the rail trips are being cut and, of course, that's not true at all, but that's the perception that's out there. Could somebody address that? Thank you.

MICHAEL FORD: I don't think we know right now. I think we have to take this information, go back, depending on your direction tonight, and then come back with a formulation of a the proposed plan or proposed options, so I couldn't really say, at this particular time. We would need to do some more work in and bring that back to you, about the percentages.

BOB BROOM: Thank you.

DOUG TISDALE: Thank you very much, Dr. Broom. And one of the questions that we will be asked at the end of the Study Session is what Ms. Tonilas has posed to us, which is, do we have a further Study Session on December 12 and have a discussion relative to a specific proposal? And if so, what might that look like?

And we do understand that between now and then there's a lot of work yet to be done, but I believe the purpose, as I hear it, behind Director Broom's question, is to be able to address the public and to say, we're not talking about shutting down the agency. We're not talking about savaging the services being provided. If anything, based upon the input that we've received, we're looking at some adjustments to frequency in order to address this issue. Is that a correct summary or am I smoking dope?

[LAUGHTER]

HEATHER MCKILLOP: That's correct. That's right.

DOUG TISDALE: I need a verbal response.

MICHAEL FORD: That's correct.

[SIDE CONVERSATION]

DOUG TISDALE: Thank you.

MICHAEL FORD: That is correct.

DOUG TISDALE: All right, so-- and CEO agrees with COO on that?

DAVE GENOVA: Yes, that would be our preferred approach, right, is to minimize the impacts as much as we possibly can.

DOUG TISDALE: Thank you very much. Mr. Secretary, Director Walker, you are recognized.

JEFF WALKER: Thank you. First, thanks for the effort of putting all this together and I was out there with Ms. Tonilas in Englewood one chilly morning last week. It was fun. You know, because I ride the train or the bus. Mostly the train these days. And when I'm down at Pearl Street-- Pearl Louisiana Station and that trains more than a couple of minute-- if it hasn't shown up in a couple of minutes, folks start looking at their watches, and couple more minutes, they start heading up the steps somewhere. I saw that this morning. So it affects me like it affects all the other riders and maybe less than a lot of rider who really, really depend on this.

So as we stated earlier, one of the fears is that if a route were to go away temporarily or the service reduced at either end, then the Access-A-Ride would also-- it's commensurate-- contingent? Associated Access-A-Ride route would also go away. I would support-- I would not support any recommendation that eliminates excessive ride along a route that is either truncated or eliminated or hours reduced, so that's where I stand on that, if you need any input from me on that. If I remember correctly, light rail operators-- folks became operator light rail operators based on seniority at one time.

DAVE GENOVA: I'm sorry, I didn't hear the last part of your question.

JEFF WALKER: Was there a time when light rail operators were based on seniority? They came up from the ranks through bus operators, and bus operators with more seniority got to be--

DAVE GENOVA: Well, there was a long period of time where you had to be a bus operator to apply to be a light rail operator. But we've changed that years and years ago, so we could recruit externally as well as internally as well.

JEFF WALKER: OK, yeah, that's what I'm thinking of. So I'm wondering-- I've just been wondering if that seniority, folks retiring out of that, has had an impact on the number of operators that we have. If more are just quitting and going to other opportunities or if they were retiring, the silver tsunami.

GENOVA: Yeah, it's a mix.

HEATHER MCKILLOP: Yeah, it is a mix. I think what you'll start seeing in the next month or so is you'll see more and more retirees. The retirement system works is they have to have so many hours throughout the year. And we see, because we're on a calendar year basis, that in the November-December time frame, we see much more activity in the retirees, both on the salaried and the represented side.

But it's because we work on a calendar year, and that's how the retirement plans work. But we have seen a mixture of retirees and people leaving. The retirees have actually not been at the level that we've anticipated based on the ages of those employees. It seems, once they are here for a very long period of time, they tend to stay. Where we have been seeing the mass turnover is the people hired within the last 18 months.

So it's a rolling 18 months that we see. And we can tell that by their employee numbers. So I monitor every week the employee numbers of people that are leaving, and I can tell by their employee numbers whether they've been hired in the last couple of weeks, whether they've been hired in the last year, whether they've been hired in the last 18 months. And it's traditionally the last 18 months.

So now, once they've been here approximately-- it used to be 24 months that we were able to keep them. It's closer to probably 36 months now to 48 months. Because we start seeing, after 48 months, they're not mandated quite as much. But we still are going up, especially during special events, to number one in certain areas in the bus side and definitely number one on the rail side. Number one means you are the top senior employee in that area.

JEFF WALKER: Thank you. What's the maximum number of hours an operator can work?

HEATHER MCKILLOP: I'm sorry. What?

JEFF WALKER: The maximum number of hours an operator can work either per day or per week.

MICHAEL FORD: 10 behind the wheel-- that's driving for that day-- 10 hours and no more than 70 in eight days. That gets monitored routinely.

DAVE GENOVA: Yeah, that's a state DOT requirement of hours of service, and we follow that very closely.

JEFF WALKER: Thank you. Yeah, I like my operators happy, and rested, and in a good mood. Unlike the folks that I'm lucky enough to have bring me to work or wherever I go downtown, in my job, I get to go to the restroom when I want. And I can be silent, or I can get up and move around.

So there's a big difference between what I get to do when I work my 50, 60, 70-hour weeks and what some of our employees have to experience. So this situation has been building for a long time, and I know that Mr. Genova and the other staff have taken measures to help reduce it or try and stave it off with the pay increases and the incentive pay. I remember when that went into effect-- stop consolidation to help move buses through quicker and in these congested streets and another measure.

So this isn't anything new. We've been building to this point for a few years now. And I know we've seen it coming, because you've been taking steps to try and prevent it. But it seems like we've got no other alternative, except to reduce service temporarily.

Waiting out on the call is a long time. I wish we could vote on it today because I would give it a big thumbs up. Do whatever you need to do. I don't want to see any routes disappear. I'd rather see my beloved zero go from four trips an hour to two trips an hour. I think folks would understand that, especially when those-- I think I heard them called lifeline routes-- out to some

of the farther areas are preserved and safe. Because those folks don't have the luxury of four trips an hour. So that's what I would support, if that helps at all.

But I appreciate the efforts so far. I really appreciate our patrons, who are still hanging in there with us, even on those crowded trains, like that H, or the F, or whatever I get on down at Pearl Street. I just hop on the first one, because I don't know if that next one's going to show up or not. But I appreciate all the staff and all the efforts that everybody does to help get me and everybody else to work, or the doctor, or school, or wherever else they have to go.

DOUG TISDALE: Thank you very much, Mr. Secretary. And for those on the phone, have patients. There are three more Directors who will speak before we go to you. Director Guissinger, you are recognized.

LYNN GUISSINGER: Thank you, Mr. Chair. I'll try to be brief. It seems like, lately, there's a lot more rail cancellations. Is that just because the press have picked it up? Or in the last few weeks, is there a lot more happening? Is there something going on.

PAULETTA TONILAS: Well, I can answer to some of that. There have been days where it's more substantial. And I'm no expert. Mr. Jensen is. But what I do know is, if we have call-outs by, for instance, five operators, it's that operator's trip all day long on their shift, and it's a lot of trips. And Mr. Jensen can take it from there.

DAVE JENSEN: This is Dave Jensen, AGM of Rail Operations. And the observation is correct. We are missing more trips. October was significant. We had a significant loss of employees. So we're when we look at our attrition rate, we're averaging that over 12 months. But the months of June, July, August were really severe for us. So with that loss, came our inability, really, to meet what that demand was.

So September, October, it is worse than it was before. It feels more dramatic. Because before that, we never even dropped runs. Before July, we never missed anything.

LYNN GUISSINGER: That's what I was wondering. OK.

DAVE JENSEN: So it does feel like more. There is more. And I think that answers your question.

LYNN GUISSINGER: Yeah, it does. Thank you. I think you've, obviously, done a lot in terms of recruiting and retention and all of that. A question came up at the local government meeting from the city of Denver about whether they could help. And if we worked with the-- I think all of our counties have workforce groups that we worked with those.

HEATHER MCKILLOP: This is Heather McKillop. So, yes, we have a very active partnership with our workforce centers in each of the counties. And so we work with them on a regular basis. We have meetings with them. We make sure that there are promoting our jobs. And we've had work fairs with them. And they're probably-- I wouldn't say they're second.

So our number one place we get employees is referrals. Number one place is still our own employees. Although, that has gone down slightly from what it used to be. Our second place is electronic, like Indeed is our second place where we get them. And probably the third place is the workforce centers in the counties.

LYNN GUISSINGER: Good. Thanks. Representative Matt Gray, who is Chair of both the TLRC and the House Transportation Committee has asked a question that when Mr. Genova and the chair were talking to the TLRC, and subsequently, about how we will measure success. And his point is, don't call it temporary unless you know what success is, unless you can define it, and you can then say, OK, you know, at what point are we going to get to it, that that would not be a good message to communicate unless we really can believe that whatever point we say is temporary that we're going to hit.

Have we gotten some feedback that will help us with that? Have we addressed that question? Do we know what success will look like?

DAVE GENOVA: So we certainly have had questions and comments around what is temporary, right? And some of them have been-- well, I've had people tell me directly, well, I'm kind of skeptical of this, and how do you know that you'll even be able to resolve it?

So I think that the challenge that we'll have is being able to, whatever we do, that it's designed to be effective, and it's going to work, so that at the end of a period of time, let's say-- what is it-- six months or nine months or a year, that we find ourselves that we haven't been able to improve the stability of the workforce, right?

So I think the number one measure we'll be looking for is stabilizing the workforce, in terms of the number of hours that they're working, in terms of retention rates improving. I think those will be the things that we'll be measuring.

And but, then, ultimately, the measure of success will be our ability to start incrementally recovering the service reductions that we put into place.

LYNN GUISSINGER: And I think it's a tough question. Because you're kind of suggesting that, you know, are we are we looking at a certain number of hours we're no longer mandating? But I think it's important that we look at that and look at exactly how we measure success.

And finally, I appreciate all the efforts to go out and communicate. At this point-- I know that General Manager Genova and I, and maybe some of you, and, I think, probably Director Lubow will be in a meeting tomorrow morning at 7:30 with the Northwest corridor elected officials. And hopefully, with big things like this, we can start talking about them even much sooner and get the feedback from the world out there about what our options are besides cutting service before we get to this point. But thanks for all the work you've done now.

DOUG TISDALE: Thank you, Director Guissinger. Madam First Vice, Chair Director Catlin, you are recognized.

PEGGY CATLIN: Thank you, Chair Tisdale. You really did do an awful lot of work on this. And it's very impressive. And I'm quite impressed with the number of people you touched in a very short time. So thank you for that.

I confess, listening to Director Walker talk about his precious 0 line eliminating-- or going from four trips an hour to two trips an hour-- mine is trips per day in my region. And I'm a little bit nervous about cutting trips per day in half. But that's just a side note. I know that you have to do what it takes. But-- what did you say? Oh.

And to both Directors Cook and Walker's points about the Access-a-Ride, that's what a lot of people in my region have been concerned about.

I wanted to compliment you on the website. When I had ridden with a gentleman who wanted to know how he could get to work for RTD and then emailed me about some of the trouble that he had-- and I forwarded that on-- I looked on the website yesterday, because I had a presentation last night up in Conifer. And the website is so much better. It has a great big wide banner at the bottom, not only for operators, but mechanics.

So I'm really, really pleased to see that come up. Because when you'd give people the website before, it was a little hard to navigate. And this time, it just pops. So I was really pleased to see that.

I had two meetings yesterday up in Conifer. The one in the morning was all day long. And it was a forum to really talk about issues kind of up in the mountain communities, not just Conifer, but also Bailey and Pine, which are out of our district.

But there was a representative there from the Veterans Affairs that was responsible for outreach. And they were very excited about RTD hiring and wanted our contact information. And some of their clients, they said that they could refer. So they were very, very excited about those possibilities. And I just wanted to share that.

And then at the meeting I had last night, which was Conifer town hall, I had a gentleman come up to me. And he goes, what was that website again? And I told him. And he said, I used to be a light rail operator in San Diego. And he said, I'd really be interested in going again. And he did ask about the part-time. So, anyway.

[INTERPOSING VOICES]

So do I get a recruiting bonus? No, I'm just kidding. But I did really want to say that there's just been an awful lot of heavy lifting done in the last month. And I just really appreciate it.

DOUG TISDALE: Thank you, very much, Madam First Vice Chair. And don't hold your breath about the recruiting. I'm still waiting for mine. I got somebody hired, too. And I never saw a nickel. But I think it's appropriate that we don't.

[LAUGHTER]

Director Mihalik, you are recognized.

KEN MIHALIK: Thank you, Mr. Chairman. And on a thread that Dr. Catlin left on, I understand that RTD is processing a large number of application applications right now. And so that's good news.

And Dave, you can just say, it's too early. But can you speak at all to the methodology or selection criteria for the service cuts-- you know, is lowest ridership, highest subsidy? Would each district expect to see a similar reduction percentage-wise?

DAVE GENOVA: I think we'll lean on our existing service standards to begin with to take some initial looks. And then, of course, I think we'll have to look at some things that maybe aren't as specific in our service standard, some of the things we're hearing tonight, like on frequency, and kind of lifeline services. If it's a route that's only one trip an hour, do we really want to touch that? Or do we want to just leave it as it is, right?

And I know Michael might have some additions, too. But as far as Access-a-Ride Access, I personally share the same beliefs that I've been hearing from the Board is that we don't want to touch Access-a-Ride. We don't need to touch Access-a-Ride because of this.

Because again, this is to address our labor shortage on our fixed route bus and our light rail. And so we don't need to look at Access-a-Ride, in terms of making adjustments.

So that's my goal. We've talked about that at the staff level. And I'm glad to be hearing that from the Board as well. Michael, would you have anything to add?

MICHAEL FORD: I just would add that we would continue to look at our standard sales are what we go by. And that's what helps us. And we hear these comments tonight. I think we can try to incorporate some of those concerns, particular with Access-a-Ride, but looking at what's working and what's not and also having to look at the quality of it as well. So we'll have to look at all those things together.

KEN MIHALIK: OK. Thanks that's all.

DOUG TISDALE: Thank you, very much, Director. And just in case any of the fourth estate missed that, the general manager said, we don't need to touch Access-a-Ride. I'll say that again because some people don't hear it unless I repeat it. We don't need to touch Access-a-Ride. Thank you, General Manager.

Now before returning to Second Vice Chair, I'm going to ask for participation, first, by-- this is seniority. It's just the way we assign rides, too.

So seniority says I go to Director Folska, first, and ask Director Folska if you have any comments you would like to share with us or questions you would like to ask at this time.

CLAUDIA FOLSKA (ON PHONE): Yes. Thank you, Chair Tisdale. I appreciate it. And I really appreciate the effort of staff on this entire program.

I'd like to start out by saying they felt comforted reassured to hear from General Manager Genova and CEO Michael Ford that we will not be touching Access-a-Ride. And that is due to the fact that we don't have a problem with human capital on the Access-a-Ride side. Is that correct?

DAVE GENOVA: That is our goal, yes.

CLAUDIA FOLSKA (ON PHONE): Well, OK. So that's a goal. So that kind of change is, from what I thought I heard, because we're not dropping routes. And so I guess, to some other, sounds like, like Director Catlin and Director Walker and Director Cook talked about, if you eliminate a line, even a temporary elimination, are you going to be eliminating the associated Access-a-Ride service in that area? Or will you do whatever you can do to not do that?

DAVE GENOVA: We'll do whatever we can do to preserve Access-a-Ride as it is today.

CLAUDIA FOLSKA (ON PHONE): OK. Then I would be inclined to do that. As a person who uses public transit a lot, for me, I think, reliability and knowing, you know, it comes at 27 after the hour and 6 minutes before the hour, I'm good with that. I know how to be there on time.

One of the things that I was wondering that Pauletta talked about was that people don't mind 18 minutes between. But really to kind of get a little more into the weeds on that, Pauletta. Because I'm doing a multi-modal ride, I don't want to wait 20 minutes between-- any of them to be synced up, you know-- the bus to the train. And a lot of people are already concerned with that.

So if you have the 0 that goes four times an hour, and now you're going to go two, but I'm going to connect to the Broadway station, or whatever, that that's going to be the trick, I suppose. And when are you thinking of implementing these reductions?

DAVE GENOVA: The schedule is really kind of dependent on, well, the first step would be what kind of collective direction and feedback the Board wants to give us on the very next steps for December. So for example, is the Board comfortable with us putting together a draft plan for discussion? Would the Board like us to come back and talk more about methodology before we come back with a plan?

But in either event, it would most likely coincide with one of our run boards. So our next run boards are January, which is already done. So we wouldn't be able to do anything for the January run board. The next run board is scheduled for May. So that's a possible time frame.

Or we're also having some conversations with the union, now, I believe Michael is. We would have to talk to them about going outside of the run board schedule would require us to reach a mutual agreement with union leadership to be able to do that.

So even if we were able to do that, and let's say we come in December, and then we're able to take a plan out for public comment, that would happen in January, we'd make our adjustments based on public comment, come back in February. And then it would take probably a month or two to implement any changes as we build the runs.

And then, you know, all the operators have to vote. So the process, should the Board choose to go ahead with it, would look much like, from here forward, will look very much like what we do for our service updates that we do in conjunction with a run board.

So either way, we're months away from any kind of implementation. But that's a good question. Because that's one we received a lot from a variety of stakeholders.

CLAUDIA FOLSKA (ON PHONE): And then, by then, we might have enough drivers to not have to drop anything.

[INTERPOSING VOICES]

DAVE GENOVA: Well, hopefully we'll have more.

CLAUDIA FOLSKA (ON PHONE): Well, I mean, more operators. So it's sort of like, all right, well, maybe the constituents just need to know, until May, the service is going to suck, you know. Because I mean, even if you have the perfect plan today, you couldn't implement it until May anyway.

