

MINUTES  
METROPOLITAN TRANSIT AUTHORITY  
OF HARRIS COUNTY, TEXAS  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING  
JULY 26, 2012

MOTIONS - 2012 - 50 to 2012 - 59  
RESOLUTIONS - 2012 - 66 to 2012 - 74

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

Board Members Present:

Allen D. Watson, Vice Chairman  
(City of Houston)  
Burt Ballanfant (Multi-Cities)  
Honorable Dwight Jefferson  
(City of Houston)  
Carrin A. Patman (City of Houston)  
Christof Spieler (City of Houston)  
Gary Stobb (Harris County)  
Lisa Castañeda (Harris County)  
Cindy Siegel (Multi-Cities)

Board Member Absent: None

The Regular Board Meeting of the Metropolitan Transit Authority Board of Directors was called to order at 9:01 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 June 28, 2012. Vice Chairman Watson moved for the approval of the minutes. Board Member Siegel seconded the Motion. All Board Members present voted in favor.

MOTION NO. 2012 - 50

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:

Jogretta Williams - Ms. Williams spoke regarding her power chair that she says sustained damage on a METRO bus when a bus operator improperly secured it. Ms. Williams requested that her power chair be repaired.

Paul Magaziner - Mr. Magaziner spoke regarding METRO's finances, METRO's 2003 referendum, and the General Mobility Fund.

Lorsi Ekwere - Ms. Ekwere spoke regarding the METROLift service that she says was late in picking her up for her appointments, or did not show up at the designated location.

Tony Jones - Mr. Jones commented on the METROLift service and stated that METROLift customers should pay more for the service they receive, and appreciates METRO's efforts to increase service delivery. He also requested that the METROLift community meetings be held on Saturdays.

Daphne Scarborough - Ms. Scarborough spoke regarding the General Mobility Fund generally and stated that she appreciated METRO having public hearings to get public opinion on the General Mobility Fund.

Sam Akers - Mr. Akers spoke regarding METRO's finances, the General Mobility Fund, and the 2003 METRO Referendum.

Mark Hogue - Mr. Hogue requested expanded bus service on Sunday, and made suggestions for bus route service.

Horace Marves - Mr. Marves, newly elected President of Local 260 of the Transportation Workers Union, introduced himself to the Board and stated that he was committed to working with management to improve METRO service.

Dan Barnum - Mr. Barnum spoke regarding the METRO Referendum ballot language and requested the discontinuance of the diversion of transit monies to non-transit projects.

Janis Scott - Ms. Scott requested that METRO include certain points of interest and destinations on the printed METRO bus route information.

Dominic Mazoch - Mr. Mazoch requested that the schedules for the committee meetings be sent out earlier so that the public has the opportunity to attend.

Chairman Garcia then called on George Greanias, President & CEO, for the President & CEO's report.

Mr. Greanias reported on the following matters:

- Community Meetings - Mr. Greanias reported that he had attended 48 community events and 41 community meetings as part of his outreach efforts as President & CEO.
- METRO Transit Academy - Mr. Greanias reported that the second class of the METRO Transit Academy has started, and spoke regarding the participants in the class and the projects they are expected to work on.
- Partnership Efforts - Mr. Greanias reported on a partnership with the Downtown Management District to bring the Green Link Service to the Downtown area.

- Community Service - Mr. Greanias reported on METRO employees' initiative to collect items and donations for the Star of Hope and the Bike for Hope event which raised money for the Women's Shelter.

Chairman Garcia called on the Chairs of the METRO Board Committees to give their reports.

Board Member Burt Ballanfant, Chair of the Capital Programs Committee, stated that he did not have a committee report.

Board Member Cindy Siegel, Chair of the Customer Service Committee, stated that she did not have a committee report.

Board Member Jefferson, Chair of the Finance/Audit Committee, reported that sales tax revenues are up 12% from last fiscal year.

Board Member Patman, Chair of the Government/Public Affairs Committee reported that Kathy Wilkes, a member of METRO's Washington D.C. government affairs team had recently passed away. Ms. Patman acknowledged Ms. Wilkes' public service and expressed her condolences to Ms. Wilkes family.

Chairman Garcia then called for a presentation on the activities of HDR, METRO's general planning consultant. The report was presented by Ms. Janet Kennison.

Chairman Garcia announced that Item Number 7 on the agenda - a presentation on the impact of METRO's fare restructuring would be tabled for discussion until a later board meeting.

