

MINUTES
METROPOLITAN TRANSIT AUTHORITY
OF HARRIS COUNTY, TEXAS
BOARD OF DIRECTORS
SPECIAL BOARD MEETING
FRIDAY, MAY 7, 2010

This Special Meeting of the Metropolitan Transit Authority Board of Directors was called to order at 2:05 p.m. by Chairman Gilbert A. Garcia. Vice Chairman Allen Watson, Board Secretary, Jackie L. Freeman, and Board Members Burt Ballanfant, Carrin Patman, Christof Spieler and C. Jim Stewart, III were present and constituted a quorum. (Board Members Dwight Jefferson and Trini Mendenhall-Sosa arrived shortly after the meeting convened into Executive Session.)

Chairman Garcia convened the meeting into **EXECUTIVE SESSION**, pursuant to the Texas Government Code to consult with its attorneys regarding pending or potential litigation, including Cause No. 2010-11963, Lloyd Kelley v. Frank J. Wilson, et al; and Cause No. 2010-24578; Pauline Higgins v. Frank J. Wilson, et al, legal matters in which the attorneys' duties are governed by the State Bar Code of Conduct, and deliberations on attorney services and consultant services for pending or potential litigation, in accordance with §551.071 of the Act; to deliberate the purchase, lease, exchange or value of real property pursuant to §551.072; and personnel matters including the employment of the Office of the President and CEO, pursuant to §551.074 of the Act.

Executive Session began at 2:07 p.m.

The Special Board meeting re-convened into public session at 4:20 p.m.

Board Secretary Freeman moved findings that, with regards to the lawsuit Pauline Higgins v. Frank J. Wilson, et al, Frank Wilson is being sued on matters related to the discharge of his duties and that METRO's payment of his legal fees serves a public purpose on a matter of public interest. He further moved findings that Mr. Wilson acted in good faith and within his official duties. Based on such findings, Board Secretary Freeman moved that the Board authorize payment of Mr. Wilson's legal fees to the firm of Gibbs & Bruns, to cover his defense in the lawsuit Pauline Higgins v. Frank J. Wilson, et al. Such payment is to be restricted to this lawsuit, with the Chairman authorized to make other payment restrictions consistent with the discussions in Executive Session. Board Secretary Freeman further moved that the Chairman be authorized to make appropriate findings of public purpose and authorize payment of legal fees for any other METRO employee in the Pauline Higgins case and the Lloyd Kelley case, if deemed appropriate, under the terms and conditions discussed in Executive Session.

Minutes of the Special Meeting
of the Metropolitan Transit
Authority Board of Directors
May 7, 2010
Page Two

The motion was seconded by Board Member Spieler. Chairman Garcia called for a vote on the motion. All Board Members present voted in favor. The motion passed by unanimous vote.

MOTION NO. 2010 – 28
RESOLUTION NO. 2010-25

Board Member C. Jim Stewart stated that METRO has received notice of the resignation of President & CEO, Frank J. Wilson. Board Member Stewart acknowledged Mr. Wilson's leadership and service to METRO and expressed METRO's appreciation for his tremendous contributions to area mobility efforts.

Board Member Stewart moved that the Board accept Mr. Wilson's resignation and acknowledge his contributions to area mobility. He further moved that the Board authorize the Chairman to execute a mutual separation agreement with Mr. Wilson pursuant to the terms and conditions as discussed in Executive Session.

Board Member Carrin Patman seconded the motion. Chairman Garcia called for a vote on the motion. All Board Members present voted in favor.

MOTION NO. 2010 - 29
RESOLUTION NO. 2010-26

Chairman Garcia commented that Mr. Wilson has been honorable, as demonstrated by his love of METRO, the employees of METRO and the members of his senior staff. The Chairman further stated that Mr. Wilson has made significant concessions that will be distributed to the public and will be posted on the METRO website. The Chairman thanked Mr. Wilson and asked for any remarks.

Mr. Wilson noted that his predecessor had done a very fine job in bringing the Main Street light rail line as the start of our light rail system. He stated that even with those accomplishments, new leadership brings new direction and new energy. Mr. Wilson stated that new leadership, elected as well as appointed, has the ability to assemble a team to take the organization through successive steps. Mr. Wilson remarked that the process of evolution and change is natural, and that it is his hope that the accomplishments of the last six years will be a tremendous platform for success for moving forward. He also stated that he is hopeful that the momentum built during that time will be taken forward by this new Board. He remarked that when asked about his

legacy, he would have to say that it is not the new METRO Smart Card System, the signature buses, the collection of park and ride lots, or even buying new buses every year. He stated that he would say that his legacy is the 3,000 employees that enable METRO to achieve its mission. He stated that this Board is blessed to have 3,000 people who are committed, talented, energetic and creative. Mr. Wilson said that the future is promising and exciting. Mr. Wilson commended Congresswoman Sheila Jackson Lee for her strong support of METRO. Mr. Wilson concluded his remarks by saying that it has been an honor to serve these last six years with the 3,000 METRO employees.

