

SAUGEEN MOBILITY

and REGIONAL TRANSIT

GENERAL BOARD MEETING MINUTES

Friday, October 29, 2021, 1:30 p.m.

Board Members Present: Councillor Warren Dickert, Town of Hanover Councillor, Board President
Councillor Beth Hamilton, Municipality of West Grey, Board Vice-President
Vice Deputy Mayor Mike Myatt, Town of Saugeen Shores, Board Past President
Councillor Dave Cuyler, Municipality of Kincardine
Deputy Mayor Mark Davis, Municipality of Arran-Elderslie (for Doug Bell)
Councillor Jim Frew, Township of Southgate
Dean Leifso, Municipality of Brockton
Mayor Scott Mackey, Township of Chatsworth
Councillor Ed McGugan, Township of Huron-Kinloss

Board Members Absent: None

Others Present: Roger Cook, Manager
Catherine McKay, Recording Secretary

Guests: Kym Bruce, Senior Group Marketing Representative, RWAM Insurance
Administrators, Elmira
Justin Bumstead, President/Group Benefits Specialist, Bumstead Insurance Ltd.,
Owen Sound

The meeting was conducted by videoconference in light of the COVID-19 pandemic.

1. Call to Order

President Warren Dickert called the meeting order at 1:30 p.m. and welcomed new Board Member Jim Frew and Mark Davis.

2. Disclosure of Pecuniary Interest and Declaration of Conflict of Interest

None declared.

3. Approval of the Agenda

Motion #2021-069

Moved by Mike Myatt; Seconded by Dave Cuyler

That the agenda for October 29, 2021 be accepted as circulated.

Carried

The Manager noted that on item 8C, the best price provided by Girardin Blue Bird is locked in until 3:00 p.m.. The Manager outlined the history of vehicle purchases for the benefit of new Board members, noting that more funding will come available from the Investing in Canada Infrastructure Program (ICIP). Applications must be submitted by early 2024 and he has been working with Chris Walker, Director of Corporate Services/Treasurer for the Town of Hanover, to obtain funding for future SMART vehicles.

4. Presentation by RWAM Insurance Administrators

The Chair introduced Ms. Bruce and Mr. Bumstead who is the broker for the benefits plan and handles the renewals. The presentation was arranged to put the Board's mind at ease given questions that have arisen with respect to eligibility and continuing to qualify for benefits.

Mr. Bumstead presented a Schedule of Benefits, noting that RWAM is the third party benefits administrator. He reviewed the insurance which includes life, accidental death and dismemberment, long term disability, extended health care, critical illness and an employee assistance program. The insurance

is premium based, and employees pay the premiums through payroll deductions, except for extended health care and dental care, which is self-insured.

The following points were made by Ms. Bruce.

