



ROCKFORD MASS
TRANSIT DISTRICT

ROCKFORD MASS TRANSIT DISTRICT

Board of Trustees
BOARD MEETING #895
Minutes
Wednesday, February 24, 2016
7:45 a.m.

RMTD Conference Room
520 Mulberry Street
Rockford, IL 61101

ROLL CALL:

BOARD OF TRUSTEES:

Gary Marzorati, Board of Trustees, Chairman
Pastor Herbert Johnson – Board of Trustees, Vice Chairman
Michael Wilcop – Board of Trustees, Secretary/Treasurer

STAFF:

Rick McVinnie – Executive Director (*Absent*)
Ron Schoepfer – Director of Finance
Denny Hendricks – Operations Manager
Dan Engelkes – Risk Manager
Jim Johnson – Project Manager
Lisa Brown – Marketing & Public Relations Specialist
Paula Hughes – Grants Specialist
Lawrence Tennial – Maintenance Manager
Susan Campbell – Human Resources Manager
Erin Jenkins – Executive Assistant/Meeting Secretary

ALSO PRESENT:

Gerald Albert
Dora Tennin, ATU RMTD Driver
Matt Douglas, ATU RMTD Driver
Elaine Theobald, ATU RMTD Driver
Erick Groshans, ATU RMTD Driver
Attorney Tim Horning, Meyer & Horning
Steve Ernst
Thomas Cwynar, Rockford Bank & Trust
Brett Schwab, Grant Thornton
Nick Osten, Grant Thornton

CALL TO ORDER: The Board Chairman called the meeting to order at 7:45 a.m.

APPROVAL OF AGENDA:

The Board Chairman asked for and received a motion to approve the agenda for Wednesday, February 24, 2016. The motion was seconded and passed.

APPROVAL OF MINUTES:

The General Session and Executive Session Minutes of the December 17, 2015 RMTD Board of Trustees Meeting were reviewed. A motion was made to approve the minutes. With no further discussion, the motion was seconded and approved.

A-COMMUNICATIONS:

- A-1 (a) Thank You Letter from SMTD Passenger
(b) Thank You Letter from RACVB – *Stroll on State*

The letters of communication were presented to the Board of Trustees for their review.

B-MATTER OF THE PUBLIC:

- B-1 (a) Mr. Gerald Albert – Regarding Cleanliness of W. State Transfer Center
Mr. Albert addressed the Board of Trustees to discuss the W. State Street Transfer Center and stated the cleanliness of the terminal is unbearable. The Board Chairman stated after the Board meeting he, along with the Maintenance Manager, will walk over to the W. State Transfer Center with him to look at it and discuss further.

NOTE: The Board Chairman requested F-2 (c) and F-5 (a) be moved forward on the agenda.

- F-2 (c) Adoption of an ordinance authorizing and providing for the issuance of a \$1,500,000 Taxable Transit System Revenue Bond of the Rockford Mass Transit District, Winnebago County, Illinois, for the purpose of providing sufficient funds to the District in connection with operation of the transit system of the District – Presented by Rockford Bank & Trust
Mr. Tom Cwynar of Rockford Bank & Trust stated the adoption of this bond ordinance before the Board Trustees is to renew RMTD's line of credit which is now with Rockford Bank & Trust for \$1,500,000. Attorney Tim Horning stated the documents are the same as in years past. The Chairman asked for and received a motion to approve the adoption of the ordinance approving the Intergovernmental Agreement with the City of Rockford along with the adoption of Bond Ordinance to renew the Annual Line of Credit with Rockford Bank & Trust and RMTD for \$1,500,000. With no further discussion, the motion was seconded and passed. The presented documents were then signed by the Board of Trustees.
- F-5 (a) Annual Actuarial RMTD Defined Benefit Pension Report – Presented by Grant Thornton
Mr. Schwab presented the 2015/2016 RMTD Annual Actuarial Valuation Report on Defined Benefit Pension Plans. Mr. Schwab provided a brief overview explaining the Annual Actuarial Valuation process and the steps performed to determine the required cash contribution and financial reporting. He briefly described the summary of plan provisions. He then explained the Defined Benefit liabilities key measures and their definitions. Mr. Schwab reviewed Funded Status and Future Contributions. Mr. Schwab reviewed the Valuation Results detail as well as a Summary of Changes. Mr. Schwab noted the introduction of new accounting standards. A discussion ensued on a recommended funding level for RMTD of \$1.32 Million. The Chairman asked for and received a motion to approve the 2015/2016 Annual Actuarial Report and that RMTD will contribute \$1.32 Million to the Pension Fund. It was recommended to fund half of RMTD's pension now and the other half prior to 6/30/16. The Chairman asked for and received a motion to approve the funding level for RMTD's pension plan of \$1.32 million; whereas half of the funding will be paid now and

the other half prior to 6/30/16. With no further discussion, the motion was seconded and passed.

