

# FORT WAYNE PUBLIC TRANSPORTATION CORPORATION

March 12, 2009

The March meeting of the Board of Directors of the Fort Wayne Public Transportation Corporation was held on Thursday, March 12, 2009 beginning at 5:35 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, 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 February 12, 2009, and the Executive Session meeting minutes of February 12, 2009. Ms. Strasser stated on page 3 of the regular minutes, second to last paragraph, last line, it should read accrual basis instead of cash basis. Mr. Logan stated that on the same page, Barney Niezer's name is spelled wrong. It should be Niezer instead of Nizer. There being no other changes, Mr. Lanahan asked for a motion to approve both sets of minutes. Mr. Coats made the motion, Mr. Hines seconded. Both sets of minutes were passed as amended 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 –** Mr. Lanahan reported to the board that he, Ms. Kachmar and Mr. Housden went to Indianapolis on Thursday. They met with four state Senators; Kruse, Wyss, Dillon, and Long. They discussed HB 1660 which is the regional transit bill with various funding options for transit and regional transit systems. The group also requested that they consider increases in PMTF. They also met with three state representatives; Bell, Espich, and Lehman. Also met with Larry Buckle at INDOT who informed them there may be some JARC money available as well as some planning money available. The group also met with Dennis Faulkenberg & Laurie Maudlin ; lobbyists for Muncie, Bloomington, and us.

**Executive Committee – None.**

**Transportation Planning Committee –** Mr. Housden reported that Ms. Barrott passed on to him the preliminary release of the Transit Investment for Greenhouse Gas & Energy Reduction (TIGGER) grant information.

**Staff Reports:**

**Controller's Report:**

Ms. Strasser passed out the Interim Record of Transmittals for March 1-12, 2009.

Ms. Strasser reported that Category 1, wages and fringe benefits are over budget due to overtime paid in January. Also paid for the fuel tank cleanup and shop heater repairs in February. Utilities have been really high.

Ms. Strasser reported we received an excess COIT distribution for 2008 of \$25,565. This goes into our Rainy Day fund.

Ms. Strasser reported the audit went well. We had four adjusting journal entries. It was noted that we need to report for GASB 45 which is a calculation of our retiree health benefit liability which is an actuarial type of calculation. Ms. Strasser contacted our actuary that does our pension evaluation and he is going to give her a quote on what that would cost to have him prepare that for us.

Mr. Murphy asked about the \$11,000 check to NIPSCO. Ms. Strasser answered that is our gas bill. That amount is actually lower than the previous months. Mr. Murphy asked about some claim checks; one for \$5,000 and one for \$6,000. Ms. Cohodes answered that the Robert Smith claim is an incident that happened on the bus with the seat which had a defect. Max has taken care of it. The Shoaf claim happened a year ago in which the claimant was a passenger on one of the buses involved in an accident with another bus.

Mr. Lanahan asked about the last entry, check 66040; is that Employee Assistance. Ms. Strasser answered yes.

Mr. Lanahan asked for a motion to approve both Records of Transmittals. Mr. Murphy made the motion, Mr. Gottlieb seconded. Both Records of Transmittals passed unanimously.

**General Manager's Report:**

Mr. Housden handed out a two page summary in addition to his regular GM report.

Mr. Housden stated the American Recovery and Reinvestment Act was adopted by Congress and signed into law.

Mr. Housden reported we have 14 options for buses. We were visited by Gillig today. Mr. Housden will be asking for authority to issue a P.O. for 7 buses in advance. Also under New Business Mr. Housden will be asking for an award for contract to purchase 5 light duty Access buses.

Ms. Barrott joined the meeting at 5:55PM.

Mr. Housden stated we have been working with the City's contractor (Havel/Emcor) to update the energy audit that they completed in 2007. We are now working with GAI to develop an RFP, based on the City's Guaranteed Energy Savings contract to implement audit recommendations (HVAC, insulation, barn improvements, etc.). We are preparing to submit a competitive grant for \$1.5 million to

## Board Meeting Minutes

March 12, 2009

Page 3

the Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) program. The estimate is that we'll save \$2.5 million over a 10-year period.

Mr. Housden stated we submitted a number of grants. A Lugar grant for \$400,000 to help pay for the Hybrid cost of two buses. It is in final review. There is a minor amendment to an existing grant that is in final review. Our annual grant totaling \$2.2 million for use of the 5307 funds is in final review and moving. We submitted two ARRA grants; they are in preliminary review. The total amount for both grants is \$4,095,327 (fixed route buses, flex route buses, university circulator buses & scheduling software).

Mr. Housden reported we completed and submitted to IPFW and Ivy Tech detailed costing, schedules and implementation plans for a university circulator. Met with IPFW this week and met with Ivy Tech yesterday. We have qualified yes's from both. Mr. Housden is crafting a contract. The plan is to have this in place by Fall semester. It's a three bus piece; we've spoken with the Union and working together on how to call drivers back. The full-term of the contract would be Fall semester 2009 thru the end of Spring semester 2012. It's about a \$1.3 million piece on the bus side. \$1.1 is Federal share and Ivy Tech and IPFW have agreed to pick up the \$275,000 in local share.

