

**REGULAR BOARD MEETING - BLOOMINGTON PUBLIC TRANSPORTATION
CORPORATION (BPTC) APRIL 21, 2020, 5:30 P.M.
MINUTES**

The meeting was held virtually using a Zoom at the following link and phone numbers:

<https://zoom.us/j/99903514616?pwd=MIRLazJxZTIqS2JkcXZFeEtxK1RpQT09>

Meeting ID: 999 0351 4616

Password: 013964

(253) 215-8782

(301) 715-8592

Chair Obermeyer convened the regular meeting of the Board of Directors of the Bloomington Public Transportation Corporation.

ROLL CALL

Board Members and staff present: Chair Nancy Obermeyer, Vice Chairman Kent McDaniel, Treasurer Alex Cartwright, Marilyn Hartman and Secretary James McLary. Also present were Lewis May, General Manager, Christa Browning, Controller, Brenda Underwood, Director of Human Resources and Marketing, Zac Huneck, Planning and Special Projects Manager. Members of the public: Terry Amsler, Indiana University, School of Public and Environmental Affairs, Wendy Hall, Account Executive of IOA insurance services, and Drew Puck, Director of Underwriting Risk Management. Other members of the public attended via Zoom including Randy Paul and several who were unnamed.

PETITIONS AND COMMUNICATIONS ON NON-ACTION ITEMS

Terry Amsler with Indiana University, School of Public and Environmental Affairs, thanked the board for holding an electronic meeting during these unusual and difficult times.

MESSAGES FROM BOARD MEMBERS

Vice Chair Kent McDaniel wanted to personally thank our BT drivers and all those working the front line during the COVID-19 pandemic.

MESSAGES FROM THE MANAGER

Mr. May began the meeting with an update on proposed service changes. It was noted that the Board has been considering proposed service changes as discussed at the January and February meetings. The March meeting was cancelled due to the COVID-19 pandemic. The onset of COVID-19 pandemic has brought significant changes to our operations and policies in the last 2

months. Originally we were planning to have the Board approve an entire set of service changes for implementation in August 2020. COVID-19 could have long range impacts on our 2021 budget, 2020 revenue funding and employees. As such staff recommended that the Board postpone the final decision on proposed service changes until a date and time determined pending better information becoming available on the impact on the 2021 budget and revenue as well as the availability of employees post-COVID-19 pandemic.

Mr. May also explained that in late March, INDOT alerted staff that a “reserve target” for 2021 PMTF funding has not been set. Two (2) percent of PMTF funds were “reserved” in 2020 or in other words, INDOT deducted 2 percent of the PMFT allocations from each transit system’s allocation. They advised us to assume that the 2021 “reserve target” will be “significantly larger” than 2020. This applies to both State General Funds and dedicated funds. The PMTF funds come from the State General Fund. PMTF funding represents about 18 percent of our funding for the 2020 budget. Other funding sources are likely to be impacted including passenger fare revenue, IU funding, local income tax funding and advertising revenue. It’s possible that Federal 5307 funding could be impacted as well in 2021 as it is funded by gasoline taxes which likely are being impacted by the pandemic. All of these things could result in substantial revenue loss which could impact service levels that we provide in 2021. Given the uncertainties in the present situation, Mr. May advised that it would be prudent to postpone any final decision and implementation date relative to the proposed service changes.

Mr. May noted there is one service change on one route that staff recommends going ahead with effective August 24, 2020. He presented the service change relative to changing the route alignment for Route 2 W 11th Street via Showers Complex. The Bloomington Township Office has relocated from Vernal Pike to its new office location on West 17th Street. Many people rely on transit service to get them to the Township Office. We’ve discussed the route change with the Bloomington Housing Authority, the Township Office, and our union all of whom like this proposed new route alignment for Route 2. The new alignment will also provide a more reliable schedule for the public including more dependable connections to other routes at our Downtown Transit Center. We propose to keep Route 2’s service hours, frequency and days of service unchanged. As such, changing the route alignment will have no budget impact. Staff recommended Board approval of the change in the routing alignment for Route 2 W.11th Street including a change in name to Route 2 West 17th Street effective August 24, 2020. All other proposed service changes were recommended to be implemented no sooner than January 2021 with the final decision postponed as well.

Mr. McLary questioned the possibility of making the route with a reverse loop on the top part of the route – one way going outbound and a different way going inbound. Every other bus would go in the opposite direction of each other. Mr. May explained that he would be concerned with public confusion and having passengers waiting on the wrong side of the street if they weren’t familiar with the schedule and how the trips alternated in direction. Mr. May noted staff would review Mr. McLary’s suggestion.

