



## **Financial Reports**

Edith Moreida requested any comments or corrections to the CARTS financial reports.

After discussion the following motion was made:

*To approve and adopt the financial reports as presented by CARTS' staff*  
(Moved by Ingalsbe, second by Granberg; unanimously approved)

## **Presentation of annual Financial Statements and Independent Auditor's Report for CARTS finances fiscal year 2011 by Montemayor Hill and Company, P.C. Consideration/Action for adoption as presented.**

Mr. Marsh introduced Mr. Arturo Montemayor, Montemayor Hill and Company, P.C., CARTS' independent auditor. Mr. Montemayor made a presentation and answered any questions in regard to the results of the annual audit of CARTS finances. The draft report was enclosed for review. Mr. Montemayor noted the audit presented no findings. He will have the final copies ready by May. After discussion, the following motion was made:

*To approve and accept the annual Financial Statements and Independent Auditor's Report for CARTS finances for Fiscal year 2011.*  
(Moved by Madrigal, second by Kovar; unanimously approved)

## **Discussion/Action on award for the CARTS ITS Phase 4 RFP for Fixed Route Automated Scheduling, Trip Planning and Passenger Information Services.**

Mr. Marsh reviewed information regarding Phase 4 of the CARTS ITS development from the January 26, 2012 Board Background.

Mr. Marsh stated that on March 8<sup>th</sup>, a review meeting was held with Mentor and its subcontractor, MJM Innovations. He noted the Trapeze products offered in the Mentor proposal were excluded from consideration for budget and operations reasons. On March 14<sup>th</sup>, Ms. Vanessa Owens, TxDOT, and Ms. Jackson, CARTS, completed a full review of the procurement and documented that CARTS had exercised due diligence in affording opportunity for participation and the project was eligible for award under the sole source requirements.

Mr. Marsh enclosed the Mentor BAFO for the services and products specified in the RFP as determined practical by CARTS based on its review and consultation meeting held March 8<sup>th</sup>.

Mr. Marsh assured the funds are budgeted for this project from the RPT-1102, FY 11 5311 contracts carried over from prior years and from the CSJ 091400-240 project carried over for several years. Commissioner Ingalsbe asked if there would be a maintenance fee, Mr. Marsh responded with \$26,000 yearly. He noted it will be a big investment, but will revolutionize how to do business going forward.

Mr. Marsh noted pricing was requested for 3 defined stages of the project's development. Mr. Marsh stated he would like to make an award on all three stages as to hold pricing while each phase is completed, but to proceed only on Phase 1 at this time. He anticipated the roll-out will take several months from notice to proceed. Commissioner Granberg asked how many years this program will last, Mr. Marsh responded this will last forever, by paying the yearly maintenance fee; it will help to make buses predictable.

After discussion, the following motion was made:

*Approval to award to Mentor Engineering, pursuant to the RFP process ended January 12, 2012, and the Best and Final Offer process ended March 22, 2012, the implementation of CARTS ITS Phase 4 RFP for Fixed Route Automated Scheduling, Trip Planning and Passenger Information Services, with the project to be conducted in three phases, the first (Phase 1) in the amount of \$462,224, and the second (Phase 2) in the amount of \$163,440 and the third (Phase 3) in the amount of \$38,125. Notice to Proceed on Phases 2 and 3 subject to fund availability and successful completion of Phase 1.*

(Moved by Ingalsbe, second by Kovar; unanimously approved)

**Selection of firm pursuant to the RFP for professional services for the planning, design and engineering for the CARTS VMC project, Tucker Hill Lane, published February 23, 2012**

Mr. Marsh announced this RFP was published on February 23<sup>rd</sup> and a well-attended Pre-Proposal Meeting was conducted on March 9<sup>th</sup> having proposals due on March 21<sup>st</sup>. Mr. Marsh said a review/scoring team of four CARTS staff members and Ms. Owens of TxDOT met on March 22<sup>nd</sup> for the initial review of the nine proposals and were scheduled to meet on Tuesday, March 27<sup>th</sup> to complete the proposal scoring in order to present the results to the Board for action.

Mr. Marsh enclosed a copy of the RFP as well as the scoring sheet and covers from each proposal to present an idea of the response. He noted that full proposals would be available at the meeting for review should the Board request more detail.

