

REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) DECEMBER 19, 2017, 5:30 P.M.

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

ROLL CALL

Board Members present: Chair Obermeyer, Vice Chairman Kent McDaniel, Secretary McLary, Board Member Cartwright, and Board Member Hartman. Also present were Lewis May, General Manager, Christa Browning, Controller, and Brenda Underwood, Human Resource/Marketing Administrator, Mike Clark, Operations Manager, and James Coker, President, AFSCME Local 613 and there were no members of the public.

PUBLIC HEARING

Chair Obermeyer opened a public hearing to receive public comment on Ordinance 17-01 an ordinance amending salary and wage rates of appointed officers and employees of the Bloomington Public Transportation Corporation, Monroe County, Indiana for the year 2018. There was no comment from the public. Chair Obermeyer closed the public hearing accordingly.

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 opened the meeting with a continued discussion of the Salary and Benefits Study. He said since that Board Meeting several of you have initiated with me to talk further so at the Board's direction he prepared a worksheet that shows several different salary increase options that various Board Members asked him to calculate. He said what he has given you here are three (3) options including: (1) 2018 option that includes a 2% increase plus the full market adjustment that was recommended by the Salary Study; (2) a retroactive salary increase for 50% of the recommended adjustment payable in 2017; and (3) an option that has retroactive increase for 25% of the recommended adjustment payable in 2017. He directed the Board to the total cost impacts for each of the three options as shown in the worksheet. Mr. May said that is the information that the Board requested and with that he will open it up for discussion and any questions the Board has. Board Member Cartwright asked for more detail how the "2% plus adjustment" works. Mr. May noted it is the total annual or hourly adjustment for each position

as recommended from the Salary Review Study and the last column on the right shows a 2% increase plus the full adjustment that the Study recommended. He said he feels like if you don't give them a 2% adjustment in 2018 they are falling behind right from the very start. Secretary McLary said if this study result would have come in January there would have been no discussion of any retro increases because the year would be just starting, so the timing of it puts us in an awkward position. He added that he does not believe it is a money or budget issue he knows we have sufficient reserves. He said the issue is more the precedence of what we would be doing and he has a very difficult time with that. Vice Chairman McDaniel said he agrees and if you provide an increase retro to 2017 how many years do you go back? He agreed that lets fix it but he has difficulty with a retroactive adjustment. Board Member Hartman said how long is it have we been essentially establishing salaries way below the normal. Mr. May said this is the first full Salary Study that has been done in his tenure at BT and the first one the City has done in the past 20 years. Board Member Hartman said how is it then that we were giving salary increases before? Mr. May said employees received an annual merit increase based on their annual performance review by their immediate supervisor. Board Member Cartwright said he thinks our willingness to consider these retroactive options shows our good intent, but the question is what does that look like in dollars and cents impact. He said we have 25 50 and full adjustment it doesn't have to be any of those. He said it is a matter of precedent and that we are not a private corporation. Mr. Cartwright added we have a responsibility to the sources of our funding and pursuing retro options could have a ripple effect. Mr. Cartwright noted would like to find a compromise. Chair Obermeyer said keep in mind we are looking at externally driven wages and salaries here. She said we have gone years without a good market comparison and now we are attempting to do the right thing and as such we have an opportunity to do just that at this moment. She said she goes with her position from last time the more the better because we have good people here and she thinks it is important to keep them here and part of that is helping to make a decent wage. She said she thinks it is important to be fair to the workers and to the people who keep this place running otherwise we do ourselves a disservice. Board Member Cartwright asked what happens next time if we have an issue like this? Chair Obermeyer said it probably won't come up for a long time anyway if it took us this long to do a comparable wage salary study.

