



**TAPS PUBLIC TRANSIT  
BOARD OF DIRECTORS  
SPECIAL CALLED MEETING  
December 16, 2015**

**MEMBERS PRESENT:** Ken Brawley, Spanky Carter, J. D. Clark, H. L. Compton, Leon Klement, Rick Lewis, Kenneth Liggett, Bill Magers and Terrence Steele.

**MEMBERS ABSENT:** Steve Terrell

**STAFF PRESENT:** Tim Patton, Leah Campbell, Troy Frazer, Josh Walker, Ken Bell and Cathy Perkins.

**GUESTS PRESENT:** Mark Ewig, Nancy Ward, Karen Morrow, Eric Gleason, Sunil John, Dee Leggett, Richard Hose, Ben Herr, Paul Henkel, Syreeta Hall, Fred Meyer, Clara Bagley, Jennifer Lovett, Todd Rumsey, Richard Berry, Randy McBroom, Larry Lawson, Bill Purcell, Tony Beaverson, Deb Robertson, Matt Hunt, Nancy Knapp, Heather Robertson, Karl Wetzenbach and Michele Daniel.

The TAPS Board of Directors met at the TAPS Administrative offices, located at 3400 Texoma Parkway, Sherman, TX 75090 for a special called board meeting.

- I. **CALL TO ORDER:** Chairman Spanky Carter welcomed guests and declared a quorum, calling the meeting to order at 2:35 pm.
- II. **INVOCATION:** The invocation was given by Board Member Terrence Steele.
- III. **PUBLIC HEARINGS:** Citizens may speak on items listed on the agenda as Public Hearings. A "Request to Speak Card" should be completed and returned to the Board Secretary before the Board considers the item listed under Public Hearings. Citizen comments on public hearings are limited to three (3) minutes. Chairman Spanky Carter opened the floor and called upon the individuals who submitted a Request to Speak Card.

Nancy Knapp, citizen and representative of VVA Chapter 973, addressed the Board and presented a request for Open Records, including Board Bylaws, Employee Handbooks and Administrative salaries. Her request for information was acknowledged and accepted.



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Richard Hose, citizen, addressed the Board stating he currently has previously submitted a request for open records, but has not received the requested information. He stated he understand the Public Information Officer has resigned, but he still needs this information. He also noted of the information he has received, there were no dates on the vendor payables. He addressed the additional documents he would like copies of, including American Express and Visa credit card statements. He discussed money owed to First Transit and past due payroll taxes.

Tony Beaverson, citizen, addressed the Board questioning the Board composition. He stated serving on a Board takes a great deal of time and can result in “commitment overload”. He encouraged the Board members if they do not have the time, they should not be serving. He also recommended an employee be appointed, as well as a TAPS rider.

Nancy Ward, former Access Call Center Agent, voiced her discontent with Board Members, noting she has not received pay check since October 29<sup>th</sup> and she is owed 144 hours of pay. She stated she is very disappointed in the judges serving on the Board, as they should know the law.

Karen Morrow, former Access Call Center Agent, noted insurance deductions were taken from employee checks, but not premiums were not paid to the insurance companies. She also noted, she is Nancy Ward’s sister (previous comments), and she plans to tell all the public how disappointed she is with the Board members.

**IV. ACTION ITEMS:**



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1. Accept Resignation of Board Member Joan Schaffner – Board Member Kenneth Liggett reported he has spoken with Board Member Joan Schaffner. Her husband is not doing well and she needs to be with him, therefore at this time, she has submitted her written resignation to Tim Patton. Motion was made by Kenneth Liggett to accept the voluntary resignation of Board Member Joan Schaffner. Board Member Rick Lewis seconded the motion. Motion carried unanimously.

**Chairman Spanky Carter requested the Board of Directors move to Item VI, Executive Session, tabling the remaining Action Items under IV, as well as Item V, Organizational Update.**

- V. ORGANIZATIONAL UPDATE: **Tabled to later in the meeting.**
  
- VI. EXECUTIVE SESSION: Pursuant to Chapter 551 of the *Texas Government Code*, to discuss the following subjects and reconvene to take any action resulting from the Executive Session (the board reserves the right to convene into executive session throughout the meeting):
  1. Consult with attorney regarding contemplated litigation. Section 551.071
  2. Discuss the appointment, employment, evaluation, reassignment of duties, discipline, or dismissal of or to hear a complaint against a public officer or employee. Section 551.074

Following the closed Executive Session, the Board of Directors will reconvene in open and public session and take any such action as may be desirable or necessary as a result of the closed deliberations.



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Motion was made by Board Member H. L. Compton to convene in Executive Session. Board Member Ken Brawley seconded the motion. Motion carried unanimously and the TAPS Board of Directors entered Executive Session at 2:53 pm.

At 5:44 pm, Motion was made by Board Member Kenneth Liggett to reconvene in open session. Board Member Rick Lewis seconded the motion. Motion carried unanimously. Chairman Spanky Carter reported there was nothing from Executive Session requiring action be taken.

**Chairman Spanky Carter requested the Board of Directors return to Item IV, as well as Item V, Organizational Update.**

IV. ACTION ITEMS (Continued following Executive Session):

2. Ratify Interim CEO's contract execution with NCTCOG for vehicle asset transfer – Chairman Spanky Carter reported this ratification is passed.
  
