



CHATHAM AREA TRANSIT®

SPECIAL CALLED

BOARD MEETING

OF

June 24, 2011

10:40 A.M.

CHAIRMAN LIAKAKIS: Okay now I call the meeting to order and I ask Cat Battos the Chatham Area Transit Authority's Administrative Assistant for the roll call please.

MS. BATTOS: Thank you Chairman. Chairman Liakakis

CHAIRMAN LIAKAKIS: Here

MS. BATTOS: Mr. Broker

MR. BROKER: Here

MS. BATTOS: Mr. Dawson

MS. BATTOS: Mr. Farrell

MR. FARRELL: Here

MS. BATTOS: Mr. Gellatly

MS. BATTOS: Mr. Holmes

MR. HOLMES: Here

MS. BATTOS: Mr. Kicklighter

MR. KICKLIGHTER: Here

MS. BATTOS: Mr. Odell

MR. ODELL: Here

MS. BATTOS: Mr. Shay

MR. SHAY: Here

MS. BATTOS: Ms. Stone

MS. STONE: Present

MS. BATTOS: Dr. Thomas

DR. THOMAS: Here

MS. BATTOS: Thank you

Also present at the meeting were Ty Butler, Chad Reese, Terri Harrison and Catherine Battos.

CHAIRMAN LIAKAKIS: Okay next, new business; request the Chatham Area Transit Authority Board approve the FY 2012 budget and request the Chatham County Board of Commissioners set the FY 2012 millage rate, Chad.

MR. REESE: Thank you Mr. Chairman in your package is a follow-up to our public hearing that was held two weeks ago and prior to that a submission of a budget proposal that was presented a balanced budget to the Board. Staff is following up and is proposing an annual budget which would set the millage rate .95. As part of this package we've also sent out alternatives to with no adjustment to the millage rate, a slight adjustment to the millage rate to offset the value—to offset the roll back in the property value. As part of the options the recommended budget we're setting course the existing plans that we put in place with the Comprehensive Operation Analysis to proceed forward with those plans as well as pay off some of the debt, continue our marketing program and then provide an avenue to leverage additional federal funds that we will need to as part of the new service transportation program. The second takes away the – we're still burden with the debt that the Authority has number one and number two; the inability to leverage additional federal funds with the roll back and if we move forward with the original budget proposal some time during the next fiscal year we're gonna be faced with the possibility of reducing service in spite of the fact that we have a 16% increase in ridership.

MR. ODELL: So your recommendation is the .95 mills?

MR. REESE: Yes sir.

MR. ODELL: You've looked at the .859 mill increase?

MR. REESE: Yes sir.

MR. ODELL: Alright, is that a doable-

MR. REESE: Yes sir it is with the risk and understanding that we're still faced with the debt that we carry, that we've carried for a while and also the ability to levy additional federal funds. With the .895 situation it will move forward with our existing program and service operation.

MR. ODELL: So that the general public has an understanding at the .95 on \$100,000 house that represents .30 cents?

MR. REESE: Yes sir.

MR. ODELL: A month?

MR. REESE: Yes sir.

MR. ODELL: Okay and on a \$200,000 house that represents

MR. REESE: .74 cents a months.

MR. ODELL: .74 cents a month. I'm personally concerned that hopefully our economy will be on the upswing, but there are still people who need our services and I've ridden the bus on many occasions simply to a) review how our people treat the customers and 2) to look at the route and what have you. I've been extremely pleased on how our employees deal with our customers and I think the general public would be amazed to know the people who we service for the most part are the people because of incomes who cannot a car and they are taking our transportation to and from work; which to me make it an essential services, but thank you.

CHAIRMAN LIAKAKIS: Dean

MR. KICKLIGHTER: Thank you Mr. Chairman. Restate the options as far as the millage rate .895.

MR. REESE: The current millage rate is set at .82.

MR. KICKLIGHTER: .82.

MR. REESE: Right. At .82 we are looking at a basically a half million dollar reduction in our fixed route operation. Some of those costs will be offset with improved efficiencies modernization of some of our (in audible) technology that will allow to function basically with fewer people.

MR. KICKLIGHTER: That's the millage rate you said is actually doable?

MR. REESE: That is the current millage rate.

MR. KICKLIGHTER: Is it doable?

MR. REESE: The millage rate that Commissioner Odell was to speaking to was the .859 which represents the roll back millage rate for the duration of the tax digest.

MR. KICKLIGHTER: Does any of the proposals out there – I'm sorry for asking this because I'm afraid of the answer; have we thought of possibly eliminating some of the free bus services that we give tourists downtown and seeing how much that would help add back as far as saving tax monies?

MR. REESE: We have not because those services are fully funded. So it's a dollar for dollar by the City. The Transit Authority—

MR.KICKLIGHTER: They're matched by the City.

