

**REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) JULY 17, 2018, 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, Secretary McLary, Board Member Hartman, and Board Member Cartwright. Also present were Lewis May, General Manager, Brenda Underwood, Human Resource/Marketing Administrator, Christa Browning, Controller and there were no members of the public.

**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 opened the meeting with the 2019 Preliminary Budget. He said included in the Board packet is a summary of the proposed 2019 budget. Mr. May presented a PowerPoint of the proposed 2019 budget.

Included in the PowerPoint presentation was a budget table for the proposed 2019 budget as shown below:

Budget Class	Proposed 2019 Budget	2018 Budget	Percent Change
Class I – Personnel	\$6,057,037	\$5,965,069	1.54
Class II – Materials & Supplies	\$1,656,861	\$1,312,189	26.27
Class III – Services	\$1,112,343	\$1,620,170	(31.34)
Class IV – Capital	\$1,713,551	\$2,209,280	(22.44)
Total	\$10,539,792	\$11,106,708	(5.10)

Highlights of the proposed 2019 budget as presented by Mr. May were as follows:

- Diesel fuel prices projected to be \$2.75-\$3.00/gallon compared to \$1.68-\$2.20/gallon in the 2018 budget. This will add \$287,746 to the 2019 budget.
- Gasoline prices projected to be \$2.50/gallon compared to \$2.00/gallon in the 2018 budget. This will add \$39,700 to the 2019 budget.

- Liability insurance projected to increase \$35,900 due to City's change in cost allocation between transit and other City departments.
- Addition of a new HR/Benefits Clerk position projected to add \$73,581 to the 2019 budget.
- Close out of an older JARC grant that partially funded late night bus service resulting in a projected loss of about \$50,000 in revenue.

He said some of the assumptions and highlights that have been included in the preliminary 2019 budget:

- Maintaining existing fare and service levels with the exception of the Night Owl service on Fridays and Saturdays which will be eliminated.
- Purchase of one (1) electric bus and charging station at \$1 million.
- Phase II boiler and controls replacement at \$200,000.
- Upgrade of bus tracker and voice annunciator system at \$150,000.
- Upgrade of fixed route bus camera systems at \$100,000.
- New HR Clerk position at about \$73,581 with benefits.
- 1.5 to 2.5 percent increases for bargaining unit positions per the CBA.
- 2.0 percent increases for non-bargaining unit positions.

Mr. May said the total capital budget is down \$566,000 or 22 percent lower than the 2018 Budget.

Mr. May said some of the highlights on the revenue side of the preliminary 2019 budget:

- Local property tax levy 2.72 percent increase
- Passenger fare decline of 4.76 percent
- State PMTF 3.23 percent increase
- Federal decline of 10.23 percent
- Advertising Revenue 21.43 percent
- Operating Reserves in the preliminary budget we are proposing to use \$648,236 last year it was \$252,966 this is the revenue that is used to balance the budget. He said we typically fill the gap reserves. He said at the end of the year our reserves are projected to

be 5 million. He also noted that in most years we finish under budget and typically we don't use any operating reserves.

- IU Contract Revenue 0.82 percent
- IU Reimbursements is down 41.11 percent
- Miscellaneous is up 18.18 percent

Mr. May said total revenues are down 5.1 percent but of course total expenses are also down by a comparable number.

Mr. May said some of the budget challenges we face include the fact that State PMTF is finally getting some inflationary growth after seven consecutive years state wide of 0 percent increase. He said we did get a new long term federal reauthorization bill but the Congress still won't raise gasoline taxes which have not been increased since 1993. He said the elimination of the Federal JARC funding program is finally going to hit our budget in 2019. He said JARC was eliminated several years ago. We have a JARC grant that we have been using for several years to cover 50 percent of the cost of late weeknight bus service. He said the take down of STIC has been 1.5 percent of 5307 funding and that take down is supposed to go up to 2 percent in 2019 and 5307 is going up in 2019. He said could generate an additional \$170,000 depending if Congress appropriates that money. He said if Congress goes ahead and appropriates the increase in STIC funding this might be a way that we shrink that \$648,000 amount we propose to use from operating reserves. He said IU funding has been flat three consecutive years for student revenue and we're likely facing a 4<sup>th</sup> consecutive year with the 2019-2020 IU contract. He said fuel costs will impact the budget by about \$300,000 compared to the 2018 budget. This is perhaps the largest increase of any single operating cost line item.

Mr. May said he and Christa will continue to work toward refining the budget further. He said the goal that we are trying to accomplish here is to further reduce the amount that we depend on reserves to balance the budget. Mr. May asked the Board if there is any other things that they would like us to look at in ways to narrow the gap further. Secretary McLary said with the route optimization study he is wanting them to look at the late night service from 9:00 p.m. on. He said one of the reasons we selected this firm is that they have experience in implementing UBER LYFT type services they have actually done it which was encouraging to us. He said if we can do some substitution we might be able to cut some. Mr. May said we have the counts now on late night service we have been keeping the data ever since the service started. He said we can tell you what the ridership trend has been. Secretary McLary said we may want to keep service on some routes and eliminate it on others. He said that is one of things he really is hoping Foursquare ITP can do for us. Mr. May said of course the study won't be finished until June 1 of next year and we will be five months into the year by then. Secretary McLary said but we could start it in September. Mr. May said chances are we will probably implement some of those recommendations from that study come the fall semester in 2019. He said so you are right we could potentially we could realize some efficiency through savings as a result. Vice Chairman McDaniel said he has to confess it was somewhat concerning to see the trend of the numbers and he feels better now that we have gone through this and discussed it but we can probably struggle through another year or two. He said he does not see the federal and state funding getting any better we may have to really bite the bullet here in another year or two. Mr. May said the

majority of our budget is funded by federal and state and with the current Presidential administration, the current Congress and the current state administration, transit is not on the radar screen for a significant boost in funding. He said we will come back to the Board before we go to City Council with what we think will be our final draft budget that we will present to the Council.

