

MEETING MINUTES
CARTS Board of Directors
Thursday, November 20, 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	X	Pearl Jackson
X	Commissioner Ronny Hibler, Burnet County	X	Lyle Nelson
	Commissioner Neto Madrigal, Caldwell County	X	Kristi Urkuski
X	Commissioner Linda Kovar, Lee County	X	Edna Johnson
	Commissioner James Kubecka, Fayette County		
	Commissioner Debbie Ingalsbe, Hays County		
	Commissioner Ron Morrison, Williamson County		
	Commissioner Margaret Gomez, Travis County		
X	Edith Moreida, Travis County (Proxy)	GUESTS	
X	City of San Marcos Representative, Kim Porterfield	Vanessa Owens, TxDOT Annelese Jones, Mobility Mgmt.	

Call to Order

Commissioner Hibler affirmed a quorum and called the Thursday, November 20, 2014 meeting of the CARTS Board of Directors to order at 9:30 am. Recorded absent were Commissioner Madrigal, Commissioner Kubecka, Commissioner Morrison and Commissioner Ingalsbe. Commissioner Hibler also noted that the City of San Marcos Representative, Kim Porterfield would be leaving at 10:30 am and stated all action items would be completed prior to her departure.

Financial Reports

Mr. Marsh presented the check register, balance sheet, agency-wide line item of revenues and expenditures for year ending August 31, 2014. After discussion the following motion was made.

To approve the Financial Reports:
 (Moved by Moreida, second by Porterfield; unanimously approved)

Consideration/Action regarding the Minutes of Board Meetings held on Thursday, September 25, 2014 and on Thursday, October 16th, 2014.

Commissioner Hibler requested any comments, additions or corrections to the minutes of the meetings referenced.

After discussion, the following motions were made:

To approve and adopt the minutes as presented for the Board Meeting of September 25, 2014.
(Moved by Porterfield, second by Moreida; unanimously approved)

To approve the minutes as presented for the Board Meeting of October 16th, 2014.
(Moved by Moreida, second by Porterfield; unanimously approved)

Consideration/Action on annual COLA for CARTS employees with an effective date of November 1, 2014 based on CPI-U increase of 1.7% for the 12 months ending August 31, 2014.

Mr. Marsh stated that due to the initial stage of the financial recovery triage, we elected to delay the COLA increase. Mr. Marsh reminded of the authorization in September for an October 1, 2014 effective date and asked approval of the delay by re-listing the item for an effective date of November 1, 2014.

After discussion, the following motion was made:

To authorize the annual COLA for CARTS employees for an effective date of November 1, 2014 based on CPI-U increase of 1.7% for the 12 months ending August 31, 2014 and to rescind the previously approved date of October 1, 2014 as the effective date.
(Moved by Moreida, second by Kovar; unanimously approved)

Consideration/Action regarding RFP for Banking Services, consider award to banking institution.

Mr. Marsh discussed the process of the RFP for Banking Services. He stated that in response to queries from interested institutions we amended the schedule, adding ten (10) extra days in the process to allow more time for questions to be submitted, and setting the due date from November 4, 2014 to November 14, 2014 to allow for more time to prepare proposals. He also stated the Line of Credit requirement under required banking services was removed.

Mr. Marsh stated there were 32 RFP's sent out, we received 3 "decline to propose notices" and one proposal, which was from the First National Bank of Bastrop. He presented the proposal for review.

After discussion, the following motion was made:

To declare the proposal submitted by the First National Bank of Bastrop in response to the CARTS RFP for Banking Services process ended November 14, 2014 to be responsive to the

requirements set forth in the RFP and to authorize the General Manager to take those actions necessary to establish a banking relationship with said bank.

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

Consideration/Action regarding the disposal of surplus real estate.

Mr. Marsh followed-up discussion on real estate assets and potential sale of any that could be surplus to core functions pursuant to the adoption of the financial plan at the October meeting. He noted the attorney prepared direction on the prescribed requirements for the disposal of property by local governments, which was included with materials for review. Mr. Marsh discussed some of the particular requirements for asset disposal related to Federal Transit Administration (FTA) and TxDOT interest in the properties that must be met. He ensured coordination with TxDOT to meet federal and state requirements, not related to the Local Government code, would be properly followed. Mr. Marsh ended stating the initial step per the local government code was to declare the property surplus.

