



**DETROIT
TRANSPORTATION
CORPORATION**

**DETROIT PEOPLE MOVER
DETROIT TRANSIT POLICE**

**DTC BOARD OF DIRECTORS MEETING MINUTES
HELD ON JUNE 28, 2024, AT 4:00 P.M.**

BOARD PRESENT:	Secretary / Treasurer	Mr. John Naglick Mr. G. Michael Staley Comm. Abdul Haidous Mr. Luke Polcyn Mr. Samuel Krassenstein
BOARD MEMBER(S) ABSENT:		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 Mr. Ray Calloway Ms. Ophelia Crawford Ms. Pamela Day Ms. Karen Foster Mr. Herbert Harris Mr. LaVar Harris Mr. Curt Knudsen Ms. Jessica Miles Ms. LaTrinda Perry Mr. Christopher Thomas Ms. Madonna Van Fossen Mr. Tony Vinson Mr. Mike Walter
OTHER ATTENDEES:		Mr. Lukas Lasecki Mr. Robert Pawlowski Mr. Ryan Schiffer Mr. Ed White

Meeting Called to Order/Opening Remarks

Chairperson Mr. Luke Polcyn called the meeting of the Detroit Transportation Corporation Board of Directors to order at approximately 4:03 p.m. Roll call was presented by Mr. Luke Polcyn

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

1. Approval of the Agenda

MOTION: Moved by Commissioner Abdul Haidous 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 March 28, 2024 and May 23, 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 March 28, 2024, and May 23, 2024.

VOTE: All in attendance voted in the affirmative.

Action Items

3. Resolution Authorization of Detroit People Mover Sponsored Zero Fare Program for 2025

MOTION: Moved by Mr. John Naglick and supported by Mr. Samuel Krassenstein that the DTC Board of Directors authorizes the continuation of the Sponsored Zero Fare Program for 2025 supported by additional sponsorship funds with no net negative impact on the DTC budget over the 2025 program period.

Discussion: Mr. Robert Cramer stated that when we developed the pilot program it was for the calendar year 2024 and the idea was that our prediction, our goal was to increase ridership at least 50% compared to 2023. He stated that we will project our ridership for June for our first six months because we're not quite there yet, but for the first five full months, we greatly exceeded the 50% goal. Mr. Cramer stated that the month of April had the highest numbers because of the once-in-a-lifetime event with the NFL Draft, but that the months outside of that were over 100%, which was more than double the ridership for 2023. Mr. Cramer believes that we have a lot of room to continue to grow based on continuing to build on the message of how people can use and connect with the system. He stated that keeping the fares free makes a clearer path to continuing to increase the ridership.

Mr. Cramer stated that from a comparison perspective, a couple of months into the year, we were having some discussions with the QLine to see how their ridership had changed from last year to this year over the same period because they've had some great success and their ridership for the first couple months was about 30% to 35% increase from last year. He stated that they were free before and after, but that it was a way to capture if there was more activity happening downtown. He stated that the QLine also has had a successful park-and-ride program. Mr. Cramer stated that our exceeding the 50% would be in line with the efforts that they've had to drive more ridership and activity along their system and throughout the downtown.

Mr. Cramer stated that the biggest factors we presented to the Board for supporting the system were the barriers to the system's use, the fact that our equipment could not accept most modern forms of payment, has a high and increasing rate of repairs based on being original equipment, and because we had the low ridership in 2023. He stated that if we were going to try to attract a sponsor that would offset that revenue is relatively low cost of entry because the revenue was low. He also stated that for our benefits, we projected 50% ridership, which we greatly exceeded and to make sure that the revenue is equal to or greater than the fare collection from the previous year. The hope is that the excitement generated by this program and the overall increase in ridership will lead to additional revenue opportunities through other sponsorship programs and

more advertising. He stated that we have seen an increase but thinks that there's quite a bit of potential there and is hoping that we'll continue to grow over the coming years.

Mr. Robert Cramer stated that he and the staff are recommending asking the DTC Board to authorize or empower us to seek additional funding to continue the program for calendar year 2025 with basically the same arrangement. We would seek to increase the revenue and the goal would be to increase that revenue by at least a factor equal to the ridership increase. He stated that we would have to talk with our current sponsor and also possibly engage others. He stated that by authorizing this, you're basically asking the staff to pursue that outcome, and then we would do the same deal next year. Mr. Cramer stated that we will come back to the Board in June or July with an update on how it is going.

