

CONNECT TRANSIT  
BOARD OF TRUSTEES  
MINUTES OF REGULAR MEETING  
June 25, 2013

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 on June 25, 2013 at 4:30 p.m.

TRUSTEES PRESENT: Judy Buchanan, Chairman  
John Thomas, Vice Chairman  
John Bowman, Secretary  
Mike McCurdy  
Felicia Shaw  
Bill Wilson

TRUSTEES ABSENT: Ryan Whitehouse

STAFF PRESENT: Andrew Johnson, General Manager  
Roy Rickert, Operations Director  
Ami Armitage, Executive Assistant Labor Relations  
Isaac Thorne, Procurement Director  
Patrick Kuebrich, Finance Director  
Trish Tilton, Administrative Assistant

OTHERS PRESENT: David Selzer, Transit Funding Study Group  
Mike Matejka, Transit Funding Study Group  
Christina Schulz, Transit Funding Study Group  
Jennifer Sicks, McLean County Regional Planning  
Rachel Wells, Pantagraph

CITY MANAGERS: Mark Peterson

**Call to Order**

Ms. Judy Buchanan, Chairman, called the meeting to order at 4:30 p.m. Roll call was taken.

**Public Comments**

No one in attendance wished to make a public comment.

**Approval of Minutes**

Chairman Buchanan noted on page three of the minutes, in the last paragraph of the page, the date September 23, 2012 should be September 25, 2012. On page four in the second to the last paragraph of the page, the second sentence should read, "However, Chairman Buchanan

and Mr. Johnson have had the opportunity to meet with Normal Town Manager, Mark Peterson, and Bloomington Mayor Renner to discuss the proposed budget". On page six, the second to last paragraph, the last sentence should read "...the Board voted unanimously to approve the FY 2014 Operating and Capital Budget as presented". On page nineteen, last paragraph of the page, under Trustee Comments, the second sentence should read ".....to see if some Wesleyan student interns could conduct a study to measure the economic impact Connect Transit provides to the communities".

Mr. Mike McCurdy pointed out on page five, the second paragraph; the quotation marks should include the second sentence as well. Also on page ten, at the top of the page, the third sentence should be changed to the Transit System for clarification, not just say the Transit. Mr. McCurdy had several other grammatical changes which he noted should be corrected.

On a motion by Mr. John Bowman, and a second by Mr. John Thomas, the Board voted to approve the Board Minutes for May 28, 2013 with all the above mentioned corrections.

### **Items Removed From Consent Agenda**

#### **Consent Agenda**

On a motion by Mr. Bowman, and a second by Mr. McCurdy, the Trustees voted to approve the consent agenda as presented including the following items:

- 1. Review and Approve June Disbursements**
- 2. Review and Approve May Financial Statements**
- 3. Review and Receive May Capital and Self-Insurance Reserve Fund Balances**
- 4. Review and Receive May Monthly Ridership Report**

#### **Consent Agenda Discussion**

Mr. Bill Wilson inquired about the question mark on page twenty-two beside the monetary amount listed for Midwest Equipment II, Lawn Maintenance Equipment, and \$12,287.34. Mr. Andrew Johnson, General Manager, responded it could be an inadvertent typing error or placed there by the finance department to double check if it was a capital expense or operating. The money did come out of operating, the amount is correct; it is for all the lawn maintenance equipment which was recently purchased since of all the lawn maintenance will now be done "in house". Mr. Thomas inquired who will be doing the lawn maintenance. Mr. Johnson responded the union servicemen are now in charge of the lawn and landscaping maintenance as per the agreement resulting from last year's negotiations. Connect Transit provides the equipment.

On a motion by Mr. McCurdy and a second by Mr. Bowman, the Board voted to approve the Consent Agenda as presented.

#### **Old Business**

Mr. Johnson stated there was no old business.

## **New Business**

### **1. Transit Funding Study Group Final Report Presentation**

Chairman Buchanan introduced Mr. Dave Selzer, Mr. Mike Matejka, and Ms. Christina Schulz all members of the Transit Funding Study Group. Chairman Buchanan explained the Study Group is an initiative of the Transit Board of Trustees and the General Manager to bring together various segments of our community to take a serious look at the sustainability of our system. The members of the Study Group did a considerable amount of work, meeting many times over the last year, to look at the value of our system, how it works, the services provided, and funding. Chairman Buchanan continued, saying the system is experiencing very substantial growth and we feel we have a stronger presence in the community. Chairman Buchanan asked how we sustain our system with the current level of service and make it better while faced with the strong possibility of dwindling funding?

Mr. Dave Selzer introduced himself, stating he is with Community Health Charities of Illinois and then introduced Mr. Mike Matejka, with Great Plains Laborers District Council, and Ms. Christina Schulz, with the Hile Group. All three served on the Study Group. Mr. Selzer explained there were about fifteen community members who worked together in the Group. Mr. Selzer was reminded of the "Normal 2015" Study/Plan completed roughly 25 years ago. Mr. Selzer said looking back one can see how all those ideas and plans have come to fruition. It really was a case of "plan your work, work your plan". The Study Group was a community led initiative. The Study Group came up with all the ideas, they were not Board directed. The Group broke down the ideas into three Task Forces: Framework, Finance/Funding, and Stakeholders Impact/Contribution.

