

MINUTES
METROPOLITAN TRANSIT AUTHORITY
OF HARRIS COUNTY, TEXAS
BOARD OF DIRECTORS
REGULAR BOARD MEETING
APRIL 15, 2010

The regularly scheduled monthly meeting of the Metropolitan Transit Authority Board of Directors was called to order at 1:05 p.m. by Chairman Gilbert A. Garcia. Vice Chairman Allen Watson, Board Secretary Jackie L. Freeman, and Board Members Burt Ballanfant, Dwight Jefferson, Carrin Patman, Christof Spieler and C. Jim Stewart, III, were present and constituted a quorum. Board Member Trini Mendenhall-Sosa was absent.

As the first order of business, Chairman Garcia called for approval of the Minutes of the regularly scheduled Board Meeting of March 18, 2010. Board Member Stewart moved for approval of the Minutes. The Motion was seconded by Board Member Ballanfant and all Board Members present voted in favor. The Motion carried, 8 – 0.

MOTION NO. 2010 – 19

Chairman Garcia then called upon those members of the public who had requested to speak before the Board. The persons who spoke and the substance of their comments were as follows:

1. Mr. Melvin Kirks – a former METRO employee, believes he was wrongfully terminated from his bus operator position. He was terminated for assaulting a passenger. He disputed an e-mail report from MPD Lt. Vera Bumpers that he had admitted to the assault. Mr. Kirks also questioned the sequence of the arrival on the scene of other police officers.

Acting Senior Director of Operations, Andy Skabowski explained that Mr. Kirks was terminated based upon an investigation by the METRO Police Department. The Union filed a grievance but did not pursue further appeal through arbitration.

Mr. Kirks attempted to explain why the matter was not arbitrated, when Board Secretary Freeman asked whether it might be more appropriate that Mr. Kirks discuss his employment in a more private setting.

Mr. Skabowski offered to meet with Mr. Kirks, along with a Human Resources representative, for further discussion of his employment discharge.

2. Ms. Elizabeth Norwood – a former METRO employee, stated that she was wrongfully terminated from her Executive Assistant position for allegedly having submitted an altered doctor's statement. She denied having done so, and claimed that

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the investigation of the facts leading to her termination was not thorough. Ms. Norwood requested a full investigation so that she can be reinstated to her former position.

3. Mr. Cleadis Newman – General Manager of Greater Houston Transportation, introduced company president, Marlise Skinner. Ms. Skinner welcomed the new members to the Board of Directors. She then explained the METROLift services provided by her Company. Ms. Skinner stated that her company works almost daily with METRO employees, Art Jackson, Michael Andrade and Ninfa Muench to provide services to the disabled. Services start at 3:00 a.m. and end at 1:00 a.m. the next day. Ms Skinner expressed her hope that the business relationship with METRO continues.

She then introduced Mr. Ramon Martinez, President of Texas Taxi: Mr. Martinez reiterated the desire to continue working with METRO. He explained how his taxi cab affiliates were among the first to include cab service with METROLift sedan service in order to address the transit needs of the disabled. He invited the Board Members to visit his facilities to see how trips are dispatched to the customers.

Chairman Garcia stated that he had visited their facilities and thanked Mr. Martinez for the investments made in technology which has helped to improve service.

4. Mr. James Dabney – introduced himself as Secretary and Treasurer of the Urban Mass Transit Union. Mr. Dabney seeks recognition of the Urban Mass Transit Union as the rightful representative group for the bargaining unit. He stated that his group is a 501(c)(3) non-profit corporation under Texas law and that continued recognition of the Transport Workers Union violates State law.

Chairman Garcia referred Mr. Dabney to METRO's General Counsel for further discussion.

5. Mr. David Thorne – introduced himself as President of the Urban Mass Transit Union. Mr. Thorne recounted his support for Mayor Annise Parker, and asked the new METRO Board Members to recognize the Urban Mass Transit Union as the lawfully elected representative body.

