

**MINUTES  
METROPOLITAN TRANSIT AUTHORITY  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING  
January 21, 2010**

The regularly-scheduled monthly Board of Directors' ("Board") meeting convened and was called to order at 1:09 p.m. by Chairman of the Board David S. Wolff. Board Members present were George DeMontrond, III, Vice-Chairman of the Board; Mr. Jackie L. Freeman, Board Secretary; and Board Members Mr. Burt Ballanfant, Mr. Terence Fontaine, Ms. Carmen Orta, and Mr. C. Jim Stewart, III. The Board Members present constituted a quorum.

MOTION NO. 2010 - 1

Chairman Wolff called for a motion for approval of the minutes of the regularly-scheduled Board Meeting of December 17, 2009. Board Member Stewart moved for approval and Board Secretary Freeman seconded the motion. All Board Members present voted in favor and the motion to approve the December 17, 2009, minutes passed.

Chairman Wolff invited those members of the public who had requested to speak before the Board to make their individual presentations. The public speakers and their comments are summarized below:

1. **Ms. Sheila Showers:** When called for her presentation, Ms. Showers did not appear.
2. **Mr. Rudy Sutherland:** When called for his presentation, Mr. Sutherland did not appear.
3. **Mr. Kenneth Gillespie:** When called for his presentation, Mr. Gillespie did not appear.
4. **Ms. Felicia Blassingill:** When called for her presentation, Ms. Blassingill did not appear.
5. **Mr. Dwight Banks:** When called for his presentation, Mr. Banks did not appear.
6. **Ms. Constance Sawyer:** Ms. Sawyer began by informing the Board that she is a patron of Route 2 Westchase. She said the route has been consistently late for the past six (6) months. Ms. Sawyer also stated that the bus drivers are rude and inconsiderate. Ms. Sawyer stated she has made many complaints in which she leaves her name and number and receives a complaint number but no one ever calls her back.

Chairman Wolff asked Mr. Feeley to respond. Mr. Feeley apologized to Ms. Sawyer and gave her his business card so she could call him directly. He asked if she had the list of times in question. She stated that she did and she would provide it to him.

7. **Ms. Regina Goodwin:** Ms. Goodwin stated that she had two issues to address. She contacted METRO about the train service because she was working the night shift. She was told that the train stops running in her area at 2:30 a.m. She said this is not correct, because the train actually stops running at 11:30 p.m. She said there are no buses in her area after 11:30 p.m. She asked the Board how she was to get home while keeping her job. Her employer refuses to work with her on the issue and she is upset that she was given the wrong information regarding the train schedule.

Chairman Wolff apologized for the incorrect information and Ms. Goodwin's employer's inflexibility, but said that METRO has many responsibilities and cannot run a special train because of a particularly difficult employer.

8. **Mr. Mark Smith:** When called for his presentation, Mr. Smith did not appear.
9. **Mr. Juan Parras:** Mr. Parras stated that he is a resident of the East End and he was before the Board to complain about the extraordinary costs involved in METRO Solutions. He asserted that the costs are now up to almost \$4 Billion. Mr. Parras stated that the voter-approved amount was less than \$700 million. He expressed his opinion that METRO is required to hold another election before expending more funds.

Chairman Wolff questioned the dollar amount that Mr. Parras was quoting and inquired about the source of the number. Mr. Parras could not give the specifics of where he got the number. Mr. Parras asked for transparency because of the rising costs.

Chairman Wolff stated that if Mr. Parras had been at the morning committee meeting, he would have heard a thorough discussion of the construction costs on the four lines that are underway, North Line, East End, Southeast and the Uptown Line. The total cost is approximately \$1.56 Billion for those lines. Chairman Wolff told Mr. Parras that as a citizen he is entitled to know everything METRO knows and that we are happy to share that information with him. Chairman Wolff invited Mr. Parras to remain afterward to meet with David Couch.

Mr. Parras moved to his second topic, stating that the projected corridor for the Harrisburg rail line will have more environmental impacts in the community because of the already existing one-hundred thirty-four (134) railroad crossings.

Chairman Wolff stated he would like to address a couple of things Mr. Parras mentioned. He stated that costs have not gone up in six (6) years and are pretty much as the Board had anticipated they would be. With regard to the rail crossings, the most problematic rail crossing in the East End is where Harrisburg crosses the Union Pacific railroad. At that location METRO has proposed an overpass in cooperation with the City. Some people in the community prefer an underpass and others do not want an underpass due to flooding. Chairman Wolff thanked Mr. Parras for coming to speak.