Mr. Samuel Krassenstein asked how much financial liability there would be for the People Mover by going fare-free in 2025 if there was not a sponsor.

Mr. Robert Cramer answered that the budget that the Board approved assumed that the budget is splitting the difference. He stated that we had budgeted \$250,000 for the first half of budget 2025 because that's based on half the \$500,000, and we assumed that would go up to \$1,000,000 for next year, therefore, we budgeted \$500,000 for the second half of fiscal 2025. Mr. Cramer stated that what he is asking in this approval is that we can proceed as long as we can find sponsorship to cover that increased amount.

Mr. John Naglick stated that in his recollection fare revenue was never those types of numbers. Mr. Cramer stated that it can be, historically speaking, our average ratio is about \$0.60 per ride. So when everything averaged out over the years if you had a million riders, it was 600,000 in gross revenues, that's before you spend a dime on the machines, the collection, the tokens, etc. He stated that we estimate that for 2023 our net revenue is probably somewhere from \$300,000 to \$350,000.

Mr. John Naglick stated that he sees better advertising on the cars and thinks that the popularity of the system leads to more people willing to advertise on it, therefore, it's hard to quantify how much could have been gotten from advertising. Mr. Naglick stated that as a long-time member of the Board, it's noted that the fare collection mechanism was not good, that it was not workable, an impediment to getting on the system. He noted that any future administration that would want to reinstitute fares be prepared to put up millions of dollars with modern repairs.

Mr. Cramer stated that our rough estimate is about \$5,000,000 to replace everything, the faregates, the back of the house, and the electronics. You'd have to do that not only because of the machines and the obsolescence of the parts, the maintenance of the machines, but also if we wanted to accept any modern forms of payment, which in his opinion would be a requirement to start collecting fares again, be able to facilitate free transfers from other transit agencies, accept other tickets, passes and Apple Pay and such.

Mr. Cramer stated that the three legs of the stool all support this, which would be ease of use. Equity access, zero fares all the time for everybody. The business case of making sure that it doesn't require us to seek additional subsidy from the City or other funding sources. And the third one is that it helps us delay and even potentially from the long term eliminate a multi-million dollar capital requirement.

Mr. Samuel Krassenstein asked if we are participating in RTA's mobile wallet plan. Mr. Cramer answered in the affirmative stating that he is not sure what it's going to look like. He stated that there had been talk of the People Mover when we were charging fares having some close

functionality with the Park Detroit app where you could be able to purchase fares and we were going to have scanners. He stated that he would like us to be part of it if that's helping people make decisions on what they use.

Mr. John Naglick stated that it makes sense to keep that path open, to do it in conjunction with a bigger transit system where this is just one of the modes of transit.

Mr. Luke Polcyn inquired about the increase from \$500,000 to \$1,000,000. He commented that there's a tie between the increased ridership and what the revenue would have been and the goals. He asked that with the additional increment of sponsorship revenue if the idea is to use that additional revenue to invest in the marketing and the other elements of the ridership strategy. He asked if this is part of the strategy behind increasing the sponsorship cost.

Mr. Robert Cramer stated looking at the initial setup of \$500,000, the idea was that it would cover the revenue that we collected in 2023 plus some level of increased ridership. Mr. Cramer stated that it's like picking the tough side of two different arguments because it would be easy to argue that the ridership's not going to increase unless you have the zero fare therefore, trying to make up for it might not be necessary. He stated that now that we have doubled ridership, our potential revenue at any point along the way would have increased as well.

Mr. Cramer stated that he is trying to keep in mind how we want to be very appreciative and good stewards of the money we get from the City since all of our local funding is through that City subsidy. He stated that part of the \$500,000 also went to providing benefits to the sponsor, we gave them some of the credit for the monthly train wrap that they have for wrapping the different faregates. Mr. Cramer stated that as that money goes up it will be money, we can reinvest to some of the other challenges as far as helping people make those connections of how they could benefit from the system, and how they can use it. He stated that it helps us as an agency. He stated that our costs are going up and we're looking for any revenue to help balance increasing expenses without asking for an increase in our subsidy or limiting the amount of increase we can ask for the subsidy. He stated that he is hopeful that not only can we increase the value of this particular sponsorship, but some of our discussions with Priority have been about whether they think they might be able to help us attract larger and higher paying advertisers for station dominations and other events. He stated that as the ridership increases, you get more visibility.

Mr. Cramer stated that the long-term idea is that we would be able to either limit or prevent the need for more City subsidies even as our overall costs of things like labor, repairs, maintenance, and electricity continue to go up.

