



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE JANUARY 22, 2009 BOARD MEETING**

PRESENT: John Northrup, Acting Chairman, Mike Zelle, Paul Luttenbacher, Darryl Buchanan, Ted Henry, Sheldon Neeley (Arrived at 8:25 A.M.)

STAFF: Robert Foy, Suzanne Shepherd, Ed Benning, Jerry Ragsdale, Lynn McLean, Terry Jurrens, Steve Hamelin

GUEST: Mark Miller, Washington Lobbyist, Grey Mason, CHMP, Inc.

ABSENT: Paul Newman, Richard Abrams

Acting Chairman Northrup called the meeting to order at 8:07 A.M.

Comments of the Public None

Minutes of the December 18, 2008 Regular Board Meeting
Minutes of the December 16, 2008 Finance Committee Meeting
Minutes of the January 12, 2009 Personnel Committee Meeting
Minutes of the November 20, 2008 Regular Board Meeting
Minutes of the November 18, 2008 Finance Committee Meeting

Mr. Zelle moved, supported by Mr. Luttenbacher to approve the minutes of the December 18, 2008 Regular Board Meeting, the minutes of the December 16, 2008 Finance Committee Meeting, the minutes of the January 12, 2009 Personnel Committee Meeting, the minutes of the November 20, 2008 Regular Board Meeting and the minutes of the November 18, 2008 Finance Committee meeting. Motion passed unanimously.

Resolution #09-16 authorizing the General Manager to issue Change Order Number One (1) with Duo-Guard for the installation of concrete pads for passenger waiting shelters in an amount not to exceed \$23,277.00 for a total contract amount not to exceed \$154,165.00.

Mr. Luttenbacher stated that the Finance Committee has reviewed this item and moved it to the full Board with a recommendation for approval. Therefore, Mr. Luttenbacher moved Resolution # 09-16. Mr. Northrup supported.

Mr. Foy stated that we have a contract for the purchase and installation of twenty bus shelters. We did not know when we issued the contract exactly how many concrete pads would be required. We have now determined that seventeen of those shelters require a concrete base. The total cost is \$23,277.00. A change order from the original contract will be required.

Mr. Zelle asked if the platforms are required construction wise or is it required to connect with sidewalks?

Mr. Foy stated that unfortunately there are many places where the shelters are placed that do not have sidewalks. Where there are sidewalks, the shelters are connected. The problem with these shelters was that we did not know exactly where they were going to be located so we had to wait until the determination was made. That is why it was not bid at the same time.

Motion passed unanimously.

Resolution #09-17 authorizing the General Manager to enter into a five (5) year agreement with Joliat, Tosto & Bade, to provide legal services, in an estimated annual cost for services of \$95,000.00 for a total not to exceed \$475,000.00 for the five (5) year period.

Mr. Luttenbacher stated that the Finance Committee reviewed this item and recommends approval by the full Board, therefore Mr. Luttenbacher moved Resolution #09-17. Mr. Zelley supported.

Mr. Foy stated that this is a five-year contract. We are just coming off of a five-year contract with the firm of Joliat, Tosto & Bade. For the last five years their rate has been \$115.00 per hour. For the next five years this proposal is for the rate of \$125.00 per hour or up \$10.00. Our evaluation of this resolution is that the rate we are getting of \$125 per hour is less than what the current market rate is for legal services.

Motion pass unanimously.

Resolution #09-18 authorizing the General Manager to enter into an agreement with Aetna Dental, for a period of two (2) years, in an amount not to exceed an annual cost of \$148,428.60 for a total contract amount of \$296,857.20.

Mr. Luttenbacher stated that the Finance Committee reviewed this item and moved it to the full Board for approval, therefore Mr. Luttenbacher moved Resolution #09-18. Mr. Henry supported.

Mr. Foy stated that this is consistent with our Union contracts. We have the ability in this dental contract to participate in a DMO, where the individual pays a co-pay of \$5.00 for routine dental service. If the employee chooses to participate in the PPO because their dentist does not want to participate in the DMO the co-pay is higher.

Motion passed unanimously.

Resolution #09-05 by the Mass Transportation Authority Board of Directors to authorize the General Manager to enter into an agreement with Jewish Community Services, in an amount not to exceed \$54,888.00, for transportation service and bilingual services for Limited English Proficiency (LEP) clients who speak Russian, Ukrainian, Bulgarian, Hindi and other Asian Indian languages in compliance with Federal Regulations for a period of one (1) year.

