MINUTES OF
INTERURBAN TRANSIT PARTNERSHIP BOARD
August 30, 2017

ATTENDANCE

Board Members Present: Charis Austin, David Bilardello, Rosalyln Bliss, Tim Cochran, Jack Hoffman, Barbara Holt (Chair), Mark Huizenga, Stephen Kepley, Terry Schweitzer, Paul Troost, Michael Verhulst

Board Members Absent: Dave Bulkowski, Gary Carey, Randy Gelderloos, Amna Seibold

Staff Present: Ali Browr, Michael Bulthuis, Robin Crothers, Deb Ebels, Judy DeVries-Eppinga, Randa Frazer, Meegan Joyce, Linda Medina, Brian Pouget, Liz Schelling, Peter Varga (CEO), Conrad Venema, Mike Wieringa

Others Present: Matt Bair (People’s Ride), Gene Bandlow (Rapid driver), Cheryl Brady, Joshua DeGraff (DSA), Terry DeHart (Rapid driver), Louis DeShane (Rapid driver), Sgt. David Gillum (GRPD), Omar Gomez (Rapid driver), Donnell Harvey (Vice-President, ATU Local 836), Josh Holton, Bryce Huffman (Michigan Radio), Richard Jackson (President, ATU Local 836), Alex Kelley (Socialist Alternative), John Kleckner (Rapid technician), Allan Klepadlo (MV Transportation), C. Lowe, Deb Lynch, Watchdog Miller, Sandra Olson, Grant Pecor (Clark Hill), Mike Prenger (Rapid driver), Peter Ricketson (Recording Secretary, ATU Local 836), John Rothwell (GVSU Media 460), Kip Smith, Phil Snyder (Socialist Alternative), Officer Jason Sotke (GRPD), Chris Swank (GVSU), Charles Thompson (Socialist Alternative), Misty Tiller, Joyce V., Phil VanHammen (Rapid driver), Robert VanKirk, Becky Verzi, John Verzi, Ashlee Wright, Douglas Wright

Ms. Holt called the meeting to order at 4:00 p.m.

PUBLIC HEARING – FY 2C18 Proposed Budget

A motion was made by Cochran, supported by Bliss, to open the public hearing on the FY 2018 Proposed Budget. Motion passed unanimously (4:01 p.m.).

Watchdog Miller was concerned that there is no bus service on holidays. The drivers’ salaries are too high. The cost of wages and benefits is too high at The Rapid. Mr. Varga hires very young planners with no experience causing one disaster after another. Ridership is down 70% on Route 19. Mr. Varga claims there is high ridership on the Silver Line but he destroyed all sorts of competing routes. There are not enough bus stops.

Peter Ricketson stated that The Rapid should approve daily overtime in the next contract proposal. The Silver Line is still a waste of money. Drivers should check receipts as people come on in the front. People are still riding for free which hurts chances for the millage. These issues should be addressed.
Louis DeShane commented that he likes that people can ride the bus for free. He doesn’t think it will hurt the budget if people who need it are able to enjoy the services that Grand Rapids and The Rapid provide.

There were no further comments on the budget.

A motion was made by Hoffman, supported by Bliss, to close the public hearing on the FY 2018 Proposed Budget. Motion passed unanimously (4:07 p.m.).

PUBLIC COMMENT

Kip Smith stated he is from Muskegon and likes The Rapid but he is concerned about what is going on with the labor situation. The cost of health insurance is a heavy burden. He has decided to boycott Grand Rapids. He was concerned that Mr. Varga said that the union only allowed 20% of the people to vote.

Josh Holton has lived in Grand Rapids for 14 years. He commented that he would like to see The Rapid take on an electric bus pilot program. He read a report regarding the benefits of electric buses. Mr. Holton asked to distribute a copy of his report to the Board. The Board Chair asked him to provide a copy to the Board Secretary who would distribute the report to the appropriate staff.

Douglas Wright asked how the WAVE passes will work. The Board Chair referred Mr. Wright to Rapid staff.

Misty Tiller stated that a bus stop has been taken out near Plymouth Arms Apartments for seniors. It is too far for them to walk and they can’t afford the GO!Bus. This location is along Route 14. She mentioned that she has ridden one of the new buses recently and the windows don’t open. She would like some fresh air in the bus.

Becky Verzi commented about a problem with Routes 14 and 15 being unsafe and blocking the intersection at Fulton and Ionia.