3. Authorize staff to negotiate and execute a vehicle agreement with CITIBUS of Lubbock, TX – Tim Patton, Interim CEO, presented a Memorandum of Understanding Between TAPS and CITIBUS of Lubbock, TX (attachment pages 8-12) for consideration and approval to lease TAPS vehicles. He noted CITIBUS would incur expense to repair vehicles and return them to TAPS at the end of the lease period in good, working condition. Board Member Bill Magers asked about the Fair Market Value (FMV) of these vehicles. Chairman Spanky Carter noted this is addressed on page 11 of the agreement. Director of Operations, Josh Walker, reported the lease amounts listed are per month rates for six months. Board Member J.D. Clark asked if the full lease amounts would be paid in advance up front. Mr. Walker stated we would receive a payment at the beginning of the lease, estimated that amount to be near \$33,000. He noted however, negotiations are still underway at this time. Tim Patton reported staff is currently seeking FMV from multiple sources, so once bids are back, negotiations can be finalized. Mr. Walker stated bids are expected back this week. Board Member Terrence Steele asked about vehicle insurance. Mr. Walker noted we will not be responsible to maintain the insurance on these vehicles, as that will be CITIBUS'



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responsibility, thus allowing a significant cost savings for TAPS. Board Member Kenneth Liggett confirmed even with pending negotiations, this would be a six month lease and Mr. Walker confirmed. Motion was made by Board Member Bill Magers to approve the authorization for staff to negotiate and execute the vehicle agreement with CITIBUS of Lubbock as presented. Board Member J.D. Clark seconded the motion. Motion carried unanimously. Following the vote, Board Member Bill Magers asked if this would be considered local dollars. Josh Walker noted since these are federal vehicles (10 are TXDOT and 5 are FTA), as much as 80% of the lease money may be due to FTA. Board Member J. D. Clark asked for clarification from Mr. Walker as to whether he was indicating a “chunk” will go to FTA. Tim Patton stated that is still negotiable and reimbursement to FTA may not be imposed. He stated they were just advised of this prior to the meeting and that we will know the net receivable once FTA and TXDOT have approved the lease. Eric Gleason, TXDOT representative was in attendance and noted TXDOT should be able to review and approve the agreement with CITIBUS mid to late January. Board Member Terrence Steele firmly advised administrative staff to provide ALL variables to Board members when initialing presenting information, rather than waiting until after the motion to approve has been made. Chairman Spanky Carter stated this is a learning experience and the staff need to make sure the Board knows all details, even if they just came to light just prior to the meeting. There was no change to the initial motion made, seconded and approved.

**V. ORGANIZATIONAL UPDATE (Returned to this agenda item, following postponement prior to the Executive Session):**

1. Funding update and discussion regarding TXDOT audit response – Tim Patton reported our finance staff and accountants placed by NCTCOG continue to work the reimbursement process by submitting Requests for Reimbursement (RFRs) in multiple pieces. He noted with TXDOT in attendance at this meeting, he has been able to confirm they will process any RFRs received and will process reimbursements timely. He explained we are anticipating receipt of \$39,000 in funding from TXDOT this week and another \$50,000 next



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week. He stated payroll reimbursements are the “low hanging fruit” as the documentation is the easiest to provide and submit for reimbursement.

Leah Campbell, Director of Administration, presented a Payroll Update (Handout A), noting estimated payroll owed to staff has increased from \$371,300.50 as reported at the 12/7/15 meeting, to \$476,723.31 as of this Friday. She noted the additional \$105,421.81 was due to TAPS Administrative semi-monthly payroll not paid on 12/15/15 and TMS & TAPS biweekly payroll due on 12/18/15. She stated payroll is being prioritized and paid when funds are received, to the remaining current employees first and will then be paid to former employees based on oldest payroll due and by tenure of those employees.

Ms. Campbell also presented an Accounts Payable Vendor Debt Status report (Handout B), noting the number of accounts will less than \$100 owed, moving forward to the number of accounts owed with greater than \$200,000 owed. She stated of these payables, Finance is working to identify what is reimbursable and what portion owed are fees and penalties, as they will not be reimbursable.

Troy Frazer, Senior Data Analyst, reported we have been working closely with TTI on the cost allocation method being used (Page 12 of the agenda packet). He explained this method has previously been calculated by the employee and how much time they spent in the different districts. TTI has created a new allocation method that allocates expenses based on hours and miles in each service district. This method is more accurate and easier to calculate. Mr. Frazer stated the allocation proposal has already been reviewed and approved by TXDOT and TTI met with the FTA yesterday to discuss this method. TTI has reported the FTA was receptive to the methodology, but FTA requested some minor revisions to make it more transparent to cross check everything. TTI is in the process of making those adjustments and corrections now and will be creating a formal request to FTA for approval. Leah Campbell noted it's important to know that per our new finance policy approved in October, we will continue to report allocations to the Board quarterly regardless if there are changes, but when the new methodology has been approved by FTA, it will be brought to this Board for approval as well. Tim Patton stated the cost allocation is very



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important to make sure everyone is aware of how costs are being allocated and to clean up how things have been done in the past. Board Member Bill Magers asked if this will impact our budget. Tim Patton stated expenses are the same, but this is the manner in which we allocate those expenses.

- VII. SCHEDULE NEXT BOARD MEETING: Chairman Spanky Carter announced the next Board meeting will be held on Wednesday, January 6, 2016 at 2:00 pm.
  
- VIII. ADJOURNMENT: Motion was made by Board Member Kenneth Liggett to adjourn the meeting. Board Member Rick Lewis seconded the motion. Motion carried and the meeting was adjourned at 6:03 p.m.

Passed, Approved and Adopted at Board Meeting held on January 20, 2016.