DAVE GENOVA: Well, unless we were able to successfully work with our union leadership to do something on a different timing, we could do something that would be intermediate, sometime between the January run board and the May run board.

CLAUDIA FOLSKA (ON PHONE): Yeah. And that it still--

[SIDE CONVERSATION]

I'm sorry. Go ahead. Somebody was answering or said something.

DAVE GENOVA: So the soonest we could probably possibly look at something, given that we would follow our typical process behind a run board, you know, the soonest that anything could probably get implemented would be, I would say, in a March timeframe would be the soonest. Michael, would you--

CLAUDIA FOLSKA (ON PHONE): Right.

MICHAEL FORD: Yeah, I would agree with that. But we'd need to have some resolve with the union in early to mid December.

CLAUDIA FOLSKA (ON PHONE): So what I'm hearing is, under the best scenario, you're looking at four months before you can trim some of the edges off of this and make it more reliable to get that reliability.

And so it sounds to me like the message and the communication to our constituents is that whatever we do to make our system more reliable by service reduction, and then putting it back and restoring that service level, when you have enough human capital-- and you will continue, I assume, to recruit to bring the service level back to the existing service level today, or--

DAVE GENOVA: Yes. We'll continue with all of the current efforts we're making on recruitment and retention and even additional ones as we're able to. And then, I think, in regard to restoration of service, then we would have the opportunity after a time period and we see some stabilization, of course, through the run board process, we could incrementally, then, bring that service back.

CLAUDIA FOLSKA (ON PHONE): OK. So this is the critical kind of communication that is so very important to be saying we're doing it now tonight, but to continue. Because you need to build, rebuild, and foster that ongoing communication and trust with your stakeholders, with your elected officials, and with your constituents and employees.

And I know that you know that. But I think it's so important to keep saying it again and again and again. Because people want to believe in RTD. And we want to be relied upon. And that has to do with our trust and integrity in our community that we operate. And we do serve over 3 million people, even if they're not using our services.

And to Heather, I had a question. You said something I thought was pretty interesting. You know, I think, and of course, correct me if I'm wrong. But that \$2,000 bonus isn't completed to a new hire until after 18 months. And you also said that after 18 months, these new hires walk out the door. Do you see a correlation between those two things?

HEATHER MCKILLOP: So this is Heather. So one of the reasons we did-- so the signing bonus and the referral bonus are paid out in overtime. And that was purposeful so that they wouldn't get it the minute they were hired and just walk out the door with it.

So there's a certain percentage that's paid out after they complete training and then another percentage that's paid out after a year and then another percentage that's paid out after 18 months. And I think the last one is 24. So we-- and Monica's in the-- I'm calling up a lifeline here. Because she does the referral bonus. She just happens to be Monica Oakes. Do you want to correct me?

MONICA OAKES: Yeah. The first payment is \$500. It comes out when they complete training. So that payment is different for every operator. If they don't graduate training at the same time, they don't get it until then. The next one is at 6 months, and then a year, and then 18 months. And for the referral bonus, it's when the person gets out of training, and then at that 6 months. Because that one is \$1,000. And it's \$500 increments for all of them.

HEATHER MCKILLOP: That was Monica Oakes.

CLAUDIA FOLSKA (ON PHONE): So it is correlated. So you see people walking out the door after they have this final \$2000 bonus payment.

HEATHER MCKILLOP: Yeah. It's around that time. But we also have a lot of people that leave before they get all of their signing bonus at all.

So if they leave while they're in training, they don't get that. If they leave after 6 months, they don't get that. So we don't pay them out if they're not here.

But yes, and one of the reasons we moved it out that long. It doesn't seem to be a reason people are willing to stay, though.

CLAUDIA FOLSKA (ON PHONE): I think one of the things that I've heard from people is that they like to do what they love to do. And they like to work with nice people and like to have fun and have a great job that has job satisfaction.

And like many of the other Directors have expressed this evening, working with the public isn't easy, and especially our public transit. And to Mr. Meader's point on safety and security and so on for our drivers, and their well-being is really important. And it's not just the sedentary nature of the job and the bathroom breaks and the lunch breaks and switch shifts and all of that.

But our customers don't treat our drivers very nicely. And you know we know that some Directors have had to use our transit was to thwart somebody with a gun and then having a terrible situation there and stabbings. We've had drivers come to our Board meetings and say that customers spit on them, and they would like to be you know in a glass-covered something or a plastic Plexiglas. So those are some things I think that we need to be talked about.

And then, the quite frankly, if you think about how many people have been hit on a train, I'm sure that takes a toll on our driver. And I have, just by chance, I was at the station. And I met a train operator. And he was a gentleman, on Father's Day on the, I guess, it was the southbound at 13th and Osage who hit a cyclist.

And you know, if anybody sat in those chairs, you know, it's the chair, the glass, and the rail. You are right there. And whether you've been the one to experience that, or your friends, or, I think-- have you all been looking into how that affects the overall morale and when there are these tragic accidents on our rail lines?

DAVE GENOVA: You want to talk about that?

MIKE MEADER: Hi. This is Mike Meader, the Chief Safety and Security Officer. We do. We spend a lot of time with operators that are involved in those incidents to really make sure they feel part of the family, cared about, those kinds of things.

And it's a pretty consistent message. That's a pretty traumatic thing that happens to them. So there's a lot of people affected by those kind of events. It's not just the person who's the victims who are involved. And then it's the operators, it's families, it's the people who witness those things, it's the RTD employees that respond to those things.

They're not pleasant events, typically, when they're serious. So, yes. We do. We certainly take a lot of effort in trying to make sure that we're there for the employees, and they do feel valued and cared about. But it has an impact on a lot of people in the community when those things happen. So to the extent we can educate and help out--

CLAUDIA FOLSKA (ON PHONE): Right. And it's my impression. But I don't know this to be so, but you have operator A, and maybe he's got a cluster group of other operators he works with. He's affected. But maybe some of the other ones around him in his first or second ring of friends and colleagues that are other operators that were maybe at the event but that share and feel the empathy for that individual. And it could, like a virus, affect morale in that way, in a negative way.

As far as recruiting goes, Ms. Tonilas, I think-- did I pronounce your name correctly? I hate to say it incorrectly. Tonilas, is that right?

HEATHER MCKILLOP: I apologize. This is Heather. I didn't hear the question.

CLAUDIA FOLSKA (ON PHONE): Oh, I was asking a question to Pauletta Tonilas.

HEATHER MCKILLOP: Oh, I'm sorry.

PAULETTA TONILAS: Yes. And what was that, Director? I'm sorry. I couldn't hear it.

CLAUDIA FOLSKA (ON PHONE): I'm sorry. Did I pronounce your name correctly?

PAULETTA TONILAS: Yeah. You did. I just couldn't quite hear what the question was.

CLAUDIA FOLSKA (ON PHONE): I'm sorry. I hate that when I don't do it correctly. OK. So my question or maybe suggestion to you is, outreach and recruiting, you know, there's so many different things that you've got a lot of-- what I say all the time is this Board is brilliant, and they have this collective genius, you know?

And so I know you're taking to heart everything they're recommending and suggesting to you all. But testimonials are so powerful. And I'm wondering if you've thought about making testimonial videos that you can put on all your social media and all your own internal channels to recruit new operators and drivers.

PAULETTA TONILAS: Yes. That's a great thought. And actually, we do use real people, now, in our ads. It was referenced earlier. We actually do use real operators.

And we did a short video as part of this outreach process that we asked people to watch before they did the online survey. And it was like a two minute video with Mr. Genova kind of laying the groundwork. But we used some of our operators to just help tell the story of what the situation is and what they're going through.

So those testimonials and things like that, I believe, we can do more of. And I think it's impactful, like you said. And so, yes. I thank you for that. And we'll look for ways to continue to do that.

CLAUDIA FOLSKA (ON PHONE): Thank you. And my final observation was maybe we could take some of the drivers of the 16th Street Mall and put them on the southeast rail expansion. The bus goes every 90 seconds, doesn't it?

DAVE GENOVA: It does. They'd have to go through the full light rail training and certification program, which is now 11 weeks.

CLAUDIA FOLSKA (ON PHONE): Well, I'd start stacking them up now. Because you've got a ton of service on that 16th Street Mall. And it's not hard to walk a mile. You know, we're supposed to walk more, right?

[INTERPOSING VOICES]

45,000 people on board every day, right? But what are they doing, going two or three blocks? I think we can walk a little more and still have service there, but you know, maybe not as frequent, and see if any of those folks want to move over.

That's all I have to say. Thank you, very much. And I'll listen for the rest of the night. Thank you.

DOUG TISDALE: Thank you, Director Folska. We very much appreciate your marathon comments. Director Buzek, you are recognized, sir.

VINCE BUZEK (ON PHONE): Thank you, Mr. Chair. I've got a couple of questions for staff. First of all, on page 10, under the Dropped Runs section, with regard to those hours that accumulate, if they were to continue accumulating in the same fashion, do we run the risk of going afoul with the FTA or any other regulatory agencies? Or do we run the risk of impacting our bond rating?

DAVE GENOVA: I'll take the first half. And I'll ask Heather to take the second half. I don't think the FTA would want to take any action on us if it was something that we're not intentionally doing. But certainly, understand the question. And it's an area that we really haven't specifically asked them. But just the nature of the agency.

And they are aware of our situation, by the way. Because we do have a close working relationship with them. But I really don't think they would take an action in that regard.

[INTERPOSING VOICES]

DOUG TISDALE: Excuse me. I'm going to interject for just a second, Director Buzek. I apologize. There is background noise on the telephone. If whoever is on the phone-- and it may not be Director Folska, there are other people who can dial into this number-- but please, if you would, put your phone on mute, or you can hang up.

But we're trying to hear Director Buzek. And we want to accord him that respect. You may continue Director, Buzek. And I apologize for the interruption.

VINCE BUZEK (ON PHONE): Thank you, sir. That might have been my bartender. I'll tell him to keep it down.

[LAUGHTER]

[INTERPOSING VOICES]

HEATHER MCKILLOP: Pour one for us. (LAUGHING)

VINCE BUZEK (ON PHONE): The second part of my question has to do with the bond rating agencies. And I wonder if we continue to drop runs, do our bond raters look at that as a problem?

HEATHER MCKILLOP: So this is Heather. So not necessarily, in that one of the things that we emphasize for fiscal sustainability, which is what they're interested in, is the ability for the Board to do two things, one on the revenue side to raise revenue through various means, one being fare collection, and on the service side, to be able to increase and decrease service as needed.

And so, from that aspect, I think they would see a service increased or decreased, which is what we do on a routine basis when we do run boards. And we've explained that process to them. I think they view that as within the Board's discretion. And they would look for the Board to do that.

We have had questions around the fact that we've been in the press a lot lately because of our dropped runs and that having an impact on service. But there has not been the suggestion that that would impact our bond ratings.

VINCE BUZEK (ON PHONE): But if we continue to have negative publicity about a perceived inability to provide transit, I would think our bond raters might frown on that.

HEATHER MCKILLOP: We will definitely get questions, and we have, recently, on that issue. But they do know that that service levels is a lever that the Board has to be able to control the operations of the organization.

And they look to a Board that has those levers. And they look at that from a positive standpoint.

VINCE BUZEK (ON PHONE): OK, great Thank you. My next question is, it has to do with packet page 25. And it has to do with the telephone town hall.

It indicates we had 5,000 participants. And then it gives us a percentage breakdown of the ones that favored a temporary service reduction. And I'm just trying to find out how we came to that. Was there a on-telephone survey that was taken?

PAULETTA TONILAS: Yes. so this is Pauletta Tonilas, Director. So yes, during the telephone town hall, we asked electronic polling questions. And we ask people to use their keypads to answer. And so that is from the electronic polling we did during the telephone town hall.

VINCE BUZEK (ON PHONE): Got it. And of the 58%, was that based upon 5,000 responses? Because I wouldn't think everybody responded. And so offline, if you could get me the exact number of people that responded to that question, I'd appreciate it.

PAULETTA TONILAS: Yes. OK, Absolutely. And it's true, it's not the whole 5,000. Because again, the 5,000 is people who stayed on the line at some time frame during the town hall. And then those that choose to actually do the electronic polling is typically a lot less.

VINCE BUZEK (ON PHONE): Right. So if you could just give me the exact numbers of the respondents, that'd be great. And then it goes into my next comment is that split on the 170 employees that Director Menten alluded to, if I could get those numbers, too, instead of percentages, I'd like to see those.

And that leads me to packet page 15. Let me scroll back to that real quick. And one of the bullet points states that we have exhausted other viable options. And we get to this point of considering the service reduction. The first time this was addressed or presented to us, I don't know how many weeks ago it was, I had made the comment that, boy, I would really like to see what all the other options were that we considered. And I'm just wondering, in 2019, what other viable options have we considered short of the service reduction?

DAVE GENOVA: So that would be, largely, all the things we've been doing on recruiting and retention. So we've looked at wages, we've done bonuses, we've made work rule changes and a variety of other things. Certainly, that statement doesn't mean that we're not searching or looking for other additional things that we can do in addition to all of the things that we're doing now.

VINCE BUZEK (ON PHONE): Right. Well, we didn't look at wages this year. Because we're kind of locked in under the CBA, aren't we?

DAVE GENOVA: Well, we are locked in under the CBA on wages. So the increases in the CBA, the very first year of the last one was a 10% increase in 2018. And then it's a 3%, and then another 3% increase over '19 and '20.

A number of years ago, before we did the last CBA negotiation, we just kind of arbitrarily did \$1 an hour increase for operators as just another way to try to see if we could increase recruitment.

And we talked to union leadership about that and got their agreement to do that. So that's certainly something that we could look at.

I've asked our comptroller to run those numbers. And I have received some information from him. But I have not been able to review that information in totality and report to the Board what that might look like.

VINCE BUZEK (ON PHONE): That's great. And I appreciate you doing that. And that's something we should probably see before we decide on what we're going to do in the long term.

Early on in the presentation, AGM Meader asked kind of a rhetorical question, why haven't we done something until now? And then he responded to his question, saying, maybe we should have done more. And I kind of feel the same way.

I get the sense that this has been brewing for years. And I really wish that there was-- that we could have done more. Maybe we've done all we can. But I just don't like seeing us in this untenable situation. And these are types of decisions we shouldn't have to make.

Finally, I want to talk about the survey itself. And I must say that I had the most email inquiries and input from constituents on this matter than any other matter that's come before the Board since I've been on since January.

And almost without exception, the people were concerned about the validity of the survey in that we only asked those two questions which are, basically, do you want infrequent or reduced service, or do you want the current status quo, unreliable service? And many of the people thought, how about other questions, how about provide the service you promised, things like that.

So those are the things that are out there in the public that people are thinking. So I'm concerned that the survey was-- that the questions were designed such that we got a response that we probably needed to do what we're going to do. And that's kind of the perception that's in the public as well. That's all I have Mr. Chair. Thank you, very much.

DOUG TISDALE: Thank you, very much, Director Buzek. We appreciate your comments. We'll now go back to the speakers in the queue that we have here in the room. And we'll begin with our Second Vice Chair, Director Angie Rivera-Malpiede.

ANGIE RIVERA-MALPIEDE: Thank you, Mr. Chair. You know, as I'm sitting here listening to all of this dialogue, I just two more questions.

The first one is I'm a little bit curious about the 99.6% transit service that we provide, which makes me think, then, why are we having a big issue here? So my question is, what percentage of that transit is being driven by mandatory drivers, right now, currently? Can somebody answer that for me?

DAVE GENOVA: Can you just repeat that question, so we understand it?

ANGIE RIVERA-MALPIEDE: Sure. So since we're at 99.6% service on buses and we're having a huge crisis with dropped runs, what percentage of that is being driven by mandatory drivers?

HEATHER MCKILLOP: So on a weekly average basis from the beginning of the year to now, it is in that page where we say that it's about 68.8% or 69% of bus and 42% of light rail. So again, that's a weekly average. So on any given weeks, almost 70% of our bus drivers are working that. It equates to about 14% to 15% of our service, somewhere in that ballpark. I mean, I can get you the-- it varies between rail and bus slightly. But it's in that percentage. About 14% of our service, on a weekly basis, is being done by mandated employees. And then, the percentage of mandated employees on a weekly basis are the numbers that are in your pocket, if that helps.

ANGIE RIVERA-MALPIEDE: OK. That does help. Thank you. And then my second question is, as we go into this temporary space where we may eliminate a route or stop, what is the process legally to get them reactivated?

Are there things that we're going to have to do in terms of cost? I know we'll have to do public outreach. But is there a mandated process we have to follow that's going to cost the agency money to reinstate these temporary routes and locations?

DAVE GENOVA: No. I'd say, no. I'd say that the process, the most obvious process that I can think of is just through our regular run board processes three times a year, we'd be looking at those opportunities to reinstate service incrementally as we're able to.

ANGIE RIVERA-MALPIEDE: OK. Thank you. That's it. Thank you, sir.

DOUG TISDALE: Thank you, very much, Madame Second Vice Chair. Director Menten, you are recognized.

NATALIE MENTEN: Thank you. As I have my laptop here with me tonight and just looking up the amount of agencies around the country, the school districts, the counties, the list would go on and on and on if I was to read every one of the Google hits that come up when I put in 'driver shortage,' around the country. RTD is very clear that we are not alone at all.

We can kick this can down the road. What you're trying to do tonight is you're trying to get guidance from us as to whether we should proceed with plans to come back with a draft-- doesn't say we're going to approve it, right? We're just asking for guidance. I think it's absolutely necessary that you start to work on that right away.

We really should have done it. And I'm not pointing fingers at all. Or else I'm going to go like that. We should have done it a year ago. We should have.

But I know the feeling. You keep thinking, this will work, this will work, things will get better, it'll get better. I don't think it's going to, in that, you know, we should start to do this. And partly because of the dropped runs, but partly because we have some routes right now-- and we all know it-- that do not fit our standards-- they don't on the performance.