The Director of Finance made a recommendation that an additional investment amount of \$200,000.00-\$300,000.00 be contributed to the pension fund prior to fiscal year end 2016 should RMTD have the cash flow to do so. The Chairman stated he will take that recommendation under consideration and may be brought before the Board for approval before 6/30/16 should RMTD have the cash flow to do so.

C-REPORTS OF STANDING COMMITTEES:

No Report

D-RECONSIDERATION OF OLD BUSINESS:

No Report

E-PAYMENT OF BILLS:

E-1 (a) Hinshaw & Culbertson ~ Rendered Through December, 2015

The above payment of bills were presented for the Board of Trustees review.

F-CONSIDERATION OF NEW BUSINESS:

F-1 DIRECTOR – Rick McVinnie, Executive Director (*Absent*)

- (a) Pension Trust Statement of Accounts for: November & December, 2015
The RMTD Pension Trust Statement of Account Summaries for November & December, 2015 were presented for the Board of Trustees to review.

F-2 FINANCE – Ron Schoepfer, Director of Finance

- (a) Unaudited Financial Statements for November & December, 2015
The Director of Finance presented the Unaudited Financial Statement for November & December, 2015. The Director of Finance reviewed the Balance Sheet as of December 31, 2015.
The Director of Finance reviewed the Income Statement with Budget Comparison. The Director of Finance reviewed the Employee Benefit Trust Account, the Public Liability Insurance Account and the Workers Compensation Account for the month ending December 31, 2015. The Secretary/Treasurer asked for and received a motion to approve the Unaudited Financial Statements for November & December, 2015. With no further discussion, the motion was seconded and passed.
- (b) Fiscal Year 2017 Draft Budget Review
The Director of Finance presented the Fiscal Year 2017 Draft Budget for the Board's review. He indicated the final budget will be presented to the Board for approval at the March 25, 2016 Board Meeting. He added this will not only allow time for the Board to review the draft budget and have discussions for the next 30 days, it will also allow the public the opportunity to comment as well. He noted there will be a Public Hearing prior to the next Board meeting as well. The Director of Finance noted he is available to the Board within the next 30 days should they have any questions and/or comments in regards to the draft FY2017 budget.

A discussion ensued regarding funding from the State being reduced from 65% to 55%. The Board Chairman stated he would like to have an updated contingency plan presented to the Board in case the State reduces RMTD's funding. The Director of Finance pointed out that the FY 2017 Draft Budget includes continued service to Belvidere. A discussion ensued regarding Belvidere Service. The Chairman stated the Board wants all of the municipalities treated the same. It was decided a conversation needs to happen with Belvidere as soon as possible regarding their service as this would affect the RMTD FY17 Budget.

- (c) Adoption of an ordinance authorizing and providing for the issuance of a \$1,500,000 Taxable Transit System Revenue Bond of the Rockford Mass Transit District, Winnebago County, Illinois, for the purpose of providing sufficient funds to the District in connection with operation of the transit system of the District – Presented by Rockford Bank & Trust
Presented Earlier
- (d) Rockford Mass Transit Business Credit Card through Rockford Bank & Trust
The Director of Finance stated that RMTD is moving the company credit card from CHASE Bank to Rockford Bank & Trust along with RMTD's bank accounts.

F-3 OPERATIONS – Denny Hendricks, Operations Manager

- (a) Fixed Route Report for November & December, 2015
The Operations Manager reported on the Fixed Route ridership summary for the month ending December, 2015. The Operations Manager discussed some of the graphs in his presentation.
- (b) Demand Response Report for November & December, 2015
The Operations Manager reported on the Demand Response ridership summary for the month ending December, 2015. The Operations Manager discussed some of the graphs in his presentation.

