

**CONNECT TRANSIT BOARD OF TRUSTEES
MINUTES OF WORK SESSION MEETING- JANUARY 22, 2019**

The Work Session 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 January 22, 2019 at 3:30 p.m.

TRUSTEES PRESENT: Chairman Mike McCurdy
 Vice Chairman Ryan Whitehouse
 Secretary John Bowman
 Trustee Judy Buchanan
 Trustee Monica Bullington
 Trustee Julie Hile – late arrival 3:41 p.m.

CITY MANAGERS: Town of Normal Manager Pam Reece
 City of Bloomington Manager Tim Gleason – late arrival 3:41 p.m.

STAFF PRESENT: General Manager Isaac Thorne
 Operations Manager Martin Glaze
 Marketing Manager Jeff Holtke
 Finance Director Patrick Keubrich
 Community Outreach Coordinator Brendan O'Neill
 Operations Supervisor Shelly Perry

The meeting was called to order by Chairman Mike McCurdy at 3:30 p.m. Roll call was taken.

PUBLIC COMMENTS

No public comments.

PROPOSED FY2020 BUDGET

General Manager Isaac Thorne began the Work Session by highlighting areas where Connect's expenses are increasing and reported to the Board that FY2019's budget will likely be below its projection by about \$500,000. General Manager Thorne reported on specific increases:

- Operating Expenses - FY2019 budget expenses show a large increase in operations (4.71%). Connect has over 100 employees and most are subject to a wage increase under the *Collective Bargaining Agreement*.
- Group Insurance –Health insurance and worker's compensation insurance. Connect continues to see good rates with its worker's compensation insurance. Health insurance is projecting a 10% increase in health insurance premiums for this year. Connect will not receive a renewal notice until April or May and the Board will have to approve the budget.
- Fuel –Prices for fuel are expected to rise above \$3.00 a gallon for gasoline with the price of diesel also rising, Connect is projecting an increase in fuel costs for next year. As Connect increases the number of electric vehicles it owns starting in FY2020, and acquiring four (4) electric buses each year after that, Connect should see a decrease in fuel expenses.

- Computer and Office Supplies –Software licensing fees have increased with new software technology. Licensing fees fluctuate but typically increase on a continuous basis. Connect’s software programs that require licensing fees are:
 - FleetNet;
 - Ecolane;
 - Syncromatics;
 - Radios;
 - Campus software; and
 - Remix software.
- Corporate Insurance – Connect is experiencing an increase in property and casualty insurance as the new buses Connect recently purchased are more expensive to insure. Connect is working with Assurance (Connect’s property and casualty brokerage firm), on strategies to reduce Connect’s insurance premiums over the next few years. The General Manager added that Assurance is scheduled to be present at February’s Board meeting on strategies to reduce Connect’s property and casualty insurance premiums over the next few years.

General Manager Thorne stated that the proposed FY2020 budget may be modified as Connect gets closer to the March regular Board Meeting.

Chairman Mike McCurdy confirmed that the proposed FY2020 Budget had been introduced by the General Manager and discussed with each of the Trustees individually.

Trustee John Bowman requested an explanation from the General Manager to the Board regarding the \$500,000 total budget reduction target. General Manager Thorne explained that Connect’s goal is to reduce the budget by a total of \$500,000 going into FY2020 to extend the amount of federal funding it has received. Without this conservation the only way Connect can ensure adequate funding by FY2025-26 would be by cutting additional routes. Connect’s federal allocation last year was \$2.8M. Connect will continue to see the \$2.8M until FY2025-26 and is not factoring any increase from the federal side.

