



Board of Directors Meeting Minutes for:

July 23, 2020

Regular Meeting Minutes

The Board of Directors of the Denton County Transportation Authority convened the Regular Meeting of the Board of Directors with Dianne Costa, Chair presiding on July 23, 2020 remotely using Zoom Meeting.

Attendance

Voting Members

Dianne Costa, Chair, Highland Village
TJ Gilmore, Vice Chair, Lewisville
Sam Burke, Secretary, Denton County
Chris Watts, Denton
Cesar Molina, Denton County

Non-voting Members

Tom Winterburn, Corinth
Carter Wilson, Frisco
Connie White, Small Cities
Ron Trees, Little Elm
Mark Miller, Flower Mound

Legal Counsel

Joe Gorfida, NJDHS

DCTA Executive Staff

Kristina Holcomb, Deputy Chief Executive Officer
Marisa Perry, Chief Financial Officer/Vice President of Finance
Nicole Recker, Vice President of Mobility Services and Administration

Guest Speakers

Andrew Ittigson, Project Manager/Senior Transit Planner for AECOM
Kristen Lueken, Transportation Planner for AECOM
Jason Aprill, Transportation Planner for AECOM

Other DCTA Staff Attendees

Lindsey Baker, Director of Government Affairs
Athena Forrester, Assistant Vice President of Regulatory Compliance/DBE Liaison
Ann Boulden, Director of Capital Development
Tim Palermo, Senior Regional Planner
Troy Raley, Director of Bus Operations/Maintenance
Amanda Riddle, Senior Manager of Budget
Whitney Trayler, Grants Manager
Kyler Hagler, Network Administrator
Adam Wells, Desktop and Application Support Specialist
Rusty Comer, Manager of Bus Administration
Geraldine Osinaike, Procurement Specialist
John Duffy, Financial Analyst
Mary Worthington, Community Relations Manager
Sarah Martinez, Director of Procurement
Mackenzie Armendariz, Human Resources Manager
Rose Jerome, Project Controls Coordinator
Sarah Hultquist, Mobility Services Coordinator
Jennifer Lovelady, Human Resources Assistant
Kayla Laird, Communications Coordinator
Rony Philip, Senior Director of Rail Operations
Alex McGlinchey, Senior Manager of Rail Operations
Brandy Pedron, Executive Administrator

Public Attendees

Claire Powell, Lewisville Alternate
Paul Cristina, Denton County Alternate
RJ Garza, NTMC Contract General Manager
Paula Richardson, ATU
Albert Dirla
Carla Swagger
Brandi Bird, Bird Advocacy & Consulting
Joyce
M. Mattiza

CALL TO ORDER – *Chair Costa called the meeting to order and announced the presence of a quorum at 9:06 am.*

INVOCATION – *Vice Chair Gilmore led the Meeting in silent Prayer.*

PUBLIC COMMENT – *Carla Swagger and Albert Dirla addressed the Board with public comment at this time. Chair Costa read aloud to the Board public comments emailed prior to the Board meeting by Jim Owen and Paula Richardson with ATU.*

CONSENT AGENDA

1. Approval of June 25, 2020 Minutes
2. Approval of Monthly Financial Statements for June 2020 and Quarterly Reports for Q3 FY20
3. Authorize the CEO to Execute an Assignment of Ground Lease with Riverside DPH, LP. Assigning Leasehold Interest to HC Hebron 121 Station 4, LLC
4. Approval of Resolution R20-10 Ratifying FY2020 Budget Amendment 2020-06 for the Described Land Acquisition
 - *A Motion to approve Consent Agenda item 1-4 as presented was made by Cesar Molina. The motion was seconded by Chris Watts. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

INFORMATIONAL REPORTS – *The following information reports were presented to the Board in the Board Packets for review.*

1. **Monthly Financial Reports** - *Sales tax represents the single largest source of revenue for DCTA at 52.46% for the Fiscal Year 2020 budget. The annual revised sales tax budget for FY20 is \$21,464,452. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target. For the month of July, receipts were favorable compared to the revised budget. Sales tax for sales generated at retail in the month of May and received in July was \$2,400,743. This represents an increase of 132.16% or \$1,366,671 compared to budget for the month. Compared to the same month last year, sales tax receipts are \$93,451 or 4.05% higher. Member city collections for the month compared to prior year are as follows: City of Lewisville up 4.49%; City of Denton down 0.64%; and City of Highland Village down 8.59%.*

As requested by the Board of Directors, staff is providing a monthly update on all Mobility-as-a-Service commitments, activities and expenses. Task Order #1 – Lewisville Lakeway Zone and Denton Evening Zone was approved for award at the June Board meeting and was issued on 6/30/2020 for a not-to-exceed amount of \$200,000. Task Order #2 – On-Demand Services was discussed at the June Board meeting and will be presented at the August Board meeting for award consideration.

