RTD Study Session Zoom Recording 10-13-20_Trim

ANGIE RIVERA-MALPIEDE: All right, great. Here we go. Good evening, everybody. I will now call the study session for Tuesday, October 13, 2020 to order. We are convened as of 5:32 PM Mountain Daylight Time. And I would respectfully ask everyone in the meeting to ensure that your phones are set to silent and your ringers are off.

As is our custom, I'll begin the meeting with a brief safety moment. Frequently and thoroughly wash your hands. Monitor your health and the health of those close to you. Be particularly alert to the most prevalent symptoms of COVID-19-- fever, coughing, and shortness of breath. Minimize the time spent in poorly ventilated indoor public areas, especially when a large number of people are present. And wear a mask at all times in public spaces whether inside or outdoors when you are unable to maintain physical distancing of at least six feet. At this point, what I'd like to do is call the Board members who are here, and I think I have you all. Director Broom.

BOB BROOM: Present.

ANGIE RIVERA-MALPIEDE: Director Catlin.

PEGGY CATLIN: Present.

ANGIE RIVERA-MALPIEDE: Director Cook.

SHELLEY COOK: Here.

ANGIE RIVERA-MALPIEDE: Director Folska. She may need a minute to unmute.

CLAUDIA FOLSKA: Sorry about that. Yeah, it was not going. [LAUGHS]

ANGIE RIVERA-MALPIEDE: OK, thank you.

CLAUDIA FOLSKA: Yep, I'm here. Sorry about that.

ANGIE RIVERA-MALPIEDE: Director Guissinger. I see you. You can't unmute. That's OK. I see you. Director Lewis, I see you as well.

SHONTEL LEWIS: I'm here. Thank you.

ANGIE RIVERA-MALPIEDE: Director Lubow. I know you're on the call. Director Mihalik.

KEN MIHALIK: I am here.

ANGIE RIVERA-MALPIEDE: Great. Director Tisdale.

DOUG TISDALE: Present.

ANGIE RIVERA-MALPIEDE: Director Whitmore.

TROY WHITMORE: Present.

ANGIE RIVERA-MALPIEDE: Director Williams.

KATE WILLIAMS: Good evening. I am here.

ANGIE RIVERA-MALPIEDE: Thank you. And myself. Is Director Buzek on the phone or on the Zoom call?

VINCE BUZEK: I'm on the Zoom. Can you see me?

KATE WILLIAMS: We see you.

ANGIE RIVERA-MALPIEDE: I don't see you, but OK.

KATE WILLIAMS: I see him.

ANGIE RIVERA-MALPIEDE: OK, great.

[INTERPOSING VOICES]

VINCE BUZEK: It's a live shot of me on the train.

ANGIE RIVERA-MALPIEDE: Ooh. Director Menten, are you on the call or on Zoom?

NATALIE MENTEN: I'm on the call right now.

ANGIE RIVERA-MALPIEDE: Thank you, ma'am. Director Walker. I do not see him on either. So I'm going to go ahead and call it 14 Board members present with Director Walker absent, but I'm sure he'll join in soon.

What I'd like to do this evening is talk about the 2021 budget overview. During this presentation, we're going to be hearing from our CFO, Heather McKillop. And she's going to be talking about our 2021 budget. For those directors who've signed into the meeting via website browser, please note that if you click on the Hand Raise icon, I'll call on you at the appropriate time. But what I will really do and what seems to work for us quite nicely is I'll just go for a roll call and ask if anybody has any questions, OK? So with that, what I'd like to do is turn it over to Ms. McKillop. The floor is yours, Heather.

HEATHER MCKILLOP: Thank you, Madam Chair. This is Heather McKillop. Currently, Susan Cohen is going to share her screen so you can start seeing the presentation. We are going to skip over, in the essence of time, the introductory slides because I want to get right to the heart of the matter and do about a 30-minute presentation max and then open it up for questions.

Really what we're trying to accomplish today is bring together all the pieces that we've been reviewing with you since March and April of this year, all the discussions we've had around the 2020 budget, and then ultimately leading into the 2021 budget that we're asking the Board to adopt on November 17. So with that, we're going to try to bring all the pieces together.

We've also updated it for the revenue forecast for changes in fare revenue, some additional changes that we've made in positions being added and subtracted, errors that we found. All of those types of things we've tried to reconcile. We do have additional work to do on reconciling some of these. It's a major undertaking. So there probably will be additional adjustments between now and November.

And then we're also-- our main goal tonight is to get feedback from you on everything we're presenting so we can incorporate that and present a final presentation to you with adoption of a budget in November. So that's really our goal. So with that, Susan, if you could go to the sales and use tax forecast comparison, which is packet page eight and slide six for those that are viewing on the slide deck, that packet page 8.

So I just wanted to update you. We did receive an updated forecast from Leeds School of Business. And what I have compared for you on this screen is the 2020 forecast, so finishing up this current year. In the amended budget, which is on the left-hand side, we used the May forecast. We didn't have a lot of information at that time, if you'll remember. We had March actuals, so not a lot of data as it related to COVID. And the Board gave us direction to use the low forecast at that time. And so that's what we've continued to use for 2020 moving forward.

We just recently received the September forecast, which had July actuals, so through July. That forecast was updated to $602.7 million for the low forecast. And if you see on the far right-hand chart, that's a difference of $101.8 million, so quite a large swing. So back when we were originally dealing with this in May, we had seen upwards of $150 to $200 million swing one way down. Now we're seeing another swing of $100 million the other direction. So as you can still-- we're still seeing some volatility in these forecasts.

I did want to point out, though, I did get the August actuals. Those are going to be included in your packet for October 20. They are fairly close to these numbers that we're seeing here in this forecast of 602. They were about a million dollars under if I projected out this number through the end of the year, which is pretty close when you're talking about $50 to $55 million. So we seem to be on track for this number, at least with August actuals. What's coming the rest of the year is still to be seen.

So I took this information, this $101 million. And if you go to the next slide, which is packet page nine, you can see that we-- well, I'm sorry. You'll see it in a minute. I've incorporated it. But right now, I want to go to 2021 through 2026.

So on the far left side, we actually use the July forecast, which was through May actuals. We used that for the draft Mid-Term Financial Plan that we had shown you over the last couple months. We then took the September forecast we got for 2021 through 2026, again, using the medium forecast because that's what the Board projection had been for the mid-term, and compared that. And you can see on the far right-hand side that we're looking at about an $84 million difference for 2021, not quite as good as 2020 numbers, but definitely much better than where we were before.

And the reasoning for that is there's an expectation of a small slowdown at the end of this year into early next year. But there is no kind of re-entrenchment out of COVID shutdowns included in these forecasts. You will have an opportunity to have those conversations with the Leeds School of Business on the 20. They'll be presenting their forecast, and it will be in your Board packet. So we can go into a lot more detail then. But I just wanted to show you what the numbers are that we'll be using for 2021 and 2022 unless the Board objects to that.

So next slide. So this is where we reconciled both Base and FasTracks reserves. So on the far left side, you can see that we have the Board adopted a budget for the Base System in the top part. We then added the increase due to the September 2020 Leeds forecast. That was $61 million for the Base. We then had to deduct the represented furloughs because those were never taken by the represented staff, and that was equivalent to $4.2 million.

We then had additional decreases to fare box revenues for 2020. They're coming in much lower than we expected. We then had to fund the TABOR reserves by another $1.5 million. You had also agreed after the amended budget was adopted to fund the Accountability Committee. And then we have the total amended changes, which would result in a positive addition to your reserve of $43.5 million. So going into 2021, we have $125 million in reserves between all of your different line items there.

On FasTracks, again, we have the Board-adopted amended budget. We have the forecast due to the Leeds. We then have a line for decrease due to represented furloughs. That wasn't accounted for on FasTracks, so there's no changes there. We had a slight change due to fare box revenue, a change in the TABOR reserve, and no decrease due to Accountability Committee. So you can see the Board changes there. So we were able to add some additional funds to FasTracks, which is good because, as you'll see later, FasTracks still have issues in the long term.

Next slide. So this is what our current 2021 Base cash flow looks like right now with the changes that we've made, and I'll walk through those. So the first one is fare revenue. So we had an additional decrease in fare revenue on the Base System of about $6 million. And that was due to, again, lowering the forecast from 60% down to 55% for the year for 2021.

The next item in green is 0.6% sales tax. We had about $50 million increase in that number. And then down below in the green changes, these are the things that have been adjusted since we showed it to you on September 15. We had a lower amount of savings in administrative, other administrative reductions, and service reductions. Basically, one-time personnel costs stayed pretty much the same, but they did go down a little bit. In the numbers above, we kept more represented staff, and I can have Bruce talk about that a little bit more in a second.

And then we had some reconciliation that we had to do on the administrative personnel changes, things that didn't match what was budgeted versus what was actually filled, and that caused a change there. One-time personnel costs went down a little bit just because we don't have to pay unemployment and severance on those positions that are now retained.

Another big area was reserves. We had a considerable amount of reserves being used on the Base System in 2021. Because of the higher forecast, we no longer have to use those reserves, so we were able to take that use down considerably. We still have the one project, electric vehicles. And in yellow is now our new ending balance, which is a positive number when before we had negative numbers.

The overall change to the debt shortfall in the Base System originally, overall, we had $165 million that we were trying to solve for. That number went to 215 on September 15. And now it's $140 million. So between Base and FasTracks, we're solving for $140 million. Those reductions solve for that with a $13 million balance in the Base System. The Base shortfall itself was $75 million, and FasTracks' shortfall is $65 million now with all of the changes we made here.

Next slide. Under FasTracks, same issue. Fare revenue went down about $1.9 million when we adjusted it from 60% to 55%. Sales tax went up in the case of this, around $33.4 million due to the new forecast. We had some adjustments on the bonds in COPs. We were able to decrease debt service because we had left out the Build America Bond's subsidy, which is about $8 million. So that helps significantly on FasTracks.

Then we had some adjustments to administrative personnel, other administrative reductions, and service reduction savings, the biggest being service reduction savings. We, as I mentioned before, have retained more represented employees, and we changed the allocations between Base And FasTracks so some more of those costs are the--], the Base System than they are FasTracks.

Then the biggest changes here was we did not have to use the internal savings accounts, the FISA, to fund FasTracks in 2021. But the amount that we pulled from reserves was almost the same, about a million dollar difference than what we've had before. So we still have a significant sum of money coming out of reserves, but we did not have to use the $17.6 million from the FISA.

With those changes, we were able to balance FasTracks in 2021. When I show you the numbers coming up in the long term, that is not necessarily the case in FasTracks. But for 2021, with these additional forecasts, we were able to balance FasTracks.

