



Denton County Transportation Authority

1955 Lakeway Dr., # 260
Lewisville, Texas 75057
(972) 221-4600
RideDCTA.net

Board of Directors
Regular Meeting
December 17, 2015
3:00 p.m.*

**or immediately following Board Work Session*

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

AGENCY AWARDS AND RECOGNITIONS

1. CONSENT AGENDA

- a. Approval of Minutes Board Meeting November 19, 2015
- b. Award of Contract for Brand Ambassador Services
- c. Award of Contract Consulting Services, Positive Train Control
- d. Approval of Change Order for Landscape Maintenance and Improvements
- e. Approval of Resolution 15-12 adopting the Annual Investment Policy for FY2016

2. REGULAR AGENDA

- a. Approval of Emergency Drainage Repairs
- b. Discussion and Approval of DCTA's Priority Projects for the North Central Texas Council of Governments' 2040 Mobility Plan

3. CHAIR REPORT

- a. Discussion of Regional Transportation Issues
- b. Discussion Legislative Issues
 - i. Regional
 - ii. State
 - iii. Federal

4. PRESIDENT'S REPORT

- a. Budget Transfers
- b. Regional Transportation Issues

5. REPORT ON ITEMS OF COMMUNITY INTEREST

- a. Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

6. ADJOURN

Chair – Charles Emery
Vice Chair – Paul Pomeroy

Secretary – Richard Huckaby
Treasurer – Dave Kovatch

Members – Skip Kalb, Doug Peach, Jim Robertson, Tom Winterburn,
Don Hartman, George A. Campbell, Allen Harris, Carter Wilson, Connie White
President – Jim Cline

The Denton County Transportation Authority meeting rooms are wheelchair accessible. Access to the building and special parking are available at the main entrance. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by emailing rcomer@dcta.net or calling Rusty Comer at 972-221-4600.

This notice was posted on 12/11/2015 at 12:33 PM.

Rusty Comer, Public Information Coordinator



1955 Lakeway Drive, Suite 260
Lewisville, Texas 75057
Ph: (972) 221-4600 Fax: (972) 221-4601

Denton County Transportation Authority
Board of Directors
Work Session and Board Meeting Minutes

Work Session Minutes

The Board of Directors of the Denton County Transportation Authority convened the work session of the Board of Directors with Chairman Charles Emery presiding at 1:31 p.m. November 19, 2015 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057. A quorum was present.

Attendance

Small Cities

Connie White

Denton County at Large

Dave Kovatch

Large Cities

Charles Emery, Lewisville, Chairman
Paul Pomeroy, Highland Village, Vice-Chair
Richard Huckaby, Denton, Secretary
Carter Wilson, Frisco
Tom Winterburn, Corinth
Jim Robertson, Flower Mound
Doug Peach, Little Elm

Denton County Unincorporated

Don Hartman (arrived 1:50 p.m.)
George A. Campbell (arrived 1:53 p.m.)

Board Members Absent

Allen Harris, The Colony
Skip Kalb, Small Cities

Legal Counsel

Joe Gorfida, General Counsel

DCTA Staff

Jim Cline, President
Raymond Suarez, Chief Operating Officer
Nicole Recker, Vice President of Marketing
and Communications
Kristina Brevard, Vice President Planning
and Development
Anna Mosqueda, Chief Financial Officer

Others in Attendance

Chris Giglio – Capital Edge
Amanda Riddle – Budget Manager
Marisa Perry – Controller
Athena Forrester - Senior Procurement
Manager
Chrissy Nguyen – Senior Accountant
Jim Owen – Transit Management of Denton
County

Chairman Charles Emery called the meeting to order and announced the presence of a quorum.

