

MINUTES
Board of Directors Meeting
Agency for Community Transit, Inc.
11:00 AM, Friday, February 12, 2021
One Transit Way, Granite City, IL

I. Call to Order:

SJ Morrison called the meeting to order at 11:00 a.m.

DIRECTORS PRESENT: Ron Jedda; Jerry Kane; Mark Achenbach.

DIRECTORS ABSENT: NONE

OTHERS PRESENT: Michelle Domer, ACT; SJ Morrison, ACT.

II. Public Comment:

Director Kane lead the reciting of the Pledge of Allegiance.

III. Election of Officers:

DIRECTOR KANE MADE THE MOTION TO NOMINATE MARK ACHENBACH AS PRESIDENT OF THE AGENCY FOR COMMUNITY TRANSIT, SECONDED BY DIRECTOR JEDDA.

ROLL CALL VOTE:

JEDDA	AYE
KANE	AYE
ACHENBACH	AYE

ALL AYES. NO NAYS. MOTION CARRIED.

DIRECTOR KANE MADE A SECOND MOTION TO NOMINATE RON JEDDA AS VICE PRESIDENT OF THE AGENCY FOR COMMUNITY TRANIST, SECONDED BY DIRECTOR ACHENBACH.

ROLL CALL VOTE:

JEDDA	AYE
ACHENBACH	AYE
KANE	AYE

ALL AYES. NO NAYS. MOTION CARRIED.

IV. Financial:

A. Review of Financial Statements and Cash Reserves Year to Date

Morrison presented the Financial Statements and Cash Reserves Year to Date to the Board.

Director Jedda requested a review of the ACT assets.

Michelle Domer stated that ACT does not own many assets and those owned are fully depreciated. The assets include a couple of vehicles, computer equipment, and a hand full of furniture and fixtures, which are fully depreciated besides this year's newest acquisitions; a zero-turn mower, truck, pressure washer, and SAN network storage.

Director Achenbach asked if December 31 was the end of the fiscal year.

Morrison answered that ACT fiscal year is a calendar year.

Morrison stated that there was a significant loss in fare revenue in 2020. Ridership continues to be at or below fifty percent, and there was a three-month period of not collecting fares.

Director Achenbach questioned if all reimbursements included both ACT and MCT.

Michelle replied that most of the grants are provided to MCT, and ACT grant revenue comes from MCT.

Director Achenbach asked about federal reimbursements.

Michelle replied that ACT federal reimbursements are small.

Director Achenbach questioned if the federal reimbursements came directly to ACT, and not through reimbursements. His assumption was that ACT grant revenue was from MCT.

Michelle agreed, and stated ACT federal reimbursements were small.

Jedda stated that some of the money was received from various stimulus programs, and that money would be transferred over, and how much of that will come back to ACT.

Morrison responded through reimbursement, MCT receives the grant funds, and utilizes the funds to help offset operating expenses. Through a request for reimbursement from ACT to MCT, a reimbursement will be provided to ACT.

Director Achenbach confirmed that MCT reimbursable payments are provided to ACT for services provided.

Michelle and Morrison stated that was correct.

Director Kane mentioned that MCT pays ACT an administrative fee.

V. Service Management:

- A. DIRECTOR JEDDA MADE THE MOTION, SECONDED BY DIRECTOR KANE, TO APPROVE THE FOLLOWING RESOLUTION:

21-01 AUTHORIZING SIGNATORS FOR NEGOTIABLE INSTRUMENTS FOR
THE AGENCY FOR COMMUNITY TRANSIT, INC.

ROLL CALL VOTE:

KANE	AYE
JEDDA	AYE
ACHENBACH	AYE

ALL AYES. NO NAYS. MOTION CARRIED.

B. Maintenance and Grass Cutting of the MCT Trails

Morrison provided the board with the current Grounds Department expenses.

Director Achenbach asked if the items were coded out on accounting software.

Michelle stated that was correct.

Director Achenbach questioned if the cost were broken down by department for the purpose of assigning costs.

Michelle confirmed that was correct. She stated that the time is charged based on the monthly timesheets that are submitted. The Grounds Department submits timesheets that designate the number of hours worked on specific duties.

Morrison stated that the ACT Grounds crew is completing the mowing and a significant amount of additional work at an affordable rate compared to the existing mowing contracts, which are for mowing only. It is hard to quantify the values of the extra services provided, such as trimming, blowing, clearing brush, removing limbs, assisting trail users, and finding trail safety hazards. The Grounds crew is on call during the weekends for debris removal. There have been amenities added, such as furniture, signage, shrubs, and plants, which have elevated the grounds crew's workload. There is an excellent system in place, and some of the services are outsourced when it makes business sense to do so.

Director Achenbach questioned how the in-house staff is kept throughout the year in non-mowing season.

Morrison responded that in the winter months, the grounds crew fills cracks and handles other issues.

Director Achenbach questioned how the outsourced mowing is managed.

Morrison stated that the Grounds Supervisor oversees the outsourced mowing contracts. Some issues have occurred from outsourced mowing contractors not completing the work as defined in the agreements.

