



**MASS TRANSPORTATION AUTHORITY
MINUTES FOR THE JUNE 19, 2008 BOARD MEETING**

- PRESENT:** Paul Newman, Chairman, Paul Luttenbacher, Richard Abrams,
Rose Bogardus, John Northrup, Darryl Buchanan
- STAFF:** Robert Foy, Suzanne Shepherd, Charlene Kowalski, Jerry Ragsdale,
Ed Benning
- GUEST:** Mohamed El-Sayed, Kettering University
- ABSENT:** Mike Zelle, Carolyn Sims

Chairman Newman called the meeting to order at 8:05 A.M.

Mr. Foy stated that he invited Dr. Mohamed Elsayed from Kettering University to give the Board an update on the diesel electric hybrid bus project. The effort is well along and for the first time this week we actually had a 40 ft hybrid bus on the road that they have converted. This will be an ongoing thing in improving this into the advanced design. We think that the eventual goal of 40-50% reduction in the amount of fuel we use is a very obtainable goal. This program was funded through the Twenty-First Century Fund with a \$2.4 million grant. The grant was awarded to Michigan State based upon the team effort of Kettering, Michigan State and the MTA. We are at a point now where we are going to move into an area where we need additional money and with the Board's permission Mr. Foy will go out and start seeking grants. If we are going to be able to substantially affect our ability to do our job we are going to have to have the technology. As we mentioned before, our fuel budget for last year was \$2.3 million. For the same amount of fuel this year it is costing us \$3.9 million. If we can cut that in half and save almost \$2 million a year on fuel it doesn't take long to complete the payback period.

Mr. Foy also stated there has been an offer from a Chinese bus manufacturer for us to take a trip to China. They are interested in locating here in the United States and building a production plant for buses. They would use the technology we are talking about for putting that together.

A completely separate project but running parallel is the MTA Fuel Cell Program. We have all the confirmations now and have been authorized to build the hydrogen generation plant. We have \$2.6 million to do that. We also have another \$1,250,000, which has been identified for the purchase of the first fuel cell bus. It will take us about eighteen months to build the hydrogen plant. Once we get the hydrogen generation plant, we could purchase the fuel cell bus. We will

be using the bus primarily as a test vehicle that the students and faculty at Kettering can use to see how the technology can be improved.

The important thing about the hybrid program is that this is going to be our next generation bus. We will be converting all of our buses to diesel electric. Then at some point in time we will then start the process of moving over to fuel cell if the technology is developed and proves to be the proper next move for us.

Mohamed El-Sayed, Kettering University stated that he would like to congratulate the MTA for being one of the leaders in supporting this project because he believes it is not only about technology but about transforming Flint. California is attracting and pulling a lot of the technology there and if we don't get a piece of that we are not going to be the motor capital of the world. Dr. El-Sayed stated that he has been working with several overseas companies that are interested in establishing in the United States. The last company is the Chinese company. They are the biggest bus building company in China as a private company. They want to establish a facility here in the United States, hopefully in Genesee County. They want to move fast and have invited us to China to visit their company.

Dr. El-Sayed gave a technical briefing on the diesel-electric hybrid bus. After a lengthy discussion the update was concluded.

Comments of the Public None

Minutes of the May 22, 2008 Regular Board Meeting

Mr. Northrup moved, supported by Ms. Bogardus to approve the minutes of the May 22, 2008 Regular Board Meeting. Motion passed unanimously.

Minutes of the May 20, 2008 Finance Committee Meeting

Mr. Abrams moved, supported by Mr. Buchanan to approve the minutes of the May 20, 2008 Finance Committee Meeting. Motion passed unanimously.

Resolution #08-41 approving the payment of the Mass Transportation Authority Membership Dues with American Public Transportation Association (APTA) for the period of July 1, 2008 through June 30, 2009.

Mr. Foy stated that this is a continuation of the membership that we have had for the last thirty years. The dues this year are \$26,000. It is based upon a formula of your total operating cost. We are currently at an operating cost of \$24 million. We recommend that we continue our membership with the American Public Transit Association.

Mr. Northrup moved, supported by Ms. Bogardus to approve Resolution #08-41. Motion passed unanimously.

General Manager's Report

Mr. Foy stated that in terms of the Federal budget there is not a great deal of action. Most of it is in sub-committee meetings. The general conversation and thought is that we are not going to have an appropriation until after the election. There are some actions on climate change and other things that they are working on but generally speaking there won't be much done until after the election.

One important thing is that the Federal Transit Administration has proposed changes to its policy regarding the definition of what is school bus service. We are prohibited by the appropriations act from engaging in school transportation. Whenever we get a grant approved we have to certify that we are not providing that service. However, in the past we have always been able to provide route service open to the general public where the students were the primary riders. That was always considered to be in full compliance with the law. The basic consideration we have now is that if they now tell us that if the primary riders on a route are students, we will have to eliminate the route. In Genesee County we have tried several times to have the private sector involved but their cost is considerably higher than ours is and therefore not feasible. Basically the poor families would not be able to choose to go to charter schools because they would not have affordable transportation.

The FTA is taking comments from the public and then they will come back out with a revised policy taking into consideration the concerns expressed by those that write in. If we are forced to close down all of our peak period routes we would have to add vehicles to be able to operate on 10 or 15 minute headways on our regular routes to take care of the students.

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

May, 2008 Income/Expense Statement

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that under passenger fares the fixed routes and regional fares are exceeding what our last evaluation was. In demand response it is not meeting our original projection so we are in the process of reevaluating our demand response revenue projection.

In non-transportation revenue there are areas where we are working on increasing the revenue. Dedicated tax revenue is ahead of projection by almost \$2 million. We did receive a county payment this month for over \$ 1 million. Overall we are expecting to receive \$125,000 over what we had budgeted.

State cash grants operating assistance-urban are slightly ahead of what we had originally projected based on what the State had indicated that we would receive. Our total net annual revenue budget has about \$2 million in additional revenue than what was originally projected.

In expenses the areas we are reevaluating are labor, fringe benefits and materials and supplies, which is the fuel issue. Just this week when we purchased fuel it was \$3.87 a gallon. It is in the

budget as \$3.80 so it is already ahead of what we projected. Even with this we show a contribution to equity of about \$1.6 million.

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

May, 2008 Ridership Statistic Report

Ed Benning, MTA Assistant General Manager-Service stated that the ridership for May was 550,127 passengers for an increase of 14% over the prior year. Year-to-date the ridership is 4,140,479 for an increase of 15%. We are well on our way for ridership that will exceed 6 million passengers this year.

In the fixed routes we had a ridership of 422,241 for a 13% increase. Peak period service had ridership of 47,567 for a 64% increase. Regional service had 16,822 passengers for a 14% increase. We feel that this is going to continue to grow as people are opting to use public transportation as their option of chose. Curb-to-curb ridership was 63,497 for a decrease of 3%. Part of this is because we moved a number of riders that were students over to the peak period routes. We are providing trips for work 24 hours per day and for dialysis patients that go well before our normal service day.

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

May, 2008 Complaint Statistic Report

Mr. Benning stated that for the month of May we had a total of 30 complaints out of the 550,127 trips we provided. The two areas that stand out is late bus/van and driver conduct. We continue to work on that by retraining our drivers. Some of the issues with the late bus/van are related to people's awareness of how to use the system and some issues we have run into with our software system.

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

Comments of Board Members None

Adjournment

Meeting was adjourned at 9:07 A.M.