1. Items for Discussion (WS 2a, b)
 - a. Capital Edge Review of Federal Legislative Initiatives
 - Chris Giglio with Capital Edge presented information on federal legislative activities now and in the future
 - b. Federal and State Funding Overview
 - Kristina Brevard briefed the board on the North Central Texas Council of Governments' 2040 Mobility Plan

2. Routine Briefing Items

- Financial Reports – Anna Mosqueda, Chief Financial Officer, reported on the following financial items and Amanda Riddle presented the fiscal year 2016 budget document
 - i. Financial Statements
 - ii. Capital Projects Report
 - iii. Sales Tax Report
 - iv. Procurement Report

 - Strategic Planning / Development – Kristina Brevard, Vice President Planning & Development, reported on these items
 - i. Priority Projects Update
 - ii. Outreach Efforts

 - Marketing and Communications – Nicole Recker, Vice President Marketing & Communications, reported on these items
 - i. Marketing and Communications Initiatives
 - ii. Marketing and Communications Metrics
 - iii. Customer Service Metrics

 - Capital Projects Update – Raymond Suarez, Chief Operating Officer, reported on these items
 - i. Signal System Enhancements
 - ii. Positive Train Control (PTC)
 - iii. Flood Repairs/FEMA
 - iv. Transit Enhancements
 - v. Lewisville Bike Trail - Complete
 - vi. Rail Facility Drainage – Complete

 - Transit Operations – Raymond Suarez, Chief Operating Officer, reported on these items
 - i. Rail Operations
 - ii. Bus Operations
3. Committee Chair Report – Dave Kovatch gave a report on the activities of the finance committee meetings in November
- Finance Committee (11/09/2015 & 11/19/2015)
4. Items for Discussion – this item was pushed to the beginning of the meeting
5. Discussion of Regular Board Meeting Agenda Items (November 2015)
- There were no comments on this item
6. Convene Executive Session – the board did not meet in executive session
- As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
 - As Authorized by Texas Government Code Section 551.072 Deliberation regarding Real Property: Discuss acquisition, sale or lease of real

property related to long-range service plan within the cities of Denton, Lewisville, or Highland Village.

7. Reconvene Open Session – there was no executive session
8. Discussion of Future Agenda Items
 - Board Member Requests – Richard Huckaby requested that a projector and screen be used in future meetings

Work session was adjourned at 3:30 p.m.

<Break 3:30 p.m. – 3:37 p.m.>



1955 Lakeway Drive, Suite 260
Lewisville, Texas 75057

Denton County Transportation Authority
Board of Directors
Work Session and Board Meeting Minutes

Board Meeting Minutes

The regular meeting of the Board of Directors of the Denton County Transportation Authority was convened with Chairman Charles Emery presiding at 3:37 p.m. November 19, 2015 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057. A quorum was present.

Attendance

Small Cities

Connie White

Denton County at Large

Dave Kovatch

Large Cities

Charles Emery, Lewisville, Chairman
Paul Pomeroy, Highland Village, Vice-Chair
Richard Huckaby, Denton, Secretary
Carter Wilson, Frisco
Tom Winterburn, Corinth
Jim Robertson, Flower Mound
Doug Peach, Little Elm

Denton County Unincorporated

Don Hartman
George A. Campbell

Board Members Absent

Allen Harris, The Colony
Skip Kalb, Small Cities

Legal Counsel

Joe Gorfida, General Counsel

DCTA Staff

Jim Cline, President
Raymond Suarez, Chief Operating Officer
Nicole Recker, Vice President of Marketing
and Communications
Kristina Brevard, Vice President Planning
and Development
Anna Mosqueda, Chief Financial Officer

Others in Attendance

Marisa Perry – Controller
Athena Forrester - Senior Procurement
Manager
Jim Owen – Transit Management of Denton
County

CALL TO ORDER – Chairman Charles Emery called the meeting to order and announced the presence of a quorum of the Board.

