

CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING
2910 East Fifth Street Austin, TX 78702

~ Minutes ~

Board Liaison Ed Easton
512-369-6040

Monday, July 29, 2019
12:00 PM

12:10 PM Meeting Called to Order
3:38 PM Meeting Adjourned

I. Pledge of Allegiance

II. Safety Briefing

Gardner Tabon, Vice President of Risk Management, gave his monthly safety briefing.

III. Recognitions

Chair Cooper and President Clarke recognized Executive Vice President of Planning and Development Todd Hemingson and Deputy CEO Elaine Timbes. Todd recently departed Capital Metro, and Elaine will be retiring from the agency in August.

IV. Public Comment:

Gus Pena, Veterans for Progress, expressed concerns about increasing ridership to the VA Clinic and the new municipal courthouse. Capital Metro may need to increase frequency. His group would also like to see fair and equitable pay raises for bus operators -- overall they are excellent. He praised bus operator Anthony Walker in particular for his ability to diffuse tough situations.

(The following individuals all spoke after the presentation on Action Item #3 -- Contracted Bus Operations and Maintenance Contract.)

Tom Egan from MV Transportation thanked the board for its confidence in the firm. MV is committed to a very good transition, taking care of the people involved, and safety. They have had great conversations with the Amalgamated Transit Union 1091. This was a very thorough process and we are confident that there will not be any problems. We have a great corporate team ready to support this contract.

Ron Barnes from MV Transportation also expressed his thanks. We place a high value on our employees, and on creating a collaborative partnership with Capital Metro. He emphasizes continuous improvement and recognition of employees.

Ben Miller from BMR Janitorial spoke of his experience working with MV Transportation in the past. He believes they will be a great contractor.

Bridgette Thomas, the owner of Bubbles & Suds, has been a subcontractor for both RATPDev and MV and feels that MV is a good company to work with. They have been responsive and fair with her firm.

Brent Payne from ATU 1091 discussed his concerns that wages and benefits not be cut. Insurance needs to be affordable. Capital Metro needs to ensure that front line employees are taken care of. Being ill should not be the cause of a bankruptcy.

Yvonne Luna-McGee, Vice President of ATU and bus operator since 1986, spoke of the difficulties of some many transitions over the years. She feels that RATP should be the recommended contractor -- they have a proven track record that they can handle a contract this large.

Darrell Sorrels from ATU 1091 and a fixed route operator, gave a brief overview of previous disputes that the Union has had with Capital Metro. Employees gave up a lot when the contract was awarded to McDonald Transit and he believes they have been unfair. MV needs to understand that they have made promises that he intends to hold them to.

Anthony Walker, East Austin Coalition and bus operator, feels that it is in the best interest of Capital Metro to keep two contractors rather than trusting all of its operations with one. This is a dangerous game. We need to focus on the 2020 referendum. You do not need to follow this recommendation -- in six months you may regret it.

Alexander Jimenez, bus operator, spoke of the erosion of benefits over his 21 years of employment. His son-in-law is a mechanic for MV and cannot afford to cover his wife and two sons under his health insurance. That is shameful, and he feels that employees have not been taken under consideration in this negotiation. He suffers many indignities as a bus operator, but that is his job.

V. Advisory Committee Updates:

1. Update on the Customer Satisfaction Advisory Committee (CSAC)

Yannis Banks, Community Involvement Coordinator, presented the report.

The CSAC Committee met on July 10th and discussed outreach around the Project Connect initiative with Chief Counsel Kerri Butcher. The also received updates on the Guadalupe contra-flow lane; the MetroBike cages; and a progress update on Project Connect.

VI. Board Committee Updates:

The two board committees did not meet this month, so no report was given.

VII. Action Items:

1. Resolution of Recognition for Deputy CEO/Chief Operating Officer Elaine Timbes.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Wade Cooper, Chair
SECONDER:	Terry Mitchell, Board Member
AYES:	Mitchell, Cooper, Garza, Kitchen, Jonse, Renteria, Travillion, Stratton

2. Approval of Minutes from the June 21, 2019 Board Meeting.

RESULT:	ADOPTED [7 TO 0]
MOVER:	Delia Garza, Vice Chair
SECONDER:	Eric Stratton, Board Member
AYES:	Mitchell, Cooper, Garza, Kitchen, Jonse, Travillion, Stratton
RECUSED:	Renteria

3. Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute a contract with MV Transportation for contracted bus operations and maintenance services for a period of five years plus two three-year options, with a 5% contingency, in an amount not to exceed \$1,405,337,529.

