

REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) MAY 17, 2016, 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, Christa Browning, Controller, Brenda Underwood, Human Resource/Marketing Administrator, Eli McCormick, BT Customer Service, Ian Patton, BT Operations Manager, and members of the public Megan Banta, Herald-Times, Marilynn Conn, and Robert T. Babbitt, Ph.D., President/CEO McDonald Transit Associates, Inc.

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 noted every few years we conduct a mail out customer satisfaction survey of all of BT Access clients. He said we do that with a survey form that we mail out to each client and with that we include a postage paid envelope for them to return the survey. He said a little over 400 of customers who are registered in our BT Access database were sent a survey. Mr. May noted Eli McCormick our Customer Service Manager is going to share with the Board tonight the results of the survey. He said the most important question in our view is what is their overall satisfaction with BT Access service. He said in this year's survey 90 percent of the survey respondents rated us excellent or good. Eli McCormick noted that the survey consisted of 15 multiple choice questions with space available comments at the end that people could write in. He said 407 passengers got surveys and 117 were completed and returned to us which is about a 29 percent response rate. Mr. McCormick gave a PowerPoint presentation illustrating the survey results question by question. The Board commended Mr. McCormick and Mr. May for the overall good responses received in the survey.

Mr. May said it is that time of year when we discuss with Indiana University our upcoming revenue contract for the 2016-2017 contract year. He note this is going to be a little bit of a different year for us in several perspectives working with the university. He said for the first time the university has told us to expect a 0 percent increase in student fare revenue. He said we have always had anywhere from 1.5 to 3 percent increases in student fare revenues. He said in some of the more recent years we have not gotten what we asked for from the university and as a result we had reduce service slightly in order to match our budget up with the amount of revenue we are getting back from the university. He said so again this year looking a 0 percent increase

we could be looking at some sort of very small service reduction to the campus. He said before he approaches the university with that he wanted to talk with the Board to be sure that they were comfortable with that. He said if we had gotten a 2 percent increase which is what we normally would have gotten from the university that would have been about a \$20,000 increase in the student fare revenue. He said we are projecting the student ridership to be up 2 percent this year. He said what we have done at the staff level is calculate how many hours of service we would have to reduce to equate to \$20,000 which would be a typical increase. Mr. May noted that \$20,000 would equate to about 320 revenue hours of service. He said we provide about 39,000 hours of service directly to the campus with Route 6, 7, and 9 so 320 hours less service is less than 1 percent of the total service directly provided to campus. He said secondly we also provide a faculty and staff bus pass program and the university compensates us for that they pay us at 60 cents per ride with a not to exceed ceiling of \$120,000 a year. He said this year we project to be reimbursed \$102,000 by the university so we are well below that ceiling. Thus in staff's opinion we will not have to ask the university to raise that ceiling for the next contract year. He said thirdly we fuel and clean all the IU Campus buses for them under contract. He said our wash crew does that and then we allocate the cost based on the number of buses that are serviced for IU annually. He said the university's share of the cost is roughly 1/3 of the total bus wash and fueling cost. He said this year we are looking at about a 13 percent increase in cleaning/fueling costs. He said fourthly we share this facility here with the university and we share the cost of maintaining this facility and one of those cost is snow removal on this parking lot and the employee parking areas and we charge the university \$250 per day with a not to exceed amount of \$2,500 and we are comfortable with that price and not proposing an increase. He said lastly and this is a new item we are proposing to add to the contract this year we are proposing to start the process of purchasing bus parts for IU and ultimately unifying our parts inventory with the university. He said the first step will be purchasing parts for the university. He said they currently have been purchasing all their own parts for their bus maintenance needs they have asked us to consider purchasing those parts for them. He said fortunately their fleet is identical to our fleet and it would be very easy for us to increase the quantity of parts that we are purchasing and increasing our on hand stock and then marking that inventory up that we provide to them. He said we are proposing a 5 percent markup on all parts purchased that we would do for the university. He said they estimated that they purchase about \$100,000 in parts annually and that would equate to about \$5,000 to cover our administrative cost for ordering and maintaining a parts inventory for them. He said they will continue to keep their parts inventory that they have on hand and will slowly reduce their parts inventory over the next few years to zero and then we would combine the parts room. He said we communicated to them we don't want to be responsible for any shrinkage in their parts room so they are going to continue to maintain their own parts room they are just not going to add anything to it. He said those are the primary details associated with the proposal that he is going to put forward to the university before he does that he wanted to be sure the Board is comfortable with what he is proposing. Board Member McLary asked if the 320 hour service reduction might entail starting a little later on one route or cutting it earlier at night without an impact on headways. Mr. May said we have not identified where we would make those cuts but we are not proposing to change the headways as we would try to make the cuts in the areas that would impact the fewest number or riders. Board Member McLary said 60 cents a ride for university faculty and staff is low and since we have not hit the cap he would rather see increasing that to go to the cap and not cutting service. Mr. May explained the 60 cents a ride provided a 20 percent discount over the cost of a monthly bus pass which calculates to 75 cents a ride assuming the person rides 40 times a month ($\$.75 \times 40$ rides equals \$30/month which is the cost of a monthly bus pass). Board Member McLary

