

Board of Directors Regular Meeting

August 22, 2019 | 1:30 p.m.

To be held at Denton County Transportation Authority | Administrative Boardroom
1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057

NOTICE IS HEREBY GIVEN that the DCTA Board of Directors will conduct its regular meeting at the time and location above to consider the following:

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

RECOGNITION OF BOARD MEMBERS CONCLUDING THEIR SERVICE

PUBLIC COMMENT

This agenda item provides an opportunity for citizens to address the Board of Directors on any agenda items or other matters relating to the DCTA. Anyone wishing to address the Board of Directors should complete a Citizen Comment Registration Card and submit it to the DCTA Administration prior to the start of the Board of Director meeting. There is a three (3) minute time limit for each citizen. Anyone wishing to speak shall be courteous and cordial. The Board of Directors is not permitted to take action on any subject raised by a speaker during Citizen Comments. However, the Board of Directors may have the item placed on a future agenda for action; refer the item to the DCTA Administration for further study or action; briefly state existing DCTA policy; or provide a brief statement of factual information in response to the inquiry.

CONSENT AGENDA

1. **Approval of July 18, 2019 Minutes**

Action Item

Presenter: Dianne Costa, Highland Village, Vice Chair

Item Summary: Approval of the July 18, 2019, meeting minutes will be requested.

Backup Information: Item C1 (a) and C1 (b), Minutes

CONVENE EXECUTIVE SESSION

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

- A. As Authorized by Section 551.071(2) of the Texas Government Code, the Board of Directors 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 or the Regular Board Meeting Agenda.
- B. As Authorized by Section 551.072 of the Texas Government Code, the Board of Directors Meeting may be Convened into Closed Executive Session for the Purpose of Deliberation regarding Real Property: Discuss acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, Highland Village, or the A-train corridor.
- C. As Authorized by Section 551.071(2) of the Texas Government Code, the Board of Directors Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel regarding retaining Gravely & Pearson LLP and Scheef & Stone LLP for legal services

RECONVENE OPEN SESSION

Reconvene and Take Necessary Action on Items Discussed during Executive Session.

REGULAR AGENDA

1. Consider Monthly Financial Statements for July 2019

Action Item

Presenter: Marisa Perry, Chief Financial Officer/VP of Finance
Item Summary: Board approval will be requested of the following items:
 a. Financial Statements for July 2019
 b. Capital Projects Budget Report July 2019
Backup Information: Item R1(a) Memo with attachments, Item R1(b)

2. Presentation and Discussion of Monthly Financial Reports for July 2019

Informational Item

Presenter: Marisa Perry, Chief Financial Officer/VP of Finance
Item Summary: DCTA Staff will provide updates on the following financial items:
 a. Monthly Sales Tax Receipts
 b. Monthly Mobility-as-a-Service (MaaS) Update
 c. Budget Information
Backup Information: Item R2 (a) Memo with attachments; Item R2 (b) Memo; and Item R2 (c) Memo

3. **Presentation and Discussion of Proposed FY 2020 Capital and Operating Budget**

Informational Item

Presenter: Amanda Riddle, Senior Manager of Budget

Item Summary: Presentation and discussion of the proposed FY 2020 Capital and Operating Budget including consideration of a service request from the City of Denton.

Backup Information: Item R3 and Exhibits

4. **Public Hearing on Proposed FY 2020 Capital and Operating Budget**

Informational Item

Presenter: Dianne Costa, Highland Village, Vice Chair

Item Summary: The Board will conduct a Public Hearing on Proposed FY 2020 Capital and Operating Budget. Board Chair will open and close the Hearing.

Backup Information: N/A

5. **Presentation and Discussion of Bylaw Modification Plan**

Informational Item

Presenters: Dianne Costa, Highland Village, Vice Chair;

Lindsey Baker, Director of Strategic Partnerships

Item Summary: Presentation and discussion regarding proposed Bylaws modifications.

Backup Information: Item R5 MEMO and Exhibits

6. **Consider Resolution R19-10 adopting DCTA's Board Governance Rules of Procedure**

Action Item

Presenters: Dianne Costa, Highland Village, Vice Chair,
Kristina Holcomb, Deputy CEO

Item Summary: Board approval will be requested of Resolution R19-10 adopting DCTA's Board Governance Rules of Procedure.

Backup Information: Item R6 Memo and Resolution Exhibit with Exhibit A

7. **Consider Electing DCTA Board Officers and Approving Resolution R19-11**

Action Item

Presenter: Dianne Costa, Highland Village, Vice Chair

Item Summary: Board will be requested to elect Officers of the DCTA Board of Directors and approve Resolution R19-11 Appointing the Officers of the Board of Directors.

Backup Information: Items R7 MEMO and Resolution Exhibit

8. **Consider Appointing a Regional Transportation Council Representative and Alternate**

Action Item

Presenter: Dianne Costa, Highland Village, Vice Chair
Item Summary: Board will be requested to appoint a DCTA Representative and Alternate for the Regional Transportation Council (RTC).
Backup Information: N/A

9. **Presentation and Discussion of Agency Procurement and Purchasing Thresholds**

Informational Item

Presenter: Athena Forrester, Assistant Vice President of Regulatory Compliance/DBE Liaison
Item Summary: Staff will provide an overview of DCTA's Procurement and Purchasing thresholds on MaaS Vendor Contracts and First Transit Rail Contracts
Backup Information: Item R9 Memo

10. **Presentation and Discussion of Cost Allocation Model and Efficiency Study**

Informational Item

Presenter: Raymond Suarez, CEO
Item Summary: Staff will discuss the cost allocation model and efficiency study with the Board.
Backup Information: N/A

11. **Consider Interlocal Agreement with Coppell for the Provision of Contracted Services**

Action Item

Presenter: Lindsey Baker, Director of Strategic Partnerships
Item Summary: Board approval will be requested of the Interlocal Agreement with Coppell for the Provision of Contracted Services
Backup Information: Item R11 Memo and Exhibits

12. **Consider Task Order 6 to HDR Engineering, Inc.**

Action Item

Presenter: Michelle Bloomer, Vice President of Operations
Item Summary: Board approval will be requested for the Task Order 6 to HDR Engineering, Inc. for Service Change Planning Assistance.
Backup Information: Item R12 Memo

13. **Discussion of Regional Transportation and Legislative Issues**

Informational Item

Presenters: Dianne Costa, Highland Village, Vice Chair
Raymond Suarez, Chief Executive Officer

Item Summary: If applicable, staff will provide an update on regional transportation and legislative issues.

Backup Information: N/A

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

Staff will discuss proposed future agenda items. Board members may request an informational item or action item to be added to the next Board meeting agenda.

REPORT ON ITEMS OF COMMUNITY INTEREST

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.

ADJOURN

Board Members:

Dianne Costa, Highland Village, *Vice Chair*
Chris Watts, Denton
TJ Gilmore, Lewisville
Randall Chrisman, Denton County Seat 1
Sam Burke, Denton County Seat 2

Non-Voting Board Members:

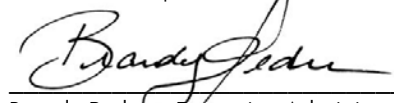
Tom Winterburn, Allen Harris, Carter Wilson,
Connie White, Mark Miller, Ron Trees, Michael Savoie

Staff Liaison:

Raymond Suarez, CEO

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 bpedron@dcta.net or calling Brandy Pedron at 972.221.4600.

This notice was posted on 8/16/2019 at 3:35 PM.



Brandy Pedron, Executive Administrator | Open Records

Board of Directors
Work Session Minutes

The Board of Directors of the Denton County Transportation Authority convened the work session of the Board of Directors with Dianne Costa, Vice Chair presiding on July 18, 2019 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

Attendance

Voting Members

Dianne Costa, Vice Chair, Highland Village
Mayor Chris Watts, Denton
TJ Gilmore, Lewisville
Randall Chrisman, Denton County #1
Paul Cristina, Denton County #2 Alternate

Non-voting Members

Tom Winterburn, Corinth
Mark Miller, Flower Mound
Connie White, Small Cities
Michael Savoie, Small Cities
Carter Wilson, Frisco @ 2:44

Legal Counsel

Kevin Laughlin

DCTA Executive Staff

Raymond Suarez, Chief Executive Officer
Marisa Perry, Chief Financial Officer, Vice
President of Finance

Other DCTA Staff Attendees

Jamie Cogdell, Senior Procurement Specialist
Adrienne Hamilton, Communications Manager
Sarah Martinez, Director of Procurement
Athena Forrester, Assistant VP Regulator
Compliance/DBE Liaison
Amanda Riddle, Senior Manager of Budget
Amber Karkauskas, Controller
Brandy Pedron, Executive Administrator

Public Attendees

Shannon Joski, Denton County #1 Alternate
Claire Powell, Lewisville Alternate
Brandi Bird, Bird Advocacy and Consulting
Stan Nixon, UNT Assistant Director, Transit and
Special Projects
Jim Owen

CALL TO ORDER: *Vice Chair, Dianne Costa, called the meeting to order and announced the presence of a quorum at 1:31 p.m.*

The Board and DCTA Staff made introductions around the table.

1. Monthly Financial Reports – *No further discussion*

- a. Financial Statements for June 2019 – *Marisa Perry reported the following: The reports presented for the period ending June 30, 2019 include the Statement of Change in Net Position, Statement of Net Position, and Capital Projects Fund. These reports provided a comparison of budget vs. actual for the fiscal year as of the current month. Major variances between year-to-date budget and year-to-date actuals were reported as: Passenger revenues at a YTD favorable by \$309k; Contract Service revenues at a YTD unfavorable by (\$95k); Federal/State Grants-Capital YTD favorable by \$148k; and Federal/State Grants-Operating YTD unfavorable by (\$748k). Sales Tax revenue was not yet received and was accrued for the month based on budget; sales tax generated in May will be received in July.*
- b. Capital Projects Budget Report for June 2019 – *Capital Projects Budget report presented to the Board*

- c. *Monthly Sales Tax Receipts – Marisa Perry reported the following: Sales tax represents the single largest source of revenue for DCTA at 64.13% for the Fiscal Year 2019 budget. The annual sales tax budget for FY19 is \$28,450,180. 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. Sales tax reports were presented to the Board. This month, receipts were favorable compared to budget by 5.31%, or \$116,302. The July allocation is for sales generated in the month of June and represents revenue for the eighth month of FY19. Sales tax for sales generated at retail in May and received in June was \$2,307,292. Compared to the same month last year, sales tax receipts are \$68,125 or 2.87% lower. Member city collections: Lewisville down 3.94%, Denton down 1.35%, and Highland Village up 4.76%.*
- d. *Monthly Mobility-as-a-Service (MaaS) Update – Sarah Martinez gave the Board a monthly update on MaaS commitments, activities and expenditures as follows: to date, 25 contracts have been fully executed with five remaining. No task orders have been issued to date.*
- e. *Quarterly Investment Report Q3 FY2019 – Marisa Perry presented Hilltop Securities Investment Portfolio Summary for DCTA for the quarter ended on June 30, 2019 to the Board.*
- f. *Quarterly Grant Report Q# FY2019 – Marisa Perry reported the following: DCTA currently has 10 open grants that provide reimbursements for various capital projects, rail and bus, preventive maintenance, operating assistance and ADA paratransit service. The grant funding sources include Federal Transit Administration (FTA), North Central Texas Council of Governments (NCTCOG), Texas Department of Transportation (TxDOT), and Federal Emergency Management Agency (FEMA). Total grant balance was \$5.8 million as of 06/30/2019. Of this total, \$1.7 million is obligated for Positive Train Control, \$1.1 million is obligated for the FY14-16 Program of Projects, and \$2.3 million is obligated for the A-train Hike & Bike Trail. This quarter there were no grant applications submitted to the Board for approval. Pending Funding and other Grant Activity: \$1.6 million of the Congestion Mitigation & Air Quality (CMAQ) funding for bus purchases for 35W North Texas Xpress services has been de-obligated from NCTCOG and re-obligated to DCTA through FTA, with an anticipated execution in Q1 of FY20. The grant for the purchase of the 35W North Texas Xpress buses will utilize Transportation Development Credits (TDCs) in lieu of the local match. DCTA will receive \$11.3 million in CMAQ funding from NCTCOG for land acquisition purchases. The funding was added to the 2019-2022 Transportation Improvement Program (TIP) and the transfer of funds from FHWA to FTA was initiated in Q1 of FY19. DCTA was awarded \$4 million for the Positive Train Control (PTC) Enhancements proposal submitted in June 2018 to Federal Railroad Administration’s (FRA) Consolidated Rail Infrastructure & Safety Improvements (CRISI) Grants Program. Staff is working with FRA to execute the grant by Q1 of FY20. DCTA submitted another proposal in September 2018 for the second round of funding available under the CRISI program for a Dispatch Workload Safety Program but was not selected for this funding. DCTA anticipates execution of \$13 million for the FY17 and FY18 Program of Projects (POP) formula funding in Q4 of FY19.*
- g. *Budget Transfers – Marisa Perry reported that there were no budget transfers completed in the month of June.*

2. Board Governance

- a. *Meeting Structure and Scheduling – Dianne Costa discussed governance workshop with Ron Holifield with SGR and contentious scheduling issues that need to be addressed in the workshop*
- b. *Bylaw Modifications – Dianne Costa began the Board conversation regarding Bylaws. The Board decided to leverage Frank Stevenson with Locke Lord to help draft the final Bylaws. Pete Smith will contact Stevenson and get a letter of engagement.*

3. Discussion Long-Range Plan Process – Raymond Suarez discussed the process on how the Board could develop a long-range plan for the future of DCTA.

