RESOLUTION NO. 86-65

A RESOLUTION

REAFFIRMING AND RESTATING THE POLICY OF THE METROPOLITAN TRANSIT AUTHORITY ON PROVISION OF TRANSPORTATION SERVICES TO THE ELDERLY AND HANDICAPPED; AUTHORIZING AND DIRECTING THE IMPLEMENTATION OF THE POLICY; AND MAKING OTHER FINDINGS AND PROVISIONS RELATIVE THERETO.

WHEREAS, the Metropolitan Transit Authority of Harris County, Texas ("METRO"), from its inception, has committed to meeting the special transportation needs of the elderly and disabled with a demand-responsive transit service known as METROLift; and

WHEREAS, in response to the requests of several organizations representing disabled persons to provide wheelchair accessibility on mainline buses, the Board of Directors directed staff to conduct a study of elderly and disabled services provided by other transit agencies, with particular emphasis on those systems operating wheelchair lift-equipped mainline buses; and

WHEREAS, in addition to the staff study, the Transit Operations Committee has held several meetings where it received and considered comments and recommendations from members and representatives of the elderly and disabled community, including METRO's Advisory Committee for Elderly and Persons with Disabilities; and

WHEREAS, the staff has recommended to the Board of Directors that the special transportation needs of the elderly and disabled be served by an expanded METROLift program with particular emphasis on improving spontaneous trip responsiveness; and
WHEREAS, the Board of Directors, having considered all comments, reports and recommendations, is of the opinion that the special transportation needs of the elderly and disabled are not best served by making the mainline transit buses accessible to wheelchair users, particularly in view of the high costs, mechanical unreliability and low ridership commonly experienced by transit systems utilizing these devices; and

WHEREAS, the Board of Directors wishes to reaffirm and restate its commitment to and policy on provision of transit service to the elderly and handicapped;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. It is the policy of the Metropolitan Transit Authority of Harris County, Texas, to serve the special transportation needs of mobility-limited transit patrons and to comply with the United States Department of Transportation's regulations implementing Section 504 of the Rehabilitation Act of 1973 (49 C.F.R. §27.81 et seq.) by providing a special service system utilizing demand-responsive vehicles, including wheelchair lift-equipped vehicles. More specifically, it is the policy of the Metropolitan Transit Authority to:

a) Continue operation of the METROLift program as the primary and preferred alternative to serve the transportation needs of the mobility-limited population of the METRO service area;
b) Expand the METROLift Subsidy Program (MSP) funding and ridership levels, allocating special funding to serve wheelchair spontaneous MSP transportation; and

c) Periodically evaluate the cost efficiency and ridership effectiveness of the METROLift Program and make appropriate adjustments to service area and vehicle fleet size.

Section 2. METRO staff is hereby authorized and directed to implement this policy and to periodically report to the Board of Directors on the patronage, service effectiveness and costs of the METROLift program.

Section 3. This resolution is effective immediately upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:

Rene M. Gonzalez
Assistant Secretary

John J. King
Chairman of the Board
RESOLUTION NO. 86-66

A RESOLUTION

AUTHORIZING METRO STAFF TO PROCEED WITH ALTERNATIVES ANALYSIS AND DRAFT ENVIRONMENTAL IMPACT STATEMENT PREPARATION FOR THE SYSTEM CONNECTOR ELEMENT OF THE REGIONAL TRANSIT PLAN USING THE ALTERNATIVES AND THE ASSUMPTIONS AND METHODOLOGIES PRESCRIBED HEREIN; AND MAKING VARIOUS FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT.

WHEREAS, on April 24, 1986, the Board of Directors approved a summary work program for the performance of Alternatives Analysis and Draft Environmental Impact Statement preparation for the System Connector element of the Regional Transit Plan; and

WHEREAS, at a special Board meeting on May 30, 1986, METRO staff presented to the Board a range of alternatives for use in the Alternatives Analysis of the System Connector element of the Regional Transit Plan; and

WHEREAS, the staff has subsequently presented the assumptions or methodological approach to further developing, refining and applying assumptions used in forecasting future system ridership and operating costs for each of the alternatives; and

WHEREAS, the Board of Directors wishes to authorize proceeding with Alternatives Analysis and Draft Environmental Impact Statement preparation using the range of alternatives and the assumptions and methodological approaches described below;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:
Section 1. The Alternatives Analysis for the System Connector element of the Regional Transit Plan shall consider the following alternatives:

a. No Action Alternative - (this alternative shall be considered only for purposes of compliance with the National Environmental Policy Act and shall not be considered as the baseline alternative for cost and system effectiveness evaluation purposes).

b. Transportation Systems Management Alternative - (this alternative shall include a sufficient number of transit centers and dedicated access ramps to be comparable to the Ramp Busway and Light Rail Transit alternatives; this alternative shall be the baseline alternative for cost and system effectiveness evaluation purposes).

c. Ramp Busway Alternative.

d. Station Busway Alternative.

e. Light Rail Transit Alternative.

Section 2. The assumptions and methodological approach to developing, refining and applying assumptions used in forecasting future system ridership and operating costs as set out in the Regional Transit Plan, Phase II System Connector Alternatives Analysis dated May 29, 1986 is hereby approved for use by METRO staff in conducting Alternatives Analysis of the System Connector element of the Regional Transit Plan, and developing a Draft Environmental Impact Statement for said System Connector element.
Section 3. This resolution is effective immediately upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:

Rose M. Gonzales
Assistant Secretary

John J. King
Chairman of the Board
RESOLUTION NO. 86-67

A RESOLUTION

APPROVING AND ADOPTING LONG-RANGE PLAN FINANCIAL ASSUMPTIONS; AND MAKING VARIOUS FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT.

