

CONNECT TRANSIT
BOARD OF TRUSTEES
MINUTES OF REGULAR MEETING
September 24, 2013

The regular meeting of the Board of Trustees of Connect Transit was held at the Uptown Station, Ronald J. Hill Room #334, 11 Uptown Circle, Normal, Illinois on September 24, 2013 at 4:00 p.m.

TRUSTEES PRESENT: Mike McCurdy, Secretary
John Bowman
John Thomas
Felicia Shaw
Ryan Whitehouse

TRUSTEES ABSENT: Judy Buchanan, Chairman
Bill Wilson, Vice-Chairman

CITY MANAGERS: Mark Peterson, Town of Normal

STAFF PRESENT: Andrew Johnson, General Manager
Roy Rickert, Operations Director
Trish Tilton, Administrative Assistant

OTHERS PRESENT: David R. Calhoun, ATU 752
Scott Fowler, McLean County Regional Planning

Call to Order

Mr. Mike McCurdy, Secretary, called the meeting to order at 4:00 p.m. Roll call was taken.

Public Comments

No one from the public requested to make public comment.

Approval of Minutes of Previous Regular Meeting August 27, 2013

Mr. McCurdy noted the third paragraph on page six under #3, Upcoming Presentations, should reference or be moved to #2, Route Restructuring Update.

On a motion by Ms. Felicia Shaw, and a second by Mr. John Thomas, the Trustees voted to approve the minutes of the August 27, 2013 regular meeting with the previously mentioned correction.

Items Removed from Consent Agenda

Consent Agenda

On a motion by Mr. Thomas, and a second by Ms. Shaw, the Board voted to approve the consent agenda as presented, including the following items:

- 1. Review and Approve September Disbursements**
- 2. Review and Receive August Monthly Statistical Report**

Old Business

Mr. Andrew Johnson, General Manager, stated there is no old business.

New Business

1. Request for Approval to Purchase Employee Uniforms

Mr. Johnson reported it has taken a good deal of time to determine what the new uniforms should look like since the new branding of Connect Transit. Connect Transit is contractually obligated to provide uniforms to employees per the collective bargaining agreement. Apparently the large scale of our operation including the union agreement in the proposal created a problem to vendors. An RFP went out and one proposal was received from a local company, Minerva Promotions. Mr. Johnson stated an agreement has been worked out with Minerva Promotions to provide Connect Transit uniforms to union employees. The items being provided will be in accordance with the system's collective bargaining agreement.

Mr. Johnson requested the Trustees approve the recommendation to purchase employee uniforms with Minerva Promotions. The agreement with Minerva Promotions will be a firm-fixed price per item contract not to exceed the per item costs during the three year contract.

Mr. Ryan Whitehouse inquired what the total cost was for the uniforms. Mr. Roy Rickert, Operations Director, responded the cost is ongoing. Each driver is given a yearly allowance for uniforms. A new employee is provided with an initial uniform set which will run from \$320.00 to \$350.00 depending on size. Mr.

Rickert said an employee will not purchase everything on the list. There are some required items and the others are optional.

Ms. Shaw inquired if each employee will be required to purchase a new set of uniforms. Mr. Rickert responded, it depends on their allowance. In response to Mr. Whitehouse's question, Mr. Rickert stated the allowance can build up to \$300.00 per year. Ms. Shaw expressed concern for those employees who do not have an allowance built up if they would be required to purchase new uniforms. Mr. Rickert commented there will be a long period of time to phase in the new uniforms and during that time employees will be in brown or blue uniforms. This time period cut-off date will be a common sense agreement made with the collective bargaining unit.

Mr. Thomas asked for an estimate of the total outlay for this switch over of uniforms. Mr. Johnson responded the cost is what is budgeted annually for uniforms. This agreement locks in the item prices.

Mr. McCurdy inquired if the purchase proposal provides any corporate wear for Trustees. Mr. Johnson responded that will be the next phase, separate from this agreement.

On a motion by Mr. Thomas, and a second by Ms. Shaw, the Trustees voted to approve the agreement to purchase employee uniforms with Minerva Promotions.

