



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE NOVEMBER 15, 2007 BOARD MEETING**

PRESENT: Paul Newman, Chairman, Mike Zelle, Richard Abrams, Paul Lutzenbacher, Carolyn Sims

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

ABSENT: John Northrup, Rose Bogardus, Joe Conroy

Chairman Newman called the meeting to order at 8:03 A.M.

Comments of the Public None

Minutes of the October 18, 2007 Regular Board Meeting

Mr. Abrams moved, supported by Mr. Zelle to approve the minutes of the October 18, 2007 Regular Board Meeting. Motion passed unanimously.

Minutes of the October 18, 2007 Committee of the Whole Meeting

Mr. Zelle moved, supported by Mr. Abrams to approve the minutes of the October 18, 2007 Committee of the Whole Meeting. Motion passed unanimously.

Mr. Abrams stated that Agenda Items 3, 4, 5, 6 and 7 were all reviewed by the Finance Committee and recommend approval by the full Board.

Resolution #08-02 authorizing the General Manager to enter into an agreement with Aetna Dental to provide a Dental Insurance Group Plan for the Mass Transportation Authority, for a period of one (1) year in an amount not to exceed \$148,245.84.

Mr. Foy stated that in the past, all the way back to the mid 70's, the dental program had a maximum of \$600. We are requesting to increase the amount to \$1,000 as the annual maximum dental insurance coverage. This is more realistic in the price for individuals going to the dentist.

Jerry Ragsdale, MTA Assistant General Manager-Administration stated that we received four proposals. Some were disqualified because they did not submit the requirements that were requested under the proposal. In our evaluation our history has been for quite a number of years of providing a \$600 benefit. Based upon increasing cost, we are recommending the group policy

be raised to \$1,000. It is still a 75-25 employee participation and in the DMO there is no cost. We have been with Aetna for quite a few years and they have always provided an excellent benefit to our employees.

Mr. Abrams moved, supported by Mr. Zelley to approve Resolution #08-02. Motion passed unanimously.

Resolution #08-03 approving Amendment Number One (1) to the Flint Mass Transportation Authority's Revenue and Expense Budget for FY 2008.

Mr. Foy stated that we are asking for a revision to the FY 2008 budget because we received a grant for the purpose of providing financial assistance to our preventive maintenance program. In the past we have always been able to charge wages, as well as parts, against the grant. Because this grant came from the Highway side, they require that it only be used for parts. We did not use the total grant up in 2007. We still have \$470,000 left so we are now adding that to the FY 2008 budget. Because of the nature of this grant, it has to go through the operation expense side budget as opposed to the capital budget.

Mr. Ragsdale stated that in this case we do have to recognize it as revenue as well as an expense. The major difference in this preventive maintenance grant is that it is restricted to just parts and supplies that come through our inventory.

Mr. Abrams moved, supported by Mr. Luttenbacher to approve Resolution #08-03. Motion passed unanimously.

Resolution #08-04 authorizing the General Manager to purchase ten (10) 22 passenger small buses, from the State of Michigan extended purchase program, from Hoekstra Transportation, Inc. of Grand Rapids, Michigan in an amount not to exceed \$567,990.00.

Mr. Foy stated that these buses would be used with our curb-to-curb service. This will free up the Blue Birds that we are currently using in the Your Ride service and get them moved back over to the peak period routes where we are short about seven vehicles at the present time. We are going to be seeing more and more pressure on us to provide transportation with the price of fuel. We are at peak right now with the number of vehicles that we can use outside of our main routes. These vehicles are being paid for out of grant money that we currently have. We will be using, for the first time, some of the New Freedom money.

Mr. Abrams moved, supported by Ms. Sims to approve Resolution #08-04.

Mr. Zelley asked if these buses are wheelchair accessible.

Mr. Foy stated that they are not wheelchair accessible because in the curb-to-curb service we are not required to have all of our vehicles wheelchair accessible. At the present time we have excess capability to take care of all wheelchair or lift required transportation.