The Task Forces addressed several issues. Members agreed unanimously that routes and schedules must adapt to the needs of stakeholders. An example of this is the route that serves Epiphany Grade School, arriving after 8:00 a.m. while classes begin at 7:50 a.m. We cannot suggest the students use Connect Transit instead of 200 minivans arriving at Epiphany School daily because the bus schedule just won't work. We all realize work has already begun to change the route schedules.

Another issue that emerged from the Task Forces was impact. Mr. Selzer said it is very hard to quantify the impact of the Transit System on communities and businesses. Transit's value has to relate to issues such as the cost of repaving parking lots and businesses not needing more parking spaces or parking garages (as a result of customers and employees using Transit instead of driving). The value must relate to the special use permits sought by developers in municipalities where developers are looking for exemptions from the parking regulations. Those can go hand in hand with suggestions that the company/business enter into an agreement and show that they are going to make Transit available to the employees in order to get the exemption. The quantifiable impact and the routes/schedules were two overarching issues were brought to the discussion.

On the financial side, Mr. Selzer stated the Study Group recommends Transit examine: local sales tax (not to be pro or con, but a number of groups are looking at this option and it is definitely a way to provide funds), the difference between a transit district and a transit system, vehicle sticker revenue, fees from businesses and apartments, seeking parking variances, and corporate contracts with businesses, organizations, and schools of all levels. The Study Group reported the greatest result will come if all these ideas are tied together with the mission of providing communication and education to the communities. We need to educate people how to ride the bus and use the schedule.

Mr. Selzer continued one of the solutions or ideas the Group wished to present is the formation of several committees for development, advocacy, and an advisory panel that would align with the new staff being brought on as an expansion of the professional staff at Connect Transit. Mr. Matejka added the panel could build interest in the community and would have some ground work and networking set up before the new positions are filled. Perhaps the panel could meet with new staff once a month. The panel could help open doors for cooperative business relationships. The more community involvement we have, the more visibility for Connect Transit will result.

Mr. Selzer stated the sixteen people on the Study Group and everyone who spoke with someone else about the Transit reported those people asked how they could get involved. We must ask people to get involved. It is paramount to the success. If you ask, people will get involved. Waiting for them to volunteer won't work. You have to ask them.

Mr. Matejka added that he, Chairman Buchanan, and Mr. Johnson met with Ms. Deb Halperin, Coordinator of Action Resource Center at Illinois Wesleyan University. The purpose of the meeting was to arrange for some IWU student interns to measure the economic impact of Connect Transit on university riders in the community. The university students have access to the Transit System which gives them access to merchants, entertainment, commerce, retail merchants, and places they may not go to without the bus. A ridership study would help determine where university students go on the bus and what they do with their money when they get there. This would provide statistical data and "story data" Connect Transit could take back to the community showing the economic impact the bus has beyond just transportation. It brings people to your door of business. We want to demonstrate Connect Transit is an asset to multiple levels of the community. Chairman Buchanan indicated when the students return they will meet again with Ms. Halperin to discuss whether any professors have a class with students this topic would be a good match for a study project. Mr. Selzer added the Study Group also discussed this could be a good project for the Leadership McLean County Group.

Mr. Selzer said one of the final items the Study Group recommended was consideration of sales tax or additional local fees. No one is saying we need to go that direction, however, we realize the current funding levels may not remain the same. If funding drops and the citizens wish to have the same Transit service, something will have to give. The Board may wish to have a meeting or forum with all the various taxing bodies in McLean County to determine and discuss how our actions impact the others and how we can all

work together. Mr. Selzer stated the exciting aspect is that about 20 years ago the buses stopped running at 5:30 p.m. We have come a long way since then. We all feel it is commendable the Board look at our report, and be proactive regarding a taxing possibility rather than reactive. There will be changes in funding we just don't know how much and when.

Ms. Christina Schulz suggested the Transit should just beg, borrow, and steal from other existing methods and formulas, positive ideas, strategies, or campaigns that you see work well in the community. Get the most you can for free and be proactive to funding changes. We need to get paid staff connected with community members who care about transit. This will give everyone more information and you will get so much more than you could ever pay for. Community members will want to tell the story of the impact of transit on their lives. It will be important to have the financial and quality of life level of impact documented. Be efficient and effective as possible without having to reinvent the wheel. See what works well in the community and who is concerned with transit and then ask them to be involved.

Chairman Buchanan acknowledged the Study Group members' time and efforts to produce this report. Chairman Buchanan expressed the Trustees are very appreciative of the Study Group's work. The Study Group was able to drill down into areas that will help the Board move forward proactively. We don't want to wait until there is a funding problem, but want to be prepared should there be problems with funding. Chairman Buchanan stated she likes the idea of staff working with community members. Implementing focus groups or advisory groups was an idea mentioned at the APTA Convention and appears to have benefit for advancing Study Group suggestions.

