



MINUTES OF EXECUTIVE SESSION

November 30, 2018

An Executive Session was held by the Board on November 30, 2018 at the NICTD offices at 33 East Highway 12, Chesterton, Indiana. The following Board members were present:

Michael Repay
Dan Whitten
Mark Yagelski

Jim Biggs
David Prancus
Kevin Kelly

Mark Catanzarite
Christine Cid

Pursuant to the Notice of the Executive Session as posted and disclosed pursuant to Indiana law, the Board discussed the following:

1. Initiation of litigation, pending litigation, and litigation that has been threatened specifically in writing pursuant to I.C. § 5-14-1.5-6.1(b)(2)(B);
2. Collective bargaining pursuant to I.C. § 5-14-1.5-6.1(b)(2)(A); and
3. The purchase or lease of real property by the governing body up to the time a contract or option to purchase or lease is executed by the parties pursuant to I.C. § 5-14-1.5-6.1(b)(2)(D)
4. To discuss a job performance evaluation of individual employees pursuant to I.C. §5-14-1.5-6.1(b)(9).


The governing body by approving these minutes certifies that no subject matter was discussed in the Executive Session other than the subject matter contained in the public notice and referred to above.

These Minutes dated the 30th day of November, 2018.

Respectfully submitted,


Mark Yagelski, Secretary

APPROVED:


Michael Repay, Chairman



**NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
BOARD MEETING**

November 30, 2018

**Northern Indiana Commuter Transportation District
33 East U.S. Highway 12
Chesterton, IN 46304-3514
Public Session – 10:30 a.m. (CST)**

BOARD MEMBERS PRESENT:

Michael Repay
Dan Whitten
Mark Yagelski

Jim Biggs
David Prancus
Kevin Kelly

Mark Catanzarite
Christine Cid

OTHERS PRESENT:

Roy G. Benedict-Passenger
Paul Willer-Passenger
Kristen Pixley-BLN
Greg Price – Passenger
Julie O'Donnell-Parsons
Julie O'Connor – CFWLCP

Gerald Williamson – Passenger
Joe Crnkovich-Retired SSL/NICTD
Tim Zorn-Post-Tribune
Ismail Attallah-AES Services, Inc.
Tim Werner-Ciorba Group
Christopher Murphy-Structurepoint

STAFF PRESENT:

Michael Noland
Chuck Lukmann, Esq.
Anthony Siegmund
Kelly Wenger
Christine Dearing
Nicole Barker

Jessica Wright
Boris Matakovic
Brianna Anderson
Justice Anderson
Victor Babin

Jessie Watts, Jr.
Amber Kettring
Bill O'Dea
Laura Harrington
Bjarne Henderson

CALL TO ORDER

Michael Repay called the meeting to order.

MEETING MINUTES

Mr. Repay requested approval of the minutes from the September 28 and October 12, 2018 board meetings. Mark Yagelski motioned to accept the Public Session and Executive Session Board meeting minutes for September 28, 2018 and October 12, 2018. The motion was seconded by Christine Cid. The motion passed unanimously.

PUBLIC COMMENT

Roy G. Benedict commented on the original relocation of the South Bend Realignment project to the west side of the South Bend Airport terminal. Mr. Benedict added that the Airport is a very relaxing area to board the train due to exhibits, a comfortable waiting area for passengers, and other transportation services available at the Airport.

PROCUREMENT RECOMMENDATIONS (Purchasing Packet Attached)

Tony Siegmund, NICTD's Purchasing Manager, presented a sole source recommendation for marketing services. The Staff is requesting the Board grant the President the authority to extend the Contract for Marketing for an additional one (1) year in the amount of Two Hundred Ninety Five Thousand Dollars and 00/100 (\$295,000.00) with Group 7even of Valparaiso, Indiana. Upon a motion by Ms. Cid, seconded by Dan Whitten, discussion ensued.

Mark Catanzarite complimented Group 7even on their outstanding service and improvements they have made for the South Shore Line. Mr. Catanzarite inquired about how Marketing services are impacting ridership. Michael Noland explained NICTD's marketing program and the important customer services Group 7even provides in addition to Marketing.

Motion passed unanimously.

PRESIDENT'S REPORT

Mr. Noland provided an update on the Double Track NWI, West Lake Corridor, and South Bend Realignment Projects.

Double Track NWI

On November 2, 2018, NICTD received a Finding of No Significant Impact (FONSI), which signifies the Federal Transit Administration's (FTA) approval of the project under the National Environmental Policy Act (NEPA). Mr. Noland commended Nicole Barker, Director of Capital Investment & Implementation, on her credibility and efforts to complete NEPA as Project Manager of the Double Track Project. As Double Track moves forward, NICTD anticipates requesting Entry into Engineering as a New Starts project under the FTA's Capital Investment Grant (CIG) program in spring 2019.

West Lake Corridor

NICTD submitted an application to FTA to for Entry into Engineering under the CIG program in September 2018. On October 12, the Board approved contracts for Professional Services. NICTD completed and is waiting on the results from an FTA-Management Capacity and Capability evaluation, an important review conducted by FTA's Project Management Oversight Consultant (PMOC). Next week, NICTD will complete a critical risk analysis with the FTA and PMOC as well. NICTD anticipates receiving a response in the first quarter of 2019.

