

MINUTES  
METROPOLITAN TRANSIT AUTHORITY  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING  
January 22, 2009

Executive Session was held beginning at 12:08 and ended at 1:05. The regularly scheduled monthly meeting of the Metropolitan Transit Authority Board of Directors was convened and called to order at 1:20 p.m. by Board Chairman David S. Wolff. Board Members present were Mr. Gerald B. Smith, Vice Chairman; Mr. Jackie L. Freeman, Board Secretary; Mr. Burt Ballanfant; Mr. George DeMontrond, III; Mrs. Carmen Orta; Mrs. Trinidad Mendenhall Sosa; and Mr. C. Jim Stewart III. Board Member Bishop James W.E. Dixon, II was not present. The members present constituted a quorum.

MOTION NO. 2009-01

Board Chairman David Wolff convened the meeting and called for a motion for approval of the minutes of the regular board meeting of December 18, 2008. Board Member Sosa moved for approval of the minutes. The motion was seconded by Board Member DeMontrond. All Board Members present voted in favor and the motion to approve the December 18, 2008, minutes passed.

Board Chairman David Wolff called for the election of officers and designation of committee assignments. Board Member DeMontrond moved for the re-election of David S. Wolff as Board Chairman, Gerald B. Smith as Vice Chairman and Jackie Freeman as secretary of the Board. Board Member Sosa seconded the motion and all members present voted in favor. Mr. Smith moved to also elect and add Board Member DeMontrond as an additional Vice Chairman. Board Member Stewart seconded the motion. All Board Members present voted and the motion passed.

Board Chairman Wolff then called upon those members of the public who had requested to speak before the Board. The persons who signed up, who spoke, and the substance of their comments are as follows:

1. Mr. Tom Bazan: Mr. Bazan stated that he is opposed to any additional spending on the light rail without seeking another vote from the citizens in the service area. He also requested the release of reports concerning stray current. Chairman Wolff thanked Mr. Bazan for attending meetings and for taking an interest in what METRO is doing. He stated that an agreement had been reached with the leadership of the Texas Medical Center to resolve the stray current issue. Mr. Wolff stated that it is quite clear that there are no current damages caused by stray current, but that it was something that METRO will continue to monitor. Mr. Bazan stated that he will continue to fight for the abused bus transit-dependent riders. Mr. Wolff disagreed with Mr. Bazan's characterization of "abused transit-dependent riders." The Chairman noted, affirmatively, that METRO cares very much about the people who

ride the bus and that METRO has a program underway to purchase 100 new buses a year, expand the Park & Ride lots, the Signature Quickline bus service and many other projects in order to improve bus service. Mr. Bazan congratulated METRO on the implementation of the METRO Q Card. Mr. Wolff stated that it was the most successful introduction of a Q Card anywhere in the country.

2. Mr. Peter Wang: Mr. Wang stated that he appears before the board as a representative of Bike Houston. He stated that the biking community would like to continue working with METRO to improve mobility and the environment in Houston. Mr. Wang thanked METRO for allowing bikes on the train after 7:00 p.m. and asked that METRO allow bicycles on the train in the early morning hours as well. Mr. Wang further stated that they would like clarification as to when bike racks will be installed on the articulated buses and the allowance for the boarding of commuters with folding bicycles on the articulated buses. Mr. Wang asked that METRO work with the City's, very proactive, new bicycle and pedestrian program director. Mr. Wang also suggested that METRO offer free public training on how to use bikes on buses. Chairman Wolff commended Mr. Wang on his ideas and asked for the President & CEO to comment. Mr. Wilson stated that the bike racks were on the entire fleet. However, the articulated buses were expected to be taken out of service. Mr. Wilson indicated that METRO would investigate the points made by Mr. Wang. Additionally, Mr. Wang, stated that there has to be more than 27,000 rides per year and he would work with the cycling community, collectively, to spread the word in order to be more effective in getting and finding potential users and ideas on what else can be done to effectively utilize the system. Mr. Wang stated that perhaps the bike boardings were being undercounted because he had reports that some persons are not counted by the bus operators who operate a manual tracking system on the bus. Mr. Wang also asserted that some of the routes had high usage because the bicycle racks are full and patrons cannot board.

3. Mr. Dominic Mazoch: Mr. Mazoch commended METRO on its recent posting of Fred the Safety Tread on the website, which is geared toward children. Mr. Mazoch suggested that METRO expand the character line, for example, by adding a character named Susie the Q Card to explain how the METRO Q Card works. Mr. Mazoch stated that he spoke to George Smalley about putting announcements on the buses as they enter the transit center so that current and potential passengers will become aware that METRO Airport Direct is available for their use.

4. Mr. Charles Perry: Mr. Perry stated that the transit center did not have any public restrooms and that concerns about use and safety can be addressed by the police and the transit center. Mr. Perry suggested better use of the interstates and that the rail should be designed to run on the interstate as is done in Atlanta. Mr. Perry requested a bus shelter at Canyon Road and Belfort. Mr. Wolff responded and informed Mr. Perry that METRO is working on the east line of the rail system on Harrisburg and is also working through the federal system to obtain funding for the north and southeast lines.