4. Discussion of Regional Agency Representation – *Dianne Costa discussed how the Board needs to prepare to appoint a Regional Transportation Council Representative and Alternate, a Dallas Regional Mobility Coalition Representative, a Tarrant Regional Transportation Coalition Representative as well as other regional representations needed.*
5. Discussion of Regular Board Meeting Agenda Items:
 - a. Award for Transit Tire Contracts to Southern Tire Mart, Goolsbee Tire Services, and T&W Tire, LLC – *Sarah Martinez discussed this agenda item with the Board*
 - b. Interlocal Cooperation Agreement with Star Transit Joint Procurement for Cooperative Purchasing – *Sarah Martinez discussed this agenda item with the Board*
 - c. Interlocal Cooperation Agreement with OMNIA Partners for Cooperative Purchasing – *Sarah Martinez discussed this agenda item with the Board*
6. Convene Executive Session – *The Board did not convene into executive session.*
As Authorized by Texas Government Code Section 551.072 Deliberation regarding Real Property: Discussed acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, Highland Village, or the A-train corridor.
7. Reconvene Open Session – *N/A*
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session – *no action was taken*
8. Discussion of Future Agenda Items
 - a. Board Member Requests – *Board members requested to review first process of budget and takeaways from the Workshop and for requests to be complete by August 1st, 2019.*
9. ADJOURN at 2:54 p.m.

The minutes of the July 18, 2019 Work Session meeting of the Board of Directors were passed and approved by a vote on this 22nd day of August, 2019.

Dianne Costa, Vice Chair

ATTEST

Board Member

Board of Directors
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, Vice Chair presiding on July 18, 2019 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

Attendance

Voting Members

Dianne Costa, Vice Chair, Highland Village
Mayor Chris Watts, Denton
TJ Gilmore, Lewisville
Randall Chrisman, Denton County #1
Paul Cristina, Denton County #2 Alternate

Non-voting Members

Tom Winterburn, Corinth
Mark Miller, Flower Mound
Connie White, Small Cities
Michael Savoie, Small Cities
Carter Wilson, Frisco @ 2:44

Legal Counsel

Kevin Laughlin

DCTA Executive Staff

Raymond Suarez, Chief Executive Officer
Marisa Perry, Chief Financial Officer, Vice President of
Finance

Other DCTA Staff Attendees

Jamie Cogdell, Senior Procurement Specialist
Adrienne Hamilton, Communications Manager
Sarah Martinez, Director of Procurement
Athena Forrester, Assistant VP Regulator
Compliance/DBE Liaison
Amanda Riddle, Senior Manager of Budget
Amber Karkauskas, Controller
Brandy Pedron, Executive Administrator

Public Attendees

Shannon Joski, Denton County #1 Alternate
Claire Powell, Lewisville Alternate
Brandi Bird, Bird Advocacy and Consulting
Stan Nixon, UNT Assistant Director, Transit and
Special Projects
Jim Owen

CALL TO ORDER: *Dianne Costa, Vice Chair, called the meeting to order and announced the presence of a quorum at 3:08 p.m.*

PLEDGE OF ALLEGIANCE – *led by Carter Wilson*

INVOCATOIN – *led by Dianne Costa*

WELCOME AND INTRODUCTION OF VISITORS – *No introductions made as this time*

1. PUBLIC COMMENT – *no public comments at this time*

This agenda item provides an opportunity for citizens to address the Board of Directors on any agenda items or other matters relating to the DCTA. Anyone wishing to address the Board of Directors should complete a Citizen Comment Registration Card and submit it to the DCTA Administration prior to the start of the Board of Director meeting. There is a three (3) minute time limit for each citizen. Anyone wishing to speak shall be courteous and cordial. The Board of Directors is not permitted to take action on any subject raised by a speaker during Citizen Comments. However, the Board of Directors may have the item placed on a future agenda for action; refer the item to the DCTA Administration for further study or action; briefly state existing DCTA policy; or provide a brief statement of factual information in response to the inquiry.

2. CONSENT AGENDA

- a. Approval of Minutes for the Board Work Session and Regular Meeting on June 20, 2019
- b. Acceptance of Monthly Financial Statements – June 2019
- c. Acceptance of Quarterly Investment Report
- d. Acceptance of Quarterly Grant Report
 - *A Motion to approve the Consent Agenda items (a and b) was made by Connie White. The motion was seconded by TJ Gilmore. Motion passed unanimously by the Board with no abstentions.*

3. REGULAR AGENDA

- a. Discuss and Approve Award of Transit Tire Contracts to Southern Tire Mart, Goolsbee Tire Services and T&W Tires, LLC
 - *A Motion to approve the Regular Agenda item (a) was made by TJ Gilmore. The motion was seconded by Randall Chrisman. Motion passed unanimously by the Board with no abstentions.*
- b. Discuss and Approve Interlocal Cooperation Agreement with Star Transit for Cooperative Purchasing
 - *A Motion to approve the Regular Agenda item (b) was made by Dianne Costa. The motion was seconded by Paul Cristina. Motion passed unanimously by the Board with no abstentions*
- c. Discuss and Approve Interlocal Cooperation Agreement with OMNIA Partners for Cooperative Purchasing
 - *A Motion to approve the Regular Agenda item (c) was made by Mayor Chris Watts. The motion was seconded by TJ Gilmore. Motion passed unanimously by the Board with no abstentions.*

4. Convene Executive Session. The Board may convene the Regular Board Meeting into Closed Executive Session for the following: - *The Board did not meet in executive session at this time*

5. Reconvene Open Session – *Not applicable*

- a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.

6. REGIONAL TRANSPORTATION AND LEGISLATIVE ISSUES

- *Kristina Holcomb discussed the 2019 North Central Texas Council of Governments Annual Report*
- *Dianne Costa shared that Charles was recognized at RTC and by the City of Lewisville*

7. 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.
 - *Raymond Suarez shared that Representative Stucky took a tour on DCTA's A-train with him and he will be scheduling the same to do with Michelle Beckley's office.*
 - *Kristina Holcomb reminded the Board the Charles Emery Station Naming event will happen on October 29th.*

8. ADJOURN – *The meeting was adjourned at 3:34 p.m.*

The minutes of the July 18, 2019 Regular meeting of the Board of Directors were passed and approved by a vote on this 22nd day of August, 2019.

Dianne Costa, Vice Chair

ATTEST

Board Member

SUBJECT: Consider Financial Statements for July 2019

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending July 31, 2019 include the Statement of Change in Net Position, Statement of Net Position, and Capital Projects Fund. These reports provide a comparison of budget vs. actual for the fiscal year as of the current month.

The following are major variances between year-to-date budget and year-to-date actuals, which are annotated on the Statement of Change in Net Position.

- **Note A:** Passenger Revenues – YTD favorable by \$361k mainly due to increased bus ridership and a higher than anticipated average fare per rider. YTD FY19 bus ridership for Connect, Access, Frisco, Collin County Transit, and North Texas Xpress of 500k is 32% greater than the budgeted ridership of 378k (\$152k increased revenue). The FY19 budget estimated an average fare per rail rider of \$1.16; however, YTD rail revenue per rider was \$1.86 (\$209k increased revenue). This favorable variance is partially offset by lower than budgeted rail ridership; YTD FY19 rail ridership of 327k is 5% less than budgeted ridership of 344k.

		YTD FY19 Actual Ridership	YTD FY19 Budgeted Ridership	% Variance, Actual to Budget	YTD FY18 Actual Ridership	% Variance, Actual to Prior Year
Total Rail Ridership	(A)	326,915	343,634	-5%	349,505	-6%
Connect, Access, Frisco, CCT, NTX	(A)	500,232	378,030	32%	423,195	18%
UNT, NCTC, Taxi Ridership	(B)	1,535,434	1,558,745	-1%	1,571,018	-2%
Total Bus Ridership		2,035,666	1,936,775	5%	1,994,213	2%
Total Ridership		<u>2,362,581</u>	<u>2,280,409</u>	<u>4%</u>	<u>2,343,718</u>	<u>1%</u>

(A) Passenger revenues are linked with these ridership statistics. Although Frisco & CCT service are contracted services, the passengers are responsible for a passenger fare as well.

(B) These ridership numbers are not linked to passenger revenues and are shown for information purposes only to include all system ridership.

- **Note B:** Contract Service Revenue – YTD unfavorable by (\$85k). YTD FY19 fuel usage for contract services of 108k gallons is 15% lower than budgeted usage of 127k gallons (\$60k decreased revenue). Average YTD pass-through fuel cost is \$2.17/gallon compared to budgeted \$3.00/gallon (\$89k decreased revenue). A portion of the unfavorable variance is offset by higher than budgeted revenue hours. YTD contract service revenue related to taxi service and special movements is trending \$38k above budget.
- **Note C:** Sales Tax Revenue – July sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in July will be received in September. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY19 sales tax receipts collected through August.

- **Note D:** Federal/State Grants - Capital – YTD favorable by \$424k mainly due to reimbursements for the Hike and Bike Trail project.

	YTD FY19 Actual Revenue	YTD FY19 Budgeted Revenue	Variance, Actual to Budget
EPA - Brownfield	\$ 178,200	\$ 178,200	\$ -
Fleet Replacement	1,143,559	1,143,559	-
Positive Trail Control (PTC)	1,037,153	1,037,153	-
Rail Safety Improvements	37,120	-	37,120
Safety and Security	20,986	-	20,986
Hike & Bike Trail – Eagle Point	1,189,270	823,696	365,574
	<u>\$ 3,606,288</u>	<u>\$ 3,182,608</u>	<u>\$ 423,680</u>

- **Note E:** Federal/State Grants - Operating – YTD unfavorable by (\$1.2m) mainly due to a delay in funding for ADA Assistance and Bus and Rail Preventive Maintenance. Staff is working with the Federal Transit Administration to finalize information needed for the next Program of Projects, which includes the funding for ADA Assistance, Rail Preventive Maintenance, and Bus Preventive Maintenance. This funding is anticipated to be available in August.

	YTD FY19 Actual Revenue	YTD FY19 Budgeted Revenue	Variance, Actual to Budget
Bus PM	\$ 278,143	\$ 584,651	\$ (306,508)
Rail PM	167,546	443,126	(275,580)
ADA Assistance	-	561,234	(561,234)
Vanpool	115,028	96,515	18,513
NCTCOG NTX 35W JARC	52,054	99,063	(47,009)
Transit Enhancements	62,651	62,651	-
	<u>\$ 675,422</u>	<u>\$ 1,847,240</u>	<u>\$ (1,171,818)</u>

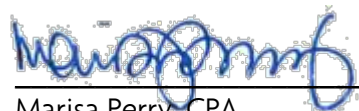
Identified Need

Provides the Board a review of DCTA's financial position and the agency's performance to budget.

Recommendation

Staff recommends acceptance.