There were no budget transfers completed in the month of June to report.

2. **Ridership Trend Report** - *Beginning in March 2020, DCTA staff began a series of special COVID-related ridership tabulations to gain a better understanding of the ridership impacts associated with the pandemic and ensuing service changes. Exhibits 1-4 provide an overview of total monthly ridership trends across all DCTA services--comparing FY19 and FY20 with the associated COVID impacts. Noteworthy is that A-train and Connect May-June ridership each increased by approximately 23 percent. However, should current trends remain unchanged, FY20 A-train ridership may be reduced by approximately 49 percent and Connect ridership may be reduced by approximately 34 percent when compared against FY19.*



3. **Contracted Service Agreements Monthly Progress Report** – *Contract Service updates for City of McKinney, City of Frisco, City of Coppell, and North Central Texas College were provided to the Board in the board packet.*
4. **Information Requested by Board Members at the April Board Meeting** - *The following information was provided in the board packet per the request of Board Members at the April Board Meeting: Five-year history on salary and wages and key drivers for increases.*
5. **Information Requested by Board Members at the June Board Meeting** - *The following information was provided in the board packet per the request of Board Members at the June Board Meeting: Average ridership and cost per passenger for Lakeway On-Demand Zone, Denton Evening On-Demand Zone and Lyft; A-train ridership and I-35E construction impacts.*

REGULAR AGENDA

1. **Approval of Resolution R20-12 Extending COVID-19 Service Levels on Bus and Rail, Approving Modifications to Evening On-Demand Service, and Adoption of University of North Texas (UNT) Fall 2020 Semester Service Levels Through January 2021** - *Due to COVID-19, stay-at-home orders and state-wide disaster declarations, DCTA experienced ridership declines across the system. In response to this health disaster, DCTA implemented temporary system-wide service modifications on March 23, 2020 and May 11, 2020. Initially, service modifications were made due to the impacts of COVID-19. Staff has continued to monitor ridership as well as state and local COVID-19 response to adjust service delivery as needed. Staff recommended the extension of the existing COVID-19 service levels on fixed route and rail, modifications to evening on-demand services, and adoption of UNT Fall 2020 semester service effective through January 2021.*
 - *Chris Watts requested Clarification on cost calculations for Route 1 service.*
 - *Chris Watts requested staff to explore an operational partnership with DART*
 - *Vice Chair Gilmore proposed ideas on bus and rail schedules for Denton County and the Board discussed the options and the implications of cost and number of drivers needed to hire to support the service levels proposed by Vice Chair Gilmore.*
 - *Kristina Holcomb proposed, based on feedback provided by Vice Chair Gilmore and Chris Watts for implementing pre-COVID service levels, for staff to run scenarios of service in between rail schedules now and pre-COVID levels in order to reduce the need to hire rail operators; approve the on-demand and UNT service levels as proposed today and table the A-train portion for next month.*
 - *Nicole Recker explained the implications of not approving the UNT service levels and all bus service levels all at once due to the Collective Bargaining Agreement and Bid process.*
 - *Secretary Burke made a motion to approve the portions of the service levels as proposed by Nicole Recker and request staff to investigate and bring back to the Board the schedule of the A-train with the most service without the need to re-hire additional [rail] staff members that Kristina Holcomb outlined while staff continues to look at how to supplement the existing bus service with on-demand to provide the service levels that are causing Vice Chair Gilmore's concern.*
 - *Nicole Recker noted that DCTA will still do another service modification January of 2021 in line with the Universities and at that point if the Board wanted to reimagine A-train, fixed-route, on-demand, and turn-key on-demand providers, and DCTA has the time between now and then.*
 - *Nicole Recker's recommendation would be, as proposed, the UNT, the fixed route and the on-demand out of the DDTC and then layering the on-demand service on top of the fixed-route portion in order to fix some of those gaps once we bring a recommendation back to the Board in August.*



