

REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) JULY 18 2017, 5:30 P.M.

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

ROLL CALL

Board Members present: Chair Nancy Obermeyer, Vice Chair Kent McDaniel, Secretary Mclary, Board Member Cartwright, and Board Member Marilyn Hartman. Also present were Lewis May, General Manager, Christa Browning, Controller, and Brenda Underwood, Human Resource/Marketing Administrator, Ian Patton, Operations Manager, and member of the public James Coker, AFSCME President.

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 the Board Members.

MESSAGES FROM THE MANAGER

Mr. May noted first on the agenda is the Collective Bargaining Agreement. He said at our June meeting we discussed reaching a tentative agreement with our AFSCME Local 613 following 3 days of negotiations in early June. He said since our last Board meeting the union has ratified the agreement by a vote of 27-4 which was good news. He said the agreement now comes to the Board for your formal consideration and approval. He said the important thing about this agreement is that both sides recognize the importance of addressing the issue of our driver shortage and as a result the primary changes in the agreement are significant increases to wages and benefits to help us to better attract and retain drivers. He said a summary is included in your packet of what we consider the most notable changes to the agreement. He said we talked about those at the last Board meeting. He said in addition in the Board packet is a copy of the marked up collective bargaining agreement itself. He said the additions and new language are shown as underlined. The parts that are eliminated or deleted are shown as struck through in the agreement. Mr. May said he would be glad to go over all the details of the agreement or just hit the highlights. Board Member Hartman noted she read through all the changes and she didn't see anything that deviated from the previous discussion and she didn't have any questions. Secretary Mclary asked what is eliminating the phrase rank and file. Mr. May said in the section of the agreement that dealt with the distribution of overtime distribution the term "rank and file" was used and it was a bit of a misnomer. It lead to some disagreement as to how the overtime distribution was supposed to work. He said we had a grievance from the union seeking binding arbitration which we denied because we had a written agreement with the AFSCME Local on

overtime procedures dating back to 2010 which had been followed consistently without any grievance or objection from the union for 7 years. He said more recently the union interpreted the term "rank and file" as applying to full-time employees which we disagreed with as we felt the term could apply to both full-time and part-time as both are eligible for full union membership. So with this new CBA agreement that phrase has been deleted so that it doesn't cause any further confusion.

Mr. May noted he would summarize the more notable changes to the collective bargaining agreement. He summarized the changes to fringe benefits as follows:

- Increased the employee HSA contribution from \$50 per month employer match to \$100 per month employer match. He said employees have two health plan options a traditional PPO plan and an HSA plan. He said if an employee is enrolled in the HSA plan, the employer will match employee contributions to their health savings account which is used to pay their out of pocket costs such as deductibles and co-pays. He said BT will match employee contributions up to \$50 per month. He said the employer match will be doubled from \$50 per month to \$100 per month.
- Provide health insurance to part-time employees upon completion of training with the requirement that they average at least 20 hours per week. He said right now the employee has to wait at least a year and they have to average at least 30 hours per week the preceding year. He said the provision of this benefit upon completion of training will help us in our driver and employee recruiting efforts.
- Increase the amount of Paid Time Off (PTO) that part-time employees get each year. He said currently they get 30 minutes per payroll period after the first year and 60 minutes a payroll period after the second year. He said that will be increased to 90 minutes per payroll period for employees with at least one year of service.
- He said another important benefit change is with the incentive bonus program. Currently an employee can earn a maximum annual payout of up to \$780 per year for perfect attendance, no preventable accidents, and no disciplinary write-ups paid on a bi-monthly basis of \$80 with an additional \$300 for any employee who earns the incentive in all 6 periods. That maximum payout will increase to \$1,000 per year and be earned on a quarterly basis of \$250 per quarter.
- Dental and vision insurance employer contributions will be available for part-time and full-time employees with the employer paying \$15 per month for employee who select any level of coverage.

Those are the things we consider to be the most notable fringe benefit improvements. There are some work rules and procedures that we have changed as part of the agreement. He said the most notable were that we increased the number of full-time runs from 35 to 39. In addition, we will increase the number of hours that union local officials are paid per month for union business

from 13 to 14. Moreover, the overtime distribution procedures have been modified slightly and will be included in the text of the CBA as an appendix.

