

INTERURBAN TRANSIT PARTNERSHIP BOARD

AUGUST 31, 2011

ATTENDANCE

Board Members Present

Charis Austin
Tim Cochran
Ira Hart
Jack Hoffman
Barbara Holt
Lisa Haynes
Steve Kauffman
Don Lawless
Richard Root
Rob VerHeulen

Staff

Kathy Anderson
Robin Crothers
Alan Hartley
Meegan Joyce
Jennifer Kalczuk
Brian Kirk
Linda Medina
Nick Monoyios
Brian Pouget
Peter Varga
Carl Woodson

Board Members Absent

Tammy Hopman
George Heartwell
Terry Schweitzer
James White

Others Present

Jeff Ammon, Miller Johnson
Dave Bulkowski, DAKC
Dan Fox, MV Transportation
Richard Jackson, ATU-Local 836
Gopal Ji, CCIT
Sgt. Wayne Moore, GRPD
Troy Reimink, GR Press

**MINUTES OF
INTERURBAN TRANSIT PARTNERSHIP BOARD
AS RECORDED ON AUGUST 31, 2011**

PUBLIC HEARING – FY 2012 PROPOSED BUDGET

The public hearing on the proposed budget was opened at 4:02 p.m. No comments were entered. The public hearing on the proposed budget was closed at 4:03 p.m.

Commencing at 4:03 p.m., Mr. Lawless called the regular meeting of the Interurban Transit Partnership Board to order.

PUBLIC COMMENT ON AGENDA ITEMS

No public comments.

1. Minutes of the June 29 2011 Board Meeting:

A motion was made by Hoffman, supported by VerHeulen, to approve the June 29, 2011 Board meeting minutes. Motion passed unanimously.

CONSENT AGENDA

A motion was made by Holt, supported by Haynes, to approve Consent Agenda items 2-7. Motion passed unanimously.

REGULAR AGENDA

Performance Oversight Committee

8. Master Agreement with MDOT:

Ms. Holt reported that authorization is requested to execute the Master Agreement with the Michigan Department of Transportation.

Mr. Varga noted that The Rapid enters into multiple grant contracts with the Michigan Department of Transportation to fund or match federal and state grant programs. MDOT requires each transit agency to execute an

annual certification and assurance stating that the agency will comply with applicable federal regulations. The Master Agreement contains all contract requirement clauses regarding federal regulations, eliminating the need to include the clauses and regulations in each individual grant contract. The Master Agreement requires a one-time approval and covers a five-year period. This Master Agreement will cover fiscal years 2012-2016. He stated that we also provide these same certifications and assurances to the Federal Transit Administration on an annual basis.

A motion was made by Holt, supported by Austin, to approve the Master Agreement with MDOT. Motion passed unanimously.

Strategic Planning Committee

9. FY 2012 Proposed Budget:

Mr. Varga gave a short presentation on the FY 2012 proposed budget, including national trends and a history of where The Rapid started and where we are today.

A motion was made by Hoffman, supported by Hart, to approve the FY 2012 Proposed Budget.

Mr. Hoffman reported the Board budget meeting was held on August 10 and there was good discussion.

Mr. Lawless asked for any comments or questions regarding the FY 2012 proposed budget.

Mr. Kauffman asked if upcoming projected wages and benefits are included in the proposed budget. Mr. Varga responded that the Board's direction on labor costs is included in the FY 2012 proposed budget.

Mr. Lawless commented that The Rapid is in a good stewardship position.

Motion passed unanimously.

Governance Committee

10. Report on FY 2011 Priorities & Work Plan/CEO Evaluation:

Mr. Lawless noted that the FY 2011 Report on Priorities & Work Plan was very comprehensive and Mr. Varga has a positive evaluation. He noted that the Governance Committee is recommending approval of the FY 2011 Report on Priorities & Work Plan and the CEO evaluation.

Mr. Kauffman questioned what the salary increase percentage is for Mr. Varga. Mr. Lawless noted that a 2% increase is included in the budget.

