

RFTA CEO REPORT

TO: RFTA Board of Directors
FROM: Dan Blankenship, CEO
DATE: April 3, 2015

Chief Operating Officer (COO) Recruitment: The recruitment process for the RFTA COO is progressing. So far, nearly 70 applications have been received and 30 of the applicants have transit experience. Staff has preliminarily narrowed the field down to approximately 10 promising candidates to evaluate more closely. When staff has identified the top 2 – 3 candidates, a “Meet and Greet” will be scheduled with the RFTA Board to obtain the Board’s feedback regarding the candidates before final selection is made. The COO Recruitment process could take approximately 4- 6 weeks to conclude.

February 2015 Year-to-Date Ridership Report

Roaring Fork Transportation Authority System-Wide Ridership Comparison Report				
	Feb-14	Feb-15	#	%
Service	YTD	YTD	Variance	Variance
City of Aspen	272,043	263,564	(8,479)	-3.12%
RF Valley Commuter	520,411	558,085	37,674	7.24%
Grand Hogback	16,287	14,774	(1,513)	-9.29%
Aspen Skiing Company	280,136	272,338	(7,798)	-2.78%
Ride Glenwood Springs	34,859	31,777	(3,082)	-8.84%
X-games/Charter	15,588	23,165	7,577	48.61%
Senior Van	684	681	(3)	-0.44%
MAA Burlingame	-	-	-	#DIV/0!
Maroon Bells	-	-	-	#DIV/0!
Total	1,140,008	1,164,384	24,376	2.14%
Subset of Roaring Fork Valley Commuter Service with BRT in 2015				
	YTD	YTD		
Service	February	February	Dif +/-	% Dif +/-
Highway 82 Corridor Local/Express	154,846	173,656	18,810	12%
BRT	164,782	172,418	7,636	5%
Total	319,628	346,074	26,446	8%

Planning Department Update – David Johnson, Director of Planning

The 4-9-15 Planning Department Update.pdf is attached to the e-mail distributing the CEO report to the RFTA Board of Directors.

RFTA Board Action Item List

<u>No.</u>	<u>Action Item</u>	<u>Update</u>	<u>Request by</u>	<u>Status</u>
2.	Discuss legislative strategy to address RFTA's Eminent Domain authority	Future meeting	Whitsitt	Staff is coordinating with CASTA. CASTA recommends education of Legislature in 2015 and working on amendment in 2016
4.	Report on Feasibility and Revenue Potential of Concept Advertising on exterior of RFTA buses	Future meeting	Board	Research has been conducted, but this is a lower priority
5.	Report on Electric Vehicle Charging Station management questions	Future meeting	Board	Started; research underway, funds not currently identified for installation
6.	Add bicycle capacity to Next Bus Signs	Future meeting	Bernot	Have not figured this out yet.
7.	Natural Gas RFP: Include Water Management Plan as criteria and identify Environmental Watchdog	Report at future meeting	Breslin	Delayed; Source Gas currently providing gas
8.	Committee comprised of people with physical disabilities to advise on transit and trail issues	Future meeting	Owsley	Planning Dept. will begin working on this in 2015
9.	Replace Up/Down Valley designations on station signage, or supplement with a list of destinations served from each station	Report at future meeting	Owsley	Facilities Department to review
10.	Evaluation of RFTA's Fare Rates and Structure, including Free Rides for Seniors and Children	Report at a future meeting	Bernot	Finance/CEO to review and bring before the Board
11.	Establishment of Farebox Recovery Goal	Board policy discussion at future meeting	Whitsitt	Finance/CEO to review and bring before the Board
12.	Free complementary passes for Board members to give to first time riders	Report at future meeting	Boineau	Finance/CEO to review and bring before the Board
14.	List of Corridor Policy and discussion items for Board consideration	Future meeting	Whitsitt	Will provide at March Board meeting
15.	Add analysis of parking needs versus pros & cons of parking or circulator services to Strategic Plan	Future meeting	Owsley Whitsitt	Staff will add and bring back analysis at future Board meeting
16.	Tree Farm discussion	Future meeting	Bernot	Staff will bring back
17.	Discussion of Board meeting time	Future meeting	Bernot	Staff will bring back

