

MINUTES OF BOARD MEETING
MEMPHIS AREA TRANSIT AUTHORITY
February 24, 2014

CALL TO ORDER: A regular meeting of the MATA Board of Commissioners was held at 3:30 p.m. on Monday February 24, 2014 in the MATA Board Room at 1370 Levee Road.

BOARD ROLL CALL:

Present: Chairman, Sean Healy
Commissioners: Karl Birkholz; Mattie Carter; Charles Pickard;
Lauren Taylor; John Vergos

Absent: Andre Gibson; Marion McClendon

Quorum: Yes

Staff: Lawson Albritton; Ashley Best; Alison Burton; Yuri Chambers; Darryl Covington; Linda Eskridge; Lavelle Fitch; Don Forsee; Tom Fox; John Lancaster; Willie Lewis; Glen Lockhart; Shelia Maclin; Maury Miles; Gilbert Noble; Marcus North

Others: Kwasi Agyakwa, Memphis MPO; Betty Anderson, Travel Trainer; Bennett Foster, MBRU; Aury Kangelos, TDOT; Carlos McCloud, TDOT; Reginald Meriwether, Rider; Betty Robinson, MBRU; Eddie Settles, Back Home Media; John Paul Shaffer, MPO; Henry Wilson, MATA Retiree

APPROVAL OF MINUTES: Mr. Vergos brought an issue before the Board before the minutes were approved. Chairman Healy stated this would be discussed during Old/New Business. Mr. Birkholz made a motion for approval of the January 27, 2014 Board Minutes. Ms. Taylor seconded the motion and the minutes were unanimously approved.

ACTION ITEMS:

A. FINANCE COMMITTEE

1. Resolution to Amend the Procurement Manual to Address the Procurement of Fuel - Res. No. 14-13

Discussion: This resolution addresses the process for fuel procurement. Staff is asking the Board's approval to amend the Procurement Manual to change the manner in which fuel procurements are done.

Staff would establish a list of qualified vendors, and watch the market for about 90 days to determine a good price and lock it in at that time following the Board's initial action. **Mr. Vergos moved that this resolution be put on the floor for discussion. Mr. Pickard seconded the motion.** Mr. Vergos asked how does staff determine when the market has reached the right level. Dr. Fox stated there is no concrete determination except we watch the market for seasonality as well as for trends. Mr. Birkholz asked when was the last time that MATA approached the city or county to become a part of the fuel purchase program to leverage the volume against the cost of the fuel. Dr. Fox stated this had been investigated previously with the City and determined to not be in MATA's best interest due to the costs associated with multiple drop points for the City, and the difficulties with combining MATA's federal procurement requirements with the City's requirements. Mr. Birkholz stated that he would like to see the additional information on this subject. **Resolution No. 14-13 was unanimously approved.**

2. Resolution to Award a Contract to Batteries Plus for a Five-Year Supply of Batteries - Res. No. 14-14

Discussion: Glen Lockhart, Director of Maintenance, stated these batteries are tailor-made for buses, and it is necessary for staff to get a contract because it is difficult to get a supplier for them. The batteries are used for Fixed Route, Paratransit, as well as some service vehicles. Ashley Best, Contract Administrator, stated the bidding was formerly advertised in the newspaper, posted on the web site, as well as sent to vendors. After reviewing the bids that were received, staff recommended the award goes to Batteries Plus at a cost of \$406,075 over a five year period. **Mr. Birkholz moved that this resolution be put on the floor for discussion. Ms. Carter seconded the motion.** Chairman Healy asked how many bids were received. Dr. Fox stated seven (7) solicitations were sent out, and two (2) bids were received. **Resolution No. 14-14 was unanimously approved.**

3. Resolution to Award a Contract to Jim's Tank Service, LLC for a Three-Year Contract for Used Oil Management - Res. No. 14-15

Discussion: Glen Lockhart reported that this resolution is to contract for someone to manage the pickup of our used waste oil. The contractor will also service our oil water separator tanks, to stay in compliance with EPA. We are required to use EPA-certified vendors that can maintain the oil. Ashley Best stated that the procurement was advertised in the newspapers, and on the website, as well as sent to vendors. Staff recommend award to Jim's Tank Service LLC, who currently has the contract, at a price of \$97,405.56 over the course of three years. **Mr. Birkholz moved that the resolution be put on the floor for discussion. Mr. Pickard seconded the motion.** Mr. Birkholz asked if there is any way we can monitor what they are doing with the oil when it is picked up. Glen stated they have to manifest the oil, and we can also request records at any time. **Resolution No. 14-15 was unanimously approved.**