Submitted by: 
Amber Karkauskas
Controller

Final Review: 
Marisa Perry, CPA
Chief Financial Officer/VP of Finance



DENTON COUNTY TRANSPORTATION AUTHORITY

CHANGE IN NET POSITION
MONTH AND YEAR TO DATE JULY 31, 2019
(UNAUDITED)

Description	Month Ended July 31, 2019			Year to Date July 31, 2019			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenue and Other Income							
Passenger Revenues	\$ 114,326	\$ 61,863	\$ 52,463	\$ 1,115,533	\$ 754,333	\$ 361,200	\$ 880,448 Note A
Contract Service Revenue	247,261	237,115	10,146	3,401,498	3,486,758	(85,260)	4,132,383 Note B
Sales Tax Revenue	2,258,660	2,181,390	77,270	23,619,294	23,464,743	154,551	28,450,180 Note C
Federal/State Grants - Capital	381,190	105,373	275,817	3,606,288	3,182,608	423,680	3,811,390 Note D
Federal/State Grants - Operating	21,383	445,344	(423,961)	675,422	1,847,240	(1,171,818)	4,351,253 Note E
Total Revenue and Other Income	<u>3,022,821</u>	<u>3,031,085</u>	<u>(8,264)</u>	<u>32,418,035</u>	<u>32,735,682</u>	<u>(317,647)</u>	<u>41,625,654</u>
Operating Expenses							
Salary, Wages and Benefits	359,937	399,686	39,749	9,029,203	9,484,296	455,093	10,287,136
Services	240,418	420,280	179,862	2,524,531	3,872,861	1,348,331	4,634,656
Materials and Supplies	189,083	315,832	126,749	1,930,144	2,612,764	682,620	3,165,045
Utilities	32,058	39,552	7,494	329,503	421,620	92,117	503,723
Insurance	130,098	140,594	10,496	1,389,287	1,486,780	97,493	1,767,923
Purchased Transportation Services	876,655	852,480	(24,175)	8,004,380	8,638,256	633,876	10,342,159
Miscellaneous	10,409	18,548	8,139	196,423	499,080	302,657	535,869
Leases and Rentals	18,038	19,218	1,181	185,907	196,606	10,699	234,974
Depreciation	813,386	900,357	86,971	8,174,557	9,000,308	825,751	10,790,950
Total Operating Expenses	<u>2,670,081</u>	<u>3,106,547</u>	<u>436,466</u>	<u>31,763,935</u>	<u>36,212,571</u>	<u>4,448,636</u>	<u>42,262,435</u>
Income Before Non-Operating Revenue and Expense	352,739	(75,462)	428,201	654,100	(3,476,889)	4,130,989	(636,781)
Non-Operating Revenues / (Expense)							
Investment Income	42,567	16,667	25,900	487,443	166,670	320,773	200,000
Gain (Loss) on Disposal of Assets	-	-	-	17,556	-	17,556	-
Fare Evasion Fee	75	-	75	450	-	450	-
Other Income - Miscellaneous	558	-	558	54,890	-	54,890	85,761
Long Term Debt Interest/Expense	(81,249)	(81,249)	0	(810,170)	(812,490)	2,320	(974,984)
Total Non-Operating Revenue / (Expense)	<u>(38,049)</u>	<u>(64,582)</u>	<u>26,533</u>	<u>(249,831)</u>	<u>(645,820)</u>	<u>395,989</u>	<u>(689,223)</u>
Income (Loss) Before Transfers	314,691	(140,044)	454,735	404,269	(4,122,709)	4,526,978	(1,326,004)
Transfers Out	(623,808)	(706,319)	82,511	(1,334,592)	(1,369,399)	34,807	(2,817,851)
Total Transfers	<u>(623,808)</u>	<u>(706,319)</u>	<u>82,511</u>	<u>(1,334,592)</u>	<u>(1,369,399)</u>	<u>34,807</u>	<u>(2,817,851)</u>
Change in Net Position	<u>\$ (309,117)</u>	<u>\$ (846,363)</u>	<u>\$ 537,246</u>	<u>\$ (930,323)</u>	<u>\$ (5,492,108)</u>	<u>\$ 4,561,785</u>	<u>\$ (4,143,855)</u>



DENTON COUNTY TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION

AS OF JULY 31, 2019

(UNAUDITED)

	July 31, 2019	June 30, 2019	Change
Assets			
Current Assets			
Operating Cash & Cash Equivalents	\$ 9,055,603	\$ 9,227,227	\$ (171,624)
Reserves: Cash & Cash Equivalents	8,748,940	9,730,249	(981,310)
Reserves: Investments	4,996,592	3,996,842	999,750
Accounts & Notes Receivable	6,746,866	6,405,512	341,354
Prepaid Expenses	317,420	406,944	(89,523)
Inventory	30,481	51,152	(20,670)
Restricted Asset-Cash and Equivalents	3,262,921	3,258,112	4,809
Total Current Assets	33,158,823	33,076,039	82,785
Non-Current Assets			
Land	17,394,147	17,394,147	-
Land Improvements	9,017,865	9,017,865	-
Machinery & Equipment	4,038,397	4,038,397	-
Vehicles	93,128,369	93,128,369	-
Computers & Software	1,387,627	1,387,627	-
Intangible Assets	16,997,155	16,997,155	-
Construction in Progress	21,102,825	20,392,042	710,783
Other Capital Assets, Net	234,616,978	234,616,978	-
Accumulated Depreciation	(76,065,400)	(75,252,014)	(813,386)
Total Non-Current Assets	321,617,962	321,720,565	(102,603)
Total Assets	354,776,785	354,796,603	(19,818)
Deferred Outflow of Resources			
Deferred Outflows Related to Pensions	264,899	264,899	-
Total Deferred Outflow of Resources	264,899	264,899	-
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Expenses	830,334	611,844	218,490
Deferred Revenues	87,146	95,434	(8,288)
Interest Payable	324,995	243,746	81,249
Retainage Payable	605,405	607,557	(2,152)
Total Current Liabilities	1,847,880	1,558,581	289,299
Non-Current Liabilities			
Rail Easement Payable	1,000,000	1,000,000	-
Bonds Payable	27,020,000	27,020,000	-
Net Pension Liability	1,240	1,240	-
Total Non-Current Liabilities	28,021,240	28,021,240	-
Total Liabilities	29,869,120	29,579,821	289,299
Deferred Inflow of Resources			
Deferred Inflows Related to Pensions	70,780	70,780	-
Total Deferred Inflow of Resources	70,780	70,780	-
Net Position			
Net Investment in Capital Assets	295,951,497	295,951,497	-
Unrestricted	30,080,610	30,080,610	-
Change in Net Position	(930,323)	(621,206)	(309,117)
Total Net Position	\$ 325,101,784	\$ 325,410,901	\$ (309,117)



NORTH TEXAS MOBILITY CORPORATION

CHANGE IN NET POSITION
MONTH AND YEAR TO DATE JULY 31, 2019
(UNAUDITED)

Description	Month Ended July 31, 2019			Year to Date July 31, 2019			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Operating Expenses							
Salary, Wages and Benefits	\$ 604,128	\$ 670,375	\$ 66,247	\$ 1,302,172	\$ 1,297,525	\$ (4,647)	\$ 2,674,142
Services	9,154	7,289	(1,865)	11,258	14,578	3,320	29,154
Insurance	10,526	10,105	(421)	21,052	20,210	(842)	40,408
Miscellaneous	-	18,550	18,550	109	37,086	36,977	74,147
Total Operating Expenses	<u>623,808</u>	<u>706,319</u>	<u>82,511</u>	<u>1,334,592</u>	<u>1,369,399</u>	<u>34,807</u>	<u>2,817,851</u>
Income (Loss) Before Transfers	(623,808)	(706,319)	82,511	(1,334,592)	(1,369,399)	34,807	(2,817,851)
Transfers In	623,808	706,319	(82,511)	1,334,592	1,369,399	(34,807)	2,817,851
Total Transfers	<u>623,808</u>	<u>706,319</u>	<u>(82,511)</u>	<u>1,334,592</u>	<u>1,369,399</u>	<u>(34,807)</u>	<u>2,817,851</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



NORTH TEXAS MOBILITY CORPORATION

STATEMENT OF NET POSITION

AS OF JULY 31, 2019

(UNAUDITED)

	July 31, 2019	June 30, 2019	Change
Assets			
Operating Cash & Cash Equivalents	\$ 424,837	\$ 397,820	\$ 27,017
Prepaid Expenses	21,052	31,578	(10,526)
Total Assets	<u>445,889</u>	<u>429,398</u>	<u>16,491</u>
Liabilities			
Accounts Payable and Accrued Expenses	<u>445,889</u>	<u>429,398</u>	<u>16,491</u>
Total Liabilities	<u>445,889</u>	<u>429,398</u>	<u>16,491</u>
Net Position			
Change in Net Position	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DENTON COUNTY TRANSPORTATION AUTHORITY
to
NORTH TEXAS MOBILITY CORPORATION**

Budget Reconciliation
Fiscal Year 2019
(UNAUDITED)

Operating Expenses	FY2019 Budget (May Financials presented at June Meeting)	Budget Amendment for Corinth Study Expense approved at June Meeting (LAN Task Order)	Total Revised FY2019 Budget after June Meeting	DCTA FY2019 Budget	NTMC FY2019 Budget (June - September)	Total FY2019 (DCTA + NTMC) Budget
Salary, Wages and Benefits	\$ 12,961,278		\$ 12,961,278	\$ 10,287,136	\$ 2,674,142	\$ 12,961,278
Services	4,578,049	85,761	4,663,810	4,634,656	29,154	4,663,810
Materials and Supplies	3,165,045		3,165,045	3,165,045	-	3,165,045
Utilities	503,723		503,723	503,723	-	503,723
Insurance	1,808,331		1,808,331	1,767,923	40,408	1,808,331
Purchased Transportation Services	10,342,159		10,342,159	10,342,159	-	10,342,159
Miscellaneous	610,016		610,016	535,869	74,147	610,016
Leases and Rentals	234,974		234,974	234,974	-	234,974
Depreciation	10,790,950		10,790,950	10,790,950	-	10,790,950
Total Operating Expenses	\$ 44,994,525	\$ 85,761	\$ 45,080,286	\$ 42,262,435	\$ 2,817,851	\$ 45,080,286

DENTON COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECTS BUDGET REPORT

AS OF JULY 31, 2019

Capital Project Number/Name	Project Budget	July 2019 Actuals Booked	Actuals Life To Date	\$ Under/ (Over) Budget	% of Budget (As of July 2019 Close)	Project % Complete (Operations)
Construction Work in Progress						
G&A Capital Projects						
Total 10302 · Infrastructure Acquisition	\$ 3,900,000	\$ 8,832	\$ 196,264	\$ 3,703,736	5%	
Total 10403 · Server/Network Infrastructure	350,000	-	216,610	133,390	62%	
Total 10606 · Shared Use Mobility Study	123,428	-	24,250	99,178	20%	
Total G&A Capital Projects	4,373,428	8,832	437,124	3,936,304	10%	
Bus Capital Projects						
Total 50305 · IOMF Fuel Tanks	1,037,000	-	1,010,476	26,524	97%	95%
Total 50411 · Fleet Farebox (2019)	600,000	-	-	600,000	0%	
Total 50513 · Fleet (2019)	1,481,000	-	-	1,481,000	0%	
Total 50601 · Scheduling Software (Bus)	250,000	-	28,125	221,875	11%	
Total Bus Capital Projects	3,368,000	-	1,038,601	2,329,399	31%	
Rail Capital Projects						
Total 61406.1 · Positive Train Control Implementation	16,720,141	10,500	15,262,305	1,457,836	91%	95%
Total 61605 · Brownfield Remediation	385,000	-	310,753	74,247	81%	80%
Total 61715 · Trail Safety Improvements	181,157	-	56,500	124,657	31%	40%
Total 61716 · Lewisville Bike Trail - Eagle Point Section	2,995,873	477,671	1,633,679	1,362,194	55%	65%
Total 61718 · Rail Safety Improvements	400,000	-	178,175	221,825	45%	45%
Total 61719 · Rail Capital Maintenance (2019)	2,450,000	213,780	1,033,711	1,416,289	42%	43%
Total Rail Capital Projects	23,132,171	701,951	18,475,123	4,657,048	80%	
Total Construction Work in Progress	\$ 30,873,599	\$ 710,783	\$ 19,950,847	\$ 10,922,752	65%	

Board of Directors Memo

August 22, 2019

SUBJECT: Discussion of Monthly Sales Tax Receipts

Background

Sales tax represents the single largest source of revenue for DCTA at 64.13% for the Fiscal Year 2019 budget. The annual sales tax budget for FY19 is \$28,450,180. 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.

This month, receipts were favorable compared to budget by 3.11%. The August allocation is for sales generated in the month of June and represents revenue for the ninth month of FY19.

- Sales tax for sales generated at retail in the month of June and received in August was \$2,656,359.
- This represents an increase of 3.11% or \$80,021 compared to budget for the month.
- Compared to the same month last year, sales tax receipts are \$52,174 or 2% higher.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville down 3.69%
 - City of Denton up 3.89%
 - Highland Village up 46.65% (Audit collection of \$163k)

Identified Need

Provides the Board of Directors a monthly status on Sales Tax collections.


Recommendation

For information only. No action required.