In both the Base case and the FasTracks cash flows, we did return reserves to three months each. So we did assume that reserves would stay at three months, and we were able to accomplish that by those beginning balances that were available from 2020. Now in FasTracks going forward, we have to start taking money out of that reserves and take it down to one month by the end. But at least in 2021 and 2022, we are able to maintain three months.

And that's one thing we want feedback from the Board on, if we still want to keep the three months. Our recommendation is since we have the opportunity to do that and things are so fluid right now with forecasting, that we would recommend we stay at that three months because that's not a lot of flexibility. But it's sure better than where we were a couple weeks ago.

Next slide. Just wanted to show you where we were with the estimated reserves at the end of 2021. So this is where we started 2021 and then what we're going to be able to add and subtract to reserves. And so we do end up with slightly more reserves in Base System than we need for the three months. And in FasTracks, we had to draw down quite a bit of reserves just to balance FasTracks.

But we were able to put more money into the FISA. Remember we started the year with 119.6. Instead of using the contribution of 17.6 to balance the Base and FasTracks, we were able to put that into the FISA. So that had a positive impact on FasTracks.

Next slide. This is just a recap of what we talked about before. So I'm going to skip this slide. And I think the next one also, Susan. So if we can go to slide-- packet page 16.

NATALIE MENTEN: Heather.

HEATHER MCKILLOP: Yes.

NATALIE MENTEN: Heather. There seems to be a lot of like extra noise. I don't know if anybody else is hearing it.

HEATHER MCKILLOP: Oh, I think that's because we're turning pages here. Sorry, we'll be quieter.

NATALIE MENTEN: OK, thank you.

HEATHER MCKILLOP: Susan, can you go back a little bit to slide 14, packet page 16? That one, right there. So on this particular one, I wanted to point out we had talked about at the last meeting adjustments to the salary personnel for 2021. This is the staff's recent proposal. No furlough days for $0 to $60,000. From $60,000 to $120,000, six furlough days and no pay reduction. That's equivalent to 2-and-1/2%.

$120,000 to $180,000 is six furlough days plus 3-and-1/2% pay reduction. That is equivalent to 6% total pay reduction. And then $180,000-plus is six furlough days plus 7-and-1/2% pay reduction. That's equivalent to 10% pay reduction. So I did want to point that out. We still have no increases in the contribution to the Salary Defined Benefit Pension Plan. And we're recommending a reduction, a temporary reduction from 9% to 7% in the Salary Defined Contribution Plan.

Next slide. So on packet page 17, just wanted to point out here that we did have in previous versions 635 full- and part-time filled positions that we were eliminating. With the change in forecast and other things, we were able to take that down to 504 separations of both part-time and full-time, and that includes both represented and salaried staff. A few of those positions were due to new vacancies that came up. So they're now vacant positions that we can eliminate versus filled positions. But there were quite a few operators and mechanics and two salaried staff that we adjusted also in those numbers.

As I mentioned previously, we're still doing work in reconciling this and meeting Bruce and his task force, meeting with the AGM. So we may see a few more reductions, and I'm assuming that's one of the conversations we're going to have tonight is about the reduction. What? Yeah, actually, Bruce said he can address that now, and then we don't have to come back to it. So Bruce, do you want to go ahead and talk about that a little bit now?

BRUCE ABEL: Yeah. I think, as Heather pointed out, when we started this conversation, we were talking about 635 filled divisions in both part- and full-time, both salaried and represented. That have been reduced to 504. And actually, as of today, that is reduced to 484.

Several things have led to those changes. We did keep an additional, I believe, 45, 46 operators in order to provide for a more robust extra-board as we move into the January service change. We did keep another couple dozen mechanics from previously anticipated numbers for two reasons. One, we wanted to be sure that we adequately maintained what I refer to as the mothball fleet given that we will have a number of vehicles that will not be in service. That does not mean that they do not need to be maintained. So that was we rebuild service. Everything is in tip top shape and ready to go.

And part of this, as Heather alluded to as well, is that a number of folks, especially on the salary side, are reading the tea leaves. And they have taken other positions in the community, and so a number of filled positions are now vacant positions. So the number of filled positions that will be separated moving forward is reducing as people are self-selecting and seeking alternative employment.

So as of today, we are at 484 filled positions that would be separated via either the layoff process via the CBA on the represented side or salaried employees. As Heather said, these numbers are going to continue to change. One of the things that we have done is throughout this process, we have been attempting to reconcile our organization chart, our staffing charts, our budget in terms of filled and unfilled positions. And so that has been a rather volatile process.

For example, administrative- and personnel-related savings on the cash flows that Heather has alluded to, those appear that we have added positions back in. But in many cases, it also relates to the fact that as we have been reconciling various staffing models, filled positions, budgeted positions, et cetera, that is also reflected in that change in numbers. So with that, I would turn it back over to Heather.

HEATHER MCKILLOP: So, Susan, if we can go to the next screen, which is packet page 18. On this one and the next one, I just want to show you what we have planned in costs. We talked about that we have deferred $114 million worth of the capital projects. These are listed on this page, which is the Base System, and the next page, which is FasTracks. If you add the two numbers up, it's slightly less than $140 million, and that's because these are in 2019 dollars, not 2021 dollars. So we had to inflate them.

Why I wanted to show you this is because this is an extensive list of projects and repairs that need to be done but because of our budget situation cannot be done at this time. Our asset management folks, we met yesterday with them. They are going to go back and look at prioritizing this list of deferred 2021 projects so that if funds become available in 2021, which they may-- as you can see from what I presented, there may be some-- we may want to consider moving some of these projects forward due to either compliance issues, safety issues, whatever it might be. So that group will be working on that.

In addition, as you know, we have taken this 2021 list and spread 70% of it across 2022 through 2026, the funding for that. They now have to go back and reprioritize these lists for 2022 through 2026. And then in the spring, they'll be adding 2027 because we will be doing-- the next six-year plan will be 2022 through 2027. But I wanted to let you know which projects.

So this page is-- Base is done. The next page, Susan, is FasTracks. And so you can see what we have deferred there in FasTracks. I have also attached the full '21 through '26 lift in the back of the documents that I sent you for the presentation tonight. So you have the full list there if you want to look at it.

Next slide. In a minute, I'm going to walk you through the 2021 through 2026 cash flow just so you can see what it looks like. But in the meantime, we mentioned that we have in '25 and '26 a shortfall of $23 million still in FasTracks. The good news is this was $200 million two weeks ago, three weeks ago, whenever that was on the 15th of September. So we have made considerable strides in this area. One reason has been the projected additional revenues from the forecast. But we also have the $8 million a year in the subsidy for the Build America Bond that made a big difference.

I am still requesting as projects close on this list or we get the return of the credit risk premium that we be allowed to put that in the FasTracks fund balance, the reserves, versus putting it in the FISA, which is the current policy. And the reason for that is now we are able to make the rubber tire service contribution to FasTracks. I still ultimately have shortfalls in FasTracks and are eating up our reserve balances pretty quickly there.

So I would like the Board to agree, and I will be putting this in the approval of the '21 through '22 modified Mid-Term Financial Plan. Not sure what we're calling that. But I will be asking you to make this approval at that time. So we're not asking for approval tonight, but I wanted to set the expectation that I'm still going to be asking for that for the '21-'22. So as these projects close and we get funding back, we can use it to offset future shortfalls in FasTracks without having to go back to the FISA potentially.

So next slide just talks about our next steps. We have this study session tonight. We then are posting the draft 2021 budget on the 15th. That is on Thursday. On October 23, we have a Finance Committee to review this information again. It will probably not change much since it is due in Minute Traq tomorrow.

We then have Operations Committee on the 20th where we have the approval of the January RunBoard. At least that's the request. We have the Board meeting where we'll have the adoption of the January RunBoard. November 10, we'll have the Finance Committee where we'll discussing any modifications from today to the 2021 budget and the modified Mid-Term

Financial Plan. And then on November 17, we'll be asking you to adopt both the 2021 budget and the modified Mid-Term Financial Plan.

I do not have this up on the screen, but I did want to point you to packet page 30 in your packet that was sent. And I want to talk a little bit about the Mid-Term Financial Plan. I think I have about five minutes left. So with that five minutes, I want to point out a few things.

We did provide a cash flow for the mid-term for '21 to '26, understanding that the Board only wanted to adopt '21 and '22. So we drew a line down there so you can kind of see where that ends. On the Base System, which is packet page 30, you can see at the bottom the $13.4 million I discussed earlier that I showed you in the PowerPoint. And we have $492,000 positive balance in 2022. Again, in both years, I did bring the balances to three months for both Base and FasTracks.

What you can see in '23 through '26, if these numbers materialize, we will actually in 2023 start having accumulating balances, which we're estimating to accumulate to $310 million if they're not spent by 2026. Our expectation is there will be discussion in the future about service and other items that we might want to do, such as advancing more projects that we've had to defer.

One thing is people have asked me, well, can we start using a little bit of the money we have now from this forecast to start adding things back? That is a possibility. However, if you look at 2022, there is not money to sustain those increases in service into the future unless you were to reduce the amount of reserves that you have available below the three months. So I just wanted to point that out, that although it appears that we have money in 2021, even with the new forecast, it's really, really tight in 2022.

The other thing I wanted to point out is now in FasTracks, which is packet page 31. We are able to maintain the FISA. So lines 21 and 22, we don't use the FISA balance or the contribution to that FISA balance until 2025. And then we have to use the rubber tire service contribution. But in the meantime, that FISA balance has gone up to about $200 million from the 119 during that time frame.

But we do use all of our reserves. And by 2025, we're down to two months of reserves. Then by 2026, we're down to one month of reserves. So we have a systematic problem that we have to fix in FasTracks. Because after 2026, it only gets worse. We start having to do replacement of rail and vehicles and other things that we cannot afford with this current plan that we have. And that is even with some reductions in the current year in 2021.

So just to give you a flavor of what those balances are in 2021. So a monthly operating-- one month of operating reserves for FasTracks is $30 million, and that changes over time based on where we are. And then for the Base System is $29.1 million, I believe, or 39.1. Hold on, let me double check. $39.1 million. So just to give you an idea of what those balances are.

So with that, I will ask Bruce if he has anything else to add before we turn it over the Chair for question and answer. So, Bruce, do you have anything you want to--

BRUCE ABEL: I think just one thing that I would add, reinforcing your point on the reserves, is you show the Base System that it was $13 million added to reserves in 2021. And if I heard you correctly earlier, since we received the new forecast, we also received the August actuals. And the August actuals were about a million dollars below the new, more optimistic forecast. And so that if that trend continued, a million a month below-- actuals being below the forecast, that's almost the entirety of the $13 million that's projected to be the surplus in 2021. So small margins of error.

HEATHER MCKILLOP: Yeah, it's just really tight. I mean, the great news is our numbers are so much better than they were just a few weeks ago before we got the new forecast. But the margin for error is extremely low in the next couple years. And so we just have to be very cognizant of that. So I think I took my 35 minutes. So with that, Chair, I'm going to turn it back to you, and we would be glad to take questions and find out how the Board is feeling about this proposal.

