

**CONNECT TRANSIT  
BOARD OF TRUSTEES**

**MINUTES OF REGULAR MEETING – FEBRUARY 26, 2019**

**Connect Transit Board Room  
351 Wylie Drive  
Normal, Illinois 61761**

The regular meeting of the Board of Trustees of Connect Transit was held at the Connect Transit Board Room #135, 351 Wylie Drive, Normal, Illinois 61761 on February 26, 2019 at 4:34 p.m.

TRUSTEES PRESENT: Chairman Mike McCurdy  
Vice Chairman Ryan Whitehouse  
Secretary John Bowman  
Trustee Judy Buchanan – arrived at 4:46 p.m.  
Trustee Julie Hile

TRUSTEES ABSENT: Trustee Monica Bullington (excused)

CITY MANAGERS ABSENT: Bloomington City Manager Tim Gleason  
Town of Normal Manager Pam Reece

STAFF PRESENT: General Manager Isaac Thorne  
Martin Glaze, Interim Chief Operating Officer  
Jeff Holtke, Marketing Manager  
Brady Lange, Maintenance Manager  
Steve Stockton, IT Manager  
Pat Kuebrich, Finance Director  
Julie Dockham, HR Director  
Cassie Mosier, Procurement Specialist

Chairman Mike McCurdy called the meeting to order at 4:34 p.m. Roll call was taken.

**PUBLIC COMMENTS**

Chairman Mike McCurdy recognized Scott Stimeling for public comment.

Mr. Stimeling stated a concern regarding the bus routes that he felt needed to be brought to someone's attention. He stated that with routes being eliminated, people are going to start calling on another form of transportation and are not going to use Connect Transit. He continued by stating that he believes that Connect Transit thinks that gas is free but that somebody is paying for that gas whether the Board realizes it or not. People must get around and they really don't need to be waiting on

Connect Transit. Mr. Stimeling stated that people in the community are saying "the fewer and fewer the stops get the higher the prices go up." He added that he would like somebody explain that to him whether it be Tim Gleason, Pam Reece or whoever. Mr. Stimeling stated that it really makes him wonder because with the sidewalks in the City of Bloomington, they City will say they are fine, but that one time he went down two (2) blocks and there was a disabled granddaughter with her grandmother hiking the wheelchair up over the curb. In closing, Mr. Stimeling stated that the ADA law went into effect in 1990 and this happened in 2012 – over 20 years later – and the sidewalks are still not ADA assessable.

Chairman Mike McCurdy recognized Terri Morgan for public comment.

Ms. Terri Morgan stated that she will have been a resident of the Town of Normal for six (6) years in March. She stated that she was born in Bloomington and raised in LeRoy and graduated from LeRoy High School as Valedictorian in 1976 and from Illinois Wesleyan in 1980. After her father passed away she came back to the area and experienced health issues and had to retire on disability. She stated that she had been blessed by the services that she has been able to enjoy through Connect-Transit and Connect Mobility. Ms. Morgan offered three (3) points in her remaining comment:

- Invited the Board to attend an ARC meeting on February 28, at 2:00 p.m. at Uptown Normal and another meeting on March 1, at 2:00 p.m.
- Inquired about the process of becoming a Trustee on the Connect Transit Board; did she have to be nominated or can she nominate herself as that was something she would be interested in.
- Concerning post-route changes, she was not aware of all the discussion that had taken place regarding the decisions to drop the OLIVE route. Stating that it had been incredibly cumbersome to attempt to make a transfer to the OLIVE route and added a suggestion for a possibility of revising the PINK route schedule by swinging around from Linden down Willow to Beech and have a bus stop with a shelter at the back entrance of ARC, then turning left on Cypress past the Eugene Field Elementary School, and then back onto the current route. She stated that this might be a viable solution for those folks that do want to utilize the ARC Center and from Royal Acres, people would be able to get to Uptown Normal.

