

**TAPS PUBLIC TRANSIT
BOARD OF DIRECTORS
REGULAR MEETING
August 15, 2016**

MEMBERS PRESENT: Ken Brawley, Spanky Carter, H.L. Compton, Rick Lewis, and Terrence Steele.

MEMBERS ABSENT: J.D. Clark, Leon Klement, Kenneth Liggett, and Bill Magers

STAFF PRESENT: Scott McClellan, Josh Walker, Shellie White, and Shellie Cherry

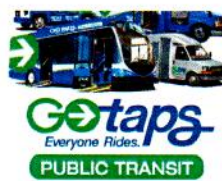
GUESTS PRESENT: Mark Ewig, Richard Hose, and Bill Fox

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

- I. **CALL TO ORDER:** Chairman Spanky Carter welcomed guests and declared a quorum, calling the meeting to order at 2:30 pm. An invocation was given by Secretary/Treasurer Terrence Steele.
- II. **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.

Richard Hose stated he turned in an Open Records Request on July 18th and has not received a response. Vice Chairman Bill Magers is currently TAPS' Public Information Officer and was not present to confirm receipt of request.

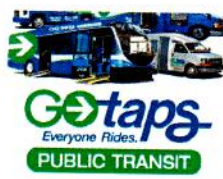
Mark Ewig stated he has sent in an Open Records Request within the past week and handed copies of the request to Chairman Spanky Carter and General Manager Scott McClellan.



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- III. **APPROVAL OF BOARD MINUTES:** Chairman Spanky Carter presented minutes from the July 18, 2016 Board meeting for approval. Board Member Rick Lewis made a motion to approve the minutes as presented. Board Member H.L Compton seconded the motion. Motion was carried unanimously.
- IV. **ANNUAL AUDIT REPORTS:** Finance Manager Shellie White presented the completed annual A133 audit for the 2014 and 2015 fiscal years and requested the Board to approve the document. Secretary/Treasurer Terrence Steele motioned to approve the document as presented. Board Member Rick Lewis seconded the motion. Motion was carried unanimously.
- V. **FINANCIAL AND GRANTS MANAGEMENT POLICIES AND PROCEDURES:** TAPS staff proposed the Financial and Grants Management Policies and Procedures. Finance Manager Shellie White summarized the policy and requested the Board's approval of this document. Board Member Ken Brawley motioned to approve the proposed policies and procedures. Board Member H.L. Compton seconded the motion. Motion was carried unanimously.
- VI. **ETHICS AND COMPLIANCE POLICY:** TAPS has established an Internal Ethics and Compliance Program. The General Manager and Assistant General Manager are charged with monitoring compliance within the organization and taking appropriate action in response to compliance related complaints. These employees, along with the Finance Manager, are responsible for oversight of financial reports and establishing and maintaining adequate internal control structure with appropriate checks and balances. Regional HR Director Greg Wagoner will tentatively conduct an ethics training class for TAPS employees in October. The adoption of this policy is a requirement to receive State and Federal funding. General Manager Scott McClellan requested the Board's review and consideration of approving this policy and authorization to execute and submit the attached Internal Compliance Program Certification. Board Member Rick Lewis made a motion to approve the document as presented. Secretary/Treasurer Terrence Steele seconded the motion. Motion was carried unanimously.



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VII. **DIRECTORS AND OFFICERS INSURANCE:** General Manager Scott McClellan presented a quote from ACE Municipal Advantage for the Board to review. Two plans were offered to the Board Members:

- \$1,000,000 liability coverage with an annual premium of \$12,167
- \$3,000,000 liability coverage with an annual premium of \$22,460

Board Member H.L. Compton made a motion to accept the \$3,000,000 liability coverage with an annual premium of \$22,460. Board Member Ken Brawley seconded the motion. Motion was carried unanimously.

VIII. **PUBLIC TRANSPORTATION MASTER GRANT AGREEMENT:** Scott McClellan stated it is required for TAPS to execute a Master Grant Agreement with TXDOT every five years. He explained how the agreement outlines the standards relating to management and administration of federal and state grant funds and also provides the foundation for annual grant awards in the form of Project Grant Agreements. He requested the Board's review and approval to execute this Master Grant Agreement for TAPS. Submissions to TXDOT are needed by 8/29/2016. Secretary/Treasurer Terrence Steele made a motion to approve the agreement as presented. Board Member Rick Lewis seconded the motion. Motion was carried unanimously.

IX. **FTA FISCAL YEAR 2016 CERTIFICATIONS AND ASSURANCES:** The FTA requires grantees to execute an agreement providing Certifications and Assurances to program prior to awarding grant funds. Scott McClellan requested the Board's review and approval of documents provided. Secretary/Treasurer Terrence Steele made a motion to approve the Certifications and Assurances. Board Member H.L. Compton seconded the motion. Motion was carried unanimously.

X. **MONTHLY FINANCIAL AND OPERATIONAL UPDATE:** Since last Board meeting, at the Board's direction, TAPS staff reviewed all TAPS bank account transactions from 2013-2015 and the first quarter of 2016. Staff reviewed each individual credit and debit to determine if



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any transactions seemed questionable. There was a total of 9,458 transactions totaling nearly \$46,000,000 that was reviewed. Highlights from this review included:

- TAPS received over \$37,000,000 in funding support from government programs including FTA, TXDOT, NCTCOG and Medicaid. This is 80% of all revenue.
- Total expenditures for the period reviewed exceeded revenue by \$87,370.90. This equals 18%.
- There were no clear indications of funds spent on non-program activities. No examples were found that shows TAPS was inappropriately using funds.
- There were numerous instances of poor cash flow management in the form of overdraft fees and bank imposed penalties.

Scott McClellan also provided the Monthly Operating Statistics for the month of July. TAPS overall on time performance was at 92%, which is a 2% increase from June. TAPS will also start analyzing scheduled trips vs. actual trips.

Also included, the July 2016 Board Report, Transdev July invoice and bank statements.

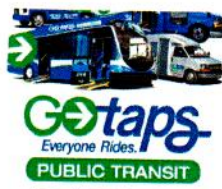
EXECUTIVE SESSION: Pursuant to Chapter 551 of the *Texas Government Code*, to discuss the following subjects and reconvene to take any action resulting from the Executive Session (the board reserves the right to convene into executive session throughout the meeting):

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.

Motion was made by Board Member Ken Brawley to convene in Executive Session. Board Member H.L. Compton seconded the motion. Motion carried unanimously and the TAPS Board of Directors entered Executive Session at 3:01 pm.

At 3:50 pm, Motion was made by Board Member Rick Lewis to reconvene in open session. Board Member H.L. Compton seconded the motion. Motion carried unanimously.

- XI. **SCHEDULE NEXT BOARD MEETING:** Chairman Spanky Carter announced the next Board meeting will be held on Monday, September 19, 2016 at 2:30 pm.



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- XII. **ADJOURNMENT:** Secretary/Treasurer Terrence Steele made a motion to adjourn the meeting. Board Member H.L. Compton seconded the motion. Motion carried unanimously and the Board meeting was adjourned at 3:51 pm.

Passed, Approved and Adopted at Board meeting held on 9/19/2016