



**NORTHERN INDIANA
COMMUTER TRANSPORTATION DISTRICT**

33 E. U.S. HIGHWAY 12 • CHESTERTON, IN 46304-3514

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**NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
BOARD MEETING**

March 18, 2016

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:

John Evans
Jim Biggs
Mark Catanzarite

Christine Cid
David Decker
Scott Lauerman

David Pranckus
Michael Repay
Mark Yagelski

OTHERS PRESENT:

Victor Van Santen – HDR
Glen Campbell – Patrick Engineering
Rebecca Arnett – Group 7even
Greg Price – Passenger
Steven Lyons – Passenger
Roy G. Benedict – Passenger
Don Parker – South Shore Trails
Adam Wojasinski – Smart to 1526 Leg. Rep.

Christopher Murphy – Structurepoint
Michelle Andres – Group 7even
Chuck Compton – South Shore Freight RR
Gerald Williamson – Passenger
Paul F. Willer – Passenger
Paul – Rotatori – South Shore Trails
Mel Jessup – Cass County Rail

STAFF PRESENT:

Michael Noland
Chuck Lukmann, Esq.
Anthony Siegmund
Victor Babin
Joe Crnkovich

John Parsons
Boris Matakovic
Laura Harrington
Chris Beck
Lisa Johnson

Keith Casey
Robert Byrd
Bill O’Dea
Robert Byrd

CALL TO ORDER

Board Chairman, Mr. Evans, called the meeting to order and asked that those present stand for the Pledge of Allegiance.

INTRODUCTION OF NEW NICTD BOARD MEMBER

Mr. Evans introduced Mr. Scott A. Lauerman, NICTD's newly Governor Appointed Rider Board Member. Mr. Lauerman gave a brief biography of his ridership experience.

MEETING MINUTES

Mr. Evans requested approval of the minutes from January 22, 2016. Mr. Yagelski motioned to accept the Public Session and Executive Session Board minutes for January 22, 2016. The motion was seconded by Ms. Cid. The motion was approved unanimously.

PUBLIC COMMENT

Paul Rotatori, 8118 Cray Avenue, Munster, Indiana. Mr. Rotatori was present as Vice President and on behalf of South Shore Trails. Mr. Rotatori presented questions regarding NICTD's concerns with the Burnham Greenway bike trail.

Mr. Noland responded to Mr. Rotatori's topic, answered his questions and explained NICTD's position on the topic. Mr. Evans corrected Mr. Rotatori's estimate of a bridge and stated it would be approximately \$3.4 Million. Mr. Biggs explained that the NICTD Board consists of public officials, and the number one priority is always safety. Mr. Repay concurred with Mr. Noland and reiterated NICTD's wishes to move forward with improvements, but with safety being the priority and key factor. Mr. Yagelski stated that in his 15 years on NICTD's Board in various positions, the issue was only recently brought to NICTD for consideration.

GENERAL MANAGER'S REPORT

PTC Bond Update. Mr. Noland stated NICTD now has a System Integrator, Parsons Transportation Group. Mr. Noland presented a chart showing the organizational structure of all the Parsons groups involved on this complex project. Mr. Noland stated that the Board approved a team to solicit bonds. We had an excellent team with a very competitive bond rating. Our net effective interest rate was 3.565%. The market reacted extremely favorably to our bond. Everyone involved on our team did an excellent job. We closed on March 14, 2016.

Mr. Noland stated we have submitted our PTC Implementation Plan to the FRA stating that we will meet the statutory deadline of December 31, 2018. Mr. Repay observed that Metra is also using Parsons' but in a more limited capacity and asked whether Metra is on target to have PTC on the MED ready when we are. Mr. Noland stated that NICTD is carefully watching Metra's PTC readiness in light of the financial situation in Illinois. We are working closely with Don Orseno of Metra.

Mr. Noland informed that we are doing a LiDAR survey of the railroad at this time. NICTD will get a good profile to be used for PTC, and will also assist in the double-track project.