- Secretary Burke confirmed that what Nicole laid out was the intent of his motion regarding fixed-route, on-demand and UNT services and to have staff look at adding rail service without a re-hiring situation.
- Cesar Molina would like to look at rail service going to 45-minute headways and sync those up with DART. Kristina Holcomb responded that according to First Transit, we cannot do 45-minute headways because most of our corridor is single-tracked so we are very limited as to what frequency we can do. We can do the 30 minute and the 60 minute, but the 45 minute frequency would be very difficult and inconvenient for passengers to make those connections at Trinity Mills because of the number of cars that are required to run a 45 minute frequency on our limited track service. Kristina Holcomb will check on 45-minute headways again, and will look at something in between pre-COVID and post-COVID levels; something like 30 minute frequencies during the peak and expanding that peak time as much as we can without hiring additional staff and then 60-minutes frequencies during the mid-day time.
- Legal Counsel, Joe Gorfida clarified Secretary Burkes' motion was to approve the resolution as it relates to the modifications to the evening on-demand services, the UNT Fall 2020 semester service and the fixed-route service through January 2021 with the removal of the proposed rail service from the Resolution.
- Vice Chair Gilmore agreed to everything motioned except he would like to see an increase in service routes 4, 7, 21 and 22.
- Nicole Recker verified that if DCTA were to add frequency to the routes requested, additional staff would need to be hired and the bid would need to be modified that is currently scheduled to be delivered tomorrow per the Collective Bargaining Agreement.
- Secretary Burke feels like, since we must work in the guidelines of the CBA, we would be in a better position to fix the service levels with on-demand service rather than increasing frequency in those routes for only a 6-month period.
- Staff and the Board discussed the RFP for MaaS on-demand service scope as a broad bid.
- Chris Watts would like to explore the start and stop times of rail service on top of the looking at the frequencies.
- Vice Chair Gilmore explained he picked the 4 routes because they are the busiest and the cost per passenger is going to be less expensive than an on-demand service.
- Nicole Recker noted that we do have an existing contract with Lyft that is turn-key that we could use to provide on-demand services to the member cities soon than we could with the MaaS Task Order.
- Connie White shared a concern with the idea of on-demand service that over-lays a fixed route would create a perception that we cannot meet over a long term.
- Cesar Molina seconded the Motion on the table made by Secretary Burke to approve the Resolution as proposed as it relates to the modifications to the evening on-demand services, the UNT Fall 2020 semester service and the fixed-route service through January 2021 with the removal of the proposed rail service from the Resolution.
- Vice Chair Gilmore moved to amend Secretary Burkes' motion to restore bus service on Routes 4, 7, 21 and 22 to pre-COVID levels. Cesar Molina second still stands as amended. All board members voted yes. Motion passed unanimously by the Board with no abstentions.

[Board Chair Costa made a motion to recess the meeting for short break at 11:08 am. The time of recess expired, and the meeting resumed at 11:18 am.]

2. **Budget Workshop Follow-up Items** - *Additional information requested by Board members at the budget workshop held with the DCTA Board of Directors on June 18, 2020 and in additional correspondence since that meeting were provided to the Board in the packet. The current proposed FY2021 operating and capital budget includes \$31.8 million in expenses (DCTA & NTMC), \$53.4 million in revenues, and \$9.3 million in capital projects. No action requested.*
 - *Marisa Perry noted that DCTA will likely need to make changes to the FY21 proposed budget presented due to the prior adopted service changes and transformation initiative.*

3. **Transportation Reinvestment Policy (TRiP) Development** - *Staff and AECOM provided a presentation and overview of the Transit Reinvestment Program (TRiP) and how it may be implemented in the future by DCTA. TRiP will enable partnerships between the agency and its member cities on mutually beneficial infrastructure investments in transit-supportive projects. Recommendations from this study will inform development of a new policy and implementation plan for future Board consideration. The initial work of this study includes an evaluation of the previous DCTA Enhanced Local Assistance Program (ELAP) and a review of similar programs from transit agencies around the country including DART and Capital Metro in Texas. Recommendations from the study will help develop a policy and implementation process for TRiP as well as assist in identifying ways to leverage resources for future projects. The recommended program includes an annual call for projects with project consideration and approval by the DCTA Board. DCTA and member cities would then enter into an Interlocal Agreement for the execution of approved projects. DCTA will monitor and report project progress to the Board on a regular basis.*
 - *Cesar Molina noted that the policy should be broad enough so the member cities can reasonably use it and show that its used to improve transit and increase ridership and should be proportional to the sales tax put in my member cities. Should also include a roll-over provision if available.*
 - *Chris Watts agreed with the roll-over provision.*
 - *Marisa Perry discussed the finance scenarios and funding options with the Board which did not include the changes to services made prior. Financial Policies will be brought to the Board for discussion and review at next month's Board meeting.*
 - *Cesar Molina proposed a \$2M pulled out of reserve funds to kickstart the program and look at the budget every year to assess.*
 - *The Board agreed that they were comfortable with 15% net available cash plus an additional \$2M from reserves as seed money to kick off the program coming to \$5.3M for the first year.*
 - *AECOM will begin drafting a policy and DCTA finance staff will revise the budget and provide updated numbers in the Long Range Plan to provide these assumptions at the August Board meeting.*

[Board Chair Costa made a motion to recess the meeting for short break at 1:10 pm. The time of recess expired, and the meeting resumed at 1:31 pm.]

