

**REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION
CORPORATION (BPTC) JULY 28, 2015, 5:30 P.M.**

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

ROLL CALL

Board Members present: Chairman Obermeyer, Vice Chairman McDaniel, Secretary Hasler, Board Member McLary, and Board Member Cartwright. Also present were Lewis May, General Manager, and Brenda Underwood, Human Resource/Marketing Administrator and there were no members of the public present.

PETITIONS AND COMMUNICATIONS ON NON-ACTION ITEMS

There were no petitions and communications on non-action items.

MESSAGES FROM BOARD MEMBERS

There were no messages from board members.

MESSAGES FROM THE MANAGER

Mr. May presented the 2016 budget to the Board. He said our budget presentation before the City Council will be Tuesday, August 18. He said we will go back to the City Council in September and again in October to get the budget formally approved. He said in the board packet is a copy of the draft budget. He noted he has prepared a summary PowerPoint presentation for the Board. He said within the budget we have four budget classes Personnel, Material and Supplies, Services, and Capital. Mr. May showed a slide that included the total budgeted amounts for each class in 2016 compared to the 2015 budget. The slide is summarized in the table on the following page. Mr. May noted that Class I Personnel costs are proposed to increase 3.55 percent compared to 2015; Class II Materials and Supplies are proposed to decrease 5.45 percent compared to 2015; Class III Services are proposed to increase 9.53 percent compared to 2015; and Class IV Capital is proposed to decrease 22.7 percent compared to 2015. Total operating and capital expenses are proposed to decrease by 1.25 percent compared to 2015. Mr. May proceeded to discuss specific highlights and line items for the budget as described in the following.

Budget Class	2016	2015	Change
I – Personnel	\$5,381,809	\$5,197,446	3.55
II – Materials & Supplies	\$1,489,471	\$1,575,290	(5.45)
III – Services	\$1,248,240	\$1,139,683	9.53
IV – Capital	\$1,103,154	\$1,427,150	(22.70)
Total	\$9,222,674	\$9,339,569	(1.25)

- **Wages.** He said the collective bargaining agreement calls for across the board wage increases of 2 percent for all positions with the exception of BT Access operators. He said the way our collective bargaining agreement is structured, full-time BT Access operators will see pay increases ranging from 2.5 to 3.75 percent depending on their tenure. He said the part-time BT Access operators will see increases ranging from 2.0 to 4.0 percent depending on their tenure. He said the non-union staff is budgeted for 2.0 percent increase.
- **PERF.** He said the public employee retirement fund is the primary retirement fund for BPTC full-time employees. He said the State of Indiana determines our annual PERF rate based on their actuarial analysis which has not been done yet. He said in 2016 we are estimating that our PERF rate will increase from 11.2 percent to 12.0 percent. He said this is a 5.63 percent increase in employer contribution to PERF compared to the previous year.
- **Group Insurance.** He said health insurance is a major expense item and is significantly affected by health insurance reform. He said we have budgeted a 7.5 percent increase in BPTC funded group insurance coverages including health, dental, disability, life and vision. He said this is based on our experience from the past year and projections for the upcoming year.
- **Fuel/Oil.** He said fuel is always a major element of every budget. He said fuel cost have been fairly stable over the past few years due to market conditions and our price lock agreements. He said our diesel costs are locked in at \$2.03 per gallon for about 112,000 gallons of diesel fuel needs over the first six months of 2016 as part of the fuel contract with IU. He said we have conservatively budgeted an average of \$3.25 per gallon for 290,000 gallons of diesel fuel and 24,000 gallons of unleaded gasoline in 2016. He said this line item is likely budgeted high compared to what our fuel costs will actually be. He said given the uncertainty of economic and geopolitical impacts on fuel costs we feel it is always best to budget high for fuel.

