

MINUTES
METROPOLITAN TRANSIT AUTHORITY
BOARD OF DIRECTORS
REGULAR BOARD MEETING
FEBRUARY 22, 2007

The regularly scheduled monthly meeting of the Metropolitan Transit Authority Board of Directors was called to order at 1:22 p.m. by Chairman David S. Wolff. Vice Chairman Gerald Smith, Board Secretary Jackie Freeman, and Board Members Carmen Orta, Rafael Ortega and C. Jim Stewart, III were present and constituted a quorum. (Board Member George DeMontrond, III arrived at 1:28 p.m. Board James W. E. Dixon, II arrived at 1:53 p.m.)

As the first order of business, Chairman Wolff called for approval of the Minutes of the Regular Board Meeting of January 25, 2007. Vice Chairman Gerald Smith moved approval of the Minutes. Board Member Stewart seconded the Motion and all Board Members present voted in favor.

MOTION NO. 2007 – 4

Chairman Wolff then asked that Burt Ballanfant come forward to be sworn in as a Member of the Metropolitan Transit Authority Board of Directors.

After administering the Oath of Office, Chairman Wolff stated that Board Member Ballanfant graduated from Lamar High School, and the University of Texas Law School. He joined the U. S. Attorney's Office where he twice was named Outstanding Assistant United States Attorney. Board Member Ballanfant served four years as Mayor of the City of West University Place, and joins the METRO Board by unanimous vote of the multi-city Mayors. Chairman Wolff stated how he looks forward to working with Board Member Ballanfant as METRO continues to address the transportation concerns of the multi-cities and expand service to other municipalities.

Board Member Ballanfant stated that he has an affinity for mass transit, having used it in Washington, D. C., San Francisco and in Europe. He stated that he has been a user of the local transit system for over thirty years. Board Member Ballanfant complimented the contributions of previous METRO officials. He stated that he looks forward to working with the current Board and praised its members for their business-liked approach to METRO's programs. He expressed his commitment to the implementation of a sensible and cost efficient mobility plan.

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Board Member Stewart then explained that METRO's by-laws provide for the annual election of Officers for the Board of Directors. He moved re-election of David S. Wolff as Chairman; Gerald Smith as Vice-Chairman; and, Jackie L. Freeman as Secretary to the Board. The Motion was seconded by Board Member DeMontrond, and all Board Members present voted in favor. (Board Member Dixon was not present for the vote on this matter.)

MOTION NO. 2007 – 5

Chairman Wolff 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. Ms. Lisa McChristian – of the American Diabetes Association; thanked METRO for its employees' participation in fundraising events for the Association. METRO employees raised over \$80,000.00.

2. Ms. Lynnette Tello – a resident of the Silverdale neighborhood; thanked METRO staff for their responsiveness to neighborhood concerns. She expressed support for the North Corridor transit improvements and the proposed Catherine Street station.

Chairman Wolff thanked Ms. Tello and others for continuing to voice their support.

3. Mr. Jerry Asher – asked if there is a formal training program for bus operators. David Feeley, Senior Vice President of Operations, explained the new passenger training program.

Mr. Asher stated his belief that the fare re-structure is actually a fare increase, and patrons need more information about its implementation.

President & Chief Executive Officer Frank J. Wilson explained that the basic fare will remain \$1.00. A number of discount passes will be eliminated. The fare adjustments will begin with the start of the Smart Card program. The Smart Cards are currently undergoing testing before they will be distributed to patrons. Mr. Wilson stated that METRO will conduct an educational campaign that will include information about the fares and the use of the Smart Card.

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Mr. Wilson stated that senior citizens will continue to receive 50% discounts.

4. Mr. Mark Hogue – requested additional bus service for the 53 and 82 routes.

5. Mr. Barry Klein – of the Houston Property Rights Association; believes that METRO's current transportation plans are different from those described in the ballot language for the 2003 referendum. Mr. Klein also questioned how the sale of bonds, notes and other obligations, as approved by the voters, will fund the METRO Solutions plan.

Chairman Wolff explained that METRO has various sources of income, such as federal funds and sales tax revenues. He also noted that METRO enjoys a unified congressional delegation that is supportive of the program.

6. Ms. Maria Porras – requested bus service on Sundays for Bus Route #6. She explained that she works at Second Baptist Church, and other routes are a considerable distance from her destination.

Mr. Wilson explained that ridership for this route is generally low, although it is possible that the low ridership is attributable to the need for extended hours of service. METRO is reviewing whether extended hours might promote improved performance.

Chairman Wolff suggested that the Church might be able to provide some assistance.

7. Mr. Gary Lee – expressed concern about the Southeast Corridor alignment and its impact on residential property near the University of Houston.

Todd Mason, METRO's Vice President of Real Estate Services, directed his staff to meet with Mr. Lee to address his concerns.

8. Mr. Allen Baker – complained of poor bus service, bus operator break times and the lack of trash receptacles at all bus stops.