WiFi Update. Approximately 80% of our trains have WiFi now. Mr. Noland stated that we have about 10 or 14 cars still to do, and they should be fully installed by the end of the month.

Bikes on Weekend Trains Update. Mr. Noland stated that April 2, 2016 is the launch for the Bikes on Trains pilot program. We determined that we could accommodate seven bike equipped cars – all of the 3 seated benches removed on 3 cars and replaced with bike racks leaving the 2-seated benches in place, and four cars will be quarter bike rack capable (half of the 3 seated benches removed). Fourteen of our 18 weekend trains will have bike cars on them. Mr. Noland stated NICTD will be evaluating throughout the process which trains will have bikes on them, and this will be an evolving process. NICTD projects approximately 130,000 bike opportunities, altogether.

Mr. Yagelski announced two major upcoming events – the Bike the Drive ride and the Midnight Ride. Mr. Noland stated that Mr. Parsons will be adding bike events to the events calendar for consideration of scheduling. Mr. Prankus asked whether NICTD will have bike racks available for our passengers to lock and secure their bikes. Mr. Noland stated that NICTD will be looking at installing racks downtown.

Free Ride Promotion. Mr. Noland stated that this promotion was completely done through social media and a press conference. We reached 165,000 people through social media. Mr. Parsons stated he would like to repeat this promotion in the future.

Tiger 8 Grant Application Options. Mr. Noland informed the Board that NICTD will be applying for the catenary renewal project to attempt to get the last remaining segment of the railroad that does not yet have the new wire completed (19 miles). Mr. Noland stated that there will be no service disruptions this year because of catenary work. The new RDA comprised of St. Joseph, Elkhart and Marshall Counties have expressed their willingness to financially support NICTD's Tiger Grant application to complete the catenary project.

March 12, 2016 Derailment. Mr. Noland stated that on March 12, 2016, there was a main line derailment immediately west of the yard switch in Michigan City involving the equipment for Train 701 which is being investigated. There were no injuries and it was a low-speed incident. There was extensive damage to two of the train cars, and nearly an entire day of service was lost. Mr. Noland stated that as soon as word went out about the derailment, NICTD's employees rallied and were on hand immediately to assist getting the service restored. Ms. Cid stated that everyone involved in restoring service did a great job.

NARROWING WEST LAKE DESIGN OPTIONS

Mr. Noland stated that NICTD has been having discussions with the FTA who will be a 50% shareholder in this project. He stated that some potential new stations have been eliminated from consideration. The Hammond site near the Illinois/Indiana State Line along the Commuter Rail Alignment has been eliminated (but the Gateway Station remains), as well as one of the Munster sites (near 45th St.). Mr. Noland requested that the Board grant him the authority to notify the FTA that NICTD is removing those two stations from the project study.

Mr. Biggs motioned to grant the General Manager authority to notify the FTA that NICTD is removing the two stations from the project study. The motion was seconded by Mr. Decker. The motion was approved unanimously.

CAPITAL FARE INCREASE – DISCUSSION & AUTHORITY TO SEEK PUBLIC COMMENT

Mr. Noland discussed the benefits of a 2 year/2.5% capital fare increase that would provide the opportunity for NICTD to leverage our own funds for capital projects such as double-tracking, station improvements, etc. These funds would go into a dedicated capital fund for brick and mortar improvements. Approximately \$1 million per year would be generated by the 2nd year of the increase. Mr. Noland requests the Board to grant him the authority to conduct five public hearings over the next two months. He will present the results of the public hearings at the May 20, 2016 NICTD Board meeting.

Mr. Catanzarite motioned to grant the General Manager authority to conduct the public hearings for a fare increase. The motion was seconded by Mr. Biggs. The motion was approved unanimously.

Mr. Biggs reiterated that the monies from the proposed fare increase will strictly be used as leverage for grants for capital improvement projects – not for salaries, etc. Mr. Noland stated that any proposed resolution would be written to instruct NICTD's Chief Financial Officer to establish a capital fund from these monies and restrict the spending of those monies to capital infrastructure projects or to match state or federal grants.

