



ROCKFORD MASS TRANSIT DISTRICT

Board of Trustees Board Meeting #988 Minutes
Tuesday, February 20, 2024 at 3:30 p.m.

RMTD Conference Room
520 Mulberry Street
Rockford, IL 61101

*The RMTD Board of Trustees Meeting will be Live Streamed on Zoom via the link below:

<https://zoom.us/j/94936474186?pwd=TDc0QzZqS2c3UDJPL0d5K0J6Y3lOUT09>

Meeting ID: 949 3647 4186
Passcode: 796088

*Live Streaming information can also be found on RMTD's website at www.RMTD.org

ROLL CALL:

BOARD OF TRUSTEES:

Herbert L. Johnson – Board of Trustees, Chairman (*Absent*)
Stephen K. Ernst – Board of Trustees, Vice Chairman
David Sidney – Board of Trustees, Secretary/Treasurer

STAFF:

Michael Stubbe – Executive Director
Dan Engelkes – Director of Operations
Orlando Toatley – Marketing Specialist
George Orth – Maintenance Manager
Ron Schoepfer – Director of Finance
Paula Hughes – Grants & Procurement Manager
Lawrence Tennial – Facilities Manager
Ron Priddy – Paratransit Operations Manager
Erin Jenkins – Executive Assistant & Assistant Board Secretary
Tak Chow - IT

GUEST(S)/PUBLIC PRESENT:

Jon Paul Diipla, *RIPC*
Brett Schwab, *Schwab Actuarial Services (SAS)*

CALL TO ORDER:

The Board Vice Chairman called the meeting to order at approximately 3:30 p.m.

APPROVAL OF AGENDA:

The Board Vice Chairman asked for and received a motion to approve the agenda for February 20, 2024. With no further discussion, the motion was seconded by the Secretary/Treasurer. The motion passed by a unanimous voice vote.

APPROVAL OF MINUTES:

The Minutes of the January 22, 2024 RMTD Board of Trustees Meeting were reviewed. The Board Vice Chairman asked for and received a motion to approve the Minutes of January 22, 2024. With no further discussion, the motion was seconded by the Secretary/Treasurer. The motion passed by a unanimous voice vote.

A-COMMUNICATIONS:

No Report

B-MATTERS BY THE PUBLIC:

No Matters by the Public

C-REPORTS OF STANDING COMMITTEES:

No Report

D-RECONSIDERATION OF OLD BUSINESS:

No Report

E-CONSIDERATION OF NEW BUSINESS:

E-1 EXECUTIVE DIRECTOR

(a) General Update

The Executive Director announced that February 17, 1971 marks RMTD's 53rd Anniversary. On this date, pursuant to the Illinois Local Mass Transit District Act, the City Council of Rockford passed and approved an ordinance which created a municipal corporation known as Rockford Mass Transit District. As such, at each board meeting this year we will be recognizing those RMTD employees who are celebrating an anniversary and/or retirement during the month of the meeting. The Executive Director thanked the employees for their continued dedicated service to RMTD and our community. A list of employee names, length of service and assignment were shared with the Board of Trustees. The Executive Director provided updates of State and Federal funding.

E-2 FINANCE

(a) Payment of Bills:

- AGHL Law Office/Services Rendered through December 31, 2023
The above payment of bills was presented for the Board of Trustees' review.
- Approval of Accounts Payable Invoices

The Accounts Payable Invoices totaling \$588,809.88 were presented for the Board of Trustees' review and approval. The Board Vice Chairman asked for and received a motion to authorize the payment of the accounts payable invoices totaling \$588,809.88. The motion was seconded by the Board Secretary/Treasurer. With no further discussion, the motion passed by a unanimous voice vote.

(b) 2024 Annual Pension Valuation Report, Presented by Brett Schwab of SAS

Mr. Brett Schwab presented the 2023/2024 RMTD Annual Actuarial Valuation Report regarding RMTD Defined Benefit Pension Plans and Post-Employment Medical Benefits. Mr. Schwab provided a brief overview explaining the Annual Actuarial Valuation process and the steps performed to determine the required annual cash contribution and financial reporting. He briefly described the summary of plan provisions. Mr. Schwab reviewed Funded Status and Future Contributions. Mr. Schwab reviewed the Valuation

Results detail as well as a Summary of Changes. Mr. Brett Schwab recommended the 2023/2024 plan year cash contribution be to contribute the budgeted amount of either \$1.5 million or \$1.55 million. A discussion ensued on the recommended annual pension funding contribution for RMTD Fiscal Year ending 6/30/2024 of \$1.55 million.

