



BOARD MEETING MINUTES

Board of Directors Meeting
1401 S. Lafayette Blvd, South Bend, IN 46613
July 18, 2022 at 4:00 PM

1. Opening Items

1.1 Call to Order & Pledge of Allegiance

The meeting of the Board of Directors of the South Bend Public Transportation Corporation was called to order at 4:00 p.m. by Chairperson Scicchitano.

1.2 Roll Call

Member Schlunt called roll with six (6) board members in attendance and three (3) board members absent. A quorum was confirmed.

Board Members Present: Jill Scicchitano, Milt Lee, Jitin Kain, Ken Kahlenbeck, Don Schlunt, Paul Tipps,

Board Members Absent: Lynn Collier, Lori Hamann, Eli Wax

Others Present: Amy Hill, Chris Kubaszak, Virgil McCarthy, Bjorn Swenson, Phil Garrett and Scott Nickerson (Crowe)

2. Minutes of Previous Meetings

Chairperson Scicchitano called for approval of the minutes from the June Board meeting. Member Tipps motioned to approve the minutes and Member Kain seconded the motion. The minutes were approved unopposed.

3. Special Report

3.1 2021 Audit – Scott Nickerson, Crowe

Scott Nickerson provided a review of the 2021 Audit. He stated it was a clean opinion which is the highest level of compliance. He highlighted the review of federal grant compliance and the positive financials which resulted in increased capital investment in 2021. He noted two adjustments – the year-end pension adjustment which is done each year and the adjustment to the 5310 subrecipient funding to ensure the revenues and expenses were captured.

He reviewed the material weakness regarding the electronic funds fraud, noting Transpo was fortunate to receive the funds back. He reviewed the additional controls that were put in place to prevent future issues.

He stressed the importance of ensuring the board confidentiality and conflict of interest forms are completed on an annual basis. He also touched on a few areas of opportunities for continuous improvement.

Member Tipps commented that the audit is addressed to the members of the board and it is the board's fiduciary responsibility to review and maintain oversight. He asked Mr. Nickerson to define what would be considered a subsequent event. Mr. Nickerson responded that anything after 12/31/21 that could impact the year-end results such as disclosure of significant debt or legal matter which were not known at the time. As a follow-up, Member Tipps asked who determines what is considered material and Mr. Nickerson responded it would be based on revenue and expenses with changes substantial enough to change someone's opinion. The board perspective would also come into play regarding the level of materiality.

4. Staff Reports

4.1 Operations Report

General Manager Hill reviewed the Operations Report noting that June 2022 fixed route ridership was up 25.87% with a total of 86,625 rides. YTD ridership is up 18.36%.

Access ridership was up 21.82% for June 2022 compared to June 2021 and 26.48% YTD.

There were three (3) non-preventable accidents in June and no preventable or yard accidents.

The Passenger Service Reports were reviewed with 13 fixed route PSRs received with eight (8) unsubstantiated, four (4) being monitored for future action and one (1) resulting in discipline. Access received two (2) PSRs with one (1) unsubstantiated and one (1) being monitored.

General Manager Hill reviewed the missed trips for the month of June with a total of 76 related to the operator shortage which is less than 1% of all trips. While not ideal, this continues to be the best option for minimizing the impact on passengers.

She did note that the numbers were up for June due to contract negotiations and the Union board taking the full day off to prepare.

The full report was included in the board packet.

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4.2 Finance Report

Controller Kubaszak reviewed the Finance Report noting Passenger Revenue up for the month of June with the end-of-school year billings for ridership programs. Labor was under budget due to the open positions, but overtime continues to be high.

Materials and Supplies were higher with the recent load of diesel fuel. Member Tipps asked about any potential tax implications on the fuel purchases and Controller Kubaszak reviewed the tax-exempt status and noted Transpo is only responsible for the road tax.

Controller Kubaszak noted the first property tax installment was received which was above budget.

Controller Kubaszak reviewed the open grants noting several will be closing out as projects are wrapped up.

The full report was included in the board packet.

4.3 Human Resource Report

General Manager Hill reviewed the HR report highlighting the open positions. Preparations are underway for the next Employment Open House once the collective bargaining agreement is finalized.

The full report was included in the board packet.

4.4 Maintenance Report

Director McCarthy provided the Maintenance Report noting there were 44 preventative maintenance inspections completed on time.

Road calls and service calls were also reviewed. Member Tipps asked about the number of bus changes and Director McCarthy replied that the 10 noted for June would be considered a good number, especially considering the number of older buses that remain in service.

