

FORT WAYNE PUBLIC TRANSPORTATION CORPORATION

January 8, 2009

The January meeting of the Board of Directors of the Fort Wayne Public Transportation Corporation was held on Thursday, January 8, 2009 beginning at 5:40 PM at the Citilink offices, 801 Leesburg Road, Fort Wayne, Indiana.

Directors Present: Mr. Fred Lanahan, Chair, Ms. Wendy Barrott, Mr. Nelson Coats, Mr. Marvin Gottlieb, Mr. Glynn Hines, and Mr. Paul Musson.

Directors Absent: Mr. Robert Murphy.

Staff Present: Mr. Ken Housden, Ms. Karen Cohodes, Ms. Betsy Kachmar, and Ms. Robin Strasser.

Others Present: Mr. Denny Logan, Corporate Counsel, Mr. Bart Hofherr, President, ATU Local 682, Mrs. Lori Housden, and Dr. Earl Braunlin.

Mr. Lanahan called for the roll call of members and then moved to the reading, correcting and approval of the minutes of previous meetings and other formal business. Mr. Lanahan asked if there were any additions or corrections to the minutes of the Regular Board meeting of December 11, 2008. There being none, Ms. Barrott made the motion to approve the minutes and Mr. Gottlieb seconded. The minutes were approved unanimously.

Communications from the Public, Including Petitions and Remonstrances: None.

Board of Directors Committee Reports:

Finance Committee – None.

Operations Committee – Ms. Barrott attended the energy efficiency meeting at Citilink.

Personnel Committee – Mr. Musson reported the personnel policies handbook is completed and is at the printer. Mr. Musson also discussed how the letter the board received last month from an employee was addressed.

Marketing Committee – None.

Capital Development Committee – None.

Legislative Committee – None.

Executive Committee – None.

Transportation Planning Committee – Ms. Barrott stated the committee met in December and they are working on updating the 2030 long range transportation plan.

Nominating Committee – None.

Staff Reports:

Controller's Report:

Ms. Strasser reported revenue was under budget by \$378,000; however this week we collected an additional \$499,899 for capitalization maintenance. That included \$99,524 that was a prior period adjustment from 2007.

Ms. Strasser reported Ms. Kachmar noticed that one of our grants should have been amended to allow us to draw an additional \$37,305 for complimentary paratransit for 2008. This oversight is being rectified.

Ms. Strasser reported she has completed the cash flow analysis and is fine tuning it. It reflects reduced anticipated revenue since we were not awarded our appeal to the DLGF for fuel hardship assistance. It is a positive cash flow.

Ms. Strasser reported her staff is preparing for the year-end audit.

Ms. Strasser asked for approval for the Record of Transmittals for December, 2008 and the Interim Record of Transmittals for January 1-8, 2009. Mr. Gottlieb made the motion to approve both Records of Transmittals and Mr. Hines seconded. The motion passed unanimously.

General Manager's Report:

Mr. Housden reported our drivers did a great job during the ice storm. There were no accidents.

Mr. Housden mentioned Mr. Musson's honor as a Young Hoosier – Governor's award for Tomorrow's Leaders.

Mr. Housden reported that the DLGF turned down our one-time relief request for fuel hardship assistance, but they did grant us the remainder of the Aboite Annexation increase and some other small ones that totals \$367,188; which was added to our base. The total increase in our base funding was \$885,527 this year. Good job everyone.

Mr. Housden discussed how we are drawing down our grants. We were able to draw down an additional \$136,829. We will be able to request additional money for capitalization of maintenance in the future. Ms. Cohodes passed around a list of economic stimulus project requests to the board members. Mr. Housden thanked the Mayor and Ms. Barrott for getting us on the City's list of economic stimulus projects that was submitted through the National Council of Mayors. Also, our projects are included on the Indiana Transportation Association list. We packed everything we could into the lists. Included in both lists is restoration of service cuts; one at \$2 million and the other at \$1 million. It included the Parkview service and \$7.4 million on the Indiana Transportation Association list for the purchase of new buses. The news we are receiving out of Washington, DC is fuel and hybrid vehicles are going to be at the top of the list. \$12.1 billion is being proposed; the House Appropriations Chairman has come out with a proposed budget of \$12 billion; expectation is somewhere around \$10 billion.

Mr. Housden reported money for Ivy Tech/IPFW college circulator vehicles was also included on the wish list. Ms. Kachmar submitted a CMAQ operating assistance request that would help fund, for a three-year period, a college circulator and a university discount pass program. This past Tuesday, the Urban Transportation Advisory Board authorized it. We got a \$2 million grant. \$1.19 is Federal; \$83,794 is the local match over three years. The one proviso is that we have Ivy Tech/IPFW pick up the local match portion.

