

Connect Transit Board of Trustees
April 23, 2024, 4:30 p. m.
351 Wylie Drive, Normal, IL 61761 – Board Room
Regular Session Minutes – Approved at 5/28/24 Meeting

A. CALL TO ORDER:

Chairman Ryan Whitehouse called the meeting to order at 4:30 p. m.

B. ROLL CALL:

Board Clerk, Janice Crago, recorded attendance via roll call.

Trustees Present:

Trustee Judy Buchanan
Trustee Linda Foster
Vice Chair Julie Hile
Secretary Tim McCue
Trustee Mandava Rao
Chairman Ryan Whitehouse

Trustees Absent:

Trustee Barbara Singer

City Managers Present:

City Manager Pam Reece
City Manager Tim Gleason (Virtual)

City Managers Absent:

None

Staff Present:

David Braun, General Manager
Aubrey Staton, Marketing Manager
Brady Lange, Procurement Director
Charlie Busse, Maintenance Manager
Janice Crago, Board Clerk
Pat Kuebrich, Finance Director
Shelly Moss, Operations Director
Stephanie Butler, HR Manager
Steve Stockton, IT Manager

Guest(s) Present:

James Lang, Siemens
Chris Cumming, Siemens
Ted Carlock, Connect Transit

C. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT:

Chairman Whitehouse led the Board in the Pledge of Allegiance and read the Connect Transit Mission Statement.

D. PUBLIC COMMENT:

None

E. CONSENT AGENDA:

- a. Approval of Regular Session Minutes for March 26, 2024

- b. Approval of Financial Information for March 2024
- c. Monthly Statistical Reports for March 2024
- d. Cardinal Infrastructure Federal Report
- e. Cornerstone – Illinois Weekly Update

Chairman Whitehouse called for a Motion to Approve the Consent Agenda.

Trustee Rao motioned; seconded by Trustee Buchanan.

Discussion:

David Braun, General Manager, stated the Income Statement reflects costs that significantly exceed our budget, but some of those costs are covered by grant funding. We include those in our statements as operating expenses, but the revenue is not accounted for in our revenue budget because of the grant funds. Mr. Braun assured the Board that we are still under budget and performing properly. He stated the Statistical Reports reflect Mobility ridership only increased 7.74% last month, flattening out a little bit, possibly due to spring break; for the year it is still over 20%, which is higher than last year. Fixed route continues to grow, showing 6.6% for the year and 2.3% for the month. He shared that efficiency is still very good, with revenue per hour and on time performance still trending well.

Mr. Braun encouraged the Trustees to read the Cardinal Infrastructure and Cornerstone reports on their own, and stated the President’s budget was passed and that we have an earmark in the budget for bus safety equipment. He stated the Cornerstone report shows all the bills that are still being tracked, however there is little concern about bills Connect Transit was watching moving forward.

Vice Chair Hile stated she would like to make sure we continue to keep an eye on the Mobility increase because it is a financial challenge she would like to stay ahead of. Mr. Braun stated our Operations Analyst has been tracking Mobility every day and considering how we can reduce slack time or coordinate trips to make them more efficient.

Vice Chair Hile asked for an update on FLEX services plugging into fixed routes. Mr. Braun explained the locations where FLEX plugs into fixed routes and that we are working on modifications to encourage riders to use the fixed route service, and that with the peak service reduction we have found that people are using FLEX when fixed route is unavailable to them.

Rollcall Vote:

AYE: Trustee Buchanan, Trustee Foster, Vice Chair Hile, Secretary McCue, Trustee Rao,
Chairman Whitehouse

NAY: None

Consent Agenda was **approved**.

F. COMMITTEE REPORTS:

Marketing and Communications Committee:

No report.

Finance Committee:

No report.

Operations and Planning Committee:

No report.

G. NEW BUSINESS:

a. Microgrid Feasibility Report – Informational

Discussion:

Mr. Braun explained that with the initiation of zero emission buses, the Connect Transit Leadership Team began to think about what we would do if the power supply was cut off for any reason. Our power system is set up to accommodate a large diesel generator, and we have an agreement with Altorfer Equipment to supply a sufficiently sized generator in the event of a power outage. However, we expect there will be a lag between the outage and the delivery of the generator that could be fulfilled by other means.

We also found that there are times when we need to charge a bus during the power company's peak rate period, for maintenance and diagnostics, as well as to prepare a bus for later service. The cost of peak power is significantly higher than off-peak rates. We began considering solutions to reduce that cost. Our concept to meet both resiliency and cost savings was a solar/battery microgrid built on land we already own to the west of our garage. Mr. Braun floated the idea to some of our partners for consideration.