- The eligibility criteria to join the plan is set by SMART. SMART's criteria are non-typical. Typical criteria are usually three, or six months, or one year plus a minimum number of hours worked. The key is the 24 hours of work per week, with 20 hours per week as the minimum to be eligible for long term disability insurance. Some organizations have requirements of 20, 30 or 40 hours per week, and groups with part-time employees might have a minimum of 15 hours per week, but this would not apply to long term disability. If the plan is not meeting SMART's needs, it can be changed.
- It is tricky to get on the plan given SMART's eligibility criteria, although the requirement to work a certain number of hours could be reduced. The concern is staying on the plan and who monitors that. For example, an employee who is only working 15 hours per week is not eligible for long term disability insurance. SMART should stick to the plan guidelines to avoid issues regarding long term disability claims down the road since the eligibility criteria must be met to have a claim approved. The SMART benefits booklet says that employees must work 24 hours per week to be eligible.
- If employees are removed from the plan and then put back on, they tend to use the plan as much as they can when they are covered, which would have a negative effect on experience, which determines the cost. It is important when qualifying employees or taking them off the plan that such decisions are supported by the terms of the insurance policy, documented as to how they will be handled, and all handled in the same manner, rather than being decided as situations arise.
- Extended health care for SMART employees is self-insured on an Administrative Services Only (ASO) basis. This means that RWAM facilitates payment of claims and invoices SMART for the amount paid out in claims plus an administrative fee. Both single and family coverage are provided for Extended Health Care and Dental Care. Employees who opt for family coverage pay the difference between the cost of single and family coverage. The cost, regardless of whether ASO or fully insured, is based on claims experience. The ASO fund, which is SMART's money, accumulates and there is a monthly reconciliation sent to SMART. The insurance is renewed once a year based the cost for claims in a fully insured plan plus an adjustment for inflation and an adjustment based on claims experience. Mr. Bumstead said he receives a monthly report on the plan.
- The \$15,000 maximum for drugs, is per family, but the limit is the same for an individual. This is not particularly high or low as a limit and some plans offer unlimited drug coverage. There are some very high priced drugs these days, so it is good to have a maximum. Mr. Bumstead added that this limit was put in place several years ago and prior to that there was no limit.
- It is very important that the benefits booklet does what SMART wants for its employees and that its administrative practices match what is in the plan/booklet. There is some leeway in Extended Health and Dental Care as they are self-insured, but for the other benefits there should be no discrepancy or questions about eligibility. She asked what SMART wants its benefits plan to do, how it wants to administer it and when it would like employees to be added to and removed from the plan.
- Eligibility criteria could be changed such that hours are averaged to 24 per week. The Infectious Disease Emergency Leave (IDEL) still applied during COVID and therefore no claims would be denied. However, if an employee was only working in the summer, they would be seasonal and should not be on the benefits plan.
- Outside of IDEL, an employee working 15 hours per week would not be covered because the minimum is 24 hours per week. She added that SMART management is responsible for adding and removing people from the plan and RWAM does not know who should be on or off.

The following points arose as a result of discussion and questions from Board members:

- SMART's practice has been to include employees on the plan if they work 24 hours per week on average or 1,200 hours per year. Employees who request that their hours be reduced such that they do not meet that threshold are removed from the plan. If an employee's hours fall below the threshold through no fault of their own, they are not removed from the plan. This requires a lot of monitoring which is the Manager's responsibility. He added that it is illegal during the COVID pandemic to remove employees' benefits coverage if their hours of work are eliminated or reduced as

a result of COVID. The Manager said that there should be some flexibility to allow people to stay on the plan if there is not enough work and their hours are reduced through no fault of their own. He said that if an employee is making a good faith effort to work and not asking for their hours to be reduced, they should stay on the plan. The less an employee works, the larger the proportion of their pay is taken up by benefit premiums. Ms. McKay noted however, that health and dental insurance is not paid for by employees through premiums deducted from their pay, but by SMART through the Administrative Services Only arrangement.

- The Board should be getting an annual report on the benefit plan as part of its due diligence.
- SMART's workforce is largely part-time and therefore who is on the plan must be monitored.
- Kincardine casual staff have no benefits and full and part time staff have their benefits prorated to hours worked. All benefits are paid for and employees do not pay very much. Benefits provided are what is in the written agreements.
- Mr. Bumstead was asked which of the SMART member municipalities his company provides service to. He said he is not familiar with the municipalities which make up the SMART Board, so would not be able to say, but his organization has a lot of public sector clients.
- The member municipalities could be canvassed and SMART's plan should not go beyond what they have, but should be fair.
- The plan could be changed to 24 hours per week averaged over 3 months for example and Ms. Bruce should be consulted as to whether this would be acceptable.
- The plan should be tailored to non-COVID times.
- RWAM could be asked to help with wording changes and an analysis could be done to find out over what period of time it would take an employee to work 24 hours per week on average.
- LTD is for wages and there was a question about whether it would be the same for a full time employee as for a part time employee.
- Dean Leifso suggested having insurance as an agenda item at a future meeting to make recommendations as to coverage and the ASO arrangement.

The President thanked Ms. Bruce and Mr. Bumstead for their information and noted that the presentation was for information only.

Due to time requirements to place the bus order, the Board deviated from the agenda to consider item 8 C.

8. C. 2021-32 2022 Passenger Buses Revised

Motion #2021-070

Moved by Scott Mackey; Seconded by Mike Myatt

That SMART award the contract to purchase 3 2022 9-passenger buses to Girardin Blue Bird at a cost of \$320,400 plus taxes.