- (c) Approval of Annual Pension Contribution Fiscal Year End June 30, 2024 Plan Year
As a result, from the discussion above in E-2 (b), the Director of Finance requested that \$1.55 million be contributed to the pension account; whereas contributing half (\$775,000) now and the other half (\$775,000) by the end of the fiscal year 6/30/24 (or when RMTD receives its June 2024 DOAP). The Vice Chairman asked for and received a motion to approve the contribution of \$1.55 million to RMTD's Pension Fund with contributing half the amount now and the other half by the end of this fiscal year 6/30/24 (or when RMTD receives its June 2024 DOAP). With no further discussion, the motion was seconded and passed.
- (d) Review of Fiscal Year 2025 Draft Operations Budget
The Executive Director presented the RMTD Fiscal Year 2025 Draft Operations Budget for the Board's review. The Director of Finance and Executive Director provided an overview of the FY2025 Draft Operations Budget. A summary was provided to the Board of Trustees to outline the main assumptions/projections used in the development of the FY25 budget and provided a comparison to the FY24 budgeted expenses and revenues. The Director of Finance indicated the final budget will be presented to the Board for approval at the March 22, 2024 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 on March 22, 2024 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 Fiscal Year 2025 budget.
- (e) Approval of Unaudited Financial Statements for November & December, 2023
The Executive Director presented the unaudited Financial Statements for November & December, 2023 for the Board's review. The Board Secretary/Treasurer asked for and received a motion to approve the unaudited financial statements for November & December, 2023. The motion was seconded by the Board Vice Chairman. With no further discussion, the motion passed by a unanimous voice vote.
- (f) Pension Portfolio Review for periods through February 13, 2024 and Pension Investment Statement for month ending January 31, 2024
The Executive Director presented the Portfolio Review Summary for periods through February 13, 2024 to the Board of Trustees for their review. The RMTD Pension Trust Statement of Account Summary for month ending January 31, 2024 was also presented to the Board of Trustees for their review.

E-3 OPERATIONS

- (a) Fixed Route Ridership Statistics Report for January, 2024
And Demand Response Statistics Report for January, 2024
The Executive Director presented the Fixed Route Ridership Statistics Report for January, 2024 along with Demand Response Statistics Report for January, 2024.

E-4 MAINTENANCE - VEHICLES & FACILITIES

- (a) Report on Fixed Route Buses & Paratransit Vehicles for January, 2024
The Executive Director presented the report on fixed route buses and paratransit vans for January, 2024.

(b) Maintenance & Facilities Projects Update Report – February, 2024

The Executive Director presented a Maintenance and Facilities update report to the Board of Trustees. An update was provided and a discussion ensued regarding the charging infrastructure/sprinkler upgrades, Paratransit van order and facility expansion project.

(c) Facility Expansion Update

The Executive Director stated plans have been sent to IDOT and City of Rockford for review. He noted RMTD now has meetings scheduled every two weeks with ComEd regarding electrical service to the facility and also with our Architect and Owner's Representative.

(d) Approval of Energy Supplier

The Director of Operations stated the RMTD recently solicited bids from electricity suppliers on a Per Kilowatt Hour basis for a term of one year starting April 01, 2024, through its energy broker Rock River Energy. For reference, RMTD's current supplier is MC2 with an electricity rate of \$0.05834/Kilowatt Hour.

RMTD received bids for both Mixed Source Generated electricity and Renewable Sourced electricity. Mixed Source electricity can be generated by a multitude of sources including coal, natural gas, ethanol, nuclear, solar and wind. Renewable energy is generated solely by Solar, Wind, or Hydro.

Bids for mixed generated electricity ranged from \$0.05450 to \$0.05668/ Kilowatt Hour, with AEP being the lowest supplier at \$0.05450/ Kilowatt Hour. The estimated annual cost for the lowest mixed generated electricity rate submitted would be \$54,372.91 for RMTD.

Bids for renewable generated electricity ranged from \$0.05702 to \$0.05918/ Kilowatt Hour with Shell Energy being the lowest supplier at \$0.05702/ Kilowatt Hour. The estimated annual cost for the lowest renewable generated electricity rate submitted would be \$56,887.03 for RMTD.

Taking into consideration the small cost difference between mixed generated and renewable generated electricity rates, as well as the RMTD Climate Action Plan's stated goal to transition to renewable energy sources for all building and fleet energy needs, Staff is recommending the electricity supplier be awarded to Shell Energy for the renewable generated electricity rate of \$0.05702/ Kilowatt Hour for a term of one year beginning April 01, 2024.

In approving the award, the Board authorizes the Executive Director to execute a contract with Shell Energy for the submitted rate through its energy broker Rock River Energy.