WHEREAS, on April 24, 1986, the Board of Directors approved a summary work program for the performance of alternatives analysis and draft environmental impact statement preparation for the system connector element of the Regional Transit Plan; and

WHEREAS, at a special Board meeting on May 30, 1986, METRO staff presented to the Board a report on various assumptions and guidelines proposed to be utilized in the alternatives analysis studies; and

WHEREAS, the Board of Directors wishes to approve and adopt the financial assumptions for use in the alternatives analysis of the system connector element of the Regional Transit Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The long-range plan financial assumptions and glossary of financial terms dated May 23, 1986 as attached hereto and incorporated herein are hereby approved and adopted for use by METRO staff in conducting alternatives analysis of the system connector element of the regional transit plan, and developing a draft environmental impact statement for said system connector element.
Section 2. This resolution is effective immediately upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:
Rose M. Gonzales
Assistant Secretary

John J. King
Chairman of the Board
Long Range Plan

Financial Assumptions

Glossary of Financial Terms

Special Board Meeting

May 30, 1986

Finance

May 23, 1986
LONG RANGE PLAN
FINANCIAL ASSUMPTIONS

REAL GROWTH AND INFLATION

The annual real growth rate is used to project the constant dollar increase in sales tax revenues. The annual inflation rate is used to reflect all revenues and costs in "day of expenditure or collection" dollars. Both of these variables are incorporated in the financial analysis model to determine the financial viability of the regional transit plan options.

Houston Economy

In order to project the direction in which Houston is moving, an understanding of Houston's current economic mix is important. The following represents some of the key issues of the "Handbook on the Houston Economy" and a March, 1986, presentation by Dr. Barton A. Smith of the Center for Public Policy at the University of Houston.

- Houston's economic base (those industries with economic activity that bring in outside dollars) is dominated by energy-oriented industries in manufacturing, mining, wholesaling and transportation.

- The secondary sectors of the economy, consisting of those industries whose sales are dependent on income generated within the region, include construction, utilities, communications, finance, real estate, insurance, retail trade, services and local government.

- The fact that 81% of the area's economic base is related to the exploration of oil and natural gas and to the production of fossil fuel products means that 81% of all employment is either directly or indirectly tied to these energy industries.

- Much of today's energy sector employment is in the manufacture of durable industrial goods used in exploration, transportation and production of fossil fuels - values, pipe, instruments, motors, drill bits, special vehicles and oil rigs. Employment in these industries is critically dependent upon continued growth in exploration.

- Growth in the economic base induces employment in the secondary sectors, but it takes time for either increases or decreases in the economic base to work their way through the entire economy.

- The ratio of secondary to base employment has soared to 2.5, 20 percent higher than in 1981.
The secondary sectors of the economy appear to be overextended by nearly 100,000 workers. Without a substantial increase in economic base employment, the economy should begin to experience further layoffs, this time in the secondary sectors.

The economic base is probably the most important barometer of economic health. Without gains in the economic base, the overall economy cannot continue to grow. An upturn in base employment will be the first sign of a real recovery in the economy.

Short Term Forecast

METRO continues to monitor the Houston economy due to the instability of the price of oil and the effects of that on population, employment, personal income, retail sales and inflation. New data is constantly collected and reviewed.

Primarily, data has been collected from the following groups: university-sponsored studies, economic research departments in local banks, forecasts from the State Comptroller's Office and the Texas Employment Commission, local individuals or groups who closely monitor the Houston economy, and federal agencies who collect data on metropolitan areas.

Data from those sources were reviewed and analyzed. By comparing the projections, it became evident that the experts differed in their assessment of Houston's economic future. Trend lines based on historical data were graphed to determine if there was a reasonable limit within which the projections should fall. But projecting the economy in this way proved difficult since the 1982-83 recession and the recent drop in oil prices have interrupted numerous trend lines and distorted relationships between local and national data. When the trend analyses did not yield sufficient conclusions, the qualifications of the sources were re-examined.

From the numerous sources contacted, four individuals were selected for use in the determination of the exact figures to be used for the short-range inflation and growth assumptions --- Dr. Ray Perryman of Baylor University Forecasting Service, Dr. Harold T. Gross of the Center for Enterprising at Southern Methodist University, Dr. Barton Smith of the Center for Public Policy at the University of Houston, and Dr. Edward L. McClelland of the Economic Research Department at RepublicBank. These four economists have previously studied Houston's economy and have the qualifications to make the projections. There remained, however, a "healthy divergence" of opinion. To achieve a rate for inflation and growth that was weighed by the input of all four economists, the forecasts from Drs. Perryman, Smith and McClelland were averaged. These annual averages were then reduced by one percentage point to account for Dr. Gross' pessimism, which he did not quantify.

On February 27 and 28, 1986, Drs. Perryman, Smith and McClelland were contacted for their current opinion in light of the continuing drop in oil prices. Dr. Perryman indicated that the short-term recession will continue
through the end of 1986, with a flat recovery perhaps in 1987. Dr. McClelland dropped 1% from his previous inflation rate data. He forecasted that gross regional product will be slower in 1987 and 1988 than he had previously predicted. He noted that stable oil prices would facilitate better forecasts. Dr. Smith believes that the recovery will be postponed six to twelve months because of the oil situation. 1986 will be the last leg of the recession, with the beginning of a significant contraction in the secondary sector of the economy (services, financial, etc.). By 1990, he thinks true recovery will be well under way with the diversification efforts beginning to have results.

The projections of these economists are on a calendar year basis, different from METRO's fiscal year (October 1 - September 30). In addition, METRO collects sales tax from the state two months after the tax is collected in the retail establishment. Due to these two timing factors and the continuing instability of the price of oil, METRO has delayed the economists' projections of real growth and inflation by a year.

The results of the latest quantification effort are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
<th>Inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>1988</td>
<td>.50%</td>
<td>1.60%</td>
</tr>
<tr>
<td>1989</td>
<td>.63%</td>
<td>2.00%</td>
</tr>
<tr>
<td>1990</td>
<td>1.50%</td>
<td>2.75%</td>
</tr>
<tr>
<td>1991</td>
<td>1.75%</td>
<td>3.50%</td>
</tr>
</tbody>
</table>

METRO continues to review the economic climate of the Houston area. The most current information will be used in projecting the real growth and inflation factors for incorporation in the financial analysis model.

METRO's financial advisor, Public Financial Management, Inc. (PFM) has reviewed our process of determining short-range growth and inflation factors and has indicated that this process is reasonable (attached letter dated March 7, 1986).