PROPOSED FARE STRUCTURE FY2020-FY2023

General Manager Thorne stated that Connect is projecting an increase in revenue for the FY2020 budget in terms of passenger fares and is now proposing a fare structure with an increase in fixed route one-way fares as well as Connect Mobility one-way fares. General Manager Thorne continued by stating that in the past thirty (30) months Connect implemented a new route structure including Sunday service and that on-time performance of routes has significantly increased. Connect is providing 15-30-minute service on most routes and is one of few transit agencies in the United States to provide a 30-day unlimited pass for ADA Para-transit Services. The proposed Fare Structure for FY2020-FY2023 was explained by General Manager Thorne:

FY2020

Fixed Route

- Increase the fixed route one-way fare \$.25 (\$1.25).
- Fixed Route 30-day pass increases to \$36
- Disabled fare will increase to \$.60.
- Institute a fare cap for fixed route service allowing those of low or fixed income the ability to purchase a monthly pass. Customers approved for Connect Mobility can use fixed route service for free.
- One-day pass - \$3.00 (no change)

- Seven-day pass - \$10.00 (no change)

Connect Mobility

- One-way fare increases to \$2.50
- Premium service increases to \$3.50 and \$4.50
- Connect Mobility 30-day pass would increase to \$70.

FY2021

Fixed Route

- Increase fixed route fare \$.05 (\$1.30)
- Disabled - \$.60 (no change)
- One-day pass - \$3.50
- Seven-day pass - \$11.00
- 30-day pass - \$36.00 (no change)

Connect Mobility

- One-way fare increases to \$2.60
- Premium increases to \$3.60 and \$4.60
- CM 30-day pass remains \$70.

FY2022

Fixed Route

- Increase fare - \$.10 (\$1.40)
- Disabled - \$.70
- One-day pass - \$3.50 (no change)
- Seven-day pass - \$11.00 (no change)
- 30-day pass - \$38

Connect Mobility

- One-way fare increases to \$2.90
- Premium increases to \$3.90 and \$4.90
- CM 30-day pass increases to \$73.

FY2023

Fixed Route

- Increase fare - \$.10 (\$1.50)
- Disabled - \$.75
- One-day pass - \$4.00
- Seven-day pass - \$12.00
- 30-day pass \$40.

Connect Mobility

- One-way fare increases to \$3.00
- Premium to \$4.00 and \$5.00
- CM 30-day pass increases to \$75.

Chairman McCurdy commented that some people in the community are unable to afford a monthly pass yet can afford a round trip. Chairman McCurdy asked General Manager Thorne to talk about fare equity and fare capping.

General Manager Thorne stated those individuals who have lower fixed income and are not able to pay for a pass up-front, typically pay cash every time they ride. These individuals may end up paying \$40-\$60 for all their trips on fixed route throughout the month. General Manager Thorne continued to explain that this proposal would institute a "mobile ticketing app" through which individuals could pay their fares. Once the individual's spending on fares has reached the cost of a 30-day pass, all of the individual's rides for the remainder of the 30-day period would be free.

The General Manager continued by stating that Connect has two (2) options. Connect knows that it wants to implement a mobile ticketing app and it has funding set aside. GenFare, the current provider can handle the mobile ticketing app and it is also known that Token Transit can provide a comparable mobile ticketing app. With GenFare, the customers who have a smartphone app can simply scan it to the farebox, and the farebox reads it without the need of having to show it to the driver. However, with Token Transit, the customer would have to show the token to the driver and the driver would have to verify. The GenFare mobile ticketing app has the ability to take the driver out of any confrontation with the rider. Connect would also have the option to sell discounted passes as well but would prove more intrusive for Connect and could cost more operating funds by having to verify the rider's income.

Trustee John Bowman stated this would apply to anyone who pays with cash and it would impact Connect's fare revenues which are already deficient. Trustee Bowman asked whether the net effect on fare recovery has been projected with this increase? Trustee Bowman added that typically fare increases impacts ridership.

General Manager Thorne responded by stating that Connect factored the decrease as shown in the "assumptions" on the Budget Proposal. The General Manager explained that with the assumption of a 25% increase in Fixed Route cash fares (which includes a 7.5% decrease in ridership), staff did not want to be conservative with the decrease in ridership and based these numbers on *TCRP Report 95*. General Manager Thorne stated that when it comes to increasing the fares, Connect has and is currently providing a lot of value for its customers. Continuing, General Manager Thorne stated that the Board has made a lot of decisions by:

- initiating route restructure;
- increasing frequency;
- having 15-30-minute service on most of the routes;
- providing later service on some of the routes; and
- making Sunday service available.