Mr. Housden reported we have ordered a new phone system which will save us about \$10,000. We're going to record the phone calls & radio traffic coming into dispatch and customer service.

Mr. Housden stated fare collections continue to be fairly strong compared to our ridership which is down. We're down 47,000 rides in two months on the fixed route side and 1,900 on the Access side. A lot of that had to do with weather.

**On the goals/objectives report:** We did have some overtime. We will address issues affecting that. We're waiting on quotes from insurance representatives on "gap" liability insurance. Spare ratio; 29.6%. FTA uses a preferred spare ratio of 20% or less for fleets of over 50 buses. We don't fit that category. Route study & analysis; we have a work plan and budget. If the planning money comes thru from the state we'll have the money to pay for it and have it completed this year.

**From the summary report:** Mr. Housden stated we executed a lease with the YMCA on February 19 for parking. We'll lease 24 spaces at \$600.00/month; it's a month to month lease, either party can cancel at any time with 30 day written notice.

Mr. Housden is requesting a meeting with the Capital Development Committee sometime during the week of the 23<sup>rd</sup>. Mr. Hines stated either the 23<sup>rd</sup> or the 26<sup>th</sup>. This is to discuss the disposition of the property next to the YMCA and to review the property development activities at Superior Street.

Mr. Housden reported the discount pass program is gone. We have used up all the funds.

Mr. Housden already discussed the next two items; preliminary verbal commitment from the state for JARC funds and the preliminary agreement with IPFW and Ivy Tech.

Mr. Housden reported working closely with the Union to explore our health coverage with the goal of reducing costs for both the company and union members.

## Board Meeting Minutes

March 12, 2009

Page 4

Mr. Coats commented about an article in USA Today about transit systems cutting service, raising fares and ridership was down. The article cited people who were out of jobs. Mr. Housden stated we will have to wait a couple of months to really get a pulse on this. We had some really bad weather in January and February.

Mr. Hines asked about the overtime; ridership is down, but overtime is up. Mr. Housden stated we had a number of worker comp cases. Ms. Strasser added the reports are cash basis statements. In January we had MLK day; the driver's that worked got over time. That pay showed up in the February financials because the MLK pay period was the first pay period in February. Mr. Hines also asked about the customer advisory council meetings. When will there be one? Ms. Kachmar answered it is scheduled for April. Mr. Murphy reminded the board that IPFW and Ivy Tech are both on Spring break this week and that could be why ridership is low for that time period.

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

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

### **Old Business:**

#### **RFP for Management Services**

Mr. Logan e-mailed everyone a copy of the RFP. Mr. Logan passed around a proposed time-line for the RFP. The FTA came out with a new circular on November 1, 2008 which changed some aspects of the language in the RFP. This process is governed not only by FTA regs, but also by applicable Indiana State laws. This is a public-private agreement, under state law, and there is a particular statute in Indiana that covers this type of agreement. We are going to publish notice in the Passenger Transport and Mr. Logan would like to get the RFP on the Citilink website. We will get the notices out as required. Proposers will then have about 5 weeks to submit their proposals. The proposals are designated to go to Mr. Logan. He will then circulate them to the finance committee for review. The committee will then have 6 weeks to go over the proposals and come up with a recommendation to the full board on June 11. The process also requires a public hearing notice which would be published on the 18<sup>th</sup> of June. The board can not take final action on their preferred firm until after the public hearing. So it's anticipated that we have the public hearing and take action at the July meeting. After the meeting we would notify all proposers of what the board action has been. Then there would be about 6 weeks to negotiate a contract (if a contract can't be negotiated with the preferred firm, then you can go to your next ranked firm). Final Board approval would be in September. Mr. Logan asked if there were any questions.

Mr. Hines asked when the Finance committee would do interviews if they had 2 or 3 firms. Mr. Logan answered that would occur during the month of May and Mr. Logan would coordinate that. Mr. Lanahan stated it is a five-year contract with 5 – one year potential renewals. Mr. Logan added this is set up to bid the General Manager and Assistant General Manager separately; which is the way it's been done in the past. Another key point is the criteria for how these proposals will be evaluated, which is also the same as in the past (page 8, section 19). This is not set in stone. Ms. Barrott asked when comments are to be received. Mr. Logan answered soon – by end of business day on Friday. Send to both Mr. Coats and Mr. Logan. Mr. Lanahan asked for a motion to give the committee the discretion to make any changes based on comments by the rest of the board. Ms. Barrott made the motion, Mr. Hines seconded. The motion passed unanimously. Mr. Logan suggested they look at section 19 to see how the categories are weighted. Ms. Barrott questioned the allocation between the Transit Management

Experience Firm and the Administrative, Marketing and Support Services. Ms. Barrott would like to see a bigger percentage go to Support Services. Mr. Lanahan stated the Finance Committee can discuss this. Mr. Logan asked Ms. Barrott how she would re-tool the percentages. Ms. Barrott suggested 10% to the transit management experience and 15% to support services.