Exhibits

FY19 Monthly Sales Tax Report

Submitted By: 
Amanda Riddle
Senior Manager of Budget

Final Review: 
Marisa Perry, CPA
Chief Financial Officer/VP of Finance

DENTON COUNTY TRANSPORTATION AUTHORITY

SALES TAX REPORT
BUDGET TO ACTUAL AND PREVIOUS YEAR COMPARISON

Sales Generated in Month of:	Received in Month of:	2018-2019 Year Budget	2018-2019 Year Actual	Variance Actual to Budget	CY Actual to CY Budget % Variance	2017-2018 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,236,473	\$ 2,307,128	\$ 70,655	3.16%	\$ 2,150,455	\$ 156,673	7.29%
November	January	\$ 2,305,281	\$ 2,292,741	\$ (12,540)	-0.54%	\$ 2,216,616	\$ 76,125	3.43%
December	February	\$ 2,913,325	\$ 2,831,728	\$ (81,597)	-2.80%	\$ 2,801,274	\$ 30,454	1.09%
January	March	\$ 2,054,846	\$ 2,069,625	\$ 14,779	0.72%	\$ 1,975,813	\$ 93,812	4.75%
February	April	\$ 2,093,223	\$ 2,024,082	\$ (69,141)	-3.30%	\$ 2,012,714	\$ 11,368	0.56%
March	May	\$ 2,697,615	\$ 2,475,826	\$ (221,789)	-8.22%	\$ 2,593,861	\$ (118,035)	-4.55%
April	June	\$ 2,215,262	\$ 2,484,440	\$ 269,178	12.15%	\$ 2,130,060	\$ 354,381	16.64%
May	July	\$ 2,190,990	\$ 2,307,292	\$ 116,302	5.31%	\$ 2,375,417	\$ (68,125)	-2.87%
June	August	\$ 2,576,338	\$ 2,656,359	\$ 80,021	3.11%	\$ 2,604,185	\$ 52,174	2.00%
July	September	\$ 2,181,390				\$ 2,269,235		
August	October	\$ 2,393,496				\$ 2,343,951		
September	November	\$ 2,591,941				\$ 2,471,023		
YTD Total		\$ 28,450,180	\$ 21,449,222	\$ 165,869	0.78%	\$ 27,944,603	\$ 588,827	2.82%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

August 7, 2019

DENTON COUNTY TRANSPORTATION AUTHORITY

MEMBER CITIES SALES TAX REPORT
 MONTH ALLOCATION IS RECEIVED FROM COMPTROLLER
 PREVIOUS YEAR COMPARISON

CITY OF LEWISVILLE						CITY OF HIGHLAND VILLAGE					
Sales Generated in Month of:	Received in Month of:	2017-2018 Year Actual	2018-2019 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	Sales Generated in Month of:	Received in Month of:	2017-2018 Year Actual	2018-2019 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,009,098	\$ 3,287,654	\$ 278,557	9.26%	October	December	\$ 265,631	\$ 319,132	\$ 53,501	20.14%
November	January	\$ 2,973,704	\$ 3,193,613	\$ 219,909	7.40%	November	January	\$ 328,316	\$ 311,524	\$ (16,792)	-5.11%
December	February	\$ 3,924,399	\$ 4,003,626	\$ 79,227	2.02%	December	February	\$ 451,331	\$ 446,811	\$ (4,520)	-1.00%
January	March	\$ 2,767,715	\$ 3,029,803	\$ 262,088	9.47%	January	March	\$ 287,500	\$ 283,228	\$ (4,273)	-1.49%
February	April	\$ 2,864,356	\$ 2,965,849	\$ 101,494	3.54%	February	April	\$ 250,707	\$ 258,782	\$ 8,075	3.22%
March	May	\$ 3,540,108	\$ 3,631,625	\$ 91,517	2.59%	March	May	\$ 341,604	\$ 344,912	\$ 3,308	0.97%
April	June	\$ 2,950,115	\$ 3,806,587	\$ 856,473	29.03%	April	June	\$ 285,066	\$ 304,322	\$ 19,257	6.76%
May	July	\$ 3,386,756	\$ 3,253,159	\$ (133,596)	-3.94%	May	July	\$ 325,073	\$ 340,531	\$ 15,458	4.76%
June	August	\$ 3,759,539	\$ 3,620,748	\$ (138,791)	-3.69%	June	August	\$ 356,643	\$ 523,000	\$ 166,358	46.65%
July	September	\$ 3,055,068				July	September	\$ 301,133			
August	October	\$ 3,336,162				August	October	\$ 284,692			
September	November	\$ 3,551,821				September	November	\$ 327,060			
YTD Total		\$ 39,118,841	\$ 30,792,664	\$ 1,616,875	5.54%	YTD Total		\$ 3,804,755	\$ 3,132,243	\$ 240,373	8.31%

CITY OF DENTON						
Sales Generated in Month of:	Received in Month of:	2017-2018 Year Actual	2018-2019 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	
October	December	\$ 2,718,499	\$ 2,875,467	\$ 156,969	5.77%	
November	January	\$ 2,945,336	\$ 2,933,274	\$ (12,062)	-0.41%	
December	February	\$ 3,598,809	\$ 3,667,687	\$ 68,878	1.91%	
January	March	\$ 2,568,686	\$ 2,435,272	\$ (133,413)	-5.19%	
February	April	\$ 2,526,113	\$ 2,397,631	\$ (128,482)	-5.09%	
March	May	\$ 3,661,913	\$ 3,229,426	\$ (432,487)	-11.81%	
April	June	\$ 2,787,702	\$ 2,945,196	\$ 157,494	5.65%	
May	July	\$ 2,936,759	\$ 2,897,074	\$ (39,685)	-1.35%	
June	August	\$ 3,348,805	\$ 3,479,089	\$ 130,283	3.89%	
July	September	\$ 3,095,938				
August	October	\$ 2,856,408				
September	November	\$ 3,231,127				
YTD Total		\$ 36,276,094	\$ 26,860,116	\$ (232,505)	-0.86%	

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 August 7, 2019

ALL TRANSIT AGENCIES
MONTHLY SALES AND USE TAX COMPARISON SUMMARY

Transit Agency	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	Payments YTD (Calendar)	Prior Year Payments YTD (Calendar)	% Change
Austin MTA	1.00%	\$ 22,665,612	\$ 21,195,115	6.93%	\$ 173,057,596	\$ 162,329,845	6.60%
Corpus Christi MTA	0.50%	\$ 3,371,490	\$ 2,812,691	19.86%	\$ 23,096,791	\$ 22,180,709	4.13%
Dallas MTA	1.00%	\$ 56,694,574	\$ 54,620,733	3.79%	\$ 418,991,235	\$ 404,260,746	3.64%
Denton CTA	0.50%	\$ 2,656,359	\$ 2,604,185	2.00%	\$ 19,142,094	\$ 18,709,940	2.30%
El Paso CTD	0.50%	\$ 4,197,624	\$ 3,956,991	6.08%	\$ 31,481,421	\$ 30,030,266	4.83%
Fort Worth MTA	0.50%	\$ 7,283,976	\$ 7,159,119	1.74%	\$ 54,818,370	\$ 52,339,445	4.73%
Houston MTA	1.00%	\$ 70,706,376	\$ 69,169,442	2.22%	\$ 523,353,560	\$ 513,279,483	1.96%
Laredo CTD	0.25%	\$ 745,299	\$ 720,288	3.47%	\$ 5,661,081	\$ 5,462,764	3.63%
San Antonio ATD	0.25%	\$ 6,760,343	\$ 6,564,758	2.97%	\$ 48,266,607	\$ 46,571,540	3.63%
San Antonio MTA	0.50%	\$ 15,369,010	\$ 14,549,551	5.63%	\$ 106,849,080	\$ 102,714,719	4.02%
TOTALS		\$ 190,450,661	\$ 183,352,871	3.87%	\$ 1,404,717,835	\$ 1,357,879,457	3.45%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
August 7, 2019

Board of Directors Memo

August 22, 2019

SUBJECT: Discussion of Monthly Mobility-as-a-Service Update

Background

A Request for Proposals (RFP) was released on January 16, 2019 for Mobility as a Service (MaaS). Firms were invited to submit proposals (for both federal and non-federal funding project categories) to provide innovative mobility service to DCTA member cities, DCTA contract communities, partner organizations, as well as large employment centers and other areas as the need arises. On March 12, 2019, DCTA received thirty-seven (37) proposals in response to the RFP. Thirty-three (33) proposals were deemed responsive and were evaluated by the evaluation team. The evaluation team rejected two proposals that scored less than seventy (70) points and recommended award to thirty-one (31) firms. The Board of Directors approved the award of Mobility-as-a-Service to thirty-one firms and a total annual contract value of \$2,400,000 for all task orders issued under the master on-call contracts. One of the recommended firms will not execute a contract due to business operational changes; therefore, thirty (30) firms remain eligible for contract execution. As requested by the Board of Directors, staff is providing a monthly update on all Mobility-as-a-Service commitments, activities and expenditures.

To date, the following twenty-five contracts have been fully executed:

- | | | |
|-----------------------------|----------------------------|---|
| • AJL International | • Irving Holdings | • Rideshark Corporation |
| • Bird Rides | • Iteris | • River North (Via) |
| • Bubbl Investments, LLC. | • Kapsch | • Roundtrip |
| • Dashboard Story dba DUET | • Moovel | • Routematch |
| • DemandTrans Solutions | • Moovit | • Spare Labs, Inc. |
| • DoubleMap | • MV Transportation | • Spare Labs, Inc. (with First Transit) |
| • Downtowner Holdings, LLC. | • Muve: Quebec, Inc. | • Transdev North America |
| • First Transit | • Quebec, Inc. dba Transit | |
| • Ford Smart Mobility, LLC. | • RideCo | |

There are five remaining contracts to be executed. Four contracts are with software companies (Passport, SeatsX, Token Transit and Transloc) and have been placed on hold until an actual software need arises. The fifth contract with Lyft is currently under review and is pending signature.

Financial Impact

No task orders have been issued to date.

Identified Need

Provides the Board of Directors a monthly status on Mobility-as-a-Service Contracts.

Recommendation

For information only. No action required.

Submitted By:



Sarah Martinez
Director of Procurement

Final Review:



Marisa Perry, CPA
Chief Financial Officer/VP of Finance

Board of Directors Memo

August 22, 2019

SUBJECT: Discussion of Budget Information

Background

As staff prepares the annual budget for the following fiscal year, it is necessary to forecast the projected grant funding based on current project timelines and available funding. The grant funding for FY19 has been lowered in conjunction with the FY20 budget that has been proposed.

	Adopted FY19 Budget	Working FY19 Budget	Variance	
Federal Operating Grants	\$ 5,397,931	\$ 4,351,253	\$(1,046,678)	(A)
Federal Capital Grants	3,456,445	2,507,694	(948,751)	(B)
State Operating Grants	-	-	-	
State Capital Grants	1,844,086	1,303,696	(540,390)	(C)
TOTAL GRANTS	\$ 10,698,462	\$ 8,162,643	\$(2,535,819)	

- (A) Federal operating grants have decreased based on current availability of the FY17 & FY18 Program of Projects formula funding. These funds have been assumed in the FY20 budget.
- (B) Federal capital grants related to the Fleet (2019) capital project have been rolled into the FY20 budget.
- (C) State capital grants related to the Hike & Bike – Eagle Point Section project have been rolled into the FY20 based on the current timeline of the project.

Identified Need

Provides the Board of Directors a monthly status on any budget related items.

Recommendation

For information only. No action required.

Exhibits

N/A

Submitted By:



Amanda Riddle

Senior Manager of Budget

Final Review:



Marisa Perry, CPA

Chief Financial Officer/VP of Finance

DENTON COUNTY TRANSPORTATION AUTHORITY																						
LONG RANGE FINANCIAL PLAN																						
FY20 PROPOSED BUDGET																						
	FY2019 Working Budget	Proposed FY2020	Proposed FY2021	Proposed FY2022	Proposed FY2023	Proposed FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031	Proposed FY2032	Proposed FY2033	Proposed FY2034	Proposed FY2035	FY2019 - FY2035				
Beginning Fund Balance:	\$ 30,688,551	27,142,770	\$ 22,550,630	\$ 22,573,718	\$ 25,246,034	\$ 27,234,166	\$ 28,729,157	\$ 28,783,603	\$ 29,423,212	\$ 30,931,316	\$ 31,732,365	\$ 32,429,535	\$ 32,038,712	\$ 32,812,162	\$ 31,511,965	\$ 32,367,065	\$ 30,106,582	\$ 30,688,551				
OPERATING REVENUES																						
Bus Operating Revenue	4,565,632	4,950,209	4,944,781	5,075,131	5,187,408	5,328,505	5,473,914	5,621,950	5,784,584	5,943,900	5,985,091	6,015,913	6,048,613	6,083,069	6,117,524	6,148,398	6,183,811	95,458,432				
Rail Operating Revenue	447,200	588,272	594,155	600,097	606,098	612,159	618,280	624,463	630,708	637,015	643,385	649,819	656,317	662,880	669,509	676,204	682,966	10,599,526				
Misc. Revenue	86,761	52,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	153,761				
NON-OPERATING REVENUES																						
Sales Tax Revenue	28,450,180	29,019,184	30,179,951	31,387,149	32,328,764	33,298,627	34,297,586	35,326,513	36,386,309	37,477,898	38,602,235	39,760,302	40,953,111	42,181,704	43,447,155	44,750,570	46,093,087	623,940,325				
Operating Grants	4,351,253	5,253,753	5,002,538	7,074,386	6,435,185	5,910,882	5,806,183	5,696,792	6,910,089	6,632,268	7,297,611	5,467,967	7,481,307	4,928,772	7,151,861	5,524,773	5,601,598	102,527,219				
Investment Income	200,000	400,000	338,259	338,606	378,691	408,512	430,937	431,754	441,348	463,970	475,985	486,443	480,581	492,182	472,679	485,506	451,599	7,177,053				
TOTAL REVENUES	38,101,026	40,263,418	41,060,685	44,476,369	44,937,145	45,559,685	46,627,900	47,702,473	50,154,037	51,156,051	53,005,307	52,381,444	55,620,929	54,349,608	57,859,729	57,586,451	59,014,061	839,856,316				
OPERATING EXPENSES																						
Bus Operating Expense	13,314,002	14,053,586	14,420,575	15,188,427	15,765,830	16,458,036	16,953,283	17,642,047	18,614,802	19,493,647	20,275,516	21,289,198	21,999,344	22,938,838	23,935,305	24,784,506	26,098,485	323,225,426				
Rail Operating Expense	13,830,006	13,672,857	14,217,575	14,580,856	15,008,141	15,407,752	16,883,581	16,281,536	16,803,764	17,261,324	17,843,010	18,337,007	18,863,460	19,409,240	19,970,524	20,538,948	21,135,492	290,045,074				
G&A Operating Expense	7,245,328	6,320,872	6,340,825	6,547,488	6,764,342	6,992,117	7,231,608	7,483,679	7,749,270	8,029,408	8,325,208	8,637,886	8,968,770	9,319,307	9,691,075	10,085,797	10,505,355	136,238,336				
TOTAL EXPENSES	34,389,336	34,047,315	34,978,975	36,316,771	37,538,313	38,857,906	41,068,471	41,407,262	43,167,836	44,784,379	46,443,734	48,264,091	49,831,575	51,667,385	53,596,904	55,409,251	57,739,332	749,508,836				
NET INCOME	3,711,690	6,216,103	6,081,710	8,159,598	7,398,832	6,701,779	5,559,429	6,295,211	6,986,201	6,371,672	6,561,573	4,117,353	5,789,354	2,682,222	4,262,825	2,177,200	1,274,729	90,347,481				
CAPITAL OUTLAY & MAJOR MAINTENANCE																						
Bus Capital Expenditure	558,823	-																558,823				
Bus Fleet Replacement	1,360,932	2,543,600	3,761,183	1,606,067	2,358,069	2,974,896	3,098,071	3,226,766	1,799,358	2,126,206	1,343,450	3,495,972	1,127,337	4,130,319	1,514,920	3,429,142	3,338,759	43,235,047				
Professional Services / Technology Improvements	395,969	1,004,472	-	-	-	350,000	80,000	-	-	-	350,000	80,000				350,000	80,000	2,690,441				
Transit Safety Improvements	237,449	324,157	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,561,606				
Hike & Bike Trails	1,989,242	923,427	-	-	-													2,912,669				
Major Maintenance Items - Rail	1,929,468	2,024,826	2,124,693	2,062,535	1,798,907	1,099,619	1,420,657	1,616,715	1,636,666	1,662,311	1,983,282	2,274,599	2,649,972	2,962,871	2,780,487	3,173,312	2,824,759	36,025,680				
Major Maintenance Items - Bus	-	125,000	-	179,530	238,264	273,851	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,016,645				
Positive Train Control	1,633,887	3,062,913	3,069,445															7,766,245				
Infrastructure Acquisition	24,037	3,702,568																3,726,605				
Brownfield Remediation	174,070	71,210																245,280				
Facilities & Maintenance Plan Capital Expense	-	-	-	-	-	-	283,671	283,671	283,671	283,671	-	-	543,800	-	-	-	-	1,678,483				
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	8,303,877	13,782,173	9,155,321	4,048,132	4,595,240	4,898,366	5,282,399	5,527,151	4,119,694	4,472,188	4,076,733	6,250,571	4,721,110	7,493,190	4,695,407	7,352,453	6,643,518	105,417,524				
CAPITAL SOURCES																						
Capital Grants	3,811,390	5,753,410	5,892,562	1,365,157	2,004,359	2,528,662	2,633,360	2,742,751	1,529,454	1,807,275	1,141,933	2,971,576	958,236	3,510,771	1,287,682	2,914,771	2,837,945	45,691,294				
TOTAL CAPITAL SOURCES	3,811,390	5,753,410	5,892,562	1,365,157	2,004,359	2,528,662	2,633,360	2,742,751	1,529,454	1,807,275	1,141,933	2,971,576	958,236	3,510,771	1,287,682	2,914,771	2,837,945	45,691,294				
DEBT SERVICE																						
2009 Refunding (ST) Debt Service	1,714,697	1,715,240	1,713,925	1,715,845	1,715,771	1,713,701	1,714,637	1,713,378	1,714,924	1,714,077	1,715,835	-	-	-	-	-	-	18,862,030				
2011 Contractual Obligations	1,050,287	1,064,240	1,081,937	1,088,462	1,104,048	1,123,382	1,141,307	1,157,824	1,172,933	1,191,633	1,213,768	1,229,182	1,253,030	-	-	-	-	14,872,033				
TOTAL DEBT SERVICE	2,764,984	2,779,480	2,795,862	2,804,307	2,819,819	2,837,083	2,855,944	2,871,202	2,887,857	2,905,710	2,929,603	1,229,182	1,253,030	-	-	-	-	33,734,063				
Internal Debt Service Coverage:	1.34	2.24	2.18	2.91	2.62	2.36	1.95	2.19	2.42	2.19	2.24	3.35	4.62	N/A	N/A	N/A	N/A					
Outstanding Bond Principal as of September 30th	25,230,000	23,360,000	21,405,000	19,370,000	17,245,000	15,025,000	12,705,000	10,285,000	7,760,000	5,125,000	2,370,000	1,215,000	-	-	-	-	-					
ENDING FUND BALANCE	27,142,770	22,550,630	22,573,718	25,246,034	27,234,166	28,729,157	28,783,603	29,423,212	30,931,316	31,732,365	32,429,535	32,038,712	32,812,162	31,511,965	32,367,065	30,106,582	27,575,738	27,575,738				
Less Required Fund Balance (O&M Reserve Policy):	8,597,334	8,511,829	8,744,744	9,079,193	9,384,578	9,714,476	10,267,118	10,351,816	10,791,959	11,196,095	11,610,933	12,066,023	12,457,894	12,916,846	13,399,226	13,852,313	14,434,833					
Less Sales Tax Stabilization Fund	853,505	870,576	905,399	941,614	969,863	998,959	1,028,928	1,059,795	1,091,589	1,124,337	1,158,067	1,192,809	1,228,593	1,265,451	1,303,415	1,342,517	1,382,793					
Less Fuel Stabilization Fund	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000					
Less Capital/Infrastructure	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000					
NET AVAILABLE FUND BALANCE	\$ 13,241,930	\$ 8,718,225	\$ 8,473,576	\$ 10,775,227	\$ 12,429,725	\$ 13,565,722	\$ 13,037,558	\$ 13,561,601	\$ 14,597,768	\$ 14,961,933	\$ 15,210,535	\$ 14,329,880	\$ 14,675,675	\$ 12,879,667	\$ 13,214,424	\$ 10,461,752	\$ 7,308,113					

DENTON COUNTY TRANSPORTATION AUTHORITY
Change in Net Position - Proposed FY 20 Budget
(Not Including Depreciation)

Description	FY 2018 Actuals	FY 2019 Working Budget	YTD Actuals May 31, 2019	FY 2020 Proposed Budget	\$ Increase / (Decrease)
OPERATING REVENUE					
Passenger Revenues (Bus Farebox)	552,309	433,249	411,630	624,049	190,800
Passenger Revenues (Rail Farebox)	562,424	447,200	483,985	588,272	141,072
Contract Service Revenue	3,416,001	4,132,383	2,918,649	4,326,160	193,777
Total Operating Revenue	\$ 4,530,734	\$ 5,012,832	\$ 3,814,263	\$ 5,538,481	\$ 525,649
OPERATING EXPENSES					
Salary, Wages and Benefits	11,137,613	12,961,278	8,290,718	13,442,453	481,175
Services	4,348,623	4,663,810	2,001,534	3,488,696	(1,175,114)
Materials and Supplies	2,508,019	3,165,045	1,558,092	3,264,437	99,392
Utilities	439,476	503,723	260,776	527,988	24,265
Insurance, Casualties and Losses	1,707,911	1,808,331	1,130,666	1,884,965	76,634
Purchased Transportation Services	8,980,451	10,342,159	6,305,219	10,628,706	286,547
Miscellaneous	274,071	610,016	165,872	480,437	(129,579)
Leases and Rentals	213,497	234,974	148,982	229,633	(5,341)
Total Operating Expenses	29,609,663	34,289,336	19,861,857	33,947,315	(342,021)
Operating Income / (Loss)	(25,078,928)	(29,276,504)	(16,047,595)	(28,408,834)	867,670
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income	350,924	200,000	388,925	400,000	200,000
Misc. Revenues	860,988	86,761	50,425	52,000	(34,761)
Sales Tax Revenue	27,937,707	28,450,180	18,667,994	29,019,184	569,004
Federal Grants & Reimbursements	7,116,198	6,858,947	2,968,513	10,226,774	3,367,827
State Grants & Reimbursements	-	1,303,696	238,018	780,389	(523,307)
Long Term Debt Interest/Expense	(1,040,262)	(974,984)	(647,673)	(909,480)	65,504
Total Non-Operating Revenue / (Expense)	35,225,555	35,924,600	21,666,202	39,568,867	3,644,267
CHANGE IN NET POSITION	10,146,626	6,648,096	5,618,608	11,160,033	4,511,937
Net Position - Beginning of Year:				27,142,770	
Net Position - End of Year:				38,302,803	
Transfer to Capital Projects				(13,782,173)	
Debt Service Principal				(1,870,000)	
Rail Easement Payment				(100,000)	
Net Position After Capital Project Transfer				22,550,630	

DENTON COUNTY TRANSPORTATION AUTHORITY
Change in Net Position - Proposed FY 20 Budget

Description	FY 2018 Actuals	FY 2019 Working Budget	YTD Actuals May 31, 2019	FY 2020 Proposed Budget	\$ Increase / (Decrease)
OPERATING REVENUE					
Passenger Revenues (Bus Farebox)	552,309	433,249	411,630	624,049	190,800
Passenger Revenues (Rail Farebox)	562,424	447,200	483,985	588,272	141,072
Contract Service Revenue	3,416,001	4,132,383	2,918,649	4,326,160	193,777
Total Operating Revenue	\$ 4,530,734	\$ 5,012,832	\$ 3,814,263	\$ 5,538,481	\$ 525,649
OPERATING EXPENSES					
Salary, Wages and Benefits	11,137,613	12,961,278	8,290,718	13,442,453	481,175
Services	4,348,623	4,663,810	2,001,534	3,488,696	(1,175,114)
Materials and Supplies	2,508,019	3,165,045	1,558,092	3,264,437	99,392
Utilities	439,476	503,723	260,776	527,988	24,265
Insurance, Casualties and Losses	1,707,911	1,808,331	1,130,666	1,884,965	76,634
Purchased Transportation Services	8,980,451	10,342,159	6,305,219	10,628,706	286,547
Miscellaneous	274,071	610,016	165,872	480,437	(129,579)
Leases and Rentals	213,497	234,974	148,982	229,633	(5,341)
Depreciation	10,202,355	10,790,950	6,543,925	10,612,052	(178,898)
Total Operating Expenses	39,812,018	45,080,286	26,405,782	44,559,367	(520,919)
Operating Income / (Loss)	(35,281,283)	(40,067,454)	(22,591,520)	(39,020,886)	1,046,568
NON-OPERATING REVENUE / (EXPENSE)					
Investment Income	350,924	200,000	388,925	400,000	200,000
Misc. Revenues	860,988	86,761	50,425	52,000	(34,761)
Sales Tax Revenue	27,937,707	28,450,180	18,667,994	29,019,184	569,004
Federal Grants & Reimbursements	7,116,198	6,858,947	2,968,513	10,226,774	3,367,827
State Grants & Reimbursements	-	1,303,696	238,018	780,389	(523,307)
Long Term Debt Interest / Expense	(1,040,262)	(974,984)	(647,673)	(909,480)	65,504
Total Non-Operating Revenue / (Expense)	35,225,555	35,924,600	21,666,202	39,568,867	3,644,267
CHANGE IN NET POSITION	(55,729)	(4,142,854)	(925,317)	547,981	4,690,835
Net Position - Beginning of Year:				27,142,770	
Net Position - End of Year:				27,690,751	
Transfer to Capital Projects				(13,782,173)	
Debt Service Principal				(1,870,000)	
Rail Easement Payment				(100,000)	
Net Position After Capital Project Transfer				11,938,578	

DENTON COUNTY TRANSPORTATION AUTHORITY
Change in Net Position - Proposed FY 20 Budget

EXHIBIT B-1 (B)

