

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

I. ROLL CALL Present:

Brian Brewer	Chairperson
Sue Davsko	Vice Chairperson
Leslie McCarthy	Secretary
Karen Hasara	Treasurer
Sandra Douglas	Trustee
Jerry Doss	Trustee
Steve Schoeffel	Managing Director
Melissa Ashford	Director of Operations
Erik Bush	Director of Finance and Administration
Russell Reed	SMTD Counsel
Jason Sass	Associate Planner, SSCRPC

Excused

Wynne Coplea	Trustee
Pete Roberts	Disabled Persons Advisory Committee

II. APPROVAL OF MINUTES

Trustee Doss made a motion to approve the minutes of the November 22, 2021 regular meeting of the Board of Trustees, seconded by Trustee Davsko. The motion passed unanimously.

III. DIRECTORS REPORTS

Managing Director Schoeffel reported about a productive meeting with former Managing Director Tisdale regarding facilities. Director Schoeffel also provided the board a report on multiple current projects within the District. Notably, the continuing work on the Transportation Center work, which is scheduled for late January, early February transition, numerous procurement items in progress, including busses and IT, and the District's continuing efforts to operate effectively in the public health emergency.

Director Bush notified the Board SMTD has officially received notice FTA has begun its Triennial Review of District operations. Due to the public health emergency, SMTD's review period is actually going to be four years, from June, 2018-present. This is an agency-wide review of all operations. Director Bush noted the turnover of the department will make this a learning experience.

Director Ashford reported SMTD participated in the December 4th City Holiday parade with "Holly", SMTD's decorated bus, and the shuttle being run from it through the month. To date, Director Ashford reported close to 90 shuttle rides. Also reported to the Board is another

instance of a plumbing break found during non-operating hours. As a result, Operations are monitoring and reviewing SMTD facility service plans for maintenance enhancements.

IV. REPORTS

A. Approval of October Financial Statements and Cash Disbursements

Trustee McCarthy made a motion to approve the October Financial Statements and Accounts Payable Disbursements, seconded by Trustee Douglas. The motion passed unanimously.

B. Board Committee Reports: Finance-Operations-Administration

Finance: Trustee Doss reported the finance committee did meet regarding the preliminary draft. Director Bush noted the finance committee was very active in their review of the audit with finance staff, and more detail would be covered later in the agenda.

Operations: No report. Director Schoeffel noted the continuing public health emergency's effect on ridership. The prior month's report appears to be an anomaly. Ridership is currently at 65-75% of pre-pandemic levels and the trend appears to be heading back in the right direction.

Administration: Trustee Hasara noted the committee met with administration regarding vaccination plan to be discussed later in the agenda.

C. Planning Commission Report: Jason Saas of SSCRPC reported the RPC is continuing work in unincorporated area of Sangamon County's comprehensive plan. He extended happy holidays from the RPC.

D. Disabled Persons Advisory Committee Report: No report.

V. NEW BUSINESS

a. Consider draft Fiscal Year 2021 Corporate Audit

Director Bush noted SMTD is required to annually assist in an independent review of its accounting, accounting practices, and compliance with rules and standards in place governing same. SMTD selected Sikich, LLP in 2020. The report period covers financial operations for the Fiscal Year which began July 1, 2020, through June 30, 2021 (FY21). The report encapsulates the entirety of the District's operations for the year. Particularly, the effect of the COVID-19 public health emergency and its resulting effects on SMTD accounting, reimbursement, procurement, and information technology (IT) safety practices. Director Bush introduced Ali Wilson, senior accountant, and Chad Lucas, partner with Sikich, LLP for their findings.

Mr. Lucas thanked the Board and staff for the support received during the engagement. He indicated the independent auditor's unmodified opinion on SMTD's operations under audit. An unmodified opinion, or a "clean" opinion means based on their audit procedures, they believe the financial information presented by SMTD was fairly presented.

Mr. Lucas then walked the Board through the audit as a document. Noted were the Management's Discussion & Analysis, basic financial statements, notes to the financial statements and required supplementary information (RSI). Mr. Lucas noted SMTD did have a positive change in net position, mainly due to the CARES Act funding received at 100% share from FTA. In addition to SMTD's main operations, the District also holds a Other Post Employment Benefits for retiree health care coverage. Mr. Lucas noted the OPEB liability is being met by SMTD and is funded at 54% since inception in 2018.

On RSI, Mr. Lucas directed the Board to disclosures for net pension assets & liabilities. For FY21, SMTD actually has an asset for IMRF due to SMTD continuing to meet its actuarially required contribution and actual investment income returns well above those estimated. Mr. Lucas noted Sikich is seeing this consistently across the state.

