

**CONNECT TRANSIT
BOARD OF TRUSTEES
BUDGET WORK SESSION PROCEEDINGS OF MAY 2, 2017**

The Budget Work Session meeting of the Board of Trustees of Connect Transit was held at Uptown Station, 11 Uptown Circle, 4th Floor, Normal, Illinois 61761 on May 2, 2017 at 4:30 p.m.

TRUSTEES PRESENT: Mike McCurdy, Vice-Chairman
 John Bowman
 Judy Buchanan
 Lauren Lacey
 Jennifer McDade
 John Thomas

TRUSTEES ABSENT: Ryan Whitehouse, Secretary

CITY MANAGERS: Mark Peterson, Town of Normal Manager
 Steve Rasmussen, City of Bloomington Assistant City Manager

STAFF PRESENT: Isaac Thorne, Interim General Manager
 Julie Beer, Executive Assistant
 Martin Glaze, Operations Manager

The meeting was called to order by the Vice Chairman at 4:34 p.m. Roll call was taken.

Motion by Trustee Judy Buchanan, seconded by Trustee Jennifer McDade to allow City of Bloomington Assistant City Manager, Steve Rasmussen to participate in the Board meeting.

AYE: All

NAY: None

Motion carried.

PUBLIC COMMENTS

None.

NEW BUSINESS

Recommendation - Illinois State University Universal Access Agreement

Isaac Thorne, Interim General Manager, introduced this item. He stated staff had been in negotiations with Illinois State University for the renewal of the Universal Access Agreement. Staff would continue to meet with ISU staff for future agreement discussions. He recommended that the Board approve the Agreement as presented.

Trustee John Bowman questioned the number of revenue hours eliminated with the removal of the Redbird Express during the summer months. Mr. Thorne responded 1,340.

Trustee John Thomas questioned the chief issues in the negotiations. Mr. Thorne responded the lack of timely payments from the State of Illinois, and uncertainty going forward. This proposed agreement is a two year agreement. Staff would begin the negotiations for the fiscal years 2020 and 2021 in January of 2018.

Motion by Trustee Judy Buchanan, seconded by Trustee Lauren Lacy that Illinois State University Universal Access Contract for fiscal year 2018 and 2019 be approved.

AYE: All

Nay: None.

Motion carried.

BUDGET WORK SESSION

Vice Chairman Mike McCurdy opened the Work Session. He stated a robust email exchange occurred regarding the budget proposals, questions, and answers. He requested that if Trustee's questions had already been answered previously, to skip them, unless the purpose was to launch broader discussion. It was his hope to keep the meeting moving along.

Isaac Thorne, Interim General Manager addressed the Board. He recommended that the Board approve the 8,000 revenue hour decrease proposal. A small decrease this year would prevent the system from having to make large service decreases in the future, and allows time for Connect Transit staff to explore current and additional funding sources, current farebox recovery and fare structure, and revenue options and services.

Mr. Thorne provided the Board with an update on State of Illinois funding issues. He stated that House Bill 2453 was passed. This bill will allow state taxes collected for mass transit to be put into a separate fund and used only for mass transit. If passed by the Senate, and not vetoed by the Governor, it would go into effect in July, 2018.

Mr. Thorne noted the State of Illinois is receiving \$97 million of the Volkswagen settlement. The Environmental Protection Agency will oversee those funds. How it will be distributed is unknown, but it is hoped that Connect Transit will be able to apply for funds to purchase buses.

Regarding the Federal funding mechanisms, Mr. Thorne stated several Federal grants have been fully funded. The long term outlook is good.

Vice Chairman Mike McCurdy thanked Mr. Thorne for the update. He noted the goal for the Work Session was to have consensus concerning a budget. This would allow staff to continue to work toward preparing the final budget proposal.

Trustee Jennifer McDade stated she is supportive of staff's recommendation. She was appreciative of the information that had been provided to the Board. The Board has seen the data. She would like to see the impacts with the data and facts. She noted changes are being made to the least utilized areas of the community. She would like for that information to be contextualized. She believed that this would help the public understand.

Vice Chairman Mike McCurdy agreed. A message would be developed to provide to the Town and City Councils as well as the public.

Trustee John Bowman questioned the conservation of 5307 funds. Interim General Manager, Isaac Thorne responded that 5307 funds allow for capital purchases, such as shelters and buses.

