

FROM THE TOP

As we write this annual report to the community, the Macatawa Area Express prepares to close one chapter of its history and begin a new, exciting one. This has been a year of intense preparation for and anticipation of our fixed route expansion, slated for September 2007.

Much of our work has focused on making improvements to the Padnos Transportation Center so that it can serve as our new transfer hub. Administrative and customer service staff also will be relocated from the 24th Street offices to the Padnos Center to provide on-site customer service to our passengers.

Hundreds of hours were spent carefully mapping and tweaking the new routes to ensure that they serve the largest geographic area possible in a 50-minute loop. Our goal was to provide fixed route service to most neighborhoods, schools, retail and business corridors, senior housing, medical facilities, and government and social service offices.

Another significant change is that the MAX Transportation Authority Board will officially assume oversight of the transit system from the City of Holland on July 1, 2007. The transition required many legalities, including the transfer of assets and property from the City and the development of policies and procedures. For the immediate future, the Authority will contract with the City of Holland for administrative support services, such as maintenance, purchasing and payroll, until it can develop its own infrastructure to operate the transit system.

Among the highlights of this year were a successful transit millage vote to ensure local funding of the transit system, and continued strong ridership growth. More than 221,000 rides were provided this year, which represents a nine percent increase over last year's figures. We fully expect that the larger geographic footprint of our fixed routes will make public transit far more accessible and convenient for passengers.

None of these achievements and milestones would be possible without the dedication of hundreds of businesses, organizations, and individuals who very vocally support MAX and its mission. Of course, we're also grateful to our loyal passengers. They are the very reason we exist, as we strive to make each ride an enjoyable one.

Nancy Burkitt
Chairperson, MAX Transportation Authority Board

Linda LeFebvre
MAX Coordinator, City of Holland

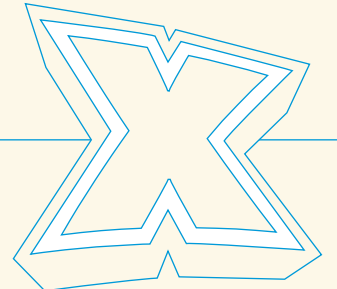


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MACATAWA AREA EXPRESS

2007 Annual Report



OUR MISSION

To provide cost-effective, customer responsive public transportation services that enhance mobility and community access for citizens of the Macatawa area.



2007 MAX BOARD

MAX Transportation Authority Board members (above, left to right): Nancy Burkitt, Chairperson; Robert VandeVusse, Secretary/Treasurer; Polly Diehl, Vice Chairperson; Al Dannenberg, Ex-officio; Steve Bulthuis, Member; and Joe Baumann, Member.
Not pictured: Doug Bazuin, Member, and Russ TeSlaa, Member.

2007 IN THE REARVIEW MIRROR

July 2006

A late night fire at bus garage destroyed one bus and caused minor smoke damage to the facility. Fire officials say the fire originated in the engine compartment on one of the buses. A cleaning crew noticed smoke and fire coming from one of the buses and called for help.



September 2006

MAX purchased a new ultra low floor bus to replace an older model bus that was destroyed in a fire at the bus garage in July.



November 2006

Voters in the City of Holland and Holland Charter Township overwhelmingly approved a transit millage of 0.4 mill to fund MAX for five years.

August 2006

MAX produced a nine-minute educational video that promotes the direct, indirect and economic benefits of MAX transit to the local community. Produced by Lawrence Productions in Grand Rapids, the video is shown during presentations to business and community groups.

October 2006

The transit advocacy groups Friends of Transit and Faith in Motion organize a political campaign to encourage public support of a transit millage in the November general election, and hold a candlelight vigil in support of the public transit system.

December 2006

MAX ridership continued its trend of double-digit growth for the sixth straight month in November, when compared with last year's figures for the same month. Ridership grew by 16% over November 2006.

January 2007

MAX and Zeeland Charter Township entered into a one-year agreement to offer bus service to Zeeland Community Hospital, which recently opened new facilities outside the MAX service area in Zeeland Township. The agreement provides demand response service to the new hospital.



March 2007

The former Wendy's restaurant on 8th Street was demolished, clearing the lot for the construction of a new parking lot for the Padnos Center. The demolition project was awarded to Specialized Demolition, which had the lowest bid at \$4,200. The new lot will be the designated parking lot for visitors and guests of Amtrak, Indian Trails and MAX.



May 2007

Construction of a new parking annex for visitors to the Padnos Center is completed. The newly-paved lot includes landscaping and irrigation system, rain gardens for environmentally friendly drainage, fencing along the train tracks, and lighting.