Chairman Garcia then called for consideration of Item Number 8 on the agenda - the establishment of the process for submittal of ballot proposals to seek local determination of continuance of the General Mobility Program. Board Member Siegel made a motion for approval of the process and Board Member Spieler seconded the motion. All Board Members present voted in favor.

MOTION NO. 2012 - 51

RESOLUTION 2012 - 66: Approving the process for submitting and determining ballot proposals to seek local determination by voters regarding METRO's continuing support after September 30, 2014 for improvements of the types as described and authorized under Section 451.065 of the Texas Transportation Code

Chairman Garcia and General Counsel Treviño then drew the order of Board Members that would be presenting their respective proposals. In order of the drawn names, the Board Members presented the proposals.

Board Member Ballanfant submitted the following ballot proposal with Board Members Stobb, Siegel, and Castañeda joining:

Shall Metro continue to dedicate 25% of METRO's sales and use tax revenues for street improvements and related projects, as authorized by law and with no increase in the current rate of METRO's sales and use tax.

Chairman Garcia submitted the following ballot proposal:

Shall METRO continue METRO's General Mobility Program at the fiscal year 2014 amount through 2030 or

Shall METRO continue METRO's General Mobility Program for all jurisdictions to get 25% of METRO sales tax revenue collected within their jurisdictions through 2030.

Vice Chairman Watson submitted the following ballot proposal:

Increase METRO's bonding limit to \$200 million for the express purpose of partnering with any local agency or state created authority to plan, design and construct non-rail transit projects. Partnering agencies must commit a minimum of 15% to the projects construction costs. Continue the General Mobility Plan funding at a minimum of 25% of METRO's annual tax revenues received during METRO's 2014 Fiscal Year. The funding will remain at the fixed/capped level until September 30, 2030. Allocation of funds shall be renegotiated with METRO's partners, similar to current allocations, but no less than 23% of the one cent sales tax collected in a city of unincorporated area. Develop and implement a user fare plan that improves point of sale technology and allows users to manage usage and maximize transfer benefits. The plan shall include Board approval for fare changes necessary to implement technology improvements and adjust for other variable costs of operation and maintenance.

Board Member Jefferson submitted the following proposal:

Voters Choose A or B:

- A. Should METRO continue transfer of the General Mobility program, setting aside 25% of its one cent sales tax for road projects in the City of Houston, Harris County and the multi-cities.
- B. Should METRO discontinue the General Mobility program, retaining full use of the one cent sales tax for transit purposes.

Board Member Spieler submitted the following proposal:

- The General Mobility program shall continue at exactly 25% of METRO's sales tax for another 5 years to 2019, thus doubling the voter approved term. Each member jurisdiction shall be allocated 25% of the sales tax collected within its jurisdiction to spend on any transportation projects authorized by the State transportation code.
- METRO's sales tax bonding authority shall be increased by \$640 million, thus doubling the voter-approved authority. Bonds may be issued only based on the 75% of METRO's sales tax currently allocated to transit

purposes, and may only be issued if METRO is in a financial position to uphold all other terms of this referendum.

- METRO shall continue work on the last of the four first-phase lines in the 2003 referendum, from Wheeler Station to Hillcroft Transit Center via Greenway Plaza, with future connections to Uptown, along a combination of Richmond and Westpark. To recognize the benefit to the City's infrastructure from this project, the roadwork, utility and right-of-way portion of this project (but not the transit facility itself) will be funded from the City of Houston's allocation of General Mobility.
- Until 2019, METRO shall not decrease the level of bus service (measured in yearly revenue hours) excluding service funded by contract below the FY 2012 level.
- Until 2019, METRO shall not raise bus or rail fares.
- METRO shall hold a third referendum by 2019 laying out a plan for the next phase of transit expansion and a proposal for the future of the General Mobility program. If this second referendum does not pass, the Board shall not build any more rail lines other than those currently under construction, and shall cease General Mobility payments, instead placing 25% of METRO's sales tax into an escrow fund, until voters do pass a referendum on future transit expansion and General Mobility.

Board Member Patman submitted the following ballot proposal:

Shall METRO dedicate 25% of METRO's sales and use tax revenues through September 30, 2016 to street improvements and related projects as authorized by Section 451.065 of the METRO Act, with no increase in the current rate of METRO's sales and use tax, with METRO to call an election before September 30, 2016, for improvements of the types described in Section 451.065 of the METRO Act.

Chairman Garcia then called for consideration of Item Number 9 on the agenda - referring the ballot proposals as submitted by Board Members to the President & CEO and to direct staff to analyze and report on the effects of each proposal. Board Member Spieler made the motion, and Vice Chairman Watson seconded the motion. All Board Members present voted in favor.

