



***MASS TRANSPORTATION AUTHORITY
MINUTES OF THE JUNE 25, 2009 BOARD MEETING***

PRESENT: Paul Newman, Chairman, Richard Abrams, Paul Luttenbacher, Mike Zelle, Duane Miller, John Northrup, Ted Henry, Sheldon Neely (Arrived at 8:53 A.M.)

STAFF: Robert Foy, Suzanne Shepherd, Jerry Ragsdale, Ed Benning, Lynn McLean

GUEST: Various Member of the Mott Park Association

Chairman Newman called the meeting to order at 8:01 A.M.

Comments of the Public

Michael Smith, Mott Park Association read a statement to the Board that he had previously read before the Genesee County Board and the Flint City Council. The statement concerned a bus stop sign that has been placed in front of his house on Weller Street. Mr. Smith believes that there is a better location for this new bus route and bus stop. Mr. Smith recommends that the new location should be on Nolen Drive where both sides of the street are owned by the city. Mr. Smith also asked why there was no prior notification of the new use of the street and how we can relocate this new route and bus stop to another more appropriate location.

Martha Weder, Mott Park Association stated that they are not pleased to have a new route in their neighborhood and do not need MTA service. Because the association was not informed that these bus stop signs were being installed they are asking that they be removed. Ms. Weder also stated that the buses are too big for their residential streets and they drive too fast to be in the Mott Park area.

Patrice Zeller, Mott Park Association stated that one of the new bus stop signs is in front of her house. She has been aware of this route. It is not new because it has been picking up school children and dropping them off for the past year. The buses do not obey the speed limit and that is her main concern. Ms. Zeller also believes that the bus stop sign in front of her house decreases the value of her home even more than what the city has assessed her house for. However, she does appreciate the fact that there will be a sign stating that this is not a regular bus stop.

Pat Seales, Mott Park Association stated that Norbert Street is three blocks long and dead ends at the park. Her biggest complaint about the buses going through the neighborhood is that they go too fast. She doesn't know why they are even on her street, as her street doesn't go anywhere.

Kyle Root stated that he has a bus stop sign in front of his house. There is another bus stop three doors down from his house. They live in a quiet area and the buses drive too fast and roads are not appropriate for a bus. The trucks putting in the signs have ruined his lawn. He could see putting the bus stop sign in the park where there are no residents and would not have invaded any residents space.

Jane Sendercroft operates a license daycare in the neighborhood. She sees no way where these bus stops are going to benefit their quality of life in the neighborhood. They have worked hard to keep a bedroom community. She doesn't know anyone in the neighborhood who doesn't own a vehicle and they do not need the buses in their neighborhood.

Mr. Foy stated that these are not new bus routes. These are peak period routes that operate between 6:30 am – 9:30 am and then start back up around 1:30 pm-4:30 pm. The primary individuals that ride these routes are students. The routes have been in existence for quite some time. We brought to the Board the requirement we have from the Federal Transit Administration that we have bus stop signs wherever we stop to pick up people. We went on contract to have the bus stop signs installed. It has been a difficult chore for us because of the mobility of the people we have within our community. The locations for the peak period routes are changing on a constant basis. We hired a contractor back in February or March and they are now just getting to some of the neighborhoods to put up the signs that are required by the FTA.

Mr. Foy stated that we are very sensitive to what goes on in the neighborhoods. We are willing to work with the residents in Mott Park. The issue of speeding with the buses, we would have to differentiate on whether they are talking about only public transit buses as opposed to the yellow school buses. We will work with the residents from Mott Park to see if we can't set up a mutual way we can provide the necessary service to the public and at the same time meet their desires for maintaining the high quality of life in their neighborhood.

Chairman Newman stated that Mr. Foy is to report back to the Board on the results of the meeting and also on the investigation to the speeding issue.

Minutes of the May 28, 2009 Regular Board Meeting

Mr. Northrup moved, supported by Mr. Miller to approve the minutes of the May 28, 2009 Regular Board Meeting. Motion passed unanimously.