The Board Vice Chairman asked for and received a motion to approve the electricity supplier be awarded to Shell Energy for the renewable generated electricity rate of \$0.05702/ Kilowatt Hour for a term of one year beginning April 01, 2024 and authorize the Executive Director to execute a contract with Shell Energy for the submitted rate through its energy broker, Rock River Energy. The motion was seconded by the Board Secretary/Treasurer. With no further discussion, the motion passed by a unanimous voice vote.

E-5 HUMAN RESOURCES

(a) RMTD Claims History for January, 2024

The Executive Director presented the RMTD claims history for January, 2024 were presented to the Board of Trustees for their review.

E-6 MARKETING

(a) Approval of Advertising Contract(s)

The Marketing Specialist presented the following advertising contracts for Board approval:

- SiFi Networks Rockford, LLC
- T-Mobile Fiber Optics
- Rockford's Best Currency Exchange

The Board of Trustees reviewed the advertising contract(s) noted above. The Board Vice Chairman asked for and received a motion to approve the advertising contract(s). The motion was seconded by the Board Secretary/Treasurer. With no further discussion, the motion passed by a unanimous voice vote.

E-7 GRANTS

(a) Approval of Federal Fiscal Year 2024 Certifications & Assurances

This item will be postponed until the next meeting.

(b) Approval of Designation of Signature Authority

This item will be postponed until the next meeting.

(c) Review & Approval of RMTD Capital Plan – Proposed Federal 5307/5310 Grant Program of Projects

RMTD Staff has developed a Proposed Federal 5307/5310 Grant Program of Projects (POP) for Fiscal Years 2025, 2026 and 2027 in order to identify funding sources for priority safety/security, state of good repair and operations support projects.

Staff submits the following proposed grant funding plan for the RMTD Board's review and approval:

RMTD proposes to obligate the 5307 apportionments of \$2,980,027 from FY 2019 and \$3,290,386 from FY 2020 for a total of \$6,270,413 allocated to the identified projects in FY 2025, 2026 and 2027.

RMTD proposes to utilize \$5,180,413 of the 5307 funds as a match to DOAP operating funds in RMTD's FY 2025, 2026 and 2027 Budgets. The funds would be allocated to ADA, Security, Preventive Maintenance, and other eligible operating expenses.

RMTD proposes to utilize \$1,090,000 of the 5307 funds for Capital Procurements:

- \$90,000 Non-revenue Support Vehicle. The funds would be allocated to add an Operation Supervisor wheelchair accessible vehicle.
- \$700,000 for Communication and Security Equipment. The funds would be allocated to replace RMTD's Telephone System and the Eastside Transfer Center Facility Security Camera System.
- \$140,000 for Maintenance Shop Equipment. The funds would be allocated to add/or replace Mobile Hoists, Floor Scrubber and Freon Reclaimer.
- \$160,000 for Miscellaneous Equipment. The funds would be allocated to add/or replace Copiers/Printers, Computers/Server, and Furniture.

RMTD also proposes to apply for \$600,000 to replace five Paratransit/Demand Response vehicles from the urbanized area apportionment of Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities. Region 1 Planning will issue a call for projects in spring 2024.

Note: For the capital projects listed above RMTD will request Illinois Department of Transportation's (IDOT) concurrence to use State of Illinois Transportation Development Credits (TDC's) in lieu of a match for the capital equipment.

Subject to the Board's approval, RMTD will publish this year's Program of Projects (POP) summarized above. This will provide public notice as well as offer an opportunity for the

public to request a public hearing. Developing a POP is a required step in order utilize Federal Transit Administration (FTA) Urbanized Area Formula 5307 funds apportioned to RMTD annually.

Once the POP procedures are completed, the projects will be placed in the Transportation Improvement Plan (TIP) and entered into a grant application/amendment, in the FTA's Transit Award Management System (TrAMS). The proposed grant with a resolution will then be submitted to the Board for approval. Once the Board has approved, and the TrAMS process has been completed, the grant application will be executed and the funded procurement processes will begin.

The Board of Trustees reviewed the program of Projects as noted above. The Board Vice Chairman asked for and received a motion to approve the RMTD Capital Plan – Proposed Federal 5307/5310 Grant Program of Projects. The motion was seconded by the Board Secretary/Treasurer. With no further discussion, the motion passed by a unanimous voice vote.

E-8 SAFETY & TRAINING

(a) Safety & Training Update Report - February, 2024

The Safety & Training Update Data Report for February, 2024 was presented to the Board of Trustees for their review.

E-9 OTHER BUSINESS

(a) EEO Summary Report as of December 31, 2023

The EEO summary report as of December 31, 2023 was presented for the Board's review. There are various breakdowns within categories included in the report. This report will be provided to the Board in accordance with RMTD's EEO plan.