F-4 MAINTENANCE – Lawrence Tennial, Maintenance Manager

- (a) Report on Fixed Route Buses & Paratransit Vans for November, 2015
The Maintenance Manager presented the report on fixed route buses and paratransit vans for November, 2015. The Maintenance Manager provided graphs in his presentation for the Board's review. The Maintenance Manager then reviewed the Average Miles between Road Calls. He stated that there were 32 preventive maintenance inspections performed in November, 2015; 16 were fixed route buses and 16 were Paratransit vans and noted all were done per the maintenance plan. The Maintenance Manager then reviewed the Road Call Summary and Miles Between Road Calls for the Paratransit vans.

F-5 HUMAN RESOURCES - Susan Campbell, Human Resources Manager

- (a) Annual Actuarial RMTD Defined Benefit Pension Report
Presented Earlier

Ms. Campbell stated she is working closely with Mr. Sal Marino, RMTD's Insurance Broker. She stated she is working to implement some initiatives to bring our health care costs down.

F-6 MARKETING – Lisa Brown, Marketing & Public Relations Specialist

- (a) Advertising Contract(s)
The Marketing & PR Specialist presented the following contracts for Board approval:
 - Mulford Park Apartments

- Department of Health for Houck Transit Advertising
- Goodwill Industries
- TNT – Conceal Carry Permit Training
- H&R Block

The Board reviewed the above mentioned advertising agreements. The Board Chairman asked for and received a motion to approve the advertising agreements. With no further discussion, the motion was seconded and passed.

(b) Special Service Request(s)

The Marketing & PR Specialist presented the following Special Service Requests for Board approval:

- Irish Marching Society (March 12, 2016)

The Board reviewed the above mentioned Special Service Request for use of the Trolley if weather permits and 7 hours of Fixed Route service to help transport people between the Conservatory and the Prairie State Brewhouse. The Board approved Irish Marching Society use of the Trolley should the weather permit but denied the Fixed Route Bus service. The Board Chairman asked for and received a motion to approve the special service request for use of the trolley should the weather permit. With no further discussion, the motion was seconded and passed.

(c) EEO Summary Report as of January 31, 2016

As EEO Officer of RMTD, The Marketing & PR Specialist presented a quarterly headcount summary report as of January 31, 2016 for the Board's review. She noted there are various breakdowns within categories included in the report. She stated she will provide this report to the Board on a quarterly basis in accordance with RMTD's EEO plan.

F-7 GRANTS – Paula Hughes, Grants Specialist

(a) FY'15 Fixed Asset Final Inventory Review

The Grants Specialist presented the Board of Trustees with the FY '15 Fixed Asset Final Inventory Review. She noted the beginning balance as of July 1, 2014 was \$38,287,869.17 and that along with FY '15 additions and deletions brings an ending balance as of 6/30/15 to \$39,065,952.95. She noted that, less the accumulated depreciation, the total net capital assets of \$22,181,365.87 matches the audited total capital assets of 2015. She added proceeds from the sale of equipment were \$159,206.48 and those proceeds were deposited into the local capital account to be used as local share in purchasing new equipment.

F-8 PROJECT MANAGER – Jim Johnson, Project Manager

(a) Project(s) Update

The Project Manager stated RMTD went out for bid for finishing the pathway project at the East Side Transfer Center which was part of the original construction project. He noted the project will include paving, lighting, camera work and additional video surveillance equipment. The Project Manager stated he hopes to bring a recommendation for a contract award to the Board for approval at the March Board Meeting.

F-9 RISK MANAGEMENT – Dan Engelkes, Risk Manager

(a) Risk Management Update Report – November & December, 2015

The Risk Manager provided the Board of Trustees an update report for November & December, 2015. He provided a brief overview of items he has been working on.

F-10 MEETING SCHEDULE

- (a) The Board Chairman stated the next RMTD Board of Trustees Meeting is scheduled for Friday, March 25, 2016 at 7:45 a.m.

At approximately 8:55 a.m., the Board Chairman asked for and received a motion to enter into Executive Session. With no further discussion, the motion was seconded and passed.

The meeting went back into General Session at 9:13 a.m.

The Board Chairman asked for and received a motion to approve the RMTD purchase of the land at 602 W. Jefferson Street for \$5,000.00 plus additional fees up to \$15,000.00 contingent upon a clean environmental report. With no further discussion, the motion was seconded and passed.

G-ORDER OF ADJOURNMENT

A motion was made and received to adjourn. The motion was seconded and passed. The meeting adjourned at 9:14 a.m.

Respectfully submitted,



Erin Jenkins
Executive Assistant and Meeting Secretary
Rockford Mass Transit District