



**MASS TRANSPORTATION AUTHORITY
MINUTES OF THE DECEMBER 3, 2009 BOARD MEETING**

PRESENT: Paul Newman, Chairman, Richard Abrams, Paul Luttenbacher, Maxine Murray, Mike Zelle, John Northrup, Pastor Seon Thompson, Ted Henry, Gregory Eason (Arrived at 8:13 A.M.)

STAFF: Robert Foy, Mary Scott, Ed Benning, Lynn McLean

GUEST: Greg Mason, CHMP Inc., Glen Griffin, ASU Risk Management, Cathy Wright, Local 1223 Secretary

ABSENT: Sheldon Neeley

Chairman Newman called the meeting to order at 8:05 A.M.

Comments of the Public None

Minutes of the October 22, 2009 Regular Board Meeting

Mr. Northrup moved, supported by Mr. Abrams to approve the minutes of the October 22, 2009 Regular Board Meeting. Motion passed unanimously.

Minutes of the October 20, 2009 Finance Committee Meeting

Mr. Henry moved, supported by Mr. Abrams to approve the minutes of the October 20, 2009 Finance Committee Meeting. Motion passed unanimously.

Minutes of the October 16, 2009 Service Committee Meeting

Mr. Zelle moved, supported by Mr. Northrup to approve the minutes of the October 16, 2009 Service Committee Meeting. 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 Service (A&E), for construction of the Flushing "Your Ride" Service Center with C.H.M.P., Inc. In the event the Mass Transportation Authority cannot negotiate a fair and reasonable price for the A&E services with C.H.M.P., Inc., then the MTA will enter into negotiations, in descending order, with the next most qualified firm.

Mr. Abrams stated that the Finance Committee has reviewed this and by a majority vote has recommended approval by the full Board, therefore Mr. Abrams moved Resolution #10-02. Mr. Northrup supported.

Mr. Foy stated that this is a two-step process. The first step is that we go through the process to determine who is the best qualified to perform the architectural and engineering service. We went through this process with the Finance Committee. When the final tally was taken, CHMP Inc. was the highest qualified. With Board approval this will allow staff to enter into negotiations for the price. Once the price is established it will be brought back to the Board for final approval of a contract. If we cannot reach what we consider a fair and reasonable price we would then move to the second most qualified for negotiation.

Mr. Newman, Mr. Abrams, Ms. Murray, Mr. Zelle, Mr. Northrup, Pastor Thompson, Mr. Henry and Mr. Eason voted in the affirmative. Mr. Luttenbacher voted no. Motion passed.

Resolution #10-06 authorizing the General Manager to renew a five (5) year agreement with The ASU Group to provide MTA self-insured Third-Party Claim Administration Services for Commercial Automobile Liability in an amount not to exceed an estimated \$60,000.00 annually during the Five (5) year agreement.

Mr. Abrams stated that the Finance Committee reviewed this item and recommends approval by the full Board, therefore Mr. Abrams moved Resolution #10-06. Mr. Luttenbacher supported.

Glen Griffin, ASU Group stated that the ASU Group has been working with the MTA since 1987. The proposed agreement is a five-year renewal. The current plan was a three-year plan. The proposed plan is an increase of \$2.00 per hour. There is also a charge of \$1500 for administrative services. That has now been increased to \$3,000 because of the requirement of Medicare that requires that MTA report all the claims that has a Medicare eligible individual to the Center of Medicare Services. The \$1,500 increase is some of the administrative cost for us to maintain contact with the Center for Medicare Services through a database that allows us to enter the name of the individual submitting a claim to see if they are a Medicare recipient. If they are that claim has to be reported to Medicare. This is a requirement that will start April 1, 2010. The test period starts January 1, 2010. As of April 1, 2010 if you do not report these claims appropriately there will be a charge of \$1,000 per day until you fulfill the requirement. We get a monthly report from ISO if the claim is a Medicare recipient or in the course of a claim they become a recipient. We have the requirement of reporting to the Center for Medicare Service these claims, which is \$200 per file that has to be reported. That is the reason for the increase from \$1500 to \$3000 administrative fees. The services that ASU provides are all investigation of any claims on whether they are compensable or not in accordance with the law. They also work with our excess liability insurance carrier.

