



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE JANUARY 28, 2010 BOARD MEETING**

PRESENT: Paul Newman, Chairman, Paul Luttenbacher, Richard Abrams, Mike Zelle, Jamie Curtis, John Northrup, Maxine Murray, Sheldon Neeley (Arrived at 8:22 A.M.)

STAFF: Robert Foy, Suzanne Shepherd, Jerry Ragsdale, Ed Benning, Terry Jurens, Steve Hamelin

GUEST: Barry Wolf, Attorney, James Owensby, Flint Chamber of Commerce, Dave Mc Kellar

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

Comments of the Public None

Chairman Newman welcomed Jamie Curtis as a new member of the Board. Chairman Newman also stated that the agenda has been changed. The purchase of rebuilt engines discussed at the Finance Committee has been removed and a Resolution of Intent has been added to the agenda. Also the Board needs to move into Executive Session once the agenda items have been gone through.

Minutes of the December 3, 2009 Board Meeting

Mr. Northrup moved, supported by Mr. Abrams to approve the minutes of the December 3, 2009 Board Meeting. Motion passed unanimously.

Minutes of the November 23, 2009 Regular Board Meeting

Mr. Northrup moved, supported by Mr. Luttenbacher to approve the minutes of the November 23, 2009 Regular Board Meeting. Motion passed unanimously.

Minutes of the November 19, 2009 Finance Committee Meeting

Mr. Abrams moved, supported by Mr. Zelle to approve the minutes of the November 19, 2009 Finance Committee Meeting. Motion passed unanimously.

Resolution #10-07 authorizing Robert J. Foy, General Manager to renew its investment and membership dues for 2010, in an amount not to exceed \$11,635.00, to the Genesee Regional Chamber of Commerce.

Mr. Abrams stated that he would move Resolutions #10-07, #10-08, #10-09, #10-10 and #10-12 as they were reviewed by the Finance Committee with recommendation for approval by the full Board. Mr. Northrup supported.

Chairman Newman asked that before he called for a vote was there any discussion on any of the Resolutions.

Mr. Zellely asked that Mr. Foy talk a little about each Resolution.

Mr. Foy stated that this is our annual membership. We belong to not only the Regional Chamber but to several of the other chambers that exist in Genesee County. We are an active member and participate on several of the committees.

Resolution #10-08 authorizing the General Manager to enter into a construction contract with R.L. White Construction for the purpose of construction/upgrade to lease space at the Downtown Transfer Center in an amount not to exceed \$27,900.00.

Mr. Foy stated that we are negotiating a contract with Subway to put a facility inside the transportation center, which will become the cornerstone for several other vendors. We had to make some modifications to plumbing and electrical in order for them to bring in their equipment and use it within the space that is involved. This is a responsibility that we have with regard to the conditions within the lease agreement. Total cost is \$27,900.00, which was done by competitive bid.

Resolution #10-09 authorizing the General Manager to enter into an agreement with HealthPlus to provide a traditional premium based health care plan in an amount not to exceed \$2,413,941.48.

Mr. Foy stated that this is our regular healthcare program that we provide for all of our employees. It is difficult to have multi-year contracts for health plans because of the volatility so we negotiate a contract each year. The only response from nine requests that were set out was from HealthPlus. The increase this year is 6.5%, which is about 5% under what the average is in the State of Michigan for healthcare increases. We feel we have a fair and reasonable contract. It is providing the same services that we had before. For us to provide healthcare for a family it cost us almost \$21,000.00 a year.

Resolution #10-10 authorizing the General Manager to enter into an Agreement with CHMP, Inc. in the amount of \$112,000 for Architectural and Engineering (A&E) Services, and \$7,500 for Geotechnical and a photo rendering of the service center, for construction of the Flushing Service Center, for a total agreement not to exceed \$119,500.00.

Mr. Foy stated that this is the A&E work for the Flushing Service Center. We have the funding and the property purchased. Everything is now in place for us to move forward with the A&E work for the construction of the center. The price is \$112,000.00 but in addition to that, the

soil borings and for having a rendering of the building there is an additional charge of \$7,500 for a total contract of \$119,500.00. The Board approved CHMP as the most qualified when we went through that evaluation at the last Board meeting. This cost is about 5% of the total cost of the project.

Resolution #10-12 authorizing the Mass Transportation Authority Board of Directors to adopt the Governmental Accounting Standards Board (GASB) Statements Number 43 and Number 45 for the Medicare Supplemental payment paid to Mass Transportation Authority retirees and further to authorize Robert J. Foy, General Manager to establish a reserve account with J P Morgan Chase Bank for the purpose of annual contributions for Other Post Employment Benefits (OPEB) as required by GASB 43 & 45.