Chairman McCurdy informed Ms. Morgan that Trustee appointments are Mayoral appointments. He stated that Bloomington has a form that can be filled out and the Town of Normal Mayor's email is on the Town of Normal's website.

There were no additional public comments.

#### **CONSENT AGENDA**

1. Approval of Minutes of Regular Meeting and Work Session of January 22, 2019
2. Disbursements for the month of January 2019

3. Financial Report for the month of January 2019
4. Capital and Self Insurance Reserve Fund Balances for the month of January 2019
5. Monthly Statistical Report for the Month of January 2019

Chairman McCurdy called for a *Motion to Approve the Consent Agenda*. Trustee John Bowman moved to approve the *Consent Agenda*, seconded by Trustee Ryan Whitehouse.

**DISCUSSION**

Trustee Ryan Whitehouse stated that Cash Fares Revenue went down, and the Passenger Fares Revenue went up and asked if this was due to contracts?

General Manager Thorne stated that the Farebox and Cash Revenue fluctuate month to month depending on the sale of passes and cash received through the Farebox.

Trustee John Bowman stated that the math and it is 9.8% recovery in comparison to Operating Expense for the month which is a little below the average. It usually runs about 10.4%.

Trustee Julie Hile inquired regarding the bus operator and Pedestrian Protection Act. Does Connect have plans for availing itself to some of those resources?

General Manager Thorne replied, "yes". Connect is constantly working on areas where it has bus stops where people are crossing over dangerous intersections. Connect will work with the City and Town and this is not something Connect can fix alone because of the cost.

Trustee Hile asked if community education is also included?

General Manager Thorne stated that he has discussed internally as a staff how we can communicate that message to our passengers outside of improving bus stops and improving sidewalks. This is a community effort with both the Town and City.

There was no further discussion and the Board voted to approve the *Consent Agenda*.

AYE: All

NAY: None

Motion carried and the *Consent Agenda* was approved by the Board.

**OLD BUSINESS**

None.

## **NEW BUSINESS**

### Assurance Presentation on Property and Casualty Insurance Renewal Strategy

General Manager Thorne introduced Keith Dobrinsky from Assurance. General Manager Thorne stated that Mr. Dobrinsky will discuss with the Board certain ways to reduce Connect's premium in the future.

For a renewal strategy for your current carrier, we went out to the market last year with several carriers and we continue to work with those carriers as best as possible. This year we are looking at considering higher deductibles in different areas. We have performed a retention analysis; such as, what would things look like at a \$25-, \$50-, \$75- and \$100 thousand-dollar levels? A lot of carriers only start at the \$100,000 level. That may not be right for Connect Transit, but we need to look at those options. Not only on the typical property and physical damage, but also on the auto liability and general liability. We will also seek out some new carriers and carriers that are called "re-insurance companies" which are the carriers that re-insure or insure the insurance companies. These are insurance companies that look more at providing re-insurance with a retention and then Connect would be able to work with the third-party administrator as opposed to working with a carrier and a lone claims manager team.

On the Workers' Compensation, currently Connect is with United Heartland, an excellent company. Together with Connect Transit, they have helped you turn around your Workers' Compensation problems of 5 years ago but is not to say that there aren't other competitors out there. He believes Connect has some great structures and great risk management programs in place on the Workers' Compensation. We can continue to work with any carrier as long as we continue to get the services that we have received from United Heartland.

We also want to look at alternatives. Maybe not this year but our focus is to look to the future and see how we could be more collaborative or create more consortiums with other entities. He believed that Connect has better best practices, better risk management programs than its peers. We have some clients that we feel do a good job like Connect Transit that may, down the road, come together. Not coming together to share your risk, but to come together as a consortium and say that instead of one, we have two or three, and we work together to create more pricing incentives. That could lead to a general consortium or your buy-in together. You would not be sharing risk. Eventually, it comes to a point you are coming together, sharing risk, creating a large loss fund, and having a lot of retention.