Description	FY 2018 Actuals	DCTA FY 2019 Working Budget	NTMC FY 2019 Working Budget (June-Sept 2019)	Total FY 2019 Working Budget	DCTA FY 2020 Proposed Budget	NTMC FY 2020 Proposed Budget	Total FY 2020 Proposed Budget
OPERATING REVENUE							
Passenger Revenues (Bus Farebox)	552,309	433,249	-	433,249	624,049	-	624,049
Passenger Revenues (Rail Farebox)	562,424	447,200	-	447,200	588,272	-	588,272
Contract Service Revenue	3,416,001	4,132,383	-	4,132,383	4,326,160	-	4,326,160
Total Operating Revenue	\$ 4,530,734	\$ 5,012,832	\$ -	\$ 5,012,832	\$ 5,538,481	\$ -	\$ 5,538,481
OPERATING EXPENSES							
Salary, Wages and Benefits	11,137,613	10,287,136	2,674,142	12,961,278	4,996,191	8,446,262	13,442,453
Services	4,348,623	4,634,656	29,154	4,663,810	3,393,656	95,040	3,488,696
Materials and Supplies	2,508,019	3,165,045	-	3,165,045	3,264,437	-	3,264,437
Utilities	439,476	503,723	-	503,723	527,988	-	527,988
Insurance, Casualties and Losses	1,707,911	1,767,923	40,408	1,808,331	1,752,329	132,636	1,884,965
Purchased Transportation Services	8,980,451	10,342,159	-	10,342,159	10,628,706	-	10,628,706
Miscellaneous	274,071	535,869	74,147	610,016	387,237	93,200	480,437
Leases and Rentals	213,497	234,974	-	234,974	229,633	-	229,633
Depreciation	10,202,355	10,790,950	-	10,790,950	10,612,052	-	10,612,052
Total Operating Expenses	39,812,018	42,262,435	2,817,851	45,080,286	35,792,229	8,767,138	44,559,367
Operating Income / (Loss)	(35,281,283)	(37,249,603)	(2,817,851)	(40,067,454)	(30,253,748)	(8,767,138)	(39,020,886)
NON-OPERATING REVENUE / (EXPENSE)							
Investment Income	350,924	200,000	-	200,000	400,000	-	400,000
Misc. Revenues	860,988	86,761	-	86,761	52,000	-	52,000
Sales Tax Revenue	27,937,707	28,450,180	-	28,450,180	29,019,184	-	29,019,184
Federal Grants & Reimbursements	7,116,198	6,858,947	-	6,858,947	10,226,774	-	10,226,774
State Grants & Reimbursements	-	1,303,696	-	1,303,696	780,389	-	780,389
Long Term Debt Interest/Expense	(1,040,262)	(974,984)	-	(974,984)	(909,480)	-	(909,480)
Total Non-Operating Revenue / (Expense)	35,225,555	35,924,600	-	35,924,600	39,568,867	-	39,568,867
Income (Loss) Before Transfers	(55,729)	(1,325,003)	(2,817,851)	(4,142,854)	9,315,119	(8,767,138)	547,981
Transfers Out	-	(2,817,851)	-	(2,817,851)	(8,767,138)	-	(8,767,138)
Transfers In	-	-	2,817,851	2,817,851	-	8,767,138	8,767,138
Total Transfers	-	(2,817,851)	2,817,851	-	(8,767,138)	8,767,138	-
CHANGE IN NET POSITION	(55,729)	(4,142,854)	-	(4,142,854)	547,981	-	547,981
Net Position - Beginning of Year:							27,142,770
Net Position - End of Year:							27,690,751
Transfer to Capital Projects							(13,782,173)
Debt Service Principal							(1,870,000)
Rail Easement Payment							(100,000)
Net Position After Capital Project Transfer							11,938,578

DENTON COUNTY TRANSPORTATION AUTHORITY
FY 2020 Revenue Projections

Bus Operations					
	FY 2018 Actual	FY 2019 Working Budget	YTD Actuals May 31, 2019	FY 2020 Budget	
PASSENGER REVENUES					
Fixed Route	\$ 458,261	\$ 338,600	\$ 344,977	\$ 466,900	
Frisco	5,955	5,819	4,894	6,210	
Demand Response	82,360	82,153	55,161	138,262	
CCT	123	453	1,589	4,468	
North Texas Xpress	5,611	6,223	5,008	8,209	
Total Passenger Revenues	\$ 552,309	\$ 433,249	\$ 411,630	\$ 624,049	
CONTRACT SERVICES					
Fixed Route	\$ 57,000	\$ 57,000	\$ 8,000	\$ 57,000	
Frisco	310,575	268,545	215,136	318,790	
UNT	2,432,519	3,038,147	2,230,965	3,042,508	
<i>UNT Fuel (Direct Pass Thru)</i>	<i>280,449</i>	<i>374,621</i>	<i>159,998</i>	<i>342,730</i>	
NCTC	214,294	223,017	149,345	223,034	
<i>NCTC Fuel (Direct Pass Thru)</i>	<i>24,116</i>	<i>46,506</i>	<i>17,223</i>	<i>46,500</i>	
CCT	97,048	124,547	119,736	220,598	
North Texas Xpress	-	-	18,247	75,000	
Total Contract Services	\$ 3,416,001	\$ 4,132,383	\$ 2,918,649	\$ 4,326,160	
Total Bus Operations Revenue	\$ 3,968,310	\$ 4,565,632	\$ 3,330,278	\$ 4,950,209	
Rail Operations					
	FY 2018 Actual	FY 2019 Working Budget	YTD Actuals May 31, 2019	FY 2020 Budget	
Rail Passenger Revenue	\$ 562,424	\$ 447,200	\$ 483,985	\$ 588,272	
Total Rail Operations Revenue	\$ 562,424	\$ 447,200	\$ 483,985	\$ 588,272	
Non-Operating Revenue					
	FY 2018 Actual	FY 2019 Working Budget	YTD Actuals May 31, 2019	FY 2020 Budget	
Investment Income	\$ 350,924	\$ 200,000	\$ 388,925	\$ 400,000	
Misc. Revenue	860,988	86,761	50,425	52,000	
Sales Tax Revenue	27,937,707	28,450,180	18,667,994	29,019,184	
Federal Operating Grants	5,484,450	4,351,253	564,538	5,253,753	
Federal Capital Grants	1,631,747	2,507,694	2,403,975	4,973,021	
State Operating Grants	-	-	-	-	
State Capital Grants	-	1,303,696	238,018	780,389	
Total Non-Operating Revenue	\$ 36,265,817	\$ 36,899,584	\$ 22,313,875	\$ 40,478,347	

DENTON COUNTY TRANSPORTATION AUTHORITY
Capital Improvement Plan

EXHIBIT C

Project Name	Project Number	Current Project Budget	Project LTD thru FY 2018	Revised FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Project Total (Thru 2025)
BUS CAPITAL EXPENDITURE											
IOMF Fuel Tanks - Lewisville	50305	\$ 1,037,000	\$ 478,177	\$ 558,823							\$ 1,037,000
BUS FLEET REPLACEMENT											
Fleet (2018)	50512	1,360,932		1,360,932							1,360,932
Fleet (2019)	50513	1,481,000			1,481,000						1,481,000
Fleet (2020)	NEW	2,662,600			1,062,600						1,062,600
Future Fleet Replacement	NEW					3,761,183	1,606,067	2,358,069	2,974,896	3,098,071	13,798,286
PROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS											
Stadler Diagnostics Laptops (2)	NEW	80,000			80,000					80,000	160,000
Scheduling Software	50601	250,000	28,125		221,875						250,000
Integrated Fare Payment	50411	600,000			600,000						600,000
Shared Use Mobility Study	10606	123,428		63,921	59,507						123,428
Server & Network Infrastructure	10403	350,000		306,910	43,090				350,000		700,000
Project Mgmt/Document Control	10605	50,648		25,138							25,138
TRANSIT SAFETY IMPROVEMENTS											
Trail Safety Improvements	61715	181,157	5,600	51,400	124,157						181,157
Rail Safety Improvements	61718	400,000	67,678	186,049	200,000	200,000	200,000	200,000	200,000	200,000	1,453,727
Safety & Security Assessment	10604	250,000	25,000								25,000
HIKE & BIKE TRAILS											
Lewisville Bike Trail - Eagle Point	61716	2,995,873	83,204	1,989,242	923,427						2,995,873
MAJOR MAINTENANCE ITEMS											
Major Maintenance Items - Rail	61719	2,450,000		1,929,468	2,024,826	2,124,693	2,062,535	1,798,907	1,099,619	1,704,328	12,744,376
Major Maintenance Items - Bus	NEW	125,000			125,000	-	179,530	238,264	273,851	200,000	1,016,645
POSITIVE TRAIN CONTROL											
Positive Train Control Implementation	61406.1	16,720,141	13,953,896	1,483,887	1,282,358						16,720,141
Positive Train Control Enhancements (Phase 2)	NEW	5,000,000		150,000	1,780,555	3,069,445					5,000,000
INFRASTRUCTURE ACQUISITION	10302	3,900,000	173,395	24,037	3,702,568						3,900,000
BROWNFIELD REMEDIATION	61605	385,000	139,720	174,070	71,210						385,000
TOTAL CAPITAL BUDGET		\$ 40,402,779	\$ 14,954,795	\$ 8,303,877	\$ 13,782,173	\$ 9,155,321	\$ 4,048,132	\$ 4,595,240	\$ 4,898,366	\$ 5,282,399	\$ 65,020,304

DCTA Budget Contingency Plan Fiscal Year 2020

The fiscal year budget includes revenue streams based on historical trends and projections of future activity. The largest revenue stream is sales tax. A contingency plan is recommended should the budgeted increase in sales tax not materialize or, if there is a need for service enhancements not planned in the fiscal year budget and it is determined that sales tax revenue has increased sufficiently to support sustainable service.

Section I: Sales Tax Revenue Shortfall

The following precautionary actions will be initiated immediately if a sales tax revenue shortfall is anticipated:

Initial Precautionary Action

- Freeze all new hire positions and vacant positions except with necessity review by the Management Team.
- Identify any non-traditional revenue sources.
- Re-justify all planned capital outlay over \$10,000 to the Management Team prior to expenditures.
- Re-justify all vehicle replacement/purchase schedules to the Management Team.
- Re-justify all travel related expenditures to the Management Team.
- Re-justify expenditures related to the service and materials & supplies category including, but not limited to:
 - Technology
 - Professional Services
 - Consulting Fees

Initiate the following expenditure reductions and measures if a cumulative unanticipated shortfall in sales tax revenue is equal to:

2% Reduction (\$580,384)

- Realized savings will not be transferred between categories.
- Prohibit unbudgeted expenditures including supplies and maintenance accounts.
- The Management Team will be required to review, monitor and control planned expenditures greater than \$5,000.
- Supplemental appropriations will not be made from budgeted savings or unappropriated fund balance.
- All carry forward requests will be carefully reviewed and approved by Finance.
- Any overtime must be pre-approved by department heads.
- Determination made and plan developed regarding utilization of sales tax stabilization fund. Utilization of sales tax stabilization funds will require Board Approval prior to implementation.

3% Reduction (\$870,576)

- Freeze all travel and training requests except with necessity review by the Management Team.
- Reduce expenditures in operations and maintenance accounts in each functional area. Amount of reduction to be determined by Management Team.
- Freeze capital outlay except with necessity review by the Management Team.
- Indefinitely freeze all vacant positions except with necessity review by the Management Team.

4% Reduction (\$1,160,767)

- Will require Board policy decisions regarding service delivery and fund balance reserves.
- Re-evaluate any budgeted transfer to Capital Projects which is not a grant match requirement.
- The Management Team will review service level reductions, passenger fare increases, elimination of specific programs, and reduction in work force. This would require implementation of the Service Reduction Policy.
- Evaluate the 90-day Operating Fund Balance Reserve Policy and consider options for fund balance utilization or utilization of other reserve funds. Board action will be required for utilization of reserve funds.

Section II: Sales Tax Revenue Sustainable Increase

The following steps will be followed when it is determined that additional mid-year service level enhancements are necessary (above those already programmed in the annual budget) and sales tax revenue exceeds budget and prior year's actual for at least 4 consecutive months and a determination is made that sales tax revenue increase is sufficient to support sustainable service levels.

For planning purposes, recommended service level increases will be less than or equal to the available sales tax stabilization fund.

Increases in sales tax revenue may be utilized to fund:

- Direct service enhancements
- System support
- Capital Infrastructure and maintenance reserve

Recommended service levels enhancements will be evaluated and prioritized based on:

- System performance and
- Board adopted service standards and service plan

Service Level considerations are not limited to additional transit service hours but may include other agency or transit system support requirements.

Service Level enhancement decisions will follow annual Decision Cycle framework.

Prior to implementation and adoption by Board, additional service level enhancements will be incorporated into long-range cash flow model to identify impact of current enhancement in future years.

Implementation of Service Level Enhancements will require Board action and revision of annual budget.

Section III: Federal Grant Funding Reduction

The following precautionary actions will be initiated immediately if a federal grant reduction is anticipated:

Capital Expenditures:

- Identify and evaluate other available funding sources
- Evaluate scaling back the scope of the project to the allocated funds, if feasible
- Freeze project pending review and discussion with Board of Directors

Operating Funds:

- Follow the Sales Tax Revenue Shortfall Procedure

Board of Directors Memo

August 22, 2019

SUBJECT: Presentation and Discussion of Proposed FY 2020 Capital and Operating Budget

Background

The Texas Transportation Code Chapter 460 requires the preparation of an annual budget for DCTA. Staff has prepared a balanced budget, where operating expenses and capital expenditures do not exceed current year revenues and undesignated fund balance/reserves.

