



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE MARCH 13, 2008 BOARD MEETING**

PRESENT: Paul Newman, Chairman, Richard Abrams, Darryl Buchanan, Carolyn Sims, Mike Zelle

STAFF: Robert Foy, Suzanne Shepherd, Ed Benning, Charlene Kowalski, Lynn Mc Lean

GUEST: Joe Cozart, Teachout Securities, Glen Auclair, Securitas Security, Warren Franklin, Chief Stewart Local 3437, Juanel Humphrey, Chief Stewart Local 1223

ABSENT: John Northrup, Paul Luttenbacher, Rose Bogardus

Chairman Newman called the meeting to order at 8:08 A.M.

Chairman Newman welcomed Mr. Buchanan as a new appointment to the Board.

Comments of the Public

Joe Cozart, President of Teachout Securities stated that he was here to offer thanks to the Board and the MTA for the last fifteen years of business. We have had a good relationship. The Board will be voting later on in the meeting on the resolution to determine who the successful bidder is for the upcoming two years of security. If Teachout is not the successful bidder, he wanted to say thank you for the service that they have had and that hopefully in two years they will be back talking to the Board and MTA.

Glen Auclair, Branch Manager of Securitas Security stated that he is here to clarify a few things that were brought up at the last Board meeting. Securitas Security Services USA employs over 3,700 security officers in the State of Michigan. The Flint branch employ's 423 officers. 228 of those 423 officers support sites in Genesee County. Securitas pays over 1.3 million dollars annually to the State of Michigan in business taxes and more than 2.1 million dollars annually in State unemployment taxes. It is to their advantage as well as the clients to hire guards that are local to support the community. Securitas USA currently has contracts with Central Ohio Transit Authority, Chicago Transit Authority, Spokane Transit Authority, Santa Clara Valley Transit Authority and the Greyhound Lines in Toledo, Ohio.

Mr. Auclair stated that he would like to thank the Board for the opportunity to speak and that Securitas will surely honor whatever decision the Board makes.

Minutes of the February 21, 2008 Regular Board Meeting

Mr. Abrams moved, supported by Mr. Zelle to approve the minutes of the February 21, 2008 Regular Board Meeting.

Mr. Zelle pointed out an error on page five of the minutes where the sentence should have read "It sounds like they are both competent" rather than confident.

Motion passed with the correction noted.

Minutes of the February 19, 2008 Finance Committee Meeting

Mr. Abrams moved, supported by Ms. Sims to approve the minutes of the February 19, 2008 Finance Committee Meeting. Motion passed unanimously.

Resolution #08-25 authorizing the General Manager to enter into an agreement with Securitas Security Services, to provide Security Services for a total cost not to exceed \$415,334.40.

Mr. Abrams moved, supported by Mr. Zelle for discussion purposes.

Ms. Sims stated that the Board needs to update Mr. Buchanan on what the concerns were at the last meeting because it is not fair for him to vote because he has not truly had a chance to look at the minutes from the last Board meeting.

Ms. Sims stated that she would not support this company. She realizes that they have Delphi and General Motors and she realizes also as Mr. Foy stated that because we are using Federal dollars we are not bound to local contractors, however we have to think about the situation that this community is in. There is \$17,000 a year difference in the two companies and it breaks her heart when we can eliminate a company that has done a fine job. If there was bad experience or they did something wrong then she would be in favor of it. Ms. Sims also just noticed that this company was Pinkerton and Burns previously and Burns was the company that had the security back in the 90's when we had an issue about their employees not being trained properly. Ms Sims has some serious problems with this resolution. It is not always about the dollar, its about the investment in a community, therefore she would not be supporting the resolution.

Mr. Abrams stated that it seem to him from past experience that we are obligated to take low bid if we are using Federal dollars.

Mr. Foy stated there are three ways that you can contract for purchases over \$10,000. The first is the RFP. Based upon that you do the evaluation to see whether the parties bidding are competent and secondly whether or not the parties have fulfilled all the requirements for the RFP. If these two conditions exist, then you must provide the contract to the lowest price bidder involved. The second way is when you are dealing with certain services such as your auditor, doctor, attorney or architects. They can submit a proposal and you can select someone, because you do not

consider price, you're evaluating for the most qualified. After you select the most qualified you negotiate a price. If you meet a mutual agreement then you move forward. If not, then you move to the next person on your list and try to negotiate a contract with them. The third option is sole source. If you want to add on to an existing system you get into a situation where there is only one company that can really respond.

In this particular case Mr. Foy did not feel that there was adequate justification for making a decision to use option two. That is to do an evaluation of each based upon the competency of each of them and then negotiate a price. The implications are that if you decide not to follow the guidelines, we may be subject to pay the money back.

Mr. Abrams stated that in as much as we do not have enough votes to pass the resolution and Mr. Buchanan is totally new to this issue, Mr. Abrams moved to postpone the resolution. Ms. Sims supported.

Mr. Buchanan stated that being new he would like the record to show that he would have been abstaining on this matter anyway. Ms Sims brought forth some very important points and he needs to thoroughly familiarize himself with the information regarding the contract. If a company is from this community, employs people from this community and trained people and they contribute to the community, he would like to know more about them.

Ms. Sims stated that also at the last meeting there was discussion that the purchasing department had recommended Teachout but Mr. Foy recommended Securitas because they were the low bid. Ms Sims thinks that the best thing is to postpone and have a full Board and everybody will then be ready to vote at the next meeting.