Director Achenbach stated there are two issues, one being the additional work beyond mowing, and the other being the quality assurance function. Director Achenbach questioned the culvert repairs significant expenses base.

Morrison responded that the culvert repairs are not within the scope of work of the Grounds crew.

Director Achenbach questioned if the outsourced contractors did the crack sealing and repairs.

Morrison responded that they do not, and the price is relatively high.

Director Achenbach questioned if the numbers provided included the depreciation of equipment.

Morrison replied that he does not believe depreciation was included.

Michelle confirmed that it was not included.

Director Kane stated that the depreciation was included in the cost per mile to maintain the trails.

Director Achenbach questioned if that includes the mowing, trail mowing, and debris removal.

Director Kane stated there is a difference between a wooded trail and an agriculture field trail.

Director Achenbach stated that the tree-covered trails are most likely mowed less but contain more debris removal.

Director Kane discussed the Confluence Trail shoulder mowing along with the fields and sealing the cracks.

Director Achenbach questioned if the Corps of Engineers mows.

Director Kane stated that the grounds crew mows the trail shoulders through a license agreement.

Jedda asked if we knew the depreciation dollar amount.

Michelle stated that the depreciation is still small. The mower mentioned was nine thousand two hundred dollars.

Kane stated that generally, when a unit of local government wants to outsource work, it is done because it is cost-driven, and the government employees make more per hour than the contractor. In the case of the trails, it is much different in the scope of work that is involved. It is not merely mowing lawns like the contractors who mow the transit stations and park & ride lots. The trail is constructed on rail right-of-way, the surface grade would prevent a landscaping company from operating in a safe manner, and most contractors do not own a tractor. A tractor would be an expensive purchase for a private contractor, and as a public entity, we are provided eighty percent of the funds for the purchase of the equipment to maintain the trails.

Director Achenbach stated our cost is only twenty percent.

Michelle Domer added that it cost MCT only twenty percent since they own the tractors.

Director Achenbach questioned the reimbursement.

Director Kane stated the capital cost of equipment is not charged back to MCT because it does not exist within ACT.

Director Kane stated that the equipment is owned by MCT and leased to ACT.

Director Achenbach stated that MCT pays for the equipment, and the depreciation cost is not in ACT cost at all.

Director Kane confirmed.

Michelle Domer stated that the bulk of the heavy-duty equipment is purchased through MCT. Some items that are purchase through ACT.

Director Achenbach stated that the depreciation is not an ACT issue.

Director Kane stated that if it is outsourced, the contractors would have to purchase equipment and be factored into the cost. The outsourcing of mowing would increase capital cost, and the contractors would most likely be union contractors with prevailing wages. There would not be a benefit on the labor or the equipment. ACT, which performs work on behalf of MCT, uses federal and state tax-exempt fuel, which a contractor does not receive. There is additional work that can be billed to transit, such as work at the transit stations, sixty-five percent of their wage cost is recovered by the operating assistance grant. The grounds crew does not just mow; they are mowing and using specialized equipment. A contractor would have a defined scope of work, and the grounds crew does not have limitations to getting the job done. There have been numerous comments about our trails being the best-maintained trail system. Director Kane does not see a quality issue in work being done by the grounds crew, and he doubts that the price can be outsourced for any cheaper for the work done, and not to mention the safety issues. The grounds crew is properly trained to shut-off the equipment when trail users pass. This a family-safe operation, and the same approach or dedication to safety would not likely be present if outsourced.

Director Kane commended the grounds crew for their efforts in maintaining the trails. The city portions of the trail are attended to more frequently than the rural areas to keep appearances tidy.

Director Jedda would like to send a request for proposals to compare costs.

Director Achenbach stated some areas are not suited to be contracted out. Achenbach is curious about the trails' topography and if the mowing could be outsourced in portions or segments.

Morrison asked for clarification on the intent for the discussion.

Jedda replied to find the best service at the lowest cost.

Director Achenbach asked if we could better utilize the resources provide. It was unknown to him before this discussion that the cost was fully reimbursed when working on transit stations and park & rides, and the equipment was not at full cost.

Director Kane stated we lead the nation in the integration of trails and transit. There are dual function stations and park & ride lots are also utilized as trailheads, and the operation cost is reimbursable. The blades and vehicle maintenance are conducted on rainy days. The grounds crew is cleaning the base lot and other facilities with

specialized equipment during snowy and icy weather conditions. The snow removal function is not outsourced to protect the federal assets.

Director Achenbach questioned why some areas were outsourced.

Morrison responded that some of the municipalities were remote.

Director Achenbach stated it is because of the equipment travel time.

Director Kane stated it saves drive and loading time.

Director Achenbach questioned if the tractor was placed on the trailer in other instances where there is not an excessive distance.

Director Kane stated that in most places, the batwing mowers are taken down highways. The only trailered location is the park & ride lot in O'Fallon.

Director Achenbach stated that the equipment was not hauled anywhere but driven to the locations.

Director Kane confirmed that is correct except for the one location.

Morrison explained when the capability to outsource is available and it is utilized. There are currently twenty-two outsourced contracts.

