



**MASS TRANSPORTATION AUTHORITY  
MINUTES OF THE OCTOBER 23, 2008 BOARD MEETING**

**PRESENT:** Paul Newman, Chairman, Darryl Buchanan, Richard Abrams, Mike Zelle, Paul Luttenbacher, John Northrup, Rose Bogardus

**STAFF:** Robert Foy, Suzanne Shepherd, Terry Jurens, Jerry Ragsdale, Ed Benning, Charlene Kowalski, Lynn McLean, Steve Hamelin

**GUEST:** Penny Roberts, E & D Lac Member

**ABSENT:** Carolyn Sims

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

**Comments of the Public**

Ms. Penny Roberts stated that she rides the bus almost every day. She got on the Beecher-Corunna bus and the bus was so crowded. There are a number of buses that are crowded during the day. People are almost up to the front window. Ms. Roberts would like us to check out the buses because she is afraid that there will be an accident and people will be injured.

**Minutes of the September 18, 2008 Regular Board Meeting**

Mr. Zelle moved, supported by Mr. Abrams to approve the minutes of the September 18, 2008 Regular Board Meeting. Motion passed unanimously.

**Minutes of the October 16, 2008 Service Committee Meeting**

Mr. Abrams moved, supported by Mr. Northrup to approve the minutes of the October 16, 2008 Service Committee Meeting. Motion passed unanimously.

**Resolution #09-01 authorizing the General Manager to issue Change Order Number Three (3) in the amount of \$8,308.00; Change Order Number Four (4) in the amount of \$6,593.00; Change Order Number Five (5) in the amount of \$7,573.50; and Change Order Number Six (6) in the amount of \$8,911.00, for total Change Orders in the amount of \$31,385.50 for a total construction Contract of \$1,597,333.13 to Siwek Construction, for the construction of the Swartz Creek Service Facility.**

Mr. Abrams stated that the Finance Committee did move this item to the full Board for approval; therefore Mr. Abrams moved Resolution #09-01. Mr. Northrup supported. Motion passed unanimously.

**Resolution #09-02 by the Mass Transportation Authority Board of Directors to accept the Fiscal Year 2010 Plan Update and the Fiscal Year 2011 to 2015 Plan.**

Mr. Zelley stated that the Service Committee met and reviewed the plan in detail for a couple of hours and are pleased with what we are accomplishing within the budget. It is a very aggressive plan and the Committee moves to approve; therefore Mr. Zelley moved Resolution #09-02. Mr. Abrams supported the motion.

Mr. Foy stated that every fall we develop a plan for the next budget year with an additional five year forecast. After we complete the plan and the Board gives approval we then go forward and create the program, which lays out the resources involved. We then move to the budget. The program and budget are then brought to the Board sometime in the December-January timeframe for approval. The reason we need to have it eight or nine months ahead of time is that it gives us time to go out and generate the necessary funding.

Terry Jurrens, MTA Planning-Programming Manager stated that the plan is our opportunity once a year to take a look at the services we provide and how we serve the community. Over the last twenty-five years the population in Genesee County has been redistributed. The population countywide has dipped and then come back up. The population in the City has declined. Looking forward we assume the county population will stay about the same with perhaps a slight increase and the City dropping.

The economic profile recognizes a decrease in employment in the manufacturing sector. On the positive side, there is an increase in employment in services, however there is not enough increase in the service sector to offset the lost of jobs in the manufacturing sector, so there is an overall job lost in Genesee County.

The land use and development in the county has increased in the rural areas. The development has increased the county tax base, however given the current situation of the economy a future increase in the tax base is unlikely.

Some of the needs that we have designed services to meet is our senior population, disabled population, educational support, work related transportation and business support. We know what the needs are but have challenges in order to meet the needs. Operational funding comes from the farebox, state formula and local millage. At the State level, legislation allows for operating assistance up to 50% of eligible expenses. Each year it declines and this fiscal year we will be receiving about 30% of the eligible expenses.

One of the tools that we are using to meet the challenge is technology. Technology is the vehicle that we must use to become more efficient so we can meet the community transportation needs with the current available funds.

Ridership on our fixed routes from 2004 – 2008 has gone from 4 million passengers to 6 million passengers. We are assuming it will stabilize because there is a limit to how many passengers

we can transport. We can carry more passengers if we introduce new routes, change existing routes and expand existing service. Paratransit services is used primarily to meet the needs of senior citizens and the disabled community. Ridership increased with the rise in fuel prices but also with the installation of the new scheduling software. We are projecting that ridership will level off around 800,000 passengers. Total MTA ridership is projected to level off at approximately 7 million passengers.

In terms of infrastructure we will be completing our Your Ride Service Centers and complete the ITS infrastructure. The alternative fuel program involves a number of approaches with different types of vehicles. Each one of those is geared toward reducing our dependence on diesel fuel.