Next, Mr. May presented the Employee Group Health Insurance Renewal. Our employee health insurance plan year runs from May 1 to April 30 each year. Recently, we received a briefing on our claims experience and premium equivalents from SIHO our third-party administrator. They

are responsible for processing claims, to competitively purchase specific and aggregate reinsurance for our employees and our group, and to provide assistance in plan oversight.

Our employee health insurance is partially self-funded by BPTC. We pay the first \$40,000 of claims for each enrolled employee within the framework of benefits that we've established relative to deductibles, co-pays, and out of pocket expenses. We purchase reinsurance on employees that covers all costs over the \$40,000 level on any individual employee. Sometimes employees with serious ongoing medical conditions are lasered at higher reinsurance levels given the higher risks. We also have aggregate reinsurance that protects BPTC if total claims exceed a certain stop loss amount. This partially self-funded program has helped us better manage and control costs. This plan was put in place about 10 years ago and has worked well for us.

It is proposed that we remain with our current reinsurer, IOA Re. They have offered the most competitive cost. Under the proposed renewal our annual specific premium would increase 1.8 percent. The 3rd party administrator monthly charge per employee as billed to us by SIHO is proposed to remain unchanged at \$29.70 month per employee. Our aggregate stop loss (attachment point) would decrease about 5 percent in the current plan year for a total of \$17,314. Perhaps the most important figure, our total annual exposure would decrease from \$659,123 to \$617,703 for a decrease in exposure of 6.3 percent.

The Option #2 in the worksheet included in your packet is the one we recommend as the best option. It includes a feature where there would no lasered employees for the \$40,000 specific stop loss but instead would require that we pick up for the first \$104,000 in medical claims before any specific reimbursement is provided. As such, we would avoid having 2 employees with serious medical conditions lasered at much higher specific levels of \$175,000 and \$50,000 respectively. Option #2 also includes fully insured transplant protection if an employee was to undergo a transplant. Transplants can result in large claims of \$1 million or more. Fully insuring the transplant process would help to reduce reinsurance costs as compared to the other options.

Treasurer Cartwright inquired about the transplant protection plan and whether this is a new feature or have we been offered this benefit in the past. Mr. May stated it is a new feature. Secretary McLary asked for verification that the transplant carve out is 100% insured. Wendy Hall, Account Executive of SIHO insurance services and Drew Puck, Director of Underwriting and Risk Management of SIHO confirmed that the transplant carve out is fully insured. Ms. Hall explained that as technology becomes greater and the ability to save lives become greater we are seeing more and more transplants being done. The cost of such being anywhere between \$500,000 and \$1,000,000 dollars. The transplant insurance mitigates that risk and is a member per month cost. The full cost is about \$2,000 annually for the group plan. There is an offset of positively affecting your reinsurance cost, according to Ms. Hall. The plan begins the day before the transplant surgery takes places and continues 365 days.

We currently have about 50 persons enrolled in the plan and offer two (2) different plan options including a traditional PPO plan with a \$750 deductible and a Health Savings Account Plan (HSA) that has a \$1,500 deductible.

Given the reduction in total annual exposure, and based on premiums equivalents, we can recommend modest decreases in employee contribution for both the PPO and HSA plan options, including reductions in employee contributions for dependent care coverage. The tables below illustrate current employer/employee contributions as well as our recommendations for changes regarding the proposed new plan year.

PPO PLAN	Current Monthly Premium Equivalent	Current Monthly BT Share	Current Monthly Employee Share
Employee	\$966.06	\$772.85	\$193.21
EE + Spouse	\$2,007.83	\$1,030.00	\$977.83
EE + Children	\$1,679.36	\$1,030.00	\$649.36
Family	\$2,809.67	\$1,030.00	\$1,779.67
HSA PLAN			
Employee	\$594.94	\$475.95	\$118.99
EE + Spouse	\$1,411.32	\$1,030.00	\$381.32
EE + Children	\$1,178.83	\$1,030.00	\$148.83
Family	\$1,978.83	\$1,030.00	\$1,779.67

PPO PLAN	New Monthly Premium Equivalent	New Monthly BT Share	New Monthly Employee Share	Percent Change
Employee	\$896.93	\$441.90	\$179.39	-7.7
EE + Spouse	\$1,864.17	\$1,030.00	\$834.17	-17.2
EE + Children	\$1,559.20	\$1,030.00	\$529.20	-22.7
Family	\$2,608.64	\$1,030.00	\$1,578.64	-12.7
HSA PLAN				
Employee	\$552.38	\$441.90	\$110.48	-7.7
EE + Spouse	\$1,355.29	\$1,030.00	\$325.29	-17.2
EE + Children	\$1,151.30	\$1,030.00	\$121.30	-22.7
Family	\$1,871.71	\$1,030.00	\$841.71	-12.7

Included in your packet is Resolution 20-04 to authorize the continuation of partial self-funding of group health insurance for BPTC employees and a plan agreement with SIHO for the provision of third party administrative services at the rate of \$29.70 per employee per month, the purchase of specific and aggregate reinsurance through SIHO under Option #2 of the SIHO proposal which is IOS Re with a specific stop loss of \$40,000 per employee, the continued use of a medical claims account fund and pay for employee medical claims and other related group health insurance expenses with the parameters of the plan design, and the establishment for the employer/employee contributions for the May 1, 2020 to April 30, 2021 plan year.

