

Triangle Transit Authority Board of Trustees
Meeting Minutes
December 20, 2006
Board Room, 68 T.W. Alexander Drive
Research Triangle Park, NC

Board Members Present:

Anne S. Franklin	William G. Smith
Alice Gordon	Kenneth Spaulding (left 3:30 p.m.)
Bob Hinshaw	Bill Strom (arr. 1:30 p.m., left 3:50 p.m.)
Sig Hutchinson	Nina Szlosberg
Jeff Merritt	M. Carter Worthy (arr. 1:20 p.m.)
Ellen Reckhow	

Board Members Absent:

Bill Bell (excused)

Staff Present:

Laurie Barrett	David King
Michelle Dawson	Maurice McGhee
Brian Fahey	Greg Northcutt
Saundra Freeman	Brad Schulz
Damien Graham	Juanita Shearer-Swink
Sylvester Goodwin	Garold Smith
Wib Gulley	John Tallmadge

Chair Alice Gordon called the meeting to order at 1:15 p.m.

I. Adoption of Agenda

Chair Gordon asked to add an item to the agenda requested by Jeff Merritt regarding the Marshall Memorial Fellowship. General Counsel Wib Gulley requested a closed session to discuss NC Railroad matter.

Action: On motion by Franklin and second by Reckhow the agenda was adopted with the addition of the two items as requested above. The motion was carried unanimously.

Worthy arrived.

II. Recognition

A. Introduction of New Hires

General Manager David King announced once new hire, Darrick Harris, vanpool mechanic.

B. Announcement of Promotions

General Manager King also announced that Maurice McGhee has been promoted to IT Manager.

Sig Hutchinson pointed out that Alice Gordon received the Goodmon Award for Exemplary Regional Leadership by an Elected Official, presented by Leadership Triangle. Carter Worthy was named a Woman Extraordinaire by Business Leader Magazine.

III. Public Hearings

None.

IV. Public Comment

None.

V. Consent Agenda

Action: On motion by Worthy and second by Smith the consent agenda was adopted. The motion was carried unanimously.

The following consent agenda items were approved:

- October 25, 2006 - Regular Session Minutes; and
- November 15, 2006 - Regular Session Minutes.

VI. Presentations

A. FY 2006 Comprehensive Annual Financial Report

Chair Gordon recognized Scott Duda from Cherry, Beckeart & Holland to present the FY 2006 audit report. Duda stated that the financial statements had been submitted to the Local Government Commission and accepted without comment or suggestion for 2007. He added that the statements received an unqualified opinion from his firm.

Duda then highlighted the following information:

- Net assets increased by only \$19.7M compared to \$33M for FY 2005, due to a reduction in grants.
- Unreserved fund balance remained comparable to prior years.
- There was a change in fund balance; it was down \$3.5M from the prior year due to the decrease in grant revenues.

Duda said that there were a couple of findings related to grant receivables and reporting, possibly related to turnover and re-assignment. He reported that the issues have been corrected. He suggested a disaster recovery plan. Duda also informed the Board that GASB Statement 103 requires that any documentation received by the firm from TTA has to be retained in the firm's files. He said this would be an additional burden on TTA and the audit firm.

Other recommendations from Duda included the establishment of an audit committee of the Board, an internal audit function and a fraud hotline. Reckhow asked if management has a response to these suggestions. Duda said not at this point.

Action: On motion by Reckhow and second by Hutchinson the Board voted to ask staff to respond to the management letter and that the Operations & Finance Committee make a recommendation related to the suggestions from the auditor. The motion was carried unanimously.

Strom arrived.

Action: On motion by Reckhow and second by Hutchinson the audit report was accepted. The motion was carried unanimously.

VII. General Business Agenda

A. Items Removed from Consent Agenda

None.

B. Personnel Committee Report

None.

C. Planning & Legislative Committee Report

Nina Szlosberg stated that the Committee discussed a contract extension for TTA's communications vendor on an as needed basis and an update on the master developer agreement. She said the Committee voted to recommend Board approval of both items. Szlosberg also reported that the Committee received a draft of TTA's "road show" presentation.

1. Contract Extension for Communications Consultant

Action: On motion by Reckhow and second by Franklin the Board approved the extension of the communications consulting services contract with French West Vaughan retroactively from October 1, 2006, through March 31, 2007, in the amount of \$30,000. The motion was carried unanimously.

