

FARMINGTON CITY COUNCIL
SPECIAL MEETING
January 26, 2010

A special meeting of the Farmington City Council was held on Monday, January 26, 2010, in Council Chambers, 23600 Liberty Street, Farmington, Michigan. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 6:03 p.m. by Mayor Buck.

COUNCIL MEMBERS PRESENT: Buck, Knol, McShane, Wiggins, Wright.

COUNCIL MEMBERS ABSENT: None.

CITY ADMINISTRATION: City Clerk Halberstadt, City Manager Pastue, and Attorney Schultz.

APPROVAL OF AGENDA

01-10-013 MOTION by McShane, seconded by Wright, to approve the agenda as submitted. MOTION CARRIED UNANIMOUSLY.

CONSIDERATION OF A RESOLUTION TO WITHDRAW FROM THE OAKLAND COUNTY PUBLIC TRANSPORTATION AUTHORITY PURSUANT TO PUBLIC ACT 196 OF 1986

Mayor Buck reviewed the format for the meeting: brief comments from Council; presentation from Steven Brown, SMART Interim General Manager; Council discussion; public comment; and final deliberations.

Introductory Council Comments

Wright stated he has given careful consideration and conducted research on the SMART System, including riding one of Farmington's transit lines. He noted the service is clean and on-time, however, the routes through Farmington have very few riders. He indicated the low ridership is at the core of his concern. He would like a clear answer on the effect of ridership and cost to the City. He questioned whether there are other alternatives to service that same population in another manner.

Wright stated an additional concern is the voting process for the SMART millage. He stated the vote would not necessarily reflect the will of Farmington voters. He advised the vote of the Farmington electorate would be lost in the vote of the larger opt-in communities. In other words, if the Farmington electorate voted unanimously against the SMART millage, but the larger opt-in communities voted in support, the millage would pass.

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In recognition of this flawed voting process, Wright stated he feels a greater obligation to give this issue very careful consideration because it is the only "bite of the apple" Council has to effect change.

Wiggins pointed out that the current bus system does not provide county-wide regional transportation due to fragmented routes as a result of opt-out communities. He noted as a resident of Farmington he cannot take a bus to either Livonia or Novi, both opt-out communities. He pointed out in Oakland County there are more opt-out communities than opt-in.

Wiggins stated in January 2006 he reluctantly voted to remain with the Oakland County Transportation Authority with services provided by SMART. He stated at that time it was his understanding that the system would improve and become a true regional transportation system, but that has not been achieved.

Wiggins noted in the 2006 August primary election approximately 25% of Farmington voters cast a ballot on the millage renewal issue. He further noted 74% of those who voted approved the renewal. His subsequent conversations with those who approved the renewal revealed they too expected the system to improve and become a true regional transportation system. He stated residents and Council share in this disappointment.

Wiggins is not convinced that the taxpayers of Farmington or Oakland County for that matter would approve the millage renewal if the vote was taken today.

Wiggins pointed out the August millage renewal vote is not Farmington's opportunity to stay in or exit out of SMART. It is the opportunity for all of Oakland County opt-in communities to cast their vote. In other words, our local votes will be diluted with those thousands of other votes cast throughout the county. He stated the only way to ensure an opt-out status for Farmington is for Council to take that action.

Wiggins expressed concern for those residents who have no other means of transportation than the bus system. He needs an alternative form of transportation for those folks before he can support termination of the current SMART service. He stated the .59 mils dedicated to SMART is a significant amount of money in these trying economic times and the City needs to ensure it is spent wisely.

McShane stated this is an extremely difficult decision especially in light of the fact that these are the most difficult economic times in the history of Farmington. Her greatest concerns are for those people using the system and Farmington residents who pay for the system. She stated the challenge is the same as any family or household that is facing challenging economic decisions.

McShane noted it is all about the choices we make. She stated Council will deliberate about how to provide residents and employees with a strong, well planned transit system.

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Buck pointed out Council is in general supportive of a mass transit system. He stated the disappointment with the current service lies in the fact that it is truly not a regional transportation system. He advised through deliberations Council needs to determine how to best provide that service to residents.

Service Profile Report

Present: Steven Brown, Interim General Manager, SMART

Steven Brown was present to discuss the value of SMART to the Farmington community and address Council's concern that residents are not getting the right kind of return on investment in SMART.

