

**REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) JUNE 21, 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 Marilynn Conn.

**PETITIONS AND COMMUNICATIONS ON NON-ACTION ITEMS**

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

**MESSAGES FROM BOARD MEMBERS**

Vice Chairman McDaniel said the ITA Board of Directors met and one of the things they did was select a new Association Management Group and a new lobbying firm. He said after July 31 a new lobbyist and association management firm will be in place. Vice Chair McDaniel said he thinks it is a mistake and there are other ITA members against it. Mr. May noted he voted against the new firm on behalf of Bloomington Transit and that he voted to retain the existing firm, Taft who he believes has done a reasonably good job for us considering the circumstances. Board Member McLary asked if they were the ITA's lobbyist as well. Mr. May said yes. Board Member McLary said so there is a different lobbyist now. Vice Chairman McDaniel noted Doug Brown is going to be the chief lobbyist. Board Member McLary asked if there was any read on what Marion County looks like as far as the vote on public transit. Vice Chairman McDaniel said he does not know but it did get a lot of support from Republican leaders like the Chamber of Commerce and the Metropolitan Indianapolis Board of Realtors. Board Member McLary said the reason he asked was if it doesn't pass that will probably not bode well for us. Vice Chairman McDaniel expressed some concern about the passage of the recent local LOIT for public safety. Vice Chairman McDaniel said plus additionally will be the referendum to continue the tax for schools which some people will perceive as an increase. Board Member McLary said we can only hope that it passes in Marion County. Vice Chairman McDaniel said that will help.

**MESSAGES FROM THE MANAGER**

Mr. May opened the meeting with the proposed changes to the BT Access No Show Policy. He noted the No Show Policy has been in place for over 18 years. He said our No Show Policy on BT Access is not unlike that a lot of transit systems have had in place for many years. He said in more recent years FTA is scrutinizing these No Show Policies more carefully and they are requiring transit systems to change these policies. The primary reason is there is a feeling that most No Show Policies like ours don't take into account the frequency that a passenger might ride the system in addition to the percentage of no shows they incur compared to their trip

frequency and the system no show percentage. He said under our current No Show Policy the first set of three of no shows incurred within a 30 day period could potentially result in a one week suspension of service. He said for a person who rides frequently like 3-4 times per day it could have a disparate impact on them compared to a person who rides 3-4 months per month. He said FTA is requiring transit systems to revise their No Show Policy to take into account the frequency that a person rides. He said Eli has done some research on no show policies and we have a proposed No Show Policy for the Board to consider. He said Eli has taken the policy to our BT Access rider advisory committee (BCOATO and they have concurred with the proposed new policy. Mr. May asked Eli McCormick, BT Customer Service Manager to discuss the proposed new policy in greater detail. Mr. McCormick said basically we are keeping some things the same like the lengths of a suspension(s). He said the primary change is we are taking into account the frequency which someone rides. He noted that only about 2 percent of our trips are no shows. He said the new policy requires several criteria to be met relative to no shows if a persons is to face possible suspension of service. A passenger must have 4 or more scheduled trips in a 30 day period using a rolling calendar; they must accumulate 3 or more no shows during this period; their no show rate must be 10 percent or more of their scheduled trips in a 30 day time period using a rolling calendar. If all of these criteria are met, Mr. McCormick said the person could be subject to suspension of service. Board Member McLary asked if that was one-way trips or round trips. Eli McCormick noted it was one-way trips. Board Member McLary said so if they no show three out of four trips in a 30 day period is that what you are saying. Eli McCormick said that is right assuming these are the only trips they took. Mr. May asked Mr. McCormick what the first offense for violation of the policy was. Mr. McCormick said the first offense is a 7 day suspension of service and then you add 7 days to that for each subsequent offense. Board Member McLary said so the second offense is in a one year period is a 14 calendar day suspension of service. Eli McCormick said that is what is proposed in the new policy. Board Member McLary asked if within a one year if you have a second offense then does it go back to zero at the end of the rolling year if you go without any further no shows. Eli McCormick said yes but it is rare that someone has a second or third offense. Board Member McLary asked if the new software will track no shows and Mr. McCormick responded yes so far as he understand how the new software will work. Board Member McLary asked how many people have been suspended on BT Access. Eli McCormick said he has looked at some past no shows in the past year and he had ten. Mr. May noted we get an occasional appeal of no shows and there is an appeals process where a person if they feel like a no show was beyond their ability to control can appeal any suspension. He said when we have an appeals process there is a committee that hears those appeals and we listen to the reasons and the rationale that the person presents and we make a decision whether or not to charge them with a no show. Mr. May said we have Ordinance 16-01 on the agenda tonight for Introduction and First Reading and then we would consider final approval at the next Board Meeting following a public hearing and consideration of any public comments received at the hearing.