2. Resolution to Apply for IDOT Capital Assistance

Mr. Johnson explained this resolution is a procedural issue for the \$3 million grant the system received for buses. The money has been obligated to the transit system. Mr. Johnson explained the system went through the application process to get the projects accepted. Now the system has to formally apply to receive the funds.

On a motion by Ms. Shaw, and a second by Mr. Thomas, the Board voted to approve the Resolution to Apply for IDOT Capital Assistance.

General Manager's Report

1. Local Funding Update

Mr. Johnson reported discussion continues internally on building on the Study Group Report's suggestions for increasing local funding. Questions arise during Board meetings about what should happen next, exploring other options. Transit

staff and Board members have been speaking to local officials to further investigate opportunities or choices that may be available moving forward with this concept. There have been articles in the Pantagraph indicating there are several groups, including Connect Transit, considering requesting a portion of the local sales tax. That option is certainly on the table, however, there are other options available as well. Staff is still working on this. All this has been discussed with the Board Chairman, Ms. Judy Buchanan. We hope to bring this to the Trustees, possibly at the next Board meeting, for further formal discussion as to what direction we may take going forward.

Mr. Whitehouse asked Mr. Mark Peterson, Normal City Manager, if Connect Transit were to pursue the sales tax option, where the city stands on this currently and what is the process? Mr. Peterson responded there is a private group which supports having a portion of the sales tax to create a Community Recreation Center and a Soccer Field/Complex; however no official request has been made. Mr. Peterson believes this group plans to meet with the City of Bloomington at an upcoming work session in October or November to provide information to the Council about the proposal and request. Then they would meet with the Town of Normal. There are lots of sales tax proposals and options out there. Everyone wants the sales tax because it is a lot of money. This private group is asking the two cities to exercise their home rule authority to increase the local sales tax, the municipal portion. Then the cities would either bond or borrow the money for the proposals and service that debt with this additional revenue.

Mr. Peterson continued the schools have talked about a 1% sales tax and that would be accomplished through public referendum. That would be a separate sales tax, separate from the municipal sales tax. That would be collected by the State of Illinois and remitted directly to the school districts.

Mr. Peterson stated in the case of transit, he believes there are two different approaches. Connect Transit could pursue a referendum on a separate sales tax. This would be separate from the municipal sales tax. That would be collected and remitted back to Connect Transit. Conversely and perhaps a more logical approach would be for Connect Transit to ask the municipalities to increase their sales tax and share a specified portion with Connect Transit. That would avoid the whole process of a public referendum and would be more expedient. The cities would give the sales tax money to the Transit as part of operating subsidy and annually the municipal contribution would be decreased to a much more modest amount from what it is now.

Mr. Peterson commented not one official request has been made yet to the cities regarding the sales tax proposals. The school districts have not decided whether

to go ahead with a public referendum in April. There is also a Public Safety tax referendum out there to support McLean County jail expansion. That would also be a public referendum. Mr. Peterson stated no one has any idea how it is all going to finally work out.

Mr. Whitehouse thanked Mr. Peterson for the information. Mr. Whitehouse recognizes we need to look after the Transit and the employees but he expressed serious concern about asking for tax money. He stated he has not made a final decision, but he is very concerned about going that route.

Mr. Thomas inquired if a sales tax increase would extend to the small surrounding towns or surrounding area or stay in the corporate city limits, thus encouraging businesses to locate outside of the corporate city limits and affect the service area of Connect Transit. Mr. Peterson responded a sales tax increase implemented by the two city councils would be the same in both cities and would only apply to those businesses within the two cities' corporate city limits and even with that the Transit could still expand the service area if desired. Mr. Peterson stated the current sales tax does not seem to entice businesses to leave the corporate city limits nor is it enough to change or effect spending habits. The local municipal sales tax does not apply to car dealerships or Illinois titled vehicle, truck, car, boat, or camper sales. It is exempt by state statute. So if we increased the sales tax for Connect Transit it would not apply to automobiles.

