

**MICHIGAN PUBLIC TRANSIT ASSOCIATION
BOARD OF DIRECTORS MEETING
THURSDAY FEBRUARY 22, 2008
GCSI CONFERENCE ROOM
LANSING, MICHIGAN**

Board Members Present:	Ed Benning, MTA, President Sylvester Payne, STARS, Vice-President Jerry Hutchison, Battle Creek, Sec./Treasurer Peter Varga, The Rapid, Past President Debbie Alexander, CATA Richard Collins, Ludington Rochelle Cotey, ALTRAN Dawn Gabay, AATA Joe DeKoning, BATA Chuck Moser, EUPTA Bill Schomisch, Kalamazoo Carol Wegher, Lapeer Ed Bergeron, Bergeron Marketing
Board Members Absent:	Norm White, DDOT
Others Present:	Clark Harder, MPTA Karmun Newby, DDOT Dan Wedge, Allegan Jim Koens, Muskegon Akemi Gordon, EUPTA Amber Finkbeiner, PIRGIM Bill Zaagman, GCSI Steve Brown SMART

1.0 Call to Order

President Benning called the February 22, 2008 board of Directors meeting to order at 12:25 pm.

2.0 Approval of Agenda

President Benning added the following items to the agenda:

6.3 Amber Finkbeiner, PIRGIM

- 6.4 Open board seat
- 6.5 Program Committee, New Formula
- 6.6 Approval of New Associate Member

Dick Collins moved approval of the revised agenda, supported by Bill Schomisch. Motion passed unanimously.

3.0 Approval of Minutes

Peter Varga moved approval of the January 10, 2008 minutes, supported by Sylvester Payne. Motion passed unanimously.

4.0 Treasurer's Report, Jerry Hutchison

4.1 January Income Statement and Balance Sheet

Jerry Hutchison reported Retained Earnings as of January 31, 2008 of \$211,000 and Net Income of \$199,000. Jerry moved approval of the Income Statement and Balance Sheet, supported by Peter Varga. Motion passed unanimously.

4.2 FY 2007 Audit

Jerry Hutchison presented the FY2007 audit. He reported that all journal entries have been made and MPTA's books are in line with Generally Accepted Accounting Principles. Jerry moved to accept the audit, supported by Sylvester Payne. Motion passed unanimously.

5.0 Action Items

5.1 Administrative Committee to review MPTA Dues Structure

Peter Varga reported that the committee recently met via conference call. He has asked Brian Pouget to prepare a spreadsheet then the committee will have another conference call before reporting to the full board.

5.2 President Benning to appoint Transportation Corridor Task Force

President Benning appointed Debbie Alexander as chair of this committee. The following individuals volunteered to serve on the committee: Rochelle Cotey, Bill Schomisch, Carol Wegher, Karmun Newby, and Dick Collins.

5.3 Op-Ed piece/Sandy Draggoo letter

Clark reported that the Lansing State Journal printed the op-ed piece last Sunday, in conjunction with a feature story they did on CATA. Clark noted that they edited the piece and made a couple of changes. Clark will send copies to board members and will post a generic version to the website for member use. Clark will submit the piece to the Detroit Free Press. Clark also plans to do a series of letters to editors or op-ed pieces throughout year. The ATU thanked Clark for the article.

Debbie Alexander thanked Clark and conveyed Sandy's thanks, as well.

6.0 New Business

6.1 Drive Michigan Funding Request

Clark distributed a letter from MITA requesting that we continue to financially support their legislative effort to increase the gas tax. MPTA contributed \$500 last year and waited to see if MITA recognized public transit as a stakeholder. Clark feels very comfortable that public transit has been included and is recommending we increase our contribution to \$1000. Joe DeKoning moved support of the recommendation, supported by Peter Varga. Motion passed unanimously.

6.2 Transportation Task Force

President Benning reported that Peter Varga was appointed, by Governor Granholm, to the Transportation Task Force, and Sylvester Payne was appointed to the Citizens Advisory Committee. Peter's appointment is subject to Senate advice and consent oversight, Sylvester's is not. President Benning encouraged members to provide input to Peter and Sylvester.

Peter reported that the first Task Force meeting will be held March 7, followed by another meeting on March 9. The Task Force is trying to meet the Governor's aggressive timetable. The Task Force will try to identify the state's transportation problems and assess needs.