Brown discussed the various services provided by SMART including: fixed route buses, connector service and the Community Partnership Program (CPP). Through the CPP program communities have access to funding and SMART resources to help operate local community transit programs. He noted Farmington/Farmington Hills currently operates a transit program for seniors using SMART funds.

In a discussion on ridership, Mr. Brown indicated according to a 2010 rider analysis, 101,618 people board and deboard SMART service in Farmington each year. He further noted 1587 Farmington riders used the connector service.

Brown pointed out SMART has continually been overwhelmingly supported by Farmington voters. He noted in 2006 the SMART millage passed by nearly a 3 to 1 margin, or by approximately 74%.

Brown discussed the budget/financial picture for SMART. He noted their funding level is well below national and state averages for comparable urban areas. He stated the current economy and local practices have negatively impacted both federal and state funding for transit in the Southeast Michigan region. He pointed out SMART's reimbursement rate of eligible expenses is the lowest in the state.

Brown advised in these challenging circumstances SMART has taken positive, proactive steps to improve its bottom line while maintaining service levels. He noted SMART has realized over \$11 million in positive budget improvements over the last 24 months, which includes \$7 million in cuts to operational expenses, and revenue enhancements of \$4 million.

Brown stated SMART has balanced the FY 2010 and 2011 budgets without service cuts, and 2012 is potentially balanced given current experience rates, but allowing for \$3.5 million dollars in negative variances over the next 2 fiscal years.

Brown advised SMART leverages local support and brings state and federal dollars back to this region. He noted millage-generated property tax revenue represents only 42% of SMART's total revenue, and state and federal sources account for another 42%. He advised only SMART, as the regional transit authority, can accomplish this leveraging affect as neither local municipalities nor private providers can qualify for these state and federal funds.

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Brown stated SMART is a well-organized, well-planned, and efficient public transit system. He pointed out ridership is up nearly 9% from the last millage renewal in 2006. He noted SMART service operates on time, 85% of the time. He advised SMART operates in a lean and efficient manner with administrative costs that are 35% lower than the industry average.

Brown pointed out even if Farmington were to try to operate a system on its own, there are legal impediments to operating on a regional basis. He stated until a system becomes a regional authority it is not allowed to transport across the region. He stated from legal and restrictive standpoint, Farmington would be unable to replicate the service levels of SMART no matter what kind of investment is made. He advised residents would be unable to reach the many destinations provided by SMART.

Brown introduced his executive staff in attendance: Jim Fetzer, Deputy General Manager of Operations and Transportation; Ron Evans, Oakland County Ombudsman; Beth Dryden, Director of External Affairs, Marketing and Communications; Rich Hollis, Finance Director; Colleen Astaholis, Personnel Director; and Avery Gordon, Legal Counsel.

Brown advised Farmington's annual contribution to SMART is \$237,000. He stated the level of service SMART provides, based on current valuations, is in excess of \$800,000 which covers the three services identified earlier.

In response to Wiggins comment that the current system is fragmented and broken, Mr. Brown stated SMART is the regional system for southeast Michigan, however, he recognizes it is not comprehensively regional. He noted this is based on factors outside of the control of SMART management. He pointed out PA 196 allows communities to decide whether or not to participate in the system.

Knol asked regarding the number of Farmington riders using the transit line. Brown pointed to the ridership numbers, 101,618 annually, provided earlier in his presentation. He stated those numbers relate to riders boarding and deboarding in Farmington only. He confirmed a round trip would be counted twice which means the counts are not necessarily the number of people, but rather the number of rides.

Brown also noted that if a rider gets off a bus at the borderline of another community it is unknown whether that rider stayed in Farmington or walked to the other community. He confirmed the methodology SMART used to count riders is the industry standard.

Knol asked if Farmington elected to opt-out what would be the impact on Farmington riders using the fixed routes through Farmington. Brown responded the details would have to be worked out in that regard. He said typically it is not good practice to run a bus down a street that passes by people who are attempting to flag you down for a ride. He said their bus lines currently do not travel through communities that have opted out.

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Knol questioned the impact on Farmington Hills if Farmington opted out. She wondered if "Park and Ride" would still operate, but change the boarding locations and routes. Brown responded there would be an impact on residents both in Farmington and Farmington Hills. He stated it would not be a good situation if a Farmington Hills resident employed in Farmington was dropped off at the border of the two communities.

Brown confirmed "Park and Ride" would still be maintained in the City of Farmington Hills as long as they are an opt-in community.

