

**KALAMAZOO TRANSIT AUTHORITY
BOARD OF DIRECTORS MEETING
Minutes of December 17, 2010**

Members Present: Chair Carol Fricke, Vice Chair Treloar (arrived 8:25 a.m.), Michael Gregor, Andy Havice, Garrylee McCormick, and Jason Meddaugh.

Members Absent: None

City Commission Liaison: Bob Cinabro

Technical Support Members Present: William J. Schomisch, Executive Director

City Administration Member Present: Missy Coulson, Administrative Office Specialist

Others Present: Michele McGowen, Disability Network
Joe Szuszwalak
Dale Hein, KTCA

Chair Fricke called the regular meeting of the Transit Authority Board of Directors to order at 8:21 a.m.

ROLL CALL

All Transit Authority Board members were in attendance.

INTRODUCTIONS

Transit Authority Board introduced themselves to the people in attendance.

CHANGES/ADDITIONS TO AGENDA

Action Item G (Election of Officers) will be tabled and will be addressed during the February 25, 2011 meeting.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None

ISSUES/ITEMS FOR CITY MANAGER/CITY COMMISSION

Mr. Schomisch presented four items that will be recommended to the City Commission on Monday evening.

The first recommendation is for the City Commission to approve payment on a retrospective premium adjustment from the Michigan Transit Pool (MTP) in the amount of \$101,849.49, which represents adverse shared claims experience for the MTP policy year ending November 30, 2009.

The second is a recommendation for approval of a Service Agreement to Cross Jurisdictional Boundaries with adjoining counties. These agreements allow these public transit systems to enter each other's jurisdictional boundaries to provide public transportation services.

The third recommendation is an approval of a one year contract extension for the purchase of bus parts in the amount of 130,217.02.

And, the fourth recommendation is for the City Commissions approval on the renewal of the Working Agreement between the Kalamazoo Transit Authority Board and the Kalamazoo City Commission effective January 1, 2011, through December 31, 2012.

ACTION ITEMS

Meeting Minutes of November 19, 2010

The minutes were approved as presented.

Ms. Treloar made a motion to approve the minutes from November 19, 2010, and was supported by Mr. Meddaugh. Motion carried unanimously.

Income and Expense Statement – November

Mr. Schomisch presented the Income and Expense Statements to the Board.

The operating expense for November is \$1,226,217; this was an increase from last year due to liability insurance. The total liability insurance expense more than quadrupled from last year; 2009 expenses were \$20,583 and the 2010 expenses increased to \$114,841. The operating revenues offset this amount with the year-to-date totals up 4.48% from the prior year due to the fare increase. Overall, the year-to-date operating budget is setting at 80.9% verses 78.2% from November 2009.

Mr. McCormick made a motion to accept the Income and Expense Statements, and was supported by Ms. Treloar. Motion carried unanimously.

Ridership Report – November

Mr. Schomisch presented the Ridership Reports to the Board.

We have had major ridership reductions and losses due to the fare increase and economy; nevertheless it is beginning to even out. In November, there was a 2.78% decline (6,610 less trips) from last year. Demand response down slightly. Specialized Services (Community Service Van Program) are down due to MRC Industries, and their lack of volunteers, dropping our service. Overall services are down by 3%. In January, there was a 19% drop in ridership, but now it has evened out and stands at 2.78% for the month. Year-to-Date system total shows a reduction of 11.17%.

Mr. Havice asked if we see a trend in dropping services. Mr. Schomisch explained that we are experiencing the same problem as everyone else in Michigan. People are getting use to the fare increase and hopefully the economy will swing upward.

Mr. Havice asked if this was due to insurance change. Mr. Schomisch explained that the insurance increase was a one time increase. Next year we may have a rebate, as we have in previous years.

Chair Fricke stated that when fuel prices increase, ridership drops.

Mr. Meddaugh asked for a report on ridership from passes sold. Mr. Schomisch stated he did not have that report, but would get one.

Mr. McCormick made a motion to accept the Ridership Reports, and was supported by Mr. Meddaugh. Motion carried unanimously.

