



Oxford - University Transit Special Meeting **February 12, 2010**

Members Present: Jack Howard, Carole Haney, George Price, Shannon Richardson and Jim Windham

Others Present: Tim Akers, Ron Biggs and Frances Saralvarez.

The meeting was called to order by Chairman Jack Howard.

The special meeting was scheduled to review and approve the Budget for FY 2010. After the budget has been approved, Mr. Tim Akers will present it at the Alderman's meeting.

Budget Presentation – Tim Akers

Mr. Akers started by giving a Budget Summary for FY 2010.

1. Estimated Ridership 168,000.
2. Estimated Revenue \$122,000.
3. Estimated Total Cost \$1,152,695 (9.6% increase)
4. Estimated Local Share \$247,324 (6.2% increase)

The Budget Grant application is due March 1st.

- The ridership last year was over 132,000 with only two routes in service for the whole year. We estimate ridership will be approximately 168,000 this year.
- Capital Operation cost will increase 9%. McDonald Transit's first renewal of the contract is coming up in August with a 6.6% increase. We have a four-year contract with McDonald Transit with two one-year renewals.
- We also have projected a merit increases for O.U.T. employees for an amount of 3% in employee salaries. Mr. Jim Windham mentioned that Ole Miss University employees, as well as city employees will not be receiving a raise.
- Mr. Akers and Mr. Biggs added that this merit raise would help retrain the experienced drivers we currently have, and it would be more expensive to hire new ones, because we would need to train them; having inexperienced drivers might also create safety issues. The salary increase would be at the discretion of management.
- Increases in insurance; labor and parts maintenance; and a new mechanic/cleaner position reflect the cost of operating older buses. Since we were able to acquire the buses from Charlotte, NC, it allowed us to expand service 12 months ahead of service.
- There is an increase in repair maintenance parts and labor with a \$50,000 overall increase. We hope that operational cost of the system will become more consistent over time with the 2 new 18 passenger Star Craft and 2 new 27 passenger Apollo buses, which should be here this summer.

We would then take out the older buses out of service. The new buses will be 100% funded through ARRA. The Opus buses have two years useful life remaining.

- The capital budget increased by \$6,500 for information signs and a copier.
- We want to acknowledge that there have been discussions on modifying the expanded service during summer time and holidays due to the school not being in session. We would follow the proper procedures to give the public ample notice on the different schedules or cancelations, but it would reduce our cost. Drivers might be laid off according to Seniority; part time drivers would go first. It will be a challenge for Management. Mr. Biggs said we have a good group of drivers and he hopes not to lose any. The drivers would be able to collect unemployment, and he gave the example of the school bus drivers.
- The Commission stipulated that no employee would receive more than a 3% merit increase and that the Commission would be informed of all merit increases.
- The Commissioner's representing Ole Miss voiced a concern in reference to the University's contribution. They worry that as we make the bus ride free for Ole Miss Students and Faculty, the ridership will be greater than the paying riders. The University has a concern that they may face a higher contribution percentage. If the University's contribution increased, and they were forced to charge their students and faculty for the bus rides, the use of Ole Miss Students would decrease substantially.
- Mr. Akers responded that the high volume of student ridership peaks during spring and fall while the classes are in session and that peak will be smoothed out by the ridership during the rest of the year when most students are on vacation.

Chairman Jack Howard called for a motion to adopt the "Budget for FY 2010"

Carole Haney made the motion and George Price seconded the motion.

After some discussion, Commissioner Carole Haney amended her motion that the budget be approved with a condition that no employee would get more than 3% salary increase and that the Commission be notified of the number of pay increases. All voted in favor of the motion..

Commissioner Jim Windham inquired if the University was aware of the merit pay increases. After a brief intermission, Mr. Windham confirmed that the University was aware and supported the budget as presented but with reservations concerning the proposed merit pay increase.

Commissioner Windham said in the future that the University needs more time to review the budget especially any proposed pay increases.

Mr. Akers mentioned that MDOT only gave the city a couple of weeks to prepare and submit the budget. The city receives the grant package around February 1st and has approximately 4 weeks to complete and submit the grant. He stated that in the future he and McDonald transit will try to have a draft budget prepared for the Commission by January of each year.

Chairman Jack Howard asked all those present if they agreed that the motion stands with the note that no employee would get more than 3% salary increase. All agreed, and Chairman Howard said the motion stands.

- Mr. Jim Windham again reiterated his concern about a possible increase in the University's contribution. Since the University is subsidizing the students and faculty to be able to ride the buses at no charge, he is worried that the university may be forced to charge the students thus the student ridership would decline.

There being no further discussions to come before the Commission, Chairman Jack Howard called for a motion to adjourn the meeting.

Commissioner Carole Haney made the motion and Commissioner George Price seconded the motion
With all voting yes, the meeting was adjourned.