Mr. May gave an overview of the wage progression within seniority units as described in the following:

Full-time fixed route operators

- Increase the starting wage from \$15.23 to \$15.91, an increase of 4.5%
- Increase the second year wage from \$15.88 to \$16.56, an increase of 4.3%
- All other steps (3rd 12 mos, after 36 mos, after 4 yrs, after 9 yrs, after 14 yrs, and after 19 yrs) would increase 2.5% from current 2017 rates
- For years 2019 thru 2021, annual increases of about 1.5% for the first 2 steps
- For years 2019 thru 2021, annual increases of about 2.5% for the other 6 steps

Part-time fixed route operators

- Increase the starting wage from \$13.21 to \$15.61, an increase of about 18.1%
- Increase the second year wage from \$14.93 to \$15.92, an increase of 6.6%
- For years 2019 thru 2021, annual increase of about 1.5% for each step
- Eliminate the third year step from the wage progression.

Full-time BT Access operators

- Increase all 8 steps by about 14.9% for 2018 as compared to 2017; increases range from \$1.98/hour (1st year) to \$2.35/hour (after 19 years).
- For years 2019 thru 2021, annual increases of about 1.5% for all steps

Part-time BT Access operators

- Increase the starting wage from \$12.80 to \$14.53, an increase of 13.5%
- Increase the second year wage from \$13.00 to \$14.73, an increase of 13.3%
- Increase the 3rd year wage from \$13.50 to \$15.23, an increase of 12.8%
- For years 2019 thru 2021, annual increase of about 1.5% for each step

Service Attendant

- Increase the starting wage from \$12.17 to \$12.80, an increase of 5.2%
- Increase the other steps by 1.5%
- For years 2019 thru 2021, annual increase of about 1.5% for each step

Service Person

- Create a new bargaining unit category for this position since it generally requires higher skills than a Service Attendant. Currently the Service Person position makes the same as the Service Attendant position.
- All wages steps for this new position would be 2% higher than the Service Attendant position
- For years 2019 thru 2021, annual increases of about 1.5%

Mr. May said that management and staff strongly recommend the Board's approval of the collective bargaining agreement. He said under New Business we have Resolution 17-13 that would approve the collective bargaining agreement and authorize the Chair, Secretary, and General Manager to execute the agreement.

Mr. May said next on the agenda is the 2018 Budget. He said included in the Board packet is a summary of the proposed 2018 budget. Mr. May presented a PowerPoint of the proposed 2018 budget.

Included in the PowerPoint presentation was a budget table for the proposed 2018 budget as shown below:

Budget Class	Proposed 2018 Budget	2017 Budget	Percent Change
Class I – Personnel	\$5,950,977	\$5,603,310	6.20
Class II – Materials & Supplies	\$1,312,189	\$1,301,639	0.81
Class III – Services	\$1,206,920	\$1,333,455	(9.49)
Class IV – Capital	\$1,309,280	\$2,105,200	(37.81)
Total	\$9,779,366	\$10,343,604	(5.45)

Highlights of the proposed 2018 budget as presented by Mr. May were as follows:

- Emphasis on improving employee wages/benefits – especially for drivers as we are facing a critical driver shortage. This is the primary emphasis of the 2018 budget.
- Replacement of one (1) 40-foot diesel bus which will be 80 percent funded by a recently received discretionary Federal grant from INDOT. We were recently notified of the award of this grant by INDOT.
- Replacement of two (2) BT Access paratransit vehicles which will be 80 percent funded by a recently received Federal grant from INDOT.
- Replacement of the bus communications two-way radio system for about 60 vehicles.
- Retrofit of surveillance camera system into 12 BT Access vehicles which will be 80 percent funded by a recently received discretionary Federal grant from INDOT.
- Replacement of the Grime Lane facility boiler and HVAC system equipment with a high efficiency boiler and HVAC system.
- On the revenue side of the budget, a few of the more notable revenue line items include:

- Proposed 3 percent increase in the local property tax levy based on the growth quotient
- A 9 percent increase in LOIT funds based on projections
- A 75 increase in advertising revenues based on how advertising revenues have been trending under our new advertising contract
- A 2 percent increase in State PMTF revenues based on the assumption that the Governor will not rescind a portion of the PMTF fund as has been done in recent years.
- Use of \$215,381 in operating reserve. Balance of the operating reserve was \$4.8 million as of May 31, 2017.