In summary, the key is looking at different ways to view Connect's self-insured retention and looking at higher deductibles, working with the incumbent market but at the same time creating competition with some additional carriers with special interest in your account. Safety is a big thing and that needs to continue both the property liability side as well as the workers' compensation side.

## **DISCUSSION**

Trustee John Bowman asked what he had for numbers as to earthquake coverage?

Mr. Dobrinsky stated that he does have something for earthquake coverage, but those numbers were not available, and he stated from memory it may be a \$5M-\$10M limit on earthquake coverage.

Trustee Judy Buchanan commented that Mr. Dobrinsky stated "buying together" as one option, and asked if Mr. Dobrinsky anticipates providing the Board with any preliminary thinking on that?

Mr. Dobrinsky stated that he will and that we will have those discussions later. He stated that right now there is not a group within Illinois to work with. He believed the biggest opportunity for Connect Transit is TransitRe and he would want to be certain that Members of this Board and General Manager Thorne have an opportunity to meet with those folks once we get the preliminary numbers back to see if it is feasible through their structure.

Trustee Judy Buchanan asked Mr. Dobrinsky if there are any criteria for other systems that he might consider approaching that share our view?

Mr. Dobrinsky stated that what would be looked at would be key markers such as:

- loss-ratio,
- looking at a certain size of premium,
- looking at an appetite of taking on some risk,
- starting out at \$25K deductible, and
- making sure that there are key risk management programs in place.

Trustee Judy Buchanan commented that in referring to safety measures are you referring to a risk management program?

Mr. Dobrinsky stated that a risk management program that is in place where you are handling claims the way you are working with loss control and safety. Some of the things talked about a minute ago about trips and falls is key.

Trustee John Bowman stated that a hot topic these days is cyber. Do we have any cyber coverage policies and what is being offered in the market?

General Manager Thorne responded that Connect is looking at cyber which also was looked at last year.

Mr. Dobrinsky added that Connect does have crime coverage. From a cyber standpoint, the indemnity and fence, Connect does not have to have. He believes it is something that is definitely recommended. Those policies are changing all the time. He believes the biggest piece is more of forensics that are involved in determining how the breach occurred and the credit monitoring and things you need to do to preserve employees' information.

Chairman Mike McCurdy asked when collaborating those exposure efforts, you will only work with insurance clients now? You wouldn't poach other pools?

Mr. Dobrinsky responded that we would be looking to Connect Transit to be the leader to find those that might be of interest. You could poach other pools, but our experience has been that when we competed on a certain pool, there were some members that expressed doing something different, but they feel obligated to stick together. It is very difficult for some of those to just up and leave and start a new program.

Chairman McCurdy asked Mr. Dobrinsky what is the process to evaluate somebody that Connect Transit might collaborate with?

Mr. Dobrinsky stated that what they would do is first bring Connect together and the plan would be, first and foremost, to bring Isaac and the potential transit system partner together and talk about what each are doing from a risk management and safety standpoint with each system. Assurance would have the data, so it can control the data on both partners and would provide some numbers to get a look at what can be done together and then brainstorm on others that we might want to bring in to a similar type meeting. Assurance would perform an assessment by digging deep into the policies and their loss experience to take a look at their risk management programs and then we would make a recommendation to the group, stating that these would be great candidates in starting a program. Then we would work to bring that forward.

Chairman McCurdy asked if there was a typical savings?

Mr. Dobrinsky stated that ten (10) years ago a group got together and formed a consortium and saved about 25% of their premium in their first dollar market and for the last eight (8) years their rates have been very stable. The loss ratios were so good on the casualty side that they decided to create a Trust, using legislation here in Illinois that allows charitable and non-profit entities that come together to form a Trust, and they saved another 10% overall. When at one time you were spending \$100,000 for liability insurance, you are now spending \$90,000 with almost 55% of the \$100,000 would sit in your own fund and the remaining amount (45%-50%) would pay for insurance, third party administration, loss control and safety. What you and a partner do with this fund, you are able to do as a group to take on a larger retention which is what would get you the 10% of cost.