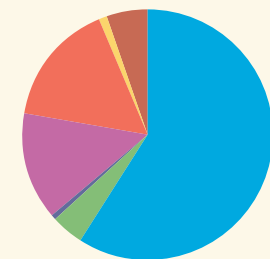
April 2007

MAX offered free rides on its fixed routes in observance of Earth Day 2007. The free rides serve as a way to encourage residents to use public transit to reduce fuel usage and vehicle emissions and promote cleaner air.

June 2007

The City of Holland selected CL Construction of Holland as the contractor for reconfiguring the front lot of the Padnos Transportation Center to serve as a transfer hub for MAX buses. The project, which cost \$539,569, involved constructing an island with bus bays.

2007 Expenses



Breakdown of Expenses

	2007	2006	% Change
Purchased Services	\$ 1,927,905	\$ 1,964,802	-1.9%
Wages/Salaries/Employee Costs	136,031	110,814	22.8%
Utilities	20,916	21,239	-1.5%
Depreciation	453,045	395,460	14.6%
Maintenance & Operations	519,779	487,843	6.6%
Casualty & Liability Insurance	34,469	33,299	3.5%
Other Operating Expenses	178,519	124,028	43.9%
Total	\$ 3,270,664	\$ 3,137,485	4.2%

Operating Expenses & Transfers Out

	2007	2006	% Change
Operations	\$ 2,181,068	\$ 2,196,790	-0.7%
Maintenance	287,532	277,094	3.8%
General Administration	798,064	659,701	21.0%
Transfers Out	4,000	3,900	2.6%
Total	\$ 3,270,664	\$ 3,137,485	4.2%

Ridership

	2007	2006	% Change
Fixed Route Passengers	99,447	91,294	8.93%
Demand/Response Passengers	121,777	112,654	8.10%
Total Ridership	221,224	203,948	8.47%
Fixed Route Vehicle Miles	288,521	285,194	1.17%
Fixed Route Passengers/Mile	0.34	0.32	7.67%
Demand/Response Vehicle Miles	554,957	457,716	21.24%
Demand/Response Passengers/Mile	0.22	0.25	-10.84%
Fixed Route Vehicle Hours	21,363	21,334	0.14%
Fixed Route Passengers/Hour	4.66	4.28	8.78%
Demand/Response Vehicle Hours	38,412	34,821	10.31%
Demand/Response Passengers/Hour	3.17	3.24	-2.01%

MAX METRICS

Fiscal Years Ending June 30

Revenue

	2007	2006	% Change
Passenger Fares	\$ 228,197	\$ 217,999	4.7%
Tax Levy	171,058	112,666	51.8%
Local Operating Assistance	226,489	143,593	57.7%
State Assistance			
Operating & Planning Capital Grants	1,083,827	1,107,226	-2.1%
Federal Assistance	12,370	134,559	-90.8%
Operating & Planning Capital Grants	990,000	1,062,746	-6.9%
Interest & Other Revenues	116,965	566,739	-79.4%
Gain on Disposal of Fixed Assets	21,590	18,500	16.7%
	54	(296)	118.2%
Total	\$ 2,850,550	\$ 3,363,732	-15.3%

ROLLING FORWARD

Authority Assumes Oversight of MAX

MAX officially separates from the City of Holland and becomes an independent transportation authority to oversee the transit system beginning with the new fiscal year on July 1, 2007. Over the next few years, the Authority will contract with the City of Holland for administrative support services, such as human resources, maintenance, purchasing, payroll, and finance services. The Authority was formed with representatives from Holland City and Holland Charter Township, and is supported by a dedicated transit millage that was approved by voters in November 2006.

Workshops Train Residents on New Fixed Routes

To familiarize area residents with the seven new fixed routes, a series of free public workshops will be offered during July and August, just prior to implementing the route expansion. The two-hour workshops will include a thorough review of each route, transfers at the Padnos Center, new hours of operation, trip planning, fares and bus passes, a bus tour, and small group exercises. The training workshops will be presented in both English and Spanish.



Look for New MAX Web Site in Spring 2008

MAX will issue a Request for Proposals for the development and hosting of a new web site for the transit system. With the establishment of an independent Authority, MAX will need to establish its own web site for the transit system. MAX's web site is currently part of the City of Holland's web site, although internet users may access the site directly through www.catchamax.org. In addition to including transit information, the new web site will include a payment processing system that allows visitors to purchase bus passes online.

'Rolling Billboards' Roll Out in Fall 2007

For the first time in its 33 year history, MAX will begin leasing space on the sides of its buses for commercial advertising to generate revenue for the transit system. MAX will accept proposals from transit advertising firms to provide turnkey services that include marketing, selling and managing signage for the bus advertising program.

MAX officials believe the lack of outdoor billboard space available in the Holland area, the large geographic coverage of the transit system, and the low cost of bus ads compared with other forms of advertising will create demand for bus billboard space.