

MINUTES  
METROPOLITAN TRANSIT AUTHORITY  
OF HARRIS COUNTY, TEXAS  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING  
MARCH 31, 2011

MOTIONS - 2011 - 15 to 2011 - 22  
RESOLUTIONS - 2011 - 17 to 2011 - 31

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

Board Members Present:

Board Member Absent: None

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

The Regular Board Meeting of the Metropolitan Transit Authority Board of Directors was called to order at 9:00 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 February 24, 2011. Board Member Stewart moved for the approval of the minutes. Board Member Jefferson seconded the Motion. All Board Members present voted in favor.

MOTION NO. 2011 - 15

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. Pamela Green - Ms. Green requested a bus stop on the Southeast side of the Gulf Freeway.
  
2. Mark Hogue - Mr. Hogue suggested changes to the bus service hours of operation, several bus routes and an extension to Route 49.

5. Patricia Martin - Ms. Martin complained that she was issued a ticket which resulted in a warrant for her arrest. She also requested that she be given copies of her METROLift application and medical records.
6. Mark Smith - Mr. Smith commented that the METRO Q Card was unfair to users. He also requested another vote on light rail.
7. Mike McMahon - Mr. McMahon made suggestions to change the current bus route system.
8. Cynthia Brannon - Ms. Brannon is Executive Director of Compass, a non-profit social service agency. She asked that METRO consider a METRO money card as a day pass to better serve her clients.
9. Douglas Brown - Mr. Brown requested that he be reinstated in his job as a METRO bus mechanic.

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

Mr. Greanias reported on the following matters:

All employees, including those in service delivery, now have access to METRO's e-mail system.

Houston Livestock Show & Rodeo - METRO experienced the second highest ridership for this event, with more than 1 million boardings for this year's rodeo. METRO sold more than 120,000 fare wristbands for the Rodeo. In addition, Rodeo revenue was up 10% from last year augmented by the sale of wristbands at Reliant Park.

METRO Rodeo and Family Day - The event consisted of a bus-driving contest in which Vice Presidents participated, a customer service challenge for the bus operators and a barbecue cook-off and a chili cook-off.

NCAA Final Four - METRO employees will be volunteering as METRO ambassadors to assist in moving people to events at Discovery Green and Reliant Park.

Career Day - YES Prep Academy from Houston participated in a career day in which the students visited the facilities and were given career presentations to expose them to various career opportunities in the transit industry.

FY2011 - Budget Challenges - Included in the budget challenge for the next fiscal year is a \$19.3 Million fund balance, fuel hedge program, and changes to the capitalization policy to refine what is being capitalized. The President also reported positive gains in the sales tax revenue of 3% through February over last year's budget projections. The President also reported that Federal Grants are the subject of debate

at the Federal level. He also reported that METRO's capital needs will be a coming challenge to the budget.

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

Board Member Ballanfant, Chair of the Capital Programs Committee, reported that Item Number 9 on the agenda, On-Call contracts will be pulled from consideration for further discussion in committee.

Board Member Stewart, Chair of the Customer Service Committee, reported that there were seven action items on the agenda that the committee recommended for approval.

Board Member Jefferson, Chair of the Finance/Audit Committee, reported that there was an increase in the sales tax revenue. He also reported that his committee had carefully considered the FY2010 Financial Audit Report and recommended that the Board accept the report. He reported that along with the Audit Report, action items recommended for approval included a contract with Fulbright & Jaworski as bond counsel, approval of a pool of underwriters, and approval of the list of projects eligible for Section 5307 Federal Grant funding.

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

Chairman Garcia then called for consideration of the Consent Agenda Items Numbers 7, 8, 10, 11, 12, 13, 14, 16, 17, and 18. 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 - 16

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 - 17: Approval for authorization for the President & CEO to negotiate and execute a contract with Fulbright and Jaworski to serve as bond counsel for upcoming issuance of sales and use tax bonds and contractual obligations.

RESOLUTION NO. 2011 - 18: Approval of the FY2011 Section 5307 Houston Urbanized Area Formula Grant Program of Projects.

RESOLUTION NO. 2011 - 19: Approval for the President & CEO to execute an agreement with Fort Bend County for planning activities for a Missouri City Park & Ride.

RESOLUTION NO. 2011 - 20: Approval for the President & CEO to execute and deliver a contract with R7 Solutions for the purchase of a database to coordinate real estate information management.