After discussion, the following motion was made:

*To provide the General Manager the authority to negotiate with the proposer scoring the highest in the review for professional services to complete the architectural, engineering and environmental investigation for the purposes of entering into a contract that will provide construction-ready documents for CARTS Vehicle Maintenance and Operations Center Project on Tucker Hill Lane. Should that negotiation fail to satisfy CARTS requirements, then to provide the authority to negotiate with the 2<sup>nd</sup> highest scoring proposer, and so on, until a successful contract is negotiated.*

(Moved by Morrison, second by Kovar; unanimously approved)

## **Discussion/Action regarding CARTS Appointment to the Lone Star Rail Board of Directors**

Mr. Marsh stated that Commissioner Ingalsbe represents CARTS on the LSR Board and she has indicated interest in continuing. He explained the appointment is for a 2-year term and the CARTS Board makes the appointment. He said it is then sent to Travis County for action and referral to the LSR Board.

After discussion, the following motion was made:

*To re-appoint Commissioner Ingalsbe to represent CARTS on the Lone Star Rail District Board of Directors.*

(Moved by Morrison, second by Kovar, abstain by Ingalsbe; motion passes)

## **Reports/Actions as required on TxDOT Contracts, Projects or Grant Agreements**

Mr. Marsh reviewed the March 29<sup>th</sup>, 2012 Contracts and Funding Summary Addendum. He provided an updated chart and discussed each open contract.

## **Contracts, Grants and Projects for Discussion and/or Action**

### **Discussion/Action regarding CARTS submittal to TxDOT for FTA State of Good Repair funding for the construction of the CARTS tucker Hill Lane project**

Mr. Marsh signified the TxDOT Public Transportation Division has submitted a statewide grant proposal to the Federal Transit Administration under the annual call for discretionary funding known as the State of Good Repair (SOGR). He stated for the second year running, CARTS submitted its Vehicle Maintenance and Operations Center project on Tucker Hill Lane for \$2,350,000 in construction funds.

Mr. Marsh was happy to announce CARTS made the cut after TxDOT sifted through the facility projects to those who had begun the environmental clearance processes and met criteria as to need and applicability.

After discussion, the following motion was made:

*To approve the submittal of the State of Good Repair proposal by CARTS to TxDOT and to approve the acceptance of funds granted should the project submitted to the SOGR program be selected.*

(Moved by Morrison, second by Ingalsbe; unanimously approved)

**Discussion/Action regarding the extension of the CARTS Transportation Service Area 12 Medical Transportation Services contract with the Texas HHSC to August 31, 2013 and the re-location of the CARTS MTP call center to Round Rock.**

Mr. Marsh informed the Board the HHSC MTP program provided an amendment to all of its provider's contract extending the term to August 31<sup>st</sup>, 2013. He also mentioned there were a number of amendments added for which no opportunity for negotiation or discussion was afforded. He also presented materials related to the process. Mr. Marsh reported a loss of around \$5,000 for 45-50 dialysis trips given.

Commissioner Granberg asked if brokers would be feasible. Mr. Marsh replied that brokers have taken over three areas and they were working with Sues to find a way for managed care to work better for us.

Mr. Marsh discussed plans to proceed with the conversion of a portion of the Round Rock Station to our CARTS MTP Call Center using MTP contract revenues for the necessary construction.

After discussion, the following motion was made:

*To approve the amendment to the contract HHSC MTP and the extension of the contract term to August 31, 2013, and to proceed on the project for the re-location of the call center for MTP to Round Rock, using MTP revenues for costs related to that project.*

(Moved by Kovar, second by Ingalsbe; unanimously approved)

**Discussion/Action regarding fare coordination with Capital Metro on CARTS Metro Connector routes, establishing a combined fare to be collected by Capital Metro as Regional Plus fare**

Mr. Marsh explained how the Elgin Metro Connector Route provides services from Elgin to Manor and into Austin. He acknowledged it is a seamless trip where passengers do not have to get on and off a bus, however, collecting fares is inconvenient due to Capital Metro contracting with CARTS from the Manor Park and Ride into Austin. He said passengers have to pay two different fares into two different fare boxes. Mr. Marsh confirmed working with Capital Metro to devise a Regional Fair "Plus" pass which would allow persons to travel anywhere on any CARTS Metro Connector, Interurban or fixed route services as well as any Capital Metro Bus or Rail. He also confirmed this would be available anytime, 7 days a week.