The proposed FY 2020 Budget was presented and discussed at the Budget Workshops on July 15th and August 1st. The budget is submitted today to the Board of Directors, in accordance with requirements under Chapter 460 of the Texas Transportation Code and DCTA Board policy and procedures, for Board review and comment as well as citizen input. Notice of the public hearing was published in the Denton Record Chronicle on August 9th, 2019. Once information from both the Board and the public has been received, the FY20 Budget will be presented for final review and adoption by the Board at the September 26, 2019 Board meeting.

Identified Need

Review and discuss the proposed FY 2020 budget.

Recommendation

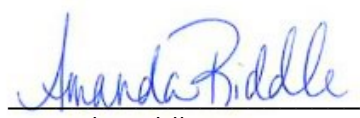
Item is for discussion only. After presentation of the proposed budget and discussion by the Board, the Board will hold a public hearing to receive public input on the proposed budget.

Exhibits

The proposed budget contains revenue and expenditure assumptions for FY20, which include capital expenditures. Included as agenda back-up are the following exhibits:

- Exhibit A: Long Range Financial Plan
- Exhibit B-1: Change in Net Position – Proposed FY20 Budget
- Exhibit B-2: FY20 Revenue Projections
- Exhibit C: Capital Improvement Plan with Proposed FY20 Appropriation
- Exhibit D: FY20 Budget Contingency Plan

Submitted By: _____


Amanda Riddle
Budget Manager

Final Review: _____


Marisa Perry, CPA
Chief Financial Officer/VP of Finance

SUBJECT: Presentation and discussion regarding proposed Bylaws modifications.

Background

Exhibit 1 provides a proposed timeline for the Bylaws modification process. Per direction of the Board of Directors, staff has engaged Frank Stevenson of Locke Lord to draft a proposed Bylaws document for review by the Board (Exhibits 3-4). Mr. Stevenson has also highlighted the most salient twelve items that the Board may want to take into consideration (Exhibit 2).

Staff requests Board Members' review of the proposed timeline and provide direction as it relates to the suggested deadlines presented during the August 22 Regular Board Meeting. As part of the review process, staff requests that Board Members review the draft Bylaws and seek feedback from the respective appointing entities of Denton County and the cities of Denton, Lewisville, and Highland Village between August 22 through September 6. All feedback should be tracked on the clean Word version and sent to Brandy Pedron at bpedron@dcta.net so that it may be compiled into one cohesive document for further Board review at the September 26 Board meeting. A third draft will be finalized following the September 26 meeting with the intent of bringing forward a final document for Board approval on October 24.

Identified Need

As a result of the passage of SB 1066, the Board of Directors has been reconstituted under Chapter 460 of the Texas Transportation Code, and as such requires a new set of Bylaws to govern the 5-member voting board. The timeline outlines a plan to finalize the Bylaws document so the Board may begin functioning under newly-created governance rules and policies that are more in-line with the current composition.

Financial Impact

There is no financial impact to the budget.

Recommendation

Staff seeks Board direction regarding the Bylaws Modification Timeline (Exhibit 1).

Exhibits

Exhibit 1 – Proposed Bylaws Modification Timeline

Exhibit 2 – Substantive Discussion Items

Exhibit 3 – Draft Bylaws, Clean Word Version

Exhibit 4 – Draft Bylaws, Substantive Changes

Exhibit 5 – Draft Bylaws, All Changes

Submitted By:


Kristina Holcomb, Deputy CEO

Approval:


Raymond Suarez, CEO

DCTA Board of Director's Bylaw Modification Process

(as of 8/8/19)

July 10	Engage Legal Counsel to Develop Modified Bylaws <ul style="list-style-type: none">- Per request of Executive Committee, staff engages outside legal counsel, Frank Stevenson, to draft the modified bylaws.-Engagement letter finalized July 23.
August 14	Legal Counsel's Draft Bylaws Due to DCTA <ul style="list-style-type: none">- The proposed draft bylaws are submitted by outside legal counsel on Aug. 14 to ensure time for staff to review and prepare necessary board materials for Aug. 22.
August 16	DCTA Board of Directors Meeting Packet Distribution <ul style="list-style-type: none">- Staff includes the proposed draft Bylaws as developed by outside counsel in the agenda backup materials for initial review.
August 22	DCTA Board of Directors Board Meeting <ul style="list-style-type: none">-Review and discussion of proposed draft Bylaws timeline and process.
August 22- September 6	Bylaws Review and Feedback Period <ul style="list-style-type: none">- Board of Directors obtain feedback from respective appointing entities.-Feedback is sent directly to Brandy Pedron to be incorporated into a master document that tracks the County's and each member city's input for future discussion.
September 20	DCTA Board of Directors Meeting Packet Distribution <ul style="list-style-type: none">-Draft 2 of the proposed modified Bylaws is included in the agenda backup materials.- Draft 2 includes all Board Member and appointing entity feedback incorporated for review.

September 26

DCTA Board of Directors Board Meeting

- Full review and discussion of draft modified Bylaws, which include all requested revisions from Board Members and appointing entities.

October 18

DCTA Board of Directors Meeting Packet Distribution

- Finalized draft Bylaws included in the agenda backup materials.

October 24

DCTA Board of Directors Meeting

- Discuss and approve final Bylaws draft

Partial List of Discussion Items for First Draft of Revised DCTA Bylaws

1. Should the Annual Budget be required to be presented to the member entities annually, 30 days prior to adoption by the DCTA Board? (This is a similar requirement to DART statute).
2. Should the cost of service analysis be addressed in the Bylaws? It's not currently. We discussed this as the legislation was being drafted and mentioned placing it in the Bylaws.
3. Should ELAP be addressed in the Bylaws? It's not currently. This was another matter we discussed as the legislation was being prepared.
4. Should the Nonvoting Members have Alternate Members? See discussion in Article III, Section 2(c).
5. Does the initial group of 6 Nonvoting Members continue indefinitely or is it subject to change? Should there be a minimum/maximum number of Nonvoting Members? See discussion in Article III, Section 2(c).
6. Would you like for any 2 voting Board Members to have the ability to call a meeting and set the agenda, or should only the Chair or Vice-Chair have that ability? See discussion in Article III, Section 6.
7. Do you want to require an Executive Committee, or make it optional with the Chair, or eliminate it? See discussion in Article III, Section 9(c).
8. Do you want to remove, revise, augment, or otherwise change the several subjects added to the list requiring Major Decision Approval (3/5's of Founding Municipalities and 1 Commissioners Court Appointed Member)? See discussion in Article III, Section 10.
9. Do you want to retain the additional Conflicts of Interest language added to Article III, Section 12?
10. Do you want to eliminate or retain the "Treasurer" office in light of the smaller-sized Board? See discussion in Article V, Sections 1 and 4.
11. Do you want to retain all/some/any of the revisions made to the Board Member indemnification provision – explicit coverage for past Board Members, broadened definition of a proceeding for which indemnification can be sought, and explicit authorization for pre-adjudication indemnification? See discussion in Article VI.
12. Some discussion about the commencement dates of the Board Members' terms may be warranted.

DENTON COUNTY TRANSPORTATION AUTHORITY AMENDED AND RESTATED BYLAWS

DRAFT

Adopted January 3, 2002
(rev. February 13, 2004, October 26, 2006, September 27, 2007, December 17, 2009, November 17, 2011, April 25, 2013, September 26, 2013, February 16, 2016, September 22, 2016; amended and restated eff May 20, 2019)

DENTON COUNTY TRANSPORTATION AUTHORITY AMENDED AND RESTATED BYLAWS

ARTICLE I NAME

Section 1. Name. The name of the authority shall be the Denton County Transportation Authority ("Authority").

Section 2. Authorization and Effective Date. These Bylaws are adopted pursuant to authority granted in Section 460.204(c)(2) of the Texas Transportation Code ("Code"). In the event of any conflict between these Bylaws and the Code or other applicable laws of the State of Texas, such laws shall be controlling. In the event any provision of these Bylaws shall be determined to be invalid, the provision will be deemed revised in a manner as both renders it valid and effectuates its purposes as fully as possible, and the remainder of these Bylaws shall nevertheless remain in force and effect as written. The effective date of these Bylaws is May 20, 2019.

Section 3. Definitions.

- (a) **Alternate Member:** A person appointed pursuant to Article III, Section[s] 2(b) [and (c)] hereof to serve in the absence of the regular appointed Board Member. [Section 460.206].
- (b) **Board:** The Board of Directors of the Authority.
- (c) **Board Member:** A member of the Board, as well as an Alternate Member only when serving in the absence of the regular appointed member of the Board.
- (d) **Capital Asset:** Land, a fixture attached to land, or an item of personal property that meets all of the following criteria: (i) the cost of acquisition or the cost of improvement of such property exceeds \$5,000; (ii) the expected useful life of the property when acquired is more than one year or the extension of the useful life of the property as a result of the improvement is more than one year; (iii) the property retains its original shape and appearance with use; and (iv) the property is nonexpendable (meaning that if the property is damaged or some of its constituent parts are lost or worn out, it is usually more economical to repair the property than to replace it with an entirely new unit).
- (e) **Capital Expenditure:** An expenditure made to acquire or improve one or more Capital Assets.
- (f) **Commissioners Court Appointed Member.** One of the two Board Members appointed by the Denton County Commissioners Court who must reside in:
 - (i) an unincorporated area of Denton County; or

- (ii) a municipality in the territory of the Authority that is neither a Founding Municipality nor a Financial Participating Municipality and thus not authorized to appoint a voting Board Member. [Section 460.253(2)].
- (g) Executive Committee: The committee that may be appointed by the Authority's Chair consisting of the Board Members set forth in Article III, Section 9(c) hereof.
- (h) Financial Participating Municipality: A municipality whose governing body is authorized by the Board to appoint one Board Member because that municipality:
 - (i) designated a public transportation financing area for the benefit of the Authority under Subchapter I, Chapter 460 of the Code, and entered into an agreement with the Authority under Section 460.602 of the Code approved by a Major Decision Approval Vote; or
 - (ii) imposed the Authority's sales and use tax levy at the rate of one-half of one percent authorized by Chapter 460 of the Code; andthe authorization to appoint one Board Member was approved by a Major Decision Approval Vote. [Section 460.254].
- (i) Founding Municipality: Any of the municipalities of Denton, Highland Village, or Lewisville, each of which being a municipality in which an election was held before December 31, 2003, authorizing the Authority's sales and use tax levy. [Section 460.251(2)].
- (j) Major Decision Approval Vote: The affirmative vote of at least three-fifths of the all Board Members appointed by the Founding Municipalities and the Financial Participating Municipalities, and at least one Commissioners Court Appointed Member regarding any of the matters set forth in Article III, Section 10(b) hereof. [Sections 460.205(b), 460.254(a)(2), and 460.602(b)].
- (k) Nonvoting Member: A Board Member appointed by a municipality whose governing body is authorized pursuant to a Major Decision Approval Vote by the Board and Article III, Section 2(c) hereof to appoint one Board Member because that municipality:
 - (i) is not otherwise authorized to appoint a Board Member; and
 - (ii) is located in the territory of the Authority. [Section 460.255].

Notwithstanding the foregoing, the following six (6) Nonvoting Members shall constitute the "Initial Nonvoting Members." Upon the effective date of these Bylaws, the then-currently serving members of the Board appointed by the municipalities of Corinth, Flower Mound, Frisco, Little Elm, and The Colony, each of which being a municipality with a population of 17,000 or more that satisfies subsections 3(k)(i) and (ii) above, shall each assume the position of Nonvoting Member. Additionally, the Denton County Commissioners Court shall as soon as

practicable after the effective date designate one (1) then-currently serving member of the Board appointed by a municipality with a population of more than 500 but less than 17,000 that satisfies subsections 3(k)(i) and (ii) above to serve as a Nonvoting Member.

- (l) Territory of the Authority: All territory within the boundaries of Denton County, Texas, being the county for which this coordinated county transportation authority was created under Chapter 460 of the Code. [Sections 460.002 and 460.051].

ARTICLE II OFFICES

Section 1. Principal Office. The principal office of the Authority shall be in Denton County, Texas.

Section 2. Additional Offices. The Authority also may have offices at such other places as the Authority from time to time may determine or as the activities of Authority may require.

ARTICLE III BOARD

Section 1. General Powers. The responsibility for the management, operation, and control of the Authority and its properties is vested in the Board. [Section 460.401].

Section 2. Number and Composition; Alternate Members.