Mr. Zellely stated that he agrees that we should hire as many local companies as possible but his understanding is that the procurement process was established back in 2006. It was approved by the Federal Transit Authority, approved by the Board and it is airtight in that we are prohibited from Federal and State law from local preference. Mr. Zellely is very concerned about putting taxpayers at risk, that there may be a \$400,000 disallowment when the audit comes through. Therefore, Mr. Zellely agrees with the postponement.

Mr. Buchanan stated that he would like a copy of the procurement document so that he could provide it to his attorney and he could give him his personal recommendation to him on what he should do. He appreciates the expertise of every member regarding the document but he would be more comfortable with voting when his personal attorney reviews it and gives him his recommendation.

The motion to postpone passed unanimously.

Resolution #08-28 authorizing the General Manager to take the action necessary to have the Mass Transportation Authority Millage proposal submitted to the electorate of Genesee County as provided for in 1963 PA 55.

Mr. Zelle moved, supported by Mr. Abrams to approved Resolution #08-28.

Mr. Foy stated that the Mass Transportation Authority has three local millages. Three out of every five years we have to have items on the agenda dealing with millages. This is the renewal of 4/10ths of a mill for countywide. This does not provide for any additional money. It is strictly a renewal. This is necessary for us to maintain our current transportation service. We cannot continue to operate existing service if we do not have the local millages to support us.

Motion passed unanimously.

General Manager's Report

Mr. Foy stated that we are moving forward with the funding for FY 2009. The Bush administration has asked for an increase for public transportation. This would affect our formula funding. It would give us a slight increase in that area. The negative side of the effort is that funding that the Federal government appropriates comes out of the transportation trust fund. There are two parts to that. One is the highway side and the other is the transit side. The transit side has had and continues to have a fund balance. The highway side is in a deficit position. They are recommending that about 3.2 billion dollars be moved from public transit over to the highway side. From our standpoint we are very supportive of the need for highways and streets but we do not think that taking it from public transit is the appropriate way to deal with it. We will be working during this coming year with our legislators to develop a response to the administration's proposal that they need to find a long term solution to highway funding and not try to take it from public transit. It won't affect us in 2009 but if they take 3.2 billion dollars it would start affecting us in 2010 in our ability to maintain our formula programs at their current level.

The Economic Stimulus Package, we have worked very hard to get about a billion dollars in the stimulus package that would allow for additional funding for transit procurement activities. We were not able to do that but now they are talking about a second stimulus package. We are working right now to insure that there is some type of infrastructure package in there for transit.

Mr. Foy stated that we are still continuing to see significant growth in ridership. The staff is looking at creative ways to be able to provide more transportation capability without increasing our subsidy requirements.

Mr. Foy spoke about the response that the Mass Transportation Authority put in The Flint Journal with regard to the Arts in Transit article. It is our intention, with the Board concurrence, to put together a package that will summarize the issues of the Art in Transit program but also deal with security and the role that we play in economic development. We also have a document that lists all the transit agencies throughout the country that are currently involved in Art in Transit programs. We would like to distribute this.

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

February, 2008 Income/Expense Statement

Mr. Foy stated that our revenue is up considerably. It is up about \$2.7 million at this time. Expenses are up about \$1.2 million so we are about \$1.5 million in a positive state. We are still anticipating a \$1.2 million contribution to equity this year. Everything is pretty much in line. The one area that we are all very much aware of is the cost of fuel. We have put into the budget an additional million dollars to try and deal with it. Our revenue is up so therefore we have been able to absorb some of the increase.

Chairman Newman ruled that the February, 2008 Income/Expense Statement be received and filed.

February, 2008 Ridership Statistic Report

Ed Benning, MTA Assistant General Manager-Services stated that the ridership for February was 497,777 for an increase of 23% over the prior February. Fixed route had a ridership of 390,754 for a 23% increase over the prior year. We are starting to see overloads on some of our routes. In the peak period service, which primarily provides ridership to students, we had a ridership of 33,660. Curb-to-curb service had 581,174 passengers for an increase of 8 percent.

We are receiving a number of requests for either new service or expanded service. Just in the last two weeks we have had calls in regard to service to Pontiac, Ann Arbor and additional service to the Auburn Hills area.

Chairman Newman ruled that the February, 2008 Ridership Statistic Report be received and filed.

February, 2008 Complaint Statistic Report

Mr. Benning stated that we had 19 complaints for the month of February. The complaints are based on 100,000 passengers so we had four complaints per 100,000 passengers. The highest complaints are in driver conduct. In the last couple of months we have been making progress in that area. We were seeing anywhere from 14 to 18 complaints in that area and we are working hard to provide the refresher training necessary to get our drivers in line with regard to that area.

Chairman Newman ruled that the February, 2008 Complaint Statistic Report be received and filed.

Comments of Board Members

Mr. Abrams stated that the Director of the Senior Center in Swartz Creek has some concerns in regard to the expanded Your Ride Door-to-Door service and the role of the Senior Centers. They have not received any communication except for one meeting. They don't have any request forms and they don't have any idea of how it is going to affect their referrals back to the MTA. They would like some more information.

Chairman Newman reminded the Board that the next meeting is scheduled for April 24th. It is one week later than we normally meet.

Adjournment

Meeting was adjourned at 9:18 A.M.
