

Minutes
Greater Dayton RTA Board of Trustees
SPECIAL Public Board Meeting

January 17, 2017

- Trustees: Adrienne L. Heard, President
Sharon Hairston, Vice President
Vince Corrado
John Lumpkin
David P. Williamson
- Excused: Franz Hoge
Sharon D. Howard
Janet Jones
Thomas Weckesser
- Staff: Mark Donaghy, Chief Executive Officer
Cathy Garner, Senior Executive Administrative Assistant
Deborah Howard, Manager, Procurement
Nikol Miller, Community Relations Manager
James Napier, Chief Operation Officer
Brandon Policicchio, Chief Customer & Business Development Officer
Gene Rhodes, Chief Performance Officer
Bob Ruzinsky, Chief Capital Officer
Mary Stanforth, Chief Financial Officer
Jonathan Hollingsworth, Hollingsworth & Washington, LLC
- Others: Interested citizens (see attached sheet)

Call Meeting to Order

Ms. Heard called the meeting to order at 8:30 a.m. A quorum was present and proper notice of the meeting had been given.

ROLL CALL

Roll call was taken:

Mr. Corrado	Yes	Ms. Jones	Excused
Ms. Hairston	Yes	Mr. Lumpkin	Yes
Ms. Heard	Yes	Mr. Weckesser	Excused
Mr. Hoge	Excused	Mr. Williamson	Yes
Ms. Howard	Excused		

ACTION ITEM #1 – ATU LOCAL 1385 LABOR AGREEMENT

Ms. Heard stated that On January 12, 2017, the Greater Dayton Regional Transit Authority reached a Tentative Three-Year Labor Agreement with the Amalgamated Transit Union (ATU), Local 1385, which represents drivers and mechanics. As a subsequent detail, the ATU membership on January 18, 2017, ratified the agreement by a vote of 280 to 50.

The agreement works out a lump sum payment to each union employee for work completed between April 1, 2015 through March 31, 2016. The lump sum is 2 percent of the gross pay each employee earned during that time. The deal offers 2 percent raises across the board in 2016, 2017 and 2018. Additionally, RTA will now contribute to a Health Savings Account ranging from \$1,100 for a single employee up to \$2,500 for family plan coverage.

MOTION MADE by Ms. Hairston and SECONDED by Mr. Lumpkin to APPROVE the negotiated agreement as presented and that the Chief Executive Officer be authorized to do all things necessary to finalize, execute, implement and administer this agreement.

MOTION CARRIED by voice vote.

Ayes: Five

Nays: None

Mr. Donaghy stated that the tentative agreement is in fact the same as RTA's December 20th final offer to the union however, Mr. Donaghy want to highlight a couple of important changes:

- The wage agreement stays at 2% as agreed upon on.
- The health insurance adopts general language from the December 20th final offer.
- RTA did add a new, one time, additional lump sum payment of \$500 for a single person and \$1,400 for a one plus one or family coverage, into the Health Savings Accounts of employees. This was funded by the union's agreement in deferring one of the wage increases.

Mr. Donaghy stated that if you look at Year two (#2) in the tentative agreement, the wage increase is deferred for about six months.

Mr. Donaghy stated that this was probably the biggest issue the parties came together on. Mr. Donaghy stated the union was looking to get more dollars in their health savings accounts without giving up anything related to the lump sum payments. The new agreement retains RTA's language regarding plan design and it allows for a re-opener in 2017. The idea behind this is that there has been much discussion about RTA's conversations with the City of Dayton regarding the City's "On Site Clinic". Mr. Donaghy communicated that this is becoming popular with large employers. Mr. Donaghy stated that in exploring this endeavor the question arose about RTA making changes in our current plan without penalty. Mr. Donaghy stated that there would be no penalty if this was to occur.

The contract reopener is specific to article #9, stated Mr. Donaghy, which relates to health insurance. Mr. Donaghy stated this is the only article of the agreement that is subject to being re-opened and that requires a notice by one of the parties by June 1st, 2017 and then completion of the discussions or other talks by the end of 2017.

Finally, Mr. Donaghy commented that for RTA the December 20th agreement is much the same as the November 8th final offer and the May 6th final offer. All of the signed tentative agreements were incorporated in the larger tentative agreement for the successor contract. Mr. Donaghy stated the highlight for him was that both parties have signed an agreement to this tentative contract and both parties have agreed to recommend it to their respective constituents. Mr. Donaghy feels that this is a good arrangement for both parties and meets the financial guidelines initiated by the Board and recommends that the Board of Trustees ratify the agreement.

