

FORT WAYNE PUBLIC TRANSPORTATION CORPORATION
Board Minutes
June 13, 2019
REVISED

The June meeting of the Board of Directors of the Fort Wayne Public Transportation Corporation/ Citilink was held on Thursday June 13, 2019 starting with an Executive Session at 5:11 pm and the regular board meeting starting at 5:47 pm, located at the Citilink offices, 801 Leesburg Road, Fort Wayne, Indiana.

Directors Present: Mr. Ronald Steinman, Vice-Chair, Mr. Glynn Hines, Mr. Nelson Coats, Ms. Lana Keesling, Mr. Nathan Hartman, Mr. Howard Traxmor

Directors Absent: Ms. Sherese Fortriede

Staff Present: Mr. Maurice Pearl, Ms. Jean Marie Boykins, Mr. Bruce Miller, Mr. Jason Trabert, Ms. Claudia Harris-Stevenson.

Others Present: Mr. Denny Logan, Corporate Counsel, Officer Jack Barbour, Wally Wetherill, CPA and Tyler Sipe, CPA with BKD.

Mr. Steinman began with roll call of members and noted that all Board Members were present.

Approval of Minutes: Mr. Steinman moved to the reading, correcting and approval of the previously distributed regular Board Meeting minutes from 5/9/2019 and Executive Session minutes of the Personnel Committee from 5/26/2019 and Marketing Committee Meeting 5/29/2019 will be discussed at July meeting. Mr. Hines made the motion to approve the minutes. Mr. Coats seconded. The minutes were approved unanimously.

Communications from the Public, Including Petitions and Remonstrance's: None

BKD Presentation 2018 Audit Report: Mr. Wally Wetherill, CPA and Mr. Tyler Sipe, CPA.

Mr. Wetherill distributed the annual audited financial statement with management discussion and analysis and highlighted some key points related to the audit.

The opinions that have been issued on all reports are unmodified opinions, which is what you want, clean opinions as well as compliance. Secondly there were no audit entries which means they did not adjust any information given to them by management. What was produced is what is in the annual report.

A new GASB (GASB 75) was implemented this year which is related to other post-retirement benefit obligations health insurance piece to record the total liability of that plan. About a 2.5 million dollar increase in liability which will require another actuarial study which was done this year as well. We will have another new GASB to implement next year.

Lastly, there were no complaints findings, which means as BKD test the federal funds and look at compliance requirements anything that would be not in compliance we would have to disclose as a finding. Clean opinion related to compliance.

We also looked at internal controls related to compliance as well as organization. There were no issues.

There were other control deficiencies related to journal entries and the importance of continued independent review of all journal entries. There was some inconsistency with that last year. It was an automated journal entry from end of year related to the parts inventory count reconciliation. During the audit, BKD did inquire as to the collectability of one particular account receivable who had a somewhat significant balance. During an audit, BKD will evaluate the ability to pay and collectability. Sometimes this involves sending letter to a vendor to confirm that they agree that there are amounts outstanding and also agreeing to the amounts. Delinquent receivables would be an item of concern. BKD does test collectability to pay and check history of the vendor payments.

Reviewed pages 4 and 5 relating to GASB and retirement plan review.

At some point and time you might want to have a retirement audit. It is not required by GASB currently but we recommend that you do to make sure that you are in compliance because there have been so many changes in the last 5 years.

Mr. Logan noted that the pension is a separate entity of itself and the trustees could express their interest to have a pension audit. There are four trustees. Two appointed by management and two appointment by the union. Therefore the four trustees have control over the pension.

Mr. Miller indicated that he was not aware of any pension audit being done since he was here. Ms. Boykins indicated pension minutes showed that Ms. Strasser had recommended that a pension audit be done in 2011 but it was never done. Mr. Wetherill recommended that Citilink does an audit, especially since Citilink is a trustee of a plan. Mr. Wetherill indicated the cost could be around \$20,000 - \$25,000 to do retirement pension audit since it has not been audited.

The Board would like to make a recommendation for Citilink trustees to promote the idea to the union trustees to have a retirement pension audit. Mr. Hartman approves for Citilink trustees to move to ask union trustees to have a retirement pension audit. Mr. Hines seconded. The recommendation was approved unanimously. Citilink trustees, Mr. Miller and Ms. Harris-Stevenson will follow up with the recommendation.

Mr. Traxmor indicated that BKD made a recommendation for Citilink to implement a hotline. BKD indicated that it's a best practice thing but is not required. Annual cost is approximately \$5,000 annually to help undercover fraud or unethical behavior activity. Having a hotline is helpful.

Mr. Traxmor made motion to adopt a hotline. Motion failed for a second.

BKD auditors also reviewed pages, 10, 24 and 30.