10. **Mr. Mark Anthony Rodriguez:** Mr. Rodriguez introduced himself as a business owner on Harrisburg. Mr. Rodriguez began by stating that the work on Harrisburg with front loaders carrying pipes is creating safety issues. In addition, METRO has said it was not going to block both lanes but both lanes are being blocked, creating significant traffic problems.

Mr. Rodriguez also stated that METRO has not delivered temporary signs to businesses as promised. He said METRO is now claiming that a city ordinance is preventing the signage. Mr. Rodriguez also complained of construction-related dirt that is causing problems for his used car lot.

Mr. Rodriguez criticized the increased contract price which he said deviated from the actions approved in the rail referendum. He said that he is currently involved in real estate litigation with METRO, but METRO has delayed the court date three times.

Chairman Wolff stated that Mr. Rodriguez's concerns were valid. With regard to the signs, the City is not currently allowing METRO to place the signs, which is not METRO's fault. Chairman Wolff asked Mr. Wilson who should address the concerns pertaining to construction inconveniences. Mr. Wilson stated that Mr. Couch should address this issue. To Mr. Wilson's knowledge, METRO has set up a process whereby someone harmed or injured gets immediate attention, not delayed reaction.

Mr. Couch stated there have been several issues on which Mr. Rodriguez and Mr. Couch had worked through together. Mr. Couch has worked through. With respect to the community issues and the business assistance program, the program was approved in December by the Board and METRO is in the process of getting the program finalized. Mr. Wilson stated that he thought the construction superintendent/foreman from the Parsons Group was to be the point of contact to deal with the

pipes and dirt that is impacting businesses. Mr. Couch confirmed that Mr. Wilson was correct and the Parsons person is out on site. Mr. Couch stated that he will find out why the Parsons representative is not dealing with the issue.

Chairman Wolff stated that he wants this to be the last time that the Board hears a problem like this. METRO is impacting many people. Chairman Wolff asked Todd Mason if he could address the issue of the court delays. Mr. Mason stated that he is not aware of this particular case but would investigate.

Chairman Wolff stated that it is great that Mr. Rodriguez came to speak because he alerted the Board to the fact that METRO's system is not working as it is supposed to work. He apologized to Mr. Rodriguez for being the guinea pig and stated that METRO will try to resolve his issues.

11. **Ms. Gayla Hamilton:** Ms. **Hamilton** passed packets to the Board. She then introduced herself as a member of Corridors United. She stated that on February 27, 2009, during a Finance Meeting, METRO stated that it could afford all of METRO Solutions 2 and 3 while still paying the full General Mobility commitment. Ms. Hamilton stated that the current financial plans posted in December projected that METRO would be "in the black" by two (2) billion dollars in 2030. \$5.5 Billion in General Mobility expenditures from 2015 to 2030 were eliminated from projections. Ms. Hamilton stated that the Metro Board needs to cease and desist from confiscating the General Mobility funds and from further issuance of bonds without the funding grant from FTA, because, in her opinion, such activity is a violation of the 2003 referendum.

Chairman Wolff stated that there were a number of misstatements in Ms. Hamilton's presentation. Chairman Wolff said he is not familiar with METRO Solutions 3. He stated he will address the METRO Solutions 2.

Chairman Wolff stated that with regard to the doubling of the fare revenue in five years, when one engages in financial projection one does one's best in predicting interest rates and therefore it is not an irresponsible practice. He stated that Ms. Hamilton stated some obvious facts, including that there must be a referendum before the City and others receiving General Mobility funds agree to return to METRO its birthright by terminating the General Mobility program. Mr. Wolff thanked Ms. Hamilton for expressing her concerns.

12. **Ms. Connie Green:** Ms. Green stated that she lives on Allen Parkway and is concerned that Route 40 does not run on weekends. Ms. Green explained that most people in the area do not have a car and that many are bound to wheelchairs and scooters.

Chairman Wolff stated the information that he was provided shows that prior to 2004 the Route 48 West Dallas did operate on Saturdays and Sundays, but due to very low ridership and very high subsidy per passenger METRO had to draw the line in terms of financial responsibility. Chairman Wolff stated that METRO will certainly look at it again, but would not mislead Ms. Green by promising the requested service.