South Bend Realignment Update.

Mr. Noland stated that the South Bend City Council has requested a multi-board meeting including South Bend City Council, St. Joseph County, Mishawaka and the South Shore Line.

Mr. Noland advised the Board of the current status of the South Bend Realignment Project. Originally the South Bend Realignment consisted of moving NICTD's existing line to the west side of the South Bend International Airport terminal to attain a 90-minute travel time goal to Chicago. The City of South Bend requested that NICTD suspend its study to allow it to explore other alignment options that may be acceptable to the City and NICTD. The City of South Bend hired AECOM to perform this study. Approximately five potential locations with costs, economic development, and ridership were presented. NICTD will continue to work with local partners on the best solution for the South Bend Realignment Project.

Rolling Stock Market Survey

Mr. Noland informed the board that NICTD will be going out to the market with a Rolling Stock Market Survey. NICTD plans to add significant new service with the addition of the West Lake and Double Track NWI projects. NICTD plans on serving the West Lake Corridor with 32 of the current 1982 cars after they receive their end of life overhaul. However, this means NICTD will be short 32 cars for the South Shore Line service and will need to backfill these cars. Mr. Noland informed the Board how NICTD plans to move forward with this process to acquire new rolling stock.

On-Board Surcharge

Mr. Noland informed the board of NICTD's current on-board surcharge policy. In regards to a few concerns, NICTD held off implementing the proposed surcharge increase and researched different opportunities for individuals who are unbanked or underbanked. NICTD and BankOn Northwest Indiana created a partnership in order to help individuals understand the advantages of establishing a relationship with a bank in helping to meet their financial goals. NICTD has encouraged riders to utilize credit/debit cards to purchase their tickets versus cash. After much discussion about the pros and cons involved with adopting the surcharge from the board at September 28, 2018 board meeting, it was decided to table the on-board surcharge decision to a later board meeting so the board can receive additional information. NICTD has since provided

additional information and is requesting the Board's approval to move forward with the on-board surcharge as of July 1, 2019.

The Board engaged in an extensive discussion regarding the proposal, balancing cost containment interests against possible negative customer service impacts. A motion was made by Mr. Yagelski, seconded by Mr. Whitten, to approve the on-board surcharge pending extensive notification to the riders. After additional discussion, the motion was not approved. Four Trustees, Mr. Repay Mr. Yagelski, Mr. Catanzarite and Mr. Kelly voted in favor, and four Trustees, Ms. Cid, Mr. Whitten, Mr. Prankus and Mr. Biggs voted against.

TICKET SALES, ADVERTISING, AND MARKETING REPORT

Nicole Barker, Director of Capital Investment & Implementation, presented the **Ticket Sales, Advertising and Marketing Report**.

Ms. Barker highlighted the number of tickets purchased digitally as they continue to increase. Ms. Barker shared some of the work Group 7even is currently working on including marketing banners and ads for specials events.

Ms. Barker summarized events including Veterans Ride Free program, Mag Mile Lights Festival, Bears Games, New Year's Eve, NHL Winter Classic, Chicago Boat, RV, and Sail Show and the Cubs Convention.

OPERATIONS REPORT

Kelly Wenger, NICTD Grant Administrator, explained trends in **Ridership** from 2018 in comparison to 2017. She explained that overall ridership is down 1.4% in 2018, and she noted that average weekend ridership is where ridership tends to struggle.

Bill O'Dea, NICTD Chief Operating Officer, commented on **On-Time Performance**. Mr. O'Dea discussed the reasons for delays and average time of delays. Mr. O'Dea added that this has been an aggressive year for track, system and station improvements, which has impacted on-time performance as well. The causes of significant delays included issues on Metra, maintenance of way work on NICTD, and passenger train interference in single track territory. NICTD has been working with Indiana Harbor Belt to set up a meeting to resolve recent recurring issues causing delays between Hammond and Hegewisch.

Mr. O'Dea reported on the 2018 **Bikes on Train** program. NICTD saw an increase in bicycle ridership compared to 2017. NICTD looks forward to the 2019 season starting on April 1, 2019. Mr. Noland added that NICTD has not experienced any significant delays or spent any additional money due to the Bikes on Train Program. NICTD also expects to see additional growth when more high-level platforms are implemented as part of the Double Track-NWI project.

Victor Babin, Chief Engineering Officer, reported the current status of **Positive Train Control (PTC)** including anticipated completion dates.

2019 BOARD OF TRUSTEES MEETING SCHEDULE

The list of board meetings for 2019 was distributed. Ms. Cid made a motion to approve.

OTHER BUSINESS

Mr. Noland commended NICTD's entire accounting staff including Christine Dearing, Jessica Wright, Laura Harrington, Emily Barnes, Michele Laney, Shelly Winn, and others including Kelly Wenger, and Tony Siegmund on their excellent work, which resulted in NICTD receiving the Government Finance Officers Association Award for Excellence in Financial Reporting for NICTD's 2018 Comprehensive Annual Financial Report (CAFR).

