

REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) DECEMBER 17, 2013, 5:30 P.M.

In the Edward J. Kuntz Board Room of the Bloomington Transit Operating Facility, 130 W. Grimes Lane, Vice Chairman McDaniel convened the regular meeting of the Board of Directors of the Bloomington Public Transportation Corporation.

ROLL CALL

Board Members present: Chairman McConn (late arriving), Vice Chairman McDaniel, Board Member Hasler and Board Member Obermeyer. Also present were Lewis May, General Manager, Brenda Underwood, Human Resources/Marketing Administration, Christa Browning, Controller, Ian Patton, Operations Manager and members of the public Barbara McKinney, City of Bloomington Legal Services.

PUBLIC HEARINGS

Vice Chairman McDaniel opened a public hearing to receive public comment on Ordinance 13-02 an ordinance amending salary and wage rates of appointed officers and employees of the Bloomington Public Transportation Corporation, Monroe County, Indiana, for the year 2014. No one from the public offered any comments or input relative to Ordinance 13-02. Vice Chairman McDaniel closed the public hearing accordingly.

PETITIONS AND COMMUNICATIONS

There were no Petitions and Communications from the public.

MESSAGES FROM BOARD MEMBERS

Vice Chairman McDaniel said he attended a meeting with INDOT to discuss the PMTF. He said one of the concerns is that Governor Pence said they were going to withhold 3 percent of all of the department budgets. Fortunately that turned out not to be the case with regard to the PMTF fund. He said he found out the reason they did not do that is because INDOT used surplus highway funds to fill any gaps and he speculated that INDOT did this with PMTF funds as they were already on the agenda for the Budget Committee and it was really late in the process to be making cuts. Vice Chairman McDaniel noted that he doesn't think INDOT will do this again so he thinks that could result in a cut to PMTF funds next year and on top of that they may cut another 1.5 percent.

MESSAGES FROM THE MANAGER

Mr. May noted first on the agenda is an appeal for advertising from Habitat for Humanity. He said a representative from Habitat for Humanity had stated he would be here so we can wait and see if their representative shows up and will come back to this later in the meeting.

Mr. May distributed an email from Evan Umphress of SIHO regarding the legal opinion relative to the IRS Code regarding qualifying events. Mr. May summarized stating that the legal opinion

says our health care plan could be subject to an audit if we allow members to enter or exit the plan outside the qualifying event parameters of the plan. According to SIHO's legal counsel we could potentially lose the tax-free benefit for all employees for employee-paid premiums for health care coverage if an audit finding went against us. This would result in employees having to pay a substantial amount in additional withholding taxes. Mr. May noted that Mr. Mullis had left him a short note this morning saying he could not attend the Board meeting tonight. Mr. May suggested that the Board not provide Mr. May with any direction on this matter pending Mr. Mullis's attendance at the next Board meeting so as to give him the opportunity to argue in his own behalf. The Board concurred with Mr. May's suggestion.

Mr. May said progress continues on the construction of the Downtown Passenger Transfer Facility. He noted the stairways are installed, limestone installation is underway, the sawtooth curbing is installed, work is underway on the dumpster and generator enclosures, framing of offices, electrical work is underway, roofing is underway, and temporary enclosures are installed for winter weather. He said work continues with the general contractor and architect to refine change order requests and review submittals. He noted the project is tentatively scheduled to be completed in late May 2014 barring any unforeseen circumstances such as bad weather. Mr. May said that we are about 16 weeks behind and we are of the opinion that PB is responsible for some of the delay in the project. He said 9 weeks of the delay was due to the discovery of underground storage tanks but 5 weeks of the delay according to the contractor is due to some design omissions that PB left out of the project and for every week we are behind it cost us more money for general conditions. He said we are talking to legal about potentially holding PB responsible for at least 5 weeks of those extended general conditions.

