

REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION (BPTC) APRIL 16, 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 Denise Hele, Account Manager at SIHO Insurance Services.

PUBLIC HEARING

Chair Obermeyer opened a public hearing to receive public comment on the 2019 Proposed Program of Projects to be funded under 49 U.S.C. Section 5307 and 5339. 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

Secretary McLary said he reached out to Peggy Mayfield and she did respond to him. She told him that the Ways and Means is not going to hear SB 285 and to call her and she would explain. He noted he has not had time to call her back. Mr. May said yesterday was the deadline for bills to be heard. Secretary McLary said Peggy Mayfield said there were some new rules that went into effect and that is why it was not heard. Vice Chairman McDaniel said it was a 28 to 21 vote in favor in the full Senate which wasn't as good as past votes on similar bills.

MESSAGES FROM THE MANAGER

Mr. May said last month we had Denise Ehle and Rick Kramer from SIHO here and he gave a good presentation to the Board about some of the details of self-insured plans and how they work and how the Bloomington Transit's experience has gone over the last nine years. The trends have been very positive for us and our reserves have grown. We've had a good year in terms of claims experience within our group. Until this year, we have really have not had very serious medical conditions in our group while we've been partially self-funded. But we do know we have one serious medical condition going into this new plan year. We have been talking with SIHO and working with them on the numbers. At the last Board meeting, Mr. Kramer said as an organization we should be able to take on some additional risk. SIHO has come back and recommended that we go with a higher specific stop loss amount of \$40,000 per employee as opposed to the current stop loss amount of \$30,000. In essence we would be taking on an

additional \$10,000 of risk that we would have to pay the medical claims on for any employees that incurred claims higher than \$30,000 but less than \$40,000. Board Member Hartman asked how many employees. Mr. May said there are 47 enrolled employees and dependents currently in the plan. Vice Chairman McDaniel asked how many of those went over \$30,000. Mr. May said we do have one employee that does have a serious condition and that employee has been lasered in this upcoming plan year for a stop loss amount of \$175,000. The very fact that they are lasering that employee at \$175,000 is a good indication that we are probably going to incur \$175,000 in claims. He said our reserves grew last year from the previous year by \$176,000 so we are going to be taking on \$175,000 in additional claims and likely going to incur those plus we are taking on \$10,000 additional risk for all 47 people enrolled in the plan. Moreover, since our premium equivalents have gone down that could very well lead to increase in enrollment in the plan which would result in more cost to the organization as well as impact reserves. All of these factors point to a real possibility that we may very well reduce the reserves next year. It depends on what our experience is going to be and how many employees exceed \$30,000 in claims. He said we are comfortable taking on the additional \$10,000 of risk and lowering the premium equivalents for the employees. Depending on the experience and year that we have with our employee group, we think that this will start the process to reduce the reserve but we won't know for sure. We think we are being conservative with this move going from \$30,000 to \$40,000. If we have another good year and our reserves are stable or we don't reduce them we can consider taking on additional risk next year potentially going to a \$50,000 or \$60,000 specific stop loss level and then bring the premium equivalent down further. The more risk you take on, your fixed costs go down. The reinsurance premiums go down and thus you can reduce your premium equivalent. Secretary McLary said do we actually reduce the premium to the employee. Mr. May said yes. Secretary McLary said is that a requirement that we do that. Mr. May said that is determined on how you calculate your premium equivalents. It is based on your fixed cost and expected claims. SIHO actually calculates those premium equivalents for us. Denise Ehle noted that you take your total cost including your reinsurance premium cost, what your expected cost are for your claims, and again depending on your specific deductible, that all factors into what your quotes are for your options. Take all those factors and numbers provided by the carrier and then we factor that out. It is weighted per tier so that we can provide to you four tiered ratings so that it makes it easier to calculate your employee contributions. The same equivalents are then used to calculate the COBRA rates that you pass along to members. It is those premium equivalents plus 2 percent. Mr. May said Rick Kramer's recommendation is to have a reserve of at least \$500,000. We have two plans a PPO plan and an HSA plan. The important numbers are the employee contributions. The PPO plan has a \$750 deductible and it's a traditional PPO plan. Currently the employee pays \$256.74 per month and that will go down to \$193.21 per month which is about a 24 percent reduction. Then we have the HSA plan option for employees where we have approximately 75 percent of the members enrolled. The current employee contribution is \$126.09 per month and it will go down to \$118.99, for a reduction of 5.6 percent. He said there is not as great of a reduction for the HSA and the reason is we had to artificially bring that number down in previous plan years to meet the Affordable Care Act requirements on what the maximum that the premium could be. It is also important to point out that the dependent care contributions by the employees in both the PPO and HSA plans are going down rather significantly. All of these reductions in the premium equivalents in the employee share could attract more people to the plan which is going to work to decrease the reserve. It is hard to project what impact it will have on the reserve as it will depend on our experience next year but a number of things will be working towards reduction of the reserve. Under new business we have Resolution 19-05 for the Board's consideration and authorization.

