

# FORT WAYNE PUBLIC TRANSPORTATION CORPORATION

June 11, 2009

The June meeting of the Board of Directors of the Fort Wayne Public Transportation Corporation was held on Thursday, June 11, 2009 beginning at 5:30 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. Robert Murphy.

**Directors Absent:** Mr. Paul Musson.

**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, Mr. Mike Thomas, Citilink employee, Mr. Ben Lanka, reporter, and Mrs. Lori Housden.

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 May 14, 2009, the Executive Committee Meeting of May 14, 2009, the Finance Committee Meeting of May 14, 2009 and the RFP Task Force Committee Meeting of May 21, 2009. There being none, Mr. Lanahan asked for a motion to approve all the minutes. Ms. Barrott made the motion, Mr. Hines seconded. All minutes were approved unanimously.

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

## **Board of Directors Committee Reports:**

**Finance Committee – None.**

**Operations Committee – None.**

**Personnel Committee – None.**

**Marketing Committee – None.**

**Capital Development Committee – None.**

**Legislative Committee – None.**

**Executive Committee – None.**

**Transportation Planning Committee –** Ms. Barrott reported a meeting was held. The discussion was regarding JARC applications. The grants are due August 28, 2009.

**RFP Task Force –** Mr. Coats reported the committee met May 21. Mr. Hines was not present at the meeting. Mr. Logan met with Mr. Hines and reported back to Mr. Coats. As chair of the Task Force, Mr. Coats felt there was no reason to have further meetings. There was a unanimous opinion as to the direction that we should take as far as the RFP. The Task Force considered the top three proposers: First Transit, PTM, and McDonald Transit. The Task Force unanimously felt that TXP Business Consulting and Management Group failed to meet the responsible bidder standard under federal law as set forth in FTA Circular C4220.1F. Specifically, the Task Force felt that TXP did not meet the administrative and technical capacity standard, the financial resources standard and the past performance standard. As to Coach America, the Task Force felt that it appears from the proposal that it is primarily an over-the-road motor coach company and did not feel that their proposal distinguished the company as a transit system management company; the persons proposed for General Manager and Assistant General Manager did not match up well with the qualifications of those proposed by the top three firms. Further, the fee quote

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was confusing in that it did not distinguish between the fee for a General Manager only versus a General Manager and Assistant General Manager, and more importantly, there was a dramatic spike in the fee for the year 2015 which rendered the fee proposal of this firm non-competitive with the other firms. McDonald Transit scored the highest of the top three firms on each of the Task Force member's evaluations. We based those scores on a weighted system of which 60% of the weight was based on the qualifications of the General Manager and Assistant General Manager. Each Task Force member mentioned the capabilities of Ken Housden and Betsy Kachmar. They are well known and their skills have been demonstrated while other qualified candidates were proposed; none of the proposers presented a pair of candidates with the qualifications and experience of Ken and Betsy. Furthermore, they have a successful and proven track record of working well together. Current management does have some notable accomplishments: successful in obtaining excess levy appeal, new controller was hired, \$4+ million in stimulus grants has been obtained, environmental awareness grant has been applied for, negotiated liability insurance policy to replace the self-insurance program - in which the reserves are declining. Additionally, McDonald's fee is very reasonable. They did not increase their fee from 2009 to 2010. In its proposal, McDonald's annual fee increases were very reasonable and competitive and their increases in the last five years were especially reasonable. Mr. Hines added that when stacked side by side, McDonald stood out above the others. Mr. Coats made a motion confirming the opinion of the Task Force that the TXP Business Consulting and Management Group does not meet the responsibility standard under federal law for the reasons stated previously. Mr. Hines seconded. Mr. Logan added he has the TXP proposal if anyone is interested in seeing it and the proposal was circulated to the board. The motion passed unanimously.

### **Staff Reports:**

#### **Controller's Report:**

Ms. Strasser passed around the Interim Record of Transmittals for June 1-11.

Ms. Strasser stated we are continuing to watch the budget numbers and cash flow. We will be starting the budget process for 2010. We won't be getting property tax dollars until August or September. We should be fine with payrolls and benefits through the end of August. Federal draw downs and state PMTF money will be coming in.