General Manager Thorne stated that this is a lot of value for our riders and Connect discovered in the Rider Survey that 90% of the customers said the cost to ride is fair, but riders asked for more frequency and more on-time performance.

Trustee Bowman stated that he would not want to see Connect spend a lot of money to build a solution to enforce fare equity. Continuing, Trustee Bowman stated that people will make the economic choices they make and that all of these fares are subsidized beyond the out-of-pocket cost anyone is paying on any of the routes. Trustee Bowman stated that even at \$60/month, it is a bargain compared to owning a personal vehicle with the insurance cost, depreciation and gas costs and adding that Connect needs to be cautious

with committing to spending huge sums of public funds to further subsidize a system that is already heavily subsidized.

General Manager Thorne responded that funds that are set aside, Connect has no intention of spending the full amount on a mobile ticketing app.

Chairman McCurdy reminded the Board that the mobile ticketing app can be used by any customer with a smartphone. The Chairman continued by stating that this gives Connect the opportunity to look at helping those who are least able to afford the up-front cost of a monthly pass and to be able to give those individuals value for that monthly pass. Chairman McCurdy asked what the procedure will be in bringing this to the Board?

General Manager Thorne stated that after a date is chosen for the Public Hearing, Connect would plan the community sessions which could be completed (from the end of January to the Public Hearing date in March); the Board will vote separately on two (2) Public Hearings – the Fare Structure and the Route Adjustments.

Trustee Judy Buchanan asked whether the fare capping discussion will be a part of the community engagement?

General Manager Thorne responded that the fare capping discussion will be part of the community engagement.

PROPOSED ROUTE ADJUSTMENTS

General Manager Thorne requested Martin Glaze, Connect's Operations Manager, to walk the Board through the proposed route adjustments. Manager Glaze stated that Staff continuously looks at how routes are performing by reviewing past data. The last several months Staff has put a lot of emphasis on ridership, making certain Connect is going where it needs to go and that it is covering the areas that it needs to cover. The OLIVE route has been monitored by Staff for some time and has proven to be an under-performing route according to the data. This route was added later in the COA stages to accommodate specific areas. What Staff is finding now is that the OLIVE is only serving those specific areas and not much else along the entire route. Manager Glaze continued by stating:

- The OLIVE route goes from Orlando/Northbrook area down Center Street, over onto Shelbourne, down Beech to Ft. Jesse and to OSF on Ft. Jesse. Most of the ridership is Orlando/Northbrook, Walmart, and OSF/Ft. Jesse;
- Noting that Walmart is currently served by two (2) other routes; and
- Orlando/Northbrook has the YELLOW on Center Street; OSF/Ft. Jesse, which is served by only the OLIVE.

Manager Glaze stated that Connect is proposing to:

- eliminate the OLIVE;
- have the YELLOW pick-up riders on the west side;
- noting that Walmart is served by the other two routes; and
- OSF/Ft. Jesse would then be served by the RED EXPRESS.

Manager Glaze added, the LIME and the RED (two (2) of Connect's heaviest routes), that to place 15-minute service on those routes it would require six (6) buses which is not a feasible solution. Staff then looked at what are the most used "sections" of those routes:

- LIME: Most used section is Downtown to Walmart and would run just during peak hours and provide 15-minute service from Downtown over to Walmart and serve Market Street.
- RED: Most used section is Uptown to Walmart. The RED has additional time to go past Walmart and still serve OSF/Ft. Jesse and come back.

Manager Glaze stated that Connect's corridors as defined are Main Street, Market on the west side, and College on the east side. Connect would not be allocating all of the OLIVE hours, the rest would be applied to the increased demand for Connect Mobility.

