

MINUTES
METROPOLITAN TRANSIT AUTHORITY
OF HARRIS COUNTY, TEXAS
BOARD OF DIRECTORS
REGULAR BOARD MEETING
FEBRUARY 24, 2011

MOTIONS - 2011 - 11 to 2011 - 14
RESOLUTIONS - 2011 - 11 to 2011 - 16

Presiding- Chairman of the Board, Gilbert A. Garcia, CFA

Board Members Present:

Vice Chairman Allen D. Watson
(City of Houston)
Burt Ballanfart (Multi-Cities)
Honorable Dwight Jefferson
(City of Houston)
Trinidad Mendenhall Sosa (Harris County)
Carrin F. Patman (City of Houston)
C. Jim Stewart, III (Multi-Cities)
Christof Spieler (City of Houston)

Board Member Absent:

Gary Stobb (Harris County)

The Regular Board Meeting of the Metropolitan Transit Authority Board of Directors was called to order at 9:14 a.m. by Chairman Gilbert A. Garcia.

Chairman Gilbert A. Garcia called for a motion for approval of the minutes for the Regular Board Meeting of January 31, 2011. Board Member Spieler moved for the approval of the minutes. Board Member Stewart seconded the Motion. All Board Members present voted in favor.

MOTION NO. 2011 - 11

Chairman Garcia next called on the members of the public who had signed up in advance of the meeting to make their comments.

Public Speakers:

1. Mr. Paul Magaziner - No show
2. Mr. Lannec Lugo - Mr. Lugo, a bus operator, requested that his three- day suspension be rescinded.
3. Mr. Marvin Holmes - No show

4. Ms. Hilda Hyatt - No show
5. Mark Hogue - Mr. Hogue suggested changes to the bus service hours of operation and routes.
6. Mr. Joseph Charles - Mr. Charles asked for the return of his ADA bus pass and stolen property.
7. Mr. Mark Rodriguez - Mr. Rodriguez commented on the construction on Harrisburg related to the East End rail project. He requested that METRO send representatives to his neighborhood civic club.
8. Mr. Dwight Ned - No show
9. Mr. Sisto Amador - No show
10. Ms. Patricia Martin - Ms. Martin complained that she had been issued a citation for failure to present a validated fare pass.

Chairman Garcia then called on George Greanias, President & CEO, for his report.

Mr. Greanias reported on the following matters:

Valentine's Day Customer Appreciation Event - More than 12,000 thank-you cards were handed out to customers by employee volunteers.

Warming vehicles - Buses were stationed at 24 METRO transit centers to serve as warming areas during the occurrences of very cold weather. These vehicles were used by 10,000 of METRO's customers.

Federal Funding Budget - Fiscal Year 2010 included \$150 million for the METRORail Expansion Program and the budget that is currently before Congress includes another \$150 million for METRO. The President has added an additional \$50 million to the budget beginning in fiscal year 2011.

METRO has improved its relationship and communication with the Federal Transit Administration as evidenced by public comments made by FTA administrator, Peter Rogoff, who commended METRO on honest, straightforward and productive dialogue.

Texas Department of Insurance Award - METRO received the Higher Performer Award for its outstanding job in processing medical income benefits.

Annual American Advertising Association Award - METRO received the Gold Addy Award for advertising campaigns featuring major league soccer.

METRO Leadership Training Initiative - The President & CEO recently gave a seminar to METRO's managers on leadership and coaching skills.

Cleaning up METRO's Books - The President & CEO reviewed certain accounting changes that had been recommended by the Chief Financial Officer. These changes included putting the General Mobility Program on a cash basis. He also reported on dealing with the issue of impaired assets and the change in financial reporting practices. Finally, he reported that approximately \$168 million would be taken off METRO's capital assets.

Following the President & CEO's report, Chairman Garcia called for committee reports.

Board Member Ballanfant, Chair of the Capital Programs Committee reported that the committee recommended several agenda items for approval, including the purchase of 19 light rail vehicles and the coordination of construction activities in partnership with the City of Katy.

Board Member Stewart, Chair of the Customer Service Committee reported that there were three items on the agenda that the committee recommended for approval - a contract with Comcast for data communication; a contract with Dallas Area Rapid Transit for sharing of a disaster recovery center; all-risk insurance coverage for METRO's operating facilities.

Board Member Jefferson, Chair of the Finance/Audit Committee reported that the President's report included those financial items reviewed by the committee. He reported on the sales tax revenue, General Mobility payments, General Fund, Construction Fund, and METRO's Debt Service. He also reported that the committee was briefed on the scorecards and the passenger shelter plan.

Board Member Patman, Chair of the Government and Public Affairs Committee reported that the committee continues to monitor developments in the Texas Legislature and Congress that could affect METRO.

Vice Chairman Watson, Chair of the People Committee reported that the committee reviewed the on-going scorecard process, from the President & CEO to the staff level. He also reported that the committee received a detailed report on METRO's retirement and health programs.

Chairman Garcia then called for consideration of the Consent Agenda Items Numbers 7, 8, 9, 10 and 11. A Motion for the passage of these items was made by Board Member Stewart and was seconded by Board Member Mendenhall Sosa. All Board Members present voted in favor.

MOTION NO. 2011 - 12

By motion, as reflected in these minutes, the Board approved the acceptance of the monthly committee reports including the investment report and passed the following resolutions:

RESOLUTION NO. 2011 - 11: Authorizing the President & CEO to execute and deliver an interlocal agreement with the City of Katy, Texas to construct an extension to an underground water line along Katy-Fort Bend County Road.

RESOLUTION NO. 2011 - 12: Authorization for the President & CEO to execute and deliver a contract modification with Comcast for network connectivity.

RESOLUTION NO. 2011 - 13: Authorization for the President & CEO to execute and deliver a contract modification with Dallas Area Rapid Transit Authority for use of the disaster recovery center.

RESOLUTION NO. 2011 - 14: Approval to renew all-risk property insurance coverage and named-windstorm deductible buy down.

Chairman Garcia asked for a Motion for Item Numbers 12 and 13. Board Member Ballanfant moved for passage of these items. The President & CEO then gave a presentation on these two items.

Board Member Patman requested an amendment to the motion to add language that these resolutions were subject to an assurance by the Federal Transit Administration that these light rail vehicles could be used on other light rail lines. Board Member Ballanfant moved for approval of these two items with the amended language. Board Member Spieler seconded the motion. All Board Members present voted in favor.

MOTION NO. 2011 - 13

RESOLUTION NO. 2011 - 15: Authorizing and directing the President & CEO to execute and deliver an agreement with Utah Transit Authority to assign options for the procurement of 19 light rail vehicles.

RESOLUTION NO. 2011 - 16: Authorizing and directing the President & CEO to enter into a contract with Siemens Transportation for the procurement of 19 light rail vehicles.

At 10:54 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 11:19 a.m.

Chairman Garcia asked for consideration of Agenda Item Number 14. Board Member Jefferson moved for passage of this item. Board Member Stewart seconded the Motion. All Board Members present voted in favor.

MOTION NO. 2011 - 14

By motion and vote reflected in these minutes, the Board ratified the settlement of Higgins v. METRO, et al, Cause No. 2010-24578, 127th Judicial District Court, by paying for Plaintiff attorneys' fees in an amount not to exceed \$100,000.

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

The meeting adjourned at 11:21 a.m.

The date for the next Regular Board Meeting is Thursday, March 31, 2011 at 9:00 a.m.

Respectfully submitted,



Alva I. Treviño
Acting General Counsel and
Assistant Secretary