Board members asked if they will receive regular reports of Task Force progress. Clark will do what he can to keep members informed. The minutes of meetings will be posted on the MDOT website.

Clark will advise MPTA members of Peter's and Sylvester's appointments and encourage them to provide input.

6.3 PIRGIM, Amber Finkbeiner

Amber Finkbeiner, from PIRGIM (Public Interest Research Group in Michigan), addressed the board regarding their national effort on public transportation. They have developed a 75 page report that will be introduced at a press conference on March 6 at Grand Rapids Central Station. Clark will attend the press conference on behalf of MPTA.

6.4 Open Board Seat

President Benning declared Norm White's board seat open. Norm has been appointed Chief Financial Officer for the city of Detroit, thus can no longer continue as a board member. President Benning has requested that the Nominating Committee reconvene to recommend a replacement. President Benning has asked Bill Schomisch to replace Norm White as the committee chair. The committee will bring a recommendation to the March board meeting.

6.5 Program Committee, LGM Formula Proposal

President Benning recommended that the formula proposal presented to the Let's Get Moving Coalition, by MassTrans members, should be referred to the Program Committee.

Board members expressed concern that this proposal does not address new revenue sources. In 2005, the MPTA board approved the Key Principles of State Funding Formula, in which it is stated that new funding distribution methods will not be addressed until additional funding is secured.

In addition, board members contend that the mission of the LGM coalition is to obtain increased funding for public transportation; therefore the proposed formula is not in line with their mission.

Board members also expressed concern that MPTA was excluded from participation on the committee that developed this new formula.

Debbie Alexander moved that MPTA should notify the Let's Get Moving Coalition that MPTA stands by its Key Principles of State Funding Formula and will not entertain any new formula without new revenue. The motion was supported by Dick Collins and passed unanimously.

Bill Zaagman reported that Jim Wilson, one of the authors of the formula proposal, has requested that Senator Gilbert initiate legislation. Senator Gilbert indicated that he was unaware of MPTA's concerns.

Board members requested that Clark obtain the MassTrans legislative agenda. The board also agreed that LGM must adopt the Key Principles and any future proposal that is brought before LGM must first be approved by MPTA.

Because the proposed formula does not meet the criteria of the Key Principles or the mission of LGM, it was not referred to the Program Committee.

6.6 Approval of New Associate Member

Newaygo County Commission on Aging has requested Associate Membership in MPTA. Sylvester Payne moved approval of their membership, supported by Chuck Moser. Motion passed unanimously.

7.0 Governmental Consultant Services, Inc., Bill Zaagman

Bill Zaagman reported that the \$350 million surplus reported for the 2007 fiscal year will be absorbed in fiscal year 2008. Revenue estimates reflect a projected shortfall of \$370 million for this fiscal year and \$52 million next year.

On February 7, Governor Granholm introduced her FY 08-09 budget recommendation. The CTF recommendation contains a bus operating line of \$166.6 million – the same as this year. The Governor has recommended a \$1.7 million cut to the bus capital line bringing it to \$9.4 million. The Governor is not recommending a “redirection” of CTF revenue to stabilize the General Fund, although this is still a possibility.

In addition, the governor has recommended elimination of several boilerplate sections that impact public transit including the section that deals with chair lift certifications.

The MDOT appropriation bill starts in the House this year.

Bill reported that Senator Jud Gilbert (R-Algonac), chair of the Senate Transportation Committee, is readying a package of transportation “reform” measures for introduction. The bulk of the bills deal with county road commissions and the road construction bidding process. However, two of the bills in the aforementioned package address public transit.

The first of the two bills creates public transit cost efficiency and performance Standards by requiring public transit agencies and government entities to develop clear and measurable performance goals, such as reducing costs and increasing ridership. Additionally, the bill requires that transit agencies measure their success in achieving these goals and performance standards. Finally, the bill provides for penalties to those transit agencies that fail to meet certain performance objectives under certain circumstances.

The second of the two bills requires that transit agencies demonstrate to the MDOT that it requires competitive bidding with private sector entities for service contract and contracts

for construction and operation of public transportation facilities. Ostensibly, this would allow private charter bus companies, taxis, limousine companies, and other private operators, in conjunction with inter-city carriers, to compete for existing and new services for public transit passengers. Any bidding by public transit operators must require a full cost allocation for overhead and administration costs by the publicly funded transit operator.

Board members remarked that these bills are in violation of federal regulations and cannot be passed.

