

MEETING MINUTES
CARTS Board of Directors
Thursday, August 30, 2012

9:30 am

| Board Members Present | | Staff Present | |
|------------------------------|--|----------------------|----------------|
| X | Present | X | Present |
| <u>X</u> | Commissioner Vivian Dildy, Bastrop County | <u>X</u> | David Marsh |
| <u>X</u> | Commissioner Paul Granberg, Blanco County | <u>X</u> | Pearl Jackson |
| <u>X</u> | Commissioner Ronny Hibler, Burnet County | <u>X</u> | Lyle Nelson |
| | Commissioner Neto Madrigal, Caldwell County | <u>X</u> | Kristi Urkuski |
| <u>X</u> | Commissioner James Kubecka, Fayette County | | |
| | Commissioner Debbie Ingalsbe, Hays County | | |
| <u>X</u> | Commissioner Linda Kovar, Lee County | | |
| | Commissioner Margaret Gomez, Travis County | | |
| | Commissioner Ron Morrison, Williamson County | | |
| <u>X</u> | Edith Moreida, Travis County (Proxy) | | |

| Guests |
|-------------------------------------|
| Vanessa Owens, TxDOT |
| Kim Porterfield, City of San Marcos |
| Laurie Moyer, City of San Marcos |
| Jeff Barton, GAP Strategies |
| Kara Bishop, GAP Strategies |

Call to Order

Commissioner Hibler affirmed a quorum and called the August 30, 2012 meeting of the CARTS Board of Directors to order. Recorded absent were Commissioner Madrigal, Commissioner Ingalsbe and Commissioner Morrison.

Consideration/Approval of Minutes from Board Meetings held Thursday, July 26th, 2012.

Commissioner Hibler requested any comments, additions or corrections to the minutes of the last meeting.

After discussion the following motion was made:

To approve and adopt the minutes of the Board Meeting held Thursday, July 26th, 2012.
 (Moved by Granberg, second by Moreida; unanimously approved)

Financial Reports

Commissioner Hibler requested any comments or corrections to the CARTS financial reports. Mr. Marsh noted that the fuel bill is paid weekly, \$25k to 30k, and noted the continuing increase in fuel costs. He also pointed out the payments to radio stations that are running the Cactus Ads, which are working.

After discussion the following motion was made:

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

Consideration/Action regarding the adoption of CARTS FY13 Agency Budget

Mr. Marsh discussed and presented a review of CARTS 2013 Agency Budget Highlights and Summary. He explained the relative increase of +28% overall for 2013 in revenue and expense projections. He included the MTP recoupment of \$312,012 which will clear the balance due on that account.

Mr. Marsh reported there is a significant amount of the \$2.2M fund balance for the completion of the VMC to matching federal grants, but still a cautionary exercise. He mentioned that financing part of the capital expense to complete the VMC is an option which may need to be explored.

Mr. Marsh was adamant of exercising a strict economy going into this budget year and work to not spend all of the operating funds budgeted. He assured this will be a year of conservative deployment of services and staffing additions.

Mr. Marsh presented projects slated for FY13. He announced the budget is balanced with available revenues and projected all costs for each of the service additions. Mr. Marsh expressed that ongoing grant assistance will need to be secured to support this level of service in 2014.

In conclusion, Mr. Marsh stated that it is important to re-establish our name brand identity in the region, improve the core service, engage the public and adapt service to meet expressed needs, improve our infrastructure and staff attributes and promote our regional intercity mode and the connectivity aspect of our new service profile so a new business model can be established.

Mr. Marsh indicated the one problem area on the revenue side of the budget was the MTP revenues which he projected to be down 14% for the year. Commissioner Hibler asked for an explanation of the MTP revenues being lower. Pearl Jackson responded with, "Unfortunately, Yellow Cab was not in compliance, trips that we were assigned were unable to be performed, we were unable to utilize them. Smaller providers would have cost more than Yellow Cab." She indicated that she did not see demand falling, just our ability to perform all the trips assigned. Mr. Marsh indicated that focusing all MTP resources in Round Rock and increasing our ability to provide more trips would be the appropriate course of action, if that be the case, and that we would work on that diligently at the new Round Rock Medical Transportation Center.

Mr. Marsh also cautioned that we were using \$576,900 in Capital Reserve funding in the budget, and though that was what it was for, we should always note our balances and work to maintain a reserve.

Commissioner Granberg requested the balance of the Capital Reserve. Mr. Marsh responded there is \$2.2M and it is used when needed and is kept for capital and special projects. Discussion about what was the proper amount of reserve, was it 1-3 months of Operations, and Mr. Marsh said he was unsure of how many months we should maintain the current reserve is good for 2 months.