2011 Proposed Operating and Capital Budget

Mr. Schomisch presented the 2011 Proposed Operating and Capital budget to the TAB and stated that the Finance Committee met and recommended TAB approval of the 2011 Proposed Operating and Capital Budget.

The Operating and Capital budget requires the board and City Commission to be in agreement. The status quo budget plans are to implement short term recommendations for service improvements based on information obtained from the Comprehensive Operational Analysis (COA). This can be achieved without additional funding. The long term recommendations include: additional evening service hours, Sunday service, and express service to different counties; that will take additional resources.

Total operating revenue is \$3,395,049 as projected and it is offset by \$16,268,440 operating expenses. Capital expense is \$14,337,446; equaling a total system expense of \$30,605,886. This leaves us with a deficit of \$27,210,838.

This system is in good shape, due to a number grants. We have money thru 2015 for bus replacement.

Total funding equals \$25,471,264, subtracted from the \$27,210,838 deficit, equals an unfunded balance of \$1,739,573. We then subtract depreciation, \$1,471,628, leaving us with a shortfall of \$267,945. That number represents a fund balance that will need to be used next year to balance the budget.

Mr. Havice asked if WMU students pay like all consumers. Mr. Schomisch stated that WMU Prepaid Fares are listed under operation revenue and totals \$553,966. This represents the dollar amount that WMU is paying for students and staff to ride the bus.

Mr. Havice asked if we have number showing the amount students using the service. Mr. Schomisch stated that he does not have this number this month, but will have it for the next meeting.

Chair Fricke announced that this budget was presented at the Finance Committee Meeting. The fund balance is required to be 12%-15% and is currently at \$4 million. This draws down the reserve by \$267,945; however, it will not put the system in any jeopardy.

The No Cost service changes within the COA will go in effect April 4, 2011. This may create public concern; especially residents of Westland Meadow (the group that presented their concerns during the November 19, 2010 meeting).

Mr. Schomisch recapped the Westland Meadow concern and stated that the neighborhood would have a direct link to mall with the new, revised route; it would take approximately one half hour. There are 8 trips from the Oakwood area, while there are 83 trips (average) in an area with higher demand. Mr. Schomisch supports the recommendation from the COA.

Mr. McCormick questioned the amount of \$48 under the Meals and Entertainment line item on page 3. Mr. Schomisch explained that this money is to cover expenses for board members to attend area meetings, to purchase refreshments when hosting meetings, etc. \$48.00 is the total amount spent this year; the budget is \$600.

Ms. Treloar made a motion to approve the 2011 Proposed Operating and Capital Budget, and was supported by Mr. McCormick. Motion carried unanimously.

2012 MDOT Application

Mr. Schomisch stated that MDOT requires that by February 1, 2011, the FY2012 grant application be filed. We are looking for \$37,458 to expand the Community Service Van Program and \$199,452 for the expansion of the Demand Response Vehicles (up to 6). That total is split 80% federal and 20% state. We are applying for State PA 51 transit operating funds for both the urban and rural service programs; these are two separate programs.

We are also requesting to subsidize the Community Service Van moneys from the Specialized Services pot that the state provides. It is complimentary to our demand response service and for each person transported we get \$4.07. Currently we have 7 vans and the program is growing.

\$38,000 is being requested for the Rideshare Program.

This application will also include a request for \$125,000 to address unmet needs. Unmet needs are projects and/or activities that can be used under the Job Access/Reverse Commute (JARC) or New Freedom programs. To meet eligibility requirements, the federal government requires a submitted plan. Two years ago, the KTCA established a Public Transit Human Services Transportation Coordination Committee to identify unmet needs and create this plan. We may be applying for these grants in 2011.

Mr. Schomisch requested that Mr. Hein of the KTCA share the unmet needs the committee has found necessary.

Mr. Hein stated that one unmet need is training people to use public transportation. These funds could be used to educate people on how to use our services. Another unmet need is a bariatric van. We have a need for a bariatric van to transport larger individuals to medical appointments. We will be looking at this in the near future.

Mr. Schomisch stated that there was a third need presented to him; changing the demand response county rate from \$4.00 down to \$3.00. This would make all certified individuals (ADA, senior citizens, and disabled) pay a fare of \$3.00.