- Parts. He said parts are a major expense item for every budget. He said parts costs and usage have been increasing fast and we have budgeted a 10 percent increase overall. He said the primary reason for the increase is the continued aging of our fleet. He said the average fleet age for the fixed route fleet is 10.1 years and the average age of the BT Access fleet is 6.1 years. These average ages are relatively high and as such our fleet consumes a greater level of parts than it would otherwise consume if the age were younger.
- Professional Services. He said we have budgeted a 22.81 percent increase in all professional services for 2015 compared to 2014. He said most of this increase is due to having a \$60,000 expense item for the conduct of two planning efforts required by FTA including an Asset Management Plan that sets a foundation for managing the BPTC's fleet and operations infrastructure in the future. He said the second is a System Safety Plan that provides policy and operational guidance for protecting the safety of customers and employees. He noted both of these plans will be produced with the assistance of planning consultants. He said 80 percent of the costs of these planning efforts will be funded by Federal planning funds provided to us by the local MPO. He said another significant cost addition that is in the 2016 budget is \$10,000 for an annual support and maintenance contract for our new paratransit scheduling software which we plan to purchase this year. He said another cost item is janitorial services at the Downtown Transit Center which is \$11,000 higher than we budgeted in 2015.
- Utilities. He said electricity and gas costs in the 2016 budget are showing a 0 percent increase as we budgeted too high in 2015 due to the new Downtown Transit Center. He said we don't think any increase in these line items will be necessary in the 2016 budget. He said natural gas costs have been reduced by \$16,000 from the 2015 budget as we were significantly high in 2015.
- Auto Liability, Workers Compensation, and Casualty Insurance. He said this is a budget item that has been increasing steadily in recent years. He said we have budgeted a 9.1 percent increase for this in 2016 compared to 2015.
- Motor Equipment. He said we propose to replace one 2003 40-foot diesel bus in 2016 at the cost of \$450,000. He said 80 percent of the cost of that vehicle will be funded with Federal STP funds. He said we also propose to purchase two BT Access vehicles, one of which will replace a 2002 cutaway vehicle and another will serve as expansion of the fleet due to the 20 percent increases we have had in ridership each of the past two years. He said we also are including the replacement of a 2006 SUV support vehicle in 2016 at the cost of \$30,000.
- Facility Exhaust Upgrade. He said a few years ago we upgraded the BT maintenance bays exhaust system to handle the higher temperature exhaust generated by new diesel engines when they go into regen mode. He said at the time we only had sufficient funds to do the BT side of the maintenance shop. He said it wasn't necessary to do the IU side of the shop at the time given they didn't have any new diesel engines that generated higher temperatures. He said IU has recently taken delivery of new buses with the higher

temperature exhaust. He said we plan to use Federal 5307 funding to fund 80 percent of the cost of upgrading the five bays on the IU side of the shop. He said the total project cost is budgeted at \$60,000.

- Surveillance Equipment. He said since this facility was built in 1997 we have never had a surveillance system on the Grimes Lane facility either for the interior or exterior portions of the facility. He said for years we have discussed the possibility of having such a surveillance system for enhanced security and safety. He said a system would help better ensure the security of our facility and our employees. He said with the advent of the B-Line trail we have had more people walking onto our property from the trail at all hours of the day and night. He said this has resulted in increased vandalism and encounters with people on the property in places they shouldn't be. He said a surveillance system would also help to better protect our assets such as our fleet, our equipment and our parts room. He noted we have had some instances of accidents on the property some of which are reported and some that are not reported. A surveillance system would help us better investigate those accidents. He said we have budgeted \$50,000 for a surveillance system which would be 80 percent funded using Federal 5307 funding.
- Fleet Maintenance Software. He said included in the budget is \$20,000 to replace and/or upgrade our current fleet maintenance software which was purchased before 1998.
- Mobility Management. He said we have budgeted \$25,000 for the mobility management agreement with Area 10. He said this includes continuation of the successful taxi voucher program as well as possible new mobility management strategies. He said the program would be entirely funded by New Freedom funds and local match from Area 10.
- STP Funding for Rural Transit. He said Rural Transit has been programmed into the MPO's TIP for the use of \$150,000 of STP funding for preventative maintenance purposes. He said given that the STP funds will be converted into Federal 5307 funds and given BPTC is the only designated recipient of 5307 funds, the converted 5307 funds will have to flow through BPTC to Rural Transit. As such, it needs to be shown in our budget as a pass through expense and revenue item. He said we are showing it in our 2016 budget in the amount of \$150,000. He said no BPTC funds or match will be necessary for this project.
- Property Tax. He said we have budgeted what we think will be a maximum levy increase of up to 3 percent for this revenue item. The actual levy increase will be based on the local growth quotient ceiling.
- COIT. He said we have not received COIT estimates yet from the County. He said we have estimated a 1.28 percent increase in COIT revenues.
- Passenger Fares. He said based on current trends in fare revenue we have budgeted a 0 percent increase. He said we have budgeted \$600,000 for passenger fare revenue which does not include IU student fare revenues but does include faculty/staff revenues.