Mr. Foy stated that the MTA does not provide healthcare for individuals who retire from the MTA. For those individuals who are 62 years of age and retire we provide \$150.00 a month for an individual who gets a supplemental plan for healthcare. If they have been here twenty years or more they get up to \$150.00 a month when they submit the bill showing they have purchased the supplement. For an individual who has been here more than ten years but less than twenty, those individuals would receive up to \$100.00 a month for the supplement. Currently we have fourteen individuals receiving the supplement. Under GASB we are now required to establish a reserve for this effort and the payments have to come out of the reserve.

Mr. Curtis asked if there is a standard fee on how the Regional Chamber determines the dues for each organization?

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that it depends upon the size of the agency in regards to the number of employees.

Motion passed unanimously.

Resolution #10-13 approving Resolution of Intent for applying for state formula operating assistance for Fiscal Year 2011 under Act 51 of the Public Acts of 1951, as amended.

Mr. Northrup moved, supported by Mr. Curtis to approve Resolution #10-13.

Mr. Foy stated that we have to have this resolution every year. This covers FY 2011, which will begin on October 1, 2010. It is our intent to apply for state formula operating assistance. We have to submit this as part of our request for formula operating assistance.

Motion passed unanimously.

Mr. Abrams left the meeting at 8:27 A.M. for another commitment.

General Manager's Report

Mr. Foy stated that the House of Representatives have passed HR 2847, which is the Jobs for Main Street Act 2010, which is merely an additional supplement with regard to an economic stimulus package. This activity was passed by the House before they adjourned in December.

The Senate will now be taking up this particular act. There are some things in the act that would be very important to us. There would be a total of \$27.3 billion out of the \$100 billion that would be going into the transportation program. Of that amount \$6.5 billion would be brought in for transit capital assistance, which would include a total of \$4.84 billion that would be allocated for urban formula grants and \$605 million for the rural formula grants. This is about the same level that we were talking about in the first round. In that round we got about \$8 million from formula activity plus significant amounts of money that we dealt with through the TIGGER and TRIGGER grants. There are investments dealing with greenhouse gas and energy. There are a number of opportunities that rest in this legislation if and when it is passed and signed by the President. We have many programs that we are working on that deal with these issues. We have the advanced hybrid program that we anticipate within the next three or four months will reach its final testing effort and will move into production. We will be looking at moving to our CNG configuration for our peak period, regional and para transit operation. We will have to convert all of our facilities to be CNG compatible. That will be another major grant. In addition we are dealing with continuing our effort to move toward hydrogen technology. We will be moving forward as quickly as this Jobs for Main Street Act gets passed. Included in this bill is a provision that allows for 100% funding. It does not require a state match. It also provides that we can use up to 10% of our allocation for operating assistance.

At the state level the Consensus Revenue Estimating Conference, which is required by the constitution twice a year, completed their effort on January 11th. It was another report of bad news. Anticipated revenue in the State of Michigan for 2010 and 2011 is less than it has been. We have not reached the bottom yet in terms of revenue. Unless there is some type of relief at the state level we will be under a great deal of stress to be able to hold the level of state operating assistance that we are currently receiving, which is about \$5.4 million. There is a gas tax increase bill that was introduced earlier this week. It would have a 4-cent increase that would be affective in the month of March. There would also be a 6-cent increase in diesel fuel tax. Three years from now there would be an additional 4-cent increase in gas tax and a 6-cent increase in diesel fuel tax. The March increase would produce about \$240 million. Of that, ten percent would be going to the CTF. It is important that we use part of that money for federal capital match.

Mr. Foy also stated that we are moving forward with our effort for a study on the potential for high-speed transit between Mid-Michigan and Southeastern Michigan. For quite some time we have been looking at what is going to be the future of public transit in Mid-Michigan. We are going to update our strategic plan to give us a view of where we need to be in the next ten to fifteen years. As part of that effort we need to have a view of whether there is a need for some type of high speed transportation between Mid-Michigan and Southeastern Michigan. We have met with the individuals from Genesee County Metropolitan Planning Commission and identified funding that will cover this study. We are moving forward with getting all of the authorizations that are necessary to conduct the study. We anticipate the study will take from twelve to eighteen months. It will be an important contribution to the update of the strategic plan. There are three things that are important. We have to determine if there is a need. If there

is a need, what is the best way to fulfill it? What is the relationship with the legislation that was passed where they authorized private sector to be able to produce a light rail system along the Woodward corridor in the Detroit area. Another key issue is the operation cost. Will the public support it?