As we enter into a Reimagine, people have to accept that this agency continues, year after year, to face financial challenges. And part of that is by running services that are inefficient.

And those who are either the taxpayers-- let's call them the real stakeholders. I wish, whenever we mention stakeholders, it just meant taxpayers, not the elected officials. We owe it to them. We owe that to the bondholders. And I think the bond, those who are invested in that other way, will appreciate that we're looking at efficiencies.

And that's where I think this opens up the door. It's automatic. It is just a natural flow. And with that in mind, I'm not going to use the word Temporary, not going to. Why would I do that? I would be promising, one, I'm not going to be on the Board when, maybe, all of this comes around, I can't guarantee it.

And if we have an inefficient route that should be eliminated or reduced and tuned, whatever word you want to use, why on God's earth would we bring it back? Because then, the word was, oh, you said, it's temporary. Well, if it's not a logical, it's not efficient, we don't want to.

Now I will go on to-- my first presentation was last night. And I had a couple of questions myself. First of all, why is it-- so I'm reading. There's this thing called the Drive Safe Act that some federal legislators are trying to push through, because this driver shortage is nationwide, that states you have to be 21 years of age to get a commercial driver's license.

So I am confused why I'm reading about that at the federal level. And then-- hold on, let me keep going for you. But so far our trains, it says you've got to be age 21, for our bus, you have to be age 19. And one thing I would like removed-- and somebody can argue a good point, it's like that guy that sits at the table, he says, prove me wrong-- why is it required to have a high school diploma? I would like that removed.

HEATHER MCKILLOP: So this is Heather. I'll try to address a couple. So the--

NATALIE MENTEN: Thank you. And I got my point across, right? You're going to start drafting it for me. OK. All right. Go ahead.

[LAUGHTER]

HEATHER MCKILLOP: So to get a CDL, 21 is the age for when you cross state boundaries. So if you're a CDL driver that drives a truck that goes across state boundaries, you have to be 21. Within the state, you have to be 18. And you have to have a driving record that exists for two years, which would mean you had a driving record effective at 16.

So that does limit a few people between the ages of 16 and 18 who have a clean driving record. But they are out there. And we are exploring age limits as well as the requirement of a CDL for light rail.

So I can tell you we've been looking at all of that. And probably, Mr. Ford can address that more. But I did a lot of research on CDL. And so the 21 is interstate travel, not within the state.

I also wanted mention about the shortage across the country, we did have an individual from Salt Lake, a HR professional with us, I believe, it was this week, learning our best practices for recruitment of operators and represented employees.

So we are being looked at as a resource in the area of trying to manage this as best as possible within the confines that we have. But, I don't know. Michael, do you want to speak any more to what we're doing with the age and the--?

MICHAEL FORD: The issue with the CDL for rail, specifically, we've been meeting on that. And we feel that we've been able to cover the grounds to not have any impact to us. So we're going to be looking to draft up something. And I think Andrew was working on that. And we're going to circulate that for some further discussion.

DAVE GENOVA: One of the reasons we require the CDL is for the DOT medical qualifications. Because there are some NTSB recommendations and requirements that we have to do certain kinds of screening for certain kinds of things for rail operators. Sleep apnea is one of them, and a couple of other things.

So even if we do move a direction where we remove a CDL requirement, we still have to do as robust of a DOT physical as we do today. So this is something we took a run at years ago. But it was hard to fill that medical void with something other than the DOT physical. So we need to figure that piece out.

MICHAEL FORD: And I think we've looked at ways in which we can still maintain that and address those vulnerabilities that would have existed. So we'll be definitely bringing something back for your consideration.

NATALIE MENTEN: And is there a reason we require a high school diploma for somebody who is going to drive?

HEATHER MCKILLOP: That is a good question. We haven't-- my lifeline is coming back up again. Monica.

NATALIE MENTEN: My mom was on Who Wants To Be a Millionaire. And I was the lifeline.

MONICA OAKES: I think the reason why that's required is because you have to have-- I'm not thinking of the right word-- but the ability to read maps and retrain cards. And the high school diploma just kind of lets us know that you've gotten through that basic education.

Because there's a lot of technical stuff that you have to do when you're operating a train and when you're driving a bus and getting lost out in the district. So I think the original reason was because then we know that you have the basic skills to read a map and to understand a train card and those kinds of things.

NATALIE MENTEN: I would suggest, just personal observance, there are some brilliant people who don't have the patience for high school. They may have a baby, they drop out. Any hurdle, right? Is that what we're trying to get rid of?

HEATHER MCKILLOP: We can take a look at that. We've never talked about it.

NATALIE MENTEN: OK. And so, thank you, for the explanation. And when is the right time for us to chime in on the routes that we think should be up first? Would you prefer that something tonight-- after tonight, offline, or at the Thursday, December 12-- that's too late, then. So how are you going to get that from us?

DAVE GENOVA: I would suggest that if you have suggestions that you would send those to Michael Ford.

MICHAEL FORD: Yes. If you could just send them to me. And we can, at least, incorporate those or look at them as we go through our process.

[SIDE CONVERSATIONS]

NATALIE MENTEN: Judy told me my hands are off her district. OK. I will do that.

[LAUGHTER]

OK. So thank you for asking and there's the answer for me.

DOUG TISDALE: Thank you, very much, Director Menten. And I think if you want to have very verification that the phenomenon of a driver shortage is not just nationwide, it is also global, you just have to go into General Managers Genova's office and see the transport for London-- double decker bus that he has in his office-- that I brought back to him that says on the back, Drivers Wanted. Because that's what it says on all the buses in London for transport for London. So thank you, for pointing that out, and some of the other suggestions.

I think, I always thought it was just ability to read and write English and understand. And I had forgotten that it's actually a high school diploma. So some interesting thoughts. May I turn, now, please, to our first Vice Chair, Director Peggy Catlin.

PEGGY CATLIN: Thank you, Chair. A quick question, Michael. I appreciate that you are having a dialogue with the unions to try and see if we can get some relief there or some creative solutions. When do you think you might have some of those things resolved?

MICHAEL FORD: We're actually working right now. We do have some relief through the contract on some of our guaranteed runs. And we're working on that. As far as the part-timer stuff, we've got drafts going back and forth. I'm hopeful we can get something done, hopefully, by probably next week, end of next week.

PEGGY CATLIN: Because I assume that might shape any proposal that comes forward.

MICHAEL FORD: Right. But I don't want to say that that's going to be the cure-all. It just gives us a little bit more flexibility and relief to help us.

PEGGY CATLIN: Right. OK. And then the second thing, if you come back to us with a plan on the 12th, I guess, I wouldn't want to micromanage which routes we do have processes that we go through, and I'll leave that up to you.

What I would like to see, though, is, in your proposal, if you could also outline how it will impact our previously stated 2020 goals and how it will impact the performance measures. Because I think it will.

And we may, after that point in time, wish to revisit those to make them more in alignment with whatever is decided that we should do. Thank you.

DOUG TISDALE: Thank you, very much, Madam Second Vice Chair. Director Broom, you are recognized.

BOB BROOM: Thank you, Chair. Will contracted services be impacted by this. And if they're not, how are they able to maintain their service levels and we're not?

MICHAEL FORD: Well, we-- it's Michael Ford, COO. We work with them, because sometimes, they have dropped runs. And we work to try to cover work between both contractor and us. So that's an ongoing exercise, I guess I would say, that we probably experience daily.

Sometimes they can help fill in for us, and sometimes we can help fill in for them. So it's just an ongoing process that we're under right now.

BOB BROOM: But then the question is, are they dropping runs as well?

MICHAEL FORD: Yes. I mean, we get information-- do you want to speak to that-- we get information. And we work, I guess, on a daily basis. They let us know what they have not being able to fill. And we try to cover that or-- I believe that's vice versa.

FRED WORTHEN: Yes. Fred Worthen, AGM, Bus Operations. Yes, our contractors are short on operators. We have one that is doing a little better than our other three bases. But all of our first transit bases are definitely struggling. And that is part of the strain on us, though, is when they are short on operators, they send their lost work to our dispatch center. And we do the best we can to try and cover them with our resources. So we're not just covering our own work, we do help cover their work, also.

BOB BROOM: Thank you.

DOUG TISDALE: Thank you, very much, Director Broom. Director Lubow, you are recognized.

JUDY LUBOW: Thank you, Chair. I would hope that any proposed route reductions could somehow be passed through stakeholders so that they wouldn't, once again, find out, being the last people to know. Because that drives them crazy.

So I'm not sure how to do it. But I would really urge you to be conscious of impacts on stakeholders in that they don't like being left out. And I would also urge that, in addition to looking at efficiencies, and, of course, that's incredibly important, you have to also consider geographic equity.

Because if we mess, for instance, with my district, you'll hear about it big time. So you just have to be aware of that. And I (LAUGHING) would urge you not to do it. But there we go. OK. Thank you.

DOUG TISDALE: Thank you, very much, Director Lubow. Madam Treasurer, Director Cook, you are recognized.

SHELLEY COOK: Thanks for the second-by. So I wanted to reinforce something that Director Folska said. I'm getting a lot of emails, too. And when it's about a service loss, it's especially, I don't know, exacerbated. The frustration is so much greater when they don't hear why, they can't get information.

So I'm hoping that when you come back, we can hear about how you're addressing that and, especially, if we're going to be reducing service or it's going to take several months where we're going to continue to cancel service, have some specifics for us about what we're able to do above and beyond our current status to, I don't know, cross-train people, extend our hours, set of standards, so that, as my complaint came in yesterday, somebody didn't sit on a train for 25 minutes with no word, or the discrepancy between what the website reflects or social media and what they're seeing on the ground.

I hope that we can have a plan to address that in conjunction with what you're bringing forward. So thank you.

MICHAEL FORD: If I could just respond-- Michael Ford, COO-- I just want to be clear that we would be coming back to you with a draft of what we've heard. And in the meantime, you'll be sending me information on some of the things that you want to be considered. So the next time we would be before you, if this is what your desire is, is that we coming back to you with a draft plan with the understanding of what your wishes or desires are. Is that what I'm hearing correctly?

SHELLEY COOK: I'm suggesting something coming forward, as well, with your plan for reduced routes or reduced timing, et cetera, and that is to improve our ability to communicate with people and keep them informed.

PAULETTA TONILAS: One thing I can mention is the work that we've been doing with the union to relax some of the terms of the CBA. We've been waiting for that progress. Because that is kind of a trigger for us to be able to do more advanced notifications right now.

So what we believe we're going to be able to do, in the next few days or a week, is be able to give people, like, a one or two day notice of trips that we know are going to be dropped, just because of how the work shakes out and the available operators. Because as you know, right now, sometimes there hasn't been a lot of notification before trips are dropped.

So we've been doing all we can. But this is going to be an opportunity now, for us, to be able to give a one or two day notice of trips so people can plan ahead.

SHELLEY COOK: Yeah. That's an improvement. But in addition to that. Thank you, very much.

DOUG TISDALE: Thank you, Madam Treasurer. We appreciate those observations. Mr. Secretary, Director Walker, you are recognized.

JEFF WALKER: Thanks. What you just said is something I've heard a lot when I've talked to folks about it. They just-- long term, the more notice, the better. And so I'm glad to see that we're able to do something about that.

I'm wondering if any of the TNCs or shared ride companies have reached out, or if we've reached out to them, saying, maybe, if we have to go this route-- I guess, when we go this route-- exploring how they can fill those gaps.

MICHAEL FORD: We have not reached out, specifically, to the TNCs about this. We are working on providing some type of more robust TNC service. But until we've gotten direction, we haven't pursued that angle at this point.

DOUG TISDALE: Thank you, very much, Mr. Secretary. Director Williams, you are recognized.

KATE WILLIAMS: Thank you, Chair Tisdale. I have some questions based on previous conversation. So I know that, I think it was yesterday, we had 100 train runs that were not made. Was that yesterday? What percent of that was our overall service, those 100 runs?

DAVE JENSEN: I would have to go back now and look and see if it was yesterday. I know Monday, Tuesday, this week--

KATE WILLIAMS: It was Monday-- whenever.

DAVE JENSEN: It was in that neighborhood. So we run 1,037 train trips, Monday through Thursday.

KATE WILLIAMS: It was 10%.

DAVE JENSEN: So about 10%.

KATE WILLIAMS: Thank you.

DAVE JENSEN: And so, maybe more information on why that happens. We had 10 people call in sick that day. And for what we were averaging on Mondays, it was about 5. So it's just-- and again, I don't want overcomplicate things. But when we're talking about missed trips, sometimes that's deceptive. Because if I'm an operator on the L line, I could have 20 trips for one operator, as opposed to the C line or D line-- there'll be fewer.

So we're tracking that. Because our customers want to know. To them, their trip was missed. So that's important for us. But we're also tracking the lost time and the lost hours.

KATE WILLIAMS: Thank you, sir. I have a little more.

So we had some discussion earlier that the maximum amount of time that a driver can work is 10 hours. But I believe there's additional rules around that, that if they work a split shift, they could work up to 14 hours in a day. Is that correct?

MICHAEL FORD: That's accumulative. This is just driving on duty 10 hours straight. I mean, yeah. If they're working split shift, the total spread time is about 14. Or is it 13, now, with the contract? 13, with the contract.

DAVE GENOVA: But the on duty time, I believe, on the DOT hours is 12 hours on duty.

DAVE JENSEN: That's correct. So they're on duty, then they go off duty, and they have a break. They're technically off. Then they come back and are on duty again. So the cumulative work time that they're on duty can't exceed that number. But the spread time could be different because of the time in between their shifts.

KATE WILLIAMS: Right. But they can't do, really, anything else in between there, like go to the grocery store or something.

DAVE JENSEN: Some operators do. It depends on how large that split is. If it's a two or three hour split, then, certainly, that's what operators do. And some operators that prefer splits, that's why they prefer it. Because it gives them a chance to go do their shopping, go home take a nap, get something to eat, and come back to work.

KATE WILLIAMS: Thank you. That's some of the kind of thing, maybe, we need to get a hold of a little bit. I have two more quickies.

What percentage of the Access-a-Ride service that we provide is through contracted services?

DAVE GENOVA: All of it's contracted.

KATE WILLIAMS: All of it is contracted services. So, OK. I'll digest how that reflects on what we're doing. OK.

And then we got a handout here that talks a little bit about special services. And so it says we're using 177 buses every time we have a Broncos game. Go Broncos.

And we contract those out-- some of those. But we provide all of the drivers, or the bus that we contract comes with a driver? Or can somebody speak to that a little bit?

Hi, Mr. Worthen. Thank you.

FRED WORTHEN: So we do contract the BroncosRide during the week itself. And those are contracted private contractors with their own operators.

KATE WILLIAMS: OK. So we're not affecting our service by the fact that there are people-- are drivers driving to the Broncos game, and that's not causing us to have our regular riders not serviced?

FRED WORTHEN: No. We're not pulling people out of service and dropping service to provide BroncosRide, if that's what you're asking.

DAVE GENOVA: But, Fred, I would clarify, it's probably a mix of contracted services and our own services on a weekday Bronco game.

FRED WORTHEN: On a weekday, that is correct. We provide, I think I provided the numbers, around 70 vehicles.

KATE WILLIAMS: Thank you.

FRED WORTHEN: We have, approximately on weeknight games, 78 RTD buses and about 70 charter buses. Actually, that seems high-- I think. But anyway, we do a mix of charter services and directly-operated.

DAVE GENOVA: What does it look like on a Sunday? Is it largely RTD services?

FRED WORTHEN: Sunday is completely RTD. We do not use--

DAVE GENOVA: So it is impacting-- we are working our operators to deliver those special events services.

FRED WORTHEN: The other thing that I would say, too, is when we do have these services done during a weeknight, we do have turnaround issues that we have to consider. So we have limitations. Because we allow people sleep. And also, their hours still go towards the accumulation of the total number of DOT hours they can operate.

KATE WILLIAMS: So that was that. And then my last one. And then I'll give up the floor.

So going right from there, I'm wondering if, maybe, we could get the Broncos to do some advertising there in the stadium that says, you know, you want to ride RTD here, go apply for a job or something-- just while we're looking outside of the box. Thank you, very much. Thank you, Chair.

DOUG TISDALE: Thank you, very much, Dr. Williams. Director Whitmore, you are recognized, sir.

TROY WHITMORE: Thank you, Mr. Chair. I think the Broncos are more concerned about quarterbacks and linebackers than bus drivers. But, yeah.

KATE WILLIAMS: [INAUDIBLE]

TROY WHITMORE: So I guess I was struck by one of our social media comments that kind of sums things up. Just make the cuts now instead of playing RTD roulette every morning.

I think that hits home. And that's where I have the most complaints is the guessing game. And if we're not going to be able to do anything substantial to address that until March or May, we've got a large gap of time where none of us in this room are content with what's been happening.

So I guess, my point, which dovetails with Director Cook and several others is we've got to continue to work on the communications and getting as much prior warning as possible. And I appreciate the thought of a one or two day, if we know.

On the other hand, when you have 10 call sick and you got room for 5, that's rough. So I guess I'm ready to consider your recommendations on the 12th. But also, I'm just concerned about that communications issue being improved or solved in a way to where the temporary service, however long temporary is, becomes palatable to those that use our service, especially those that are very reliant on it that have no cars or cannot drive because of other issues.

So I guess that's my two cents, Mr. Chair. Thank you.

DOUG TISDALE: Thank you, very much, Director Whitmore. Director Lewis, you are recognized.

SHONTEL LEWIS: Thank you, Chair, I just have a few questions. I'm not sure if I have a clear problem statement.

So we said that we don't have data in terms of exit surveys. But we are inferring that maybe the reason that folks aren't staying is because of the six-day mandate.

And so I just want to be sure that we're clear, as we're going into this conversation as an agency, that we are all saying the same thing. And so if you all could just tell me, what is the problem statement?