- IU Contract Revenue. He said these are funds we get via our contract with IU each year for student fare revenue, bus wash /fueling revenues, and snow removal revenue. He said we have budgeted an increase of about \$10,000 in 2016 compared to 2015.
- Federal. He said this revenue item includes 5307 formula funding, New Freedom funds, and carryover JARC funds. He said we have budgeted about a 6 percent decrease in total Federal funds. He said this is primarily due to having a capital budget class that is 22.7 percent less in 2016 than 2015. He said in 2015 we had \$1.75 million budgeted for motor equipment compared to \$593,154 in 2016. He said the amount of Federal funds is less in 2016 compared to 2015. He said the New Freedom grant funds are included in this revenue line item for the mobility management program. He said the carryover JARC funds are included to fund the late weeknight service.
- MPO Planning Funds. He said we are budgeting about \$48,000 more in Federal planning funds in 2016 compared to 2015 due to the planning activities mentioned in the Professional Services line item dealing with development of an asset management plan and safety plan development in 2016.
- PMTF. He said we budgeted at 1.64 percent increase in State PMTF funds based on the latest figures provided to us by INDOT. He said this will be about a \$40,000 increase in PMTF funding. He noted that the PMTF formula will change for 2016 to be a far less performance based formula.
- Advertising Revenue. He said we are budgeting about \$10,000 less in advertising revenues in 2016 compared to what was budgeted in 2015. He said our advertising revenues have been dropping in recent years.
- Transfer from Operating Reserve. He said if actual expenses and revenues equal budgeted expenses and revenue then a transfer from operating reserve of \$133,909 would be required as shown in the 2016 revenue budget. He said it is about 37.7 percent less than budgeted in 2015. He noted that if expenses for 2016 trend lower than budgeted, no transfer from reserve would be required.
- Total Expenditures. He said total operating expenses are proposed to increase 2.62 percent compared to the 2015 budget. He said total capital expenses are budgeted to decrease 22.7 percent compared to the 2015 budget. He said the primary reason for the large decrease in the 2016 capital budget is that we have budgeted one fewer 40-foot bus for purchase in 2016 compared to 2015. He said combined operating and capital expenses are budgeted to decrease 1.25 percent in 2016 compared to 2015.

Mr. May gave an overview of June ridership noting that June 2015 fixed route ridership was up 0.2 percent compared to June 2014. He said year-to-date fixed route ridership is down 2.94 percent compared to the same period last year. Mr. May noted BT Access ridership was up 27.92 percent in June 2015 compared to June 2014. He said the year-to-date BT Access ridership is up 19.79 percent compared to the same period last year.

MESSAGES FROM THE CONTROLLER

There were no messages from Controller Browning.

PUBLIC COMMENT – ACTION ITEMS

There were no comments from the public.

NEW BUSINESS – ACTION ITEMS

There was no New Business.

OLD BUSINESS

There was no Old Business.

MINUTES

The minutes for July 14, 2015 were presented for approval by Board Member Cartwright and seconded by Secretary Hasler. The minutes were approved unanimously.

CLAIMS

The claims for July 28, 2015 were presented for approval by Board Member Cartwright and seconded by Secretary Hasler. The claims were approved unanimously.

ADJOURNMENT

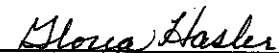
APPROVE:

ATTEST:



Nancy Obermeyer, Chairman
Board of Directors BPTC

08-11-15



Gloria Hasler, Secretary
Board of Directors BPTC

08-11-15