



**Board Update  
CARTS Board of Directors  
Thursday, September 24, 2015**

In lieu of a sit-down meeting I am providing an update on projects and actions taken at the last meeting, and providing information on emerging issues we have been actively dealing with. Please contact me with any questions or comments.

**Adoption of CARTS FY16 Agency Budget**

The following resolution was adopted at the August 27<sup>th</sup> Board Meeting.

*To authorize the adoption of the CARTS FY16 Annual Budget in the amount of \$17,454,964 effective September 1, 2015.*

The template for services to be provided this year is in place. We are beginning work on setting up the cost allocation and chart of accounts next week with Texas Transportation Institute (TTI) assistance, and closing out all of our FY15 budget and year-end performance reporting to submit required reports to the the National Transit Database (NTD) as required by FTA and TxDOT.

**The adjustment to driver wages and setting a maximum rate.**

The following resolution was adopted at the August 27<sup>th</sup> Board Meeting.

*To approve for an effective date of September 1, 2015 setting the minimum rate for drivers at \$11 per hour and to establish a maximum rate of \$18 per hour.*

The change in wages for CARTS Drivers became effective September 1, 2016. One of my best times spent in a while was in the review and signing of each wage authorization sheet for 86 drivers. The increase is only worth \$86.67 per pay period pre-taxes, but I know how much it will be appreciated and how much it is needed. I remain steadfast in the pledge to try to add the next dollar in March, if we can afford to do so.

**RFP-2015-03-ES, an RFP for the design, engineering and environmental investigation for the CARTS Elgin Station project.**

The following resolution was adopted at the August 27<sup>th</sup> Board Meeting.

*To award the design, engineering and environmental investigation for the CARTS Elgin Station project pursuant to RFP-2015-03-ES to the firm ranked higher by the review team, hatch + ulland owen architects, LLP.*

This week we met with the firm selected and went over the project details, made suggestions on the subcontractors listed and requested a scope of work and priced proposal for doing the work. We are very pleased with the caliber of the team selected for the job.

We notified all proposers by email of the results and in that notification informed them of the posting of the scoring and evaluation of all the proposals received on the Procurement page of the CARTS website.

**RFP-2015-02-OF, an RFP for the design and engineering of the CARTS Operating/Headquarters Facility, Tucker Hill Lane.**

*To award the design, engineering and construction administration for the CARTS HQ/Operating Facility project pursuant to RFP-2015-02-OF to the firm ranked highest by the review team, Jackson McElhaney Architects.*

We notified the firm selected and discussed the scope of work, but have not requested a priced proposal for doing the work yet, as the grant process with TxDOT getting FTA approval on their state-wide projects is still underway, so we do not have contract authority yet. We anticipate that authority will be forthcoming and then we will get the firm under contract.

We notified all proposers by email of the results and in that notification informed them of the posting of the scoring and evaluation of all the proposals received on the Procurement page of the CARTS website.

**San Marcos Interlocal Agreement for Urban Transit Services for a one-year term beginning October 1, 2015.**

The following resolution was adopted at the August 27<sup>th</sup> Board Meeting.

*To authorize the General Manager or his designee to renew and execute the PUBLIC TRANSIT SYSTEM INTERLOCAL AGREEMENT, ("the Agreement") with the City of San Marcos for an effective date of October 1, 2015 and to provide the General Manager or his designee the authority to negotiate on behalf of CARTS for any changes necessary for a timely renewal of the Agreement.*

The renewal of the Interlocal Agreement (ILA) for Urban Service with the City of San Marcos will be effective October 1, 2015, for a one-year term. We have not received the ILA from the City as of this writing.

We have proposed to City staff that we conduct a meeting in which we can have a CARTS Update and Workplan Discussion FY16 to plan how that we can better integrate the significant investment in passenger amenities into the city administration and planning necessary to get all the shelters, benches, flat-work, curb cuts, etc. constructed and located during this upcoming fiscal year. We have almost \$200,000 to invest in that project this year, of which \$92,000 was deferred from the prior year.