DAVE GENOVA: Well, I would say our ability to deliver service is being disrupted because of availability of labor, and that that's largely driven by the mandating that we've not been able to work on a balance, and that we need to stabilize our workforce situation.

SHONTEL LEWIS: Yeah. And obviously, there's no way in which we know that this is going to be successful. We could just only hope for that. But what kind of things would we put in place to ensure that we're successful? The only thing I've heard thus far is that we would reduce service.

But are there other marketing strategies we might put in place? How are we going to reinstate the service? How are we going to communicate that? What's the communication plan? There's a number of questions.

MICHAEL FORD: In terms of the service, we would follow our regular process for eliminating service or bringing it back. I mean, those are work standards that have been long held here and part of the process.

So looking at productivity, looking at our routes. Obviously, there's some commitment with regard to the Access-a-Ride services and incorporating that, getting your input, and also looking at the equity issues that are associated with the changes that are made. So all those factors would go into that.

And then bringing it back would be as we are able to bring more resources to bear and we have a process that we do. So we're not trying to go outside that framework that we would normally do for a change through the different shakeups that we have three times a year. Is that answering your question? Or is there more to that?

SHONTEL LEWIS: It is suffice.

HEATHER MCKILLOP: And I can just speak to the communications plan, so if it's the Board's purview and there is a draft temporary reduction plan, then that would be released by the Board for public input, and we would be doing a robust public input process so that people can react to the plan that we put together. And then, if it moves forward as an actual service plan, then we would be doing more communication to make sure that we educate people about those changes.

SHONTEL LEWIS: And what are we preparing to say when someone ask us how long is temporary?

MICHAEL FORD: Just be honest. I don't think we can say that right now. I think we have to look at what the situation is and how we're doing with the resources and retention, and then make the adjustments accordingly. If we were able to sit here and tell people something-- oh, I just don't think that would be something we could do.

DAVE GENOVA: I think what we could commit to, though, is regular report-outs on how we're doing, in terms of the labor situation.

SHONTEL LEWIS: To the Board? I just want to be clear-- to the Board? Or are you saying to the general public?

DAVE GENOVA: Both. Yeah. I think that would be a really good thing for us to do is-- and we'll make sure that's part of our overall plan and communication plan and outreach plan that we know we can commit to providing timely reports on how we're doing.

SHONTEL LEWIS: Yeah. Thank you. So you will ask for guidance. And so that would be one thing that I would suggest is that we're really clear on that in the proposal that you bring back to us and being able to communicate what temporary means. And maybe we aren't, as Director Menten says, maybe we aren't using Temporary, since we have no idea of how we would measure success when we realistically institute services.

And I'm remembering from the presentation that Jeff Becker provided to us is there are services that are underperforming. And the reality is that there may be some routes that never come back. Is that not correct?

MICHAEL FORD: That would be a correct statement. Certain services, if they're way outside the box, we have to really consider them as part of this process. And I can't make any guarantees that they would come back. If they're not performing very well, then, we have to look at that as part of the process.

SHONTEL LEWIS: Yeah. And so that's something that's really important for me as a director is, I don't know if we should be using Temporary at all, because the reality is that some things may not come back someday. But in two years, I don't want anyone sending me nasty emails saying, hey, you lied.

MICHAEL FORD: I would concur with that statement.

SHONTEL LEWIS: So the package page 15-- excuse me-- it says does not apply to A, B, or G, and I would guess, or N.

DAVE GENOVA: Well, it could apply to N. I think the main reason with the A, B, and the G is that those are under a long-term concession agreement. So there'd be commercial issues around making any kinds of adjustments to those services. And that's not one of the issues we're really trying to solve for, at this point in time, as well. But it could be, and I would suppose, but that would not be our intent at all.

SHONTEL LEWIS: OK. And the reason I ask that is you asked for guidance and direction. And so, as part of the proposal, I think we might want to think about what the frequency is that we've proposed for the N line and what it could potentially be, so that folks know that ahead of time, as well, to include that in what service reductions could look like.

DAVE GENOVA: I would say my personal intent on N would be to open the N line with the service schedule that we have already proposed and not, really, to look at it as part of this. Because again, when we look at the timeframe of when that opening would occur, it would probably be right around or shortly after any of these other adjustments.

So my suggestion there is that we stick with the service plan that we have proposed and talk to our stakeholders and agree to our stakeholders with that service plan. And I believe that's a 20 minute frequency on the peak.

SHONTEL LEWIS: Yeah. But without the methodology in which we would make these decisions. We can't say that definitively.

DAVE GENOVA: Well, we don't have any data performance on N. And we won't until later in the year, later in 2020.

SHONTEL LEWIS: I'm just thinking about our folks who have waited quite some time for that service. If we go in and say it's going to be 20-minute frequency, and six months down the line, because we haven't defined what our success looks like, we may have to alter that. And what does that mean?

DAVE GENOVA: Well, that's not something we'd want to do for certainly.

SHONTEL LEWIS: I trust that to be true. I just want us to be prepared for all of the implications as we are figuring out what we're going to do.

DAVE GENOVA: And I will mention-- I don't know if it specifically has come up. But as we look, as we do with every run board, we will do equity analysis on whatever we bring forward.

SHONTEL LEWIS: Got it. So back to guidance. So I mentioned this at our last Board meeting, to really have a focus on the transit-dependent and the poor, like, that's how it's written, most folks have already said Access-a-Ride. Mr. Meader has said, safe, reliable, clean, courteous service. I'm just giving you principles, because I'm not going to tell you a route. That's not where my expertise lies.

I would encourage us to do a root cause analysis. Because I'm not sure that the solution for which we're proposing truly addresses the causes of the things that we're experiencing. And so that might be an opportunity for the agency.

Someone gave the number that we were able to hire 791 operators on the bus side. And those that separated were 710, and on the light rail side, 177. And those that separated, were 201.

And so I wondered if our focus on retention-- I think we should continue to focus on retention-- on recruiting, excuse me. But it appears to me that we have a retention problem. And we haven't thoroughly addressed that retention problem.

And so, in that root cause analysis, how are we getting down to the core of what we're experiencing so that we truly are putting a solution in place that's going to make sure we have better outcomes from our operators and our constituents and our riders?

DAVE GENOVA: Good suggestion. Thank you.

SHONTEL LEWIS: I would like to see from-- clarity question. The employee survey and the exit surveys, are those the same? Or those are different? OK. I just wanted to be sure.

DAVE GENOVA: They're different.

SHONTEL LEWIS: OK. Thank you. I would like us to really look at that exit survey and see if there's opportunities for us to get better data for which we can base these decisions on.

Because if people are leaving for personal reasons, like, I had a baby-- I don't know-- us not mandating for six hours is not going to change that. So just being really clear on that. And that may be it.

Oh, I know we talked about being able to save some cost with a reduction in service. And I know that's not the reason we're doing it. But I wonder where the savings would go if-- because we're going to have to talk about the budget in a few minutes.

HEATHER MCKILLOP: So I can address that right now. This is Heather McKillop.

So as we've talked about before, depending on what the savings are, we'll put those dollars aside. And then we will use those dollars to restore service when we need them so we don't have to look for the money.

SHONTEL LEWIS: Sounds good. Thank you, Heather. I think I covered everything. I hope I was directive enough and provided you the guidance that you needed to bring back a proposal.

I know, except for Director Menten-- she seems excited to do this-- (LAUGHING) it's not the most fabulous thing coming to the Board, but I would certainly like to make sure that we're taking care of our operators. And I really want to make sure that we're taking care of the folks who rely on our service and utilize our services. And that means buses and trains need to show up when we say they will. So thank you for your work on this.

DOUG TISDALE: Thank you, very much, Director Lewis. Before I ask the Board's consent to acknowledge Director Lubow for an unprecedented third bite at the apple, I am going to ask whether Director Folska would like a second bite at the apple at this time. Director Folska?

Director Folska, if you are with us, please let us know if you'd like to make a comment or ask a further question. All right. I will then turn to Director Buzek, and I will ask Director Buzek if he has a further comment or would like to ask a question. Director Buzek, are you there?

VINCE BUZEK (ON PHONE): Nothing further, Mr. Chair. Thank you. Thank you, very much, Director. Unless there is objection-- and I have to offer it to the Board, because that's what our rules are for our operating guidelines-- any objection to Director Lubow having a third bite?

It's buried in the Board operating guidelines. Director Lubow, you are recognized.

JUDY LUBOW: Thank you. But I do want to say that if I have things to say or comments or questions, the fact that it's third or sixth, to me, personally, doesn't matter. So I reserve that right to keep pushing. But in any case, Shontel, Director Lewis' statements were very helpful.

I did want to contradict one, however, is the idea-- well, I guess Director Menten also talked about not calling these things Temporary, that if we don't call them Temporary, we're going to get a lot of flack that they're permanent.

And the intent is not that they're permanent. The intent is that they're temporary. But maybe particular routes won't come back. And so I think we need to be careful and not just throw out the word Temporary. I think we need to define what it is.

And it seems to me that it's possible to say that when we get maybe a certain percentage of our employee force or whatever-- because that's really the problem-- that we intend to go through the process of restoring service. It is not our intent to keep reduced service. Anyway, OK. That's pretty much it. Thank you, all.

DOUG TISDALE: Thank you, very much, Director. No further Directors being in the queue, let me make a few observations and then make a suggestion to the Board relative to going forward.

The observations. I think we have heard evidence of a robust outreach by communications staff over a very short period of time with a phenomenal result. I won't repeat the numbers. They're in your presentation. They're dramatic.

I am delighted to hear, and I think we are all heartened to hear, that we are having very productive conversations with the union as we look for ways that we may address some of these issues. I think it is worthy of repeating, we don't need to touch Access-a-Ride, further, that the staff has indicated they would very much like our thoughts to be submitted to staff on specific lines that we might say, perhaps, this frequency could be looked at. So to make suggestions, to share that information, so that we are, in fact, a part of the process.

But as first Vice Chair said, we're not here to micromanage the process. But that doesn't mean we can't make suggestions and share our thoughts. We will continue, at all times, to communicate with and collaborate with the municipalities that are being served by the RTD so that they are engaged in the process.

And this is a surgical process. It is not a sojourn in an abattoir. This is a surgical process. We are looking at if anything were to be proposed, March would be the earliest that something would happen, and May would be more likely.

12/12, December 12, is a date when staff can come forward with some kind of initial draft proposed plan for, and I agree completely with Director Lubow, what will be a temporary service reduction plan. That is the intention.

I don't think anyone here, in any of their comments, has implied that it should be a permanent reduction. That is something that will be considered as we go through the Reimagine RTD process.

All right. My comments have prompted a further comment from Dr. Lewis. You are recognized.

SHONTEL LEWIS: No, second.

DOUG TISDALE: Oh, OK. We just didn't clear you, then.

SHONTEL LEWIS: No, no. I was answering a question. I'm sorry. Thank you, Chair. It did prompt something for me. I would hope that our outreach plan would include riding buses going to Park and Rides, really getting out there and having conversations with folks. To Director Malpiede's point, we certainly want to make sure that things are translated into a number of different languages.

And then, finally, I just want to put this on the record. As an elected official of this Board, I do not feel comfortable looking at specific routes and sending that to staff. So I will not be doing that. That is not my role. I am not an expert in that way. It would be arbitrary, quite honestly. And we have folks on staff who do that for a living. So I just want to put that on the record.

I will not be doing that. I'm not comfortable with it. And I don't believe it's appropriate for my role as Director.

DOUG TISDALE: Thank you, for sharing it. I think that's a wonderful observation, Shon. I appreciate your taking the time to do that.

The process, now, is-- and we've given everyone at least 10 minutes each to speak, through the course of this evening-- the process now is, are we ready for what we like to call a head nod? A head nod that staff should proceed with crafting some proposal to come back to us on December 12.

So I'll open that up for specific discussion on that. Is there a sense-- does anyone wish to comment on that? Because you may at this time? Otherwise, I'm going to ask if we're ready for a head nod that, yes, staff should come back to us on December 12 with a proposed plan, tentative initial, that we can then discuss further. Any comments on that? No one's in the queue.

So can I ask for a head nod? Are you interested in having staff come-- oh, OK. Madam Treasurer now wishes to speak.

SHELLEY COOK: No. I would just say, with prejudice. I'll nod my head. But as you attorneys say, with prejudice-- and [LAUGHING] leave it at that.

DOUG TISDALE: OK. Which means it cannot be reconsidered. It's with prejudice.

All right. So is there a sense of consent that we proceed to have staff come back on December 12?

Is there anyone who is opposed to that? And I'll return to the phone, also. Director Folska and Director Buzek, if you are still there, and if you can hear me, if you would please let us know if you have any opposition to staff coming back on December 12 with a plan.

Director Folska, hearing nothing. Let me ask Director Buzek.

VINCE BUZEK (ON PHONE): Director Buzek here. I'm not opposed to staff coming back with a plan. There's no assurance that I won't be with it. So, thank you.

DOUG TISDALE: Yes. Thank you. Right. Director Broom, you are recognized.

BOB BROOM: Thank you, Chair. I wonder if this could be combined with our meeting on December the 10th instead of having another meeting on the 12th?

DOUG TISDALE: Excellent question to ask. Let me ask, first, of staff. And then I will ask Board staff. Because I am not certain what agenda we have on March 10.

BOB BROOM: I'm not either.

DOUG TISDALE: Let me ask Board office staff, first, to respond to the question as to what we have on December 10.

BARBARA MCMANUS: Is finance and operations.

DOUG TISDALE: Finance and operations, which has, for the last several times, been longish. But it is operations. And Director Williams sotto voce raises a good valid observation.

Let me ask staff, if we were to say, can you do this on December 10, would that be possible? Is that sufficient time? Would that prejudice you in the preparation of anything? Mr. Genova?

DAVE GENOVA: Well, my initial thought is it would, if it needed to be in the packet the week ahead of time, then we're talking about having something together in a very quick fashion. And so, the notion would be, if we did it on the 12th, we would very much be similar, like tonight, where we hopefully get you information ahead of the meeting, hopefully at least a day ahead of the meeting, where you'd be able to start reviewing it. General counsel and myself are also scheduled to be out on the 10th and 11th at mediation.

DOUG TISDALE: Yes, a mediation.

DAVE GENOVA: Yes.

BOB BROOM: I withdraw my question.

DOUG TISDALE: All right. I think that raises an excellent point. OK. Director Lewis, in light of the fact that we're not going to consider December 10, do you have a further comment to make? All right. You're good.

Director Williams, any further comment to make based upon that? All right. So we have a very important factor to take into account there.

So December 12. So is there any voiced objection? I've heard one vote with prejudice. I've heard, essentially, a similar statement by Director Buzek, on the phone. Any other objections? There are no objections, then.

So staff, you asked for instructions. Come back to us on December 12th. You've heard the input from the Board. We know you will take that into account.

I tried to summarize it. I'm not purporting to speak for everyone. But I tried to highlight some of the observations for your convenience. Director Lewis, one last comment before we recess.

SHONTEL LEWIS: Question. Do you all have what you need from the Board? Or do you have any questions that you need of us that we might be able to answer to help in guiding that proposal for you all?

DAVE GENOVA: Actually, I think we've had a-- this was a very good discussion for us. We've got a great deal of feedback from you, a lot of good suggestions and ideas. It's helping me think about solidifying some ideas around how we measure success, what measures we might use there to also help define what does temporary look like, in terms of trying to put that to some numbers, whether that looks like percentage of headcount or percentage of mandating or something like that.

So I think we've garnered some very good information tonight. And we will get to work.

DOUG TISDALE: Thank you, very much. Dr. Williams, one last thought.

KATE WILLIAMS: Thank you, Chair. Something similar. Is that enough time for you guys? Is that-- if it's not enough time-- I mean.

DAVE GENOVA: Well, the first thing we'll do-- so tomorrow we've scheduled a follow-up at noon for the senior leadership team to discuss results of this evening. So that'll be top of the list is checking in with the team and really looking at the reality of that timeframe.

DOUG TISDALE: Thank you, for the question, Director Williams. Because it prompts an observation on my part. And that is, should staff, prior to December the 12th, say, we really would not be able to present a coherent product, if you could tell us that, at least three or four days previous?

DAVE GENOVA: Well, it'd be more in advance of that. We'd probably be thinking early next week. If we didn't think we could deliver it, we-- that's what I'm thinking. And Michael is-- looks like he's agreeing.

MICHAEL FORD: Yeah. We concur with that.

DOUG TISDALE: All right. Thank you. Director Lewis, quickly.

SHONTEL LEWIS: I have lots. I'm so sorry.

I just want to make sure we are thoughtful in the way in which we propose this, roll this out, we are considerate of our riders, of our constituents, of staff. And so if you all need time, please, feel free to call me personally. And I will talk to Doug to change things. But I'd want to make sure that we are just very thoughtful in our approach.

DAVE GENOVA: We agree with the Board completely on this.

DOUG TISDALE: Thank you. And I appreciate that observation. It is important that is key to this. And as I said, this is a surgical process. Is not a sojourn in an abattoir. So we're not out here butchering things.

After almost three hours of discussion on this point, we will now recess. We will conclude our Study Session relative to the communication and outreach concerning the operator shortage and a potential temporary service reduction. We will stand in recess until 8:30 PM for our second Study Session.

Good evening, in this Study Session, we will hear a presentation from our Chief Financial Officer and the assistant general manager of finance administration, Ms. Heather McKillop, regarding the annual budget, which this Board will consider and adopt in December.

Now for the sake of the record, article 8, section 5 of our bylaws requires that our budget be approved by the Board on or before the first day of December preceding each fiscal year. We, obviously, are going to miss that date this year.

Not to worry. Section 6 of the bylaws says that the current year budget will serve as our budget for the next year until a budget is finally approved. But our appropriation resolution must be adopted by December the 31st, as a matter of state law. It's in the bylaws. And it's in the state law.

