

**KALAMAZOO TRANSIT AUTHORITY
BOARD OF DIRECTORS MEETING
Minutes of August 25, 2006**

Members Present: Chairperson Carol Fricke, Elizabeth Forest, Garrylee McCormick, and Andy Havice

Members Absent: Vice Chairperson Donna Treloar, Secretary/Treasurer Reuben Richardson

City Commission Liaison: Bobby Hopewell, Vice Mayor (Absent)

Technical Committee Member Present: William Schomisch, Transportation Director

City Administration Member Present: Beth A. Sowles, Administrative Office Specialist

Guests: Richard Atwell, Chairperson – KCTA

CALL TO ORDER

Chairperson Fricke called the regular meeting of the Transit Authority Board of Directors to order at 8:15 a.m.

ROLL CALL

Chairperson Fricke requested a motion to excuse the absences Mr. Richardson and Ms. Treloar.

Ms. Forest made a motion to excuse the absences of Mr. Richardson and Ms. Treloar, and was supported by Mr. McCormick. Motion carried unanimously.

INTRODUCTIONS

Chairperson Fricke decided to forego introductions, as no guests were present.

CHANGES/ADDITIONS TO AGENDA

There were none.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

There were none.

CITY COMMISSION/CITY MANAGER ITEMS

August 21

Service Agreement with Kalamazoo Advantage Academy (KAA): The Service Agreement was approved by the Commission with no questions or issues raised.

Service Agreement with Education Realty Trust (ERT): The Service Agreement was approved by the Commission with no questions or issues raised.

Kalamazoo Metro Transit System Fund Balance Policy: The City Commission approved the Fund Balance Policy that was previously approved by the Transit Authority Board in November 2004.

Proposed Route Modifications: A question was raised as to why the Western Michigan University

(WMU) routes are being changed so radically. Mr. Schomisch explained that WMU is reducing their \$2.1 million financial contribution by almost \$400,000, and that numerous changes then had to be made to WMU service. Mr. Schomisch stated that he expects a negative reaction from students on September 5th (the day the new service goes into effect). Chairperson Fricke asked if Metro Transit was working to ensure that students had advance notice of the changes. Mr. Schomisch stated that everything possible is being done. The www.kmetro.com website has all changes listed. Ms. Forest asked if there is a link to the WMU website, the answer was yes.

ACTION ITEMS

Meeting Minutes of July 28, 2006

There were no changes or corrections.

Chairperson Fricke requested a motion to approve the meeting minutes of July 28, 2006.

Mr. Havice made a motion to approve the Meeting Minutes of July 28, 2006, and was supported by Ms. Forest. Motion carried unanimously.

Income and Expense Statement for July 2006

Mr. Schomisch stated that a payment was made to the Kalamazoo County Transportation Authority to support their activities and expenses. APTA dues were also paid during July. Mr. Schomisch stated that diesel fuel prices continue to increase but that there is sufficient funding in the overall budget to cover diesel fuel. Chairperson Fricke asked Mr. Schomisch what the \$260,000 line item of state capital match could be used for? Mr. Schomisch indicated that any remaining balance could be used in 2007.

Chairperson Fricke also asked for an explanation regarding encumbrances. Mr. Schomisch explained that encumbrances are contract expenditures where the money is set aside and then drawn down. The money is committed to that particular contract.

Chairperson Fricke asked if the burned bus has been paid for. Mr. Schomisch explained that the bus had been paid for by reducing the federal and state drawdown to pay for the new buses. Chairperson Fricke also asked if anything from the investigation had been received. It was explained to the Board that basically hydraulic fluid leaked on the hot engine, and a fire ignited. Mr. Schomisch informed the Board that Battle Creek Transit had a bus fire this past week in their garage.

Mr. Havice made a motion to approve the July 2006 Income and Expense Statement and was supported by Mr. McCormick. Motion carried unanimously.

Ridership Analysis Report, July 2006

Mr. Schomisch stated that ridership continues to increase for the fifth straight month. There were 3,000 additional riders in July. It is important to note that there has been a monthly increase in ridership ever since the fare increase (March 1, 2006) and that ridership is 1% higher than last year. Productivity also increased on the fixed-route system. However, productivity will be watched due to WMU student ridership and the fact that there is now no service from the Valleys to the center of campus. Metro Van ridership saw a 772 ride increase in July and has reached 1.0 riders per service hour. With the Care-A-Van services there still is no annual comparison, but the numbers are good. Care-A-Van expenses are down, ridership is up and revenues are up.

Chairperson Fricke asked whether Pride Care vehicles and Life ems vehicles have anything to do with service delivery for Metro Van and Care-A-Van. Mr. Schomisch stated Life ems is not involved any longer with Metro Transit. However, Pride Care will occasionally use some of their vehicles to supplement Metro Van. Chairperson Fricke inquired if there is any way to have the Metro Transit logo on the Pride vehicles when it is being used for Metro Van service. Mr. Schomisch stated that gradually

the Metro Van fleet size is being increased. The current fleet size is 12 vehicles, an increase from nine vehicles. Chairperson Fricke stated that the more that the Metro Van name is seen the better for the millage.

Ms. Forest made a motion to approve the July 2006 Ridership Analysis Report and was supported by Mr. McCormick. Motion carried unanimously.

Resolution of Support for KCTA November 7th Millage Proposal

Was not ready for board packet and passed out at meeting. A resolution has been drafted in support for the Millage Proposal. Mr. Atwell stated KATS was very careful to state that they could not take a position and he was concerned about Metro Transit having the same constraints.