Mr. Luttenbacher stated that the Finance Committee has reviewed this item twice and recommends approval by the full Board, therefore Mr. Luttenbacher moved Resolution #09-05. Mr. Henry supported.

Mr. Foy stated that there are two parts to this. First of all the Jewish Community Services provides transportation in and around the community under contract with us. They also provide bilingual service and regional Highway to Health transportation. This particular contract only deals with the first two. The Highway to Health is a separate contract.

We are dealing with a specific group of individuals. Many of these individuals do not have English as their primary language. Most of them are seniors; therefore we contract for this service because it is the most efficient, effective way to do it. The second is that it is required that we have bilingual capability within the organization. We are also going to have to look at dealing with the Spanish Americans. We need to cover all of the languages that are prevalent in our community.

Basically the \$54,888.00 provides not only the bilingual services involved but it also provides the transportation services. This is only partial payment of what it cost to provide the service. It takes about \$79,000 to provide the service. The rest of the money is coming either through specific donations, individuals who pay a fare or from the Jewish Community organization.

Mr. Zelle asked that we have the staff at least investigate a phone service that dials up immediately over 400 languages and provides real time interpretation right now via phone mechanism. Also sign interpretation that they can dial up on a screen.

Motion passed unanimously.

Resolution #09-19 authorizing the General Manager to enter into an agreement with the following vendors: Universal Sign Systems for the purchase and installation of bus stop signs in an amount not to exceed \$11,700.00; and Action Traffic Maintenance, Inc. for the purchase and installation of 689 Bus Stop Sign Posts in an amount not to exceed \$37,895.00 and Alternate #1 for each additional sign and post installed at \$95.00 each for an estimated 100 additional signs and posts not to exceed \$9,500.00.

Mr. Luttenbacher stated that this was reviewed by the Finance Committee and moved to the full Board for approval, therefore Mr. Luttenbacher moved Resolution #09-19. Mr. Buchanan supported.

Mr. Foy stated that we are required by law to have regular bus stop signs whenever we are dealing with services that are provided for peak hour transportation. We provide open door transportation in which a number of passengers happen to be students. In order for that to be in the parameter of the law we must have a bus stop sign wherever we pick someone up. Every year we have to change the peak route bus signs because we have a very mobile society in Genesee County so we have to keep moving the bus stop signs as the needs of our clients change.

Motion passed unanimously.

Resolution #09-20 authorizing the General Manager to borrow Two Million Dollars (\$2,000,000) from the State of Michigan for the efficient operation of the Mass Transportation Authority for Fiscal Year 2009.

Mr. Foy stated that we have a standing arrangement with the Department of Transportation. Initially when the money was appropriated at the State level for operating assistance, that money was dispensed to us based upon whenever we wanted to draw it. The State then decided that we should only be able to draw 1/12th of the money each month. In a compromise, it was decided that we needed to have the ability to draw down an amount to begin with until which time our millages kick in. We are asking for the authority to draw down up to Two Million Dollars if in fact we need it. Right now it does not look like we will need it. This is really a safeguard and we will not draw it unless we need it.

Mr. Luttenbacher stated that the Finance Committee reviewed this and moved it to the full Board with a recommendation for approval; therefore Mr. Luttenbacher moved Resolution #09-20. Mr. Henry supported. Motion passed unanimously.

Resolution #09-21 authorizing the Employment Agreement between the Mass Transportation Authority and Robert J. Foy through December 31, 2009.

Mr. Luttenbacher stated that this was reviewed by the Personnel Committee and recommended to the full Board for approval, therefore Mr. Luttenbacher moved Resolution #09-21. Mr. Northrup supported.

Acting Chairman Northrup stated that the only change from the previous contract was an increase of \$4,000 for the year. This is the first raise since 2006.

Mr. Neeley asked how long the agreement was for.

Mr. Foy stated that this is part of a two-year agreement that terminates on December 31, 2009. This is the mandatory review of the General Manager's performance and salary during the midway point of the contract.

Motion passed unanimously.

Resolution #09-22 authorizing Robert J. Foy, General Manager to consider implementing the environmental "Going Green" concept in all aspects of operations within the Mass Transportation Authority.