Mr. McCurdy stated he respects Mr. Whitehouse's concern that no one wants to raise taxes; however, he feels as this discussion moves forward it is really important for Connect Transit to be at the table. If taxes are going to indeed increase anyway and someone is going to get the money, Connect Transit should be part of that discussion and decision especially with state and federal funding being in jeopardy lately. Mr. McCurdy continued Mayor Renner has stated he does not feel the tax payers would get behind the YMCA or the soccer complex at this time.

Mr. John Bowman inquired about the percentage in the sales tax increase and how that calculated into actual funds. Mr. Peterson responded a full 1% increase would generate about 16 million dollars per year. This includes tax money from both cities. So ¼% would generate around 4 million dollars per year. The schools were talking about a 1% increase which would be shared by all the school districts in McLean County and it could only be used for renovations and new construction, not operations or salaries. Half of that \$16 million would stay in Bloomington and Normal for their schools. For Unit 5 that would equal a new elementary school a year.

Mr. Peterson stated it is very important the councils know and understand in order for Connect Transit to maintain current service or expand service we need to find major or new sources of revenue. Even if the sales tax is not formally requested the council members need to realize this is a funding need which will continue to grow. Sales tax is one way to raise the money and there are other ways the two cities could raise local revenue and pass it on to Connect Transit. The councils need to realize the need is there. There is a practical limit to how high the sales tax can go. We are very close to that limit now and if 1% is added we will be at the limit.

Mr. Whitehouse inquired if Connect Transit has made the city councils aware of our Study Group Report and our funding needs. Mr. Johnson responded staff has spoken to the Normal Council and a more individualized approach is being taken with the Bloomington Council. Both city managers and Mayors have been approached about this issue.

Mr. Thomas inquired to what extent a sales tax increase would take pressure off property tax. The property tax is itemized and residents can easily see how much money is going to what entity. Would there be an opportunity for a swap? Currently, with Transit the cities pay a designated amount out of a general fund to help Transit with capital funding.

Mr. Peterson responded an entity like the school district would argue if they are able to get revenue from sales tax that would diminish the need for property tax to pay for school construction. Mr. Peterson stated in the case of Connect Transit adding sales tax funding should have no affect on the property tax. It depends on the taxing source and purpose. Generally speaking, if you are looking to create new revenue to help fund a program you would not then decrease another source of revenue to off-set that. Connect Transit needs additional revenue not a swap.

Mr. Peterson continued another option would be to create a taxing authority or district. This then would be an addition to the property tax. Many transit systems have taken this route. It would create another line item on the property tax bill similar to the airport authority, Heartland Community College, or water reclamation. There are many districts with taxing authority and it is interesting how many are governed by appointed, not elected, boards.

Mr. Johnson concluded the conversation stating there will be more formal discussions on this topic in the upcoming months.

2. Report on Visit to the Interurban Transit Partnership in Grand Rapids, MI

Mr. Johnson reported he visited the Interurban Transit Partnership, the Rapid, in Grand Rapids, Michigan last week. Mr. Peter Varga, CEO of the Rapid, was recently named Chairman of American Public Transportation Association. Also this transit system received this year's Best System in America Award from APTA. Mr. Johnson stated he was invited to visit for the day. During that visit, Mr. Johnson commented he was able to spend time with staff, ask questions, share ideas, and tour the facility. The Rapid is a very impressive mid-size system, built up from a small system, operating over 100 buses with many routes running fifteen minute service. Over the past decade, this system has been on a building spree which has expanded the system into "blighted" areas of the city and revitalized the region. Mr. Johnson reported he learned a lot during his visit in terms of long range planning and land use, employee recruitment, talent development. They have many long time staff members that are working in a succession plan and they do not have huge gaps to fill in their staff. They have the same challenges we do in recruiting drivers and mechanics. Mr. Johnson added he learned some tips on how to define a good driver or mechanic and how to analyze a system's operations. Mr. Johnson reported when he returned to Normal he received many emails with valuable information from the Rapid and was encouraged to call or contact staff for more information if and when needed. Mr. Johnson stated this is truly a first class system. Mr. Johnson expressed appreciation for the opportunity to visit the Rapid. This is the type of networking our attendance at the conferences makes possible.