Vice President of Bus Operations and Maintenance Dottie Watkins presented this item.

Dottie gave a presentation that reviewed the background behind the solicitation, the procurement process, the proposers for the contract, site visits, and the evaluation factors used to select a

recommended vendor. This solicitation used separate evaluation teams for the Technical and Price proposals.

After evaluation of the proposals and Final Proposal Revisions (FPR) were received from the four firms that proposed for this contract, the evaluation team narrowed the selection to two firms: RAPTDDev and MV Transportation. Looking at a combination of their technical and price proposals, MV Transportation was a unanimous choice as the recommended firm for this contract. Dottie went through some of the details of the MV proposal, corporate structure, and Disadvantaged Business Enterprise (DBE) utilization. She then reviewed details of MV's price proposal. The plan is for a transition period to begin with approval of a contract and the service switchover to be complete in time for the January, 2020 Service Change.

Chair Cooper then took public comment on this item (see public comments section).

At the conclusion of public comment, Chair Cooper read a portion of a memo submitted by Vice President of Internal Audit Terry Follmer stating that he did not have any concerns with the vendor selection process for this contract, and concurring that MV's proposal represents the best value to the agency.

Board member Kitchen asked for clarification on the health insurance benefit basis in Section 25. Dottie explained that while some items are subject to negotiation with ATU, MV Transportation has pledged to use the wages and benefit levels in the current RATP contract with the union as the starting point or floor for beginning their negotiations.

Vice Chair Garza asked to review the slide from Dottie's presentation that included a timeline of the procurement process. Vice Chair Garza expressed concern that this is the first time she is hearing about some of these operator concerns, and that she has not seen the proposal and other documents that she would like in order to make this decision. As a bus rider herself, she sees what the bus operators go through each day. Without more certainty she cannot support the resolution at this time. President Clarke responded that we are a part of an arrangement dictated by state law that limits our participation in the negotiating process. Regardless of the vendor chosen we would be in the same scenario, since we are not a party in the final labor negotiation.

Board member Travillion expressed that the cost of healthcare benefits is too high, especially when family members are added to a benefit package. We need to ensure that we are offering the best package possible so that employees do not go bankrupt during medical emergencies.

Board member Stratton echoed the same concerns over the high cost of healthcare, but also questioned whether it was the board's role to get into the details of vendor contracts at this level.

Board member Kitchen expressed concerns over language in the scope that says that the vendor will provide health benefits that are "substantially equivalent". She suggested rewording that clause to make it more specific to include costs and types of coverage, and asked if the board could see the final language -- as well as the vendor's proposal -- before approval.

Vice Chair Garza, President Clarke, and Chief Counsel Kerri Butcher had a discussion of the legalities and sequencing around allowing the negotiations to take place between MV and ATU and then bringing the final agreement back to the board for approval.

Chair Cooper commented that while he understands the need for clarity, he has full faith that the ATU Union leadership will be strong advocates for our bus operators at the negotiating table. He would be in favor of awarding the contract to MV, knowing that wages and benefits are already benchmarked and will not go down from the current labor agreement.

Dottie spoke and said that in her many months working through this procurement, she is very confident that MV is committed to taking care of the front-line employees.

Board member Stratton asked if it might be appropriate to postpone this item until August. Board member Renteria added that given the confusion of what the board can or cannot do, it might be best to wait.

Tom Egan from MV responded to comments from board member Kitchen to reassure the board that the company was committed to bringing salaries and benefits up to the level of the 2910 bus facility.

President Clarke spoke to the importance of moving this forward fairly quickly to allow time for a full transition.

Board member Stratton made a motion, board member Renteria seconded, that this item be postponed until a special meeting with a majority of the board can be convened on August 12th. After comments from board member Kitchen that she could not attend, board member Stratton amended his own motion to say a special meeting as soon as can be arranged to meet board member schedules. President Clarke asked for clarification that the motion for as soon as possible meant a majority of the board, not the full board.

Vice Chair Garza commented that while she appreciates the postponement, and the optimism of so many board members in this being a great deal for everyone, having been through many bargaining sessions she does not share that optimism. If nothing really changes between now and final vote she will not be able to support it.