Secretary McLary said we still have an undertaking that hasn't been done yet where we want to look at our positions and what people are doing, what responsibilities they have, and he can see some benefits coming out of that. He added we have a position that hasn't been filled and has been there for some time. Mr. May said just to refresh your memories on that, our most recent discussion that we've had is the suggestion to use the knowledge of department heads with regard to duties and responsibilities and to identify where we need to either restructure positions or create new positions. The latest proposal is to enlist the services of an outside facilitator to work with senior management staff together to reach consensus on where restructuring is necessary to possibly change job duties and responsibilities and where we need additional positions in the organization. Together we would reach consensus on a plan with a timetable for restructuring positions and/or adding new positions and present that to the Board for your review and approval going forward. Secretary McLary asked once this effort you've described is completed, would part of it include possible reconsideration of salaries? Mr. May said he doesn't think that is the purpose of the workload assessment. Chair Obermeyer said she agrees with Lew they are two different things there is some overlap but they are two different things.

She said if that causes us to basically say we don't need to give these people any more money she just thinks there is something wrong with that. Mr. May said wants to be sure the Board understands that the Salary Study looked at the job duties and responsibilities and compared them to comparable duties and responsibilities for similar positions at Midwestern transit systems. This gave the consultant the basis for what the market is for these positions. Secretary McLary encouraged Mr. May to move the next step in this process along now that the Salary Study is completed... Mr. May noted it is not a formal study and as he explained to the Board he thinks that nobody knows better than the senior staff as to where we need help and where we need to restructure duties and responsibilities, and where we need to create additional positions. An outside facilitator will help us to find common ground, identify where we need help, and together develop a plan that we take to the Board that we mutually agree on.

Board Member Cartwright summarized with a question asking if the study recommendations would bring staff up to parity with the market? Mr. May said yes. Board Member Cartwright continued saying in essence we are also considering an added retroactive increase to help compensate for being below market in the past. Mr. May said that is the Board's prerogative yes. Board Member Cartwright said the question is how much? Board Member Hartman said this is the problem she has is the length of time that has passed without a comparative study. She said her concern is what are we going to do next year and the year after that. She suggested that we update these findings in reasonable periods of time to avoid being in a similar situation in the future. She added that she is not bothered about giving them a retroactive bonus one way or the other. She is not too worried about precedent because the way she looks at it is if we can fix how manage and equate what we are doing with our staff to provide incentives to retain people. She said when you are looking to do that you want to have things in place that encourage retention and good performance rather than just annual inflationary increases. She said her feeling is we probably have been under paying people for a while so giving them a bonus doesn't bother me a bit. Secretary McLary said when we jumped to the full parity January 1st that was a bonus in itself. He said we had two other options we could have done but we chose to go the full parity. Board Member Hartman said that to her we have been doing something wrong these people have been underpaid so now pat yourself on the back that you're giving them a bonus because now you're going parity. Secretary McLary said it still bothers me for the precedent that a retroactive increases sets. Board Member Hartman said if they had done this every year she would be bothered by it but when we haven't really looked at salaries for so long then she is not too bothered by establishing a precedent. She said we need to take a look and try to get statistics on jobs regularly. Board Member Cartwright said are we locked into something that we have here or can we make up something else. Mr. May said the Board is welcome and encouraged to suggest other alternatives. Board Member Cartwright said he would be interested in a percentage basis of salary and use it as a guide to retroactive increases. He would be interested in looking at what would be reasonable and show our respect. He said the issue really is going to be addressed by parity in 2018 so it is almost like a Christmas gift and if we treat it like it just happened this time and not to be considered as a recurring practice for the future. Mr. May said it should not be considered as a Christmas gift as this gives it a different meaning. Vice Chairman McDaniel said it very well may be perceived that way. He said we need to be concerned how this is going to look with the rest of the public bodies and the City as well. He said we are supposed to be stewards of the public money and a lot of people might look at this and say why are you giving bonuses out at Christmas time. Mr. McDaniel added if we make the

jump to parity in one year when the City is doing it over three years that's a pretty big bonus all by itself and if we go retroactively and say here we are going to make up for that he just has a concern as how that is going to look.

Secretary McLary made a motion to provide a 2 percent increase plus the full market adjustment as recommended by the consultant starting January 1, 2018 and a retroactive increase of 10% of the recommended market adjustment for each position for 2017. Board Member Hartman said she wanted to condition her vote that we need to be staying on top of this and not have five years go by before we look at people are doing and how and make that a regular part of what our responsibilities are. She said she is not thinking about doing a salary review she is just talking about just keeping up and trying to get some basic information of what different salaries because most of this is public information anyway. She said we want to do a better job in this respect.