9. Mr. Hartwell Remsburg, Jr. – stated that rail stations should provide more protection from inclement weather. He stated that the shelters in the Galleria area are attractive but have little functional value.

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10. Mr. Tom Bazan – suggested that METRO pursue collection of funds from Siemens Transportation for stray current leakage. He expressed his belief that the existing METRORail line has been unsuccessful and predicted the failure of future extensions.

Mr. Wilson stated that METRO is, in fact, looking to Siemens Transportation for corrective action. He explained how the METRO Solutions improvements will be constructed so that the private sector partner bears more risk and assumes greater responsibility for systems performance.

Mr. Bazan expressed his continuing concerns about the effects of stray electrical current, and voiced his agreement with Mr. Klein's comments regarding the 2003 referendum.

11. Mr. Edward Richardson – believes that the evaluation of alternative alignments for the University Corridor is flawed. He stated that the evaluations did not consider traffic congestion or the benefits of elevated rail.

Mr. Wilson explained that the cost effectiveness index, as used by the Federal Transit Administration, compares costs with ridership. An elevated rail line does not improve ridership and it is very costly. Other factors were also evaluated, including traffic analyses.

Mr. Richardson requested "level of service calculations."

Chairman Wolff explained that the transit improvements for the Richmond Avenue alternative do not negatively impact vehicular traffic. He added that METRO has considered Mr. Richardson's suggestions. Mr. Richardson was reminded that the transit improvements will likely improve traffic flow by enabling a substantial decrease in the number of buses needed to meet transportation needs.

12. Mr. Joseph Charles – requested the return of an ADA paratransit disability card and certain stolen property.

At the conclusion of the public comments, Chairman Wolff called upon Mr. Wilson for the President & Chief Executive Officer's Business Report.

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Mr. Wilson reported the successful completion of discussions for transportation service for the Houston Livestock Show & Rodeo. A contract has been executed which should form the basis for a long-term arrangement. Mr. Wilson also announced that funding for transit projects have been included in President Bush's budget. The minimum total available funding is \$72 million, although this amount could increase to \$372 million. METRO's North Line and Southeast Line could receive funding from this allocation. The environmental processes are complete, and both projects have been issued federal Records of Decisions. Mr. Wilson then complimented the Planning staff for their diligence in completing this federal process, and introduced Miki Milovanovic, Director of Capital and Environmental Planning.

Ms. Milovanovic introduced staff members Cindy Robinson, Larry Badon and Rhonda Boyer, whose hard work was vital to the success of their efforts. She also thanked other METRO departments and outside consultants for their contributions.

Mr. Wilson added that the federal process was completed in record time so that the project can remain on schedule.

Mr. Wilson reported that he recently spoke before a US congressional committee on the value of public/private partnerships for large transportation projects. The METRO Solutions project may be selected for participation in the federal government's public/private partnership pilot program. METRO's participation may enable project flexibility and efficiency.

Mr. Wilson concluded his report with a short video presentation of Transit Police Department activities.

As the next item for business, Chairman Wolff called for approval of the Summary Agenda, containing Agenda Items 9, 10, 11, 12, 13, 15, 16, 17, 18, 19 and 21. Board Member Stewart moved approval of the Summary Agenda. Board Member Orta seconded the Motion. All Board Members were present for the vote on this matter, and voted their unanimous approval. By way of Summary Agenda, the Board of Directors approved the following:

1. Authorization for the President & Chief Executive Officer to execute and deliver a contract with Battery Solutions for the purchase of batteries for METRO buses for an amount not to exceed \$459,733.14.

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2. Authorization for the President & Chief Executive Officer to execute and deliver a contract with ADA Resources, Inc. for multi-grade engine oil for buses for an amount not to exceed \$347,313.50.

RESOLUTION NO. 2007 – 4

3. Authorization for the President & Chief Executive Officer to execute a modification to the contract with Frank Russo Ltd. for Program Initiation Consultant Services in support of METRO Solutions Phase 2, to extend the period of performance and increase the maximum authorized expenditures under the contract by an amount not to exceed \$750,000.00.

RESOLUTION NO. 2007 – 5

4. Authorization for the President & Chief Executive Officer to enter into an inter-agency agreement with Houston Community College (HCC) for participation in the Public Safety Institute and the contribution of funding.

RESOLUTION NO. 2007 – 6

5. Authorization for the President & Chief Executive Officer to execute and deliver a contract with The Bigab Company, L. C. for inspection, rehabilitation and upgrade of traffic devices on the HOV lanes for an amount not to exceed \$1,899,660.60.

RESOLUTION NO. 2007 – 7

6. Approval of the broker/dealer list for Fiscal Year 2007.

RESOLUTION NO. 2007 – 8

7. Approval of investment pools and money market mutual funds.

RESOLUTION NO. 2007 – 9

8. Approval for Louise T. Richman to engage in banking transactions and the deletion of Francis Britton from the list of authorized personnel.