Mr. Lanahan asked for a motion to approve the Record of Transmittals for May, 2009 and the Interim Record of Transmittals for June 1-11. Mr. Murphy made the motion, Mr. Coats seconded. The motion was passed unanimously.

#### **General Manager's Report:**

Mr. Housden reported the Triennial review is scheduled for July 14 & 15.

Mr. Housden reported we awarded the contract for the bus barn floor replacement. August 7 is the anticipated completion date.

There is a meeting with staff on Friday morning to go over the 2010 budget.

Mr. Housden reported the ATU contract negotiations are set to begin in August.

Mr. Housden reported the stimulus grant is fully obligated. We have two of the first 38 grants nationally. We have already ordered seven hybrid buses; we're about 16 months out. We'll be supplementing the stimulus money with Lugar 5309 grant and some of our 5307 allocation funding. We

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have placed an order for three medium duty transit vehicles. Those are for use for the IPFW/Ivy Tech route, CampusLink which is now a done deal. We are waiting on Ivy Tech to return the contracts and, closer to the start date, we will be calling back an additional six drivers. We have already called back three to replace retirees. On the five Access buses where the contractor defaulted, we have ARRA funding for four additional flex route buses so we have nine total to purchase. We can order them from Elkhart, IN. We are waiting on final pricing. We ordered an upgrade to the GFI farebox software system. We are also looking at other pieces of software using the ARRA stimulus grant dollars. It will be to upgrade the current routing & scheduling software.

Mr. Housden reported we submitted the TIGGER (Transit Investment in Greenhouse Gas and Energy Reduction) grant in the amount of \$2.1 million. We were one of four grants submitted by Indiana transit agencies. One is for buses, one is for wind power electric generation, and another is for facility improvement. The JARC grant is in pocket. It looks like January 1, 2010 will be the implementation date to re-establish ½ hour service at peak hour on Routes 2 & 3. The JARC funding that we received from the state will pay for that through December 2011.

Mr. Housden reported on revenue. Our fare collections are slightly higher than what they were this time last year. Ridership is down. We're down about 24% in ridership. We've watching this closely. We're also down in our Access ridership. Normally you don't see that. Since a good number of our riders use the bus to get to work, we're thinking there are some people losing their jobs.

Mr. Housden reported that he and Ms. Strasser have been meeting with three brokers on medical insurance proposals. The union has been invited in on some of the meetings. We have been told that if we do nothing, we could be looking at a 15% increase.

Mr. Housden reported we only received one bid on our RFP for our Guaranteed Energy Savings Project. Other possible bidders told us our project is too small. Fuel bids are due Monday. We'll be requesting that a sub-committee of the board be empowered to look at the fuel bids with us. If the opportunity presents itself we can make the award quickly and lock the prices in. We budgeted \$3.54/gallon this year; for the last three months of the year we're going to get it for \$1.98/gallon. Roughly that's about \$140,000. If we can get it around \$2.00-\$2.25/gallon that translates into a .5 million dollar savings.

Mr. Housden reported we have established new pass sales outlet at IPFW & Ivy Tech.

Mr. Housden reported on goals & objectives. We anticipate ridership going back up once CampusLink goes into service. We're still watching overtime. The maintenance objectives and measures are right on target.

Mr. Housden shared an e-mail he received regarding opportunities to pull down additional money when FTA starts hitting the drop dead dates on obligating the stimulus dollars. As you recall, we have 14 options on big buses; we've utilized seven of them.

Mr. Murphy commented on the Access buses. As medical groups move outside the city limits; it's becoming difficult for people with disabilities to connect to get there.

Mr. Lanahan mentioned ridership is coming back up because of the gas prices. Mr. Lanahan rode the 8 South bus and it was full.