The delay was necessitated. Because some Directors had questions about the budget and wanted time to explore it further. And that's important and appropriate. Because the budget is and should be a collaborative process.

And so our Executive Manager, Barbara McManus, solicited questions from Board members regarding the agency budget. Those questions and the attendant answers that were quite diligently compiled by our hardworking staff were shared with you electronically earlier today.

Now to the greatest extent reasonably possible, we will refrain from revisiting those questions, in particular, that have been answered by way of the PowerPoint presentation before us other than, obviously, any clarification that a Director may need-- I'm going to say that again-- obviously, except for any clarification that a Director may need regarding such a response.

And please note, with just a few exceptions-- with just a few exceptions, none of this information presented to you in the PowerPoint is new. It was presented to you weeks ago, it was presented to you weeks ago. It has been reformatted and restated in order to be directly responsive to the questions that Directors have raised.

So we will now focus on the PowerPoint presentation by our Chief Financial Officer and on any new matters arising out of tonight's discussion. Ms. McKillop, please proceed when you're ready.

HEATHER MCKILLOP: Thank you, Chair, This is Heather McKillop. And with me is Jeanette Scarpino. So I wanted to start the evening-- not start the evening-- but start this portion of the evening-- the second part of the evening with some good news.

As you know, we had come to you for permission to look at some bonds and COPs that we were looking at refinancing and due to call days, et cetera. And I have some great news. We actually moved forward with the bond deal last Friday, which is about a week early. Because the market conditions were looking very good.

We changed from a forward delivery agreement to an actual taxable deal. Because the interest rates, for a moment in time, were better as a taxable deal than a forward delivery agreement, which is just the weird environment that we're in, is all I have to say.

And we priced on a Friday, which is also very unusual for a municipal deal. With that, though, we had an \$83 million that were being sold. And we received \$315 million worth of bond requests. So we were what we call Oversubscribed by almost over three times. That allowed us to negotiate rates and lower those rates. And we received a gross savings of \$20 million, a 19% net present value. Remember, our threshold is 3%. And those savings will be realized between 2020 and 2038. We're scheduled to close in December on that deal.

[APPLAUSE]

So that was really good. The second one was the COPs. That is still a forward delivery agreement. We were supposed to go next week.

We also had advice to change that date to today. So we actually went in the market today with \$63 million. We had orders of \$290 million. So that was well oversubscribed. And we had four interested parties that wanted by the whole deal, so which is very unusual.

We were able to lower, again, our interest rates, locking in gross savings at approximately \$20 million, which was a 22% net present value. We were estimating around 19% before.

So I just want to start out that way. That's significant savings. And our team did a great job-- two teams that were involved on that. So I just-- we're also going to put that in your Friday memo so you can see the actual numbers. And Dave will be reporting that.

So with that, I'm going to go ahead and start. I'm not covering every single slide. You kind of know the purpose of why we're here.

I did want to emphasize, I'm not going through these budget assumptions. But these are the assumptions that we used to put together this latest version of the 2020. They have changed slightly since we did our first initial presentation in September. Or we actually had a workshop in August. Then we had a presentation in September. These are the updated numbers that make up all the assumptions that go into the numbers represented for the packet tonight.

One of the things I wanted to talk briefly about that question was raised is what has happened since the recession? We thought things-- interest rates were great-- not interest rates-- but sales and use tax rates were great. What happened? Why are we having this situation? So I just want to address that briefly before we move on.

So sales and use tax has been great. We saw, after 2009, double digit increases for a couple of years. So we were looking at 10%, 12% increases.

We then started seeing it taper off to about 8% and then 6% and then 4%. And now we're at about a 3%. Those increases are still significant. We were not seeing those type of increases pre-recession. If we saw 2% or 3%, we were, like, whoo-hoo, excited.

So it has not been, necessarily, an issue of the sales and use tax. I think everyone expected that will level out at some amount of-- some percentage over time. And to see that we're probably estimating between 2% and 3% continually is a really nice growth rate.

But our expenditures have exceeded those growth rates in revenues. And there is a lot of reason for that. One is we went through a significant period of time where we had no growth during those recessionary years. About 2007 to about 2012, we had a lot of built-up latent demand to fix and maintain our existing system. And we still do.

And in addition to that, our overall levels grew significantly. I think we've mentioned multiple times that our service levels between 2012, when we did the last significant cut due to a financial issue and the current system, we've increased 600,000 hours, or 20%, right? So and that's not just in FasTracks. It's across the board. And so with that type of infrastructure increase, our organization is going to increase in size.

And so, what's happened over time is the revenue hasn't kept pace with the expenditures. And frankly, my opinion-- and I've voiced this opin before-- but we have offered and built at a rate that we could not sustain in the future.

And part of that has to do with the amount of debt that we have issued over time. If you look at the charts that are in here and you see the pie percentages of the amount of debt we pay, it is significant.

That debt bought us a tremendous amount of service for this organization. So it wasn't without visibility and productivity to our users. We have an incredible system right now. But it came as an expense. And it will come at a long-term expense to pay that off.

And so, I think what we forget is, two years ago, 2017, we were in a similar situation of cutting about \$30 million. In 2018, we got to add about \$40 or \$50 million back. And we're back in the situation that we cut about \$40. So we are in very much of this little wave situation that we have going on.

Some of the things that we have proposed that will be looked at in the Reimagine process will be dealing with this issue of the ups and downs cycles that we have and, hopefully, not doing-- we'll get to a point where, maybe, we don't have to do mid-term financial plans and long-range plans every single year. Then you don't get caught up in these cycles of making long-term decisions on very short-term problems.

That does not take away from the issue that you guys will have to continue to address on an annual basis as revenues fluctuate. And one thing I'll bring up in here is one of the things we have tried to do was build up your reserves.

And when we went through this in 2012, this organization had very little, if no reserves, at all. You're currently sitting on \$90 million in reserves between FasTracks and the base system. That's a huge accomplishment to move forward with.

And one of the things we tried to do in this budget was preserve the contribution, I think, is a good word, to the Board appropriated reserve. And we did not use any of that reserve money that's already sitting there, to balance this budget.

So I just wanted to kind of set that framework as we move forward. I know some people have called it a crisis and other things. I don't look at it that way. This is a blip. We go through this blip every few years. We all like it when the blip is better than worse. But it's just a factor.

And when you rely on sales tax as the primary source of funding, you are going to continue to deal with these blips. And that is just our future.

So we just need to figure out how to get through these waves and level that out a little bit more. And I think we've done a good job at trying to do that. It's just a matter of being able to do it on a more consistent basis. Sure, Chair. It's up to you. But Judy wants to ask a question-- or Director Lubow, sorry.

DOUG TISDALE: We were going to allow her to complete her presentation. But if you're ready to have someone interrupt with a question--

HEATHER MCKILLOP: I'm fine with that.

DOUG TISDALE: OK. Director Lubow.

JUDY LUBOW: Thank you, so much. To go a little bit deeper into what you said, the impression I'm getting is that a big part of our problem, in that we can never seem to get ahead of ourselves financially, is that we have infrastructure that was financed through debt. Is that accurate? And if that is accurate, is it mostly FasTracks Is it mostly base?

HEATHER MCKILLOP: So I would say my point was that is one factor in it that has led us to that point. You will continue to be a situation-- I've been in this for 30 something years. I have not worked for an organization that had more money than they had needs.

So if you have one-- as I've told Dave, if we can find one of those, I'm going there, right?

DAVE GENOVA: Heather and I agree on that. It would be nice someday.

HEATHER MCKILLOP: So, yeah. We're both taking off. So I just don't think-- in a government situation, you're always going to have more demands than you can possibly meet. The question is, how do we weather those demands, on a more even keel basis, then maybe these blips that are \$30 and \$40 million a year? We get \$30 million, we want to spend it all, right?

We get a forecast that says we're \$30 million less the next year, we panic. We need to figure out a way to weather those a little more evenly. And part of the way we can do that is also the reserve situation where we've tried to use our reserves to kind of balance those out.

And we'd like to have a lot more reserves than what we have now. But one of the issues is when we try to do that, the Board and staff-- I'm not blaming any particular area-- the inclination is to want to spend that, right? Because we do have needs. And we always have needs for more service and more repairs that could be done.

All of those are-- they're necessary. But we don't always have the money to do them. But I did mention, debt is a big piece of our annual expenditures.

JUDY LUBOW: And was that debt mostly FasTracks or base?

HEATHER MCKILLOP: Right now, it's almost all FasTracks. Our current bonds are paid off, and the bonds are paid off in the base system in 2024.

We still have outstanding COPs. Because it's been our practice to issue Certificates of Participation for large fleet purchases. And what we need to look at, in my opinion, need to look at doing is spreading out those fleet purchases so that we're not making such huge purchases in any given year, so that 12 years from now--

I know, Fred would love it for be just 12 years from now-- we would be replacing those with huge amounts of fleet. We're going to have to spread those out a little bit more. And that's what we're currently looking at doing.

JUDY LUBOW: Well, I do want to say that I've heard from stakeholders that when we go through these exercises every few years, being out \$30 or \$40 million and kind of having to hysterically deal with it, it does not create confidence in this organization.

And it seems to me that there has to be a way, logically-- because I mean, we live our lives without doing that-- to have some cushions that we expect to be able to use as opposed to the reserves, which we don't want to use for these things. We want to use those for when there's really an economic downturn. We're not in an economic downturn.

HEATHER MCKILLOP: I guess I would disagree with that, to some degree, that you can have operating reserves, and you can have reserves for a rainy day. And so one of the things we want to do is have both, so that you have an operating reserve, so when you have ups and downs, you can pull on that. And you replenish it when times are good.

And then you have reserves that you really don't want to touch until you have a major 2008, 2009. So I guess I would disagree that the reserves are only for one particular purpose. Just like you have at home, you build up-- well, hopefully you do. Many people don't.

But you build up money. You save up money for something. And then you can dip into that when you have a rainy day. And then you have things that you don't ever want to dip into till a certain point in time, right?

So there's various reasons to have various reserves. And I think we're on our way there. I just don't think we're quite there yet.

I would also argue, if any of you have worked for a municipality or the state government or anything else, you have these exact same problems every year. I worked for the state CDOT, who people think have money. And I can tell you, we did not have money.

And so we had years when I had to find \$120 million in one year, when we lost Senate Bill 1 funds, within two months. So that's kind of a bad day.

So we haven't had those bad days yet. So I just want to emphasize that I know everybody's stressed over this. And I know it's not fun. But it's not out of the ordinary for this to happen.

We just need to figure out a way to make it a little more even over the years instead of, maybe, such big troughs and swells. So with that, are you OK with me continuing?

JUDY LUBOW: Well, I guess--

DOUG TISDALE: Out of respect for the other Directors, let's please have the Chief Financial Officer finish her presentation. We're all collecting our questions, too. And then everybody can get in the queue. Go on ahead.

HEATHER MCKILLOP: Thank you. So on the next few pages-- I want to just point you to them-- we have itemized the changes, not only from the 2019 amended budget, because we wanted to see what 2019 looks like, and then we have a 2020 requested budget was what we presented to you in September. And now we have what we're calling a 2020 recommended budget.

And so what we've done is show the numbers for the amended budget for 2019. So this is kind of where we are right now. Then we have 2020, which was we came to you in September. That was before we got the forecast that changed the revenues and before we did some calculations around fare box and also before we made any reductions related to those changes in revenue.

And then what we've done is compared the current recommended budget that we're presenting to you and will be presenting to you as the final budget in December compared to what that September forecast or September draft budget look like.

So the first few pages are revenues. So the first one we are showing is Base System Revenue Changes. And you can see those.

The next one is FasTracks Project. And the only thing I want to point out here is that I don't want you to panic over the \$64 million difference in grant revenue. I just want to say that. Because this is the projects.

So remember, as we spend grant money, we are going to get less and less. And we have received all the grant money that we're going to get, currently, for FasTracks projects. So we've received the Full Funding Grant Agreement from Eagle.

And we've also received the funds from the small starts that we had for SERE. So that number will continue to go down dramatically over the next few years to the point that the projects will be closed out, and we won't have expenditures until which time we start one of the unfunded corridors.

And then we have FasTracks Operations. This is one where you're going to see increases in expenditures when we get to that point. Because we're moving from projects to everything being in operations. And this is where that's captured is under FasTracks Operations.

And so, you are seeing a shortfall of fare box revenue. Because we apply fare box revenue to operations, not capital projects. And then we also see a difference in sales and use tax.

And then, over time, we'll start seeing Grant Revenue in this particular bucket. Because as those go into operations, we're allowed to pull down grant revenue after a certain period of time. I believe it's in the eighth year after operations. But I could be off on that.

And then what we do in this slide is we do district-wide. So we show you both combined Base System, FasTracks Operations, and FasTracks Projects, so you can see the overall revenue change between the September draft budget we presented to you and where we are now with our recommended budget.

So that's the Revenue side. And then we just show that in a pie charts, for those of you that prefer this view of it.

And then we've done the exact same thing on the Expenditure side. So let me just walk you through that.

And one thing I want to point out here is whenever you see Operating Expense-- so whether it be on base system or the FasTracks side of operating expense, when we talk about those things like, where did we put the salary pool for results based pay out-- where we went from 3% pool to 1 and 1/2-- that's an operating expense.

So all of our salaries are in the operating expense when we talk with the bulk of our salaries are in that area. We do have a few salaries under Projects still. But most of them are all under Operating now.

So this is Base System. So you can see where we made the reductions in base systems. So we had reductions in our operating expense where we sent you the detail on that. And we itemized in a verbal way.

And then we've also seen a reduction in expense on Projects Carry Forward. Or is that an increase? Sorry. And then because we have Carry Year Forward Request, that number will change, again, as we get towards the end of the year. In the Amended Budget, next year, is where we reconcile all of that.

And then the Mid-term Financial Plan Expense Projects. What that means is you approved the Mid-term Financial Plan. This is a reduction of \$1.4 million from that plan. That's reflected in the attachments that we gave you where we marked through and put what the new dollar amount was, and then we highlighted those in orange. So you can track them back. And then, in new capital, you can also see where we've made those adjustments as far as reductions. So I won't walk through all of those.

But so then we have FasTracks Project, which, again, is the construction piece of it. And so, you say, we do have Operating Expense there, as well as we have Carry Forward, et cetera. So it's the same format. And then we have FasTracks Operations. And again, over time, you'll see operations expenditures go up while you see projects expenditures go down over time.

And then we prepared a combined one. So you can see Combined FasTracks and Base System, where the ins and outs were.

We've also put this in the form of a pie chart. And this is where I mentioned, you can see the biggest amount is our operating expenses. That makes sense. That's what we do. We operate.

And the bulk of the operation expenses are under rail and, thank you, that other thing we run on the roads-- buses. Sorry. It's my bedtime about now.

[LAUGHTER]

(LAUGHING) Thank you, Jeanette. Those buses will be run out there.

The other thing you can see is we have a little piece of the pie for capital expenditures. And then I mentioned the debt service piece. As you can see, that's a large piece of our expenditures-- a little less of the pie after today.

So then what we've done for you is we went through and we summarized-- so those detailed pages that you received, page after page after page of line by line, we took every area where they made a reduction and we itemized them up here in the form of a narrative.

So I'm not going to walk through all these. You may have questions on these. So I'll take those when we get to them. But we've listed it by our major areas. So we have Board, we have Bus. We have Capital Programs, Communications, Executive Office, Finance and Administration, General Counsel, Planning, Rail, Safety, Security.

And then what we've listed for you on these pages is if you went to the mid-term financial plan, which we provided those lists of projects in your packet, this is a summary of those. So this is a summary of the ones that we've made adjustments to.

Some we just reduced amounts. And some we reduced the entire thing. So just as an example on this page, subregional tip projects. This is the money we use when a subregion comes to us and said, we want to put in for a tip project. And we'd like you to participate, right? This is the pot of money that we use for that.

So we know what we've committed to already for the current tip process. So we were able to reduce that by \$100,000. But we had to keep \$100,000 for 2020. Because it's part of our commitments. So we couldn't take it to zero, because we'd already made those commitments.

We had quite a few FTEs-- four FTEs for mechanics, light rail maintenance supervisors, some other things, as you can see. We have zeroed those out entirely.

Another example of where we did a reduction would be cybersecurity agreement. We typically don't want to look at reducing this, because this is an ongoing effort to get us more and more secure. However, we knew what contracts we were going to do for 2020. And I had them go look at that. And they were able to give up \$250,000.

So we went through that process on every single line item of the mid-term financial plan. What we were trying to avoid was taking money away from a project that had a contract signed that would require us to renegotiate that contract. Because that tends to cost us much more money than if we just went forward with it.

And so, in the mid-term financial plan, you'll see there are areas that we did not even touch at all. And that was because we either had an agreement already in place, we were about to sign an agreement in the current year, something along those lines, and it was needed for a project to move forward.

So we had Operating Projects, we have Capital Projects and Carry Forward. And then we give you the Capital Carry Forward Projects.

So one of the things we talked about last time, which turned out to be very fortunate for us, was we had money set aside in the current year for Burnham Yard. That is a project we really thought we were going to have to contribute to in January of 2020, due to what CDOT was doing with purchasing that they had originally told us that they would probably need those funds to close the deal in 2020, January.

We have since talked to them. And they are running that project through their HPTE. They have funds to do the closing. And they plan on embarking on an environmental process before they're going to determine what they're going to do with the land.

And so they have told us that we should be prepared, in 2021, to put that money back in. So we'll be having that discussion next year for 2021. But that did free up a considerable amount of money that helped us significantly in balancing the budget.

I got a request on FTEs that we have added between 2003 and 2019. So I've listed and broke them out by salaried versus represented. And then I've also shown that in graphical form.

You can see that little dip in 2012. The dip in 2012 was the last time we made significant service reductions. On the previous one, you can see where we also added the various lines that we opened.

One thing I wanted to mention, also, is there seems to be a perception that there's a balance of some kind between salaried and represented staff, meaning there's some type of ratio that you should have.

