



**DETROIT
TRANSPORTATION
CORPORATION**

**DETROIT PEOPLE MOVER
DETROIT TRANSIT POLICE**

**DTC BOARD OF DIRECTORS MEETING MINUTES
HELD ON OCTOBER 24, 2024, AT 4:00 P.M.**

BOARD PRESENT:

Chairperson
Vice-Chairperson
Secretary/Treasurer

Mr. Luke Polcyn
Mr. G. Michael Staley
Mr. John Naglick
Mr. Samuel Krassenstein

BOARD MEMBER(S) ABSENT:

Mr. John Paul Rea
Hon. Mary Sheffield

DETROIT TRANSPORTATION CORPORATION:

Mr. Robert Cramer, Gen. Mgr.
Mr. Ernest Latham, Deputy Gen. Mgr.
Ms. Ericka Alexander
Mr. Michael Anderson, Jr.
Cf. Edward Arnold
Ms. Jessica English
Ms. Karen Foster
Mr. Curt Knudsen
Ms. LaTrinda Perry
Ms. Marthana Scott
Ms. Leeya Sutter
Mr. Christopher Thomas
Ms. Madonna Van Fossen
Mr. Tony Vinson
Ms. Gwen Wallace

OTHER ATTENDEES:

Mr. Andrew Coutts
Mr. Bob Gorski
Mr. Lukas Lasecki
Ms. Kathryn Nelson
Mr. Joshua Salazar
Ms. Jamie Walters

Meeting Called to Order/Opening Remarks

Vice-Chairperson Mr. Michael Staley called the meeting of the Detroit Transportation Corporation Board of Directors to order at approximately 4:13 p.m.

A quorum was present with the following members: Chairperson Mr. Luke Polcyn, Vice-Chairperson Mr. G. Michael Staley, Secretary/Treasurer Mr. John Naglick, and Mr. Samuel Krassenstein.

1. Approval of the Agenda

MOTION: Moved by Mr. Samuel Krassenstein and supported by Mr. John Naglick to adopt the agenda.

VOTE: All in attendance voted to approve the agenda.

2. Approval of the Minutes from September 26, 2024

MOTION: Moved by Mr. G. Michael Staley and supported by Mr. John Naglick to adopt the Minutes for the Board of Directors meeting held on September 26, 2024.

VOTE: All in attendance voted in the affirmative.

Action Items

3. Resolution Authorization to enter into an agreement for Railcar Transportation

MOTION: Moved by Mr. Samuel Krassenstein and supported by Mr. G. Michael Staley that the General Manager shall be and is hereby authorized, empowered, and directed by the DTC Board of Directors on behalf of the Corporation to enter into a one-time vehicle transportation agreement with Anderson Haulage not to exceed One Hundred and Nine Thousand Three Hundred and Twelve 00/100 Dollars (\$109,312.00).

Discussion: Mr. Robert Cramer said that items three, four, and five are related to our ongoing efforts to purchase, physically get, and prepare the Toronto Transit Commission (TTC) rail vehicles, also known as Scarborough Rapid Transit (SRT). He stated that these are rail vehicles that we are in the process of cleaning the purchase, getting the vehicles, storing them, outfitting them, and bringing them to the system for incorporation. Mr. Cramer stated that this is specifically for the contract to move the rail vehicles.

Mr. Cramer stated that we put this out to bid and the best full response we received was from Anderson Haulage which TTC used to move these exact vehicles from their yard to New York for the midlife/end-of-life overhaul work, therefore, they are very experienced with these exact vehicles. He stated that they've also been helping us ship the spare parts, pieces, and equipment from Toronto and that we're very satisfied with their work. He also stated that they came in with the lowest price.

Mr. Cramer stated that this transports up to 16 rail cars, so the total authorization of approximately \$110,000.00 is for 16 vehicles. He stated that 12 vehicles would go to the rail yard for storage and up fittings and the remaining four cars, numbers 13 through 16, would come to the Detroit area for long-term storage.

Mr. Samuel Krassenstein asked if the \$2.5 million for the action items would be out of the funding that the city is subsidizing and out of the \$6 million. Mr. Robert Cramer answered in the affirmative.

Mr. Krassenstein asked how we are assessing whether the pricing is fair and if we are doing any kind of independent cost estimating. Mr. Cramer answered that we did some pre-surveying of the yard rates and that most of the cost for the second item is the hourly charge, all the yards have a rate. He stated that the range that we found in capable yards, if they didn't have the constraints as far as time or space was somewhere between \$155 and \$185, therefore, \$165 fits in the middle. He stated that it's pretty standard and that whatever we have them do is going to be based on that hourly rate. He also stated that we compared the storage with a storage-only bid and that it came in cheaper for inside storage. He stated that it's not quite as clear or as simple as we'd like it to be because we're dealing with some pretty constrained scope that we need to do but that is how we handled Item #4. He stated that for Item #5 we don't have its proprietary equipment, so the only way we can engage them is if the hourly rate does match. He stated that the hourly rate they have been charging us is for the ongoing maintenance work, so if there's something they need for us to do. Mr. Ernest Latham stated that it has been discounted by approximately 10%.

