It has been amazing to watch MAX’s growth over the past year as we marked our first year of operating our expanded seven fixed routes. For many months, we experienced double-digit ridership growth month-over-month, and we anticipate providing more than 400,000 trips in 2009.

For the first time in our history, fixed route ridership comprised 60% with the balance using demand response service. Further, a survey of fixed route passengers in September 2008 indicated that nearly one-third of users were first-time riders, which is very encouraging. Clearly, we are heading in the right direction and gaining momentum for providing all riders—not just captive passengers dependent on public transit—with a viable transportation option.

Now that passengers have experienced expanded services, many are requesting further improvements, such as shorter headways and evening service. We are pleased to begin offering “Night Owl” evening demand response service beginning October 1, funded in part by an FTA New Freedom Grant. Additional service improvements will require creative strategies for more efficient use of our existing fleet, staff and budget.

Spiking and volatile fuel and oil prices are taking a larger share of our budget, representing nearly 11 percent of next year’s earmarked expenditures. Many buses in our fleet are reaching the end of their useful life and will need replacing in the next two years. This comes at a time when state funding has declined to 36% and we’re seeing a reduction in millage revenue due to declining property values from a depressed local economy.

Nonetheless, we are moving forward with a number of initiatives to keep us on the forefront of our industry. The Authority Board is partnering with other area government and educational agencies to explore the use of cleaner burning alternative fuels and vehicles as part of our commitment to reducing our carbon footprint. And we’re actively involved in a transit linkages study that aims to provide transportation to outlying areas that have no public transportation.
Our Vision
Enhanced mobility and community access that offer efficient and attractive transportation options for the citizens of the Macatawa area.

July 2007 – Administrative and KIR Transportation staff prepare for the September 2007 fixed route expansion. A series of public training workshops are held in the community to educate area residents about the new routes and how to use the bus service.

August 2007 – The administrative offices for KIR are moved to the Padnos Transportation Center at 8th St. and Lincoln Ave., which will serve as the transfer hub for the fixed routes. Staff will be available during business hours to assist customers with purchasing bus passes, transfers, route questions, and trip planning.

September 2007 – Seven new fixed routes with hourly service are implemented. MAX celebrates the expansion with a public reception at the Padnos Center.

October 2007 – MAX enters into a contract to lease billboard advertising space on its buses. The venture will generate additional revenue for the transit system to help offset rising fuel and insurance costs and reductions in federal and state funding.

February 2008 – Further improvements are made to the recently expanded fixed route system. Several routes are extended to provide service to more residential and business areas and additional bus stops are added to bring more people within ¼ mile of a bus stop.

March 2008 – A newly-designed website with user-friendly features and tools is introduced. The new website allows visitors to purchase passes online, plan their bus trips using Google Transit Maps, and request a price quotation at events. MAX is one of only a handful of small transit systems in the U.S. to use Google software for trip planning.

April 2008 – MAX announces that the transit system has reached new milestones. Ridership for March 2008 reached an all-time high of 24,950 and for the first time in its history, fixed route ridership surpassed 60% with less than 40% using demand response service.

Disability Network/Lakeshore releases findings from its study of regional unmet transportation needs and identifies a priority need to create linkages between Kent, Ottawa and Muskegon transit systems.

May 2008 – The Authority Board adopts a new mission and vision statement to better reflect its goals, values and future direction.

A new park-N-Ride program was implemented for Tulip Time 2008 to reduce traffic and parking congestion in downtown Holland. Motorists can now leave their cars at seven designated lots located near MAX bus stops and ride the bus into downtown.

June 2008 – MAX participates in the first Green Commute Week, organized by the Macatawa Area Coordinating Council, by promoting the use of bike racks mounted on buses. The weeklong event is designed to raise public awareness of the use of non-motorized transportation and to reduce the use of single-occupancy vehicles by using public transit or carpooling.

July 2008 – MAX gets a “product placement” cameo in the upcoming independent film “Tug,” written and directed by Abram Makowka. Producers Tic Tac Studios of Holland requested the use of a MAX bus for one scene in the movie where the main character must ride the bus to his ex-wife’s home after his friend totaled his car.

August 2008 – MAX receives two federal New Freedom Grants to fund evening demand response service beginning in October 2008, and to improve accessibility to select bus stops with ramps, walkways and shelters.

September 2008 – MAX celebrates its one year anniversary of an expanded seven-route system with robust ridership growth over the previous year. A fixed route passenger survey indicates that nearly one third of all first time users who began riding since the routes were expanded.
<table>
<thead>
<tr>
<th>FY 2008</th>
<th>Previous 15 Mo</th>
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<tr>
<td>Passenger Hours</td>
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**Further Enhancements to the Fixed Routes**

Now that we have a successful first year of running our seven fixed routes with substantial ridership growth, residents are aware of our new improvements, such as more frequent headways and evening service.

The MAX Authority Board in 2009 will continue to seek creative approaches to increase headways on our busiest routes with the fleet, staffing and funding we have to make the routes even more attractive and convenient for residents to use. The expanded route core is a solid foundation on which we can build on for the future.

**Further Enhancements to the Fixed Routes**

In 2008, the MAX Authority Board signed a non-blinding letter endorsing the U.S. Department of Energy’s “Clean Cities” initiative. This program involves cities of metropolitan areas creating voluntary, locally based, government/industry partnerships that result in practices that reduce the use of petroleum consumption in the transportation sector.

A grant from the West Michigan Strategic Alliance is funding work by the Sustainable Research Group to identify vehicle, organize, a steering committee and advisory council, and prepare the application and program plan for the Clean Cities designation.

To this end, MAX leadership is actively participating in the development of a West Michigan Clean Cities Coalition, which will explore initiatives to reduce fuel usage over the next five years. As part of this effort, representatives from MAX, the City of Holland, Holland Board of Public Works, and Holland Public Schools is actively participating in the development of a West Michigan Clean Cities Coalition, which will explore initiatives to reduce fuel usage over the next five years.

**Night Owl Service Begins October 1, 2008**

In response to passenger requests for evening service, MAX will begin offering demand response service from 7 p.m. until midnight Monday through Saturday. Fiscal constraints currently prevent MAX from offering evening fixed route service.