I can tell you that is not a true statement and there is no best practices across the country. Because everybody negotiates their union contracts differently and what positions are included in their union contracts and what positions are not.

So as an example, when we opened the A, G, and B lines, you would expect to see a huge amount of represented staff in the form of operators and then salaried staff and supervisors.

That did not occur on the represented side. Because we contracted all of that to our concessionaire. But we still had to have supervisors manage that work and oversee those contracts, which are very, very complicated.

So we added some represented staff to do that. So I just want to make it clear. Because I've heard a lot of feedback of, oh, you have more supervisors for this number of represented people, or,

why do you have more salaried people, or, you added more salaried people, or, in this year, you added more represented people.

There is no formula-- thank you. There is no formula for that. It is based on the positions we need.

So another example I can give you is North Metro. North Metro, when we opened it, because of the FRA regulations, we need a certain level of people, compliance officers, those type of things. In our particular represented structure, those are not represented employees, they are salaried employees.

You may go to another agency and find out those are represented employees. In our agency and the way our contracts negotiated, we identify the type of employees that are covered as represented and those that are not. It could change organization by organization.

We happen to have more compliance and safety officers and those type of things that fall under the salaried employees than we do represented employees. I think I put in one of the formats, out of the 121 employees-- I think was in a letter to one of the union members-- out of 121 employees we've added for North Metro, it's about evenly split the number of represented between represented and salaried employees.

And really, it's looking at each individual position and say, which one's covered by the CBA, and which ones are not covered by the CBA. So I just wanted to emphasize that. Again, this is just a way of looking at it from a chart format.

So next steps. For the budget piece of it, December 10th, we're presenting to you at the Finance Administration Audit Committee. I can tell you-- knock on something-- we don't plan on doing any changes. We are balanced at this point. And so, we're not looking for additional money, although, I'll get to a piece in a second that you're interested in.

And then we will have the public hearing. And Board adoption is our plan at the December 17th meeting. I did want to answer questions around the pension and retirement plans. There seems to be-- it seems to be that I have not explained this well. And I know it's an extremely complicated concept of why we have multiple plans.

But we have two pension plans and one retirement plan. So there is a difference. So a pension plan is a defined benefit plan. So what that means is you contribute an amount-- the employer, the employee, sometimes one, sometimes both, and over time, that benefit accumulates for them, right? And there's certain criteria you meet.

Sometimes you get 2 and 1/2 percent for every year you work. Sometimes it's 1%. Sometimes-- I worked for an organization, it was high as 5%.

So it just depends how that is defined when the plan is set up. Currently, this particular plan for the ATU is funded-- and we use Current because they do it every January. January 1 of 2019, it's 49% funded. Let's be honest. That is not good.

During the last CBA negotiation, we made a significant change to that, as far as RTD's contribution. RTD contributes 13% for each employee. The employee contributes 5%.

We initiated a contribution of \$6.2 million per year at the beginning of the year. It equates to 6.2% per employee.

The reason we did not do it per employee amount is we needed an influx of cash into that fund at the beginning of the year instead of every payroll period. So that's why it was done that way. But when you add the 6.2% plus the 13%, we're making an 18.2% contribution for each represented employee.

As I mentioned, the employee contributes 5%. I wanted to mention the trustees, because the trustees for the ATU pension plan is a different set up than what it is for the salary plan.

There are 3 ATU members-- so RTD employees, but they're ATU members. In this case, Julio Rivera is the president of the ATU, but is not an employee.

And then we have two other ATU, or RTD employees. Then we have RTD employees that represent by management. And those are Doug MacLeod, Mike Meader, and Michael Ford, who's pending. And he did know about the plan status when he agreed to that.

This is unique in that all actions they take must be unanimous. So as you can imagine, that is a very difficult situation to get plan changes done when you have to have unanimous consent. But that is unique to this plan.

This plan is on our books as a liability. So when we had to start reporting pensions, this is a liability on RTD's books. Even though we are not legally responsible-- it's a plan outside of RTD-- we do have to report it. Because we make contributions. And we have to show it as a liability.

This is the case for this plan, also. We have a salaried pension plan that was supposed to mirror the plan that the ATU had, as far as a pension plan. Again, it is a defined benefit plan, meaning the contributions can change over the years. But the benefit is the same for that employee, if they've met certain criteria. So years of service, age, those type of things.

Currently, January 1 funded ratio is 78%, a much better plan. Because this plan was headed in the tanker, just like the other one. But the trustees in this group made a very, I think, bold decision to close that pension plan to new employees and go to a retirement plan, which is a defined contribution plan.

This plan was closed to new employees at the end of 2007. The goal was to contribute no more than 9%. So people asked me for the retirement plan, where did you get that 9%? It was because at the time this plan was closed, it was anticipated at that time, that the amount that RTD was going to contribute was 9% per employee.

Well, that didn't make it very long. Because in 2013, the contribution changed from 9% to a flat dollar amount of \$3.1 when it became clear that the 9% was not sufficient to close the fund-- or to fund the plan, sorry.

And that just makes sense, right? So you more employees are retiring. You don't have new employees contributing to help those people that have retired. And some other factors haven't kept up, such as the rate of earnings at 7 and 1/2 or 8%. We've now lowered those to 7%.

In 2016, the funding policy was again changed to keep the trust actuarially sound based on the actuaries' advice and the CFO's recommendation. And the reason for that is the CFO, in theory, knows what's going on, both in the trust, because you're a permanent member of the trust, and you also the financial well-being of the organization.

The actuarial for both the ATU and this plan present to you in February of every year. So you do get a presentation on these two plans every February or March. And the actuarial will make a recommendation.

RTD contributed \$5.1 million in 2019, which equates to about 20%, almost 21% per employee. The actuarial recommendation was actually \$7.9 million. So you can see that we're still short.

The CFO's recommendation for 2020 is \$6.1 million. And the actuarial recommendation is \$8.1. That \$6.1 would take us up to about 22% per employee.

These trustees all are salaried employees, except for the Board members. There are two Board members that are on this pension plan as trustees, Director Broom and Director Lubow.

There are two employees that contribute, or are under the guise of the Defined Benefit Plan on it - and that's Bill Van Meter and William Weidenaar-- sorry, I never say his name right-- two in place from the Defined Contribution Plan, which is Sylvia Francis and Derrick Black, and then a permanent member, which is myself.

The Board, this Board, approves those trustee members. You do not approve the ones for the ATU. But you do approve them for this plan.

Then we have the retirement plan. These are for all employees started after-- I'm sorry-- not all employees, all salaried employees started after January 1 of 2008. This is a Defined Contribution Plan, which means the employer puts in a defined amount. And the employee gets whatever comes out the other end.

So the employee controls the investment within the group of funds that the trustee control. So the trustees pick the plan, investments that can be made, We try to pick the plans that have the highest rates of return, that have a wide selection of being riskier and higher earnings and also those that are very stable, so the employee has a choice of where they want to invest their money. And then the employee controls that.

The employee has to be vested and be here five years to take the money with them. If they are not here-- if they leave before five years, that money reverts back to the plan. RTD has contributed 9% since the plan's inception in 2008. As I mentioned, the reason for this 9% is because it was to mirror the 9% that was being done in the pension plan. That has kind of since gone away since 2013.

And then somebody asked where this was. Per section 4.1 of the amended and restated plan as of January 1, 2014, which I sent you, it says, this shall not be less than 7% or greater than 9% of each participant's compensation for plan year. What that means is the Board has the prerogative within that range to set that contribution without a plan change. So if you go below 7%, that would require a significant plan change with legal risk. Or you go above 9%-- would also be a change with legal risk. But within the 7% to 9%, that is within the purview of the Board and the plan.

RTD also has a 457(b) retirement plan, which is voluntary, and there is no RTD match. Again, the trustees are the same for both the retirement plan and the pension plan with two-- being two Board members, two employees from the defined benefit, two employees from the defined contribution, and a permanent member, which is the CFO.

So with that, I also just wanted to point out, I'm not going to go through in detail, but we provided you all the backup from the mid-term financial plan that is highlighted in orange with the changes. And then we provided you by area, meaning finance, budget-- I'm sorry-- finance, bus, rail, the detail line by line budgets as are being contemplated now to balance the budget.

Thank you. And I'll take questions.

DOUG TISDALE: Thank you very much. We appreciate that. Excellent presentation, Ms. McKillop. Well done. Director Walker, Mr. Secretary, you are recognized, sir.

JEFF WALKER: Thanks. So going back to the large purchases that we make for the vehicles mostly is my experience. We use the COP's a lot for the vehicles. One of the ways, I guess, to moderate that expense, that large expenditure, I guess, that large debt burden, would be to reduce the amount of vehicles that we purchase at one time. And I guess the way to do that would be to reduce the use of those vehicles. So to--

HEATHER MCKILLOP: Yeah, so if I could--

JEFF WALKER: To ease the wear and tear on them

HEATHER MCKILLOP: So that is true. We have two ways. One, either we can reduce the use of the vehicles, or, two, what we have done recently is expand the useful life of the vehicle. So the way we're trying to even that out a little bit more is we are actually replacing our vehicles on a 14, 16, and soon to be 18-year cycle. I don't know if that we'll make 18, but that's what our current mid-term financial plan calls for and with limited debt being issued in 2022. Probably we will not be able to issue debt in 2022 with the current forecasts that we're looking at, but that's what we're looking at doing.

JEFF WALKER: Right, and I know that-- I remember over the years having discussions about the inspection periods and identifying what parts of the trains or buses break when-- how those can be extended under what conditions they break. [COUGHS] Excuse me-- or wear out or need replacement, et cetera. And I believe, from having talked over the years, that reliability is becoming better in these vehicles. But as cities get stretched, their finances are stretched, the road conditions deteriorate, which also causes deterioration in our vehicles.

So like I said, I think the only way-- the only certain way to maintain the longevity or to extend the longevity of the vehicles is to, unfortunately, maybe reduce service or on certain routes, and that might be part of this Reimagine effort that we're going through that might identify where our capital expires and how we can address that and work with the different jurisdictions on please, make sure this road-- just like we have snow routes-- please make sure this road gets paved, because you're tearing up our buses, and that reduces our reliability.

HEATHER MCKILLOP: Yeah. I think the other thing to keep in mind, too, is as part of Reimagine, we also need to look at our facilities, which have been kind of long ignored. The other thing I just want to mention, though, is we have-- I guess documentation is a good word. Fred can correct me-- but around what service needs to be done when, up to 14 years.

What is unexplored territory is if we go past 14 years, what does that do to our maintenance costs? And do we get to that point of diminishing returns, where we're spending so much in maintaining the vehicle that we're-- it doesn't make sense to do that anymore? And so that is the unknown that we're embarking in in that area.

JEFF WALKER: Yeah, yeah. That's it.

HEATHER MCKILLOP: I just want to make sure that-- it's risky moving them out.

JEFF WALKER: Right. Thank you.

DOUG TISDALE: Thank you, Mr. Secretary. Director Broom, you are recognized.

BOB BROOM: Thank you, Chair. In the base budget, I noticed that there's a 10% drop in fare box revenue. Is that a function of lower ridership, or is that a function that we missed the mark when we set the new fare system to be revenue neutral?

HEATHER MCKILLOP: This is Heather. It's actually a combination of two things. One is we missed the mark slightly when we looked at our revenue forecasts for when we did the fare increase versus where we're at now. The other change, though, is the redistribution of that revenue between FasTracks and the base system. We had estimated, and we have to do it by estimating and then coming back with where we're seeing actuals. But we had estimated that a larger portion of our fare revenue would be applicable to service on our base system, and what we found is that a larger portion than we estimated is attributable to FasTracks.

And so we've had to change that distribution between FasTracks and the base system. And that's where a portion of that is coming from, the reduction in the base, because we're finding that once

we opened, in particular, commuter rail, but most of our rail that we've opened under FasTracks has been regional or airport. And so we tend to get a higher fare from those, and we've seen the largest increases on commuter rail. So we had to make that switch this year. And so that is a portion of it.

DOUG TISDALE: Thank you, Director Broom. Director Williams, you are recognized.

KATE WILLIAMS: Thank you. Sorry, I'm frantically making notes over here. I just have one question on packet page 71. What does the employee contribute? RTD contributes 9%. What does the employee contribute?

HEATHER MCKILLOP: The employee does not contribute on the salary side to either the pension plan or the retirement, the defined benefit-- I'm sorry, defined contribution plan.

KATE WILLIAMS: And at some point in time, I got a comparison sheet that there was some talk about comparing it to PERA.

HEATHER MCKILLOP: Correct.

KATE WILLIAMS: And in PERA, it's the employees contributing 10%, I think?

HEATHER MCKILLOP: Yeah, it depends on-- I sent that out earlier today. It depends on which part of government you work for. But on average, the state employee contributes 10% or will contribute 10% in 2020, and I believe for most of those areas, it was 10.9% that the employers were required to contribute.

KATE WILLIAMS: Thank you.

DOUG TISDALE: Thank you very much, Director Walker. Madam Treasurer, Director Cook, you're recognized.

SHELLEY COOK: OK, thank you. So first of all, I wanted to tell you, I'm so grateful that you did this, and it helps me. I hope it's helpful for other people, too, to be able to see the presentation and a little bit of the particulars in terms of what happened since the September 17 presentation. And I had a chance to talk to Jannette this morning, who kind of walked me through some things. And I have to say, I'm just so grateful there are some people who do this for a living willingly, you know.

[LAUGHTER]

[SIDE CONVERSATIONS]

SHELLEY COOK: Yep. And so what I was trying to do is tie into our expected revenues, because that seems like where we've had some difficulties. And so Jannette explained to me-- what I did was I took the 2019 amended budget, and I subtracted that, or I used the 2020 budget and subtracted the 2019 amended budget, and then calculated the percentage.

And when I looked at the sales and use tax for district-wide, it was 0.4%. So I was asking her, why is that? And what she explained to me is that the 2019 amended budget is reflective only of the lead's forecast as of March.

OK, so it was-- remind me, was that number higher or lower than what we'll end up with?

HEATHER MCKILLOP: Higher.

SHELLEY COOK: OK, so when we revised downward, I guess, then we are taking a percentage of 2.7% or something that we're now going to use as our expected sales and use tax receipts. We're taking that of a smaller, larger amount? So this is the part where I want you to walk me through, so I can see why we ended up with 0.4% over that 2019 amended versus 2.7% increase.

HEATHER MCKILLOP: Do you want to answer?

JANNETTE SCARPINO: So again, in the amended budget, we are using the CU forecast from March. That is an old forecast. At the time, it anticipated somewhere around a 4% year over year growth in sales and use tax. The requested budget rolls around in September, and I think we are still using the March forecast there for 2020, which, again, we're looking in the 4% range. We do the recommended budget based on the September forecast that we received from CU, and we've shared those growth rates with you. Suddenly, we're looking at under 3%, 2 and 1/2 percent, and 2% in 2021.

We're seeing that 4% essentially get cut in half. So any sort of percentage increase you're trying to make from, say, this recommended number over the amended is not meaningful, because the two forecasts have changed significantly.

SHELLEY COOK: OK.

JANNETTE SCARPINO: OK?

SHELLEY COOK: I think I do get that -- yeah.

JANNETTE SCARPINO: Does that help?

SHELLEY COOK: So the next question-- I think I know the answer here, but just to verify-- because-- these don't, the fare box revenue estimates do not include any supposition about a service cut, the temporary service cuts, correct?

JANNETTE SCARPINO: That is correct, yeah.

SHELLEY COOK: So in other words, it might well come in lower.

JANNETTE SCARPINO: So-- . I'm sorry.

SHELLEY COOK: So in other words, the fare revenue that we're expecting may well not be realized if, in fact, we do the service cuts, because presumably, especially if we're not just cutting-- if we're cutting, as we've talked about, not cutting lifelines, the ones that generate less revenue, for cutting service frequency on the 0, that may-- you know, I'm not arguing against that. I appreciated that sentiment, but I'm just saying, we may likely come in under the revenue projected based on that, based on the service cuts, if, in fact, we carried those out, correct?

HEATHER MCKILLOP: Yeah. And this is Heather. Yeah, I would say potentially, it really depends on where those service cuts are. I would expect on FasTracks, because we are not looking at potentially cutting the commuter rail pieces of it, which is our largest generator and our largest growth, that FasTracks might be pretty darn close.

It just depends on the base system where we end up doing that, and we would look that-- that would be a reflection of offsetting at a cost against what the savings potentially would be. So we'll be looking at that. But right now, since I don't know what that plan would look like, we had no basis to make any other reductions to fare revenue at this time.

SHELLEY COOK: So there's where I would argue that maybe it makes sense to create a little bit of a cushion. I don't-- I don't know if it has to be the pension plan contribution, but to buffer us in that event so that we aren't having to make cuts is much easier.

HEATHER MCKILLOP: Well, our buffer-- I'm sorry. I apologize. I didn't mean to--

SHELLEY COOK: No, you're good.

HEATHER MCKILLOP: --cut you off. This is Heather again. Our buffer would be the fact that we would look at that overall service reduction and how much savings were there, and we'd probably offset that by the lost revenue is typically how we would look at it. So we wouldn't be looking at additional reductions to offset that fare revenue. It would be within that overall savings from the reduction. And then as we started adding service back, we would also see a commiserate increase in fare revenue in theory. So those would accompany each other through the reduction process and through the adding back process, if that makes sense.

SHELLEY COOK: I think I get you.

HEATHER MCKILLOP: That wasn't very technical, but--

SHELLEY COOK: So you're saying the savings resulting from the reduced overtime and the reduced--

HEATHER MCKILLOP: Correct.

SHELLEY COOK: --payments generally would be used to--

HEATHER MCKILLOP: Offset that fare revenue. Because the fare revenue covers such a small amount of the operating cost-- 20%, roughly 23%-- they usually go hand in hand.

