



***MASS TRANSPORTATION AUTHORITY
MINUTES OF THE OCTOBER 22, 2009 BOARD MEETING***

PRESENT: Paul Newman, Chairman, Ted Henry, Richard Abrams, John Northrup, Maxine Murray, Gregory Eason

STAFF: Robert Foy, Suzanne Shepherd, Terry Jurens, Gerold Latsch, Charlene Kowalski, Ed Benning, Lynn McLean, Steve Hamelin

GUEST: Warren Franklin, Chief Stewart 3437, Richard McDonough, Chief Stewart Local 1223, Gary Mitchell, Theodore Jones, Lisa Green-Blades, DaVita Dialysis

ABSENT: Paul Luttenbacher, Pastor Seon Thompson, Sheldon Neeley, Mike Zelley

Chairman Newman called the meeting to order at 8:08 A.M.

Comments of the Public

Lisa Green-Blades, social worker at DaVita Dialysis in Davison and Grand Blanc stated that she is also a member of the Local Advisory Council at MTA. She represents the dialysis community at large in Genesee County. She is here to advocate on the behalf of dialysis patients but also in the context looking at wanting MTA to maintain its viability and be here in five years. She is here to address two issues. One is holiday scheduling, which has been a discussion for a couple of years at the Local Advisory Council. In terms of cost effectiveness it makes sense to have mandatory holiday closures such as Thanksgiving, Christmas and New Years and run the Sundays before for the dialysis patients. She has spoken with all the units in the area and in terms of looking at maintaining cost effectiveness they have come on board for this year. Ms. Green-Blades urges the Board to get some consistency in terms of what days the agency might be closed and put a policy in place. MTA needs to keep in mind however, that according to the centers of Medicare and Medicaid services the treatment week goes from Sunday through Saturday and most of the patients have to go three days a week, therefore the way the holidays are this year MTA would have to operate Sundays three weeks in a row to take dialysis patients. To get the dialysis patients back on track all the centers would be closed January 4th.

Mr. Abrams stated that he thinks the dialysis units are the ones that should be making the statement that they are going to be closed on the holidays and then the MTA can respond.

Ms. Green-Blades stated that there would be no reason for the units to close on the holidays unless it was a hindrance to the economics of MTA. By history a lot of the units do not close on the holiday.

Mr. Abrams stated that what Ms. Green-Blades is suggesting is for the MTA to be the motivation for the units to change their policy.

Ms. Green-Blades stated that she is asking the units to be more proactive in their thinking that this would be a much preferred change to have a holiday schedule policy as proposed to reducing hours of operation.

Chairman Newman stated that he feels there is a miscommunication and that this issue should have been taken to Mr. Foy instead of to the Board for consideration. Chairman Newman asked that Mr. Foy arrange to meet with Ms. Green-Blades to make sure that everyone is on the same page and then if it is appropriate, bring it back to the Board for consideration.

Ms. Green-Blades also stated that for a couple of years they have talked at the LAC about the need to have a consistent, reliable fare collection policy. As of yet there is no such policy in place. The LAC has proposed that they have a taskforce set with the first meeting being October 28th to look at establishing such policy. In the interim, she has been told that dialysis patients are the top offenders of not paying fares when they are due. In the absence of a policy you are looking at a population that has huge medical cost, huge subscription cost and they frequently rob from peter to pay paul and unfortunately peter has become MTA. There were letters sent out to patients saying that they needed to pay the balances in full and if they are unable to pay they will become a casual ride. Shame on the patients for not paying but shame on MTA for not doing something sooner before the balances got so high. There needs to be a policy put in place that does not allow balances to get so high. Ms. Green-Blades proposed that MTA implements a consistent, reliable, predictable policy regarding fare collection. That they are thoughtful in the implementation of that policy and consistent with their follow through.

Mr. Foy stated that we do have a very clear policy. It was brought to his attention just recently that we have individual supervisors who are not enforcing the policy. Action has been taken in regards to that. He hopes that after the meeting he had with them that they have implemented the action that he told them to take. We are not in the business of providing credit. We are in the business of providing services that are needed within the community. Supervisors have not required the drivers to give the proper notification when they did not collect a fare. We don't leave someone in a wheelchair sitting out on a corner in the rain. We pick them up and take them. At the same time we don't accept the fact that they are going to ride free. It is the responsibility of the driver to put in a write-o-gram if someone does not pay a fare.

Mr. Foy stated that he would meet with Ms. Green-Blades and the LAC. The issues that are being discussed should have never been brought to the Board; it should have been brought through the LAC to him.

