MINUTES OF
INTERURBAN TRANSIT PARTNERSHIP BOARD
May 23, 2018

ATTENDANCE

Board Members Present: Charis Austin, David Bilardello, Rosalynn Bliss, Gary Carey, Tracie Coffman, Andy Guy, Jack Hoffman, Mark Huizenga, Stephen Kepley (Chair), Robert Postema, Terry Schweitzer, Amna Seibold, Paul Troost, Michael Verhulst

Board Members Absent: Randy Gelderloos

Staff Present: Kathy Anderson, Michael Bulthuis, Robin Crothers, Mark Fedorowicz, Meegan Joyce, Deron Kippen, Linda Medina, Nick Monoyios, Brian Pouget, Dina Reed, Liz Schelling, Steve Schipper, Peter Varga (CEO), Scott Walsh, Mike Wieringa, Kevin Wisselink

Others Present: Matthew Brinkman (Spectrum Health), Ellen Bristol (Spectrum Health), Amanda Chatel, Derron Hughes (The Rapid-ATU), Laurel Josephn (GVMC), Kevin Judd (Spectrum Health), Jennifer Kalczuk (AlphaVu), Hank Kelley (Mobile GR-COCR), Al Klepadlo (MV Transportation), Asher Lockwood (Rapid Intern), Josh Lunger (GRACC), Watchdog Miller, Josh Naramore (Mobile GR), Zoe Pentaleri, Chris Swank (GVSU)

Board Chair Mayor Stephen Kepley called the meeting to order at 4:00 p.m.

1. PUBLIC COMMENT

Watchdog Miller commented that on the 1st of May, 400 citizens marched past Rosa Parks Circle up to Lyon Square. They got in, we don’t. Illegal aliens get to march downtown and we don’t. Our buses don’t go downtown. Why do Grand Valley radicals have this marvelous bus system that runs every six minutes up and down Monroe and Pill Hill. They demonstrated here many times and you never had them arrested. He said everybody should walk a half mile, and we should start with our employees. Employees are parking illegally down the street. Why don’t you have your employees walk a half mile? When The Rapid opened the garage they put in 200 parking spaces and the employees don’t park there. Your own employees won’t ride the bus. They want to park and not walk far. Why should a guy my age with bags have to walk a half mile? We want more bus stops. Routes are too crowded because of the GRPS kids. We need double decker buses. We don’t need smaller buses. The driver package is $36.00 an hour which we can’t live with.

Josh Lunger expressed support for the Route 19 change on Michigan Street as proposed by the City of Grand Rapids and Spectrum Health. He feels it is a model for innovation in a rapidly growing corridor.
Josh Naramore stated that he is a resident of Grand Rapids and works for Mobile GR. He supports the Route 19 change on the Michigan corridor. It is beneficial for employees and residents in the area. The current Route 19 service is poor with low ridership. He believes this is a great partnership between the City of Grand Rapids, Spectrum Health and The Rapid. He indicated that the City agrees to the revised proposal creating a 45% contribution each from Grand Rapids and Spectrum. He commented that daily ridership is estimated at 800-1,000. He noted that the City of Grand Rapids is planning to pay the cost to maintain the bus stops in the bus stop improvement project that the City is doing in conjunction with The Rapid. This is a significant investment by the City.

Matt Brinkman commented that the Route 19 proposal is a good plan and a good partnership. This is a great way to transport Spectrum staff. The new route on Michigan Street is a great asset to the City of Grand Rapids. Ridership will increase with a great potential for new riders. This service on Michigan Street supports long-term growth in the Michigan corridor. Grand Rapids is a unique city and these types of innovative ideas set Grand Rapids apart for the future.

Amanda Chatel stated that she moved back to Grand Rapids 10 years ago. She is excited to see the Route 19 proposal. The current Route 19 is not rider friendly. Stops are not designed with disabled riders in mind.

2. **MINUTES – March 28, 2018 Board Meeting:**

Mayor Kepley asked for corrections to the minutes. None were offered. The minutes of the March 28, 2018 Board meeting stand approved as written.

3. **AGENDA ITEMS**

   a) **FY 2019 Budget Formulation Guidelines:**

   Mr. Pouget stated that the budget formulation guidelines expedite the budget process. He reviewed the recommended budget formulation guidelines.

   The current level of service is recommended, with the addition of revenue hours being proposed for the expanded Route 19 service. This additional service will be recovered primarily from revenues by the City of Grand Rapids, Spectrum Health and state operating assistance. We also anticipate expansion of DASH service for the City of Grand Rapids.