There was no further discussion related to Mr. Dobrinsky's presentation.

#### *Recommendation of RFP 18-13 for Financial Audit Services*

General Manager Thorne stated that Connect Transit received four (4) proposals for the recommendation of Financial Audit Services and Staff evaluated those proposals and is recommending *Clifton Larson Allen*. *Clifton Larson Allen* has conducted the Financial Audit for Connect for the past five (5) years and it will perform:

- annual and financial compliance audits;
- reporting on internal controls or financial reporting and compliance; and
- reporting on compliance for major programs.

General Manager Thorne asked the Board to approve a Contract with *Clifton Larson Allen* for a term of three (3) years (\$69,300) with the availability to exercise two (2) 1-year Contracts (with the possibility of extension for 5 years) which total would not exceed \$117,000.

Chairman Mike McCurdy asked the Board for a Motion on the *Recommendation of RFP 18-13 for Financial Audit Services*.

Trustee Judy Buchanan moved to approve the *Recommendation of RFP 18-13 for Financial Audit Services*, seconded by Trustee Julie Hile.

### **DISCUSSION**

Trustee Ryan Whitehouse inquired if after a period of time *Financial Audit Services* should be changed?

General Manager Thorne stated that Connect has no current policies on changing auditors. Typically, you want to change financial auditors every 5-8 years. The Federal government, when using Federal funds, wants fair and open competition. That does not mean that the Board cannot make a business decision and state that after five (5) years Connect is moving to a different auditor. We can make that policy and move in that direction. What we also can do is tell the Champaign office that Connect desires the Peoria office to come in and take a look at everything to encompass our desire to have different people and different eyes looking at our financials.

Chairman McCurdy stated that he liked the idea of the same company but a different office.

Trustee Ryan Whitehouse stated that he believes it is smart to have different eyes look at financials, especially when we are looking at tax dollars.

Trustee John Bowman stated that his concern is if there are any regulations that require a change of auditors and if there are none in the Grants for funding, then it truly is the Board's decision.

General Manager Thorne stated again that the Federal government wants fair and open competition. However, that does not mean that the Board cannot make a business decision to state that it is our policy that we are going to change our auditing firm every five (5) years.

Trustee Ryan Whitehouse inquired whether we chose this person or group firm because of cost or because of our experience with them?

General Manager Thorne stated that there are two (2) components to the award. In the RFP you judge on the scope of work, can they complete the audit, their references and then cost. *Clifton Larson Allen* has been our auditor for five (5) years and we are comfortable with them. The Staff evaluation scores

were highest on scope of work, references, and ranked as lowest provider in terms of cost. General Manager Thorne stated that the Champaign branch of *Clifton Larson Allen* offered to have the Peoria branch come to perform our audit. If the Board is concerned with this, what we can do is table this and go back to *Clifton Larson Allen* and state that we want the Peoria office to perform our auditing which takes place in May.

Trustee Ryan Whitehouse stated that he would be willing to approve the RFP with *Clifton Larson Allen* on a contingency that *Clifton Larson Allen* agrees with the Peoria branch performing Connect's financial audit.

Chairman Mike McCurdy directed General Manager Isaac Thorne to consider and develop a policy for the Board's review stating the policy whereby Connect-Transit will be required to change contracted Financial Audit Services every five (5) years.

Trustee Julie Hile stated that if the scores of the RFP's submitted was close, that next time Connect Transit submits a *Recommendation for Financial Audit Services*, the Board should consider a shift in audit services.

It was the consensus of the Board to amend the Motion, and that in support of the Amended Motion, the Board agreed it was good practice to shift audit service providers after a period of five (5) years and to amend the *Recommendation of RFP 18-13 for Financial Audit Services*.