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS –led by Tom Winterburn

INVOCATION – by Jim Robertson

WELCOME AND INTRODUCTION OF VISITORS – Jim Cline introduced Jim Owen with Transit Management of Denton County

AGENCY AWARDS AND RECOGNITIONS

- Anna Mosqueda, Chief Financial Officer, announced that the agency has won the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fifth year in a row
- Nicole Recker, Vice President Marketing & Communications, announced that the agency won both a gold and a platinum MarCom award

1. CONSENT AGENDA

- a. Approval of Minutes Board Meeting October 22, 2015
- b. Acceptance of Financial Reports – October
- c. Award of contract for Fleet Collision Repair and Painting Services
- d. Authorize a Task Order for Debris Inventory and Inspection at Rail Facility
 - Motion to approve Consent Agenda Items a-d made by Jim Robertson. 2nd by Doug Peach. Motion carried unanimously.
- e. Authorize The President to Enter Into An Agreement or Agreements for Contracted On-Demand Bus Service Outside the Current Service Area to Include Frisco for a Period Not to Exceed One Year With the Following Stipulations:
 - i. DCTA Will Not Take On Non-Emergency Transports
 - ii. Rebranding (external) of the Vehicles Within 30 Days from Delivery of Buses to DCTA
 - iii. In Compliance with the New Member Policy Including Full Cost Recovery to DCTA
 - Motion to approve Consent Agenda Item e was made by Dave Kovatch. 2nd by George Campbell. Motion approved With Jim Robertson opposing.

4. CHAIR REPORT – Charles Emery gave an update on these issues

- a. Discussion of Regional Transportation Issues
- b. Discussion Legislative Issues
 - i. Regional
 - ii. State
 - iii. Federal

5. PRESIDENT’S REPORT – Jim Cline provided information on the following items

- a. Budget Transfers – none were required
- b. Regional Transportation Issues

6. REPORT ON ITEMS OF COMMUNITY INTEREST

- a. Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.
- Jim Cline told the board about the agency's volunteer work at Cristian Community Action the week prior

7. ADJOURN 4:36 p.m.

- Motion to adjourn made by Dave Kovatch. 2nd by Jim Robertson. Motion carried unanimously.

The minutes of the November 19, 2015 meeting of the Board of Directors were passed, and approved by a vote on this 17th day of December, 2015.

Charles Emery, Chairman

ATTEST

Richard Huckaby, Secretary



Board of Directors Memo

December 17, 2015

Subject: Approval of Contract for Brand Ambassador Staffing Services

Background

A request for proposals was released on November 10, 2015 on BidSync for Brand Ambassador Staffing Services. Proposals were received on December 1, 2015. The proposals were evaluated based on agency experience, staffing capabilities, staff maintenance software, reporting, and price.

On December 1, 2015 DCTA received two (2) proposals in response to our RFP:

1. PS-Stearns, Inc.
2. Phenixx Marketing and Media

Staff conducted a review and evaluation of the proposals received and is recommending award to PS-Stearns, Inc.

Identified Need

DCTA has the need for a guerilla staffing agency to assist in the execution of critical marketing and communications campaigns.

Financial Impact

Anticipated expenses for this contract are \$51,000 over a three (3) year term. Funding for this contract is available in the marketing and communications departmental budget and will be allotted for in all required out years.

Recommendation

Staff recommends the Board authorize the President to execute a contract with PS-Stearns, Inc. for Brand Ambassador Staffing Services.

Submitted by:

Athena Forrester, Sr. Procurement Manager

Approval:

Nicole Recker, VP Marketing and Communications



Board of Directors Memo

December 17, 2015

Subject: Approval of Agreement for Consulting Services for Positive Train Control

Background

A request for proposals was released on November 2, 2015 on BidSync for Consulting Services for Positive Train Control. The Chief Technical Consultant will provide the following services:

- Serve as Technical and Project Management lead on behalf of DCTA and to oversee the overall project and direct the efforts of DCTA and third party project management personnel to ensure the E-ATC project is properly managed, documented and that project cost, schedule, and deliverables are controlled;
- Provide oversight of the PTC project, GETS and advise management regarding critical design features, provide input to the contractor regarding critical design reviews;
- Serve on behalf of DCTA as the technical expert and advise management at critical phases of the project when key decision and approvals are required by staff or the E-ATC Contractor (GETS);
- Provide oversight and project management of construction, installation, systems integration testing and commissioning activities;
- Provide oversight of the Contractor's Quality Management program, Project Management processes, documentation processes, testing and commission activities, as well as documentation and training efforts;
- Ensure all key deliverables are provided by the contractor;
- Provide guidance and assistance to DCTA staff and serve as liaison with the Federal Railroad Administration as necessary.