RESOLUTION NO. 2007 – 10

9. Approval of Louise T. Richman as an Investment Officer and the deletion of Francis Britton as an authorized Investment Officer.

RESOLUTION NO. 2007 – 11

10. Authorization for the President & Chief Executive Officer to negotiate, execute and deliver a requirements type contract with Atser LP, for Strategic Quality Assurance Oversight Services on METRO Solution, Phase 2, for an amount not to exceed \$1,250,000.00.

RESOLUTION NO. 2007 – 12

11. Authorization for the President & Chief Executive Officer to negotiate, execute and deliver a contract with 2Plus of Texas, Inc. for support services associated with management of a consolidated regional vanpool program for an amount not to exceed \$16 million.

RESOLUTION NO. 2007 – 13

Board Secretary Jackie Freeman moved that the President & Chief Executive Officer be authorized and directed to negotiate, execute and deliver a contract with Carter & Burgess, Inc. for engineering services and staff support for the high occupancy toll lane project, for an amount not to exceed \$3 million. Vice Chairman Gerald Smith seconded the Motion.

Board Member Rafael Ortega cautioned that METRO obtain the concurrence of TxDOT and the Harris County Toll Road Authority before selection of a vendor to do the actual work.

Mr. Wilson stated that METRO and TxDOT have been in discussions regarding this project for over a year. Information has been shared, although some project elements can be best defined through the solicitation process.

Chairman Wolff acknowledged that METRO must be sensitive to TxDOT. However, METRO can be aggressive to ensure that the project proceeds in a timely manner.

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Chairman Wolff then called for a vote. All Board Members voted to approve the contract with Carter & Burgess, Inc. except Board Member Ortega, who abstained. The Motion carried, 8-0-1.

MOTION NO. 2007 – 6
RESOLUTION NO. 2007 – 14

Board Member Carmen Orta moved that the President & Chief Executive Officer be authorized and directed to execute and deliver a contract with Thermo King of Houston for air conditioning compressors, for an amount not to exceed \$755,015.00. Board Member Demontrond seconded the Motion. All Board Members voted in favor except Board Member Stewart, who abstained. The Motion carried, 8-0-1.

MOTION NO. 2007 – 7
RESOLUTION NO. 2007 – 15

Board Secretary Freeman then moved that the President & Chief Executive Officer be authorized and directed to negotiate, execute and deliver an interlocal agreement with the City of Houston for participation in the Urban Corridor Planning Study, and contribute an amount not to exceed \$425,000.00 towards the cost of the study. The Motion was seconded by Board Member Ortega and all Board Members voted in favor.

MOTION NO. 2007 – 8
RESOLUTION NO. 2007 – 16

Board Member Dixon requested additional information about the various elements of the study.

Chairman Wolff responded that Dr. Carol Lewis, Chairperson of the City of Houston Planning Commission, previously discussed the Commission's goals and the purpose of the Urban Planning Study during the morning's Committee meetings. Additional information can be readily provided.

Board Secretary Freeman noted that Ms. Marlene Gafrick, Director of the City of Houston's Planning and Development Department, was present and invited her comments about the Study. Ms. Gafrick explained that an important component of the urban corridor planning process is to encourage transit development as well as create pedestrian friendly environments.

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Board Secretary Freeman then moved that the transportation juror program be designated as eligible for general mobility funding. Board Member DeMontrond seconded the Motion and all Board Members voted in favor.

MOTION NO. 2007 – 9
RESOLUTION NO. 2007 – 17

Board Secretary Freeman moved that the Board declare the public necessity to acquire a 9.76-acre parcel of property on Burnett Street as necessary for development of the Intermodal Terminal, and that the property be acquired by condemnation if negotiated purchase is unsuccessful. The Motion was seconded by Board Member Orta. All Board Members present voted in favor. (Vice Chairman Gerald Smith was not present for the vote on this matter.)

MOTION NO. 2007 – 10
RESOLUTION NO. 2007 – 18

As the next item for business, Board Secretary Freeman moved that staff proceed to conduct appraisals and negotiate with landowners for whole takes and pieces of parcels that have been fully identified as necessary for development of the Uptown, East End, North and Southeast Corridors. He further moved that the President & Chief Executive Officer negotiate, execute and deliver appropriate documents to acquire such property and provide the Board with reports on the status of the property acquisitions. The Motion was seconded by Board Member Stewart.

Board Member Rafael Ortega requested clarification of the acquisitions. Chairman Wolff explained that staff may proceed to acquire property that has been fully identified as fully necessary under any scenario.

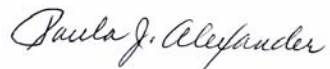
Chairman Wolff then called for a vote, and all Board Members present voted in favor. (Vice Chairman Smith was not present for the vote on this matter.)

MOTION NO. 2007 – 11
RESOLUTION NO. 2007 – 19

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There being no further matters to come before the Board for
consideration, the meeting adjourned at 2:57 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paula J. Alexander".

Paula J. Alexander
Assistant Secretary