Carried

The Board took a short recess after which the Manager confirmed that the order had been placed.

5. Minutes of the October 1, 2021 General Board Meeting

Motion #2021-071

Moved by Ed McGugan; Seconded by Dean Leifso

That the Board approve and adopt the minutes of the October 1, 2021 General Board Meeting as circulated.

Carried

6. Business Arising from the Minutes

Load Restrictions

According to the Grey Bruce Health Unit, load restrictions can be dropped if SMART requires proof of vaccination from every client. The Manager said that this presents a significant operational issue requiring client files to be updated with vaccination status. He prefers to stay at 50% load restrictions,

These minutes are considered to be in draft form until signed by the President and the Recording Secretary.

noting that the Province says that restrictions will be lifted on January 17. Dave Cuyler noted that there has been a break out in Kincardine schools, and in light of this, lifting of restrictions may not occur as planned. Beth Hamilton suggested that the Manager speak to his peers about a vaccination passport which he said is being worked on. Mark Davis suggested a report on what others are doing, and the possibility of charging double for clients who are not vaccinated. The President suggested that the Board maintain the status quo on load restrictions for the present.

Bruce County Master Transportation Plan

The Manager met with Bruce County officials Miguel Pelletier, Director, Transportation and Environmental Services and Jill Roote, Manager of Economic Development on October 13, 2021. They were supportive of SMART's business plan which is being prepared with the assistance of Jenelle Bannon of Bruce County. Once the business plan is complete, it will be submitted to the Executive Committee as well as Kim Cosgrove at the County, and then back to Mr. Pelletier with recommendations and a report to be reflected in the 2023 budget.

Other Issues Arising

The contract was sent to Grey Highlands but no word has yet been received.

The vaccination policy has been implemented and the testing is working out. One driver has left as a result of not wanting to provide proof of vaccination or take COVID tests. Employees do the tests on their own time and they send a photo of the test, which must be dated, to the Manager.

The Executive Committee met on the partnership agreement which is a complex matter and will be deferred to a special Board meeting in the new year.

Mike Myatt noted that SMART Board meetings are not currently open to the public although the feeling is that they should be, but would there should be some parameters around doing so.

7. Correspondence

Many Board members noted that they had received communications expressing the concerns outlined in the correspondence. In the past, service was virtually 24/7 with rides being provided when clients wanted them. Now, service runs from 6 a.m. to 6 p.m. Monday through Friday, 7 a.m. – 5 p.m. on Saturday, with no service on Sundays or holidays. The following points were made in the discussion:

- A lot of time was spent reviewing hours of service, but now that the effects of the changes are becoming apparent, it may be time to revisit the results of the Level of Service Review which was meant to ensure that SMART is sustainable.
- The Level of Service Review did a good job of reducing costs and bringing the budget into line, but SMART cannot be everything to everybody.
- The service changes may be harming people's mental and social wellbeing since the ability to get out in the evening and on Sunday is important and there are not a lot of options for SMART's clients.
- There was general agreement that the level of service should be revisited and suggestions were made as to how to address the issue including:
 - Expand into Friday and Saturday nights.
 - Expand into 9 a.m. to 2 p.m. Sunday for church services.
 - Offer group excursions outside of regular hours.
 - Operate for profit (rent a bus and driver) for non-member municipalities.
 - Pursue alternate sources of income such as donations, fundraisers and corporate sponsorships.
 - Set a fixed number of hours of operation per week and apply flexibility in how they're used (e.g. give up some time on weekday mornings and add that time to evenings).
 - Stick to core hours and offer service that can be booked at cost recovery for anything beyond.
 - Expand the partnership to other municipalities.
 - Address the issue of "grandfathered" long term care homes which still get excursion service but have money in their budgets for recreation.

Motion #2021-072

Moved by Mike Myatt; Seconded by Dave Cuyler

That the level of SMART service be referred back to the Level of Service Committee to consider the impact of service changes and develop recommendations for further service adjustments for Board consideration.

Carried

It was agreed that Board members should send any comments they wish to have taken into account to the Level of Service Committee.

