

MINUTES
METROPOLITAN TRANSIT AUTHORITY
BOARD OF DIRECTORS
REGULAR BOARD MEETING
APRIL 24, 2008

The regularly scheduled monthly meeting of the Metropolitan Transit Authority Board of Directors was called to order at 1:07 pm by Chairman David S. Wolff. Board Members Burt Ballanfant, George DeMontrond III, James W. E. Dixon II, Carmen Orta, Trinidad Mendenhall Sosa and C. Jim Stewart III were present and constituted a quorum. Vice Chairman Gerald Smith and Board Secretary Jackie Freeman were absent.

As the first matter for business, Chairman Wolff called for approval of the Minutes for the Board Meeting for March 27, 2008. Board Member George DeMontrond moved approval of the Minutes. The Motion was seconded by Board Member C. Jim Stewart and all Board Members present voted in favor.

MOTION 2008-12

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. Mr. Clifton Casimire – complained again that bus operators failed to lower the front portion of the bus so that he could board.

Mr. David Feeley, METRO's Senior Vice President of Operations, explained that he had discussed this matter with Mr. Casimire. Drivers have been notified to exercise greater care to drive the bus closer to the curb or use the kneeling device to accommodate passengers with certain physical limitations.

2. Mr. Jerry Asher – complained that bus operators have engaged in social or personal conversations with passengers who are sitting or standing at the front of the bus. He voiced concern that such conduct might distract the bus operator's attention and interfere with his duties.

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3. President Joseph Charles – complained of conspiracies and the infiltration of the city and METRO by terrorist organizations. He also requested the return of a paratransit disability card and certain stolen property.

Mr. David Feeley explained that Mr. Charles was previously eligible for, and received, METROLift services due to a back injury. However, in 1997 METRO received information from Mr. Charles' physician that his medical condition had improved. Thus, Mr. Charles is no longer eligible for paratransit services.

4. Mr. Mark Hogue – suggested development of a Ride Store or transit center at Westheimer near Fondren. He also suggested more late night service on Route 53.
5. Mark Smith – complained that the new fare structure does not allow sufficient time for transfers. He stated that many destinations are not served by direct routes and require more travel time.
6. City of Houston Council Member Peter Brown – supports the role of transit to build a dynamic future for Houston. He explained how Houston transportation costs now exceed shelter costs. Much of this cost is due to vehicle miles traveled. Council Member Brown stated that rail transit is important to Houston's ability to compete with other international cities. Houston's options are to remain in the status quo, build more freeways or develop light rail transit. He urged METRO to take a more pro-active role as a regional transit agency, and that METRO continue to work with other public entities to keep Houston competitive in this global economy. Council Member Brown suggested that METRO consider expanding its role to include parking services and that METRO consider innovative financing for high speed rail service to the airports. He also suggested that METRO add attractive and modern-looking buses to its fleet.

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Chairman Wolff responded that the meeting agenda includes the acquisition of 100 hybrid electric buses. These new buses are environmentally-friendly and will result in fuel cost savings of 15% to 20%. Chairman Wolff also requested Council Member Brown's support with respect to recent discussions with the Menil Museum. The Museum has asked that METRO relocate a proposed rail station onto property closer to its buildings. The Museum owns certain property which would be needed in order to build the rail station at the suggested new location. Chairman Wolff suggested that Council Member Brown's input might be helpful as discussions with the Menil Museum proceed.

Chairman Wolff added that St. Thomas University has also provided suggestions for a station west of Montrose.

Board Member Dixon thanked Council Member Brown for his comments and expressed METRO's resolve to work with other entities to address the region's transportation problems.

At the conclusion of the public comment portion of the meeting, Chairman Wolff called upon Mr. Frank Wilson, METRO's President & CEO, for his Business Report.

Mr. Wilson delivered a summary of METRO's overall performance for the end of the second quarter. Mr. Wilson began his report with the announcement of the successful transition to the METRO Q Card as the principle fare media. The new fare structure did not cause a loss of ridership. Indeed, ridership and revenues have increased. No other transit property has successfully implemented a smart card system to the same extent as METRO. Today, some 70% of METRO's patrons pay for services with the METRO Q Card. Mr. Wilson explained the ease in which value can be added to the card.

Mr. Wilson reported that the installation of cameras on buses has acted as a deterrent so that system security has improved.