MOTION NO. 2012 - 52

Chairman Garcia then called for consideration of the Consent Agenda Items Numbers 10, 11 and 13. The Motion was made by Vice Chairman Watson and seconded by Board Member Spieler. All Board Members present voted in favor.

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

MOTION NO. 2012 - 53

RESOLUTION 2012 - 67: Authorizing the assignment of FY 2012 Section 5307 Houston Urbanized Area Formula Grant program of projects and amounts to Harris and Fort Bend Counties, submittal of grant application, and administration actions as necessary to execute grant contracts

RESOLUTION 2012 - 68: Authorizing the President & CEO to authorize a modification to the METRORail Design-Build contract with Houston Rapid Transit for the design and purchase of carrier packet transmissions for the network rail extensions for an amount not-to-exceed \$692,162

Chairman Garcia then called for consideration of Item Number 12 on the agenda. Board Member Siegel moved for approval of Item Number 12 in two parts. Board Member Siegel moved for approval of the contract for Cummins engine parts with M&D Distributers. Board Member Spieler seconded the motion. Board Member Stobb abstained from a vote on this item. All other Board Members present voted in favor.

MOTION NO. 2012 - 54

RESOLUTION 2012 - 69: Authorizing the President & CEO to execute a contract with M&D Distributers for the purchase and delivery of Cummins engine parts

Board Member Siegel then moved for approval of the remainder of the contracts in Item 12 of the agenda for Cummins engine parts with Cummins Southern Plains, LLC, Performance Truck, Inc., and Mohawk MFG. & Supply Company. Board Member Spieler seconded the motion. All Board Members present voted in favor.

MOTION NO. 2012 - 55

RESOLUTION 2012 - 70: Authorizing the President & CEO to execute contracts with Cummins Southern Plains, LLC, Performance Truck, Inc., and Mohawk MFG. & Supply Company for the purchase and delivery of Cummins engine parts

Chairman Garcia then called for consideration of Item Number 14 on the agenda - to maintain operation and maintenance of METRORail operations in-house. Board Member Ballanfant moved for approval of the item. Board Member Siegel seconded the motion. All Board Members present voted in favor.

MOTION NO. 2012 - 56

RESOLUTION 2012 - 71: Ratifying the President & CEO's decision to keep the operation and maintenance of METRORail's expansion in-house

Chairman Garcia then called for a motion for the establishment of November 6, 2012 as the date for the referendum on the General Mobility Program. Vice Chairman Watson moved that November 6, 2012 be established as the date for the referendum on the General Mobility Program. Board Member Siegel seconded the motion. All Board Members present voted in favor.

MOTION NO. 2012 - 57

RESOLUTION 2012 - 72:

Determining November 6, 2012 as the date for an election that seeks local determination by voters regarding METRO's continuing support after September 30, 2014 for improvements of the types as described and authorized under Section 451.065 of the Texas Transportation Code

Chairman Garcia then called for consideration of Item Number 15 on the agenda. Board Member Ballanfant moved for approval of the item. Board Member Spieler seconded the motion. Board Member Stobb and Vice Chairman Watson abstained from the vote. Board Member Siegel voted against the item. All other Board Members present voted in favor.

MOTION NO. 2012 - 58

RESOLUTION 2012 - 73: Authorizing the President & CEO to execute and deliver a professional services contract with HNTB for design and design support services of the Hughes Underpass on the East End (Green) Line for an amount not to exceed \$5,505,000.00 and increase to limited notice to proceed to \$400,000.00.

At 11:58 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 12:52 p.m.

Chairman Garcia then called for consideration of Item Number 16 on the agenda. Board Member Ballanfant moved for approval of the item subject to the approval of General Counsel. Board Member Patman seconded the motion. All Board Members present voted in favor.

MOTION NO. 2012 - 59

RESOLUTION 2012 - 74: Approving an increase to the previously authorized job-order contract for the construction of the re-configuration at University of Houston by \$300,000 for an amount not to exceed \$1,500,000 subject to the approval of METRO's General Counsel

There being no other matters to come before the Board, Vice Chairman Watson moved to adjourn. The motion was seconded by Board Member Patman. All Board Members present voted in favor.

The meeting adjourned at 12:54 p.m.

The date for the next Regular Board Meeting is Thursday, August 30, 2012 at 9:00 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alva I. Treviño".

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Alva I. Treviño  
General Counsel and Assistant Board Secretary