8. Manager's Reports and Recommendations

A. Report 2021-30 September 2021 Operational

The Manager presented the report noting that ridership was up 20% over August and 25% over September 2020.

Motion #2021-073

Moved by Dean Leifso; Seconded by Dave Cuyler

That Report 2021-30 September 2021 Operational be approved as presented.

Carried

B. Report 2021-31 2021 Third Quarter Operational

The Manager presented the report, noting that group rides are coming back and expenses were down.

Motion #2021-074

Moved by Mike Myatt; Seconded by Scott Mackey

That Report 2021-31 2021 Third Quarter Operational be approved as presented.

Carried

C. 2021-32 2022 9-Passenger Buses Revised

This report was approved earlier in the meeting.

D. 2021-33 Cost of Adding a Paid Holiday

This report will be considered as part of the budget process.

E. 2021-34 Proposed 2022 Operational Budget

The Manager presented the report, noting increases in fuel and insurance which are not within SMART's control. Discussion covered the following points.

- Estimated increases in municipal contributions for Chatsworth and Arran-Elderslie of 25% and 43% will be difficult to take back to those Councils when 2022 will be a challenging budget year. The increase in the municipal contribution is 23% over 2021, which is quite large. The Manager stated that ridership was down 21.3% overall and down 2.4% in Arran-Elderslie, which caused its share to increase as demonstrated in the spread sheet provided with the report.
- More rides are projected and driver wages are increased, but there is no corresponding increase in user fees. The Manager explained that in 2021 rides did not increase as expected and so he felt it was better to under estimate fees, and many factors affect the level of rides such as the number of local versus longer distances rides which generate more revenue. Also, load restrictions will remain in place and whether clients are taking rides individually or in groups has an impact. He said it is very difficult to predict rides. It was suggested that the budget should be set on the basis pre-COVID levels of expenses.
- The partnership agreement may need to be changed since the contribution is based only on one year's numbers and he would find it very difficult to sell the proposed increase which amounts to 1% of taxes, and perhaps user fees need to be doubled.

- There are only two companies providing insurance for public transit, so there is not a lot of choice or options to reduce the cost.
- The question was asked about why driver wages increase by 15.2% from \$600,000 to \$692,000, but rides are shown as staying the same and why would rides increase but not revenue.
- The question was asked if there was any way to reduce insurance costs, and are they affected by how vehicles are stored (e.g. at employees' homes vs. in a lock-up). The Manager explained that the costs are mostly for liability to cover the high costs of medical treatment. SMART has moved to a \$5,000 deductible on all perils. The insurance renews in the summer and he anticipates an increase next summer over which SMART has no control.
- If the Board is satisfied with the current level of contribution, it should remain as is with future increases based on inflation. All municipal partners experience increases in insurance and fuel and perhaps user fees should increase. The Level of Service changes were made to maintain the \$650,000 contribution and increases in expenses are the new reality, not an anomaly. It should be determined what level of service a contribution of \$650,000 would support. A business case to justify the budget should be made acknowledging increasing costs and showing how SMART will operate within a budget. The current budget asks for a contribution of \$800,000.
- The partnership agreement seems to be driving the numbers up and that this results in an imbalance, a reason to review the agreement.

Motion #2021-075

Moved by Scott Mackey; Seconded by Ed McGugan

That SMART's budget for 2022 be based on a municipal contribution of \$682,500, a 5% increase over 2021, and that increases in user fees or reductions in service be instituted if necessary to meet the budget and cover any shortfalls.

Carried

9. Adjournment

The Board agreed to change the date of the next meeting from November 26, 2021 to December 3, 2021.

The Manager reminded Board members of the requirement in the COVID-19 Vaccination Policy for them to provide proof of vaccination before attending SMART premises.

The President thanked Board Members for their patience in covering a significant amount of important material.

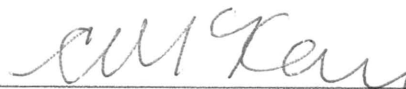
Moved by Mike Myatt; Seconded by Dean Leifso

That the Board of Directors of SMART adjourn at 4:18 p.m.

Carried



Warren Dickert, President



Catherine McKay, Recording Secretary