The Trustees determined the population of Grand Rapids to be 189,815 and including the outlying metro area it is surely over 200,000. Mr. Johnson listed some of the areas and requirements to be selected Best System by APTA: effectiveness, efficiency, diversity, ridership, sustainability, community outreach, innovative practices, and technology use. Mr. Johnson continued, this is a very exciting time for APTA having a mid-size transit organization selected Best System because usually the large systems win the title. Also, the Chairman of the Board of APTA is the CEO of that mid-sized system.

Mr. Johnson explained Connect Transit is a small system with less than 100 buses, mid-size systems are 100 to 500 buses, and large systems with over 500 buses. The Rapid has won this Best System in America Award twice in the last nine years. Mr. McCurdy inquired if this award is something that should be looked at during the Strategic Planning sessions. Mr. Johnson replied that Connect Transit won't be able to attain it in the next three years but it should definitely be something to strive for and could be within reach. Mr. Johnson noted the Rapid has a huge contract with Grand Valley State.

Mr. Johnson announced he was appointed to the Board of Directors for the American Public Transportation Association and additionally is the newly elected vice-chairman for the Small Operations Committee for APTA. Mr. Johnson also announced last week he was elected to the Board of the Illinois Public Transportation Association.

3. Personnel Update

Mr. Johnson reported the system continues to recruit new positions. Connect Transit is making headway with the Community Relations position and has started interviewing for the Planning and Grants Manager position. Mr. Johnson said the system is very close in getting a complete supervisory staff in place in the Transportation Operations department also. Mr. Johnson stated he will continue to introduce people to the Trustees as they are hired.

Mr. Bowman inquired if an Information Technology Manager was hired. Mr. Johnson apologized and confirmed an IT Manager was hired and he is into his second week now and is currently out riding buses. Mr. Johnson will introduce him to the Trustees at the next meeting.

4. Ridership Statistics from the Route Restructure

Mr. Johnson introduced Mr. Roy Rickert, Operations Director, to report to the Trustees on the ridership since the route restructure. Mr. Rickert reported he wished he had a little more detailed information for the Board. This is a difficult period of time as the software vendor that does the automatic passenger counts makes changes in August so they are still trying to catch up. Mr. Rickert was told the updates should be complete by the end of this week. Hopefully, more detailed information will be available at the next Board meeting.

Mr. Rickert reported he looked at the ridership and compared it to what ridership was during the same time frame last year. All of the routes that were affected by the route restructure have increased in ridership rides per hour except for the Yellow G, Lime I, and the Orange H. The change in the Orange H route can probably be attributed to riders shifting to ride the Teal J for State Farm regional building. The Teal J route has increased 13.9% in ridership. That increase brought the entire month of August up 11.5% over last year. Mr. Rickert stated he is pleased with the increase in ridership, but more importantly the buses are staying on time. We have had no complaints about buses running late, which is a rarity, especially during the week school begins. Overall, Mr. Rickert, reports during the two and half to three week period examined, the route restructure has been successful. During this time frame, the Heartland Express bus is already averaging 18.17 boardings per revenue hour.

Mr. Whitehouse inquired if those numbers are better than were predicted. Mr. Johnson responded we did not make any predictions, but is pleased with the results.

Mr. McCurdy inquired if a decrease in Green A ridership can be attributed to the addition of the Heartland Express route. Mr. Rickert responded the Green A ridership is down overall. Taking into account the Heartland Express, ridership on the Green A is down a lot less. The monthly report shows the Green A down 10.9% as opposed to 13.9%. This decrease reflects the decrease in Heartland Community College student ridership and decreased HCC enrollment.

Mr. Peterson stated he met today with Mr. Bobby Frederick, Senior Legislative Affairs Director for Congressman Rodney Davis. Mr. Peterson mentioned to Mr. Frederick the concerns which have been raised recently about transit funding and the challenges in maintaining the system and the need for expansion. Mr. Peterson suggested Mr. Frederick meet with Mr. Johnson. However, Mr. Frederick did not have the opportunity. Mr. Johnson stated he has been in contact with Congressman Davis' office. Mr. Whitehouse added Mr. Frederick will be at the reception tonight and he would introduce Mr. Johnson to Mr. Frederick.

