



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE MARCH 29, 2007 BOARD MEETING**

PRESENT: John Northrup, Acting Chairman, Richard Abrams, Paul Newman, Joe Conroy, Carolyn Sims

STAFF: Robert Foy, Suzanne Shepherd, Jerry Ragsdale, Ed Benning, Terry Jurrens, Charlene Kowalski

GUEST: Greg Wright, Case Construction, Doug Atkinson, Hamilton Anderson, Michael Joliat, Attorney

ABSENT: Mike Zelle, Paul Luttenbacher, Rose Bogardus

Acting Chairman Northrup called the meeting to order at 8:10 A.M.

Comments of the Public None

Minutes of the February 15, 2007 Regular Board Meeting

Mr. Newman moved, supported by Mr. Abrams to approve the minutes of the February 15, 2007 Regular Board Meeting. Motion passed unanimously.

Mr. Abrams stated that the Finance Committee reviewed Agenda Board Items # 2, 3, 4, 5, 6, 7 and 8 and recommends approval by the full Board.

Resolution #07-33 authorizing the General Manager to amend the contract with The Garrison Company for the construction of the Fenton Service Facility, and issue Change Order Number Two (2) in the amount of \$217.00 and Change Order Number Three (3) for a credit of \$5,090.00 for a total contract in an amount not to exceed \$1,654,638.00.

Mr. Foy stated that the construction of the Fenton Service Center is now complete. We have a couple of small items to take care of before we will actually be utilizing the facility. In this particular case we went through this building, which was a \$1.6 million construction contract with a total of three change orders for the whole program. These are the last two. The first one is for \$217.00 and the last one is for a credit of \$5,090.00. The reason we are getting the credit is because our original specifications called for a sidewalk across the front of the property. In the area we are in, none of the other businesses have a sidewalk so it would be a sidewalk that would not go anywhere at both ends. We agreed that we would put in the sidewalk if and when there is a requirement that everyone puts in a sidewalk.

Mr. Abrams moved, supported by Ms. Sims to approve Resolution #07-33. Motion passed unanimously.

Resolution #07-35 authorizing the General Manager to enter into an agreement with Romeo Rim, Inc. to purchase Energy Absorbing Bumpers, for Curb-to-Curb revenue vehicles, in an amount not to exceed \$116,929.70.

Mr. Foy stated that we are putting energy absorbing bumpers on 115 Your Ride type vehicles. We are using vans to do the work and the vans come with a metal bumper. If you look at the vans the bumpers look really bad because of all the dents. We tested out an energy absorbing bumper, which has really worked out well. Whenever there is a small bump, the bumper deals with it with no damage. For about \$1,000 a vehicle we can put on these energy absorbing bumpers.

Mr. Abrams moved, supported by Mr. Newman to approve Resolution #07-35. Motion passed unanimously.

Resolution #07-36 authorizing the General Manager to enter into an agreement with Brown & Brown of Michigan to provide Property and Inland Marine Insurance, for a period of three (3) years, at an annual cost of \$32,842.00, in a total amount not to exceed \$98,526.00.

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that in the proposal we normally notify all known agencies that act as brokers for many different providers. The proposal from Brown & Brown and the insurance company they are using was the lowest bidder. This covers all of our sites and buildings as well as all of the service centers including the new Fenton Service Center. We are required to have the coverage by FTA and the State of Michigan but we have never had a claim against the insurance.

After some discussion Mr. Conroy moved, supported by Mr. Abrams to approve Resolution #07-36. Motion passed unanimously.

Resolution #07-37 authorizing the General Manager to enter into an agreement with Security First Benefits, proposing coverage through Security Mutual Life Insurance, to provide Group Life/Accidental Death & Dismemberment and Short Term Disability, for a period of two (2) years, at a total cost of \$116,249.36.

Mr. Foy stated that we do not provide long-term disability insurance within this organization. With the unionized employees these are negotiated items. With the management employees we have provided up to \$400 per week for 26 weeks. We have taken a look at what the cost would be to increase the benefit provided to the employees with the understanding that from the hourly point of view that this would be a contract negotiated item. We have taken a look at increasing the amount from \$400 a week up to \$700 a week. Under Security Mutual Life Insurance, for a two-year period, right now we would be paying about \$45,000 a year for the insurance providing a premium of \$400. If we want to move it up to \$700 and \$525 for the hourly employees, the cost would be about \$58,000 or an increase of \$13,000 a year. We are recommending to the Board that we be authorize to provide short term disability insurance as part of the package we have for a total of up \$525 when it is negotiated in the next contract and up to \$700 for the management employees. Not everyone would be getting the full amount because what you actually receive is a percentage of your wage.

