

CHAMPAIGN-URBANA MASS TRANSIT DISTRICT
BOARD OF TRUSTEES
REGULAR BOARD MEETING MINUTES
WEDNESDAY, APRIL 25, 2012 AT 3:00 P.M.
ILLINOIS TERMINAL
45 EAST UNIVERSITY AVENUE, CHAMPAIGN

PRESIDING

Ronald Peters, Chair

RECORDING SECRETARY

Rena Lee Lenz

PRESENT BOARD MEMBERS

Linda Bauer Jermaine Raymer
Willard Broom Don Uchtmann
Brad Diel

ADVISORY BOARD MEMBERS PRESENT

Jim Maskeri—Student—University of Illinois

ADVISORY BOARD MEMBER ABSENT

Ed Slazinik, Director of Illini Union—University of Illinois

IN ATTENDANCE

William L. Volk, Managing Director
Thomas J. Costello, Assistant Managing Director
Jan Kijowski, Marketing Director

WELCOME

Chair Peters introduced and welcomed new board member—Jermaine Raymer.

APPROVAL OF AGENDA ITEMS

- (a) A motion was made by Diel, seconded by Broom, the Board of Trustees voted to approve the agenda items, as presented.

AYE: All
NAY: None
Motion carried.

AUDIENCE PARTICIPATION

- (a) Cecile Ann Lindy, 1601 Kingsway, Apartment A, Champaign again requested Sunday service on the Lavender Route to Dobbins Downs and the North Prospect area.

Volk assured her that this route change would happen in the Fall of 2012.

MINUTES

- (a) Minutes of the Regular Board Meeting March 28, 2012.

A motion was made by Bauer, seconded by Diel, the Board of Trustees voted to approve the minutes of the Regular Board Meeting on March 28, 2012, as presented.

AYE: All
NAY: None
Motion carried.

COMMUNICATIONS

None

REPORTS

- (a) Managing Director's.

Volk reported on the following in his written report:

1. Operating Notes.
2. Operating Statement.
3. Ridership Data.
4. Operating Revenue & Expenses,.
5. Illinois Terminal Operating Revenue & Expenses.
6. Statistical Summary.
7. Accounts Payable/Cash Disbursements.

- (b) Board Committee Reports.

1. Budget & Audit.

Discussion/Consideration of Preliminary Budget & Appropriation Ordinance for FY2013

Volk presented to the Board the preliminary FY 2013 budget. He said that State statute dictated approval of a preliminary budget prior to the public hearing. Approval of a preliminary budget did not prevent changes, as it was developed into a final budget. He also discussed some of the budget information such as the "Debt Service" items that included Buses—\$6,000,000; Technology—\$530,000; Shelters, Stops, Associated Work—\$215,000; and the Fuel System—\$140,000 for a total of \$6,885,000.

Also, Volk discussed the high points of the budget that included: adjustment of hourly wages by 3%; average IMRF employer contribution rate increase from 12.4% to 13%; health insurance rates increasing by at least 10%; diesel fuel costs calculated at \$3.50 per gallon for the second year in a row; both utility & insurance costs expected to remain similar to FY 2012; and assumption of a tax levy increase of 3%.

In addition, Volk discussed the proposed "Capital Expenditures" which included Big Broadband—\$540,000; A & E for 801, 803, 1101, & 45 East University—\$150,000; Technology/CAD/AVL/Equipment—\$150,000; Facility Improvements for 801, 803, 1101, and 45 East University—\$150,000; and Lease Buy-Outs—\$10,000 for a total of \$1,000,000.

Volk said that he felt that the District's finances were in very good shape in spite of the fact that there were several unknowns with both the health insurance issues and the State funding. We will not be using any federal funds unless it would be for the Very Small Starts grant paid out over a two or three year period.

REPORTS

(b) Board Committee Reports.