Trustee John Bowman commented on the intended cut of coverage in the community and stated that the footprint is shrinking. Trustee Bowman continued by stating that Connect has cut out areas of the community and noted that there is a segment of the public paying a disproportionate share of the operating expenses that support the system who receive no direct service from Connect-Transit. Trustee Bowman stated that Connect is taking the approach in its operations to allow routes to fail without adjusting interim-wise to make them perform better which seems to be the philosophy adopted here. Trustee Bowman stated that it is concerning that Connect cut the TEAL route which was a penny-wise and pound-foolish decision because it eliminated an important leg of the COA route structure that Nelson/Nygaard had designed. Trustee Bowman stated his concerns that Connect continues to cut service when it should be a community asset that serves the entire community.

Chairman McCurdy asked for daily boardings between (leaving Northbrook/Orlando out of the equation and Walmart out of the equation) those two points?

Manager Martin Glaze stated ten (10) to fifteen (15) daily boardings.

Chairman McCurdy stated so most people who are getting on there have other service options.

Manager Glaze stated that 90% are getting on at three (3) areas:

- Orlando/Northbrook,
- Walmart; and
- OSF/Ft. Jesse.

Manager Glaze continued by stating that Connect wants to serve that area but there are logistical problems. If Connect was to run another route or add additional time for the YELLOW to go in and back out throws other alignments off when coordinating with Uptown Station. Right now, it is a 15-minute service and if you change it to a 20-minute service, the route does not line up with anything. Connect has certain service limitations in the community. On the southeast side Connect does not have a natural transfer center which would allow additional buses to lineup and create a natural transfer point; allowing it to do smaller segments and properly serve areas. Otherwise, you have long routes that cover unpopulated areas. Coordination on certain sides of town is difficult, especially the north side. Target is not a transfer center as we have one (1) bus that goes there. Hobby Lobby is sort of a "mini" transfer center – we can get two (2) buses in there.

Chairman McCurdy asked if there is a policy here among staff to ignore routes or let them die?

General Manager Thorne stated, no, and that Staff has looked at OLIVE routes in terms of going into Sam's Club and Menard's. However, the one basic item Connect was struggling with is where do you turn the bus around? We looked at PNC, which is not a great alternative for that. Another problem is that if you take it up there, you may pick up 2,4,6 riders a day – but is that enough to carry the route to get it to higher boardings per hour? General Manager Thorne added that Staff is having conversations with OSF on the RED route to see what Connect can do in building a minor hub at this location. This minor hub would not exactly be where we probably need it to be, but it would help.

Manager Glaze stated he had reached out to the Project Manager there in trying to work with him to see if there is something on St. Joseph Drive or possibly Washington Street that we could create a cut-in which would be large enough to get two (2) buses into it.

Trustee Julie Hile stated that when meeting earlier with General Manager Thorne, he clarified that the PINK can pick up with a couple blocks of a slightly different direction, those riders can get to the PINK. So, there are very few people who are not being served.

Manager Glaze stated that at Beech Street, those riders can go over two (2) blocks and get on the PINK. The biggest change on this route would be adding about 2 blocks of walking in a few of these areas.

Trustee Hile said for those riders who have mobility issues, then CM can pick them up. Trustee Hile added that regarding the elimination of service in particular areas of town, what I am noticing is that riders who are able-bodied, with a 2 block walk in the other direction, they can be picked up on the PINK.

Trustee Bowman responded to Trustee Hile by stating that when you cut route coverage you also cut the area that CM serves, or at least you contract the area that service operates in. You are imposing more costs on folks who had CM coverage without the Premium Services and by taking a route away it is going to move them out further away from the fixed route, so they are going to be paying more out of pocket.

Chairman McCurdy asked Manager Glaze if this would change the footprint of CM?

Manager Glaze stated it doesn't change the footprint of CM. Connect serves OSF and Ft. Jesse and the Orlando/Northbrook area is served by the YELLOW. Where it turns onto Beech would be the only change and it would probably be just two or three blocks.

Trustee Bowman stated that it is really more than three or four blocks, it is the entire run across Ft. Jesse Road. Connect would be eliminating service north of College that would have provided that service to folks who ride on CM. Trustee Bowman also stated that, while he was never a great proponent of the OLIVE route, he felt that it wasn't given enough work to do and there was no attempt to give it more work to do to expand its useful life. Trustee Bowman reminded the Board that it voted to cannibalize the OLIVE from the PINK route in June of 2018. Connect took riders away from that route by re-routing the PINK and displacing some riders who relied on it. Trustee Bowman continued by stating that it is just taking routes away from another service and the service options from members of the community and as a Board, we need to be mindful of that.