This application requesting \$125,000 in additional funding is to address these issues.

In the case of a bariatric van, we have an ongoing vehicle replacement program and what we can do, and most likely will, is change the specifications to add a heavier lift to provide this type of service for bariatric patients.

Mr. Hein asked if the van would be accessible to service everyone and stated it is a good idea if it is possible. Mr. Schomisch stated it would be accessible to all passengers.

Mr. Havice asked what the weight limit is currently; if there would be any mechanical issues to consider, and what size lift we are discussing. Mr. Schomisch asked Ms. Coulson to address these questions. Ms. Coulson stated that currently all our vehicles have lift capacity up to 600 pounds. A lift to accommodate bariatric patients would need to

have the capability of lifting up to 1,000 pounds. There should not be any additional mechanical issues; however that would need to be addressed before purchasing.

In the past year, we have received three requests to service individuals weighing over 800 pounds.

Chair Fricke stated that biggest barrier she has been told about, is with non-riders not knowing how to use the service.

Chair Fricke asked if these are the committee recommendations stated in this document. Mr. Schomisch announced that should the projects meet the eligibility requirements; we would apply for these additional funds. What we needed to do is get this discussion and identification of this project in the minutes of this meeting because our plan needs to be updated to the state level. If the plan is updated and action is taken on the items we are discussing (\$125,000 additional funding), it will fall into place.

Chair Fricke asked if the bariatric van would meet the eligibility requirements. Mr. Schomisch confirmed it would.

Chair Fricke conveyed her concerns with the declining ridership in the Community Service Van Program and asked why we should replace the vehicles. Mr. Schomisch stated that these vehicles only last about five years and two of them are coming due for replacement. There has been an expression of need to expand this program to the out-county area. The overall goal is to have these vans located out in the county to be utilized on a more regular basis. Mr. Schomisch stated he can see this program growing.

Mr. Meddaugh asked what projects can be funded with JARC funds and if the projects we are discussing qualify. Mr. Schomisch stated that the projects that we are discussing right now would fit more under the New Freedom Program (transportation alternatives beyond those required by the American with Disabilities Act of 1990 (ADA), that are designed to assist individuals with disabilities), in relationship to the demand response service. An example of a project funded under the JARC Program would be an express transport from the center to the Target Distribution Center in Galesburg; (transporting low income individuals to and from jobs and activities related to employment).

Mr. Schomisch conveyed his concern with the re-authorization of the federal program, as it is two years behind schedule. No one knows if JARC and New Freedom moneys will be included in the next procreation. Sustainability is a concern.

Mr. Havice asked if this would it affect the VA trips that we now provide. Mr. Schomisch stated it could potentially benefit the service.

Mr. Havice made a motion to approve the 2012 MDOT Application, and was supported by Mr. McCormick. Motion carried unanimously.

Resolution Levying 0.6 mills for 2011

Mr. Schomisch explained that every year following the approval by the voters, in this case the 2009 - three year millage, the TAB is required to levy the appropriate millage. The levy of 0.6 mills to the City of Kalamazoo will generate \$996,000 in support services.

Mr. McCormick made a motion to approve the Resolution Levying 0.6 Mills for 2011, and was supported by Mr. Meddaugh. Motion carried unanimously.

Election of Officers for 2011 - TABLED UNTIL FEBRUARY

Schedule of 2011 Meetings

Chair Fricke announced that the TAB will not meet in January and July 2011; there is an additional meeting scheduled for November 18, 2011. Meeting times will be moved to begin at 8:15 a.m.

Mr. Meddaugh made a motion to approve the 2011 Meeting Schedule, and was supported by Mr. McCormick. Motion carried unanimously.

Reappointments to TAB

Mr. McCormick and Mr. Havice have expressed their willingness to serve another two-year term on the TAB. Upon the Board's approval, these reappointments will be sent to the Kalamazoo City Commission for their approval, as per the current By-Laws of the Transit Authority Board.

Mr. Havice made a motion to approve the Reappointment of Mr. McCormick and Mr. Havice and was supported by Mr. McCormick. Motion carried unanimously.

