

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: November 3, 2020
Subject: General Manager's Report

Operations, Fleet & Facilities

Planning staff have prepared scenarios for the next driver bid to start on November 30. This bid runs through the end of February, and has integrated the announced Santa Barbara Unified School District bell schedule to restart booster services when junior high and high schools are expected to return in a hybrid fashion on January 19, 2021.

On Wednesday, October 28, Night Supervisors will be participating in a one-day online Leadership Management class. In this fast-paced, interactive workshop, participants will not only learn what the five key Leadership Practices are but also how to develop the skills to build a high-performing team.

Staff entered into negotiations with the finalist of the Fleet Renewal Campaign RFP and requested the firm's Best and Final Offer (BAFO). If Staff is able to negotiate fair and reasonable pricing with the vendor, a recommendation for award will be brought to the Board.

Staff was informed that MTD's three VW Mitigation Trust grant applications are under review. If awarded, MTD could receive up to \$180,000 per bus for three of the four New Flyer battery-electric buses MTD is in the process of procuring.

Staff will be participating in a Pre-Production Meeting on October 2 with New Flyer's production team to make final selections on the 40-ft. electric bus specifications.

Administration

MTD's campaign to share the agency's participation in APTA's Health and Safety Commitments Program launched the week of October 20, and included the unveiling of a new web page (www.sbmtd.gov/covid19) with details about MTD's health and safety protocols. Social media posts, interior and exterior bus ads, and a press release are working to share information about MTD's Commitment.

This summer, MTD staff participated in the preparation of a grant application for a new program through the California Air Resources Board (ARB) called the Sustainable Transportation Equity Project (STEP). This is the first year of solicitation for the program, and it had two application tracks: Planning and Capacity Building, and Project Implementation. MTD joined a group of 13 local agencies and non-profits, led by the Isla Vista Community Services District (IVCSD) in crafting a proposal for an Isla Vista Community Mobility Plan, seeking Planning and Capacity Building funds to craft said plan. This planning process will take an equity-based, community-led, multimodal approach to addressing Isla Vista's unique mobility challenges. MTD received word

on October 27 that the grant proposal has been selected for funding in the full requested amount of \$182,158.

Submittals in response to the “Combined Request for Qualifications/Request for Proposals: Development of MTD Calle Real Property” were due Friday, October 23, at 2:00 P.M. MTD received three submittals, and has begun the initial reviews of the documents.

Staff forwarded the Close-Out Report for MTD’s Low Carbon Transit Operations Program (LCTOP) FY 2016-17 three-year Marketing Plan project to Caltrans for their review.

Risk has reviewed the final renewal quotes secured by MTD’s insurance broker, Robert Fatch of Brown & Brown Insurance, for three separate policies renewing for the policy period January 3, 2021 – January 3, 2022: Directors and Officers (D&O) with Indian Harbor Insurance Company, Employment Practices Liability (EPL) with Atlantic Specialty Insurance, and Fiduciary with Travelers Casualty. All carriers have an A.M. Best rating of Excellent or Superior. In the D&O and EPL markets in California, claims experience (frequency and severity), in conjunction with the wild fires and COVID-19 losses, are driving sharp increases of between 25% to 45%. Renewal quotes for MTD’s policies reflect this trend, and are not indicative of any claims experience specific to MTD. The D&O renewal is an approximate 27% increase and EPL a 10% increase over the expiring policies. The increase in the Fiduciary policy of 12% (approximately \$500 in total) is solely the result of the growth in plan assets under your employee benefit plans. MTD’s General Manager intends to approve the renewals for Risk to proceed with authorizing Brown & Brown to bind coverage.

Evaluations of the proposals for the workers’ compensation third-party administrator (TPA) services have been completed. The result was the determination of the “competitive range” composed of the three highest ranked bidders. Following reference checks and interviews with the remaining firms, the TPA offering the best value to MTD will be selected by the committee. A recommendation to award a three-year contract to such TPA will be brought to the board thereafter.

Contractor work on the Transit Center by Newton Construction Management is essentially complete. Most recently, the restoration work to the City’s parking lot #3 and surrounding area was finished. There are a couple outstanding matters that still need to be resolved but these are relatively minor in nature. Because project completion was delayed several months, last week MTD reached an equitable agreement for the extended overhead costs incurred during such period. Formal project completion and contract closeout is imminent.