

**TEXOMA AREA PARATRANSIT SYSTEM
MINUTES OF THE BOARD OF DIRECTORS
REGULAR MEETING
March 20, 2017**

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

MEMBERS ABSENT: Rick Lewis

STAFF PRESENT: Josh Walker, Shellie White, Karen Kemp, and Shellie Cherry

GUESTS PRESENT: Frank Tobey, Michelle Treschwig, Craig Price, Richard Hose, Mark Ewig and Daniel Jacoby

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 Creta Carter welcomed guests and declared a quorum, calling the meeting to order at 2:03 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.

Mark Ewig, a local taxpayer and former TMS employee, was the first to speak. Mr. Ewig stated that about a year ago, he and other taxpayers, had asked the Board to consider putting a local taxpayer on the bylaws committee. He then asked for a copy of the current bylaws. Mr. Ewig also recommended the TAPS website be updated to include the Board meeting information on the front page of the website.

Richard Hose, an advocate for former TMS employees, hand delivered an open records request to Chairman Creta Carter, Vice Chairman Bill Magers and Secretary/Treasurer Terrence Steele. Mr. Hose wants to know when the former TMS employees will be paid their final pay checks. Some have been paid, by First Transit, and some still have not. He

would also like to know what has been done about the issue with the reporting of earnings for 2015 to the Social Security Administration.

Daniel Jacoby stated he was a former driver in McKinney for TAPS and wanted to know the Board's intentions of paying the employees still owed pay checks. Vice Chairman Bill Magers asked him if he was in fact a TAPS employee and Mr. Jacoby confirmed he worked for TMS.

III. **APPROVAL OF BOARD MINUTES:** Chairman Creta Carter presented minutes from the February 6, 2017 Board meeting for approval. Vice Chairman Bill Magers made a motion to approve the minutes as presented. Board Member Kenneth Liggett seconded the motion. The motion was carried unanimously.

IV. **ANNUAL AUDIT REPORT:** Michelle Treschwig and staff with Kushner LaGraize, LLC performed a required annual Single Audit for fiscal year 2016. Ms. Treschwig stated that the original report was issued on February 6, 2017, however, TXDOT was able to locate some additional documentation that helped support the revision of one of the Opinions included in the financial statement. The revised audit report was released on March 16th. Ms. Treschwig gave a summary of the reports:

The report issued on the basic financial statements received a *Qualified Opinion*. There was documentation for \$564,000 of Medicaid expenses that could not be accounted for. It was found the financial internal controls showed a material weakness because of the missing Medicaid expense documentation. The report issued on compliance for major programs received a *Modified Opinion*.

Ms. Treschwig feels if TAPS continues to move in the direction they are going, she is confident an Unqualified (Clean) Opinion will be received for the 2017 fiscal year.

Secretary/Treasurer Terrence Steele made a motion to accept the annual audit report as presented. Board Member Ken Brawley seconded the motion. Motion was carried unanimously.

V. **TAPS PROCUREMENT POLICY:** General Manager Josh Walker presented the revised Procurement Policy for the Board's review and consideration for adoption. Board asked for a highlighted copy that shows the changes to the policy. This action was tabled until next month.

Board Member Leon Klement arrived at 2:25 pm.

- 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):

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. Vice Chairman Bill Magers seconded the motion. Motion carried unanimously and the TAPS Board of Directors entered Executive Session at 2:27 pm.

Board Member J.D. Clark left following Executive Session.

At 4:09 pm, Motion was made by Vice Chairman Bill Magers to reconvene in open session. Board Member Kenneth Liggett seconded the motion. Motion carried unanimously.

Board Member Leon Klement arrived to open session at 4:13 pm.

- VII. **MONTHLY FINANCIAL AND OPERATIONAL UPDATE:** General Manager Josh Walker discusses the increase of the efficiency of trips per hour and the on time performance. He also discusses the quarterly compliance report which includes roadcalls, fleet miles, PM inspections, Drug & Alcohol testing and safety performance.

On Feb. 23rd, TXDOT performed an audit on the current Drug & Alcohol program and TAPS had no findings.

Mr. Walker also stated that he entered into TrAMS this morning and executed the FTA 5307 grant.

Finance Manager Shellie White presented the Financial and Budget Variance Reports. Following Mr. Walker's statement on executing the FTA 5307 grant, Ms. White stated TAPS is requesting the reimbursement in advance to pay the remaining balance of the October through January Transdev invoices. At this time, the payment is still in review. She also stated that on March 17th she submitted the revised audit report to FTA and TXDOT.

February bank reconciliations and Transdev invoice were completed on March 8th.

Shellie and Josh both updated the Board on the cash handling and reconciling procedures for farebox.

Vice Chairman Bill Magers asked Shellie White how much the FTA grant TAPS requested was for. She stated the total grant is \$920,000 for the entire 2017 fiscal year.

Vice Chairman Bill Magers mentioned about TAPS need for local match. Josh Walker explained that to receive FTA urban funds, we must have at least fifty (50) percent local match. Grayson County is the only urbanized area but the entire region would benefit from more local match.

VIII. **SCHEDULE NEXT BOARD MEETING:** Chairman Creta Carter announced the next Board meeting will be held on Monday, April 24, 2017 at 2:00 pm.

IX. **COMMENTS BY TAPS BOARD OF DIRECTORS:** Secretary/Treasurer Terrence Steele stated that he is proud to serve on the TAPS Board and feels so much has been accomplished. Though TAPS isn't out of the woods yet, we are going above and beyond to tread above water. He also commends all the Board members for hanging in there and staying on the right track to make sure we provide the necessary transportation needed for our community. Vice Chairman Bill Magers agrees with the comments made by Secretary/Treasurer Steele. He feels there are still issues that need to be addressed but TAPS is getting healthier and moving forward. Chairman Creta Carter states that he appreciates everyone for all their hard work. We have come a long way but still have a long way to go. TAPS is still here and still fighting.

X. **ADJOURNMENT:** Board meeting was adjourned at 4:29 pm.

Passed, Approved and Adopted at Board meeting held on April 24, 2017.