Long Term Forecast

The growth rate for the remainder of the capital implementation plan is 2% a year. PFM has indicated that this assumption is reasonable. Regarding the inflation rate for 1992 - 2010, PFM, in a letter dated December 9, 1985, stated that:

"METRO has been using 5% in its financial planning as the inflation assumption through program completion. While inflation has been much higher than this in fairly recent history, it has cooled considerably and become less volatile as of late. PFM"
recommends that METRO continue to use 5% as its inflation assumption, at least through the year 2000. Thereafter, at METRO's option and from the standpoint of a more conservative posture, PFM would recommend that METRO decrease this inflation estimate by 0.10% per year until 4% is reached. Thereafter it should be held constant."

The long range annual forecasts for inflation and growth of 5% and 2%, respectively, have been reviewed with the Tax Research Association, First City National Bank, Chamber of Commerce and Rice Center. These four entities have concurred that these assumptions appear reasonable.

These recommended inflation rates have been reflected in the model.

SALES TAX REVENUES

The most current projected sales tax for fiscal year 1986 will be the basis for calculating future sales tax revenues. This base is increased annually by the real growth rate and the inflation rate.

INTEREST RATE ON DEBT

The assumed interest rate on debt has been changed over time to reflect the continuing decline in the market. Until December 1985, the plan reflected a 12% rate. In December 1985, that rate was decreased to 10.5%. On April 23, 1986, PFM suggested a reduced rate of 8.5% as being more reflective of the current market.

The assumed interest rate on debt is, therefore, 8.5% through the year 2000, increasing to 10% thereafter, as recommended by METRO's financial advisor.

INVESTMENT RATE

In the aforementioned letter (dated December 9, 1985) from PFM, they stated:

"Recognizing that METRO will most likely be borrowing long-term and investing the proceeds in short-term instruments to fund its construction program, the negative spread which exists between long-term tax-exempt rates and short-term taxable rates and pending tax reform legislation which, if enacted, would curtail the ability to earn arbitrage; we feel that, for financial planning purposes, METRO should reflect a negative arbitrage on its reinvestment rates vis-a-vis its borrowing rates."

On April 23, 1986, PFM recommended a negative spread of 100 basis points, resulting in an assumed investment rate through the year 2000 of 7.5%, thereafter increasing to 9%.

ESCROWED RESERVE

This reserve will be equal to five percent (5%) of the combined total operating expenses and total capital expenses in any one year.
DEBT FINANCING ASSUMPTIONS

This financial analysis assumes that METRO will be successful in obtaining authorization for the issuance of sales tax revenue bonds. Both Standard & Poor's and Moody's have verbally concurred with METRO that 30-year "A" revenue bonds is a reasonable assumption. The specific debt financing assumptions used in this analysis are:

Debt Service per $100 million:

- When interest rate = 8.5%, debt service rate = 9.3%.
- When interest rate = 10.0%, debt service rate = 10.6%.

Debt Service Reserve Fund - equal to the principal and interest payments becoming due and payable within the next 12-month period with respect to all outstanding bonds.

Issuance expense - 3% of the face value of the bonds.

DEBT SERVICE COVERAGE

Coverage is defined as the margin of safety for payment of debt service on revenue bonds which reflects the number of times the actual and/or projected gross sales tax for a 12-month period of time exceeds debt service that is payable. Net coverage is defined as the margin of safety for payment of debt service on revenue bonds which reflects the number of times the actual and/or projected gross sales tax less the operating deficit for a 12-month period of time exceeds debt service that is payable.

The standards established for other transit issuers in determining adequate debt coverage ratios were utilized. Both Standard & Poor's and Moody's have indicated that the assumption of sales tax coverage of debt service at 2.0 times (gross) and at 1.1 times (net) is reasonable.

FEDERAL AND STATE GRANTS (1986 - 1990)

Projected grant funds for 1986 to 1990 are based on commitments and requests as specified in the Capital Improvement Program.

FEDERAL GRANTS (1991 - 2010)

Background and Analysis

METRO has been awarded both Section 3 (discretionary programs funded from the Federal Gasoline Tax) and Section 9 (formula funds from the Federal General Fund) Capital Grants from UMTA. The Transit Authority's most recent awards as compared to total funds available for appropriation for the past two years and estimate for FY 1986 shows that METRO has been receiving an increasing portion of the Section 3 funds that were appropriated during this period. (See Exhibit I.)

The Administration's position on future funding for Mass Transit was presented in UMTA Administrator Stanley's statement before the Senate's Subcommittee on Housing and Urban Affairs on April 15, 1986. The principal
features which pertain to METRO of the Administration's position are as follows:

- Mass transit would be funded from a transit and highway block grant program to encourage highway and transit investments to be complimentary, at the state and local level.

- Funding would come entirely from the mass transit and highway accounts. The receipts for these accounts come from the gas tax. There would be no general fund contribution.

- The funding level for FY 1987 for the mass transit and highway accounts would be approximately $3.3 billion.

- There would be a requirement of 25% local share in capital programs.

- There would be a requirement that a fixed percentage of services provided by federal grant recipients be put out for competitive bid.

- There would be encouragement for greater participation by the private sector in capital infrastructure development.

- The discretionary grant account would be eliminated and there would be no provision for congressional earmarking of funds for specific projects.

Mitch Stanfield (Assistant to the General Manager - Government Affairs) has provided an assessment of the prospects for future federal funding.

- Despite Reagan Administration recommendations, Congress has refused to reduce transit funding and most other domestic programs much below current spending levels.

- Congress favors a combination of tax increases, slow growth in military spending and a freeze in domestic spending to meet Gramm-Rudman deficit reduction levels in future years.

- In early May, the Senate by a margin of 40 votes approved a FY 1987 Budget Resolution calling for a freeze in the level of transit capital funding. The Senate froze most other domestic programs and directed the Finance Committee to develop legislation increasing taxes by $13 billion during the next fiscal year. The House is expected to follow the Senate's lead.

- Transit funding for FY 1987 will probably be in the range of $3.2 to $3.5 billion, very close to the FY 1986 level of $3.5 billion, including a Gramm-Rudman reduction of 4.3%.