Board of Directors Committee Reports:

Finance Committee – Mr. Coats asked Mr. Miller how many years has it been with no audit findings? Mr. Miller indicated since he has been here there were no audit findings.

Personnel Committee – Mr. Steinman indicated that Ms. Kachmar is no longer with the company. We are in the process of looking for a replacement. Ms. Schieber has been promoted to Customer Service and Mobility Manager, Ms. Boykins has been promoted to Human Resources Director, Mr. Trabert has been promoted to Maintenance Director and Ms. Harris-Stevenson has been promoted to Operations Director. Congratulations! Mr. Pearl will be a Rotary of Greater Fort Wayne beginning next week.

Marketing Committee – Minutes will be provided at the July Board meeting.

Legislative Committee – No Report.

Executive Committee – No Report.

Transportation Planning Committee– The meeting was cancelled.

Staff Reports:

Controller's Report

Mr. Miller distributed the Interim Record of Transmittals for the period of June 1-13, 2019.

Mr. Steinman asked Mr. Trabert how we are doing on fuel. Have we ever put this out for bid? Mr. Trabert indicated that we have four more years of options on our current contract. Mr. Logan indicated that we did go out for bid for the current contract.

Mr. Traxmor asked why we need another 80 hour service pack from DWD. Mr. Miller and Mr. Trabert indicated it is still due to issues with new safety system with Route match/Cradle point. Tablet connectivity issues. Will be worked out soon. Mr. Traxmor asked if we will benefit with an IT part-time person. Mr. Miller indicated that we would only need an IT person to work a small amount of hours. Finding a person willing to work those kind of hours and with the knowledge necessary for our unique needs would possibly be difficult. Right now we rely on DWD who has knowledgeable staff in a variety of areas that can get the job done in a fraction of a time.

Controller's Report: Most of the percentages are similar from what we have been seeing up to this point. Overall revenue is under budget by approximately 12%. Operating expenses are under budget by approximately 3%. Most of the savings are related to large savings in group medical insurance and fuel. These savings are offset by larger than anticipated increases in salaries and wages.

Citilink's cash position as of May 31, 2019 is approximately \$873,000 lower as compared to the cash position as of May 31, 2018 primarily due to the timing of drawdowns on Federal Grants and Indiana PMTF payments.

Cash balance reports: Total at the end of May 2019 is approximately \$3,754,957. Workers' Comp is approximately \$1,000,000, Liability is approximately \$255,214, and matching fund is approximately \$350,384.

Statement of Net Earnings: COIT Tax for the month of May is a larger than normal amount of \$141,726 due to us receiving a supplemental distribution for the last couple of years. Two or three years ago there was a very large distribution. This years' supplement was \$64,762. Month of May 2019 the pension amounts reflect three payroll periods instead of normal two which shows that we were over budget. There are two months out of the year where we have an extra payroll causing increase in pension expenses for those particular months. Parts and supplies revenue equipment related to the fixed route buses. \$53,559 is a larger number than typical due to an engine replacement approximately \$30,000.

Total Operating expenses for the month under budget year-to-date \$9,155.66.

Mr. Hines made motion to approve the Interim Record of Transmittals for June 1- 13, 2019, and the Record of Transmittals for May 1-31, 2019. Mr. Coats seconded. They were approved unanimously, with Mr. Coats abstaining from any payments to DWD.

General Manager Report:

- 2018 Audit: Final Financial Statements were submitted to Citilink on May 31st.
- 2018 Annual NTD Report: Staff completed revision 1 on June 4th. The deadline was June 11th.
- Spring Safety Training: Safety meetings were held June 10th through June 13th. Each meeting will last 2 hours. There will be approximately 8 meetings. Would like to commend staff on putting this together. Had an agenda topic sheet, suggestions, received 10 comment sheets back, it was a success! Discussed new incentive for not having preventable collisions for 30 days. April 2019 there were no preventable accidents. Drivers shared things that need to be fixed. Mr. Trabert has a list and is handling.
- Market Development/Community Relations: You've Got a Ticket to Ride contest was completed. Arlene Snider was randomly selected. Citilink Wi-Fi installed in all buses and at Central Station. Mr. Trabert's team went through every bus.
- Ridership: Fixed Route for month of May had 139,277 trips. This compares to 143,397 for May 2018. Mobile pass sales for May was 2,742. Usage was 9936 on fixed route and 443 on Access.

Introduction and/or Adoption of Resolutions and Ordinances: None

Old Business:

None.

New Business: None

Public Comments: None.

Open Discussion by the Board:

Mr. Hines wanted to make sure that we paused for a minute in honor of Mr. Lewis Sims who passed. He was the 1st African American bus driver for PTC/Citilink.

Mr. Steinman asked if there were any comments from the audience. There were none.

There being no further business, the meeting adjourned at 6:45 PM.

Attest:



Sherese Fortriede
Chair



Ron Steinman
Vice Chair