Trustee Jennifer McDade requested that Mr. Thorne provide an overview of the cost savings by eliminating the Tripper services. Mr. Thorne responded that the Tripper service is extremely expensive. It was his recommendation that the Tripper service be eliminated entirely, or at the very least, eliminating the Bloomington Tripper due to the heavy cost. The cost per ride on the Bloomington Tripper is \$38; the cost per ride for the Normal Tripper is \$12, for comparison, the regular fixed route cost per ride is \$4. The elimination of both Tripper routes saves 734 revenue hours, resulting in a cost savings of \$70,000. That cost savings would be put into the Capital fund.

Vice Chairman Mike McCurdy stated it would be fiscally shaky to continue the Tripper Service; especially the Bloomington Tripper. Mr. Thorne, agreed, noting that more revenue hours are spent on the Bloomington Tripper. Vice Chairman McCurdy reminded the Board that the Tripper Service was a pilot program. After 8 months, it has proved to be performing poorly.

Trustee Jennifer McDade stated she supported the elimination of the Tripper routes. The Board and staff should be prepared to answer why the Tripper routes are being eliminated and share that information accordingly.

Vice Chairman Mike McCurdy noted the Connect Mobility service operates within $\frac{3}{4}$ of a mile of the fixed route service. He questioned the effect on Connect Mobility Services to those that were served by the Tripper Routes. Interim General Manager Isaac Thorne responded the Purple Route would still cover the Danbury area; however, eliminating the Normal Tripper would eliminate Connect Mobility service to the Ironwood Gardens area.

Trustee John Bowman stated according to the Americans with Disabilities Act, $\frac{3}{4}$ of a mile is a floor. Mr. Thorne affirmed.

Vice Chairman Mike McCurdy reminded that every revenue hour saved now pushed the system past the year 2020. Mr. Thorne agreed, noting there will always be variable scenarios.

Vice Chairman Mike McCurdy questioned the consensus of the Board. Trustee Judy Buchanan stated the Board must be fiscally responsible.

Trustee Jennifer McDade stated she is supportive of eliminating both. She noted the unintended consequences of housing being built outside of areas that are accessible to public transportation, and/or without sufficient infrastructure such as sidewalks. The system could stretch itself to the

max; however there is a financial element to its operations and the buck stops with the Board of Trustees. In addition, it sends the message that public transportation should be a part of the planning process for all residential and commercial developments.

Trustee Lauren Lacy stated she was in agreement. At the very least the Bloomington Tripper should be examined. It is hard to justify the cost.

Interim General Manager Isaac Thorne noted with the elimination of the YWCA's Medivan program, Connect Mobility service will likely absorb many of those clients, creating additional stress on system's budget.

Trustee John Bowman questioned the status of the YWCA's Medivan program client list. Martin Glaze, Operations Manager responded Connect Transit and the YWCA currently have 44 common customers. The YWCA Medivan Program currently serves a total of 500 clients. Those clients would go through the eligibility process to use the Connect Mobility service.

Interim General Manager Isaac Thorne stated the Connect Mobility ridership increases between 11 ½ to 13% each year. With the elimination of the YWCA's Medivan program, Connect Transit can expect an additional increase in the Connect Mobility ridership.

Trustee Judy Buchanan stated this could have an impact on Connect Transit's budgeting.

Trustee Jennifer McDade agreed. The Board and staff need to prepare to tell this story – it is a tangled web. Connect Transit could be faced with making even more cuts to the service. It is in a funding crisis. The State of Illinois is not making its payments. The YWCA is taking a bad situation and passing it on to others. Connect Transit needs to be able to tell this story; problems are being passed around. It is a complex situation.

Vice Chairman Mike McCurdy agreed. The YWCA Medivan service clients will most likely qualify for Connect Mobility service. Interim General Manager Isaac Thorne noted Medivan was not really a part of the YWCA's mission, but began the service to fulfill a need.

Vice Chairman Mike McCurdy stated Connect Mobility is limited to serving those within ¾ of a mile of the Fixed route service.

Trustee John Bowman stated the key to all of this is that Connect Transit receives 65% of its funding from the State of Illinois. There is not a lack of tax revenue, it is just ensuring that those funds are not spent somewhere else.

Trustee Judy Buchanan questioned the timing for when the Board would take action on the Strategic Plan. Isaac Thorne, Interim General Manager responded in June.

Vice Chairman McCurdy questioned the appropriateness of approaching the Municipalities to request that the municipal sales tax contribution be indexed to inflation. Mark Peterson, Town of Normal Manager responded that it is always appropriate; however, he was not sure that would be approved. The same conversation is being replicated everywhere. Connect Transit is part of an ecosystem of services provided, particularly for those who desperately need the service. It is

extremely disheartening to leave some out in the cold. This is just one piece. All public service agencies throughout the community are faced with the same funding problem. It is the dysfunction of State government, and the Federal level government looks scary as well. There is no well to go to, leaving everyone with very little flexibility.