After additional discussion the motion passed unanimously.

Resolution #08-05 authorizing the General Manager to enter into an agreement with Wright Brother's Collision for the repair of Van #3246 in an amount not to exceed \$16,930.16.

Mr. Foy stated that van #3246 was involved in a major accident in which our driver made a left hand turn in front of a vehicle that he had anticipated would stop for a yellow light and the vehicle did not stop. A decision had to be made on whether we let the vehicle go to the junkyard or repair it. This vehicle is only two years old and to replace it the cost would be about \$45,000. We feel it is a good economic decision to repair the vehicle.

Mr. Abrams moved, supported by Mr. Zellely to approve Resolution #08-05. Motion passed unanimously.

Resolution #08-06 authorizing the General Manager to purchase, on behalf of the Mass Transportation Authority, a parcel of land, of approximately 26,900 square feet (100x269) located at 3462 Dye Road, for ingress/egress to the Miller Road property acquired for the Swartz Creek Service Center in an amount not to exceed \$120,000.00.

Mr. Foy stated that this purchase of land will allow us to have an alternate entrance into the property that we previously purchased for building the Swartz Creek Service Center. With the approval of this purchase, we will move ahead and be prepared in December to bring forward an RFP for the construction of the service center. We still have to go through site plan approval. We have been through the preliminary approval.

Mr. Abrams stated that the traffic engineer for Swartz Creek has looked at this and agrees that it is much better to go out on Dye Road then directly out on Miller Road where the vehicle has to cross four lanes of traffic. Also there is a light at Miller and Dye Roads that can be utilized.

Ms. Sims moved, supported by Mr. Zellely to approve Resolution #08-06.

Mr. Luttenbacher asked if there was any other utilization for this property. He feels that \$120,000 is a lot of money for a driveway when there is already a driveway on Miller Road even though it is not the most desirable excess. Mr. Foy reminded the Board that there is a house that will be destroyed on the property.

Mr. Foy stated that it is only 100 feet wide and we have to put in a double lane road. Also when any type of action is done on the corner lot, the Road Commission is going to close the existing driveway going to Dye Road and they will be using our driveway as an easement to get to their property.

Mr. Newman, Mr. Abrams, Mr. Zellely and Ms. Sims voted in the affirmative. Mr. Luttenbacher voted no. Motion carried.

General Manager's Report

Mr. Foy stated that the written report pretty well states what is happening at both the Federal and State level. At the Federal level we are going to have to sit and wait. It looks like it will be

Christmas time before we have a 2008 Transportation Appropriation. At the State level we do have the budget that was put together but immediately on the revenue side they are talking about the service tax being eliminated. They must reach some kind of accommodation on the Comprehensive Transportation Fund. They were going to reduce it by \$5 million. We now have been told that everything is off the table and they are going to start all over. We have been fortunate in this process that transit operating assistance of \$166 million has remained in tact.

Mr. Foy also stated that he has submitted a summary document for the Board to review on "Building Green." Building Green deals with the issue of constructing and designing buildings in a matter, which is of best interest of conserving energy and maintaining the environment. The cost is a little more up front but in the end the life cycle cost is considerably less. We are not able to design the building in Swartz Creek in a manner that could possibly be certified under the LEED's process but we feel there are many things in the design that would give us points. If you get enough points you can get LEEDS certified. We would like to move toward LEED's certification in the future in the Clio Service Center to be a leader in the community by attempting to show what we can do to try and conserve energy and be concerned about the environment.

Mr. Foy also stated that diesel fuel is up to \$3.03 a gallon. We have it in the budget at \$2.65 a gallon. We are in the process right now of working with a pooling effort of other governmental agencies for the purpose of maximizing our purchasing power. We will get our first response back from the petroleum industry on November 27th.

