

MINUTES
METROPOLITAN TRANSIT AUTHORITY
OF HARRIS COUNTY, TEXAS
BOARD OF DIRECTORS
REGULAR BOARD MEETING
THURSDAY, OCTOBER 21, 2010

The Regular Meeting of the Metropolitan Transit Authority Board of Directors was called to order at 9:03 a.m. by Chairman Gilbert A. Garcia. Board Members Burt Ballanfant, the Honorable Judge Dwight Jefferson, Carrin Patman, Christof Spieler, Gary Stobb, Trini Mendenhall Sosa and Vice Chairman Allen Watson were present and constituted a quorum. Board Member C. Jim Stewart, III was absent.

As the first item for business, Chairman Gilbert A. Garcia called for a Motion for approval of the Minutes of the Regular Board Meeting of September 16, 2010 and the Special Board Meetings of August 31, 2010 and September 28, 2010. Board Member Spieler moved for approval of the minutes. The Motion was seconded by Judge Jefferson. All Board Members present voted in favor.

MOTION NO. 2010 – 72

As the next item for business, Vice Chairman Watson read into the record a resolution in recognition of Jackie L. Freeman. The resolution recognizes his service on the METRO Board as a representative of Harris County, his commitment to mass transit and regional mobility, and expresses gratitude for his many contributions to METRO and to the community.

Chairman Garcia called for a Motion for adoption of the resolution. Board Member Spieler so moved. The Motion was seconded by Board Member Sosa and all Board Members present voted in favor.

MOTION NO. 2010 – 73
RESOLUTION NO. 2010 – A

Chairman Garcia expressed his gratitude to Mr. Freeman and presented him with a commemorative gift.

Chairman Garcia then called for nominations for the Office of Board Secretary. Board Member Spieler nominated Board Member Stewart for the Office of Board Secretary.

There being no other nominations, Board Member Carrin Patman moved that the nominations be closed. Vice Chairman Watson seconded the Motion and all Board Members present voted in favor.

MOTION NO. 2010 – 74

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
October 21, 2010
Page Two

Chairman Garcia then called for a vote on the election of Board Member Stewart for the Office of Board Secretary.

All Board Members present voted in favor.

Chairman Garcia 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. Mr. Breland Davis – a former employee, requested reinstatement to the position of bus operator. Mr. Davis claimed that the circumstances leading to his dismissal stemmed from “identify theft” and the matter has been resolved.

Andy Skabowski, Senior Vice President of Service Delivery, stated that he will speak to the Director of Labor Relations for further review of Mr. Davis’ claims.

2. Mr. Percy Gonzalez – a business owner on Harrisburg, complained that on-going construction has disrupted local businesses. Mr. Gonzalez stated that he filed a claim for property damage due to the construction. The claim has been denied.

David Couch, Senior Vice President of Capital Programs, explained that the utility work along Harrisburg required the placement of barricades and detours. However, this work is proceeding as expeditiously as possible. Mr. Couch offered to speak to Mr. Gonzalez about his claim for damages. Mr. Couch further explained how insurance coverage is in place for claims such as those alleged by Mr. Gonzalez. However, much of his damage seems to have existed prior to the construction along Harrisburg.

3. Mr. Carl Sommer – presented a traffic study in support of his assertion that METRO’s construction and operation of light rail on Fulton Street will negatively impact traffic and businesses in the area.

Mr. Couch responded that METRO’s traffic study shows similar levels of traffic, with or without light rail.

Mr. Sommer explained that travelers experience difficulties when turning left and when proceeding in a southerly direction.

4. Ms. Helen Almendarez – requested Sunday bus service for the 88 Hobby route. She asked whether the additional service could be implemented if she presented METRO with signed petitions.

President & CEO, George Greanias, explained that ridership levels do not support Sunday bus service at this time. However, METRO is reviewing alternative service options for travel needs that cannot be served by a 40-foot bus. Mr. Greanias also referred Ms. Almendarez to Kimberly Slaughter, Senior Vice President of Service Design & Development, for more information.

5. Mr. Mark Hogue – questioned the operation of shuttles at the bus operators' relief points. He expressed his support for the earlier comments about the need for more weekend bus service and the construction on Harrisburg.

6. Ms. Lena Martinez – stated that METRO would reach a larger segment of the Spanish-speaking community by the placement of advertising in the Hispanic newspapers. She stated that her own newspaper has received little work under its advertising contract with METRO.

7. Mr. Mark Smith – stated that METRO's current fare policy is improperly administered and that the fare equipment often malfunctions. He complained that the procedures for obtaining the "70 plus Q-Card" are inconvenient for seniors. He requested re-issuance of the day pass, the weekly pass and the monthly pass.

Mr. Greanias explained that METRO's Q-Card Program is actually very successful, and lost cards can be replaced via the internet or by calling the customer care center. Mr. Greanias also expressed his personal interest in making sure that seniors have convenient access to the Q-Card.

8. Ms. Pamela Green – presented a petition, signed by community residents, seeking a bus stop near the Brays Crossing apartment complex on the southeast side of the Gulf Freeway.

At the conclusion of the Public comments portion of the meeting, Chairman Garcia called upon Mr. Greanias for the President & CEO's Business Report.