Mr. May noted the primary reason for the 5.45 percent decline in the overall budget is due to the fact that we will be replacing fewer large buses in the 2018 budget as compared to the 2017 budget. Thus our Class IV Capital budget is about \$800,000 less than in 2018.

Mr. May said under New Business we have a motion for the Board's approval of the Proposed 2018 Budget.

Mr. May noted last month we talked about the IU contract and the fact that IU did not give us the amount of funding that we had asked for. He said we asked for a 2.5 percent increase on the \$1 million we get from IU which would equate to \$25,000. He said in years past when this has happened we have felt compelled to make some kind of service reduction to the services that we provide to demonstrate that such decisions have consequences. He said we have made a number of small minor cuts to services in recent past years and he thinks we are facing another one of those decisions this year. He said the total increase of \$25,000 in light of the total amount received from IU of \$1 million plus is relatively small. As such we are looking for about \$25,000 worth of service cuts or roughly 400 revenue hours of service a year. He said we provide about 94,000 hours of revenue service so it is less than ½ of 1 percent of our total service.

He noted that we looked at several options to get us to that 400 hours of service and he wants to talk to the Board about those tonight. He said we have three different routes that service directly to the campus and those are Route 6, Route 7, and Route 9. He said we are looking for service that has relatively low ridership compared to the rest of the service. Mr. May identified three different areas where ridership is relatively weak and provided a summary of each. These included Night Owl service on both Routes 6 and 9 on Friday/Saturday nights during the IU spring and fall semesters and night service on weekdays on Route 7 during the spring and fall semesters. Mr. May's recommendation was to cut Route 7 night service for 2017-2018 and consider cutting the Night Owl service for the following year. Secretary Mclary said do we want to make a statement to the university as to what we are doing rather than looking at a cost savings. He said what would impact them more. Mr. May said you could cut the heart of the

regular weekdays during the spring and fall semesters where you are carrying 60-70 hours per hour on those routes. Secretary Mclary said he is trying to present a posture to IU so that for example when we start looking at service to the new hospital from a policy standpoint he feels the university has to do something. Mr. Mclary stated that IU cannot step back and say we are not going to pay and then it falls on us to cut \$25,000 out of the budget. Mr. May asked Mr. Mclary what would he suggest as an alternative approach to the University. Vice Chairman McDaniel said he does not think it is a wise direction to go as IU's hands are tied given the decisions made with respect to fee increases. Mr. May said he talked with Perry Maull and Julie Bauters at IU about the options. He said Perry's response was this is a BT decision and we understand what you are doing and we understand why you would consider cutting service as a result of no increase in compensation. Secretary Mclary said his concern that small service reductions such as there are a slow dismemberment of the system. Chair Obermeyer said when you start thinking about 40,000 students it is 50 cents per student. Surely the University could find such funds. Vice Chairman McDaniel said the same thing has been happening but much worse for many years to Campus Bus. He said it's just not a priority with the administration at this point and they can get away with it because the students who drove this whole thing in the beginning keep turning over so they don't recognize from year to year what is going on. Mr. May the students are here for four years. He said Campus Bus has seen much greater cuts than we have in the order of 20 percent over a number of years. Secretary Mclary said to him that is not really looking at what the issue is. He said the issue is how do we get the university involved with what we are doing so we don't just have them doing their thing and us doing our thing and then they won't give anything next year and then we will cut again. Vice Chairman McDaniel said he doesn't know if everyone understands how that process works but the General Assembly mandated that they will set fees two years at a time so they have a committee for fee review which is a student committee and they make recommendations on how to divide the money for mandatory fees. They are given directives from the administration which says overall you can only increase X percent so they have difficult decisions to make. He said in the past they have given Campus Bus a larger share at the expense of some of the other fees but now they have a 0 percent mandate from the committee three years in a row. Secretary Mclary said we are not going to resolve this here but he thinks from a policy side we need to look at it differently than just cutting \$25,000 because they didn't pay. He said this doesn't adequately address what the real issue is. Mr. May said are you saying somehow we need to take this argument up at a higher level at the university. Secretary Mclary said we need to be partners in it. He said it is not BT versus Indiana University. We serve their students and their faculty and we need to work together. Mr. May said for many years we were partners since the beginning of the program which was in 2000 we were getting annual increases of 3 to 4 percent every year. Vice Chairman McDaniel said that was at the expense of Campus Bus because they were not getting similar increases. Mr. May said in the last five years is where it has been most critical there has suddenly been this no fee or no tuition increases. He said the highest access we have is Perry's boss who is Julie Bauters who works in IU finance. Secretary Mclary said maybe we need to raise this to Mayor John Hamilton. Secretary Mclary said it is such a small amount and he understands that we could cut it out and probably nobody will ever miss it but next year it's another \$25,000. Mr. May said we already know that there will no increase next year given they are on a two-year budget. Secretary Mclary suggested we just absorb the costs given it is so small. Mr. May said we could do that but it means somebody else is paying for our cost