D. Operations & Finance Committee Report

Bill Strom stated that the Committee received first quarter financial results.

1. Upgrade of the Bus Operations and Maintenance Facility Oil/Water/Grit Separator

Committee Chair Strom reported that the Committee voted to recommend Board approval of a request to upgrade the oil/water/grit separator at the bus operations and maintenance facility and exempt the procurement of design services from the requirements of a qualification-based selection process and negotiate directly with Moser Mayer Phoenix Associates, P.A. Recommend board approve resolution.

Action: On motion by Worthy and second by Smith the Board adopted *Resolution 2006 0024 Resolution of the Triangle Transit Authority Board of Trustees Authorizing Negotiations with Moser Mayer Phoenix Associates, P.A for Design of the Upgrade of the Bus Operations and Maintenance Facility Oil/Water/Grit Separator.* The motion was carried unanimously.

2. Progress Report on Strategic Investments Outreach Efforts

Strom noted survey data in the agenda packet. He said the Committee discussed this raw data, which will come back to the Committee in an analyzed form. Reckhow said she was struck by the survey responses, and noted common responses about on-time performance and the use of bio-diesel fuel or hybrid buses. She suggested that these specific items be referred to the Operations & Finance Committee. Strom responded that staff would be bringing information to the next Committee meeting about alternative fuels and that a significant criterion for route adjustments is on-time performance. Szlosberg added that NCDOT has an alternative fuels program and is providing financial assistance for retrofitting buses or purchasing new vehicles.

Patrick McDonough noted that the data included responses from 238 people, 37% male and 61% female although TTA's ridership is almost 60% male. He agreed that the data is interesting, but said it is not a representative sample of TTA's ridership.

Action: On motion by Franklin and second by Hutchinson the Board received the report and encouraged the Committee to continue its work. The motion was carried unanimously.

Hinshaw commended staff for work on this project.

E. Update on Joint MPO Meeting

David King stated that the two MPOs along with TTA, TJCOG and the Regional Transportation Alliance (RTA) are engaged in a planning project to produce a new blueprint for transit. He indicated that staff could request in January to use consulting services to help with later stages of the work like cost estimating. He added that a group would be formed to give input to the process.

Gordon said that the chairs and vice chairs of the two MPOs met but did not decide of how to select this advisory group. Franklin commented that a representative group should include users.

F. Master Developer Agreement with Cherokee Investment Partners

General Counsel Wib Gulley noted one change to the agreement, suggested by Chair Gordon, since the committees met, which explicitly gives TTA the ability to audit the financial records. He said that staff recommends that the Board approve the agreement and authorize the general manager to execute it. He added that the agreement would not be executed until questions from the NCDOT and several legislators had been responded to. King stressed that he would meet with TTA's partners at NCDOT before executing the agreement.

Ken Spaulding noted that at the Transit, Rail and Ferry Committee of NCDOT meeting in December several issues came up which were detailed in a letter from Roberto Canales. Spaulding indicated that the transfer of property to Cherokee or a private entity was questioned. Gulley responded that Cherokee or the development

entity would have a five-year option on TTA property during which time they could exercise the option and the property would be conveyed to them. He added that TTA as sole owner has the legal ability to convey property.

Spaulding added that some members wanted to know TTA's vision given its withdrawal from the federal New Starts process. He said questions also arose about the State's contribution to TTA's project. Some members felt that a transfer of TTA assets to a third party would negatively impact NCDOT's ability to recover monies invested. He said that staff has made progress with NCDOT Board members and staff since the committee meeting.

Action: Hutchinson made a motion to authorize the General Manager to sign the master developer agreement. The motion was seconded by Worthy.

Reckhow suggested adding "after briefing the NC Board of Transportation members in January."

Gulley suggested a motion to approve the agreement and authorizing the General Manager to execute the agreement subject to consultation with the NC Board of Transportation (NCBOT).

Action: Hutchinson withdrew the original motion and then made a motion to approve the master developer agreement and authorize the General Manager execute the agreement subject to consultation with the NC Board of Transportation (NCBOT). The motion was seconded by Reckhow.

Hinshaw noted that the property has to be used for transportation, even if conveyed to another entity.

Szlosberg indicated her feelings that TTA would have support of the NCBOT.

