

Stark Area Regional Transit Authority

Board Work Session Minutes

Wednesday, September 13, 2006

1600 Gateway Blvd. SE, Canton, OH

CALL TO ORDER

Charles DeGraff, President, called the meeting to order at 5:55 p.m.

ATTENDANCE

Present: Charles DeGraff, President Nancy Johnson, Vice-President
Gerald Bixler Randy Bond
Fred Moore

Excused: Phyllis Beyers Amanda Fletcher
William Rudner Chet Warren

Staff: Charles Odingbe, Executive Director/CEO
Jerry Shilling, Operations Director
Carol Kuczynski, Finance & Administration Director
Jack Thompson, Customer Service Manager
Jannet Friedman, EEO/Safety & Risk Administrator
Glenna Caruso, Project Manager
Irene Howell, Admin. Assist.

Others: Amanda Newcomb (R&R Consultants)
Holly Hammonds (R&R Consultants)
Greg Tomsic (Trapeze)
Levi Gritton (Trapeze)
Rollie Kane (Trapeze)
Mike Weidger (Trapeze)
Ankit Saran (Trapeze)

WORK SESSION

Mr. Odingbe reported on the following:

A. OTRP Update

1. OTRP held a meeting to expel RCTB (Richland County Transit Board), however RCTB called and said they do not want to be expelled they want OTRP to allow them to withdraw, and give them the option of coming back in the future. OTRP has agreed to allow them to just withdraw giving them the option of coming back in the future. They follow OTRP as far back as 2002, so until those years are closed, they will have to pay excess insurance premiums. OTRP is still managing all their open years so if their claims come up, it is still OTRP's liability to deal with them. For 2007, they will no longer be a part of OTRP, but there is a ninety-day withdraw process. Every accident

- coming out of RCTB, OTRP will handle. Although, OTRP will not handle any driver lawsuit. Further comments followed.
2. First Transit has five or six contracts that are part of OTRP. The new executive director for Greater Dayton Regional Transit Authority (GDRTA) was the original manager that managed Ohio First Transit contracts and drafted the contract for Richland County, as well as SEAT and Lima. Forced the two organizations to change to fit into what OTRP would accept for coverage. GDRTA informed OTRP on same day Richland County was expelled that they also wanted to withdraw.
 3. GDRTA represented 35% of OTRP's revenue and 46% of losses. The question is what happens to OTRP with GDRTA withdrawing. Mr. Odimgbe stated that Mr. Nielsen used three different pie charts to explain the situation. The first pie represents the administrative cost of 10% of the overall cost. The second pie is handled by OTRP and Transit Re and represents 30% of total expenditures. The third pie, which is the claims portion, is about 60% (3.6 million for 2006) of total expenditures for the year. There wont be any more changes in this area due to the withdrawal of GDRTA. Overhead in terms of staffing and fixed expenditures will still be the same.
 - a. Mr. DeGraff asked the reasoning for GDRTA withdrawing. Mr. Odimgbe stated GDRTA wanted to explore other avenues of insurance, other options. Further discussion followed.
 4. The first pie, administrative cost rising less than ten percent of overall cost for the current remaining member agencies.
 5. The second pie is broken into three parts, which are Transit Re, OTRP and reinsurance. We go to Transit Re and buy what we call 1X1. OTRP handles the first million of every loss. Anything that is over one million to two million, the 1X1 is bought from Transit Re, which is a consortium between Ohio Transit mixed pool and Michigan Transit mixed pool. OTRP retains ten percent of this loss. The 3 X2, we buy from excess insurance. Everything else is tossed out in the market for reinsurance. Anything from three million to seven million, which is the cap, we go to reinsurance to buy. In this area, we will get some savings, because except for Transit Re who does minimal base there is a threshold in which they cannot insure. (Example: If you do not generate up to fifty thousand a year in premiums). So we are part of their minimal base premium. In this area, because again these are based on losses we would experience a little reduction in premium.
 6. This insurance comprises all property boilers, machinery, bonds all are taken care of in this area and Transit Re holds ninety percent of this piece and OTRP carries ten percent.
 7. The third pie comprises 60% of the total budget. The biggest saving will be in the area of claims fund of 3.6 million for 2006. The reason being is that this is funded electronically whereby they give you a specific dollar amount a mile. With the GDRTA leaving OTRP, they will

take their miles corresponding will reduce how much we pay for premiums.

