



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE SEPTEMBER 20, 2007 BOARD MEETING**

PRESENT: Mike Zelley, Chairman, Paul Newman, Carolyn Sims, John Northrup, Joe Conroy (Arrived at 8:21 A.M.)

STAFF: Robert Foy, Suzanne Shepherd, Jerry Ragsdale, Ed Benning, Terry Jurrens, Charlene Kowalski, Judy Reynolds, Laura Skellenger, Sybil Ford, James Brigance, Don Kutchey

GUEST: Kim Johnson, MDOT, Warren Franklin, Chief Stewart Local 3437, Juanel Humphrey, Chief Stewart Local 1223, Julie Alexander

ABSENT: Richard Abrams, Paul Luttenbacher, Rose Bogardus

Chairman Zelley called the meeting to order at 8:14 A.M.

Ed Benning, Assistant General Manager-Services introduced Kim Johnson from the Michigan Department of Transportation who presented Mr. Foy with a plaque in recognition of the MTA receiving the American Public Transportation Association's Bus Safety Gold Award for service and dedication to public transportation.

The Board was also shown a video that was a personal tribute to Mr. Foy for his 30 plus years of service to public transportation. This video was originally presented at the Michigan Public Transit Association Annual Meeting.

Mr. Foy thanked everyone for their kind words.

Comments of the Public

Julie Alexander stated that the last time she spoke to the Board regarding the placing of civil rights art in the bathrooms, Mr. Zelley promised that they would be getting a response. Ms Alexander stated that apparently the response is that the Board is going to ignore them. They attempted to attend a meeting that they had been invited to attend by the Greater Flint Arts Council regarding the art for the stained glass windows. The input that was put forth at that meeting was dismissed. They were told their comments would not be heard unless they were submitted in writing. They would like a response to some of the comments that were made the last time they were here about the Board not hearing from people of color or established

institutions. Ms. Alexander is not sure that she personally would have cared about art going in the restrooms but when she heard from people that said they didn't like the idea she had to listen. She doesn't understand what the problem is with this Board listening.

Marcy Garcia stated that overall they can appreciate art where they can see it but in a restroom setting they felt it was offensive. They feel that art in the restroom where others can't see it and appreciate it as much as everyone should appreciate it is offensive.

Ms. Alexander stated that the last time she was here it was put forth that it was too late. The art had already been commissioned. We know the work has been commissioned. We don't have a problem with the artwork itself or what has been selected, but it is not actually on the walls yet. Until it is installed it is not too late to change the location. It can still be put on the cement wall.

Mr. Conroy stated that as a person who has been elected for a great many years in this community his understanding and relationship with the constituents was that they could write him, they could call him, they could talk to him in person and they could give him their views. Then he would make a decision. So when Ms. Alexander says that the Board did not hear them that is not accurate at all. The Board heard them testify. Just because someone doesn't agree with them it does not mean that they were not heard.

Ms. Sims stated that it is not about the artwork itself it is gender specific. Men should have the opportunity to see what is on the wall in the ladies restroom and vice versus. Maybe we could possibly get a large photograph on an easel of each bathroom wall and display it in each bathroom. Then when you go into the restroom you would have the opportunity of seeing what is in the other restroom.

Minutes of the August 23, 2007 Regular Board Meeting

Minutes of the August 21, 2007 Finance Committee Meeting

Mr. Northrup moved, supported by Mr. Conroy to approve the minutes of the August 23, 2007 Regular Board Meeting and the minutes of the August 21, 2007 Finance Committee Meeting. Motion passed unanimously.

Resolution #07-55 authorizing the General Manager to renew an agreement, for a period of three (3) years, to Jewish Community Services to provide Specialized Services, under the "Highway to Health" Program, to transport Genesee County residents to medical appointments that require transportation outside Genesee County, to areas, but not limited to, such as Ann Arbor, Detroit, Lansing, Saginaw and Bay City in an amount not to exceed \$40,000.00.

Mr. Foy stated that this is an agreement for three years with Jewish Community Services to provide transportation outside of Genesee County for medical appointments. These are services that we have been providing over the years. It is more efficient and more effective to do this by contract rather than do it ourselves because when you send a driver and a bus to Ford Hospital they may have to wait all day for that person to come back again. For us to have our drivers tied up, it is far more expensive than it is to provide it through contract. This agreement is for

\$40,000. Their total cost for providing the service is about \$55,000 of which the other \$15,000 comes from other sources such as grants. They provide about 1,000 trips per year.