Mr. Foy stated that we see ourselves within the current level of funding that is available to us to be able to go to about 6.6 million passengers next year and then up to about 7 million. Without increases in infrastructure and increases in local funding, we won't be able to go beyond that. The anticipation of additional Federal dollars in the operating side or State dollars in the operating side is very bleak. We want to hold fares at the level they are at, be able to keep our millage at the same rate that it is at and hope to make up the loses through the introduction of increased technology into the organization.

Motion passed unanimously.

**Resolution #09-03 by the Mass Transportation Authority Board of Directors to accept the Hybrid-Vehicle Conversion Business Plan.**

Mr. Abrams stated that the Finance Committee reviewed this item very thoroughly recognizing that there would probably be amendments in the future. Therefore Mr. Abrams moved Resolution #09-03. Mr. Luttenbacher supported.

Mr. Foy stated that within the next five years we anticipate that we will completely convert all of our vehicles into a hybrid configuration. It is a very aggressive approach to dealing with the problem. We spend over \$4 million a year on diesel fuel. If we can substantially reduce that through the introduction of technology down to where our energy costs drop down to about \$2 million, that leaves us with \$2 million that we can use for additional services. We have to do this in several ways. First we have to take our basic fleet, which is the New Flyer fleet and convert them over to diesel-electric. The second phase is to take all of the vehicles in our peak period service. We will buy these new because they are smaller buses and we want them to be CNG hybrid vehicles. The third area is the curb-to-curb service. We have been in a program to develop five vehicles (Eldorados) over to a hybrid configuration. We will buy all new vehicles once this has been developed. The last area is our 45-foot vehicle that we use for regional service. Those vehicles will be the last to be converted. The business plan we have deals only with the New Flyer vehicles and that is converting the New Flyer fleet over to diesel hybrid through a conversion process.

There was a question during the Finance Committee on whether or not MotoTech, who is the individuals that are leading the way with this technology, will have the capability of moving from a prototype into production.

Dr. Mohamed El-Sayed stated that the State of Michigan and the Michigan Economic Development is actually the main force behind MotoTech. Dr. El-Sayed explained how the conversion is not a traditional assembly line production. The components come from several different suppliers. They are more or less put on a platform and then integrated into the vehicle. Only ten buses will be done at a time.

Mr. Foy stated that we have gone through the process of developing the first unit. With the test vehicle, we feel we will be able to take care of the largest element of the risk involved. When we move into the business plan in the first part of 2010, we will have worked out all of the major bugs. The current industry standard is about a 10% improvement. We are looking at 35-40% at a minimum to meet that goal, but we will have that before we go into production.

We have to keep in mind that the MTA's goal is to reduce our operating cost per unit and to be able to become more efficient and more effective. At the same time as part of our commitment, we are looking at creating jobs in Genesee County.

After further discussion the motion passed unanimously.

**Resolution #09-04 by the Mass Transportation Authority Board of Directors to accept the Fiscal Year 2008 Performance Indicators Report and to approve the proposed Fiscal Year 2009 Performance Indicators.**

Mr. Foy stated that the FY 2009 Performance targets have been laid out and we are asking for Board approval to establish the performance indicators for FY 2009 as presented.

Ms. Bogardus moved, supported by Mr. Northrup to approve Resolution #09-04. Motion passed unanimously.

**Quarterly Investment Report – July-September, 2008**

Mr. Foy stated that this report indicates that for the period of July-September, 2008 the amount that we had in income was \$1,965.51 bringing the total available to \$1,052,504.35 in our liquid asset money market fund.

**General Manager's Report**

Mr. Foy stated that the report will stand as written. There are going to be many challenges out in front of us, but there are also many opportunities. After the election we will be looking at some type of Economic Stimulus Package and we will be looking at the Federal Transportation Authorization. All of which will give us opportunities to get earmarks identified for us for various purposes.

Mr. Buchanan left the meeting at 9:00 A.M.

**September, 2008 Income/Expense Statement**

Mr. Foy stated that the preliminary report indicates that we have actual revenue of \$26,430,573 for year-to-date and we have expenses of \$25,793,715, which means that our revenue exceeded our expenses for the fiscal year by \$636,858. We have several items of account receivable that we are generating so that number should increase by another \$100,000 or so, which will add to our fund balance.

**September, 2008 Ridership Statistic Report**

Mr. Foy stated that we closed out the fiscal year with 6,139,291 passengers. When you look at the different areas we had substantial increases in all areas. Fixed Routes were up 18%, Peak Period was up 61%, Regional Service was up 47% and Curb-to-Curb was up 11% for a total increase of 21% over the same period last year. The overall passengers were up 16% over the last fiscal year.

**September, 2008 Complaint Statistic Report**

Mr. Foy stated that we had 69 complaints this last month. Those are primarily associated with parents with students who want more transportation. We are working our way through to provide the very best that we can. We can't always be all things to all people.

**Comments of Board Members**           None

**Adjournment**

Meeting was adjourned at 9:03 A.M.

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