

REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) MARCH 10, 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, Board Member McLary, and Board Member Cartwright. Also present were Lewis May, General Manager, Brenda Underwood, Human Resources/Marketing Administration, Christa Browning, Controller, Barbara McKinney, City of Bloomington Attorney, and a member of the public, Mr. Cable.

PETITIONS AND COMMUNICATIONS ON NON-ACTION ITEMS

Mr. Cable, a member of the public said he was sent down by Regina Moore. He said he just witnessed a Bloomington Transit bus come around a corner coming off of Walnut Street turning west onto Sixth Street on all but two wheels. According to Mr. Cable once the bus got around that corner, the driver accelerated all the way down Sixth Street getting to the intersection of College and running a yellow light which turned yellow long before the bus got there. Mr. May asked if that happened today. Mr. Cable said it happened at 4:50 p.m... Mr. May asked Mr. Cable if he saw the bus number or know what route it was. Mr. Cable said no but the bus turned west onto Sixth Street off of Walnut and then went through the light so whatever bus should be in that area at that time you ought to be able to identify it. Mr. May thanked him for reporting that to us and noted that we can hopefully identify who that driver was. Mr. May added that most buses have cameras on them so hopefully we can watch the camera footage to corroborate Mr. Cable's report. Mr. Cable said he came down to talk to someone in the office here a few days ago because he is just finding out all this stuff the City of Bloomington just built for Bloomington Transit which he guesses is a private company and the City doesn't own the buses. Mr. May said we are a public corporation we are not part of the City but we are a public corporation similar in some respects to the library or schools or other municipal corporations. Mr. Cable said so the City just built you a multi-million dollar center downtown for the new bus terminal yet if you are over 60 and you want to get a pass to ride the bus at senior citizens rates you have to come down to Grimes Lane and get your picture taken for an I.D. which suggest to him there must be thousands of people trying to defraud BT by trying to claim that they are over 60 years old. He said he does not believe that is so and he does not know what needing a photo I.D. to ride the bus for half price is all about. He said we all think that Bloomington Transit central is this new place down here and get sent all over town trying to get this card because your state I.D. with your picture on it is not good enough to tell the bus driver that you are 60 year old or older. He said why do we want to put people through all that. It seems crazy and even if there were that many people trying to defraud Bloomington Transit. Chairman Obermeyer said one of the things to keep in mind is that the Transit Center has just been open since August and thanked Mr. Cable for his report. Mr. May said we will certainly check out the camera footage. He said the cameras are difficult to use to ascertain speed of a vehicle but you can certainly tell if he ran a red light. Board Member Cartwright noted the process to obtain an I.D. seems overly complicated. Mr. May said we have always required them to come here for the photo I.D.s. He said if they are age 60 or older or if you have a disability in order to qualify for that discount you

come here and get a photo I.D. from us and you show that when you get on the bus. He said the problem is we don't want to be accepting just any identification because there are so many different forms of identification and drivers are going to have to look at it look at the date of birth and it is going to hold everything up. Board Member Cartwright said if it doesn't have a picture on it, it could be passed around. Mr. May said the idea is to have one easily recognized piece of identification that the driver looks for so as not to unnecessarily delay service. He said we have the photo I.D. camera here we have talked about the possibility of buying a photo I.D. camera and putting it downtown. Mr. May said you shoot a picture and it is printed on a hard plastic card. Board Member Cartwright said so it could be really simplified. Mr. May said it probably could and it is something we would have to train our downtown staff to do. Chairman Obermeyer said it might be worth while. Board Member Cartwright said but his point is a good one. Board Member McLary said well you have not had that downtown terminal until recently so it might take a while to get that procedure together. Mr. May said we have talked about that possibility. Chairman Obermeyer said that was some useful information on both counts and thanked Mr. Cable for attending.

MESSAGES FROM BOARD MEMBERS

There were no messages from Board Members

MESSAGES FROM THE MANAGER

Mr. May noted he asked the Bloomington Transit legal council, Barbara McKinney, to come tonight to give the Board a summary of the conflict of interest requirements and disclosure requirements relevant to Indiana law. Barbara McKinney said state law says Board Members are public servants. She said as a member of the Board, if you have a contract with BPTC for the purchase of goods or services by BPTC from you, you are required by law to disclose this before the contract of purchase goes into effect. She said you can fill out the disclosure form yourself but she prefers that everyone go through her so that she can be sure all the forms are current. She said the form has to be approved by who ever appointed you to the Board and then she will disclose it at a Board Meeting. If the Board accepts it, the signed form is filed with the State and the County. She said it is a level VI felony and the sentence is between 6 months and 2.5 years in prison. She said the same rules also apply to a Board member dependant who may have a contract of purchase with BPTC. She said a dependent means your spouse, your child under 18, or anyone who gets more than 50 percent of their support from you. These dependants have to go through the same disclosure process. She said if you have a contract for purchase of less than \$200 the law doesn't apply but I tell people to disclose any way. She said the law applies for a year after you leave the Board. Ms. McKinney said the transit Personnel Policy says not only shall you avoid violating the State law, you shall avoid even an appearance of impropriety. Mr. May asked what would you say to the Board relative to voting on items that are related to these conflicts. She said the State law does not say you have to recuse yourself from such votes but she recommended it avoids the appearance of impropriety.