5. Ms. Georgina Albear: Ms. Albear spoke with the assistance of a Spanish language interpreter. Ms. Albear stated that the people who live on Gulf Park and West Montgomery would like an extension on route 64, Lincoln City circulator, so that they can go to the clinic at Acres Home. Ms. Albear informed that she has collected signatures from the community in support of the route 64 extension. Ms. Albear stated that Gulf Park Road had been closed. Chairman Wolff asked for staff member John Haley to respond. Mr. Haley stated that the bus route was modified because a connecting bridge had been removed by the city without METRO's knowledge. Mr. Haley noted that the route will be reevaluated for consideration based on ridership and cost criteria.

Chairman Wolff closed the public comment section of the meeting and asked Mr. Frank Wilson, President and CEO ("President"), to deliver his business report.

Mr. Wilson stated that he wanted to present an overview of the financial and management operations for the first quarter of this fiscal year. Mr. Wilson wanted to make an important observation before his financial and operations overview. He stated that from time-to-time the focus is on the fact that we provide a lot of effort that deals with people, starting with our own employees, but also expanding to our customers and our community. He stated that with respect to our obligations and responsibility to the community, sometimes our community is bigger than we think. He stated that a couple of weeks ago we received a request from the transit agency in Washington to provide METRO police for assistance with the Presidential Inauguration ceremonies and activities. He stated that the request was made nationally for the support of the transit community. Mr. Wilson stated that he discussed with the Chairman about sending a contingent of METRO officers to Washington to assist with the management of the expected large crowds, in general, and those who would be using the transit system. Mr. Wilson then asked Police Chief Thomas Lambert to introduce one of his colleagues who went to Washington and performed a very important deed and, as a result of the Houston METRO's police's actions, a woman's life was saved.

Chief Lambert stated that it is his honor to recognize one of METRO's top performers and one of the people who make our organization perform as well as it does. He stated that today we are fortunate to have amongst us a member of the METRO family, Officer Eliot Swainson. He stated that Officer Swainson was one of ten officers who were dispatched to Washington, D.C. Chief Lambert stated that Officer Swainson saved the life of a woman who had fallen on the rail line by pulling her to a safe area until the train passed. Chief Lambert further stated that Officer Swainson has been a member of the METRO police force for 15 years.

(A video of a news story, chronicling the life-saving story, nationally, was then shown)

Chief Lambert then presented a certificate of recognition signed by METRO's President & CEO which read: "In recognition and appreciation of the officer's life saving efforts." He thanked officer Swainson for his courage and quick response to save the life of a transit passenger while in Washington D.C. The President & CEO also thanked Officer Swainson for his assistance with, and management of, the record-setting crowds who utilized the METRO Rail system for the Presidential Inauguration.

The President continued his business report by stating that funding for the METRO Solutions program had moved a step forward by the receipt of a series of Letters of No Prejudice ("Letters") that allow METRO to spend funds and still be reimbursed for those expenses once the project is contractually committed. The President asserted that the five areas covered by the Letters are vehicles, utilities, completing the design, demolition/remediation, and early materials procurement. The President stated that the first one on the list, the procurement of the vehicles, has been approved for 29 vehicles valuing approximately \$50 million. The President noted that METRO should receive an answer on the final four items noted and that obtaining the Letters is a significant step. Further, the President highlighted that METRO has some work to do with respect to the risk assessment process for review by the Federal Transit Administration. This risk assessment is a normal part of the process. The President estimates that there is approximately sixty more days to finish the negotiations on the contract, which will be sent to the Federal Transit Administration. It is expected, the President stated, that all the work necessary to achieve the full funding grant agreement will be completed around midsummer/late fall.

Board Member DeMontrond asked if the reimbursement would come back in the form of a 50:50 or 100 percent reimbursement.

Mr. Wilson stated that the rate of reimbursement will be part of the discussion for the full funding grant agreement and the schedule is based on the assumption that the funds will be approved. Mr. Wilson also stated that there is another option for METRO and that is to monetize this through the economic stimulus bill that is now being negotiated and debated in Congress.

Mr. Wilson stated that the quarterly report presented to the Board contained a description of efforts that the Chief of Police and others have made to improve the safety and the safety exposure on the rail line. Mr. Wilson explained that METRO and the City of Houston collaborated to establish a plan to aid in the lowering of the accident rate. Mr. Wilson stated that the plan involved making signal changes at six intersections and locating officers at various intersections in order to reduce accidents. He stated that the results were that most of the incidents seen were left-hand-turn accidents that have, since November, been drastically reduced.