Finance Department Update – Mike Yang, Director of Finance

2015 Budget Year				
General Fund	February YTD			
	Actual	Budget	% Var.	Annual Budget
Revenues				
Sales tax (1)	\$ 30,021	\$ 24,449	22.8%	\$ 18,934,000
Grants (2)	\$ -	\$ -	#DIV/0!	\$ 2,932,550
Fares (3)	\$ 651,413	\$ 815,280	-20.1%	\$ 4,642,000
Other govt contributions	\$ 19,167	\$ 19,167	0.0%	\$ 1,459,888
Other income	\$ 119,391	\$ 118,029	1.2%	\$ 413,000
Total Revenues	\$ 819,992	\$ 976,926	-16.1%	\$ 28,381,438
Expenditures				
Fuel	\$ 454,968	\$ 513,663	-11.4%	\$ 1,949,623
Transit	\$ 3,044,679	\$ 3,104,560	-1.9%	\$ 18,297,820
Trails & Corridor Mgmt	\$ 26,980	\$ 26,447	2.0%	\$ 398,960
Capital	\$ 41,128	\$ 41,128	0.0%	\$ 2,954,797
Debt service	\$ 190,441	\$ 190,441	0.0%	\$ 2,279,380
Total Expenditures	\$ 3,758,196	\$ 3,876,239	-3.0%	\$ 25,880,580
Other Financing Sources/Uses				
Other financing uses	\$ (383,545)	\$ (383,545)	0.0%	\$ (2,640,032)
Total Other Financing Sources/Uses	\$ (383,545)	\$ (383,545)	0.0%	\$ (2,640,032)
Change in Fund Balance (4)	\$ (3,321,749)	\$ (3,282,858)	1.2%	\$ (139,174)

- (1) Timing issue as January and February sales tax revenue will be deposited in March and April, respectively.
- (2) Grant revenues will be recorded when available for reimbursement.
- (3) Through February, fare revenue is down approx. 15% compared to the prior year. This decrease is primarily attributable to the timing of bulk pass orders by outlets and businesses. The chart below provides a February YTD 2014/2015 comparison of actual fare revenues and ridership on RFTA fare services:

Fare Revenue:	Feb 14 YTD	Feb 15 YTD	Increase/ (Decrease)	% Change
Regional Fares	\$ 761,608	\$ 642,861	\$ (118,747)	-16%
Advertising	\$ 5,189	\$ 8,552	\$ 3,363	65%
Total Fare Revenue	\$ 766,797	\$ 651,413	\$ (115,384)	-15%
Ridership on RFTA Fare Services:	Feb 14 YTD	Feb 15 YTD	Increase/ (Decrease)	% Change
Highway 82 (Local & Express)	154,864	173,656	18,792	12%
BRT	164,782	172,418	7,636	5%
SM-DV	28,579	24,779	(3,800)	-13%
Grand Hogback	16,287	14,774	(1,513)	-9%
Total Ridership on RFTA Fare Services	364,512	385,627	21,115	6%
Avg. Fare/Ride	\$ 2.09	\$ 1.67	\$ (0.42)	-20%

- (4) Over the course of the year, there are times when RFTA operates in a deficit; however at this time, we are projecting that we will end the year within the budgeted deficit. Please note that the Board's approval of Resolution 2015-03 included a bus replacement purchase which will use approx. \$227,000 of insurance recoveries currently residing in fund balance to fund a portion of the purchase.