Mr. Selzer stated he thinks Connect Transit and the Board of Trustees are doing a great job. Uptown Station is a wonderful transfer center. It is so nice to be in a sheltered space. There is still a perception issue that needs to be addressed. It is the fear of the unknown and parents don't want their children riding the bus because they think it is not safe. Mr. Selzer continued Connect Transit is a great asset to the community.

Mr. Matejka added we need to talk about the "tax issue" and get it out in the community. People need to start thinking about how Connect Transit will maintain the service it has, or expand service, should funding be cut. A serious discussion needs to be had about revenue as part of the process. It is not the most comfortable topic, but it needs to get stated openly and this is the best time to start.

Mr. Wilson commended the Study Group for their "out of the box" approach to the question posed by the Board. He said the Study Group built on the value of Transit and approached it with different views and different sets of eyes. Mr. Wilson thanked the Study Group for the work they accomplished.

Mr. Selzer stressed an advisory board would help the new staff members tackle some of the initial hurdles and assist them in being successful. The community wants them to be successful. Mr. Selzer mentioned since the rebranding, more people have noticed the

buses. There are still many people who have never ridden the bus before. There is still the apprehension to ride the bus. There is that fear of the unknown. Mr. Selzer loves the mobile app on his phone so he knows when the bus is coming. Mr. Selzer believes the advocacy group and community education will help immensely. People are willing to try the bus once they know more about it. There is also the perception that the only people riding the bus are the ones who absolutely must either because they don't have a car, or cannot drive due to a DUI conviction.

Mr. Thomas asked if the bus is viewed as an amenity, or a piece of infrastructure, or as something that should be paid with by solely user fees directly? Mr. Selzer responded people are willing to pay to use the bus if it meets their needs. The disconnect is that often the bus does not work with the rider's schedule. If the bus is effective, timely, and safe the public will pay for it.

Mr. Matejka stated one of our challenges is that in the bigger metropolitan areas Transit is considered part of the community infrastructure and in Bloomington-Normal it is looked at as more of a social service agency. Part of the perception also needs to be that Connect Transit is an equal opportunity Transit System. It is a big challenge to change the perception from being a vital social service for disadvantaged, low income, and physically challenged citizens to being an equal opportunity transit system. Mr. Thomas stressed this perception must be addressed before any alternative funding issues are discussed. The residual effects of the Transit System need to be better communicated, particularly to the stakeholders

Ms. Schulz commented this is a perfect time to customize and specify the message to the stakeholder groups. The message needs to be directed to the various groups. For example, the bike rack allows the bicyclist to fulfill his intention to avoid travel by car, the ten minutes on the bus allows the person riding to work time to respond or send three emails. Now we should send out micro-messages that appeal to various potential rider groups to attract them with financial impact, with convenience, and with environmental commitments. We want to attract the whole spectrum of income earners and impact what we bring to the community and how one fleet and one set of schedules can meet many, many various needs. This is the time to get specific with the message, to get the word out and appeal to different potential riders. This is the time for a network of community supporters to help get the word out.

Mr. Matejka stated we are an example of one of the prime American communities which has designed itself around the automobile. Normal has done a fine job to bring public transportation to the fore front. As we look at the future ten, twenty years from now, and gas prices are \$6.00 a gallon we want to have different options and the ground work needs to start now.

Mr. Selzer stated his sister lives with him because of challenges and she could not live alone. Because of the special service paratransit buses (Connect Mobility) now she has a job which she has maintained for over a year. Next week she will move into her own apartment. If it wasn't for Transit she would not be able to work and have her own

apartment. Now she is a contributing member of society. If you take it away or don't make it available, where does that leave all the people who depend on it for their livelihood and to get around to shop and run errands? Everyone will be back on public assistance or other social service programs. There must be some way to quantify this. The Transit has a direct result of her earning a living and spending those earnings at various businesses around the community. Mr. Selzer added the Transit employees are awesome and so good to the bus riders.

Mr. Matejka commented the Transit has a group of committed employees and they should be integrated into whatever advisory group Connect Transit forms. They have valuable input derived from what they see every day out on the job, dealing with the traffic, other drivers, customers, and street repairs. The employees may become some of Connect Transit's best marketers.

Mr. McCurdy stated we have some valuable information here and it comes at a perfect time with the strategic planning coming up in August. Mr. McCurdy continued and said getting into the schools is a great idea, not only will it increase ridership, but it is important to teach the students how to ride the bus, because it is a skill they will use the rest of their lives. Having a group of volunteers that would actually walk people through the process would be very beneficial. Many people are apprehensive about riding the bus. Mr. Selzer added that there are young college graduates who have never ridden a bus. They just don't know how to do it. Mr. Thomas contributed using Transit may allow a family to function without having to purchase another vehicle and insurance, plus Transit reduces traffic and carbon footprint.

Mr. Selzer stated he will make some revisions and get the final copy of the report to Mr. Johnson who can then forward it on to the Trustees.