Chairman McCurdy stated that another way to characterize this is "additional service" to people that need it on the busiest routes by adding frequency which has proven even more effective in terms of boosting ridership.

Trustee Bowman stated that ridership is up over what it had been but not where ridership was in 2014 when Connect had 30 riders per revenue hour and now it is at 22.

General Manager Thorne stated that Connect increased Sunday service which is factored in.

Trustee Bowman stated that is a static metric – riders per revenue hours. Connect added 40% more service on the street with the route re-structure, so ridership should have increased. By a comparison on revenue and ridership, it is still below where we were in 2014.

General Manager Thorne responded by stating that in 2014, gas prices were upwards of \$3 a gallon. Gas prices were at \$1.87 last week and the numbers are still solid.

Town of Normal Manager Pam Reece asked questions about the OLIVE route and Orlando/Northbrook area. She stated that location is a highly populated residential neighborhood and a lot of units there. She asked what is expected for those folks on the OLIVE route and will they be expected to walk to Raab for the YELLOW route or Main Street?

Manager Glaze stated that those riders would have to walk to Raab or Main. To go up to Raab, they could follow the trail over to Main (about .25 miles).

General Manager Thorne stated .25 miles is standard spacing of bus stops. General Manager Thorne noted that the bus would be headed southbound where there is a turn lane that Connect cannot use as a bus stop to make a stop closer for people, noting that there is also another turn lane going into the Alumni Center which would also be a good place to put a bus stop but Connect would run into the same problem. Because Connect is unable to put a closer bus stop at either of those corners, it must go to the Alumni Center where there is a shelter. Staff is looking to see if that stop can be moved further down to the intersection of Main and Orlando heading southbound.

Town of Normal Manager Pam Reece inquired if the population of Main, Gulf Crest and Northbrook; is there not a ridership level that we had hoped it would become?

General Manager Thorne stated, that there is ridership at Orlando and Northbrook. The riders are at Orlando/Northbrook, and Walmart, but very few in the middle of these two places.

Chairman McCurdy asked if there is any way to ascertain data to know if we have seen defection from the OLIVE in response to the 15-minute YELLOW service?

General Manager Thorne stated, yes, and continued by stating there are customers using the YELLOW route at on Main Street and there are some that are taking the OLIVE route in Northbrook and then taking it to the Alumni Center to wait for the YELLOW.

Chairman McCurdy stated that what is seen now is that people are willing to walk further for more frequent service and are placing that extra effort in knowing that the bus is going to be there in 15 minutes or less.

City of Bloomington Manager Tim Gleason inquired about the comment that "in some cases the infrastructures are not in place".

Manager Glaze responded that sometimes there are no sidewalks or a proper and/or sufficient space to turn around a large bus such as Orlando/Northbrook as it is on a narrow dead-end street. A bus can loop around

but Northbrook is a small street for a bus with speedbumps and cars parked on one side of the street. Another example would be Morrissey Avenue in Bloomington where there are no sidewalks down the entire street and there are many businesses, Grady's, Starbucks, etc. We would be dropping passengers off onto the grass or in a ditch. When safety is assessed, it is not a desirable location without new infrastructure.

General Manager Thorne stated that the Board has prioritized fixed route stops for new infrastructure. Connect is working with City and Town engineers and sharing with them what Connect's priorities are and where it would like bus stop improvements. Connect will be hiring an engineer to prepare all the site plans. In Connect's findings there are a lot of areas that are on its improvement list that are not ADA compliant.

City of Bloomington Manager Tim Gleason asked if there is good coordination/communication between the two.

Manager Glaze stated that Connect focuses on those corridors where the data shows high numbers in ridership and getting those stops up to the expected standard. Then we reach out to those areas where Connect does not currently go. Such as Morrissey, we don't want to throw a lot of money at Morrissey when we know that Main Street is not yet up to standards. We are going to hit those and prioritize those first and then move on. Connect Staff and the General Manager are in communication with individuals at the City and Town.

