

The Board of Trustees of the Springfield Mass Transit District met in a regular session in the office of the Springfield Mass Transit District located at 928 South Ninth Street, Springfield, Illinois. The Meeting was called to order at 4:30 PM by Brian Brewer, Chairman.

**I. ROLL CALL** Present:

- |                 |   |
|-----------------|---|
| Brian Brewer    | Chairperson                             |
| Susan Davsko    | Vice-Chairperson                        |
| Leslie McCarthy | Secretary                               |
| Karen Hasara    | Treasurer                               |
| Jerry Doss      | Trustee                                 |
| Sandra Douglas  | Trustee                                 |
| Wynne Coplea    | Trustee                                 |
| Ed Gower        | Counsel                                 |
| Frank Squires   | Managing Director                       |
| Diane Townsend  | AMD for Finance and Administration      |
| Earl Amos       | Superintendent of Maintenance           |
| Melissa Ashford | Superintendent of Access                |
| Shoun Reese     | Grants & Procurements Manager           |
| Steve Schoeffel | Service Planning & Marketing Specialist |
| Jason Sass      | Associate Planner, SSCRPC               |

Absent:

- |               |                                  |
|---------------|----------------------------------|
| Angela Brooks | Superintendent of Transportation |
| Ruth Bellm    | HR Manager                       |
| Pete Roberts  | ADA Advisory Committee           |

**II. APPROVAL OF MINUTES**

There were no comments or questions. Sue Davsko made a motion to approve the minutes of the October 24, 2016 Regular Meeting, seconded by Leslie McCarthy. The motion unanimously passed.

**III. DIRECTOR REPORTS**

Frank Squires, Managing Director, reported Gina Balding is celebrating her 5-year anniversary at SMTD. She could not be here.

Diane Townsend, AMD for Finance & Administration, reported last year we received 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter state payments by January 15<sup>th</sup>. This year, we will have 7.471 million outstanding. 1<sup>st</sup> payment in Dec. Partial 2<sup>nd</sup> payment in January is expected. December payment will allow trust fund payment and get us into April 2017.

#### **IV. REPORTS**

##### **A. Approval of October Cash Disbursements and Financial Statement**

There were no comments or questions. Sandra Douglas made a motion to approve the October Cash Disbursements and Financial Statement, seconded by Wynne Coplea. The motion passed unanimously.

##### **B. Board Committee Reports: Finance-Operations-Administration**

**Finance:** Diane Townsend reported we moved money from the Illini Money Market account into operating. When we receive the first quarter state operating assistance payment, we want to make the January trust fund payment. Watching cash forecast very closely.

Wynne Coplea came to one of our budget meetings. We're in the process of making \$ 57,000 per month of cost reductions. We also have 5 low-floor buses on hold. The parking lot on south side maintenance project is on hold, but we're moving ahead with lighting to reduce operating expenses. ITS grant is partially on hold. CAD/AVL and phones will move forward and will reduce operating expenses. There is another list of potential cuts for FY 2018, which will require finance committee discussion and board approval.

Karen Hasara requested list of possible future cuts under consideration for FY 2018.

##### **Operations:**

Earl Amos Reported we are in good shape. Maintenance took on some duties like cleaning shelters to cut costs and delayed some bus overhauls to save money. Winterization has been completed.

Melissa Ashford reported we are working on policies and procedures and looking for possible cost savings. New employees are starting that should help reduce overtime soon. Access ridership is up. We are working on scheduling more creatively to find additional savings.

**Administration:** There was no administration activity to report.

**C. Planning Commission Report:** Jason Sass reported there was nothing to report this month.

**D. ADA Advisory Committee Report:** There was nothing to report.

## V. PRESENTATION OF AUDIT REPORT

Jody Dobson with Baker/Tilley gave the presentation of the audit report. Financial Statements received a clean opinion – highest positive level. Financial Statements are management's responsibility. Management discussion and analysis is a good overview. The overview is followed by detailed financial statements and notes and footnotes that expand on the descriptions. Some numbers showed a dip in ridership similar to other transit agencies. She noted lower gas prices may have played a role. Pension payments were noted as "Book Only." There is no cash payout. So, there is no state reimbursement. This causes a certain line item to be slightly lower. The federal subsidy went up slightly.

Overall capital activity led to less grant capital received. Stable operations were noted. Federal Single Audit section (required due to over \$750,000 in aid) shows grant programs and checks compliance. Davis-Bacon, buy-American, and other requirements are covered here. This resulted in another Unmodified opinion in this area. There were no findings to report here. The prior year had findings that have been addressed and cleared. Compliance with IDOT section shows compliance with statute. There was nothing of note to report. With new pension accounting standards, management did a good job working with IDOT on compliance.

The second document Communication to Those Charged with Governance and Management, which deals with internal controls. There were no significant deficiencies or material weaknesses. The second section is called two-way communication. Next were updates on prior years. Half of issues from prior years have been cleared or addressed, and the other half are in process. Future accounting standards from GASB are discussed here. Required Communications are discussed here as well. Communications appear standard and without concern. Overall, this was a very positive audit.

