



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE AUGUST 27, 2009 BOARD MEETING**

PRESENT: Paul Newman, Chairman, Paul Luttenbacher, Richard Abrams, Mike Zelle, Gregory Eason, Maxine Murray, Pastor Seon Thompson, John Northrup, Sheldon Neeley (Arrived at 8:42 A.M.)

STAFF: Robert Foy, Suzanne Shepherd, Jerry Ragsdale, Ed Benning, Lynn McLean, Mark Hornung, Terry Jurens

GUEST: Aaron Stevens, Alan Panter, Abraham and Gaffney, Warren Franklin, Chief Steward Local 3437, Micah Shamley, Union President, Greg Mitchell, Richard McDonough, Chief Steward Local 1223

ABSENT: Ted Henry

Chairman Newman called the meeting to order at 8:03 A.M. stating that he would like to welcome the new Board members.

Maxine Murray is a long time resident of Flint and is currently employed by the City of Flint. She is very much involved in her community and is looking forward to working with the Board.

Gregory Eason is the new City Administrator for the City of Flint and is also a long time resident of the city.

Pastor Seon Thompson is the Pastor for Refuge Temple Church of Flint and is a long time resident of the city.

Comments of the Public None

Chairman Newman stated for the benefit of the new members that the Finance Committee met on Tuesday and many of the items on the agenda were thoroughly discussed and were recommended by the Committee to the Board for action. Item #6, Resolution #09-52 was reviewed by the Committee and recommended to the Board but since that meeting it was found that the contractor is not able to meet the procurement requirements for this item so it is being withdrawn from the agenda until staff is able to get that item resolved.

Minutes of the July 23, 2009 Regular Board Meeting

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

Minutes of the July 21, 2009 Finance Committee Meeting

Mr. Abrams moved, supported by Mr. Northrup to approve the minutes of the July 21, 2009 Finance Committee Meeting.

Resolution #09-49 authorizing the General Manager to enter into a five (5) year contract with Abraham and Gaffney to provide financial and compliance audit services in an amount not to exceed \$162,000.00.

Mr. Abrams stated that the Finance Committee has reviewed this item and recommends approval by the full Board, therefore Mr. Abrams moved Resolution #09-49. Mr. Northrup supported.

Mr. Foy stated that every five years by directive of the Federal Transit Administration, we have to go back through the process of rebidding our audit service. At the present time we have had a local firm providing this service. The proposal this time is for a five-year contract with Abraham and Gaffney, which is an equally qualified firm. The cost proposal was \$25,000 lower than the other proposals. We are asking for the approval to issue Abraham and Gaffney a contract for five years to provide financial and compliance audit services.

Alan Panter, Abraham and Gaffney stated that their firm is based in East Lansing. They have offices in St. Johns and Rochester Hills. They focus their practice on audits of governments and non-profit agencies. They have also targeted transportation as one of their focused areas. They are very familiar with the requirements of MDOT and the FTA and are very happy to be considered as the new auditors for the Mass Transportation Authority.

Mr. Foy stated that he made telephone calls to General Managers of transit systems that Abraham and Gaffney are providing services to and their response was that their services were excellent.

Motion passed unanimously.

Resolution #09-50 authorizing Robert J. Foy, General Manager to issue two (2) changes to the Sorensen Gross Agreement for Adaptive Micro Systems to upgrade the Community Bulletin Board that addresses security issues to the Web Portal, in an amount not to exceed \$16,060.00 and to replace four (4) existing standard cameras with 360 degree panoramic cameras to provide higher security level, in an amount not to exceed \$19,259.00, at the Downtown Transfer Center, for a total change to the Adaptive Micro Systems agreement in the amount not to exceed \$35,319.00.

Mr. Abrams stated that the Finance Committee reviewed this item and recommends approval by the full Board; therefore Mr. Abrams moved Resolution #09-50. Mr. Northrup supported.

Mr. Foy stated that this change order will provide increased technology associated with the operation of our Downtown Transfer Center. This building will probably be the most technologically advanced facility in the City of Flint. It has taken us about four years to get this all together. We had a meeting the first part of this month where we have requested no more delays. There are two changes however which they asked to be done that would substantially improve the operational capability and the quality of the work.