Vice Chairman Mike McCurdy stated he would like to see budget proposals that included the elimination of one or both of the Tripper services prior to the May 30, 2017 Board meeting. He would like information on the full impact of the elimination of the Connect Mobility service to Normal.

Trustee Jennifer McDade requested that copies of the budget questions/answers be available to the public.

Interim General Manager Isaac Thorne stated that the Board would vote on the FY 18 budget at the May 30, 2017 Board meeting. Public engagement would begin immediately thereafter.

ADJOURNMENT

Motion by Trustee Jennifer McDade, Seconded Trustee Judy Buchanan to adjourn.

AYE: All

NAY: None

Motion carried.

Time: 5:36 p.m.

Julie Beer, Executive Assistant

Q & A

1. I did not see in the information presented any budget recommendation from staff. Do you plan to make a budget recommendation?

Yes. The recommendation from staff is to reduce 8,000 revenue hours in the FY2018 budget. The decrease will save us federal funding for capital expenditures and give us until 2022 to examine current and additional funding sources. I plan on talking about this in my opening remarks, as well as developments with Federal and State funding and legislation.

2. I know we're not projecting a 3% increase in operating support from Bloomington and Normal because the arrangements haven't been discussed. Should the board talk about the positive effect that it could have as we get closer to 2022.

I believe that Board of Trustees need to talk about the sales tax dollars and other revenue sources. One of the action items in the strategic plan will be to examine all existing revenue sources for growth potential. If the sales tax dollars were increased 3% a year, Connect would receive \$1,125,000 in FY2022. This funding could allow Connect to provide additional service.

3. Should the board discuss the Bloomington and Normal Trippers? Can you provide ridership data on the Trippers?

I believe a discussion is needed, the board approved the Trippers as a six month pilot and Connect has provided the service for eight months. The Normal Tripper YTD has 1,022 rides and Bloomington Tripper has 665 rides. The Normal Tripper service is provided two times a day totaling 155 revenue hours year-to-date and Bloomington Tripper is provided three times a day for 308 revenue hours year-to-date.

4. Is the Gold route staying the same?

Yes. The Gold has the eighth best ridership in the route system. I think that a few changes could be made to this route, but I am hesitate to make a lot of changes to the route system for the next fiscal year. Connect is experiencing two straight months of increased ridership and this is the first time this has happened since February and March of 2015.

5. The Gold route is painted Red under the >\$8K scenario, is this intentional? Are we truly shifting that route to the Red?

The Gold is painted as Red because it was not adjusted in Remix. There is no change in the Gold route. I have attached an updated map to correct this issue.

6. Will the Aqua still be interlined with the Orange under this scenario? If so, can you comment on time points at the Downtown Transfer center for each of these routes (and for the Orange to the east)? I understand the rationale for taking down the Teal, but have some concerns with eliminating a north-south lateral west of Veterans in this latitude.

The Aqua will still be interlined with the Orange. Below are time

points:

Aqua	Downtown	Southgate	Southgate	Downtown	
	:00	:10	:10	:20	
	:30	:40	:40	:50	Peak
	:00	:10	:10	:20	

	:30	:40	:40	:50	Peak
Orange		State Downtown Farm	State Farm	Downtown	
	:20	:40	:40	:00	
	:50	:10	:10	:30	Peak
	:20	:40	:40	:00	
	:50	:10	:10	:30	Peak

Aqua should line up better during off peak. It is ranked 5th in transfers. Orange is ranked 8th and Teal was ranked 11th out of 13 fixed routes.

Eliminating the Teal is the best way to decrease hours and have minimal effect on the system as a whole. While convenience for some will decrease, their access to the system will remain. Eliminating any other route would completely cut off service all together without a route alignment.

7. In the contract version accessed through the provided link, two pages with corresponding headers for Appendix A (current and proposed list of hours, frequency of service & stop locations, p. 1-2 [PDF 3-4]) and Appendix B (Data Security Addendum, p. 3 [PDF 5]) were blank. Is there missing content for these two placeholders the Board should consider in the context of the contract?