Trustee Judy Buchanan moved to amend the Motion for *Recommendation of RFP 18-13 for Financial Audit Services* to state: "*Recommendation of RFP 18-13 for Financial Audit Services be Awarded to Clifton Larson Allen Contingent Upon Acceptance by Clifton Larson Allen's Peoria Branch's Acceptance to Perform Financial Audit Services,*" seconded by Trustee Judy Hile.

AYE: All

NAY: None

Motion carried, and the *Amended Recommendation of RFP 18-13 for Financial Audit Services be Awarded to Clifton Larson Allen Contingent Upon Acceptance by Clifton Larson Allen's Peoria Branch's Acceptance to Perform Financial Audit Services* was approved by the Board.

#### **GENERAL MANAGER'S REPORT**

##### OneVoice Trip

General Manager Isaac Thorne stated that he, together with Vice Chairman Ryan Whitehouse and Trustee Julie Hile, will be attending this year's *OneVoice Trip*. The Downtown Transfer Center will be one of the projects we will be discussing with our delegation on this trip, as well as other projects in the Bloomington-Normal community. General Manager Thorne stated that he has received word from IDOT regarding Connect's \$250,000 Grant for the Downtown Transfer study. Yesterday Connect



received an email from our program manager that the Notice of Award should be out this week for Connect Transit. Connect still must submit the RFP to IDOT, who must give Connect "pre-bid" authority to release that document to the public and receive the proposals back. In advance of awarding the RFP, we must again have IDOT's permission.

### Community Engagement Sessions

General Manager Thorne reported that Staff has completed eight (8) of the Community Engagement Sessions and there are three (3) remaining Sessions. General Manager Thorne estimated that a total of 20 people have attended the Community Sessions thus far. In addition to the Community Sessions, Connect had individual sessions with ARC, LifeCIL, and MarcFirst. Connect will be meeting with ARC again and ARC has not made this a public meeting and will be only for Members of ARC and its staff.

Due to some Board Members not being able to make the March 12<sup>th</sup> Public Hearing, General Manager Thorne recommended to the Board that Connect hold a second Public Hearing on March 26<sup>th</sup> together with the Regular monthly Board Meeting. The Public Hearing will begin at 3:30 p.m. before our Regular Meeting. The Board would vote on March 26<sup>th</sup> at the Board's Regular Meeting on the Proposals for Fare Increases and Route Changes. This ensures that all Board Members will be in attendance at the Public Hearing. Connect's next steps before the March 26<sup>th</sup> Public Hearing, Staff and General Manager Thorne will schedule more Community Engagement Sessions leading up to the March 26<sup>th</sup> Public Hearing and vote.

### **DISCUSSION**

Trustee Judy Buchanan asked General Manager Thorne if he indicated that he will also be sharing a summary of Public Comments to the Board?

General Manager Thorne stated that he will email the Board the Public Comments received thus far. We are asking the Public in each Engagement Session to fill out a Public Comment forms. They are not required to place their name on the Public Comments. Additional Public Comments will be sent to the Board in advance of the March 26<sup>th</sup> Public Hearing.

Trustee Julie Hile asked General Manager Thorne about the tenor of the meetings and what is he hearing?

General Manager Thorne stated that the customers that live in Northbrook Estates want to keep the OLIVE route. He has heard from two (2) individuals about the fare increase.

Trustee Julie Hile asked about when those people were talking about the OLIVE route, was public education a part of those sessions?

General Manager Thorne responded that when the people come to the Sessions, they want to know about what is going on with the OLIVE route and what is Connect doing with it. They also want to know what else Connect is doing. At that point we have the opportunity to talk to them about

improving infrastructure; such as, adding shelters and covered seating for people at stops. Several the attendees at the Sessions were not aware of the planned improvements so we took time to explain Connect's *Better Bus Stops Campaign*. He also told the attendees at Community Sessions about the RED/LIME routes with the discontinuation of the OLIVE route. Even individuals that came in who talked about the OLIVE route didn't know about the RED and LIME routes.