Mr. May said a public hearing was held prior to the Board meeting to receive public comment on the proposed 2014 Salary Ordinance. He said there was no public comment. He said there was one change to the Salary Ordinance compared to the document that was introduced at the last Board Meeting. He said the change is to reference the lump sum payment for certain bargaining unit positions with language in the tentative Collective Bargaining Agreement for 2014. Also a change was made to include non-bargaining unit personnel for a lump sum payment in lieu of a wage increase in the amount of two percent of their annual wages as of December 31, 2013. Mr. May noted that we have to have a Salary Ordinance approved by the Board by the end of the year. He added that we can go back and amend it if we need to. He said on the agenda tonight we have Ordinance 13-02 for second reading and adoption by the Board.

Mr. May said INDOT has released final PMTF figures for 2014 and Bloomington is slated to receive a decrease of about 4.05 percent or \$104,080 less than we received in 2013. He said reasons for the decline are likely attributable to our slower growth in ridership in the past few years as well as changes in data reported by other transit systems that receive PMTF funds. He noted the PMTF pot has remained stagnant for five consecutive years without increasing. He said staff believes that we can absorb this increase in the 2014 budget but added that if PMTF funding continues to decline in future years we could eventually be faced with some hard decisions relative to cutting service and/or increasing fares beyond 2014. Mr. May said we will have a better idea by the end of the year where we stand with regard to cash on hand once the construction of the Downtown Passenger Transfer Facility is complete. He noted our cash reserves will be one of the primary ways that we offset any PMTF funding losses in 2014 and in future years. He said we have Resolution 13-33 on the agenda for the Board's consideration to authorize the execution of the PMTF grant agreement.

Mr. May noted he has talked with Margie Rice about hiring legal counsel with experience in the field of litigation and recovery on a fee contingency basis to possibly pursue litigation against previous owner(s) of the site for the new Downtown Passenger Transfer Facility with respect to recovering costs incurred for the cleanup of underground storage tanks, contaminated soil, and environmental consulting and testing services. He said he will work with City Legal to prepare an RFP for such legal services. Once proposals are received, we will evaluate and make a final recommendation to the Board in the future. He said on the agenda is Resolution 13-34 that would authorize the issuance of an RFP to solicit proposals for legal services for possible litigation to recover costs incurred for removal of underground storage tanks, contaminated soil, replacement of such soil, and environmental consulting and testing services for the Board's consideration.

Mr. May said since the last Board meeting we have reached a tentative agreement with AFSCME Local 613 on a new 4 year Collective Bargaining Agreement. He said the union is planning to take the tentative Collective Bargaining Agreement to their membership for their ratification vote on Friday. Mr. May gave the Board an overview of the most substantive changes in the new Collective Bargaining Agreement as summarized in the following:

- Wage increases of 2014 – 0%; 2015 – 1 %; 2016 – 1.5%; 2017 – 2.0%
- In lieu of a wage increase in 2014 for certain bargaining unit positions, a lump sum payment equaling about 2 percent of 12/31/13 annual wages based on 2080 annual hours would be made for the first pay check of January 2014.
- Part-time fixed route operators would get a 3.0 percent increase in 2014 with no lump sum payment.
- Master Mechanic entry level wages would be increased from \$14.76/hour to \$19.49/hour beginning in 2014 to allow us to better attract experienced mechanics when vacancies occur. Further, the first four steps of Master Mechanic wage progression steps would be melded into a single step with a single wage.
- Night shift premium would increase from \$.25/hour to \$.30/hour effective in January 2014 and the span of night shift hours would be increased from 7 p.m. – 3 a.m. to 7 p.m. – 5 a.m.
- The incentive bonus program would be increased from \$35/month (\$105/quarter) to \$120/quarter and payable on a quarterly basis rather than a monthly basis. This will require employees to have perfect attendance, no preventable accidents, and no disciplinary write-ups for a quarter rather than just a month to attain the bonus. If they attain the bonus, it will increase by \$15/quarter. Further, if they go an entire year with a perfect record in all three categories they will earn an additional \$300.
- Health insurance remains unchanged as we would continue to offer a PPO and HSA option. The premium equivalents paid by BPTC would remain 80 percent for the employee with a fixed dollar amount of \$1,030/month for those who choose dependant

coverage.

