

**REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) MARCH 19, 2019, 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 Obermeyer, Vice Chairman McDaniel, Board Member Cartwright, Board Member Hartman, and Secretary McLary telephonically. Also present were Lewis May, General Manager, Brenda Underwood, Human Resource/Marketing Administrator, Christa Browning, Controller, Zac Huneck, Planning and Special Projects Manager, and members of the public Rick Kramer, CFO at SIHO Insurance Services, Denise Ehle, Account Manager at SIHO Insurance Services, and Sean Starowitz, Assistant Director of the Arts with City of Bloomington.

**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 said over the last several months the Board has asked questions of staff here about the increase in our health savings reserve account. During that time we have been talking with SIHO about the possibility of coming in and doing some analysis and talking to us about strategies that we can employ to reduce the reserve. We have been partially self-funded for nine years and that reserve has grown to its highest level in the past year. The Board's question is appropriate in that what is the appropriate level for a reserve for an organization such as BT. As staff, we have very little experience with health insurance and how to calculate what an appropriate reserve level is so we have asked SIHO for some help. SIHO is our third party administrator for our partially self-funded plan and they have been our administrator since the beginning in 2010 when we became partially self-funded. Mr. May said with us tonight we have Rick Kramer who is the CFO at SIHO who has talked with Brenda Christa and me initially. We also have Denise Ehle who is our SIHO Account Manager who is with us here tonight. Rick has a PowerPoint presentation that he is going to present to the Board. The Board has copies of the PowerPoint presentation at the table. Mr. Kramer thanked Bloomington Transit and the Board for having SIHO here and having a chance to share and communicate and share their expertise. Mr. Kramer presented his PowerPoint and addressed questions from the Board concerning the insurance reserve. As part of Mr. Kramer's presentation he provided explanations for reinsurance terms such as "expected claims, spec premium, agg premium, stop-loss, deductible, threshold, spec claim, and aggregate claim." Mr. Kramer presented information relative to the aggregate report showing what total claims were for the 2017-2018 plan year versus expected

claims. Total claims were about \$193,031 versus expected claims of \$308,702. Thus we paid far less in medical claims than expected and as a result our reserves have grown. Mr. Kramer explained how aggregate reinsurance worked including the aggregate claim calculation which showed that aggregate claims were 49 percent of the attachment point. Mr. Kramer reviewed the detailed history of total claims over the 2010-2018 period. Mr. Kramer also reviewed claims over 50 percent of the stop-loss limit which showed a rather marked decline from 10 claims in the 2010-2011 plan year gradually decreasing to a total of one in the 2018-2019 plan year. He noted how much this trend had improved over the years since we became partially self-funded. Mr. Kramer suggested that BT could take on a larger portion of the risk given our history with claims that exceeded the stop-loss level. In summary, he noted that the BT stop-loss experience has improved over time and is currently in a good place. He noted that it was appropriate to take additional stop-loss risk to lower reinsurance premium cost. He suggested increasing the reinsurance stop-loss deductible to \$60,000 to \$75,000 per employee enrolled as this would increase medical claims we pay from the reserve while saving money in premiums. He suggested a \$60,000 stop-loss might be appropriate. He recommended that reserves be maintained at levels of at least \$500,000. He also recommended that change the percentage of claims put into the claims fund by decreasing it from 125 percent to 110 percent for the next plan year.

Mr. May said just so the Board knows we wanted to have this discussion with you tonight to talk about the reserve and what an appropriate level of reserve and how the risk analysis works so that there is a little bit of understanding of that. We plan to come back to the Board at the April Board Meeting. Our plan renewal date is May 1. SIHO has given us quotes from two different reinsurance carriers and there are five different options with each of those reinsurance carriers and different levels of specific stop loss. We are going to talk with SIHO over the next 30 days and try to figure out what is the best fit of those ten different options. Once we decide that we will have a discussion with our union as we typically do before we come to the Board with a recommendation just to get their input. In April we will come back to the Board with what we think is the best recommended option with any possible change in the specific stop loss and we will have the premium equivalents so that the Board can see how those will likely go down for the employee and for the dependents as well for the HSA and PPO plan options. Over the years we have had a trend when we first started out where most people were on the PPO plan and that has drastically shifted. We have 75 percent on the high deductible HSA plan and 25 percent are on the PPO plan.