Chairman Newman stated that Mr. Griffin made a very extensive presentation to the Finance Committee and there are materials that were included at their seat that was covered in the Finance Committee.

Motion passed unanimously.

General Manager's Report

Mr. Foy stated that we have had action since the General Manager's Report was written for the November meeting. We received notification from the Federal government that we can move forward with the purchase of the property in Clio for the Clio Service Center. We took action today for the A&E effort for the Flushing Service Center. The construction will take place in the 2010 timeframe and we expect the construction for Clio will be in the 2011 timeframe.

We indicated that there was an amount of uncertainty about our ability to continue our partnership with the State for work related transportation. We had a \$1.1 million grant that we have had for the last couple of years. We made a presentation to them earlier in the year and at that time the financial situation of the State was so dark they could not commit to it at that time. The State has now reached a point where they have committed that we will receive the \$1.1 million. They just can't tell us where it is coming from yet.

In the report it talks about the tax credit for alternative fuels. Our effort to move toward some type of alternative fuel is becoming an increasing concern. We received an email from the Department of Energy to be concerned about the fact that they anticipate that the price of diesel fuel is going to go up 50 cents per gallon just after the first of the year. We need to prepare ourselves and get our budgets in line. Right now we have programmed for \$2.20 a gallon and it very well could be between \$2.60 and \$2.80 a gallon. We will have to squeeze \$700,000 out of the budget to deal with that issue if it becomes a reality.

Mr. Foy also stated that there is an issue that is occurring in the community. We talked about this at the last meeting and that was the number of individuals who are requiring transportation but do not have the money to pay for it. The drivers are required to fill out a write-o-gram and submit it to Customer Service to let them know that the individual did not pay. We are dealing with about 300 passengers a day. We have established a procedure. It is a two-step process. The driver submits a write-o-gram. After an individual misses four trips where they did not pay, a letter is sent out giving them seven days to respond to why they are not paying. If they have a legitimate reason why they are unable to pay then we refer them to an agency that has a grant program to provide a pass. If they do not respond in seven days they will be sent another letter with the date that they will no longer be able to schedule a ride on the Your Ride service. There is an appeal process that they can go through but once they go through the appeal process they must purchase a monthly pass in order to schedule a trip. This process takes the burden off the driver of trying to collect fares. The process went through the Local Advisory Council and they are supportive of the process. This is a national problem, not just Genesee County.

Mr. Foy stated that he had the opportunity to testify before the House Appropriations Committee on how public transit can do things to make ourselves more efficient. It was a very interesting experience. The one thing that came out was there is not going to be more money. We are going to have to be more efficient in the way we deal with the dollars we have.

On November 4th the MTA was honored by the Genesee Regional Chamber with the 2009 Community Beautification Award for the beautification of our buildings.

We are also having a problem with rocks and now pellet guns being shot at our buses at night. The Flint Police Department is working closely with us but we are having 5-6 buses a night being hit by rocks or pellet guns. It is in many areas of the county not in just one location but we are working closely with the police on this issue.

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

Follow Up from Meeting with Lisa Green-Blades

Mr. Foy stated that the meeting dealt with a private citizen coming forward for the purpose of discussing that we were cutting service off to certain dialysis patients. They are a private for profit firm. They rely upon public transportation a great deal for their patients and they require that we provide service 24 hours a day. Prior to the implementation of the new policy for non-payment of fares we had circumstances where we were telling individuals that if you don't pay we are going to cut you off. Ms. Green-Blades was here for the purpose to tell us that we can't do that. These people, if they don't get that service, do not have anyone else to transport them and they will die because they have to receive dialysis three times a week.

We met with Ms. Green-Blades and went over the new procedure with her. The concern that we had was where some patients in the past had not been paying for some period of time. We had deficits of as much as \$400.00. In our discussion we asked why they didn't pay for the service. They are a for profit organization. Her contention was that they would be willing to pay for the service for that individual in the future, but not for anything in the past. We have now taken care of this in the procedure and Ms. Green-Blades is in support of this procedure.