Minutes of the May 26, 2009 Finance Committee Meeting

Mr. Abrams moved, supported by Mr. Northrup to approve the minutes of the May 26, 2009 Finance Committee Meeting. Motion passed unanimously.

Resolution #09-43 authorizing the General Manager of the Mass Transportation Authority to enter into a contract with Webster & Garner Oil Company for the purchase of Motor Oil and Automatic Transmission Fluid, for a twelve (12) month period, in an amount not to exceed \$98,695.00.

Mr. Abrams stated that the Finance Committee has reviewed this item and recommends approval by the full Board, therefore Mr. Abrams moved Resolution #09-43. Mr. Luttenbacher supported. Motion passed unanimously.

Resolution #09-44 authorizing the General Manager to enter into an agreement with All Type Truck and Tractor for the repair of A New Flyer Transit Bus in an amount not to exceed \$77,081.37.

Mr. Abrams stated that the Finance Committee has reviewed this item and recommends approval contingent upon funds being made available. It is the Committees understanding that the funds are not available at this moment.

Mr. Abrams moved, supported by Mr. Northrup to approve Resolution #09-44 contingent upon the funds.

Mr. Henry asked how long the bid was good for?

Mr. Foy stated that the MTA has not received any Federal funds yet this year. The grants are there but with the stimulus money and all the stimulus activity they feel they are completely inundated with work and have not been able to get the grants out. We do know that this grant should be approved and to us within the next thirty days.

Motion passed unanimously.

General Manager's Report

Mr. Foy stated that the written report goes into some detail on what is happening at the Federal level. We are working two things at this time. The appropriation process and the authorization process. The challenge present is expressed in the written report so he won't recommunicate what is there.

At the State level we are faced with two serious challenges. The first being that we are still dealing with the \$900 million shortfall in the FY 2009 budget. The solution to that has not been finalized. We don't know what the outcome will be from that. We hope that public transportation funding will be held harmless in this process. In the case of the FY 2010 appropriation process that they are going through at the present time, they have about a \$500 million shortfall beyond what they are going to have in 2009. In that process they have identified \$11.5 million that they will be cutting from the Comprehensive Transportation Fund and using that funding to help fix some of the shortfall they have in the general fund. They have identified a \$4 million reduction in operating assistance so we will be getting less operating assistance in 2010. In addition, they are cutting \$3 million from the bus capital line item. We use the State bus capital to match the Federal dollars. Obviously, with the \$3 million cut there is

not going to be adequate money to be able to match Federal grants. We will have to work through what the solution will be. It may very well come down to the fact that we may have to come back to the Board and use local millage money to match some of the Federal grants if we are going to be able to exercise them. This is only for the appropriated money that is involved with our formula program. It does not have anything to do with the stimulus money.

Mr. Zellely stated that in the stimulus money it requires some unique reporting for the transparency of it. Is that putting an additional burden on reporting and is it tending to create jobs?

Mr. Foy stated that MTA's portion of the stimulus money is \$8 million. This is predicated upon three programs. One being our preventive maintenance for \$3 million, the other is \$3.2 million for the Intelligent Transportation System implementation and the third is the new communication system that we have for all of our vehicles. As we stated before, Motorola is no longer going to be supporting the type of system we have now. They are going digital and they are cutting off all support so we have to move over to a digital system. All of those will create jobs. Obviously the jobs associated with the new radio system will be a contractor, the work with preventive maintenance is in house and the ITS program will create jobs not only in the MTA but also on the outside. The reporting that we will have is still in development. The Federal government has not clearly told us how they want it done.

Mr. Northrup asked when we would have the analysis of the May drop in ridership from last May?

Mr. Foy stated that we will have to wait for the next sixty days and see what happens in the month of June. On our fixed routes we had a 15% reduction and we are not sure exactly what we have until we have a chance to study the numbers.