Chairman Buchanan thanked the Study Group on behalf of all the Trustees.

## **2. Receive Report on Annual Safety Awards for Transit Operations and Maintenance**

Mr. Johnson stated every year an accounting is done for all the drivers and maintenance workers on their accident records. This list is for those who have not had chargeable accidents during the past years. Mr. Johnson specifically pointed out Mr. Steve Thornton, who has gone 28 years without an accident and Mr. Bill Stone and Ms. Christy Gordon who have been 13 and 10 years respectively without accidents. We pride ourselves on being a safe system and taking into account our buses travel over a million miles per year the occasional accident is inevitable. Overall our drivers are very safe and we are greatly appreciative of our drivers and the staff that helps keeps them trained. Mr. Johnson asked the Board to join him in congratulating these employees on their safe driving records.

Chairman Buchanan inquired if the list will be posted. Chairman Buchanan will draft a memo on behalf of the Trustees to post that will acknowledge and thank staff. Mr. Johnson replied that would be fine.

Mr. McCurdy inquired if maybe this list and the mention of his record being at the top of the list may have now jinxed Mr. Thornton going forward. Mr. Johnson replied Mr. Thornton has been through a lot and his ability to focus through all that is commendable. Mr. Johnson explained a chargeable accident is when the driver is at fault. Every accident is reviewed and a determination is made as to whether the driver is a fault or not.

**3. Request for Approval on 2013-2014 Universal Access Agreement with Illinois State University**

Mr. Johnson explained the universal access agreements allow the students and faculty to ride Connect Transit fixed route buses free of charge upon displaying valid school ID.

ISU will pay Connect Transit \$476,414.40 for one year of Universal Access in FY 2014, which includes rides for students and faculty and provision of shuttle routes. ISU ridership on Connect Transit is expected to be flat in FY 2104, so compensation for ridership component will remain unchanged and continue to average \$.55 per ride. The shuttle route component of the agreement will increase 3%.

On a motion by Mr. Thomas, and a second by Mr. Bowman, the Trustees voted to approve the 2013-2014 Universal Access Agreement with Illinois State University.

**4. Request for Approval on 2013-2014 Universal Access Agreement with Heartland Community College**

Mr. Johnson explained HCC ridership has dropped over the last year. One reason is the student ID system was revised. People who used to be students were able to still use their student ID. As a result HCC ridership dropped, however, cash fares did increase because those riders with expired student IDs have to pay. Some of the route restructuring may drive up the ridership by providing an express route and alleviating the overcrowded conditions on the Green A. This should encourage more people to use both routes.

HCC will pay Connect Transit \$220,000.04 in the proposed one year agreement. Due to declining enrollment, ridership is expected to be flat in FY 2014 and the rate per ride of \$.55 will remain the same as FY 2013. There is a clause in the agreement that requires additional payments to Connect Transit if ridership exceeds 50,000 riders per calendar quarter and credits to HCC is ridership fails to meet the same target.

On a motion by Mr. McCurdy, and a second by Mr. Wilson, the Board voted to approve the 2013-2014 Universal Access Agreement with Heartland Community College.



## **5. Request for Approval on 2013-2014 Universal Access Agreement with Lincoln College-Normal**

LCN will pay Connect Transit \$9,350.00 for the Universal Access in FY 2014. This represents no increase over FY 2013. The agreement with LCN increased over 25% in FY 2013 and the zero increase in FY 2014 is based on discussions with LCN over the expectation that ridership will be flat in the coming year.

Mr. Johnson added we will need to take a serious look in the future at what our desired average fare should be and where our partnership with each of these organizations should go. We have had numerous meetings with each of these schools. We continue to work on these agreements and when we get a business development staff member on board we will be including that person in these discussions and meetings as well. Mr. Johnson stated we are moving in the right direction, just no major increases this year with ridership essentially flat.

Mr. McCurdy inquired if any of the route restructures affected ISU routes. Mr. Johnson replied the Green A will change, but the shuttles will not be affected. Traders Circle will be serviced by the shuttle. Mr. Roy Rickert, Operations Director, added the Red Route of the RedBird Express at Shelbourn will not go down Linden, but will go down School and hopefully pick up all the people in those apartments. Mr. Johnson added we will be servicing North Street again, but will stress that is not the Transfer Center.

Mr. Wilson commented it would be nice to keep the momentum we have built over the past couple years. Even though the ridership is flat, there is an inequity there. When it was increased 25% it is probable there was an inequity then. Connect Transit should research how we compare to Champaign or other universities and how they are compensated. Mr. Johnson responded Champaign is a model we would like to aspire to and we have been talking with ISU about moving towards a student fee based system, but we are not there yet and the universal access fee is paid out of Parking and Transportation for ISU. A good partnership is give and take on both sides. We are sympathetic of our university partners. ISU has had their funding significantly cut by the State of Illinois and has a new president coming on. HCC is also dealing with funding issues and leadership changes. While we are covering the costs we need to cover, but we are not taking a hard line either. We have been clear with ISU detailing the value that ISU receives in services from Connect Transit and comparing it to what ISU actually pays. We have made the point that we need to move towards a better split and better agreement. ISU understands our position; however, they are dealing with major cuts and adjustments as well.