DOUBLE TRACK PROJECT

State Funding Update. Mr. Noland stated that NICTD competed for the Regional Cities money, and we did not win. However, NICTD did receive community support. Mr. Noland stated that he and Mr. Parsons spent time at the General Assembly to attempt to obtain funding to assist with the preliminary engineering costs and environmental work necessary to advance the project into the federal pipeline. Mr. Noland described the benefits of double tracking.

Mr. Noland stated that it would be a roughly \$175,000,000 project to complete the double tracking.

NICTD needs to hire an engineering firm to do the preliminary engineering work necessary to give a sufficient cost estimate and inform NICTD what the environmental footprint is so clearance may be obtained and the project presented to the FTA by August of 2017. Mr. Noland described the benefits of double tracking.

Mr. Noland requested the Board to grant him the authority to hire an engineering consultant. Mr. Evans asked whether the real estate acquisition would all be in LaPorte County. Mr. Noland replied that there will be some in Michigan City; perhaps Porter and Lake Counties as well.

Mr. Noland stated that we received proposals from seven (7) engineering firms. The NICTD review team narrowed the top choice to HDR. He requested authority to hire HDR.

Mr. Noland requested the Board also grant him authority to enter into Project Development with the FTA, and to commit \$4,000,000 of NICTD's funds to fund this project. NICTD has had conversations with the RDA of Northwest Indiana and the North Central RDA and will have conversations with LaPorte about their assistance and sharing in these costs.

Mr. Repay motioned to grant the General Manager the authority to hire HDR for the engineering work as well as project development for double track expansion. The motion was seconded by Mr. Decker. The motion was approved unanimously.

NEW MARKETING SERVICES CONTRACT.

Mr. Noland stated that he, Mr. Parsons and Trustee Repay reviewed proposals from five different marketing firms. We want to increase our marketing budget. We need to shift our focus away from traditional media like billboard and print sources and work more in the digital environment including social media. Group 7even presented the most targeted proposal that our marketing dollars spent with them will drive revenue. We recommend the Board award a three year contract to Group 7even. They are a DBE firm. That is 100% DBE credit for NICTD. Mr. Noland informed the Board that the president of Group 7even's brother is Bill Hanna who is the head of the RDA. Mr. Noland stated that Group 7's proposal was graded harder in light of this.

Mr. Repay stated that as the youngest of six kids and knows all about sibling issues. He also stated that managing social media is no simple matter and made a motion for the Board to grant the General Manager the authority to issue a Notice to Proceed with Group 7even. The motion was seconded by Mr. Yagelski. The motion was approved unanimously.

DISCUSSION OF HIGHER SPEED UNIVERSAL CROSSOVER INSTALLATION AND SERVICE IMPACTS

Mr. Bill O'Dea introduced the construction project to the Board. He stated work will begin on May 2 and conclude by June 30. Crossovers enable trains to "crossover" from one track to another. Mr. O'Dea explained the importance of universal crossovers and described exactly how they work, how they benefit efficiency and safety and the challenges involved in the project. Mr. O'Dea brought in small scale tracks and model cars to assist in his demonstration of the universal crossovers and their purpose. He stated that the work will present challenges to the operating department. Mr. O'Dea stated he wanted to depict "as is" because the demand for services for May and June is quite significant and will be even more with the Bikes on Weekend Trains program. He stated there will inevitably be delays. We will communicate this clearly through the Passenger Communications Office and keep the crews in the field posted.

The project is divided into three specific phases in which a section of double track will be reduced to single track impacting our current schedule where east and westbound train pass each other on parallel tracks. Phase I – State Line to Clark. Parrish will be renewed at that point. Phase II – emphasis will focus on Paul's Crossover and temporarily reducing the 6 miles of double track in Porter County to a single track. Phase III will reduce a section of Lake County double track to single track from Gary to Parrish while Clark Crossover is upgraded. Mr. O'Dea further describes the project scheduling. Mr. Repay asked how long each Phase will take, and Mr. O'Dea stated approximately four weeks for each phase.

