

Triangle Transit Board of Trustees
Meeting Minutes
June 25, 2008

Board Room, 68 T.W. Alexander Drive
Research Triangle Park, NC

Board Members Present:

Bill Bell	Sig Hutchinson
Jean Davis	Ellen Reckhow
Joe Freddoso	William G. Smith
Alice Gordon	Bill Strom (left 3:30 p.m.)
Bob Hinshaw	Nina Szlosberg

Board Members Absent:

Jeff Merritt (excused)	Kenneth Spaulding
------------------------	-------------------

Staff Present

Amy Armbruster	Wib Gulley
Laurie Barrett	David King
Michelle Dawson	Patrick McDonough
Tonya Dupree	Brad Schulz
Eric Landfried	Juanita Shearer-Swink
Damien Graham	John Tallmadge

Chair Sig Hutchinson called the meeting to order at 1:08 p.m.

I. Adoption of Agenda

Action: On motion by Smith second by Gordon the agenda was adopted adding a public hearing (which was advertised) on the FY 2009 budget. The motion was carried unanimously.

II. Recognition

A. Introduction of New Hires

General Manager David King announced the hiring of marketing intern Will Steele and customer service representative Sharon Worth.

B. Announcement of Promotions

King announced that Majid Mohamed has been promoted to IT specialist and Kelli Thompson to human resources/payroll specialist.

III. Public Hearings

A. Short-Range Transit Plan

Emily Yasukochi presented a summary of the public comments received on the Short-Range Transit Plan (SRTP), which is attached and hereby made a part of these minutes.

Chair Sig Hutchinson opened the public hearing at 1:13 p.m.

Hutchinson recognized Owen Evans, a Raleigh resident who works at Cisco and rides Shuttle 49. He commended staff for the draft plan. He pointed out that Shuttle 49 is the second highest performing route in the system yet has the lowest frequency of any of the RTP shuttles. He said he felt changes to this route should be implemented sooner than FY10 and based on its performance, immediate changes should be considered.

Hutchinson then recognized Graham Olive Jr. who asked if the FY09 budget would include funds for increased frequencies for routes 403, 413, and 311.

There being no further comments, Chair Hutchinson closed the hearing at 1:18 p.m.

B. FY 2008 Section 5307 Program of Projects

Deirdre Walker stated that the annual Section 5307 Program of Projects is based on staff's recommendation for use of federal funds for operating and planning.

Chair Hutchinson opened the public hearing at 1:20 p.m. There being no comments, the hearing was closed at 1:21 p.m.

B. FY 2009 Budget

Saundra Freeman stated that the proposed FY09 budget includes revenues of \$28.8 million and operating and capital expenditures totaling \$43.3 million.

Chair Hutchinson opened the public hearing at 1:20 p.m. There being no comments, the hearing was closed at 1:21 p.m.

IV. Public Comment

Chair Hutchinson recognized Graham Olive, Jr., who asked the feasibility of organizing a program like Durham's PRIDE ambassadors.

Gordon commented that this is a good program and she would like staff to look into implementing such a program.

Amy Armbruster replied that the proposed FY09 budget includes a customer service coordinator position whose duties would include implementing a similar program for Triangle Transit.

V. Consent Agenda

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

The following consent agenda items were approved:

- May 28, 2008 - Regular Session Minutes;
- Approved FY08 Section 5307 Program of Projects (Resolution 2008 0005); and

- Authorized the General Manager to execute the Section 5307 grant agreements and committed local matching funds (Resolution 2008 0006).

The resolutions noted above are attached and hereby made a part of these minutes.

VI. Presentations

None.

VII. General Business Agenda

A. Items Removed from Consent Agenda

None.

B. Personnel Committee Report

None.

C. Planning & Legislative Committee Report

Committee Chair Ellen Reckhow stated that the Committee reviewed the draft SRTP. She said several suggestions, including moving up the timeframe for the airport link study by one year, were incorporated into the draft released for public comment. She added that the Committee would be meeting after this meeting to review public comment and finalize the SRTP for Board approval next month.

D. Operations & Finance Committee Report

Bill Strom offered the Operations & Finance Committee report on behalf of Committee Chair Jeff Merritt.

1. Triangle Regional Model (TRM) Public Service/Development Work Order

Strom said the Committee recommends Triangle Transit's participation in the Triangle Regional Model (TRM) as a 25% partner. He said the cost to Triangle Transit will increase from \$145,000 in FY08 to \$152,000 in FY09. He said this amount includes funding for a half time modeler which previously was provided in-house.

Action: On motion by Reckhow and second by Smith the Board adopted *Resolution 2008 0007 Resolution of the Triangle Transit Board of Trustees Authorizing the General Manager to Execute the "Public Service/Development Work Order" for Triangle Regional Model (TRM) Services for FY09.* The motion was carried unanimously.