Judge Jefferson asked Mr. Thorne the number of Urban Mass Transit Union members, and Mr. Thorne responded that there are "roughly about a thousand" members. Mr. Thorne claimed that he did not know the number of members in the Transport Workers Union, Local 260. Mr. Thorne also alleged that METRO had interfered with the rights of the workers.

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6. Mr. Curtis Walker – of the Urban Mass Transit Union, declined to comment, stating that his views had been expressed by the previous speakers.

7. Mr. Hartwell Remsburg – stated that he really wanted to speak at next month's meeting. He added that he is an "Aggie", Class of '53.

8. Mr. Barry Klein – distributed a handout which included a report by Randal O'Toole. Mr. O'Toole's report concludes that METRO has hurt itself by deciding to build light rail, and that ridership would have increased with an all-bus system. Mr. Klein stated that Mr. O'Toole will be speaking before his group, the Houston Property Rights Association, and he invited the Board Members to attend. Mr. Klein also stated that the additional light rail stations on the new alignments will create an operational problem when bus passengers transfer to light rail in the downtown area. Mr. Klein explained that METRO is reaching its maximum capacity for carrying patrons through the downtown area.

Chairman Garcia called upon Mr. David Couch, METRO's Managing Director of METRO Solutions, for a response. Mr. Couch stated that the light rail network has capacity for additional rail passengers, and stated that he would like to review the materials distributed by Mr. Klein.

9. Mr. Ovide Duncantell – explained that a tree, in honor of Dr. King, was planted at OST and Martin Luther King Boulevard by a relative of Dr. King. The current rail alignment will interfere with plans for future development of that site and will require displacement of the tree. Mr. Duncantell objects to an alignment along Martin Luther King Boulevard.

Mr. David Couch responded that METRO staff has met with Mr. Duncantell on several occasions, and METRO is making every effort to find a satisfactory resolution for the location of the tree and still provide the service desired by the public.

10. Mr. Mark Hogue – requested weekend service on Bus Route No. 32 and later hours of service on Bus Route No. 53. Mr. Hogue explained that the nearest alternate route would require him to disembark in an area he feels is unsafe. Late night service would enable him to attend Wednesday night services at Lakewood Church.

Judge Jefferson asked Mr. Hogue if he could take Route No. 25. Mr. Hogue explained that there are "clubs" in the area where he would disembark near his home.

Board Member Stewart added that Mr. Hogue has been a long-time champion of METRO and is very knowledgeable of the bus routes. He explained that Mr. Hogue has often made helpful suggestions about bus service, and that METRO appreciates his ideas.

11. Mr. Stephen Sherman – expressed his concerns about the increasingly higher costs of local transit initiatives. He believes that the planned METRO Solutions light rail is costly and will operate at an 80% operating loss. Mr. Sherman called for a new referendum on the issue of light rail, only.

12. Ms. Paulette Wagner – president of the McGregor Trail Civic Association, asked when two abandoned service stations, on property recently acquired by METRO for the light rail alignment, will be demolished. The structures have become a blight on the Community. Ms. Wagner also complimented METRO staff for its responsiveness to residents and business owners along the Southeast Corridor alignment.

Mr. David Couch explained that the service station located at Martin Luther King Boulevard and Griggs should be demolished within the next 2 weeks. He promised to get in touch with Ms. Wagner regarding the schedule for demolition of the second service station on Old Spanish Trail.

13. Mr. Preston Roe – President of Super Neighborhood No. 68. Mr. Roe supports light rail. He explained that the current alignment on Martin Luther King Boulevard was selected after several community meetings, considerable input and work through a committee headed by then – City Council Member Ada Edwards. Information about the route was readily available. He expressed frustration that some persons did not participate in that process but are now complaining.

14. Mr. Dewayne Lark – President of the Harris County Council of Organizations, stated that the original Southeast Corridor development plans did not provide for a portion of the alignment along Martin Luther King Boulevard. Mr. Lark stated that these are difficult economic times. He suggested that METRO not proceed so quickly and called for another referendum on the current planned alignment.