After further discussion Chairman Newman stated that Mr. Foy has offered to meet with Ms. Green-Blades and suggest that she take him up on that offer. He has assured her that there is a process in place, that there are ways to accommodate individuals who have a hardship and if Ms. Green-Blades meets with Mr. Foy it will be handled appropriately.

Minutes of the September 24, 2009 Regular Board Meeting

Mr. Henry moved, supported by Mr. Northrup to approve the minutes of the September 24, 2009 Regular Board Meeting. Motion passed unanimously.

Minutes of the September 22, 2009 Finance Committee Meeting

Mr. Abrams moved, supported by Mr. Henry to approve the minutes of the September 22, 2009 Finance Committee Meeting. Motion passed unanimously.

Resolution #10-01 authorizing the General Manager to renew membership dues with the Michigan Public Transit Association for Fiscal Year 2010, calculated at .1% of FY 2010 eligible expenses, in the amount of \$20,000.00.

Mr. Foy stated that the Michigan Public Transit Association is a group of about 75 transit providers here in the State of Michigan. The purpose of it is primarily to deal with the legislative issues and to provide benchmarking training for individuals. The association is an important part of the public transportation picture in the State of Michigan and we recommend that we continue to participate at an annual rate of \$20,000.00.

Mr. Abrams stated that the Finance Committee has reviewed this and recommends approval by the full Board, therefore Mr. Abrams moved Resolution #10-01. Mr. Northrup supported. Motion passed unanimously.

Resolution #10-02 authorizing the General Manager to enter into negotiations, for the purpose of establishing a price, for Architectural and Engineering Services (A&E), for construction of the Flushing "Your Ride" Service Center with Hobbs and Black. In the event the Mass Transportation Authority cannot negotiate a fair and reasonable price for the A&E services with Hobbs and Black, then the MTA will enter into negotiations, in descending order, with the next most qualified firm.

Mr. Foy stated that this is the A&E work that will be done on the Flushing Service Center. We will build a facility, which is identical to the Swartz Creek facility. This is to provide for the engineering services in dealing with the landscaping, the general hookup of the facility to the gas, water etc. as well as taking it through the planning process and getting the planning approvals with the City of Flushing. We have done the process of selecting a firm that best qualifies. The taskforce has evaluated the qualifications and their review established that Hobbs and Black were the best-qualified agency to provide the service. If the Board approves this we will move to negotiate a price that we feel is fair and reasonable. If we cannot reach an agreement on the price we will go to the next qualified bidder. We are recommending that the Board award the negotiation of the contract to Hobbs and Black.

Mr. Abrams stated that the Finance Committee reviewed this and on a majority vote has recommended approval by the full Board.

Mr. Henry asked how crucial this was that the Board moves this resolution at this meeting?

Mr. Foy stated that he didn't really think it was time critical. We basically have the design of the building. We do have to do the work of going through the bidding process of the construction because he would like to have the construction ready to go about March or April of next year. We don't have a time critical element.

Mr. Henry stated that he had to leave during the Finance Committee and didn't hear all of the discussion but the part that he did hear there was possibly different ways that the three members evaluated the companies. If we could possibly back up and get a direction that everyone was grading them the same way and possibly re-grade them because the margin was so close (by 3/10ths of one percent) he would feel more comfortable. To think that it was that close and we have someone here local instead of two hours away he would have a hard time supporting this.

Chairman Newman stated that there was considerable discussion during the Finance Committee regarding the process of the evaluation of bidders and how we arrived at the scoring to establish the ranking. There were enough questions and enough concerns about how we reached those final rates that did cause for considerable discussion.

Mr. Northrup asked who determines that the negotiated price is fair and reasonable?

Mr. Foy stated that in the end the process we would use is for the principles (finance, maintenance and purchasing) to sit down together. We know what has to be done and what is already done and we will establish a range of what we feel is fair and reasonable in terms of cost. Then when we get the proposal from the firm if it does not fall into that range than we would negotiate with them.

Mr. Abrams stated that the only difficulty he sees is if Hobbs and Black falls into this fair and reasonable range; they are automatically selected as the architect and engineering source. The next highest person down, CHMP who is only 3/10ths of a point difference, has absolutely no recourse. They are not even allowed to submit a bid. Mr. Abrams thinks that for 3/10ths of a point on a subjective analysis is not enough to just grant Carte Blanc to Hobbs and Black. He feels CHMP has local representation. They know the local governments. We discussed extra charges and he believes with a new firm we will generate extra charges also. We discussed the equitable analysis of the submitters and none of the three individuals after submitting their point analysis discussed it with anybody else. There was no consensus gathering to see if anybody changed their mind. Mr. Abrams feels that we should at least ask staff to go back and reconsider their analysis in discussion.

