



RECORDED

**REGULAR MEETING MINUTES
MOUNTAIN RIDES TRANSPORTATION AUTHORITY
Wednesday, September 16, 2020, 12:30 p.m.
Conference Call**

The Mountain Rides Transportation Authority's Board of Directors met in a Regular Meeting on a conference call.

PRESENT: Chair Tom Blanchard (Bellevue), Vice-chair Kathleen Kristenson (Blaine County), Secretary Grant Gager (Ketchum), Melody Mattson (at-large), Kristin Derrig (Ketchum), Juan Martinez (Hailey), and Peter Hendricks (Sun Valley)

NOT PRESENT: Rick Webking (Sun Valley)

ALSO PRESENT: Mountain Rides Executive Director, Wally Morgus
Mountain Rides Director, Finance & Administration, Tucker Van Law
Mountain Rides Director, Transit Operations, Ben Varner
Mountain Rides Director, Community Development, Kim MacPherson
Mountain Rides Operations Manager, Stuart Gray
Emily Jones, *Idaho Mountain Express*

1. CALL TO ORDER

Chair Tom Blanchard called to order the meeting of Wednesday, September 16, 2020 at 12:30pm via conference call and determined that a quorum was present.

2. COMMENTS FROM THE CHAIR, BOARD MEMBERS and STAFF

Tom Blanchard said he wanted to bring the group up to date on the face-to-face meeting options. We tried for this month, but it did not work. He also said we have four people interested and four that are hesitant. We will continue to monitor this and as soon as we can do so, we will move into that environment.

Kristin Derrig asked what the city councils are doing for their meetings.

Grant Gager said that all Ketchum meetings have returned to in-person. They distance and wear masks but there is a remote alternative as well. He offered the council chambers for Mountain Rides meetings.

Tom Blanchard said Bellevue meetings are still being held remotely although the mayor and clerk are at city hall.

Peter Hendricks said Sun Valley is meeting in person mirroring Ketchum, but they offer remote access as well.

Juan Martinez said that Hailey is meeting remotely, and they have increased participation from the public.

Grant Gager stated that his board member term is up this fall and will let us know if the mayor reappoints him. In the event he does not get reappointed, he wanted to express his appreciation and gratitude to the staff and the other board members. He also said if he does not get reconfirmed, he knows the organization is in good hands.

3. PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA (incl. questions from Press)

There were none.

4. ACTION ITEM: Approve Consent Calendar items

- a. Approve: Minutes of Regular Board Meeting, August 19, 2020
- b. Receive/file: Performance Dashboard report for August 2020
- c. Receive/file: Financial Statements and Bills Paid Reports for July 2020
- d. Receive/file: Planning & Marketing Committee, September 1, 2020, Minutes
- g. Receive/file: Finance & Performance Committee, September 1, 2020, Minutes
- h. Receive/file: Reports from Director, Community Development; Director, Transit Operations; Director, Finance & Administration; Safe Routes Coordinator; Executive Director
- i. Approve/adopt: Mountain Rides' FY2021 Transportation Service Plan

Kathleen Kristenson moved to approve, receive, file, and adopt the Consent Agenda with a couple copy edits to the minutes. Kristin Derrig seconded. The motion passed.

5. DISCUSSION ITEM:

Discuss FY21 Compensation Plan and Budget

Tom Blanchard started the conversation by stating that a pool of funds of 3% across the board was written into the Mountain Rides budget plan.

Grant Gager continued the conversation by noting that the City of Ketchum is Mountain Rides' largest local funding partner and they are foregoing any increases in the coming FY21 budget. And it is his hope that the partner agencies that the City of Ketchum funds would certainly consider doing the same. In the last downturn, the City of Ketchum hit a peak LOT in FY07 and did not reattain that level until FY17 so there was essentially a decade of lost revenue growth as far as LOT is concerned. And as we look into the current financial condition, we are starting out as we did in 2007-2008. He has serious concerns that the City of Ketchum's LOT will attain is FY19 levels anytime in the next decade and is concerned that any action taken by the board that increases fixed costs of delivering service, do so with caution. He also said while there is CARES Act money for FY21 and 22 and perhaps 23 and 24, it will end at some point. And neither he, nor anyone at the City of Ketchum wants to be in a position where they are forced to cut service hours. He would like to see a zero for any pay raises but perhaps could be convinced of some level of approved non-management increases not over 1% but would have to hear some strong arguments. He would appreciate board members support of this position. Peter Hendricks said he did not want to comment right then.

Kristin Derrig agreed with Grant Gager until things get better.

Tom Blanchard said that Bellevue did put in a 3% pool of funds for salaries in their budget, but Bellevue employees tend to be lower paid than those in the north end of the valley.

Juan Martinez appreciates Grant Gager's comments. He said it is hard to argue that Ketchum voice should be a little louder when we discuss these kinds of issues. The City of Hailey is trying to find solutions for that gap. Hailey was able to secure funding from the CARES act. The strategy in Hailey

has been to retain staff and that means 2-3% increases. He said it costs a lot to hire and train employees.

Kathleen Kristenson agrees with Grant Gager as well. She also agrees with Juan Martinez and investing in our people is important.