Marc Hornung, ITS Consultant stated that some of the technology enhancement is to bring the entire infrastructure up to a level of security that was expected initially. As technology was set up on the sign there were some things we wanted to add. One was a secure log-on to the Web Portal for agencies to post their messages on the sign. There has also been some software enhancements that will allow for sending back e-mail messages if the agency has forgotten their password.

The cameras are being chosen because they will provide some additional visual coverage in the causeway area that we did not know we were not going to be able to cover with the existing cameras.

Mr. Zelle asked what rules will we have to post events on the sign?

Mr. Foy stated that we have up to forty (40) locations on the sign that can be used by the community. The criteria is that the posting has to be some type of a community event. They will transmit to us (they have so many digits they can use) their current event. We will run it through a filter system to ensure that what is put on the sign is appropriate. We will then either accept or reject it.

Motion passed unanimously.

Resolution #09-51 authorizing the General Manager to enter into an agreement with Motorola to provide equipment services, for a period of up to one (1) year, in an amount not to exceed \$53,141.76.

Mr. Abrams stated that the Finance Committee has reviewed this item and recommends approval by the full Board, therefore Mr. Abrams moved Resolution #09-51. Mr. Northrup supported.

Mr. Foy stated that we have a radio system in which we communicate with the 342 vehicles that we have on the road. The radio system was put in over ten years ago. Motorola has informed us that they are going to cease to be able to maintain it. They are moving everything to digital. That is why the radio system that we pulled from the agenda is so important. In the meantime we have to continue to function with the present radio. We are entering into an agreement with Motorola for them to be able to go out to other systems that are leaving and going over to the digital system to buy up their spare inventory to keep our radio alive until we can get our new radio system in place. This contract is month to month and is a total estimated amount over a period of one year. We fully expect to have our new digital system in long before that so we will not necessarily be spending the full \$53,000.00.

Motion passed unanimously.

Resolution #09-53 authorizing the General Manager to enter into a two (2) year agreement with ASTA Corporation to provide for a Third Party Administrator for Drug and Alcohol Testing in an amount not to exceed \$56,760.00.

Mr. Abrams stated that the Finance Committee has reviewed this item and recommends approval by the full Board, therefore Mr. Abrams moved Resolution #09-53. Mr. Northrup supported.

Mr. Foy stated that ASTA Corporation is the firm that has been our third party administrator in the past. It was put out for competitive bid and in the evaluation process they were the most qualified individuals to provide the service. We have, as a requirement, to do random drug testing of all of our employees. There is a regular pattern that they follow in the random drawing. There is a certain percentage of the employees that must be tested each month.

Motion passed unanimously.

General Manager's Report

Mr. Foy stated that at the Federal level we are going through the appropriation process and also the authorization process. They are trying to get all of this done by September 30th when the current authorizing legislation expires. But at the same time they are focused on healthcare. We do not believe the appropriation will be completed by October 1st.

At the State level we have an equally difficult situation. The state must balance their budget by September 30th. They have a \$900 million shortfall and they have not been able to reach an accommodation to each other in terms of both parties. Not only is that a serious problem, but also the forecast for 2010, which starts on October 1, 2009, is a \$1.5 billion additional shortfall. Just four or five years ago we had a State budget of \$10.2 billion. This year we are going to have to try to balance it at \$6.9 billion. Next year that number will be something like \$5.2 billion. So we will be cutting that budget almost in half. We have been fortunate that over the last couple of years transportation has been considered one of the keys to the recovery in the State of Michigan. They have tried to keep from cutting any of the state subsidies associated with our operating assistance, but in order to resolve the problem of \$900 million and the \$1.5 billion, we re in a situation that we don't know how public transportation is going to be held harmless. It is very important that we stay politically active in this process so that clearly the legislators understand the implications of any cuts that they find necessary.

We have been fortunate that Ed Benning, Assistant General Manager-Services has been selected to represent public transit nationwide in an At Large Position with the American Public Transit Association, which is the national association for transportation. In these depressing times, the communication that takes place between the Federal government and the transit providers is very important and this will allow Mr. Benning to be a member at large. We are very proud that he has been selected to take on that position at the national level.