John Verzi suggested that the stop for Routes 14 and 15 at Fulton and Ionia be moved to Commerce so they won’t block the intersection at Fulton and Ionia. The Rapid gave Route 6 two extra minutes from the mall. It is consistently five minutes early going past GRCC. There is no time point at GRCC it is at Division and Lyon where there is no stop. The stop needs to be at GRCC on the hour and the half hour. All buses do not need to be on an hour and hour and a half leg. The Rapid interlines routes that don’t make sense and make people wait extra time for their bus. If Peter Varga is leaving, he hopes that more than two people on the Board will stand up to a new CEO and not wait until the last month to approve something or lose it. The Silver Line is a waste of time and money except for the comfortable seats.

Robert VanKirk encouraged The Rapid to get to know the union members and their families. The Board should keep the lives of the members and their families in mind when voting on the contract. These people deserve fair pay and benefits.

Richard Jackson stated that on September 2 it will be two years without a contract. Union and management representatives have a difference of opinion on how to resolve matters. He commented that nothing that the Union has done is personal. Their goal is for their concerns to be heard. The Union members will have another increase in their healthcare on October 1 if the contract is not settled. The Union gave up their Defined Benefit pension and agreed to the Defined Contribution plan and the attitude seems like that is not enough. We don’t agree on how the vote happened but: The Rapid heard the concerns of the members. This is an opportunity to pull together to resolve the
differences. We need to move on. Mr. Jackson asked to be included in the Board’s closed session on collective bargaining at today’s meeting.

Watchdog Miller commented that The Rapid’s salaries and fringes are too high. The CNG project is a black hole and riders don’t care about it. He complained about riders being abused. The new buses are worse than ever. The overcrowding on the buses is insane. The Rapid has barricaded the windows shut. He doesn’t like the new buses. We need to bring back the old GM buses. He stated that instead of spending $70 million on the Laker Line that The Rapid should build a double-decker bus plant. Route 19 ridership is down 70% and there are other routes that are down and the buses are terrible. There were no public hearings on the new buses.

Deb Lynch commented that her husband is Rapid bus driver. There are a lot of good drivers at The Rapid. They have been under hardships due to these contract issues. They have families with medical issues. Now we have even higher healthcare cost coming. People are struggling. The drivers do a very good job. She asked that the families be considered in deliberation on the union contract. She noted that Grand Rapids is in the top 10 places where people want to go so we need good buses and bus service and our families functioning well for the future.

Peter Ricketson commented that it will take little cost to get a good contract. The seniority issue which says that a driver on a 12-month leave of absence can get fired or lose seniority should be taken out. He does not feel that the amount for daily overtime is significant compared to what is in the budget for labor. There are no statistics on how much would actually be saved from eliminating daily overtime. He stated that union members will not vote to eliminate daily overtime. The Union already gave up the Defined Benefit pension plan and he supports the new plan that is proposed. They should not have to give up daily overtime and keep the provision on loss of seniority as well. He believes that there is a good chance of passing if these two items were not on the list.

John Kleckner stated that he works for The Rapid and there has been a large turnover in the Maintenance Department over the last couple years. They have lost several technicians because we don’t pay enough. There have been no wage increases over the past two years so we are falling behind. There has been no training or certification on the CNG buses. There are inspections that are overdue because we are low on technicians.

Omar Gomez mentioned that he likes working at The Rapid and he likes Grand Rapids but with the last hike in health insurance costs he lost his apartment. We need to resolve the union contract. If insurance goes up again he can’t pay his rent. The Ann Arbor transit system negotiated a 10-year contract over the summer – why can’t we do it? There is a lot of discontent at The Rapid.

Cheryl Brady’s stated her husband is a Rapid bus driver. She noted that morale is not good. They have gone two years without a contract and it needs to get resolved. All they are asking for is a fair contract and think of the families. The bus drivers are very unhappy. They worry about drivers being assaulted and the buses stink. The Rapid needs to do the right thing.

Michael Cooper commented that he is here to support his friends. People are saying they can’t pay their rent. He is in favor of a really strong bus system and was proud when the millage was passed. The workers helped pass the millage. Unions have been under assault. You can’t pit riders against the working people on the bus and not have tension. Healthcare costs are too high. This is not fair.

Gene Bandlow has worked at The Rapids for 17 years. He stated that he was at the Union meeting on Sunday. He felt that the contract could have been ratified if there wasn’t so much negativity. Two years ago it seemed like the pension and wages were the worst part of it but now are the best part. He was concerned about the discipline policy being just a guideline, where two people could do the same thing wrong and get different punishments. The discipline policy needs to be fair. It could lead to
inconsistency and possibly favoritism. The seniority issue is also a problem. The company won’t let union people leave for union business. He didn’t feel there was that much of this that it would be a problem.

