



**MEETING OF THE
BOARD OF COMMISSIONERS OF
CAPITAL AREA TRANSIT SYSTEM
AND
PUBLIC TRANSPORTATION COMMISSION
NOVEMBER 15, 2016
4:30 p.m.
BREC Administration Building
6201 Florida Boulevard
Baton Rouge, LA 70806**

MINUTES

I. CALL TO ORDER: Mr. Jim Brandt

Mr. Brandt called the meeting to order.

II. ROLL CALL

Present were Messrs. Brandt, Breaux, Cutrera, O’Gorman, Perret, and Ms. Pierre. Mss. Barrett, Collins-Lewis, and Perkins were absent. Also present were Mr. Bill Deville, CEO; Mr. Conner Burns, CFO; Mr. Don Palmer, COO; other CATS staff; Creighton Abadie of Lindsay & Abadie, A.P.L.C., CATS attorney; and members of the public.

III. INVOCATION

Mr. Perret gave the invocation.

IV. APPROVAL OF MINUTES OF OCTOBER 18, 2016, MEETING

Ms. Pierre moved to approve the minutes of the October 18, 2016, board meeting and Perret seconded the motion. The motion was unanimously approved.

V. ADMINISTRATIVE MATTERS:

1. CEO Report: Mr. Bill Deville and Executive Staff

Before beginning the CEO Report, Mr. Deville welcomed Darrell Brown to the CATS staff. Mr. Brown will be serving as the Chief Administrative Officer, and he comes to CATS from New Orleans with 20 years transit experience.

Ms. Kenderlynn Christophe gave the Human Resources report. She noted that the annual enrollment is underway and being held November 14-18th. Ms. Christophe gave a summary of the health insurance plan that the Board would be asked to approve later in the meeting.

Mr. Palmer shared the Operations, Maintenance, and Safety reports. He informed the board that, in Operations, CATS has nine cadets currently in training and another training class is slated to begin November 28th. The new run cut is tentatively scheduled for December 4th or 11th. PASS training will be held at CATS November 28-30th.

Mr. Palmer reported that, in Maintenance, preventive maintenance inspections (PMIs) are at 82%. A new farebox campaign is underway in November, and seasonal bus inspections will be completed by the end of November to ensure all winter systems are functional.

Mr. Palmer informed the board that the Operational Safety and Review Committee (OSRC) is scheduled to meet November 30th.

Mr. Palmer reported there were 249,233 trips in October and 2,151,783 year-to-date. There were 69 complaints, and the on-time performance was 78%. The complaints are broken down as follows: courtesy – 11; facilities/maintenance – 2; passed up – 12; performance – 29; safety – 8; website/IT issues – 3; and other – 4. It is important to note that there are 69 complaints out of 249,233 trips for the month, a percentage of 0.028%.

Mr. Deville shared that, in Service Planning, plans are underway to begin community outreach and seek input, beginning in areas where changes in routes will be recommended. He noted that Route 15 will be eliminated when the new run cut takes effect in early December, as well as the move of the downtown hub from the Old State Capitol to the CATS Terminal.

Mr. Deville noted that with respect to Facilities Planning that the board should ignore what is contained in his written report. He reported that CATS has been meeting with Stephen Bonnette and others including our planners, to try to get this process expedited, and that since his time has been split too much, he decided to reassign the oversight responsibilities for the transit hub and shelter program to Mr. Darrell Brown so that he and the MV planning consultants can take over direct management of these projects and expedite the process faster than what CATS is doing right now. Mr. Deville noted that he appreciates Mr. Lu Cutrera and his assistance in this process. CATS will meet with Mr. Bonnette on Friday and he will provide the board with an updated report on this particular subject matter.

Mr. Deville noted that CATS has been working diligently over the last several weeks preparing the 2017 budget that will be presented to the board in December. CATS is establishing backup options for anticipated revenue shortfalls in 2017 as a result of the August flood.

2. Financial Statements: Mr. Conner Burns

Mr. Burns described the highlights of the written report contained in the members' packets showing the status of grants. The balance of grant funds remaining was \$4,709,218.

He then discussed the highlights of the financial statements. The 2016 year-to-date property tax monies received was \$16,419,491, and the amount expended from that source was \$13,722,426. October operating revenues were \$217,376 and governmental revenues were \$2,091,054, for a total source of funds of \$2,308,430. The total direct operating expenses were \$2,817,080.

The year-to-date operating expenses break down as follows: Operations – 50%, Maintenance – 22%, ADA – 10%, Administration – 11%, Customer Care/Facility – 3%, Security – 2%, and Project Administration – 2%.