Mr. Samuel Krassenstein asked if the \$740,000 storage services are after the upfitting or before. Mr. Cramer stated that it's during the process and that's why we bid this out so that they'll be moved to a yard that can store and move them around and do the work on site. He stated that we are paying for inside storage that includes things such as keeping them warm and checking certain things.

Mr. Samuel Krassenstein asked if it would be impractical to store them somewhere else while the outfitting was occurring and if we would incur transportation costs. Mr. Cramer answered in the affirmative stating that if we did this in eastern Pennsylvania, but then we had the upfitting done in New Jersey or western Pennsylvania, you'd have to move them. He stated that the idea was that we could find one and why we

did take a little time to get a contract that would be able to do both so that we wouldn't have to keep piecing it together.

Mr. Krassenstein asked what items remain after these are done with the remaining \$3.5 million and if other activities must happen for the cars to go into service. Mr. Robert Cramer answered that we have incurred approximately \$400,000 that the Board approved for WSP to help us through the process that would come out of that price and that we will be asking for \$200,000 extra to purchase four (4) more trains that would come out of that cost. He stated that when they are doing the upfitting, the contract that is being considered is for the work hours if there were components that we would have to furnish. He stated that for example if the brake assembly had to be replaced, we would have to send them something and we don't have to buy it, but that could be an additional cost. Mr. Cramer stated that the next item, which is the ATC analysis, is an unknown amount and that our best guess with WSP and their expertise is that the recommendations hopefully will be less than \$1,500,000.

Mr. Luke Polcyn requested that a meeting-specific report of the amount added to the expenditures to date and how much of the city-approved funding and other sources can be provided as different packages of items are approved for the project. Mr. Cramer agreed.

VOTE: All in attendance voted in the affirmative.

4. Resolution Authorization to enter into an agreement for Vehicle Storage Services

MOTION: Moved by Mr. Samuel Krassenstein and supported by Mr. G. Michael Staley that the General Manager shall be and is hereby authorized, empowered, and directed by the DTC Board of Directors on behalf of the Corporation to award a contract for vehicle storage and upfitting to Easton Railcar Services (ERS) totaling Two Million Two Hundred Fifteen Thousand Seventy-seven and 24/100 Dollars (\$2,215,077.24).

Discussion: Mr. Luke Polcyn asked if the storage services are coterminous with the upfitting project, and why we must budget a contingency for storage if it's performance-based on the pace of completion date of the upfitting project. Mr. Robert Cramer answered the storage services quote is for 12 months, so contingency would be if we started to run 15% past the 12 months that would give us a little bit of cushion and that we would only use it if needed.

Mr. Polcyn asked if we have a provision to account for any delays because of the pace of the upfitting project. Mr. Michael Anderson answered that this is something that we should consider and will bring it back to the Board if necessary. Mr. Polcyn stated as long as we endeavor to negotiate for that at the interested to make sure we have the coverage.

Mr. Robert Cramer explained that the train control analysis project could take four (4) to six (6) months, and then once we get the recommendations, the improvements could take another three (3) to six (6) months. He stated that it would not be up to the rail yard as far as the constraint goes.

Mr. Luke Polcyn asked if there were other big projects related to the upfitting of the rail cars. Mr. Robert Cramer answered in the negative stating that the biggest unknown will be once we get the analysis, what train control-related modifications we have to make, and then doing that. He stated that shipping at the end would also be about a similar order of magnitude of shipping the twelve (12) which will be another \$100,000 once they're all finished to bring them here. He stated that he believes that the ATC analysis and the upfitting would also include the commissioning process once it comes here and that WSP does have some hours for that.

Mr. Luke Polcyn asked what the concern Investment is for the launch date of the vehicle rail car by the project schedule right now. Mr. Robert Cramer answered that it's 18 months and that the longest time frame

is related to the ATC, which is up to six (6) months for the analysis and up to six (6) months for improvements.

Mr. Samuel Krassenstein asked if we have a budget set up for other items we would need to procure outside of the labor. Mr. Robert Cramer answered that there is a placeholder on the worksheet for \$500,00, but that it may be close to \$0.00.

Mr. G. Michael Staley asked if the upfitting would extend out the useful life. Mr. Cramer answered that they have the end-of-life extension reports based on the previous heavy work performed which would determine the useful life, but that this is making sure that they're tuned up and good to go.

