



**POLICY BOARD MEETING
November 29, 2007
MINUTES**

The regular meeting of the MOTOR Policy Board was called to order at 4:00 p.m. on November 29, 2007 in the Motor Conference Room at the Wright Office Complex by Policy Board Chairman, Dr. Jimmy Goates.

Policy Board Members Present:

Dr. Jimmy Goates, Chairman, Councilman, City of Odessa
Lauren Garduño, District Engineer, TxDOT-Odessa District
Susan Redford, Ector County Judge

Policy Board Members Not Present:

Mike Bradford, Midland County Judge
Berry Simpson, Vice-Chairman, Councilman, City of Midland

Others in Attendance:

Gary Law, Dir. of Transportation Planning and Development, TxDOT, Odessa District
Matt Squyres, Director of Public Works, City of Odessa
Melba E. Owens, MOTOR Executive Director
Angela Wolf, MOTOR Administrative Assistant

AGENDA ITEM

2. Announcements and Introductions

Melba Owens Executive Director MOTOR MPO introduced the new Administrative Assistant, Angela Wolf. Angela was formerly the Director of Midland Crime Stoppers and has ten years of experience working with boards and committees.

Gary Law, Director of Transportation Planning and Development, TxDOT, Odessa District, announced that they would be having a statewide Video Teleconference on Friday, November 30th with Austin. He indicated that they are anticipating a major

announcement regarding a delay in letting of Category 3 mobility projects. The funding that is available is going to be moved to preventative maintenance.

He further advised, that at this time, it will affect us in the Preventative Maintenance Category 1. They have cut \$5 million out of the \$30 million budget. They are also deferring \$65 million in construction. The impact it will have on us right now is that we are looking at a 10-12% construction inflation per year. Therefore, we may have to choose between one of three projects along the I 20 corridor to drop. Mr. Law advised that when funding is available again, TxDOT will do their current estimates at that time, and if we can not afford one project, he would recommend that we drop the BI-20 over the railroad that ties to I-20 on the east side. That would leave the other two projects with independent utility. Mr. Law noted that if a project is under contract, or has already let, then that project will continue.

3. Approval of Minutes

Motion was made by Judge Susan Redford and seconded by Lauren Garduño, to accept and approve the minutes of the October 18, 2007 Policy Board Meeting as presented.

The motion passed unanimously by the following vote:

Dr. Jimmy Goates	Aye
Judge Susan Redford	Aye
Lauren Garduño	Aye

4. Public Comment Period

There were no comments from the public.

5. Finance Report

Melba Owens, Executive Director, gave the following report:

The report submitted to you today reflects a total expenditure of \$26,554.89 for the month of September, 2007, giving us a fiscal year end balance of \$92,688.18. We are now 90% expended in our budget allocations. Individual task breakdowns are provided in your report. We are providing additional detailed expenditure reports for Tasks 1-5 for the months of August and September, 2007 in which we have defined the primary responsibilities of each Task. We have provided the current month expenditures, and the previous month expenditures, and provided an explanation of variances in current month expenditures, compared to previous month expenditures. The fiscal year concluded September 30, 2007, with no major expenditures outstanding in Tasks 1-5 for Fiscal Year 2006-2007. We have received our first Work Order (FTA 51-72-108-0106-08-810) in the amount of \$107,199.00 for Fiscal Year 2007-2008 which will reflect in the October, 2007 report.

The MPO Staff has been working with the Elms, Faris & Company, the independent public accounting firm that is performing a financial and compliance audit of the MPO's financial statements and related financial system for the fiscal year ending September 30, 2007. The examination has included on site review on November 19th through November 21st, 2007 of all funds and the general fixed asset. Elms, Faris & Co. will prepare and

issue a report on the MPO's internal control systems as contemplated in Office of Management and Budget (OMB) Circular A-133 (Government Auditing Standards). Elms, Faris & Company estimate that the audit will take approximately 65 – 75 hours to complete. Their fees, based on this estimate of hours will be between \$6,500.00 and \$7,500.00. They should have a report ready for submission by December 31, 2007. The MPO audit contracts are provided under Staff Reports, Item No. 8a.

The Policy Board unanimously agreed at their regularly scheduled meeting on October 18, 2007, to bill the member entities instead of billing Mr. Roe directly. We are currently seeking guidance from the City of Odessa's Finance Department as to how the MPO is to invoice, collect and report these funds. The Board suggested we issue our own invoice and submit it to the city managers and county judges.