Mr. Wilson exited the board room to a standing ovation.

Board Member Ballanfant commented that Mr. Wilson had earned everything for which he is being paid, and called attention to the fact that Mr. Wilson was receiving payment for his vacation time for the last six years and commended Mr. Wilson on all of the hard work he has done in accomplishing his goals.

Chairman Garcia called for consideration of any other matters.

Vice Chairman Allen Watson moved that the Board authorize the Chairman of the Board to negotiate, execute and deliver a contract of employment with Mr. George Greanias to act as METRO's President & CEO, with the customary duties and responsibilities inherent in that position. Vice Chairman Watson also moved that Mr. Greanias be added to the list of persons authorized to make transfers and withdrawals of funds from METRO's accounts, and authorizing the secretary to certify this action to any banking institutions in which METRO's funds are deposited.

Board Member Jefferson seconded the motion.

Before calling for the vote, Chairman Garcia noted that Mr. Greanias and U. S. Congresswoman Sheila Jackson Lee were in the audience and asked if they had any remarks. Mr. Greanias thanked the Board for the opportunity to serve the city and the region. Mr. Greanias acknowledged the huge challenge ahead, but noted that the incumbent Board Members, as well as the new Board Members are committed to the task. Mr. Greanias stated that he feels comfortable that whatever challenges we face in building additional 30 miles of rail, running the world's best bus system and becoming the single best customer service provider, that together, we can accomplish all things. Mr. Greanias thanked Mr. Wilson for his public service, and the Board for bringing METRO to this point. Mr. Greanias also stated that he hopes to take the efforts of METRO's 3,000 employees, and the goodwill and involvement of the community to build what our community deserves.

Congresswoman Lee thanked the Board for its public service and thanked Mr. Wilson for his service. She stated that Mr. Wilson has planted good seeds and has recognized that in transition there is opportunity to grow those seeds. Congresswoman Lee commented that Mr. Greanias is an excellent public servant who knows business and how to stay "on track" to get the job done. Congresswoman Lee remarked that the Secretary of Transportation has visited Houston and indicated that he will visit again. She also remarked that President Obama is committed to the METRO light rail system, and that federal funding is not in jeopardy. She noted that we have a good team that is going to work with the leadership in Washington to get the job done.

Board Member Christof Spieler remarked that he knows Mr. Greanias from his work on the Mayor's transition team. Mr. Greanias brings relevant experience to METRO. Board Member Spieler noted that Mr. Greanias has been in charge of finances of large public organizations, and has been a part of transforming the organizations and cultures of several companies. Board Member Spieler recalled that Mr. Greanias is a long-time supporter of light rail. He is a Houstonian and lives in the region.

Board Member Jefferson remarked that the message here today was that METRO is more than the man or woman who is head of it, but that it is the 3000 employees that are committed to its mission and goals.

Chairman Garcia called for a vote on Vice Chairman Watson's motion. All Board Members present voted in favor, except, Board Secretary Freeman who opposed. The motion passed.

MOTION NO. 2010-30
RESOLUTION NO. 2010-27

Chairman Garcia called for consideration of the next matter. Vice Chairman Watson moved that the Board of Directors authorize the Chairman to negotiate, execute and deliver a contract with an executive search firm to search for candidates for the position of President & CEO under the terms and conditions as discussed in executive session.

The motion was seconded by Board Member Stewart. Chairman Garcia called for a vote on the motion. All Board Members voted in favor of the motion. The motion passed.

MOTION NO. 2010 – 31

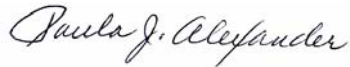
Minutes of the Special Meeting
of the Metropolitan Transit
Authority Board of Directors
May 7, 2010
Page Five

Chairman Garcia thanked the Board for spirited discussion. He commented that we all have the interest of serving Houston, Harris County, the multi-cities, the riders, the communities and all of the employees. He stated that it is METRO's goal to secure federal funds to complete its mission.

There being no other matters to come before the Board, a motion was made and duly seconded that the meeting be adjourned. All Board Members voted in favor and the meeting adjourned at approximately 5:15 p.m.

MOTION NO. 2010 – 32

Respectfully submitted,



Paula J. Alexander
Assistant Secretary