Chairman Mike McCurdy stated that many were unaware that some of the savings from the OLIVE would be used to increase frequency on the RED and the LIME. Chairman Mike McCurdy stated that he attended a Community Engagement Session at the Normal Public Library on February 20<sup>th</sup>. The individual that he spoke to was a former Marine, was going to have one of his feet amputated at the ankle due to an injury that he suffered while he was in the Marines and he was still walking to the YELLOW because it was quicker, and he wasn't using the OLIVE. He preferred the YELLOW because it was every 15 minutes.

Trustee Julie Hile asked is it also a quicker return from Wal-Mart, correct?

General Manager Thorne stated that the OLIVE route right now will get you to Wal-Mart in 15 minutes. If you are leaving Wal-Mart, you are going to get back to Orlando/Northbrook in about 15 minutes. It will only take about 20-22 minutes with the RED/LIME Express.

Trustee John Bowman stated on the reallocation of hours, he did want to point out what he thought was a significant discrepancy or misrepresentation in the proposal submitted to the Board where it was submitted to the Board that conserving the 1566 hours from the OLIVE with the result of \$156,600 savings to the system. The actual savings would be closer to \$55,000 because by not allocating those hours to service, you would lose the 65% DOAP (Downstate Operating Assistance Program) contribution. From a dollars and cents perspective, the \$156,600 is misleading because the actual savings would be a 35% contribution of the system to the operational service.

Vice Chairman Ryan Whitehouse asked if Trustee Bowman is saying that out of Connect's budget it would only save \$55,000 – but with the State's match – it would save \$156,600?

Trustee John Bowman responded by stating that Connect does not get that money you only pocket the \$55,000.

Chairman Mike McCurdy asked if we calculate anything else in our budget that way in terms of when it comes time to make a cut or an addition, separating out State dollars.

General Manager Thorne stated that Connect looks at the budget from all revenues. Sixty-five percent (65%) from IDOT, roughly 20% from FTA, the farebox, and what Connect receives from Universal Access Agreements are all included into our budget numbers.

Trustee John Bowman stated that he thinks it is critical that the Board understands that 65% of Connect's operating funds come from that single source from IDOT. Any decision the Board makes must take that into account.

Chairman Mike McCurdy stated are not those dollars being reallocated and most of them back into the RED and the LIME with the frequent service?

Trustee John Bowman responded, no. The statement in the proposal was that there would be a financial benefit to the system of \$156,600. That is not true unless Connect was repurposing those funds immediately to go to a capital allocation which you can use Downstate Operating Assistance Funds for debt service on capital projects but is something that we do not have in-place to do. Full disclosure and fairness and for the Board's awareness, we are not really saving \$156,600 by conserving those hours on the OLIVE that we are not going to repurpose. The actual savings would be roughly \$54,810 in dollar terms. The General Manager has always presented this as an "hour of fixed route service cost by the \$100". The way we look at it is that 65% of that is coming from the DOAP. Thirty-five percent (35%) is coming into the system. I understand the reasons why we want to save some of that money even though it is not huge. We are trying to conserve 5307 funds which make up that 35% share in many cases and use those dual-purpose funds for capital expenditures down the road.

General Manager Thorne stated that he and Trustee Bowman had talked about this. We are leaving \$2-\$3M of IDOT funding on the table. This has been the case for several years because we do not have a local match for it.

Trustee John Bowman stated that it is a matter of being accurate in the ways things are presented so that we can make fully informed decisions and understand how the dollars work in the system.