MPO Staff Recommendations:

Recommend approval of the Financial Report as submitted.

The Motion was made by Lauren Garduño and seconded by Judge Susan Redford to approve the Finance Report as submitted. The Motion passed unanimously as follows:

Dr. Jimmy Goates Aye
Judge Susan Redford Aye
Lauren Garduño Aye

6. Approval of RFP for MTP Development/Scenario Planning

Melba Owens provided the following information:

We have been working on the RFP for Consulting Services. It was decided at the Technical Advisory Committee Meeting on October 5, 2007, that we pursue the development of the RFP as a General Services Contract. Several workshops were conducted with MOTOR MPO and TxDOT-Odessa District Staff in refining the document to best meet our needs. The TAC Committee Members unanimously voted at their November 2, 2007 Meeting to recommend the RFP forward to the Policy Board for approval. The General Services Contract will allow us to save time and provide for optimum cost efficiency as we move through a two (2) year MTP development/scenario planning/community visioning process. It is difficult to define all the specific professional consulting services that may be required as we move through this two (2) year process. The General Services Contract, a draft of which is attached hereto today for your review and approval, will allow us to generally define all tasks that we anticipate, but will allow for professional services to be rendered to the MPO on an on-call basis, and managed and paid through work orders.

We anticipate the 2010-2035 MTP development to be done in four (4) phases which were reflected in a chart attached hereto. We also included a chart which reflected three (3) to four (4) scenario planning workshops within the two year period. An updated Project Timeline was provided for your reference that detailed all targeted dates for completion of essential elements within the MTP development, up to the submission of the 2010-2035 MTP in November, 2009.

The RFP Notice to Bidders will be released to bidders on Friday, November 30, 2007. We will be advertising in the Odessa American, Midland Reporter Telegram, Houston Chronicle, Dallas Morning News, and Austin Statesman. In addition a letter of invitation to bid will be mailed on Friday, November 30, 2007, to a selected list of firms. We are also placing the RFP on the MOTOR website and referring to the website in our notice to bidders. We are requesting that all bids be returned to MOTOR on Friday, January 11, 2007, by 4:30 p.m.

The Selection Committee will be made up of the Technical Advisory Committee members and a Policy Board representative. Judge Mike Bradford has said that he would like to be on that committee. The Selection Committee will begin review of the proposals submitted between January 14th through January 25th, 2008. The committee will narrow the list down to four (4) firms to be interviewed, and begin the interview process during the week of January 28th through February 1st, 2008. We are hopeful that we will select a firm by the first week in February, 2008. Then, of course, we will begin the development/negotiation of the final contract.

MPO Staff Recommendation:

We recommend final approval of the RFP as submitted, and approval to release the Notice to Bidders.

Motion was made by Judge Susan Redford and seconded by Lauren Garduño, to approve the RFP for release to bidders. The motion passed unanimously by the following vote:

Dr. Jimmy Goates Aye
Judge Susan Redford Aye
Lauren Garduño Aye

7. APPROVAL OF MINIMUM AMOUNT OF FIXED ASSET LISTING TO BE MAINTAINED BY THE MOTOR MPO

Ms. Owens gave the following report:

As part of the MPO audit work with Elms, Faris & Company, a recommendation has been made that we officially adopt the minimum amount to be maintained on our fixed asset listing.

We contacted Gary Law, TxDOT-Odessa District to determine the minimum amount that is required by the State. The following information was provided:

The State definitely requires that equipment over \$5,000.00 be tracked, and that all IT items, i.e. computers, printers, software, etc. be tracked at \$500.00 and above. They have established policy that allows supervisors within departments to track other items, i.e. cell phones, cameras, and various supply items at a \$100.00 value and above.

MPO Staff Recommendation:

We recommend that the minimum amount for our fixed asset listing be set at \$500.00 for all equipment and furnishings, and that we maintain an internal inventory control of all items purchased by the MPO at a \$100.00 value and above. Elms, Faris & Co. will provide us with a depreciation schedule as part of their final report.

The Motion was made by Lauren Garduño and seconded by Judge Susan Redford to approve the minimum amount of fixed asset as stated above. The Motion passed unanimously as follows:

Dr. Jimmy Goates Aye
Judge Susan Redford Aye
Lauren Garduño Aye

8. STAFF REPORTS

8A. MPO AUDIT:

Ms. Owens gave the following report:

We have attached the Contracts for Audit Services which will be entered into by and between the Midland Odessa Transportation Organization (MOTOR MPO), and Elms, Faris, & Company, P.C. an independent public accounting firm. As indicated previously, this firm is performing a financial and compliance audit of the MPO's financial statements and related financial system for the fiscal year ending September 30, 2007. The examination will include all funds and the general fixed asset. Elms, Faris & Co. will prepare and issue a report on the MPO's internal control systems as contemplated in Office of Management and Budget (OMB) Circular A-133 (Government Auditing Standards).