In January 2023, Michael Brown with the Ecology Action Center introduced him to James Lang, with Siemens. Michael was aware of our interest in developing solar charging for our buses and offered James as a resource. Mr. Braun reached out to James to set up a meeting including Mr. Lange for Connect, and Chris Cummings for Siemens to discuss our thoughts and the concept. They provided considerable information that led us to think our project was feasible, but we understood that impressions were not enough.

We contracted with Siemens for a three-phase project that could be cancelled at any time between phases.

- The first phase was feasibility: Given our power requirements, could a solar/battery microgrid be built on our five-acre property provide sufficient energy to charge our buses?
- The second phase was equipment: What would it take in terms of solar panels and battery size to provide sufficient charging capacity for our buses?
- The third phase was financial: Is it financially feasible from a cost/benefit perspective to pursue the project?

Based on their analysis, Siemens determined that the project is indeed feasible with equipment that would provide a positive benefit for the cost of development.

We are entering a fourth phase that was not planned for but welcomed. We have applied for two grants to fund the project and have received interest from our federal and state legislators.

Siemens presented the project to the Board for the Trustees' information and to develop an understanding of the potential project benefits.

James Lang and Chris Cummings from Siemens referred to a presentation on screen available as part of the General Manager's Presentation available online.

Brady Lange, Procurement Director, stated we have submitted our interconnect application to Corn Belt, who will engage a consultant to complete the studies mentioned in the Siemens presentation. Mr. Lange stated we will continue the process on their schedule and pursue funding through the RAISE grant, Congressionally Directed Spending, and other grants to close the gap and fully fund the project. We will also have to complete the NEPA process even though we own the property, but it should be a quicker process because it is a different type of property. Mr. Lange stated we will also have to go through the procurement process, whether that be an FTA procurement or traditional procurement, and consider operating and maintenance agreements. Once constructed and operational, we would like to engage with Heartland Community College to establish a hands on renewable energy program to skill future workers.

Mr. Braun explained that this is a shovel ready project, which is a benefit to the grants we applied for; the funding bodies like to see the grants completed. We are at 30% design and submitted that information with the grant applications.

Chairman Whitehouse asked what this will cost Connect Transit? Mr. Lange stated that preliminary estimates show the entire project will cost \$10m - \$12m, with a large portion funded through tax credits and grant applications that will cover between \$4m - \$5m.

Mr. Lang explained the tax credit minimum appears to be 30% of the project cost because the project is 100% eligible for the investment tax credit. He further stated the property line is split where Connect Transit could be eligible for up to 50% for the next 10 years, due to the low income area. He will be assisting our staff in pursuing the 50% credit.

Chairman Whitehouse asked what staff is looking for from the Board, if they are seeking permission. Mr. Braun stated he would like to know if the Board believes it is a valuable project to move forward with. He stated that grant applications have been submitted but that they won't build the project out unless they are awarded the grants. Mr. Braun explained they don't have a recommendation at this time but if the Board believes this is a good idea, they would like to pursue this as aggressively as they have been.

Trustee Buchanan asked what Connect Transit's bottom line cost will be if grants are awarded. Mr. Braun stated that we will not pursue this if we are not awarded the grants but that the grants would total \$5m - \$6m, and the remainder would be paid for through the incentive programs available to us.

Trustee Buchanan asked if it is possible we would recover \$4m through the incentive programs. Mr. Braun stated that half of the program cost would be available, so that would mean \$6m through the incentive program. He explained that cost is just to build it and after that they have the reduction in our utility costs, and the potential revenue from the utility provider who can buy back the energy.

Trustee Buchanan asked if we have projected out our cost savings for our utility costs. Mr. Lange stated that we anticipate saving the actual out of pocket with the grant funding in operating costs over the period of approximately 10-15 years.

Trustee Buchanan asked if this project is expected to have a 25-year life span. Mr. Cummings stated the solar energy is expected to have at least a 25-year life span, the batteries are expected to have a 15-year life span, but they can be renewed.

Trustee Rao asked what the depreciation will be for the batteries, panels, environmental impacts, etc. Mr. Cummings stated he would have to refer to spreadsheets he doesn't have with him, but they do include the degradations Mr. Rao is referring to but the environmental aspects had not been factored in.