Mr. May said next on the agenda is the Indiana University Interlocal Agreement for the 2016-2017 contract year. He said we discussed at the last Board Meeting and solicited Board input as we approached negotiations with the university on a new agreement. He said as we discussed at the last Board Meeting the university made it very clear that they were looking for a 0 percent increase in student fare revenue. He said on the other items we typically allocate cost on bus wash cleaning and fueling based on the number of pull outs for each fleet whether it is BT or IU and we simply allocate what our expected cost are and we charge them a portion of those cost based on the number of pull outs that they have. He said on the faculty/staff we had talked about

how we charge .60 per ride with a ceiling of \$120,000. As the Board directed, we increased the faculty/staff per trip charge to \$.675/ride cost and kept the ceiling the same since we were below the ceiling. He said we presented these proposals to the university and they have accepted. He said subject to Board approval the Interlocal Cooperation Agreement will go into effect July 1 and Resolution 16-11 is presented under New Business for the Board's consideration tonight.

Mr. May noted the budget process has been started for the 2017 Budget. He said we work with the City as part of our budget development process. He said we have a new Mayor this year who has been working closely with City department heads on goal-setting and preparation for the 2017 budget. He said he had his third City budget retreat today and they spent five hours today working with other department heads and preparing for the upcoming budget presentations. He said our plan is to present a budget to the Board at the next Board Meeting on July 12. Before we present that budget to the Board he wanted to have an opportunity for the Board to provide any input suggestions or ideas you may have so it can be included in the new budget. He gave the Board a brief overview of some of the priorities that we have identified in the upcoming budget.

- Wages – the collective bargaining agreement includes an across the board 2.0 percent increase for all positions with the exception of BT Access operators whose increases would be in the range of 3 to 8.8 percent depending on seniority. We also are planning for budget purposes a 2 percent increase for non-bargaining unit staff. Board Member McLary asked do you give a flat 2 percent or are there evaluations done and someone might get more or less than 2 percent. Mr. May said on the non-bargaining unit side it is a merit based pay increase and we budget 2 percent. Each non-bargaining unit person's performance evaluation will determine what their wage increase will be and there are cases where somebody might get more or less than 2 percent based on their performance. Chair Obermeyer said one of the things that we have never really done or addressed as a Board is looking at what people do and it looks like to her that in the next few years we are going to be coming through a transitional stage. She said she wonders if it might be worth thinking longer term about doing some strategic planning and assessment of staff responsibilities and duties to ensure we have people with the proper knowledge and training to step in when people leave the organization. She said she would like to consider putting on a future Board Meeting to further discuss such strategic planning and maybe getting some help from outside sources. Board Member McLary said during the discussions on the management contract that is one of the questions we raised. He said doing a position analysis for every position including what does each position do, staff responsibilities, and duties. Board Member McLary said is that something we need to put in the budget or if that can be a planning grant through the MPO. Mr. May said the work program through the MPO has already been set for the next two years. He said certainly we can use some of our 5307 money for planning purposes we typically have a little bit of a back log of 5307 dollars and don't think it we are talking about a large sum of money that would be used for this project. Mr. May asked are you envisioning hiring somebody from the outside to come in and do an analysis. Board Member McLary said Nancy and he talked I am sure there are people over at SPEA or at Kelly School that do that kind of thing or we could get an outsider to take an objective look at it. Vice Chairman McDaniel said they also wouldn't know anything about transit. Board Member McLary said that is true and that is the downside of it. Mr. May said Nancy mentioned the term strategic planning which encompasses a lot more than just looking at sort of a positional analysis within the organization.