Mr. Foy stated that we brought to the Board a philosophy with regard to whether the Mass Transportation Authority in the construction that we have forth coming should introduce green concepts in terms of design and construction. Specifically for the Flushing facility, which we are ready to move into construction and the Clio facility which we hope to move to construction very quickly. We had CHMP, Inc., our architect, come over and talk about green concepts. The Board asked that we do an analysis and provide it to the Board with regard to cost versus benefit.

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that in the evaluations that have gone on so far and the impact that it has on the greenhouse emissions, the greenhouse gas emission is the number one issue, transportation is second and industry is third. The major benefits in the Leed certification are savings in utility cost, water, sewer, electricity, gas, storm

water drainage and solid waste. Some of the evaluations, based on national experience of U.S. Energy Consumption about 39% is directed towards buildings, 29% industry and transportation is 32%. In the building impacts the water usage is 12%, CO-2 emissions 39%, waste output 65% and electricity is 71%. Your average savings for green building on the national average is energy use 30-50%, carbon emissions 35%, water use 40% and solid waste 70%.

There are six specific areas to consider in Leed certification. To be just certified is 26-32 points, silver is 33-38 points, gold 39-51 points and platinum is 52-69 points. We are recommending that the Board consider and approve at least going for the silver recommendation. The estimated construction cost of the service center is \$1,650,000. Based upon the recommended Leed certifications, the additional construction cost would be about \$141,000 bringing the total construction cost to about \$1.8 million. The two major issues in savings would be water efficiency and indoor environmental quality.

An evaluation was conducted on the existing Mt. Morris Service Center with the same footprint as the Flushing Service Center. The energy used last year was about \$16,000 based upon a national average of 40%. In energy use it would reduce our annual cost about \$6,500. In water usage we expended a little over \$5,000 in water and sewer. With taking the 40% there would be a little over \$2,000 in savings. The major impacts other than that are in the environmental quality for the employees themselves. In the overall costs and financial benefits over a 20-year projection an average extra cost of building green would be less than \$3.00 to \$5.00 per square foot so the total 20-year net benefit would be \$50 to \$65 per square foot. In summary it is concluded that the benefits are both financial and environmental through the introduction of green design and construction for new facilities. For the proposed Flushing Service Center, it is estimated that the financial impact will be a cost avoidance of \$8,565 per year in energy and water costs. An estimated annual payroll for the service center is \$330,000; a 2% improvement would be estimated at \$6,600 each year. So the environmental benefits far exceed the financial benefits due to the many quality improvements. An additional benefit is the improved health of the employees assigned to the facility.

Mr. Buchanan left the meeting at 8:39 A.M.

If we didn't do the Leed certification the A & E total cost would be about \$83,000 for all the cost involved with developing and assisting with the plan development. The construction cost would be about \$1.6 million. Based on Leed certification it would raise the total estimated cost to about \$1.8 million.

Acting Chairman Northrup asked if we are going to get the State match for the funding of the construction?

Mr. Ragsdale stated that we have the grant awarded for the Flushing Service Center and the State has approved it with their match. The issue will be in the Clio Service Center on whether the State will be able to match their twenty percent.

Mr. Foy stated that this is one of the items that we have included in the stimulus package. If we get the stimulus package for Flushing and Clio we will have one hundred percent Federal

funding. If it is not part of the stimulus package then we use the other source of money that we have, which does require a twenty percent match.

Another important part of going green is the environmental aspects of it. The Federal government is focusing on going green. The new administration keeps talking about green design, green construction. When we go after Federal dollars, if we can say that we will be designing and building this building under the concept of green design and construction it is a positive thing in the Federal evaluation of whether or not they would award us the money.

Greg Mason, CHMP, Inc. stated that the green concept is a major initiative at both the State and Federal levels. In going green it has implications of not only environmental but improving the work environment of the occupants of the building, utilizing more highly energy efficient component systems and materials. It minimizes inputs on volatile chemicals. There is a lot more components than just dollar savings in going green. It will not be long before the building codes will mandate this type building. MTA will just be a step ahead of where it will be in the next ten years.

Mr. Henry asked if the concept was to build specifically for different regions or is it one general concept?

Mr. Mason stated that it is a general concept for the whole country. There are a total of 69 points. We picked and choosed, recognizing that we have funding limitations, to weigh the pros and cons of each point. We are pursuing 34 points.