RFTA System-Wide Transit Service Mileage and Hours Report								
	Mileage February 2015 YTD				Hours February 2015 YTD			
Transit Service	Actual	Budget	Variance	% Var.	Actual	Budget	Variance	% Var.
RF Valley Commuter	762,445	750,596	11,849	1.6%	34,223	34,685	(462)	-1.3%
City of Aspen	94,247	96,428	(2,181)	-2.3%	10,472	10,600	(128)	-1.2%
Aspen Skiing Company	123,620	123,294	326	0.3%	8,541	8,188	353	4.3%
Ride Glenwood Springs	19,933	19,434	499	2.6%	1,576	1,571	5	0.3%
Grand Hogback	36,032	37,257	(1,225)	-3.3%	1,410	1,425	(15)	-1.1%
X-games/Charter	3,745	4,094	(349)	-8.5%	546	474	72	15.2%
Senior Van	2,966	3,120	(154)	-4.9%	279	286	(7)	-2.4%
Total	1,042,988	1,034,223	8,765	0.8%	57,047	57,229	(182)	-0.3%

Fixed Forward Fuel Agreement – Letter of Credit:

As required by its transit fuel provider, RFTA established a \$100,000 Letter of Credit by restricting up to \$100,000 of RFTA’s existing \$1 million line of credit held with Alpine Bank. The purpose of this Letter of Credit is to serve as a back-stop in the event that RFTA fails to make a cash margin payment.

Background: On March 23, RFTA executed the annual renewal with its transit fuel provider. In accordance with the renewal agreement, should RFTA choose to lock in additional gallons for its future transit fuel needs, a margin call is available to the fuel provider as collateral. The margin call will be triggered based on lower market prices compared to RFTA’s locked-in price. The fuel provider will not require any collateral transfer until the exposure is over a \$100,000 threshold. Collateral will be held in a separate account and 100% will be returned once the exposure decreases over the threshold. Exposure is calculated by outstanding locked gallons.

For example, with 350,000 gallons, RFTA’s exposure will be \$35,000 every -\$0.10 drop in market prices from the day RFTA locked. The market can drop about -\$0.30 until the threshold is met. Since the fuel provider usually does not require a margin call (collateral transfer) until the exposure is \$50,000 to \$100,000 over the threshold, the market could drop -\$0.60 before a transfer is needed.

EXAMPLE SCENARIO:		
Market	Exposure	Example transfer
-.1000	\$35,000	\$0
-.2000	\$70,000	\$0
-.5000	\$175,000	\$0
-.6000	\$210,000	\$100,000
-.7000	\$245,000	\$0 (holding \$100,000)
-.9000	\$315,000	\$100,000 (holding \$100,000)

2014 Financial Statement Audit – Schedule

2014 Financial Statement Audit Schedule		
Date	Activity	Status
5/4/2015 – 5/8/2015	Start of Audit – auditors conducting onsite fieldwork	<i>On schedule</i>
6/15/2015 – 6/26/2015	During this period, staff anticipates that the Audit Report will be reviewed by the RFTA Board Audit Subcommittee . A meeting will be held at a RFTA office between the Audit Subcommittee, the auditor and staff to discuss the audit in detail.	<i>Email will be sent to Audit Subcommittee to establish date & location of meeting.</i>
7/3/2015	Final Audit Report to be distributed to RFTA Board with July Board Packet	<i>On schedule</i>
7/9/2015	Presentation of Final Audit Report at RFTA Board Meeting by Auditor	<i>On schedule</i>

McMahan & Associates, LLC will conduct the 2014 financial statement audit. **At the February Board meeting, the RFTA Board decided to postpone until June their decision to continue with the existing members of the Audit Subcommittee or make any changes (see below for list of members).** Staff will correspond via email with the Subcommittee to establish the date and location of the meeting which is expected to be held during the second half of June before the July Board meeting where the final audit report will be presented to the RFTA Board.

Background: The Audit Subcommittee was created in 2011 and has been comprised of at least two members of the RFTA Board and at least one independent financial expert. Since then, the subcommittee has met annually to review and discuss the prior year’s audit report with the external auditor and RFTA staff to gain a better understanding RFTA’s financial condition. Afterwards, the subcommittee would provide a summary report of the meeting to the RFTA Board as part of the presentation of the audit at the July Board meeting.