**Introduction and/or Adoption of Ordinances:**

**a. Resolutions:**

**R-01-09: A Resolution Concerning Transit Management Services to be Provided to Fort Wayne Public Transportation Corporation/DBA/Citilink**

Mr. Logan stated this is a follow-up to Mr. Coats report on the RFP Task Force. This resolution starts the official process of the public approval of McDonald Transit as the provider pursuant to this RFP. The Ordinance is related to the Resolution. The Resolution would be the Board's endorsement at this juncture of McDonald Transit as the leading candidate for the management contract starting January 1, 2010. The law requires that we have a public hearing before the contract is actually adopted. The public hearing is part of the Ordinance process. Typically the key distinction between an Ordinance and a Resolution in Indiana is that an Ordinance requires a public hearing. There has to be published notice of the hearing at least 10 days in advance of the hearing. If the Board adopts this Resolution, what it says is that legal counsel, together with designated representatives, will proceed to negotiate a contract with McDonald Transit. The contract would not be approved/signed until the full board acted on it, presumably at the July board meeting after the public hearing. The Resolution would be the board's endorsement tonight that McDonald is the leading candidate. The contract is for a five-year term with five 1-year renewal options. The fees are set out for the entire 10 years. We have the basis of the contract because we have an existing contract with McDonald, we have the RFP and we have their reply to the RFP. With those three documents it won't be hard to put together a contract that will be acceptable to the board. All of our contracts with McDonald have had a 90-day termination clause. The Resolution is to declare McDonald Transit to be the leading candidate and that Mr. Logan should negotiate a contract with them in concert with the designated representative(s) from the Board. We could have the public hearing the same day as the board meeting. The Ordinance is to confirm the contract. The Ordinance only needs to be introduced tonight, but the Resolution needs approval.

Mr. Lanahan read the Resolution. Mr. Lanahan then asked for a motion to approve the Resolution. Mr. Hines made the motion, Mr. Gottlieb seconded. Resolution R-01-09 passed unanimously. Mr. Hines suggested that Mr. Coats continue to be the lead in the contract negotiation. Mr. Coats accepted.

**b. Appropriations Ordinances: None**

**c. General Ordinances:**

**G-01-09: An Ordinance Concerning Transit Management Services to be Provided to Fort Wayne Public Transportation Corporation/DBA/Citilink**

Mr. Lanahan read the Ordinance. Mr. Coats introduced the Ordinance.

**Old Business: None.**

**New Business:**

**a. Guaranteed Energy Savings Provider Proposal Contract**

Mr. Housden reported on April 6 we issued an RFP to secure in our organization to provide Citilink with a Guaranteed Energy Savings Contract. The RFP consisted of four elements: performing the energy audit, development of energy conservation projects, implementation of an established scope of work, and monitoring of the completed projects to ensure necessary payback associated with the capital lease financing of those projects. We are recommending approval of the EMCOR proposal. This approval does not include a scope of work at this point. The contract provides for negotiating this at a later time. Mr. Lanahan asked for a motion. Ms. Barrott made the motion, Mr. Murphy seconded. Mr. Hines asked if there is no scope, then at what level are

we're agreeing to do business with EMCOR, is there a range? Mr. Housden answered the range is from practically nothing to \$2.1-2.2 million. This is the amount we applied for in the TIGGER grant. This is the vehicle which we would use to spend the money should it be awarded. The motion passed unanimously.

**b. Fuel Request for Proposals**

Mr. Housden stated that the bids come in Monday. We have asked for firm fixed pricing for 2010. It's usually market price plus a percentage and delivery costs. We're asking for a sub-committee of the board to review the bids with us and go ahead and make the award, if appropriate, to lock in prices. Ms. Barrott asked how many days the quotes are good for. Mr. Housden answered usually 30 days. Mr. Hines moved that we assign the Executive Committee and empower them with the ability to authorize an award for the purpose of quickly locking in a fixed price for fuel. Ms. Barrott seconded. The motion passed unanimously.

**Open Discussion by the Board:**

Mr. Murphy told a story about riding the bus 10 years ago, how he came to be on the Board and how McDonald Transit came to Citilink. Mr. Murphy announced that he will be leaving the board. His last meeting will be in July. Mr. Murphy and his family will be moving back to Colorado. They will be relocating to Fort Collins. Mr. Murphy hopes that whoever fills his seat is someone either with a disability or has people in their family with one. Everyone wished Mr. Murphy the best.

There being no further business, the meeting adjourned at 6:40PM.

Attest:

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Frederick A. Lanahan  
Chairman

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Marvin Gottlieb  
Secretary