He also noted that the South Street Station door replacement project continues to move along and the bus wash replacement should be starting in the next few months.

Member Tipps asked how the Maintenance Department was doing with the two open Mechanic positions. Director McCarthy responded that everyone is doing a great job keeping up with the work flow.

The full report was included in the board packet.

4.5 Marketing Report

General Manager Hill reviewed the Marketing and Ridership Report highlighting the Token Transit ridership which continues to increase.

There has been an increase in media coverage for the CONNECT Transit Plan. The public open house hosted in South Bend last week was well attended.

She noted there were six (6) proposals received for the fixed route technology RFP. Evaluation is underway and interviews with finalists will take place next week.

The RFP for the website redesign has been issued with proposals due August 26th.

The full report was included in the board packet.

4.6 Administrative Report

General Manager Hill reviewed the Administrative Report highlighting the upcoming engagement opportunities for the CONNECT Transit Plan. The list of upcoming meetings was included in the board packet and is also available online at connecttransitplan.com. The board will receive another update at the August meeting and will be expected to make a policy determination at the September Board meeting.

Transpo has received two appraisals for the vacant South Street lot and is waiting on the third review appraisal. Once that is received, Transpo can move forward with the potential sale, which would be subject to board approval.

She also noted that contract negotiations are ongoing with an update anticipated for August.

The full report was included in the board packet.

5.0 Introductions to Resolutions

5.1 RESOLUTION NO. 23-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BEND PUBLIC TRANSPORTATION CORPORATION, SOUTH BEND, INDIANA APPROVING THE FINANCIAL TRANSACTIONS DURING THE MONTH OF JUNE WITHIN THE CORPORATION'S CAPITAL IMPROVEMENT FUND

Staff Report: Investments and payments were made from the Capital Improvement Fund during the month of June 2022. The Corporation's share which is required by the Federal Government, totaled \$327,630,43.

Member Tipps motioned to approve Resolution 23-2022 and Member Kain seconded the motion. The motion passed unopposed.

5.2 RESOLUTION NO. 24-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BEND PUBLIC TRANSPORTATION CORPORATION, SOUTH BEND, INDIANA APPROVING THE FINANCIAL TRANSACTIONS INCURRED DURING THE PAST 30 DAYS OF JUNE WITHIN THE CORPORATION'S PAYROLL AND TRANSPORTATION FUND

Staff Report: There were a total of 100 checks issued June 1-30 for a total disbursement of \$505,354.53.

Member Tipps asked about a \$4,500 payment to JWF. General Manager Hill responded that JWF was Transpo's third party claims administrator and the payment was for the settlement of claim.

Member Tipps motioned to approve Resolution 24-2022 and Member Kain seconded the motion. The motion passed unopposed.

5.3 RESOLUTION NO. 25-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BEND PUBLIC TRANSPORTATION CORPORATION, SOUTH BEND, INDIANA APPROVING THE RENEWAL AGREEMENT WITH INDIANA UNIVERSITY SOUTH BEND

Staff Report: General Manager Hill reviewed the agreement noting IU South Bend pays a discounted rate for fixed route rides and full fare for Access paratransit rides.

Member Tipps motioned to approve Resolution 25-2022 and Member Kain seconded the motion. The motion passed unopposed.

5.4 RESOLUTION NO. 26-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BEND PUBLIC TRANSPORTATION CORPORATION, SOUTH BEND, INDIANA APPROVING THE RENEWAL AGREEMENT WITH PURDUE POLYTECHNIC HIGH SCHOOL

Staff Report: General Manager Hill reviewed the agreement noting PPHS pays a discounted rate for fixed route rides.

Member Tipps motioned to approve Resolution 26-2022 and Member Kain seconded the motion. The motion passed unopposed.

5.5 RESOLUTION NO. 27-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BEND PUBLIC TRANSPORTATION CORPORATION, SOUTH BEND, INDIANA APPROVING THE RENEWAL AGREEMENT WITH SOUTH BEND COMMUNITY SCHOOL CORPORATION

Staff Report: General Manager Hill reviewed the report noting SBCSC pays a discounted rate per fixed route ride and would be expanding the program to include middle school students for the 2022-23 school year.

Member Kain motioned to approve Resolution No. 27-2022 and Member Tipps seconded the motion. Vice Chairperson Lee abstained from voting. The motion passed 5-0.

