



***MASS TRANSPORTATION AUTHORITY
MINUTES OF THE DECEMBER 18, 2008 BOARD MEETING***

PRESENT: Paul Newman, Chairman, Richard Abrams, Ted Henry, Mike Zelle

STAFF: Robert Foy, Suzanne Shepherd, Charlene Kowalski, Lynn McLean

GUEST: Attorney Lawrence Hanba, Hanba & Lazar, P.C.

ABSENT: John Northrup, Paul Luttenbacher, Darryl Buchanan, Sheldon Neely

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

Comments of the Public None

General Manager's Report

Mr. Foy stated that at the State level the Governor has directed that the legislature develop a transportation funding package before the lame duck session is over. As a result of the taskforce that was put together for the purpose of making recommendations, they have come up with a recommendation for an additional investment of about \$1.5 billion a year into transportation. That is basically by doing away with the gasoline tax that we have on an individual basis and going to the wholesale level. In addition, there is additional money that comes through registration fees and other types of fees that have traditionally gone into the transportation fund for about another \$300 million. This effort is in the House and Senate at the present time. The House sent a proposal to the Senate that was merely a boilerplate proposal. They are to deal with that item both in the House and Senate today. Earlier we had the opportunity to have both of our Senators along with two of our Representatives meet at the MTA. We had a long discussion about the package. We discussed our needs and concerns. They are well prepped for going into these discussions. The big issue will be in the Senate. We think that either something will come out of the legislature today or it will be a number one priority when they come back after the first of the year.

Mr. Zelle asked if there are any particular line items or impact to Genesee County?

Mr. Foy stated there will be impacts on roads and public transportation. It provides an additional \$150 million a year for public transportation. MTA submitted a list of projects that would be candidates for funds. From the Federal side you have a similar situation going on with an economic incentive package. The Federal program may not require a match the way they are laying it out.

There is a lot of uncertainty about this and how it will fit together but clearly it is a very positive thing from public transportations point of view.

Mr. Zelle asked if the economic incentive package for transportation means the acquisition of vehicles for MTA, capital or does it mean operating?

Mr. Foy stated that at the Federal level none of it is in concrete but it appears as there are two elements. One is very short-term. That is something you can get out and get on contract within 90-120 days. The second phase is more of a two-year program. This gives us a lot more opportunities where we have all of the A&E work done. They must be improvements to infrastructure, no operating. The State is different. The State is talking about increasing the operating assistance. At the Federal level they asked us to submit our five most critical programs that could be funded within 90-120 days. It is primarily associated with moving ahead with building our facility in Flushing and a facility in Clio. Two items dealt primarily with the hybrid program and the last project deals with a new radio system for the vehicles. We have had a 900-megahertz system through Motorola. Motorola has informed us that they are going digital and they are no longer going to service non-digital radio systems. Just to replace the control modular is over \$400,000. The total cost of the radio change would be about \$1.5 million. They will give us until July to buy the modular and then we have another twelve months after that to buy all new radios. Our total project list is about \$26 million.

Mr. Foy also stated that the kitchen has been completely redone. We now have a very modern kitchen and the quality of the meals has improved significantly. A more healthful menu. Also the new phone system has been installed. The phone numbers will change slightly. The one thing we do expect is that it will significantly improve customer service.

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

November, 2008 Income/Expense Statement

Mr. Foy stated that the budget is the budget that we had laid out some fifteen months ago. We will be coming in January with a revised budget for 2009 along with a forecast for 2010. Based upon where we are at, we predicted \$10.3 million in dedicated tax revenue. This is probably going to be high by about \$1 million. The State cash grants and the Federal cash grants seem fairly solid. On the expense side the budget was \$2,131,000 and we came in at \$2,113,000, about \$18,000 under budget for the month of November. Based upon the forecast for the original budget, we are running about \$216,000 over budget. From a standpoint of the organization we feel we are very solid in terms of our revenue. Those lost in dedicated tax will be covered by the increase in fares.

Chairman Newman ruled that the November 2008 Income/Expense Statement be received and filed.

November, 2008 Ridership Statistic Report

Mr. Foy stated that ridership was 488,384 passengers for the month of November. This is down about 2% from last year. This is due primarily to the fact that we had 19 operating weekdays as compared to 21 operating weekdays last year. We also had one snow day this year. Overall we are still about 8% above the ridership at this time last year. We are about at our peak of what we can do without more operating funds.

Chairman Newman ruled that the November 2008 Ridership Statistic Report be received and filed.

November, 2008 Complaint Statistic Report

Mr. Foy stated that we had 49 complaints for the month of November. Most of the complaints deal with the Your Ride service. We think that this number will come down significantly with the new phone system. Individuals trying to call back to get their exact pick up time have not been able to get through but the new system should solve this problem.

Chairman Newman ruled that the November 2008 Complaint Statistic Report be received and filed.

Chairman Newman stated that we do not have a quorum so we cannot proceed with Board business as it relates to discussion or approval of the action items so they will be held over until the January Board meeting.

Mr. Foy stated that Attorney Hanba was here to deal with a non-controversial situation. It deals with an individual who has been a long-term employee. The employee has had some specific physical problems overtime that mostly we felt were non-work related. After the individual retired for medical reasons, he then decided that it was a work comp issue.

Attorney Hanba, Hanba & Lazar, P.C. stated that this individual worked as a bus operator since 1979. In June of 2007 he filed a petition with the Workers Compensation Bureau claiming that he sustained injuries to his back during his course of employment. He went off of work in March of 2006 and had low back surgery. Returned to work in May of 2006 and worked until December 2006 when he had additional surgery to his back. Work comp deals with facts and medicals so medical records are very important. They subpoenaed numerous medical records going back to the 1980's. The low back is what this claim is about. Since he claimed an injury back in the early to mid 80's they got the employment records from back in the 80's and there was an indication that he sustained an injury in 1981 to his back and was off on workers comp for a number of months. He eventually returned to work and continued to work as a bus operator. The medical records indicate that he continued to have problems off and on with his low back since 1981. In 2004 he vigorously started treating for his low back. He eventually had lower back surgery in 2006.

During the course of litigation, the opposing council submitted a settlement demand of \$90,000, which we were not interested in. Attorney Hanba continued pursuing the matter and the plaintiff reduced the demand to \$40,000.00. Way back when Attorney Hanba evaluated the case, he evaluated it at \$20,000 to \$25,000. They eventually came within his evaluation range. Attorney Hanba is strongly recommending that we settle the case for \$20,000. It is in the best interest of the MTA to proceed with this settlement.

Mr. Foy stated that he agreed with the worker compensation settlement and he just wanted to let the Board know that we are going to go ahead and proceed with the settlement.

Comments of Board Members

Mr. Foy stated that the Board has been given a copy of the pre-audit communication. This is a direct result of the change in auditing standards that came about. The auditors are required to communicate to the Board of Directors for the purpose of saying that this is the way they are planning to do the audit and if the Board has any concerns about that, then they should contact them and they will be glad to come in and discuss it with them.

Adjourned

Meeting was adjourned at 9:17 A.M.