Mr. Luke Polcyn asked when we expect to pick up the vehicles. Mr. Robert Cramer answered that we are anticipating by the end of November, if not the beginning half. He also stated that it'll depend on their capacity if they're moving one car at a time, and may probably take a few weeks just to move all sixteen (16).

Mr. Samuel Krassenstein asked if they were being moved by truck or rail. Mr. Robert Cramer stated that they would be moved by truck.

VOTE: All in attendance voted in the affirmative.

5. Resolution Authorizing to enter into an agreement to provide an Assessment and Scope of Work to convert the SRT Trains to the Detroit People Mover Network

MOTION: Moved by Mr. Samuel Krassenstein and supported by Mr. G. Michael Staley that the General Manager shall be and is hereby authorized, empowered, and directed by the DTC Board of Directors on behalf of the Corporation to enter into a service agreement with Hitachi Rail GTS USA, to provide an assessment and scope of work to convert the SRT Trains to the Detroit People Mover network in the amount not to exceed Two Hundred Thirty Thousand Dollars (\$ 230,000.00).

Discussion: Mr. Samuel Krassenstein asked what are the alternatives to being locked in with the sole vendor. Mr. Robert Cramer answered that the alternatives which we did spend some time running down at least from an exploratory basis, I would say would be to change to a different driverless system and that is not something that's unprecedented, but is incredibly costly and especially because of the small size of our system. He stated that what we heard back, unofficial quotes and ballpark numbers as we'd be talking about 10s of millions of dollars and a lot of that includes the liability for taking responsibility for someone working in the system. He stated that Thales now owned by Hitachi has built-in 38 years' worth of liability and operated and it's a very stable system. He stated that it was not impossible but that we had that thought that this would be the time to switch and we thought maybe it could be for an affordable price and the feedback we got, was that it was not in the same universe as that opportunity.

Mr. Samuel Krassenstein asked if there were any risks with Hitachi no longer providing support. Mr. Robert Cramer stated that the staff involved with designing this system are mostly retired, so they're relearning our system and the Scarborough systems as part of the analysis that they can be incredibly confident because they would assume the liability if something happened. He said that this is a part of the reason this analysis is so expensive, it takes some time as they are being very thorough as far as making sure that they have a full, updated accurate picture of the system.

Mr. Samuel Krassenstein asked if we have an internal ATC expert. Mr. Robert Cramer answered that this is a part of the role that WSP is providing for us.

VOTE: All in attendance voted in the affirmative.

6. Resolution Authorization to purchase Surplus Assets from Toronto Transit Commission (TTC)

MOTION: Moved by Mr. John Naglick and supported by Mr. Samuel Krassenstein that the General Manager is authorized by the DTC Board of Directors to negotiate and enter into agreement(s) to purchase surplus assets for the Detroit People Mover system from the Toronto Transit Commission (TTC) for an additional \$200,000 for four additional rail vehicles, bringing the total authorization amount up to \$1,200,000 plus associated shipping costs to bring the items to Detroit.

Discussion: Mr. Luke Polcyn asked what will happen to the four (4) vehicles, and where they will go in the first phase of this, pending any decisions to supplement. Mr. Robert Cramer stated that they would be placed here. Mr. Luke Polcyn stated that if we evaluate the economics of swapping one of these in, we'll have to account for transport costs to the upfitter. Mr. Cramer said that although we don't anticipate that happening it is a nice insurance policy to have if they find something, we can do it. He stated that the per-ship cost is less than \$10,000 and that what we're proposing is offering 50,000 per vehicle for four vehicles.

VOTE: All in attendance voted in the affirmative.

7. Resolution Authorization to enter into an agreement for Server Upgrades/Replacement

MOTION: By the Chair the resolution was tabled until the next Board of Directors meeting to give the Board time to review the scope

Discussion: Mr. Robert Cramer stated that the network servers are old and need to be upgraded. He stated that when we brought Auxiom on they pointed out that we needed to do it, but we had a lot of other things as part of that transition moving across the street, so we put it off. He stated that they've continued to support us as we look into this. He also stated that we put together a scope of work to competitively bid this which includes replacing our onsite servers. He said that five firms were interested and participated, but Auxiom was the only one who came back with a full formal bid response.

Mr. Cramer stated that most of it was related to meeting the FTA/DBE requirement, which Auxiom's proposal satisfies, and we use FTA/DBE requirements because we would like to pay for this with grant funding.

Mr. Samuel Krassenstein asked if the scope was put together by Auxiom. Mr. Michael Anderson answered that the scope of work was done independently, generally proposed by the network or other individuals hence the policy requirements, JCI, and other entities.

Mr. Robert Cramer explained that Auxiom as our IT consultant pointed it out as part of their transitions. He stated that they maintain a certain security profile that is consistent with what the FTA is asking.