   The Rapid's plan for dealing with the unfunded liability in the union defined benefit plan of $2,101,597 is to make $300,000 payments annually over a 10-year period.

   The contribution for the union defined contribution retirement benefit will be budgeted at 6.5% of union employee earnings, which is approximately $910,000. This takes into account the option for employees to make an additional 1% contribution which The Rapid will match.

   The current unfunded liability of $564,544 for the administrative defined benefit pension plan can be addressed over the next year.

   Up to $1.5 million in Section 5307 preventive maintenance funds may be utilized to balance the budget based upon balances in existing prior year grants.
All contracts for service with the ITP will be self-supporting. No locally derived ITP funds shall be used to subsidize these services, unless specifically approved by the Board. This policy was approved by the Board several years ago and is what created concern with the Route 19 proposal.

State operating assistance will be budgeted at the same level as FY 2018. We will get an updated number from MDOT prior to budget presentation.

No fare increase is contemplated.

1.4658 mills will be budgeted for collection in July 2018. This includes a Headlee reduction. The levy will generate approximately $16.5 million for use in FY 2019.

Based on the most recent trend data reported by the Bureau of Labor Statistics for the Grand Rapids area an increase to the salary structure of 2.6% will be budgeted for administrative employees, in accordance with the compensation philosophy adopted by the Board.

The first two phases of the compensation study have been completed. Further recommendations were suggested for individual employees. It is believed that this can be accomplished with approximately an additional $500,000 over a three-year period.

Mayor Huizenga asked how the 2.6% salary increase for administrative employees was calculated. Mr. Pouget stated he would send the link to the Board that details this process by the Bureau of Labor Statistics.

In response to a question from Mr. Guy, Mr. Pouget explained the history behind the Board policy that all contracted service needs to be self-supporting. The service contract with Cascade Township, for example, is fully paid by the township.

Mr. Varga noted that this also applies to The Rapid’s contracts with Ferris State University, DASH with the City of Grand Rapids and the Sneden Shuttle with GRCC.

A motion was made by Carey, supported by Hoffman, to adopt the FY 2019 Budget Formulation Guidelines. Motion passed unanimously.

b) Changes to Route 19:

Mr. Bilardello stated that due to his employment with Spectrum Health, he will excuse himself from discussion on this item and will not be voting.

Mr. Wisselink reviewed the current Route 19 service. He noted that this route has underperformed since its inception in 2012 and staff believes should not be continued in its current form. The options are to eliminate the current peak only Route 19 service, improve it to a more usable level by adding funding to have frequencies at 30 minutes in the daytime and 60 minutes in the evening for three times The Rapid’s current investment, or to approve the proposal made by the City of Grand Rapids and Spectrum Health.

He stated that the proposal from the City and Spectrum is to focus service every 15 minutes all day, Monday-Friday, on the Michigan Street corridor. The proposal is that The Rapid would continue to put in its current resources to Route 19 and the extra funding needed to bring the service to all day 15-minute frequency would be evenly
split between the City and Spectrum. Also, it is requested that The Rapid amend its contract with Spectrum to allow their employees to ride at no fare throughout the entire fixed route system while Spectrum is funding the Route 19 expansion, a benefit that Spectrum currently pays $95,687 per year to receive.

Mr. Wisselink noted the Board’s policy that “All contracts for service with the ITP will be self-supporting. No locally derived ITP funds shall be used to subsidize these services, unless specifically approved by the Board.”

Mr. Wisselink commented that as part of these service changes, Route 19 would no longer serve the Oak Industrial Drive loop. Route 14 has been changed to serve this area effective 5-17-18.

Mayor Kepley indicated that the issue with this proposal is the Board policy regarding contracts being self-supporting and setting a precedent if the Board decides to approve it at additional cost to The Rapid. There is a total of $110,000 in revenue loss to The Rapid with the proposal as recommended by the City and Spectrum - $95,000 from the free rides for Spectrum employees and $15,000 from the current Route 19.

Mayor Kepley suggested, in order to not violate Board policy, that the Route 19 contributions from the City and Spectrum be separated from the issue of free rides for Spectrum employees throughout the system. Spectrum would continue to pay for these rides as they currently do, which would reduce their contribution to the Route 19 proposal by $95,000. The shortfall of approximately $95,000 for Route 19 would be analyzed by Rapid staff to come up with savings or other ways to cover this amount without increasing their share of the cost. Staff has indicated that they believe a solution is possible. This would be a three-year pilot. The cost would be evaluated annually for any necessary adjustment.

Mayor Bliss expressed her appreciation to everyone involved in developing this proposal to provide improved bus service on the Michigan Street corridor. She sees this as a strong public/private partnership and is very supportive of the proposal.