He said strategic planning is looking at the entire organization and the community and where we want transit to be in a certain period of time. He said if that is what you are looking at then you are probably looking at a transit planning consultant and that would be an MPO type study that is typically is funded through MPO dollars. Board Member Cartwright noted that it could be very expensive. Mr. May said that is a more expensive undertaking and then you could do much more well defined personnel study where you are looking at the structure of the organization how the duties and responsibilities are allocated between the different positions, what the market pay ranges are for those positions compared to what our current pay levels are, and if there are changes that we need to make and adjustments that need be made. Board Member McLary said it may be both and separate. He said it may be that the position evaluation is one and the strategic planning may be another and that would be a year down the road instead of doing it right away but the position evaluation he thinks we would want to do sooner. Mr. May said he is glad to talk to the Board about some methodologies or approaches as to how we can get that done. He said the City periodically does market analysis for staff positions and salaries and they outside expertise to undertake that for them. Board Member McLary said maybe we could tag on to the City's effort. Mr. May said they certainly have some expertise at doing this and have some scope of works that we could potentially use if we couldn't tag on to some work that they are doing.

- Positions – Mr. May noted that we expect to budget for a new financial management position which most likely will be a part-time position. Board Member McLary said he would think for the budget we should go ahead and budget for the position as a full-time position even though you may not ultimately hire someone full. Board Member Cartwright said he thinks that it needs to be approached from the stand point of understanding what that specific administrative areas you are talking about. Board Member McLary said what he is saying is you put the position in but you don't fill it until you know what you need. Mr. May said for budget purposes we were talking about a new financial management position that will provide Christa some additional assistance. Board Member McLary said he would call it a management position and once we do the evaluation we can decide what department. Mr. May said another thing is doing a personnel study where you hire an outsider to come in and do an assessment of your positions duties responsibilities and salaries. He said what you are suggesting we should budget for a full-time and include a place holder in the budget for a personnel study of some kind. Mr. May said he will talk with the City and see if they can give us an idea of what that cost might be for a personnel study. Controller Browning said this something that we could undertake in this year's budget. Board Member McLary said if we can squeeze it into this year's budget it would be advisable because then you would have the information before the year starts and you would know what you are going to do. Chair Obermeyer said she thinks it is important to be planning ahead and figure out how we approach organizational staffing. Mr. May said we will not have to put that into the budget for next year we will go ahead and do that this year and we will budget the new position as a full-time management position.
- Health Insurance – we had a very good year in the previous year for health insurance and our current thinking is we can budget for another reasonable increase in costs for health insurance including health, dental, short term disability, life, vision, and felonious assault insurance.
- Fuel – we took bids today. Bids were opened at \$1.68/gallon for diesel fuel for about 195,000 gallons for the period July 1, 2016 thru June 30, 2017. Mr. May said this is a line item where we will be able to realize some significant savings in terms of the budget.

- Bus Replacement – we have \$1.44 million in Federal STP flex funds committed by the local MPO that will provide 80 percent of the cost of four (4) 40-foot buses. Total cost including local share would be about \$1.8 million as part of the 2017 budget. Not included in the budget is the possible addition of \$1.08 million in Federal 5339 funds that we have included in a current Federal 5339 grant application that is pending. If this is approved (announcement would be in fall 2016), then Mr. May suggested we take an additional appropriation ordinance to City Council for approval.
- Shelters - \$44,200 is budgeted for the purchase of up to six (6) new passenger shelters.
- Mobility Management Program - \$42,000 (\$28,200 Federal) total for resumption of the taxi voucher program for persons with disabilities effective January 1, 2017.