Chairman Buchanan stated we have been meeting with ISU Executive staff which has been helpful. The next meeting with the Vice President of Finance will be scheduled when we are able to be introduced to the new President. We are making efforts to eliminate confusion and make sure all lines of communication are open.

Mr. McCurdy inquired if \$.55 a ride was low. Mr. Johnson responded it is a little low, but not terrible. The discount does allow for guaranteed revenue cash flow. Mr. Thomas added the \$.55 amount allowed for the transfers. We took the average transfer use and applied that to the full fare to come up with \$.55. Even the full fare is being subsidized. The volume of riders from ISU may allow them an overstated benefit. Connect Transit also receives benefits as well.

Mr. Johnson stated the cultivation of the partnerships we have with these organizations is going to pay off exponentially. Mr. Johnson commented with the additional staff the Board has approved for Connect Transit we will be able to compile more data to better state our case of the impact the Transit has on each of the student bodies and faculty. We will be able to find better ways to integrate Transit into campus life and connect students better with the community. Champaign has a system that runs 24/7 and our students are requesting Sunday service. It is going to take student body and faculty engagement to get that going. We will get there eventually. We need to keep looking at the long run and the big picture.

Mr. Mark Peterson added the longer we provide this service to the universities the more it becomes institutionalized into the fabric of the university. It will be very hard for the university to walk away from the service. If Connect Transit can continue to show enhanced value through system improvements and be honest with them about the finances it will be difficult for them to say no. Mr. Peterson added the institutions need to realize we understand they are going through difficult times right now, but we will be asking for more money down the road. Chairman Buchanan stated that will not come as a surprise to the universities.

Mr. Thomas added a multi deck parking facility would cost \$20,000.00 per space to build. The partnership with ISU is run through the Parking and Transportation Facility for a reason.

Mr. Bowman inquired what has the price been per ride over the past couple years. Mr. Johnson responded the price has been the same \$.55 per ride it is now. It is just that the volume has increased over the past couple years. The ridership clause with HCC has worked out well. For every ride over 50,000 per quarter they pay us more and every ride under 50,000 per quarter we will credit HCC. We had two quarters when we were paid more and two quarters when we gave them credits.

On a motion by Mr. Thomas, and a second by Mr. McCurdy, the Trustees voted to approve the 2013-2014 Universal Access Agreement with Lincoln College-Normal.

## **6. Request for Approval on Corporate Credit Card Program with Commerce Bank**

Mr. Johnson explained we have a corporate credit card program, however we only have one credit card assigned to an individual and that is for the General Manager. The rest are generic cards and are closely controlled. With no names on the cards it becomes difficult to determine who has used it and for what purchase. We have problems using

the cards for travel, hotels, car rentals, and training when there is no name on the card. Commerce Bank has offered Connect Transit a Visa Rewards credit card program. These cards will be used for pre approved travel and incidental expenses incurred by management personnel. Connect Transit will earn 1% cash back on all purchases made with the credit cards. There is no annual fee for the credit cards. The activity for the credit cards will be sent on one invoice. We have had firm control of the credit cards in the past and will continue to have a firm control of our credit cards in the future.

Mr. McCurdy inquired if the credit will come as cash or credit on the bill. Mr. Johnson responded that has not been set up yet, but it will be cash back to the system, not gifts you can pick out of a catalogue.

Mr. Wilson commented his organization recently switched over to a similar program and it is great. There are good controls and the 1% really adds up.

Mr. Bowman inquired if the individual staff names would be printed on the cards and if there is a formal written policy on the use of the cards stipulating how they can be used, where they can be used, and what types of purchases are permitted or not permitted. Mr. Johnson responded we are in the process of revising that policy and expanding the program to include people who were not issued cards before. Previously, the credit cards were issued by the Treasurer as needed. We will have a formal policy when these are issued. No personal use will be permitted, only Connect Transit related items. The bill will come directly to Connect Transit.

Mr. Thomas inquired how many people will be issued cards. Mr. Johnson responded six cards would be issued. The total credit limit will be \$50,000.00. I do not intend on giving everyone an equal share of that amount. We will set the limits appropriately and will probably never reach that limit. All the activity will be sent on one invoice and will be itemized by each card. The current policy requires an itemized receipt for every purchase. The new policy will also stipulate violations. The accountant will be responsible for tracking down all the receipts and reconciliation.

Mr. Bowman inquired if Mr. Patrick Kuebrich, Financial Director, will have a card issued in his name. Mr. Johnson responded yes he will be getting a card. Mr. Bowman suggested that may create a segregation of duties issue when the reconciliation is done. Mr. Johnson stated all the invoices still come through Mr. Johnson to provide for "checks and balances". There will also be a serious stipulation on what Mr. Kuebrich will be able to use the card for, which would primarily be for travel or training. As the chief financial person, Mr. Kuebrich, will not be purchasing items. That would be a direct violation of segregation of duties.