Next, Mr. May presented a Interlocal Cooperation Agreement Addendum with the City of Bloomington. Board Member Hartman had previously asked that we get a commitment in writing from the City as to what our guaranteed savings would be as part of solar panel installation at the Downtown Transit Center. We piggybacked onto the City's contract to have the panels installed on our downtown canopies. After discussion with the City Controller, Mr. May noted that the City will commit to guaranteed savings over 20 years in an amount equal to the cost of the solar panel installation which is \$396,451. Treasurer Cartwright asked about the likely hood of the panels needing repairs, upgrades or changes in technology over time. Mr. May explained that this is a possibility as with any technology as well as degradation in the performance of the panels over time, becoming a little less efficient each year. They are projected to have a 20 year life span. The attached Addendum to our Interlocal Cooperation Agreement between the City and BPTC is included in the packet along with Resolution 20-05 for the Board's consideration.

Lastly, Mr. May presented the operational statistics. He stated that February fixed route ridership was up 10 percent. March fixed route ridership was down 34 percent entirely due to the reduction in service and the departure of IU students. Year-to-date fixed route ridership is down 7.2 percent compared to the same period last year. BT Access ridership was up 1 percent in February but down 47 percent in March due to the COVID-19 pandemic. Year-to-date BT Access ridership is down 16 percent.

Included in your packet are monthly statistics and performance for fixed route and BT Access service.

MESSAGES FROM THE CONTROLLER

Controller Browning asked the board for approval of the 2019 Financials presented. These represent unaudited financial for 2019. The final State Board of Accounts Audit will be underway soon.

Controller Browning gave an overview of the February and March Financial Report as included in the Board Packet. Ms. Browning also noted that due to the COVID-19 pandemic, staff had made a number of unprecedented changes in operations and policies in response to the public health emergency declared by Governor Holcomb. As such, she recommended that the Board adopt Resolution 20-06 to approve the changes that have been made.

PUBLIC COMMENT – ACTION ITEMS

A number of questions and comments were made by Randy Paul and other members of the public.

NEW BUSINESS – ACTION ITEMS

Vice Chair McDaniel moved to approve Resolution 20-03, a resolution authorizing implementation of a service change on Route 2 West 11th Street via Showers Complex changing the route alignment only as per the attached map. The name of the route would change to Route 2 West 17th Street. Such changes would be effective August 24, 2020. Service hours, frequencies and days would remain unchanged from current service hours, frequencies and days. Further, consideration of approval of all other proposed service changes is proposed to be postponed to a date to be determined with implementation no sooner than January 2021. The motion was seconded by Treasurer Cartwright. The motion was approved unanimously.

Treasurer Cartwright moved to approve Resolution 20-04, 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 contribution for May 1, 2020 to April 30, 2021 plan year. The motion was seconded by Secretary McLary. The motion was approved unanimously.

Board Member Hartman moved to approve Resolution 20-05, a resolution adopting an amendment to the Interlocal Cooperation Agreement between the City of Bloomington, Indiana and the Bloomington Public Transportation Corporation for the years 2017- 2021. The motion was seconded by Secretary McLary. The motion was approved unanimously.

Treasurer Cartwright moved to approve Resolution 20-06, a resolution approving unprecedented changes in operations and policies in response to the public health emergency declared by Governor Holcomb. The motion was seconded by Secretary McLary. The motion was approved unanimously.

Board Member Hartman moved to approve the 2019 financial packet. The motion was seconded by Secretary McLary. The 2019 financial packet was approved unanimously.

OLD BUSINESS

There was no old business.

MINUTES

The minutes for the February 18, 2020 meeting were presented for approval by Treasurer Cartwright and seconded by Vice Chair McDaniel. The minutes were approved unanimously.

CLAIMS

The claims for March 17, 2020 were presented for approval by Treasurer Cartwright and seconded by Board Member Hartman. The claims were approved unanimously.

The claims for April 21, 2020 were presented for approval by Treasurer Cartwright and seconded by Board Member Hartman. The claims were approved unanimously.

ADJOURNMENT

APPROVE:



Nancy Obermeyer, Chair
Board of Directors BPTC

5-19-20

ATTEST:



James J. McLary, Secretary
Board of Directors BPTC

5-19-20