In a question regarding the SMART budget, Knol asked about the percentages used for the projected drop in property values over the next several years. Brown responded their budget assumes a 10% decrease in each of the next three years.

Knol asked if the bus routes through Farmington/Farmington Hills would be impacted if SMART experienced a greater drop in revenue than projected. Brown responded SMART has provided a \$3.5 million contingency fund for each year through 2012 to handle unexpected expenses such as a further decrease in property values. He stated they have allowed \$1.75 million usage of the contingency fund in both 2011 & 2012 while still maintaining a balanced budget.

Knol noted that Farmington has lower ridership and higher property values than some of the surrounding communities and as a result Farmington taxpayers are paying more on a per person basis. She questioned whether the Farmington routes, given lower ridership, would be impacted if SMART experienced a significant loss in revenue.

Brown noted Farmington's return on investment (ROI) is nearly 4X what it invests. He advised SMART makes decisions based on declining resources versus expenditures, and on the basis of productivity of routes. He stated, however, decisions are not made in a vacuum and they recognize the importance of maintaining service levels to communities. He further stated they do not anticipate any impact on service given the current experience rate and a healthy contingency fund. He stated it is important to ensure the ROI makes sense for participating communities.

McShane asked if SMART could envision a scenario where the opt-out communities would rejoin the system. Brown responded there has been serious discussion with Oakland County Commissioners to make Oakland County a fully opt-in region. He advised a commission vote was recently taken on this issue and lost by a narrow margin. He stated it is up to the County Commission to determine whether or not to revisit this issue. He advised there are other factors that are also in play at the state level concerning regional transportation authority language. He stated this provides potential change in how the system both functions and is funded.

Brown confirmed that a community always has the opportunity to opt back in after they have opted out.

Responding to a question from McShane, Brown confirmed Northville has SMART buses even though they are an opt-out community. He explained there are other

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avenues to obtain buses for an opt-out community. He explained that SMART has to be the designated recipient as the local regional transit authority and act as a pass-thru. He advised there is a certain funding source for specific cases where buses run in a local system without participating in SMART. He stated this is the case with Northville. He stated they have what is called specialized service vehicles.

Responding to an additional question from McShane, Brown confirmed riders from an opt-out community can park at a Park and Ride site and board the bus at that location. He recognized there is very little SMART can do about this situation.

Wiggins asked if the 4-to-1 ROI Farmington receives is high compared to other communities. Brown responded it is very high which is partially related to Farmington's size and its partnership with Farmington Hills, which is somewhat unique. He stated a 1-to-1 return on investment is more typical.

Responding to an additional question from Wiggins, Brown stated SMART spends a great deal of time lobbying legislators regarding the outdated funding mechanisms currently in place for SMART.

Brown noted the State of Michigan is unique in that transportation is funded through property taxes, whereas the national practice is sales tax based. He stated a change would require a constitution amendment. He noted transit based on sales tax would be hugely beneficial in providing a significantly higher level of funding.

Wright questioned how the ROI is calculated. Brown responded by using industry standard practices the value of the fixed route service in Farmington is calculated at approximately \$798,000, the connector service is an additional \$45,000, for an approximate total of \$844,000 worth of services versus a collection of \$237,000 from the City.

Wright confirmed the total cost per ride is between \$6-\$8. Brown pointed out this number is high because it is a combination of the fixed and connector rides and the connector ride is a very expensive service. He stated the cost of a fixed ride is around \$5. He confirmed riders pay \$2 per ride, the City pays a total of \$237,000, and the State and Federal Government pick up the remaining cost.

Wright pointed out the taxpayer/rider is essentially picking up the entire cost of the ride. He added the cost of riding the bus in this community ends up being \$10 per ride.

Wright calculated on average there are approximately 6 people per ride on the 305-330 Grand River route each day, based on the data provided by SMART of weekly ridership and number of times the bus travels through Farmington. He acknowledged there is a peak and valley to usage. He noted his computations show under 3 people per ride on the 385 Orchard Lake route. Based on these numbers, he asked if this service at an annual cost of \$800K is justifiable to the taxpayer.

Brown responded public transit is an expensive service, noting each fixed route bus costs approximately \$250K-300K, community transit bus costs \$60K, and there are the

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associated administrative and gas costs. He stated that is why it is funded with tax dollars above and beyond the \$2.00 cost per ride. He advised if the service was funded solely through ridership fees it would be cost prohibitive to operate. He stated mass transit exists for the public good.