Mr. May updated the Board on SB 379. He said today was Transit Day at the State House. He said transit systems from all over the state were there it was coordinated by the Indiana Citizens Alliance for Transit which is a public citizen group that advocates on behalf of improved public transportation statewide. He said it was a big event and was held right on the second floor of the

General Assembly. He said we had a table along with other transit systems from across the State who had also had tables. Mr. May noted that the event gave us an opportunity to get with our legislators and talk about the various issues and bills. He said for him today he was able to meet with several legislators including Peggy Mayfield, Matt Pierce, Mark Stoops and also got to meet House Majority Leader Jed McMillan. Mr. May summarized that through discussions with Area 10, that both he and Kerry Conway are supportive of the bill with provisions to provide proper protection for Rural Transit. The challenge now is to get the bill approved by the House which probably means the necessity to get a hearing from the House Ways and Means Committee. At this point, it is uncertain how the Ways and Mean Committee Chair views the bill and whether or not he will give it a hearing.

MESSAGES FROM THE CONTROLLER

Controller Browning gave an overview of Resolution 15-03; a resolution authorizing the filing of applications with the Federal Transit Administration (FTA), an operating administration of the United States Department of Transportation, for Federal transportation assistance authorized by 49 U.S.C. chapter 53, title 23 United States Code and other Federal statutes administered by the Federal Transit Administration. This resolution would authorize BPTC to file grant applications with FTA to receive Federal funding assistance.

Controller Browning gave an overview of 2014 Financial Statements and Management Discussion and Analysis. Mr. May said what you are getting here is an advance look at the 2014 financial statements and some of the background information that goes with them. He said the State Board of Accounts will do a formal audit and they will test certain financial transactions. Controller Browning said she prepares the report and the auditors review it to make sure it is fairly presented and accurate. She noted that later in the year it will come to the Board as a Certified Audit Report from the State Board of Accounts. Ms. Browning provided the Board with a copy of the draft 2014 Financial Statements and Management Discussion and Analysis and summarized the key points of the documents. Board Member McLary asked if BPTC was self-insured. Mr. May said BPTC is partially self-insured for employee health insurance. In other words, we purchase reinsurance on every employee for any claims above \$30,000. Some employees are lasered at higher amounts if they have a serious medical condition. BPTC pays the claims on the first \$30,000 for every employee. Board Member McLary asked do you fund only what you payout and therefore you don't build in any excess. Mr. May said actually we do have excess that is carried over from year to year depending on amount of claims we get each year. Controller Browning said we budget just our expenses. She said she puts in what our expected claims expenses will be including our premium equivalents. She said it is a separate bank account and that money is restricted only for the use of health insurance claims. Board Member McLary said if you put \$500,000 in the budget and you only spend \$400,000 then \$100,000 remains in the account. Controller Browning said that money is in the insurance line item but it is not cash. Board Member McLary asked is it a funded amount do you carry it over to the next year. Controller Browning said no. Board Member McLary said so you let it go. Controller Browning said the budget authority is not carried over but the cash is. Board Member McLary said the reason he asked is in a self-insurance program if you budget \$500,000 spend \$400,000 you carry that \$100,000 over to the next year so that if next year your claims are \$600,000 it is covered. Controller Browning said the only way we can carry money over is we would have to have a contract or an actual claim to encumber. We cannot just say we didn't use that money we are going to carry it over. Mr. May said on that topic we project the current plan

year might be a difficult year in terms of total expenses. We have been meeting with our third party administrator SIHO and we are bracing for the possibility of having to review the schedule of benefits as well as increasing premiums.

Mr. May said the other dynamic we are dealing with here is the Affordable Care Act (ACA) and it too will have some impact on how much employees contribute for health insurance. He said it specifically says that the employee contribution cannot exceed 9.5 percent of their household income. He said we won't know what anyone's household income is because it is not required that they disclose that. As such, we have to base it off of what that employee is making annually. A full time employee is considered to be one that has averaged 30 hours per week over the previous year. Based on preliminary calculations, we may have to lower the HSA employee contribution to comply with ACA requirements. We will look at possible changes to the schedule of benefits to help offset any lowered employee premiums. Mr. May noted that we will consult with the union on any possible changes to the schedule of benefits as well as on changes to employee contributions. We expect to bring the Board a recommendation in April.

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 15-03; a resolution authorizing the filing of applications with the Federal Transit Administration, an operating administration of the United States Department of Transportation, for Federal transportation assistance authorized by 49 U.S.C. chapter 53, title 23 United States Code and other Federal statutes administered by the Federal Transit Administration. The motion was seconded by Board Member McLary. Resolution 15-03 was approved unanimously.

Also, under New Business, Board Member Cartwright moved to approve 2014 Financial Statements and Management Discussion and Analysis. The motion was seconded by Board Member McLary. The motion was approved unanimously by all Board Members.

OLD BUSINESS

There was no Old Business.

MINUTES

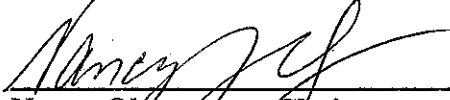
The minutes for February 24, 2015 were presented for approval by Board Member Cartwright and seconded by Board Member McLary. The minutes were approved unanimously.

CLAIMS

The claims for March 10, 2015 were presented for approval by Board Member Cartwright and seconded by Board Member McLary. The claims were approved unanimously.

ADJOURNMENT

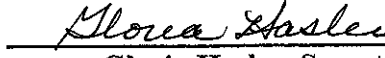
APPROVE:



Nancy Obermeyer, Chairman
Board of Directors BPTC

4-07-15

ATTEST:



Gloria Hasler, Secretary
Board of Directors BPTC

4-07-15