



***MASS TRANSPORTATION AUTHORITY
MINUTES OF THE MAY 28, 2009 BOARD MEETING***

PRESENT: Paul Newman, Chairman, Richard Abrams, Duane Miller, Paul Luttenbacher, John Northrup (Arrived at 8:10 A.M.), Sheldon Neeley (Arrived at 8:50 A.M.)

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

GUEST: Michael Joliat, Attorney, Penny Roberts

ABSENT: Mike Zelle, Ted Henry

Chairman Newman called the meeting to order at 8:08 A.M. stating that we did not have a quorum present so we would be handling items that did not need Board approval until a quorum was reached.

Comments of the Public

Penny Roberts stated that she was at an ADA meeting and they talked about the fact that Your Ride brings passengers downtown and there is no place where the vans can let you off in the middle of the street. They have to let you off at the corner. They were wondering that in the near future if there could be cut offs along the street?

Ms. Roberts also stated that she heard that MTA is hiring more Your Ride people and they were wondering why they don't have more MTA drivers instead of relief drivers? She also heard that the MTA would be cutting service.

Mr. Foy stated that in regards to the budget we would not be cutting any service. As far as the downtown parking he has not addressed that problem but he will look into it.

Mr. Miller stated that the DDA is doing a downtown study on parking. Whether we continue with parallel parking or we go to angle parking. He will discuss with the DDA how they might accommodate the opportunities for Your Ride to park in the middle of the block.

Chairman Newman stated that we now have a quorum present so we would move into the action items.

Minutes of the April 23, 2009 Regular Board Meeting

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

Minutes of the April 21, 2009 Finance Committee Meeting

Mr. Abrams moved, supported by Mr. Luttenbacher to approve the minutes of the April 21, 2009 Finance Committee Meeting. Motion passed unanimously.

Chairman Newman stated that we have a number of resolutions that were reviewed by the Finance Committee. Chairman Newman asked Mr. Abrams, Chairman of the Finance Committee to comment on the resolutions so that we could expedite the agenda so that the Board could go into Executive Session later.

Resolution #09-35 authorizing the General Manager to purchase, on behalf of the Mass Transportation Authority, a parcel of vacant land located in the 1400 block of East Pierson Road in the City of Flushing, for which a closing occurred on May 11, 2009, for the purpose of construction of a Your Ride Service Center in an amount not to exceed \$500,000.00 plus applicable closing costs.

Resolution #09-37 authorizing the General Manager to enter into an agreement with Bohlen Builders, Inc. to act as Coordinator of Special Projects to monitor MTA construction projects in Genesee County at an hourly rate of \$49.50 for a period of two (2) years at an estimated amount not to exceed \$100,000.00.

Resolution #09-38 authorizing Robert J. Foy, General Manager to enter into an agreement with Test Equipment Distributors for the purchase of a portable x-ray inspection system, with a base bid of \$79,865.00, and alternates in the amount of \$10,454.00, which were determined to be necessary to effectively evaluate the Mass Transportation Authority revenue vehicle fleet, for a total amount not to exceed \$90,319.00.

Resolution #09-39 authorizing the General Manager to amend the agreement with Action Traffic Maintenance, Inc. and take advantage of Alternate #1 for additional bus stop signs and posts installed at \$95.00 each for 329 additional signs and posts not to exceed \$31,255.00.

Resolution #09-40 authorizing Robert J. Foy, General Manager to purchase a rebuilt 6V92TA diesel engine from W.W. Williams at a cost not to exceed \$19,055.08 with an option for the purchase of up to three (3) additional rebuilt engines to main firm fixed price for 180 days for a total cost of \$57,165.24. The total contract is in an amount not to exceed \$76,220.32.

Resolution #09-41 authorizing the General Manager to enter into an agreement with Security First Benefits Corp., to provide Group Life/Accidental Death & Dismemberment and Short Term Disability, for a period of two (2) years, at a total cost of \$106,796.16.

Mr. Abrams moved Resolutions #09-35, #09-37, #09-38, #09-39, #09-40 and #09-41 stating we can separate any that the Board would like to discuss. Mr. Northrup supported.

Mr. Luttenbacher asked what the purpose of the x-ray machine was.