Mr. May noted next on the agenda is the 2018 Salary Ordinance. Mr. May said we had a public hearing earlier on the proposed 2018 Salary Ordinance. He said each year the Board adopts a salary ordinance which establishes the maximum wage rates and salaries for all employees at BPTC. He said to comply with State Board of Account rules we simply need to adopt a Salary Ordinance before the end of the year. He said this is a two meeting process and at our last Board meeting in November the Board introduced for first reading the Salary Ordinance. This ordinance establishes the maximum salaries for each position. Those maximums are based on the grade maximum recommended by the consultant for each position. Mr. May said there have been no changes to the ordinance since the last meeting. He said with the public hearing tonight the Board can now consider the Salary Ordinance for adoption. He noted on the agenda under Old Business we have second reading and adoption of Ordinance 17-01 which is an ordinance amending salary and wage rates of appointed officers and employees of the Bloomington Public Transportation Corporation, Monroe County, Indiana for the year 2018.

Mr. May gave an overview of November ridership. He said November fixed route ridership was down 3.84 percent compared to November of last year. He said year-to-date ridership is down 3.39 percent compared to the same period last year.

Mr. May noted BT Access ridership was down 5.70 percent in November compared to November 2017. He said year-to-date BT Access ridership is up 3.95 percent compared to the same period last year.

MESSAGES FROM THE CONTROLLER

Controller Browning noted on the agenda is Resolution 17-09; a resolution approving the 2018 public official bond for Christa Browning, Controller of the Bloomington Public Transportation Corporation for the Board's consideration and approval.

Controller Browning said on the agenda is Resolution 17-20; a resolution authorizing the transfer of funds between budget categories for the calendar year 2017 budget for the Board's consideration and approval.

Controller Browning gave an overview of the November Financial Report.

PUBLIC COMMENT – ACTION ITEMS

There was no public comment on actions items.

NEW BUSINESS – ACTION ITEMS

Under New Business, Secretary McLary moved to approve Resolution 17-19; a resolution approving the 2018 public official bond for Christa Browning, Controller of the Bloomington Public Transportation Corporation. The motion was seconded by Board Member Cartwright. Resolution 17-19 was approved unanimously.

Also, under New Business, Secretary McLary moved to approve Resolution 17-20; a resolution authorizing the transfer of funds between budget categories for the calendar year 2017 budget. The motion was seconded by Board Member Cartwright. Resolution 17-20 was approved unanimously.

Under New Business, Secretary McLary made a motion to approve a 2% increase plus the full market adjustment starting January 1, 2018 and a retroactive increase of 10% of the recommended market adjustment for each position for 2017. The motion was seconded by Board Member Cartwright. The motion was approved by all Board Members with the exception of Vice Chairman McDaniel who abstained.

OLD BUSINESS

Under Old Business, Board Member Hartman moved to approve Ordinance 17-01; an ordinance amending salary and wage rates of appointed officers and employees of the Bloomington Public Transportation Corporation, Monroe County, Indiana for the year 2018-Second Reading and Adoption. The motion was seconded by Secretary McLary. Ordinance 17-01 was approved by all Board Members.

MINUTES

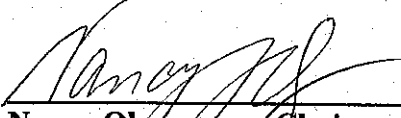
The minutes for November 21, 2017 were presented for approval by Board Member Cartwright and seconded by Board Member Hartman. The minutes were approved unanimously.

CLAIMS

The claims for December 19, 2017 were presented for approval by Board Member Cartwright and seconded by Board Member Hartman. The claims were approved unanimously.

ADJOURNMENT

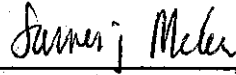
APPROVE:



01-16-18

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

ATTEST:



01-16-18

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