(b) Approval of Updated RMTD Board of Trustees Bylaws

The Executive Director stated the RMTD Bylaws have not been reviewed in over a decade. The Executive Director stated he requested that legal review and recommend any revisions that need to be made for the Board of Trustees' consideration. The purpose of bylaws for any corporation is to set out rules, policies and procedures pursuant to which its governing body will operate. The Rockford Mass Transit District (the "District") is a municipal corporation formed under the Illinois Local Mass Transit District Act. In general, our legal counsel concluded that the RMTD Board can operate with a very simple set of bylaws, and that there were few changes needed or recommended for its current bylaws. The Executive Director discussed the summary of changes that were recommended. A brief discussion ensued regarding the recommendations. The Board of Trustees reviewed the program of Projects as noted above. The Board Vice Chairman asked for and received a motion to approve the updates to the RMTD Bylaws. The motion was seconded by the Board Secretary/Treasurer. With no further discussion, the motion passed by a unanimous voice vote.

(c) Approval of ERP Consulting Services IGA

The Executive Director stated last spring, the RMTD Board approved Staff's recommendation to proceed with converting its existing Avail Enterprise Resource Planning (ERP) system utilized for financial and maintenance management to Avail's Enterprise Transit Management Solution (ETMS) for a one-time cost of \$39,460. As discussed, the recommendation to proceed was based on several factors including the lack of availability of a comparable transit specific ERP product; staff's familiarity with the existing system which it had utilized since 2016 and the fact that Avail would no longer support the existing software beyond December 31, 2023.

The Executive Director stated at the time of the recommendation, RMTD Staff had been in discussions on how to proceed based on the circumstances with several of our peer agencies in Illinois who also utilize the Avail ERP product and were presented with the same timeframe and similar price proposals. While most of the peer agencies proceeded with the Avail conversion, the Champaign-Urbana Mass Transit District (MTD) decided instead to develop a project scope to seek an outside resource to assist with identifying business process improvements, ERP readiness, ERP procurement, and overall project governance and management. MTD then identified and secured The Government Finance Officers Association (GFOA) as an outside resource to assist them in carrying out the project. After doing so, MTD invited several of the peer agencies (Connect Transit, Rockford Mass Transit District, and the Rock Island County Metropolitan Mass Transit) involved in the earlier discussions to participate in the project and share the associated costs through the attached intergovernmental agreement (IGA).

The Executive Director stated GFOA's Research and Consulting Center (RCC) is nationally recognized for its comprehensive analytical and advisory services, as well as for research on issues specific to state and local governments' financial, human resource, procurement, payroll and operational management. By participating in the project with RMTD's peer agencies, RMTD hopes to leverage the opportunity to improve business process, best practice adoption, and work to identify areas for future standardization and coordination among the organizations, as well as help in facilitating procurement of a new ERP in the future.

Per GFOA, ERP system implementations offer much promise for improving business processes, empowering employees with tools to become more effective, and ultimately transforming the entire organization. Even in small organizations, the lack of a coordinated ERP system results in redundant work, poor reporting, inefficient process and potential risk for disruption of services. With improvements in technology and market trends favoring "cloud technologies," this shift not only includes business process, but also risk management, and governance. However, implementation of these systems is a complex effort and many struggle to realize many of the promised benefits.

The Executive Director stated Organizations must be prepared to engage with software vendors by ensuring that key implementation prerequisites are complete. Included in the scope of work for the Transit Agencies, GFOA is proposing to assist with developing a model for joint governance, preparing requirements, facilitation of an RFP process, building the organization readiness of member governments, and working to ensure implementation success.

The Executive Director stated an outline of tasks, deliverable and associated costs are defined within the IGA to set expectations for GFOA services. The GFOA project schedule intends to complete the tasks over the next 16 months with the majority of work occurring in fiscal year 2025. As outlined in the IGA, an agency's participation in all of the tasks would total \$57,500. The portion of the \$57,500 has been factored into the FY25 budget and any remainder will be factored into the FY26 budget.

Staff is recommending participating in the project and is requesting Board approval for the Executive Director to execute the agreement for a not to exceed total of \$57,500.

The Board Vice Chairman asked for and received a motion to approve the RMTD to participate in the project and authorize the Executive Director to execute the agreement for a not to exceed total of \$57,500. The motion was seconded by the Board Secretary/Treasurer. With no further discussion, the motion passed by a unanimous voice vote.

E-10 NEXT MEETING SCHEDULE

The next RMTD Board of Trustees Meeting will be on March 22, 2024 at 3:30 PM.

F-ORDER OF ADJOURNMENT

A motion was made and received to adjourn. The motion was seconded and passed. The Board Meeting adjourned at 5:00 p.m.

Respectfully submitted,

Erin Jenkins

Erin Jenkins
Executive Assistant and Board Meeting Secretary
Rockford Mass Transit District