On November 20, 2015 DCTA received four (4) proposals in response to our RFP:

1. Mero LLC
2. Parsons
3. Stantec Consulting Services, Inc.
4. Systra Consulting, Inc.

Staff conducted a review and evaluation of the proposals received and is recommending award to Mero LLC.

Identified Need

The Chief Technical Consultant (CTC) will assist DCTA staff during critical design meetings, development of schedules and implementation of the E-ATC system.

Financial Impact

Anticipated expenses for this contract are estimated at \$350,000 plus reimbursable expenses of \$68,800 for a total of \$418,800 over a two (2) year term. Federal funds will be used for this project and will be reimbursed at 80%.

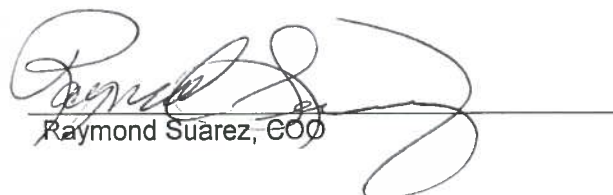
Recommendation

Staff recommends the Board authorize the President to execute a contract with MERO LLC.

Submitted by:


Athena Forrester, Sr. Procurement Manager

Approval:


Raymond Suarez, COO



Board of Directors Memo

December 17, 2015

Subject: Approval of Change Order for Landscaping Maintenance and Improvements

Background

AALC has identified additional dead and dying plants at the rail stations that need to be removed/replaced. At the time of the original specification these plants were not identified as needing to be replaced.

Identified Need

Station	Item	Quantity	Unit of Measure
MedPark			
	Loropetalum	383	3 Ga;
	Sea Oats	345	1 Ga;
	Rose Mary	8	3 Gal
	Indian Hawthorne	37	3 Gal
	Edward Goucher Abelia	40	3 Gal
	Southern Wax Myrtle	29	15 Gal
	Gold Mound Spirea	78	3 Gal
	Dwarf Wax Myrtle	7	7 Gal
	White Ash	1	2"-2.5" Cal
	Big Tooth Maple	1	2"-2.5" Cal
	Shumard Red Oak	2	2"-2.5" Cal
HV/LL			
	Loropetalum	573	3 Gal
	Indian Hawthorne (Minor)	113	3 Gal
	Pink Mist Muhly Grass	14	3 Gal
	Mexican Feather Grass	24	1 Gal
Old Town			
	Indian Hawthorne	8	3 Gal
	Southern Wax Myrtle	80	15 Gal
	Gold Mound Spirea	677	3 Gal
	Red Oak	3	2"-2.5" Cal
	Natchez Crepe Myrtle	9	30 Gal
	Edward Goucher Abelia	5	3 Gal
	Little Gem Magnolia	2	6'-8'


Financial Impact

This change order will increase the current contract by an additional \$92,631.27 from \$578,585.90 to \$671,217.17. These expenditures will be covered in the landscaping improvements capital budget.

Recommendation

Staff recommends the Board authorize the President to execute a change order to the contract with AALC for the removal of additional plants.

