

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL
TRANSPORTATION
BOARD OF DIRECTORS MEETING**

APPROVED MINUTES – November 30, 2016

A regular meeting of the Board of Directors of the Suburban Mobility Authority for Regional Transportation (SMART) was held on Thursday, November 30, 2016 at 2:00 PM. The meeting was held at the Buhl Building, 535 Griswold, Suite 600, Detroit, MI 48226.

ATTENDANCE

SMART Board of Directors: Chairman Mr. Gerald Poisson
 Vice-Chairman Mr. Abdul Haidous
 Mr. John Paul Rea
 Ms. Melissa Roy
 Mr. Royce Maniko

SMART Absent Board Members: Mr. Ruddy Hobbs
 Mr. Robert Daddow

SMART Board Secretary: Ms. Tiffany Martin-Patterson

SMART General Manager: Mr. John Hertel

SMART Staff Present: Ms. Colleen Astalos
 Mr. Fred Barbret
 Mr. Ron Beier
 Ms. Michelle Busuito
 Mr. Robert Cramer
 Mr. Stephen Dobbins
 Mr. Mel Evans
 Mr. John Foster
 Mr. Steve Giebel
 Mr. Avery Gordon
 Ms. Melissa Hightower
 Mr. Joe Kim
 Mr. Austin Michaels
 Mr. Justin Miller
 Mr. Michael Patten
 Mr. Darrell Taylor
 Mr. Keith Taylor

Ms. Madonna Van Fossen
Ms. Malinda Westbrook

Public Registered:	Plant Moran	Mr. Ryan Byrane
	Plant Moran	Mr. Keith Szymanski
	Miller-Boldt	Mr. David Charlton
	Walker Heating & Cooling Inc.	Ms. Shirley McCloud

1. Call to Order

Chairman Gerald Poisson called the meeting to order at 2:09 PM.

A) Pledge of Allegiance

2. Roll Call

Present: Chairman Melissa Roy, Vice-Chairman Gerald Poisson, Mr. John Paul Rea, Mr. Abdul Haidous and Mr. Royce Maniko.

Absent: Mr. Rudy Hobbs and Mr. Robert Daddow

A quorum was present.

3. Adoption of Agenda

MOTION: Moved by Mr. John Paul Rea, seconded by Mr. Royce Maniko, to approve the Agenda for November 30, 2016.

DISCUSSION

None

VOTE: All in attendance voted in the affirmative. **THE MOTION CARRIED.**

4. Certification of Public Notice

The Secretary read the Public Notice into the record.

5. Minutes

A. Executive Session Meeting Minutes for October 27, 2016

MOTION: Moved by Mr. Abdul Haidous seconded by Mr. John Paul Rea to receive the Board Meeting minutes from October 27, 2016.

DISCUSSION:

None

B. Board Meeting Minutes for October 27, 2016

MOTION: Moved by Mr. John Paul Rea seconded by Ms. Melissa Roy to receive the Executive Board Meeting minutes from October 27, 2016.

DISCUSSION:

None

6. Public Participation

Chairman Poisson declared the meeting open for Public Participation.

DISCUSSION:

- Ms. Shae - Ms. Shae complained about a rude SMART bus driver and a Customer Service Representative. She also requested SMART extend service hours on Woodard. Chairman Poisson requested Mr. Cramer, Deputy GM speak with Ms. Shae after the meeting to address her concerns.

7. Chairman's Report

DISCUSSION:

Mr. Poisson thanked SMART's staff for their hard work and stated SMART has had a good year and next year will bring changes contemplated and recommended through the RTA efforts and the State of Michigan. The Board will continue to protect SMART and the service SMART delivers.

8. General Manager's Report

DISCUSSION:

Mr. Hertel reported on the following:

- Working with City of Troy to implement the Big Beaver Shuttle; should begin by January 1st.
- Continued discussing with Buhl Building to secure lease extension.
- Audit
- HR met with UAW for contract negotiations on October 17th and October 28th, 2016.
- HR completed a 2-week classroom training for 13 Connector Operators, 6 weeks on-the-road training to follow
- 1 Fixed Route Driver and 1 Assistant Mechanic will retire in December, 2016.