Mr. May noted the following is the updated timeline for the 2019 budget:

- July 17, 2018 - Review of preliminary budget by Board
- August 14, 2018 - Presentation of revised budget to Board and approval by Board
- August 21, 2018 – City Council Budget Presentation
- September 2018 – City Council Budget Hearing
- October 2018 – City Council Budget Approval

Mr. May said next on the agenda is an update of the Route Optimization Study. He said the steering committee which consisted of himself, Perry Maull, IU Campus Bus, Board Member Cartwright, and Secretary McLary interviewed the three finalist firms AECOM, Connecticut Transportation Group, and Foursquare ITP on July 3. He said after the interviews we did a scoring of the seven different firms who submitted proposals and Foursquare ITP was determined to be the best and most responsive most responsible proposer by the evaluation committee. He said he has gone ahead and used the authority that the Board gave him and we have sent a contract to Foursquare ITP. He said we also had a discussion with them about changing their data collection methodology they had proposed originally to use automatic passenger counters which will result in some savings. He noted on the agenda tonight under new business is Resolution 18-14; a resolution approving the award of contract to Foursquare ITP in the amount of \$253,669.64 for undertaking the Route Optimization Study for the Board's consideration and approval.

Mr. May said next on the agenda is the Gillig bus award. He said we amended our budget this year after we received discretionary grants this year totaling \$1,080,000 that we plan to use to purchase three 40-foot diesel buses that will replace the last of 15 buses that are used primarily for campus-oriented service. He said we are proposing to make and award to Gillig for these three buses as part of a purchase award made by the Greater Lafayette Public Transportation Corporation in 2013. He said we're a party to that joint procurement with Lafayette it also included Fort Wayne and Danville, Illinois. Each system has the ability purchase buses off of that Lafayette selection. He said the base price of these buses that came off of the Lafayette purchase in 2013 is \$419,947 plus or minus the variances that BT has for our bus design. He said a producer price index adjustment is made to the price from the date of the original award in 2013 to now using the national producer price index which would add 7.30 percent to the cost. He noted on the agenda is Resolution 18-15; a resolution approving the award of purchase for three (3) 40-foot diesel buses from Gillig LLC in the amount of \$1.35 million for the Board's consideration and approval.

Mr. May gave an overview of June ridership. He said June fixed route ridership was down 10.28 percent compared to June 2018. He said part of the decrease in June was due to one fewer weekday in June 2018 compared to June 2017. Year-to-date fixed route ridership is down 5.80 percent compared to the same period last year.

Mr. May noted BT Access ridership was up 3.50 percent in June compared to June 2017. He said the year-to-date BT Access ridership was down 2.82 percent compared to the same period in 2017.

### **MESSAGES FROM THE CONTROLLER**

Controller Browning gave an overview of the Disadvantaged Business Enterprise (DBE) Program and Goals. She noted on the agenda for the Board's consideration and approval is Resolution 18-13; a resolution establishing the BPTC's Disadvantaged Business Enterprise (DBE) Program, and setting the three year goal for the DBE program at one (1) percent for the three year period.

Controller Browning gave an overview of the June Financial Report.

### **PUBLIC COMMENT – ACTION ITEMS**

There was no public comment on actions items.

### **NEW BUSINESS – ACTION ITEMS**

Under New Business, Vice Chairman McDaniel moved to approve Resolution 18-13; a resolution establishing the BPTC's Disadvantaged Business Enterprise (DBE) Program, and setting the three year goal for the DBE program at one (1) percent for the three year period. The motion was seconded by Board Member Hartman. The motion was approved unanimously.

Also under New Business, Board Member Cartwright moved to approve Resolution 18-14; a resolution approving the award of contract to Foursquare ITP for undertaking the Route Optimization Study. The motion was seconded by Secretary McLary. Resolution 18-14 was approved unanimously.

Under New Business, Secretary McLary moved to approve Resolution 18-15; a resolution approving the award of purchase for three (3) 40-foot diesel buses from Gillig LLC. The motion was seconded by Board Member Cartwright. Resolution 18-15 was approved unanimously.

### **OLD BUSINESS**

There was no Old Business.

### **MINUTES**

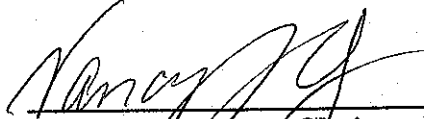
There were no minutes for approval.

## CLAIMS

The claims for July 17, 2018 were presented for approval by Board Member Cartwright and seconded by Secretary McLary. The claims were approved unanimously.

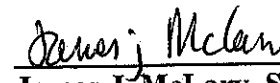
## ADJOURNMENT

**APPROVE:**

  
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Nancy Obermeyer, Chair  
Board of Directors BPTC

08-13-18

**ATTEST:**

  
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James J. McLary, Secretary  
Board of Directors BPTC

08-13-18