Submitted by: 
 Athena Forrester, Sr. Procurement
 Manager

Approval: 
 Raymond Suarez, COO

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 15-12**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) APPROVING INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT “A”; APPOINTING THE INVESTMENT OFFICERS AND AUTHORIZING INVESTMENT TRANSACTIONS ON BEHALF OF THE DCTA; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is the policy of the DCTA that the administration of its funds and the investment of those funds shall be handled as its highest public interest; and

WHEREAS, investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the DCTA and conforming to all applicable state statutes governing the investment of public funds; and

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, TEXAS GOVERNMENT CODE, the Board of Directors by resolution adopted an investment policy; and

WHEREAS, Section 2256.005, Tex. Government Code requires the Board of Directors to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THAT:

SECTION 1. The DCTA Investment Policy attached hereto as Exhibit “A” be and the same is hereby adopted and shall govern the investment policies and investment strategies for the DCTA, and shall define the authority of the investment officials of the DCTA from and after the effective date of this resolution.

SECTION 2. The Board of Directors of the DCTA has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit “A” hereto.

SECTION 3. The DCTA Chief Financial Officer, Anna Mosqueda, is hereby designated the Investment Officer, and DCTA President, Jim Cline, is designated as the alternate investment officer.

SECTION 4. The Investment Officer and Alternate Investment Officer are hereby authorized to engage in investment transactions on behalf of DCTA.

SECTION 5. The Investment Officers authorized by this resolution shall also be authorized to approve wire transfers used in the process of investing.

SECTION 6. The Investment Officers shall designate a liaison/deputy in writing in the event circumstances require timely action and the Investment Officers are unavailable.

SECTION 7. That all provisions of the resolutions of the Board of Directors of the DCTA in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 8. This resolution shall become effective immediately upon its passage and approval.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 17TH DAY OF DECEMBER, 2015.

APPROVED:

Charles Emery, Chairman

ATTEST:

Richard Huckaby, Secretary

APPROVED AS TO FORM:

Peter G. Smith, General Counsel
(PGS:10-2-15:TM 73734)

EXHIBIT “A”

DENTON COUNTY TRANSPORTATION AUTHORITY INVESTMENT POLICY

I. POLICY STATEMENT

The Denton County Transportation Authority (DCTA) policy is that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of DCTA and conforming to all applicable state statutes governing the investment of public funds.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. DCTA shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms, Board Policy, and the management of banking services.

Receiving a market rate of interest will be secondary to the requirements for safety and liquidity. DCTA intends to be in complete compliance with local law and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, (the “Act”). Investment earnings will be used in a manner that best serves the interests of DCTA.

II. SCOPE

This investment policy applies to all the financial assets and funds of DCTA. However, this policy does not apply to the assets administered for the benefit of DCTA by outside agencies under deferred compensation programs.

DCTA may commingle its funds into one pooled investment fund for investment purposes for efficiency and maximum investment opportunity.

III. OBJECTIVES AND STRATEGY

DCTA’s policy is that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety of principal, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit, and maturity. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise. To best meet anticipated cash flow requirements, the weighted average maturity (WAM) of the overall portfolio may not exceed 18 months.

Safety of Principal

Safety of principal is the foremost objective of DCTA. Investments of DCTA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The safety of principal is best achieved by limiting maximum maturities to two years or no further than expected project cashflow forecasts, limiting investment types to those specifically authorized by this policy, diversifying investments, and monitoring credit ratings on selected investment types.

EXHIBIT “A”

Liquidity

DCTA’s investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated. The portfolio will be structured so that investments mature concurrent with cash needs. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in investments that offer same-day liquidity for unanticipated cash demands. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

Diversification

The portfolio will be diversified by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding, as defined herein, will be used on each sale and purchase.

Yield

DCTA’s investment portfolio shall be designed with the objective of attaining a market yield-to-maturity taking into account DCTA’s risk constraints and the cash flow needs of the portfolio. “Market yield-to-maturity” may be defined as the rolling average yield of the current six-month Constant Maturity Treasury (CMT).

DCTA has selected the weighted-average yield-to-maturity as its preferred measure of investment performance. The weighted-average yield-to-maturity shall be calculated on a monthly basis by multiplying each individual security’s yield-to-maturity at time of purchase by its book value, totaling the product of these calculations, and dividing by the total book value of the portfolio.

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the “Act”). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public fund deposits. All investments will be made in accordance with these statutes.