Mr. Foy stated that MTA is in the process of moving towards the advanced hybrid type power system for our New Flyer vehicles. If you purchase a vehicle with this advanced hybrid the cost is about \$450,000 per vehicle. We have gone through a mid-life rehab program with all of our New Flyer vehicles. In going through that mid-life rehab we asked the contractor to do an evaluation of the structural integrity. In order to evaluate each of the portions of the vehicle we did some testing on what is the most appropriate and successful way of doing that and getting good results. The use of the x-ray machine is what we found. The purpose will be for us to use the x-ray machine to be able to go through and determine without taking the skin off of the vehicle the structural feasibility of the vehicles and to make sure they are structurally sound enough to turn into an advanced hybrid vehicle.

Mr. Northrup asked about the bid on the insurance and what part did the one agency not bid on?

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that Al Bourdeau Insurance did not bid on the short-term disability because it is a product that they do not provide through their resources. The one that we are recommending is actually a renewal because they are the one that has been providing these policies over the past two years.

Mr. Northrup stated that it says self-insured?

Mr. Ragsdale stated that the MTA is self-insured for many of our insurance but we are still required to carry certain backup policies for when you reach a certain plateau of liability.

Motion passed unanimously.

Resolution #09-36 authorizing the General Manager to revise the Mass Transportation Authority Drug and Alcohol Testing Substance Abuse Program.

Mr. Foy stated that a summary of the changes was provided. The document itself is about a hundred page document. The changes are dictated by the FTA. Most of it is non-controversial. It clarifies an exiting policy that people, in some cases, are misinterpreting so they gave additional verbiage to try and clarify. There are no material changes, it is just defining the program in such a way that it is easier for people to understand.

Mr. Abrams moved, supported by Mr. Northrup to approve Resolution #09-36. Motion passed unanimously.

Resolution #09-42 authorizing Robert J. Foy, General Manager to enter into a contract with The County of Genesee Acting By and Through Genesee County Metropolitan Planning Commission ("GCMPC") to provide Senior Care Transportation Services, for the period May 1, 2009 through September 30, 2010, in an amount not to exceed \$410,833.35.

Mr. Foy stated that this is the senior care program that we have been providing for the last fifteen months. This merely moves it through September 30th of next year. Everything in the contract is

very much like we are now doing it. We have met with legal council from the county and we have agreed basically on the contract. It will begin on May 1, 2009 until September 30, 2010. The contract will be for \$410,833.35. The disbursement will have to be consistent for each month. We will be getting about \$25,000 a month for providing the service. We will be charging \$8.00 for each trip that we provide. We will continue to provide the cost out of our millage program for providing the transportation. The cost of this is merely for providing the additional attendant care that goes from the curb to the door and from the curb into the apartment. We recommend that the Board approve the authority to sign this contract for the next fifteen months.

Mr. Miller moved, supported by Mr. Abrams to approve Resolution #09-42.

Mr. Northrup stated that he voted for this already on the other end because he is on the County Board but on this end of the business there is a question on him voting on this so he will be sustaining.

Mr. Abrams stated that five votes are needed to pass so therefore Mr. Abrams moved that we postpone this item to the next meeting.

Mr. Foy stated that this will cause a real problem for the county.

Attorney Michael Joliat stated that this is a classic case of conflict of interest. Even though there may be no legal conflict between the two parties, two people voting on both sides of the contract seems like a classic case that if challenged the vote would be set aside. The only remedy for the Board is to have Mr. Neeley or Mr. Zellely available to vote on the Resolution.

After further discussion Mr. Miller stated that Mr. Neeley was on his way to the meeting so we can delay action on this resolution until he arrives. Therefore Mr. Abrams withdrew his motion for postponement. Supported by Mr. Northrup.

Chairman Newman stated that we would move to the General Manager's Report while we wait for Mr. Neeley to arrive.

General Manager's Report

Mr. Foy stated that there is much discussion about both the State and Federal situation, as they exist today. Sometime these difficult situations are not only items of great stress but they are also areas of great opportunity. At the Federal level there are areas of opportunity such as the American Clean Energy Security Act of 2009. The industry feels that there is an appropriate role for public transportation in dealing with clean energy policy. We have been attempting to insure that part of the funding that is made available will be made available to public transportation through discretionary grants.

In addition, at the Federal level they are dealing with the issue of formula in the supplemental appropriations bill for this year. There is a possibility that they may break loose in that

legislation the opportunity for us to use some of the stimulus money for operating. Right now the stimulus money is limited for use in capital projects. If that happens we will have our first stimulus appropriations grant already in hand. We may very well have the opportunity in other grants to pick up some operating money.

The other area of concern is the new authorizing legislation for transportation. The bill as it now stands is for six years. It is about \$450 billion for all of transportation. That being the case that will provide additional opportunities for us in terms of earmarks. Our focus at this point is converting all of the vehicles in our organization over to some type of non-diesel dependency. Whether it be hybrid or moving into CNG.