Mr. Northrup moved, supported by Mr. Newman to approve Resolution #07-55.

Mr. Conroy asked if this service is available to all of the public?

Mr. Foy stated that anyone can call the Jewish Center that wants this transportation and they will be provided the transportation. This is not exclusive transportation. It is open to the public for "Highway to Health" medical trips.

After further discussion the motion was passed unanimously.

Resolution #07-56 approving the Flint Mass Transportation Authority's revised Revenue and Expense Budget for FY 2007.

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that this is the year end amendment to the 2007 budget. Essentially it is not a large change. We had to reflect some issues in revenues and expenses. We just finally know what we are getting from the Federal government. In passenger fares we are increasing the budget by \$25,000. In non-transportation revenue we are increasing the budget by \$30,000. We are not recommending any changes in the dedicated tax revenue. There are no changes in the State grants. Thanks to the Michigan Department of Transportation, originally the preventive maintenance was going to be toll credits but they gave us a nice surprise by providing \$97,980. The Job Access Reverse Commute 2006, again MDOT came through for us by assisting us with an additional \$ 1.1 million to help support our regional transportation. Then we also have the 2007 Job Access. The issue here, is because we hadn't actually received any funds it was awarded and we did receive this morning \$850,000. In Federal cash grants the Section 5311 grant was originally projected at \$82,000 but we ended up getting \$172,000 so we had an increase of \$90,000. Preventive maintenance, this is the source from FTA; in finally getting the 2007 grants approved in the appropriation we had to reduce our original expectation by \$239,233. So the net reduction in Federal grants was \$149,233. In all, the net result is \$3,747 in additional revenue.

In the expenses, basically because of labor cost we were able to reduce it by \$11,500 and miscellaneous expenses had to be increased by \$16,000. So total expenses was increased by \$4,500. The net lost between revenue and expenses was \$753 but still with that we expect \$1.5 million to add to our fund balance this year.

Mr. Newman moved, supported by Mr. Northrup to approve Resolution #07-56. Motion passed unanimously.

Resolution #07-57 approving the Genesee County Coordinated Public Transit-Human Services Transportation Plan.

Mr. Foy stated that this is a requirement that came out of the new legislation that requires that we have a coordinated plan for being able to use the Job Access Reverse Commute and New

Freedom funding as well as 5110 funding. We are asking you to approve the Genesee County Coordinated Public Transit-Human Services Transportation Plan, which is required before we can access Job Access and New Freedom funding. The Genesee County Metropolitan Planning Commission approved this last night.

Mr. Northrup moved, supported by Mr. Newman to approve Resolution #07-57. Motion passed unanimously.

Resolution #07-58 authorizing the General Manager to enter into an agreement with the Board of Regents of the University of Michigan-Flint to establish Route 14 to provide fixed route transportation for students, staff, and the general public within the Campus and surrounding area.

Mr. Foy stated that the Mass Transportation Authority in conjunction with the Board of Regents for the University of Michigan-Flint have established an additional fixed route, which is Route 14 for the purpose of providing transportation in and around the campus. The concern we have is that as the University of Michigan-Flint develops their student housing there will be a need for more transportation on the campus. It was the intention of the University that we start moving forward with providing some of this transportation now because of the fact that in building the new student housing dormitory they are using two of the very popular parking lots that they previously had. Individuals are now going to have to walk from the Fifth Avenue, N. Saginaw parking area to the campus. In addition, they requested transportation in preparing for the future, moving from building to building for individuals who are going to classes. They also want to insure that there will be transportation that will interconnect the University with the downtown business activity. This is the beginning of a long relationship in which we will be providing transportation that is open to the general public. The University is paying the amount of \$50,000, which will cover the incremental cost of the service. Once we continue on with the partnership that exist between Kettering, University of Michigan-Flint, Mott College and Baker College we very well could have transportation that would be provided between those institutions as there is more coordination between them in terms of taking classes at the different institutions.