paying us to provide additional service to those complexes. We have looked at our existing route structure and what we can do to adjust the existing route structure and add capacity. It is fortunate that all three of these apartment complexes are on Route 6 and Route 6 Limited. The idea is to change the downtown routing for one year of the Route 6 Limited by one block downtown to better serve Park at Morton and then extend the eastern leg of the Route 6 Limited all the way down to Reserve on 3rd. It would roughly be a 1.5 mile (3.0 miles round trip) extension on Route 6 Limited and add two buses to the Route 6 Limited. The University would pay for the difference in hours. We proposed to the University the full cost of about \$66/hour. We told the University that we were approached by Reserve on 3rd of running their shuttle, so the idea has come up why provide two separate additional services to Reserve on 3rd. We already have great service to Reserve on 3rd. We have a bus every 20 minutes at Reserve on 3rd on the Route 6 and every 30 minutes on Route 3. The idea was why not combine the Reserve on 3rd and the University shuttles and then have a cost sharing arrangement. They both can save money and both can use the same service. He had the discussion with Julie and they have a phone call scheduled with Reserve on 3rd and we are going to propose that arrangement with them at \$66 per hour probably splitting the cost evenly between Reserve on 3rd and IU. The estimated cost to add a couple of buses Monday through Thursday is \$200,000. We think that we can do that it would add 3 FTEs total. We currently have 3 people in training right now. We think that there is a reasonably good chance that those 3 people are going to make it through training. However, we know we are going to have some attrition. This is an opportunity to increase ridership and to take some of these private apartment complex shuttles off the street so we are not competing for curb space. Once we get our foot in the door with one or two of these complexes there are other apartment complexes that are running their own shuttles and we potentially could win some of their business too. The Board encouraged Mr. May to do everything we can to operate the apartment shuttle understanding that our first priority is to the University and any service we need to operate for them.

Board Member Cartwright brought up the related topic of developing an incentive referral bonus or a sign-on bonus to attract new driver candidates. Mr. May said we had a labor management meeting last week and we talked about a referral bonus with the union. A referral bonus would be encouraging existing employees to refer good candidates to us. We would have to set some parameters. This would be an incentive to help us recruit employees. The union was receptive to the idea. We will have to work out the details. We plan to negotiate a side letter with the Union that would cover the referral bonus.

Mr. May said next on the agenda is our preliminary program of projects. He said we had the Public Hearing on the Program of Projects tonight. These are the projects that we will use our Federal 5307 formula funding as well as the 5339 Bus and Bus Facilities Grant we received last year from FTA that will fund that first purchase of the electric bus. We have five Capital Projects in the 2019 Program of Projects as well as in our 2019 Budget. He included a table in the Board notes that summarizes those projects that he described in the following.

Purchase 35" Electric Bus, charging station, and installation of the charging station funded from 5339 funds.