Mr. May said on the revenue side of the budget, we haven't finished our estimates for the various funding sources but federal and state are our two biggest funding sources by far that make up 60-65 percent of our total revenue. He said we are not anticipating any significant changes in State or Federal revenue. He said Controller Browning is doing a projection on the reserves and we know that we will need to use some reserves and/or rainy day fund to fund the local match for capital projects such as bus replacement. Such match could be \$300,000 or more for the 2017 budget year.

Mr. May thanked the Board for their input relative to organizational staffing and indicated that we would get that process started in the next few months with the goal of finishing it by the end of 2016.

Mr. May noted every three years FTA requires us to update our EEO Policy and included in the Board packet is a copy of our proposed and updated EEO Policy and Program document. He said there is one change that we are proposing to make in this document and for the first time we are proposing to establish some specific hiring goals for various race and gender categories in an effort to try to enhance diversity in our workforce. He said as part of our EEO program update we looked at City of Bloomington Census in terms of population by race and then we compared that to the Bloomington Transit employee census. He said in the areas where we are under the census population percentages we have identified two areas of diversity that we would strive to improve over the next three years. The first would be in the Asian category where 8 percent of the Bloomington population according to the 2010 census was Asian and 0 percent of the Bloomington Transit employee census is Asian. He said secondly accordingly the 2010 census 3.5 percent of the City of Bloomington population is Hispanic and Bloomington Transit is currently at 1 percent of our total employee population as Hispanic. Thus we are proposing to set goals to increase the percentage of BPTC employees for Asian and Hispanic to 2.9 percent each. For both categories this would take us from 0 and 1 employees respectively to 3 employees for both categories. He said the other goal we have included in the plan and perhaps our most ambitious goal is to increase the number of females in the workforce. Currently we are at 23 female employees and we are proposing over the next three years to increase that to 28. He said that is an increase of 5 female employees or about 20 percent more than current. He said it is a challenging industry sometimes to get female employees as bus operators and for bus maintenance. He said most of our female employees are on our administrative and management side. He said those are the goals we have identified which we think they are reasonable and achievable. He said we have included a copy of the EEO program in the Board packet. He said there is a resolution on the agenda for your approval of the EEO plan that is submitted to FTA.

Mr. May said since we moved into this facility in 1997 we have purchased fuel together with IU Campus Bus. He said the university procures that fuel on behalf of both organizations. He said we have for about 6-7 years now been using fixed priced fuel contracts for a portion of all of our diesel fuel needs. He said roughly about 70 percent of our diesel fuel has been locked into a fixed price contract. He said the primary reason that we lock in the fixed price for a whole year is to provide a price hedge for a very volatile commodity in our budget.. He said we use almost 300,000 gallons of diesel fuel a year. He said when fuel is over \$3 per gallon it is approaching the \$1 million expense item in our budget. He said it is a significant part of our budget and when it is volatile like it has been we have seen huge impacts on our budget. He said locking in at a fixed price helps us overcome some of the volatility of the commodity and it also gives us budget certainty for a large portion of our fuel needs. He said in essence it is like an insurance policy that we are buying on an important budget line item. He said there is always a chance that fuel prices could go down and you might end up paying more for fuel than you otherwise would have if you had bought it off the spot market. By the same token, there is also the chance that fuel may go up in price and if you don't have a fixed price contract your fuel expenses will be significantly higher than budgeted. He said today IU opened up fuel prices and he passed out a summary of the bids at the table as provided by Perry Maull at IU Campus Bus. He said remarkably the price is down on fuel again with the low bidder being White River Co-Op at \$1.6775 per gallon. That is lower than last year's fuel contract which was at \$2.03 per gallon. He said we think it is an excellent opportunity to lock in again to help provide a hedge against the volatility in this significant item in our budget and it will also help us realize some savings that we can use in our budget. Mr. May said Resolution 16-13 is on the agenda and serves as your final confirmation of the purchase award and BPTC's commitment with IU Campus Bus for the fixed price fuel purchase.