In addition, we have submitted an application for an employee to be a part of the American Public Transit Association Leadership Program. Steve Hamelin, who is the Manager for all of our Your Ride service, has been selected to be a part of the APTA Leadership class for 2009/2010. This is a distinct honor for him to be selected and be part of a class of twenty other individuals from all over the country.

Mr. Foy also stated that we had an unannounced visit from the Department of Environmental Quality. They completed an inspection and said that the overall condition of the facility was well organized and maintained. Good housekeeping and preventive maintenance measures are especially well implemented. Staff is commended for their efforts to maintain compliance with the permit.

Also on behalf of the community we sent a letter to Fritz Henderson, General Motors President asking him to reconsider dropping the Buick Open going because it means so much to our community. We received a response and they said that they appreciated the comments but they did not say they would make any changes.

This is also the year that we go out for renewal for the City of Flint millage. This is a 6/10ths of a mill for the City of Flint only. We have had this millage since 1995 and this is our fourth renewal. This millage is primarily for the city buses, which consist of the primary routes, peak period routes and our regional service. It will be on the ballot for November 3rd. Mr. Foy then went over the millage campaign that is planned stating that we anticipate a high level of support for the renewal.

Mr. Northrup asked in regards to the appropriations bill, how would Mr. Foy analyze where it is at this point?

Mr. Foy stated that there is going to have to be major cuts. The focus on cuts right now is in education and community health. There are those that say transportation, although is critical to the rebirth of the economy in the State of Michigan, is going to have to take some share of the cuts. Right now we feel that we are probably going to lose \$4-\$6 million out of the \$166 million distributed statewide for operating assistance. On the capital side, generally the grants are 80-20. The 20% that traditionally comes from the State of Michigan may be difficult to fund. We also get a grant for \$1.1 million for our regional transportation. We do not have an assurance that we will get all of that for FY 2010. They say that they don't see why it would be pulled back because those are federal dollars coming into the state that they pass through to us as part of work support. But until you have it, you don't have it.

Chairman Newman suggested that as part of the millage campaign it might be beneficial for Board members to accompany the staff when we have the public meetings.

Mr. Foy stated that we would send them a schedule of the meetings and if anyone had an interest they could let us know which ones they would like to attend.

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

Mass Transportation Authority FY 2009 3rd Quarter Performance Indicators

Terry Jurrens, MTA Grant Manager stated that annually we adopt performance indicators. There are any number of things that we can look at so we have picked out the ones that we feel affect the performance of our organization. We set a target for the fiscal year and each quarter we measure how well the organization is doing in reaching the targets that were set at the beginning of the fiscal year.

For passengers per vehicle revenue service hour our target for fixed routes is 31.5 passengers and for the 3rd quarter we had 28.0 for a cumulative of 29.7 passengers. For demand response the target is 2.5 and the cumulative is 2.4 passengers. For operating cost we had set targets that were fairly generous this year because a year ago fuel was at times \$4.00 per gallon. For fixed route we had an operating target of \$43.75 per vehicle hour and for the 3rd quarter it is \$36.15. Demand response target was \$22.50 and for the 3rd quarter it is \$19.24 per vehicle hour so this is good news. Cost per passenger for fixed route was set at \$1.40 and 3rd quarter cost was \$1.43. For demand response the target was \$10.00 and the cost for the 3rd quarter was \$9.37.

Mr. Northrup asked if we had a handle on the pull offs? There is a huge discrepancy in the demand response.

Ms. Jurrens stated that it seems like the vehicles are running fine and then it seems like all of the brakes fail at the same time or something similar. There really isn't any reason for it; it's just the luck of how things happen.

Mr. Eason asked how we came up with these particular performance indicators?

Ms. Jurrens stated that there was a discussion among the staff and we picked out ones that we thought are prevalent to our organization and then they were brought before the Board for approval.

Chairman Newman ruled that the Mass Transportation Authority FY 2009 3rd Quarter Performance Indicators be received and filed.