Board Member Christof Spieler explained that, in these economic times, people have received transportation options, and METRO has taken more cars off the street.

Mr. Lark alleged that bus service has been cut, and then abruptly left the podium.

Chairman Garcia next called upon Mr. Frank Wilson for the President & CEO's Business Report.

Mr. Wilson reported that Mr. Ray LaHood, Secretary of the U. S. Department of Transportation, will visit Houston in May. He will be accompanied by Peter Rogoff and other transportation department administrators to listen to suggestions for the new Transportation Reauthorization Bill. Mr. LaHood will also participate in the ITS America Conference, which will be co-hosted by METRO. METRO representatives will also meet with Mr. LaHood on May 5.

Mr. Wilson stated that the America Public Transit Association ("APTA") recently issued a report on the overall condition of U. S. transit agencies. Some 84% of the transit agencies have either considered cutting service or raising fares in response to the economic climate. Some 70% are facing budget shortfalls, and capital funds must be used for Operating expenses. Fare revenues have fallen. Mr. Wilson reported that the Chicago transit system will likely increase fares and lay off employees; the Washington transit system is experiencing a budget deficit; in Atlanta, half of the bus service may be eliminated; and similar cut backs are occurring at West Coast transit systems. However, Mr. Wilson reported, METRO does not have a budget shortfall, there are no plans to cut service, increase fares or lay-off employees.

Board Secretary Freeman requested figures for Dallas' transit system.

The Board Members received a report of METRO's 2nd Quarter Performance, including financials, operations and construction. Mr. Wilson concluded his report with the announcement that rail service would not operate this weekend due to construction near the Texas Children's Hospital.

Board Member Spieler noticed that the Performance report showed ridership increases in March, year to year. He asked for any reason behind these numbers.

Mr. Wilson explained that entertainment events, such as basketball games and the rodeo, may account for March ridership increases. Weather is also a factor for discretionary trips.

Judge Jefferson responded to Board Secretary Freeman's inquiry about DART's financials. The Finance Audit Committee did receive some information related to sales tax receipts. Dallas' receipts were a little higher.

Mr. Wilson further explained that increased repairs and construction following hurricane damage will influence the Houston economy while the Dallas economy does not have similar fluctuations caused by external factors.

Chairman Garcia noted that Mr. Raymond McCue had requested to speak before the Board, but was delayed. He then called upon Mr. McCue for his comments.

Mr. McCue disagrees with the present Q-Card system and the 2-hour transfer window. If a patron goes past the 2-hour window, he must pay another fare. Mr. McCue suggested a discounted rate for a monthly fare media.

Chairman Garcia then called for consideration of the Summary Agenda, containing Agenda Items 9 and 10. Board Member Stewart moved approval of the Summary Agenda. The Motion was seconded by Judge Jefferson and all Board Members present voted in favor. The Motion carried, 8 – 0.

MOTION NO. 2010 – 20

Board Secretary Freeman asked the rationale for placing items on the Summary Agenda.

General Counsel Paula Alexander explained how several years previously, the Board adopted a policy for a Summary Agenda for more efficient meeting procedures. Standard low bid contracts, requests for proposals and modifications can be placed on the Summary Agenda.

By way of Summary Agenda, the Board of Directors approved the following:

1. Authorization for the President & CEO to execute and deliver a requirements-type contract with PSB&J in the not-to-exceed amount of \$2.5 million for Program Control services.

RESOLUTION NO. 2010 – 18

2. Authorization for the President & CEO to execute and deliver a contract with Neon Electric Corporation for the fabrication and installation of passenger bus shelters for an amount not to exceed \$1,433,130

RESOLUTION NO. 2010 – 19

Judge Jefferson stated that the Board previously approved a Program of Projects for fiscal year 2010 and tentative projects for fiscal years 2011 and 2012 for receipt of Section 5307 federal grant funds. Projects and cost estimates have been refined and it is necessary that revisions be made. Judge Jefferson moved adoption and approval of the revised FY 2010 Section 5307 Program of Projects and tentative projects for FY 2011 and FY 2012. He further moved that the President & CEO be authorized to take

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such administrative action as necessary to prepare, execute and submit grant documents.