After discussion, the following motion was made:

To declare that the CARTS-owned Round Rock Station property at 402 W. Bowman, Round Rock, Texas, 78664 is no longer essential to CARTS operations and to direct staff to offer the property for sale pursuant to the requirements of Texas Local Government Code, Sec. 272.001, and to those particular requirements for asset disposal related to Federal Transit Administration (FTA) and TxDOT interest in the property.

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

Consideration/Action regarding Community Transportation Association of America (CTAA) Community Development Transportation Lending Services (CDTLS) financing.

Mr. Marsh included in discussion on real estate assets with regards to the adopted financial plan was the decision to use the HQ as collateral for the necessary line of credit. Mr. Marsh reported that he had preliminary discussions with CTAA and based on those discussions CARTS would be prepared to file a loan application in the amount of \$850,000, representing 45% of the appraised value of the facility based on the most recent appraisal dated May, 2013. Mr. Marsh explained the CDTLS is a SBA-financed special loan fund administered by CTAA specifically for assistance of community transportation agencies like CARTS. He did ensure this application would not preclude exploring local financing options should the new banking relationship open those opportunities.

After discussion, the following motion was made:

To authorize staff to apply for funding in the amount of \$850,000 to the Community Transportation Association of America (CTAA) for consideration under the Community Development Transportation Lending Services (CDTLS) financing program managed by CTAA, and to secure the financing at the earliest practicable date, using assigned real estate assets as collateral for the financing, but not to commit to a loan until final terms are approved by the CARTS Board.

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

Update regarding Financial Plan and related activities, action as required.

Mr. Marsh presented an update to the 12-point recovery and financial plan approved at the October 16, 2014 meeting. He stated that after actions anticipated at the meeting of November 20, 2014 were approved, a local banking relationship would be established, actions would be underway to leverage assets for money management, that setting up management information system and the financial reporting system was underway, and that the leveraging of assets for improved money management would begin, a review of items for the reduction of outlays was in process, and ongoing activities related to the improvement of the revenue capture practices and grants management would continue, that the phasing out all outsourcing of vehicle maintenance was planned, and measures were being evaluated to reduce vehicle miles traveled to reduce operating costs.

Mr. Marsh gave a broad view as to the Financial department and corrective measures which have been taken.

Mr. Marsh also informed the Board there would be better enforcement of ensuring written procurement & procedures are adhered to, and indicated that authority has been provided to the Business Manager on purchase approvals. Mr. Marsh also ensured the beginning of a formal process to reconcile all payable accounts and receipts to make certain accuracy to payments, vendors or deposits to our account is being made.

Mr. Marsh also presented other cost saving items such as communications, grounds and building maintenance, fuel and vehicle maintenance, management staff salaries reduced to 90%, and the General Manager and Deputy GM salaries reduced to 80% as well as other staff reductions now under review under a re-organization review being conducted.

Mr. Marsh stated CARTS had engaged an Independent Auditor to conduct the agency wide Audit that meets all of required state and federal requirements for public entities and the scope of this year's audit may be expanded to analyze current practices, and include a more extended review of transactions to ensure the integrity of our accounts.

Executive Session Pursuant To Texas Government Code Section 551.074, Briefing and Update 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 11:17 am.

Contracts and Grants Summary Review: Discussion /Action as Necessary

Ms. Urkuski reviewed the November 20, 2014, Contracts and Funding Summary Addendum. She provided an updated chart and discussed all open contracts.

Report on applications to CAMPO and/or local governments for available STP-MM funds for CARTS capital projects.

Mr. Marsh discussed recommendation from the Technical Advisory Committee awarding \$37.8 Million to TxDOT's IH-35 Operational Improvement projects in Hays, Travis and Williamson Counties. He stated this amount represents all of the funds available in the regional category for FY15-18 which exhausted the funds prior to reaching the CARTS projects submitted ranking.

Report on CARTS request for capital funding through the transfer of CAMPO allocated funds from Capital Metro to CARTS for bus purchases for CARTS 1510 Interurban and 1517 Interurban Express routes to Texas State University.