After some discussion, Mr. Newman moved, supported by Mr. Northrup to approve Resolution #07-58. Motion passed unanimously.

Resolution #07-59 authorizing the General Manager to enter into an agreement with Dawn Donut Systems, Inc. to operate a Convenience Store within the Downtown Flint Customer Service and Transfer Center for a period of five (5) years with the option to renew for three (3) additional five (5) year periods subject to default of any provisions of the lease agreement.

Mr. Northrup moved, supported by Mr. Newman to approve Resolution #07-59.

Mr. Foy stated that Dawn Donuts has been with us for the last fifteen years downtown. This is an additional agreement for another five years. In the transportation center we are changing the focus of what the facility will be. We want to turn this more into a convenience store. The actual food distribution will be over on the Wallenberg side. We are in the process of

developing the proposal for that effort. This is a five-year contract with options for three additional five-year periods.

Motion passed unanimously.

Resolution #07-60 authorizing the General Manager to enter into an agreement with Public Research Associates for the purpose of collecting bus operating data in an amount not to exceed \$43,200.00.

Mr. Foy stated that this is a requirement that we have every three years to provide a survey for collecting bus operating data that goes forward to the Federal Transit Administration. This is required by FTA law. The data goes to the FTA and they provide the information to transportation sections of Universities who do research work with regard to transportation. Peter Gluck has been providing this service to us for quite some time. He uses students to be able to collect the data over a year's time.

Mr. Newman moved, supported by Mr. Northrup to approve Resolution #07-60. Motion passed unanimously.

Resolution #07-61 authorizing the General Manager to request an advance of Two Million Dollars (\$2,000,000) from the State of Michigan Operating Assistance Program for the efficient operation of the Mass Transportation Authority for fiscal year 2008 based upon cash flow requirements.

Mr. Foy stated that this is the request we put into the State of Michigan for having available to us the opportunity to draw down on \$2,000,000 pending the receipt of our tax revenues. We need to use this money the early part of the fiscal year until which time the tax revenue starts coming in after December or January. This is in addition to our line of credit. We will only use it to the degree that it is necessary.

Mr. Conroy moved, supported by Mr. Newman to approve Resolution #07-61. Motion passed unanimously.

Resolution #07-62 authorizing the General Manager to enter into an agreement with Cambridge Integrated Services Group, Inc. for a period of two (2) years, in an amount not to exceed \$50,000.00 for Worker's Compensation Administrative Services.

Mr. Foy stated that this is a renewal for the administrative work. We are self-insured for Worker's Compensation, however we use an outside agent to provide the administrative support that is involved. This is an issue where we have competitively bid and received only one response. The amount of this bid is less than the previous contract.

Mr. Newman moved, supported by Mr. Northrup to approve Resolution #07-62. Motion passed unanimously.

Resolution #07-63 approving the Flint Mass Transportation Authority's Revenue and Expense Budget for FY 2008.

Mr. Ragsdale stated that we are recommending revenue at this time of \$24,261,937 and an expense budget of \$23,061,937. Right now we are projecting leaving the passenger fares at the same level as 2007. The non-transportation revenue we are increasing by \$20,000. Dedicated tax revenue, until we get the estimate for 2008, we are recommending leaving at the \$10 million level. In State cash grants, because of the formula for eligible expenses going from 33% to 30% we have reduced the estimate on the urban operating-assistance. The Jobs Program, we will go after the State again to provide us with assistance with our regional transportation. We are recognizing 2006 and 2007 Job Access Reverse Commute in our 2007 budget and then the JARC for 2008 at \$236,594. Right now that is what has been published previously by Congress. In the Federal cash grants the preventive maintenance, we will be asking for \$2.4 million so we are projecting a little over \$200,000 increase in our Federal cash grants.

In the expenses we are projecting right now not a large increase but as we go through and evaluate the service and what may occur over the next year, we may need to bring a revised budget during the year. In our net income projection for 2008 we are projecting an additional \$1.2 million to our fund balance.

A discussion was held regarding the cost of healthcare. Mr. Conroy stated that he would like to have a meeting with his people at the City and one of MTA's people to discuss the cost of the healthcare and the possibility of getting the cost down.