- Congress has shown no inclination to support UMTA's block grant proposal and is expected by year-end to reauthorize the transit program for five more years with a continuation of the Section 3 discretionary and Section 9 formula programs. See Exhibit II, summary of H.R. 3129.
Since 1984, Houston METRO has received Section 3 grants from UMTA totaling almost $80 million and through FY 1986 this figure could be as much as $161 million. These grants will largely fund the Capital Improvement Program (CIP). Current funding totals about $1.1 billion annually.

- According to Congressional Budget Office (CBO) estimates in March 1986, the one cent gasoline tax dedicated to transit is now capable of sustaining annual appropriations for this account of $1.9 billion, $800 million annually above the current spending level. This is estimated based on oil prices of $23 per barrel.

- Should gasoline prices continue to decline and should the nation's consumption continue to increase, funding for the Section 3 account will increase proportionately to approximately $2.0 billion annually (based on oil prices of $15 per barrel).

- As noted in Exhibit I METRO has been receiving an increasingly larger portion of the available Section 3 grant funds; 2.4% in 1984 to an estimated 8% in 1986.

Houston METRO and the City of Houston will continue to maintain a strong political presence in Congress and with the Administration.

- METRO's reputation with UMTA is unblemished, the region's Congressional delegation is unified, and Houstonians in the Administration (Bush, Baker) have excellent long-term prospects for government leadership.

- Senators Bentsen and Gramm are supportive of METRO and exercise considerable influence in the Senate.

- All of the above factors will weigh heavily and favorably on METRO's future ability to compete for federal discretionary transit funding.

In spite of the effects of Gramm-Rudman which will probably result in an overall 4.3% reduction in public transit, public transit is being seen by Congress as an essential public service. Based on spending priorities, public transit has been placed in the same category as toxic waste clean up, air travel safety, farm credit, Embassy security and law enforcement. On the other hand, programs such as Revenue Sharing, AMTRAK, Work Incentive Program, Urban Development Action Grants (UDAG), and Community Development Administration are being either eliminated or severely reduced.

**Forecasting Analysis**

There must be some uncertainty in forecasting the amount of federal funds that will be available for public transit and for METRO specifically for the period 1991 - 2010. The estimates out of necessity have been made based upon an assessment of today's environment and projected into the future. For the purposes of this analysis, four scenarios have been considered. (See Exhibit III.) The first and most improbable is that there would be no federal funding for mass transit available beyond the period of the present Capital Improvement Program. There does not appear to be any support at this time for this position but the political and economic climate might change by 1991.
Another scenario, "Worst Case Other Than Zero," would be that there would be no discretionary funds. Only $1.1 billion would be made available for public transit and that amount would be distributed by the present formula. Under that scenario METRO would receive approximately $13.2 million per year in 1986 dollars. The third scenario, "More Favorable Case," is that there would be $1.1 billion in discretionary funds and an additional $1.1 billion to be distributed by the present formula. If we assume METRO would participate in discretionary funds proportionately as it did in 1984, this scenario would yield approximately $39.6 million in 1986 dollars per year for METRO.

The "Most Optimistic Case" would be that the provisions in H.R. 3129 would continue and that METRO would continue to aggressively seek and receive federal funds. Under that scenario there could be $1.4 billion available for discretionary programs and METRO would participate at the proportionate rate that it did in 1985. In addition, $2.0 billion would be available in formula funds. Under this scenario METRO would receive awards of approximately $84.0 million in 1986 dollars annually. (See Exhibit III.)

Recommendations

It is recommended that METRO assume that there will be both discretionary and formula public transit funding available for the Long Range Transit Plan. The amount of discretionary funds should be projected at approximately today’s level and the formula funds projected at approximately one-half today’s level. This would result in public transit being funded at less than two-thirds of the 1986 level. The "More Favorable Case" appears to fit this recommendation. It is therefore recommended that $40 million in non-inflated constant 1986 dollars of federal grant funds be used for the period of the Long Range Plan beyond the Capital Improvement Program.

It should be noted that the $40 million in 1986 dollars equates to $35.9 million in 1991, $29.2 million in 1995, $22.6 million in 2000 since it will not be inflated like all other costs and revenues in the financial analysis and plan.

Because of the risk of forecasting that far into the future in an uncertain environment, it is recommended that an evaluation be made as part of the alternatives analysis to determine the effect of zero federal funding and $20 million (non-inflated) federal grants per year.

STATE FUNDING (1991 - 2010)

The assumption for state funding for the period 1991 through 2010 is based upon a verbal commitment made by the Chairman of the State Highway and Public Transportation Commission. This commitment was that METRO will receive 25% of the cost of guideways up to a maximum of $20 million annually from the State of Texas.

Traditionally the State has funded transitways for buses and has not made any commitments for rail or light rail guideways. There is some risk in assuming that there will be state funding to the extent specified on light rail guideways.
It is recommended that the commitment be applied to all bus guideways and a sensitivity analysis be made showing the effect of providing state funds on rail guideways as well.
**Exhibit I**

Capital Grant Funds FY 84 through FY 86 (Est)

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 1984</th>
<th>FY 1985</th>
<th>FY 1986 (Est)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section 3 (Discretionary)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>METRO</td>
<td>29.5</td>
<td>48.3</td>
<td>84.0</td>
<td>161.8</td>
</tr>
<tr>
<td>Total Appropriated</td>
<td>1,225.0</td>
<td>1,120.0</td>
<td>1,045.5</td>
<td>3,390.5</td>
</tr>
<tr>
<td>METRO % of Total</td>
<td>2.4%</td>
<td>4.3%</td>
<td>8.0%</td>
<td>4.8%</td>
</tr>
<tr>
<td><strong>Section 9 (Formula)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>METRO</td>
<td>21.5</td>
<td>27.3</td>
<td>26.5</td>
<td>75.3</td>
</tr>
<tr>
<td>Total Appropriated</td>
<td>2,389.0</td>
<td>2,449.5</td>
<td>2,150.0</td>
<td>6,988.5</td>
</tr>
<tr>
<td>METRO % of Total</td>
<td>.9%</td>
<td>1.1%</td>
<td>1.2%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Total Sections 3 &amp; 9</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>METRO</td>
<td>51.0</td>
<td>75.6</td>
<td>110.5</td>
<td>237.1</td>
</tr>
<tr>
<td>Total Appropriated</td>
<td>3,614.0</td>
<td>3,569.5</td>
<td>3,195.5</td>
<td>10,379.0</td>
</tr>
<tr>
<td>METRO % of Total</td>
<td>1.4%</td>
<td>2.1%</td>
<td>3.5%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>
The highlights of Title III of H.R. 3129, the Federal Mass Transportation Act of 1985, are as follows:

- $12.6 billion in new spending authority for the Sections 9 and 18 formula program between 1986 and 1990. The authorization for FY 1986, should the bill be enacted in time, would be frozen at this year's appropriated level and allowed to increase in future years at about half the expected rate of inflation.