Mr. Wilson reported that the small business contracting efforts had resulted in the certification of almost 3,000 contractors, with half of those still active, and with 700 small businesses receiving business opportunities with METRO. Mr. Wilson highlighted that METRO had obligated approximately \$100 million on small and local businesses. Mr. Wilson stated that, with respect to our small business program, minority-owned and, small business enterprises are actively participating in METRO's small business program.

Mr. Wilson reported on the quality of METRO service by stating that there were increasing customer complaints on our service. Mr. Wilson articulated that there were various ways that METRO intervened through the transportation department, the union, the operators, and the management team to work on the issues about which we are

informed. Often times, Mr. Wilson noted, that customer complaints are a reflection of a morale problem in the organization. He went on to report that there was a 25 percent reduction of customer complaints for the First Quarter of FY09 as a result of this focus. Mr. Wilson stated that METRO is meeting its goals in all categories of complaints with the exception of bus overcrowding, and rail car overcrowding. He stated METRO will continue working on these issues.

Mr. Wilson reported that METRO endured an almost eleven-month state audit that looked at every aspect of METRO's business and operations. Mr. Wilson informed that the audit was uneventful with some observations on operating capabilities, fiscal responsibilities, and compliance with rules and regulations. The audit highlighted a few recommendations on how to improve the business, Mr. Wilson noted.

Mr. Wilson reported on METRO's commitment to increase the fleet of buses by 100 buses per year, including 102 MCI Suburban and 96 Orion Transit buses. He stated that one of the best impacts with obtaining these buses was the environmentally-sound technology, which will result in twenty (20) percent less consumption in fuel, better quality service for the customer, and lower maintenance costs.

Mr. Wilson reported that ridership for the first quarter of 2009 was not as robust as it was in 2008. This reduced ridership, Mr. Wilson noted, could be attributed to a loss in fare-paying customers who, in the past, took advantage of passes and who are now paying customers. Mr. Wilson reported on the outlined analysis of the effect of the quality of service, the METRO Q Card, gas prices, and unemployment on the ridership numbers. Mr. Wilson stated that METRO was observing and doing a thorough check of all of the qualitative effects of the factors cited above and their real impact on ridership.

Mr. Wilson also reported on the budget. He stated that METRO was ahead in terms of fares and that sales tax revenue is up. He also reported that there was a \$2.4 million dollar savings on labor/employment that was achieved by not filling 64 open positions, lowering overtime, and by having fewer people selecting health care coverage.

Mr. Wilson presented the expense report. He stated that the slow start to spending may be attributable to a slow start on contract services such as bus parts. He also reported that METROLift service requests have declined. He stated that General Mobility expenditures were not where they should be and that METRO has approximately \$105 million as carryover for all General Mobility recipients.

Mr. Wilson also reported that METRO had met its goal of 5,200 miles between break down and has increased the target to 6,000 miles. He also stated that rail accidents and bus accidents are below targeted goal. Mr. Wilson concluded his report by stating that the goals for security in the system had been met. However, Mr. Wilson noted, there are reports of vehicle break-ins at the Fannin South lot in the month of December, which happened on the same day.

This concluded the President & CEO's monthly report.

Chairman Wolff then called for consideration of the Summary Agenda containing Agenda Items 6, 7, 8, and 9. Board Member Freeman moved for approval of the Summary Agenda. Board Member Sosa seconded the Motion and all Board Members who were present voted in favor of the motion to approve the Summary Agenda.

MOTION NO. 2009-02

RESOLUTION NO. 2009-01: Authorization for the President & CEO to execute and deliver a contract with the Houston Chronicle for advertising services.

RESOLUTION NO. 2009-02: Authorization for the President & CEO to execute and deliver a one-year contract, with a one-year option, to provide office moving and reconfiguration services.

RESOLUTION NO. 2009-03: Authorization for the President & CEO to execute and deliver a requirements contract for the inspection and Rehabilitation/Upgrade of HOV Lane Devices (Static and Electrical/Automated in six METRO HOV Lane Corridors for a period of two years.)

RESOLUTION NO. 2009-04: Authorization for the President & CEO to execute and deliver a contract for data center services and maintenance support on the smart card system.

Chairman of the Board, David Wolff, called for Board Member Freeman to present a motion for consideration of Agenda Item Number 10.

Mr. Freeman stated that Agenda Item Number 10 was a request for the Board to authorize public hearings on the proposed purchase of certain properties for the construction of improvements for the METRO Solutions System Plan. Mr. Freeman moved for approval of the resolution. Board Member DeMontrond stated that his vote was conditioned upon the subject discussed in executive session. The motion was seconded by Board Member Orta, and all members present voted in favor of the motion to purchase certain properties for construction and improvements for the METRO Solutions System Plan.

MOTION NO. 2009-03

RESOLUTION NO. 2009-05  
Authorization for the President & CEO to have additional public hearings to acquire parcels along the North, East End, and Southeast corridors.

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January 22, 2009

There being no other matters to come before the METRO Board for its consideration, the meeting adjourned at 1:55 p.m. The next meeting is scheduled for February 19, 2009, at 2:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "P. Higgins".

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