

**CONNECT TRANSIT
BOARD OF TRUSTEES
PROCEEDINGS OF MAY 30, 2017**

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 May 30, 2017 at 4:30 p.m.

TRUSTEES PRESENT: Mike McCurdy, Vice-Chairman
 Ryan Whitehouse, Secretary
 Judy Buchanan
 Lauren Lacey

TRUSTEES ABSENT: John Bowman
 Jennifer McDade
 John Thomas

CITY MANAGERS: Steve Rasmussen, City of Bloomington Assistant City Manager

STAFF PRESENT: Isaac Thorne, Interim General Manager
 Julie Beer, Executive Assistant

The meeting was called to order by the Vice Chairman at 4:30 p.m. Roll call was taken.

Motion by Trustee Lauren Lacey, seconded by Trustee Judy Buchanan to allow City of Bloomington Assistant City Manager, Steve Rasmussen to participate in the Board meeting.

AYE: All

NAY: None

Motion carried.

Trustee Jennifer McDade arrived at 4:31 p.m.

PUBLIC COMMENTS

None.

CONSENT AGENDA

1. Approval of Minutes of Previous Meetings: April 8, 2017 Work Session, April 18, 2017 Work Session and Regular Meeting of April 25, 2017
2. Disbursements for Month of April, 2017
3. Financial Report for Month of April, 2017
4. Capital and Self Insurance Reserve Fund Balances for month of April, 2017

5. Monthly Statistical Report for month of April, 2017

Motion by Trustee Lauren Lacy., seconded by Trustee Judy Buchanan that the Consent Agenda be approved.

AYE: All

NAY: None

Motion carried.

OLD BUSINESS

None.

NEW BUSINESS

Recommendation for FY 18 Property/Casualty Insurance Renewal

Isaac Thorne, Interim General Manager introduced this item. He stated with this renewal, Connect Transit would save \$14,087. The Workman's Compensation premium is reduced by a total of \$17,901. He recommended that the Board approve this renewal.

Trustee Judy Buchanan questioned the rate reduction in the Workman's Compensation premium. Mr. Thorne responded the reduction is due to Connect Transit's loss ratio. The safety and training measures implemented by Dave White, Safety and Training Director have had a positive impact.

Motion by Trustee Judy Buchanan, seconded by Trustee Jennifer McDade that the Interim General Manager be authorized to renew property and casualty insurance effective July 1, 2017 through June 30, 2018.

AYE: All

NAY: None

Motion carried.

Town of Normal Manager, Mark Peterson arrived at 4:34 p.m.

Recommendation for the FY 18 Budget

Isaac Thorne, Interim General Manager introduced this item. Staff recommends a budget of \$13.5 million, and an increase to service hours. Route changes are recommended, however, prior to the Board approving any changes, staff would conduct a series of public listening sessions and a public hearing. If approved, route changes would take effect in August. The proposed budget reflects the proposed route changes. One item that is not discussed in the staff report is the

possible elimination of the YWCA's Medivan program. Staff is unsure if that program will be eliminated.

Trustee Judy Buchanan questioned an additional decrease in service hours if the YWCA Medivan service is eliminated. Mr. Thorne responded if the Medivan service is eliminated, the Connect Mobility service may see an additional ridership cost if it begins to provide service to those clients. Funds may need to be pulled from the Fixed Route service in order to cover the additional cost to the Mobility service.

Mr. Thorne reminded the Board that on average, Connect Mobility usage increases 11 to 13% every year.

Secretary Ryan Whitehouse noted that the Tripper Routes were a good faith effort to provide service to those areas. It is now known that the Tripper Service is cost prohibitive.

Trustee John Thomas arrived at 4:41 p.m.

Vice Chairman Mike McCurdy questioned other area service providers that could help provide transportation services if the YWCA Medivan service is cancelled. Isaac Thorne, Interim General Manager responded that there were a few. He would be reaching out to them.

Vice Chairman McCurdy questioned the impact of the proposed budget on the FY 2020 budget. Mr. Thorne responded that it is expected that Connect Transit would run out of 5307 FAST Act funding by FY 2019. By making small cuts to service now allows for some relief and frees up a little capital to purchase new buses. The system is in need of replacing 23 buses. Staff is looking to replace 6 to 8 buses in FY 2018.

