

MINUTES OF BOARD MEETING
MEMPHIS AREA TRANSIT AUTHORITY
January 28, 2013

A regular meeting of the MATA Board of Commissioners was held at 3:30 p.m. on Monday January 28, 2013 at 1370 Levee Road in the MATA Board Room.

BOARD PRESENT: Chairman, Mr. Sean Healy
Commissioners: Karl Birkholz; Mattie Carter (late); Charles Pickard; Sean Healy
Andre Gibson; John Vergos
Absent: Marion McClendon

STAFF: Lawson Albritton; Alison Burton; Yuri Chambers; Darryl Covington;
Lavelle Fitch; Don Forsee; Tom Fox; William Hudson; John Lancaster;
Glen Lockhart; Maury Miles; Gilbert Noble; Alvin Pearson; Niketa Reed;
Tommy Wallace

OTHERS: Betty Anderson, Travel Trainer; Gary Ferguson, TDOT-SSO Bennett Foster, MBRU; Aury Kangelos, TDOT; David Mason, MBRU; Eddie Settles, backinrivarcity.com; Larry Smith, Health Department; Carlos McCloud, TDOT; Sheila Williams, MBRU; Betty Robinson, MBRU; Henry Wilson, MATA Retiree

Chairman Healy called the meeting to order and called for Board roll call. The secretary, Linda Eskridge called the Board roll. Five Board Members were present, one Board Member Mattie Carter was late and one Board Member, Marion McClendon was absent. There was a quorum for the meeting. Chairman Healy called for approval of the November 26, 2012 Board Minutes. Mr. Birkholz made a motion for approval. Mr. Gibson seconded the motion and the November Board minutes were unanimously approved.

BUSINESS & REPORTS

A. FINANCE COMMITTEE

1. Resolution to Authorize a Memorandum of Agreement with the Shelby County Health Department for a Diesel Retrofit Project - Res. No. 13-01

Discussion: Dr. Fox presented this resolution to the Board. MATA has been working with the Health Department on a number of projects. This is a program that the Health Department has through TDOT funded 100%. MATA has been working with them for a while and have reached the point of moving forward. This resolution would authorize an agreement between MATA and the Health Department to carry out this project. Larry Smith from the Health Department was present at the meeting.

There are 76 buses that could be retrofitted and they would give us \$700,000 to do this project. **Mr. Pickard moved that Resolution No. 13-01 be approved. Mr. Vergos seconded the motion and the resolution was unanimously approved.**

2. Resolution to Approve Purchase of Unleaded Gasoline - Res. No. 13-02

Discussion: Mr. Hudson presented this resolution to the Board. MATA sent out bids to 27 vendors, with receipt of 4 secured and unsecured pricing for unleaded gasoline. Staff is recommending approval of a one year contract to Ports Petroleum Company, Inc. for the purchase of 45,000 gallons at a cost of \$2.8130 per gallon, which is about the same that we are currently paying. **Mr. Vergos moved that Resolution No. 13-02 be approved. Mr. Pickard seconded the motion and the resolution was unanimously approved.**

3. Resolution to Approve Purchase of Diesel Fuel - Res. No. 13-03

Discussion: Mr. Hudson presented this resolution to the Board. This is for 1,800,000 gallons of ultra-low sulfur diesel fuel. Bids were solicited to 25 vendors and 4 bids were received for secured and unsecured pricing. Mansfield Oil Company submitted the lowest secure bid at \$3.0534 per gallon. This bid is approximately \$127,000 better than our current contract. **Mr. Vergos moved that Resolution No. 13-03 be approved. Mr. Birkholz seconded the motion and the resolution was unanimously approved.**

B. SERVICE AND DEVELOPMENT

1. Resolution to Approve FY13 Section 5307 Formula Capital Projects and State Operating Assistance - Res. No. 13-04

2. Resolution to Approve FY13 Section 5309 Bus and Bus Facilities Capital Projects -Res. No. 13-05

3. Resolution to Approve FY13 Section 5337 State of Good Repair Capital Projects -Res. No. 13-06

4. Resolution to Approve FY13 Section 5339 Bus and Bus Facilities Capital Projects -Res. No. 13-07

Discussion: Maury Miles gave a brief overview of all four grants applications. Congress passed a new transportation bill called MAP21 effective October 1, 2012. It authorized funding for FY13 and FY14. MAP21 changed a lot of the funding that MATA and other grantees receive. Changes include: Eliminating 5309 Fixed-Guide way Modernization funds and replacing it with 5337 State of Good Repair funds which are for the trolley system; 5309 Bus and Bus Facilities funds were replaced with 5339 Bus and Bus Facilities funds; and it eliminated funding for the 5316 Jobs Access/Reverse Commute (JARC) program although Section 5307 funds can now be used to fund JARC programs. He explained that each year MATA has to apply and send resolutions separately because of the different types of funds, and the funds cannot be mixed. MATA has funds from four different types of grants that will cover the purchase of up to 30 buses - 15 hybrid-electric and 15 diesels. Maury explained to the Board how the buses would be funded between the grants.