Vice Chairman Watson seconded the Motion.

All Board Members present voted in favor. The Motion carried, 8 – 0.

MOTON NO. 2010 – 21
RESOLUTION NO. 2010 – 20

Judge Jefferson reported that during its Tuesday meeting, the Finance Audit Committee reviewed METRO's sale tax receipts for FY 2010. Receipts are currently down about 5 percent. Total working capital on hand is about \$99,780,136. Total construction funds available is \$139,996,008. Judge Jefferson stated that he did have conversations with KPMG on the status of its audit. The audit is nearly complete, pending receipt of certain additional information.

Board Member Burt Ballanfant presented Agenda Item 6 for consideration. Board Member Ballanfant moved that the Small and Disadvantaged Business Enterprise Program be revised to eliminate the \$100,000 contract minimum for establishment of participation goals for federal contracts.

Board Member Patman seconded the Motion.

Board Secretary Freeman asked if the process will now be open for contracts of \$100,000 and less.

Mr. Couch answered affirmatively.

Board Secretary Freeman noted that the change may be good but there may be some complications also.

Board Member Ballanfant explained that the change comes as a result of directives from the Federal Transit Administration.

In response to questions from Judge Jefferson, Mr. Couch stated that the change will apply only to federally funded contracts. In reviewing contracts over the preceding two years, there were only 34 contracts with a value of less than \$100,000. Mr. Couch explained that the change would not apply to non-federally funded contracts. METRO

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has an overall SB/DBE goal of 35% for these contacts with a value in excess of \$100,000.

Deborah Richard, Vice President of Business Services, further explained that many locally-funded contracts are for supplies and equipment, which generally do not have participation goals. Thus, a similar change might have little impact on locally funded contracts.

President & CEO Frank Wilson asked Paul Como, Vice President of Procurement and Materials, to review the number of small contracts for less than \$100,000. He explained how a 35% participation goal on a very small contract can have a negative impact on the business and make it more difficult to advance to larger pieces of work.

Chairman Garcia then called for a vote on Board Member Ballanfant's Motion to eliminate the \$100,000 minimum contract amount for federally-funded construct under METRO's SB/DBE Program.

All Board Members present voted in favor. The Motion carried, 8 – 0.

MOTION NO. 2010 – 22
RESOLUTION NO. 2010 – 21

Board Member Ballanfant then presented Agenda Item 8 which involved the Community Outreach Program. Board Member Ballanfant noted the importance of keeping corridor residents and business owners informed of construction activities. Board Member Ballanfant then moved that the Board authorize funding in the not-to-exceed amount of \$6.7 million for Community Outreach activities through September 30, 2011.

In response to questions from Judge Jefferson, Kimberly Williams, Chief Administrative Officer – METRO Solutions, summarized the particular Community Outreach activities that will be funded. As referenced in the Board materials, the initial grouping includes Facility Provider activities, such as construction mitigation (traveling the corridor, meeting with area business owners, distribution of informational materials, etc.); communications and marketing (public notices, maintaining the website, attendance at community meetings); the Business Assistance Program; the "Rally Around the Rail" Program (to encourage consumers to patronize businesses along the rail alignment) and facility provider overhead. The next grouping of activities to be funded include corridor office operational expenses, the School Safety Program; and

community meetings. METRO will largely manage these initiatives. Both METRO and the Facility Provider play a role in the Community Outreach Program.

Chairman Garcia called for a second of Board Member Ballanfant's Motion.

Board Secretary Freeman seconded the Motion.

Board Member Christof Spieler emphasized the importance of the Community Outreach initiatives in light of increased construction activities. He expressed concern about the level of internal communications within the organization so that the Community Outreach staff can effectively respond to stakeholder concerns. He suggested that the Board review the Program after a few months to assure its success.