ANGIE RIVERA-MALPIEDE: Thank you, Heather, and thank you for much, Bruce. I'd like to start before I call on the Board members to have you talk a little bit about why there's such a great fluctuation in the CU School of Leeds numbers.

HEATHER MCKILLOP: So, Madam Chair, this is Heather McKillop. Well, I think that'd be a good opportunity to ask the Leeds that in a couple of weeks. But from my conversations with them, I think it's just been all based in the past on certainty. So when we first went into the pandemic and we only had March actuals and we used that for-- because of the timing, used that for our amended budget, it looked pretty bleak as to everything was shut down.

So how were people going to spend money? Were they going to actually go get fast food? Where are they going to go online and order things? Which it turns out they ended up doing, and they continued to spend money. I think Leeds feels that a lot of that spending has been propped up by what they call the transfers that were done. That means the additional $600 per week in unemployment or $2,400 a month that people received through the end of July.

I think there was some expectation that would continue into the future. But since it has not, they have taken that into consideration to some extent. I think there's still some belief in those numbers that there will be some type of additional-- not necessarily for transit, but maybe for individuals and for people that receive unemployment, that that still might come in the future.

I do think as we started getting more actuals, they were fluctuating. That's why we got one forecast that was up and one forecast that was down. And then we got the September forecast that they do in more detail for us because it's their normal forecast. They had actuals then through July. So I think they felt more comfortable with those numbers because they at least had a couple months of actual. I think they'll share with you this is the best forecast with the information that's available now and that as they continue to get more actuals, that number could change.

Now I did want to mention that this is the last forecast we'll be getting from Leeds at this time. Their contract expires this year, and they are not obligated to provide us monthly forecasts going forward, and I don't know that we want them since we're going to be adopting at 2021 budget.

The forecast is what it is. But we will continue to monitor the actuals and report to the Board how those actuals stack up against what this recent forecast is so you have a good idea of how things are progressing.

Our next forecast is scheduled to be received in May of 2021. We use that forecast for the next Mid-Term Financial Plan and the Long Range Plan that we will need to adopt sometime next year. And we don't know if Leeds will be providing that forecast or not because we are going out to bid, and that will be a competitive process.

ANGIE RIVERA-MALPIEDE: Thank you. I do want to just say for the record that we have been on this discussion item since-- I don't know-- April or May, and the swing has just been extraordinary from the very low to the very high to the very low and really understanding that this is such a fluid process that we're in the middle of, and I keep saying unprecedented. So thank you, Heather.

With that, I'd like to start with the Board to see if they have any questions or comments for either Ms. McKillop or Bruce. So Director Broom.

BOB BROOM: Thank you, Madam Chair. I do have one question. The 484 number now that we have as far as the number of layoffs, what is the breakdown between represented and non-represented?

BRUCE ABEL: This is Bruce. In terms of salaried, there are 98 filled and 63 vacant for a total of 161 positions on the salary side. The vast majority of those are full-time positions. On the represented size, it is 386 filled positions, broken down approximately nearly-- well, just over a half being full-time and just under a half being part-time.

BOB BROOM: Thank you.

ANGIE RIVERA-MALPIEDE: All right, thank you, sir. Secretary Buzek.

VINCE BUZEK: Thanks, Madam Chair. And thank you, Heather and Bruce, for the presentation. Bob Broom just asked my question. I had that very question. But I do just have a couple of comments. It's kind of bittersweet news that we hear that we're able to reduce the number of personnel that will be losing their jobs right before Christmas. But I guess we'll take it where we can get it. We've saved 151 positions with this new forecast. But we still have people that are going to be unemployed pretty soon, and that's not a happy thing.

There are some people that will say, well, why not just use all your reserves? And then you could save all these jobs or a bunch of these jobs. But we've discussed that many, many times and have determined that is an unworkable and untenable position. Our rating agencies look at our reserves and our reserve balances to determine how well they're going to rate us. That impacts our potential and ability to finance and all kinds of things down the road. And so saying to spend your reserves is really not a responsible move.

On the represented, we've all been getting a bunch of emails, and I appreciate all those emails that we've received. And although it's the same email over and over, I have kept track of all the names of all the people. And I appreciate you sending those out.

But it's just untenable to keep 100% of your staff when you're providing 60% of your service. And I know that's, again, another bitter pill to swallow. But those are my comments. I appreciate your work. And moving forward, I'm eager to speak to the Leeds School people as well. Thanks.

ANGIE RIVERA-MALPIEDE: Thank you, sir. First Vice Chair Catlin.

PEGGY CATLIN: Thank you, Madam Chair. Yeah, much of what Director Buzek said, I have considered as well. I'm very concerned about the slim margin, particularly in light of the very volatile swings we've seen in the forecasts.

I am concerned about going into the future, particularly years '23 through '26. And my question is, why would we contribute $17 million to the FISA reserves this year if we're going to have to dip into those reserves in later years? It just, to me, just doesn't seem like a financially responsible thing to do.

And I agree with Director Buzek that we're improving in the staff reductions, and it's my hope that perhaps by the end of the year as things change or that we might get a stimulus infusion, that we could quickly regroup and not have to reduce. The fact of the matter is we're only at 60% of our operating, and we have people who, I am told, are sitting idle in the break rooms. And I think it's fiscally irresponsible to pay people full salaries for not doing anything.

And I know that probably will not be met with favor from anybody who may risk losing their jobs. But I still think that we have to be fiscally responsible, and we need to be efficient and effective in our operations and be mindful of the taxpayer dollars that we're spending. So those are my thoughts. And thank you, Heather and Bruce, for putting this together. And it's my hope that next month, that we'll see even more of an improvement and that we can make some adjustments accordingly. Thank you.

ANGIE RIVERA-MALPIEDE: Thank you. Second Vice Chair Cook.

HEATHER MCKILLOP: Madam Chair, this is Heather. Can I respond to the FISA question just to give our philosophy on that?

ANGIE RIVERA-MALPIEDE: Absolutely. Go ahead.

HEATHER MCKILLOP: So the thought process behind that was that when we took things away, the FISA was a hot button, and we had to dip into that every single year and drain that every single year before. Now we didn't touch the corpus, but we touched all the contributions. We try to restore things in reverse order, so make sure we filled up the reserves, and then we tried not to touch the FISA going forward.

Now as you see in the future for FasTracks, we do have to use some of those contributions. One of my ways of hoping to address not going to the FISA but still providing funding for issues going forward on FasTracks is that list I presented in your packet that talked about project closures coming up, the return of the credit risk premium, those type of things.

I would like Board approval to not put those in the FISA and instead put those in the fund balance so those funds will be available in the future to offset those shortfalls going forward. And then maybe we don't have to have the FISA discussion on an annual basis. I'm not sure if that's going to be the case or not. I'm just trying to figure out a way, kind of a middle ground for both the way people feel on both sides, the one being able not to touch the FISA when I don't have to, but also things that might have gone into the FISA I now-- instead of putting them in the FISA, we just put them in the fund balance to be used to offset those shortfalls.

ANGIE RIVERA-MALPIEDE: OK.

PEGGY CATLIN: Madam Chair, if I might?

ANGIE RIVERA-MALPIEDE: Yes, please.

PEGGY CATLIN: Thank you, and I appreciate that. I just am concerned. I would not even suggest trying to dip into the existing FISA account at this point. I'm just worried about the contribution before facing shortfalls later. But Heather brought up another point that I forgot to make.

And that's I am really concerned about deferring all of our maintenance and our asset management and kicking the can down the road for that and if there are some critical issues we might be facing where we would have to take more extreme measures to tap into some of those reserves in order to cover some of our deferred maintenance and some of our critical assets that we're trying to maintain. So that's just a point I wanted to make. But I appreciate your explanation, Heather.

ANGIE RIVERA-MALPIEDE: Thank you. All right. Second Vice Chair Cook.

SHELLEY COOK: Yeah, thank you. And I'll kind of piggyback on this a little bit. Would bring up the fact that those outyears don't actually-- we are adopting a two-year plan in part because things are so volatile and changing right now. It makes sense that we would focus on the near-term, which is a little bit more knowable. So that's another thing to think about in terms of that FISA in the outer years.

And then secondly, the next week's package will include fiscal policies with a red line set of changes that relate to how we build back after the COVID period ends. And I think the staff have done a good job of both reflecting the Board's direction with regard to the FISA, for example, and also incorporating their own recommendations for, for example, using this one-time money that we have going into 2021 to build up our reserves and, secondly, to begin identifying the assets, the critical assets that we may need to do sooner than later, but also thinking about services.

So I just wanted to highlight that piece and ask people to take a good hard look at that because we'll be taking them up in the next few weeks and starting with Tuesday's session. It's the end of the packet, so I just wanted to highlight that.

I do have a couple of questions or requests. For the breakdown on packet page 11 and 12, when you look at the effect of the updated forecasts and the changes that have happened recently, it looks like the benefit mainly accrues or, at least at the $7 million range, to admin versus services. And you mentioned that you're still reconciling that. Would you please-- would you be able to give us a more detailed breakdown of why the greater swing on admin versus services? Because we had wanted to minimize that, as you know, in terms of making our response to the COVID impacts. Would that be OK, first of all?

BRUCE ABEL: Madam Chair, this is Bruce.

ANGIE RIVERA-MALPIEDE: Please.

SHELLEY COOK: Not necessarily, but going forward is my request. I know you don't have it right now.

BRUCE ABEL: Well, I did have an opportunity, and Heather and I and Susan Cohen had an opportunity to take a look at this. I mentioned earlier that part of the process of the task force has been reconciling internal data sources, data sources such as we have org charts. We have staffing plans. We have budgets which are driven by staffing plans and org charts and budget documents.

As we have been going through, we have used the task force process as an opportunity to try to reconcile all of those. And it has been a challenging and time-consuming process as we have found a number of situations where we have to reconcile-- give you examples. If there are people on salary that are not in an org chart or in a budget document, they need it to be added back in. So that is, for example, one circumstance that led to an appearance of people being added back in.

But in reality, they were people who were on payroll who were on the org chart but were not in the budget document. So in putting them back into the document so that we had internal reconciliation between each of these documents, we see swings such as this. So they're sort of data cleansing as opposed to any actual real changes taking place.

And, for example, in the administrative cost line item, that was the major element of those costs where we found people who were on staff not on an org chart, not in a budget, and we needed to put back into our data. So when we're done with this, we're using this as an exercise to really clean things up so that as we move forward, we have much more internal consistency in our data sources than we had at the beginning of this project.

SHELLEY COOK: OK. But it's still $4 million on Base and another three on FasTracks. Would you mind just providing a bit more detail once you're able to? That would be my request. It's just a pretty significant amount.