Mr. May said next on the agenda is public art proposal. In the early 2000s the City was proposing as part of the road construction budget for the W.3<sup>rd</sup> Street improvement project to include public art. That public art would include roadway art as well as some artistically designed transit shelters. The City held an international competition to design these artistic transit shelters and we got a few hundred entries. We had a panel that chose three different entries and we were all set to go forward with that but the road project went over budget and there was no funding for roadway art or artistic transit shelters. The City did buy right-of-way for the shelter placements and the City installed concrete pads for the shelters. Thus we installed our standard shelters on each of those pads at 3 different locations in the W.3<sup>rd</sup> Street corridor as part of the road widening project. Sean Starowitz, Assistant Director of the Arts with City of Bloomington is here with us tonight. Zac and Sean have been talking over the last couple of months about a modest idea where we might be able to include some public art starting with one of those shelter locations and possibly growing it over time to include other locations. He

wanted to have Sean in along with Zac to talk about their idea for public art. Zac noted he discovered the outdoor sculpture trails out in Solsberry, Indiana. He went back there in the summer and it is actually a very active organization in the community. He volunteered out there and really appreciated what they do both at the trails and in Greene County. One of their programs is sculptures in public places program where they rotate sculptures. When he heard about this project on W.3rd Street, it seemed like a sensible way to reinvigorate this project to include public art in our programming. Sean Starowitz said he has been working with Lew and Zac on a variety of different ideas and projects and different approaches. He thought it would be good to talk about other transit opportunities and what other communities are doing. At the City we are always trying to look for collaborative opportunities and also ways in which to engage a variety of different citizens and users of our infrastructure and transit being one of them is a tremendous opportunity that he definitely kept his eye on since he was appointed in this position in 2016. He said we have been going through a lot of routine back end work on our public art program. Sean provided a PowerPoint that displayed examples of collaborating art programs in different cities. He said basically what he and Zac are thinking about is activating some of the potential W. 3rd Street sites. Mainly one through a program with sculpture which would be a very modest investment in terms of a possible partnership between the City and Bloomington Transit. It would be an opportunity to have a sculpture on one of the potential bus stops. Also, one or two very active very useful bus stops and have an open call process where the City would pay the artist and pay for the installation and we would have it up for the life of the vinyl as a way to encourage new types of new public art opportunities. As we think about user experience in economic development we talk about it as an experience economy. As retail slowly shifts to online that experience economy is really important to the City of Bloomington. Thinking about those unique facets, these are the two opportunities that we are thinking about in terms of potential partnership with Bloomington Transit. It would obviously have some shared cost but most of these programs are split or have some kind of oversight between two organizations. Mr. May asked what would be the approximate cost to BT. Zac said with the sculpture trail piece it is \$3,000 per year per site and that would be a shared cost with the City. Mr. May asked if the plan would be to start off with just one site. Zac said yes and he sees this as a high profile visible way to kick off a larger discussion of the arts and possible integration with transit. He said the next step would be have them send over some pictures of existing pieces they have in mind. The Board noted that they liked the idea and encouraged the staff to move forward with an arts program for one shelter in the W. 3<sup>rd</sup> Street corridor with an initial BT investment of about \$1,500 per year. After installation of the 1<sup>st</sup> installation, further discussion can be had about whether to continue or expand the program.