B. SERVICE AND DEVELOPMENT

1. Resolution to Amend FY14 Section 5307 Formula Grant - Res. No. 14-16

Discussion: Dr. Fox stated that Resolution No. 14-16 and 14-17 both relate to the Conduit Global Call Center bus service that staff discussed at the February Board Meeting. Maury Miles presented this resolution to the Board. MATA was approached by the City to look into funding for bus service for the call center. Jobs Access and Reverse Commute (JARC) funds are one of the methods that can be used for this purpose. Staff has proposed adding this new service, and this would require amending the Section 5307 Formula grant budget that was approved at the

February Board Meeting. The estimated annual cost for the service is about \$150,000. JARC service is funded by FTA at 50% federal and 50% matching funds; whereas capital funds are on an 80/20 basis. **Ms. Carter moved that the resolution be put on the floor for discussion. Mr. Vergos seconded the motion.** Mr. Birkholz asked how the local share affects the existing service that we are currently running. Dr. Fox stated that this funding is not going to affect our existing service. Ms. Taylor asked for clarity on the \$93,750 stated in the memo in relations to the \$75,000 mentioned about the fare collection equipment reduction. Maury explained that it is because of different matching shares for capital as compared to operating projects.

Ms. Taylor asked if we had at present any idea of how many people would be using the service. Dr. Fox stated that according to how many people the call center will hire, it is estimated that about 15 people would be using the service per shift. Mr. Birkholz asked that staff keep the Board posted on how many people use this service. Ms. Taylor asked how this relates to the Short Range Transit Plan (SRTP). Dr. Fox stated the SRTP has a recommendation for a route in that area, which would be an extension of an existing route. **Resolution No. 14-16 was unanimously approved.**

2. Resolution Authorizing the Filing of an Application with the Tennessee Department of Transportation for CMAQ Funds for New Transit Services – Res. No. 14-17

Discussion: Dr. Fox presented this resolution to the Board. This is considered flexible funds and can only be used for projects that reduce congestion and/or improve air quality. There are two projects in this resolution: 1) midtown shuttle route, the City is supporting this, and staff is recommending that the Board approve staff to submit an application for the shuttle route recommended by Nelson\Nygaard. The CMAQ money can be for used up to three years. 2) I-40 Corridor Route. The plan is to add service in the I-40 Corridor primarily in areas that are not currently served. If funded this grant could serve a larger area in the vicinity of Conduit Global allowing MATA to use JARC money for the 1st year and the CMAQ money for years 2, 3, and 4. Dr. Fox explained where the route would start and where it would end. **Ms. Carter moved that the resolution be put on the floor for discussion. Mr. Vergos seconded the motion.** Mr. Vergos mentioned that he was advised by Ham Smythe, with Yellow Cab, that he could purchase a bus and that he is prepared to run a route in Midtown. Dr. Fox stated the application would have to be submitted by March 14, 2014. The application could always be pulled if it becomes necessary. Dr. Fox stated that he would discuss with Ham Smythe. Chairman Healy asked if there was a third option in the plan. John Lancaster made a suggestion that a third option could be Express Routes to add to the trips. **Resolution No. 14-17 was unanimously approved.**

FINANCIAL REPORT

Mr. Gil Noble

January 2014 (Seven months of the fiscal year)

Revenues overall are very close to budget, although the passenger fares trail budget by \$642k (10%). In only two of the seven months (July and December) did our fare revenue match last year's. The other five months fell below the last fiscal year. MATA budgeted for passenger fares to be much closer to the previous year than it has turned-out to be. The reduction in transit service clearly had a greater impact on ridership, and with passenger fares, than was budgeted for.