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

October, 2007 Income/Expense Statement

Mr. Ragsdale stated that in the farebox revenue we have had a substantial increase just in the first month on our fixed routes. Farebox revenue for the month is over budget by \$71,000. In the non-transportation revenue it is running pretty much on what we expected. Dedicated tax revenue is actually just starting to come in. The bulk of it will come in through December and January. In State cash grants we are receiving a little bit more in operating assistance-urban. We are receiving 30% of our eligible expenses. We are also receiving more in the State non-urban. Federal cash grants had no variation so our total net result in revenue is almost \$122,000 over our projection.

In expenses the main reason we show \$185,000 over budget for the month is because of the \$470,000 that we asked the Board to approve earlier. We will spread that into the budget and that will take care of that for next month. We are still projecting a net income at the end of the year of \$1.2 million and we are already ahead of that by \$318,000.

Mr. Ragsdale stated that the big issue will be the fuel. We are hoping that the national procurement will bring the cost down. In two days the cost of fuel went up another 3 cents. In addition, they have to go to Ohio to get the diesel fuel because there is no diesel fuel in Michigan

available and one of our vendors that we have used for a number of years has gone out of business. The whole economy is having a big impact on the fuel. If we do not see a significant reduction based on the national procurement, we could see over a half million dollar affect on our budget.

Chairman Newman ruled that the October, 2007 Income/Expense Statement be received and filed.

October, 2007 Ridership Statistic Report

Ed Benning, MTA Assistant General Manager-Services stated that ridership for October was 555,715 passengers. We are up 14% compared to the prior year. On the fixed routes we had a ridership of 423,282, which is up 11%.

In the peak period routes we had 51,338 passengers. A year ago we had 26,800. Some of the shifting took place when we moved students from Your Ride over to the peak period and this is demonstrated in the reduction in the Flint East, Flint West and Mt. Morris centers. In addition, there is an increase in demand for transportation on the peak service for the private and charter schools.

Regional routes had a ridership of 18,202 for an increase of 25% over the prior year. We have been working with Delphi on some of the changes that will take place in 2008. Initially they talked about moving in June of next year. There has now been a corporate decision to start moving people November 27th. There will be some 400 individuals, when they make all of the moves, that live in Genesee County that have noted that they would like to use public transportation.

Curb-to-curb service had a ridership of 62,893. Although we were down 4% from the prior year, we have expanded service to provide work related transportation 24 hours a day. At the same time we are working very closely with the Senior Centers to provide the transportation that they may not be able to provide or want us to do all of the transportation.

Chairman Newman ruled that the October, 2007 Ridership Statistic Report be received and filed.

October, 2007 Complaint Statistic Report

Mr. Benning stated that for the month of October we had 43 complaints. This is about 8 complaints per 100,000 passengers. In looking at the statistics that make up those complaints, in the area of driver conduct we have had a high number over the past period. This number has dropped considerably and we hope we are going in the right direction.

Chairman Newman ruled that the October, 2007 Complaint Statistic Report be received and filed.

Comments of Board Members

Chairman Newman stated that the Board discussed getting an evaluation of the General Manager to the Personnel Committee so that that issue could be addressed and the Board could take action on the proposed contract. If members have not submitted the evaluation, please do so.

Chairman Newman also mentioned that he had received a copy of the Committee assignments that Mr. Zelle had made when he took over as chairperson two years ago. If any member is interested in continuing on the same Committee that they worked on in the past or have an expression of interest in a different Committee assignment to please let him know. Chairman Newman would like to publish a memo of the Committee assignments by the first of the year. In addition to the Committees that we are already familiar with, we are going to have to make appointments for the Audit Committee and Investment Committee.

Chairman Newman also congratulated Carolyn Sims, on behalf of the Board, for being elected as President of the Flint City Council.

Chairman Newman also requested that a notice be sent out to every Board member to encourage them of the importance of attending the December Board meeting on December 20, 2007.

Mr. Foy passed around a picture of the sculpture that has been installed at the Mt. Morris Service Center.

Adjournment

Meeting was adjourned at 9:20 A.M.