Current Audit Subcommittee Members:

1. **Kathy Chandler-Henry**, RFTA board vice-chair,
2. **Vacancy (previously held by Ted Edmonds)**, RFTA board member,
3. **John Lewis**, independent financial expert and Eagle County Director of Finance, and
4. **John Redmond**, independent financial expert and Pitkin County Director of Finance

Anticipated guests include:

1. **Paul Backes**, CPA and Partner at McMahan & Associates, LLC (external auditor)
2. **Dan Blankenship**, RFTA CEO
3. **Michael Yang**, RFTA Director of Finance
4. **Paul Hamilton**, RFTA Assistant Director of Finance

Audit Subcommittee Meeting Expectations: An agenda will be set forth by the subcommittee. The draft version of the audit report will be made available to the subcommittee prior to the meeting. The external auditor will present the audit report to the subcommittee and answer questions related to the report and audit process. RFTA staff will also be available answer questions. In addition, the meeting will allow time for the subcommittee to discuss the audit report without RFTA staff present.

Facilities and Bus Stop Maintenance April 9, 2015

Capital Projects Update

Rubey Park Renovation Project:

The Rubey park renovation project is proceeding at an acceptable pace and the general contractor and city and RFTA staff are working on completing the contract negotiations, obtaining the required permits from the city and mobilizing the contractor's forces on site to begin the project. At this time work is scheduled to begin on April 20th.

AMF Phase 3- Indoor bus storage:

The design for the third phase of the AMF renovation project is moving ahead at an acceptable pace and staff has received and is reviewing the 90% design plan set and cost estimate. Staff has not had time to analyze this most recent plan set but will have a more in-depth report at the May meeting on this project.

West Glenwood Park and ride project:

Staff has been reviewing the 30% plan set for this project and at this point the plan set and the cost estimate looks good and the project seems to be on the right track (see WGPR Phasing Plan.pdf attached to e-mail transmitting the CEO Report).

On April 2nd, RFTA staff met with GWS staff to review the project and get their input and the GWS staff seemed satisfied with the current design and expressed interest in perhaps combining the RFTA project with 2 trail projects the City is pursuing that connect to each side of the RFTA project. This would create a larger project that could achieve some economies of scale and could eliminate duplicative mobilization, traffic control and construction management efforts, and potentially reduce costs and, benefitting all 3 projects.

While these are all fairly straight forward civil construction projects, the number and timing of the grants being used to fund them, the interconnection of the RFTA trail project with the first phase of a project to expand the parking at the GMF to accommodate the number of busses needed to support the Grand Avenue bridge project, and the potential for a longer community development and permitting process, all seem to be pushing this project towards a 2016 construction time frame.

The City of GWS is awaiting the outcome of a grant submission for one of the trail projects they are pursuing and the finalization of general funds for the other. RFTA staff is trying to piece together its funding for its projects as well, so the funding and construction timing picture is not very clear at the moment. Staff is hopeful that many of these loose ends will be cleared up in time for a more detailed report to the Board in May.

Office Space and Housing Strategic Plan:

RFTA staff is currently reviewing and commenting on the owner's requirements report (OPR) and working to complete the final draft.

Staff is also currently reviewing and commenting on the Existing Property and Condition Assessment Report and working on documenting the current condition of the facilities RFTA owns.

Carbondale Park and Ride Facility:

Staff is attempting to push the Carbondale Park and ride expansion project through the CDOT system as quickly as possible in hopes of constructing the project in 2015. CDOT has made the funds for this project

available and staff is awaiting a grant agreement from CDOT so that funds can be expended, as well as authorization from CDOT to put the project out to bid. Time is beginning to be a critical issue for the project and if staff is unable to advertise the project by about the 1st of May there may not be enough time in the construction season to bid and build the project this year. Additionally, we are now pushing the optimal time to bid a constructing project and the longer the advertisement is delayed the higher the risk is that the bids will be high and the current construction budget will not be adequate.

New Castle Park and Ride Facility:

The grant picture for the new Castle park and ride has become an issue. Staff is attempting to work with both CDOT and FLMD to modify the deadlines and availability of their respective grants for the project so as to preserve the projects funding. The basic issue is as follows:

- The funds from FLMD grant funds need to be expended by October 15 of 2015 and are being used as the local match for the CDOT grant.
- The CDOT grant funds are programed for the CDOT fiscal year 2017 which begins on July 1st of 2016 and are being used as the local match for the FLMD grant.

