

INTERURBAN TRANSIT PARTNERSHIP BOARD

AUGUST 26, 2009

ATTENDANCE

Board Members Present

Charis Austin
Ira Hart
George Heartwell
Jack Hoffman
Barbara Holt
Don Lawless, Chair
Rick Morris
Richard Root
Terry Schweitzer
Rob VerHeulen
James White

Staff

Kathy Anderson
Robin Crothers
Judy DeVries
Alan Hartley
Taiwo Jaiyeoba
Meegan Joyce
Jennifer Kalczuk
Linda Medina
Liz Schelling
Peter Varga, CEO
Conrad Venema
Scott Walsh

Board Members Absent

Randy Gelderloos
Lisa Haynes
Steve Maas
Barb VanDuren

Others Present

Zach Bouma, Christman Company
Dave Bulkowski, DAKC
Dan LaMore, Christman Company
Russ Lewis, Citizen
Sgt. Wayne Moore, GRPD/The Rapid
Watchdog Miller, Citizen
Alan Schwartz, Miller Johnson
Tom Williams, AECOM

MINUTES OF
INTERURBAN TRANSIT PARTNERSHIP BOARD
AS RECORDED ON AUGUST 26, 2009

Commencing at 4:00 p.m., Mr. Lawless called the regular meeting of the Interurban Transit Partnership Board to order.

PUBLIC COMMENT ON AGENDA ITEMS

Watchdog Miller commented that the Wealthy Operations Center Expansion is excessive and new sites should be discussed. He feels the Mobile Metro 2030 plan is unnecessary.

PUBLIC HEARING –FY 2010 PROPOSED BUDGET

Mr. Lawless opened the public hearing on the FY 2010 proposed budget at 4:05 p.m.

Watchdog Miller thinks we should have additional copies of the budget available for the public to view. He voiced his concern about many budget lines where he feels we are wasteful. Security costs are too high and we should move back to Ionia Street. We are wasting 25% of the budget on the Heartside horseshoe.

Russell Lewis suggests we put the budget online for the public to view. He encourages delaying various capital expenditures until the economy has stabilized. We should also consider putting union benefits on hold and freezing wages. He questioned why we have scheduled overtime in the budget. He would like the length of time allowed for comments to be longer.

No more public comments were entered. The public hearing was closed at 4:12 p.m.

1. Minutes of the June 24, 2009 Board Meeting:

A motion was made by Heartwell, supported by Holt, to approve the June 24, 2009 Board meeting minutes as written. Motion passed unanimously.

CONSENT AGENDA

A motion was made by Root, supported by Morris, to approve Consent Agenda items 2-8. Motion passed unanimously.

REGULAR AGENDA

Performance Oversight Committee

9. May and June 2009 Ridership and Productivity Reports:

Mr. Schweitzer reported that we had a decrease in ridership in May and June compared to the exceptional ridership increases that we experienced in May and June of 2008. Fuel costs in May and June of 2008 were significantly higher, which had an impact on ridership.

Mr. Monoyis commented that we have a ridership increase year-to-date. With the recent decrease in monthly ridership, we decided to look at a few external factors. We compared The Rapid ridership with various peer systems in four categories: ridership trend by peers in the state of Michigan, ridership trend by agencies with similar operating expenses, ridership trend by unlinked passenger trips peer groups, and ridership trends by agencies operating within similar urbanized areas.

Mayor Root inquired about ridership trends in the Lansing and Ann Arbor areas. Mr. Varga responded that increases were most likely due to the University population; however, staff will look into the trends and report back.

Mr. Schweitzer commented that from a committee perspective they felt it was important to get an explanation of why we are seeing a decrease in ridership and asked staff to monitor any factors that could be contributing to the decrease.

Mr. Morris noted that we all would like to consistently see growth, however, he believes that even without growth we are operating a good service and being economical about it.

A motion was made by Schweitzer, supported by Holt, to approve the May and June 2009 Ridership and Productivity Reports. Motion passed unanimously.

10. Contract Award for Wealthy Operations Center Expansion:

Mr. Schweitzer reported that staff is requesting approval to award a contract with The Christman Company in the amount of \$26,888,476 for the Wealthy Operations Center expansion project.