Mr. May said an annual thing that we bring to the Board for consideration is we work hand in hand with the City of Bloomington Parks and Recreation Department to help them with transportation with their Kid City Program. He said each year the Kid City Program has a number of venues and camps around town and the children who attend those camps and venues use the fixed route bus system to travel in groups to and from those locations. He said for many years we have made a donation of Summer Fun Passes and passes for adults who work in those camps and the children who attend the camps to be able to use our service at no charge. He said the face value of the passes that they are requesting for this summer's camp is about \$3,324.00. Mr. May said in the grand scheme of things this is a pretty small dollar amount here and recommended that we continue our donation to the program. Mr. May noted that we have a motion under new business to approve this donation of passes.

Mr. May noted next on the agenda an update of the Route Optimization Study. We have been working with the consultant over the last month or so. They have developed two different service configuration concepts that they have presented to the steering committee. The next step is to take those concepts public. The plan is to do several public meetings next week. The first public meeting will take place Monday, March 25 at 12 noon at the IUM Maple Room and then again at 7:00 p.m. at the Downtown Transit Center for the public to come to view the concepts that the consultant has prepared and to provide their input and comment on. On Tuesday, March 26 at 9:30 a.m. at the Downtown Transit Center we will have an invitation only Stakeholder list. We have 35 people including the Board that we have invited to come to this these are Stakeholders and leaders in the community. In the afternoon, we will have meetings with our employees and drivers to get their input. We have several informal popup meetings planned as well at the IMU and the Downtown Transit Center as ways to get the word out to people. We are trying to gather as much feedback and input from the public to make a decision on which of these two concepts we want to go with. The concepts are dramatically different from the route configurations that we currently have. One of the concepts involves a lot more transfers than what we currently have.

Mr. Huneck gave an overview of February ridership. He said February fixed route ridership was down 4.62 percent in February compared to February 2018. Year-to-date fixed route ridership is down 5.08 percent compared to the same period last year. Mr. Huneck noted BT Access ridership was up 10.62 percent in February compared to February 2018.

#### **MESSAGES FROM THE CONTROLLER**

Controller Browning gave an overview of the February Financial Report.

#### **PUBLIC COMMENT – ACTION ITEMS**

There was no public comment on actions items.

#### **NEW BUSINESS – ACTION ITEMS**

Under New Business, Resolution 19-04; a resolution authorizing the following: continued partial self-funding of group health insurance for BPTC employees; the purchase of third party administrative services from SIHO; the purchase of specific and aggregate reinsurance through SIHO; the continued funding of a medical claims fund to pay self-insured claims costs and all other costs associated with the partial self-funding of group health insurance; and the establishment of employer/employee contributions for the May 1, 2019 to April 30, 2020 plan year was continued until the April 16, 2019 Board Meeting.

Also under New Business, Board Member Cartwright moved to approve a donation of bus passes to City of Bloomington, Kid City Program. The motion was seconded by Vice Chairman McDaniel. The motion was approved unanimously.

#### **OLD BUSINESS**

There was no Old Business.

## MINUTES

The minutes for the November 20, 2018 meeting were presented for approval by Vice Chairman McDaniel and seconded by Board Member Cartwright. The minutes were approved unanimously.

The minutes for the December 17, 2018 meeting were presented for approval by Vice Chairman McDaniel and seconded by Board Member Cartwright. The minutes were approved unanimously.

The minutes for the January 22, 2019 meeting were presented for approval by Vice Chairman McDaniel and seconded by Board Member Cartwright. The minutes were approved unanimously.

The minutes for the February 19, 2019 meeting were presented for approval by Vice Chairman McDaniel and seconded by Board Member Cartwright. The minutes were approved unanimously.

## CLAIMS

The claims for March 19, 2019 were presented for approval by Vice Chairman McDaniel and seconded by Board Member Cartwright. The claims were approved unanimously.

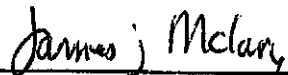
## ADJOURNMENT

APPROVE:

  
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Nancy Obermeyer, Chair  
Board of Directors BPTC

04-16-19

ATTEST:

  
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James J. McLary, Secretary  
Board of Directors BPTC

04-16-19