VOTE: All in attendance voted in the affirmative.

4. Resolution Authorization increasing Compensation to WSP USA for Professional/Technical Engineering Services

MOTION: Moved by Commissioner Abdul Haidous and supported by Mr. G. Michael Staley that the General Manager shall be and is hereby authorized, empowered, and directed by the Chairman of the Board of Directors on behalf of the Corporation to amend the existing agreement(s) for an additional amount of Four Hundred and Fifty-Seven Thousand Four Hundred and Sixty-Nine 00/100 Dollars (\$457,469.00) to WSP USA for the provision of professional/technical engineering services as directed by the DTC.

Discussion: Mr. Robert Cramer stated that this item is for an increase to the authorization level for WSP. He stated that we continue to be under contract with WSP, however, we are nearing the process of putting out a bid for our next architectural and engineering technical services contract. WSP has a long history of deep understanding of our system, and we have a very challenging situation that we're in now as far as trying to get to the point of taking the vehicles and equipment from Toronto and making them seamlessly integrate with our system here.

Mr. Cramer explained that this covers two requests. The first request is for almost \$400,000 and that is designed for very specific technical engineering support for them to help us select the cars that we want to develop, the solicitation documents, procurement material, and be an owner's rep to carry these vehicles through the process of being ready to bring and incorporate into the system. Secondly, our last Triennial, which wrapped up in 2022 has one element that remains that we're continuing to address as we get close to starting to prepare our next triennial and it's related to DBE Triennial support. He stated that it would include developing our three-year DBE goal and catching up on some reports that had been missing. He stated that there's a system where we're trying to recreate and locate some of the paperwork after the fact, then get it into a situation where it's up to speed. He stated that he believes we have two findings left that we are working to resolve.

Mr. Samuel Krassenstein asked how this differs from the request that was authorized in the last meeting for WSP. Mr. Robert Cramer stated that the last meeting was additional authorization related to work orders for the CCTV project and the rail project. He stated that this \$400,000 is a new work order related specifically to the TTC cars and equipment and the \$58,000 is a work order related to the DBE Triennial support.

Mr. Samuel Krassenstein asked what the timing need is for the TTC support. Mr. Cramer stated that the support for TTC is needed now. Mr. Cramer explained that this would not be eligible for federal grant funding because it's related to purchasing and moving the bought used cars. FTA is fine with us doing that, but they are not willing to commit to FTA grant support for that process.

Mr. Samuel Krassenstein asked if WSP would be traveling to Toronto to help do the evaluation. Mr. Cramer answered in the affirmative stating that wherever we move the cars, WSP would also help us. Mr. Cramer stated that if the vehicles were moved to New York, New Jersey, there are other rail manufacturers and operations that would be potential targets for us to move them to for the final inspections and any modifications, WSP could help us with as well.

Mr. Sam Krassenstein asked if the Triennial Review is in 2025. Mr. Robert Cramer answered in the affirmative.

Mr. Luke Polcyn noted that he recalled that at the last meeting, we only extended the term of the contract to the end of September but did not see reference to extending the term of the contract in the present resolution. Mr. Robert Cramer stated that the goal is for it to be done for this additional work. He stated that we'd like to have all the findings corrected, all reports caught up and the system ready because, in January of next year, they're going to send out the packet of 400 questions they ask you to start working on and we want to have it all done by then.

Mr. Luke Polcyn asked if we were still on track for Yeah, yeah. And are we still on track to put the A&E RFP on the street this summer? Mr. Cramer answered in the affirmative.

Mr. G. Michael Staley asked what the DBE goal is and the task that WSP will be assisting with.

Mr. Robert Cramer stated what they're helping us correct now is the semiannual reports that have not been completed and part of that is trying to find and create the correct paperwork to support them. He stated that our goal which is based on the reports was due a few months ago. He stated that they are helping us finish the first work, then we'll develop the goal. He stated that we flushed out the capital plan, so we'll know what the activities are, and they'll do the analysis, and the outreach for us.

Mr. Michael Anderson stated that the current DBE goal is 8%.

VOTE: All in attendance voted in the affirmative.

