

MINUTES
METROPOLITAN TRANSIT AUTHORITY
BOARD OF DIRECTORS
REGULAR BOARD MEETING
February 19, 2009

Executive Session was held beginning at 10:54 a.m. and ended at 11:15 a.m. The regularly scheduled monthly meeting of the Metropolitan Transit Authority of Harris County, Texas Board of Directors was convened and called to order at 2:04 p.m. by Board Chairman David S. Wolff. Board Members present were Mr. George DeMontrond, III, Vice Chairman; Mr. Jackie L. Freeman, Board Secretary; Mr. Burt Ballanfant; Mrs. Carmen Orta; Mr. C. Jim Stewart, III; Bishop James W.E. Dixon, II. Board Members Mr. Gerald B. Smith and Mrs. Trinidad Mendenhall Sosa were not present. The members present constituted a quorum.

MOTION NO. 2009-04

Board Chairman David Wolff convened the meeting and called for a motion for approval of the minutes of the regular board meeting of January 22, 2009. Vice Chairman DeMontrond moved for approval of the minutes. The motion was seconded by Board Member Stewart. All Board Members present voted in favor and the motion to approve the January 22, 2009, minutes passed.

Board Chairman Wolff invited those members of the public who had requested to speak before the Board to the podium for the presentation of his or her comments. The persons who signed up, who spoke, and the substance of their comments are as follows:

1. **Dr. Carl Carlucci**: Dr. Carlucci, the Executive Vice Chancellor of the University of Houston ("University"), stated that the University wants METRO's assistance in order to get the student population to be frequent users of mass transit. He stated that the University, for two days, had a registration event on campus wherein 400 students signed up. Dr. Carlucci further stated that METRO had agreed to locate a card dispenser on campus so that students could purchase the discount student card. Additionally, Dr. Carlucci stated that the University would like to collaborate and work with METRO to create stations that will attract, and be convenient for, the students. Chairman Wolff thanked Dr. Carlucci and noted that METRO recognizes that the University is an important source of ridership for METRO. Chairman Wolff also highlighted the fact that the Board was committed to working with the University in order to ensure that proper service is given to the University.
2. **Ms. Sandra Burleson**: Ms. Burleson, the President of Local 260, stated that the labor agreement was modified by a margin of three to one. Ms. Burleson also stated that she has realized that one should always have open communication with one's colleagues. Ms. Burleson noted that Mr. Wilson visited the facilities

and communicated with the members about the labor agreement. In sum, Ms. Burleson indicated that the Local 260 is prepared to get back to business and make METRO one of the best bus companies in the United States.

3. **Mr. Edward Chiplin**: Mr. Chiplin signed up to speak, but he did not appear.
4. **Mr. Mark Hogue**: Mr. Hogue stated that he really liked the new 3600 series buses and inquired about when route number 32 was going to start. Mr. Wolff asked David Feely, Vice President of Operations, for comments. Mr. Feeley stated that the route number 32 service on Renwick was still under consideration.
5. **Mr. Leonard Rejcek**: Mr. Rejcek signed up to speak, but he did not appear.
6. **Mr. Paul Magaziner**: Mr. Magaziner stated that the FTA stated in a letter that "METRO appears to be retaining risk in a number of critical areas, such as finance, design, scope, price, escalation, and performance." He stated that the voters did not approve that equity in the system being given to third party Wall Street types. He also stated that the City of Houston unbilled commitment is around \$140 million today. Mr. Magaziner stated that the cost for the North and Southeast alignments would be about \$900 million each. Mr. Wilson advised that, with respect to the General Mobility Program, the City of Houston is satisfied. Mr. Wilson further noted that the numbers provided by Mr. Magaziner were greatly exaggerated. Mr. Wilson highlighted that METRO is confident that the FTA knows the program as well as METRO does and that the FTA is satisfied. Board Member Dixon stated that METRO is receiving supportive statements from the FTA with regard to METRO Solutions. Chairman Wolff advised that the Board will review the contract very carefully and takes its responsibilities very seriously.
7. **Mr. Barry Klein**: Mr. Klein stated that he is the President of the Houston Property Rights Association. He made it clear that he is opposed to the rail plan. He informed that METRO has only \$640 million of bonding authority and that there is a \$700 million shortfall on the cost of construction for all five corridors. Mr. Klein asserted that he believed that METRO would have to make up the short fall through higher property taxes, reinvestment zones, and a multi-government corporation as sources of revenue. Mr. Klein asked for a copy of the contract.
8. **Mr. Tom Bazan**: Mr. Bazan asked that the Board postpone approval of the contract with Parsons. Mr. Bazan is of the opinion that stray current damage continues to be generated by the Main Street Rail line. Mr. Bazan also contended that METRO's diversion of mobility resources away from those who favor urban rail is intentional discrimination. Mr. Bazan also requested another referendum. Mr. Wolff responded to Mr. Bazan's comments by saying that there is no damage from stray current. Mr. Bazan stated that METRO was abusing the poor, minority, elderly, and bus transit dependent riders. Board Member Dixon responded by saying that METRO was adding new buses every year and that the Board is tasked with blazing new trails in the area of transportation solutions for Houston. Board Member Ballanfant stated that as a member of the Board who