This gap in the timing of each organization's funds creates an issue for staff and the need to ask the FLMD Board to extend its grant agreement for at least one and possibly 2 years. Ideally, FMLD will make its funds available until October of 2017. Staff is also going to be asking CDOT to make its funds for the project available in the 2016 CDOT fiscal year which begins on July 1st of 2015. If staff is successful with its requests to both agencies, then the project would be advertised during the winter of 2016 and constructed in the spring. If staff is unsuccessful with their requests to either agency the FLMD funding for the project will be in jeopardy and an alternative source of funding for the project may be necessary.

Facilities Updates

Glenwood Maintenance Facility:

- The oil/water separator that was designed and installed to capture fuel in the event of a spill during the fueling process has failed and staff is investigating the cause of the failure to whether the tank can be repaired or needs to be replaced. No fuel was released into the sanitary sewer system and the tank has been capped off and staff has placed an emergency spill containment kit in the fuel bay that is capable of containing up to 300 gallons of fuel.
- The oil/water separator tank is a double-walled fiberglass tank and somehow the integrity of the system has been compromised and the space between the two tanks has filled with water. This kind of failure usually indicates that the inner tank is compromised in some way and is allowing water and possibly fuel to escape into the secondary containment area between the two tanks. However, when staff drained and cleaned the main inner tank in preparation for an inspection and pressure test by the tank manufacturer, the water level in the space between the two tanks did not go down as you would expect if the inner tank was compromised and water was flowing from the inner tank into the space between it and the outer tank. This seems to indicate that the outer tank is compromised in some way and ground water is flowing through a crack or hole in the outer tank into the containment space between the two tanks. There is a ground water monitoring well about 20 feet from this tank that was installed as part of the foundation repair project and the water level in this well indicates that the ground water in the area is well below the level of the tank and seems to preclude this scenario.
- An inspection and repair team from the tank manufacturer is scheduled to be on site the week of April 6th to inspect and pressure test the tank and hopefully identify the source of the problem and attempt to repair the tank. If tank cannot be repaired, staff will procure the service of a firm with waste water experts to either oversee the repair of this system or design a new system to replace the failed system.

- **Corridor Access Control Plan Up-Date:** A draft of the Access Control Plan, a component of the Comprehensive Plan was presented to the RFTA Board at the October 9th, January 8th, February 12th and March 12th RFTA Board meetings. Staff also sent copies of the ACP, DG and a copy of the Survey Land Schedule to each RFTA Board member and RFTA's member jurisdictions, Planning and Engineering (if applicable) Departments for review.
- The Board directed staff to provide presentations on the ACP with as many jurisdictions that requested them. So far, staff has met with the Boards and Councils of Pitkin County, Town of Basalt, Town of Carbondale, and Garfield County. It also attended a joint meeting of Garfield County, Carbondale, Glenwood Springs, and New Castle. It also attended a Glenwood Springs City Council meeting but was not asked to present information. Other communities have not expressed an interest in having a presentation,.
- At the direction of the RFTA Board of Director's, staff placed the ACP and DG out for a 120 day public comment period on the RFTA website at www.rfta.com/traildocs.html beginning Friday, January 9th, 2015 and closing May 9th, 2015.
- The RFTA Board of Director's also directed staff to hold ACP Open Houses to allow the public an opportunity to review the documents, ask questions and to provide comments to staff.



RFTA will be hosting four open houses to provide information regarding the Rio Grande Railroad Corridor Access Control Plan and Design Guidelines update and to answer any questions you have in this regard.