2. Cherry Bekaert & Holland (CBH) Contract Change

Strom explained that an additional \$75,000 is needed on this audit contract related to the closing out of regional rail contracts. He said this would increase the total contract to \$155,000. He added that a significant amount of money is in dispute with one contractor.

Bell asked if the budget includes any of these funds. Gulley said that the budget for outside counsel would cover the cost. Northcutt said that the \$350,000

expected back is not shown in the budget, but the \$100,000 expected to be owed by Triangle Transit is in the budget.

Szlosberg asked how the NCDOT audit of Triangle Transit's project went so well with these problems now showing up. Gulley explained that the NCDOT audit looked at documentation for expenditures and this audit is reviewing overhead rates billed by the contractors. He said Triangle Transit was billed a projected rate and the audit looks at actual expenses. He said in one case, Triangle Transit appears to have been over billed significantly.

Reckhow asked the annual audit fee and whether that is included in the \$155,000. Northcutt responded that the annual audit is \$56,000. Reckhow asked if there is a precedent to bill the consultant for the audit fees when major issues arise. Gulley stated that Triangle Transit has a legal obligation to FTA to review and audit the major expenditures of the rail transit project.

Smith noted that he had requested a report on the number of estimated hours for this work and the hourly rate charged.

Action: On motion by Hinshaw and second by Smith the Board adopted *Resolution 2008 0008 Resolution of the Triangle Transit Board of Trustees Authorizing the General Manager to Modify the Contract With Cherry Bekaert & Holland, LLP, for Ongoing Financial Review Services.* The motion was carried unanimously.

3. **New Contracts for Outside Counsel**

Strom recognized Wib Gulley to discuss this item. Gulley shared a memorandum and letters of engagement, which are attached and hereby made a part of these minutes. He said that both firms were interviewed and recommended contracts with both.

Bell asked if potential conflicts of interest were discussed with the firms. Gulley responded yes and in the case of Kilpatrick Stockton (KS), they also represent Cherokee Investment Partners. He stated that if a matter arises between Triangle Transit and Cherokee KS will not represent Triangle Transit and if it progresses to litigation, KS would represent neither party.

Action: On motion by Reckhow and second by Smith the Board authorized the General Counsel to execute letters of engagement with the firms of Smith Moore and Kilpatrick, Stockton for the provision of general legal services. The motion was carried unanimously.

4. **Wake Forest-Raleigh Express and Wake Forest Loop Services**

Strom stated that the Committee enthusiastically recommends approval of the Wake Forest to Raleigh express and Wake Forest loop services.

Hutchinson asked the expected ridership on the route. Landfried stated that ridership estimates are difficult to generate, but staff is extremely optimistic about the potential.

Bell asked if the park-and-ride lot is free. Landfried said yes, one in Wake Forest and another at Triangle Towne Center. Bell then asked the travel time. Landfried said about one hour; however, this will be monitored and adjustments made as needed.

Gordon asked if Raleigh would continue contributing \$100,000 and operating the service after the first year. Landfried said that is the expectation, but the city council would have to approve it. He said at some point they may discontinue operation, but it is hoped to continue for a couple of years.

Action: On motion by Bell and second by Smith the Board approved the introduction of the Wake Forest Express and Wake Forest Loop services, effective July 7, 2008. The motion was carried unanimously.

5. Major Transit Investment Fund Resolution

Strom presented a resolution to rename the Capital Reserve Fund the Major Transit investment (MTI) Fund and allow Triangle Transit to use some of the money traditionally held separate for the rail project to supplement ongoing operations. He added the resolution also includes limitations on the annual allocations from the fund.

Gordon noted that by providing funds for buses now it positions Triangle Transit for a major investment in the future. Strom stated that vehicle registration revenues are not keeping up with the demands and costs of the system. He said the approach recommended will maintain and continue to grow the fund.

Freddoso asked what percentage from the fund is allocated towards the proposed FY09 budget. Freeman responded approximately 36%.

Action: On motion by Reckhow and second by Freddoso the Board adopted *Resolution 2008 0009 Resolution of the Triangle Transit Board of Trustees Revising Policy Regarding the Major Transit Investment Fund, Formerly the Capital Reserve Fund.* The motion was carried unanimously.

6. FY 2009 Budget

Strom recognized Sandra Freeman to make the presentation on the proposed FY09 budget. The presentation is attached and hereby made a part of these minutes.

Reckhow noted that some of Triangle Transit's routes are starting to experience overcrowding and comments from the SRTP are requesting improvements to be made sooner than planned. She commented that if the resources can be found, Triangle Transit should step up now, especially related to increased frequencies on

the express routes. General Manager King stated that staff is looking at these issues and will come back to the Board when additional information is available.