V. DELEGATION OF INVESTMENT AUTHORITY

The Chief Financial Officer acting on behalf of DCTA is designated as the Investment Officer and the President of DCTA is designated as the Alternate Investment Officer of DCTA. The Investment Officer is responsible for investment management decisions and activities. The Investment Officer is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include reference to safekeeping, require and include Master Repurchase Agreements (as applicable), wire transfer agreements, banking services contracts and other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials and staff. The Investment Officer shall designate in writing a

EXHIBIT “A”

staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer and Alternate Investment Officer are not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.

Authorization Resolution

A Trading Resolution is established with this investment policy and attached hereto authorizing the Investment Officer to engage in investment transactions on behalf of DCTA. The persons authorized by the Trading Resolution to transact business for DCTA are also authorized to approve wire transfers used in the process of investing.

VI. PRUDENCE

The standard of prudence to be used in the investment function shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. This standard states that:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived.”

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate actions are taken to control adverse market effects.

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of DCTA. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions by employees of DCTA.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of DCTA. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

VIII. AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below and as further described by the Public Funds Investment Act.

A. Obligations of the United States Government, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), agencies and instrumentalities and government sponsored enterprises, excluding collateralized

EXHIBIT "A"

mortgage obligations (CMO's), not to exceed two years to stated maturity with the exception of project funds which may be invested in longer maturities but not to exceed forecasted expenditure dates;

B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed two years to stated maturity. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD insured by the Federal Deposit Insurance Corporation (FDIC) may be purchased through a broker that has its main office in Texas and is selected from a list adopted by the DCTA board or a selected depository institution with its main office or branch office in Texas. This broker or depository shall act as the custodian for the various certificates on behalf of DCTA.

C. Repurchase agreements and reverse repurchase agreements as defined by the Act, not to exceed 180 days to stated maturity, provided an executed Master Repurchase Agreement is on file with DCTA and the counterparty bank or primary dealer. Flexible repurchase agreements used specifically for capital projects may extend beyond the 180 day stated limitation, but shall not exceed the expenditure plan of the projects;

D. No-load SEC-registered money market funds, each approved specifically before use by DCTA; and

E. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act.

If additional types of securities are approved for investment by public funds by state statutes, they will not be eligible for investment by DCTA until this policy has been amended and the amended version approved by the DCTA Board.

Competitive Bidding Requirements

All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that DCTA is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by DCTA, shall be conducted on a delivery versus payment (DVP) basis.

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments made by DCTA will be made through either DCTA's banking services bank or a primary dealer. DCTA will review the list of authorized broker/dealers annually. A list of at least three broker/dealers will be maintained in order to assure competitive bidding.

Securities broker/dealers must meet certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:

- A. provision of an audited financial statement each year,
- B. proof of certification by the Financial Industry Regulatory Authority (FINRA) and provision of CRD number,

EXHIBIT "A"

- C. proof of current registration with the State Securities Commission, and
- D. Completion of a DCTA questionnaire.

Every broker/dealer and bank with which DCTA transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification stating that the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to DCTA.

DCTA may appoint one or more investment advisors to assist the financial staff in the management of DCTA funds. The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an investment advisor. To be eligible for consideration, an investment advisor shall demonstrate knowledge of, and experience in, the management of public funds. An appointed investment advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy, and without any discretionary authority to transact business on behalf of DCTA.

If DCTA has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of DCTA. The advisor shall recommend broker selection criteria to the DCTA Investment Officer for approval. The advisor shall annually present a list of its authorized broker/dealers to DCTA for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities. The advisor shall obtain and document competitive bids and offers on all transactions and present these to DCTA as part of its trade documentation.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is DCTA's policy to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

<u>Security Type</u>	<u>Max % of Portfolio</u>
U.S. Treasury obligations	100%
U.S. Government agencies and instrumentalities	Not to exceed 75%
Fully insured or collateralized CDs	Not to exceed 30%
Repurchase agreements	100%
Money Market Funds	50%
Local Government Investment Pools	
Liquidity Pools	100%
Maximum percent ownership of pool	Not to exceed 10%

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements.