King expressed his optimism that when the NCBOT gets good information they would support the agreement. He said if that is not the case, he would come back to the TTA Board for a decision about moving forward.

Action: Upon vote, the motion was carried unanimously.

VIII. Other Business

A. General Manager's Report

David King stated that he had a number of conversations within the region and then recognized staff to report on several projects:

- Greg Northcutt reported that phase one of the bus operations and maintenance facility (BOMF) expansion has been completed approximately one month early and the contractor will receive the incentive bonus. He said buses would be returned to Nelson Road on Saturday. He said that two change orders totaling

\$80,000 were processed for off site fill material and for security. He said this amount is covered by contingency.

- John Tallmadge stated that a mayors meeting on the Triangle Seamless Public Transportation Project resulted in a request to develop a regional bus expansion plan by March. He said this accelerates the Strategic Plan for Investments in Bus, Vanpool and Paratransit timeline, but work has begun with the other transit agencies and meetings would be scheduled with some outlying communities. He explained the report would be a seven-year plan of priorities for three scenarios, \$5M \$10M and \$15M in additional revenues. (The project timeline is attached and hereby made a part of these minutes.) Reckhow asked how this differs from the work on the transit blueprint. King responded that the blueprint looks at corridors where potential New Starts type projects might be proposed. He said this project is an opportunity to brainstorm about additional services offered and additional investments that would be made with new revenues. Franklin asked how this project fits with the updating of the LRTPs. Tallmadge replied that CAMPO's CTP and DCHC's LRTP would be evaluated against the current travel environment, not the 25-30 years and longer horizon of those documents. Franklin then asked if TTA has the resources in-house to complete this project. Tallmadge said that TTA has public comments received through the Strategic Plan for Investments in Bus, Vanpool and Paratransit. He said also available would be early outputs from the transit blueprint as well as planning data from UNC-CH and NCSU. Gordon requested an update about this project, the seamless public transportation project and the regional human services transportation consolidation, each with a timeline.
- John Tallmadge then stated that due to a number of projects that are setting TTA's direction for the future and the upcoming purchase of replacement vehicles that TTA is looking at its brand identity to determine if any changes are warranted. The timeline is attached and hereby made a part of these minutes.

B. General Counsel's Report

General Counsel Wib Gulley reported that a response to the NC Turnpike Authority on the traffic and revenue study for the proposed Triangle Turnpike would be sent today.

C. Chair's Report

Alice Gordon noted that there has been a slight change to the agenda, with the General Business Agenda including all committee reports with action items going before other reports. She added that a "financial impact" section has been added to each agenda item. Reckhow suggested that committee actions items be placed on the consent agenda if approved unanimously.

D. Board Member Reports

1. CAMPO TAC Representative

No meeting.

2. DCHC TAC Representative

Bill Strom reported that Alice Gordon was elected chair of the DCHC TAC and there was a discussion regarding the membership to the transit blueprint advisory committee.

3. Regional Transportation Alliance (RTA) Representative

Chair Alice Gordon stated that she attended the annual meeting and heard an overview of transit needs in the region.

E. New Business

Jeff Merritt stated that he had been selected as Marshall Memorial Fellow for 2007 and would be traveling to Europe in March for one month. He said that he would be looking at intercity passenger rail and asked for assistance from Board members to focus his discussions.

IX. Closed Session(s)

Pursuant to NCGS §143-318.11 (a) (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.

A. Rail Corridor Property Acquisition

B. NCRR Agreement


Action: On motion by Reckhow and second by Smith the Board adjourned into closed session for the purposes of and pursuant to the General Statute listed above at 3:28 p.m. The motion was carried unanimously.

Spaulding left before the closed session.

Action: On motion by Smith and second by Hutchinson the Board adopted *Resolution 2006 0025 Resolution of the Triangle Transit Authority Board of Trustees Authorizing the General Manager to Approve a Mediated Settlement for A Condemnation Action for the Regional Rail Project for Parcels D015, D016, D017, Owned by Southern Leasing, Located at 1304 E. Pettigrew St., 1311 and 1315 Humphrey St., Durham.* The motion was carried unanimously.


X. Adjournment

Action: Chair Gordon adjourned the meeting at 3:56 p.m. The motion was carried unanimously.



Alice Gordon, Chair

Attest:



Michelle C. Dawson, CMC
Clerk to the TTA Board