VI. PRESIDENT'S ANNOUNCEMENTS

Mr. Brandt noted that he had no announcements.

VII. COMMITTEE REPORTS AND ANY ACTION THEREON

1. Finance and Executive: Mr. Brandt

Mr. Brandt referred the members to the minutes of the committee's November 10th meeting in their packets. He shared the highlights of the meeting and noted that there the action items would be discussed later in the meeting.

He shared that the majority of the conversation and action centered on anticipated revenue losses in 2017 as a result of the August flood. CATS originally thought it would be receiving an increase of approximately \$650,000 resulting from the millage roll forward, but it is now looking at a revenue reduction and a delayed receipt of the first property tax check.

Mr. Brandt noted that each action item for consideration was recommended for approval by the F&E Committee.

2. Technical, Policies and Practices: Dr. Peter Breaux

Dr. Breaux noted the committee did not meet.

3. Audit: Mr. O'Gorman

Mr. O'Gorman noted the committee did not meet.

4. Planning: Mr. Perret

Mr. Perret noted the committee did not meet but it has instructed staff to resume work done on the strategic plan as this is a high priority in order to move the agency forward.

5. Community Relations: Ms. Linda Perkins

It was noted the committee did not meet.

Mr. Morgan Landry of Reliant Transportation reported that Reliant provided 7,399 completed rides in October and 88% were on-time. There were 4,623 total hours and 10 valid complaints.

VIII. ACTION ITEMS

1. Authorization for management to access board restricted reserve funds

It was noted that the loss of property tax revenue would have a definite negative impact on the agency, and action item numbers 1 and 2 being considered would work in conjunction with each other to bridge the gap during the first quarter of the year until CATS receives the property tax revenues. This item would allow CATS to use the board restricted reserve funds for operating expenses until such time as the property tax revenues are received

Mr. Burns shared the average monthly operating cost is \$2.5 million, so the \$3 million would be used over the course of several months.

Mr. Perret moved that the CEO is authorized to access the three million (\$3,000,000) dollars of board restricted reserve funds for use for 2017 operating expenses only, due to the delay in CATS receiving the property tax revenues in 2017, and that the funds will be immediately restored upon receipt of the property tax revenues. Mr. O’Gorman seconded the motion. Mr. Brandt invited public comment and there was none. The motion passed unanimously.

2. Authorization for management to proceed with the issuance of a revenue anticipation note

It was noted that if this is needed, CATS would only draw funds that are needed and no more. In order to begin this process, CATS must submit an application to be on the January State Bond Commission agenda by December 15th.

Mr. O’Gorman moved that the CEO is authorized to proceed with the process of issuing a revenue anticipation note in an amount not to exceed \$5 million, including obtaining State Bond Commission approval, due to the delay in CATS receiving property tax revenues in 2017 under such terms and conditions the CEO deems appropriate. Mr. Perret seconded the motion. Mr. Brandt invited public comment and there was none. The motion passed unanimously.

3. Authorization for management to proceed with securing financing for the 2017 buses

It was noted that CATS has ordered 12, 2017 Gillig buses that will be delivered in March 2017. There is a CMAQ grant that will pay for two of the buses and CATS is seeking financing for the remaining 10 buses. This has been discussed with FTA Region VI and they have given verbal approval; written approval is expected once the CATS Board takes formal action and written notice is sent to the FTA.

Mr. O’Gorman moved that the CEO is authorized to proceed with the process of securing financing for 10 of the 12 buses to be delivered in 2017 for a period not to exceed seven years to be paid for with a combination of federal and local money. Mr. Perret seconded the motion. Mr. Brandt invited public comment and there was none. The motion passed unanimously.

4. Approve health insurance award to United Healthcare for 2017

It was noted that CATS changed its broker last year, and plan design changes resulted in changes for the better over the last year. After obtaining quotes for coverage for 2017, United Healthcare was the most favorable. There will be no rate increase for employees in 2017; the 12% increase in cost will be absorbed by the agency.

Ms. Pierre moved that the CEO is authorized to award the 2017 CATS health insurance contract to United Healthcare and to enter into a contract with United Healthcare under such terms and conditions he deems appropriate. Dr. Breaux seconded the motion. Mr. Brandt invited public comment and there was none. The motion carried passed unanimously.

IX. PUBLIC COMMENTS

Mr. Perret commended both the staff and the union for the work they have done to foster a better relationship between the two, and Mr. Brandt echoed that sentiment.

X. ADJOURN

Mr. Perret moved to adjourn the meeting. Mr. Cutrera seconded, and the motion carried unanimously.