Vice Chairman Mike McCurdy noted that the proposed budget includes an increase in fare revenue in the amount of 3%.

Motion by Trustee Jennifer McDade, seconded by Trustee Judy Buchanan that the Proposed FY18 Budget be approved.

AYE: All

NAY: None

Motion carried.

(Proposed FY18 Budget attached)

Creation of a Labor Relations Ad Hoc Committee – Vice Chairman Mike McCurdy

Vice Chairman Mike McCurdy introduced this item. This committee would increase efficiency and ensure confidentiality. Secretary Ryan Whitehouse has agreed to chair the Ad Hoc Committee, Trustee Lauren Lacy has agreed to act as Secretary, and Trustee John Thomas as agreed to participate as well.

Secretary Ryan Whitehouse stated the Ad Hoc Committee would bring the final tentative agreement back to the Board for a vote.

Motion by Trustee Judy Buchanan, seconded by Trustee Jennifer McDade that the Labor Relations Ad Hoc Committee be created.

AYE: All

NAY: None

Motion carried.

GENERAL MANAGER'S REPORT

Interim General Manager Isaac Thorne stated the Illinois Senate has passed Bill 5443 and it is waiting for the Governor's signature. This law would ensure that sales tax designed to fund public transportation would go into a dedicated account as opposed to the General Fund. He believed that the Governor would sign it. If passed, it would go into effect in 2019.

Mr. Thorne informed the Board that the 2004 and 2005 buses are in very bad shape. Many are requiring replacement engines and transmissions. Staff is looking at purchasing replacement buses.

TRUSTEE'S COMMENTS

Secretary Ryan Whitehouse questioned if staff was updating the new Lobbying firm about its needs. Isaac Thorne, Interim General Manager stated he had met with them at the most recent American Public Transportation Association (APTA) conference. The firm is very supportive and is aware that Connect Transit's big needs include infrastructure in Downtown Bloomington, bus shelters, and buses.

Motion by Trustee Judy Buchanan, Seconded by Trustee Jennifer McDade to adjourn to Executive Session.

AYE: All

NAY: None

Motion carried.

Time: 4:57 p.m.

The Regular Board meeting was called back to order by the Vice Chairman at 5:41 p.m. Roll call was taken.

Recommendation for FY 18 Health Insurance Renewal

Motion by Trustee Jennifer McDade, seconded by Trustee Lauren Lacy that the contract with Connect Transit's current provider, Health Alliance not be renewed and a contract with Blue Cross and Blue Shield be approved. Employees will be given the choice of three (3) plans: Blue Cross MPP83436, MPET1V07, or MPPP9383c.

AYE: All

NAY: None

Motion carried.

ADJOURNMENT

Motion by Trustee Judy Buchanan, seconded by Trustee Jennifer McDade to adjourn.

AYE: All

NAY: None

Motion carried.

Time: 5:42 p.m.