Mr. May gave an overview of May ridership noting that May 2016 fixed route ridership was down 5.58 percent compared to May 2015. Year-to-date fixed route ridership is up 1.24 percent compared to the same period last year.

Mr. May noted BT Access ridership was down 1.45 percent in May 2016 compared to May 2015. He said the year-to-date ridership is up 2.52 percent compared to the same period last year.

### **MESSAGES FROM THE CONTROLLER**

Controller Browning noted next on the agenda for Introduction and First Reading is Ordinance 16-01; an ordinance authorizing award of contract with McDonald Transit Associates, Inc. for the provision of transportation management services.

Controller Browning gave an overview of the May 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 16-11; a resolution approving the Interlocal Cooperation Agreement between the Bloomington Public Transportation Corporation and Indiana University for the 2016-2017 school year and authorizing the Chairman to execute the agreement. The motion was seconded by Secretary Hasler. Resolution 16-10 was approved unanimously with the exception of Vice Chairman McDaniel who abstained.

Under New Business, Board Member McLary moved to approve Resolution 16-12; a resolution adopting an updated Equal Employment Opportunity (EEO) policy and program for the Bloomington Public Transportation Corporation. The motion was seconded by Board Member Cartwright. The motion was approved unanimously.

Also under New Business, Secretary Hasler moved to approve Resolution 16-13; a resolution authorizing the BPTC General Manager to purchase fuel through participation and commitment of the BPTC with Indiana University Campus Bus in a fixed price fuel purchase with the lowest, responsive and responsible bidder for the period July 1, 2016 through June 30, 2017. The motion was seconded by Board Member Cartwright. The motion was approved unanimously.

Under New Business, Vice Chairman McDaniel moved to introduce Ordinance 16-01; an ordinance authorizing award of contract with McDonald Transit Associates, Inc. for the provision of transportation management services. The motion to introduce the Ordinance was approved unanimously.

Also under New Business, Vice Chairman McDaniel moved to introduce Ordinance 16-02; an ordinance adopting changes to the rules governing the use, operation, and maintenance of BT Access service. The motion to introduce the Ordinance was approved unanimously.

### **OLD BUSINESS**

Board Member McLary asked where we are on the BT Access software. Mr. May said we have reached a tentative contract agreement just today with HBSS. He said the big hold up was negotiating the indemnity provisions in the contract which was undertaken by attorneys on both sides. He said the primary concern is because this software will reside on the cloud rather than on our server we want to be certain that safeguards are included within the software as well as by the hosting service to prevent any hackers from getting into the data base and accessing any privacy information. He said if that was to happen we did not want to be responsible for any damages that would potentially occur. He said since this software is not going to reside on our server it is going to reside on someone else's we wanted them to take full responsibility for any indemnification necessary for us. He said at first they asked for mutual indemnification and our attorney said no that they were going to have to take full responsibilities for that so we went through several iterations of the indemnifications language and finally reached one that was acceptable to both parties. He said we had a few other issues that we had to negotiate including payment. Board Member McLary asked if there was a start day. Mr. May said he thinks it is mid-to late July. He said it is a 7-8 month process for installation of the base software.

## MINUTES

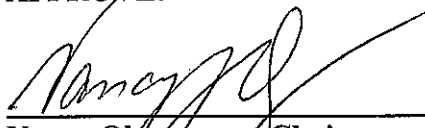
The minutes for May 17, 2016 were presented for approval by Board Member McLary and seconded by Board Member Cartwright. The minutes were approved unanimously.

## CLAIMS

The claims for June 21, 2016 were presented for approval by Board Member McLary and seconded by Board Member Cartwright. The claims were approved unanimously.

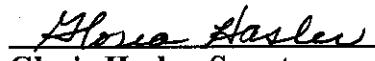
## ADJOURNMENT

**APPROVE:**

  
\_\_\_\_\_  
Nancy Obermeyer, Chair  
Board of Directors BPTC

07-12-16

**ATTEST:**

  
\_\_\_\_\_  
Gloria Hasler, Secretary  
Board of Directors BPTC

07-12-16