- A change to contract language allows BPTC to hire part time operators who will work 20 hours per week or less.
- The grievance process has been simplified so that arbitration is the third and final step-the step of the grievance process. The Board has been taken out of the grievance process.
- DOT physicals must be done by doctors designated by BPTC.
- Leaves of absence may be approved by the General Manager instead of the Chairperson of the Board.
- Absenteeism policy has been amended to a rolling 12 month period versus present calendar year. Number of occurrences prior to disciplinary action has been reduced by one. Termination occurs following nine occurrence of absenteeism in a year instead of ten.
- Currently employees receive 200 hours of Paid Time Off in their 20th year of employment. Employees hired after January 1, 2014 will be limited to 160 hours of PTO.
- Process whereby operators may switch from their bid run to an open run is defined such that they may switch between AM and PM runs on their regular work days but may not switch from one day to another.

He said we believe this proposed Collective Bargaining Agreement is fair and reasonable for both parties and we strongly recommend approval and adoption by the Board. He noted Resolution 13-36 is on the agenda for the Board's consideration.

MESSAGES FROM THE CONTROLLER

Controller Browning noted that Resolution 13-35; a resolution authorizing the transfer of funds between budget categories for the calendar year 2013 budget is on the agenda for the Board's consideration and approval.

Controller Browning gave an overview of the November Financial Report.

MINUTES

There were no minutes presented.

CLAIMS

The claims for December 17, 2013 were presented for approval by Board Member Obermeyer and seconded by Board Member Obermeyer. The claims were approved unanimously.

OLD BUSINESS

Under Old Business, Board Member Obermeyer moved that Ordinance 13-02; an ordinance establishing maximum salary levels for appointed officers and employees of the BPTC for Calendar Year 2014. The motion was seconded by Vice Chairman McDaniel. The motion was approved unanimously.

NEW BUSINESS

Under New Business, Board Member Obermeyer moved to approve Resolution 13-33; a resolution authorizing the BPTC Chair to execute a grant agreement with the Indiana Department of Transportation for financial assistance through the Public Mass Transportation Fund under I.C. 8-9.5-6-4. The motion was seconded by Board Member Hasler. Resolution 13-33 was approved unanimously by all Board Members.

Also under New Business, Vice Chairman McDaniel moved to approve Resolution 13-34; a resolution authorizing the issuance of a Request for Proposal for legal services for potential recovery of costs for removal and remediation of underground storage tanks/soil and environmental consulting/testing. The motion was seconded by Board Member Obermeyer. Resolution 13-34 was approved unanimously by all Board Members.

Under New Business, Board Member Hasler moved to approve Resolution 13-35; a resolution authorizing the transfer of funds between budget categories for the calendar year 2013 budget. The motion was seconded by Board Member Obermeyer. Resolution 13-35 was approved unanimously by all Board Members.

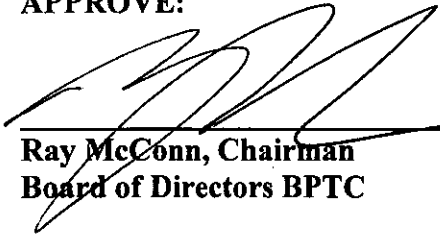
Also under New Business, Board Member Obermeyer moved to approve Resolution 13-36; a resolution approving a Collective Bargaining Agreement with AFSCME Local 613 for the period January 1, 2014 through December 31, 2017 and authorizing the Chairman, Secretary and General Manager to execute the agreement. The motion was seconded by Board Member Hasler. Resolution 13-36 was approved unanimously by all Board Members.

Under New Business Chairman McConn introduced Ordinance 13-02; an ordinance establishing maximum salary levels for appointed officers and employees of the BPTC for Calendar Year 2014. The Board concurred with the introduction of the ordinance.

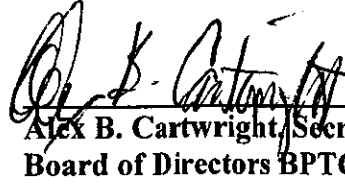
Under New Business Vice Chairman McDaniel moved to continue the appeal to allow bus advertising for Habitat for Humanity. Chairman McConn seconded the motion. The Board unanimously approved.

ADJOURNMENT

APPROVE:


01-14-14
Ray McConn, Chairman
Board of Directors BPTC

ATTEST:


01-14-14
Alex B. Cartwright, Secretary
Board of Directors BPTC