And then the last thing I wanted to focus on-- this isn't my thought. It's Lynn Guissinger's. But I won't have a chance maybe to second it after she's talked about it. She, I believe-- and I don't want to-- I'll paraphrase what I understand where she is coming from. But the thought was maybe take a sliver of that that we currently are planning to put into the fund balance and use it or conceptualize ways to recover some of our ridership once the pandemic subsides or we have a vaccine or people get callbacks to work or something.

So maybe it's funding for a buydown of passes for a year or other fare reductions or some kind of a program that includes the marketing piece, just including some money for that, and/or to try out some ideas that we may see with Debra onboarding or that come from the Accountability Committee that relate to recovery. So I thought that was worth exploring. And to the extent we've been able to restore our fund balance above and beyond where we were previously at goal, maybe take a sliver of that and use it as an investment to make sure that we continue to grow looking forward. So with that, I'll wrap up my comments. Thank you, Madam Chair.

ANGIE RIVERA-MALPIEDE: Thank you. Second Vice Chair, Cook, could you define for me what sliver means?

SHELLEY COOK: Well, somewhere between-- like, if we are built to three months of reserves, which is good and I support that, and I support the policies that the staff is putting forward, but half to one quarter of that, of a month, one half month or one quarter to one half months, somewhere in there. That's a lot of money. And that's what I'm putting out there.

ANGIE RIVERA-MALPIEDE: OK, thank you, ma'am.

SHELLEY COOK: Thank you.

ANGIE RIVERA-MALPIEDE: All right, Director Folska.

CLAUDIA FOLSKA: Thank you, Madam Chair. If it would be all right, I'd like to wait until the end.

ANGIE RIVERA-MALPIEDE: Absolutely.

CLAUDIA FOLSKA: Can you call on me last?

ANGIE RIVERA-MALPIEDE: Yeah, I will. Treasurer Guissinger.

CLAUDIA FOLSKA: Thank you.

LYNN GUISSINGER: OK. Thank you, Heather and Bruce, for the presentation. I'm still trying to figure out some of the pieces that go into all of this. But I can ask those questions during the week. Page 11, it says, "Operating and maintenance costs were adjusted based on the most recent information available." Is that just changes in what those things are costing us? Or what are those changes?

HEATHER MCKILLOP: Madam Chair, this is Heather McKillop.

ANGIE RIVERA-MALPIEDE: Please.

HEATHER MCKILLOP: So yeah, those relate to what Bruce was describing, that we found some errors. We found things that were in one place that should have been another. In addition to that, as Bruce also mentioned, we added back positions on the represented side I think to the tune of 60 or 60-ish. And then on the salaried side, we had two positions. So those are the type of things that he discussed that make up those changes.

LYNN GUISSINGER: Great. And I'm going to borrow an idea that Director Lubow suggested and ask about it because this is my chance. But when we're deciding our service at this point, our service reductions, and therefore deciding our layoffs on the represented side, as I understand it-- well, I guess there's two questions.

The layoffs are really driven by the amount of manpower, person power that we need rather than the financials is one question. And are our service plans changed at all? Or there's some, as Judy says, that are sort of on the bubble that we should go back to looking at keeping more service. Where are we on that [INAUDIBLE], please?

BRUCE ABEL: Madam Chair, this is Bruce.

ANGIE RIVERA-MALPIEDE: Please.

BRUCE ABEL: So yes, Director Lubow did have the opportunity, and I did have the opportunity to talk this afternoon. And I subsequently chatted with Jessie Carter. The way I posed the question to him were several fold because when I used the term on the bubble, which Director Lubow and I were using in our conversation, I reframed the question. I said, are there any service suspensions that are driven by funding non-availability as opposed to lack of ridership? And his answer was no, that all of the service recommendations are based on ridership, not based on lack of funding availability.

So that would be another way of saying-- so I asked him. I said, are there any routes that run the bubble? That would mean that if you had all of the money in the world, would you be recommending reinstating any of them, is how I characterized that. And his answer was no. So while I don't want to speak for Jessie, I'll speak for Jessie. But he represented to me that the recommendations were based on ridership, not on funding lack of availability, but rather on demand that manifests itself. And he could not think of anything when asked that he would reinstate if he had a pot of money with which to do so.

LYNN GUISSINGER: OK, thanks. And I guess that brings me to the thought that we really need to start focusing on what we do-- and it may be a few months out-- to bring back ridership because that's the best way to bring back our employees and get people back to work. That is what led me to sort of the thought that Director Cook laid out, which is we need to potentially look at some real out of the box options for bringing back our riders.

And that may be expanding our pass program, again, into whole new areas, whole new groups potentially. It may be some sort of other loyalty program, something like that. But it may be a lot of different things. There was an interesting idea that came up in the Accountability Committee last week. There's just a lot of things to do. But I think one of the best things we can do, as I say, to get our employees back to work is just bring ridership back up.

And I would like to see some piece-- I can't define sliver tonight. But I can say that some piece of money going into reserves may be well used. And it doesn't sound like it needs to be much, but to start thinking about bringing back our ridership. I think it's hard for all of us to read these letters and think about laying off employees, and anything we can do. I also-- I don't know where we have gotten with it, but we had a good idea to use some of our current employees as the second person on the train if we could. Is that moving forward?

BRUCE ABEL: Madam Chair, this is Bruce. If I might address the first and last question. I think the middle was comment. The first question, I think-- and I'm interpreting many of the questions regarding service as really being questions regarding, how do we retain our employee base?

And so I mentioned earlier that two of the things that we have done over the past weeks is we have reinstated a number of drivers-- or not reinstated, but reduced the number of drivers for separation in order to keep a more robust extra-board. So that is a means by which we can keep some of our operators while not providing service on the street and increasing our expenses for no real ridership return. It also provides the foundation for us to respond as conditions do merit.

And similarly, on the maintenance side, again, to retain additional mechanics to provide useful services and maintaining the mothball fleet, but, again, to make sure that we have a foundation upon which to build as things return. So we are looking at non-service related ways of keeping operators to the extent that it makes sense for us-- to keeping our represented employees to the extent that it does make sense and provide some additional buffer. Now what was the last question?

HEATHER MCKILLOP: Conductor.

BRUCE ABEL: Yes, we have-- we're continuing to move that process forward. But that is going to be a slow process because there are negotiations involved with DTP, as I understand it, as it relates to the contract for the Eagle and certain elements that are in that contract. So that does need to be undertaken, and that's going to be a long-term as opposed to a short-term solution.

LYNN GUISSINGER: OK, thank you. And I appreciate all the efforts to keep people that we can that make sense. I recognize that keeping people when we don't have work for them is difficult. It's hard to do. But looking at what the extra-board needs to be, we're not changing service until January. Who knows what the world will look like in the time shortly after that? So I applaud those efforts. That's all I have. Thanks.

BRUCE ABEL: Madam Chair, if I may.

ANGIE RIVERA-MALPIEDE: Yes.

BRUCE ABEL: We will-- after the Board adopt the January Runboard service changes, obviously we will be reassessing how the run cut is structured and what our final needs will be. And so these numbers will continue to change as conditions change. So just wanted to remind the Board of that.

ANGIE RIVERA-MALPIEDE: Thank you, Bruce. Treasurer Guissinger, I cannot agree with you more about the fluidity of where we're at currently. And I would caution the Board to take a deep breath and understand that the numbers of COVID rising again are pretty concerning. And so I think that-- I don't know what's going to happen. I don't have the crystal ball either.

But I do think that this is our chance to really take a look at the mid-term budget, talk back and forth about how we want to move forward. But I would just say we also need to realize that we need to be very fluid as we move forward based on what may or may not happen. Director Lewis, do you have any comments or questions?

SHONTEL LEWIS: I do. I have a few comments and a few questions. So Director Guissinger brought up a really good point, and I wanted to speak about it actually. So the last time we had this discussion, I asked about if we were seeing a 60% reduction in service, if we had looked at our contracts to see if there might be some cost savings there. And Director Guissinger brought up the second position on our trains, and that was one of the things I had proposed in terms of cost savings. And so I'm curious as to what research has been conducted for our contractors if we're seeing decreases and where we might be able to save money.

ANGIE RIVERA-MALPIEDE: Is that your first question?

SHONTEL LEWIS: Yes, and I'll get to a few more.

ANGIE RIVERA-MALPIEDE: Do you want that answered first, or do you want to do all of them at once?

SHONTEL LEWIS: No, go ahead. I'll get that one answered first.

ANGIE RIVERA-MALPIEDE: So I'm going to turn it over to Bruce. But I would just say to you that the General Manager, Mr. Ballard, and I had a conversation where he thought about this like in May. So this has been on the burner for quite some time. But then I'll turn it over to you, Bruce.

PAUL BALLARD: Yeah, Madam Chair, Paul Ballard, CEO.

ANGIE RIVERA-MALPIEDE: Yes.

PAUL BALLARD: Yes. Those conversations and those plans are moving along. As you know, when we started the N Line service, we switched from armed guards to to unarmed guards, and we're calling them transportation safety associates--

SEVERAL DIRECTORS: Ambassadors.

PAUL BALLARD: OK, ambassadors. Thank you, team. And so we're in a position, I think, very quickly, once the budget is adopted and the service level is established for January, we'll know what our surplus of employees will be. And then we'll be in a position to move rather quickly I think on the North line as far as shifting some of those employees over to North Line. There'll be a training program, of course, a paid training program. And then we would shift some over.

I think we're looking at 28 potential-- 28 potential just on the North Line. So our hope is that we'll accomplish that by the end of the calendar year or very, very close to that. What Bruce Abel referred to is that we have specific agreements with Denver Transit Partnership and Denver Transit Operations. as far as that second person is concerned, there's no reason why we can't also concern them-- excuse me-- convert those positions.

And that is my recommendation to the management team and to the Board is that we continue. That will take a little longer. Those are approximately a hundred additional positions that operate on the three commuter rail lines operated by the Eagle Partnership.

But I believe that we should move expeditiously as 2021 evolves and, once again, shift as many folks who have been laid off into those positions as we steadily reduce the contract with Allied Universal. So I think it's a very, very reasonable plan. We fully intend to implement the North Line rather quickly. And we should stick to the plan in 2021 for the rest of the lines. Thank you.

ANGIE RIVERA-MALPIEDE: Thank you. Director Lewis, I'll go back to you for additional questions.

SHONTEL LEWIS: Yeah, I do have a follow-up to that. So yeah. So Mr. Ballard and I did speak quite some time ago about the transit ambassadors. And I guess my question more specifically is if we've seen-- if we are offering 60% of our services, have we looked at contracts where we might be able to save money as it pertains to the operation of 60% of our services?