EXHIBIT "A"

Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not invest more than 20% of the portfolio for a period greater than one (1) year. Unless matched to a specific requirement, the Investment Officer may not invest any portion of the portfolio for a period of greater than two (2) years.

XI. SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery-versus-payment (DVP) basis and be held in safekeeping by either DCTA, an independent third party financial institution, or DCTA's designated banking services depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third-party custodian shall be required to issue safekeeping receipts to DCTA listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for DCTA or pledged to DCTA.

All securities pledged to DCTA for certificates of deposit or demand deposits shall be held by an independent third-party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

Collateralization

Collateralization is required on time and demand deposits over the FDIC insurance coverage of \$250,000, and repurchase agreements.

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

A comprehensive quarterly investment report shall be prepared by the Investment Officer or Investment Advisor within ten (10) days following the fiscal quarter end and be presented to the DCTA Board the month following the fiscal quarter end. As required by the Texas Public Funds Investment Act, the report will:

- A. describe in detail the investment position of DCTA on the date of the report;
- B. be signed by the Investment Officer(s)
- C. contain a summary statement that states:
 - a. beginning book and market value for the reporting period;
 - b. ending book and market value for the reporting period; and
 - c. fully accrued interest for the reporting period;
- D. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- E. state the maturity date of each separately invested asset that has a maturity date;
- F. state the account or fund for which each investment security was purchased;
- G. compare the portfolio's performance to other benchmarks of performance; and
- H. state the compliance of the investment portfolio with DCTA Investment Policy, Investment Strategy, and the Public Funds Investment Act.

EXHIBIT “A”

XIII. DEPOSITORIES

DCTA will designate one banking institution through a competitive process as its central banking services provider at least every five years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. Other banking institutions from which DCTA may purchase certificates of deposit will also be designated as a depository after they provide their latest audited financial statements to DCTA.

XIV. TRAINING REQUIREMENT

The DCTA Investment Officer(s) shall attend at least one investment training session within twelve months of taking office or assuming duties, and not less often than once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive years after that date, and shall receive not less than ten hours of instruction relating to investment responsibilities. The investment training session shall be provided by an independent source approved by the Board of Directors. See Attachment I for a list of Board approved independent investment training sources. Contingent upon Board approval, additional “independent sources” from which investment training may be obtained shall include a professional organization, an institute of higher learning, or any sponsor other than a business organization with whom DCTA may engage in an investment transaction. Such training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

XV. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of DCTA.

An Investment Officer of DCTA who has a personal business relationship with an organization seeking to sell an investment to DCTA shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to DCTA shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the DCTA Board of Directors.

XVI. SUBJECT TO AUDIT

A formal annual review of the investment reports will be performed by an independent auditor with the results reported to the Board. All collateral shall be subject to inspection and audit by the DCTA Treasurer or DCTA’s independent auditors.

XVII. INVESTMENT POLICY ADOPTION BY DCTA BOARD

DCTA’s Investment Policy shall be adopted annually by the Board of Directors. The policy and strategies shall be reviewed on an annual basis by the Board or a designated Committee of the

EXHIBIT "A"

Board. A written resolution approving that review, and changes to the policy from the review, will be passed and recorded by the Board.

Previous Action:

Adopted October 23, 2014

EXHIBIT “A”

Attachment 1

Board Approved Independent Investment Training Sources

1. Texas Municipal League (TML)
2. Government Finance Officers Association (GFOA)
3. Government Finance Officers Association of Texas (GFOAT)
4. North Central Texas Council of Governments
5. Texas Higher Education Coordinating Board

**Board of Directors Memo**

December 17, 2015

Subject: Approval of Emergency Drainage Repairs**Background**

During flooding earlier this year, the drainage structure near the crossing with Puckrus Page was damaged. This failure continued, and degraded significantly. The repairs need to be made quickly to avoid further damage to the rail structure or the adjacent property. Staff is currently evaluating alternatives for repair. The attached memorandum defines this latest damage as an emergency under State purchasing rules, and allows for the repairs to be completed in an expeditious manner.