Mr. Marsh was pleased to announce some movement on this item, with CAMPO issuing a letter to the Federal Transit Administration (FTA) requesting the fund transfer be made. He presented the letter for review. Mr. Marsh stated it will be a continuation working through the process with Capital Metro and the FTA in order to secure these federal funds and put them to work. He explained that once the funds are transferred, CARTS will make application to CAMPO for Transportation Development Credits to match the federal funds.

Update on the CARTS San Marcos Urban Operations, Edna Johnson

Mrs. Johnson provided an update on urban operations in San Marcos covering route changes, ADA Plan Enactment, Senior Program 65+, Fare Changes and The Bus. She stated it is a critical time for San Marcos with the roll-out of the first significant changes in the service since beginning urbanized area responsibility. Mrs. Johnson stated the changes were as recommended and were adopted in the Comprehensive Transit Plan with changes being initiated on January 5, 2015.

Report/update on Transit Advisory Committee for urban operations in San Marcos, Edna Johnson

Mrs. Johnson discussed the meeting held on September 26, 2014, in reference to the new ADA plan and whether the advisory committee should serve as the appeals board. She said that after discussion, the ADA appeals board would consist of customers and other agencies who are directly related to the certification process as recommended by FTA ADA guidance. She stated the next meeting will be held December 5, 2014.

Mrs. Johnson announced Mr. Paul Morris, who served on the advisory board, has moved to Austin and will no longer be able to participate on the committee. She stated when there was an initial

solicitation for persons interested in serving, an application from Mr. Cody L. DeSalvo was received and reviewed by CARTS Board Member and representative for the City of San Marcos, Kim Porterfield, reviewed the application and indicated she does know Mr. DeSalvo and felt he would be an asset to this committee. Mrs. Johnson stated if there was no objection from the Board, he will be added to fill the vacated slot on the committee.

Report/Update on Tucker Hill project, discuss dedication ceremony date/logistics

Mr. Marsh presented a comprehensive summary as to where the project stands currently, and anticipated where the project would be as of the week 12-01-14.

Report/Update on route changes or deployments, Interurban Coach services

Mr. Marsh discussed the major revamping of the Interurban routes operated on IH35 and introduced those changes made on October 27, 2014. He stated the ideas behind the changes were to provide more direct service to the Texas State campus, focus more service on the southern segment of the IH35 services (Austin-SM) and improvement with on-time performance, the latter not an easy thing on the 35 corridor due to the unpredictability of travel time from one day to the next.

Mr. Marsh stated the changes were met with a lot of criticism by the Texas State customers, and adjustments are being made to address those comments. He enclosed materials related to that and answered any questions and provided more detail as desired.

Report/Update on Interlocal Contract with the City of Marble Falls for use of Railroad Depot in exchange for ADA modifications to be made by CARTS.

Mr. Marsh was pleased to announce the ILA was executed and in force, and work will begin to open the 8th Station in CARTS District. Mr. Marsh hopes to have it ready to open by spring.

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

Mr. Lyle Nelson stated the Capital Area Regional Transit Coordination Committee held its Quarterly Meeting on November 4, 2014. He outlined highlights of the meeting being the appointment of Commissioner Becket from Bastrop County who was appointed by CARTPO, a review of the RTCC's Work Plan and accomplishments, updates on regional partners' initiatives and discussion on transitioning to a more result oriented clearinghouse for regional connectivity. He had more information in the background material.

Report/Update on Lone Star Rail District by Ms. Porterfield, CARTS Delegate to the LSR District.

Commissioner Hibler stated this item would be tabled until January.

Other items as presented for discussion/information

Mr. Marsh presented a draft Board meeting schedule for 2015 for consideration. He noted it could be set for adoption at the December meeting if it is acceptable, or amend as necessary.

Adjournment and set next meeting date and location

Commissioner Hibler indicated the next meeting will be scheduled for Thursday, December 18, 2014 at 9:30 a.m., unless it was determined to not be necessary.

The following motion was made:

To adjourn the November 20, 2014 meeting and to set the next meeting date to Thursday, December 18, 2014, as needed.

(Moved by Moreida, second by Kovar; 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.