#### **TRUSTEE'S COMMENTS**

Trustee Julie Hile stated that she had comments to contribute regarding the challenges the Board is facing regarding routes. She shared thoughts she had since joining the Board of Trustees in June. Continuing, she asked whether there is room for and what would be the nature of a conversation for a stabilized funding stream? Transit agencies throughout the country have gotten much more reliable and sustainable funding streams. She added that it is very surprising to see how much, as a transit Board, that we are having to scramble for funding. She believes that there is a larger conversation to be had as a community and as a region about the nature of our investment in transit.

Chairman Mike McCurdy responded by stating that some of those discussions have taken place as part of the *Ad Hoc Budget Committee*. That Committee has not met in a while and primarily has been on "stand-by" since former Interim City Manager, Steve Rasmussen, left the Board and since we have been trying to work with ISU on figuring out where the Universal Access Agreement with them is going to land. There is, as many of the Board Members already know, there is financial difficulty coming in the outlying fiscal years that the Board needs to look at. Part of that discussion involved looking at options for a more stable funding stream. We talked about a referendum of some sort which was generally thought of as something being too heavy of a lift and was discouraged by a number of Trustees at the time. Chairman McCurdy stated that he does not disagree and believes that we are missing an opportunity but does not know in the current climate whether that type of effort would be successful.

Trustee Ryan Whitehouse stated that these conversations have gone on since he has been on the Board. We have talked about it with both former City Managers, Mark Peterson and David Hales, in addition to the current City Managers. Over time, we have also talked about it with business groups in town, the EDCs and the Chambers of Commerce. Looking at it from a political standpoint, there is always a reason why it is not a good time. He stated that he is defending that argument. Admittedly, there are reasons why it is not a good time sometimes. The times we have brought this up before, the City talked about implementing the gas tax. We cannot have a City implementing a gas tax and then have Connect Transit ask for even more tax dollars. If you talked about it now, you are looking at a possible School Board Referendum and the City of Bloomington talking about doubling its gas taxes again. It is a serious conversation that needs to take place, but it is a political conversation and a dicey one.

Chairman Mike McCurdy agrees that Connect Transit is scrambling together through a variety of different funding sources.

Trustee Julie Hile stated that it is a "reflection of priorities".

Chairman Mike McCurdy stated that it reflects the fact that Connect Transit is one of the few transit agencies that doesn't have a dedicated tax source.

Trustee Julie Hile stated that she is quite impressed by the quality of the agency that we enjoy here given the way that it is funded.

Chairman Mike McCurdy asked if she was basically asking about a dedicated funding source?

Trustee Julie Hile stated this is really about community engagement sessions in some ways and feels like we are very regularly treating symptoms rather than causes. That takes a lot of time and energy and has a reflection on us as a community.

Trustee Ryan Whitehouse agreed and stated that the Board has these conversations a lot. To that point, to try to resolve that, what are we doing? We are looking at a fare increase which I support. You cannot go to the public and say, "we need a dedicated source" and "by the way, we are also going to need fare increases." The direction in where we go, in my opinion, it cannot be Connect Transit as the only cheerleader fighting for this. It looks like it is self-serving, and in my opinion, there has not been a lot of buy-in from other groups. A number of Trustees, including the General Manager, have talked about what are we going to do about this.

Chairman Mike McCurdy stated that it doesn't mean that as a result of the *Ad Hoc Budget Committee* meetings, which I hope resume soon, that we cannot have a serious conversation with our two (2) municipalities and talk about more stable funding which is part of what the conversation was already leaning toward was funding from both municipalities to stave off the budget problems for decades so that Connect Transit would be here for many years, but the City and the Town are going to have to work with transit to provide that funding. We don't know how much to ask for until we know what our other funding sources look like. That is where we are, and we are working on a way to reach an agreement that would not require annual negotiations with ISU.

Trustee Julie Hile restated that she finds it most impressive that when our funding sources force thinking that is trunk-aided over time rather than taking the long view. She commended the Board on what it has been able to accomplish.