Mr. Atwell asked if the Resolution could be provided to KATS. Mr. Schomisch thinks the Resolution is okay the way it is worded but will check with the Attorney's office to ensure that the wording is okay. Mr. Atwell indicated the Campaign Committee would use this Resolution. The City Commission has taken positions in the past on millage proposals. Chairperson Fricke would like a media release of the Resolution along with other organizations who may do similar Resolutions in support of placing the millage on the ballot.

Mr. Havice made a motion to approve the Resolution in Support of the KCTA Millage Proposal and was supported by Mr. McCormick. Motion carried unanimously.

Recommendation to Appoint Michael Gregor to Transit Authority Board

Mr. Schomisch stated that this will be sent to the Kalamazoo City Commission for their approval and after Commission approves this appointment, Mr. Gregor will join the Transit Authority Board.

Mr. McCormick made a motion to approve the appointment of Michael Gregor to the Transit Authority Board and was supported by Ms. Forest. Motion carried unanimously.

DISCUSSION ITEMS

2006 Budget Update

The increased cost of diesel fuel is currently being covered by the overall 2006 Operating budget.

Care-A-Van System Update

2nd Quarter 2006 Report was given to the Transit Authority Board in their packets.

Kalamazoo County Transportation Authority (KCTA) Update

Mr. Atwell stated that he was thrilled that the Transit Authority Board passed the Resolution supporting the ballot proposal. The proposal will be for 0.45 mils. Mr. Atwell acknowledged that educating the public on the proposal and understanding how public transit is funded will be an undertaking. The Campaign Committee is currently working on public education issues. Mr. Atwell confirmed that the City of Kalamazoo, the County of Kalamazoo, the Transit Authority Board and the Kalamazoo County Transit Authority are all working together on the same issues.

Chairperson Fricke stated that since the Grand Opening of the Kalamazoo Transportation Center (KTC), she is concerned that the proper information regarding funding for the building and renovation is not being properly told. Chairperson Fricke wanted to ensure that education was being done on how the funding for KTC was done and that no local, City or transit monies were used for the project.

Governor Granholm signed a transportation bill for 2007. Highlights of that bill are:

- Legislature and the Governor agreed not take any more funds from the Comprehensive Transit Fund. Money was being sidetracked before it got into the CTF to offset the State's General Fund deficit.
- Operating assistance program was increased from \$162 million to \$166 million.

Mr. McCormick asked if the Single Business Tax was revoked how would that affect CTF. Mr. Schomisch stated there is a "firewall" between the transportation fund and being able to use them anywhere else. The Single Business Tax does not co-mingle with transportation funds. The impact, if any, is not known at this time.

Chairperson Fricke reminded Transit Authority Board members that people will be looking to them for answers and that everyone needs to be saying the same thing. Mr. Schomisch addressed this topic so that people know that State and federal capital monies built the KTC, but that a small portion of operating funds may be necessary to run the KTC. Funding with rents from Amtrak and Depot Concessions and commissions from being agents for Indian Trails and Greyhound will also be used in operating the KTC. The millage will not be used to exclusively support the facility.

KTC Project Update

Mr. Schomisch stated that the Grand Opening/Dedication on August 17th was a success.

Indian Trails/Greyhound Negotiations were discussed with Mr. Schomisch stating that a lobbyist with Greyhound had been invited to the Grand Opening and took a few moments to speak with Mr. Schomisch. The lobbyist basically stated that he was not totally convinced that Greyhound would be moving back to the Kalamazoo Transportation Center. Mr. Schomisch clarified to the Board that this lobbyist was NOT who we were working with in Dallas. The lobbyist was concerned about FTA clauses that had been attached to the agreement. Ms. Forest suggested that a call to Dallas should be made before speaking to this lawyer.

Mr. Schomisch informed the Board that Metro Transit would begin operating from the Kalamazoo Transportation Center on Tuesday, September 5, 2006.

INFORMATION ITEMS

No discussion took place.

MISCELLANEOUS COMMENTS

Mr. Schomisch stated that in the *Legislative Report* there was an article on "new starts". This is money that can be used to start major capital projects like light rail. This enabled "new starts" to blossom all over the country which negatively impacts both the federal operating and capital assistance funding programs. Complicating the matter is a new program called "Small Starts" which could fund Bus Rapid Transit (BRT) in smaller urban communities resulting in a growing demand for dollars.

PUBLIC COMMENTS

Mr. Atwell inquired about WMU diminishing their funding of routes on campus. Mr. Schomisch stated that Metro Transit loses an additional one third of state funding as a result of WMU service cutbacks. This affected the Portage and Egleston routes by only having hourly service during peak times. WMU may not always be there in terms of service. WMU service affects all riders, not only students. Metro Transit will work with WMU on ways to restore some of the service to WMU as funding sources become available. Mr. Schomisch stated that WMU students were vocal about this issue before they left and that students here during the summer were upset, but knew it was a funding issue.

ADJOURNMENT

There being no further business presented before the Transit Authority Board of Directors at their formal meeting dated August 25, 2006, Chairperson Fricke requested a motion to adjourn the meeting.

*Mr. McCormick a motion to adjourn the meeting, and was supported by Ms. Forest.
Motion carried unanimously.*

The meeting adjourned the meeting at 9:15 a.m.

Beth A. Sowles, Recording Secretary

Date: August 31, 2006