I did not include Appendix A (proposed list of hours) or Appendix B (Data Security). Connect will provide 6,480 hours of service for the Redbird and Appendix B (Data Security) did not change from last year. The contract and Appendixes from last year can be found here: <http://www.connect-transit.com/documents/May%203,%202016%20Regular%20Board%20Agenda%20Binder1.pdf>

8. In the Recommendation Memo, it is stated “The ISU summer service will be eliminated, starting on May 14th.” Is this referring only to the Redbird Express summer schedule, or does this mean all ISU service, including fixed route, would be cut?

ISU Redbird Express service will be eliminated in the summer. ISU students can still access the fixed route system during these months.

9. Under the -8K proposal (I presume) the elimination of the Teal is the primary mechanism for achieving the 8,000 revenue hour reduction. Based on the route-by-route statistical summary distributed at our last board meeting (which I interpret to contain numbers through March 2017) I calculate this would result in a 6,150 hour reduction. Would the alignment of CM hours to the FR schedule make up the other 1,850 hours? What, in terms of revenue hours, does adding 15 minute service to the Yellow during the HCC school year “cost” and is this factored into the -8K figure to arrive at a net?

In the proposed 8,000 hour reduction of service majority of the reduction comes from Teal, Aqua, and Redbird Express summer service. Eliminating the CM service hours to reflect FR

service reduces 500 hours. Increasing the Yellow route to 15 minute peak service would add 1,106 service hours.

10. What are the adjusted time points for the Purple/Blue by routing the Purple Downtown? I know consideration was previously given to interlining the Purple with a new route (I would advocate making it the Gray, so you'd have the Blue/Purple/Gray interline), separating it into an east/west modality. Because of the time and length of the current Purple route this would make sense to me, but with the following caveats:

- Add regular FR coverage to Fox Creek/Danbury through the west leg of this interline, using the excess dwell time at the Bloomington Walmart to provide this coverage
- Leave the Aqua at 30 minutes and service Hilltop with a FR, approaching on the southbound run by turning on Oak Valley Road and traveling west->east through Hilltop MH Park to Bunn (these combined changes would eliminate the need for the Bloomington Tripper)

In terms of Hill Top and Danbury, if the Teal is eliminated, but add an interlined route to cover these locations, it would essentially come out even. If the Teal is not removed and add this interlined route it will add around 6,000 hours to the current route system. The dwell time from the Purple is utilized to go Downtown and over to Eastland in the no Teal scenario.

Purple, with no Teal, would be Downtown at :00, :15, :30 and :45 during peak. The Blue would move to :05 and :35. The Blue is the most underutilized route in terms of transfers.

11. When will consideration be given to fine-tuning routes like the Olive* and Tan,** which have available capacity, to broaden coverage and permit more riders to access the system or improve transfer points?

*Menard's/Sam's Club area or possibly into/out of Uptown

**Servicing Wingover Apartments/McGraw Park Subdivision north of the Airport

Olive and Tan fine-tuning is a revenue neutral change that currently would not affect this budget decision, unless the board chooses the 16,000 or 24,000 revenue hour reduction.

12. I received a question regarding what Connect Transit is required to do when making a service change. Connect Transit has a Title VI Program under Federal Transit Administration (FTA C 4702.1) that requires public participation. Connect Transit updated the Title VI Program on January 26, 2016 and this document link can be found below.

<http://www.connecttransit.com/documents/Meetings/Packets/January%2026,%202016%20Regular%20Board%20Meeting%20Binder1b.pdf>

The public participation plan approved by the board requires Connect to have listening sessions, prior to any change in policy or service, including but not limited to fare increase and a decrease in service hours. A public hearing will be held after the listening sessions for the board to vote on fare increases or decrease in service hours.

13. Can you clarify the \$4.11 per ride cost for Normal Tripper VS the 31.15 per passenger cost? **The average cost per ride is \$4.11 for all system routes. The Normal Tripper costs \$31.15 per passenger.**

14. If directing the Green down Beaufort will cause this to run on time now, why wait until August?
Are public hearings necessary for this change?

The Green route could be changed in early or mid-July. Connect would need to make sure that this change is publicized and inform customers. This route change does not require a public hearing because Connect is not reducing service.

15. Do we have any suggested options for those customers who will be displaced through Connect Mobility?

Mclean County Regional Planning has a document that list the transportation providers in Bloomington-Normal: http://www.mcplan.org/egov/documents/1464874456_45158.pdf

Some of these providers may not provide service to certain areas of Bloomington-Normal. I know that ShowBus does not service many individuals living in Bloomington-Normal, most of their trips are customers traveling into the Town and City. Staff will reach out to these agencies and see if they will be able to provide service to current Connect Mobility riders that could lose service.