To me, I'm trying to reconcile how we tell some of our staff that because we are only operating 60% of our services, that they are going to have to expect furloughs or layoffs. But we aren't looking at our contracted services, specifically as to the example that you provided with Allied Security who would be present on our services. And so if we need 60%-- or 40% less operators, would that not be true for our security personnel?

BRUCE ABEL: So this is Bruce, Madam Chair. And I'd like to sort of split that question in two, if I may, because we may be talking about two sets of contractors, so to speak. On the bus side of the house, we are actively involved with negotiations with our private contractors relative to the services that they provide and the cost structure of their contracts with us to reduce our service levels and our costs with our private contractors on the bus side of the house. Those negotiations are ongoing and was involved in some conversations with our staff on that count earlier today.

As it relates to Allied Universal, it becomes a contract management issue that we just need to make sure that, yes-- well, on the one hand, as we reduced levels of service or as we operate reduced levels of service, we need to ensure that our contractors are similarly-- our security contractors are similarly reducing the numbers of employees that we are billed for because there will be fewer trains that they need to provide second crew member services for. So yes, that is also part of the ongoing management process.

ANGIE RIVERA-MALPIEDE: Director Lewis.

SHONTEL LEWIS: Thank you so much. That's helpful. I appreciate that, and I hope that we go in that direction. I think it would send a pretty strong message to our operators, our frontline staff generally. It just seems a bit unbalanced.

One of the suggestions that I provided the last time we had this conversation was increasing cleaning and sanitation because I thought there would be an opportunity for us to really get back our riders. And I've heard that a few times on this call thus far. And in a way to do that in terms of public trust is to show that we are taking care of our-- taking care of the cleaning and sanitation needs. And we might be able to retain some of our operators in those positions as well. And so I'm curious as what the exploration look like around that suggestion from the last time we have discussion.

MICHAEL FORD: This is Michael Ford, COO. And there are considerations that we can look into to look at existing resources to see if we can enhance our cleaning opportunities on bus and rail. So we're considering what we can do in that effort to improve or enhance the cleaning and the confidence of our public, our riding public so we can make sure that people are feeling more safe and secure. We're discussing that now, and we'll see what we can do.

SHONTEL LEWIS: OK. I would love to see the results of those discussions prior to us deeming to approve that final budget because that's definitely going to influence my decision making. So I appreciate that Mr. Ford. The second-- or third at this point-- request that I had was around the demographic breakdown for the race, gender, age, position, and pay for folks who are going to be impacted by layoffs. And I still haven't received that, again, another piece that is important in my own decision making as I'm looking towards adopting this.

MELANIE SNYDER: Madam Chair, this is Melanie Snyder.

ANGIE RIVERA-MALPIEDE: Please, General Counsel. You have the floor.

MELANIE SNYDER: Thank you. And, Director Lewis, I think last time you raised that, I offered to have an offline conversation with you about that, and I'm still willing to do that. I'll reach out to you directly.

SHONTEL LEWIS: Yeah. Thank you. I appreciate that. I was actually told that that information wouldn't be available yet and you all would let me know when it was available. But I'm happy to have that offline conversation with you as well.

MELANIE SNYDER: Great. Thank you.

SHONTEL LEWIS: Sure. And then I have to share a general concern about the FISA account and our reserves. I think we should be pulling from our reserves first. Excuse me. I think we should be building up our reserves and pulling from the FISA account. I'm not changing on that position. I think it's a strong message that we send to folks who aren't at the North, obviously, that we care about folks and that we're willing to do the right thing, and we're not just going to hold on to millions of dollars while we watch projects, as we saw earlier in the presentation, be deferred. And so I would feel strongly about us using our FISA dollars and building up our reserves. Thank you. No further questions.

ANGIE RIVERA-MALPIEDE: Thank you, Director Lewis. One of the things that I would like to share with you is at the beginning of this whole COVID issue when we eliminated the fares, we took the fare collector counters. And, Heather, you can correct me on this number. But somewhere about 20 to 25 folks who worked in that division were pulled from that since we were not collecting fares to actually work on sanitizing and working on the buses and trains to make sure that they were still in employed, same hours and just like a $0.10 differentiation. That's what I recollect. Is that correct, Heather?

HEATHER MCKILLOP: Madam Chair, yeah, that is correct. And they actually got paid the same amount of money that they were being paid before. But yes, they were redeployed during that period of time. We worked with the union to redeploy them to service in cleaning.

ANGIE RIVERA-MALPIEDE: Thank you. So Director Lewis, this is something that has been consistently looked at as we've moved forward during this whole process, just so you know that we're really working at trying to make sure that we can keep as many people employed as possible. So thank you for those questions.

SHONTEL LEWIS: Thank you, Chair Rivera-Malpiede. I appreciate you reading that.

ANGIE RIVERA-MALPIEDE: Thank you. Director Lubow, do you have any questions or comments?

JUDY LUBOW: Yeah, I have comments.

ANGIE RIVERA-MALPIEDE: Please.

JUDY LUBOW: Thank you. I wanted to thank everybody, Heather and Bruce and their team, for this incredibly thankless task that never seems to end of trying to create a viable budget for us. So thank you all very much. I myself am not at all happy, and I'm sure none of us are, with the idea of laying off lots of people. It's very distressing. And I'm very glad that that number keeps going down. Unfortunately, not far enough as far as I'm concerned.

But we've heard that one of the ways we've been able to keep people employed is basically who aren't doing much. And that does not seem like a good way forward either. So it seems to me that it would be great to be able to reduce that number of people that need to be let go in a realistic manner, if that is possible, that's fiscally sound. And I don't know. There may not be much left to do in that regard, or there may be a lot.

I liked the suggestion of Director Guissinger, the idea of putting some effort into increasing our ridership. Because not only is it necessary for our own sustainability. Apparently now I'm seeing that it's really necessary to keep our employees to go together, ridership and having employees for us. So I would urge staff to look at-- to take a fresh look at what we can do, what we can do, what new ideas we can [INAUDIBLE] increase riderships so that we can save our staff as much as we can. That's it for me. Thank you.

ANGIE RIVERA-MALPIEDE: All right, thank you. Director Menten.

NATALIE MENTEN: Yes, thank you. I am still putting together a list of questions. And it assists when I'm hearing some other Board directors. So would you mind if I could ask for the courtesy of also going at the end, please?

ANGIE RIVERA-MALPIEDE: Yes. OK, got it. Director Mihalik.

KEN MIHALIK: HI. Can you hear me?

ANGIE RIVERA-MALPIEDE: Yes.

KEN MIHALIK: Yeah, I'm just impressed with the level of thought and care that has gone into this. It's just really encouraging to hear just all the things that have been considered. You guys are turning over every stone to try to minimize the layoff impact whilst building up reserves. And you're trying to do all these things.

And it just seems-- I don't know how you're able to do it all. There's all these competing interests. So I'm impressed with how you're able to do this, and you're responding to all this changing information. I'm just hoping that next month it isn't the drop in the roller coaster again. It seems that-- a lot of so much uncertainty, and we're certainly not through it yet.

But I say, yeah, Heather, keep building up the reserves, particularly if they're already anticipated on being drawn down after next year. And then who knows? Maybe some more people will self-select, as Bruce said, and further reducing the amount of layoffs as well in the next couple of weeks. But that's all I got. Thanks.

ANGIE RIVERA-MALPIEDE: Thank you, sir. Director Tisdale.

DOUG TISDALE: Thank you very much, Madam Chair. First, I have a question, and then I have a comment following that. The question is to both Ms. McKillop and Mr. Abel. Do we have a fair estimate of how much in terms of dollar savings will be generated by the net of 444 layoffs that we're proposing? What's the dollar rate equivalent to that?

BRUCE ABEL: Chair Malpiede, this is Bruce, if I may.

ANGIE RIVERA-MALPIEDE: Please.

BRUCE ABEL: Approximately 18? The position reduction and vacancy saving.

HEATHER MCKILLOP: So if I can point you towards packet page 11 and 12 in the PowerPoint, we have details under the administrative personnel savings and the service reduction savings. Those are almost all personnel with all the associated benefits, et cetera, that are in green. So those would be the savings related to those adjustments.

DOUG TISDALE: All right. And I looked at that because I thought that might be the answer. First question is, is that both salaried and represented savings--

HEATHER MCKILLOP: Yes.

DOUG TISDALE: --or it's just a salary? So that's both, right?

HEATHER MCKILLOP: Correct, that is both.

DOUG TISDALE: OK. And I think my rough math was that's in the neighborhood of $16 million or so that's associated with that reduction of 404 employees laid off.

HEATHER MCKILLOP: No. Chair, this is Heather. No, it's at much higher than that. So on that Base side, it's $76 million plus the $14.3 million are the Freedom Personnel savings. And then on that FasTracks side, it's the 1.2 plus the million.

DOUG TISDALE: Got you. OK, so I looked at only part of the numbers when I was doing that math. Thank you. The observation is this. Back on I think it was-- where's my note? Where's my note? July the 28th. At our study session on July the 28th, you asked, should we use the low forecast, the medium forecast, or the high forecast going forward?

I argued at that time that I thought we should use the medium forecast because it was always tempting to sound like the fiscal conservative and be supremely cautious and use the low. Well, I thought we should use the medium. And ultimately, that did not prevail, and we used the low.

Now we look at the revised forecasts. And the low that we had projected at that time has gone up significantly. But notice also that the medium forecast is $20 million larger than the low, $20 million-plus in additional revenues that are not accounted for in the low forecast. That's a big spread. And that actually relates to jobs. It relates to people's jobs and their continuing employment. We're talking about 484 layoffs, $20 million. Just by the simple and rational and justifiable expedient of saying, let's use the medium forecast, would put $20 million back in there to retain employees.

And I'm just wondering if we have considered whether, in fact, it wouldn't be more appropriate to look at that. And I know that the comment has been made that, oh, well, this is a very moving target, and there are, after all, these changes. The unemployment benefits went away. The additional cash infusion that we got with the credit cards and things that people were set out are no longer there.

That's not a surprise to the Leeds School of Business at the University of Colorado. They know all that. They understand all of that. They get it. So their medium forecast is not a prediction of what things would be like if we had that all in place. They understand it's not currently in place, even though the prospect remains that it might well, to some extent, be restored within the next several weeks.

But all that said, the simple expedient of saying, let's use the medium forecast from the Leeds School of Business at the University of Colorado, puts $20 million back into that. And that $20 million represents, more or less, about a 20% increase in the funds available out of the funds that are being saved by the layoffs that are proposed. So that 484 number probably drops down to under 400 should that be the case.

Now that's an observation. I'm not an economist. I just like to pretend that I'm one in Zoom calls. So the question is whether in fact there's any support for that analysis that I just provided. Ms. McKillop, I would turn it back to you for that response.

HEATHER MCKILLOP: Madam Chair, this is Heather McKillop.

ANGIE RIVERA-MALPIEDE: Yes, please, Heather.