- The full amount of revenue being generated by transit's penny of the federal motor fuels tax is captured and made available for expenditure. Spending limits rise from $1.1 billion next year to about $1.5 billion in FYs 1987 and 1988, then to about $1.8 billion in FYs 1989 and 1990.

- The APTA-recommended split of Section 3 discretionary capital funds is adopted. Not less than 40 percent of funds would be guaranteed annually for new starts and 40 percent for rail modernization projects; 10 percent of funds would be reserved for major bus purchases and bus-related projects and 10 percent would be available as needed for unspecified projects.

- The Secretary of Transportation is directed to enter into a multi-year contract, using $150 million of FY 1986 Section 3 funds, to build an operable segment of the Los Angeles Metrorail project by the end of FY 1990.

- The existing ceiling on use of formula grant money for operations and maintenance is lifted for urbanized areas under 200,000 in population. Limitations for larger areas are unchanged.

- The 3-for-2 capital-for-operating trade-in provision of the Surface Transportation Assistance Act is reinstated for FYs 1986 - 1990.

- Annual proposals for the expenditure of Section 3 funds are required of the Secretary of Transportation. Funds could not be expended unless and until Congress consents, through the enactment of legislation signed by the President. Multi-year contracts under Section 3 would be allowed.

- The DOT Secretary is required to issue new start guidelines for the expenditure of Section 3 money based on completion of alternatives analysis, preliminary engineering, cost effectiveness, a stable and dependable local financial commitment and other factors as determined by the Secretary.
Interstate substitution transit projects are funded through FY 1990 with "such sums as may be necessary."

FY 1982 and 1983 Section 5 funds, apportioned to urbanized areas under 200,000, could be used in larger areas.

Section 9 funds would have to be apportioned by UMTA within 10 days of appropriation or on October 1 of each year. Funding of "partial programs of projects" would be permitted.

Grants are available to ten university transportation centers located throughout the country for transportation research and training. Five million dollars would be available annually from the Mass Transit Account of the Highway Trust Fund; it would be matched with Highways' Account money.

Capital funds are made available for bus remanufacturing and the overhaul of rolling stock. The federal share for these and other construction projects would be locked in at 80 percent. The associated capital maintenance threshold is dropped from one percent to a half percent.

The UMTA administrator is ordered to issue regulations requiring independent pre-bid and post-delivery audits of bus purchases.

Public recipients of government assistance and others would face a much more restrictive test when applying for future Interstate Commerce Commission certification to operate interstate charter and regular route service.

Section 125 of the Highway Title of H.R. 3129 contains proposed changes in Buy America law relating to vehicles purchased with UMTA funds. Domestic content requirements for buses and other rolling stock are increased from 50 percent to 85 percent for vehicles produced in U. S. plants set up after June 30, 1984. The proposed change is identical to that approved by the House last year in H.R. 5504.
### Exhibit III

**Federal Grant Scenarios**  
(Millions of 1986 $)

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Total Fed. Available</th>
<th>METRO % Participation</th>
<th>Fed. Grant to METRO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Worst Case Other Than Zero</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Formula Distribution</td>
<td>1,100</td>
<td>1.2%*</td>
<td>$ 13.2</td>
</tr>
<tr>
<td><strong>More Favorable Case</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary</td>
<td>1,100</td>
<td>2.4%**</td>
<td>$ 26.4</td>
</tr>
<tr>
<td>Formula Distribution</td>
<td>1,100</td>
<td>1.2%*</td>
<td>13.2</td>
</tr>
<tr>
<td>Total</td>
<td>2,200</td>
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<td>$ 39.6</td>
</tr>
<tr>
<td><strong>Most Optimistic Case</strong></td>
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<tr>
<td>Discretionary</td>
<td>1,400</td>
<td>4.3%***</td>
<td>$ 60.0</td>
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<td>Formula Distribution</td>
<td>2,000</td>
<td>1.2%*</td>
<td>24.0</td>
</tr>
<tr>
<td>Total</td>
<td>3,400</td>
<td></td>
<td>$ 84.0</td>
</tr>
</tbody>
</table>

* Based on FY 1986 Distribution to METRO of Formula Transit Funds  
** Based on FY 1984 Participation by METRO in Section 3 Funds  
*** Based on FY 1985 Participation by METRO in Section 3 Funds
GLOSSARY OF FINANCIAL TERMS

ARBITRAGE: The difference between the interest rate paid on borrowed funds and the interest rate earned on investments.

Positive arbitrage results when the investment yield exceeds the cost of borrowing.

Negative arbitrage results when the cost of borrowing funds exceeds the rate at which those funds are invested.

Proposed tax legislation virtually eliminates the potential arbitrage earnings on bond proceeds.

DEBT SERVICE RATE: The rate reflective of the interest and principal to be paid within the next 12 months on outstanding debt.

DEBT SERVICE RESERVE FUND: An account established as a back-up security for the sales tax revenue bonds. By accumulating cash in this account, the Authority should be in a better position to service its debt when due, and the risk is therefore reduced to the bondholder.

ESCROWED RESERVE: A contingency fund set aside at the beginning of each fiscal year which will vary from year to year with the level of operating and capital expenditures.

GROSS COVERAGE: The margin of safety for payment of debt service on revenue bonds which reflects the number of times the actual and/or projected gross sales tax for a 12-month period of time exceeds debt service that is payable.

NET COVERAGE: The margin of safety for payment of debt service on revenue bonds which reflects the number of times the actual and/or projected gross sales tax less the operating deficit for a 12-month period of time exceeds debt service that is payable.