Mr. Henry moved, supported by Mr. Zellely to approve Resolution #09-22. Motion Passed unanimously.

Mr. Foy said that we would now do the additional work involved because we have a design for the Flushing facility. We will make the modifications of that design that will incorporate green concepts.

General Manager's Report

Mr. Foy stated that in lieu of the General Manager's Report he would turn the floor over to Mark Miller.

Mark Miller, Washington Lobbyist stated that this is going to be a very complicated year. Most years we are normally wrestling with just one bill. Normally that is the Transportation Appropriations Bill. We also normally struggle with just one section of that bill, which is Section 5309, which is a discretionary pot of money. For the most part these funds are earmarks. When you earmark an account, it is really only a question of where in the country it is going to be spent. To the extent that you don't hustle and try to get an earmark, it is simply going to go somewhere else. Under the current formula, Michigan receives something on the order of only 55% of the gas tax money that they put in that would be for transit. Where there is a place where you can try to even that score you have to take advantage of it or you're just letting the money go to some other State.

In most years we are just dealing with the 5309 account. It appears that there is going to be an annual appropriations bill just like every other year. In discussions of the stimulus bill, they have been very careful to say that there is not going to be any earmarks in the stimulus bill. In Washington talk, that virtually guarantees that there are going to be earmarks in the other two bills. Every six years there is an authorization bill. This year is the end of that six-year timeframe so there is going to be an authorization bill. Going back twenty to thirty years there have been earmarks in that bill. In the last six-year bill we got a little over \$2 million. Because we did not get a large size earmark in the last authorization bill it became a good talking point that we got gimped in the authorizing bill so our earmarks on the appropriation side were quite generous. Now on top of those two bills, we have the stimulus bill. As much as they say that there is not going to be any earmarks in the stimulus bill, a lot of decision making still has to be done.

The House Appropriations Committee was supposed to take up a markup of the stimulus bill. It appears that there is going to be \$6 billion, which is essentially 5307 money, which will be distributed by formula. Normal annual 5307 money is \$4 billion nationwide. So this would amount to a year and a half additional spending on 5307 projects.

Mr. Foy stated that we have \$8.5 million that we could put under contract in 90 days and \$22 million that we could put under contract in 360 days for a total of \$30.5 million that we are requesting.

Mr. Miller stated that in the stimulus bill, as it is written now, you have to get the funds under contract in 90 days. Normally you have three years to spend the money.

Mr. Foy stated that we have met with Congressman Kildee. We followed up with letters to Congressman Kildee as well as Senators Levin and Stabenow. We have a meeting set up next week in which representatives from the three are coming. Now that we have a better understanding of what is going to be in the economic stimulus package, we will layout exactly how we want to move forward through this process. It will be Mark who will stay in contact with those offices as the actual hearings start. We will be sending a delegation to Washington in March. We hope that the stimulus package is done and that the appropriation for 2009 is well on the way to some type of conclusion.

Mr. Miller also stated that Carolyn Kilpatrick, who represents Detroit, has gotten back on the Transportation Appropriation Sub-Committee. We have a person on the sub-committee and when she was on it before she was very responsive to us over the years.

Mr. Henry and Mr. Luttenbacher left the meeting at 9:35 A.M.

Mass Transportation Authority's 1st Quarter Performance Indicators

Mr. Foy stated that in recent discussions with Board members there were a couple of members who mentioned the fact that they didn't know we had performance indicators. We have a presentation that we would like to give to show that we do have performance indicators and that we bring them to the Board each quarter to show you what our progress is against those performance goals.

Acting Chairman Northrup asked if there was any problem with putting this first on the agenda for February seeing as how most of the members had to leave for various other commitments.

Mr. Foy stated there was no problem and we would put it on the agenda for February.

December, 2008 Income/Expense Statement

December, 2008 Ridership Statistic Report

December, 2008 Complaint Statistic Report

Acting Chairman Northrup ruled that the December 2008 Income/Expense Statement, the December 2008 Ridership Statistic Report and the December 2008 Complaint Statistic Report be received and filed.

Comments of Board Members

Mr. Zelle asked for Mark Miller to make an inquiry on the status of the Complete Streets legislation.

Adjournment

The meeting was adjourned at 9: 37 A.M.