Mr. Kauffman noted that given the economic environment he is uncomfortable with the 2% increase.

Mayor Root shares Mr. Kauffman's concern and thinks we need to recognize that The Rapid is supported by six municipalities who are all facing some amount of economic stress. Most governments are offering 0% contract and administrative increases. As a Board we have to ask if we are going to step up and realize that we are governments affected by certain influences and the ITP is not necessarily exempt from those influences. We are concerned with excellence in leadership but also concerned with regional and state issues and do not believe we can exempt ourselves from that anymore than we can compare ourselves to national organizations.

Mayor VerHeulen asked if all administrative staff is getting a 2% increase. Mr. Lawless noted that 2% is included in the FY 2012 proposed budget for all administrative staff, which he believes is appropriate.

Mr. Kauffman believes the salary increase will create a negative perception to the public. He does not think this is the appropriate time to give the CEO an increase and we should revisit the issue next year.

Ms. Haynes believes 2% is fair and reasonable considering that staff is being asked to contribute an additional 5% in health care costs.

Mayor VerHeulen asked about the impacts of Senate Bill 7 on The Rapid. Mr. Varga responded that SB 7 will require public employees to pay 20% of their health care premiums or the agency can choose to apply this legislation using a cap.

Mayor Root mentioned that it is unclear whether The Rapid will be fall under the governance of SB 7. Mr. Varga noted that it is likely that we will be impacted by SB 7.

Mr. Lawless believes the 2% is fair for the CEO given that the Board approved a 2% increase for administrative staff.

Mr. Hoffman noted that he will support the increase.

A motion was made by Hoffman, supported by Cochran, to approve the Report on the FY 2011 Priorities & Work Plan and the CEO evaluation. Motion passed.

Yes: Austin, Hart, Haynes, Hoffman, Holt, Lawless, Cochran

No: Kauffman, Root, VerHeulen

CEO REPORT

11. CEO Monthly Report:

Mr. Varga reviewed the status of federal and state legislative issues.

He noted that Jennifer Kalczuk has been elected vice-president of the Michigan Public Transit Association.

Mr. Varga commented that he believes that he and staff have done an exceptional job over the past year. We have had unprecedented ridership growth, we passed a millage in difficult economic times, we are completing the Wealthy expansion project about \$1 million under budget, the AMTRAK station project is underway, twenty-one buses are being purchased for service expansion, and we have successfully secured the FONSI for our BRT project. He also noted his APTA involvement and national recognition for his leadership.

CHAIR'S REPORT

Mr. Lawless stated that Mr. Varga's FY 2012 Priorities & Work Plan was distributed to Board members at today's meeting. Board members are asked to review the work plan. It will be an action item on the September Board agenda.

He congratulated Ms. Kalczuk on her new position as the vice-president of the Michigan Public Transit Association Board.

Mr. Lawless reported that he will be leaving the Rapid Board as of December 2011 due to personal and professional reasons. He has valued his years of service on the Board.

ADVISORY COMMITTEE REPORTS

No Advisory Committee reports.

BOARD MEMBER COMMENTS

Mayor VerHeulen clarified his vote on the CEO evaluation, item #10. He is in full agreement with the evaluation and is very happy with Mr. Varga's performance. His no vote reflects the salary increase only.

Mr. Kauffman agrees completely with Mayor VerHeulen.

Mr. Cochran reported that he will be going to Cleveland with a group of planners and Rapid staff, headed by our Wilbur Smith representatives, to look at their BRT stations.

INFORMATION ITEMS:

There was no discussion on the following information items.

- A. Summary of 8-10-11 Board Budget Meeting
- B. Minutes of 8-10-11 Governance Committee Meeting
- C. Minutes of 8-24-11 Performance Oversight Committee Meeting
- D. Minutes of 8-24-11 Strategic Planning Committee Meeting
- E. Minutes of 8-25-11 External Relations Committee Meeting
- F. Communications

The meeting was adjourned at 5:05 p.m.

Respectfully submitted,

Robin Crothers, ITP Board Secretary