Operations and Maintenance Facility Equipment & Replacement of Key HVAC Elements to be funded from 5307 funding. This would include the replacement of the second boiler and control systems here at Grimes Lane at \$216,700.

Tires/Engine and Transmission Rebuilds and Hybrid Battery Replacement. This is customary line item we include in every Program of Projects that allows us to capitalize the cost of purchasing tires, engine/transmission rebuilds, and hybrid battery replacements. We have programmed a total of \$196,851 for this project in 2019. This project would be funded from 5307 funds.

Bus Tracker and Voice Annunciator. Upgrade the system that was installed in 2013. Cost of this project is \$150,000 to be funded with 5307 funds.

Fixed Route Vehicle Camera System. Upgrade all fixed route buses to increase the storage capacity on the DVR from 7 days to 30 days so as to meet the new state law. This would be funded with 5307 funds. Cost of the project is \$100,000.

He said for 2019 we have five projects that total \$530,841 in 5307 Funding and \$800,000 in 5339 Funding and a 20 percent local match.

Operating Assistance. This project provides a major source of Federal funds that are used to fund the operating costs of daily transit service including wages, benefits, fuel, vehicle maintenance and all costs associated with operating both fixed route and BT Access service. We are proposing total Federal 5307 funding of \$2.3 million for operating assistance which is matched at 50 percent.

Each year we publish the Program of Projects in the Herald Time and it included a public hearing so that public has the opportunity to comment. On the agenda is Resolution 19-06 for the Board's consideration and approval.

Mr. May noted next on the agenda is the Mobile Bus Pass. We have contracted with Token Transit to provide us with a mobile electronic bus pass for both fixed route and paratransit services. This will be a one year demonstration of the mobile bus pass. Zac Huneck provided a brief demonstration of purchasing the pass. Token Transit is currently in use at Fort Wayne and Lafayette will soon be implementing the service. We are planning to launch this program using Token Transit this summer. We will pay Token Transit a 10 percent commission on all mobile passes sold.

Mr. Huneck gave an overview of March ridership. He said March fixed route ridership was down 9.88 percent in March compared to March 2018. Year-to-date fixed route ridership is down 6.60 percent compared to the same period last year. Mr. Huneck noted BT Access ridership was up 7.53 percent in March compared to March 2018. Year-to-date BT Access ridership is up 11.7 percent compared to the same period in 2018.

MESSAGES FROM THE CONTROLLER

Controller Browning gave an overview of the March Financial Report.

PUBLIC COMMENT – ACTION ITEMS

There was no public comment on actions items.

NEW BUSINESS – ACTION ITEMS

Under New Business, Board Member Cartwright moved to approve Resolution 19-05; 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 at the rate of 35.70 per employee; the purchase of specific and aggregate reinsurance through SIHO with a specific stop loss level of \$40,000 per employee with one employee lasered at \$175,00; 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. The motion was seconded by Board Member Hartman. The motion was approved unanimously.

Also under New Business, Vice Chairman McDaniel moved to approve Resolution 19-06; a resolution adopting the final CY 2019 Program of Projects to be funded under 49 U.S.C. Section 5307 and 5339, and authorizing the BPTC Chair to file and execute grant assurances and the grant contract. The motion was seconded by Board Member Hartman. The motion was approved unanimously.

OLD BUSINESS

There was no Old Business.

MINUTES

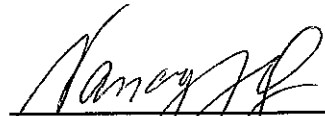
The minutes for the March 19, 2019 meeting were presented for approval by Vice Chairman McDaniel and seconded by Board Member Cartwright. The minutes were approved unanimously.

CLAIMS

The claims for April 16, 2019 were presented for approval by Vice Chairman McDaniel and seconded by Board Member Cartwright. The claims were approved unanimously.

ADJOURNMENT

APPROVE:



Nancy Obermeyer, Chair
Board of Directors BPTC

05-13-19

ATTEST:



James J. McLary, Secretary
Board of Directors BPTC

05-13-19