suggested a different approach whereby we ask for an increase for the faculty/staff per ride cost to get us closer to the \$120,000 ceiling. Mr. May noted that might be a good approach given that that the additional cost to IU wouldn't come from the student transportation fee. Vice Chairman McDaniel said the faculty/staff pass revenue sources is from Parking Operations. Mr. May said he does not know if university would be open or amenable to an increase but said it's worth having that discussion with them. Board Member McLary said if we are not hitting the cap and we are \$18,000 under the cap now so his thought is he would rather not see service cut and would rather make a more reasonable effort at the other side of the equation. Vice Chairman McDaniel said it might be helpful to explain how IU determines the percentage increases annually. He explained that the General Assembly requires IU to set student fees 2 years in advance. He said last year they got a 1.6 percent increase and were told at that time that the year after would be zero so we have known this was coming for a while. He said in fact we mentioned it to Lew when we were negotiating the contract last year. Mr. May said in past years we have not always gotten what we requested and you may recall last year we cut some of the Night Owl service on Thursday nights. He said the last two years since we have not gotten what we asked for we implemented some small reductions and we tried to target routes and service that wasn't as heavily used as some of the daytime routes that had the high frequency and the higher use. Mr. May asked what the Board's pleasure concerning this. Secretary Hasler agreed with Board Member McLary's suggestion and urged staff to ask for an increase in the faculty/staff per ride charge. Chair Obermeyer said she thinks it would be worth asking them but has a feeling they may say no. She said and pose it as an issue the alternative is to reduce service provided to the campus. Mr. May said he does not think a service reduction will deter them from insisting on a zero percent increase based on past experience. He said the university has much more drastically reduced their own service in recent years. Mr. May suggested a middle ground approach in which we ask for an increase in the faculty/staff per ride cost from \$0.60/ride to \$0.675/ride. Such an increase would likely generate something in the order of \$10,000 to \$12,000 annually which would help to provide a needed increase in revenues from IU. The Board concurred with Mr. May's suggestion to grant IU no change in student revenues with the understanding that IU would provide the \$0.675/ride cost for faculty/staff trips.

Mr. May said for the past 18 years we have partnered with the Bloomington Parks and Recreation and provide free bus passes for kids in the Kid City summer camp program to travel to and from the different venues of the program using our fixed route bus service. He noted in return we are getting discounts for employee memberships at the Twin Lakes Recreation Center. He said we have excess seating capacity during the summer periods, so we can easily provide these empty seats to the Kid City Program. Moreover, this helps us in that we are getting young people on the bus at an early and impressionable age with the hope that they will continue to use BT as they get older. He said under New Business we have a motion to approve the donation of these passes for the Kid City program in return for discounted Twin Lakes Recreation Center memberships for BPTC employees. The Board concurred with staff's recommendation to continue to donate bus passes to the Kid City program in exchange for discounted employee memberships at the Twin Lakes Recreation Center.