PRESENTATIONS WILL INCLUDE

- Background regarding RFTA's ownership of the railroad corridor
- Purpose and Overview of the Access Control Plan and Design Guidelines and Standards
- Survey information related to the RFTA owned portion of the Railroad Corridor from Glenwood Springs to Woody Creek
- The Rio Grande Trail

OPEN HOUSES

MARCH 30TH, 2015 - COLORADO MOUNTAIN COLLEGE, ASPEN CAMPUS

225 Sage Way, Aspen, CO 81611 (970)925-7740
Lunch session (11am - 2pm) & Evening Session (5pm - 8pm)

APRIL 1ST, 2015 - GLENWOOD SPRINGS RECREATION CENTER

100 Wulfsohn Road, Glenwood Springs, CO 81601 (970)384-6301
Lunch session (11am - 2pm) & Evening Session (5pm - 8pm)

APRIL 6TH, 2015 - EAGLE COUNTY BUILDING

0020 Eagle County Drive, El Jebel, CO 81623 (970)328-9570
Lunch session (11am - 2pm) & Evening Session (5pm - 8pm)

APRIL 7TH, 2015 - CARBONDALE RFTA OFFICE

1340 Main Street, Carbondale, CO 81623 (970)384-4971
Lunch session (11am - 2pm) & Evening Session (5pm - 8pm)

FOR MORE INFORMATION

Please contact Abbey Pascoe at (970)384-4971 or at apascoe@rfta.com

- Staff compiled a list of property owners living within 500' of centerline on both sides of the RFTA Railroad Corridor and mailed an estimated 2800 Open House postcards to all of the property owners, bike shops, real estate offices, title companies, etc. Public Notices regarding the meetings were advertised in local newspapers, on the RFTA website www.rfta.com,

Facebook, and Twitter, not to mention all of the media attention the ACP has received as a result of meetings that have been conducted. So staff believes it has done a more than adequate job getting word out to the public about the Open Houses and the other available avenues for public comment.

- To date staff has held 4 of the 8 scheduled Open Houses. The first two were in Aspen at the CMC campus and we had 2 people show up for the morning session and two people show up for the evening session. The second two Open Houses were held in Glenwood Springs at the Recreation Center. There were approximately 12 people at the morning session and 8 people at the evening session. Several members from the Cole Subdivision attended the evening meeting and staff was able to meet with the few that showed up to discuss the survey documentation related to their specific subdivision. After the meeting, the Cole subdivision property owners were going to take the information that we had discussed back to their neighbors and then arrange to meet with RFTA staff the week of April 6th to begin working through the next steps to resolve their title questions.
- The final four Open Houses sessions will be held on April 6th in El Jebel and April 7th in Carbondale. We will update the RFTA Board on the attendance and comments for all 8 Open Houses sessions at the May 14th RFTA Board of Director's meeting.
- Dan Blankenship, CEO, also asked RFTA staff to reach out to the RFTA jurisdictions and Garfield County to form a staff group to work collaboratively with RFTA staff on the next set of updates to the ACP document. Staff has reached out to each of the jurisdictions and is in the process of setting up a meeting with the jurisdictions that have responded. So far, members of the ACP workgroup include: Tamra Allen (Senior Planner – Garfield County), Jay Harrington (Town Manager-Carbondale), Larry Ballenger (Public Works Director- Carbondale), Tom Baker (Town Manager – New Castle), and Clint Kinney (Town Manager – Snowmass Village). I am attempting to put a meeting together sometime between April 6th and April 17th.
- Staff and its team of attorneys and engineers continues to perform due diligence to determine who the adjacent property owners are in the Federal land grant areas of the corridor.
- The Public Comment period is scheduled to end on May 9, 2015. All of the comments will be compiled and presented to the RFTA Board of Director's by the June 11th, 2015 RFTA Board Retreat.

Information Systems Update – <i>Phil Schultz, Director of IT</i>
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1. The procurement for the bus video monitoring system upgrade ran into difficulties because of the inability of the vendors to comply with the "Buy America" clause. Two vendors say they will be able to comply later this year and, with that in mind, we will reissue the RFP later this summer.
2. We currently are in the procurement process for acquiring a new broadband line between the AMF and GMF to provide better service.
3. We have completed the Wi-Fi installation on all the buses
4. The Spring Season database, post-ups, and public schedules are almost completed.
5. The transfer of the AVL equipment from the old City of Aspen vans to the new vehicles has been completed.
6. The software for the destination signs on the new City of Aspen vans has been installed and configured.
7. Currently preparing to move the cameras and IT equipment out of Rubey Park to the temporary location during construction.