

**REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) AUGUST 13, 2018, 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: Vice Chairman McDaniel, Secretary McLary, and Board Member Hartman. 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 Draft Final Budget. He said at the last Board meeting we presented a preliminary budget to the Board and we talked about some of the challenges we faced. Since that meeting, Christa and I went back and further refined the budget with the goal of trying to bring the amount of operating reserves that would be needed to balance the budget. He said we were successful in reducing the use of operating reserves down to about \$390,000 and the way that we have accomplished that primarily is through four means including:

- Determined the potential for additional Federal Small Transit Intensive Cities (STIC) funding in 2019 is good given that STIC is programmed to increase from 1.5 percent of the 5307 formula program to 2.0 percent in 2019. We conservatively estimated this would likely bring about \$150,000 to \$200,000 in additional STIC funds. We've programmed an additional \$150,000 in STIC revenue in the 2019 budget.
- Reduced operator wages by \$53,746 as we typically are high in the budget in this line item each year.
- Reduced diesel fuel usage by 10,000 gallons as actual usage is likely to be closer to 280,000 gallons rather than the 290,000 gallons originally budgeted. This reduced the budget by about \$30,000.
- Updated the local tax revenue estimate based on conversations with DLGF to add about \$25,000 in revenue compared to original budget estimate.

A summary of the proposed draft final 2019 budget was presented by Mr. May as shown in the following table:

Budget Class	Proposed 2019 Budget	Amended 2018 Budget	Percent Change
Class I – Personnel	\$6,003,291	\$5,965,069	0.64
Class II – Materials & Supplies	\$1,626,861	\$1,312,189	23.98
Class III – Services	\$1,160,343	\$1,620,170	(28.38)
Class IV – Capital	\$1,713,551	\$2,209,280	(22.44)
Total	\$10,504,046	\$11,106,708	(5.43)

Board Member Hartman noted since we are discussing the budget she has made several efforts to contact the SIHO rep and they have not returned her call. She would like to get confirmation from them but she thinks we can reduce the amount that we are putting into that health insurance reserves because it keeps going up. Controller Browning noted that she would like to review this matter further before any decision is made to reduce the self-insured employee health plan reserves. She said Brenda has talked to SIHO and SIHO advised us not to do this. Brenda said our representative from SIHO said that if BT were to be audited by the Department of Labor there could be some concerns. Controller Browning noted that SIHO was referring to transferring money to fund the HSA match. Controller Browning said on the 80/20 which is what you are suggesting we reduce she has an issue with changing that because our collective bargaining agreement states that BPTC pays 80 percent of the premium equivalent. Board Member Hartman said yes and we are doing that. Controller Browning said we won't be if we aren't paying our 80 percent. Board Member Hartman said yes we will be. Controller Browning said she doesn't agree with that because we must pay 80 percent of the premium equivalent each month and she has a problem presenting that to an auditor if we somehow reduce this percentage. She said until she can get clear on that she is not comfortable doing that.

Board Member Hartman said she does not want her to do anything that she is not comfortable doing. Controller Browning noted that she is the one that it falls on if there is a problem. Secretary McLary said is there some way you can pursue that because our health plan is now up to \$900,000 and it is growing steadily. He said we are not trying to get you to do something improper but we are trying to see if there is some way to use some of that to reduce our commitment to come out of the reserve. Board Member Hartman said she does not think that we are violating our commitment to pay 80 percent of whatever that is because we would be paying it regardless it simply means that the money that is in the reserve would to some extent be used for that 80/20 match. She said it is not going to be a question that we are not going to pay it is going to be paid. She said maybe the thing is to look at the dollar amount that we keep paying over that which continues to increase the reserves and to at least look at that. Mr. May said the concern is that we have had several years good years in a row with no significant major medical issues within our small group. He said if suddenly you have a bad year and have people with major medical issues, our claims could be significant. He said that is one of nice things about having the reserve. Mr. May agreed it is high but we don't know what the future is going to bring in terms of significant medical expenses in a small group like ours. A small number of major medical issues can drive your claims up. Board Member Hartman said she would like to get a better feel for how people calculate a reasonable reserve based on time and really see where we are. She said from a legal stand point she does not think the 80/20 match requires that every month we put 80/20 in it requires that every month that we pay 80/20 whether we take it out of

reserves or not. Secretary McLary said there are actuaries that are paid a lot of money to tell us what that number should be. Board Member Hartman said SIHO should be able to give us that information. Mr. May said we can talk to SIHO to see if they can help with an analysis to tell what our reserves should be. Secretary McLary agreed and said our first step is to find out what that reserve number should be.

Mr. May concluded his budget presentation saying we have brought the reliance on operating reserves for the 2019 budget down from \$648,000 in our original draft to \$390,000. He noted that reserves used to balance the 2018 budget were \$252,000. He said the reality is very seldom do we tap those reserves we usually end up increasing reserves each year. He said we feel comfortable we have sufficient budget authority with this final draft of the budget and have enough local match for our capital projects. He said we go to City Council Tuesday next week and we often get many questions from Council. Mr. May said under New Business the only action item we have tonight is a motion to approve the 2019 Draft Final Budget.

Mr. May said he wanted to update the Board on the Whitehall Crossing Shopping Center Service. He said a few months ago we changed the route to turn around into their truck parking lot behind the shopping center. He said there has been some minor damage to their parking lot back there and so now they have asked us to consider other options. He said there are really no good options at this point. He said they did suggest the possibility of using a truck turn-around on the northwest side of Lowes where there is a half-circle paved area. He said we went out there and looked at and it is all filled up with piggy back containers that Lowes is using for storage. He said the owner said they shouldn't be doing that and he would talk to them about it. He said if they were to move them it might be a place where we could turn around. He said we are trying to find a way to continue serving Whitehall Crossing if we can but we are running out of options.

Mr. May gave an overview of July ridership. He said July fixed route ridership was down 4.31 percent compared to July 2018. Year-to-date fixed route ridership is down 5.7 percent compared to the same period last year.

Mr. May noted BT Access ridership was up 14.91 percent in July compared to July 2017. He said the year-to-date BT Access ridership was down 0.64 percent compared to the same period in 2017.

### **MESSAGES FROM THE CONTROLLER**

Controller Browning gave an overview of the July Financial Report.

### **PUBLIC COMMENT – ACTION ITEMS**

There was no public comment on actions items.

### **NEW BUSINESS – ACTION ITEMS**

Under New Business, Board Member Hartman moved to approve the 2019 Draft Final Budget. The motion was seconded by Secretary McLary. The motion was approved unanimously.

**OLD BUSINESS**

There was no Old Business.

**MINUTES**

The minutes for May 29, 2018 were presented for approval by Board Member Hartman and seconded by Secretary McLary. The minutes were approved unanimously.

The minutes for June 28, 2018 were presented for approval by Board Member Hartman and seconded by Secretary McLary. The minutes were approved unanimously.

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

**CLAIMS**

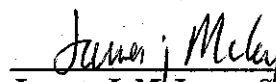
The claims for August 13, 2018 were presented for approval by Board Member Hartman and seconded by Secretary McLary. The claims were approved unanimously.

**ADJOURNMENT**

**APPROVE:**

  
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Nancy Obermeyer, Chair  
Board of Directors BPTC 09-18-18

**ATTEST:**

  
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James J. McLary, Secretary  
Board of Directors BPTC 09-18-18