

MEETING MINUTES OF AUGUST 11, 2025

(1) **CONVENE:**

LTSA's Regular Meeting convened at 1:00 p.m. by Chairman Albaugh, at City of Susanville Council Chambers, 66 North Lassen Street, Susanville, CA.

Commissioners Present: Albaugh, Brown, Ingram, Miller, Neely, and Schuster

Commissioners Absent: None

Others Present: John Clerici, LCTC, Caleb Schortz, Pete Heimbigner, and Cynthia Raschein
LTSA.

1.1 **Pledge of Allegiance.**

1.2 **Agenda Approval:** On a first by Commissioner Ingram, and second by Commissioner Brown, it was unanimously passed to approve the agenda.

1.3 **Minutes Approval:** On a first by Commissioner Ingram, and second by Commissioner Miller, it was unanimously passed to approve the June 23, 2025 minutes. Schuster abstained.

(2) **CORRESPONDENCE / PUBLIC COMMENT**

2.1 **Correspondence:** None.

2.2 **Public Comment:** None.

(3) **NEW BUSINESS**

3.1 **Request for Contract Amendment between Lassen Transit Service Agency (LTSA) and Paratransit Services (Paratransit):** By motion, review request and 1) authorize staff to work with Caltrans to amend the current contract for Fiscal Year 25/26 and the additional two 2-year option years through 2030; or 2) provide other direction to staff.

Pete Heimbigner presented contract amendment to the Board. He stated in previous meetings they spoke about the agreement between LTSA and Paratransit for the transit services they provide. We are currently in the last year of the contract. Going forward we have two option periods, each option period has two years in it. If we exercise both

of those we will be at the 29/30 fiscal year for the operation transit system. We are at a decision point as we are going into the fifth year. Do we want to extend the options out or do we want to do an RFP to see what's out there in the market. Currently, the Board is aware of the increase in cost for insurance and we amended that agreement to absorb that increase previously. The cost increase totaled about 103% for insurance. As he mentioned before it was not just this transit system that is being affected by the insurance increases, it spans to all public and private sectors. Paratransit has provided the price increases for the remaining years which includes 25/26 as well as the option periods as outlined on the staff report. Paratransit has carried the increase forward; a little over 100G for the remaining years in the option periods. They also provided their normal cost of doing business escalation which is approximately 3% based on CPI. The insurance is driving these costs and making the agreements escalate year to year. He asked the board for questions.

Commissioner Neely asked about the funding we are receiving and if that be able to cover these costs. Mr. Heimbigner explained that we know the cost to operate the transit system is going up and revenue is down. This is why we have SB125 which is the stopgap. We will use SB125 as a primary source to keep the program afloat. Commissioner Neely asked how much of the SB125 funding will we need to cover the Paratransit cost increase. Mr. Heimbigner replied, roughly 10% of our budget. He also reported our budget was around 1.2M. John Clerici reported that the funding that comes in from the TDA (FTA funds) is estimated at the beginning of the year. As the year progresses with cash-flow we are able to estimate the need of SB125. The last time we estimated funding it was about 100G. Mr. Clerici also reported we are planning to dip into about 150K. He stated because of SB125 we have about 2.3M in the bank which will cover a few years. SB125 is a four-year program but the state will let you extend past four years. He stated we will be able to fill the gap with either 125K or 150K. Commissioner Neely asked how much exactly will we need to cover the shortfall. Mr. Heimbigner stated we will not be able to true up the analysis until year-end when all the quarterly revenue reporting is complete. The option year estimates total a 600K difference in from what we typically average for our revenues to what we need to supplant the shortfall. Commissioner Neely asked what the plan is if we approve this and the insurance increases more next year. Mr. Heimbigner stated you can decide on the agreement this way but Paratransit could come back to re-negotiate the contract like they did last time. We could ask them to analyze how to mitigate this cost. Mr. Heimbigner also stated that we are hoping the insurance market has stabilized. It is unknown at this time. Commissioner Neely addressed his concerns regarding the constant increases as we have only so much in the pot.

Commissioner Albaugh asked about the option periods, 1 and 2. Mr. Heimbigner reported we could decide not to pursue option 1 and just go to an RFP and see what the market has, which is risky. He directed the board to page 8 in the packet. Mr. Heimbigner stated that when Jasleen Mutti was here she did a survey of other agencies, similar in size to Lassen County, what their fleet size was and the type of service they are being provided. This is outlined on page 8. Some just have operations and other have operations and maintenance which is the contract we have with Paratransit. It is obvious the operations and maintenance contract is more costly. The chart shows we are in the middle, cost wise, compared to other agencies. If we go to an RFP, it could come back more costly. Mr. Heimbigner stated Paratransit is trying to keep their costs down. They are operating in good faith with us.

Commissioner Albaugh would like option 1; to give us an opportunity to reduce costs in two years. Commissioner Neely is in favor of option 2 but holding Paratransit to honor their proposal and knowing we are not going out to an RFP. Commissioner Albaugh also responded that we could enter into option 2 toward the end of option 1. Mr. Heimbigner responded to Commissioner Neely and stated that he believes Paratransit knows about the insurance market and it may have leveled out. He asked the board if they want us to go back to Paratransit to talk about the insurance market and come back to the board with the discussions. Commissioner Brown is in favor of option 1 and stated he believes in contractors honoring their bids and would like to add a “no re-opener” clause. He also stated he would be interested in option 2 is there was a “no re-opener” clause added. Commissioner Neely spoke about honoring bids in the construction industry. Commissioner Schuster is in favor of option 1. She stated if Paratransit comes back and says they cannot commit to the “no-reopener” clause for option 2, then we go with option 1 and also asked how would we vote on that.