Mr. Housden discussed the cash flow. We have three restricted funds; Worker's Comp, liability, and the cumulative fund. Total is \$2.4 million. A financial goal for Citilink is to operate with unencumbered cash without having to borrow from ourselves from the \$2.4 million. It depends when the property tax comes in. There may be a few months where we are dipping in.

Board Meeting Minutes

January 8, 2009

Page 3

Mr. Housden reported on proposed facility improvements to reduce energy expenditures. Met with one vendor. Our goal is to come up with a project where our out-of-pocket costs are offset by the savings in operating costs that we will realize by making changes in our current HVAC systems.

Mr. Housden reported we provided over 2 million passenger trips in 2008. The ice storm hit us hard in December ridership numbers. On the last page of the ridership report, the "contracted services" with CTN is actually a pass-through New Freedom federal grant. Mr. Lanahan asked if we still get credit for the trips even though it is a funding pass-through. Mr. Housden answered yes.

Mr. Housden reported on the goals/objectives. There was an improvement in on-time performance. The spare ratio is higher due to the service cuts; we have placed the buses in reserve for when we add back the service. We are working with the hybrid motor company to improve the MPG for our demonstration bus retrofit. They keep tweaking their system. We hope to realize around a 21% increase in fuel efficiency.

Mr. Housden discussed the rate increase for Mr. Logan's law firm. The new rates represent a \$15/hour increase for partners; \$10/hour increase for associates and \$5/hour increase for the paralegals. Mr. Housden recommends that this be approved. Mr. Logan added these are a significant discount from what they charge other clients. Mr. Logan mentioned there has been a \$15/hour increase the past two years. Ms. Barrott asked if we have a contract with the law firm. Mr. Logan answered we have a contract that is a general agreement that is pursuant to an RFP that the company goes out for every five years. That agreement simply states that the rates will be renegotiated on an annual basis. Mr. Hines made the motion to approve the increase for Rothberg, Logan & Warsco; Mr. Gottlieb seconded. The motion passed unanimously.

Mr. Housden asked Mr. Logan to discuss the issue of a lobbyist. Mr. Logan and Mr. Housden met with B&D Consulting before last month's board meeting. We received a proposal from them and Mr. Housden asked Mr. Logan to negotiate the best deal and then bring it to the board. The proposal is that we would engage B&D Consulting for a six month period at \$4,500/month. We would have the right to terminate any time during that six month period upon 30 days notice. The economic stimulus being proposed has significant revenues for public transit and the Surface Transportation Act is up for renewal this year. This firm has one real strong transit expert at the head of the firm who was on Senator Lugar's staff at one time. In addition, they have recently hired someone who was on the staff of a key senate committee; which people in the know think will be a conduit for distribution of transit funds. They have local ties with Baker & Daniels law firm, they are based in Washington, DC, the City uses them and the Alliance uses them. The consulting firm would prefer a one year commitment. Mr. Housden felt, with our budgeting concerns, that a six month commitment was all he felt comfortable with and they were willing to go along with that. B&D stated they doubted they would have anything in hand in six months so they would like an opportunity for a contract extension. Mr. Hines asked what methods would be used to measure accomplishments (hurdle A, hurdle B, hurdle C) so we can evaluate progress in six months. Mr. Housden stated they dangled some of that stuff out; they're cautioning us, but they will bust their tails to get us something. We should see a return on our investment in some type of funding. Mr. Hines stated there are certain targets to look at. Mr. Hines stated he would like to see something in writing that says at least 'here are the expectations'. Mr. Logan stated that was discussed. Mr. Logan has the proposal which they have indicated within their scope what they would be doing: 1) BDC will assist in the development of a 2009 federal affairs plan, 2) assist in the development of an appropriations earmark and support that presentation to the Indiana Congressional delegation, and 3) assist in the