Mr. Abrams moved to postpone the Resolution and refer it back to staff for further review. Mr. Northrup supported.

Chairman Newman stated that he agreed with Mr. Abrams. He was the one that moved to have it brought to the Board primarily for the matter that everyone could understand what took place and what the concerns were. It was an effort to get it out of Committee to this Board for discussion and consideration. Not so much to say that the Committee was recommending this firm to be the one we would negotiation with.

Motion passed unanimously.

Resolution #10-03 by the Board of Directors of the Mass Transportation Authority to adopt the Title VI Plan prepared for the Michigan Department of Transportation on June 2009 and revised August 2009.

Mr. Foy stated that this is Title VI of the Civil Rights Act of 1964. This act basically prohibits discrimination on the basis of race, color, national origin for programs and activities receiving Federal financial assistance. We are an organization that follows and are in compliance with Title VI. The actual wording of the title is changed periodically and this is just updating the plan statement and the program for the Michigan Department of Transportation to come in full compliance with their requirements.

Mr. Abrams moved, supported by Mr. Northrup to approve Resolution #10-03. Motion passed unanimously.

Resolution #10-04 by the Board of Directors of the Mass Transportation Authority to approve the FY 2011 Budget Year Transportation Plan and the FY 2012-FY 2016 Five Year Plan.

Mr. Foy stated that we are dealing with the year 2011, which will start in the calendar year of October 2010. We start out by developing a service plan for year 2011. This was taken to the Service Committee and they have reviewed and moved it to the Board. We also have a forecast of service needs for 2012 through 2016. The next step is the programming process where the staff develops the resources that are necessary to take the approved plan and put it into an action plan. Once that is completed, we then develop the budget. Sometimes if the dollars are not there or we are unable to bring the dollars together we have to go back and revise some of the service levels to stay within the revenue projection. The Board then approves the budget and that is generally done in the December or early January timeframe. This gives us the time from January to October to develop the funding that is necessary in order to complete the plan.

Mr. Abrams moved Resolution #10-04 stating that he is a member of the Service Committee. Mike Zelle is the Chairman and is not available. We went through a long and involved discussion of the plan. Ms. Murray supported.

Terry Jurens, MTA Grants and Planning Manager stated that this is a plan that focuses on the budget year 2011 with a forecast for the years 2012 through 2016. A key thought in regards to this plan is that we will be looking at maintaining services rather than growing or expanding services. In order to do that we will look at increasing efficiency through the use of technology. A look at the community we serve will help to explain why we are not going to be proposing any increases in services. There has been population decrease, particularly in the City of Flint. Less so in Genesee County. The County Planning Commission has put together population projections for the years going out through 2020. They are anticipating a 5% population growth in the county and a 9% decrease in the City of Flint. Very closely associated with population trends are the economic trends. That has to do with the decline in manufacturing employment locally. While there has been an increase in service jobs, there has been a net job loss and a decline in population.

The other thing that is happening is because of the loss of jobs in Genesee County; people who still live in the county, leave the county and go to work outside. According to the Department of Labor the majority of job openings will be replacements. They are not looking at a lot of job

growth. The other trend is the increase in land development in formerly rural areas. Population is more widely disbursed. Our fixed routes that carry larger amounts of people serve the core areas of the county and as people move away from the central city we cannot serve them with fixed routes so they become para-transit passengers.

The transportation needs even in a declining population continue to grow. The senior population needs are growing; the disable population is a very much user of our services along with educational and work related transportation. There is a declining student enrollment for the public schools with an increase in the number of Charter Schools and an increase in the number of students in Charter Schools. Many of those Charter Schools have approached the MTA about providing service, which is done primarily by our peak period service. The population may not be growing in the county but there are certain areas with transportation needs that we definitely want to maintain our services for.

The challenge we face in doing that is funding associated with the economic situation and loss of population. It has had an impact on our local funding source. The amount of revenue we anticipate collecting from our property millages is not going to increase and will probably decrease due to lower property values. Funding at the State level continues to decrease as a percent of the budget. We receive operation support from the State as a percentage of our eligible expenses. That percentage has decreased steadily year to year. On the Federal level they are still finalizing the Federal funding legislation that expired on September 30th. In order to maintain the same level of service without an increase in funding we will have to rely on technology and moving to alternative fuels. Technology through our Intelligent Transportation System, which we believe will be able to provide more productivity and have the same number of drivers and the same number of vehicles but carry more passengers. Alternative fuels because one of the major expenses of our budget is fuel.