HEATHER MCKILLOP: So we did look at the differences between the low and the medium forecast. And in the analysis that I've done, which is completely different way of doing it than the very sophisticated way that they do it, I do think that we're probably closer to the lower forecast than we are the medium right now just based on actuals. Now that could change if we have a really, really strong November, December, higher than what we've anticipated.

But for right now, I think we're probably somewhere closer to the lower. We might get a few million dollars out of that in the November, December time frame. [CLEARS THROAT] Excuse me. And even if we got closer to the higher number, I guess my recommendation would still be, because of the volatility that we may see in the wintertime, early spring next year, that we continue to set that money aside. And then after the first quarter of next year when we have a few months of actual, then we can revisit whether we'd put the money into projects, whether we can start resuming service if ridership calls for that.

And basically looking at the COVID policy that Director Cook was discussing that are going to be available, we kind of outline how that restoration might occur in 2021. So I guess at this time, I would not advise that-- I mean, we could go with the medium forecast. And even if we did that for 2020, I would advise that money be set aside at this time. That way, if it does come in closer to the 608, we don't have to cut anything further to address that.

DOUG TISDALE: And thank you very much for that response. It's very helpful. The only observation that I make is that to say, for example, let's wait until after the first quarter of 2021, when we're talking about making these layoffs, we're not talking about making a map of the first quarter of 2021. We're talking about making that decision before then. And as we make that decision, those are people's lives that are impacted by virtue of the action that we take.

And you make an exceptional case, and it's a very prudent one. But I make an observation that we are dealing with human lives and jobs. And I'd like to be as careful as possible before making that determination in terms of the actual amount of layoffs. So I leave that as an observation. I thank you very much for going on too long, Madam Chair. But I thought it was worthy of being put on the table for consideration by the other Directors. Thank you.

ANGIE RIVERA-MALPIEDE: Thank you Director Tisdale. Is Director Walker on the call?

DOUG TISDALE: Madam Chair, I believe he is. It may take him a moment to get off of mute. He did to confirm to me that he was on the call.

ANGIE RIVERA-MALPIEDE: OK, because I don't see him on any of my list here. So, Director Walker, you have the floor. OK, I may give you a moment to get on. I'll go ahead and go to Director Whitmore.

JEFF WALKER: Can you hear me now?

TROY WHITMORE: There we go. Go ahead. Go ahead, Director Walker.

ANGIE RIVERA-MALPIEDE: Go ahead, Director Walker.

JEFF WALKER: Yeah, sorry about that. I was having tech issues. I thought I was-- I don't know what happened, but I'm here now. So thanks for your patience. Yeah, so, Ms. McKillop, great presentation full of information. Part of it I wasn't at my desk, so I didn't get the full effect of it. But what I was able to hear was pretty substantive and some good news, too.

And like our presentation-- regarding ridership, like our presentation presenters last week said, we're looking at a different employment market for the next couple years probably as employees have-- I'm sorry-- as employers have figured out that their employees don't need to be in a central location. They can be pretty much anywhere in the country and then fly in or maybe you have little hubs. And that that ridership that we're used to, that Monday through Friday with the two humps in the morning and evening, is going to flatten out and spread out over some time and might be condensed into three days instead of four or five.

So anyway, the short of what I'm trying to get at is ridership is a tricky issue. We don't make money on our riders. Every ride is subsidized. There might be some segment of the 15 that makes money. But every ride is subsidized, and pretty much every ride is subsidized. So just growing ridership is, for me, a tough proposition. If that effort is targeted, strategic in the areas that need additional service and ridership in there, and in those areas on those routes and those submarkets of the district, that's something I could really support. But just growing ridership, I don't know.

To that effect, because we don't know what the ridership will be, I know that we always have some number of operators on standby at the shop hoping that they don't get called. Because if they get called in, that means something went wrong somewhere. Or maybe there was an event that required more ridership. So I would like to see some way to retain as many ride operators as possible and also the commensurate number of mechanics and other support just because we don't know.

I guess I can get behind what Mr. Tisdale was saying, what Director Tisdale was saying about retaining as many as we can, number one, because it is people's lives, but, number two, because that ridership might come back to some degree pretty quickly. We've seen how the numbers on spending, on how the revenues numbers have fluctuated, and hopefully they'll stay pretty high. I know some folks that are going back to work to some degree, back to their offices. So I'm hoping that will continue. But because we don't know, I understand the predicament staff is in.

Let's see. One thing I also-- also regarding ridership is I support if there is an opportunity to bring forward some of those deferred projects. There are lots of systems that we could point to that had problems with old, unmaintained infrastructure that cost a lot more to replace than it does-- replace after something went wrong, a structural failure, than it does to maintain and do the scheduled maintenance and replacement, end-of-life replacements on those.

So if there's an opportunity, if there's a choice between trying to increase ridership for the sake of ridership or else making firm structural changes and improvements, infrastructure improvements, I would definitely support that option, the latter, making the infrastructure improvements.

I also support returning those savings that Ms. McKillop mentioned. I don't remember what the page number was. But there were a list of items and then the savings of those was-- the recommendation was to return those to the FasTracks fund balance. I support that over sending those to the FISA.

I have one question, and I'm not sure how to ask it. But when Mr. Abel was speaking about his conversation with Mr. Carter about if there were any services, any routes that he would bring back, and the answer was no, I'm wondering if there are any routes where he would-- where Mr. Carter would see more or an increase in service. Or have those all been taken care of in the proposed January service changes?

BRUCE ABEL: Madam Chair, this is Bruce, if I may. Director Walker, that's a very good point. That was not part of Jessie's and my conversation earlier today. And I will make a point to make that part of a conversation with Jessie tomorrow.

JEFF WALKER: Thank you. I'm not sure I asked that-- well, I guess if you understood what I'm talking about, that's good enough. But I'm not sure I asked it the way was clear. And like I said before, I'm fine with using the FISA to support whatever the demand is, wherever that demand is. Right now, it seems pretty concentrated in central Denver and some other areas. If it were to pop up in one of the farther flung suburbs, I'd support that increase, too.

But it just doesn't seem right to have that money sitting there. And I understand its effect on bond ratings. But service or lack of service or poor service, unreliable service also has an effect with our riders. And that's what we really, really-- that's the audience that I feel that we really have to support. Thank you again for the presentation. I'm sorry I wasn't there for the whole time. I apologize for the technical difficulties. That's all I have.

BRUCE ABEL: Madam Chair. Madam Chair, this is Bruce, if I may.

ANGIE RIVERA-MALPIEDE: Please.

BRUCE ABEL: Director Walker, if I might restate your question to make sure I understood it properly. I understood you to be asking, while Jessie did not have routes that were suspended that he would put back in the service, that your question was, do we feel that we adequately beefed up those routes that are in service? Or are there routes that still need to be beefed up further? Is that accurate?

JEFF WALKER: Yes. Yes, it is. Thank you.

BRUCE ABEL: Thank you.

ANGIE RIVERA-MALPIEDE: All right, thank you. Director Whitmore, you have the floor, sir.

TROY WHITMORE: Thank you, Madam Chair. I'll be brief. I appreciate the presentation. And most of what I was curious about has been queried by my fellow Board members, and I'm sure there are some more good questions coming. I do appreciate the last clarification made by Director Walker.

I still feel strongly that we need to look at the innovation component, that sliver, to quote Director Cook, that goes with recruitment of riders and increasing ridership because we know that does justify more jobs, especially when you get down to operators and mechanics, which is certainly a big concern to all of us.

I had one clarifying question to Bruce. You went a little quickly there on the breakdown on the non-represented layoff numbers. We have some filled positions and some unfilled. Could you give that to me real quickly?

BRUCE ABEL: Certainly. Madam Chair, this is Bruce, if I may. The salaried positions were 98 filled positions that were identified, as well as another 63 unfilled positions for a total of 161. We do generate savings by eliminating vacancies because they are included in the budget as an expense. So we look at both filled and unfilled. But it was 98 filled positions on the salary side.

TROY WHITMORE: Very good. That's all I have for this evening, at least for right now. Thank you.

ANGIE RIVERA-MALPIEDE: All right, thank you. Director Williams.

KATE WILLIAMS: Thank you, Madam Chair. I have a couple of questions and a couple of statements. How often are we going to review this-- I know right now we do three times a year. We do service plan changes. But I'm wondering if we have any plans to review that more often because ridership cannot go back up on routes that are cut. There will never be any ridership on those routes.

So I'm wondering how-- and I don't need an answer right now-- how we're planning on looking at that. And is it possible that we could put some kind of a portal or some place that people could go to state that they are interested in writing so that we could have some kind of tally that might lead us to reinstate routes? Those are just a couple of ideas.

And then I really think that-- along with what we're now calling the sliver concept from Director Cook, I think that we really, really need to get out of the box and partner with municipalities and alternative transportation providers like vanpool. We do have Uber and Lyft that we are working on some pilots with.

But an example that comes to my mind is Access-A-Cab, which is really outside of the box of normal paratransit and has been a real life saver in a number of times. I know that Director Folska has been an Access-A-Cab user herself. So I feel like we need to move away from a 40-foot bus bringing one person from Evergreen and look at some more smaller, more flexible options. Those are my questions that I would like to have somebody get back to me with later and my comments. Thank you.

ANGIE RIVERA-MALPIEDE: Thank you, Director Williams. Now I go back to Director Menten.

NATALIE MENTEN: Yeah, thank you. So let me go back to the numbers that Director Tisdale had asked about and just go to-- we're talking about page 11 and 12. And the total on the personnel, the line items-- let's say that first. The line items that we're looking at are the administrative personnel related savings and service reduction savings. Was that correct?

HEATHER MCKILLOP: Madam Chair, this is Heather.

ANGIE RIVERA-MALPIEDE: Please.

HEATHER MCKILLOP: Yes, that is correct. And then I did get a text from Susan Cohen who said that the dollar amount in personnel savings is around $40 million. The rest is related to fuel, ADA, other fixed route contracts, not just employees. So between those two line items, it's about $40 million in actual personnel savings.

NATALIE MENTEN: OK. So let me go this way. When I added up those lines within FasTracks and Base, I came up with $92,946,000. So I'm supposed to subtract out what from that total that is not directly personnel?

HEATHER MCKILLOP: I'll have to give you-- I can send the Board that specific information. I don't have the details handy right this second.

NATALIE MENTEN: OK. And then what I would look at for what is the parts of what's left over, that actual personnel related savings. That, then, is the layoffs, the furloughs, the pay reductions, the health benefit, and also the pension. Is that what the pieces of the pie are there?

HEATHER MCKILLOP: Yes, those are definitely pieces of the pie on the people side. Yes.