The Board has approved a contract with Progressive AE for design and engineering work, they approved a contract with The Christman Company for construction management services, and reviewed the design goals, project schedule, and project budget. The project is budgeted at \$35.7 million. Included in that project budget is \$30.2 million for construction and construction contingencies. Due to intense competition among subcontractors for work in this project, the actual bid amounts for construction and construction contingencies came in just over \$26.76 million. With the addition of A&E costs, construction management services, land acquisition, LEED commissioning, and materials testing, the total project cost will be \$32,396,700.

A motion was made by Schweitzer, supported by Heartwell, to approve contract award to The Christman Company for the Wealthy Operations Center expansion project. Motion passed unanimously.

Mayor Root suggested we include a list of bids in ranking order and a highlighted recommendation in future items. It is not uncommon to hear from contractors who do not qualify and this information would be helpful. Mr. Varga commented that staff would provide this information in future items. Mr. Morris agreed that this would be useful information to have.

Mayor Heartwell inquired about efforts to seek out disadvantage business contractors for this project. Mr. Varga noted that we met with our attorneys, Christman, and Rapid staff to determine the maximum legal outreach efforts we can implement to attract disadvantaged contractors for this project. We are conducting the most far-reaching efforts we have ever taken to secure minority participation in a project, however, our efforts suffer because so few minority firms certify through the MUCP process.

Mayor Heartwell noted that the result for the project is around 6% participation, which is a disappointing number to him. He noted that various other projects in the area have had up to 17% participation. Mr. Varga noted that it is disappointing to him as well, which is why we met with our attorneys to define what we can legally do as part of the federal procurement process. What Christman can do for private companies they are not allowed to do for us because it could result in a violation of federal procurement rules.

Mayor Heartwell inquired how we insure that smaller and/or DBE firms are getting paid in a timely manner. Mr. Varga noted that Christman actually pays the firms and there is a special clause tightening the rules for payment in a timely manner for projects funded with stimulus money. Christman has to verify to us the timeliness of the payments and we report back to the FTA.

Mr. Varga mentioned the competitive bids in this project resulted in a savings for the entire capital program. We were going to defer some bus purchases, but we were able to capture funds to meet that objective because of savings on this project.

Strategic Planning Committee

11. FY 2010 Proposed Budget:

Mr. Hartley reported that the FY 2010 proposed budget has no fare increase or service cuts. The total budget has decreased by about \$5 million from last year. Most of this decrease is due to not purchasing any linehaul vehicles in the FY 2010 budget year.

He commented that most of the discussion at committee level centered on the revenue side of the budget. Property tax revenues are expected to decrease and state operating assistance has declined as well.

There are no new positions proposed, health insurance premiums remain flat and overall operating expenses in FY 2010 are decreasing 3.28% when compared to FY 2009 budget.

A motion was made by VerHeulen, supported by Hart, to approve the FY 2010 Proposed Budget. Motion passed unanimously.

Mr. Schweitzer questioned where we are with the options for insuring commercially versus the Michigan Transit Pool. Mr. Hartley noted that he is preparing a recommendation for September's Board meeting.

Mr. Lawless noted that the challenge will be making assumptions about the next five years and getting plans together. We are fortunate that we have had opportunities to leverage funding and we need to make sure that these opportunities help maintain a vital future.

Mr. Varga mentioned that for the past four years we have been able to add to reserves and he thanked staff for years of good budgeting. He mentioned issues that we have little control over including fuel, state operating assistance and Transit Pool retrospective adjustments. There is an understanding by staff that this will be a difficult budget year.

12. Route 5-Wealthy Recommendation:

Mayor VerHeulen reported that based on the analysis of the Route 5 survey that was conducted over a three-week period, staff recommends that The Rapid maintain the current route alignment on Giddings Avenue between Franklin Street and Hall Street.

He explained that survey results show that there is not enough support to realign Route 5 to Fuller Avenue, with 50% for and 50% against. Of the 50% that approve of realigning the route to Fuller Avenue, 75%, are residents of Giddings Avenue, of which the vast majority do not use or seldom use the route. Of the 50% that disapprove realigning the route to Fuller Avenue, only 1 was a non-user of the service. Fourteen (14) surveys that disapprove realigning Route 5 to Fuller Avenue are special needs students regularly attending classes at C-BOT located at Giddings and Alexander. Realigning the route to Fuller Avenue would create a hardship for these persons.

In addition to the recommendation not to realign Route 5 to Fuller Avenue, the Operations Department will work with Route 5 operators to minimize noise and vibration caused by The Rapid's buses on Giddings Avenue.