Mr. Johnson stated the management staff who will receive the credit cards are the Training and Safety Director, the Procurement Director, the Operations Director, the Maintenance Director, the Financial Director, and the General Manager.

Mr. Bowman inquired if the option of having individual cards individually issued was ever explored where the individual is responsible for paying those expenses on a reimbursement basis so the Transit is not directly liable for charges that are incurred. Mr. Johnson responded it could be set up that way but ultimately the organization would still have liability. That creates its own headaches for the finance department. If you have a good trustworthy crew and good policies in place it should not be a problem. Mr. Johnson added in the time he has been here he has not seen one violation, not even one made by mistake, with the credit card use. Our current credit card policy needs to be updated and more formalized.

Mr. Peterson commented it is not fair to ask an employee to make a purchase on behalf of the Transit and use their own personal credit card. Some people don't have credit cards or they may not have an insufficient limit. Credit cards are so convenient and necessary in some cases. They also open the door for potential problems. You must have good controls in place and strict policies on what the credit card may and may not be used for. Mr. Peterson suggested getting several company cards that Mr. Johnson could control and could assign cards to other employees for out of town training or make a purchase of something. Mr. Johnson stated we do not limit training opportunities to senior level staff.

Mr. Bowman inquired where the policy will be published once it is written. Mr. Johnson responded it will be added to the personnel policy book, which is available to the public at any time.

On a motion by Mr. McCurdy, and a second by Ms. Felicia Shaw, the Board voted to approve the Corporate Credit Card Program with Commerce Bank.

## **7. Request for Approval on Pledged Collateral Agreement with Commerce Bank**

Mr. Kuebrich reported we started using Commerce Bank for our primary Checking and Money Market accounts in February 2013. Prior to that, Connect Transit used Illinois Funds for their primary Checking and Money Market accounts. Illinois Funds Money Market and Prime funds were created by the Illinois General Assembly and deposits into these funds were automatically fully collateralized. In order to protect Connect Transit's deposits over the \$250,000.00 FDIC coverage, Commerce Bank has agreed to pledge collateral with the Federal Reserve Bank of Boston. Commerce Bank's Capital Markets pledge department will monitor Connect Transit's balances and will pledge collateral as needed. The Federal Reserve Bank of Boston will send e-mail notifications of activity and monthly statements. Connect Transit will not incur fees to collateralize the deposits.

Mr. Peterson suggested checking out what kind of securities the bank is pledging as collateral. Certain security pledges are better than others.

On a motion by Mr. Bowman, and a second by Ms. Shaw, the Trustees voted to approve the Pledged Collateral Agreement with Commerce Bank.

## **8. Request for Approval on Federal Transit System Administration ECHO and TEAM Access Authorizations**

Mr. Johnson stated that Mr. Kuebrich is the new Finance Director we need to grant him authorization to obtain access to the Federal ECHO system which is the Treasury draw down. He will not be able to make draw downs but he will be able to check the status. Mr. Kuebrich also needs authorization to access the Federal Transit System Administration TEAM system which controls our grants.

Mr. Bowman inquired if we need to de-commission anyone currently on the authorization list. Mr. Johnson responded the Trustees did that last time. This time we have the ability to add more people to the ECHO and TEAM systems.

On a motion by Mr. Wilson, and a second by Mr. McCurdy, the Board voted to approve Federal Transit System Administration ECHO and TEAM Access Authorizations.

## **General Managers Report**

### **1. IDOT Update**

Mr. Johnson reported it would appear from the last legislative meeting that the Illinois Public Transit Association will have business as usual with transit funding for FY 2014. Mr. Johnson is not sure if we will be given a contract that exceeds what we asked for in the first place, as has been the norm. They are sticking with the statutory requirements and it does not appear the Governor's call for limits to 2012 spending is going to get any traction, due to the catastrophe it would put in place on a number of transit systems. We estimated we would lose \$1 million dollars if that happened. It is very clear that the statutory requirement that downstate operating assistance increase 10% every year is not sustainable. To that end downstate transit systems through IPTA are talking to the General Assembly to work out a new system or plan without hurting any systems, but also demonstrating the transit systems are being realistic on this issue.

### **2. Grant Update**

Mr. Johnson stated by the end of the week we should have confirmation approval on the FTA Piggyback contract for the five Gillig buses the Trustees approved for purchase last October. We will Piggyback on a State of Minnesota contract. That should be approved by the FTA and Mr. Isaac Thorne, Procurement Director, has taken steps to start moving this purchase through IDOT as well to get concurrence. It will likely require a trip to Chicago to finalize the last details.

Mr. Johnson continued we also are expecting to start work on the Downstate Capital Grant that we recently received. We have a case person assigned to the grant to put all the pieces in place to make the additional bus purchase in the next couple of years.