MAXIMUM ANNUAL FUTURE DEBT SERVICE: The maximum amount of principal and interest due on all outstanding revenue bonds and any future bonds to be issued in any future fiscal year.

MAXIMUM BONDS ISSUABLE: The maximum amount of additional bonds that can be issued by the Authority and still maintain the minimum net coverage ratio. The formula for this calculation is shown below:

\[
\text{Maximum Bonds Issuable} = \left(\frac{\text{Minimum Sales Tax Receipts less operating deficit/minimum net coverage ratio}}{\text{Debt service rate}}\right) - \text{Current debt service}
\]
RESOLUTION NO. 86-68

A RESOLUTION

AUTHORIZING THE GENERAL MANAGER TO EXECUTE AND DELIVER A FLOOD CONTROL AGREEMENT WITH THE HARRIS COUNTY FLOOD CONTROL DISTRICT FOR METRO'S WEST BUS OPERATING FACILITY; AUTHORIZING A CONTRIBUTION TO THE FLOOD CONTROL REGIONAL DETENTION PROGRAM OF $349,721.33; AND MAKING OTHER FINDINGS AND PROVISIONS RELATIVE THERETO.

WHEREAS, the Board of Directors by way of Resolution No. 86-49 approved of METRO's participation in the Harris County Flood Control District (HCFCDD) regional detention program; and

WHEREAS, development of METRO's West Bus Operating Facility will require an agreement with HCFCDD setting out the terms and conditions of METRO's participation in this program for the Brays Bayou watershed; and

WHEREAS, the General Manager has presented to the Board a flood control agreement for the West Bus Operating Facility which is satisfactory to the Board;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The General Manager be and he is hereby authorized and directed to execute and deliver a flood control agreement to the Harris County Flood Control District for METRO's participation in the regional detention system program for development of METRO's West Bus Operating Facility essentially in the form attached hereto as Exhibit A.

Section 2. The General Manager be and he is hereby authorized and directed to contribute to the Harris County Flood Control District's regional detention program the amount of $349,721.33 as
METRO's contribution to the regional detention program for development of METRO's West Bus Operating Facility.

Section 3. This resolution is effective immediately upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:

Rose M. Gonzales
Assistant Secretary

John J. King
Chairman of the Board
FLOOD CONTROL AGREEMENT

THE STATE OF TEXAS § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

This Flood Control Agreement (the "Agreement") is made and entered into as of this, the ____ day of __________, 1986, by and between the Metropolitan Transit Authority of Harris County, Texas, its successors or assigns (the "Owner"), and Harris County Flood Control District, a political subdivision of the State of Texas, also organized under Article 16, Section 59 of the Constitution of the State of Texas (the "District"): RECCITATIONS

1. WHEREAS, the Owner requires drainage for 49.9602 acres of real property which is more particularly described in Exhibit "A" attached hereto, which exhibit is incorporated herein by reference, said real property hereinafter is referred to as the "Property"; and

2. WHEREAS, the Owner proposes to develop the Property. Such development is subject to regulation by the District; and

3. WHEREAS, the District has determined that the Brays Bayou system must be improved to handle storm water from the Property if the Property is to be developed without On-Site Detention; and

4. WHEREAS, the District is routinely engaged in the implementation of drainage projects within its jurisdiction; and
5. WHEREAS, the District has performed engineering studies to analyze alternatives for providing drainage capacity and to define an improvement program (hereinafter referred to as the "Project" and hereinafter more fully defined) which would be cost effective, and accomplished with local funds, including funds from the District, the Owner and other owners of property within the Brays Bayou Watershed; and

6. WHEREAS, the District has estimated the cost of the Project and an equitable method for distributing the cost thereof to the owners of unimproved property within the Brays Bayou Watershed; and

7. WHEREAS, the parties hereto have determined that any development plans for the Property as well as for all property within the Brays Bayou Watershed will require the creation of additional drainage capacity within the Brays Bayou system; and

8. WHEREAS, the Owner and the District have determined that it would be in their mutual best interests to contract to implement the Project.

NOW, THEREFORE, for and in consideration of the good and valuable consideration hereinafter described, the receipt and sufficiency of which are hereby acknowledged, the parties hereby contract, covenant and agree as follows:

I - DEFINITIONS

The terms and expressions used in the Contract, (unless the context shows clearly otherwise), shall have the following meanings:
1.01 "Construction Costs" shall mean all costs and expenses relating to the acquisition or construction of Brays Bayou improvements as part of the Project.

1.02 "Project" shall mean construction of channel improvements, regional detention facilities and acquisition of right-of-way deemed necessary by the District to be accomplished for the purpose of providing System Capacity as defined herein for the Property in accordance with Current Discharge Methodology.

1.03 "On-Site Detention" shall mean the impoundment of peak 100-year flows on the Property under fully-developed conditions due to the lack of System Capacity.

1.04 "Current Discharge Methodology" shall mean the method of determining flood flows for Brays Bayou as defined in the report titled "Harris County Flood Hazard Study - Final Report," dated September 1984, produced by the District in coordination with the Federal Emergency Management Agency (FEMA) and currently used by the District and FEMA for flood plain definition and regulation in Harris County, Texas.

1.05 "System Capacity" shall mean the peak 100-year flow rate in the main channel of Brays Bayou allocated to the Property under conditions of full development of the Property and calculated using the Current Discharge Methodology.

1.06 "Drainage Plans" shall mean any construction drawings or plans, requiring District approval, for internal and offsite drainage facilities to deliver storm runoff to Brays Bayou from the Property.
1.07 "Property" shall mean the property described in Exhibit "A" attached hereto.

II - PLANS AND SPECIFICATIONS

The District shall prepare detailed plans and specifications for the Project.

III - INCORPORATION INTO DISTRICT SYSTEM

The District shall incorporate the Project into the drainage system of the District for maintenance and repair.

IV - PAYMENT FOR DRAINAGE IMPROVEMENT

4.01 The Construction Costs shall be paid by the District from District funds and from funds contributed by the Owner and other property owners within Brays Bayou Watershed as set forth hereinafter.