9. Financial Reports

A. Adoption of the Financial Statements for the Year Ending June 30, 2016 and the Independent Auditors Report to the Board of Directors

MOTION: Moved by Mr. Abdul Haidous, seconded by Mr. John Paul Rea, that the Board of Directors of the Suburban Mobility Authority for Regional Transportation Hereby adopts the audited Financial Statements for the Year ended June 30, 2016 and the Independent Auditor's Report dated November 4, 2016 as prepared by Plante Moran, and submission for the required audited reports to the appropriated State and Federal Agencies.

DISCUSSION:

Mr. Foster, Finance Director informed the Board there were no findings by the Auditors.

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

B. 1st Quarter Financial Report

MOTION: Moved by Mr. John Paul Rea, seconded by Mr. Abdul Haidous, that the Board of Directors of the Suburban Mobility Authority for Regional Transportation hereby receive and file the 1st Quarter Financial Report.

DISCUSSION:

None

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

10. New Business

A. Resolution: Authorization to Increase Wages for Non-union Employees

MOTION: Moved by Mr. Abdul Haidous, seconded by Ms. Melissa Roy, that the Board of Directors of the Suburban Mobility Authority for Regional Transportation hereby authorize the General Manager to provide an across-the-board wage increase in the amount of 2.5% for non-union employees effective January 2, 2017.

DISCUSSION:

None

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

B. Resolution: SMART's FY2015 and FY2016 5310 Program of Projects

MOTION: Moved by Ms. Melissa Roy, seconded by Mr. John Paul Rea, that the Board of Directors of SMART authorizes the General Manager of SMART to submit the Program of Projects for FY2015 and FY2016 to FTA in compliance with the requirements of 49 U.S.C. Section 5310, as amended.

DISCUSSION:

Chairman Poisson asked why was SMART's grant supporting the City of Livonia. Mr. Cramer informed the Board SMART is the assigned administrator by MDOT to distribute the 5310 funding for Livonia.

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

C. Resolution: Authorization to Award a Contract for HVAC Preventative Maintenance and Repair Services

MOTION: Moved by Mr. John Paul Rea, seconded by Mr. Abdul Haidous, that the General Manager of the Suburban Mobility Authority for Regional Transportation is hereby authorized to award a firm-price requirements contract for preventative maintenance and minor repairs of SMART's HVAC Systems to Johnson Controls, Inc. The contract term is for three years with two renewal options of one year each. The maximum amount of the contract in the first year is estimated at \$35,750. The maximum

total for the base three-year term is estimated at \$109,410. The maximum five-year total is estimated at \$186,045.00.

DISCUSSION:

Mr. Maniko asked if Johnson Controls was purchased by the Chinese, and if do are they obligated to Buy American. Mr. Gordon informed the Board Buy America primarily pertains to construction.

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

D. Resolution: Authorization to Award an Interim Requirements Contracts for Lubricants and Anti-Freeze

MOTION: Moved by Ms. Melissa Roy, seconded by Mr. John Paul Rea, that the General Manager of the Suburban Mobility Authority for Regional Transportation is hereby authorized to award an interim requirements contract to Lyden Oil Company for anti-freeze and lubricants. The contract is not to exceed \$61,000.00.

DISCUSSION:

Mr. Rea asked if Lyden Oil Company is considered one of the eight bids. Mr. Cramer's response was "Yes".

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

E. Resolution: Authorization to Award a Contract for Additional Bus Video Recording

MOTION: Moved by Mr. Abdul Haidous, seconded by Ms. Melissa Roy, that the General Manager of the Suburban Mobility Authority for Regional Transportation is hereby authorized to amend a contract to SEON Systems for additional bus video recording systems and individual replacement cameras in the amount of \$72,232,00.

DISCUSSION:

None

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

F. Resolution: Authorization to Execute an Agreement with the RTA for Reflex Service through April 3, 2017

MOTION: Moved by Mr. Abdul Haidous, seconded by Ms. Melissa Roy, that the General Manager of the Suburban Mobility for Regional Transportation is hereby authorized to execute a Pass-Through Agreement with the RTA for Reflex Service along Gratiot. The value of the agreement is estimated to be \$876,146.00.