At the State level every time they do any estimate of the revenue coming through it gets bleaker. It is estimated that we could be in a situation in 2010 where the amount of revenue we have is about \$6.9 billion, recognizing in 2007 we had \$9.3 billion. We were not cut in 2009 but in 2010 it is going to be very difficult for public transportation to keep from being impacted seriously by the declining financial situation here in the State of Michigan.

Mr. Foy also stated that we are moving forward with building the facility in Flushing. We want that building to be a natural gas facility. We want to start converting our Your Ride vehicles over to natural gas. This is part of our effort to eliminate our need for diesel fuel, except in the hybrid vehicles, within five years. This will be a real benchmark facility when we are done. We are dealing with green technology and including CNG.

We also met with Lloyd Fayling, who heads up the 911 facility here in Genesee County and reached an agreement where we can become a part of using the state radio towers. This will be a major improvement for us.

We had anticipated receiving \$1.35 million in Job Access Reverse Commute. It looks like that amount is going to be about \$1.1 million. We will be able to work within that number without any major impact.

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

April, 2009 Income/Expense Statement

Mr. Northrup asked if the dedicated tax revenue in the actual a fraction of the budgeted amount?

Mr. Foy stated that this is actually when we receive the money.

Mr. Ragsdale stated that under passenger fares that there is a reduction in the fares because of a reduction in ridership. In non-transportation revenue, vehicle advertisement is down because of the economic situation. In dedicated tax revenue we have the majority of tax revenue in except for the summer collection from the city and bonding from the county that we will get mid way through June. State cash grants the only difference is in the operating assistance non-urban. We

received a reduction notice from the State after we adopted the 2009 budget. Our total revenue because of the dedicated tax revenue is about \$2.8 million ahead.

Expenses are under budget by about \$170,000 so the net income through the month of April is about \$3 million.

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

Chairman Newman stated that Sheldon Neeley has now arrived at the Board meeting so we will continue the discussion on Resolution #09-42.

Mr. Foy explained that this resolution is an agreement between the Genesee County and the Mass Transportation Authority for the purpose of providing the senior care transportation service. The county agrees to compensate us \$410,833.35 over the period of time from May 1, 2009 through September 30, 2010 and we in turn will be earning that money at the rate of \$8.00 per ride for those that require door-to-door or door-thru-door service.

Mr. Abrams moved, supported by Mr. Miller to approve Resolution #09-42.

Mr. Northrup stated that he plans to vote for this. There is a conflict stated by the Attorney, therefore with specific instructions we are requesting Mr. Foy to go forward in spite of that.

Mr. Abrams stated he does not think the Board can function with that kind of opinion as they are all governmental or school board and sometime along the line we are all going to run into this sort of conflict.

Mr. Abrams also asked if the determination form gives the MTA the actual people that are eligible for these services?

Mr. Foy stated that is correct. There are agencies that have that authority to certify that the candidates are eligible for the service, either door-to-door or door-thru-door. We will keep a master list of all the people that are eligible and we will send back the authorization that we are providing the service. We will have to have a cut off list. There is not enough money to provide more than 3,000 trips a month.

Paul Newman, John Northrup, Richard Abrams, Sheldon Neeley and Duane Miller voted in the affirmative. Paul Luttenbacher voted no. Motion passed.

Executive Session

Attorney Michael Joliat advised the Board that an Executive Session was necessary to discuss two matters pending litigation. The first case is Evans vs. the Mass Transportation Authority and the other case is Roger Allen Booth vs. Mass Transportation Authority. To discuss possible resolution of either of these cases in open session may jeopardize the Authority's financial ability to resolve these cases.

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

Roll Call Vote: Sheldon Neeley, Duane Miller, Paul Newman, John Northrup, Richard Abrams, Paul Luttenbacher voted in the affirmative.

Regular session of the MTA Board was suspended at 9:02 A.M.

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

Regular session of the MTA Board reconvened at 9:21 A.M.

April, 2009 Ridership Statistic Report

April, 2009 Complaint Statistic Report

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

Comments of Board Members

Mr. Neeley stated that at the last meeting that he attended we talked about the MTA millage going in August. Mr. Neeley asked if that had changed?

Mr. Foy stated that in discussion with the City it was decided to go in November so that our millage did not interfere with the Hurley Hospital millage.

Adjournment

Meeting was adjourned at 9:23 A.M.