In a comparison of alternative transportation, Brown stated a taxi fare based on an average ride and local rates would cost approximately \$20. He noted an average ride based on the SMART system is between 6-9 miles. He stated using that average they multiplied it against the \$20 fare, against the 101,618 rides, and arrived at a cost of a \$2,032,000. He compared this figure against the cost to Farmington of \$237,000.

Wright asked for a clarification between connector and community service. Brown responded the connector service is provided directly by SMART with its buses and drivers. He stated the community partnership program with Farmington Hills is provided by the community using the same type of buses. He noted that service provides approximately 27,000 rides on an annual basis. He confirmed the number of combined annual connector and community rides for Farmington would be approximately 4300.

Wright asked if the community service would be eliminated if Farmington elected to opt out of SMART. Brown responded the service would be eliminated to the extent that the City would not receive the community credits from SMART. He pointed out the City of Farmington would not be able to replicate the SMART system or have access to the same funding stream. He stated Farmington would not have the legal ability to provide regional transportation much outside the City of Farmington Hills.

Wright discussed his observations of Park and Ride at the Bonaventure site. He stated there are roughly 12-20 cars there on any given day. He noted there does not seem to be heavy ridership, especially given the number of multiple routes provided.

Fetzer responded there are a number of Park and Ride locations that are heavily used. Brown clarified Park and Ride is an express service.

Responding to a question, Attorney Gordon confirmed if Farmington had its own system it could not provide regular service outside of city limits. It can only be based on a demand response type of service.

Knol discussed the three components of the Livonia transit system: established routes with regular stops within the City; dial-a-ride that does go out of Livonia; and a service that provides scheduled rides from homes to City facilities such as the senior center.

Knol asked about the small SMART buses that continue to operate in the City of Northville even though it is an opt-out community.

Brown responded there is a funding source entitled 53/10 through the federal government. He stated by virtue of SMART existing there is still access to those dollars even for organizations that are not part of the system. He stated this is identified as

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special services. Fetzer indicated this program is currently frozen due to lack of federal funds and there are no opportunities for other communities to participate.

McShane spoke about the effectiveness of Livonia's transit system. She stated they provide excellent senior and handicap services within their community. She noted they provide service to a number of different locations both inside and outside of Livonia.

Responding to a question from McShane, Brown stated if a community opts out there is no opportunity to contract with SMART. He stated he has no control of the funding stream for the special service utilized by Northville and other opt-out communities.

Responding to a question from Wright, Brown stated it would be difficult to increase ridership or route frequency given the current revenue streams.

Buck suggested it is fair to assume the ridership numbers for Farmington also include riders from outside the city.

Brown referred back to a comment from Wright regarding the number of parked cars for Park and Ride. He noted not everyone parks a car then boards a bus. There are riders who walk to the Park and Ride location to board buses.

Buck advised the City of Farmington is under some of the same financial pressures for some of the same reasons as SMART. He stated the City will be forced to make tradeoffs over the next couple of years or longer. He asked if SMART can do anything to reduce the City's cost for transit service.

Brown identified a number of areas where internal costs have been cut and concessions made. He stated they continue to do everything possible to provide the most economical and efficient service. He confirmed Farmington's cost can only be affected as it relates to property values and the .59 millage.

Responding to a question from Buck, Fetzer advised no routes have been eliminated, however, some have been modified. He stated the last thing SMART wants to do is cut service.

Buck asked how SMART determines when and where cuts to service should be made.

Brown noted ridership is up 9% since 2006. He stated there was a huge spike in ridership when the cost of gas increased to \$4 a gallon. He advised through significant cost cutting measures they do not project any reduction in service through 2013.

Buck noted it is unlikely that SMART would continue to provide service on a route that has one or zero riders on it. He stated if that was happening consistently SMART would probably make the decision to put that bus on routes that have high usage.

Fetzer responded if SMART were to target areas for service reduction it would be to the job connector service because they are not as efficient as a fixed route.

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Wright described driving the combined SMART routes in Farmington and noted it took approximately 40 minutes at the speed limit. He asked why Farmington shouldn't be able to provide that same service given the low ridership on those routes.

Fetzer responded the City would be losing the regional connection that allows people to get to work. He stated the City would also be losing the connector service. Brown noted Farmington could not provide the same level of service at the same cost it is paying for SMART.

