



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE MARCH 25, 2010 BOARD MEETING**

PRESENT: Paul Newman, Chairman, Paul Luttenbacher, Richard Abrams, John Northrup, Jamie Curtis, Mike Zelle, Greg Eason, Sheldon Neeley (Arrived at 8:10 A.M.)

STAFF: Robert Foy, Suzanne Shepherd, Ed Benning, Jerry Ragsdale, Lynn McLean, Rebecca Peel, Steve Hamelin

GUEST: Gary Mitchell, Operator

ABSENT: Pastor Seon Thompson, Maxine Murray

Chairman Newman called the meeting to order at 8:00 A.M.

Comments of the Public None

Minutes of the February 25, 2010 Regular Board Meeting

Mr. Curtis moved, supported by Mr. Abrams to approve the minutes of the February 25, 2010 Regular Board Meeting. Motion passed unanimously.

Minutes of the March 9, 2010 MTA Special Board Meeting

Mr. Curtis moved, supported by Mr. Northrup to approve the minutes of the March 9, 2010 MTA Special Board Meeting. Motion passed unanimously.

Minutes of the February 23, 2010 Finance Committee Meeting

Mr. Luttenbacher moved, supported by Mr. Abrams to approve the minutes of the February 23, 2010 Finance Committee Meeting. Motion passed unanimously.

Resolution #10-20 authorizing Robert J. Foy, General Manager to enter into a contract with the Genesee County Central Dispatch Mobile Data System (911 Consortium) to participate in the 800 MHz sub-system for the Mass Transportation Authority's radio system in an estimated cost of \$38,000.00 per year plus \$5,000.00 per year for tower/equipment maintenance, for a total estimated annual cost of \$43,000.00.

Resolution #10-21 authorizing Robert J. Foy, General Manger to enter into a contract with the Michigan Public Safety Communications System as a member subscriber, through the Department of Information Technology (DIT) for State-wide Mobile Radio public safety communications. The estimated annual cost is \$76,000.00, with estimated start-up costs of \$44,200.00.

Chairman Newman stated that these two Resolutions are connected.

Mr. Abrams stated that the Finance Committee reviewed these Resolutions as a whole and recommends approval by the Board. Mr. Abrams moved Resolutions #10-20 and 10-21. Mr. Northrup supported.

Mr. Foy stated that as MTA has expanded to become a regional system our current radio system and tower does not allow us to reach the full extent of the areas we serve. We have been considering alternatives. We looked at the possibility of putting up our own towers in Oakland County and Livingston County to be able to extend our range. We also looked at the possibility of joining the statewide mobile public safety radio system. Up until the last year the State was not willing to allow us to join their system because of capacity problems. They are now in a position where they will authorize us to join their mobile radio system. We found that that would be the most cost effective way to take care of our long-term radio coverage requirements. This will allow us to maintain communication over our radio system to any location in the State of Michigan.

The next step is updating our radios. There are two parts to that. One is our radio system is very old and Motorola, who services our system, has informed us that they will no longer be able to support our system. We have to move to a digital system. We have been working with the Genesee County Central Dispatch Mobile Data System, the 911 systems, to allow us to join their network. This will give us complete coverage for any emergency we may have.

We recommend the approval of these Resolutions so that we can become a part of the Genesee County Central Dispatch Mobile Data System and the Michigan Public Safety Communications System.

Motion passed unanimously.

General Manager's Report

Mr. Foy stated that we are focused as an organization on how we can become more efficient and more effective in reducing the operating cost of running the organization because of the financial challenge that we face in Genesee County. We don't see a quick solution to the reductions in operating money available from the City, the county and other organizations. We have been working towards reducing our operating costs. But as always there are significant capital investment costs when making operating efficiency a reality.

This summer we will be ready to start the conversion of our New Flyer fleet over to the diesel hybrid technology, which we anticipate will reduce the amount of fuel for those vehicles by 40-

50 percent. For our long-term goal, we are looking at converting the whole fleet over to natural gas. In order to convert it over to natural gas we have to make some major investments in our facilities to become CNG compatible. We estimate that the investment will be \$9 million. We are moving forward with those efforts. We were recently in Washington discussing this issue about the importance of making this conversion and the need for the \$9 million. They have tentatively agreed to cover about \$5 million this year. We still have to go through the appropriation process but at least it opens the door.