SHELLEY COOK: OK. So it would have been helpful, though, to have some information from other agencies about-- and I recognize that you're going to get that next year as you do the salary survey. But in terms of making that decision on the pension, it would've been great to have had some information about the defined contribution plans that other agencies or anybody offers, you know, that we can kind of gauge it from.

HEATHER MCKILLOP: So I did find PERA. That's easy to find online. And it's very transparent there. We did send out a request, and I received no responses back. That's not unusual. Most of our sister agencies don't necessarily like responding to those kinds of questions, because then it brings light to their issues, and they may be in negotiations and things like that. So I think the best way to get that information is we were planning on doing a salary survey for 2020, which would provide results sometime in the fall to direct where we would go for 2021.

We haven't done a salary survey in about seven years, so it's not unusual to do one. One of the things I talked to Dave about is we were not going to look at benefits as part of that salary survey. That just-- it adds costs to look at that piece of it. But based on the Board feedback that we received recently, we felt it was prudent to add that to the scope of work.

So Andrew Gale, our HR director, is working on amending that scope of work to include the benefits piece of it. And through that process, we'll be able to get much better information and information-- people tend to be more responsive to those type of official surveys rather than me posting something on APTA's website.

SHELLEY COOK: Can I do a couple more?

DOUG TISDALE: Yes.

SHELLEY COOK: OK, in terms of the changes to base system, midterm financial plan, approved expense projects, this is on page 20, it looks like. I just wanted to verify, are those TIP projects capital kinds of things? And do we get the local governments and so forth to contribute toward them? Is that what that is?

HEATHER MCKILLOP: Yeah, so when this subregional process was done this last year, we had an influx of requests for a match. And we went through a process internally of deciding which things met our mission goals and those type of things. The two that come to mind right away are the Smart Commute one for the Wagon Road whatever we're calling it-- Flex Ride. And another one that comes to mind is Broomfield, that particular one. So there's several different ones out there, where we made a commitment to provide partial match, so we're not matching 100%. It's a partial match.

And that's where that subregional TIP money comes from is-- that's where that match comes from is from this pot for subregional TIP projects.

SHELLEY COOK: So for what it's worth, I mean to the extent that we're leveraging other communities' money and we're able to provide service, especially since we're going to be cutting, potentially, service, I would have tried to keep that in there, because we're making our money go

farther with it. And it's also helping communities to move forward on projects that they see in light of what we may end up cutting.

HEATHER MCKILLOP: But those TIP projects have already been selected for the next four years. So we know what our commitment is already for those four-year period of time. So these dollars are not needed for those commitments that we've made to leverage those projects, because we just went through that TIP submittal process. It won't happen again for another couple years.

SHELLEY COOK: But we had \$100,000 in there additionally anyway or something.

HEATHER MCKILLOP: So we had always put \$200,000 in there just to have a line to have money available. And in this case, we don't need the \$200,000 in 2020 to match our commitments that we made for those subregional projects.

SHELLEY COOK: OK, so I'll just wrap up. You know, I did work for a municipality. It was-- on budget issues, and it was in the wake of the '80s oil bust. It was very painful. That experience lasts to this day in terms of the impression it made on me, my general orientation toward budgeting and wanting to be conservative, especially having seen the precipitous fall at the end of a long boom. So that's just by way of context.

You did-- and by the way, this was fairly recently. You had, on October 22-- I clipped it, because it was so impressed-- I mean impressed upon me the need for us to be more conservative. You, in response, I think, to Judy's question, you said, well, so you're right. We're providing more services now and spending more money than we have. That's why we're having to reduce it. And that's been a consistent problem.

So it didn't sound like a blip when you were talking about it then. And then you went on to say, because as we just talked about with the long range plan, we can't get there from here. The way we're going, in other words, it's not a blip. We've got an ongoing problem.

And I think one of the things we're hoping to really-- or you said, we couldn't even maintain their assets-- the assets we have now past 2026. So yes, we do have a problem. So I'm harking back to that. I took it seriously so that, for example, when somebody was very mad in my town, my transit-- my town hall wanting the Broncos ride re-established-- I'll just tell you that's very popular-- I said, I don't see it happening, period. So I'm-- that's where I'm coming from in gauging where we are. It's not just based upon the idea that there's a blip. It's what we've heard previously, too.

HEATHER MCKILLOP: And this is Heather. I would just say, I look very forward to the Reimagine process, because I think that will help us bring expectations from the public and ourselves in line with what we can afford in the future. And the very important thing about that process is also developing an unconstrained plan so that we can-- I think this Board has been hamstrung by the fact that we only provide a mid-term and long range plan that's constrained.

What it doesn't allow you to show is vision and where you want to go as an agency. And that's what I meant by, we will be in this situation as long as we continue the current way we do business, which is developing a constrained only plan, not looking at an unconstrained plan, and then how do we generate the money that we need to be able to address those needs that are in the unconstrained plan?

Now you're always going to have more-- I just can tell you, you're always going to have more projects in that unconstrained plan than you'll probably ever, ever, ever be able to fund. But at least it sets the vision, and it also provides a point for which we can all continue to work on funding sources to fund that unconstrained portion of it.

I also hope it looks at the way that we do business around our routes and everything else, and how does the Board make a concerted decision about what direction we're going for the future so that we can match those revenues to what the Board wants to do in the future? I'm saying if we continue the current way we're doing business, we can't make it work past 2026.

SHELLEY COOK: OK, and that's not just with regard to projects, but our actual ongoing commitments?

HEATHER MCKILLOP: Our biggest commitment right now is not project. It is operations.

SHELLEY COOK: Precisely. That's where I am heading, so thank you.

HEATHER MCKILLOP: Our cost of operating is escalating at a rate that is much higher than what we're bringing in in revenue.

DOUG TISDALE: Thank you, Madam Treasurer. And just as a sidebar on one of the comments that you made, relative to any information that any director wants to recall, we have an exceptional ability to use APTA Connect. And we can post in the Transit Board Members bulletin board on APTA Connect and have people from all across the country respond to our questions as we did relative to internal auditors, for example.

So anytime you have a question, and you're curious about something, feel free to post it. You're not going to get a huge amount of responses, but at least if you have one or two, it gives you more information than you had before. All right, thank you very much again, Madam Treasurer. Madam First Vice Chair, you are recognized, Director Catlin.

PEGGY CATLIN: Thank you. First of all, I was very impressed with all the detail here. It was, I know, a lot of work putting this together. I have two rather maybe trivial questions. The 457 plan-- is that available to all employees, or is it just to the salaried?

HEATHER MCKILLOP: Just to the salaried employees.

PEGGY CATLIN: All right.

HEATHER MCKILLOP: Is that correct. Is it all employees?

DAVE GENOVA: It's available to all.

HEATHER MCKILLOP: OK, I'm wrong about that. I thought it was just--

PEGGY CATLIN: Deferred-- it's a different-- OK.

HEATHER MCKILLOP: Mm-hmm.

PEGGY CATLIN: OK. And then on page 120, I'm just curious, where does the payment to DTP fall in this budget?

HEATHER MCKILLOP: So if you look under Operations FasTracks Expenditures-- so let me see if I can find--

PEGGY CATLIN: That's where I might be.

HEATHER MCKILLOP: Yeah, so if you look under FasTracks, and it would be under Expenditures on the operations side, not the project side.

PEGGY CATLIN: OK.

HEATHER MCKILLOP: Yes.

PEGGY CATLIN: But then I was looking at the coding strings and all of that, and there was a large number under Rail Operations for Commuter Rail Transportation East Line. Is that what that mean?

HEATHER MCKILLOP: Correct, yes.

PEGGY CATLIN: OK.

HEATHER MCKILLOP: Yes, it's in-- we have an A-- so A, B, and G is where it's listed. And then we also have-- so that would be the availability payment, and then we also have additional payments that go for security and for the electricity. So it's not just in one line item. And then we also have the TABOR payment, which is considered a form of debt. So you would see that under the Debt Service, and that's a very large payment we make every month in addition to the availability payment.

PEGGY CATLIN: OK, thanks.

DOUG TISDALE: Thank you very much, Madam First Vice Chair. Director Guissing, you are recognized.

LYNN GUISSINGER: Following up on Director Broom's question, can you help me-- you said that the fare box revenue was partially moving it from base to fare-- so I'm looking. Is that page

47, 49? What-- can you show me sort of exactly where we are on that and what those numbers are?

HEATHER MCKILLOP: Give me one second here.

LYNN GUISSINGER: OK.

HEATHER MCKILLOP: And I don't have the same page numbers as you, so-- so what you will see is under-- if you look under the revenue piece under Fare Box, under base, you can see it's a negative \$12,986,000.

LYNN GUISSINGER: That's the page I was looking at, yeah.

HEATHER MCKILLOP: Yeah, and then if you go two pages back under FasTracks Operations, you can see the fare box change was only a negative \$1,798,000.

LYNN GUISSINGER: Yeah.

HEATHER MCKILLOP: Proportionally, that number, if we'd kept the same analysis that we had used in the past, that would be a much different proportion or a higher amount of reduction coming out of FasTracks' operations. So instead, it's only a million-seven, and the bulk of all the shortfall is taken in the base system.

LYNN GUISSINGER: And what specifically caused that shortfall?

HEATHER MCKILLOP: So there were two things. One is just reallocating the revenues that we anticipated from FasTracks or from base to FasTracks, so that caused some of the shortage there. And then the other was the issue around our estimates not being-- our revenue not coming in as high as our estimates were based on the fare increase.

LYNN GUISSINGER: OK, that's, I guess, what I'm wondering about. And does that split out somewhere that-- what areas the revenue isn't coming in as high and how we can look at that?

HEATHER MCKILLOP: We have it between base and FasTracks. I can tell you what percentage of that shortfall is related to that switch between base and FasTracks, but we don't have it by line.

LYNN GUISSINGER: OK, or by-- OK, you have it by base. And--

HEATHER MCKILLOP: So I can-- I guess what I'm trying to say is of the \$12 million-- I'm sorry. I don't have my-- \$12,986,000, we can tell you a certain percentage of that is related to estimates of being off, and a certain percentage of that dollar amount is related to being a reallocation between base and FasTracks.

LYNN GUISSINGER: And the reallocation is the amount that's under FasTracks now, correct? Is that right?

HEATHER MCKILLOP: No, it's not quite that clear.

LYNN GUISSINGER: OK, but in terms of the estimates being off, is that lower ridership? Is that-- I'm just trying to figure out what's causing it.

HEATHER MCKILLOP: Yes, it is mainly due to lower ridership.

LYNN GUISSINGER: OK. All right. That's it right now. Thanks.

DOUG TISDALE: Thank you very much, Director Guissinger. Director Williams, you are recognized.

KATE WILLIAMS: I just want to point out, in case anybody hadn't realized that, that the next Reimagine meeting is at 7:30 AM on December 12th.

HEATHER MCKILLOP: Yes, it is.

KATE WILLIAMS: So we will be spending a lot of time together that day.

DOUG TISDALE: Thank you. Thank you for that little footnote. Dr. Lubow, you are recognized.

JUDY LUBOW: Thank you. I wanted to go back to something that Shelley Cook talked about. She was talking about operating costs, and you had mentioned that the cost of operating is escalating much greater than the escalation of revenues. Did I get that right?

HEATHER MCKILLOP: That is correct.

JUDY LUBOW: So could one be saying that O&M is going up much higher than we had thought it would, much faster or percentage-wise?

HEATHER MCKILLOP: Yes. So the phenomenon that happens is we put in our operations and maintenance that should escalate by the CPI, right? But when we get to that period in time, it's clear that it has escalated at a rate much higher than CPI. And so we know, for instance, in 2018, that a huge amount of that escalation was due to renegotiation of the CBA, where we increased the base salary by 10% and all other representatives' salaries by 8%.

And then we had to increase the same amount for our contracted employees or fairly close to that amount. That was probably a \$30 million hit in 2018 alone, and then that \$30 million is then compounded by 3% the next year and the next year and the next year.

That is just one example from a salary perspective, because salaries makes up so much of that operating cost. But we see it in materials and other things that escalate at a rate much higher than the CPI that we're using. And so we've had numerous conversations of maybe we look at a different escalation rate, in particular for materials, as it relates to that. The problem is, what

escalation factor do you use? And the other problem that comes about is you don't have as much money to put in the plan for other things.

And I know you go this. But trust me, when that issue comes up, it's like, well, but we want to be able to show as many projects and work being done as possible. So that is a matter of discussion that Jannette and I have had on numerous occasions, and we're still trying to figure out what would be the best-- if we use something other than CPI, which is something that everyone can point to, because it's published out there all the time, if we don't use that, what do we use that is also reliable published information that we don't just make an assumption on?

JUDY LUBOW: Thank you. That does sound complicated.

HEATHER MCKILLOP: It is.

JUDY LUBOW: Yes, it is, and a lot of headaches. But it seems to me that if we keep using CPI, and we know that it's not enough, then we run into the same problem year after year. We just chase our tails.

HEATHER MCKILLOP: That is one factor. That other factor is that we-- as I mentioned, hopefully, we can look at ways of doing business differently. And you know, one thing that was brought up-- maybe you use your buses differently. Maybe you'd use a different kind of fleet. Maybe you-- I mean so all of these things contribute to that. You know, another thing that we continually discuss and have no idea how that will impact our future is autonomous vehicles and what that does to our labor situation, since labor is one of our number one expenses.

So we continue also to look at, how can we be nimble to adapt to those things as they present themselves? And I can tell you that there are some agencies across the country that are currently having those discussions with their unions as to what that will look like, and how does that impact their overall labor costs, because that labor cost, when you go in an autonomous vehicle, is probably going to be offset by something else more expensive or just as expensive, like technology. So like something, right? So I don't want to give the impression of if you don't have labor costs, you're not going to have some other costs that takes the place of that labor cost. It's just how do we be more nimble to adapt to that as time goes on?

JUDY LUBOW: Thank you. I had another question about-- because I've been thinking about this in terms of this, I guess, CBA, which was an accomplishment. And it was hopefully doing good things five years and giving people more incentive to work for us. But I'm sure it caused problems, and you were raising one of the problems, which has that it increased labor costs beyond CPI.

HEATHER MCKILLOP: Absolutely.

JUDY LUBOW: Well, I assume that you knew that, I mean that you'd better not use CBI having to do with labor costs, because we're way above that. So well, how did you deal with that?

HEATHER MCKILLOP: Right, so what we did is because we-- as we had conversations with the Board at that time, we could not publish a dollar amount. When you're in negotiations, you don't want to publish the dollar amount you've set aside. So what we did is we talked to you about the fact that up until negotiations, we had done it at a CPI amount, and we had set aside an amount in a different fund, a different operating fund. So it would show up under Operations, so you could see the total, but you couldn't see the-- pick out the exact dollar amount so that we could use that for negotiations.

The issue that we have is, again, we compound that by 3% per year. As we get into negotiations for 2021, we will have the same issue of we have assumed a rate of inflation at CPI during that period of time, but it may mean, if the economy is still strong, that we may have to go above that particular rate, which will have a compounding effect all the way out through the long range plan. If the economy is not as strong, we may be just fine staying within CPI. It will all be dependent on what happens a year from now.

So we have to be careful about how we communicate that to the Board, which I think we did a pretty good job of letting you know what we were anticipating and the long term implications of that without saying a specific dollar amount in an open setting, because we're in the midst of negotiations.

JUDY LUBOW: Thank you. I have one more question. Can I? Thank you. Going back to the O&M going up more than we had thought, or it's escalating greater than the revenues are escalating, is that base and/or FasTracks or mostly FasTracks, or do you-- what is pushing that?

HEATHER MCKILLOP: So it's more base at this point in time because of two reasons. It's not impacting FasTracks' amount as much, because we know what the escalation factor is on our contract on the concessionary rate. So we build that escalation factor in with a little bit of fudge factor, because it can vary slightly from what's in the contract. And our other lines, we have a fairly good handle on they're limited in their operations. That will continue to change as we open more and more lines.

And the other thing is we have not started replacement of projects on FasTracks, so Track, OCS, Wire, that type of stuff. On the base system, our system is much older. So we continue to replace those type of things, and I can tell you in almost every mid-term project we had this year, whether it was O&M or capital, the price doubled from the time that we made the estimates and did the budget last year to mid-year when we did the amended budget, and we were trying to award those projects.

So what we're seeing is an escalation in price across the board on most commodities, not just concrete and wire and things that we would typically expect it in, but kind of across the board. We're seeing inflationary factors on construction materials that we use at an amount higher than what CPI is. And labor, yes. We're seeing-- and I think that's probably where you're seeing it. We're not the only one with the labor issue.

I think you've probably heard in the economy out there that the wages have been somewhat stagnant over the last several years, even though the economy has taken off. I think what you're

starting to see is that businesses are catching up with those labor costs and starting to give raises that are much higher to try to make up for the years they did not give those raises and try to get people to market condition.

We don't have that issue in that we've been trying to keep up with market as much. What we do have the issue is our contractors. We're now seeing significant increases on the labor side from our contractors, whether it be an O&M project or it be a capital project.

JUDY LUBOW: Thank you very much. Appreciate the information.

DOUG TISDALE: Is that all then, Director Lubow? Thank you. All right, Director Lewis, you are recognized.

SHONTEL LEWIS: Thank you, Chair.

DOUG TISDALE: And for those-- excuse me-- for those on the phone, if there are, be patient. Director Lewis is the last person in the queue at this point. I will then go to the telephone. So if you are on the phone, please be prepared after Director Lewis is done with her comments and questions. Director Lewis.

SHONTEL LEWIS: Thank you, Chair. I just have a few questions. Packet page 65, which is the 2003 to 2019 FTEs--

HEATHER MCKILLOP: Yes.

SHONTEL LEWIS: --I think one of the discussions we had was that we expected to see an increase in staff, and as we were building out different projects, that we may see a decrease in that staff. And I think you pointed to 2012, where we were able to see that because of the service reduction on the represented side. But we see steady increases on the salary side. And I was just hoping that you may be able to explain that to me, tell me the story.

