

# MV Transit set to put brakes on South Shore bus service

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**By Kathryn Reed**

MV Transit may walk away from its three-year contract to provide bus service to the South Shore of Lake Tahoe if something isn't done about the more than \$2 million it is owed.

The Fairfield-based company entered the contract Aug. 1, 2009. On May 25, the firm gave South Tahoe Area Transit Authority – the coalition it has the contract with – a 60-day termination notice.



Transit on the South Shore has hit a serious roadblock.

The company also informed employees things might soon change. This must be done via the WARN Act. WARN kicks in when 50 or more jobs are eliminated or an entire plant is about to be shuttered. WARN mandates employees be given at least 60 days notice.

MV has 70 employees on the South Shore. Management is having

one-on-one meetings with employees to let them know what is going on.

“We’ve never been current in our billing. It’s just gotten worse,” Thom McAleer, MV general manager, told *Lake Tahoe News*.

A payment plan was in place, but the deficit kept growing.

McAleer is hopeful things can be worked out so MV continues to operate BlueGo, the name of the local bus system.

“This is a fragile situation for MV. MV has never walked away from a contract. We don’t take it lightly,” McAleer said. “But at some point we need to protect ourselves. We need to have assurance that future billings will be current and there will be a solution to the outstanding billing and how they will pay the billing that is in arrears.”

Stacy Dingman, spokeswoman for the STATA board, said the notice to end the contract surprised her.

“Ideally, we will resolve our issues and it will be business as usual except it will be a different operation model that we can afford,” Dingman said. “If we can’t resolve our issues, STATA would operate (the system). Our intention is to flawlessly as possible continue the operation. We will have to make some service changes.”

When MV started it was contracted to provide 96,000 hours of service a year. That has been reduced to 67,000 hours. Whoever operates BlueGo, the Nifty 50 Trolley and the ski shuttles in the future will likely have even fewer hours.

This also means riders will have to adapt to another schedule change with fewer options. Dingman wants riders to have input into future changes.

The STATA board will meet Friday in closed session to discuss the MV situation. Its next regular meeting is June 4 at the

Tahoe Regional Planning Agency office in Stateline.

MV first came on board as a temporary operator when ATM abruptly left a couple years ago. Then MV was awarded a long-term contract.

John Andoh was the transit administrator until earlier this year when he was let go by the STATA board. The evaluation committee recommended MV be hired.

Dingman said Andoh was approving expenditures the board knew nothing about. Andoh said that isn't true, that he had been updating the board and had asked MV to defer payments based on a letter dated June 2009. STATA has no reserve fund. It was operating on a cash in, cash out basis.

Another money issue is all the costs associated with getting MV in place because of the disarray ATM left the transit garage in, the buses not all running and other unforeseen expenses.

When it comes to income, most of the grants are for buses, not operating costs. Ridership is down, so the fare box is far from full. The entities that make up STATA – South Lake Tahoe, El Dorado and Douglas counties, Heavenly Mountain Resort, the Stateline casinos and a few others – subsidize the transit operation.

The board approved a cost containment plan in the last year, but McAleer believes it did not go far enough. Nonetheless, he said MV wants to keep operating on the South Shore. The company just wants to be paid for the service it's providing.

Dingman said under no circumstances is the public bus system going away. The need is there and for it to not exist would create more problems, she said.

"It's not about tourism as much as it's about residents and the people who are transit dependent," Dingman said of why

BlueGo will continue on.