Mayor Bliss asked if there has been an increase in ridership on Route 14 since the change to cover Oak Industrial Drive? Mr. Wisselink responded that it is too soon to tell.

Mayor Bliss inquired about education and awareness of the Route 14 service to Oak Industrial Drive. Mr. Wisselink commented that we can enhance these efforts. She stated that we need to inform businesses in that area.

Mr. Carey express his support for the Route 19 proposal.

In response to a question from Mr. Carey, Mr. Wisselink stated that there is no plan to provide Route 19 service on weekends. He would have to look into the cost for that, but it would be a Board decision.

Mayor Huizenga believes this is a good proposal for a busy, growing corridor. The number of cars in the corridor needs to be reduced. He thanked those involved for the creative ideas.

Mayor Kepley asked Mr. Naramore if he had anything else to say about the discussion on this item. Mr. Naramore mentioned that he was not aware of the $15,000 in lost
revenue to The Rapid from the current Route 19. He stated that the City would split this with Spectrum. Mr. Brinkman from Spectrum noted that they are comfortable with this split.

Mr. Varga commented that improved service on the Michigan Street corridor is in The Rapid’s Short Range Plan.

Mr. Guy supported the proposal and asked why this has to be contracted service and not regular Rapid service. There is a lot of congestion on Michigan Street. This corridor needs to be evaluated for the future and prioritize transit in the area as a competitive choice.

A revised resolution was prepared that separates out the Spectrum free rides from this proposal.

In response to a question from Mr. Schweitzer, Mr. Wisselink stated that the Route 19 service will begin on August 27, 2018.

A motion was made by Guy, supported by Verhulst, to approve the revised resolution noted above to realign Route 19 and execute a contract with the City of Grand Rapids and Spectrum Health for funding of the Route 19 proposal. Motion passed with 13 in favor and one abstention (Bilandello).

c) **Contract for Transit Asset Management Plan:**

Mr. Fedorowicz reported that staff is requesting authorization to contract with eVision in the amount of $148,000 to complete a Transit Asset Management (TAM) Plan, which is a requirement of the Federal Transit Administration (FTA). All transit agencies must submit their TAM Plan by October 1, 2018.

Staff put out a procurement for consulting services to assist us with the TAM Plan. A bid list with nine qualified consulting firms was developed and the project was advertised on the ITP Purchasing website. Three proposals were received. It was determined that eVision was the most qualified firm and was also the lowest price. eVision has experience on doing TAM Plans for suburban Detroit and Flint and this is a benefit to The Rapid. Also, they have a long history of working with transit agencies that use the Trapeze EAM system. The Rapid uses EAM to track preventive maintenance inspections and repairs of all vehicle and facility assets.

A motion was made by Hoffman, supported by Bliss, to approve a contract with eVision for consulting services to assist staff in developing a TAM Plan for an amount not to exceed $148,000. Motion passed unanimously.

d) **FY 2019 Unified Planning Work Program:**

Mr. Varga stated that the Unified Planning Work Program (UPWP) is prepared annually and describes the major transportation planning activities that will take place in the upcoming year in the Grand Rapids area. The UPWP is developed jointly by The Rapid staff and the Grand Valley Metro Council (GVMC).

He noted that the most significant item in the FY 2019 UPWP is $500,000 for a Comprehensive Operational Analysis (COA). The COA is a thorough review of all transit
services to determine inefficiencies and more effective ways to deliver services. We did a COA 10 years ago. The Align Study will assist in this effort.

A motion was made by Hoffman, supported by Bliss, to approve the FY 2019 Unified Planning Work Program. Motion passed unanimously.

e) Purchase of 8 Paratransit Cutaway Buses:

Ms. Joyce reported that staff is requesting authorization to enter into a contract with Hoekstra Transportation for the purchase of eight paratransit cutaway buses for a cost not to exceed $715,168. These are replacement vehicles at a unit cost of $89,396 and will be propane fueled vehicles.

These vehicles are being purchased through a State of Michigan contract for transit buses and were procured through a competitive Invitation for Bids process which complied with FTA procurement mandates for acquiring rolling stock. A cost analysis determined that the cost is competitive.

A motion was made by Austin, supported by Bliss, to enter into a contract with Hoekstra Transportation for the purchase of eight paratransit cutaway buses. Motion passed unanimously.