Ms. Lowe commented that she stands with the workers. Workers have the right to healthcare benefits. The Rapid needs to be fair to its workers. Workers have the right to fair wages and benefits.

Louis DeShane noted that he is an ATU member, an activist and a Rapid bus operator. We need a resolution for the Union contract. Public Act 54 destroys the livelihood of the Union members rather than protect them. They can’t get retroactive pay and the members have to pay the increase in healthcare premiums when there is no contract. They are not asking for retro pay but perhaps a one-time lump sum appreciation bonus for their awesome service as they continue to serve the Grand Rapids metro area. The community is happy with our service. On August 27 the ratification vote failed 32-20. For 125 years the ATU has been fighting for good conditions for workers. The Rapid drivers are assaulted and this is not always reported, has poorly designed buses with a large blind spot and the CNG buses are worse. The driver seats are bad causing back pain and injuries and they breath unhealthy air except with the CNG buses. He said they are going to let the press know and the riders know. He stated that it’s coming if you don’t get this taken care of.

Douglas Wright stated that lots of people are riding the Silver Line for free. They need more Fare Enforcement Officers.

Philip Snyder commented that it is appalling that this contract struggle has been going on for two years. He believes that the Union has been more than fair and The Rapid uses underhanded tactics like allowing their healthcare costs to increase every year. They should all be ashamed, especially Peter Varga. The Rapid increased fares and Peter Varga got an increase. He doesn’t think Peter Varga deserves a raise and the Board should vote against that. Socialist Alternative will stand with the ATU and will not back down. The bus drivers are moving this city not the Board of Directors.

Alex Kelley mentioned that he has spoke there several times. We should have had a contract a long time ago. They are taking too much from workers. Peter Varga should get a pay and benefits cut. This has been about busting the Union with unacceptable intimidation against workers and their allies. The Rapid will keep hearing from Socialist Alternative who will always stand with the ATU until there is a fair contract.

Charles Thompson stated that Mayor Bliss ran as a champion of working families. She needs to do everything in her power to pressure Peter Varga to negotiate a fair contract. This should not take two years and Mr. Varga is not deserving of his job.

Donnell Harvey commented that he has worked as a bus driver for over 16 years. They have gone two years without a contract. This is a very unsettling position to be in. Peter Varga has made some commendable improvements but he broke the Union and has decided not to bargain in good faith. Mr. Varga did not have to cancel Union dues check off. He questioned the amount of money that The Rapid has spent in fighting the Union. This money should have been provided in wages to workers. All they ask for is a fair contract.

Mike Prenger stated he has driven for The Rapid for 20 years. The Board needs to step up to investigate how The Rapid is being run. Morale is very bad. There is a lot of driver and staff turnover. They are leaving because they don’t want to be part of this. The Board should think about why we are losing so many employees over the last 8 years.

Joshua DeGraff said that two years without a contract is outrageous. Every one of these workers is entitled to a decent living and decent work station. The Board needs to make it happen.
MINUTES

1. Minutes of June 28, 2017 Board Meeting:

Ms. Holt asked for corrections to the minutes. None were offered. The minutes stand approved as written.

CONSENT AGENDA

The following items were reviewed and recommended for approval on the Board’s Consent Agenda by the Performance Oversight Committee at their August 16 meeting:

2. Monthly Financial Statements for June 2017
3. May and June 2017 Ridership and Productivity Reports
4. May and June 2017 Paratransit Ridership Reports
5. FY 2017 Third Quarter Fixed Route Report Card
6. FY 2017 Third Quarter Paratransit Report Card
7. FY 2017 Third Quarter Rideshare Report
8. Video Surveillance System for Paratransit Vehicles
9. Extension of the Silver Line No Fare Zone

A motion was made by Hoffman, supported by Bliss, to approve the Consent Agenda. Motion passed unanimously.

REGULAR AGENDA

Strategic Planning Committee:

10. FY 2018 Proposed Budget:

Mr. Hoffman stated that there was a Board budget retreat. The Strategic Planning Committee reviewed and recommended the FY 2018 Proposed Budget. The Performance Oversight Committee also reviewed the proposed budget.

A motion was made by Hoffman, supported by Austin, to approve the FY 2018 Proposed Budget.

Mayor Kepley noted that if the millage fails this November, The Rapid will lose the tax revenue and the state match. This means that revenues would be down by 55-60%. We would have approximately a $16 million budget instead of a $43 million budget. This would dramatically reduce service to this community which is a major concern.