Debbie Alexander moved to authorize Bill Zaagman to make every effort to prevent these bills from moving forward. The motion was supported by Sylvester Payne and passed unanimously.

Bill reported that the House Transportation Public Transit Subcommittee held its final meeting and released a draft report complete with recommendations dealing with issues such as funding and promotion of public transit. The draft report written by the subcommittee chair Rep. Marie Donigan (D-Royal Oak) stresses the link transit can have to economic development.

The biggest problems noted in the report include: Michigan's failure to capitalize on federal funds, a funding formula that impedes transit system development, limited funding options for larger agencies, and lack of a statewide transit policy and long-term commitment to developing public transit options. The draft report also throws an assist to the task force mentioned above by discussing the need to find ways to supplement or replace the current \$.19 cent per gallon fuel tax.

Some of the recommendations in the report include:

- A constitutional amendment to protect the share of fuel taxes going to public transit;
- Dedicating use taxes on leased vehicles to public transit (worth an estimated \$16 million-\$20 million a year);
- Possible local funding options;
- A public transit commission;
- Create a regional transit authority in Southeastern Michigan;
- Making airports more accessible to public transit systems;
- Greater involvement of the Michigan Economic Development Corporation in transit by directing its programs to firms that work in advanced transit technology and transit projects that boost the economy;
- Incentives to boost transit use, such as tax credits.

Additionally, Representative Marie Donigan (D-Royal Oak) introduced House Bill 5689 which would amend the Use Tax Act by earmarking the portion of auto-related leasing to the Comprehensive Transportation Fund.

Bill reported that the transit employee assault bills are on the Legislative agenda. He encouraged all transit boards to support these bills.

8.0 Executive Director's Report, Clark Harder

No report. Clark thanked Bill Zaagman for hosting the board meeting and providing lunch.

9.0 President's Report, Ed Benning

President Benning reminded board members that the March board meeting will be held on March 20th. The board was scheduled to continue the strategic planning session that was begun in December, but President Benning is delaying this until further notice.

Jackie Shin has requested to meet with President Benning and Clark to set priorities.

President Benning asked the Program Committee to research new revenue sources for public transportation.

10.0 Communications

None.

11.0 Committee Reports

Program Committee, Robert Foy

No report.

Administrative Committee, Peter Varga

Peter reminded members that the 2008 annual meeting will be held at the Dearborn Inn, Dearborn, MI. Peter has been to this hotel and believes it is a great venue for our meeting. The 2009 meeting will be held at Crystal Mountain. Cindy is currently conducting site visits for the 2010 meeting.

5311 Operators Committee, Joe DeKoning

No report.

Maintenance/Training Committee, Brian Pouget

Clark reported that the committee continues to work on the Transit Vehicle Maintenance Seminar and the PASS Training.

Purchasing/Procurement Committee, Jerry Ragsdale

No report.

Networking Committee, Jennifer Kalczuk

No report.

JARC Task Force, Debbie Alexander

Debbie reported that the RFP for the JARC training coordinator is complete and awaiting input from committee members. She hopes to release it next week. The selected trainer will conduct regional seminars and create a handbook which will help communities develop coordinated plans.

RTAP Task Force, Joe DeKoning

No report.

12.0 Old Business

None.

13.0 Member Comment

Bill Schomisch asked board members if they would forward their CEO contracts to him. The Kalamazoo County Transportation Authority is in the process of developing a contract for the CEO and would appreciate examples.

Debbie Alexander stated that MPTA should follow up on Jackie Shinn's suggestion to make the State Transportation commission more aware of public transit. MPTA should develop a presentation, being sure to include our involvement in corridor planning.

Clark stated that he requested to speak in front of the STC last year and never heard a reply from them. He will continue to pursue this.

Chuck Moser moved that MPTA make a formal request to speak at a STC meeting, supported by Bill Schomisch. Motion passed unanimously.

Board members agreed that Clark should work with the Networking Committee to prepare a presentation prior to making our request to the STC.

Board members agreed that MPTA should try to be on the STC agenda twice per year.

14.0 Adjournment

The February 22, 2008 board meeting adjourned at 2:35pm.

Respectfully submitted by Cindy Zolkowski

Action Items

- 1.0 Nominating Committee to recommend individual to fill open board seat.
- 2.0 MPTA to notify LGM that it does not support new funding formula due to lack of new revenue.
- 3.0 Program Committee to research new revenue sources.
- 4.0