**Report/Updates on Surplus Property Disposition.**

No significant progress to report here, but incremental steps underway including the following:

As discussed when we move our HQ and Operations to Tucker Hill, we will need to construct a terminal/hub for our Interurban routes. As METRO balked at the high appraised price of the HQ property, we offered to discuss a "trade-in" consideration for any hub we could establish on Metro-owned property to serve that need. Accordingly, Metro and CARTS are actively discussing the transfer of the CARTS Austin Interurban hub to one of two METRO locations: the Saltillo Plaza Transit Center or the South Congress Transit Center.

Considerations would be required by CARTS for either long-term lease or deeded property transfer in exchange for any financial considerations in the purchase price of the CARTS HQ. We prefer the Saltillo location.

In Round Rock we have firmed up the locating of the terminal operations for the CARTS Interurban services in the city-owned Round Rock Intermodal Center, but have not arrived yet on a price or an ILA to set the terms of the agreement. Once we feel confident in that deal being viable we will begin the public hearing process discussed in our July meeting to meet the Environmental Justice requirements of TxDOT, and proceed on that disposition.

**Financing plan for the construction of the CARTS Operating/Headquarters Facility ,Tucker Hill Lane.**

As discussed and agreed to, in lieu of the sale of the HQ to Metro, we will use the HQ as collateral for a construction” loan to finance the construction of the THL HQ/Operating facility.

The First National Bank has engaged an appraisal of the property, and we have signed on with the appraisal firm for a parallel appraisal issued to CARTS. This appraisal will form the basis of setting our sales price to METRO should that deal proceed, or failing that will serve to establish the value for the bank to consider any loan granted CARTS for the purposes discussed.

What remains undone is the securing approval from TxDOT for the exception to their property management rules that disallows liens on federally/state financed real property. I will work on that after I get the appraisal and tacit bank approval of the process.

Update: Just off the phone with the bank the appraisal of the HQ came in at \$3.62M.

**Other items**

Items that were slated for the September meeting that will be taken up at the October meeting include the annual election of Board officers and a presentation by the Office of Mobility Management (OMM) on the Transportation Development Plan for the City of Georgetown. I have asked OMM to provide to consider presenting on all of the Transit Development Plan activities planned or underway now in the region, using Georgetown as the centerpiece for what Metro is doing region-wide in collaboration with CARTS.

In August we also discussed the changes at the Austin District of TxDOT that have put the continuation our ongoing TTI work at risk. I reported then that I would be meeting with District staff to underline the critical nature of the work that TTI performs for CARTS, but have yet to get that opportunity due to scheduling difficulties. If we are still in business with TTI in October, I will plan to have their assigned staff provide the Board a report on the critical activities that they assist us with.

Travis County declined to fund the additional allocation we requested, so we are reducing services under this contract from 12,000 hours annually to 8,000. The net effect will be in the urbanized portion of the County, including Manor, Pflugerville and Del Valle. We have established a transition period of 90 days,

ending December 31, 2015 to make the reductions, and have set up a collaborative relationship with the Travis County Rural Community Centers staff to devise the reductions to best preserve essential services.

We have received the results of our FTA Triennial Review. As indicated by the reviewer and FTA Region staff at the time of the review, the initial triennial review for an FTA grantee is considered an instructive exercise that provides direction for remedial action for the proper administration of the federal program. In other words, they indicated that we should not expect to be perfect, nor should we consider any findings to be punitive or a negative reflection on the agency. We weren't perfect it turned out, but taking it in the context that the federal representatives framed it, we did OK. We have until December 15, 2015 to provide a remediation plan for those deficiencies noted in the review. We will report on that process in the October meeting.

We informed Logisticare that effective October 1, 2015 we would no longer provide purchased medical transportation under our current contract in Travis or Williamson Counties. This reduction is designed to reduce our exposure to a fluctuating demand in those areas and to enable us to better manage the services we provide under this contract. We also met with them to resolve issues related to slow payments, with some progress on that matter as an outcome.

The September CARTS Newsletter is also enclosed.

**Next meeting date and location**

The next scheduled meeting of the Board will be October 29<sup>th</sup> at 930a at the CARTS HQ in Austin.

Hope to see you all then. Let me know if there are any questions or comments on this update, or other matters of interest.