He then explained the role of each grant resolution and the other line items in them including Preventive Maintenance, ADA Paratransit service, Associated Transit Improvements, Spare Bus Components, and Bus Facility Improvements. He also discussed the State Operating Assistance for FY13. **Mr. Birkholz moved that Resolution Nos. 13-04, 13-05, 13-06 and 13-07 be approved. Mr. Gibson seconded the motion and the resolutions were unanimously approved.**

FINANCIAL REPORT (1st Six Months of FY2013) Gil Noble

Revenues for the 1st six months are \$34.2MM, which are unfavorable to budget by \$1MM. We still expect to be tracking on budget at unfavorable variance primarily due to city operating funds we not yet requested. P&L expenses are favorable to budget about \$600,000, primarily due to a one-year legislative relief we received on making our employer pension contributions. We do expect in the 2nd six months, on the one hand, we will have an additional favorable impact on the pension contribution from what was budgeted, but on the other hand we have a decrease in the amount of federal formula funds that we will receive about \$400,000 less in this fiscal year than budgeted. That decrease will affect FY2014 where we are expecting to see \$1.5MM less than budgeted and it has to do with our being in a different category for federal funding. We are expecting the next six months to be roughly on budget again, slightly favorable to budget. Mr. Noble stated that we will have another difficult year next year, but do not anticipate having a problem getting to the end of this fiscal year, June 30, 2013.

Mr. Noble stated the chart showing the salary cost for the second quarter is reflecting no significant reduction in headcount from the prior two years, and is expecting that trend to continue. A \$4.5MM deficit was budgeted, but is not expected to go beyond that. Mr. Vergos made his point regarding the pension and the reality of it, and the fact that it is operating with a significant deficit. Mr. Hudson stated that we did negotiate a separate, but less lucrative, pension plan in the last union negotiation, and the contract has been approved.

This ended the financial report.

MARKETING REPORT
December 2012 – January 2013
Alison Burton

Instructional Video features Trolley

Staff worked with Archer –Malmo for use of a trolley. The instructional video is for FedEx on a mobile app to teach customers how to use your cell phone to send a package. It's so easy you can send a package while riding on the trolley.

Fall Retiree Summit – November 28

The marketing staff helped to coordinate a luncheon for all MATA retirees. The event included updates on our pension plan, overall MATA operations, beautiful holiday photos, and a delicious lunch, tours of the train and trolley museum and door prizes. Over 250 retirees and spouses attended and all enjoyed seeing co-workers and friends. Staff received numerous positive comments from the retirees.

Service Changes

New service changes were effective on December 2. The changes were approved by the Board of Commissioners on October 22. Staff heavily promoted the changes to customers for the next five weeks. The most reaction on the changes came from residents on Route 19 Vollintine. Mr. Hudson has met with those residents to resolve their concerns.

Customer Service

For the first time in 36-year history of our customer service department, we collected over one million dollars in revenue at the North End Terminal. We recorded a 19 % increase over 2011 for a total of \$1,141,843.25. This gained can easily be attributed to more customers now understand the benefits of the fast pass. The fast pass was introduced in January 2010, and we have steadily seen more customers using the fast pass.

The American Way Transit dipped by 11% in overall revenue collection from \$280,191.42 in 2011 to \$249,348.39 in 2012. The loss is due to a drop in MATApplus sales at this location. The Airways Transit Center collected \$25,538.50 in revenue in 2012.

Upcoming Events for 2013:

Safer More Secure MATA through Technology

Built on the services that are all a part of Intelligent Transportation System that rolled out during 2012 and continues to be implemented in 2013 – pitch a full story on how MATA is a safer, more secure, more customer focused and more accurate transit system than ever before. This outreach will first be developed into a release that is pitched to the media. Any media interested is also invited to “witness” first hand any aspect of the operation. There will be several other components added to this. The promotional aspects of this project were delayed due to a few glitches most have been resolved, and we are now ready to seriously promote MATA Traveler.

Trolley Turns 20

The two decade success of the Trolley system in Memphis is reason for an extensive month-long celebration. Such a celebration will present an opportunity to highlight the history of the trolley, the milestones reached and the complete statistics on how many people have experienced the Memphis MATA Trolley. April 20 is the anniversary, so that makes April the logical month. It could, however, be held for a month or two and still be relevant.