### **3. Personnel Update**

Mr. Johnson commented interviews have been conducted for the Human Resource Director and Maintenance Director positions which are currently vacant. Mr. Johnson added we will gladly take additional time in order to secure the right person for the position. Mr. Johnson complemented Mr. Tom Crouch, Assistant Maintenance Director, for once again stepping up and admirably maintaining services in the maintenance department and to Mr. Roy Rickert, Operations Director, for handling many of the Human Resource Director's duties for requests on FMLA and insurance.

On a sad note, over the weekend, the son of one of our drivers, Ms. Thalia Klunick, passed away unexpectedly at age 20. Please keep her in your thoughts.

### **4. Public Hearing Dates for Route Restructuring**

Mr. Johnson announced the public hearing dates on Thursday, July 25<sup>th</sup> at 5:30 p.m. in the Connect Transit Board Room and on Tuesday, July 30<sup>th</sup> at 4:30 p.m., prior to our Board meeting, in the Bloomington City Council Chambers.

Mr. McCurdy commented Mr. Dave White, Safety and Training Director, did a great presentation at the last CEFT meeting, Committee to Ensure Fair Transit. The Committee voted to support the Phase I of the Route Restructure Plan and plan to make positive comments at the public hearing. Mr. McCurdy stated the group is focusing on the amenities provided at places like Wood Hill Towers and Phoenix Towers and on what can be done to make Transit easier for residents at those facilities. Mr. Johnson added it was interesting to hear comments at the last Open House that people actually like what we are trying to do. It demonstrated the impact that this process has had on the community. The community felt the first proposal had some changes they were not at all in favor of and that it was too much, too soon. We made a plan to address concerns and followed the plan. We backed up what we said we were going to do by listening to what the community said. Going into Phase II will be the similar process. It is a long process, but it will pay huge dividends down the road.

Mr. McCurdy stated great strides were made in building a relationship of trust with CEFT. They are still going to watch us closely. The Open Houses brought in some choice riders that were encouraged about the changes.

Chairman Buchanan added the public appreciated the Board and staff hosting the Open Houses and listening to and talking with them. Mr. Johnson commented as our reputation grows and by reaching out to find out what the community wants we will get more choice riders.

Mr. McCurdy commended staff for the fine presentation and the side by side detailed maps that were provided at the Open House.

Mr. Wilson inquired if there is a minimum or point that requires this process, is there a difference between a tweak and restructure. Mr. Johnson stated in November 2011 Connect Transit made some minor tweaks to a couple routes. The Board had a discussion to determine if it needed Board approval. The rule of thumb is if you are changing something by more than 15% to 20% or if you are changing the fares then it is required to go through the Public Hearing Process. If you are making minor changes the Public Hearing is not required.

Chairman Buchanan stated that on Tuesday, July 30<sup>th</sup> the Trustee meeting will start immediately following the Public Hearing. Please plan on the times running later than usual for the meeting. Chairman Buchanan added we are hoping to approve this Phase I of the route restructure at the July 30<sup>th</sup> meeting. The regularly scheduled Board Meeting Dates are listed on the handout. The July meeting date will be changed from July 23<sup>rd</sup> to July 30<sup>th</sup>.

Mr. Johnson stated he anticipates the Public Hearing should not last over two hours. There will be no dialogue at the Public Hearing only opportunities for the public to make their comments. Mr. Johnson stressed the Public Hearing is for staff and Trustees to hear what the public has to say and we may hear something new. It is not set in stone that the Trustees will pass a vote in favor of the route restructure in the Board meeting immediately following. The Public Hearing is part of the process and we have had numerous opportunities for people to talk and ask questions. These Public Hearings will provide two more opportunities.

### **Strategic Planning**

Mr. Johnson stated he has been talking with a facilitator for Strategic Planning. It is the same facilitator we used in the early stages of the Study Group meetings, Mr. Dave Goranson of Goranson Consulting, Inc. We are not finished with the procurement process. Many questions were raised in the procurement process since many of the Strategic Planning sessions will be open meetings, which is different from the normal corporate style for strategic planning. Mr. Johnson would like to find out what the availability of the Trustees is for these meetings and what level of commitment we can give this process. This Strategic Planning could take up 15 to 30 hours of Trustee time at a number of different meetings. We would like to begin in August. Staff will also be involved in the process. We need everyone to attend the meetings and be involved in the whole process.

Chairman Buchanan thanked Mr. Thomas and Mr. Bowman for their review of the first Strategic Planning, which was a preliminary, initial effort. Chairman Buchanan stated that following their review and going forward the Board will be more deliberative using the additional data now available and incorporating Study Group recommendations. This process is going to involve evenings and Saturdays. It will involve sacrifices of your personal time.

Mr. McCurdy commented he may not be as sharp at the end of the day and suggested perhaps Saturday mornings would work. Chairman Buchanan mentioned there was one Saturday in August that might still be available and then we will be in September, when football becomes a factor. Chairman Buchanan stated some 8:00 to 12:00 noon sessions would be workable and the facilitator will have the Trustees prepared beforehand. There will most likely be break-out sessions. Mr. Johnson feels confident the Strategic Planning will produce a quality product. Our most exciting times are ahead of us and this is setting the road map for our future. Mr. Johnson will set up a schedule this week and get back to the Trustees when things are more finalized. Staff will participate in the Strategic Planning as well as the Trustees.