DISCUSSION:

Ms. Roy asked if SMART will continue working with DDOT to coordinate service. Mr. Cramer's response was "yes" SMART will continue meeting with DDOT on a regular bases to coordinate service.

Mr. Maniko asked if the fare box revenue was 10% of the total contract amount. Mr. Cramer explained the first month was about 5%, second month was an estimated 10%. SMART and DDOT estimated 20%, however the agreement states SMART will be reimbursed for any cost not covered by the fare box.

Chairman Poisson stated they received the _____package on November 25th, which prompted Mr. Daddow to compile a list of question for Mr. Cramer to answer. Mr. Cramer answered on November 29th.

Chairman Poisson requested Mr. Daddow's questions be submitted for inclusion in the meeting minutes as follows:

1. Ridership was about 9,000 in September and grew to over 15,000 in October.
2. Farebox revenue is tied directly to ridership, therefore the farebox recovery improved with the increased ridership. September was 5% and October grew to 9%.
3. Our Local Bus Operating has continued to come in from MDOT monthly, which includes 1/12 of the \$2,000,000 annual set-aside for Reflex. When this \$166,666 is coupled with the farebox revenue collected, we have been and will continue to be reimbursed for the vast majority of the cost of service automatically each month.
4. The outstanding invoice amounts are \$13,406.31 for September and \$36,235.90 for October (cost for service was higher in October due to service not starting until the 5th of September). RTA has to request these amounts from MDOT and then is required legally to pass the funds to us quickly (if they don't just have MDOT send it directly to us).
5. While farebox revenue is well below the 20% estimated in the initial agreement, the agreement (and RTA staff) will reimburse SMART for all costs of providing service not covered by the actual farebox.
6. The new 4 month proposed agreement includes no assumption of any farebox, further reinforcing the concept of full payment for cost of service.

7. Calculating rides (and revenue) lost from our underlying service is being monitored and we will be developing a method to calculate and account for that lost revenue that RTA can agree to prior to the next agreement. So far the results are mixed based on the last two years of monthly ridership (Gratiot attached, more work to be done including comparisons to system-wide ridership trends for month over month and year over year – and also should include Woodward as DDOT’s Reflex is taking rides from those routes as well).
8. The millage loss does not impact the RTA funding of Reflex especially in the next 12-18 months. There is a likelihood that they will run out of funds before the three year period is up but we have crafted the long term agreement to provide for assurances that service will be stopped in an organized manner prior to a quarter where they might run out of funds part way through.
9. The “rebalancing” referenced in the initial agreement isn’t required because the payments from MDOT are automatic but the rest has to be invoiced (can’t be prepaid). The process is simpler but we will definitely provide an update.
10. We will report on how the first three months went at the January Board meeting.

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

G. Resolution: Authorization to Renew Membership in the Detroit Regional Chamber

MOTION: Moved by Mr. Abdul Haidous, seconded by Mr. Royce Maniko, that John C. Hertel, General Manager of the Suburban Mobility Authority for Regional Transportation, is hereby authorized to renew the Authority’s membership in the Detroit Regional Chamber for one year at a cost not to exceed \$3,707.50.

DISCUSSION:

Mr. John Hertel explained he why he added the Detroit Regional Chamber membership to the agenda for the Board’s approval. Chairman Poisson suggested SMART continue membership with the Detroit Regional Chamber, but monitor their performance in terms of equity. He requested Mr. Hertel speak with the Detroit Regional Chamber and express SMART’s views and expectation of fairness.

VOTE: Board members in attendance voted in the affirmative. **THE MOTION CARRIED.**

11. Board Member Business

DISCUSSION:

Lake Erie just introduced their new advertising campaign called Lake Erie Pride.

Ms. Roy expressed her appreciation for the Gratiot Reflex Service and her hopes of the service continuing regardless of the RTA fate.

Adjournment

There being no further business to come before the Board, upon motion duly made by Board member Mr. John Paul Rea, seconded by Ms. Melissa Roy, and unanimously carried, the meeting adjourned at 3:07 PM.

Respectfully submitted,

Tiffany C. Martin-Patterson
Secretary to the Board of Directors