Responding to a question from Knol, Brown stated the City would continue to receive municipal credits of \$10,300, but not the community credits of \$14,200, if the City opted out of SMART.

Knol asked if Farmington would still be able to contract with Farmington Hills for the senior/disabled transportation if it opted out.

Brown responded that question would have to be answered by Farmington Hills.

Gordon clarified Farmington Hills would not be able to contract with Farmington insofar as federal dollars were used to support transit in that community. He stated that would be charter service and charter is prohibited as a condition to receiving federal grant assistance. He advised local providers are prohibited from providing charter service so as not to compete with the private sector.

Responding to a question from McShane, Wright confirmed his observation of the number of riders on the Farmington routes did not meet the 2104 riders per week indicated by SMART. He stated on average, per bus ride, there were 6 riders on the Grand River line and 2 riders on the Orchard Lake line. He acknowledged his observations were made during the day, outside of peak times.

Responding to a question from McShane, Pastue stated the total of the CDBG funds, Municipal Credits and General Fund appropriation for shared services is \$265,000.

Brown thanked Council for the opportunity to present information and respond to questions concerning SMART.

Council recessed the meeting at 8:00 p.m. and resumed at 8:10 p.m.

Mayor Buck invited public comment on the SMART issue.

Public Comment

Steven Schwartz, Oakland County Commissioner, discussed his unsuccessful attempt to obtain a county-wide vote on regional transportation. He stated the County Commission was able to reach a compromise on a two-year millage due to all of the uncertainties regarding the millage. He stated he will try again in two years for a county-wide vote. He advised any community opting out does not help that effort. He noted a majority of Farmington voters supported the last millage renewal in 2006.

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Schwartz asked Council to allow the vote on millage renewal in August. He stated if the majority votes against the renewal, then Council can opt out in 2 years because they would clearly be reflecting the will of the voters.

Schwartz discussed the reasons why opting out and establishing a community transportation system does not make sense. He advised this effort would divert community resources from other important projects and responsibilities. He stated if Farmington pulled out of SMART it would no longer have access to their vehicles. He advised if the City purchased a shuttle bus that is not equipped to handle a disabled person the cost would be \$60k. He stated a handicap lift would raise that cost to six figures. In addition, the City would need a trained driver, substitute driver, dispatcher, maintenance mechanics, fuel, and lots of liability insurance.

Schwartz stated it does not make sense to use CDBG money for transit when it can be better used for such things as sidewalk and street repair. He stated the City should not be devoting its energy on how to set up a transit system when there are so many budget challenges ahead.

Schwartz asked why Farmington Hills, with a SMART tax of .59 mills, would allow Farmington to piggyback on their transit for \$10K. He stated Farmington does not have a good alternative to SMART. He pointed out Livonia, an opt-out city with its own transit system, is a community of over 100,000 people. He stated Farmington does not have the resources of Livonia to operate its own system.

Responding to an earlier comment by Knol, Schwartz advised Farmington property values are probably mid-range compared to surrounding communities, therefore, residents are not paying a disproportion share for SMART services.

Schwartz again requested Council allow the voters to vote on the SMART millage renewal.

Jim Nash, Oakland County Commissioner, stressed the importance of the service SMART provides to the region, especially for the disabled and senior population. He advised a community operated system would not be practical. He spoke about leveraged state and federal dollars received by SMART that would not be available to a local system. He recognized the Smart System is not the regional system it should be. He requested Council allow the people to vote.

Robert Anderson, 28829 W. King William, Farmington Hills, stated he has been involved in the Farmington Hills effort to stay in the SMART System. He noted approximately 2% of the Farmington population rides the bus, not a huge number but one that needs to be nurtured and grown. He further stated it comes out to be \$1000 annually per rider. He cited related environmental and energy benefits, community stability, and integration with the rest of the region. He advised this area must have a regional transit system and opting out does not further that cause. He discussed the lifeline component to mass transit in terms of jobs, schools and medical reasons. He noted his membership in the Transportation Riders United which advocates for mass transit in the entire metro area.

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Susan Lightner, 33608 State Street, encouraged Council to keep Farmington in the System. As a student at Wayne University, she rode the bus daily. As an employed person she used Park and Ride and her husband has used senior transportation. She cited the stress of a fragmented system on single parents. It makes it more difficult for them to get to work which further complicates arrangements for child care. She noted the significant expense of owning a car and as gas prices increase transit riders will also increase. She asked Council to look at the larger picture and future long term needs.