increase. Secretary Mclary said we are talking with the new hospital we are just going to make the changes and we are just going to absorb it that is not going to be free. He said why not continue doing what we are doing and if you zero us next time we are going to have to take another look at it. Mr. May said you can do that but over time that is going to have a cumulative effect on our budget. Mr. May expressed concern that if there are no consequences for their actions they are going to continue to not compensate us adequately for services provided. It really comes down to how high of a priority is public transportation in their view. He said they don't see it as a high priority based on how they cut their own system more than 20 percent. Secretary Mclary said then just shut it down don't even serve the university. Vice Chairman said it may come to that. Secretary Mclary said it just bothers me to cut \$25,000 out and he will vote against it. He said he does not have an answer as to what is the right thing to do but does not think it is the right thing to do. Board Member Hartman said she is leaning that way as well. She said she thinks it is a negative response and it's not very creative. She said it is targeting people who don't have any other options. She said you know we are looking at two year cycle she would rather see our energies being put forth to see what we could do in dealing with the move with the hospital and becoming more engaged. She said I'm not so negative about that the hospital won't be interested in addressing something if it is packaged in the right way. Vice Chairman McDaniel said he doesn't know how appropriate it is to keep bringing the hospital into this discussion with IU service because he thinks that IU's part of that whole thing is a very minor part there is going to be a teaching facility out there that will be affiliated with IU but the rest of it is the hospital and IU doesn't have anything to do with that. Secretary Mclary said he thinks it is all interconnected. Vice Chairman McDaniel said the hospital is the one that decided to move out and IU was able to keep them closer to town. He said he has asked a lot of people what the relationship between IU Health and IU and even the people that work at IU Health don't know. Board Member Hartman said she wasn't thinking about the university she was speaking about IU Health. Vice Chairman McDaniel said but that is a different situation and he understands we are talking about similar situations. Secretary Mclary said but it is the same thing if we are going to adjust our service to serve them and we are not going to charge them for it then what are we going to do just cut more IU service. Vice Chairman McDaniel said that is true in all our service we provide service we provide service to traffic generators we don't charge every traffic generator whether it is the mall we don't make them pay for our service. Secretary Mclary said they pay for it in their taxes. Mr. May said his concern is what message are you sending to the university by not implementing some consequences. Secretary Mclary said but you said they are not going to pay any attention to it. He said our job as a Board is to provide services to the citizens of Bloomington. Chair Obermeyer said you raise a good point is who is going to be harmed the IU students not the administration. Board Member Hartman said that is what bothers her quite honestly she does not like the idea especially when you talk about late night service. Mr. May said you send that message to them we will continue to pay for your students to have mobility. Secretary Mclary said that is one of our jobs as a Board. Mr. May said he gets that but when our funding is cut what realistic options do we have to deal with that aside from fare increases and/or service reductions, or finding some other way to realize savings. Secretary Mclary said or different types of services maybe cut down the size of the bus put a smaller bus on the route. Mr. May noted the cost of transit serviced is primarily rooted in labor costs and labor costs aren't impacted by a small bus. Board Member Hartman said she would like to know what Controller Browning thinks about the impact that \$25,000 has on the budget.