**New Business:**

**a. Rally for Rail**

Mr. Lanahan informed the board the Rally for Rail will be Friday, April 3 at 4:30PM at the Baker Street Station.

**b. Award of Buses**

Mr. Housden is asking the board to authorize an award of five Access buses. We went out for bid with an RFP on the 18<sup>th</sup> of January. Twelve companies requested the RFP. We received bids from three firms; IndyBus Buy Sell Net, Midwest Transit Equipment Supply Company, and Tesco Bus. The three firms submitted four bids. One was not responsive and was rejected. The low bid and most responsive bidder was IndyBus Buy Sell Net at \$55,010.50/bus. This is less than what we paid last time. These will be funded from the 5307 grant which requires a 20% match on our part. Mr. Lanahan asked if they are manufactured in the United States. Ms. Kachmar answered yes, in Elkhart. Mr. Hines made a motion to approve the purchase of five Access buses to the vendor with the lowest and most responsive bid. Mr. Gottlieb seconded. The motion passed unanimously.

Mr. Housden stated the Gillig rep was in today. He very strongly advised us to issue a purchase order for the buses that we intend to purchase out of the ARRA. He pointed out until they start building them, we can cancel at anytime with no penalty. The current window is 18 months delivery time on orders. Mr. Housden is asking for authority to issue a purchase order for 7 Hybrid electric 35' Gilligs and exercise the options. We are piggybacking on another contract – Akron. There are options out there available to piggyback on contracts with other transit agencies; we have captured 14 of them. Mr. Lanahan asked if these were 100% money. Mr. Housden answered yes. Ms. Barrott made the motion to authorize the issuance of the purchase order to Gillig for 7 Hybrid 35' buses, Mr. Gottlieb seconded. The motion passed unanimously.

**c. Procurement Regulations to Review**

Mr. Housden mentioned one item in the policy; 2.8.3 under Contracts. The first line reads, “The contract shall limit option quantities for additional equipment and supplies to not more than fifty percent (50%) of the initial quantity of the same contract line item”. We are requesting the board to authorize a change to make the 50% be 150%. Discussion followed. Mr. Lanahan stated what we’re looking for is more flexibility on bids. Mr. Housden answered yes. Mr. Lanahan asked for a motion. Mr. Coats made the motion to approve the 150% language update, Ms. Barrott seconded. The motion passed unanimously.

**Open Discussion by the Board:**

Mr. Hines stated as we work with the Union employees that they realize that we’re working hard to try to secure jobs. The board is in support of trying to bring individuals back to work.

Mr. Hines mentioned when we finalize the Access bus purchase we need to do public relations. Mr. Hines wants to make sure we highlight our sensitivity to the needs of special need riders and that’s why

Board Meeting Minutes

March 12, 2009

Page 6

we're adding to the enterprise and that it is an Elkhart purchase. Ms. Kachmar stated the press release is going out right after the board meeting.

Ms. Kachmar invited everyone to participate in the Big Bus Stuff which is March 27-April 4. This is in conjunction with the Komets. Ms. Kachmar handed out the flyer. The Komets are giving us tickets to these two games if you want tickets.

Ms. Kachmar passed around a picture of the Easter Seals ARC egg sponsored by Citilink. ARC is doing an Egg-stravaganza fundraiser. It will be on display at Easter time and through the summer. It will then be available for purchase. Paint the Town Graphics worked with us on this project.

Mr. Hines asked if we are doing anything marketwise with the Tin Caps. Ms. Kachmar answered we are watching that carefully. Their pricing structure is such that it is out of our league. Larry Wardlaw of Asher is watching that for us.

Mr. Hines also mentioned that citizens are concerned about the traffic when the Tin Caps have a game. Are we transporting from Glenbrook or Southtown with a special shuttle run? Ms. Kachmar stated Mr. Wardlaw has mentioned that to them when he talked to them about sponsorship. No one has spoken to Ms. Kachmar. Ms. Barrott asked if we would be looking to the Tin Caps to help subsidize the cost of that run. Ms. Kachmar answered we have to be careful with the charter regulations. Mr. Housden answered it becomes like another scenario like we're working with Ivy Tech and IPFW. It's a public service, has to have at least two public stops, and has to be in a published schedule. The FTA just released some new regulations. The bottom line is the cost. Mr. Hines stated the problem is if you have 5000-8,000 fans, there is no where to park. Citilink would be a nice alternative. Mr. Housden said it is worth looking into. Mr. Housden asked if Mr. Hines knows someone that we can contact. Mr. Hines said he would try to do that. Ms. Kachmar will also follow up.

Ms. Barrott thanked Ms. Kachmar for the great job she did presenting Citilink and rideshare options at the Green Business Outreach program.

Mr. Hofherr stated the local union is heavily involved with the international union on the stimulus package in trying to get operating money. The Union was told our turn at the plate will be when the LUTEA comes up very shortly for the new appropriations. Mr. Hofherr stated he has been working closely with Mr. Housden on the Ivy Tech/IPFW shuttle work.

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

Attest:

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Frederick A. Lanahan  
Chairman

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Marvin Gottlieb  
Secretary