MR. SHAY: No they're funded by the City.

MR. REESE: They're funded by the City.

CHAIRMAN LIAKAKIS: They're funded by the City it doesn't cost—

MR. KICKLIGHTER: When did they take over full cost?

MR. SHAY: Several years ago.

MR. KICKLIGHTER: Well just a couple years ago we were funding 500,000 of that and they were matching it. I remember this 'cause I caught a lot of flack about back then.

MR. REESE: Under our operating agreement it's a 100% funded by the City and through the Savannah Mobility Management.

MR. KICKLIGHTER: So the free trolley—the system that runs around downtown, not trolley but just the fixed route we pay nothing in that now?

MR. REESE: Yes sir that's correct.

MR. KICKLIGHTER: Wow, good job though.

CHAIRMAN LIAKAKIS: Okay let's see Helen and then Wayne.

MS. STONE: Okay just want to make sure that I understand this Mr. Chairman. We're looking at the current millage rate at .82 is that correct?

MR. REESE: That is correct.

MS. STONE: And the second option is .86?

MR. REESE: Yes ma'am

MS. STONE: And the third option is .95?

MR. REESE: That's correct.

MS. STONE: I think one of the questions was just answered. I was wondering who pays for the water ferry and that's the Trade Center?

MR. REESE: Yes.

MS. STONE: Okay. I understand that you're trying to pay down some debt. My concern is that we're looking at a County budget that may face a millage increase; the School Board has increased their millage so we go ahead and increase the CAT millage. At some point the citizens are carrying all the weight of these millage increases and it

does have an impact. And my last question would be if your ridership is up, then maybe I can understand to the .86 mill increase but to go to .95 are you carrying that much debt that even with your ridership up that you cannot pay down some of this debt with the .86?

MR. REESE: The debt is one and a half million dollar line of credit that's been out for – the payment is coming due in November and this point we're face to basically get another line of credit to pay off the existing line of credit; which is a practice that we've done. The second part of that is in order to leverage federal funds we're gonna have to have the 20% match for the capitol. What we're faced with and what we continue to be faced with is if we don't have the local match, we can't draw down the 80% from the federal government and it leaves us in a position where currently we have 23 buses, even with the new buses we have still 23 buses that are past their useful life.

MS. STONE: Wasn't there suppose to be a state match in there somewhere?

MR. REESE: The state has suspended the match. It was 80% federal, 10% state, 10% local.

MS. STONE: How have they suspended it for?

MR. REESE: It suspended this past year.

MS. STONE: So again we're picking up the burden for the state. Thank you.

MR. REESE: It can still be removed from the list by the Executive Roundtable.

CHAIRMAN LIAKAKIS: Wayne and then Priscilla.

MR. DAWSON: I think we've been the beneficiary of a lot earmarks in the past and earmarks are currently taboo so there's a new way of doing business in town right?

MR. REESE: That is correct. Under the legislation that's under proposal in Washington in the House and the Senate have both come to and agreed in principle on a new service transportation program. In the past funds were available through earmarks so we call on legislation and we'd lobby for funds. Under the new program both parties have agreed to eliminate the earmark process and funds will be available through a competitive bid process. In order to receive those funds we have to address 3 issues: Organizational Capacity, Technical Capacity as well as Financial Capacity. And Organizational Capacity is, is the organization structured in the right way, has the right understanding to carryout the program. Do we have the technical expertise; i.e. do we own it or do we rent the technical capacity to carryout the program. And the third one is do we have the local match of funding available to do 2 things; both match the federal funding and then also maintain that asset in its future years.

MR. DAWSON: If we can't meet the local match that money is gonna go to Atlanta or somewhere else.

MR. REESE: Yes sir that's what we're faced with.

MR. DAWSON: And under option—option 3 is the only one that provides the option to have the local match right?

MR. REESE: That is option 3 allows us the opportunity to do that. If option 3 is not passed then say we went option 2 it requires us to seek other streams of funds of revenue.

MR. ODELL: Can you identify the options as you talk about them 'cause most people don't know.

MR. REESE: Yes, Option 1 is .82, Option 2 is .86, Option 3 is .95.

MR. DAWSON: One last just to break it down in bit size pieces, Option 3 would result on a million dollar home how much more of an increase?

MR. REESE: We didn't break it out by a million but for a \$100,000 house its .30 cents per month.

MR. DAWSON: So on a million dollar home it would be \$12 a year, give or take?

MR. REESE: Actually it's probably about \$40 a year on a million dollar home. It's \$19 a year on a \$400,000 home.

CHAIRMAN LIAKAKIS: Priscilla then Harris then Dean.

