



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE AUGUST 23, 2007 BOARD MEETING**

PRESENT: Mike Zelle, Chairman, Richard Abrams, Paul Newman, John Northrup, Rose Bogardus, Joe Conroy, Carolyn Sims (Arrived at 8:07 A.M.)

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

GUEST: Boots Abrams, Michael Joliat, Attorney

ABSENT: Paul Luttenbacher

Chairman Zelle called the meeting to order at 8:04 A.M.

Chairman Zelle stated that we are going to move into Executive Session right away as we have some Board members that need to leave early.

Executive Session

Attorney Michael Joliat advised the Board that an Executive Session was necessary to discuss two matters pending litigation in Genesee County Circuit Court involving the Mass Transportation Authority. Discussion in open session may jeopardize MTA's position.

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

Roll Call Vote: Mike Zelle, John Northrup, Richard Abrams, Paul Newman, Rose Bogardus, Carolyn Sims, Joe Conroy voted in the affirmative.

Regular session of the MTA Board was suspended at 8:08 A.M.

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

Regular session of the MTA Board reconvened at 8:47 A.M.

Mr. Northrup moved, supported by Ms. Sims to accept the recommendation of council relative to Dorothy Groat vs. Sheila Davis and the Mass Transportation Authority. Motion passed unanimously.

Mr. Northrup moved, supported by Mr. Newman to accept the recommendation of council relative to Sherry Smith vs. the Mass Transportation Authority. Mike Zelle, John Northrup, Paul Newman, Rose Bogardus, Joe Conroy voted in the affirmative. Carolyn Sims opposed. Motion passed.

Ms. Sims left the meeting at 8:50 A.M.

Comments of the Public None

Minutes of the June 21, 2007 Regular Board Meeting

Minutes of the June 19, 2007 Finance Committee Meeting

Mr. Abrams moved, supported by Mr. Newman to approve the minutes of the June 21, 2007 Regular Board Meeting and the minutes of the June 19, 2007 Finance Committee Meeting. Motion passed unanimously.

Mr. Abrams stated that agenda items 3, 4, 5, 6, 7 and 8 were reviewed by the Finance Committee and recommends approval by the full Board.

Resolution #07-47 authorizing the General Manager of the Mass Transportation Authority to enter into a contract with Ace Asphalt & Paving for the repair and resurfacing of asphalt parking lot and drives in an amount not to exceed \$67,560.00 and manhole repair for up to five (5) units at \$500.00 each for a total contract not to exceed \$70,060.00.

Resolution #07-48 authorizing the Board to exercise a line of credit not to exceed \$2,000,000 from JP Morgan Chase Bank, N.A. (the "Bank"), to finance working capital expenditures of the Authority through September 30, 2008.

Resolution #07-49 authorizing the General Manager to renew a two (2) year agreement for the maintenance of MTA's 900 MHZ Five (5) Channel Radio Trunking System with Motorola Communications, supporting the communications for bus driver, dispatching, supervisors and building and grounds personnel, in an amount not to exceed \$107,345.76.

Resolution #07-50 authorizing the General Manager to enter into an agreement with Brown and Brown of Michigan, Inc., for the Worker's Compensation Excess Insurance Policy, underwritten by Midwest Employers Casualty Company, for a two (2) year period, in an amount not to exceed \$110,764.00.

Resolution #07-51 authorizing the General Manager to issue Change Order Number One (1) to Midwest Bus for installation of two remanufactured differentials, 10 new wheelchair restrains, and 10 new body side retainers and rubber inserts in an amount not to exceed \$33,470.00 for a total contract of \$5,360,683.00.

Resolution #07-52 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 Transmission Fluid, for a twelve (12) month period, in an amount not to exceed \$72,390.00.

Mr. Northrup moved, supported by Mr. Newman to approve Resolutions #07-47, #07-48, #07-49, #07-50, #07-51 and #07-52.

Mr. Newman stated that there were several questions during the Finance Committee that were all answered and resolved satisfactorily.

Motion passed unanimously.

Resolution #07-53 specifically designating Robert J. Foy, General Manager as the authorized coordinator responsible for accepting Federal Surplus Property, with the power and full authority to sign for such surplus property.

Mr. Northrup moved, supported by Mr. Abrams to approve Resolution #07-53.

Mr. Foy stated that we have a need for a vehicle that is a tug. It moves the buses around when they are inoperable. We are using one of our old trucks, at the present time, and we're at the point where that truck is ready to go. We want to get a vehicle that is safer and built for the purpose it was intended. To buy one brand new it would cost about \$70,000. We are hoping to be able to get one out of the Federal Surplus Property. We have to have the authority from the Board to request surplus property.

Mr. Northrup stated that this is just the authority to go forward with them and explore the possibility of getting the property?

Mr. Foy stated that is correct.