Julie Beer, Executive Assistant



	FY 2017 Projected Year End	FY 2017 Budget	FY 2018 Proposed Budget	Change from FY 2017	Change from FY 2017
Operating Revenue					
Passenger Fares	639,002.07	883,592.00	630,850.00	(252,742.00)	-28.60%
ISU Contract Fares	532,740.00	532,740.00	535,000.00	2,260.00	0.42%
Other Contract Fares	80,000.00	136,500.00	80,000.00	(56,500.00)	-41.39%
Advertising Revenue	120,788.57	100,000.00	285,000.00	185,000.00	185.00%
Miscellaneous Revenue	4,923.09	2,000.00	2,000.00	-	0.00%
Total Operating Revenue	1,377,453.73	1,654,832.00	1,532,850.00	(121,982.00)	-7.37%
Operating Expenses					
Operations Wages	5,208,772.68	5,585,314.00	5,487,225.00	(98,089.00)	-1.76%
Maintenance Wages	1,079,627.98	1,137,125.00	1,281,200.00	144,075.00	12.67%
Administration Wages	1,089,107.00	1,120,600.00	1,023,100.00	(97,500.00)	-8.70%
Employer Payroll Tax Expense	547,924.66	636,792.00	633,853.00	(2,939.00)	-0.46%
Retirement Plan	281,444.78	439,852.00	389,577.00	(50,275.00)	-11.43%
Group Insurance	1,646,686.19	1,760,000.00	1,839,036.00	79,036.00	4.49%
Uniform Expense	33,175.85	36,600.00	34,984.00	(1,616.00)	-4.42%
Professional Services	204,623.86	227,936.00	208,936.00	(19,000.00)	-8.34%
Outside Repair - Labor	126,464.55	118,365.00	111,770.00	(6,595.00)	-5.57%
Contract Maintenance Services	151,626.97	146,700.00	121,100.00	(25,600.00)	-17.45%
Custodial Services	13,468.73	15,500.00	15,500.00	-	0.00%
Employment Expenses	17,593.49	21,000.00	21,000.00	-	0.00%
Fuel	835,328.34	1,286,020.00	1,111,995.00	(174,025.00)	-13.53%
Lubricants	49,651.92	44,252.00	42,251.00	(2,001.00)	-4.52%
Tires	91,736.63	96,240.00	90,856.00	(5,384.00)	-5.59%
Bus Repair Parts	205,081.73	187,900.00	194,050.00	6,150.00	3.27%
Other Materials and Supplies	55,110.16	56,000.00	57,000.00	1,000.00	1.79%
Shelters/Signs/Shop Tools	12,669.65	7,200.00	7,500.00	300.00	4.17%
Computer and Office Supplies	129,403.99	144,500.00	145,500.00	1,000.00	0.69%
Utilities	130,600.09	133,600.00	139,100.00	5,500.00	4.12%
Corporate Insurance	266,128.65	277,000.00	277,100.00	100.00	0.04%
Dues/Subscriptions/Fees	47,601.71	48,004.00	48,004.00	-	0.00%
Printing/Marketing/Training	273,467.74	281,500.00	268,000.00	(13,500.00)	-4.80%
Total Operating Expenses	12,497,297.37	13,808,000.00	13,548,637.00	(259,363.00)	-1.88%
Operating Revenue	1,377,453.73	1,654,832.00	1,532,850.00	(121,982.00)	-7.37%
Local Revenue	999,999.96	1,000,000.00	1,000,000.00	-	0.00%
State Support	8,123,243.29	8,975,200.00	8,806,614.00	(168,586.00)	-1.88%
Federal Support	1,986,585.43	2,177,968.00	2,209,173.00	31,205.00	1.43%
Total Revenue and Support	12,487,282.41	13,808,000.00	13,548,637.00	(259,362.99)	-1.88%

Assumptions

We assumed an 7,606 hour decrease to service hours

We assumed a slight decrease in total passenger fares on FY 2018. We assumed a slight increase from ISU and a 41% decrease from Heartland.

We assumed a decrease in Drivers' Wages, P/R Taxes, Health Insurance, Group Insurance, Uniforms, Outside Repairs, Diesel, Lubricants Tires, and Bus Parts based on a reduction of 7,606 hours