Mr. Abrams moved, supported by Mr. Newman to approve Resolution #07-37. Motion passed unanimously.

Resolution #07-38 authorizing the General Manager to enter into a Food and Vending Management Services Program Agreement, for a period of three (3) years, with an option to operate said services for an additional two (2) years, with the Friends of Public Transportation for one dollar (\$1.00) per year unless otherwise negotiated during the term of the Agreement.

Mr. Foy stated that the hourly employees have requested that we reactivate providing hot meals in our cafeteria. We were providing hot meals on a regular basis by an outside firm that was doing the food preparation. When we reduced the number of employees in the organization when we no longer provided the school transportation, just about the same time the vendor providing the food service decided to retire. We never reactivated the service. We do not want to be in the food service business so we put out an RFP for an organization to manage the service. They might not necessarily provide the food but they would oversee the operation. They would provide what we consider to be low cost, high quality food.

Mr. Ragsdale stated that we went out twice before and did not receive any response. The Friends of Public Transportation operated as the manager of the cafeteria for three years previously so we contacted them to see if they would be interested in submitting a proposal. The Friends of Public Transportation submitted a proposal as well as The Whistle Stop Café in Swartz Creek. The Whistle Stop Café is not interested in managing the cafeteria. They want to provide the food service. We met with both of them and they have both indicated their willingness to participate. If the Board approves the Friends of Public Transportation to manage the cafeteria we would refer The Whistle Stop to them to see if they can negotiate with them to provide the food.

Mr. Newman moved, supported by Mr. Abrams to approve Resolution #07-38. Motion passed unanimously.

Resolution #07-39 authorizing the General Manager to issue Change Order Number Two (2) to the agreement with Oscar W. Larson Company to supply and install hard wiring to Blue Bird and RTS vehicles that did not have an on-board computer plug-in for the AIM II System to operate the automated fueling system in an amount not to exceed \$18,532.00 for a total contract not to exceed \$177,358.20.

Mr. Foy stated that this deals with the installation of an automatic fueling system that we have in the organization. It provides a considerable amount of information as well as automatically fueling the vehicles. There is a mechanical mechanism that goes over the mouth of the fuel tank that requires a computer scenario. The Blue Birds and RTS vehicles, because of their age, do not have an on-board computer plug in; therefore it is necessary for us to install hard wiring into these vehicles in order for the fueling system to work.

Mr. Abrams moved, supported by Mr. Conroy to approve Resolution #07-39. Motion passed unanimously.

Resolution #07-40 authorizing the General Manager to amend the contract with Sorensen Gross Construction Co., for the renovation of the Mass Transportation Authority Downtown Customer Service and Transfer Center, and issue Change Order Number Fifteen (15) in the amount of \$90,592.22; and Change Order Number Sixteen (16) in the amount of \$57,672.76 for a total contract change of \$148,264.98. The total amended contract is in an amount not to exceed \$6,267,992.18.

Mr. Foy stated that we are doing rehabilitation, which is different from building a new building because you are taking the as built drawings and making the changes. Once you start opening up the sides of the building and ceilings you find that it is not exactly as on the drawings. Change Orders are required. Management has requested \$90,000 in change orders that we feel are necessary to enhance the project and the remaining is the result of variations in terms of what was on the drawings and what was needed to accomplish the renovation.

Doug Atkinson, Hamilton Anderson stated that the project is about 95% complete. Phase I is complete and Phase II is under construction right now. Most of the building is being used right now and the building should be 100% complete sometime in June.

There are two change orders being requested by Sorensen Gross. Change Order #15 is a collection of items requested by MTA for a total of \$90,592.22. Change Order #16 is mostly unforeseen changes that happen when you are rehabilitating a building. The total of this Change Order is \$57,672.76.

Mr. Abrams stated that the Finance Committee reviewed these changes very carefully and recommends approval by the full Board.

Mr. Conroy moved, supported by Mr. Abrams to approve Resolution #07-40. Motion passed unanimously.

Informal Settlement Agreement Regarding MIOSHA Citation and Notification of Penalty.

Mr. Foy stated that this is the result of an informal settlement agreement that was the result of a MIOSHA inspection of the Mass Transportation Authority. MIOSHA on an infrequent basis goes through businesses throughout the State of Michigan and does an in depth survey. Our inspection started about the 15th of August and went through the 1st of December. They went over everything in dealing with the industrial safety requirements of what we should have and shouldn't have. The net effect is that they find things that need to be corrected. They issue fines in some cases because of conditions that do exist. The positive side is that if we were to try and get someone to come in to do this inspection it would have cost probably over \$100,000. With MIOSHA coming in we end up with a very in depth evaluation of employee and industrial safety. We ended up with \$25,650 in penalties. Mike Joliat, acting in our behalf, petitioned to them and they reduced the amount to \$12,825.00, which is 50% of what it was. They accepted the negotiation and we have paid the penalty. We just wanted the Board to be aware of the results of this inspection.