Expenses for the month are on budget, so we remain about \$1.1MM unfavorable for the year-to-date. About \$700K has to do with the unbudgeted emissions retrofit – for which MATA will be reimbursed. \$200k of the \$700k reimbursement has already been received in February, and the rest is expected to be reimbursed in the upcoming weeks. Mr. Birkholz asked about the passenger numbers running low. Mr. Noble stated the challenge will be in holding up from a cash flow perspective. The months between now and June 30th from a cash flow perspective will be very tight. Mr. Birkholz asked what percentage we dropped when the routes were cut. Dr. Fox stated about 12% with the last major cut.

Mr. Birkholz expressed his concern that if this continues MATA would eventually be \$1MM in the hole by the end of the year. Dr. Fox stated the plan is to cash flow the year and put more significant cuts in place, and get our budget aligned for the next fiscal year.

Mr. Noble stated our cash flow is in a difficult situation. There is a large block of federal funds we look for in March, and if we don't get the administrative approval to draw down the funds, we would likely have a cash shortfall starting in late March. We have talked to the city's finance department to alert them of the situation, and MATA's possible need for short-term assistance. The city has already briefed the council and made them aware of this, in the event we do not receive the needed grant funds in March.

MARKETING REPORT

February 2014

A copy of the Marketing Report was forwarded to the MATA Board prior to the Board Meeting. Ms. Burton gave highpoints from the report to include:

- On Thursday, March 20 from 3:00 p.m. until 5:00 p.m., MATA will participate in a training program hosted by FedEx Global. The trainees are from India, Mexico and Brazil. Dr. Fox will conduct a tour of MATA's operations and maintenance facilities.
- The Books on Buses Program continue to be an awesome program. Over 3000 books have been distributed through our transit centers. All books are reviewed by Friends of the Library before putting them on the shelf.
- MATA received excellent coverage on the Diesel Retrofit news release. We worked with TDOT and Shelby County Health Department; and it was covered by news stations, as well as an article in the Commercial Appeal and Memphis

- Business Journal. The coverage was viewed by over 250,000 households. The next news release will deal with our bike racks, as well as the deployment of our ramps for persons with disabilities.
- Hudson Retirement Event that was held on February 15, 2014 at Central Station Hudson Hall was a huge success with over 200 guests present to recognize and celebrate 49 years of service to MATA. Ms. Burton thanked those Board Members that were able to attend this event.
- Ms. Burton worked briefly with KL Executive Search Team on announcement brochures, as well as assisting the committee with the public meeting that took place at the Benjamin Hooks Library.
- The marketing department has an RFP out for professional marketing and public relations services to assist staff with overall program support and specific campaigns and promotions. Proposals are due on March 21st.

Chairman Healy stated that the entire retirement event for Mr. Hudson was very well done.

PERFORMANCE MEASURES REPORT

Dr. Fox reported that in January 2014 MATA exceeded the target in 10 of the 20 measures, and is within 10% of the target on two other measures. Dr. Fox stated the most significant improvement was in the trolley miles between chargeable road calls. This month staff will begin the process of presenting more details on performance measures. Yuri Chambers, Safety Manager, and Don Forsee, Director of Trolley will present a Power Point on performance measures related to accidents. Mr. Birkholz asked if trolley drivers, and fixed route drivers are allowed to carry cell phones. Don stated in the trolley division, they are allowed to carry their phones but are not allowed to turn them on. Yuri stated in the bus division they are allowed to carry phones, but cannot use them while the bus is in motion. They can be used in case of an emergency at the end of the line. Chairman Healy stated that the presentation was very helpful. He also stated that it is good to be aware of what measures are taken for the signal modification so that as a Board Member they will better be prepared to explain it if the questions comes up. Chairman Healy stated he would like to see something similar presented on the passenger complaints, which would give them an idea on how they are handled. Mr. Vergos stated he is constantly hearing about complaints with the trolley's on-time performance. Dr. Fox stated that we do have some challenges and are looking into some database issues to get this corrected.

Dr. Fox stated that hopefully he will have something tangible to report to the Board in a couple of months. Ms. Taylor questioned the unsure on-time performance numbers for trolley and fixed route that are being reported. Dr. Fox stated this is only in an effort to see how the numbers are moving. Mr. Birkholz asked the reason why we cannot just tell drivers not to take a personal phone on the bus or trolley. Mr. Pearson stated that we are in the process of changing some rules.