PURCHASING

Mr. Noland stated that the Moose Lodge in Michigan City has approached NICTD in about having NICTD acquire some of their property directly across the street from the 11th Street Station in Michigan City. Mr. Noland requests authority to begin the acquisition process of said parcel. This parcel can be used initially for additional parking and then later for the double tracking project.

Ms. Cid motioned to approve Resolution 16-02. The motion was seconded by Mr. Decker. The motion was approved unanimously.

**RECOMMENDATION
TRACK DEPARTMENT
Asphalt Paving
Bid
March 18, 2016**

A. SCOPE

The Maintenance of Way Department has requested bids for asphalt paving for various crossings to be done during the 2016 construction season. Bids were solicited for the asphalt paving and a public bid opening was held at the Dune Park Offices on Friday, February 26, 2016.

B. ADMINISTRATIVE REVIEW

1. Legal Notifications

The request for asphalt paving was advertised throughout the region and nationally. 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. Bid Review

A total of six (6) packets were requested for the asphalt paving prior to the bid opening. The request resulted in the receipt of three (3) bids.

3. DBE and Required Forms

The bids were evaluated for responsiveness to determine if the bids could be accepted for further review.

It was determined that all necessary forms and requirements have been submitted and were approved by the appropriate NICTD Staff. All forms have been correctly submitted and were found to be within the guidelines set forth by the Federal Transit Administration (FTA).

D. DELIVERY

E&L Paving and Construction can meet the District's construction schedule for 2016.

E. RECOMMENDATION

The Staff recommends that E&L Paving and Construction, Michigan City, IN, be awarded the 2016 MOW contract for asphalt paving in the amount of One Hundred Sixty-Two Thousand Fifty-Three Dollars ⁰⁰/100 (\$162,053.00).

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

Mr. Biggs motioned to issue the General Manager authority to proceed. The motion was seconded by Ms. Cid. The motion was approved unanimously.

**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	
	Score	RANK
Proposer		
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.

Mr. Repay motioned to issue the General Manager authority to proceed. The motion was seconded by Mr. Yagelski. The motion was approved unanimously.

RECOMMENDATION ENGINEERING Double Track Engineering Proposal March 18, 2016

A SCOPE

The District is looking to engage engineering firms to perform conceptual designs and layout of a double track expansion project for the subject corridor segment. This segment is defined as railroad milepost 33.6, just west of York Street in Michigan City, IN to railroad milepost 58.1, just west of Tennessee Street in Gary, IN. The work effort shall include a preliminary track design that identifies the property necessary for the expansion and any anticipated environmental reviews arising from the proposed construction activity. NICTD hopes to achieve a minimum of a 30% design completion so that the District could move forward with a Core Capacity grant application to the Federal Transit Administration.

B. ADMINISTRATIVE REVIEW

1. Legal Notifications

The request for Double Track Engineering 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 twenty (20) packets were requested for Double Track Engineering prior to the proposal opening. The request resulted in the receipt of seven (7) proposals. The proposals were evaluated for responsiveness to determine if they could be accepted for further review.

It was determined that the firms submitted all of the necessary forms and met the requirements and were approved by the appropriate NICTD Staff. All forms have been correctly submitted and were found to be within the guidelines set forth by the Federal Transit Administration (FTA).

C. STAFF REVIEW

Team Evaluation Review:

The team was composed of five (5) individuals that evaluated the proposals on:

- Project Understanding / Technical Approach.
- Project Management / Execution Plan
- Qualifications of Project Personnel
- Demonstrated experiences in managing similar projects
- Demonstrated capability to properly & timely complete the Project.
- Execution of forms and certificates

The evaluations resulted in personal interviews with three of the strongest proposers. These interactive interviews resulted in HDR, Inc. being deemed the strongest proposer. NICTD continued the process of selecting the strongest firm by negotiating scope of work and price as described by the Brooks Method. An agreeable scope of work and

price was reached between HDR and NICTD and we have the basis for a successful project that will give the District a quality Core Capacity grant application.