Mr. Corrado communicated that he appreciates the hard work and dedication put forth by Mr. Donaghy and Staff. Additionally, Mr. Corrado thanked Mr. Donaghy for keeping the Board updated throughout the past year with regards to the negotiations. Mr. Corrado stated that he really liked the promotion offering free fares to RTA customers and donating the proceeds to the Dayton Area Food Bank throughout the remainder of January 2017.

Mr. Corrado asked where we go from here in regards to the sales tax issue on the Medicaid Managed Care Organization (MCO) coverage? Mr. Corrado stated that this is not for discussion today, however, it is something that will attack RTA's bottom line with regard to its finances moving forward. Finally, Mr. Corrado congratulated both RTA and the ATU for coming to a reasonable resolution regarding the strike.

Ms. Hairston stated the RTA Board of Trustees needed to stay within their parameters of finances because of the situation RTA has with receiving sales tax. Ms. Hairston commented that to go with a different alternative, that would have cost RTA more, would have been not only a disservice to RTA customers but also to the taxpayers who help support transit. In closing, Ms. Hairston stated that she was pleased with the outcome.

Mr. Williamson stated that given the news with the MCOs along with the increasing health care costs that he encourages RTA Staff to continue pursuing all options as it relates to seeking alternative revenues and connecting with the City of Dayton and reviewing the avenue of possible joint efforts brought forward by them regarding using their health clinic.

Mr. Donaghy stated the Union's voting process is currently underway and all eyes are on them. The loss of MCO sales tax revenue will affect the state, counties and transit agencies that depend on the sales tax revenue. RTA stands to lose approximately \$4 million annually.

Mr. Corrado stated that he wanted to remind everyone that RTA's Board of Trustees are all volunteers of the City of Dayton, Montgomery County, and the City of Kettering.

ACTION ITEM #2 - GROUP MEDICAL AND PRESCRIPTION INSURANCE

Ms. Heard stated the 2016 Medical and Prescription Insurance contract with Anthem Blue Cross and Blue Shield was originally approved by Board Trustees in the amount of \$8,572,063.

In December 2016 Board Trustees approved an additional \$1,200,000 as the Plan's actual out of pocket claims costs escalated well beyond what was anticipated.

Since that time, as a result of RTA moving to a high deductible Medical and Prescription Insurance plan for 2017, actual expenses have continued to rise at a very rapid pace.

For 2016 average monthly claims payments have grown from:

- Anticipated budget amount of \$715,000 per month (including “run off” payments), to
- An average of \$821,000 per month with our most recent billing statement (not including “run off” payments).

At this point in time there are still “run off” payments to be made related to the 2016 Medical and Prescription Insurance Plan with Anthem. It is now necessary to request an additional \$1,700,000 to provide for Incurred but Not Reported (IBNR) claims. The amount requested is equal to about 2 months of current average claims expense.

MOTION made by Mr. Corrado and SECONDED by Ms. Hairston to AWARD an additional \$1,700,000 to Community Insurance Company dba Anthem Blue Cross and Blue Shield for a revised award amount of \$11,472,063 to fund the self-insured group medical and prescription insurance plan through year end 2016. This cost will be funded with operating funds.

MOTION CARRIED by voice vote.

Ayes: Five

Nays: None

ADJOURNMENT

MOTION MADE by Ms. Hairston and SECONDED by Mr. Lumpkin to adjourn the meeting.

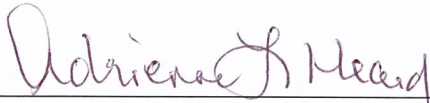
MOTION CARRIED by voice vote.

Ayes: Five

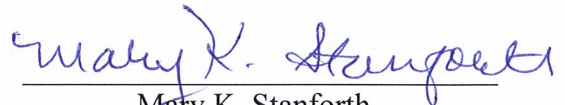
Nays: None

The meeting adjourned at 8:50 a.m.

Attest



Adrienne L. Heard
President
RTA Board of Trustees



Mary K. Stanforth
Secretary/Treasurer
RTA Board of Trustees

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