Annabelle Gabel, 23089 Violet, stated the SMART System meets the needs of those who have no other transportation option. She discussed the number of buses throughout the community and the number of employees from Burger King, Ram's Horn, that ride them. She cited an acquaintance that depended on SMART to get to and from work. She stated this issue should be placed on the August ballot.

Gerald Goldberg, 32707 Cloverdale, stated he was inspired to speak as a result of a public comment made by Hugh Mcdiarmid at the January meeting concerning the need for SMART. He stated due to public transportation he was the last of five children in his family to obtain a degree from Wayne State University. He noted there are young people in this community that need that service. He requested Council allow the millage renewal to go on the August ballot and let the citizens decide.

Dennis Fraver, 32777 Grand River, indicated he takes the bus on a regular basis. He stated his former company closed and as a result he has been unemployed for more than two years. He also had to give up his car more than a year ago. He noted there are a number of bus stops that are not on the schedule and suggested those riders may not have been part of the count. He stated Farmington needs a regional transit system and would be isolated if they opted out. He publicly thanked City Manager Pastue for patiently responding to his questions regarding the bus stops during the Streetscape construction.

Vivian Robinson, SMART bus driver, spoke about the liability Farmington would incur with its own system. She requested Council let the people decide on transportation for their community.

Bill Helwig, 36631 Grand River, discussed the cultural changes in his apartment community. He noted a large number of the immigrant population in his complex take the SMART bus line. He stated mass transportation really does matter to them because most of them come from places that have bus services. He stated if Farmington eliminated mass transportation they would have a hard time getting to work.

Gretchen Perkins, 33353 Kingslane, asked Council not to deprive her of the opportunity to vote on this issue in August.

David Dillingham, 2620 Middlebelt, West Bloomfield, representing the Oakland County Public Transportation Authority, stated it is important for a community to have the say of how they want their taxes spent. He asked Council to stay in the System and make it work for everyone.

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Ken Murray, 21564 Chestnut Lane, stated the regional transportation system is fragmented and broken. He advised this situation can be mended if communities stop opting out of the system. He stated as the suburbs expand and gas prices continue to rise there is going to be a greater need for mass transportation.

Council Deliberation

Buck stated Council would like to see a strong regional transportation system. They want to see people get to jobs in areas that are currently not served by SMART. They would like to give community members, including youth and seniors, the opportunity to take transportation to major shopping centers. He stated riders need to be able to take the most direct route to reach their destinations rather than having to take a number of connections. He indicated there needs to be a better solution.

Buck expressed his frustration in receiving critical information from SMART in the eleventh hour. He stated Council is being painted into a corner on this decision. He believed some of the information could have been provided sooner and in more detail. He noted an editorial published early in January that indicated Farmington was considering opting out of SMART. He questioned some of the numbers provided by SMART.

Buck identified three possible actions Council could take: 1) vote to opt out, 2) take no action, or 3) schedule another meeting to allow more time to study data.

Knol stated Council would like a cohesive, regional transportation system. She noted the current system is fragmented. She stated ideally a system would include DDOT, eliminating the need for a separate system in Detroit. She would like to see a cost efficient system that provides value to a majority of Farmington residents. She stated the budget figures SMART provided has alleviated her concerns regarding potential deficits. She appreciated the figures provided by SMART that show improvement in operating efficiencies in these difficult times.

Knol stated when she is talking about efficiencies she is also talking about the value to residents. She noted based on the numbers provided by SMART, it costs \$12 for a round trip ride on the fixed route and \$40 per round trip on the connector. She heard a subsidy figure of \$1000 per person per year. She does not see the transit system as a good value. She stated this is an important part of Council's decision because the City is facing tough economic times. She noted in good economic times its easy to provide more and more services for small segments of the City's population.

Knol stated based on the current economy and decreasing property values, Farmington has to do things differently that have never been done in the past. She advised there will be significant budget cuts, including possible layoffs and possible elimination of road projects for several years. She stated Council will have to make tough decisions about how taxpayer dollars will be spent. She advised Council has to make sure money received from taxpayers is spent wisely, providing the best value for the majority of Farmington citizens.