4. STAFF REPORTS

a) Monthly Financials – Feb/Mar 2018:

Mr. Walsh stated that we are halfway through the fiscal year. There is no preventive maintenance budgeted at this point. We have a $200,000 surplus and are approximately $900,000 ahead of budget.

b) Ridership & Productivity – Feb/Mar 2018:

Mr. Wisselink reviewed the February and March 2018 reports. Total ridership for February 2018 was down 8% compared to February 2017. Total ridership year-to-date decreased 6.9%.

March 2018 ridership was down 9% compared to March 2017. Year-to-date ridership for March was down 7.3%. These are similar trends to what we have been experiencing.

c) Paratransit Ridership – Feb/Mar 2018:

Ms. Joyce noted that total monthly paratransit ridership for February 2018 increased 0.2% from last February. There were 810 trips to/from Cascade Township compared to 719 in February 2017, an increase of 12.7%. On-time performance was 93.34% and on-time appointment drop-off was 92.45%.

Total monthly paratransit ridership for March 2018 decreased 4.7% compared to March 2017. There were 927 trips in Cascade Township compared to 730 last March. On-time performance was 96.3%. On-time appointment drop-off was 95.7%.
d) FY 2018 Second Quarter Fixed Route Report Card:

Mr. Wisselink reported on the second quarter fixed route report card. For fixed route only, productivity/ridership and cost-effectiveness had yellow lights. There are no standards for contracted service. Total service performance had green lights for preventable accidents and on-time performance; yellow lights for productivity/ ridership, customer service/complaints and cost effectiveness/passengers per revenue mile; and a red light for cost effectiveness/cost per passenger. He noted that most of the categories are negatively impacted by winter weather. On-time performance will be impacted by spring/summer road construction as well.

e) FY 2018 Second Quarter Paratransit Report Card:

Ms. Joyce stated that there were green lights for preventable accidents, customer service/complaints and travel time; yellow lights for passengers per hour and on-time performance; and red lights for on-time appointment drop-off and ratio to fixed route bus. There is no standard for productivity/ridership and cost per trip.

f) FY 2018 Second Quarter Rideshare Report:

Mr. Bultruis reported that the RapidVan program provided 9,709 rides and saved 333,823 vehicle miles traveled in the second quarter. A van from Lansing terminated in mid-January due to low ridership and another van was added on March 1 commuting from Zeeland to Whirlpool in Benton Harbor. We ended the second quarter with a net gain of three riders.

5. CEO’S REPORT

Mr. Varga introduced The Rapid’s new Deputy CEO of Finance & Administration Dina Reed and gave some background information. He felt she will be a good asset to The Rapid.

Mr. Varga stated that he is on the APTA Leadership Team on Legislative Affairs. They are working on a multi-year transportation bill. We have heard from staff from Senate Banking Committee and House Transportation Infrastructure Committee that when we’re talking about funding for transit, asking for more money or talking about ridership is not what they want to hear. They want to know the value of what transit is doing around the country. Similarly, for the Rapid Board, instead of talking to legislators about ridership loss and the need for more funding, we need to talk about the value of The Rapid. We also heard that the TIGER program has been discontinued and we now have the BUILD program. The BUILD program is similar to TIGER with the exception that there is more money to go to rural areas. There is a potential for The Rapid to apply for a grant next year with adequate preparation.

Mayor Bliss noted that the city was looking at BUILD and it seemed that this program was going more toward rural areas as opposed to urban areas. Mr. Varga indicated that The Rapid would work with the city on a BUILD grant application that the city is proposing.

6. CHAIR’S REPORT

Mayor Kepley reported on the CEO search efforts. The consultant received approximately 35 applications. He presented the CEO Search Committee with his top ten. These ten candidates were not identified. Only some basic employment information/experience and answers to a few questions were provided to the Committee. The top candidates will be chosen from the ten presented. These candidates will then be publicly identified. They will each give
presentations on June 13 beginning at 6:00 p.m. Interviews will be held on June 14 starting 8:00 a.m.

The Mayor invited all Board members to observe on June 13-14. Two preferred candidates will have final interviews by the full Board.

Mayor Kepley commented on the Defined Contribution retirement plan that was agreed to in the recent contract negotiations. It was agreed that the union would be the administrator of the plan and that The Rapid would be indemnified regarding their decisions. This matter has now come under scrutiny and the attorneys for the union and management are discussing the matter. Upon resolution, the union employees will get 6.5% of their pay.

7. ADVISORY COMMITTEE REPORT(S)

   a) Consumer Advisory Committee (CAC) for Seniors and Persons with Disabilities:

       No report.

   BOARD MEMBER COMMENTS – No comments.

8. ADJOURNMENT

   The meeting was adjourned at 5:13 p.m.

Respectfully submitted,

[Signature]
Robin Crothers, Board Secretary