Commissioner Albaugh brought Caleb Shortz into the conversation. He reported on Paratransit’s mitigation on costs and how proud LRB is of their target zero program. He stated Paratransit on a whole has reported a 67% reduction in accidents by utilizing the target zero program. Nationwide insurance reported in January we would have another 1.2M increase in insurance. If Paratransit would have kept Nationwide on board, we would be looking at an additional 100G in insurance cost increases. Paratransit took it to bid and landed another insurance company in May, Philly. The new insurance program is saving the agency one million dollars per year in premiums. Philly has since offered more safety devices to be installed on our buses to increase the safety of our drivers.

Commissioner Neely motioned to accept Option 2, with Mr. Heimbigner to negotiate with Paratransit regarding the insurance costs. Commissioner Brown seconded the motion with the “no re-opener” clause. Commissioner Albaugh brought it back in for discussion. Ingram asked if there will be a not to exceed amount. Pete responded that if Paratransit does not want to honor the contract, then they will breach the contract. We could refuse to re-open negotiations with Paratransit if the insurance increases. Cynthia Raschein clarified the options listed on the staff report. Ms. Raschein stated the way the current contract is written, this is the last year 25/26. We have the option to extend for two, two-year periods, which is shown on page four of the staff report. This would take us to 2030. Mr. Heimbigner stated the insurance is already built into these options. Whatever option you choose you will also choose the insurance increase that is showing on page four of the staff report. Commissioner Albaugh stated if we chose the first option (option 1), when we get to the end of that period (27/28) we could follow up with the second option (29/30) or take it to RFP.

Mr. Albaugh asked for a motion for option 2, the four-year extension and asked Ms. Raschein to clarify the motion. Ms. Raschein replied, to authorize staff to work with Caltrans to amend the current contract for 25/26 and also include both options (1 and 2) which will extend the contract until 2030, with a not-to exceed amount. Commissioner Neely asked if Mr. Heimbigner if he needed to go back to Paratransit. Mr. Heimbigner stated no, this is the contract and our motion is our response. The original motion and seconded motion still stand. Commissioner Neely motioned to accept option 2,

Commissioner Brown seconded with the “not-to-exceed” amount to be added. Motion carries. Albaugh voted no.

3.2 Community Events Resolution: By motion, adopt Resolution 25-004, approving the 2025/2026 annual community events.

Cynthia Raschein reported that at the last meeting we reviewed all the community events that the agency had approved in the past. They notified the agency that the previous staff had incorrectly identified the events as free events and those costs would be absorbed by the agency. After review of the TDA and the FTA, they discovered that we should be charging at least the amount it costs to provide the services. We reached out to all the community event organizers to let them know what the costs would be and asked them to respond if they were still wanting the service for a fee. We only received two responses, from Biz Johnson Marathon and the Soroptimist. Those are the two events that are included in the Resolution.

Commissioner Albaugh asked when the Soroptimist event is held. Ms. Raschein responded in May, it is their Cinco De Mayo Margarita Festival and the Biz Johnson Marathon is in October. He also asked who was doing the New Years safe ride home. Ms. Raschein responded, in the past, it was the Elks Lodge, the Pioneer, the T&A and the Casino would all pitch in for that cost but for the last couple of years it has been done for free. If we choose to pay for that event, we would have to use the SB125 funds. We would also have to use the SB125 funds to pay for the Senior Light Tour. Caleb Shortz reported that Holiday with a Hero has agreed to pay for the service. Ms. Raschein stated she would amend the Resolution to add Holiday with a Hero. Mr. Heimbigner reported that any event organizer that wishes to utilize the service for a fee can be added to an amended resolution.

Schuster motions to approve the Resolution with the amendment to add Holiday with a Hero, seconded by Miller. Motion carries.

3.3 State of Good Repair Program: By motion, adopt Resolution 25-005, approving the project list for the 2025/2026 cycle of State of Good Repair Program.

Pete Heimbigner presented the updated list for the State of Good Repair projects report to the Board. We added some money from this year's estimated revenues. He directed the Board to page 11 that shows the increases to the line items for the purchase of the snow plow and improvements to the bus yard office. LRB needs a snow plow with extra attachments that will allow more use out of it. They added more funding for a trailer as well. The front lobby at the bus yard needs ADA compliant front counter for the public as well as ADA upgrades to their office.

Commissioner Schuster motioned to accept Resolution 25-005 State of Good Repair project listing, Commissioner Brown seconded the motion and it was unanimously approved.

(4) OTHER BUSINESS

4.1 Reports by Executive Director and Staff: None

4.2 Report by Lassen Rural Bus Manager/Staff:

Shortz presented the LRB Staff report to the Board. He reported no changes in staff. They did hire a new student from the auto mechanics program from LCC. He is currently 20 years old and in training to be a full-time mechanic. Mr. Shortz explained that our insurance requires our employees to have 5 years of driving experience and to be 21 years old to be employed, therefore the student is currently in training. Commissioner Albaugh stated we need different insurance, but then stated we already had that conversation. Mr. Shortz agreed that we don't want to talk about insurance again. Mr. Shortz also stated they are working with the college for recruitments. They have partaken in a couple Farmers Markets and they are planning on working with the students at the college for their base camp. They went to Eskaton and Lassen Nursing to present the Dial-A-Ride program. Bus 103 was decorated for the Fair Parade with all new flags.

Mr. Shortz reported their on-time performance is at 93% average for the City and City Express routes. The county routes are only at 68.5% due to road construction. Overall they are at 88.8%. Reports have come in from other agencies that their ridership has been declining but LRB is growing and growing steadily. We are starting to see more rides to the college as well as south county.

4.3 Matters brought forth by the Agency:

Set date for the next Regular Agency Meeting: October 20, 2025

4.4 Adjourn: 1:51 p.m.