We have always had individuals, particularly in the para transit service, schedule a ride and when you go to pick them up they don't have any money to pay for the ride. Many of these individuals were dialysis patients or they had medical requirements that were absolutely necessary that they be able to get to an appointment. We were dealing with maybe four or five a day. Now with the economy being down that number has grown to over two hundred a day. It was necessary for us to do something about it. We did implement, working through our Local Advisory Council, a plan where we identified individuals who have not paid on their last four trips. If they have not paid, we sent them a letter telling them that they need to pay for the service provided. If they have a personal financial consideration they could apply for the use of grant money that we have. In order to do that they have to be reviewed through the private non-profit agency to insure it is valid. If we do not hear from them, we then send them a letter to let them know we are giving them a date that we are going to terminate their ability to schedule a ride unless they buy a monthly pass. We have at the present time a list of 136 people that have been suspended because they have not asked for financial assistance and have been unwilling to pay the fare. They can come off the list if they buy a monthly pass. When we initially started this plan we had 30 or 40 suspensions a month but we are now down to only two or three on a monthly basis.

Chairman Newman ruled that the General Manager's Report be received filed.

December, 2009 Income/Expense Statement

Mr. Ragsdale stated that the farebox revenue is about \$88,000 under the original projection. This budget was created about eighteen months ago and the economy situation was a little bit different than it is today. In non-transportation revenue we are down about \$31,000 in projected revenue. One of the major issues is vehicle advertising. In the past we have gotten \$8,000 to \$10,000 a month. Because of the economic situation our vendor is having an extremely difficult time selling wraps and advertising on our buses. Dedicated tax revenue, based on our projections, we are slightly short of revenue that we experienced in the past. However, in talking with the county we will probably be receiving more than what was originally projected. State cash grants are about \$11,000 under. This is generated through the urban and non-urban formula money. In the non-urban we are receiving more than was projected but in the urban we are under because of the change in the formula that we got notice of after the budget was established. We have no issue in the federal cash grants. The total revenue is down about \$130,000 from the projected revenue.

In expenses the managers are doing an excellent job of keeping focus on expenses so we are \$230,000 under budget. For the year-to-date we are about \$100,000 over what was projected as a contribution to equity.

Chairman Newman ruled that the December 2009 Income/Expense Statement be received and filed.

December, 2009 Ridership Statistic Report

Ed Benning, MTA Assistant General Manager-Services stated that for the month of December we had a ridership of 475,075, which was an increase of 4%. Although we were down in some areas we had an increase of 4% in fixed route with a ridership of 366,101 passengers. Peak period service was up 34% with a ridership of 48,168 passengers. Regional service was down 16% with a ridership of 13,597. It appears that regional service is slowly coming back with the addition of service to Saginaw. Curb-to-curb was down 11% with a ridership of 47,209. Senior Care had a ridership of 3,033, up 5%, but still was within budget.

Chairman Newman ruled that the December 2009 Ridership Statistic Report be received and filed.

December, 2009 Complaint Statistic Report

Mr. Benning stated that we had 2.3 complaints per 100,000 passengers for the month of December. That is eleven complaints. The highest area was driver conduct and we continue to work on retraining for our drivers.

Chairman Newman ruled that the December 2009 Complaint Statistic Report be received and filed.

Mr. Northrup stated that there were some people who came into the meeting late that may want to speak to us.

James Owensby stated that he represents the Flint Chamber of Commerce. Since he had talked to Mr. Foy it has come to his attention that there are a couple of students that design light rail stations and if we are interested he could get with them to give us some guidance. Mr. Owensby also asked that we put on the agenda for next month to join the Flint Chamber of Commerce.

Mr. Foy stated that it is the intention of the MTA to join the Flint Chamber. The annual dues are \$199.00 a year. It is something that does not require Board action but it is our intention to join the Flint Chamber.

Executive Session

Attorney Barry Wolf advised the Board that an Executive Session was necessary to discuss a matter pending litigation in Genesee County Circuit Court involving the Mass Transportation Authority. Debra Crow vs. the Mass Transportation Authority. Discussion in open session may jeopardize MTA's position.

Mr. Curtis moved, supported by Mr. Northrup to move into Executive Session for the purpose as stated by the Attorney.

Roll Call Vote: Paul Newman, John Northrup, Mike Zelle, Paul Luttenbacher, Sheldon Neeley, Maxine Murray, Jamie Curtis voted in the affirmative.

Regular session of the MTA Board was suspended at 9:10 A.M.

Mr. Northrup moved, supported by Mr. Curtis to go out of Executive Session

Regular session of the MTA Board reconvened at 9:15 A.M.

Mr. Northrup moved, supported by Mr. Zelle to accept the recommendation of council relative to Debra Crow vs. Mass Transportation Authority. Motion passed unanimously.

Mr. Northrup stated that at this meeting we were to have the reorganization of the Board but it was not on the agenda.

Mr. Foy stated that we normally do it at the end of the fiscal year but we have continued on because March is the period of time that some of the positions expire. We are a little past due.

Mr. Zelle stated that he thinks there is a willingness to serve by the present officers.

Mr. Zelle moved that we open the floor for nominations and suggested that the current officers retain their positions for another year. Mr. Curtis supported. Motion passed unanimously.

Comments of Board Members None

Adjournment

Meeting was adjourned at 9:27 A.M.