U-Pass Launch

The creation of a U-Pass presents an opportunity to announce a new community focused service. While it would be ideal to announce in combination with a new University customer who signs on, it can be done independent of that as an announcement of the program and what it offers.

If done with a University customer, then timing will be dependent upon them. If no customer, a summer launch prior to school starting in the fall would work. We have held meetings with Christian Brothers, University of Memphis, Lemoyne, and a meeting with Southwest will be rescheduled.

Customer Appreciation Day

This annual event has been held in April and can be built into Trolley Month. It presents an opportunity to highlight certain customer service stats about MATA in terms of ridership, services, etc. Previous events have yielded huge crowds and loads of fun with our customers.

For 2013, the marketing staff will undertake a strategic outreach on positive news. This will include regular outreach and publicity about the ongoing changes and state of the business, as well as focused public relations and communications on several larger events/milestones/advances.

GENERAL MANAGER'S REPORT

William Hudson

Mr. Hudson congratulated Mr. Healy on his appointment to Chairman of the MATA Board.

Mr. Hudson took this opportunity to commend staff for the great job they do. His focus today was on the Purchasing Department who worked hard on getting bids in for our diesel and gasoline fuel. Due to their hard work they were very proud to find out that we actually did better this year on the bids than last year.

Mr. Hudson asked Dr. Fox to discuss the performance measures that the staff has been work on for the Board. Dr. Fox stated staff has been reporting performance measures to the MATA Board since July 2012. Dr. Fox distributed November and December's report at the meeting. Based on six months worth of data staff developed recommendations for what our target should be for each measure broken down by modes. The memo gives staff's recommendation and we are striving for improvement. The bold numbers in the table is what staff is recommending as a target for at least the 1st six months of this year. Staff will re-access and report back to the Board. Chairman Healy commented that there are some very aggressive targets in the report and he is encouraged by this. He commented on the on-time performance target and stated that hitting that target would go a long way in letting the customer know that we are serious about on-time performance. Mr. Gibson agreed with Chairman Healy and stated that if these targets are reached it would improve the budget.

Title VI Program

The Board must adopt the Title VI Program prior to any changes, and must have the changes and approval in order to provide such changes by June 2013. Each FTA participant must ask, submit and get this approved by April 2013. John Lancaster showed a Power Point Presentation to the Board that explained the new Title VI Requirement and MATA will be working with the Board in the future on short time lines. John stated that hopefully by February staff will get some example policies to the Board for review and then get information to the public for input and comments.

After conducting some public outreach staff will need to come back to the Board in March or April to get approval from the Board to take action on the recommended policy.

Mr. Hudson continued the GM report by stating that we are in the process of working with on the 2014 budget. Mr. Hudson met with the mayor, and also Mr. Hudson, Dr. Fox, and Mr. Noble met with the city finance division.

They advised that we had lost about \$2MM less going into 2014. It will be tough and will keep the board updated. Once city finance determines what number to recommend to the Memphis City Council, we will pass it on to the MATA Board.

SPEAKERS: There were no speakers.

Chairman Healy called for recognition of visitors. Ms. Carter recognized each visitor by name and thanked each one for attending and stated that our doors are always open. Mr. Carlos McCloud, formerly with MPO, stated that he is no longer with MPO, but is now with TDOT, who has established an office in Memphis Region IV called the Office of Community Transportation, and will be here to provide resources for MATA. Mr. McCloud also stated that Mr. Aury Kangelos, also with TDOT will attend the MATA Board Meetings as available.

OLD/NEW BUSINESS:

Chairman Healy called for any old or new business to come before the MATA Board. Mr. Pickard made a motion to adopt a speaker's policy similar to Memphis City Council. The changes would include instead of Council, it would be MATA Board of Commissioners, replace sergeant at arms, with secretary, and keep our MATA 3-minute timeframe for speakers. Mr. Vergos seconded the motion. Ms. Carter stated that our original policy came from MCC and MATA made adjustments to modify it to MATA. Mr. Birkholz made a secondary motion to rewrite the policy with changes, to know what we are voting on, review it again, and make a final decision after final review. Ms. Carter seconded the motion, but the secondary motion failed. After much discussion between the MATA Board, Chairman Healy confirmed the motion on the floor is to amend our existing Board Meeting Policy and incorporate the Memphis City Council Speakers' policy into it. The motion was approved by the MATA Board of Commissioners and a resolution will be written to that effect.

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Chairman Healy called for any other new or old business. The secretary stated that MATA's next Board Meeting is scheduled for February 25, 2013 at 3:30 p.m. Mr. Vergos moved that the meeting be adjourned. Mr. Gibson seconded the motion and the meeting was adjourned.

Sean Healy
Chairman of the MATA Board

NOTE: A taped recording of the MATA Board of Commissioner Meetings are always available in the event of clarity on a particular item.