BRUCE ABEL: Director Menten, if I may, on the people side, the elements in the personnel savings are position reductions and vacancy savings, salary reductions associated, furloughs, reductions in pension, elimination of overtime, and then there are also obviously adds the back in relate to unemployment costs and cashing out vacation and sick leave and severance. So those are the elements that make up the personnel changes.

The non-personnel changes relate to things such as savings and Access-A-Ride, savings in FlexRide, because those are contracted services as opposed to direct personnel related services, contracted fixed route services, fuel savings, savings in the security contracts, and other sort of general administrative savings.

NATALIE MENTEN: OK. So I would like to get what that total is and, Heather, that you described you could send me to take out of that total of the $92,946,000 to end up with that number. And then I would like to know one specific part of that proposal that I haven't gotten a number-- I haven't gotten a number [? forever ?] that I know. And last time I asked, we were very early in this process. So I understand why it wasn't available. But what was vacation and the sick time buyback? So if I could get-- I don't know that you have that right now, and you can get that to me later.

BRUCE ABEL: Vacation and sick time buyback is just under a million dollars.

HEATHER MCKILLOP: We'll get the whole Board--

BRUCE ABEL: We'll get the whole Board the whole breakdown of everything we just reflected.

HEATHER MCKILLOP: Yeah.

NATALIE MENTEN: OK, good. OK. Then moving on to-- I found it interesting the discussion about the organizational chart. And what I got out of it-- and I could be wrong-- is that we have employees that are within the RTD-- are RTD employees but were not present on the org chart or in the budget. You say that that is changing, let's say, day by day or quite quickly. Do we have an idea of how many people were not? A rough idea? Are we talking 100, 200?

HEATHER MCKILLOP: No, no. We're--

BRUCE ABEL: Oh, no.

NATALIE MENTEN: 10?

BRUCE ABEL: It's more in the vicinity of a couple of dozen minutes. Just, again, getting different data sets to reconcile with each other.

NATALIE MENTEN: OK.

HEATHER MCKILLOP: And typically-- Madam Chair, this is Heather. Typically what happens is they're on the org chart, but they weren't in the budget. Or they're in the budget, they weren't on the org chart. So we're trying to reconcile those to get one complete picture.

NATALIE MENTEN: OK. And so the last org chart that I pulled from the hub was July 2020. When would we have a pretty solid feel for a updated org chart?

BRUCE ABEL: That is the last org chart that has been published. We will be in a position to publish a new org chart. I cannot speak for Racel, but we will be able to publish one at the end of this process.

HEATHER MCKILLOP: Correct. So what we're doing is we're using this process to-- we just went to Workday, which is a much more efficient process than doing it manually, which is how it's been done for the last 50-something years that this organization has been in existence. So we just went live with Workday. The intent is now that we get it reconciled for the end of this budget process, that we will be entering all that data into Workday.

Workday will now be our official way that we track all positions because we have internal controls to make sure positions are not budgeted that aren't on the org chart and positions aren't on the org chart that aren't budgeted. So that's one of the huge benefits of this new system that we have available to us. The problem is we have to get the accurate information into the system for it to properly track that going forward. So as soon as this process is wrapped up and the budget's adopted, we will be working with HR to get that-- and IT-- to get that into Workday, and we'll be able to produce a very detailed org chart.

NATALIE MENTEN: OK, good. Going to page 10 in the packet, which is the 2020 year-end reserves with the September forecast. And, again, that's page 10 in the packet. Just curious with two of the columns and where we saw a change. And that was the decrease due to the represented furloughs, which did not occur, and also the funding of the Accountability Committee. Why those were not in some way separated-- put both into Base and also into FasTracks.

HEATHER MCKILLOP: So Madam Chair, this is Heather.

ANGIE RIVERA-MALPIEDE: Please.

HEATHER MCKILLOP: So when we originally budgeted all the reductions to furloughs, whether they be represented or non-represented employees, because we didn't know exactly how that would break out between FasTracks and Base, we put all of those costs into-- those reductions into the Base System. So when those reductions for furloughs represented did not materialize, I took them back out of the Base where they originally were accounted for. If I had taken out of both, it would have not represented that properly.

On the Accountability Committee, we funded that all out of the Base. We have no idea what questions they're going to ask about FasTracks. And so to keep track of what things were FasTracks related and what not is close to impossible since most of their inquiries are about RTD as a whole, not individually. So it makes more sense, especially for that small dollar amount, to just track it out of the Base System.

NATALIE MENTEN: All right. And I can see as a small dollar amount, it's a minor question. But when I look at the Accountability Committee, I would say a healthy part of it-- whether it's budget issues or completion of the FasTracks system, I would say a healthy amount of their inquiries could be related to FasTracks. So, again, it is a minor dollar. It was more I was wondering about both those categories. So I can see where it was easier to just put it all into one, one change versus two. Just was a question of curiosity, I guess.

Next is-- while I try to think there's anything else, I will answer the two questions that you posed, which you said we didn't have to answer tonight. But you were trying to get a heads up is the way I took it. And without a doubt, increasing to the three month reserve is a priority.

Second, the access or the savings-- I think excess might be a better term-- from the FasTracks and whether that should go to the FasTracks fund balance versus FISA, it should go to the FasTracks fund balance. My preference would actually be somewhere else. But if you're only giving me those two options, that's my answer.

And one last item. At a previous meeting, I had asked for clarification. This goes to Ms. Snyder and Legal. So I'm just putting a reminder out that I would like to find out and confirm in CRS all the pieces of CRS that would apply to deannexation from the RTD district.

MELANIE SNYDER: Director Menten, this is Melanie.

NATALIE MENTEN: If I could get that information.

MELANIE SNYDER: Yes, it is--

ANGIE RIVERA-MALPIEDE: General Counsel, please.

MELANIE SNYDER: Yes, that is still on the list. I will get back with you.

NATALIE MENTEN: OK. I can tell you that was asked by at least one-- at least one person during our public hearings, maybe two. But I know also when I went out and did visual rider accounts over the last two weeks-- and I'm talking about two routes specifically-- that was also a question that came up during those one-on-one encounters with the very limited riders, very limited riders that were on those routes, that if the service-- what's the option for deannexation? So it's not just me with this wild question. OK. I think that answers-- that's all the questions I've got. Thank you.

ANGIE RIVERA-MALPIEDE: Thank you. And last, we have Director Folska.

CLAUDIA FOLSKA: Thank you so much, Madam Chair. I really appreciate it. And Heather, Paul, Bruce, and all of your staff and team, I really want to thank you and let how much I appreciate your responsiveness to both myself and the Board. It was really great to hear all the things that you've accomplished and how far we've come in this process from finding out that we needed to clean up our org chart to filling the three months reserves and so forth.

And when I think about it, it seems to me that what we're really getting back to is the fundamentals of building the strong foundation for a building. And you start that with the foundation, and I think that's what we're really getting back to. And it gives me great confidence that after this is done and we're moving forward in '21 and beyond, that RTD is going to be stronger for having gone through this process, even though it's terribly painful. And I do appreciate how painful it is to those employees who are going to be laid off. That's terrible. But at the same time, when we come back stronger, if individuals want to return to work for RTD, I think that's promising.

There's so much I've heard tonight that I really appreciate from so many different Directors. And really, I'm going to start with Director Guissinger and Director Cook. I think the idea-- and it resonated with many other Directors, too. But this idea of building up ideas now to restore riderships when it's possible is going to be critical. And that's part of this foundation building, I think.

And in thinking of that, I came up with several different kind of ideas to just throw out for future consideration, really. When companies want more customers-- and we'll call them customers. We have a customer care center-- they do something called sales and advertising. And I mean sales and advertising in a big way. That little sliver Director Cook is referring to could be invested in sales and advertising again and again and again.

And I think-- I don't know if I was dreaming or if it was Director Tisdale talking about being on an airplane and Mr. Wrigley, I don't know-- advertising. He must have said this. But I mean, there's just a lot being said that's all. It's not a derogatory remark by any means. But you never stop doing sales and advertising, and I don't think we ever really started. So I'd like to see that.

And speaking of sales and advertising, it makes me think of when Mr. Reed said that our Communications Department was an end-to-end advertising agency. And subsequently, I've heard that it's silly to-- Pauletta Tonilas. Sorry, Pauletta Tonilas-- say the same thing. And it's a significant department. It's somewhere about 145 people, and this was before a pandemic and all these layoffs. So I don't know what that would be like now.

But I don't see why we couldn't spin that whole department off and have it as a standalone agency that is a for-profit and RTD contracts with them. And they're free to also provide that end-to-end advertising agency solution to anybody and really take off in that way. And it might be a little crazy sounding, but we're a transportation company, not an advertising agency. And that would include the call center. People outsource the call centers all the time.

And then that makes me think about our office space, and we talked about that last week. It was referred to tonight by Director Walker and others. The way people are going to do business in the near future, and I mean near like next two or three years, imagine that we're not going to be everybody coming into the office. And I imagine that the Blake Street building is a ghost town compared to what it used to be. And what is going on with all of that real estate that we have there?

So I think is taking a hard look at that and maybe doing some kind of contract with a great, really great developer who knows how to turn dirt into gold. And we've got a lot of that. And a lot of it is totally unused, and it has been for over a decade.

Then there's underneath the dirt. These developers may be able to lease underground for fiber optics or that sort of thing. Then there's the above ground. What about big data? What about partnering with big data companies that want data and want to share it?

Now what about pricing? What about-- I don't know what the ridership now is for the A Line. But I've always said this. I don't think we're pricing aggressively enough for visitors on the A Line. And it's really the bread and butter, which could help subsidize that sliver Director Cook was talking about.

And so when people visit our great state of Colorado, I don't think they're visiting-- I mean, a lot of them are here for conventions now, again, pre-pandemic. So this is something that when things go back to normal, I would hope the new Board and our new General Manager really consider pricing appropriately for folks coming here for business and conventions. It's a business write-off. You think about what it costs to go from Heathrow into central London. And it's far more than what it is here.

And maintain the local price for local people based on your zip code. If the GrowHaus can do it in the Swansea neighborhood for their organic food that they sell at cost to their local people based on their zip code and at a regular fair market price for anybody else to underwrite that lower cost to the local community, well, then it can work for us. And it just takes some ingenuity.

And as far as increasing ridership, another thing that wouldn't really take anything other than-- let those people who are 18 and under ride the system free. The younger people will bring their parents, and they can pay the regular price. Or family members that are older than 18 or friends or whatever. So we're really not making any money on that. And like Director Walker said, every ride is subsidized.

It's really a question of how much subsidy. We're not going to get a lot of money from that. But we can find money elsewhere. Like I said, with increasing the fares for out-of-towners, conventioneers, and I mean out-of-staters, let's say, and doing the sales and advertising, not just marketing. I mean sales. So that's it. And I think you guys just did a phenomenal job. And thank you again so much. I know it's very difficult work. That's all, Madam Chair.