Brian Brewer asked if there are any other best practices from other agencies dealing with the current transit problems. She indicated everyone is in the same boat, watching but uncertain year-to-year. All are looking to be as efficient as possible. 2015 was peak ridership virtually everywhere.

Frank Squires commented that the rest of the team – Diane, Shoun, Earl, etc. – really make SMTD run and get these things done and done the right way. Karen Hasara echoed those comments on behalf of the board.

## VI. NEW BUSINESS

- a. Acceptance of Financial Audit – Sue Davsko made a motion to accept the financial audit, which was seconded by Leslie McCarthy. The motion passed unanimously.
- b. Service Reductions – Frank Squires explained our financial issues including an outstanding balance of over \$7 million from the State of Illinois. Staff has recommended reductions of all of Saturday Night Service, Two Hours Weeknight service reduction and the elimination of Night Service Route 904. We held public comment. Having seen the financial problems, we are recommending eliminating Rt .904, Saturday Night Service and one hour Monday through Friday. Diane commented on why the decision was made to change our recommendation from reducing weeknight service by two hours to reducing it by one hours. Steve explained there were three public comment sessions, two at Lincoln Library and one at UIS. There were approximately sixty comments submitted, which was much larger response than we have had historically. Overwhelming number of comments were from UIS students concerned about getting home off-campus after classes end on campus.

Other reductions are less of a hardship on the public, with Saturday night service so new and Route 904 duplicated by Route 903. Karen Hasara asked what time the last bus will leave UIS. She asked if the board had to vote on it tonight. Chairman Brewer explained the reasons for voting on it at this meeting, and Diane explained notice requirements. Sandra Douglas asked how passengers would be notified. Steve explained fliers would be posted on all buses, press releases to news outlets, and website and social media. Chairman Brewer asked again about the late classes and how we are affecting them. Steve explained communications between UIS staff and students at the public comment meeting indicated the 9:15 express bus was most critical to remain. Chairman Brewer indicated he was confident most-needed service would remain. Comments were made that this would be implemented in January. Karen Hasara asked about the relationship of state payments to the implementation of the cuts. Diane explained the impact of new contract language, and Karen Hasara agreed that is a concern. Chairman Brewer complimented staff on the presentations and meetings that led to the amount of feedback we received and the impact that communication had on the final recommendations. He asked for a motion.

Wynne Coplea noted she is confident that due diligence was done to make the decision to affect as few as possible. She then made a motion to

approve the suggested service reductions as recommended, seconded by Jerry Doss. The motion passed unanimously.

- c. Ratification of Bus Order – Shoun Reese explained that an initial 12-bus order funded by both IDOT (10) and the federal government (2). Waiting on IDOT will jeopardize the federal grants. These two buses funded by federal funding would replace the last two 1996 buses, and would keep SMTD in good standing with appropriately using federal grant funding. Replacing the old buses will also save on some operating costs to maintain old buses compared to new. Wynne Coplea confirmed that this funding cannot be used for operating costs.

Jerry Doss made a motion to ratify the purchase of two new buses utilizing federal funding from New Flyer in the amount of \$ 831,487.70, seconded by Leslie McCarthy. The motion passed unanimously.

Karen Hasara requested public comment before the public comment. Brian Brewer requested any public comment. There was none.

## **VII. CLOSED MEETING**

Wynne Coplea then made a motion to close the open meeting and open a closed meeting at 5:07 PM for the purposes of discussing:

- 1) the review and approval of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06, pursuant to the Open Meetings Act (5 ILCS 120/2(c)(21));
- 2) Security procedures and the use of personnel and equipment to respond to an actual, threatened or a reasonably potential danger to the safety of employees, staff or public property, pursuant to the Open Meetings Act (5 ILCS 120/2(c)(8)); and
- 3) Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probably or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting, pursuant to the Open Meetings Act (5 ILCS 120/2(c)(11)). Sandra Douglas seconded the motion and it passed unanimously.

Open Meeting reopened at 5:43 PM.

## **VIII. ADDITIONAL NEW BUSINESS**

- A. Approval of October 24, 2016 Closed Meeting Minutes. Frank Squires requested approval of the October 24, 2016 Closed Meeting minutes. Sue

Davsko moved to approve the October 24, 2016 closed meeting minutes, seconded by Leslie McCarthy. The motion passed unanimously.

B. Pending Litigation. Leslie McCarthy made a motion regarding as settlement for Earl Amos. That motion was tabled. Sue Davsko then moved to grant counsel authority to negotiate a settlement toward closure of two claims discussed and to bring back to the board any tentative agreement pending a final dollar amount for approval of the board, seconded by Leslie McCarthy. The motion passed unanimously.

**IX. PUBLIC COMMENT**

There was no public comment.

**X. ADJOURNMENT**

Jerry Doss made a motion to adjourn the meeting. Wynne Coplea seconded the motion, and the meeting was adjourned at approximately 5:50 PM.



Leslie McCarthy, Secretary

Approved:

  
Brian Brewer, Chairperson