

MEETING MINUTES
CARTS Board of Directors
Thursday, October 16, 2014
9:30 am

Board Members Present		Staff Present	
X	Present	X	Present
X	Commissioner Bubba Snowden, Bastrop County	X	David Marsh
X	Commissioner Paul Granberg, Blanco County		Pearl Jackson
X	Commissioner Ronny Hibler, Burnet County	X	Lyle Nelson
X	Commissioner Neto Madrigal, Caldwell County	X	Kristi Urkuski
	Commissioner Linda Kovar, Lee County		Edna Johnson
X	Commissioner James Kubecka, Fayette County		
	Commissioner Debbie Ingalsbe, Hays County		
X	Commissioner Ron Morrison, Williamson County		
	Commissioner Margaret Gomez, Travis County		
X	Edith Moreida, Travis County (Proxy)		
X	City of San Marcos Representative, Kim Porterfield		
		GUESTS	
		Vanessa Owens, TxDOT	

Call to Order

Commissioner Hibler affirmed a quorum and called the Thursday, October 16, 2014 meeting of the CARTS Board of Directors to order at 9:30 am. Recorded absent were Commissioner Kovar and Commissioner Ingalsbe.

Financial Reports

Mr. Marsh reported that staff had, in consultation with the Board Chair, called a meeting to discuss financial challenges we are currently having and to outline our plans for meeting them. He indicated that staff recognized the issues to be serious enough to warrant the Board getting together immediately to provide direction and take any action deemed necessary, and to solicit Board input and direction on the plan staff is developing to meet the challenges. Mr. Marsh presented a number of items of information to the members of the Board regarding the finances.

Consideration/Action regarding RFP for Banking Services

Mr. Marsh stated an RFP for Banking Services had been issued in order to secure a reliable financial partner going forward. He noted Bank of America has been the institution utilized

since 1980. Mr. Marsh will bring any proposals forward for the Board's decision at the November meeting.

After discussion, the following motion was made:

To provide the General Manager approval for issuing the RFP for Banking Services available October 12, 2014 and closing on November 4, 2014.

(Moved by Moreida, second by Snowden; unanimously approved)

Consideration/Action regarding use of real estate as collateral for operating capital/line of credit

Mr. Marsh stated the appraised value of the HQ property is \$1.9M, with an estimation of \$1M of equity available due to TxDOT interest in the facility, though the depreciated value would have to be negotiated in consultation with TxDOT. Mr. Marsh requested the authority to use the HQ as collateral as needed for either a revolving line-of-credit or for a longer term loan to hedge cash-flow needs. Commissioners Hibler and Morrison suggested to plan on getting enough of a loan the first time, put what is not needed in reserve and pay the note off as required.

Extensive discussion on real estate assets that may be expendable ensued and Commissioner Morrison suggested we consider the sale of the Round Rock Station. This suggestion was met with general agreement, and Mr. Marsh said he would begin preliminary action to do so. Similar discussion about the Georgetown Station and it now located outside our District because of census designation changes was conducted with no resolution one way or the other.

After further discussion, the following motion was made:

To provide the General Manager authority for the use of real estate as collateral for establish operating capital/line of credit pending prior Board approval of the amount and terms and conditions of the loan for operating capital/line of credit

(Moved by Porterfield, second by Snowden; unanimously approved)

Consideration/Action regarding Financial Plan

Mr. Marsh presented the outline of a plan to restore the financial stability of CARTS. Chairman Hibler recommended we adopt a monthly Board meeting schedule to address and monitor issues related to the financial plan. After discussion, the following motion was made:

To approve in concept the CARTS Financial Plan as presented, with the understanding that the detail of actions to be taken and specific tasks to be completed will be provided by staff to the Board and acted as needed as the plan progresses, and that

monthly meetings of the Board will be conducted until further notice to more closely monitor issues related to the financial plan.

(Moved by Porterfield, second by Snowden; unanimously approved)

Executive Session Pursuant to Texas Government Code Section 551.074, Briefing on Personnel Matters, no action required.

Commissioner Hibler announced the Board would be going into an Executive Session by stating, "At this time the Board will convene in closed session under government code section 551.074 to discuss and deliberate a briefing on personnel matters. At this time, I ask all those who are not on the Board to please adjourn to our waiting area until the closed session is concluded. At that time we will open the meeting to all further business. Thank you."

The meeting reconvened in open session at 10:48 am.

Report/Update on Lee Dildy Operations Complex, Tucker Hill Lane

Mr. Marsh provided an update on the VMC construction and reported that Aqua Water was trying to complete their work to meet our schedule for substantial completion.

Other items as presented for discussion / information

Mr. Marsh requested any items for discussion from Board members to be slated for future agendas.

Ms. Porterfield gave a brief update on Lone Star Rail and asked that it be included as a standard report on future meeting agendas.

Adjournment and set next meeting date and location

Commissioner Hibler indicated the next meeting will be scheduled for Thursday, November 20, 2014 at 9:30 a.m., indicating that if a Certificate of Occupancy was acquired for the Vehicle Maintenance Center, the meeting would be held there at that time.

The following motion was made:

To adjourn the October 16, 2014 meeting and to set the next meeting date to Thursday, November 20, 2014.

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

Executive Session: The CARTS Board may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for Executive Session discussion. An announcement will be made of the basis for the Executive Session discussion. The CARTS Board may also publicly discuss any item listed on the agenda for Executive Session.