Board Meeting Minutes

January 8, 2009

Page 4

development of two Surface Transportation Act reauthorization projects and support presentation. Mr. Hines asked if those are in the six month timeframe. Mr. Logan answered this was in the one-year timeframe. Mr. Hines suggested having a one-year contract. Mr. Gottlieb asked if the \$4,500/month included all of their expenses. Mr. Logan answered yes with the exception of minimal out-of-pocket expenses and pre-approved long-distance travel. Mr. Logan stated they also represent Transpo and Indygo. Mr. Gottlieb asked if we would still have the 30-day out if we have a one-year commitment with them. Mr. Logan answered yes. Mr. Lanahan asked if they're expenses are around \$500/month on top of the \$4,500/month if there is any problem with \$60,000 for this year. Mr. Housden stated we would find it someplace. Mr. Hines made the recommendation that the lobbyists be approved with the stipulation that somebody comes back to the board with some targeted expectations of the consultants. Ms. Barrott seconded the motion. Mr. Logan asked as a point of clarification that we go ahead and engage them now, but have a written agreement that contains these kinds of methods and goals for a year. Mr. Logan stated the possible problem they may have with this is that the \$4,500/month is significantly below the annual figure they proposed. They wanted to renegotiate the fee after six months. Mr. Hines stated that is even more reason to have measurable expectations. Mr. Logan agreed. The motion could be to go with the six months at \$4,500/month and to look at it again in six months to see what we ought to do; can cut them or give them a raise. The motion was approved unanimously. Mr. Lanahan asked Mr. Logan to clarify the motion. Mr. Logan said the motion is: to approve the contract at \$4,500/month for one year or alternatively \$4,500/month for six months, with renegotiation at the end of six months, contingent on a 30-day cancellation clause; all subject to the development of some appropriate short/mid term and long terms in the contract document.

Mr. Hines stated in last month's minutes Parkview made a commitment of \$20,000 and if we received the money we would set up a little ceremony during the January meeting. Mr. Housden stated we did get the check. Ms. Kachmar has contacted them and they had not yet replied.

Introduction and/or Adoption of Ordinances:

- a. Resolutions: None**
- b. Appropriations Ordinances: None**
- c. General Ordinances: None**

Old Business:

a. Discount Pass Program

Mr. Housden would like to increase the amount available for this program from 1% of the projected farebox collections to 2% this year (\$27,700) and limit organizations to no more than 10% of the total as we have done in the past. Eligible organizations are not-for-profit and public. Last year we ran out of the funds in February. Ms. Kachmar submitted two grant requests but was not able to get any funding awarded for this program. Ms. Barrott made the motion, Mr. Gottlieb seconded. The motion passed unanimously.

New Business:

a. Election of 2009 Officers

Mr. Hines nominated the slate of officers; Mr. Fred Lanahan – Chair, Mr. Bob Murphy – Vice Chair, and Mr. Marv Gottlieb – Secretary. All the individuals have accepted. Mr. Hines would

like a motion to close the nominations and to approve the slate of officers. Mr. Coats made the motion, Ms. Barrott seconded. The motion was approved unanimously.

b. Evaluations

Mr. Lanahan had asked everyone to do a performance evaluation of the General Manager and Assistant General Manager. Mr. Lanahan asked that the Executive Committee review this as soon as possible and then have a special board meeting in executive session to review these recommendations; so it can be done before the February board meeting.

Open Discussion by the Board:

Mr. Gottlieb asked for consideration regarding the reinstatement of our travel policy to allow board members at least one opportunity, besides the Indiana Transportation Association meeting, to attend an APTA meeting or some other meeting out of state. Mr. Lanahan stated there are two upcoming meetings if we make this change; a board members seminar in Ohio and the APTA annual meeting in Orlando. We wouldn't need to send everyone to both meetings.

Dr. Braunlin had concerns about the downtown Barr Street property in regards to buying the ground. Mr. Housden stated we were unable to acquire the final piece of property which killed the project planned for that location. We decided not to use eminent domain and we may be disposing the property we already purchased. Dr. Braunlin didn't understand how the City pays \$150 million to build Harrison Square and a garage and hotel and then have no way for people to drive downtown and park and there are all kinds of vacant ground around like GE that could be used for the bus service. Mr. Lanahan replied we would like to see the downtown redeveloped, but we have nothing to do with the Harrison Square project. Our money has already been set aside for our project. Dr. Braunlin asked if we spoke with GE. Mr. Lanahan stated no, it is pretty far from downtown and GE downsized their workforce. Ms. Barrott informed Dr. Braunlin that a committee was formed to look at a certain section of downtown that would be in good proximity for a bus station and that GE would be too far. Mr. Hofherr stated if we went too far from the central business district it would impact our service trying to get buses to/from downtown on schedule. Mr. Lanahan reiterated that we are moving forward with our plans.

There being no further business, the meeting adjourned at 7:00PM.

Attest:

Frederick A. Lanahan
Chairman

Marvin Gottlieb
Secretary