5. Resolution Authorization to enter into an agreement to provide Conversion of Vehicle Lifts

MOTION: Moved by Mr. Samuel Krassenstein and supported by Mr. John Naglick 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 contract with PKS Lifts to convert, rebuild and test vehicle lift jacks to be compatible at the Maintenance and Control Facility for the cost not to exceed of Sixty – Seven Thousand Six Hundred Twenty Dollars (\$67,620.00)

Discussion: Mr. Robert Cramer stated that this is related to the cost of \$67,620 which includes a 15% contingency. He stated that this is for conversion on vehicle lifts that were received from Toronto. He stated that these are custom-fitted for the exact rail vehicles that we have and are in good working order, but the electrical power supply is different. He stated that this is conversion work to the control boxes and equipment to allow them to work with our power supply. Mr. Cramer stated that for comparison, we bought some battery-operated jacks about a year and a half ago for \$74,000 for one set of four. He explained that those are not specifically fitted to our trains, they do work, but they are not as easy to use as these and can only lift one car at a time. He stated that these can lift a 2-car train at the same time with one system. He stated that PKS Lift is the firm that's able to make the modifications and is in Toronto.

Mr. Luke Polcyn asked if this modification or equipment upgrade, we anticipated as part of the project when we set out. He also asked how we are doing on what we expected in terms of these kinds of investments as part of this project versus this as an indicator of how much adjustment we'll have to spend to achieve as part of the TTC project.

Mr. Robert Cramer answered that we're hoping it would be a little less. However, it is still within the realm of what we were anticipating and is going to depend on as things come up. He stated that we still have the capability along the way as we get equipment where we could say this is not 8worth us investing in but believes that these will be very useful.

VOTE: All in attendance voted in the affirmative.

6. General Manager's Report **Staff Service Award Program**

Mr. Robert Cramer stated that we've implemented a staff service award program anyone who hits a 5-year milestone will have an opportunity to get something that recognizes their achievement and that we are planning to do this at least twice a year. He stated that in the future we could bring them to the Board meeting to get their recognition. He stated that we're also working on service pins so that in the future you'll also get a different colored pin associated with each five years.

Mr. John Naglick asked when the transit police transition will take place. Mr. Cramer stated that it will happen on Monday, July 1st. Mr. Naglick asked if they would be dedicated only to the People Mover. Mr. Cramer answered in the affirmative. Mr. Cramer stated that our budgeted positions were one Chief, five sergeants, and nine officers. He stated that the officers had a chance to stay to the end in which we were able to maintain our services to DDOT through the end. Mr. Cramer stated that we have the Chief and six officers out of the nine and are going to be working on filling those positions. He stated that in the meantime, we're going to keep Securitas on, but just for the later part of the evenings, they'll supplement the Transit Police.

Mr. Cramer stated that we'll have a full shift to Transit Police, we're going to switch to 12-hour shifts, so there will be overlap in the middle. He stated that the shift will be 6:00 AM to 6:00 PM Transit Police only, and then around 6:00 PM, Securitas will supplement the 2nd shift to Transit Police, which is basically from 1:00 PM to 1:00 AM, therefore, there will be an overlap in the middle on a typical day.

Mr. John Naglick asked if Securitas would be like filling the three missing positions. Mr. Cramer stated that the arrangement of Securitas will be for two months and see how what kind of progress we can make on filling those spots. He stated that it gives us time to see how the new schedule works, them moving from 8-hour shifts tied more to DDOT cycles to these 12-hour shifts that are custom-tailored to the open hours. Mr. Cramer stated that this gives us a little cushion to see how it's functioning with our operations because this is something Transit Police used to do when they were on the system every day, they are part of the opening and closing process. He stated that they will eventually assist with collecting ridership counts, and other items that they're checking, which is why they're starting at 6:00 AM, even though we don't until 7:00 AM.

Commissioner Abdul Haidous asked if we have a list of applicants. Mr. Cramer answered in the affirmative stating that we have a decent amount of interest. He stated that we're going to be working on filling those spots, but a lot of times by the time you do the background checks and the exams, it usually takes a decent amount of time, more than a regular, professional employee for law enforcement to get someone.

Commissioner Abdul Haidous asked approximately how much time the process takes Mr. Cramer answered that it takes approximately one to two months.