After some discussion Mr. Conroy moved, supported by Mr. Newman to approve the expenditure of \$12,825.00 to settle the MIOSHA penalties. Motion passed unanimously.

General Manager's Report

Mr. Foy stated that we have finally for 2007 received the apportionments in the allocations for FY 2007 on any Federal money we have. At this point we have not been able to get any Federal dollars. It is now laid out. There was a major change that they are not going to allow earmarks. They turned over about \$430 million to the Federal Transit Administration for us to go in now with discretionary grants. We have to have all the requests in by May 22nd but unfortunately they haven't given us the instructions on how to get them in there. We are going to be asking for \$2.4 million for further implementation of our Intelligent Transportation System Program. We did get the \$650,000 that was identified in the reauthorization legislation for dealing with our Swartz Creek Service Center.

They are just starting the effort on our FY 2008 program. We are competing for about \$8 million in this process.

At the Federal level the House has passed a supplemental appropriation. This has another \$225 million for public transportation security. Senator Levin is on the Homeland Security Committee so we have already been talking to him about getting about \$750,000 out of that.

In the State of Michigan, in an attempt to take care of the FY 2007 budget problem, initially the Governor submitted a proposal that held public transportation harmless. This has been turned down and now they are renegotiating. In the renegotiating process, transit is being hit just like everyone else is being hit. In some of the proposals they are cutting our operating assistance, under other proposals they are eliminating our capital match money. We have to continually work this effort. The money that is at risk is \$162 million that is appropriated out of the transportation fund over to the CTF fund for distribution for operating assistance statewide. Our particular portion of that is \$6.1 million. 10% of this is at risk. Six months into the year we still don't know what our final money is going to be coming from the State.

We have been constantly communicating with the legislature concerning our job related transportation program. The state has informed us through the Department of Labor and through the Area for Economic Development that they will be providing us \$1 million this year. We have things that are positive that are working to try and help us and we also have the uncertainty of balancing the budget in 2007.

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

Non-Executive Session

Attorney Michael Joliat stated that this matter is a lawsuit against MTA. Mary S. Marien vs. MTA and Carey Eichelberg. This is a lawsuit resulting out of the operation of a motor vehicle. It involves a Your Ride vehicle. The case went to case evaluation and the plaintiff was awarded \$45,000. MTA accepted the evaluation but Ms. Marien rejected the award. Attorney Joliat stated that we have negotiated what we feel is a reasonable settlement of \$52,500 that he recommends to the Board. This would be a full and complete final settlement. She would be waiving her rights to any appeal and waving all rights to any medical.

Mr. Conroy moved, supported by Ms. Sims to accept the recommendation of Council. Motion passed unanimously.

February, 2007 Income/Expense Statement

Mr. Ragsdale stated that our passenger fares are about \$94,000 under our original projection. Several different areas, the economy, the fact that we did have a rate increase have affected it; but we don't feel that is the major reason. Non-transportation revenue is about \$19,000 under projected revenue. Dedicated tax revenue was projected to be \$9.5 million. Based on our projection now we should actually see over \$10 million in tax revenue. State & Federal grants are right on except in operating assistance-non-urban.

In expenses we are under budget by \$764,647. We had projected a net income of \$751,000 but with our decreases in expenses we are projecting a net income of over \$1 million.

Mr. Foy stated that in a revised budget we will be showing at least another half million dollars in dedicated tax revenue as an increase and another million dollars that they are going to be giving us as a result of our Job Access Reverse Commute effort. With the \$751,000 positive in the budget and now were \$635,000 ahead of that we are close to a million and a half and we have an additional million and a half in revenue coming.

Acting Chairman Northrup ruled that the February, 2007 Income/Expense Statement be received and filed.

February, 2007 Ridership Statistic Report

Acting Chairman Northrup ruled that the February, 2007 Ridership Statistic Report be received and filed.

February, 2007 Complaint Statistic Report

Mr. Foy stated that this report shows the number of complaints for 100,000 passenger boardings. In October where we had 487,000 passenger boardings we had 8.2 complaints. The second report shows what the complaints are about.

Acting Chairman Northrup ruled that the February, 2007 Complaint Statistic Report be received and filed.

Comments of Board Members None

Adjournment

Meeting was adjourned at 10:05 A.M.