Trustee Foster stated that no one else has what we are trying to do and that Heartland is doing great things, but how are other people who are doing this same thing doing? Mr. Lang stated they have references and experiences he can share. Mr. Cummings stated this technology is changing, and the things our state and government are doing are also changing. He acknowledged that we haven't seen this type of project here yet, but that Siemens was selected as the energy services contractor to Illinois State University, so they are looking at a fairly expansive solar energy opportunity there. He explained they also have other projects they have completed around the state that will help the Board gain confidence in them. Mr. Cummings stated that if we look back in 10 years, we will see we weren't the only ones doing this.

Mr. Braun stated that we know in this industry there are many other transit providers looking at this same type of solution, we are just a little further ahead in design than they are. He urged the Trustees to consider why we are doing this, with resiliency and cost savings being the driving factors.

Trustee Buchanan asked when we will find out if we are awarded any of the grants we applied for on this project. Mr. Lange stated we should know by fall if any of the grants were successful.

Chairman Whitehouse asked where we are in planning and if we have spent any money on this. Mr. Braun stated we have only spent approximately \$30,000 on the study to see if the project was feasible.

Chairman Whitehouse stated he appreciates the presentation but that he would like more data, and that with his recent experience with the electric buses and our going back to diesel buses he is cautious to invest this type of money without knowing if we have grant funding. He explained he would like to talk to staff a little more before making any decisions on this project.

Mr. Braun reminded the Trustees we do have 12 electric buses in our fleet, and they will continue to be a part of the fleet for a long period of time.

Mr. Braun stated that Siemens shared exactly what they were asked to share here, and that they have already provided the details the Board needs and he will share it with them and thanked them for their presentation.

Vice Chair Hile stated she has a very good feeling about the project and the staff has earned their confidence by taking them into very unexpected places with due diligence. She stated that even given the electric bus issues we have experienced, this project is a move to protect us from third parties who have been unable to deliver and give us independence. Ms. Hile stated she is a fan of this staff's ability to bring dollars back to Bloomington-Normal, with the help of Cornerstone and other partners, because she considers that a very serious part of our charge and she is happy to see that is part of the plan with this project and partnership with Siemens. She stated she feels Siemens is a perfectly reliable partner who can bring large and small sample projects to the table, and shared with Chairman Whitehouse that she is happy to look at additional case studies and data.

b. Recommendation to Approve 2024-2027 Strategic Plan – Roll Call Vote

Chairman Whitehouse called for a motion to approve 2024 – 2027 Connect Transit Strategic Business Plan as presented.

Secretary McCue motioned; seconded by Trustee Rao.

Discussion:

Mr. Braun shared Connect Transit's strategic plan represents a culmination of efforts reaching back to the transit system's 2021 strategic goals, recognition of recommendations made by the Connect to the Future group in 2019, recognition of workplace changes and operational challenges in a post COVID environment, as well as the growing manufacturing industries in the area.

In 2022, the Board of Trustees met to discuss the future of public transit in Bloomington-Normal. From those discussions, in March 2023 and August 2023, staff made presentations to the Board regarding the financial outlook for public transit and methods to enhance the passenger experience that met the broad vision discussions. The Board met again in early 2024, with information in hand, to further define and prioritize the work that was initiated earlier.

Our approach to strategic planning involved discussions of the strengths and weaknesses of the system and opportunities and threats facing the system, and the recognition of the momentum of transit in the past years due to the \$50+ million in grant funds awarded and the associated projects which need to be completed because of those grant funds. At the root of the plan is our desire to invest those grant funds and operate our services to the benefit of our passengers, community partners, funding partners, and all residents of our service area, while continually demonstrating the value of Connect Transit, Mobility, and FLEX in Bloomington, Normal, and the region.

The plan itself does not have a financial impact, however, individual projects associated with the plan may, and will be proposed to the Board as required, and through the annual budget process.

Vice Chair Hile asked Mr. Braun about his plan for reporting on the work's progress. Mr. Braun stated he will report on a monthly basis at the Board of Trustees meetings, as well as during the weekly updates that will focus on the elements of the strategic plan instead of the peripheral things.

Trustee Buchanan asked about a report card or graphic on the website. Mr. Braun stated he will introduce that to the Board next month.

Mr. Braun stated we will look at the strategic plan annually so we can determine if it needs modifying so we can make good decisions.

Secretary McCue stated he thinks yearly updates on the strategic plan make sense but cautioned Mr. Braun on his weekly updates and the exposure to FOIA. Mr. Braun stated his last update was much more abbreviated and recommended if the Trustees had questions, they should reach out to him, and he will continue that path.