Frequency Rebranding Timeline

Mr. Ernest Latham stated in May 2020, the FCC had a ruling to sell the frequency bands in the 900-megahertz range for radios and radio transmissions. He stated that DTC owns two radio frequencies in the band, one is a 935 and the other is a 939. He stated that 935 is for our maintenance radios that the techs carry every day and 939 is for all the reporting train health. Mr. Latham stated that in June of 2020, we were approached by the Anterix Company, which buys up radio frequency and read markets, who said they were interested in both of our frequencies. We started talking to them about what it would take to acquire replacing the equipment, replacing our licensing on the propagation studies, and everything that goes with making sure they're operable. Mr. Latham stated that we came to the Board in May of 2022 and discussed it with the Board which was approved to pursue. He stated that after two years Anterix is ready to make a proposal to us and do some more negotiating to replace the maintenance frequency only. He stated that this would entail all of the radio equipment, the propagation study, all of the licensing, and acquisitions of the 935 band.

Mr. Ernest Latham stated that we're asking the Board for their approval to continue talks for that and on the equipment cross side, it's about \$120,000 to replace all the physical

equipment. He stated that there will be the legal fees and propagation study which will be approximately \$25,000 - \$30,000. He also stated that we're asking that Anterix host our new radio system for five years and that will be about \$120,000. Mr. Latham stated that we are currently renting a tower at Cadillac Square, which is our equipment, and that we have to rent the space tower antenna, we are looking towards Anterix to pick that up. Mr. Latham stated that he is hoping that the other band will open up too and that there will be availability for that.

Mr. Robert Cramer stated that we're not asking for an official Board action authorizing the deal, but we're giving you an update and looking to see if there's feedback, and if there's any reason, we shouldn't continue pursuing this more or less. He stated that the goal would be at next month's meeting to ask the Board to approve whatever the details of the agreement would be with Anterix to do this.

Mr. Robert Cramer explained that the FCC rules that these can be rebranded, I believe it's for utilities because these can be used for 5G equipment for utilities.

Mr. Luke Polcyn asked about the significance of the five-year horizon. Mr. Robert Cramer stated on the side of Mr. Latham that this deal with them would include the replacement of the equipment, the testing, the legal fees, and pay for our licensing fees for five years. And, on this side, if the right situation someone wants to use it based on one of their applications and they go through the process and get it approved, then the FCC could say that they have a user and remove DTC off the band.

Mr. Samuel Krassenstein asked if we have any kind of lease agreements with 5G providers. Mr. Ernest Latham answered in the negative.

Mr. Luke Polcyn made mention of the Raid Train event and stated that he was grateful to Mr. Latham and the team for making and putting on the event for the public's benefit stating that it was a nice way to celebrate the system and be a part of the festival. Mr. Latham acknowledged the MarCom team for its large contribution to the Raid Train event.

Mr. John Naglick asked if the lighting improvements will continue to function although the NFL Draft has gone. Mr. Robert Cramer answered in the affirmative stating they've been functioning and that we're ironing out some details from time to time as far as the controls are concerned, but that they're working.

Mr. Robert Cramer stated that we have a loose end to tie up with the Historic District Commission as far as the publishing of our schedule of color changes that would affect the portion that touches any of the Historic District properties. He stated that this is an action item to finish up.

Mr. Cramer invited the Board members to the Open House on July 11th, which will be some time for people to see our new space to hear about some of the exciting things we're working on. He stated that we're also going to have some or all of the City Walls muralists here with a poster that shows their work and a little bit about them. He stated that it's something we're developing that then when we're done the postcards and posters will be at each station that has their work. We'll have a feature about who they are and what the hard work means to them.

7. Public Participation

Mr. Robert Pawlowski stated that if we get a lot of ridership, at some point we're going to have to start charging fares with the number of renovations we're doing and the amount of

money we're spending to even put it forward. He stated that Priority being a sponsor throughout this entire process, will get us to get our name out there and the People Mover, we'll start to see more growth. He stated that he's seen a lot of growth since the sponsorship and since the free fares, people are starting to know what it's more about, especially commuters, they're starting to get out and use it again.

Mr. Pawlowski stated that just the old fare equipment is not feasible as much anymore than what it used to be and needs to be upgraded. He suggested maybe looking at the services that they use on MTA subway trains and partnering with the RTA to do something similar on all other transit services. Mr. Pawlowski also suggested looking at the opportunity to look at fair services or payment systems regarding Apple Pay or tap-to-pay because not everyone carries a credit card or cash, so we always have to adapt to everyone who uses a smartphone here in Detroit and other areas.

8. Adjournment

MOTION TO ADJOURN:

MOTION: Moved by Commissioner Abdul Haidous, and supported by Mr. Samuel Krassenstein, to adjourn the meeting at approximately 4:55 p.m.

VOTE: All in attendance voted in the affirmative.

DocuSigned by:

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John Naglick, Corporation Secretary