13. **Ms. Madeline Lewis:** Ms. Lewis stated that she wanted to add to what Ms. Green had said. Ms. Lewis said that Ms. Green had more than sixty (60) signatures on a petition but did not bring the petition with her. Ms. Lewis stated that there are many people who work on the weekends or who need the bus for doctor visits or church. She requested that service be provided for a couple of hours in the morning and a couple of hours in the evening.
14. **Ms. Marcie Anderson:** When called for her presentation, Ms. Anderson did not appear.
15. **Mr. Barry Klein:** Mr. Klein began by stating that ten (10) years ago METRO made promises to the business owners on Main Street that they would be accommodated during the construction period. Mr. Klein said that did not happen and many businesses were disappointed by the blockages to their businesses.

Mr. Klein stated that the last time he was at a Board Meeting he announced that he calculated that METRO costs the average Houston-area household \$500 a year in direct and indirect charges. He had asked at that time for the Board to correct him if he was wrong in his calculations. Mr. Klein stated that he received no response. Chairman Wolff asked Mr. Klein how many households he was calculating into that figure and if he was using gross dollars. Mr. Klein stated that he was using METRO's numbers and numbers available on the internet regarding the average household size in Houston. He also stated that in April 2008, the former transportation reporter for the Chronicle calculated that METRO's plan for five (5) corridors was \$3.3 Billion and just recently METRO announced that the University Line would cost \$1.5 Billion, which is more than three (3) times the figure provided to the public in 2003. Mr. Klein said METRO obviously needs a new referendum to get public approval on these changes. Mr. Klein suggested that further construction on the rail plan be suspended until the public approves.

Chairman Wolff thanked Mr. Klein for appearing.

16. **Mr. Eric Story:** When called for his presentation, Mr. Story did not appear.

17. **Mr. Tom Bazan:** Mr. Bazan passed out a sheet of statistical data compiled over recent months regarding the sales tax revenue as reported by the Texas Comptroller's Office. The documents reflect a decline. He also stated that METRO's rail bias policy has chased away riders. Mr. Bazan stated that the tax money is the people's money and that it needs to be spent in a judicious manner. Mr. Bazan questioned the Board on Agenda Item Ten for disposition of two tracts of land that were being held for the Schultz Development. He said the transaction was not very public and asked the Board what the sale price was.

Chairman Wolff stated that the Schultz block was sold a year ago. METRO was transparent with regard to that transaction, stating that it was in a land banking situation for Mr. Schultz and that METRO would buy it at Mr. Schultz's cost and hold it for one year. Mr. Schultz would then have the option to buy the land back. Chairman Wolff told Mr. Bazan that the land on the agenda was unrelated to the Schultz property. Chairman Wolff stated that sales tax revenues are a major source of revenue and that the first four months of sales tax revenues are right on target with projections. METRO has exceeded its projections every year and has been conservative in its sales tax projections. With regard to ridership, there are various reasons why ridership is lower; some decline can be explained by the economy.

18. **Mr. Paul Magaziner :** Mr. Magaziner stated that the Board has sold \$200 Million in rail bonds to the public. Mr. Magaziner asked how, without elimination by voters of the General Mobility expenditures, METRO will cover the billions of dollars in operating deficits in METRO's immediate future. Mr. Magaziner went on to opine that even if METRO receives the anticipated federal funding, METRO's own statements show that METRO cannot afford to pay back the debt.

Chairman Wolff stated that METRO is not counting on the General Mobility funds. With regard to the Uptown and the East End alignments, in order to get federal money, one must meet certain cost-benefit thresholds. METRO is not confident that it would meet those thresholds, but felt those lines were commitments that were made in 2003 and METRO must therefore figure out a way to carry them out. Regarding the North and Southeast Lines, METRO is getting reimbursement and has successfully gone through that process with the FTA. METRO now expects a full funding grant agreement.

Chairman Wolff then called for the President & CEO's business report.

Mr. Wilson began his report by discussing the work experience of Veolia Transportation. Mr. Wilson stated that he was handing out a full roster of their experience, which

includes work in California and Europe. Mr. Wilson stated that Veolia operates thirty-seven rail systems of different varieties.

Mr. Wilson then changed topics, stating that he wanted to address the issue of ridership. He stated that one major issue related to ridership trends is employment. He noted that METRO does not pick up a large number of discretionary trips, so when employment is down, ridership is down as well.

Mr. Wilson addressed the issue of inclement weather and the impact it has on ridership. Mr. Wilson stated he was skeptical of any relationship between inclement weather and reduced ridership until he saw the numbers. He stated that when one looks at weather extremes, there is a definite trend of negative ridership impact.