Mr. Lucas noted Sikich is required to issue a Single Audit due to the District receiving more than \$750,000 in federal awards during the project period. Mr. Lucas noted the CARES Act funding presented on the Schedule of Expenditures of Federal Awards (SEFA) as well as other active award spending, including capital assistance.

While SMTD does have a clean opinion, Mr. Lucas noted two findings were issued and required to be reported. The first finding is on financial statement preparation and is considered a material weakness in financial reporting. The issue is SMTD did not use the correct actuarially determined values in booking future pension costs. The second issue Mr. Lucas disclosed is a cash management compliance issue as SMTD requested reimbursement of federal funds prior to fully earning the award. SMTD management has included Corrective Action Plans (CAP) disclosed within the independent auditor's report for these issues as RSI.

Finally, regarding the audit report Mr. Lucas walked the Board through the final schedule in the report, which is SMTD's main revenue source, the state's Downstate Operating Assistance Program (DOAP).

Mr. Lucas also noted the second report, which is the Auditor's Communication to the Board, which includes the District's management letter. The findings in the independent auditor's report are repeated here, as well as recommendations and opportunities for improvements for future operations.

Director Bush noted for the Board staff's efforts to try and increase the communication and transparency of the audit process and expressed thanks to the Board and staff for their support and work.

President Brewer asked Mr. Lucas is Sikich, as a public agency auditing firm, sees many funded OPEB trusts in the state? Mr. Lucas replied that it is rare for public employers to pre-fund the liability with a funded trust. With that, President Brewer thanked staff and Sikich for all their hard work during an especially difficult reporting year.

b. Consider update to SMTD Public Transportation Agency Safety Plan (PTASP)

Director Bush noted SMTD is required to have Accountable Executive for FTA compliance purposes. This update designated Steve Schoeffel as SMTD's Accountable Executive for the PTASP.

Trustee Davsko made a motion to accept staff's recommendation and designate Steve Schoeffel as Accountable Executive for SMTD's PTASP, seconded by Trustee Douglas. The motion passed unanimously.

c. Consider Permanent Easement from Sangamon County

Director Schoeffel explained as part of the county annex/shared transportation facility, from time to time it becomes necessary to move property assignments around to adjust for development. This action is a permanent easement for a small strip of sidewalk along 11th Street at the new SMTD site of the transportation center that the city wishes to maintain. This has been approved by the City of Springfield. Ultimately, IDOT will retain control of the premises, but through this easement allows SMTD to operate freely on same premises.

Trustee Hasara made a motion accept the permanent easement as presented, seconded by Trustee McCarthy. The motion passed unanimously.

d. Consider Declaring Certain Assets Surplus/Disposal (Transfer Center)

Director Bush noted this is the first fixed asset adjustment SMTD is making to reflect activity with the shared Transportation Center. The building formerly used by SMTD was placed in SMTD's fixed asset inventory in 2016 and is not fully depreciated but was torn down to make way for the new Center.

Trustee Davsko made a motion to declare asset number 1807 as surplus. Seconded by Trustee Doss. The motion passed unanimously.

e. Consider Authorizing Resolution to Procure Four Support Vehicles

Grants & Procurement Manager Alexander noted this was an administrative step in acquiring assets with funding obtained by SMTD through the first round of state capital grant awards through 'Rebuild Illinois' (Rebuild). This request is to procure four road supervisor vehicles using SMTD's first Rebuild award. Procurement will be made off state contract, which are pre-procured pricing managed by the state available to the District.

Trustee Douglas made a motion to procure four road supervisor vehicles off state contract seconded by Trustee Davsko. The motion passed unanimously.

f. Consider Renewal of Backup Server Agreement

Service Planning & Technology Manager Orton explained to the board the annual need for a remote backup. SMTD employs remote server backup services and management to provide for disaster recovery and business continuity purposes. The most recent agreement with Heart Technologies, awarded in 2020, expired in October of 2021 and SMTD has

been paying month to month since. Staff would like to renew the annual agreement as set forth as we continue to increase the size of SMTD's server fleet.

Trustee Hasara made a motion to renew the backup server agreement with Heart Technology as presented seconded by Trustee Douglas. The motion passed unanimously.

g. Consider Award of Vending Machine Services Revenue Contract

Manager Alexander reported to the Board SMTD recently issued Request for Proposals (RFP) for vending machine services for both the new Transportation Center and the administration building. Three proposals were received in response. Using a process approved by FTA, the RFP was reviewed by an evaluation committee comprised of SMTD administration and operations employees as well as stakeholders from outside SMTD. Compass Group's Canteen Division was found to be the top scorer in nearly every category. As a part of sales from Transfer Center transactions SMTD will receive a small commission therefore making this a revenue contract.