Mr. Marsh presented an explanation of fares noting there were some details which needed to be worked out and also approved by Capital Metro. He acknowledged Metro would be willing to pay for the production, distribution and accounting for sales.

After discussion, the following motion was made:

*To authorize the General Manager, or his designee, to complete negotiations and implement a Regional Plus fare with Capital Metro selling passes and collecting fares electronically and then reimbursing CARTS for its portion of the fares collected.*

(Moved by Ingalsbe, second by Madrigal; unanimously approved)

**Discussion of RFP to be published for “Connecting to Communities” project for a focused public outreach project to be conducted to solicit input from the public on CARTS services and to inform the public of services now provided or planned by CARTS**

Mr. Marsh prepared an RFP for release in April to engage professional services for facilitating and assisting CARTS staff in the planning of a series of public meetings and conducting of public hearings and forums throughout the CARTS District to both solicit public input into services they would like to see and to formally acquaint the public with our plans and services now provided.

Mr. Marsh affirmed this was long overdue and anticipated moving forward with CARTS staff doing most of the work, facilitation, planning and strategic advocacy.

**Report/Update regarding CARTS submittal to the CAMPO Call for Projects for JARC/NF funding opportunities**

Mr. Marsh gave information regarding the projects of the Bus Stop Shelters and Round Rock Interurban Express Route presented to CAMPO for their JARC / New Freedom Call for Projects on February 24, 2012. He noted the project selection is schedule for June 2012 and in addition to the CARTS projects submitted, collaboration with Capital Metro on a proposal to set up and Office of Mobility Management would assist the two entities and their customers with establishing seamless connections.

After discussion, the following motion was made:

*To approve the submittals to the 2012 CAMPO Call for Projects for JARC/New Freedom Projects.*

(Moved by Ingalsbe, second by Granberg; unanimously approved)

### **Report/Update on CARTS CAMPO STP-MM proposals and results**

Mr. Marsh reported from January, the CAMPO Board decided to award funds by county, and for each county to determine which projects within their jurisdictions. He stated Travis County set aside \$720,000 for the CARTS Interurban Bus project and Williamson County set aside \$160,000 for the CARTS Country Bus project. Mr. Marsh expressed thankfulness and noted letters of appreciation were sent to both counties to the elected officials and staff involved in the decision.

### **Report/Update regarding CARTS submittals to TxDOT Annual Coordinated Call for Rural and Small Urban Public Transit Projects**

Mr. Marsh presented three projects (Intercity Bus Feeder & Interline Service, Construction of the Vehicle Maintenance Center and Planning Assistance to Flatonia Station Development) to TxDOT for their 2013 Coordinated Call Proposals in December 2012. He anticipates project selection will be May.

### **Report/Update CARTS Regional Bus Services and route deployments**

Mr. Marsh was pleased to announce the Interurban routes are going well with a steady increase in ridership, especially the IH 35 route. He discussed the next phase for 2013 would be parcel shipment within the region. Mr. Marsh also talked about planned marketing activities to commence this summer which will advertise the routes and where they go.

Mr. Marsh reflected the difficulties in securing our FMSCA authority for these routes because of insurance restrictions preventing the use of TML insurance for these routes. He pointed out coverage would be an added expense and has secured coverage separately for the Interurban service. Mr. Marsh then cited, the carrier notified they will no longer insure just a portion of our fleet which put us back to where we started on this issue.

Mr. Marsh presented the solution to form a separate non-profit entity for the Interurban Coach and re-file with the FMSCA for authority under the new entity. He reminded this was an avenue explored earlier prior to the insurance breakthrough, so picked up where it was left off and had the attorney prepare the application forming the CARTS Interurban Coach, listing the CARTS Board Executive Committee as its Board of Directors. Mr. Marsh enclosed the application for review.

Mr. Marsh has enlisted Greyhound, CTAA and everyone thought of to think of a way to get FMSCA to provide a more reasonable approach which is to accept our bona fide TML insurance, but have gotten nowhere.

Mr. Marsh assured operations would not be suspended in the interim as we go through these processes, but will insure the fleet back through TML and suspend interline operations with

Greyhound until we can regain our operating authority from FMSCA under the new operating entity.