Mr. Peterson commented Mayor Koos will be in Washington, D.C. on October 10th as part of a select group of Mayors to meet with the new Transportation Secretary, Mr. Anthony Foxx. Mayor Koos wants to talk to Mr. Foxx about Connect Transit. Mr. Peterson asked Mr. Johnson to put together a list of talking points on some of the key federal issues where it might be helpful for him to advocate for to Mr. Foxx. This will be a great opportunity for us to advocate for the Transit. Mayor Koos will leave on October 9th and will meet with Mr. Foxx on October 10th.

Correspondence and Media

Mr. McCurdy commented on the articles for "Light the Night" stating it was a huge success. Five hundred front and rear bike lights were passed out in less than ninety minutes. Over 250 bike riders tried out the bus bike racks. The bike riders appreciated being able to try using the bus bike racks when the bus was not running and not in a hurry to complete a route. Mr. McCurdy estimates three to four hundred people were turned away. Mr. Johnson added Champaign-Urbana Transit even stole the idea to give cyclists the opportunity to try the rack on the front of the bus. Mr. McCurdy stated it is a great outreach event and next year the event will need more lights. Ms. Shaw added several people she spoke with were glad to try out the bike racks without the bus

running. It is very intimidating to stand in front of a running bus while trying to figure out how to use the bike rack.

Trustee Comments

Mr. Whitehouse commented he had a very difficult time trying to find the office phone number on the Connect Transit web site. Mr. Whitehouse inquired how far along the process for getting a new web site created is, because the current one is terrible.

Mr. Johnson responded now we have an IT Manager who can work out many of technological aspects we can move ahead much quicker on this. Hopefully, within the next 60 days we will be able to award a contract for a new web site.

Mr. Whitehouse stressed not to be conservative on the new site. The web site is very important and often makes the first impression to the public. It is always obvious when a business opts for the more conservative choice. The Transit needs to display with the web site that we are a very "up and coming" business. It needs to be easy to navigate and very informative.

Mr. Johnson responded we are trying to be as fiscally responsible as possible. When an RFP went out several months ago and we received the responses it was obvious those responses were not going to serve Connect Transit's needs.

Mr. Whitehouse recognizes it is an expensive item, however, it will be money well spent to get a good product. Mr. McCurdy agreed with Mr. Whitehouse stating the web site is one of the front doors to the business.

Mr. Johnson added by the time we get the RFPs returned we should have the Community Relations person on board and that person can handle the content and updates of the web site.

Mr. Peterson stressed make sure the website works with the smart phones. That is very important today. Mr. Peterson added many web site designers are starting with the phone and working back to the tablets, laptops, and desktop computers.

Mr. McCurdy suggested the system investigate a content management system allowing multiple contributors to update content. Such a system helps prevent the burden from falling on one employee.

Mr. Johnson stated the IT person is not doing content. He will just ensure it all works the way we need it. The Community Relations person will be responsible for content.

Mr. Whitehouse inquired if we have any data on how our phone applications are performing and if we have any way to track if they are really being used by customers. Mr. Rickert offered to get that data for the Trustees.

Mr. Bowman questioned if there was any progress in solving the problems with DoubleMap. Mr. Bowman noted it seems to drop all out the time and drivers will lose their information and tablets will go down.

Mr. Johnson responded that has been a main source of conversation in the office. The vendor representative is visiting next week. Mr. Johnson stated he will see the vendor at the APTA conference in Chicago this coming week and he will have a conversation with the president of the company about the problems. One of the biggest problems with DoubleMap is with the wireless carrier. DoubleMap needs to switch to a different carrier. It is a huge problem. One carrier covers the area, but the signal is not as strong. The other carrier has a more powerful signal, but does not cover as large an area. Mr. Johnson continued the coverage area only needs to cover where the buses go to be effective. The system needs to get the problems resolved soon.

Request for Executive Session to Discuss Personnel Matters

Mr. McCurdy stated there was no request for an executive session at this time.

Adjournment

There being no further public business, on a motion by Ms. Shaw, and a second by Mr. Bowman, the Trustees voted to adjourn the public meeting at 4:55 p.m.

Mike McCurdy, Secretary