Another significant impact on ridership is the price of fuel. For discretionary trips, people have choices. They may take their cars or ride the bus. When fuel prices are down, they choose more frequently to take their personal autos. When prices of gas were approximately four dollars a gallon, METRO saw a very robust ridership. As gas prices dropped, ridership followed.

With regard to rail ridership, Mr. Wilson pointed out that the rail system is fed by transfers. Therefore, if bus ridership is down, rail ridership is expected to be down as well. Also affecting the rail ridership are special events. When the Texans have a reduced home schedule, rail ridership numbers are lower.

Mr. Wilson said that all of this is to say that if one wants to reverse ridership losses, one must understand the sources. He said that some factors are difficult to address. For example, METRO cannot affect the weather. METRO cannot influence the number of bowl or football games played. What METRO can control is the quality of service, the amount of service, and the fares.

Mr. Wilson said that the reduction in ridership METRO saw was actually less than what was expected. He stated that the suggestion that rolling back the fares will increase ridership to earlier levels is not supported by the information available.

Chairman Wolff interjected to ask Mr. Wilson about a displayed graph addressing the difference in the weather between 2008 and 2009. Mr. Wilson clarified that the graph displayed the temperature differential between the years.

Mr. Wolff asked if rail was more discretionary than bus with regard to type of trips. Mr. Wilson said that he did not know what the differentiation was.

Mr. Wilson stated that the way to overcome the factors METRO cannot control is to provide more service and more hours of service, theoretically.

Board Secretary Freeman asked for clarification on the displayed charts. Mr. Wilson stated that culling down the information was more of an art than a science. He said his

purpose was to quell the theory that the ridership decrease is due to the fare increase of a year ago.

Vice Chairman DeMontrond stated his belief that there is actual science that could be used to obtain these numbers scientifically and it is not an art. He said the method is called "least squares regression analysis". Mr. Wilson said that he believed the METRO staff member who uses that analysis was not present. An audience member spoke up and said that employee, Jim Archer, was, in fact, present. Mr. DeMontrond stated that this type of information is exactly the type on which the least squares regression analysis should be used. Mr. Wilson asked Mr. Archer to provide the details of his analysis to Mr. DeMontrond.

MOTION NO. 2010-2

Chairman Wolff called for consideration of the Summary Agenda, which included Agenda Items 6, 7, 8, and 9. Board Member Stewart moved for approval of the Summary Agenda. Board Member Fontaine seconded the Motion and all Board Members present voted in favor of the motion to approve the Summary Agenda.

RESOLUTION NO. 2010- 1

Authorizing and directing the President & CEO to execute and deliver a contract with Cummins Southern Plains, LLC for the purchase and deliver of Cummins Engine parts.

RESOLUTION NO. 2010- 2

Authorizing the President & CEO to execute and deliver a modification to Contract CT0500027 with First Transit to exercise the option year for operation of METROLift services and maintenance of METROLift vehicles.

RESOLUTION NO. 2010-3

Authorizing the President & CEO to execute and deliver a contract for the purchase of 72 mobile electric column post lifts.

RESOLUTION NO. 2010- 4

Authorizing the President & CEO to execute and deliver a contract modification with 2Plus of Texas, Inc. to extend the contract period for operation of the Regional Vanpool Program

MOTION NO. 2010- 3

Chairman Wolff called for Board Member Ballanfant to present Agenda Item 5. Board Member Ballanfant moved that the Board of Directors approve the proposed Fiscal Year 2010 Section 5307 Program of Projects. Board Vice Chairman DeMontrond seconded the motion and all present voted in favor. The motion passed unanimously.

RESOLUTION NO. 2010- 5

Approval of FY2010 Section 5307 Program of Projects.

MOTION NO 2010-4

Chairman Wolff called for Board Secretary Freeman to present Agenda Item 10. Board Secretary Freeman moved that the Board of Directors authorize the conveyance of two properties to Union Pacific Railroad. Board Vice Chairman DeMontrond seconded the motion and all present voted in favor.

RESOLUTION NO. 2010- 6

Approving the grant of property rights to Union Pacific Railroad for two parcels of land and authorization for the President & CEO to execute and deliver all necessary documents to effectuate the approvals under this Resolution.

There being no other matters to come before the Board for its consideration, the meeting adjourned at 2:43 p.m.

The next regularly-scheduled Board Meeting is scheduled for February 18, 2010, at 1 p.m.

Respectfully submitted,



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Pauline E. Higgins  
Senior Vice President and General Counsel  
Metropolitan Transit Authority of Harris County, Texas