Mr. Newman stated that a lot depends on who the carrier is and the other is that you have an option of a series of plans that you can select for your employees. Those plans can vary significantly in terms of a monthly cost. There can be as much as \$500-\$600 difference depending on which option you select.

Mr. Foy stated that we have to work with the Union on this because the level of service is contractually negotiated.

Mr. Ragsdale stated that we would like the Board to establish an Audit Committee that will provide oversight to the MTA and Plante Moran concerning the annual audit. We also must establish the Investment Committee. Right now we have \$1.1 million invested in Chase Bank with a little amount of interest. In discussions with various investment companies they did not want to talk to us until we exceeded at least \$1 million. We are at that point so we are recommending that the Board establish those two committees for 2008.

Mr. Foy stated that because of some of the difficulties that have been occurring throughout the country, particularly in the corporate world, there have been many changes in auditing standards. They are becoming more sensitive to these areas. We have generally used our Finance Committee as an Auditing Committee. In the new world that we have to live in, members of the Finance Committee should not be members of the Audit Committee. You have to establish a separate committee.

After further discussion Mr. Conroy moved, supported by Mr. Newman to approve Resolution #07-63. Motion passed unanimously.

Resolution #07-64 authorizing the General Manager to implement route change to the Lewis/Selby Route pursuant to the attached Lewis/Selby Route map.

Mr. Benning stated that the current location we are using at the end of the line for Lewis/Selby to turn the bus around is on Stanley Road at Rosewood Apts. Rosewood is a facility that was built in 2002. We were asked to bring bus service into the facility. When we brought the bus in, the intention was to turn around right in front of the office. In the design of the site there was a discussion made to route the bus around the facility so every half hour we would go into the facility and go around and pull up by the office. Recently there was a request for us to vacate the property as they are getting ready to re-blacktop it and they do not have the money to continue repairing the blacktop. In vacating the property we would move the route out to Stanley Road where we would pick up and drop off at the end of the driveway. We would then extend the route west to M.L. King; take M.L. King to Coldwater Road, Coldwater Road back to Saginaw St. This would become new service to the residential area around M.L. King and Coldwater Road. It would be a loop route for safety purposes so that people don't have to cross Stanley Road.

Mr. Newman moved, supported by Mr. Conroy to approve Resolution #07-64. Motion passed unanimously.

Ms. Sims left the meeting at 9:50 A.M.

General Manager's Report

Mr. Foy stated that the General Manager's Report will stand as written with a couple of comments. The introduction of the 5 new diesel-electric hybrid buses took place on Monday. We had over 100 people who came out for this event. We now have them in operation. Also the annual employee recognition took place on Saturday September 15th. We would like to recognize Charlene Kowalski for the introduction of the hybrid buses and Judy Reynolds for the employee recognition day for the all the work they did. We had almost 800 employees and their families that participated in the employee recognition event.

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

Chairman Zelle left the meeting at 9:52 A.M. turning the Chairmanship over to Mr. Northrup.

Mr. Newman stated that the Genesee County Coordinated Public Transportation Service Plan that the Board reviewed had over 150 stakeholders who participated in this plan. A number of which are agencies that service the senior citizen community and they have a mailing list. Mr. Newman suggested that we could send a letter to those that would impact the ridership for the "Highway to Health" Program as means of advertisement for that program.

Mr. Conroy left the meeting at 9:55 A.M.

August, 2007 Income/Expense Statement

Mr. Foy stated that the Income/Expense Report shows that we are in a position right now where our income is \$22,803,257 through the month of August. Expenses are \$20,471,324, which means our revenue exceeds our expenses by about \$2.3 million at this point in time.

Acting Chairman Northrup ruled that the August 2007 Income/Expense Statement be received and filed.

August, 2007 Ridership Statistic Report

Mr. Foy stated that this year we are working towards insuring that our ridership will be slightly over what it was in previous years. We are about 4.8 million passengers at this point in time. We are anticipating it going to over 5.3 million.

Acting Chairman Northrup ruled that the August 2007 Ridership Statistic Report be received and filed.

August, 2007 Complaint Statistic Report

Mr. Foy stated that we have about one complaint for every 10,000 riders.

Acting Chairman Northrup ruled that the August 2007 Complaint Statistic Report be received and filed.

Adjournment

Meeting was adjourned at 9:58 A.M.