INTERIM GENERAL MANAGER'S REPORT

Dr. Fox forwarded a copy of the general manager's report prior to the Board Meeting. He gave some brief highlights from the report to include:

- Conduit Global service (which was approved by the Board today 2/24/14), will allow us to move forward with a route in April that feeds to Southwest Tennessee Community College to connect with #53 Summer. We will come back to the Board to approve the route after public comments. JARC money will pay this for one year, and if successful on the CMAQ application, it will pick up on some variation of that route going forward for three more years.
- **Budget** - Staff is meeting with the City Administration Capital Budget Committee to present MATA's capital budget request. Staff will meet Friday February 28, 2014 to talk about the operating budget. Chairman Healy asked Dr. Fox to report back to the Board as soon as he receives some information on the operating budget.
- **Shuttle Service** - Dr. Fox suggested cutting game shuttles for next season, due to our current budget situation, Dr. Fox would like for the Board to consider cutting out those shuttles within the next couple of months. Chairman Healy stated that this matter can be included in the discussion about the upcoming operating budget.
- **Ridership Data for accessible taxicabs** - Staff received the ridership data for wheelchair users from Yellow Cab. The average number of monthly trips by wheelchair users in 2013 was 36. To date, staff has been unsuccessful in getting similar data from Metro Advantage Cab.

Dr. Fox asked Mr. Pearson, Assistant General Manager to report on projects that he is currently working on:

- 1) Water Intrusion Assessment at Central Station. The assessment has been completed and we are in the process of evaluating it.

He thanked John Lancaster for all the work he does with SSR Engineers, who called in Clark Dixson and Williams & Associates, an exterior consultant from Atlanta. Mr. Pearson has a copy of a more detailed report in the event the Board would like to review the findings.

2) In an effort to generate more dollars, staff is looking at renting out the parking lot at the NET. The terminal has 158 parking spaces, and we are looking at reserving 30 for employees, which would give us 128 spaces to rent out. The normal rate is about \$1.00 per day, \$30.00 per month per space. This could possibly generate another \$50,000 per year.

Also there is available lease space in the North End Terminal and there are two interested tenants.

3) Mr. Pearson did some research on Amtrak and passed out some information on his findings, as well as gave a brief synopsis of his findings. This was a request from Mr. John Vergos. Mr. Pearson will work on getting a map for the MATA Board as requested by Mr. Vergos.

SPEAKERS:

Mr. Reginald Meriwether, 228 S. Lauderdale, #2, Memphis, TN 38126

Mr. Meriwether stated his concern with routes #31 and #10 and the fact that a lot of people lost their jobs because these routes were dismantled. Also Mr. Meriwether had a concern with buses not waiting for passengers when coming from one point to the next point. Main routes of concern with this issue are the #50 and the #42 routes. He stated that a lot of bus drivers are on cell phones, as well as texting. He mentioned that 44,000 people die every year for texting. He states that he has a journal on MATA, and MATA uses out town people to determine new routes. Mr. Meriwether disagrees with this process, and feels that MATA routes should be determined by individuals right in the city of Memphis. Mr. Meriwether recommended that staff pull tapes of his concerns as well as his phone calls conversations to verify what he is saying. He stated that until we get this city right....it won't be right.

OLD/NEW BUSINESS

Mr. Vergos asked about the Midtown Alternatives Analysis Study that he requested be re-opened. He asked what is the purpose of the study and is the \$150,000 more important than the route situation.

Dr. Fox gave a brief explanation of what the study is all about. It is a program that's meant to be the first phase of development of major capital projects for transit. Mr. Vergos feels that the \$150,000 could be put to better use.

Mr. Vergos also expressed that the SRTP should be implemented on a larger basis, and not in pieces. He expressed that MATA has to find ways to get new income, and Mr. Vergos gave suggestions on how he feels MATA could get new income, including talking to Shelby County School about partnering on transportation for students.

Mr. Vergos also stated that we really need to seriously look at restructuring MATA's pension system to become a public pension system.

New Business:

Ms. Carter recognized all visitors that were present at the Board Meeting, and thanked them for attending.

The next Board Meeting is scheduled for March 24, 2014 at 3:30 p.m.

Chairman Healy called for a motion to adjourn. Mr. Birkholz moved that the meeting be adjourned, and Mr. Vergos seconded the motion.

Mr. Sean Healy
Chairman of the Board