RESOLUTION NO. 2011 - 21: Approval for the President & CEO to execute and deliver a contract for METROLift Transit Services.

RESOLUTION NO. 2011 - 22: Approval for the President & CEO to execute and deliver a contract for windshield wiper assembly parts.

RESOLUTION NO. 2011 - 23: Approval for an amendment to METRO's SBE/DBE Program to conform to U.S. DOT new standards and make provisions to adjust to meet those standards in the future.

RESOLUTION NO. 2011 - 24: Approval to amend METRO's Property Services Guideline to allow METRO to dispose of surplus, salvage, or obsolete assets, except for real estate, in conformity with Texas Government Code Section 2175.0001.

RESOLUTION NO. 2011 - 25: Approval for the President & CEO to execute and deliver a contract with Texas Transportation Institute for case study and technical assistance for CNG fueled buses in collaboration with Capital METRO of Austin.

RESOLUTION NO. 2011 - 26: Approval for the President & CEO to execute and deliver a contract with Cummins Southern Plains, Inc. to perform non-warranty repairs on buses.

Chairman Garcia asked for a presentation of the FY2010 Financial Audit to be made by John Kennedy of KPMG, LLC. Mr. Kennedy reviewed a presentation of the audit and presented a slide presentation of the overview of the audit findings.

Chairman Garcia then asked for a motion for the acceptance of the FY2010 Financial Audit Report, Item Number 19 on the agenda. The Motion was made by Board Member Jefferson and seconded by Board Member Mendenhall Sosa. All Board Members present voted in favor.

MOTION NO. 2011 - 17

RESOLUTION NO. 2011 - 27: Board acceptance of the FY2010 Audited Financial Report.

Chairman Garcia then asked for a motion on Item Number 20 on the agenda. The Motion was made by Board Member Jefferson and seconded by Board Member Spieler. Board Chairman Garcia abstained from the vote. All other Board Members voted in favor.

MOTION NO. 2011 - 18

RESOLUTION NO. 2011 – 28: Approval of a pool of underwriters for financing services and selection of a team of underwriters for upcoming issuance of sales & use tax bonds and contractual obligations, approval of the lead underwriter, approval of the co-underwriters, and approval of use of underwriters in the pool dependent on the size of the offering.

Chairman Garcia called for a motion on Item Number 21 on the agenda. Board Member Ballanfant made the Motion and it was seconded by Board Member Spieler. Board Member Watson abstained from voting. All other Board Members voted in favor.

MOTION NO. 2011 - 19

RESOLUTION NO. 2011 - 29: Approval for the President & CEO to execute and deliver a modification to a contract with TCB Transit for additional contracting authority in the amount of \$5.5 million for professional design services and extension of current contract completion date.

Chairman Garcia called for a motion on Item Number 22 on the agenda. Board Member Stewart made the Motion and it was seconded by Board Member Jefferson. All Board Members voted in favor.

MOTION NO. 2011 - 20

RESOLUTION NO. 2011 - 30: Approval for the President & CEO to execute and deliver a contract with Siemens Industry for the overhaul of Siemens S70 LRV center and power trucks.

Chairman Garcia called for a motion on item number 23 on the agenda. Board Member Spieler made the Motion and it was seconded by Board Member Watson. Board Member Stewart abstained from voting. All other Board Members voted in favor.

MOTION NO. 2011 - 21

RESOLUTION NO. 2011 - 31: Approval for the President & CEO to execute and deliver a contract with Stewart & Stevenson to perform non-warranty related repairs on buses for the expiring contract ending February 2011.

Chairman Garcia called for a motion for tabling Item Number 9 on the agenda. Board Member Patman made the Motion and it was seconded by Board Member Mendenhall Sosa. Board Member Spieler abstained from voting. All other Board Members voted in favor of tabling the item.

MOTION NO. 2011 - 22

At 11:00 a.m., Chairman Garcia convened the meeting into EXECUTIVE SESSION, pursuant to the Texas Government Code §551.071, §551.072, §551.074, and §551.076 to consult with the Board's attorneys regarding pending or potential litigation, 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 11:20 a.m.

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

The meeting adjourned at 11:21 a.m.

The date for the next Regular Board Meeting is Thursday, April 28, 2011 at 9:00 a.m.

Respectfully submitted,



---

Alva I. Treviño  
General Counsel and  
Assistant Secretary