Action: On motion by Smith and second by Reckhow the Board unanimously approved the FY 2009 budget ordinances as follows:

- FY 2009 Budget Ordinance (2008 0001);
- FY 2009 Regional Bus Capital Project Ordinance (2008 0002);
- FY 2009 Major Capital Fund Ordinance (2008 0003).

VIII. Other Business

A. General Manager's Report

David King highlighted the following items in his report:

- Staff continues to following the congestion relief/intermodal transportation fund legislation. He said that it appears the legislation will not pass this session; however, a remarkable list of supporters endorses the bill and it has bipartisan support in the General Assembly.
- Staff is looking into the public health impact of transit and an alliance from the public health sector.
- The total number of vanpools is 70, with an additional six awaiting the arrival of new vans. He stated that there could be 100 vanpools by yearend.
- Amy Armbruster reported on the SmartCommute Challenge, saying 12,210 Triangle commuters signed up to try a commute alternative at least once during the challenge period, reducing vehicle miles traveled by 1.9 million and gasoline consumption by 86,485 gallons and eliminating 865 tons of carbon dioxide. She said a follow-up survey completed by 27% of the participants reports that 97% tried a commute alternative and 77% are willing to continue their smarter commute at least once per week moving forward.
- King also noted that Sylvester Goodwin's son received the Most Valuable Player (MVP) honor at the State 3A baseball tournament.

B. General Counsel's Report

General Counsel Wib Gulley noted his written report in the agenda packet.

C. Chair's Report

Board Chair Sig Hutchinson encouraged attendance at the transit forum tomorrow night at the McKimmon Center. He also noted that a Wake County committee discussing growth issues, including elected officials from all 12 Wake County municipalities, identified transit as the number one issue.

D. Board Member Reports

1. CAMPO TAC Representative

Nina Szlosberg reported that some CAMPO members are concerned about the rail component of the STAC's plan, in addition to costs and governance.

2. DCHC TAC Representative

Bill Strom stated that there were no significant Triangle Transit items on the TAC agenda. He said a public hearing was held on the STAC report. He added that there was discussion about gap funding for the turnpike and DCHC sent a letter restating its interest in having turnpike plans that are transit supportive.

3. Regional Transportation Alliance (RTA) Representative

Chair Sig Hutchinson stated that the most recent Tri-MAP meeting was very supportive of transit.

Strom left.

E. Procurement of the Regional Transit Center (RTC) Contractor

Greg Northcutt stated that Bar Construction Company was the lowest responsive bidder for this project, with a committed DBE percentage of 15.99%. He added that this is the same contractor from the Bus Operations and Maintenance Facility expansion and although had proposed a similar number on that project, actually achieved a much higher percentage. Northcutt stated that the bid is \$190,000 higher than estimated, primarily due to a change in the scope related to electric service. He stated that the original plan to allow the utility company to provide the poles to be billed monthly could not promise delivery within the necessary timeframe nor be adaptable to green technology. He said asphalt estimates have increased \$50,000. The budget also includes a 10% contingency and a \$20,000 allowance for LED lights. Northcutt added that the contract is for three months and is contingent upon approval by the Imperial Center Alliance.

Action: On motion by Bell and second by Reckhow the Board adopted *Resolution 2008 0010 Resolution of the Triangle Transit Board of Trustees Authorizing the Award of a Construction Contract for the New Regional Transit Center (RTC) to Bar Construction Co. Inc.* The motion was carried unanimously.

F. FY 2008 Budget Amendments

Saundra Freeman stated that these adjustments are routinely done each year based on how staff anticipates the end year to look. She said expenditures are expected to be \$13,000,000 less than the original FY08 budget.

Action: On motion by Bell and second by Freddoso the Board unanimously approved the FY 2008 budget ordinance amendments as follows:

- FY 2008 Budget Ordinance (2008 0004);
- FY 2008 Regional Bus Capital Project Ordinance (2008 0005);
- FY 2008 Major Capital Fund Ordinance (2008 0006).

G. New Business

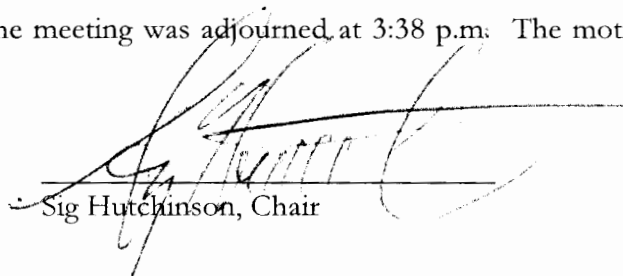
None.

IX. Closed Session(s)

None.

X. Adjournment

Action: On motion by Gordon the meeting was adjourned at 3:38 p.m. The motion was carried unanimously.



Sig Hutchinson, Chair

Attest:



Michelle C. Dawson, CMC
Clerk to the TTA Board