4. **COVID Pay Options** - *In April 2020, the Amalgamated Transit Union, which represents NTMC bus operators, sent a nationwide letter requesting additional compensation for operators while working during the COVID-19 pandemic. On May 27, 2020 and June 24, 2020, DCTA staff discussed options and cost implications with the DCTA Board of Directors to recognize NTMC Bus Operators for their dedication of service and commitment to safety. Options were provided to the Board for operator hours worked between March 22, 2020 and May 30, 2020 (pay dates 4/10/2020-6/5/2020) which is a ten-week period aligning with Denton County's Stay at Home order and Phases I and II of reopening the state. DCTA Staff recommended Option 3: \$150/week for each week with hours worked for a total of \$125,388. If funding is approved by DCTA's Board, information will be presented to the NTMC Board for consideration and approval. If the proposed operator COVID pay is approved by the NTMC Board, a budget amendment will be presented to both the DCTA Board and NTMC Board to increase DCTA's funding to the NTMC budget. Staff recommended the*



DCTA Board approve use of funds in the amount not to exceed \$130,000 to provide additional compensation to NTMC bus operators for the period of March 22, 2020 through May 30, 2020.

- *The Board had discussions on retro pay and paying forward; considering pay for non-operators, and acceptable amounts to pay. Vice Chair Gilmore requested a breakdown of [non-operational] people that had the option to work from home. Cesar Molina would like to consider an equal amount for all regardless of working from home or not for the extra effort and hours people have been working.*
 - *Staff recommended that the Board make a decision on the Operator's COVID pay as presented today and to bring back recommendations for COVID pay for non-operators at the August Board meeting.*
 - *A Motion to approve Regular Item 4 Option 3 as presented to pay \$150/week for each week with hours worked was made by Cesar Molina. The motion was seconded by Vice Chair Costa. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*
5. **Award of RFB 20-13 Cummins Auto Parts** - *On April 13, 2020, a request for bid was released for the purchase of Cummins Auto Parts. A total of 2,600 email notices were sent to potential bidders. Of those potential bidders, four (4) firms submitted bids. Staff conducted an evaluation of the bids and is recommending award to three firms. Parts will be ordered on an as needed basis to perform repairs and preventative maintenance on existing fleet. Expenditures for auto parts are reimbursed by grant funds from the Federal Transit Administration (FTA) at 80% of the costs. The contracts to be awarded are for a 13-month term, effective August 1, 2020 through September 30, 2021. The anticipated expenses for FY 2020 are not to exceed \$200,000. Funding for this agreement is available within the FY 20 operating budget. Expenses for future fiscal years will be included in the annual maintenance parts budget. Staff is recommended award to Industrial Power LLC, Kirk's Automotive Inc., and Muncie Reclamation & Supply dba Muncie Transit Supply, per the spreadsheet detail provided to the Board in the Board packet. Expenditures for auto parts are reimbursed by grant funds.*
- *A Motion to approve Regular Item 5 was made by Chris Watts. The motion was seconded by Secretary Burke. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*
6. **City of Coppell Lyft Contract Renewal** – *The current 12-month pilot program, and associated ILA, expires September 30, 2020. City staff held a discussion with the Coppell City Council in June, during which the council requested staff work with DCTA to renew the ILA for another 12-month program from October 1, 2020 through September 30, 2021. The City Council has been informed of DCTA's Administrative Fee Policy (Exhibit 2) that was adopted in April 2020, which would result in an increase to their administrative fee. The original ILA budget of \$100,000 includes 100% of direct Lyft costs and a 25% administrative fee to cover contract management, billing, administration, reporting, data analytics, and customer service. The City of Coppell is responsible for primary marketing and outreach efforts. Unless otherwise directed, staff intends to negotiate an amended ILA to include a 60% administrative fee, consistent with the DCTA Board of Directors Administrative Policy, for an additional 12-month period. To keep within the budget of \$100,000 this would amend the costs as presented to the Board in the Board packet. The City of Coppell City Council has publicly expressed interest in continuing the program for another 12-month period. There is a positive financial impact to the budget with the administrative fee increasing from 25% in year one to 60% in year two per the DCTA Board's Administrative Fee Policy. The budget for indirect costs would then increase from \$18,000 to \$33,750, as detailed in the above table. Staff recommends the Board of Directors direct staff to proceed with amending the Interlocal Agreement with City of Coppell for Mobility Services, that includes a renegotiated budget and one-year extension, to be brought to the Board for consideration in August.*
- *The Board agreed to place this item on the Consent Agenda for the August Board meeting.*



