

**CONNECT TRANSIT  
BOARD OF TRUSTEES  
WORK SESSION PROCEEDINGS OF FEBRUARY 25, 2014**

The 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 February 25, 2014 at 3:30 p.m.

TRUSTEES PRESENT: Judy Buchanan, Chairman  
Bill Wilson, Vice-Chairman  
Mike McCurdy, Secretary  
Felicia Shaw  
Ryan Whitehouse

TRUSTEES ABSENT: John Bowman  
John Thomas

CITY MANAGERS:

STAFF PRESENT: Andrew Johnson, General Manager  
Patrick Keubrich, Finance Director  
Julie Phillips, Labor Relations Executive Assistant

PUBLIC COMMENTS: None

The meeting was called to order by the Chairman at 3:35 p.m. Roll call was taken.

Andrew Johnson, General Manager opened the discussion by stating that the budget scenarios document that was provided to the Board was not a proposed budget, but a document to be used as a starting point to spur discussion regarding the budget process. He did not anticipate that the overall budget process would be a long one. The budget scenarios included the current fiscal year budget, and three (3) different budget scenarios. The first scenario was status quo; the second showed the potential decrease in funding and the third showed the potential increase in funding. Mr. Johnson requested that Patrick Keubrich, Finance Director explain the document further.

Vice Chairman Bill Wilson arrived at 3:40 p.m.

Patrick Keubrich, Finance Director addressed the Board. He stated that the major drivers for the status quo scenario included major increases in group insurance and corporate insurance. There were other small increases including employee salaries. The major drivers for the decrease in funding scenario were an assumption of a 20% decrease in driver salaries, uniforms, outside repair services and a decrease in fuel and lubricants. The drivers for the increase in funding scenario used the assumption of an increase on bus routes that would in turn, increase driver salaries, uniform expenses, outside repair services, etc.

Trustee John Bowman arrived at 3:41 p.m.

Chairperson Judy Buchanan questioned how the increases or decreased would be determined. She questioned if a formula existed that assisted in making the determination. Andrew Johnson, General Manager stated that a formula did not exist. Several factors could influence increases or decreases in funding, including demographics, Federal and State mandates, etc.

Mr. Johnson stated that he did not believe that there would ever be a scenario where services provided by Connect Transit would be decreased, however, he believed that it was important that the system and the Board be able to demonstrate what could happen if there were a decrease in funding and/or fares. It was important to demonstrate that the system and the Board had a plan in place.

Chairperson Judy Buchanan noted that the budget scenarios document included an increase in Illinois State University (ISU) Universal Access program fares. Mr. Johnson confirmed and noted that discussions with ISU would begin soon. ISU has indicated their preference for a multi-year agreement.

Trustee Ryan Whitehouse noted the decrease in driver's salaries as part of the decrease in funding scenario. He questioned how the salaries would be decreased. Mr. Johnson responded that the budget was not calculated based on a per driver basis. The budget was calculated based on the amount of wages to run each revenue hour of service. If the number of revenue hours of service decreases, wages would be decreased.

Secretary Mike McCurdy questioned if the system could expect to increase fare revenue prior to implementing the electronic fare boxes. Mr. Johnson replied that his preference would be to implement the electronic fare boxes prior to any fare increases. He did not expect to have electronic fare boxes in place before 2016. There would be plenty of time and opportunity to educate the public about the electronic fare boxes such as educational sessions and videos, etc.

Andrew Johnson, General Manager reminded the Board the budget scenarios document was a tool for the Board to guide staff for preparing the final budget. He stated that ultimately a proposal would be presented to the Board for approval.

Mr. Johnson stated that staff would stay focused on the status quo funding scenario. He requested that the Board provide direction on what tweaks they would like to see for the proposed budget. He informed the board that there would be hefty increases in health insurance premiums as a result of the Affordable Care Act. He stated that a more comprehensive budget proposal would be brought to the Board for review at the March 18, 2014 Board meeting. Chairperson Judy Buchanan questioned if the Board would be voting to approve the proposed budget on March 18. Mr. Johnson responded that it a vote would not be required, but if the Board felt comfortable with the proposed budget presented at that time they could vote to approve it.

Chairperson Buchanan questioned if there were any more questions or comments concerning the budget scenarios document. There were none.

There being no further business, Chairperson Buchanan requested that a formal motion be made to adjourn.

Motion by Secretary Mike McCurdy, seconded by Trustee Felicia Shaw that the meeting be adjourned.

Motion passed. Time: 4:25 p.m.

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Secretary Mike McCurdy