Identified Need

Ratification of the emergency determination is required.

Recommendation

Staff recommends ratification of the emergency determination.

Approval:

A handwritten signature in black ink that reads "James C. Cline, Jr." The signature is written in a cursive style and is positioned above a horizontal line.

James C. Cline, Jr., P.E.,
President

MEMORANDUM FOR RECORD

December 3, 2015


SUBJECT: Designation of Emergency: Damage to Drainage Structure in Vicinity of Pockrus Page and the A-train R/W

The concrete drainage structure located in the vicinity of the Pockrus Page crossing of the A-train right-of-way was severely damaged during the flooding that occurred in May/June 2015. The vertical wall was damaged over area of approximately fifty (50) feet. While damaged, the drainage structure appeared to still convey water in at least a minimal manner. No pending slope failure was present. On or about November 30, 2015, the damaged wall collapsed as a result of a slope failure, and pulled down a three hundred (300) foot section of the same wall. Drainage is almost completely blocked, and further slope failure would result in damage to the adjacent parking lot, fence, and stored vehicles. This damage, resulting directly from the original flooding in May/June 2015, is very likely to cause local flooding, damage to publicly owned railroad infrastructure, and damage to private property which will place rail passengers and the general public at considerable risk.

The threshold for the designation of an emergency under State of Texas procurement regulations is defined as follows:

- "1. a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;*
- 2. a procurement necessary to preserve or protect the public health or safety of the municipality's residents;*
- 3. a procurement necessary because of unforeseen damage to public machinery, equipment, or other property;"*

The attached photographs show the conditions immediately after the flooding and the subsequent further damage. It is my considered opinion that the damage in place now clearly meets the threshold for an emergency.


James C. Cline, Jr., P.E.
President, DCTA







**Board of Directors Memo**

December 17, 2015

Subject: Discussion and Approval of DCTA's Priority Projects for the NCTCOG 2040 Mobility Plan**Background**

NCTCOG is undergoing a planning process to develop the 2040 Metropolitan Transportation Plan. It is critical that DCTA's input be incorporated into this plan. The attached listing shows items previously discussed with the Program Services Committee at their most recent meeting. At this meeting, it was requested that the listing be brought to the Board for action supporting the input items.

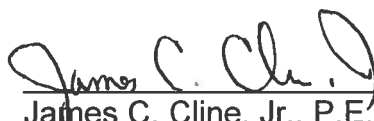
Identified Need

Board approval of the input for the 2040 Plan will lend additional credibility to the effort to get these items incorporated into the final document.

Recommendation

Staff recommends approval of the input to the 2040 Plan.

Approval:



James C. Cline, Jr., P.E.,
President

NCTCOG 2040 Plan DCTA Interest Areas

Commuter Rail

- A-train Extension – North to SH 380
- A-train Extension – South to Belt Line/Future Cotton Belt Rail Line
- 35W – Add from Alliance to Denton; possible right-of-way only
- 35W – Sustain from Fort Worth CBD to Alliance
- BNSF to Downtown Frisco – Sustain from Carrollton to Frisco

Regional Bus

- 35W Corridor – Denton to Fort Worth
- SH 380/ FM 423/DNT – Denton to SRT (SH 121)
- DFW Airport Connection
- 35E/35W Connector (FM 3040 or FM 1171)
- Clear understanding of passenger travel guarantee concept

Highway

- 35W – Roadway construction from Alliance to Denton
- 35W Bus Lane – Ultimate design and Interim during construction
- SH 380 – Widening and grade separations
- Sam Rayburn Tollway (SRT) – Capacity improvements

Hike/Bike/Veloweb

- Trail Connection from Hebron Station to Carrollton Trail System