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Knol cited two issues with the way millage vote is presented. She pointed out that even if all 10,000 people in Farmington voted no, but the remainder of the opt-in communities voted yes on the millage issue, it would pass. She further pointed out citizens are not being given a choice as to how they want to spend the .59 mils dedicated to SMART. She remarked instead of the millage going to SMART, the City could levy the .59 mils and potentially use those funds to keep staff and repair roads.

Knol believed Farmington has no other options. She recognized Livonia is able to support their own system because of their size and resources. She stated Farmington by itself does not have the resources to support a system. It would not be a good time for Farmington to take on this type of investment. She stated it would be impractical for Livonia to expand their system to accommodate Farmington. She further stated Novi has proven not to be an option as well.

Knol pointed out Farmington bus routes have very low ridership. She stated part of the reason is that the City is at the end of the line and a very small segment of the population is using it. She pointed out there needs to be some type of service for the seniors and the disabled.

Knol stated Farmington cannot opt out of the SMART system without another option. She looks forward to a future where another option is not necessary. She expressed hope for a cohesive, cost effective system for the entire metro area.

Knol expressed support for placing the SMART millage renewal on the August ballot.

McShane recognized the benefits of providing bus service to the community. She noted over the last couple of weeks she has tried to gather as much information as possible about viable transportation alternatives for Farmington. She spoke with the opt-out Cities of Livonia, Novi, and Northville, all three of which have successful transit systems. She noted their buses travel throughout their cities and travel up to ten miles outside city limits.

McShane also contacted six different transportation companies to find out what is available. She stated it is important that no one who uses the SMART System in Farmington goes without. She spoke to a company regarding an alternate transportation system. She stated the cost to lease two vans, one handicap equipped, 2 drivers, and a dispatch person was approximately \$105,000. She stated this did not include gas and insurance and liability.

McShane stated in an effort to represent all of Farmington residents she tried to find the best product for the least amount of money. She stated this is what residents want. She noted residents have indicated that they do not want to vote on the SMART millage and believe it should be a Council decision. She stated she has always supported the vote of the people and the great need for some type of transportation system.

McShane pointed out in the last four primary elections there was an average turnout of 2239 voters which is indicative of how many residents will vote in the upcoming August election. She concurred with Knol that Farmington's vote will likely have no bearing on

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the outcome of the final millage vote. She expressed concern that if the vote in August fails there is no alternative system in place. She questioned whether the administration could handle creating its own system over the next eleven months. She wished there was more time to consider other options. She regrets that SMART waited so long to provide critical data necessary in making a decision. She noted she received information that very morning.

McShane pointed out Farmington residents cannot take a bus to Livonia or Twelve Oaks Mall. She asked who has a plan to solve this crisis.

Wiggins recognized developing a separate transit system for Farmington would be difficult given the burden it would place on an administration that has already experienced staff cutbacks. He noted a self administered system would also lack the ability to leverage federal dollars. He advised a fixed route bus system is compatible with the improvements being made in the downtown. He supported allowing the electorate to vote on this issue in August.

Wright stated feedback from the public is very important in making a decision. He stated he wanted to take on the question of fairness. He questioned whether the role of government should be all things to all people or fill a need that otherwise could not be met through individual effort.

Wright pointed out the SMART Dial-Up System for those individuals who have no other option makes sense. However, to someone who does have alternative transportation, it doesn't make sense that the Dial Up rider shouldn't fully fund the cost. He asked why a citizen who happens to work five miles away should be subsidizing another citizen who happens to work downtown Detroit. He noted funding for the road system seems to fit somewhere in the middle.

Wright recognized people who ride the bus system need it for economic support. However, he does not believe the structure of the current transit system passes the fairness test. He stated those riders who call to be picked up at a specific place and are taken somewhere else should pay more than someone who uses the fixed route. He recognized there are those riders who cannot afford to pay a higher rate. He stated there should be a fair way to differentiate between those who can and cannot pay.

Wright expressed disappointment that there is no service to the south and west of the City. He stated it makes it only 50% as effective as transportation in communities like Redford or Southfield.

Wright questioned the \$800K ROI cited by SMART. He suspects if he is having difficulty understanding that figure others are as well.

Wright stated supporting Commissioner Steve Schwartz in his effort to attain a county-wide regional transportation system is critical. He expressed hope this effort would continue.

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Wright noted it would be foolish for the City to ignore what is in the best interest for the combined communities of Farmington and Farmington Hills. He stated if a regional system cannot be attained, then there should probably be a Farmington/Farmington Hills system.