7. **Irving Holdings MUTD Task Order** – *The current Irving Holdings Task Order 2, for MUTD taxi operations with a budget of \$137,000, expires September 30, 2020. In addition, the MUTD Board has requested the current taxi voucher/subsidy program, operated by Irving Holdings, shift to a flat rate fare program. This requires a programmatic amendment to the task order. Staff will have the draft Task Order 3 prepared for the Board's review and consideration at the August board meeting for a term of one-year and a budget of \$184,000. The current Task Order 2 budget of \$137,000 is calculated based on the total cost of Irving Holdings operating taxi service. From October 2019 through June 2020, the invoiced costs of the current task order calculate to \$99,526. Excluding COVID decreases in ridership, the trend has been a steady increase in both ridership and, as a result, cost. FY19 costs averaged \$11,478 per month (-annual spend of \$137,736). Pre-COVID, FY20 was averaging \$15,415 per month from October 2019 through February 2020 (-annual spend of \$184,980). As such, staff is recommending a \$47,000 increase for Task Order 3, with a total FY21 budget of \$184,000. An administrative fee would be charged directly to MUTD on top of the \$184,000. The MUTD Board voted to implement a \$3 flat fare for Irving Holdings taxi services. In addition, the current budget is insufficient for FY21, assuming ridership will return to pre-COVID levels. As such, staff recommends executing Task Order 3 to accommodate the programmatic and budgetary changes necessary to the continued success of MUTD's taxi voucher program provided by Irving Holdings. The Task Order 3 budget would increase by \$47,000, from \$137,000 to \$184,000 to accommodate the high usage of the service. DCTA will be fully reimbursed by the City of McKinney for the Irving Holdings service including appropriate administrative fees. Staff recommends the Board provide direction to proceed with the development of Task Order 3 for Board consideration in August for a term of one year, a budget of \$184,000, and appropriate administrative fees to align with the DCTA Board's Administrative Fee Policy.*

8. **Award of Lakeway Administration Building Lease Extension** – *The lease agreement for 1955 Lakeway Drive, Suite #260, Lewisville, TX 75057 expires on September 30, 2020. This location is utilized as office space for approximately twenty-three (23) DCTA administrative staff as well as a location to host routine Board of Directors meetings and meetings with external parties and the public. At this time, all other DCTA facilities are at capacity and cannot accommodate the needs served by the administrative office property. The total cost of the agreement takes into consideration two different fees. The first is the monthly base rent which is set forth within the lease agreement. The second is the Common Area Maintenance (CAM) fee, which is set each year by Blacktop LLC. DCTA estimates a 10% increase in CAM fees each year based on prior escalations. Monthly base rent is set on an October – September schedule, and the CAM fee is set on a January – December schedule. The total cost of the 24-month lease agreement is not to exceed \$245,081.01, which includes \$120,237.06 for the first 12 months (base rent + CAM) and \$124,843.95 for the second 12 months (base rent + CAM). Annual departmental budgets are incorporated into each fiscal year's budget. A comprehensive breakdown of the 24-month term, including base monthly rent and CAM fees was provided to the Board in the Board packet.*
 - *A Motion to approve Regular Item 8 was made by Vice Chair Gilmore. The motion was seconded by Secretary Burke. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

9. **Discussion of Regional Transportation and Legislative Issues** – *Lindsey Baker discussed the legislative program for the 87th legislative session. Kristina Holcomb updated the Board that DCTA received a draft ILA from DART and has asked for clarification.*

CONVENE EXECUTIVE SESSION – *The Board did not meet in executive session.*

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

- *The Board Agenda Outlook as of 07.17.2020 was presented to the Board in the Board packet.*
- *Chris Watts would like to look at a contractual arrangement with DART to help county service.*



DENTON COUNTY
TRANSPORTATION
AUTHORITY


REPORT ON ITEMS OF COMMUNITY INTEREST – *This item was not discussed.*

ADJOURN – *Motion to adjourn the meeting was made and the meeting was adjourned at 2:28 p.m.*

The minutes of the July 23, 2020 Board of Directors Meeting were passed and approved by a vote on this 27th day of August 2020.


Dianne Costa, Chair

ATTEST



Sam Burke, Secretary