Peter Hendricks recalled back to the salary study that Tucker Van Law presented to the board. As he remembered, Mountain Rides was at the bottom of the pay scale for drivers, mechanics, and non-management employees. Peter agreed with Juan regarding retaining employees and keeping people on payroll with all the skills and professionalism we want in our organization. Peter also said that Sun Valley Company could be a formidable competitor keeping people on payroll. We may be facing a competitive challenge as winter comes closer. He also understands Grant Gager's very conservative estimate as far as what lies ahead for us and understand the concern over piling on fixed costs. He also thinks that we owe it our lower paid employees, to reward them and to give them some good thoughts about moving forward in the next couple of years. In Sun Valley, they have built in a 1% salary increase and a 1% bonus. They have also instituted a COVID bonus that will be given at the end of this calendar year and will be the same for all employees. His view is that we would need a bonus/salary situation. We could consider a singular bonus of 1% at the end of this fiscal year for all non-management employees. And if they decide not to include the non-management personnel, could they consider a 2% bonus specifically aimed at our lower paid employees?

Grant Gager said Peter Hendricks was approaching this from a good angle with a one-time bonus in this fiscal year. He has a hard time increasing our fixed costs moving forward. He could wrap his head around a good works bonus for the drivers and mechanics for the hours worked since the last bonus accounting for the summer work that everybody did. He still has a hard time doing anything in FY21.

Tom Blanchard said we are talking about two different budgets. He likes the idea of a COVID bonus. He really likes Sun Valley's model and would advocate for that and focus on the lower paid employees.

Peter Hendricks asked what the lowest paid employee is at Mountain Rides. Tucker Van Law said it is \$17 or \$35,000/year. He thinks we need to send a message to the low paid employees that we appreciate them.

Wally Morgus said if he followed the Sun Valley model, for the lower paid employees, the total would be about \$26,000. Merit raise are given throughout the year with the lion's share of them happening early in the fiscal year.

Grant Gager said he is sticking to his earlier comments. He said the highest he could get on board with is 1%. The \$26,000 approx. additional cost is approximately five times the current Bellevue contribution and about 40% of the current Hailey contribution. He said unless there is some meaningful contribution on the horizon from some of our partners, 2% is very rich in his eyes.

Wally Morgus said the number would be more like \$22,000 for a 2% bonus.

Tom Blanchard wanted to get clear on what Grant Gager was saying.

Grant Gager said he is willing to entertain an extension of the good works bonus through the hours worked in the current fiscal year. But for Fiscal 21, he cannot get behind anything greater than 1% and would like to see that be a one-time bonus rather than something that is added to the base. At the City of Ketchum they are a hard zero. He is not ignorant to the cost of training and turnover. Mountain Rides does not have a lot of turnover and offer great health insurance and a 401K. He has found in his time in HR, that people very rarely make decisions based solely on money, and the totality of the employment experience, and, and the totality of the benefits offered is often what with swings the day.

Kathleen Kristenson asked if there was a chance we could delay the bonus and see how the year pans out and maybe give the bonus at the end of the fiscal year. Right now we are committing to

the number for the budget, not necessarily committing to a bonus. She said it seems like we are all on board with this to some degree. She said she would like to keep this on the table.

Grant Gager liked the idea of delaying this conversation until Spring when we have more clarity on everything that is happening and reassessing the potential for bonuses then.

Peter Hendricks said he would like to follow Grant’s plan since Ketchum is the biggest funder and would like to be respectful of their wishes. He agreed to a 1% bonus early in FY21 and then if things get better in the Spring.

Tom Blanchard said he would recommend doing a 1% COVID bonus in FY20 and then place a 1% pool for merit bonuses. And then at the end of FY21, we decide that there’s sufficient revenue available, that we could consider another merit bonus. That leaves nothing going to the base which is a problem. We are not addressing the major issue here which is the base of the employees pay.

Peter Hendricks prefers that we do not give another COVID bonus at the beginning of the fiscal year but should be a 1% merit bonus for the work they have done already. But if there is money available for the purpose of a good works bonus then we should use it for that. He is more interested in a one-time 1% (if not higher but will not get through) bonus for non-supervisory personnel payable early FY21.

Grant Gager said that is a proposal that he could begrudgingly support and get behind.

Wally Morgus said that amount is about \$11,000 budget item.

Peter Hendricks said that even though every penny counts, \$11,000 is de minimus and that is a good number.

Grant Gager said that there was no FY20 agenda item so we would not be able to have an action item now. We would need to post another meeting before the end of the month.

6. ACTION ITEM:

Approve/adopt Mountain Rides’ FY2021 (Oct. 1, 2020 – Sept. 30, 2021) Budget, including Operating and Capital Funds revenue and expenditures

Kathleen Kristenson moved to approve and adopt the FY2021 operating and capital budgets for Mountain Rides Transportation Authority. Peter Hendricks seconded. Grant Gager wanted to make clear that the motion is for a 1% merit bonus opportunity for non-management employees only. **The motion passed.** Tom Blanchard stated that he was disappointed.

7. ADJOURNMENT

Grant Gager moved to adjourn the meeting at 1:35pm. Juan Martinez seconded. The motion carried unanimously.



Chair Tom Blanchard