ANGIE RIVERA-MALPIEDE: Thank you, Director Folska. Listen. This is such an important issue for us as a Board. I would just like to add a couple of things. This has been quite an amazing conversation again, and I want to thank all of you. And when I think about the amount of hours that have gone in from the staff side, it's incredible. When I think about the number of hours that this Board has dealt with this issue, it is overwhelming. We've all been working very hard. And when I think about our staff waiting to hear what's going to happen, it's been unbearable.

So one of the things I'd like to throw out on the equation is Colorado is probably one of the most amazing places to live, work, and play. And it has been for quite some time. We can see it through the building of what's happening in our communities and the businesses who want to come and live in Colorado with their employees. And what we need is a robust transit system that is successful for the entire region.

So I'd like to throw on the table the idea of forming a linkage fee for businesses who want to come to Colorado and move here to help build up our infrastructure. I think that we are at a crossroads where we need everybody to pitch, not just the Regional Transportation District.

But because this is such an incredible discussion item, what I'd like to do right now is very quickly go back through everybody to see if there's one last comment or question before I turn it over to Ms. McKillop. So, Director Broom, do you have anything additional to add?

BOB BROOM: The only thing I might add is that if we do have some extra money, I'd like to see, where we can, restore 15-minute service. It's having good service that's going to attract ridership. It's not having-- I don't know-- some kinds of bells and whistles and more discounts. Thank you.

ANGIE RIVERA-MALPIEDE: Thank you. Secretary Buzek. OK. First Vice Chair Catlin.

PEGGY CATLIN: Thank you, Madam Chair. And there are some disadvantages being at the front of the alphabet here. But there are so many moving parts to this, as you said. And I, too, appreciate all of this, as well as many of my other Directors comments.

And one of the things that I had meant to say and I didn't say earlier was the really creative outside of the box thinking in terms of repurposing-- that sounds like a clinical term-- but seeing if they're willing, for some of our operators who might be facing layoffs, to do other things such as the ambassadors in lieu of the contracted security officers. I think that is such a positive step, and it really might provide some security for some of those folks who might otherwise face layoffs.

And I completely agree with Director Folska that we might really want to look at ways to outsource different business units, which could be more scalable in times like these. And I had mentioned that last month, that we might want to look at our customer service and some of our advertising and communications as something that we could outsource over time.

So I appreciate all of the creative comments that my other Directors presented and really would like to see ways that we could save as many jobs as possible with both our represented and non-represented employees. So thank you, Madam Chair, for allowing us to have another bite at the apple.

ANGIE RIVERA-MALPIEDE: Oh, you're welcome. Secretary Buzek, I see that you're on. Did you have any additional comments or questions? OK. I'm going to move on. Second Vice Chair Cook.

SHELLEY COOK: Thank you. I agree with Director Catlin's comments and would like to find out more in that regard about your linkage fee. So I don't know what that means or how that works. But I'm all for finding out more and for exploring creative ways to keep our jobs. And, in fact, there was a suggestion that had come up in the Accountability Committee Subcommittee that was intriguing as well. So I agree with the comments that have been made. Thank you.

ANGIE RIVERA-MALPIEDE: Thank you. Treasurer Guissinger. You're muted, Lynn.

LYNN GUISSINGER: There we go. Sorry. Having a little trouble there. Yeah, no. I think there's some interesting ideas that came out tonight. I don't know much about your linkage fee. But bravo for thinking about potential ways to raise money. And I think Director Folska had some really interesting ideas. And I think it's raising a good conversation about how we start to come back out of this process.

And I'll just mention the Accountability Subcommittee that Director Cook was mentioning was an idea from Rhett Bridges about how we might be able to participate with buses and drivers and all in getting people vaccinated once we get to that point. And I think there's a lot to be looked at to see if that's viable or feasible. But it's creative. It's a good way to start thinking about how we move ourselves out of this predicament that we're in. Thanks.

ANGIE RIVERA-MALPIEDE: Thank you. I also would like to thank Mr. Bridges for being on this call this evening. Thank you for joining us.

KATE WILLIAMS: Madam Chair. Madam Chair. Madam Chair.

ANGIE RIVERA-MALPIEDE: Director Williams, if I could, I want to go alphabetically. Is that OK?

KATE WILLIAMS: OK, I'll be gone. By the time you get to the Ws, I'll be gone because my internet is going to kick me off.

ANGIE RIVERA-MALPIEDE: OK, go ahead.

SHONTEL LEWIS: She can go.

KATE WILLIAMS: I just wanted you to know-- thank you, Director Lubow. Appreciate it. I do not have anything else to say. I just wanted you all to know when you got to me, don't call me because at 41 minutes past the hour, my internet's going to kick me off. And then I'll be back as fast as I can get here. So thank you.

ANGIE RIVERA-MALPIEDE: Thank you. Director Lewis.

SHONTEL LEWIS: If Director Williams would like to speak, I'm totally OK with that. I'm not impatient at all.

KATE WILLIAMS: No, I'm good. I'm good. I just wanted you all to know that I didn't go away by choice.

ANGIE RIVERA-MALPIEDE: OK. All right. Director Lewis, you have the floor.

SHONTEL LEWIS: Thank you so much. I appreciate the innovation that other Directors have presented, and I hope that we explore some of those things. I think it would be wonderful to do so. and really with an emphasis on keeping our staff and keeping our service more importantly. So thank you.

ANGIE RIVERA-MALPIEDE: Thank you. Director Lubow.

JUDY LUBOW: I'm tired. I have nothing more to say.

ANGIE RIVERA-MALPIEDE: All right. Director Menten, anything additionally?

NATALIE MENTEN: No.

ANGIE RIVERA-MALPIEDE: Thank you. Director Mihalik.

KEN MIHALIK: Thank you. Oh, nothing additional from me.

ANGIE RIVERA-MALPIEDE: Thank you, sir. Director Tisdale.

DOUG TISDALE: Thank you very much, Madam Chair. Just noticing that the refined numbers on what 484 layoffs equal now as clarified is about $40 million. And using the medium forecast range is $20 million. So that could potentially have the impact of cutting the layoffs in half. In any event, I appreciate all the conversation and some very creative ideas, all of which I hope we can explore.

[INTERPOSING VOICES]

ANGIE RIVERA-MALPIEDE: Thank you, sir. Director Walker.

JEFF WALKER: [AUDIO OUT]

ANGIE RIVERA-MALPIEDE: You're muted. Jeff, you're muted. OK.

JEFF WALKER: OK, all right. Thank you. Sorry about that. There is one question I forgot to ask Mr. Abel earlier. Of the number of vacant positions, currently vacant positions, how many of those need to be filled? How many of those positions need to be filled?

BRUCE ABEL: None. The number that I provided was the number of vacant positions that will be eliminated and thus generating vacancy savings. Because they are budgeted, when we eliminate them, we generate savings. So none of the vacant positions will be filled.

JEFF WALKER: OK, I didn't know if the responsibility still had to be performed. But they are just vacant now. OK. That is it. Thank you very much.

ANGIE RIVERA-MALPIEDE: Thank you. Director Whitmore.

TROY WHITMORE: Nothing more from me this evening. Thank you very much.

ANGIE RIVERA-MALPIEDE: OK. Director Williams, are you back on?

KATE WILLIAMS: I'm here, but, believe it or not, I have nothing further to say.

ANGIE RIVERA-MALPIEDE: OK. And I don't have anything further to say other than thank you for this amazing conversation. I'm going to turn it over to Ms. McKillop.

HEATHER MCKILLOP: Thank you, Madam Chair. I just thought I'd take a quick opportunity to summarize what we think we heard this evening because this will drive our final preparations for the 2021 budget and our final proposal to you in November. So what I heard is overall, the staff's proposal is OK, our approach. I know and I heard loud and clear, and I think staff feels the same that have been working on this, that we would prefer not to be in this position and not have to go through the things we're having to go through. But overall, the approach is good.

That if it's possible, we'd like a sliver, further to be defined, for funds to-- for innovative ways that we can look at increasing ridership. And also, we heard that if there's a possible way for us to look at keeping any more employees, that we need to sharpen our pencils and look at that as a possibility over the next couple weeks.

So with that, we will go back and continue to do some work. And the presentation that we make on the 20th will not differ very much from this, other than we might have some updated information on these items that we just discussed this evening.

ANGIE RIVERA-MALPIEDE: Thank you, ma'am. Are there any--

NATALIE MENTEN: Madam Chair.

ANGIE RIVERA-MALPIEDE: Is that you, Director Menten?

NATALIE MENTEN: Yes.

ANGIE RIVERA-MALPIEDE: Yes, please.

NATALIE MENTEN: So with dedicating-- all right, so I'm glad to have the recap. Because with this talk of a sliver going towards increasing ridership when we already have a marketing department, how many people spoke of dedicating further money, additional money than what we already have going to marketing to doing this task, that task that was mentioned?

ANGIE RIVERA-MALPIEDE: Director Menten, there were several Board members who talked about innovation. And I do think-- I'm looking at Director Tisdale. There were about three or four. And-- I'm sorry. Go ahead.

HEATHER MCKILLOP: Madam Chair, this is Heather. I had five or six that mentioned it in some way, shape, or form. So that's what I took as something that we could look at. I didn't say we were going to be able to pull it off. But we will look at that while still maintaining our reserves. We have a few million dollars available, as is presented on packet page 11.

ANGIE RIVERA-MALPIEDE: OK. Does that answer your question, Director Menten?

NATALIE MENTEN: OK, so I guess I want to go on the record then and say, no, we've already got money going to marketing. And now we're taking more money when we've been pushing off capital repairs and some other things. So I would be opposed to that. I did not hear a majority of the Board speak in favor of additional money going to marketing. That's where I was confused where that came out in part of the summary.

ANGIE RIVERA-MALPIEDE: OK. Thank you. Part of the record.

NATALIE MENTEN: Thanks.

ANGIE RIVERA-MALPIEDE: Are there any other matters to come before the Board this evening?

SHONTEL LEWIS: Director Lewis.

ANGIE RIVERA-MALPIEDE: Please, Director Lewis.

SHONTEL LEWIS: I just wanted to comment on Director Menten's point. When I spoke about innovations, I was specifically speaking about-- well, I'd love to see additional innovations-- but specifically speaking about cleaning and sanitation. And so I just wanted to make that clear that that was my hope for if we were to find extra money in our budget, that we would prioritize that money to go towards extra cleaning and sanitation in the hopes that we might be able to retain some of our front-line staff.

ANGIE RIVERA-MALPIEDE: OK, noted. Any other matters to come before the Board? OK, hearing none, the study session is adjourned. It is 7:45 PM. And I'd like to thank all of you for taking this valuable time out of your lives to participate. So good night, everybody.

SPEAKER 1: Goodnight.

SPEAKER 2: Thank you, Chair.