Chairman Newman asked in terms of technology and alternative fuels what is the timing we see for implementation of our technology and alternative fuels as it relates to our funding?

Ms. Jurens stated that presently they are installing the Automatic Vehicle Locators and Mobile Data Terminals in the para-transit vehicles. This is probably the service where you will see the largest increases in productivity. We expect that within this fiscal year we should see some results from that. As for alternative fuels, we have received a couple of grants that will allow some small changes. Our goal is that by the year 2016 we will transition the entire fleet. We have over 300 vehicles. Right now we are pursuing funding for that. We have a number of major grant applications out.

Mr. Foy stated that we have been working for 2 ½ years on developing a state of the art advanced hybrid type technology to move away from fossil fuel. We have phases we have to work our way through. For our fixed route vehicles, they will have to continue to use fuel but we will be using diesel hybrid technology. This technology will start to be implemented in about March of next year. Depending on how fast we can get \$10 million will determine how fast we can make that conversion. The peak period buses will be replaced with CNG hybrid vehicles. This will be driven on how fast we can get the funding to be able to buy the vehicles. Our goal is to convert all of the Your Ride vehicles, which are going to be 16 passenger small buses. All of those will be CNG. Our goal as an organization, at this time, is to have completely transitioned

this organization, except for the New Flyers, which will have about a 10-yr life as a diesel hybrid, will be converted over to CNG within five years.

Motion passed unanimously.

Resolution #10-05 authorizing Robert J. Foy, General Manager to sign a Memorandum of Understanding on behalf of the Mass Transportation Authority to allow the Genesee County Emergency Management Department to store their Mobile Command Unit Vehicle (MCU) at the Swartz Creek "Your Ride" Service Center.

Mr. Abrams moved, supported by Mr. Henry to approve Resolution #10-05.

Mr. Foy stated that this is the Mobile Command Unit that we use in Genesee County in times of emergency. They need to have a space to store it as well as fuel it. Our out county facilities are excellent for that purpose and we have the space at the Swartz Creek Service Center. We recommend that we allow the Genesee County Emergency Management Department to use our space in the Swartz Creek Service Center. We are doing this at no charge. They will pay for the fuel with a 15% surcharge.

Mr. Henry stated that he cannot emphasize how much he appreciates this. He has looked for over a year for a home for the Mobile Command Unit.

Motion passed unanimously.

Chairman Newman stated that we are getting late into the morning and there are Board members who have other commitments. He asked if the Board would be willing to accept the various reports that are on the agenda and perhaps Mr. Foy could make key comments relative to the reports.

Mass Transportation Authority Quarterly Investment Report-July-September, 2009

Mr. Foy stated that we have two funds that we deal with. We have to have the reserve fund for being self-insured. We currently have a balance of \$1,110,620.33 in our reserve fund. We did have in the last quarter a positive contribution of interest gain of \$2,448.20.

Mass Transportation Authority 4th Quarter Performance Indicators

We have now completed the annual review of the performance indicators. In five of the areas we were able to meet or exceed the target we set. In four of the areas we were not able to reach the target.

General Manager's Report

Mr. Foy stated that we went through a significant discussion on all the dollars that are available. We are talking about billions of dollars that are available in these programs. They have a new program, which is the Environment and Public Works Committee for developing a new program dealing with climate control, green technology. Under that there is a major opportunity for transit. It appears that with the funding that is being recommended in the program that they will generate about \$22 billion a year. Because transit deals with about 30 percent of the environment impacts caused by these efforts that we feel we ought to get 1/3 of that money.

They are talking about giving us \$1.1 billion. There are opportunities out there. We have to take advantage of them and go out after them.

September, 2009 Income/Expense Statement

The budget year ended on September 30th. Our goal was to have a net contribution to equity of \$797,180. We did not quite meet our goal. This year it looks like our contribution will be \$610,940.

September, 2009 Ridership Statistic Report

Ridership continues to show the picture we have dealt with for quite some time now. With the reduction of the number of individuals that are not going to work we are showing a substantial decrease in our linehaul. The growth is in the transportation on our peak period routes and Your Ride.

Comments of Board Members

Mr. Abrams stated that he would like to congratulate MTA on the commendation received from MIOSHA.

Mr. Foy stated that the credit goes to Lynn McLean.

Adjournment

Meeting was adjourned at 9:30 A.M.