The Independent Cost Estimate (ICE) for Double Track Engineering was \$4,000,000. HDR's commitment for DBE participation on this project is 11% (\$440,000).

EVALUATION OF PROPOSALS

Double Track Engineering	TOTALS	
Proposer	Score	RANK
HDR Inc.	100	1
STV Inc.	96	2
T.Y. Lin International	72	3
TranSystems	56	4
Hatch Mott MacDonald	52	5
EMH&T	52	6
Quandel Consultants	48	7

D. RECOMMENDATION

The Staff recommends that HDR Inc., Chicago, IL, be awarded the contract for Double Track Engineering for a not to exceed amount of Four Million Dollars and ⁰⁰/100 (\$4,000,000.⁰⁰).

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

Mr. Repay motioned to issue the General Manager authority to proceed. The motion was seconded by Mr. Decker. The motion was approved unanimously.

RIDERSHIP & PERFORMANCE REPORT

Mr. Parsons stated that ridership was down. He stated that perhaps part of why ridership is down is related to the on-time performance. This is atypical for NICTD. There have been 19 annulled trains to date in 2016, with 10 of them being peak hour trains. We have had a NIPSCO issue and very low gas prices. In February, 74% of trains were on time. NICTD should see an on-time performance between 90 and 95%. Having a lot of single tracking impacts the peak on-time performance. We look forward to these issues being resolved.

Mr. Parsons stated that one-way ticket sales continue to increase on the vending machines and the app. Ticket volume was down 1% - probably related again to loss in ridership over that same time period. Revenue remains strong at 8.2% in terms of one-way ticket sales. The volume of tickets is roughly down 1%. We are continuing to have a healthy increase in the mobile app. This month we completed the installation of additional vending machines. Right now we do not have a vending machine at 63rd, Hudson Lake or McCormick Place. We are getting more and more interest in the mobile app. Revenue overall is up just under 10% for the two months of the fiscal year.

OPERATIONS REPORT

Mr. O'Dea stated that on-time performance was very poor in February with challenges including storm issues, power issues, gates damaged by high winds, as well as the build-up of salt which will activate grade crossings, which impedes the progress of trains. This was a factor at Hillcrest Road and Michigan Boulevard. Mr. O'Dea states that the work that will be done in May and June will prepare for the seasons ahead.

Mr. O'Dea stated that with the new timetable coming out, the Bikes on Weekend Trains Pilot Project will be reflected with the bike trains shown on the timetables. He stated there will be some important changes made. Train 109, which currently departs Millennium Station ten minutes earlier, will depart Millennium Station at 2:25 p.m.

Mr. Noland reiterated that we were forced to cancel a morning rush hour due to high wind damage sustained by NIPSCO. He stated that communication must be improved with NIPSCO. The damage was easily fixed, but NICTD was not triaged to be serviced until much later in the day. Mr. Repay asked whether the communication issues with NIPSCO have been corrected as yet. Mr. Babin replied that NIPSCO has set up a weather department to deal with us when these conditions occur. We will be meeting with them to learn more about their responsiveness.

Mr. Noland reminded the Board that we can only accommodate bikes at high level platforms. He was at NIRPC with Trustee Decker discussing having a DIVY or a B-CYCLE type bike sharing program where he would make a recommendation to NICTD's Board to

financially participate in the capital only ongoing operation. This would be a great program for stations without high level boarding.

Ms. Cid asked how the mobile app compares to the age group of the general riders. Mr. Noland replied that we could do a survey to learn what percentage of our riders are using the app.

ADJOURNMENT

Ms. Cid made a motion to adjourn. The motion was seconded by Mr. Decker. The motion was approved unanimously. The next NICTD Board Meeting is scheduled for May 20, 2016.

Respectfully submitted,



Dave Decker, Board Secretary