October, 2009 Income/Expense Statement

Mr. Foy stated that the total budget for the year in revenue is \$25,892,808 and the expenses are \$24,861,992, which should add approximately \$1 million to our equity. For the month of October it shows that we have revenue of \$2,144,261 so we were under budget by \$13,475. In the case of expenses we are at \$2,078,046, which is under budget by \$232,043. Overall we are about \$218,568 under budget. This is for the first month of the fiscal year and there will be some adjustments that we will be making.

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

October, 2009 Ridership Statistic Report

Ed Benning, MTA Assistant General Manager-Services stated that the ridership for October was 559,971 passengers. We were down 13% from the previous year. If you look at our ridership and go back to October of 2008 our ridership is almost the same. In 2009 we had a spike in ridership, which was in excess of a half a million passengers. This was due to the high rise in fuel prices. We do have some variations in ridership in our fixed routes. We are down 12% on the fourteen routes with 427,436 passengers.

Our peak period routes are down 2%. This is pretty much in line where we were a year ago.

Regional service had 12,533 passengers, which is down 45%. We have made some recent adjustments in our regional service and we now have service that is going to the Saginaw area. This week 20% of the employees from GMSPO and employees coming out of Auburn Hills were moved daily with over 450 people moved to Morley in Saginaw. This is the first time that an employer has taken the initiative to purchase the commuter passes on behalf of the employees. This is a program approved by the IRS. The program provides for parking and commuter transportation. The total amount a month that a person could utilize either through the organizations pre tax credit or as a payroll deduction is \$200 a month.

The curb-to-curb service had 53,070 passengers. We are down 25%. It was necessary due to budget constraints that we make some service reduction for the month of August and September. In October we are not back to the service levels of a year ago. In November it should come into line.

A direct reflection of that is also in the complaints. We had 9.8 complaints per 100,000 passengers. If you look at the last three months it is directly related to service issues and that service issue was that we were not able to meet all of the transportation request. We had unaccommodated rides during that period. We were operating and providing service at a level beyond the budget so it was necessary for us to make adjustments. In the last thirty days we have made a change to our scheduling process. In the past individuals could call up to 5:00 pm to schedule a ride for the next day. It would be 7:00-7:30 in the evening before the managers had the opportunity to address some of the unaccommodated rides or take a look at rides that were very long. We have now moved the cut off time to 2:00 pm for next day transportation. That allows us from 2:00 pm to 5:00 pm to make adjustments, to address the unaccommodated rides and to more effectively schedule individuals so that we void those very long trips where an individual comes out of one service area into another service area. This change has been very helpful. The number of unaccommodated rides last Friday was zero. On Monday we had seven.

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

October, 2009 Complaint Statistic Report

Mr. Benning stated that in the report it shows that we had a spike in August and September of service complaints directly related to not being able to accommodate all of the transportation requests. The other is driver conduct and that is an area we continue to work on by providing retraining and testing to our drivers.

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

Comments of Board Members

Pastor Thompson asked who makes up the Finance Committee and when do they meet?

Mr. Abrams stated that he was the Chairman of the Finance Committee and that we have four or five members.

Mr. Foy stated that we cannot have more than five members because of the open meetings act. At the present time we have five members on the committee.

Mr. Abrams stated that the Finance Committee usually meets the Tuesday before the Thursday Board Meeting.

Chairman Newman stated that anyone who is interested in serving in any chair or as chairman of any committee to please let Suzie know when she returns from vacation.

Mr. Henry asked if the present leadership wishes to continue serving?

Mr. Abrams stated that he would be happy to serve again.

Chairman Newman stated that the issue he has is that the seat he holds is appointed by the Superintendent of the Flint Public Schools for the education representative. His term is up at the end of March and he doesn't know what the current Superintendent's wishes are as to whether he would be reappointed.

Mr. Zelle stated that all of the Board has to deal with that when their terms expire so he didn't think that really mattered with Chairman Newman accepting the Chair position again. The Board can deal with that when it happens.

Mr. Foy stated that the MTA Holiday lunch will be December 23rd. We will have the chorus again this year. There will be a turkey dinner with all the trimmings. Generally the administrative staff will be there around noon. The drivers start at 9:30 a.m. to 6:00 pm. The Board is invited to attend and it will be in the cafeteria over at the Operations building.

Mr. Foy also wished the Board a Happy Holliday Season.

Adjournment

Meeting was adjourned at 9:15 A.M.