4.02 The Owner shall furnish to the District in a form and manner to be prescribed by the County Attorney of Harris County, evidence that the Owner has good title to the Property described herein and the District may, at its sole discretion, require all owners or lien holders of said Property to join in execution of this Agreement before any allocation of System Capacity is made hereunder. It is expressly understood and agreed that any misrepresentation of Ownership of the aforesaid property shall give the District the right to rescind this Agreement without further notice.

4.03 The Owner agrees to pay the District, by certified check, the cash sum of $349,721.33, being $7,000 per acre, for each acre
included within the Property (hereinafter referred to as the "Contribution"), which, upon the payment thereof, the District agrees to assign the System Capacity expressly allocated herein to the Property, and further agree that at no time in the future, shall the System Capacity allocated herein be reduced. No allocation of System Capacity shall be effective unless and until confirmed in writing by the District.

4.04 Upon receipt of the Contribution from the Owner and subject to other conditions herein stated; the District shall, with due diligence, proceed to complete engineering plans, to secure necessary regulatory approvals, to advertise for construction contract bids, to accept and award such bids, and to proceed with the construction of the Project.

4.05 The District and the Owner expressly covenant and agree that in the event that the amount contributed by the Owner and other owners contracting with the District for System Capacity, together with amounts now allocated by the District for the construction of the Project, prove inadequate for the purpose of constructing the Project, the District may, at its sole discretion, appropriate such additional sums of money as are necessary to complete the Project without the requirement of (a) the payment of additional sums by the Owner, its successors and assigns or any such other parties contracting with the District for system capacity; or (b) the dedication or maintenance of any On-Site Detention areas on the Property by the Owner, its successors and assigns. If funds are
inadequate and the District determines that it is not in its best interest of the District to proceed with the Project, the District shall terminate this Agreement by notice in writing as provided herein and shall have no further obligation other than to promptly return the Contribution of the Owners, including any interest earned thereon. The District shall have the right to retain all funds remaining from the Owner's contributions after of the Project.

V - APPROVAL OF SUBDIVISION PLATS AND/OR DRAINAGE PLANS

Upon receipt of the Contribution to be made by the Owner and the allocation of the System Capacity provided for herein, the District shall approve all subdivision plats and/or Drainage Plans for development within the Property by the Owner without the requirement of On-Site Detention. The District shall not object to the approval by other regulatory agencies of plans and specifications for the construction of streets, utilities, or other improvements generally associated with development submitted by the Owner subject to the conditions and terms stated herein. Where flood plans will be eliminated as a result of the Project, the District agrees, subject to the other terms and conditions stated herein, to prepare documentation necessary to apply for a "Letter of Belief" from FEMA as soon as the design for drainage facilities has been completed and to process an application for a revision to the 100-year flood plain designations by FEMA as soon as the improvements projected to be made have been completed.
VI - TRANSFERABILITY OF SYSTEM CAPACITY

It is expressly agreed by the Owner that the Owner may not transfer the System Capacity allocated to the Property specifically described herein to any other real property. It is expressly agreed by the Owner that the right to System Capacity is a right which attaches to the specific Property described herein and any transfer or attempt to transfer said right shall render null and void the District's duties hereunder without the necessity of further notice. The District may, however, at its sole discretion and after first receiving a written request from the Owner, transfer the system capacity allocated to the property described herein to any other property. It is expressly agreed and understood that nothing herein shall be construed to create any obligation on the District to make any transfer of reallocation of the System Capacity allocated herein.

VII - LAW GOVERNING

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

VIII - AMENDMENTS

This Agreement and the instruments referred to herein represent the entire agreement and understanding among the parties hereto regarding the subject matter dealt with herein and may not be amended, waived or discharged except by instruments in writing executed by the party against which enforcement of such amendment, waiver or discharge is sought.
IX - SUCCESSORS AND ASSIGN

This Agreement, and all the terms and provisions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

X - COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one agreement.

XI - SEVERABILITY

This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations of the State of Texas. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to such other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

XII - HEADINGS

The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation thereof.

XIII - TERM OF AGREEMENT

This Agreement shall remain in effect unless terminated by at least six (6) months' written notice served by the District on the
Owner or until the Project is implemented and plats for all of the Property have been approved by the District.

XIV - NOTICES

Notices required to be given by this contract shall be forwarded to the addresses provided in this Article. Any party may change this address or may forward notice to such address by posting a first-class letter via the U.S. Postal Service to such address.

Harris County Flood Control District
Attention:

Metropolitan Transit Authority
of Harris County, Texas
P. O. Box 61429
Houston, Texas 77208

Attention: General Manager

IN WITNESS WHEREOF, the parties have executed this Agreement as of ___________, to be effective as herein stated.

HARRIS COUNTY FLOOD CONTROL DISTRICT

By: Jon Lindsay
County Judge
Harris County, Texas

Executed for and on behalf of the Harris County Flood Control District

METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS

By: Alan F. Kiepper
General Manager

Executed for and on behalf of the Metropolitan Transit Authority of Harris County, Texas, pursuant to Resolution No. _______ of the Board of Directors passed on the ______ day of __________, and on file in the office of the Assistant Secretary of METRO.

ATTEST:

Assistant Secretary
APPROVED (FORM):

By:  
Dennis C. Gardner  
Staff Counsel

APPROVED (FUNDS):

By:  
Chris Tomasides  
Assistant General Manager - Finance
A RESOLUTION

DESIGNATING THE RECONSTRUCTION OF UNIVERSITY BOULEVARD BETWEEN COMMUNITY STREET AND KIRBY DRIVE AS A JOINT PROJECT WITH THE CITY OF WEST UNIVERSITY PLACE; AUTHORIZING AND DIRECTING THE GENERAL MANAGER TO NEGOTIATE A JOINT PROJECT AGREEMENT WITH THE CITY OF WEST UNIVERSITY PLACE FOR THIS STREET RECONSTRUCTION PROJECT; AND MAKING OTHER FINDINGS AND PROVISIONS RELATIVE THERETO.