Service Recognition of Donna Treloar

Ms. Treloar is to be honored for her service on the Board. She has served on this Board since April 7, 2003, and reappointment is not an option. Chair Fricke expresses her appreciation for the support and contributions Ms. Treloar has provided over these years. Ms. Treloar will remain a strong advocate of public transportation in the community and has expressed interest in KTCA Board.

Mr. McCormick made a motion to approve a Service Recognition Resolution for Ms. Treloar and was supported by Mr. Havice. Motion carried unanimously.

Service Agreement – KCTA, TAB and City of Kalamazoo

Mr. Schomisch presented the Service Agreement and requested Board approval of this 2011 Agreement.

There have been service agreements between the Kalamazoo County Transportation Authority, Transit Authority Board, and City of Kalamazoo since the inception of the KCTA voter approval of its millage. This document outlines what the KCTA is buying from the City of Kalamazoo in terms of service. In this agreement, there was a last minute change to allow senior and disabled passengers to use the 75¢ fare all day long. Because the budget did not include this change, the KCTA agreed to subsidize this program at \$15,000. The KCTA is agreeing to pay \$2,857,300 in 2011 to keep the following services available: Metro County Connect, Fixed Route Service Outside City of Kalamazoo, four Portage Routes, and now, the reduced fares for Senior and Disabled Passengers.

At the close of calendar year, we will validate costs and add/reduce the true cost. This is an estimate of the cost of services and need the TAB approval.

Mr. McCormick made a motion to approve the Two Year Working Agreement between KCTA, TAB and City of Kalamazoo, and was supported by Mr. Meddaugh.

DISCUSSION ITEMS

State/Federal Funding Update

Mr. Schomisch stated that at the state level, there is a shortfall on capital going into 2011. The need is between \$30 and \$50 million in capital funding; however there is only \$6 million in the budget. On the federal level, Congress approved a Continuing Resolution for the next two months. The dollar amount we are eligible for will remain the same as we had in 2010.

Comprehensive Operational Analysis (COA)

Chair Fricke stated that the short term can be implemented (including Oakwood issue) at no additional costs.

Mr. Schomisch declared there have been minor changes, but for the most part, this is what we will do beginning April 4, 2011.

Mr. Havice asked for confirmation regarding no night service. Mr. Schomisch confirmed there would be no night service on 1 or 2 routes. We may change that to 9:15 due to the request from the Michigan Commission for the Blind.

Ms. McGowen asked about the West Meadow change from last month. Mr. Schomisch stated that everything is fine after it was explained. The bus will stay on corner and not travel into the complex.

Stuff-A-Bus

Last weekend (December 9 – 11, 2010), Metro Transit teamed up with a local radio station and the United States Marine Corp to 'Stuff-A-Bus' for the Toys for Tots program. It was a great success.

Holly Jolly Trolley

Ridership is up from last year. It is a successful partnership with DKI, downtown businesses, and Metro Transit. It runs Wednesday through Sunday 11:00 a.m. - 10:00 p.m. It has been very successful.

Diesel Fuel Update

We are under budget for this year. The 2010 budget was established at \$2.80 per gallon; but the average cost has been \$2.27 throughout the year. We are uncertain on the fuel cost for 2011, so the new budget is set for \$2.75 gallon.

INFORMATION ITEMS

Mr. Schomisch announced that there were 67,676 WMU students that rode in November 2010. Ridership from August 2009 through July 2010, there has been 506,697 WMU passengers.

MISCELLANEOUS COMMENTS

Ms. Treloar expressed her gratitude toward the board.

Mr. McCormick welcomed Mr. Cinabro as the City Commission Liaison to the board.

PUBLIC COMMENTS

Mr. Hein stated that the county no longer provides financial and accounting services to the KCTA. It is now the responsibility of the city to provide these services under a contract KCTA has with the city.

The meeting on December 27, 2010 is cancelled. The next meeting will be February 25, 2011.

Mr. Szuszwalak expressed his excitement to serve on the board in 2011.

ADJOURNMENT

There being no further business presented before the Transit Authority Board of Directors at their meeting dated Friday, December 17, 2010, Chair Fricke adjourned the meeting. The meeting adjourned at 9:34 a.m.

Missy Couslon, Recording Secretary

Date: December 17, 2010