Wright stated he is torn on this decision and does not like to be held accountable for something he did not create. He stated the Farmington electorate should be able to make a stand alone vote on this issue and not be pooled with the vote of other communities.

Wright expressed support for allowing the electorate to vote on this issue in August because the City has "bigger fish to fry." He demanded that SMART, on an ongoing basis, provide numbers on who is riding the system within the City, so Council can have a better understanding of usage before the next millage renewal.

Buck stated the SMART issue is one element of Council's exploration to keep this City viable. He found it ironic that if Council takes no action it is opting in. He asked how is motivation for change created by staying in the system. He challenged SMART to consider that the impetus for change might be if Council voted to opt out. He remarked it might open the door for new opportunities.

Buck pointed out Farmington is at the end of the bus line. He would like businesses to have the ability to draw from outside the community and residents be able to reach other destinations, however, SMART is not providing that solution. He cited the number of restrictions that have been cited for Farmington to run its own system. He noted competition is a good thing and if the City had more options, service might actually cost less or be more effective. He expressed frustration at the difficulty in trying to give residents a better solution for their dollars.

Buck stated Farmington may well face a decision on whether to keep the Public Safety staff at the same level. He stated these are not unrelated decisions, they all fit together. He was pretty sure of how residents would vote if they were asked to choose between keeping a public safety officer or maintain the current bus service. He did not believe it would be a 74% vote in favor of mass transit. He agreed with Gretchen Perkins that residents should absolutely have the right to vote on important issues.

Buck concurred with an earlier comment by McShane, that if all of the 2239 Farmington residents who usually vote in the primary election voted no on the millage; and those cities who are better served by the current transit system, with their thousands and thousands of voters, voted yes; the decision is taken away from Farmington voters. He pointed out this is not a real vote and it is unfortunate that the system is structured that way.

Buck challenged SMART try to work within a budget of less than .59 mills and find a more efficient solution that provides taxpayers with some relief.

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Buck commended Councilmembers Wright and McShane for their extensive research on this issue. He stated there was not a lot of help in finding alternative solutions, despite requesting data. He recognized it was not in SMART's best interest to help in

that regard. He suggested the more SMART helps to solve the City's transit challenges and meet the needs of residents, the happier Council will be with the service. He stated it felt like SMART was blocking the City's efforts at every turn to seek alternatives.

Buck thanked the SMART team for attending and the public for their comments.

Buck again reiterated the possible actions currently before Council.

Knol clarified that if Council takes no action, the millage renewal would be placed on the August ballot.

McShane expressed anger that there is no better solution to the current SMART System and there isn't more time to explore other options. She expressed opposition to remaining with SMART over the next two years, but will do nothing, allowing the vote to take place. She is holding legislators responsible to fix the current system. She stated it has gone on for far too long. She believes this is the definition of insanity, doing the same thing over and over again.

Buck encouraged SMART or any other transportation system to talk to the school systems. He stated this is a time where it is important to encourage collaboration between governmental entities. He noted this is an opportunity for SMART because the local schools are struggling with their funding levels and seeking efficiencies. He advised the transportation barriers the City is facing are something that should be confronted by state legislators who are also pushing for collaboration. He noted the City cannot cross its border to Livonia to connect systems. He asked how are we fostering collaboration when the state and federal government are putting artificial barriers in place.

No Council action was taken on a resolution to withdraw from the Oakland County Public Transportation Authority.

PUBLIC COMMENT

In response to a Council comment, Brown stated SMART will not be active in promoting the millage renewal due to legal restrictions. He advised there is an existing committee that will disseminate information regarding the millage.

Commissioner Schwartz thanked Council for their time and support. He stated he will continue to pursue a county-wide vote for regional transportation.

Brown thanked Council for their time and consideration of the SMART millage renewal. Brown stated SMART continues to work towards increasing the regional nature of the system, including cooperation with D-DOT. He stated they continue to have meetings

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at the state level, citing the RTA legislation. He pledged to do better in communicating information to Farmington.

COUNCIL COMMENT

Wright stated over the next two years Council and SMART need to communicate more effectively to find solutions to current transit problems.

ADJOURNMENT

01-10-014 MOTION by Wright, seconded by Knol, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 9:40 p.m.

J.T. (Tom) Buck, Mayor

Susan K. Halberstadt, City Clerk

APPROVED: March 15, 2010