- a. Mr. DeGraff raised a question regarding the premium being per revenue mile and with Dayton leaving, the miles will be significantly reduced. Mr. Odimgbe's reply was yes.
8. The question is what is the net impact. The only way we can explain it is that OTRP had about thirty million dollars with GDRTA, SARTA would represent about twenty of that twenty-five percent of that thirty million it would come down to maybe twenty-three to twenty-four million, but would be thirty-five percent of that. Now the two figures will figure were we go back in the market. The only thing we know for sure is that the fixed-cost will not change so we will have to split this. These are abstract ways to explain the impact. We will know the true impact. The worst-case scenario is just going to be thirty-five percent of a total million budget, instead of twenty-five percent of a thirty million budget. The numbers used were noted as not being real figures.
 - a. Ms. Johnson asked a question in regards to OTRP's stability with the two transits pulling out of OTRP.
 - b. Mr. Odimgbe stated that he addressed the same concerned to Mr. Nielsen. Mr. John Nielsen of OTRP is confident that the two transit entities will come back. Further comments followed.

B. SARTA Board Retreat – The Board Retreat will be September 27, 2006. It will start at 8:30 a.m. till 4:00 p.m. The Board Meeting will be at 4:00 p.m.

C. Wooster/Orrville/Wayne/Rittman counties - Scheduled to meet with Senators', Mike DeWine and George Voinovich, office Ralph Regular's office to push project forward and request funding. The meeting is scheduled for September 29, 2006.

D. Wal-Mart Pullout – We informed Wal-Mart that we were going to start construction and easement issues cropped up. Informed Wal-Mart that we would be going forward with the project using public right-of-way area. Further comments followed.

E The Alliance project and roof project are on tract.

F. Budget for 2007 – Completing work on the 2007 Budget, which will be presented to the Board in November 2006. At the last Board Meeting talked about some potential reductions due to low revenue stemming from the sales tax. Still monitoring that and holding the budget adjustment that were presented and the impact on the next budget will depend on what happens with sales tax. Further comments followed.

- a. Mr. DeGraff raised a question regarding the fuel contract.
- b. Mr. Odimgbe stated that the current contract is through December 2006.
- c. Ms. Kuczynski stated that a statewide pool for transits is being put together, which may yield better fuel cost.

- d. Mr. Odimgbe stated that SARTA is in a regional pool.
- e. Mr. DeGraff asked would the Board know the outcome of the two pools before the budget is approved.
- f. Mr. Odimgbe stated that the planning process, as it stands, is that if the price comes in low to ask for approval at the next Board meeting because it has to be locked in by the 29th.
- g. Mr. DeGraff asked did Mr. Rudner discuss with finance a spreadsheet that combined the various accounts by department, i.e., travel and various expense Further discussion followed.