1. Continued

Discussion/Consideration of RFP's for Auditing Services

Volk reported that four proposals were received with two local firms being the lowest and most responsive. Those firms were Martin, Hood, Friese (MHF)—the incumbent auditor and Clifton, Larson, Allen (CLA). He further stated that CLA was the lowest from a cost standpoint. Their average yearly cost was \$3,768 less than MHF for a total of \$18,840 over a five year period. CLA was proposing to do the audit in 124 fewer hours than MHF. CLA proposed a total of 176 hours while MHF estimated at least 300 hours. Thus, on an hourly basis, MHF came in at a lower rate. The extra work outside the scope of the audit comes into play with this. In FY 2011, 32.9 hours of outside work were done in FY 2012 — 49.6 hours.

Volk said that in the opinion of the staff, both firms were qualified to do the work. It basically came down to whether CLA's new set of eyes and a slightly cheaper cost trump the additional time that MHF proposed to do the work and what they would argue a more thorough job.

Further, Volk said that the District, in the RFP, did reserve the right to cancel after one year and that the low bid was not the overriding factor, but the reason not to accept the low bid should be defensible.

After considerable discussion, the Board felt that the lower cost, a clean set of eyes, fewer hours to do the audit work were all very defensible reasons to pick CLA. In addition, the District will be hiring a CFO who could learn about the District along with the new accounting firm.

A motion was made by Diel, seconded by Bauer, the Board of Trustees voted to accept the audit proposal from Clifton, Larson, Allen starting with the FY 2012 audit year.

AYE: All
NAY: None
Motion carried.

As usual, monthly information from Morgan Stanley Smith Barney was included in the board packet.

2. Facilities.

Costello updated the Board on various projects as follows:

- Work is continuing on the East Entrance Canopy and waiting on the sky light.
- Shelter pads for various locations on campus are in the works.
- Work is continuing on kiosks at the Illini Union and the Engineering side.

Volk said that staff is working in designated bus stops through-out the community rather than every corner and looking at pads, shelters, benches, and bus stop signs.

REPORTS

3. Personnel.

Volk reported that staff is in the process of checking references of the candidates for the CFO position.

Also, Volk reminded the Board to mark their calendars for the Awards Dinner on Sunday, June 3rd.

Finally, Volk said that he was still planning on having the Board meet with a consultant who was going to give a primer on searching for a new Managing Director. He hoped to have that set-up in the next couple of weeks.

UNFINISHED BUSINESS

- (a) Discussion/Consideration of Providing CUMTD Bus Service to the YMCA, Windsor West Apartments and Other Areas within the CSWMTD

Uchtmann made several remarks regarding providing service to several areas within the CSWMTD. A copy of those remarks are attached to the minutes.

Considerable discussion followed.

The Board agreed with the remarks of Uchtmann. However, Volk reminded the Board that they could not take any action, but could make a statement by consensus. He did say that service to the areas discussed could be established by Fall, 2012, if all the right steps were taken to get to that point. Thus, it was the consensus of the Board to have staff prepare a resolution based on the six points discussed by Uchtmann for the next board meeting.

NEW BUSINESS

None

AUDIENCE PARTICIPATION

- (a) George Friedman stated that regarding the discussion of the SWCMTD that it has been the Board policy to extend the District's boundaries through the annexation process and that it was actually behind in the process.

Margaret Chapman stated that she felt like the CUMTD board was being too sanguine toward the SWCMTD board. She felt like they had no great sentiment to change in any way.

Some brief discussion did follow concerning annexations and the legal ramifications in running service in another district.

NEXT BOARD MEETING DATES

- (a) The Regular Board Meeting for May was set for May 30, 2012 at 3:00 p.m. at Illinois Terminal.
- (b) The Public Hearing on the Budget & Appropriation Ordinance for FY 2013 was set for June 6, 2012, at 4:00 p.m. at Illinois Terminal.

ADJOURNMENT

- (a) A motion was made by Diel, seconded by Bauer, the Board of Trustees voted to adjourn the meeting at 4:35 p.m.

AYE: All
NAY: None
Motion carried.

SECRETARY

APPROVED:

CHAIR