8B. WEBSITE UPDATES:

Ms. Owens gave the following report:

We purchased the Dreamweaver Software which will allow us to keep the information updated on the website. Training commenced on Monday, November 19th, 2007. It was very brief and we will need more training for us to become proficient. We were able to upload the information regarding the change of the November Policy Board Meeting date and time, and the picture of Judge Redford. We have a lot to learn at this point to become proficient with this program, so during the interim Secured Data has agreed to assist us with some of our important uploads, i.e. our RFP Bid Notice and RFP document, etc., at no additional charge. Dr. Goates informed us that he could get someone from NetWest to come out and train the MPO staff on the program.

8C. Tempo Meeting/Scenario Planning Workshop in Austin, Texas November 14th and November 15th, 2007

Ms. Owens gave the following report:

The Meetings in Austin were very informative and beneficial. Mr. Chris Evilia, Director of the Waco MPO, and David Freidenfeld, Project Manager, Wilbur Smith & Associates, that worked with the Waco MPO in their scenario planning efforts, presented a full day workshop on November 14, 2007, of their experiences to date. Their report indicated that this had been a very worthwhile process that has allowed them to address the County's

transportation needs through a comprehensive analysis of what future development should look like, and what transportation investments would be necessary to both encourage and support the most desirable pattern of future land development.

Historical Background

Between 1995 and 2005, McLennan County's developed land uses increased in acreage by 21.6%. A total of 72.1% of their new residences were constructed in "sprawl-like development" in rural areas outside of the urbanized area boundary. At their current rate of growth, an added 45.7 square miles of development would be required to support the projected population increase between 2005 and 2030 (an additional 45,319 people).

They recognized that there were not enough funds to complete all transportation projects that will be required to provide an adequate mobility to accommodate the County's "sprawl-like growth". They also recognized that certain transportation projects would likely promote the "sprawl-like development" pattern and encourage low-density rural growth, which could, in turn, only be accommodated by expensive, capacity increasing highway projects. The Waco MPO has attempted to address the growth and mobility issues through promoting a better land use development pattern.

The results of their scenario planning process will assist the MPO in:

- Predicting future land use patterns resulting from various growth scenarios;
- Determining the impacts of various transportation investment decisions;
- Providing a feedback mechanism to its socioeconomic and travel demand forecasting tools to better predict future conditions in the MPO boundary; and
- Determining their impact on the transportation system.

I believe that we will gain the same benefits from this process. This process will allow us to rely upon a unique blend of technical analyses, with scenario planning processes, that will include both the public and regional stakeholders in order to study the future land use patterns through the Midland-Odessa area.

Costs

A lot of the work is being done in house by the MPO Staff, but they anticipate the costs to be approximately \$225,000.00.

Lessons Learned/Recommendations Made

- It was recommended that we keep our workshops close enough together to maintain the interest in and momentum of the process. They felt their workshops would have been better attended if they had kept them closer together.

- It was also recommended that we contact key stakeholders within the communities early on in the process to provide overview, and to encourage participation throughout the process. They did this after their first meetings, and it improved the level of participation in the final workshops.
- It was recommended that we encourage local television and print media coverage throughout the process. They felt that early involvement of the media would have heightened the level of interest and participation.

Melba Owens and Gary Law gave the following report:

On February 14, 2007, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) published final rules for Statewide and Metropolitan Transportation Planning. These rules became effective on March 16, 2007. The rule required Statewide Transportation Improvement Plans (STIP), Metropolitan Transportation Plans (MTP), and Transportation Improvement Programs (TIP) to have financial plans that reflect “year of expenditure dollars” for revenue and project cost estimates. The following information is provided:

1. These provisions apply to MTPs, TIPs, and STIPs adopted, approved or amended on or after December 11, 2007. As such, financial plans for MTPs, TIPs, and STIPs adopted, approved or amended prior to December 11, 2007 are not required to reflect “year of expenditure dollars” and these documents will remain valid for project advancement purposes. We were, however, encouraged to use “year of expenditure dollars” as early as possible. This will require the MPOs to account for cost escalation as part of their fiscal constraint determination and documentation. Revenues may not grow at the same inflation rate as costs, so adjustments might be needed. Revenues will also have to be adjusted as appropriate based upon prior historic inflation rates. We will now need to document the % inflation rate used as part of the financial plan for the TIP/MTP and STIP.
2. Any amendments to the STIP approved on or after December 11, 2007, will require that the financial plan for the entire STIP reflect “year of expenditure dollars”. The basis for this determination is the understanding that the STIP is a stand alone document, and a change to any portion of the document should be reflected in the financial plan for the entire document. We believe that our TIP currently reflects “year of expenditure dollars”, and that we may be able to simply provide documentation to support our cost estimates as an administrative update. It should be noted that if any one of the twenty-five (25) MPOs has an amendment to their TIP on or after December 11, 2007, it would trigger a revision to the STIP, and that would require that all MPOs reflect “year of expenditure dollars” in their TIPs. February 8, 2008 is the next quarterly STIP revision cycle.
3. It is noted that an amendment to the TIP/STIP adopted or approved on or after December 11, 2007 may not necessarily require an amendment to the MTP. As such, an amendment to the STIP would not require that the MTPs financial plan be revised to

reflect “year of expenditure dollars” unless a corresponding MTP amendment is also required that could result by adding a new project to the MTP, or making a change in the scope or limits.

4. Existing MPO Plans should be revised as necessary to reflect total project costs. The new planning regulations require that the STIP include total project costs for projects included in the STIP. This, too, may possibly be handled as an administrative change/update.

Ms. Melba Owens advised that the consequences after December 11, 2007 if an MPO does not comply with “year of expenditure dollars” requirement are as follows:

- No FHWA/FTA approval for TIP or MTP updates or STIP revisions.
- No FHWA air quality conformity determination for EPA designated nonattainment areas.
- FHWA/FTA approvals are allowed once the “year of expenditure dollars” requirement has been adequately addressed.

8D. Status Report – Amended Building Lease

Ms. Owens gave the following report:

The Policy Board at the September 20, 2007 meeting approved the MOTOR Building Lease Agreement between the City of Midland and the MPO that reflects the expanded space for MOTOR. Dr. Goates, Policy Board Chairman, recommended that Ms. Lee Ann Rimer, Assistant City Attorney for the City of Odessa, review all the terms of the lease agreement prior to his signing and finalizing the agreement. Ms. Rimer made a number of recommendations for changes in the lease agreement that were unanimously agreed upon by the Policy Board at their October 18, 2007 meeting. I immediately submitted the recommended changes to Ms. Justine Ruff, Deputy Airport Director, who has submitted them to the City of Midland Legal Department for review. She has advised that she will submit to us the results of their Legal Department review as soon as they are available. We will then resubmit it to Ms. Rimer to review, and then ask the City of Midland to place the Lease Agreement back on the Midland City Council Agenda. The earliest that this could occur would be the City of Midland City Council Meeting in December, 2007. I have provided in your packets the Lease Agreement and the recommended changes that are presently under review. Ms. Owens also mentioned that we will be responsible for cutting the door.

9. Project Reports – TxDOT-Odessa District

Gary Law and Lauren Garduño, TxDOT-Odessa District, gave updates on project letting dates, environmental documents, and right-of-way acquisitions for all construction projects, and changes occurring in Category 3 funding.

10. Conduct Executive Session concerning any and all subjects and for any and all

purposes permitted by Chapter 551 of the Texas Government Code, including, but not limited to:

- a. Texas Government Code Section 551.071 for the purpose of consulting with the Board's attorney;
- b. Texas Government Code Section 551.072 to deliberate the purchase, lease or value of real property;
- c. Texas Government Code Section 551.074 to discuss personnel matters.

11. Take action concerning Executive Session matters.

No action was taken by the Policy Board in an Executive Session.

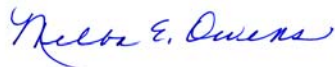
12. Adjourn.

Lauren Garduño made the Motion to adjourn the meeting. The motion was seconded by Judge Susan Redford. The motion passed unanimously as follows:

Dr. Jimmy Goates Aye
Judge Susan Redford Aye
Lauren Garduño Aye

The next regularly scheduled Policy Board Meeting will be conducted on Thursday, December 20, 2007, in the MOTOR Conference Room at 3:30 p.m.

Minutes submitted and approved by:



Melba E. Owens, Executive Director