WHEREAS, by way of Resolution No. 84-58, the Board of Directors expressed its intent to participate in various transportation improvement projects with other governmental entities within the METRO service area; and

WHEREAS, the City of West University Place has proposed that METRO participate with it in the reconstruction of University Boulevard between Community Street and Kirby Drive as a joint transportation improvement project; and

WHEREAS, the Board has reviewed the proposal of the City of West University Place and is of the opinion that it is appropriate for METRO to participate in this project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The reconstruction of University Boulevard between its intersections with Community Street and Kirby Drive within the City of West University Place is hereby designated as a joint project between METRO and the City of West University Place.

Section 2. The General Manager be and he is hereby authorized and directed to negotiate a joint project agreement with the City of
West University Place for the University Boulevard project wherein METRO contributes one-half of the total cost of the project up to a maximum METRO contribution of $170,000.

Section 3. This resolution is effective immediately upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:

Assistant Secretary

Chairman of the Board
RESOLUTION NO. 86-70

A RESOLUTION

AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE, EXECUTE AND DELIVER A CONTRACT WITH HOUSTON LIGHTING AND POWER COMPANY FOR RELOCATION OF UTILITIES IN CONFLICT WITH THE NORTHWEST TRANSITWAY PROJECT; AND MAKING VARIOUS FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT.

WHEREAS, construction of the northwest transitway will require the relocation of certain facilities of the Houston Lighting and Power Company; and

WHEREAS, Article 1118x, TEX.REV.CIV.STAT.ANN., authorizes METRO to direct the relocation of utilities in conflict with its facilities at METRO's sole cost and expense; and

WHEREAS, Houston Lighting and Power Company wishes to perform the relocations with its own resources with payment by METRO of the actual cost involved;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The General be and he is hereby authorized to negotiate, execute and deliver a contract with the Houston Lighting and Power Company to provide for the relocation of the Company's facilities in conflict with METRO's Northwest Transitway project at a total cost not to exceed $120,000.

Section 2. This resolution is effective immediately upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:

[Signature]
Assistant Secretary

[Signature]
John J. King
Chairman of the Board
A RESOLUTION

AUTHORIZING THE GENERAL MANAGER NEGOTIATE, EXECUTE AND DELIVER CONTRACTS FOR TECHNICAL SUPPORT IN PREPARATION OF ALTERNATIVES ANALYSIS AND A DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE SYSTEM CONNECTOR ELEMENT OF THE REGIONAL TRANSIT PLAN; AND MAKING VARIOUS FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT.

WHEREAS, the Board of Directors has authorized the performance of alternatives analysis and the development of a draft environmental impact statement for the System Connector element of the Regional Transit Plan; and

WHEREAS, METRO staff requires the services of outside firms to assist in the performance of certain aspects of these studies; specifically, noise and vibration analyses, air quality analyses and other technical assistance; and

WHEREAS, qualifications of a number of firms to perform these services have been reviewed and the firms set out below have been determined to be the most satisfactory to perform the services required;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The General Manager be and he is hereby authorized and directed to negotiate, execute and deliver contracts as follows:

a. For noise and vibration analyses with the firms of Gutierrez, Smouse, Wilmut & Associates in an amount not to exceed $75,000, and Hoover, Keith & Bruce in an amount not to exceed $75,000;
RESOLUTION NO. 86-71 (Page 2)

b. For air quality analyses with the firm of Applied Meteorology in an amount not to exceed $50,000;

c. For technical assistance for alternatives analysis with the firm of GHD Associates in an amount not to exceed $75,000.

Section 2. This resolution is effective immediate upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:

[Signature]
Assistant Secretary

[Signature]
Chairman of the Board
RESOLUTION NO. 86-72

A RESOLUTION

AUTHORIZING AND DIRECTING THE GENERAL MANAGER TO EXECUTE AND DELIVER A CONTRACT MODIFICATION WITH FERGUSON MAP COMPANY, INC. FOR UPDATING AND PRINTING OF TRANSIT SYSTEM MAPS; AND MAKING VARIOUS FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT.

WHEREAS, in November, 1983, METRO entered into a contract with Map Graphics, Inc. after receipt of competitive bids for design and printing of transit maps for a one-year period, with two one-year options; and

WHEREAS, the first option was exercised in 1985; and

WHEREAS, the services of Ferguson Map Company, the successor organization to Map Graphics, Inc. has been satisfactory and METRO staff recommends exercise of the second option year for the design and printing of transit system maps;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The General Manager be and he is hereby authorized and directed to execute and deliver a contract modification with Ferguson Map Company for design and printing of transit system maps for a one-year period commencing July 1, 1986 in an amount not to exceed $69,000.

Section 2. This resolution is effective immediately upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:

Assistant Secretary

Chairman of the Board
A RESOLUTION

AUTHORIZING THE GENERAL MANAGER TO EXECUTE AND DELIVER A CONTRACT WITH THE EASTER SEALS SOCIETY, INC. FOR OPERATION OF METROLIFT VEHICLES; AND MAKING VARIOUS FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT.

WHEREAS, the Easter Seals Society, Inc. ("Easter Seals"), a non-profit corporation, is eligible for and receives federal grant funding under Section 16(b)(2) of the Urban Mass Transportation Act for acquisition of wheelchair lift-equipped vans; and

WHEREAS, because of the federal grant funding, Easter Seals is required to contribute only 20% of the cost of the vehicles, thus, permitting Easter Seals to operate the vans at a much lower cost than a commercial operator; and

WHEREAS, METRO has contracted with Easter Seals since 1979 to supplement the METROLift service utilizing the Easter Seals vans during midday; and

WHEREAS, Easter Seals is willing to continue to make its vehicles available to transport METROLift patrons at its actual operating cost per hour;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The General Manager be and he is hereby authorized to negotiate, execute and deliver a contract with the Easter Seals Society, Inc. to provide METROLift services for a three-year period at an hourly operating cost for the first year of the contract of $12.93, cost for the second year of the contract of $13.66, and cost
for the third year of the contract of $14.42, subject to reduction or escalation based on changes in fuel and insurance costs. The total contract amount for the three-year period shall not exceed $295,567.00.

Section 2. This resolution is effective immediately upon passage.

PASSED this 26th day of June, 1986.
APPROVED this 26th day of June, 1986.

ATTEST:

Rose M. Gonzales
Assistant Secretary

John J. King
Chairman of the Board