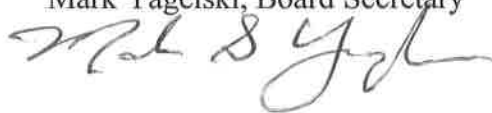
Mr. Catanzarite inquired about the availability and opportunity for passengers to purchase gift cards. NICTD does not currently offer gift card purchases. Staff suggested the possibility of using the 10 ride or 25 ride ticket as a gift card. After discussion ensue, it is recommended that NICTD explore this further.

ADJOURNMENT

The next meeting is scheduled for January 25, 2019. Mr. Yagelski made a motion to adjourn. The motion was seconded by Ms. Cid. The motion passed unanimously.

Respectfully submitted,

Mark Yagelski, Board Secretary

A handwritten signature in dark ink, appearing to read 'M. Yagelski', is written over the typed name.

PROCUREMENT RECOMMENDATIONS

Sole Source:

- **Marketing – Contract Extension**

**RECOMMENDATION
ADMINISTRATION
Marketing Services
November 30, 2018**

SOLE SOURCE RECOMMENDATION:

The Board approved a 3--year contract for Marketing Services on March 18, 2016. This contract was awarded to Group 7even through a competitive request for proposals (RFP). The recommendation from 2016 is attached. The original contract and RFP included a provision for two one-year extensions. The staff has monitored this marketing contract and has determined that we have made progress on our website and social media campaigns, along with many other positive marketing successes.

Group 7even presented the effects of their work, along with comparative figures, at the September board meeting. The award of a one--year extension to this existing contract is warranted due to these positive results. The pricing for the extension is the same as the original contract and is deemed fair and reasonable. Group 7even is also a DBE firm. They followed through getting certified as a DBE as part of this award in 2016.

The Staff is requesting the Board grant the President the authority to extend the Contract for Marketing for an additional one (1) year in the amount of Two Hundred Ninety Five Thousand Dollars and 00/100 (\$295,000.00) with Group 7even of Valparaiso, Indiana.

**RECOMMENDATION
ADMINISTRATION
Marketing Services
Proposal
March 18, 2016**

A. SCOPE

The District currently contracts with a Marketing Firm to market, advertise and provide promotional services for the South Shore passenger service through various media distribution centers. The selected firm will also provide the conduit to these media distribution centers that will provide the best exposure for the South Shore to gain market share. The primary purpose of this project is to grow our ridership, both weekday peak and off-peak, as well as, weekend.

B. ADMINISTRATIVE REVIEW

1. Legal Notifications

The request for Marketing Services was advertised throughout the region. The legal advertisements were placed in the following publications and on the NICTD website:

News Dispatch - Michigan City, Indiana
The Times - Hammond, Indiana
Chesterton Tribune - Chesterton, Indiana
Gary Crusader - Gary, Indiana
South Bend Tribune - South Bend, Indiana

2. Proposal Review

A total of eleven (11) packets were requested for Marketing Services prior to the proposal opening. The request resulted in the receipt of six (6) proposals.

The proposals were evaluated for responsiveness to determine if they could be accepted for further review.

It was determined that five (5) of the firms submitted all of the necessary forms and met the requirements and were approved by the appropriate NICTD Staff. One firm was deemed non-responsive due to the fact that no certificates were submitted with their proposal.

C. STAFF REVIEW

Team Evaluation Review:

The team was composed of three (3) individuals that evaluated the proposals on:

- Fee structure
- Experience of firm & qualifications of personnel
- Quality of proposal
- Thoughtful & creative approach
- Resource allocation of marketing budget
- Execution of forms and certificates

The evaluation review resulted in interviews with all five (5) firms.

EVALUATION OF PROPOSALS		
Marketing Services	TOTALS	
Proposer	Score	RANK
Group 7even	95	1
Monkeyhouse	75	2
Grisko	70	3
AC Inc.	65	4
SMDG	50	5

The highest ranked proposer meets the criteria of DBE and has a participation of 100%.

The interviews revealed that Group 7even had the most comprehensive and creative approach to marketing, advertising, and promotion. Group 7even proposed a media budget that expanded social media uses and ongoing strategies to increase followers, shares, and ultimately ridership.

Independent Cost Estimate: \$300,000.⁰⁰ per year.

D. RECOMMENDATION

The Staff recommends that Group 7even, Valparaiso, IN, be awarded the contract for Marketing Services in the amount of Nine Hundred Twenty Thousand Dollars and ⁰⁰/100 (\$920,000.⁰⁰). The contract has a term length of three (3) years with a review of expected services after each year. The fixed annual fee is Two Hundred Ninety-Five Thousand Dollars and ⁰⁰/100 (\$295,000.⁰⁰) per year for the length of the contract, with an additional Thirty-Five Thousand Dollars and ⁰⁰/100 (\$35,000.⁰⁰) for a comprehensive marketing plan to be provided in year one.

The Staff is requesting that the Board grant the General Manager the authority to issue the Notice to Proceed for the Marketing Services at his discretion.