This also is an authorizing year. Years ago the authorizing committee did not earmark any funds. Now the committee earmarks about half the money they are authorizing to be spent. For the years 2010 through 2015, we could very well be in a situation where we could get earmarks over the next four or five years. We do anticipate that the cost associated with the changing of the infrastructure over to CNG plus the cost of being able to purchase the new vehicles, which will be CNG for our peak period will be somewhere around the cost of \$25 million. In addition we are going to convert all of our Your Ride vehicles over to CNG. Spreading that over five years totals another \$15 million. This is going to be an expensive process but in the end we will probably be able to save \$3-4 million a year in terms of cost avoidance just for fuel. There are also significant advantages associated with the environmental aspects of it. The nation is now focused on green technology. All of this is green technology. It was announced on Tuesday that we received \$2.2 million to move forward to purchase and build two vehicles that will be all electric. These are difficult times but they are also times of opportunity. We are talking about something in the neighborhood of \$50 million for these projects. It is all possible. In the discussions we had in Washington, they agree with us in what we are attempting to do. But like always it will have to be taken in baby steps.

We have a long-term challenge that the transit industry throughout the whole country has to deal with. We are part of the Highway Trust Fund. As part of that, we get up to 10 percent of that money. The funding for that program is now running a deficit. They cannot get through 2011 without some help. Part of the authorization that just came out of the Jobs Bill provides \$19.9 billion out of general fund money to make the Highway Trust Fund solvent until the end of 2011. Then there will have to be some major funding changes at the Federal level in order to take care of roads and the transit industry.

When they did the earmarking process in 2010 for the 5309 account, they earmarked a little over \$400 million. There was almost \$800 million available so there is still \$362 million that has not been earmarked. Now that we have an authorizing piece of legislation through this calendar year, they are going to have to open up that \$362 million in some fashion. We are going after \$10 million to convert our New Flyers over to diesel hybrid. In addition, in 2011 there is going to be a significant amount of new opportunities. There is Clean Cities money that they are developing and several other programs that are defined in a general way but not specific.

At the State level, 2011 is a very serious situation. The Governor's budget has proposed that they will maintain the contribution to operating assistance for public transit at the same level that it has been since 2006, \$166 million. However, when we go into 2011 with the significant

deficit that they have, this is going to be very difficult to do. We will have to watch this very closely.

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

February, 2010 Income/Expense Statement

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that passenger fares are about \$193,000 below what we had originally predicted. In the combination of fixed routes and peak period routes we are down about \$70,000. Demand Response is down about \$71,000, however we have some pending payments coming in that we did not receive in the month of February. Regional transportation is down about \$50,000 because of the economy.

Non-transportation revenue is \$27,000 ahead of projection. Dedicated tax is \$1.3 million ahead. This is just a timing issue based on when we receive the taxes. State cash grants are \$185,000 below projection because when we originally submitted the budget the formula used was higher than what the state actually gave us. Federal cash grants are \$41,000 ahead of projection. We received more in preventive maintenance through AARA funds. The total revenue is \$1 million ahead of projection.

In expenses we are \$329,000 under budget. This is solely because the managers have done an excellent job in controlling expenses while providing the same amount of service. Net income at the end of February is \$1.3 million ahead of projection.

Chairman Newman ruled that the February 2010 Income/Expense Statement be received and filed.

February, 2010 Ridership Statistic Report

Ed Benning, MTA Assistant General Manager-Services stated that the ridership for February was 464,603 passengers. We were down about 7%. Year-to-date we seem to be running 4% behind. On the fourteen fixed routes we had ridership of 358,821, which is down 4%. We contribute much of that to jobs in the community. In the month of February we had a couple of snow days. This will show up in the peak period routes where we have been showing an increase in ridership, we were down 9% for February. Regional service was 15,139 passengers, down 11%. It does appear though that every month the ridership is increasing especially since we put service into the Saginaw area. Curb-to-curb service had ridership of 47,216, down 19%. Senior Care had ridership of 2,794, down 17%. The weather in February had a lot to do with the number of passengers riding.

Chairman Newman ruled that the February 2010 Ridership Statistic Report be received and filed.

February, 2010 Complaint Statistic Report

Mr. Benning stated that for the month of February we had five complaints for every 100,000 passengers. Again, the area that was highest was driver conduct, which we continue to work on.

The other area was late bus/van. Some of this comes about on the peak period routes where we are providing student transportation, which may or may not be warranted.

Mr. Neeley stated that at the previous Board meeting he thought we were going to put a mechanism in place to calculate late service for the northern portion of Flint to find out if the buses were actually running late.

Mr. Foy stated that that has been put in place and included in our performance indicators, which we give to the Board every quarter.

Mr. Neeley asked that this be given to the Board every month.

Chairman Newman ruled that the February 2010 Complaint Statistic Report be received and filed.

Comments of Board Members None

Adjournment

Meeting was adjourned at 8:40 A.M.
