

**CONNECT TRANSIT
BOARD OF TRUSTEES
BUDGET WORK SESSION PROCEEDINGS OF
MARCH 22, 2016**

The Budget Work Session meeting of the Board of Trustees of Connect Transit was held at the Connect Transit Board Room #135, 351 Wylie Drive, Normal, Illinois 61761 on March 22, 2016 at 3:00 p.m.

TRUSTEES PRESENT: Bill Wilson, Chairman
 Mike McCurdy, Vice-Chairman
 John Bowman
 John Thomas

TRUSTEES ABSENT: Ryan Whitehouse, Secretary
 Jennifer McDade
 Judy Buchanan

CITY MANAGERS:

STAFF PRESENT: Andrew Johnson, General Manager
 Julie Beer, Executive Assistant

The meeting was called to order by the Chairman at 3:27 p.m. Roll call was taken.

Andrew Johnson, General Manager opened the Work Session. Staff would present the Board with proposed budget scenarios. This is a unique budget year with the potential for a status quo expense budget, and potential expanded service budget, contingent upon increased local funding from the Town of Normal and the City of Bloomington. The Town of Normal has already approved an increase. The Board would have two (2) budget scenarios to review.

Mr. Johnson introduced Pat Kuebrich, Finance Director, who would provide an overview of the two (2) scenarios. Mr. Kuebrich addressed the Board. The budget document had been distributed to the Board via addendum. There were seven (7) columns starting with the current 2016 Annual Budget. Mr. Kuebrich provided an overview of the columns, beginning with the proposed budget, assuming the route restructure is approved and the addition of Sunday service.

Mr. Kuebrich noted advertising revenue would increase with the addition of new buses, but there was a reduction in miscellaneous revenue due to the loss of rents on the Oakland Avenue Building. Staff did not anticipate renting the building as it was up for sale. Andrew Johnson, General Manager stated the building is being actively marketed, and there were other, potential ways of transferring ownership of the building such as through a land swap. Staff was reviewing all possibilities.

David Hales, City of Bloomington City Manager arrived at 3:30 p.m.

Bill Wilson, Chairman questioned if there were any Environmental Protection Agency (EPA) issues with the property. Mr. Johnson responded that there were no EPA issues. Mr. Johnson stated

there is the possibility that Connect Transit may have to demolish the building in an effort to sell the land.

Pat Kuebrich, Finance Director continued the overview of the proposed budget scenarios. There are increases to group insurance lines and in the retirement plan expense line as more employees are enrolling in the retirement plan.

Mr. Kuebrich provided an overview of the proposed status quo budget. There would be a 5% increase in revenue from Universal Access Agreements and a 30% increase in expenses in the group insurance line.

Trustee John Bowman if the Bus Operator wage rate would be impacted by the proposed expanded Sunday service or if the expanded service be subject to overtime. Mr. Johnson responded that there would be no special wage provision for the additional Sunday service. The goal is to continue to keep overtime costs down.

Mr. Johnson pointed out the proposed budgets; both the expanded service proposal and the status quo proposal assume that fares will not change.

Mr. Johnson noted a Local Revenue line item is included with the proposed expanded service budget proposal for the first time. He requested that David Hales, City of Bloomington General Manager explain the City of Bloomington's budget approval process.

Mr. Hales addressed the Board. The Bloomington City Council will hold its Public Hearing on its proposed budget on March 28, 2016. The Council would adopt its budget at the April 11, 2016 City Council meeting.

Mr. Johnson thanked Mr. Hales and stated he would provide more detailed explanation on the expanded service once local revenue is promised and the route restructure is approved. Sunday service would begin immediately after.

Mr. Johnson informed the Board that new fareboxes would be installed into the buses in May. The technical capabilities of the new fareboxes would be gradually phased in. There would be a deadline for token use and Fast Passes will be replaced by magnetic stripe fare cards. Staff proposes that the Board consider the implementation of one way fare, 1 day pass, 7 day pass and 30 day pass options.

Discussion continued regarding the fare card options and pricing structure. Mr. Johnson reminded the Board that the proposed structure was only initial discussion. Before implementation a public hearing would be required.

City of Bloomington City Manager, David Hales questioned the last fare increase. Mr. Johnson responded the last fare increase occurred in 2007 and was increased from \$.75 to \$1.00. Mr. Hales questioned the rationale for an increase to a one-way fare. Mr. Johnson responded there are many methodologies. Sometimes it comes down to budget problems. Public Transit will never be self-funding. Fare structure is unique to each individual community.

Chairman Bill Wilson stated there is a tremendous value to the service provided by Connect Transit. The Board will have an opportunity to consider fare pricing options in the future.

Mr. Johnson inquired if the Board was comfortable with the one way fare, 1 day, 7 day and 30 day pass options. Vice Chairman Mike McCurdy responded that the proposed structure was a good start. Mr. Johnson stated there would be time to consider any fare increase. A public hearing would be held to receive public input and consideration prior to any vote to approve a fare increase.

Mr. Johnson inquired if there were any additional questions from the Board on the proposed budget scenarios. City of Bloomington City Manager, David Hales inquired regarding the budget timeline. Mr. Johnson responded the budget would be adopted at the next regular Board meeting. Once adopted, the budget would be submitted to the State of Illinois.

ADJOURNMENT

Motion by Vice Chairman Mike McCurdy, Seconded by Trustee Jennifer McDade to adjourn.

AYE: All.

NAY: None.

Motion carried.

Time: 4:20 p.m.

Ryan Whitehouse, Secretary