City of Bloomington Manager Tim Gleason inquired whether over the last 3-5 years in terms of a percentage, has Connect reduced or increased and what is that percentage?

General Manager Thorne stated we have more routes now than before the route re-structure. However, Connect is not covering some areas it used to service in southwest Bloomington and north Normal.

Chairman McCurdy added that "we are fishing where the fish are." We are serving the main population corridors and the areas that people seem to need to go and added that he disagrees that service on the east side makes much sense. There are a lot of cul-de-sacs and 3-car garages. Chairman McCurdy added that we will not find full buses on the east side and that we want to be as efficient as we can with the service we provide and serve those population centers.

Trustee John Bowman stated that multi-family housing is being by-passed on the east side.

Chairman McCurdy stated that we have had east side service.

Trustee John Bowman stated that the ridership there did not equate to zero as it was portrayed at the time.

Chairman McCurdy stated there are very seldom zeros, the buses were not empty.

Trustee Judy Buchanan stated that we must keep it in perspective. This was the first time ever for the Bloomington-Normal bus system to investigate the routes. We don't have a lot of history, but we are looking at where our potential riders are. The perspective is we do not have a lot of information because there never had been a drill-down on where the ridership is and a potential for new ridership.

Chairman McCurdy stated that the route re-structure taken in 2016 was the first in 40 years on that level. There had been tweaks, an adjustment here, a block that way, but not an overall look at the entire system and putting it back together again.

Trustee Judy Buchanan stated that Connect is much more responsive at this point in terms of looking at using taxpayer dollars wisely as well as serving the customer base.

Chairman McCurdy reiterated statements that General Manager Thorne stated which was while some national and regional transit agencies have seen decreasing ridership, Connect as a result of the COA and the route restructure in 2016, has been able to go in a different direction and the ridership is actually increasing.

CONNECT TRANSIT BOARD STANDING COMMITTEE DISCUSSION

Chairman McCurdy began the Connect Board Standing Committee discussion. This discussion involves a Budget and Finance Planning Committee and a Standing Committee subject to the *Open Meetings Act*. It would see and vet the items prior to the entire Board which should streamline our Board Meetings and make some of our Board Members the experts on the particular areas of operation.

General Manager Thorne stated that we would like to create a Standing Committee that would report back to the regular Board. These items would cover purchasing, finance, budget, grants, fare structure policies, and also planning route adjustments. Recommendations from the Standing Committee would then go to the full Board of Trustees. This would give us a number of the Board Members in a leadership role and the Chairman of this Committee would report back to the full Board. This should streamline our regular Board Meetings. The Committee would take that recommendation to the full Board and possibly have a roll in making the recommendation. It would also give the General Manager the opportunity to have staff more involved in the Standing Committees as well.

Chairman McCurdy stated that our attorney, Steve Mahrt, is reviewing our By-laws for amendment before we move forward with the Standing Committees. This will come back to the Board again with a description of duties for the Committees.

General Manager Thorne stated that this probably will not come to the Board until around March or April. General Manager Thorne wanted to start the discussion and get the Board's feedback.

Trustee Julie Hile asked the General Manager if he anticipates this to be the first Standing Committee of more to come?

General Manager Thorne stated that maybe somewhere down the road you could split this off to have a Budget and Finance Committee and a separate Marketing and Planning Committee. One of the issues that we have is a small number of Board Members and it would be stretched thin. We would have two or three Members on Standing Committees.

Trustee Judy Buchanan stated that we have had *Ad Hoc Committee* members.

Chairman McCurdy stated that we have a current *Ad Hoc Budget Committee*. Once we are done with our business on that particular Committee, some of that would transfer over to the Budget and Finance Standing Committee.

ADJOURNMENT

Motion to adjourn Work Session by Trustee Judy Buchanan and seconded by Trustee Monica Bullington.

AYE: All

NAY: None

Motion carried and the meeting adjourned at 4:23 p.m.



Jill Bower, Board Clerk


John Bowman, Secretary