After discussion, the following motion was made:

To adopt as presented the CARTS Agency-wide budget for fiscal year 2013.
(Moved by Granberg, second by Kovar; unanimously approved)

Consideration/Action regarding the formation of an Urban Transit District consistent with Chapter 458 of the Texas Transportation Code and pursuant to resolution of San Marcos city council, and the action of the conferees of the Transportation Conference organized for the purpose of determining the establishment of an Urban District for the San Marcos Urbanized area as determined by the 2010 U.S. Census.

Mr. Marsh presented the resolution by the San Marcos City Council to form the Urban/Rural District which includes the San Marcos urbanized area (UZA), an area comprised of Hays, Caldwell and Guadalupe counties, a part of the City of Martindale and most of the corporate bounds of the City of San Marcos. He explained the UZA would become a part of the CARTS District, joined to the remaining rural portion of our service area. He also announced that per the agreement with the City, a seat would be added to the CARTS Board of Directors from the San Marcos City Council to represent the urban area. Mr. Marsh said this would expand the Board to ten members, with six required for a quorum.

Mr. Marsh expressed the urgency of this action in order to make the CARTS District eligible to receive the state public transit funds set aside for the San Marcos UZA prior to the beginning of the next state fiscal year for which they are authorized. He also noted this will enable the new CARTS District to be eligible to receive funding from the FTA specifically allocated to the San Marcos UZA. He explained the City of San Marcos will be the designated recipient and CARTS, the grantee. Mr. Marsh also explained that this will allow the City to have final authority on the use of the funds, but also enable CARTS to directly receive grant funds from the FTA.

Mr. Marsh also referenced a proposal in the background documents to TxDOT filed in response to their Call for Projects for Census Impact Funds appropriated in the last session of the state legislature in anticipation of the census changes and their impact on the funding for transit services in the affected areas.

Mr. Marsh introduced Laurie Moyer (Managing Director of Community Services) and Kim Porterfield (Deputy Mayor Pro-Tem) from the City of San Marcos. Both addressed the Board. Ms. Moyer said she hopes to be a resource to help move the process along and make a difference. Ms. Porterfield stated this is a great opportunity for the city and appreciates the window to improve the system in San Marcos. She stated that transit is an essential element in the growth and needed infrastructure of the City.

After discussion, the following motion was made:

To approve the resolution for the formation of the CARTS Urban/Rural Transit District consistent with Chapter 458 of the Texas Transportation Code and pursuant to resolution of San Marcos city council, and the action of the conferees of the Transportation Conference organized for the purpose of determining the establishment of an Urban District for the San Marcos Urbanized area as determined by the 2010 U.S. Census, and approving the creation of an additional board seat of the CARTS Board of Directors designated for a representative of the San Marcos UZA.

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

Discussion/Report on Public Engagement Process

Mr. Marsh welcomed guests, Jeff Barton and Kara Bishop of GAP Strategies. Mr. Barton gave a brief presentation about the Community Outreach activities. Mr. Barton was enthusiastic to meet the Commissioners and asked to be able to get advice and direction as to who to contact in their communities for public surveys. Mr. Barton anticipates being out in the communities in the next five months. Mr. Marsh expressed how there is a need for more CARTS services in the more rural counties, including the counties of Blanco, Caldwell, Fayette & Burnet to market the availability of our services in those areas better. Mr. Marsh also indicated this project is limited in scope and funding, however, maximizing what we do so the results can be highly beneficial to acquainting folks with our service, getting guidance from the public and services needed, and outlining our plans for the future.

Job Performance Evaluation of the General Manager

Commissioner Hibler announced the Board would be going into an Executive Session for the job performance evaluation of the General Manager by stating, "At this time, the Board will convene in closed session under government code section 531.071. 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."

After discussion with counsel, the Board re-convened in open session. The following motion was made:

To approve a 5% wage increase, effective September 1, 2012, for the General Manager, David Marsh.

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

Other items as presented for discussion / information

Mr. Marsh asked any Commissioner if they would like to attend the 20th National Conference on Rural Public and Intercity Bus Transportation in Salt Lake City, Utah from October 14-17th, and if so we would make the necessary arrangements.

Adjournment and set next meeting date and location

Commissioner Hibler indicated that the next meeting is scheduled for September 27, 2012 at 9:30 am.

The following motion was made:

To adjourn the August 30, 2012 meeting and to set the next meeting date for September 27, 2012.

(Moved by Kovar, second by Granberg; 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.