Trustee Judy Buchanan responded to Trustee Hile's and Trustee Whitehouse's point that there has been a lot of conversation because of how regular funding was treated leaves us at the mercy of whether the State is going up or down. As Trustee Whitehouse said, there has always been a school referendum or something else each year. I think a conversation with the City and Town certainly is appropriate, but I think we have to say to the *Ad Hoc Committee*, "Can we come up with some kind of instrument to begin to measure?" She continued by stating that we feel like there is not a degree of "buying-in" in our community. We have done much to demonstrate our value and educate people just that fact that we exist and the work that is being done. Trustee Buchanan stated there is not a buy-in because she doesn't believe the business community is aware of our value. It may need time to look at it holistically and put it back to the *Ad Hoc Budget Committee*: maybe it is an education campaign; a public awareness; some kind of tool that allows us to measure what the landscape looks like so that there is buy-in potential.

Chairman Mike McCurdy stated that some of that would definitely help. A lot of successful trends and referenda in this country is based on fixing a problem: "I have an hour-long commute"; or "This highway is going to be shut down for three years..."; which leads into a longer commute as they expand that particular highway. There is a disadvantage for transit that are "built-in".

Trustee Judy Buchanan stated that even corporate partners have said in other communities they have "soft" places they could locate because it was near transit and yet do not demonstrate that degree of interest in transit. We have had a lot of barriers and maybe it is time to start stating this to the community Mr. Chairman so that people have a sense of what have been the highs and lows and what have we learned so we can develop a long strategic look for the future?

Trustee John Bowman stated that Trustee Buchanan made a good point and he applauded that the Board needs to engage the public. The public does not really understand how Connect Transit is funded and what it is costing them. The public does not realize if you go to Von Maur and buy a \$200 pair of shoes, you are contributing \$1 to this transit system. That is essentially what it works out through the Downstate Operating Assistance Program.

Trustee Judy Buchanan stated regarding the current fare increase, it is one measure we have taken to help with that. There is a misconception with the public by thinking that now Connect Transit is going to be alright since they have increased fares. The general public does not realize what a small percentage, albeit important, that fares contribute to our operation.

Chairman Mike McCurdy stated that you will never be able to fund the system through fares and it was not designed to work that way.

Trustee Julie Hile stated that in the general public, that is seen as the solution and contributes to the misunderstanding by the public.

Trustee Ryan Whitehouse added that Washington D.C. has 7M people that commute on public transit every day and they still cannot fund it. Fares will never recover cost.

Trustee John Bowman added that the State of Illinois has more or less made the bed that transit lies in downstate Illinois because they have set the program. Sixty-five percent (65%) is a ton of money and a big percentage of a household budget so for a system like this, you are talking about almost \$9M in operating expenses that source covers. As we learned when the State was having their fiscal problems a couple years back, and they are not paying that in a timely manner, it jeopardizes the mere existence of transit. Those are realities that we live in, but he thinks it does start with a full disclosure with the Public, they understand. He stated that he has proposed to General Manager Thorne that we make wooden nickels with 9.375% on one side and a Connect Transit bus on the other because that is actually what goes into a local sales tax that goes into the Downstate Operating Assistance Program. Out of every dollar that the State pulls in from income tax, they are mandated under the legislation that set up the DOAP to give 3.32% into the DOAP to fund us.

Trustee Ryan Whitehouse stated that on a positive note, our good friend to the system, Rodney Davis, was named ranking member of Highways and Transit which is going to be a plus for this organization.

**ADJOURNMENT**

There being no further business or discussion, Chairman Mike McCurdy entertained a *Motion for Adjournment*.


Trustee John Bowman moved to adjourn, seconded by Trustee Julie Hile.

AYE: All

NAY: None

Motion carried, and the Board of Trustees adjourned at 5:55 p.m.

  
\_\_\_\_\_  
Jill Bower – Board Clerk

  
\_\_\_\_\_  
Secretary - John Bowman