5.6 RESOLUTION NO. 28-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BEND PUBLIC TRANSPORTATION CORPORATION, SOUTH BEND, INDIANA AUTHORIZING MANAGEMENT TO EXTEND THE CURRENT CONTRACT WITH NOTRE DAME, SAINT MARY'S AND HOLY CROSS

Staff Report: General Manager Hill reviewed the report noting the Sweep route will continue for the 2022-23 academic year. The three schools will pay the full cost of operating the service. The agreement also provides for free travel for all students, faculty and staff. The schools have been informed that travel on other routes will no longer be included at no charge. General Manager Hill recommended an extension of the current contract to allow for additional time to finalize a new ridership program.

There was discussion among the board with several board members stating they felt the schools should be covering the cost of the rides on other routes. General Manager Hill agreed and noted that the schools are aware the program will be changing, but felt the additional time would be helpful. After further discussion, General Manager Hill said they would work to shorten the timeline and have a new agreement in place sooner.

Vice Chairperson Lee motioned to approve Resolution No. 28-2022 and Member Schlunt seconded the motion. The motion passed 5-1 with one vote opposing the motion.

5.7 RESOLUTION NO. 29-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BEND PUBLIC TRANSPORTATION CORPORATION, SOUTH BEND, INDIANA AUTHORIZING MANAGEMENT TO PROVIDE THE CITY OF SOUTH BEND WITH A DISCOUNT ON THE PURCHASE OF THE BUS PASSES TO ASSIST WITH WEATHER AMNESTY INITIATIVES

Staff Report: General Manager Hill reviewed the report noting the update MOU includes the purchase of 175 adult bus passes each month by the City of South Bend (not to exceed \$58,000). In return, Transpo will donate one month's worth of bus passes.

It was asked if the agreement was the same as in the past and General Manager Hill confirmed it was.

Member Tipps motioned to pass Resolution No. 29-2022 and Member Schlunt seconded the motion. Member Kain abstained from voting. The motion passed 5-0.

6. Any Other Motions

6.1 2021 Crowe Audit

Member Tipps motioned to accept the 2021 Audit by Crowe and Member Kain seconded the motion. The motion passed unopposed.

6.2 Public Hearings on 5307, 5339, DBE

Controller Kubaszak reviewed the information on the federal grant funding and DBE goals for the next three years.

General Counsel Garrett called for the public hearings:

Member Kain motioned to open the public hearing for 5307 and Member Tipps seconded the motion. The motion passed unopposed.

There was no public comment.

Member Kain motioned to close the public hearing for 5307 and Member Tipps seconded the motion. The motion passed unopposed.

Member Kain motioned to open the hearing for 5339 and Member Tipps seconded the motion. The motion passed unopposed.

There was no public comment.

Member Kain motioned to close the public hearing for 5339 and Member Tipps seconded the motion. The motion passed unopposed.

Member Kain motioned to open the public hearing for the DBE goal and Member Tipps seconded the motion. The motion passed unopposed.

There was no public comment.

Member Kain motioned to close the public hearing for the DBE goal and Member Tipps seconded the motion. The motion passed unopposed.

6.3 Tolling Agreement

As a follow-up to the Executive Session, General Counsel Garrett requested a motion to authorize General Manager Hill to enter into a potential tolling agreement with Gibson and the right to file a declaratory judgement if needed.

Member Tipps motioned to approve and Vice Chairperson Lee seconded the motion. The motion passed unopposed.

7. Chairperson's Report

As a follow-up to the discussion on the 2021 Audit, Chairperson Scicchitano recommended the Finance Committee address any questions regarding materiality and focus for the staff.

She also touched on the Special Committee to assist with hiring and recruitment and encouraged board participation.

8. All Other Unfinished Business, Including New Business

8.1 Special Committee – General Manager Hill stated she has not had the opportunity to follow-up on last month's discussion, but asked board members to let her know if they would be interested in chairing the new committee.

8.2 2023 Budget – General Manager Hill said the draft of the 2023 Budget was reviewed in detail with the Finance Committee. An overview along with the draft of the 2023 Revenues and Expenses were included in the board materials. She asked that board members review and follow-up with any questions. The board will be asked to approve

and recommend that the budget go to the South Bend Common Council at the September board meeting.

9. Privilege of the Floor

N/A

10. Adjournment

With no additional business, Member Tipps motioned to adjourn the meeting and Member Kain seconded the motion. The meeting was adjourned at 5:14 p.m.