Mr. Greanias first gave a summary of the challenges addressed by the FY 2011 budget, including reductions in the METRORail Expansion Project. The overall 31% reduction in expenditures comes with the reduction or suspension of some contracts. Utility relocations will continue, but serious questions must be addressed in terms of the

Operations and Capital Program activities. Mr. Greanias shared the implementation of such cost reduction initiatives as the removal of printers and cancellation of the contract for watering of office plants. He repeated his pledge to keep the public apprised of the state of METRO, what METRO is doing and why. Mr. Greanias referenced the alternatives for METRO rail expansion that will be presented to the Board and the placement of "customer report cards" on the transit vehicles to receive customer feedback. He then called upon Terence Fontaine, Group Vice President, Business Services, for a summary of METRO's cost control initiatives.

Mr. Fontaine explained how cost savings ideas will be solicited from employees, evaluated by a working committee, scored, and depending on the score, referred to a steering committee and a final review before implementation. Mr. Fontaine presented videos that will be broadcast on-line to further encourage the submission of cost-saving ideas.

Mr. Greanias announced METRO's receipt of a 1st Place Award, during the APTA Conference, in the Print Media category for METRO's Quickline materials.

He also announced the appointment of Kimberly Slaughter as Senior Vice President of Service Design & Development, Andy Skabowski as Senior Vice President of Service Delivery, David Couch as Senior Vice President of Capital Programs, John Sedlak as Executive Vice President and Director of Strategic Partnering, and Thomas Lambert as Chief Administrative Officer.

Chairman Garcia then called upon Judge Jefferson for a brief report of the October 18 Finance Committee meeting. Judge Jefferson summarized the reports of the sales tax revenues, investments, construction and debt. The Committee recommended that the Board authorize execution of the General Mobility funding agreement with the City of Houston and that the solicitation materials for Underwriters and Bond Counsel be presented to the full Board for approval. The Committee also approved submission of METRO's Investment Policy to the Board for its annual review.

As the next item for business, Chairman Garcia called for consideration of Consent Agenda items which included Items No. 8, 9, 10 and 11. The Motion for passage of the Consent Agenda was made by Board Member Sosa and seconded by Board Member Spieler. All Board Members present voted to approve the items on the Consent Agenda

By way of the Consent Agenda, the Board of Directors approved the following:

1. Approval of the FY 2011 Investment Policy.

RESOLUTION NO. 2010 – 79

2. Authorization for the President & CEO to negotiate, execute and deliver a contract with TRC to develop a comprehensive Strategic Security Plan for an amount not to exceed \$575,000.

RESOLUTION NO. 2010 - 80

3. Authorization for the President & CEO to negotiate, execute and deliver a contract with Dell Corporation in the amount of \$1,728,644.

RESOLUTION NO. 2010 – 81

4. Adoption of a revised Drug and Alcohol Policy for Employees in safety-sensitive job functions.

RESOLUTION NO. 2010 – 82

Chairman Garcia then called for approval of changes to the standing committees in accordance with METRO's By-Laws. The Standing Committees will be the Finance/Audit Committee, the Customer Service Committee, the Capital Programs Committee, the People Committee and the Government/Public Affairs Committee. Vice Chairman Watson so moved. Board Member Spieler seconded the Motion. All Board Members present voted in favor.

MOTION NO. 2010 – 76

RESOLUTION NO. 2010 - 83

Chairman Garcia called upon Mr. Greanias for a summary of the next item for consideration by the Board. This item is the Board's approval of an agreement with the City of Houston for continued General Mobility funding. Mr. Greanias first confirmed METRO's support for the General Mobility Program. He then explained that there are two primary differences between the current arrangement and the proposed revised agreement. Language was removed that had been interpreted as making METRO's funding obligation subject to transit needs. The new revised agreement also removes the provision requiring a \$30 million contingency fund. Mr. Greanias explained that by

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
October 21, 2010
Page Six

moving to a cash basis, there is no longer a need for a contingency fund. In closing, he stated again that METRO supports General Mobility and will ensure that the program is properly funded.

Judge Jefferson then moved that the President & CEO be authorized and directed to execute and deliver the transportation improvement agreement with the City of Houston for continued funding for the General Mobility through September 30, 2014

The Motion was seconded by Board Member Sosa and all Board Members present voted in favor.

MOTION NO. 2010 – 77
RESOLUTION NO. 2010 – 84

At 10:35 a.m., Chairman Garcia convened the meeting into **EXECUTIVE SESSION**, pursuant to the Texas Government Code §551.071, §551.072, §551.074, and §551.0763 to consult with the Board's attorneys regarding pending or potential litigation, including Cause No. 2010-24578, Higgins v. Wilson, et al, legal matters in which the attorneys' duties are governed by the State Bar of Texas Code of Conduct; deliberations pursuant to the Act, to deliberate the purchase, lease, exchange or value of real property; personnel matters, security matters and devices, and legal issues regarding contract negotiations that may result in potential litigation.

The regular Board meeting re-convened into public session at 10:58 a.m.

There being no other matters to come before the Board, Vice Chairman Watson moved to adjourn. Board Member Spieler seconded the Motion. All Board Members voted in favor.

MOTION NO. 2010 – 78

The meeting adjourned at 10:59 a.m.

Respectfully submitted,



Paula J. Alexander

Assistant Secretary