Director Kane stated that the segments would have to be planned and scoped out because it would be difficult for a contractor to access a segment in an agriculture field.

Director Achenbach added that the outsourced segments would have to be points of in and out access.

Director Kane stated that even though things are outsourced, they still must be managed and overseen for quality control.

Director Achenbach suggested a test segment. The mission of a non for profit is to save money and additional services to the district.

Morrison stated that in this instance, with everything that the grounds crew does, and to maintain the standards that we come to expect, there will be no money saved by outsourcing.

Director Kane stated it was hard to prove to the public what the grounds crew does is competitive to the private sector without going out to bid. Still, it is hard to develop a scope of work, set an insurance requirement, and create perimeters to ensure quality, to satisfy that the work is done in the most cost-effective manner.

Morrison stated there were twenty-two locations that mowing is outsourced. The square footage mowed combined is 1.5 million square feet, and the average cost per mow is 4.6 cents. The grounds crew is completing the work for less than 3 cents. There are five private contractors who have a three-year contract, and within the first year, most have not remained.

Director Kane stated that there are bouts of rain; when the rain has stopped, the grass is rather tall, and the average mower cannot handle the overgrowth.

Director Jedda feels that it is his responsibility as a board member to ensure quality at a reasonable cost.

VI. Executive session to discuss personnel under (1), and salary under (2) of the Open Meetings Act (5 ILCS 120/2(c))

DIRECTOR JEDDA MADE THE MOTION, SECONDED BY DIRECTOR KANE, TO GO INTO EXECUTIVE SESSION.

ROLL CALL VOTE:

KANE	AYE
JEDDA	AYE
ACHENBACH	AYE

ALL AYES. NO NAYS. MOTION CARRIED.

DIRECTOR JEDDA MADE THE MOTION, SECONDED BY DIRECTOR KANE, TO RETURN TO OPEN SESSION.

ROLL CALL VOTE:

KANE	AYE
JEDDA	AYE
ACHENBACH	AYE

ALL AYES. NO NAYS. MOTION CARRIED.

VII. Personnel:

- A. Action related to Executive Session discussion regarding personnel under (1), and salary under (2) of the Open Meetings Act (5 ILCS 120/2(c))

DIRECTOR JEDDA MADE THE MOTION TO AUTHORIZE THE PRESIDENT OF THE BOARD AND SJ MORRISON TO NEGOTIATE A LETTER OF ENGAGEMENT WITH JAMES SINCLAIR AND/OR HIS FIRM FOR ONE HUNDRED SEVENTY-FIVE DOLLARS PER HOUR, PLUS INCURRED EXPENSES, SECONDED BY DIRECTOR KANE.

ROLL CALL VOTE:

KANE	AYE
JEDDA	AYE
ACHENBACH	AYE

ALL AYES. NO NAYS. MOTION CARRIED.

- B. Salary/Bonus Plan for Non-Union Employees

Director Jedda mentioned that he brought this item up for discussion in the December meeting. Jedda proposes to create a bonus pool for the non-union employees. The dollar amount or percentage would be disbursed at the beginning of each calendar year on top of the salary/hourly raises at the executive director's discretion based on performance.

Director Kane stated that the employment-related benefits are based upon pay, including bonus pay, such as retirement.

Director Achenbach questioned if the bonus has anything to do with retirement. He is aware that social security is paid.

Morrison stated that the 403(b) has an employer match.

Director Achenbach asked if a person received a bonus, they still get a retirement stipend based on the bonus's value.

Morrison confirmed.

Director Kane questioned if a plan was to be brought together.

Morrison stated that employee evaluation standards were to be introduced agency wide.

Director Achenbach questioned if the mechanics were union employees.

Morrison stated that the bus drivers were the only union employees.

Director Kane asked if the salary increases were based on the cost of living or the rate of inflation.

Director Jedda said the increases would be based on the cost of living, inflation rate, consumer price index, social security, or some combination. A more performance-based compensation package.

Director Kane suggested outsourcing the task due to the extensive amount of work.

Morrison stated that he would handle the matter internally.

Director Jedda would like to provide the employees with a detailed year-end summary of the compensations received.

Director Achenbach commented there might be issues with the perceived fairness of the bonus program money pools across departments.

Director Jedda stated the intention was to reward employees for the efforts without raising the base pay.

Director Achenbach advised on picking a percentage or having justifications for differences. Achenbach questioned if there were other ways to feed money into the bonus pool.

Morrison stated there is value in this type of program.

VIII. Other Business:

Director Achenbach expressed his appreciation to the MCT Board for voting him into the ACT board. There have been many great things accomplished, and there are more good things to come.

IX. Adjournment

DIRECTOR JEDDA MADE THE MOTION, SECONDED BY DIRECTOR KANE, TO
ADJOURN.

ALL AYES. NO NAYS. MOTION CARRIED

Meeting was adjourned at 1:31 p.m.

Respectfully submitted.

A handwritten signature in cursive script, appearing to read "J. J. Mondor", is written over a horizontal line. The signature is fluid and stylized, with the first letters of the first and last names being capitalized and prominent.