Motion passed unanimously.

Resolution #07-54 authorizing the General Manager to submit the FY 2008 update to the Disadvantaged Business Enterprise (DBE) Program to the Federal Transit Administration (FTA) pursuant to 49 CFR Part 23 & 26 and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that it is an annual requirement to update our Disadvantage Business Enterprise Program. Several years ago the DBE program was changed to where a DBE business was based on the net worth of the owner, not the race or sex of the owner. This cut the number of businesses that you could claim as disadvantaged because the owners do not want to report their net worth. This year our base figure was 3.7%. The national goal is still set at 10%. We are recommending to the Board that we establish our DBE Program at 10%.

Mr. Abrams left the meeting at 8:57 A.M.

Mr. Newman moved, supported by Mr. Conroy to approve Resolution #07-54. Motion passed unanimously.

Mr. Conroy left the meeting at 9:02 A.M.

FY 2007 3rd Quarter Performance Indicators

Mr. Foy stated that Finance maintains the quarterly indicators. On our passengers per vehicle hour we have met our goal. Operating cost per vehicle hour, we are about 99 cents high. Maintenance cost per mile is about 6 cents over our target. Passengers per service mile, we are ahead of target and service mile per passenger on Your Ride is 6.57 vs. our target of 6.75. The items of interest are the cost per passenger. The cost per passenger in demand response is \$7.09. It is still 9 cents over our target but we are by far the lowest in the State and one of the lowest in the country. Farebox recovery rate, at one time, got up to almost 50% in terms of our recovery rate. When we expanded the Your Ride service and regional service, this lowered the recovery rate. Still we are at 38.51% recovery rate on our fixed route and 19.60% recovery rate on demand response. In both cases we are over our targeted amount.

Chairman Zellely stated that if there was some kind of national average that we could indicate that were performing to, that would help the Board understand it better.

After some discussion, Chairman Zellely ruled that the FY 2007 3rd Quarter Performance Indicators be received and filed.

General Manager's Report

Mr. Foy stated that there are positive and negatives for 2007. We are in a situation where I think it is absolutely horrible that the FTA would take all of the discretionary 5309 funds and give them to five transit agencies. They have eliminated all of the important programs for smaller transit systems. There isn't any appeal process so we have to move onto 2008.

In 2008 we are in a position of good news, bad news. On the House side, MTA received no earmark. On the Senate side, we have an earmark of \$4 million. It still has to get through the conference committee between the House and the Senate. With nothing on the House side and \$4 million on the Senate side, it will probably turn out to be less than \$4 million. In the appropriations bill for 2008 there are some new areas for programs that have not previously existed. We may be able to get some money for our hybrid program out of the Renewable Fuels and Consumer Protection Efficiency Act. In addition, there is \$400 million in security funding. We have been pushing very hard for us to get a piece of those funds.

In the Transit Security authorizing legislation, which will take us out for another 4 years, the numbers in 2008 will begin at \$650 million. Then it goes to \$850 million and then \$1.1 billion for transit security. There is also an energy bill. Under this energy bill, because we are moving towards using alternative fuels, it should allow us to access some money for these programs. These are discretionary funds.

Mr. Foy also stated that each year we have an event to honor our employees that is of a major nature. This year we are going to Cedar Point. This is part of our Health and Welfare fund that we have put into the budget. We will be leasing vehicles from a private carrier for this purpose. The employees are very enthusiastic about this.

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

June and July, 2007 Income/Expense Statement

Mr. Ragsdale stated that in the passenger revenue, fixed route has moved into the positive mode. Demand Response and regional are still lower than projected but we are still almost \$51,000 above our projected fares. In non-transportation revenue we are almost \$23,000 over our estimate. Dedicated tax revenue we are \$1 million over our projection. In State cash grants we were told that they were not going to match our preventive maintenance, however they have now come through with almost \$100,000 in matching funds. Also in the Job Access Reverse Commute 2006, we were expecting a 50% match of \$207,202. They came in with an additional \$1.1 million. Total State cash grants are over by almost \$98,000. In Federal cash grants, we were notified that we would receive \$82,000 in Section 5311 funds. In fact, we got \$104,000 more than what they originally projected. Our total revenue to date is almost \$1.3 million more than what we had projected.

In expenses we are almost \$500,000 under projection, which gives us a net income of \$1.7 million. We will be bringing a revised budget to the Board in September.

Chairman Zellely ruled that the June and July 2007 Income/Expense Statement be received and filed.

June and July, 2007 Ridership Statistic Report

June and July, 2007 Complaint Statistic Report

Chairman Zellely stated that without rejection the Board will receive and file the June and July, 2007 Ridership Statistic Report and the June and July, 2007 Complaint Statistic Report.

Comments of Board Members None

Adjournment

Meeting was adjourned at 9:34 A.M.