Rollcall Vote:

AYE: Trustee Buchanan, Trustee Foster, Vice Chair Hile, Secretary McCue, Trustee Rao,
Chairman Whitehouse

NAY: None

Motion to approve 2024 – 2027 Connect Transit Strategic Business Plan as presented was **approved**.

H. CHAIRMAN'S REPORT:

No report given.

I. GENERAL MANAGER'S REPORT:

Mr. Braun shared his monthly General Manager report.

Congratulations!

Mr. Braun congratulated Shelly Moss on her completion of Leadership McLean County.

Proterra Update:

- September 2019 – Initial order of 12 zero-emission buses.
- November 2022 – Option for five additional zero-emission buses under contract.
- June 2023 – Five expansion zero-emission buses and notice to proceed issued.

Mr. Braun explained that we currently have 12 buses in the fleet, and the 2022 contract and 2023 notice to proceed with Proterra have been cancelled. These cancellations have left Connect with the funding for 10 vehicles, so we are reaching out to diesel vehicle providers to replace those orders. We are not sacrificing our electric bus program, simply looking for more reliable buses in the meantime while the electric bus industry matures before we place our next order in 2029.

Construction Easement for West Property:

Mr. Braun referred to a graphic on screen that can be found in the General Manager's Presentation on the website.

- Purpose: Equipment access and construction of earthwork and grading on the subject premises.
- Termination Date of Easement: 12/31/2024
- Their employees, agents, and contractors will have the right of ingress and egress to perform work as necessary.
- They will pay to repair/restore any damage to our property resulting from their work.
- They will indemnify and hold Connect Transit harmless from any and all liability, damage, expenses, cause of action, suits or claims arising from injury to persons and property on the property underlying the Temporary Construction Easement

Community:

Outreach

- News25 Interview
- "Connect the Dots" - Autism Awareness Event
- Bloomington City Council Downtown Transit Center Update
- Normal Town Council Budget Presentation

Employee Morale

- April employee birthdays and work anniversary celebrations
- Health and Wellness Fair

Professional Development:

- David Braun, General Manager; Brady Lange, Procurement Director; Ryan Whitehouse, Board Chair
 - APTA Legislative Conference
 - Washington, DC
 - April 7 – 9, 2024

Recruiting:

- Positions Open
 - Assistant General Manager (1)
 - Bus Operators (7)
 - Dispatcher (1)
 - Mechanic (1)
 - Microtransit Operator (1)
 - Planning & Grants Coordinator (1)
 - Service Technician (1)

J. TRUSTEE COMMENTS:

Chairman Whitehouse opted to hold Trustee Comments after the Executive Session.

K. EXECUTIVE SESSION:

- a. ILCS 123/2(c)(5)-Property Acquisition

Mr. Braun asked to include Brady Lange in the Executive Session. Trustees concurred.

Chairman Whitehouse called for a motion to adjourn Regular Session and move into an Executive Session.

Trustee Buchanan motioned; seconded by Secretary McCue.

Rollcall Vote:

AYE: Trustee Buchanan, Trustee Foster, Vice Chair Hile, Secretary McCue, Trustee Rao, Chairman Whitehouse

NAY: None

Motion carried, and the Board of Trustees adjourned Regular Session and moved to the Administrative Conference Room for Executive Session at 5:36 p.m.

REGULAR SESSION RE-OPENED:

Chairman Whitehouse called Regular Session back to order at 6:17 p.m. in the Board Room and the Board Clerk, Janice Crago, took attendance via roll call.

Trustees Present: Trustee Judy Buchanan
Trustee Linda Foster
Vice Chair Julie Hile
Secretary Tim McCue
Trustee Mandava Rao
Chairman Ryan Whitehouse

Trustees Absent: Trustee Barbara Singer

City Managers Present: City Manager Pam Reece

Staff Present: David Braun, General Manager
Aubrey Staton, Marketing Manager,
Brady Lange, Procurement Manager
Charlie Busse, Maintenance Manager
Janice Crago, Board Clerk
Pat Kuebrich, Finance Director
Steve Stockton, IT Manager

TRUSTEE COMMENTS:

None

L. ADJOURNMENT:

Chairman Whitehouse called for a Motion to Adjourn.

Secretary McCue motioned; seconded by Trustee Foster.

Meeting adjourned by consensus at 6:18 p.m.



Ryan Whitehouse, Board Chair / Date



Janice Crago, Board Clerk / Date

[SEAL]