Controller Browning said it is small on the overall budget. Vice Chairman McDaniel said when you prepared the budget and looked at service hours did you calculate a reduction of 400 hours or did you base it on what it used to be. Controller Browning said the \$25,000 cut is not included in the 2018 budget. Vice Chairman McDaniel said so that is not going to have an impact on the budget. Board Member Hartman said that is what she was wanting to know. Secretary McLary said he doesn't know if that the university would know one way or the other if we did. Chair Obermeyer noted that it raises the possibility that we leave it the way it is for this year and start seeing if we can figure out other ways to address the issue. Vice Chairman McDaniel said if we decide not to make the cuts we should tell them we're not going to do it this year but we've got to have a long term solution so let's get together with someone in the administration and talk about it.

Mr. May said had gotten the suggestion from the public for a possible service change on Route 5. He said they felt like if the buses would get them to campus ten minutes earlier that it would better match with the class schedule. He said we did some research and actually talked with the people who made this suggestion and asked them to do some research and basically there is no standardized class schedule. He said when we did the survey about 47 percent were in favor of the revised schedule (arriving 10 minutes earlier), 44 percent were against and the rest didn't care. He said he didn't feel strongly on this as it is one of the lowest performing routes in the system. He said it is a close call. He said if we are going to make the change we need to decide tonight in order to get it into the schedule for August. Secretary McLary asked what the drivers think. Mr. May said I think they like it. James Coker, AFSCME Local 613, said the biggest issue with Route 5 is there is not enough time to make it downtown to catch the next route so a lot of time it is holding up other buses and if it gets downtown sooner we don't have that problem. He said drivers are totally in favor of this change. As such, the Board directed Mr. May to proceed with the revised schedule on Route 5.

Mr. May said we are members of APTA the American Public Transportation Association they are the largest advocacy group for public transportation nationwide. He said it has a strong lobbying influence in Washington and has generally done good things for public transportation across the country. He said there is a second organization that advocates for public transportation nationwide that is called The Community Transportation Association of America (CTAA). He said we have never been members of CTAA. He said their primary focus is advocating for the rural and small urban transit providers and not so much the big systems or the rail systems which APTA better represents. He said in many ways he has always thought that CTAA was a better fit for who we are at Bloomington Transit as a small urban system. He said that a concern is the high cost of APTA dues being about \$13,000 a year. He said the cost of CTAA which is a better fit for us is less than \$2,000 a year. Mr. McLary voiced similar concerns about the high cost of APTA dues and agreed we might be better served by CTAA. Vice Chairman McDaniel noted on a related issue at some point he thinks we need to talk about ITA membership. Mr. May said he is not looking for formal action on this he is looking for guidance. He said if he is hearing the Board correctly we should consider not continuing our APTA membership and instead investing in CTAA. Mr. May said he would proceed accordingly.

Mr. May said the next Board Meeting is supposed to be August 15 but that is the night we have City Council Budget Meeting and he suggest the following week August 22.

MESSAGES FROM THE CONTROLLER

There were no messages from Controller Browning.