DR. THOMAS: Thank you Mr. Chairman. I just want to re-emphasize the fact that here we go again playing catch up. About 8 years ago may be a little longer or whatever, we made some decisions up here where we roll back and did a lot of cutting of CAT and here we are trying to catch up, trying to make up the differences here. We have got to stop doing that. We've got to make a decision one way or the other. There's a saying you're in trouble if you do it and you're in don't do it. So my thing is that let's look at this thing and see what we can do to have the best impact that will make the best ridership and exectura for the people that can't afford cars and exectura to get to their jobs and go from there so that's my feeling on it. We just don't need to be trying to catch up. Every year we are catching up trying to catch up.

CHAIRMAN LIAKAKIS: Okay Harris.

MR. ODELL: Mr. Chairman I offer as a motion that we increase the millage from .82 to the .859 and sir that is Option?

MR. REESE: 2.

MR. ODELL: And under Option 2 you've indicated although it is not desired it is workable.

MR. REESE: It is workable yes sir.

MR. ODELL: And for the record that would mean on a \$100,000 house per month .09cents. The gasoline costs have increased and having kids in college who travel back home, I mean I really don't think that this is a major leap, if you have a \$100,000 house and .09 cents forces you into bankruptcy, you already in bankruptcy; if .09 cents is going to be the difference in survival and not survive you already in bankruptcy. Someone needs to play the bad guy, I benefit not personally from this. I make the motion that we approve the .859.

CHAIRMAN LIAKAKIS: Do we have a second?

MR. DAWSON: Second.

CHAIRMAN LIAKAKIS: We have a motion on the floor and a second. We're still going in discussion, Dean.

MR. KICKLIGHTER: Thank you, Mr. Reese you recognize this as CAT's Website? It is Chatham Area Transit's website and I wanna read something. "Serving Savannah's Historic District, fare free CAT Shuttle connects to most CAT routes serving and Chatham County. It offers convenient service from downtown hotels and Savannah's visitor's center to Savannah's historic sites, squares blah, blah, blah. The fare free CAT Shuttle is a comfortable and climate controlled for all weather vehicles – that's not the part of what I want to do. The CAT Shuttle is a tax supported service of Chatham County with major assisted provided by the City of Savannah. I got a decent memory when it comes to things in politics for some reason. So I would suggest that the Finance Director who was shacking her head when I was asking the question earlier check into this because we are spending money on free shuttles and I hate to be made out like I'm wrong when I'm actually right so thank you.

MR. REESE: Yes sir, thank you.

CHAIRMAN LIAKAKIS: Chad let me ask you a question. You've gone into some detail about this and you looked in it with the finance people and is it absolutely right for what you went into that the it's fully funded by the City of Savannah?

MR. REESE: Yes sir it is.

CHAIRMAN LIAKAKIS: And Terri—

MR. KICKLIGHTER: Well you need to change the website.

CHAIRMAN LIAKAKIS: Let me ask you this and as the Finance Director is that right that what Chad is saying about the City of Savannah is paying for this 'cause I remember a number of years ago when they were discussing it and they didn't want to buy additional vehicles and all so they came up with the situation to finance that to help people that especially the tourists in the area.

MS. HARRISON: Yes sir they're making a payment that includes the lease on the buses and operating expenses.

CHAIRMAN LIAKAKIS: Oh okay.

MR. KICKLIGHTER: Back before they were paying half of the costs.

CHAIRMAN LIAKAKIS: Alright then we have a motion on the floor and a second, let me explain something to everybody what we have on the County Commissioners are nine Commissioners and when we vote we go up on this board right here, but in addition to the County Commissioners we have three members who are appointed to the CAT Board so the reason why we don't go on this board and I will ask for a hand raise, you know for a particular motion so I wanted everybody to understand why we don't go on the board for this. We have a motion on the floor and a second to go with Commissioner Harris Odell was saying to the .859 which is .039 mills which is about a third of the mill which is .09 cent on the \$100,000 home, .22 cent on the \$200,000 home and .48 cent on the \$400,000 home so we have a motion on the floor and a second. All in favor of this motion please raise your hand. Alright the motion passes.

MR. KICKLIGHTER: Do we do an all oppose?

CHAIRMAN LIAKAKIS: All oppose please raise your hands; One, two, three, four. Okay that particular item. That's all you have right Chad? Alright the—

MR. REESE: Yes sir.

MR. KICKLIGHTER: Chad in public if I'm wrong when you check, I'm sorry.

MR. REESE: Oh no, no it's okay.

MR. KICKLIGHTER: I'm sorry if I'm wrong on that, but I don't think I'm wrong.

MR. SHAY: If that's the case and the website is wrong, then the website needs to be changed.

CHAIRMAN LIAKAKIS: We adjourn the Chatham Area Transit Authority and reconvene as the County Commission.

Meeting adjourned at 10:59 a.m.

Respectfully Submitted by:

Patricia R. Hawkins, Secretary-Treasurer
Chatham Area Transit Authority