Judge Jefferson added the need to tailor communications to the particular communities.

Board Member Spieler recommended extending the hours for operation of the corridor offices.

Board Member Stewart agreed and suggested that the Program be fine-tuned as needed, so as to better handle community issues.

Board Member Spieler agreed with a suggestion by Board Member Patman to authorize funding now and continue to review the program. He then offered an amendment to the Motion by Board Member Ballanfant that the \$6.7 million in funds be authorized but that staff report back to the Board this fall on the progress of community outreach activities.

Board Member Spieler and Board Member Ballanfant spoke of the need to make decisions that may not please everyone, coupled with the need for transparency and the sharing of more data.

Judge Jefferson clarified the amendment offered by Board Member Spieler that the Program be reviewed by the Board by September 30.

Vice Chairman Watson suggested that METRO make sure that the Community Outreach staff interact with the City Council Members so that they are kept apprised of the construction in their districts.

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Kimberly Williams explained that all of the City Council Members, including Council Member Carlos Gonzalez, are a part of the Advisory Board. The Council Members' staff attends the meetings and the City Council is briefed quarterly.

Board Member Spieler thanked the Council Members and their staff for often serving on the "front line" when persons sometimes seek recourse through the Council Members' offices if they are concerned about transit-related matters.

Chairman Garcia then repeated the Motion before the Board, as amended, for the approval of an amount not to exceed \$6.7 million in support of the METRO Solutions Community Outreach Program with a progress report by September 30. The Motion, being duly seconded, was approved by all Board Members present. The Motion carried, 8 – 0.

MOTION NO. 2010 – 23
RESOLUTION NO. 2010 – 22

Board Member Stewart welcomed Board Members Spieler and Patman to the Operations Committee. He then moved that the President & CEO be authorized to negotiate, execute and deliver a 5-year contract with Kinder Morgan Terminals, LLC for an amount not to exceed \$1,557,273. The Motion was seconded by Board Member Spieler. All Board Members present voted in favor with the exception of Board Member Patman, who abstained. The Motion carried, 7 – 0 – 1.

MOTION NO. 2010 – 24
RESOLUTION NO. 2010 – 23

As the next item for business, Board Member Stewart stated that METRO requires maintenance support for the METRONet Security Surveillance System at the various transit facilities. Board Member Stewart moved that the President & CEO be authorized to execute and deliver a modification to the existing work authorization with KBR to increase the amount from \$200,000 to \$400,000 for METRONet Maintenance support. The Motion was seconded by Vice Chairman Watson.

METRO's Chief Information Officer, Erik Oistad, explained that METRO has a large network of video surveillance. Maintenance support is provided through work authorizations under a Job Order contract with KBR. The work authorizations carry a \$200,000 maximum, and it is necessary to increase that limit for continued METRONet maintenance support.

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Chairman Garcia called for a vote on Board Member Stewart's Motion.

All Board Members voted in favor with the exception of Board Member Patman, who abstained. The Motion carried, 7- 0-1.

MOTION NO. 2010 – 25
RESOLUTION NO. 2010 - 24

In response to a previous inquiry by Board Secretary Freeman about DART's financials, the President & CEO reported that DART has an expense budget gap this year of \$13 million. METRO, on the other hand, is \$8 million ahead.

Chairman Garcia then convened the meeting into **EXECUTIVE SESSION**, pursuant to the Texas Open Meetings act, for a private consultation with its attorneys on pending or potential litigation, to deliberate the acquisition or value of real property, and to deliberate personnel matters. Executive Session began at 3:05 p.m.

The meeting reconvened into public session at 5:10 p.m.

There being no further matters to come before the Board, Vice Chairman Watson moved to adjourn.


Board Member Stewart seconded the Motion.

All Board Members present voted in favor. The Motion carried, 8 – 0.

MOTION NO. 2010 – 26

The Board Meeting ended at 5:11 p.m.

Respectfully submitted,



Paula J. Alexander
Assistant Secretary