PRESENTATION – Radio Project

1. Mr. Greg Tomsic of Trapeze, after a brief introduction, reported on the following:
 - Mr. Tomsic talked about SARTA acquiring a new communication system, which he noted as about ten percent of the power of the system.
 - ITS to make it work is three major components, there is the back office which is the scheduler/data base/dispatch/operations. The toughest job is putting all the data in for the system.
 - Described the backbone as the radio system, and with the system it is region wide. Further comments followed.
 - Noted that the information to the public, fare system, schedule adherence, maintenance is what the system is all about.
 - Real Time Surveillance - security is top priority. Real time surveillance on a vehicle, knowing who is on there, if anything is going on, stopping it immediately, communicating with the public safety agencies.
 - Transit authorities vary in what is important to them, security, treating the riders' right, and improved communications.
 - Operations, General Management, the whole organization naturally play back events, we have found this saves hundreds and thousands of dollars in liability cost, legal fees, as it recaptures what occurs on the bus.
 - a. Mr. DeGraff raised the question regarding retention of videos.
 - b. Mr. Tomsic stated as long as SARTA wants, and it can be saved on the main servers for thirty to sixty days and then it can be put in backup files. Further comments followed.
 - Mr. Tomsic stated the system provides assistance, but is no replacement for the good management team at SARTA that will use that information.
 - High Points of System: Communications will cover not only the county, but also wherever SARTA travels in the nation.
 - The system looks at forty different systems on the vehicle.
 - Mr. Tomsic stated that this is the first time for a system of this type where you actually have mapping on the vehicle for training

purposes, for detours, advisories, etc. It is all instant real-time. The dispatcher can enter in a brief detour and broadcast to a block/route/run.

- System also does covert monitoring aboard all vehicles.
- Enunciation System, putting on a conventional type of enunciation system on the vehicles (LADs). A simplistic studio is provided for recording messages. Additionally, we are adding full motion high definition video on the vehicle. Very important information for ADA. The system will also count passengers automatically as they board.
- Dispatch will be able to monitor the system by exception. When something happens that the dispatcher needs to know it is flagged with an alarm.
- Messaging to and from the vehicle by dispatch. Dispatch can select a message that is already canned or they can type it in.
- Dispatchers can look at a route/run as well as looking at all the vehicles on a map.
- This can be activated from any computer with Internet explorer with authorization.
- The most used item noted as the incident report. When an incident happens on a vehicle, blanks are automatically filled in to a point.
- At any point and time, the system automatically knows how the engine on the vehicle is doing. Further comments followed.
- Things for the future, you do not have it now, but it is ready with simple extension real time information on the street. LAD signs that tell passengers when their bus will arrive.
- Point and click video will let anyone in the transit agency who is authorized select any vehicle on a route and bring out a real time video of what is going on in the vehicle right now.
- Also, the system can do down loading for passenger entertainment on the vehicle. Further comments followed.
 - a. Mr. Johnson posed a question regarding security to prevent someone from hacking into the system.
 - b. Mr. Tomsic stated that the IT department makes sure you can access the system and no one else can. Further comments followed.
 - c. Mr. Tomsic stated that there is a system called "Info", which allows you to authorize everyone in the public to know about the system and it is on time performance. Further comments followed.
 - d. Mr. DeGraff raised a question regarding the video system on the bus, which has real time monitoring.
 - e. Mr. Tomsic stated that the system would need a backbone, which is usually a corridor backbone for a high-density corridor where you install "mobile internet technology access points". The vehicles can communicate broadband requires a separate system to be put in and is very expensive. Mr.

Tomsic stated that Trapeze has a five-mile corridor in Cedar Rapids and cost \$120,000 to do five-miles. Further comments followed.

- f. Mr. Odingbe stated that the vision for the whole system eventually to control all of SARTA's variable message boards and the screens on the bus. Further comments followed.
- g. Mr. Odingbe asked Ms. Friedman to tell the Board about a recent incident.
- h. Ms. Friedman told about the incident with a citizen and how the video system on board SARTA's vehicle saved thousands of dollars. Further comments followed.

ADJOURNMENT

With no other business to conduct the Board Work Session adjourned at 7:10 p.m. at which time the Board and Executive Team members were given a demonstration of the radio system by riding the bus equipped with the system.

The next meeting of the SARTA Board of Trustees will be September 27, 2006 for the Retreat and Board Meeting at Kent State Stark Branch, Professional Education and Conference Center, 6000 Frank Ave NW, North Canton, Ohio. Map is in the Board Packet under the "FYI" section.