Mr. May said we recently were approved by INDOT for a New Freedom grant. He said the Board authorized the use of BT local funding of about \$14,000 for the grant. We submitted our grant application to INDOT and they very quickly turned it around and our grant request has been approved. He said that will match the taxi voucher program that we have for people with disabilities and we will be able to continue that service starting January 1, 2017.

Mr. May said last week we submitted a federal discretionary grant application for the 5339(b) federal grant program. He said we are asking for \$1,056,000 for the purchase of three replacement buses for replacing 2003 buses. He said our project is scalable in that if FTA were not able to give us everything we asked for perhaps we could get something less than that to purchase one or two buses instead of three. He said there is a total of \$211 million available nationally for bus and bus facilities. He said it is going to be a very competitive program based on the age of vehicles nationwide that people are requesting and based on the State of Good Repair of those vehicles. He said no single application can receive more than 10 percent of the total available funding. He said we anticipate hearing back from FTA by late summer or early fall as to whether we get funded.

Mr. May said he wants to look at a possible Board Meeting schedule change in the month of July. He said currently we have a meeting schedule for July 18 and we are thinking we may need to move that meeting up about a week in order to properly complete our budget and get it to the City on time. He said in time for the August budget meetings. He noted he wanted to check with the Board and see if they were amenable to changing the July 19 meeting to July 12. Board Member McLary said he will be unavailable. The rest of the Board said they would be able to make it on that date.

Mr. May gave an overview of April ridership noting that April 2016 fixed route ridership was down 2.71 percent compared to April 2015. Year-to-date fixed route ridership is up 2.08 percent compared to the same period last year.

Mr. May noted BT Access ridership was down 4.9 percent in April 2016 compared to April 2015. He said the year-to-date ridership is up 3.54 percent compared to the same period last year.

MESSAGES FROM THE CONTROLLER

Controller Browning noted next on the agenda is Resolution 16-10; a resolution authorizing the creation of a Rainy Day Fund for the Bloomington Public Transportation Corporation. She said a new bank account was opened and these funds will be totally separate and restricted. Mr. May said bus replacements is a continuing need for the organization and it is one of our biggest capital expenses that we will have and this would provide the local match for future federal grants that typically pay up to 80 percent of the cost of bus replacement. Board Member McLary said that would save money out of our general funds. Mr. May said we would not have to use as much of our local reserves to match those grants as a result of having these funds in this new Rainy Day Fund.

Controller Browning gave an overview of the April Financial Report.

PUBLIC COMMENT – ACTION ITEMS

There were no comments from the public.

NEW BUSINESS – ACTION ITEMS

Under New Business, Board Member Cartwright moved to approve Resolution 16-10; a resolution authorizing the creation of a Rainy Day Fund for the Bloomington Public Transportation Corporation. The motion was seconded by Vice Chairman McDaniel. Resolution 16-10 was approved unanimously.

Under New Business, Secretary Hasler moved to approve the donation of bus passes to the City of Bloomington for their 2016 Kid City program. The motion was seconded by Board Member McLary. The motion was approved unanimously.

OLD BUSINESS

There was no Old Business.

MINUTES

The minutes for April 19, 2016 were presented for approval by Board Member Cartwright and seconded by Secretary Hasler. The minutes were approved unanimously.

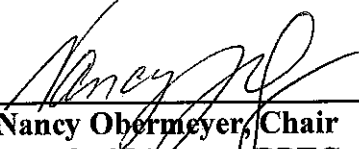
CLAIMS

The claims for May 17, 2016 were presented for approval by Board Member Cartwright and seconded by Secretary Hasler. The claims were approved unanimously.

ADJOURNMENT


APPROVE:

ATTEST:



Nancy Obermeyer, Chair
Board of Directors BPTC

06-21-16



Gloria Hasler, Secretary
Board of Directors BPTC

06-21-16