represents the multi-cities, he is satisfied with the current management of the General Mobility program. Mr. Ballanfant also stated that the extension for the filing with the Federal Transit Administration was caused by the inability of the FTA's computer system to accept METRO's filing and not by any fault of METRO.

There being no further comments from the public, 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 began his report by recognizing METRO Board Member Carmen Orta. He stated that the League of Latin American Citizens (LULAC) had recently celebrated its 80th Anniversary and that Carmen Orta was selected as LULAC's Woman of the Year. Mr. Wilson congratulated Mrs. Orta on receiving that honor.

Mr. Wilson also stated that he wanted to acknowledge an employee for her 25 years of public service to METRO. Mr. Wilson extended this acknowledgement and appreciation to Paula J. Alexander, Vice President of Corporate Development. Ms. Alexander thanked Mr. Wilson and the Board for their recognition.

This concluded the President & CEO's monthly report.

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

MOTION NO. 2009-05

RESOLUTION NO. 2009-06

Authorization for the President & CEO to negotiate, extend, execute and deliver modifications to contracts for land survey services with Baseline Corporation, Miller Surveying (formerly Clark-Romero Surveying), Cobb Fendley & Associates, Cotton Surveying, Landtech Consultants, and Terra Surveying.

RESOLUTION NO. 2009-07

Authorization for the President & CEO to negotiate, execute and deliver contracts with HVJ Associates, Inc. and with Terracon Consultants, Inc. for construction material testing services on an "as-required" basis.

RESOLUTION NO. 2009-08

Authorization for the President & CEO to execute and deliver a contract with Tejas office Products, Inc. for the purchase of office, imaging and pressroom supplies.

RESOLUTION NO. 2009-09

Authorization for the President & CEO to execute and deliver a contract with Analysts Service, Inc. for the laboratory testing and analysis of fluids, gases and waste fluids.

Chairman of the Board, David Wolff, called for Board Member Ballanfant to present a motion for consideration of Agenda Item Number 5.

Mr. Ballanfant stated that Agenda Item Number 5 was a request for the Board to authorize the purchase of All Risk Insurance policies from FM Global to provide protection for loss due to flood and wind, amongst other coverage. Mr. Ballanfant moved for approval of the resolution. The motion was seconded by Board Secretary Freeman and all members present voted in favor of the motion to purchase All Risk Property Insurance.

MOTION NO. 2009-06

RESOLUTION NO. 2009-10

Authorization for the President & CEO to execute and deliver a contract with FM Global for the purchase of All Risk Insurance Policies for protection of property damage and loss due to flood and wind, and other coverage.

Chairman of the Board, David Wolff, called for Board Member Stewart to present a motion for consideration of Agenda Item Number 11.

Mr. Stewart stated that Agenda Item Number 11 was a request for the Board to authorize the President & CEO to execute a collective bargaining agreement with Local 260, Transport Workers Union of America. Mr. Stewart moved for approval of the resolution. The motion was seconded by Board Member Dixon and all members present voted in favor of the motion to approve the labor agreement with Local 260, Transport Workers Union of America.

MOTION NO. 2009-07

RESOLUTION NO. 2009-11

Authorization for the President & CEO to negotiate, execute, and deliver a collective bargaining agreement with Local 260, Transport Workers Union of America, and to take other actions reasonable and necessary to implement the terms and conditions of the labor agreement.

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There being no other matters to come before the Board for its consideration, the meeting adjourned at 2:52 p.m. The next regularly-scheduled board meeting is scheduled for March 19, 2009, at 1:00 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "P. Higgins", written in a cursive style.

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