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The dissemination of information to the public has improved through upgrades to METRO's website. METRO has also initiated periodic "web-chats" for direct communications between METRO and the public through web-based technology.

Mr. Wilson commended the METRO Police Department Canine Corps for its 1st and 2nd place showings at a recent national competition. He also reported on the success of METRO's Rodeo which was attended by METRO employees and their families. Winners of the local events will prepare for the national competitions sponsored by the American Public Transit Association.

Mr. Wilson then showed a video news clip from Channel 11 which reported the increased use of METRO transit services in response to local traffic congestion and rising fuel prices. Persons interviewed for the news report touted cost savings, convenience, and comfort as major benefits which prompted their decisions to ride METRO buses rather than drive their personal vehicles to and from work.

Total ridership has increased 4%; fixed route ridership is up 6%; and, light rail ridership has shown significant increases since service began. METRO has improved its operating ratio and has continued to control expenses. Mr. Wilson specifically noted cost containments in the Operations Department. He further reported that General Mobility expenditures were "on target", although changes are to be made in the administration of the Program. METRO anticipates changing the mechanism of payment to the city of Houston from the current reimbursement method.

Mr. Wilson then summarized METRO's performance indicators and the more realistic method for measuring on-time performance. Traffic signalization is under review to determine any impact on vehicle accidents at the METRORail alignment. Customer complaints have been reduced. Moreover, METRO has begun a new initiative to get more input from the bus operators on ways to improve service and address problems that may impact performance.

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At the conclusion of Mr. Wilson's business report, Board Member Dixon asked how METRO might better address customer complaints about operator behavior. Mr. Wilson explained the importance of hearing both sides of a matter. By listening to the operators, management will be able to make better decisions that address the twin issues of employee morale and customer service.

Chairman Wolff then called for consideration of the Summary Agenda, containing Agenda Items 5, 6, 7, 8, 9, 10 and 11. Board Member Stewart moved approval of the Summary Agenda. Board Member Dixon seconded the Motion, and all Board Members present voted in favor.

MOTION 2008-13

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

1. Authorization for the President & CEO to execute a Master Lease Agreement and related documents in furtherance of the Master Lease Purchase Financing Program, and authorization to execute contracts with Rice Financial Products and RBC Capital Markets to serve as Underwriters.

Resolution 2008- 21

2. Authorization for the President & CEO to negotiate, execute and deliver a contract with Pfeiffer & Son, Ltd. for the operation, maintenance, and construction of METRO's traffic and transportation systems in the amount not to exceed \$15,000,088. for a period of five years.

Resolution 2008 - 22

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3. Authorization for the President & CEO to negotiate, execute and deliver a contract with HDR for General Planning Consultant resources for an amount not to exceed \$ 11 million.

Resolution 2008 – 23

4. Authorization for the President & CEO to execute and deliver contracts with Daimler Buses North American and with Motor Coach Industries for the purchase of 100 buses for a total amount not to exceed \$62,619,000.

Resolution 2008– 24

5. Authorization for the President & CEO to deliver a contract with HydraQuip Distribution, Inc. for the purchase of hydraulic pumps and parts for an amount not to exceed \$479,556.00.

Resolution 2008-25

6. Authorization for the President & CEO to negotiate, execute and deliver a modification to the Development Agreement, increasing the maximum authorized expenditures under the Development Agreement by a total amount not to exceed \$10 million. The additional monies will provide funding for pre-construction and management services as performed by Facility Provider subcontractors.

Resolution 2008-26

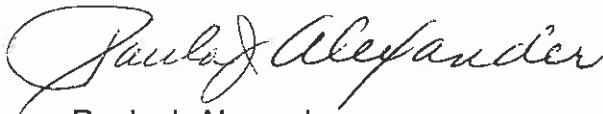
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7. The delegation of authority to the President & CEO to select a professional service firm, in accordance with Subchapter Q, Chapter 451, Texas Transportation Code, to observe the continued implementation of METRO Solutions, The President & CEO was further authorized and directed to negotiated, execute and deliver a contract with the re-elected firm for an amount not to exceed \$12 million.

Resolution 2008-27

There being no further matter to come before the Board for consideration, the meeting adjourned at 2:25 p.m.

Respectfully submitted,



Paula J. Alexander
Assistant Secretary