Mr. Morris feels this is an operational issue and changing the route realignment made sense from an operational standpoint. He is disappointed with the recommendation and feels we should take operational issues into consideration when making decisions.

Mayor Heartwell noted that we have a history of being sensitive to the needs of riders. It is clear from a rider's standpoint that this is a good alignment. He supports the recommendation.

Mr. Morris noted that he feels it is his responsibility as a Board member to run the most efficient system with the taxpayer's money.

A motion was made by VerHeulen, supported by Heartwell, to retain the Route 5 alignment on Giddings Avenue. Motion passed, with 10 in favor and 1 opposed.

Yes: Austin, Hart, Heartwell, Hoffman, Holt, Lawless, Root, Schweitzer, VerHeulen, White

No: Morris

Mr. Lawless believes this is more of a traffic zoning problem than a route alignment problem.

Governance Committee

13. Report on FY 2009 Priorities and Work Plan and CEO Evaluation:

Mr. Lawless noted that the Governance Committee met for the purpose of reviewing the CEO's Report on the FY 2009 Priorities and Work Plan and to conduct his evaluation.

The Governance Committee recognizes Mr. Varga's exceptional leadership and recommends a 2.75% increase in Mr. Varga's current salary, effective October 1, 2009 through September 30, 2010. This is the same increase planned for all professional staff at The Rapid for the upcoming fiscal year. This recommended increase reflects Mr. Varga's outstanding performance, but also the realities of our economic and funding environment.

A motion was made by Morris, supported by Holt, to approve the CEO's Report on FY 2009 Priorities and Work Plan and his 2.75% salary increase for FY 2010. Motion passed unanimously.

Mr. Varga thanked Board members for his evaluation and continued support of his efforts.

CEO's REPORT

14. CEO Monthly Report:

Mr. Varga noted that we would be developing a Mobile Metro 2030 Task Force and asked Board members to suggest categories and groups they would like to see represented.

He reported that we are drafting a contract with Grand Rapids Community College for shuttle service. The service will begin on August 31, 2009 and the contract will be presented to the Board for approval after a negotiated rate is determined.

Mr. Varga informed the Board that real-time bus information is now available for passengers on the website.

Ms. Kalczuk gave a brief summary of how the real-time tools work on the website.

15. RideLink Update:

Mr. Varga explained that although demand for the RideLink program has increased, RideLink continues to face some challenges and is in need of direction. Current funding for RideLink is from Senior Millage funds and the Kent County Health Department. He explained that millage funding is available from January 1, 2009 through December 31, 2009 while the Health Department contract year runs from October 1, 2008 through September 30, 2009. There is no guarantee that either of these funding streams will continue, however, expectations are that RideLink will be funded for another year through the Health Department. Senior Millage funds will also most likely still be available, however, possibly at a lesser amount than currently received.

Staff will provide an update to the ITP Board and ask the Board to make a determination regarding the future of RideLink at The Rapid contingent upon available funding for the program.

CHAIR'S REPORT

No report.

ADVISORY COMMITTEE REPORTS

No report.

BOARD MEMBER COMMENTS

No comments.

PUBLIC COMMENT ON NON-AGENDA ITEMS

David Bulkowski commented on continuing the RideLink program and resolving funding dilemmas. He noted that we should not only compare ridership to other systems, but compare it to all transportation options.

Russ Lewis is concerned with the lack of development around Central Station.

Watchdog Miller commented that we need more service going downtown. He mentioned several budget items where he feels we could save money.

INFORMATION ITEMS:

There was no discussion on the following information items.

- A. Summary of 8-05-09 ITP Board Budget Meeting
- B. Minutes of 8-05-09 Governance Committee Meeting
- C. Minutes of 8-19-09 Strategic Planning Committee Meeting
- D. Minutes of 8-20-09 External Relations Committee Meeting
- E. Communications

Executive Session –Land Acquisition

A motion was made by Hoffman, supported by Morris, to go into Executive Session to discuss land acquisition. A roll call vote was taken. Motion passed unanimously. (5:21 p.m.)

Yes: Austin, Hart, Heartwell, Hoffman, Holt, Lawless, Morris, Root, Schweitzer, VerHeulen, White

No: None

A motion was made by Heartwell, supported by Hoffman, to adjourn Executive Session and return to Regular Session. Motion passed unanimously. (6:28 p.m.)

No action was recommended during Executive Session.

The meeting was adjourned at 6:29 p.m.

Respectfully submitted,

Robin Crothers, ITP Board Secretary