After discussion, the following motion was made:

*To provide authority to the General Manager to file CARTS Interurban Coach as a 501©3 organization with the Texas Secretary of State and take those actions necessary to secure the FMSCA operating authority for the entity to replace the authority now held by CARTS for its interurban coach operations, and to transfer buses and operating authority to that entity for those routes to continue as interlined routes.*

(Moved by Kovar, second by Morrison; unanimously approved)

### **Report/Update regarding the Regional Transportation Coordination Council (RTCC)**

Mr. Marsh had no news to report under this item except the RTCC adopted their draft plan in February and it is not the official working document for coordination in this region.

### **Report/Update regarding CARTS withdrawal from Round Rock**

Mr. Marsh updated the Board by announcing the City of Round Rock would be engaging Star Shuttle out of San Antonio, Texas to provide local paratransit service in the city. He stated it is unclear as CARTS withdraws service from areas not in our district, there will be consequences to people that depend on CARTS that no option is to be provided for by the local entity. He mentioned that Cedar Park, Leander and Buda are locales we have provided “through-service” that we can no longer provide. Mr. Marsh assured our best would be done to provide clear explanations, but it is often difficult to effectively communicate that boundaries exist because of census designations.

### **Report on the formation of the CARTS Rural-Urban Transit District and activities related to the expected urbanized area designation of San Marcos/Kyle as an UZA and the City of Georgetown as an UZA.**

Mr. Marsh reviewed the discussion and action of the November and January meetings, the CARTS District, effective with the 2013 federal fiscal year beginning October 1, 2012, will undergo significant changes as a result of the change in census designations for San Marcos and Georgetown, both of which will likely become small urban cities eligible for direct financial assistance from both the FTA and TxDOT. He reminded of the decision to proceed with necessary action to continue services in Georgetown and/or San Marcos by forming a Rural/Urban Transit District and notifying by letter the two cities of our interest in doing so and outlining the requirements and time constraints for action to complete the transition by October 1, 2012.

Mr. Marsh continues to work with the officials in Kyle and San Marcos to find a way to avoid service disruptions, advising them that a CARTS Rural/Urban District could be created to prevent any service disruption.

Mr. Marsh also continues to work with Georgetown as active partners with city staff and with the facilitation of the TTI, noting we are on a course for the formation of an Urban/Rural Transit District with CARTS as the direct recipient for the FTA funds. He also enclosed the final white paper developed by TTI as background.

Mr. Marsh stated the Georgetown Transportation Advisory Board (GTAB) met on February 10<sup>th</sup> to advise and assist City Council in transportation planning unanimously approved the plan for staff to work towards creating a Rural/Urban Transit District with CARTS. He commented there were two motions made at the February 14<sup>th</sup> meeting and the final approved motion was to have staff continue reviewing options and to report back to council once census designations were finalized for final direction.

Mr. Marsh made the Board aware of census designations being released March 26<sup>th</sup> and the significant changes, most importantly that now Georgetown and Kyle were part of the Austin urbanized area, and all the plans we made now will have to be amended to satisfy this new reality.

### **General Manager's report: The 2010 Census and its effect on CARTS and its customers**

Mr. Marsh presented all of the facts in regards to the effects of the 2010 census designations having on CARTS District, its funding and their customers. He advised this is a significant change and the effects are permanent and irrevocable.

### **Other items as presented for discussion / information**

Mr. Marsh advised the Board that the next transit conferences were the Texas Transit Annual Conference and Expo in McAllen from April 23-25 and the Community Transportation Expo held in Baltimore May 21-25. He invited any member wishing to attend to let us know, and we would make the necessary arrangements.

### **Adjournment and set next meeting date and location**

Vice-Chair Moreida indicated that the next meeting is scheduled for May 31, 2012 at 9:30 am.

The following motion was made:

*To adjourn the March 29, 2012 meeting and to set the next meeting date for May 31, 2012.*

(Moved by Ingalsbe, second by Madrigal; unanimously approved)

*Executive Session: The Board may meet in closed session to consult with legal counsel regarding pending or contemplated litigation or a settlement offer or on a matter which CARTS' legal counsel determines should be confidential in accordance with Chapter 551 of the Texas Government Code. The CARTS Board may also consider any other matter posted on the agenda if there are issues that require consideration in Executive Session and the Board announces that the item will be considered during Executive Session.*