The motion passed unanimously.

Governance Committee:


Ms. Holt stated that this is Mr. Varga’s final review as the CEO.

At 5:06 p.m., a public disruption began in the audience. The meeting was temporarily suspended and the Board left the conference room.
At 5:20 p.m., the Board returned to the conference room and the Board meeting resumed.

Ms. Holt stated that she wrote the CEO evaluation document following discussion and approval by the Governance Committee. Some requested changes were incorporated. The Strategic Planning and Performance Oversight Committees also had a chance to review the document and suggest changes.

A motion was made by Hoffman, supported by Cochran, to accept the CEO's Report on the FY 2017 Priorities and Work Plan and to authorize a one-time merit bonus in the amount of $4,500 for the CEO.

Ms. Holt reviewed the evaluation noting that it includes evaluation of past performance along with direction going forward. She noted that Mr. Varga is not getting a salary increase. He is being offered a merit bonus in the amount of $4,500. He has been working under extreme conditions due to several vacant positions creating a chaotic time at The Rapid. Because of this, he has taken on extra responsibilities. The Governance Committee and the Board are thankful for the work that Mr. Varga does and has faith in this leadership over this next year. He has offered to assist the Board in selecting a new CEO.

Mr. Hoffman stated that Peter Varga has been carrying out the Board's directives on the Union contract negotiations and believes it is very unfair that he is being targeted. The Union issues are Board decisions not Mr. Varga's and he should not be targeted as the one at fault for not having a contract.

Ms. Holt commented that she felt that the Board has exercised great restraint and resolve in dealing with contract negotiations. The Board will not over-react and will do what they believe is best.

The motion passed unanimously.

CEO REPORT

12. CEO Monthly Report:

Mr. Varga informed the Board that The Rapid's state operating assistance reimbursement will be 33.05%, which is slightly better than what was budgeted.

Mr. Varga stated that he appreciated Mr. Hoffman's comments. He mentioned his friendship with former Congressman Vern Ehlers who died recently. This is a very emotional time for him. The Congressman always said you should leave a place better than you found it. Mr. Varga felt that he has lived his life based on this philosophy. He noted Congressman Ehlers did a lot for The Rapid during his career.

CHAIR'S REPORT

Ms. Holt stated that Mr. Varga's comments point to the highly emotional feelings that were in the room today and previously, whether warranted or not and most of it was not. We are all trying to leave The Rapid better than we found it. Some Board members have been on the Board for a long time and she has been working with Peter for 21 years. We are focused on doing the best that we can.

Ms. Holt reported that a CEO Search Committee has been formed. The first meeting will be set up early in September. The Committee will work on a CEO evaluation process and on hiring a
firm to conduct the search for a new CEO. The Committee is made up of a representative of each of the six cities plus the Board Chair consisting of Kepley, Holt, Bilardello, Hoffman, Troost, Cochran, Carey. This will be a fairly extensive process and Ms. Holt mentioned that committee members can switch with the other Rapid Board member from their city should that become necessary due to conflicts.

**Board Chair Statement**

Ms. Holt read a statement regarding Union contract issues and the recent ratification vote.

**ADVISORY COMMITTEE REPORT – No report.**

**CLOSED SESSION – Collective Bargaining**

A motion was made by Cochran, supported by Kepley, to adjourn Regular Session and enter into Closed Session to discuss collective bargaining matters. A roll call vote was taken.

YES: Austin, Bilardello, Bliss, Cochran, Hoffman, Holt, Huizenga, Kepley, Schweitzer, Troost, Verhulst

NO: None

Motion passed unanimously (5:34 p.m.).

A motion was made by Troost, supported by Austin, to adjourn Closed Session and re-enter Regular Session. A roll call vote was taken.

YES: Austin, Bilardello, Bliss, Cochran, Hoffman, Holt, Huizenga, Kepley, Schweitzer, Troost, Verhulst

NO: None

Motion passed unanimously (6:08 p.m.).

There was no action to be taken in Regular Session coming out of the Closed Session.

**Board Member Comments**

Ms. Holt asked for any Board member comments.

Mr. Troost noted that he was also at Congressman Vern Ehlers’ funeral. He knew the Congressman and his staff for many years and agrees with Mr. Varga that he was a great statesman.

Mayor Huizenga thanked Mr. Pouget for his work on resolving the issues at Leonard and Wilson to provide safer transit access to the West Michigan Academy for Environmental Science.

**ADJOURNMENT**

The meeting was adjourned at 6:12 p.m.

Respectfully submitted,

Robin Crothers, Board Secretary