PUBLIC COMMENT – ACTION ITEMS

James Coker noted that he disagreed with the Board proposal not to reduce IU service given the zero percent increase in compensation to BT. He said the proposed Route 7 service reduction was actually part of their suggestion as there are not very many people on that route at night. He understands it hurts a few but it's not good to sit there and say we are going to make the tax payers pay now for IU's service. He doesn't see the point in that. He stated his concerns about the cumulative impact on the budget of not reducing service. Secretary Mclary asked if the 16.9 passengers per revenue hour is for the route for the entire day. Mr. May said no that is just for the two hours of service proposed to be cut. Secretary Mclary said those are not bad numbers it is not on the order of what the system average is but we have one route that is doing 7-8 passengers per revenue hour for the whole day. Secretary Mclary said to him that is the route he would be more looking at rather than of trying to cut one that does double that. Mr. May said the problem with that is Route 8 doesn't even touch the campus. Secretary Mclary said he is just saying that if you look at the larger picture and don't look at the campus but look at the people. Mr. May said if you cut Route 8 you cut a lot of economically disadvantaged and disabled riders and senior citizens. Mr. May added how would we explain to the public served by Route 8 that we are cutting your service because IU didn't give us the full amount we requested. Secretary Mclary said that is not what he is saying. He said if you look at the productivity and look at which ones are really generating. He said you can look at it systematically and not look at it incrementally. Vice Chairman McDaniel said if we lose federal and state funding we may have to look at all kinds of routes. Mr. May said his recommendation would be Route 7 night service primarily because they have an alternative granted they have to walk several blocks. James Coker said they don't always have to walk as there is the Route 3, Route 4 and Route 5. He thinks the Route 7 is the best option in terms of service cuts. Mr. Coker added that it hurts him personally as he drives the Route 7 for overtime because then he can be off by 9:30 p.m. He said that really stinks on our side but if we are going to cut one that would be the best route to cut. Board Member Hartman said do we cut or not because I heard one comment we could not do anything and think about it next year. Secretary Mclary said he would rather not cut service and instead think outside the box and see if there is another alternative. He said he hates service cuts as he thinks it hurts the system. Board Member Cartwright suggested that perhaps Mr. May's recommendation was a good one considering that students have a viable alternative with other routes. Chair Obermeyer said it does leave open the opportunity to keep working on it dealing with higher level people at IU in the future.

James Coker said he has a comment on the Collective Bargaining Agreement. He said there is only one negative from our side mainly him he actually voted no on this contract on our side. He

said how you schedule your PTO a year in advance. He said he is not a big fan of that we agreed to because it helps us out now but hopefully in the future if we get more drivers we can go back to the way it was so please think about that. He thanked the Board for their support and approval of the proposed new Collective Bargaining Agreement

NEW BUSINESS – ACTION ITEMS

Under New Business, Board Member Cartwright moved to approve Resolution 17-13; a resolution approving a Collective Bargaining Agreement with AFSCME Local 613 for the period January 1, 2018 through December 31, 2021 and authorizing the Chair, Secretary and General Manager to execute the agreement. The motion was seconded by Vice Chairman McDaniel. Resolution 17-13 was approved by all Board Members.

Also, under new business, Secretary Mclary moved to approve the Draft 2018 Budget. The motion was seconded by Board Member Cartwright. The Draft 2018 Budget was approved by all Board Members.

Under New Business, Board Member Cartwright moved to approve service adjustment eliminating Route 7 night service as proposed. The motion failed for lack of a second.

Also, under new business, Board Member Hartman moved to table the proposed service adjustment eliminating Route 7. The motion failed for lack of a second. The Board directed the General Manager to continue the discussion at a future board meeting.

Under New Business, Secretary Mclary moved to approve Route 5 service changes. The motion was seconded by Vice Chairman McDaniel. The motion was approved by all Board Members.

OLD BUSINESS

There was no Old Business.

MINUTES

The minutes for June 20, 2017 were presented for approval by Vice Chairman McDaniel and seconded by Secretary Mclary. The minutes were approved unanimously.

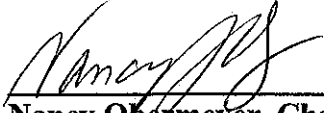
CLAIMS

The claims for July 18, 2017 were presented for approval by Vice Chairman McDaniel and seconded by Secretary Mclary. The claims were approved unanimously.

ADJOURNMENT

APPROVE:

ATTEST:



**Nancy Obermeyer, Chair
Board of Directors BPTC**

09-19-17



**James J. McLary, Secretary
Board of Directors BPTC**

09-19-17