### **Comcast Cable Advertising**

Mr. Johnson announced Connect Transit contracted with Comcast Cable to do cable advertising for the next year. Mr. Johnson explained two commercials have been made for Connect Transit. The videos will be available on-line and on the cable network channels. Mr. Johnson then played the ad videos on the television for the Trustees to review. The commercials talk about the high gas prices, new buses, routes have changed, Fast Pass, Redbird Express, Seniors ride free, universal access for select universities, the mobile app, convenience getting to shopping and entertainment, connect mobility buses, bike racks, clean, professional, and safe transportation. The ads talk about how riders connect to shopping, higher education, and the buses are using new technology. Mr. Johnson stated the ads will start running next week and he will send out the channel information to the Trustees when he has that available. Future ads will talk about connecting to work and other important destinations in riders' lives.

Mr. Wilson commented the ads were very well done, catchy, and professional, modern. One concern he posed was with the word "free". He always tries to be very cautious with that word and would rather say, "no additional charge". The general public may take the fact that the universal access riders ride free means we are giving away that service to them. This may offend the public when in reality the service is being paid for through the Parking and Transportation Department or student fees and the students actually ride for "no additional charge". Free is catchy and works if you can sell it right, but it could really anger some of the general public or mislead people into believing it is free when it is not. Mr. Johnson stated we will take a different tact towards that in the future and possibly adjust the ads they have already made

Mr. McCurdy stated he did not notice the word "free" so much, but what jumped out at him was the word "connect".

Ms. Shaw inquired if the students pay for the service with student fees or what. Mr. Peterson responded the university covers the cost through Parking and Transportation. ISU would probably like to have it be a separate student fee, but they have not gotten to that point. Any addition to student fees requires a long process. The students do indirectly pay for this service through tuition fees. Mr. Thomas added that the students at



U of I pay \$55.00 per semester for their bus service. Heartland students pay for the bus through general fees.

## **Correspondence and Media**

### **Trustee Comments**

Chairman Buchanan stated she had a comment regarding the time Trustees dedicate to the Board. We are all volunteers and committed to our work on the Board. Chairman Buchanan would like to have the Board packet prepared and emailed in a timelier manner. Chairman Buchanan realizes everyone has a personal life and when a ninety page packet is emailed on Friday afternoon there is not sufficient time to do a thoughtful and complete review of the packet. Chairman Buchanan suggests taking action that the Board packet is sent to the Trustees one week prior to the meeting, unless there are extenuating circumstances preventing it. This would give the Trustees time to read through all the information.

Mr. McCurdy inquired if it all had to be delivered at the same time. Mr. Johnson replied delivering the packet a week prior to the meeting should not be a problem at this point in time. One of the things we rely on is that the Trustees give us guidance on what the Board needs to succeed. We will take the necessary steps to ensure the Trustees get the Board Packet a week in advance. On the finance side it should not be a huge issue. If there are extenuating circumstances the item will not be included in the packet and possibly delivered at the Board meeting. We will try to time procurement items around the earlier delivery date. We want to give the Trustees every opportunity to make sure they can read everything and be able to ask questions of staff.

Mr. McCurdy stated he would appreciate having more time to review the packet before meeting time.

Mr. Peterson commented it would be difficult for the Town of Normal to get that accomplished. They have Monday meetings and the packet goes out to the Council Thursday afternoons. Many agenda items come together on Wednesday and to speed the process up would mean having to carry over many items to the next meeting. It would be extraordinary to get the packet a week in advance. Mr. Thomas added many things can change in a week.

Chairman Buchanan stated Friday afternoon delivery is unacceptable, and leaves only one business day for review prior to the meeting. Perhaps a couple days earlier would be acceptable. We owe it to our Trustees to give them enough time to review the information.

Chairman Buchanan offered a compromise, on a suggestion by Mr. Peterson, to have the Board Packet delivery deadline noon on Thursday before the Tuesday meeting. Mr. Wilson was surprised at what issues were causing the delivery time to run so late. On the corporate side they don't have such problems.

Chairman Buchanan added if the packet goes out too early and consequently we are handed all these addendums before we walk in the door then we have defeated the purpose.

The Trustees decided the Board Packet delivery should be noon Thursday and we will welcome the Trustee feedback on how that works.

Ms. Shaw inquired if we will really have our December meeting on December 24<sup>th</sup>. Mr. Johnson responded we usually postpone the December meeting.

Mr. Thomas reminded everyone the July 23<sup>rd</sup> meeting will be postponed until July 30<sup>th</sup> and it will be held at Bloomington City Council Chambers immediately following the Public Hearing which begins at 4:30 p.m.

### **Request for Executive Session**

### **Adjournment**

There being no further public business, on a motion by Mr. Wilson, and a second by Ms. Shaw, the Trustees voted to adjourn the meeting at 6:35 p.m.

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Mike McCurdy, Secretary