Motion to postpone subject to rescheduling passes 8-0.

RESULT:	TABLED	Next: 8/12/2019 12:00 PM
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4. Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute a contract with PFM Asset Management, LLC, for Investment Management and Financial Advisory Services for a base period of three years and two one-year option periods in an amount not to exceed \$915,250.

CFO Reinet Marneweck presented this item.

This contract would provide financial advisory and investment management services. PFM is the vendor currently providing these services to Capital Metro, and we have been happy with their work. They provide similar services to the City of Austin, DART, Houston Metro and Travis County.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rita Jonse, Board Member
SECONDER:	Terry Mitchell, Board Member
AYES:	Mitchell, Cooper, Garza, Kitchen, Jonse, Renteria, Travillion, Stratton

5. Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute a contract with CC West Printing for the fabrication of signage assemblies and spare parts for a contract term of five (5) years for a total contract amount not to exceed \$943,080.

Vice President of Capital Projects Ken Cartwright presented this item.

Ken gave a brief presentation noting some of the features of the new signage. By the end of 2019, all 2375 bus stops should have the new, consistent signage.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sabino Renteria, Board Member
SECONDER:	Eric Stratton, Board Member
AYES:	Mitchell, Cooper, Garza, Kitchen, Jonse, Renteria, Travillion, Stratton

6. Approval of a resolution authorizing the President & CEO, or his designee, is authorized to finalize and execute an interlocal agreement with the Capital Area Rural Transportation System (CARTS) for construction and joint operation of the Eastside Bus Plaza (EBP) and to contribute \$1,500,000 in local funds to the project.

Vice President of Capital Projects Ken Cartwright presented this item.

Ken gave a presentation with an overview of this project, which would provide a new hub of operations for CARTS in Austin, and also provide a transfer point for Capital Metro routes. Currently CARTS is located at Plaza Saltillo, but they have identified a place to build a multimodal facility where East 5th Street and Cesar Chavez meet. TxDOT currently owns the site and have leased it to CARTS. Ken reviewed some of the features of the new facility and building, including a 24-hour driver restroom.

Ken recognized Dave Marsh from CARTS, who thanked Capital Metro for their support and spoke to the new for this new facility. He sees great potential for this partnership.

Board member Stratton asked about who will maintain the restrooms and the ability of the public to use the restroom. Ken responded that the restrooms will be open to the public while the CARTS office is open, but not after hours. President Clarke added that while the board has had discussions about providing public bathrooms at some of our larger transit facilities, the cost of maintaining them is prohibitive so we are continuing explore ways to perhaps partner to share those costs as we try to find ways to provide them.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sabino Renteria, Board Member
SECONDER:	Jeffrey Travillion, Board Member
AYES:	Mitchell, Cooper, Garza, Kitchen, Jonse, Renteria, Travillion, Stratton

VIII. Presentations:

1. Strategic Plan Update

Deputy CEO Elaine Timbes presented this item.

In her last appearance before the board before her retirement, Elaine walked the board through recent updates to the Capital Metro Strategic Plan, including the four key goal areas strategic measures, and strategic initiatives. She also outlined next steps in developing plan scorecards and business unit plans.

Elaine thanked the Board, President Clarke, and consultant Patti Summerville for their assistance in getting the plan to this point.

Vice Chair Garza asked about adjustments to scorecard weights that had been discussed previously. Board member Stratton asked about progress in getting the scorecard and KPIs posted on the Capital Metro website.

2. Project Connect Monthly Update

The update was postponed this month due to time constraints.

IX. Reports:

1. President's Report

President Clarke presented his report, which this month included the delivery of new MetroExpress coach buses; two grants the agency recently received that will help us purchase new electric buses; the recent employee celebration at the Millennium Youth Complex; and Deputy Chief of Staff Sam Sargent being recognized as a Mass Transit Magazine "Top 40 Under 40".

X. Items for Future Discussion:

XI. Adjournment

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512) 369-6040 or email ed.easton@capmetro.org if you need more information.

BOARD OF DIRECTORS: Wade Cooper, Chair; Delia Garza, Vice Chair; Eric Stratton, Secretary; Terry Mitchell; Rita Jonse; Ann Kitchen, Jeffrey Travillion and Pio Renteria.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.