July, 2009 Income/Expense Statement

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that the annual budget that the Board adopted shows the revenue estimated for the current year as \$25,517,450 with expenses of \$24,720,330. This would give a contribution to equity of almost \$800,000. Year-to-date actuals in passenger fares we have collected \$3,775,310 with a budget of \$3,754,298. We are \$21,012 ahead of projection. Non-transportation revenue actual is \$256,776 against a budget of \$244,049 so we are ahead of projection by \$12,727. Dedicated tax actual is \$9,717,954 against a budget of \$9,670,633 so we are ahead of projection by \$47,321. State cash grants and federal cash grants are right on the nose because we know exactly what the amount will be. The

net cash revenue is \$22,828,130 against a budget of \$22,747,070 so we are ahead of budget by \$81,060.

Expenses year-to-date are \$21,110,589 against a budget of \$20,964,761 so we are over budget by \$145,828.

Mr. Foy stated that our goal is to contribute about \$800,000 to our equity.

Mr. Ragsdale also stated that we are receiving a stimulus grant of \$7.9 million. \$3 million is being allocated for preventive maintenance. We are also allocating funds for the radio system that we had to pull from the agenda because of some compliance issues. The problem we are having is that Motorola is the provider for radio communication for the whole State of Michigan. All of the public services, police, fire, 911 is Motorola. The problem with funding is Motorola has to comply with all the federal regulations. We were going to purchase the radio system off the state list but the state only includes certain portions of the federal requirements. Motorola meets all of the federal requirements except Buy America. All of their manufacturing is done outside the United States. We will have to resolve this issue with FTA to make an exception in this purchase so that we can get the new radio system. If we do not go with Motorola we don't have much option. We have negotiated with 911 and the State of Michigan to go onto their Motorola system so we would have to use Motorola.

Mr. Zelle moved that the Board go on record and display their concern. Mr. Abrams supported. Motion passed unanimously.

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

July, 2009 Ridership Statistic Report

Ed Benning, MTA Assistant General Manager-Services stated that the ridership for July was 411,457 passengers. We are down 13% from the prior year. Year-to-date our ridership is 4,908,966 passengers for a reduction of 4%. We have since April noticed a decline in ridership. In April we had a reduction of 12%, May 12% and June 13% although for the year we are down only 4%. We feel ridership has been impacted because of the high unemployment. Fuel prices had some impact on our ridership and also there are community programs that have been affected by budget cuts and the inability to fund some of the transportation that is needed by their clients has affected our ridership.

On our fixed routes we had a ridership of 352,766, which is down 13% from the prior year. We have had for the last four years an increase in ridership so the 13% that we are down is a reflection of the economy. On our regional routes we had a ridership of 10,558, which is a decrease of 41%. We had a meeting with the regional providers throughout the state. In discussion they are also going through these reductions in ridership. On the curb-to-curb ridership we had 48,133 passengers. Basically there was no change compared to the prior year.

We have a Senior Care service with a ridership of 2,861. This is a 129% increase over the prior year. In March of 2008 we implemented this service as a result of the senior millage. The Senior Millage Committee has contracted with the MTA to provide door-to-door and door-thru-door services. This is a higher level of the curb-to-curb service where we actually go right to the door of their home and help them to the door of the vehicle and then to the door of where they are going. One step higher is the door-thru-door where individuals actually go into the home, help the person with their coat or sweater, help lock their doors etc. and then when we arrive at their destination we help them to wherever they are going even if it is on the fifth floor of a building. This service has grown tremendously since it was started.

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

July, 2009 Complaint Statistic Report

Mr. Benning stated that for the month of July we had 32 complaints. For each 100,000 passengers we had 7.8 complaints. We have three areas that we are dealing with. One is driver conduct, we have had some increase in reckless driving and the other was late vehicles. We are continuously retraining our drivers. For those where we have reckless driving we have actually manned our supervisors with radar guns to check out speed and monitor the quality and safety of what is happening on the street. We are seeing some great results from that.

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

Comments of Board Members

Mr. Neeley stated that he arrived a little late but that he wanted to welcome the new Board members.

Mr. Foy stated that he made contact with Duane Miller to let him know how much we appreciated his contribution to the Board.

Adjournment

Meeting was adjourned at 9:33 A.M.