	FY 2017 Projected Year End	FY 2017 Annual Budget	FY 2018 Proposed Budget	FY 2019 Projected Budget	FY 2020 Projected Budget	FY 2021 Projected Budget	FY 2022 Projected Budget
Operating Revenue							
Passenger Fares	639,002.07	883,592.00	630,850.00	649,775.50	669,268.77	689,346.83	710,027.23
ISU Contract Fares	532,740.00	532,740.00	535,000.00	545,000.00	555,000.00	565,000.00	575,000.00
Other Contract Fares	80,000.00	136,500.00	80,000.00	82,500.00	85,000.00	87,500.00	90,000.00
Advertising Revenue	120,788.57	100,000.00	285,000.00	385,000.00	385,000.00	385,000.00	385,000.00
Miscellaneous Revenue	4,923.09	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Total Operating Revenue	1,377,453.73	1,654,832.00	1,532,850.00	1,664,275.50	1,696,268.77	1,728,846.83	1,762,027.23
Operating Expenses							
Operations Wages	5,208,772.68	5,585,314.00	5,487,225.00	5,599,497.75	5,767,482.68	5,940,507.16	6,118,722.38
Maintenance Wages	1,079,627.98	1,137,125.00	1,281,200.00	1,319,636.00	1,359,225.08	1,400,001.83	1,442,001.89
Administration Wages	1,089,107.00	1,120,600.00	1,023,100.00	1,053,793.00	1,085,406.79	1,117,968.99	1,151,508.06
Employer Payroll Tax Expense	547,924.66	636,792.00	633,853.00	648,864.59	668,330.53	688,380.44	709,031.86
Retirement Plan	281,444.78	439,852.00	389,577.00	401,264.31	413,302.24	425,701.31	438,472.35
Group Insurance	1,646,686.19	1,760,000.00	1,839,036.00	2,009,989.60	2,210,988.56	2,432,087.42	2,675,296.16
Uniform Expense	33,175.85	36,600.00	34,984.00	35,787.52	36,861.15	37,966.98	39,105.99
Professional Services	204,623.86	227,936.00	208,936.00	215,204.08	221,660.20	228,310.01	235,159.31
Outside Repair - Labor	126,464.55	118,365.00	111,770.00	114,109.10	117,532.37	121,058.34	124,690.09
Contract Maintenance Services	151,626.97	146,700.00	121,100.00	124,733.00	128,474.99	132,329.24	136,299.12
Custodial Services	13,468.73	15,500.00	15,500.00	15,965.00	16,443.95	16,937.27	17,445.39
Employment Expenses	17,593.49	21,000.00	21,000.00	21,630.00	22,278.90	22,947.27	23,635.69
Fuel	835,328.34	1,286,020.00	1,111,995.00	1,134,112.85	1,168,136.24	1,203,180.32	1,239,275.73
Lubricants	49,651.92	44,252.00	42,251.00	43,053.53	44,345.14	45,675.49	47,045.75
Tires	91,736.63	96,240.00	90,856.00	92,771.68	95,554.83	98,421.48	101,374.12
Bus Repair Parts	205,081.73	187,900.00	194,050.00	197,973.50	203,912.71	210,030.09	216,330.99
Other Materials and Supplies	55,110.16	56,000.00	57,000.00	58,710.00	60,471.30	62,285.44	64,154.00
Shelters/Signs/Shop Tools	12,669.65	7,200.00	7,500.00	7,725.00	7,956.75	8,195.45	8,441.32
Computer and Office Supplies	129,403.99	144,500.00	145,500.00	149,865.00	154,360.95	158,991.78	163,761.53
Utilities	130,600.09	133,600.00	139,100.00	143,273.00	147,571.19	151,998.33	156,558.28
Corporate Insurance	266,128.65	277,000.00	277,100.00	285,413.00	293,975.39	302,794.65	311,878.49
Dues/Subscriptions/Fees	47,601.71	48,004.00	48,004.00	49,444.12	50,927.44	52,455.27	54,028.92
Printing/Marketing/Training	273,467.74	281,500.00	268,000.00	276,040.00	284,321.20	292,850.84	301,636.36
Total Operating Expenses	12,497,297.35	13,808,000.00	13,548,637.00	13,998,855.63	14,559,520.57	15,151,075.39	15,775,853.77
Operating Revenue	1,377,453.73	1,654,832.00	1,532,850.00	1,664,275.50	1,696,268.77	1,728,846.83	1,762,027.23
Local Revenue	999,999.96	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
State Support	8,123,243.29	8,975,200.00	8,806,614.00	9,099,256.16	9,463,688.37	9,848,199.00	10,254,304.95
Federal Support	1,986,585.43	2,177,968.00	2,209,173.00	2,235,323.97	2,399,563.43	2,574,029.56	2,759,521.59
Total Revenue and Support	12,487,282.41	13,808,000.00	13,548,637.00	13,998,855.63	14,559,520.57	15,151,075.39	15,775,853.77

Assumptions

- \$150,000.00 increase in Advertising Revenue from Uber Displays in FY 2018; \$250,000.00 in FY 2019 - 2022
- 3% increase in passenger fares every year
- \$10,000.00 increase per year ISU
- \$2,500.00 increase per year Heartland Community College
- 10% increase in Group Insurance, 3% increase in all other expenses every year
- 1.1% decrease in Operations' Wages, P/R Taxes, Health Insurance, Group Insurance, Uniforms, Outside Repairs, Diesel, Lubricants, Tires, and Bus Parts based on a reduction of 1,211 hours in FY 2019 from FY 2018.

Proposed Route System Map

FY2018 Budget