Trustee Doss asked what efforts were made to reach out to the disadvantaged businesses? Manager Alexander discussed how procurement activities are communicated with the vendors available and ready to work the project. As part of SMTD's requirement to receive federal funding, staff uses a database provided by the state to identify potential DBE vendors. Those vendors are directly contacted by staff to encourage their participation.

Director Bush summarized how DBE goals are calculated and efforts on-going to improve SMTD's DBE program. Director Schoeffel also noted the pandemic had a negative impact on vendor availability generally.

Trustee McCarthy made a motion to approve a contract award to Compass Group USA, INC by and through its Canteen Division starting on September 1, 2022 through August 31, 2024, with two one-year options to extend the contract. Seconded by Trustee Davsko. The motion passed unanimously.

h. Consider Agreement(s) with SMTD Bargaining Units for Holiday Contract Mod

Director Ashford reviewed for the Board newly adopted holidays and this action codifies board approved holidays in SMTD's two union contracts.

Trustee Doss made a motion to approve the SMTD enter into a letter of agreement with Amalgamated Transit Union, Local 1249 (ATU) and Service Employees International Union, Local 73 to reflect the change in holidays. Seconded by Trustee Douglas. The motion passed unanimously.

i. Consider Covid-19 Vaccination Incentive Program

Director Schoeffel reported on the details of a Vaccination Incentive Program reviewed with the SMTD Administration Committee the week prior. The on-going public health emergency has required many businesses to alter operations to keep people safe and employees healthy. While there is a Temporary Emergency Order (ETS) being discussed

in the judiciary, management feels incentivizing SMTD employees, many of whom are public facing, is a sound measure in increasing vaccination rates corporately. Attorney Reed reviewed with the board the current state of the OSHA emergency order in the courts, and potential outcomes should the Supreme Court rule one way or another. Director Ashford discussed the cost of absences, rescheduling, overtime, and other tangible but smaller costs associated with headcount reduction due to case count increases. Staff feels these staffing impacts can be decreased by increasing SMTD's corporate vaccination rate (currently ~45%). Irrespective of OSHA's mandate, the goal is to increase vaccination rates.

As presented and approved by the Administration Committee, SMTD estimates the total outlay to be \$161,000 for the incentive and \$17,690 to "gross-up" the wages so all employees receive the same benefit, for a total of approximately \$179,000. This number will likely be less as it assumes 100% participation. Trustee Douglas voiced support for the program as she believes vaccination is the best tool to keep people healthy.

Trustee Doss made a motion accept staff's recommendation and implement a COVID Vaccination Incentive Program. Seconded by Trustee Douglas. The motion passed unanimously.

j. Consider Change Order for South Storage Garage

Manager Alexander explained that early in 2020, SMTD began the process to re-design and upgrade the building known as the south storage garage (SSG). SMTD entered into an Agreement with Crawford, Murphy, and Tilly (CMT) design and construction management services for the SSG renovation project in September 2021. CMT will provide construction documents to meet current conditions, codes, standards, and will assist in the bidding phase of the project by answering contractor questions, attend pre-bid meeting, produce agenda, and review bids, as required for the SSG Renovation project. CMT will provide construction administration services through the closeout of the construction project that includes submittal reviews, contractor correspondence, construction observation, and construction closeout. Original contract price is \$80,000. CMT was the design firm on record when this project was started in 2016. CMT assisted with the demolition of the front brick buildings, as well as the construction of the concrete parking lot located at the site.

The change order requests an additional \$46,000 be added to the Agreement. This is to complete additional work for Alternate 1-4. The new contract sum would be \$126,000 for this project. A cost analysis was performed, and the price received for the change order is fair and reasonable. Director Bush discussed some of the functionality of the proposed site. Trustee Doss voiced support for the solar panels.

Trustee Douglas made a motion to approve a change order for \$46,000 to the contract in effect with Crawford, Murphy, and Tilly. Seconded by Trustee McCarthy. The motion passed unanimously.

VI. PUBLIC COMMENT


Jane Ford was unable to present but wished the District happy holidays.

VII. CLOSED MEETING
None

VIII. ADDITIONAL NEW BUSINESS
None

IX. ADJOURNMENT
Seeing no further business to come before the Board, Trustee Davsko made a motion to adjourn the meeting. Trustee Douglas seconded the motion, and the meeting was adjourned at 5:34 PM.

Approved:



Brian Brewer, Chairperson



Leslie McCarthy, Secretary