Mr. G. Michael Staley asked if the Board could review the scope to eliminate the concern that the scope is not produced for their bid. Staff agreed to reach out to the City of Detroit DoIT for assistance and feedback on the scope of work and fairness of proposed pricing from single bid.

THIS ITEM WAS TABLED UNTIL THE NEXT MEETING OF THE BOARD

8. General Manager's Report

1. Rail Replacement Project

Mr. Robert Cramer said that the rail project is proceeding. He stated that an additional crew has been added and working up to 24/7. He stated that this week, there's activity still over by Renaissance Center, Financial, and along Cass, there's a small section that they're working on. He said that there is one component that we're still waiting for feedback on. He stated that the replacement of the switch has a Buy America waiver that's pending. It went out for public comment, the period is closed, and we are waiting for any comments that were received.

He stated that there is a chance that if the Buy America waiver request doesn't come back before we're ready to reopen, we would reopen a little bit earlier and then we would have to shut down again probably for a week to change the switch sometime later in the project. Mr. Cramer explained that the Buy America process can take from two months to two years and we're somewhere in the middle of that process right now. He stated that it doesn't impact the project reopening of the system, the switch can still function as it hasn't been removed, so it will still function.

2. TTC Update

Mr. Cramer stated that we've received eight (8) truckloads of trailers full of parts and anticipate approximately three (3) more pallets full of parts, motors, wheel size, truck assemblies, and such.

3. Shutdown Events

Mr. Robert Cramer stated that DTC had a focus group last night in which over 30 people attended scheduled from 5:30 p.m. to 7:30 p.m. He stated that there was some great feedback, they were letting us know the things that they noticed that they would like Improved, elevators and escalators were certainly high on the list as well as train information technology kiosks.

He stated that we tossed the idea that we're considering increasing the regular operating hours, which got some positive feedback, and we'll bring that to the Board at the next meeting to give you the final details on that. He said that it was a great event and something that we're going to look to maybe at least once or twice a year have a similar exercise.

4. System Reopening

Mr. Cramer stated that the reopening is scheduled somewhere between the 22nd and the 26th, but that if the switch is not going to be part of this, it might be earlier. He stated that we feel very confident that we'll be open well before Thanksgiving, which is the 27th, the Wednesday before Thanksgiving. He stated that the system will be open overnight from Wednesday into Thursday to support the bar night and people who are there early for Mashed Potato Mile and other fun named race events. He said that as we finalize those details, we'll be sharing them with people.

Mr. Samuel Krassenstein inquired about the coordination with the Second Ave. project. Mr. Robert Cramer stated that we've been included in the regular meetings that they've been having about the efforts specifically around the hotel, it's under construction, and that a lot of the site falls within our 50-foot envelope, which also requires them to have a Work Authorization Permit. He said that it has been working smoothly and that we are interested to see what the rest of the project turns into and that we don't have the final plans and how it interacts with our guideway that it cuts across.

Mr. Krassenstein asked if a full plan set to show the bridge that they are building was delivered. Mr. Curt Knudsen answered that they submitted a full package including the project documents and that we answered back. He stated that projects like that particular item may need to be changed to work with the People Mover to get a permit. He stated that we've had a couple of meetings at the Detroit Regional Chamber and that their contractors are planning to get the items.

Mr. Krassenstein asked if we have minimum clearance requirements and what the minimum clearance would allow if they were building the road under the guideway. Mr. Curt Knudsen answered that we would need to have the ability to have an inspection and repair crew get up to do any repairs needed to the underside of the beams and the columns. Mr. Krassenstein asked if there is a minimum clearance from the bottom to the roadway for vehicle traffic traveling underneath the People Mover, such as a 13-foot, 15-foot, or 20-foot. Mr. Cramer answered stating that whatever clearance they make it would have to be listed on the truck map and that it would be treated like any other bridge.

9. Public Participation

There was no Public Participation.

10. Closed Session

MOTION: Moved by Mr. John Naglick and supported by Mr. G. Michael Staley to enter Closed Session to discuss pending litigation.

Mr. Luke Polcyn performed a roll call vote to enter into the Closed Session. The DTC Board of Directors entered into the Closed Session at approximately 5:02 p.m.

Mr. Luke Polcyn reopened the Board of Directors meeting with a roll call at approximately 5:29 p.m.

MOTION: It was motioned by Mr. John Naglick and seconded by Mr. G. Michael Staley to approve the confidential matter that was discussed in the Closed Session.

11. Adjournment

MOTION TO ADJOURN:

MOTION: Moved by Mr. Samuel Krassenstein, and supported by Mr. G. Michael Staley, to adjourn the meeting at approximately 5:31 p.m.

VOTE: All in attendance voted in the affirmative.

DocuSigned by:

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John Naglick, Corporation Secretary