HEATHER MCKILLOP: Yeah, so this is Heather again. So the changes we would expect probably will be reflected more when we finish closing out several projects. So where we will see some reductions on the salaried side will be on capital programs. And so they've started making reductions to that. They've started with the biggest reductions they have made in personnel is to get rid of contracted personnel.

So you're going to see on the operations side, that number go down. As we start closing out the projects, so the R line, the Eagle Project, and as we get to North, we will see the headcount on the represented side come down. I'm sorry. On the salaried side come down.

SHONTEL LEWIS: I know what you meant.

HEATHER MCKILLOP: I'm sorry. I didn't mean to confuse that. So you'll see some of that. And I can't remember the total, but I think it was like 20 or somewhere in there, 20-something FTEs that we're reducing overall in those capital programs areas. Now some of them we are

keeping long term. They'll probably go into different positions or have gone into different positions, because now we actually have to maintain those systems that we built.

SHONTEL LEWIS: The individual would go into a different position?

HEATHER MCKILLOP: Potentially, yes. It could be somebody new, or it could be somebody applying for a job that will be permanent.

SHONTEL LEWIS: So then we wouldn't necessarily see decreases. We'd just see positions reclassified?

HEATHER MCKILLOP: That will be some of it, but overall, I think we're looking at about 20 to 25 FTE reduction. I can't remember the exact number.

SHONTEL LEWIS: OK.

HEATHER MCKILLOP: But you should see that happening in 2020.

SHONTEL LEWIS: OK. I won't harbor on it. We can talk about it offline.

HEATHER MCKILLOP: Yeah, if you want more detail, I can walk through detail on that.

SHONTEL LEWIS: OK, thank you so much. Package page 69, you-- so we talked about the 78% on the salary side and I think 40-something percent on the represented side. And I was just curious what it would take to get that number, that 48 closer to the 78.

HEATHER MCKILLOP: A lot of money. I don't have that in front of me. I know we calculated that at one time when we were going through negotiations, so I can look that up. Their actuarial has done different scenarios to try to get it there within a 15, 20-year period of time. And so I would need to look at those numbers to get those from you.

SHONTEL LEWIS: Yeah.

HEATHER MCKILLOP: Or for you. Sorry, not from you.

SHONTEL LEWIS: I won't give them to you. I don't have them.

HEATHER MCKILLOP: But yes, I can talk to the trustees, and they can give me those calculations that they used.

SHONTEL LEWIS: And what are the implications if it were to stay at that 48-- I don't-- I don't-- I'm too lazy to look at it.

KATE WILLIAMS: 49.

SHONTEL LEWIS: Thank you.

HEATHER MCKILLOP: 490-- almost 50%. So the implications are as long as the plan stays open and new employees keep coming, retirement benefits will be funded. What happens is that you get to a point where the new employees are not putting in enough funds to fund those that are retired.

SHONTEL LEWIS: Yeah.

HEATHER MCKILLOP: And in which case, we have an issue there. And there is a point in time when that will happen. I don't have that in front of me. But we can get that information.

SHONTEL LEWIS: And I'll tell you the reason that I asked. I remember Michael Ford saying that you all were having not only a hard time recruiting and retaining operators in general, but particularly as it pertains to millennials. So as we're looking at the long term, what-- how are we planning for that?

HEATHER MCKILLOP: That is an issue, and let me tell you what I think the bigger issue is in that area is that in order to shore up the plan to get it at 49%, the trustees voted in I believe it was 2012 amendment-- and I can double check that. I have it in my stuff. Was it 2011? 2011 amendment to change the vesting period from five years to 10 years, which is a very long period of time.

SHONTEL LEWIS: Yes, especially when you're dealing with millennials.

HEATHER MCKILLOP: And to change the benefit for new employees after that point in time from 2.5% per year to 1%. That was done to try to shore up the plan, but it does create difficulties in equity between longer term employees and new employees.

SHONTEL LEWIS: Sure.

HEATHER MCKILLOP: And that's one of the things we talked about. If you were to think about that for the salary plan, it would cause the same kind of disruption. So I'd just say that that is an issue. We continue to look at that, and we continue to look at what we might need to do going forward beyond the \$6.2 million.

SHONTEL LEWIS: Thank you. I appreciate that.

HEATHER MCKILLOP: But we're also looking at-- I think the union has to come to the table and look at what the employees might be contributing also.

SHONTEL LEWIS: OK. So you talk-- you said that the way in which the budget is being presented doesn't give you the opportunity to show the vision for the agency.

HEATHER MCKILLOP: Correct.

SHONTEL LEWIS: And so I'm curious, and I've been very curious about the deferred projects list and how-- what our plans are to begin to address that long growing list.

HEATHER MCKILLOP: So for this next midterm financial plan that we'll be embarking on any moment now-- she's usually embarked on it by now, but we're wrapping this one up-- we are going to be using our asset management system to assist us and prioritize funding. And what that will do is allow us to address the highest priority asset replacement rehab type projects first. And then those that are deferred on an annual basis will be able to better quantify what that means so that there can be, ultimately-- probably not this next go around-- but in the future, trade-off discussions, both with staff and with the Board.

So we can say, if you spend 80% of the money you have available after operations on projects, then this is what we can fund, and this is what it does to long-term condition of those assets. And if you spend 90% of what's left on assets and 10% on miscellaneous other, this is what it gets deferred, and this is what it does to your long term condition. Hard to look at on a yearly basis, but because we do a mid-term and a long range plan, we can start building those trade-off discussions over time.

That's not going to happen next year, because it's the first year we're using the system. But what it does is it provides more of a data-driven analysis of what we should be prioritizing and funding, not 100% data-driven, but it's data-driven. And then we have the subject matter experts weigh in on those, and then they look at prioritizing across the organization. So we'll be talking more-- we did a workshop in March with the Board on that and how that will work together. And we will be doing more discussions and discussions in the FANA committee telling you how that's going to look for the next mid-term financial plan.

SHONTEL LEWIS: Does that replace the-- I think you called it a strategic budgeting plan or process?

HEATHER MCKILLOP: Well, what it replaces is the internal prioritization process that we use where we use the mission statement to say-- to score them. It replaces that piece for all assets.

SHONTEL LEWIS: Got it.

HEATHER MCKILLOP: Yep, so now we're using data-driven management systems to come up with those recommendations, and then the subject matter experts review those recommendations since they set kind of the strategy for each of those asset classes.

SHONTEL LEWIS: Got it. And then my final comment is I hope-- I know that the balance-- the budget is balanced, and I appreciate that, the work you've all done on that-- that in-- for the next go around with this, that we don't cut the employee recognition budgets, because I think they're just really important, especially as we're talking about the impacts to their mental and physical and things of that nature that we might look in other places as we're thinking about cuts. So that's it. Thank you.

DOUG TISDALE: That's a very nice observation. Thank you, Director Lewis. Before I call on you, Director Menten, because I did, perhaps, mislead the folks on the phone, I just want to check, because I said I'd check in with them first. And I don't know, as the hour approaches 10 o'clock at night, if they're still with us.

Let me ask. Director Folska, if you are there, do you have any questions or comments, Director Folska? Director Folska, I will take it you have no questions or comments at this time.

Director Buzek, I turn to you. Do you have any comments or questions for us at this time, Director Buzek?

VINCE BUZEK (ON PHONE): Yes, thank you very much. And I think I know the answer to this one, but in the 2020 recommended budget, is it safe to say there are no transfers out of or withdraws out of the FISA?

HEATHER MCKILLOP: That is correct for 2020.

VINCE BUZEK (ON PHONE): And do you know what the balance of the FISA is?

HEATHER MCKILLOP: Jannette's going to get that for you.

JANNETTE SCARPINO: Yes, per the plan, about \$103 million. It's actually growing in 2020.

VINCE BUZEK (ON PHONE): How much will it grow by, projected?

JANNETTE SCARPINO: It was about 88, so I can't do the math. About 25, for \$25 million.

VINCE BUZEK (ON PHONE): OK. That's all I have. Thank you, Mr. Chair, and I'm still here.

DOUG TISDALE: Thank you very much, Director Buzek. We appreciate your hanging with us, and we appreciate your question very much. Now Director Menten, I will turn to you.

JUDY LUBOW: Thank you. So there are two lists that were not necessary for tonight, but I am interested on status of when we will get-- first of all, we discussed in-- and I apologize. We're just all here in the room, so it makes it convenient-- a list of all of our properties.

And we discussed this in the last executive committee meeting, and it was stated that we'd received a list of properties a couple years ago, and it would be sent to the Board. But I haven't seen that. And it just comes into play with, do we have properties that might be on our dispose list? But really, the request was for a list of all properties. So is that being sent to us?

DOUG TISDALE: Director Menten, if I may respond to that, because I-- and I know Mr. Stopplecamp is here, too. We did discuss this at the executive committee meeting, and I think I misspoke. Two years ago, we distributed to the Board the list of all surplus properties, so the list of surplus properties was distributed two years ago. We expect that the updated version of the surplus properties list will be in Ms. McManus's hands tomorrow and will be distributed to the Board tomorrow. So that's the updated list of surplus properties.

Then the list of all properties is being compiled currently. Let me let Mr. Stopplecamp address that, because we have requested that, too. But the list of surplus properties, you will have tomorrow.

HENRY STOPPLECAMP: OK, this is Henry Stoppolecamp. The list of surplus properties has been updated. I received a copy today. I want to go through it and verify that it is correct. There's a couple of pieces of properties on there that are showing vacant, but it hasn't been listed as surplus yet. But it's recommended to sell, but that needs to go through the RTD senior leadership first.

As far as all properties, we do not have a master list. We've got it by corridor by corridor, and they show the parcels. Now to put together a master list of every single property, like you'd see on, let's say, Jeff Coe on the appraiser's office, we're looking at significant time and money to make that happen. We already have the counties already register the properties that we have on their database, but we have not had the resources to go through every piece of property and put together an index.

We do have a list of properties as we bought them, and we turn them over on the finance side for a list of assets. But to look at it, and then tie into what everybody would like to see. We've had requests. When do we buy it? Where do we get the money from? What are we using it for? We do not have that together at this point, and that's going to be a significant amount of work. And if that's the desire, then we'll be putting a request in for additional support. Dave, do you want to add to that?

DAVE GENOVA: No.

DOUG TISDALE: Right, and I think that is generally reflective of the information that the executive manager shared with me this afternoon that I wanted to make sure we brought forward for everyone's attention this evening, as they say. Surplus properties list-- the one that was distributed two years ago, we can get to tomorrow. The one that Mr. Stoppolecamp is looking at that's updated, we expect that should be done tomorrow or Monday. And we'll have that.

Relative to all properties, as I hear it, to have a neatly packaged indexed list, that takes a great deal of time. We had been told that to have just the raw information would take about 7 and 1/2 hours to pull together, and I think, by the way, just to share what I understand the Board's sense from the executive committee meeting is, we're fine with starting with that. So if that is information, that corridor by corridor listing that you have, I think the Board is fine with starting with that so as not to put any undue burden on the real estate office.

But it's a request that has been made, and the executive committee has made it clear that we do want to have that information compiled. We can start with whatever is available, and then we can talk about, is that sufficient, or do we need more? But I think it's fair to communicate that so that you understand what we're looking for.

HENRY STOPPLECAMP: So we can get the right away drawings. I would like to say one thing to the Board. We don't manage our properties like most entities. And what I mean by that, we're not in the real estate business. We don't buy the property to sell the property. So the corridors-- West Corridor, for example-- over 500 parcels, but if I was to sell one parcel, I'd lose the track, and we'd have a gap in there. And so to spend the effort to come up with legals and to identify each parcel and a price and appraisal for each parcel--

[SIDE CONVERSATIONS]

HENRY STOPPLECAMP: I understand, but we've had those requests. We'll give you what we've got. And I would like to say, if anybody really wants to see the file room and sit down with us, we will walk you through it. And that offer has been made before. But to generate reams and reams, I'm just-- we will do what we can.

DOUG TISDALE: No, and I thank you for adding that amplification, because I think it is clear that, number one, the surplus properties list is the most interest. The all properties list has also been requested. What you have presently in hand available is all that we should start with, not creating anything further so that then the Directors can examine it and see if they want something further.

But I think it's fair that we start with that. Those are two separate things. There's the surplus properties and the all properties. I'm sorry for being redundant, but I know that sometimes there can be confusion. So I will burden you with the redundancy. We have a list of surplus properties.

We will get that tomorrow or Monday. We have a compilation of information relative to all properties. You will, in the ordinary course, when it is reasonable to do so, get us what you have currently. We'll examine that and see if anybody wants something more detailed than that.

Certainly not looking for appraisals and estimates and date of acquisition and so forth at this point in time. All right? Any amplification on that Director Menten, because I know you and Director Lewis are the ones who have been making this particular request?

NATALIE MENTEN: No, but if I go to seven or eight counties, and I just do a quora to them and ask for the list, and I am charged, because that's just the way, then I'll take care of it. And I'll just submit it on my expense report. So it's a heads up. That might be a route that I go.

DOUG TISDALE: OK, well, as I said, I believe we're trying to respond and make sure we get you that information.

NATALIE MENTEN: I agree. Thank you.

DOUG TISDALE: And if someone thinks that we're not, then I'd like to have clarification, because I think we're trying to respond.

NATALIE MENTEN: Yeah, yeah, yeah. You know, when I explained to the committee, I tried to deal with real estate plenty, but we got these variations, where one's Regional Transportation District. One's got a misspelling. One's RTD Acquisition Asset, whatever, our COP thing is.

DOUG TISDALE: Point made. Point made.

NATALIE MENTEN: OK.

DOUG TISDALE: Do you have further question for--

NATALIE MENTEN: Yeah, I do. I do. So I am also waiting on--

DOUG TISDALE: Thank you, Mr. Stoppolecamp. We're going back to our Chief Financial Officer.

NATALIE MENTEN: All right, so I am also-- I acquire the payroll detailed information on RTD employees, since I got here, I think, maybe before I got here, actually. That included the first name, last name, job title, date of hire, public information, but I do an annual request. And so I have requested that now for 2019 to update my collection.

ROLF ASPHAUG: Director Menten, this is Rolf Asphaug. We are working on that.

NATALIE MENTEN: OK, so it's going to be coming along is the answer. Great. Then Heather, you made one important statement that I want to hear again. Well, I mean you made many important ones, but I want to hear this one again.

HEATHER MCKILLOP: I'm sure I know which one it is, so.

NATALIE MENTEN: Overhead operations. I don't know your exact words, but they're going to hit us. We're not going to be able to go past 2026. What was--

ROLF ASPHAUG: I apologize, Director Menten. I failed to mention one thing. I would ask that if you could avoid publishing the names of all of our employees. I've had multiple requests from employees who are concerned about identity theft, and if you want to publish names of high ranking employees, that's great, and other people may do that. But I think that in a capacity as a Director and with employees who are worried about identity theft and having their names published, I would just ask that you please consider that.

NATALIE MENTEN: All right, I do have to comment. I know you don't hear these communications, but I do. I have RTD employees reach out to me privately appreciating the information. I publish public school financial payroll-- had the same thing happen. So while I understand, I've heard your request. But I'll go with that. But that's the other side. I truly do get people who reach out appreciating the information.

So Heather, going back to overhead operations, and in 2026, it's going to hit us. Could you restate what you said, because that's really, really important in my mind.

HEATHER MCKILLOP: So this was going back to the conversation that we-- I'm sorry. This is Heather McKillop. This is going back to the conversation that we had regarding the long range plan that kicks in. So our midterm plan goes now 2021 through 2020-- I'm sorry-- 2020 through 2025. When we started preparing the long range plan, it became evident that we had an issue with being able to just maintain-- to operate and maintain the current infrastructure that we had.

So we did not have sufficient funds to operate at the current levels as well as replace and maintain our existing infrastructure. And so the statement that I made at that time is we had a

long conversation about, do we have to approve this? Do we have to go through this brain damage now, approve this long range plan?

We said, no, we don't have to do that this year, but we will have to do it next year and confront these issues. But we might have more information as it relates to what comes out of Reimagine RTD to help us, guide us in how we might be able to do that differently. But yes, at this current time, when we look at 2026 to 2040, we would have to literally not maintain existing assets to be able to balance that long range plan.

NATALIE MENTEN: All right, thank you.

HEATHER MCKILLOP: Does that make sense?

NATALIE MENTEN: Yes, thank you. That's it. Thank you.

DOUG TISDALE: Is that all, Director Menten? OK, one last call to Director Folska. If Director Folska is on the line, you are invited to join us and chime in at this point. If not, then one last call. Director Buzek, do you have anything further? There's no one in the queue now. Do you have anything further that you would like to ask or comment on?

VINCE BUZEK (ON PHONE): Nothing further. Thank you.

DOUG TISDALE: Thank you very much, Director. All other Directors satisfied? This was an important discussion. We have satisfied, I believe, all the questions that have been raised. Excuse me. It does not preclude you, of course, in coming up with additional questions in the future based upon additional information that may be provided to you in-- from the source.

SHELLEY COOK: Or just contact them We only got it yesterday, so we can contact them.

DOUG TISDALE: Yes. Yes, again, that's right. That's why I said we would ask that if you did have this information here to the extent reasonably possible, reach out to people separately and follow up from there. But the schedule is that this matter will be presented at the Financial Administration Audit Committee on December the 10th, and as a 2020 recommended budget, and then it is set to be presented to the full Board for approval on December 17, at which time there will be a public hearing, because that's required under the statute and under our bylaws. And then a vote on the final budget. We will also, at that time, appropriate the funds so that we have an official action authorizing and appropriating, which creates that final budget.

Any further comments relative to the budget process or the calendar as I have explained it? All right, then. Is there anything further on any other matter to come before the Board at this time? Hearing none. Then as of 10:14 PM Mountain Standard time, on Thursday, November the 21st, we stand adjourned. Thank you all.