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

May, 2009 Income/Expense Statement

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that in the passenger fares we are about \$130,000 under projection for the year. The issue is in the reduction of passenger boardings. In non-transportation revenue, vehicle advertising has been greatly down because of the economy. Our contractor has been very active in the last month or so and the advertising is starting to come back up. Parking passes and meters down at the transfer center has increased. We have just about a full lot now with companies using the parking lot. Rentals-Buildings/Tower is down because one of the largest wireless companies went into bankruptcy. Total non-transportation revenue is down about \$45,000. In State cash grants, the operating assistance-non urban is a result that the state notified us after we put together our 2009 budget that they were reducing the formula. That is why we are down about \$22,000 there. In the expenses we are down in all areas except the labor so that is giving us total expenses of about \$175,000 under budget. Total net income at the end of May is \$2.1 million because of the way our tax revenue has come in during the year. This will start to decrease in the last quarter.

Mr. Foy stated in the tax revenue we are running about \$1.5 million below where we would have hoped to be. If we find out in the bonding process that we only get \$800,000 to \$900,000 that will immediately give us a \$600,000 to \$700,000 gap in our revenue. If that happens we may have to be very careful on some of the services that we are providing. Particularly with regional service that we are continuing to operate. We have had two plants close now that we previously were providing transportation to. We are getting near the end of the fiscal year and there are going to be some challenges that we are going to have to face.

Chairman Newman ruled that the May 2009 Income/Expense Report be received and filed.

May, 2009 Ridership Statistic Report

Ed Benning, MTA Assistant General Manager-Services stated that the ridership for May 2009 was 482,147 passengers. We are down 12% overall on the ridership. We are reviewing the ridership and pulling information from the prior year 2008. The ridership that we experienced this May is the same ridership that we experienced in 2007. We are looking into what may have happened in 2008 to impact the ridership. One of the routes in particular, the Miller-Linden Route, we have seen a trend starting around the holidays where the ridership has been dropping off on that route. Possibly that has to do with the number of businesses that have downsized their part time employees and those going out shopping. A year ago gas prices had escalated and has now come back down, which may be impacting the ridership.

On the regional routes the ridership was 13,480 passengers, down 20%. Some plants where we provided transportation, we arrived at the plant and they had boarded up the plant, locked the doors with no notification and we had to discontinue the service.

On the senior service we carried 3,205 passengers on the senior care door-to-door and door-thru-door service.

Mr. Miller stated that he appreciates the prospectus of giving the Board a review of what has happened but he doesn't think there is much difference between revenue with MTA and revenue within the City. He would like to understand from a co-active standpoint, what are we going to do going forward. He would appreciate an update at the next meeting on terms of given the compression on revenue what we can do and what services we are going to change in moving forward. Mr. Miller doesn't see the MTA in a position where we are going to recover all of the revenue that we lost.

Mr. Foy stated that one of the things we will be doing this summer and early fall is a new strategic plan. Because there are so many changes occurring both from how we are going to have to fund public transportation and what the needs are and how those needs are changing, it is necessary for us to take a longer view than just one or two years.

Mr. Miller stated that he thinks a long-term plan is important but he is more concerned about the immediate year. How we are going to end up this year and what services are going to be cut this year.

Mr. Foy stated that we are reluctant to reduce the workforce. However, we may find ourselves in a situation where we have to downsize the organization to meet our FY 2009 financial goals. We don't see any major changes in the way the public receives their services but there may be some changes in the way we provide them. If we end up with a eight or nine hundred thousand dollar problem, we are going to have to look at how we can reduce the funding without reducing the overall services we are providing to the public.

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

May, 2009 Complaint Statistic Report

Mr. Benning stated that we had 7.6 complaints per 100,000 passengers or 37 complaints. Driver conduct still remains the highest complaint and requires constant surveillance. On the speeding issue Supervisors are out daily with radar guns to keep the speeding down.

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

Comments of Board Members

Mr. Foy stated that this coming Wednesday and Thursday a team of Federal employees would be coming to review the MTA. Every three years this occurs and it is called our Triennial Review. The purpose is to make sure that we are in compliance with the Federal regulations.

Mr. Miller stated that two resolutions would be going before the Flint City Council. One is to put the MTA millage on the November ballot and the other is to fill the two vacant spots on the Board that are to be appointed by the Mayor.

Adjournment

Meeting was adjourned at 9:12 A.M.