- (a) The Board is composed of:
 - (i) One member appointed by the governing body of each Founding Municipality;
 - (ii) Two Commissioners Court Appointed Members;
 - (iii) One member appointed by the governing body of each Financial Participating Municipality;
 - (iv) Any Nonvoting Member; and
 - (v) Any Alternate Member, but only when serving in place of a regular appointed Board Member described under subsections (a)(i) - (iv) above. [Section 460.253].
- (b) Each of the entities appointing the voting Board Members described under subsections (a)(i) – (iii) above may also appoint one Alternate Member to serve only in the absence of the regular appointed Board Member. Except when serving in place of the regular appointed Board Member described under subsections (a)(i)

– (iii), an Alternate Member may attend Board and committee meetings (including closed or executive sessions), but shall not (i) be counted for purposes of determining a quorum, (ii) vote on any matter before the Board or committee, (iii) participate in any discussion of matters before the Board or a committee, or (iv) otherwise be considered a Board Member for any purpose. Appointing entities shall notify the Authority in writing of the appointment, reappointment, resignation, or removal of an Alternate Member. [Section 460.206].

- (c) A Nonvoting Member may attend Board and committee meetings (but not closed or executive sessions) and may participate in any discussion of matters at any such meeting, but shall not (i) be counted for purposes of determining a quorum or (ii) vote on any matter before the Board or committee. Each entity appointing a Nonvoting Member may also appoint one Alternate Member to serve only in the absence of the regular appointed Nonvoting Member. An Alternate Member may attend Board and committee meetings (but not closed or executive sessions), but, except when serving in place of the regular appointed Nonvoting Member, shall not (i) participate in any discussion of matters before the Board or a committee or (ii) otherwise be considered a Board Member for any purpose. Upon the expiration of the term of office of a Nonvoting Member (including an Initial Nonvoting Member), the Board may upon a Major Decision Approval Vote elect to reauthorize the applicable municipality to appoint a Nonvoting Member, and the failure to do so will cause the applicable Nonvoting Member seat on the Board to terminate and the size of the Board to be reduced accordingly. In determining whether to authorize or reauthorize the appointment of a Nonvoting Member, the Board may consider the financial and other contributions made to the Authority and its public transportation system by the applicable municipality and its citizens, the equitable allocation of representation on the Board among municipalities throughout the territory of the Authority providing such contributions, and other information and issues it deems relevant. At no time shall the Board have [less than/more than] [three/six] Nonvoting Members. [Section 460.255].

Section 3. Eligibility.

- (a) To be eligible for appointment to the Board, a person must: (i) have professional experience in the field of transportation, business, government, engineering, or law; and (ii) reside: (A) in the territory of the Authority; or (B) outside the territory of the Authority in a municipality that is located partly in the territory of the Authority. [Section 460.202].
- (b) The death or resignation of a Board Member, or three consecutive unexcused absences of a Board Member at noticed Board meetings and notice to the appointing entity, will cause the removal of that Board Member and create a vacancy on the Board. [Section 460.206].
- (c) A Board Member may be removed from the Board by the entity that appointed that Board Member upon the Board Member's (i) inability to serve, (ii) failure to possess at the time of appointment or to thereafter maintain the eligibility

qualifications required by these Bylaws, the Code, or other applicable law, or (iii) for other cause as permitted by law, such removal to be effective upon the Authority receiving notice of removal from the appointing entity.

- (d) If the Executive Director of the Authority knows that a potential ground for removal of a Board Member exists, the Executive Director shall notify the Chair; the Chair then shall notify the entity that appointed that Board Member.
- (e) A Board Member may resign at any time upon giving written notice to the Authority and the entity that appointed that Board Member.
- (f) An elected officer of a political subdivision of this state who is not prohibited by the Texas Constitution from serving on the Board is eligible, as an additional duty of office, to serve on the Board, but is not entitled to receive compensation for that service other than reimbursement for reasonable expenses incurred in performing that Board Member's duties. [Section 460.256].

Section 4. Vacancy. A vacancy on the Board is filled in the same manner as the original appointment to the Board. [Section 460.201(c)]. A Board Member appointed to a vacant position shall be appointed for the unexpired term of the Board Member's predecessor in that position.

Section 5. Terms. The term of office for a member of the Board is two years. [Section 460.201(a)]. By a Major Decision Approval Vote, the Board may set staggered terms for Board Members so the terms of one-half of the Board Members (or as close to one-half as possible) expire in alternate years. [Section 406.206].

Section 6. Meetings. The Board shall hold at least one regular meeting each month. [Section 460.204(a)]. Special meetings of the Board may be called by the Chair as necessary. [Section 460.204(b)]. In addition, special meetings may be called, upon proper notice, at any time at the request of any two voting Board Members. Special meetings shall be held at such time and place as is specified by the Chair, if the Chair calls the meeting, or by the two voting Board Members, if they call the meeting. The Chair shall set the agendas for meetings of the Board, except that the agendas of meetings called by two voting Board Members shall be set by those Board Members. The Chair shall place on the agenda for a meeting of the Board or a committee any item requested by at least two voting Board Members; the item shall appear in the form submitted to the Chair and, subject to compliance with notice and posting requirements, on the meeting agenda specified by such Board Members.

Section 7. Quorum. A majority of the voting Board Members described under Article III, Section 2(a)(i), (ii), and (iii) hereof constitutes a quorum for purpose of conducting business. No vacancy in the membership of the Board will impair the right of a quorum to exercise all of the rights and to perform all of the duties of the Board. Therefore, if a vacancy occurs, a majority of the voting Board Members then serving in office will constitute a quorum.

Section 8. Open Meetings Act. All meetings of the Authority and its committees shall be in compliance with Chapter 551 of the Texas Government Code (Open Meetings Act). Pursuant to Section 551.128(b-1)(2) of the Open Meetings Act, an archived copy of the video and audio

recording of each regular meeting shall be made available to the public on the Authority's website. [Section 460.102(a)(1)].

Section 9. Committees

- (a) The Chair of the Board may appoint such committees as from time to time may be deemed necessary and appropriate. A committee shall not have any power or authority to bind or act on behalf of the Authority. The Chair will designate the chair of each committee, which will be comprised of at least three Board members, and will serve as an ex officio member of each committee.
- (b) The committee shall report its discussions and recommendations from any meeting at the next Board meeting. [Section 460.401].
- (c) The Chair, at the Chair's sole option, may appoint an Executive Committee consisting of the four officers of the Board described in Article IV hereof, and the Chair may appoint one additional Board Member to the Executive Committee. No Board Member who is an employee of the entity that appointed that person to the Board may serve on the Executive Committee.

Section 10. Voting.

- (a) An action of the Board requires an affirmative vote of a majority of the Board Members present and voting, except for a vote pursuant to subsection (b) of this section. [Section 460.208].
- (b) A Major Decision Approval Vote is required for:
 - (1) a Capital Expenditure;
 - (2) an operating or maintenance expenditure for a Capital Asset;
 - (3) the approval of the Annual Budget or any amendment to the Annual Budget (as described in Article V, Section 2);
 - (4) any debt issuance or other incurrence of indebtedness not in the ordinary course of operations;
 - (5) a material change of the service plan;
 - (6) an amendment of these Bylaws;
 - (7) the approval of a comprehensive development agreement (commonly called a "CDA") or similar financial contractual obligation for a purpose not an express commitment of the service plan;
 - (8) the approval of a contract or other agreement between the Authority and a municipality, other governmental authority, or a private entity that is not a member of the Authority for the Authority's provision of transportation services;
 - (9) the formation of a local government corporation, contracting with, joining or becoming a member or owner of a local government corporation;

- (10) the approval of an agreement for the Authority to provide public transportation services under Section 460.602 of the Code;
- (11) the authorization of the appointment of a Board Member by a Financial Participating Municipality under Article I, Section 3(h) hereof;
- (12) the authorization to appoint a Nonvoting Member under Article I, Section 3(k) and Article III, Section 2(c) hereof; or
- (13) the setting of staggered terms for Board Members under Article III, Section 5 hereof.

Section 11. Procedure of Meetings. Notice of all meetings and hearings of Authority shall be given, and such meetings and hearings shall be held and conducted in accordance with, applicable law, these Bylaws, the Board Rules of Procedure, and the latest edition of Robert's Rules of Order, in descending order of priority. To the extent of any conflict, the terms of the higher-priority document shall control. The General Counsel of the Authority shall serve as parliamentarian to the Authority.

Section 12. Conflicts of Interest. Board Members are subject to Chapter 171 Local Government Code. [Section 460.203]. A Board Member shall not (a) accept, agree to accept, or solicit any gift, favor, service, or other benefit that might reasonably tend to influence that Board Member in making decisions on behalf of the Authority or that the Board Member knows or should have known is being offered with the intent to influence the Board Member's decision-making; or (b) accept, agree to accept, or solicit other compensation that could reasonably be expected to impair the Board Member's independence of judgment in the making of decisions on behalf of the Authority. Board Members shall familiarize themselves and comply with all applicable laws regarding conflicts of interest, including any conflict of interest policy adopted by the Board.

ARTICLE IV OFFICERS

Section 1. Election. The Board shall elect four (4) Board Members to serve as the Chair, Vice-Chair, Treasurer, and Secretary. [Section 460.055(a)]. The Chair shall be a Board Member appointed by a Founding Municipality.

Section 2. Chair. The Chair shall preside at all regular and special meetings of the Authority.

Section 3. Vice-Chair. The Vice-Chair shall preside at any meeting of the Authority at the request of the Chair, or at which the Chair is absent.

Section 4. Treasurer. The Treasurer shall work with the Chief Financial Officer in preparing the Annual Budget and supervising the annual audit.

Section 5. Secretary. The Secretary shall review the minutes of all Board proceedings, make any necessary revisions, and attest to the accuracy of the minutes.

Section 6. Term. The term of office for each officer shall be for a period of one year and shall run from January 1 through and including December 31.

ARTICLE V BUDGET AND FINANCE

Section 1. Fiscal Year. The Fiscal Year of the Authority shall end on September 30 of each year.

Section 2. Annual Budget. The Authority shall prepare an Annual Budget. [Section 460.403].

Section 3. Audit. The Authority shall have an annual audit of the affairs of the Authority prepared by an independent certified public accountant. Any deficiencies noted in the audit report shall be addressed at a regular meeting of the Authority and addressed on the record. [Section 460.402].

ARTICLE VI INDEMNIFICATION

The Authority shall indemnify any current or past Board Member involved in any litigation or threatened litigation, including any civil, criminal, or administrative action, claim, investigation, suit, or other proceeding, for reason of such Board Member's alleged negligence or misconduct in the performance of his or her duties as a Board Member, to the extent funds are lawfully available and subject to any other limitations that exist by law, against liability and reasonable expenses, including attorneys' fees actually and necessarily incurred, except where it is adjudged that such Board Member acted with gross negligence or willful misconduct in the performance of his or her duties. The Board shall approve the Authority's payment of expenses incurred in defending a proceeding in advance of its final adjudication or other disposition if the Board (a) determines that the proceeding involves an action taken within the Board Member's scope of authority acting in the performance of his or her duties to the Authority, and (b) believes, in good faith, such payment serves the public interest. The Board shall require any Board Member receiving such pre-adjudication payments to reimburse the Authority if upon final adjudication of the proceeding the Board Member is determined not entitled to indemnification. The right of indemnification provided by these Bylaws shall not be deemed exclusive of any right to which any current or past Board Member may be entitled as a matter of law, and shall extend and apply to the estates of deceased Board Members.

ARTICLE VII AMENDMENT TO BYLAWS

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, pursuant to Article III, Section 10(b) hereof by Major Decision Approval Vote at any regular, properly posted meeting of the Authority, or any properly posted special meeting of the Authority,

at which a quorum is present; provided that prior to consideration and vote by the Authority, any proposed revision to the Bylaws may be reviewed and commented on by all Board Members and shall be provided in writing to all Board Members at least two weeks prior to action on any amendment.

DRAFT

DENTON COUNTY TRANSPORTATION

AUTHORITY
AMENDED AND RESTATED BYLAWS

DRAFT

Adopted January 3, 2002
(rev. February 13, 2004, October 26, 2006, September 27, 2007, December 17, 2009, November 17, 2011, April 25, 2013, September 26, 2013, February 16, 2016, September 22, 2016; amended and restated eff May 20, 2019)

DENTON COUNTY TRANSPORTATION AUTHORITY AMENDED AND RESTATED BYLAWS

ARTICLE I NAME

Section 1. Name. The name of the authority shall be the Denton County Transportation Authority ("Authority").

Section 2. Authorization and Effective Date. These Bylaws are adopted pursuant to authority granted in Section 460.204(c)(2) of the Texas Transportation Code ("Code"). In the event of any conflict between these Bylaws and the Code or other applicable laws of the State of Texas, such laws shall be controlling. In the event any provision of these Bylaws shall be determined to be invalid, the provision will be deemed revised in a manner as both renders it valid and effectuates its purposes as fully as possible, and the remainder of these Bylaws shall nevertheless remain in force and effect as written. The effective date of these Bylaws is May 20, 2019.

Section 3. Definitions.

- (a) Alternate Member: A person appointed pursuant to Article III, Section[s] 2(b) [and ~~(c)~~] hereof to serve in the absence of the regular appointed Board Member. [Section 460.206].
- (b) Board: The Board of Directors of the Authority.
- (c) Board Member: A member of the Board, as well as an Alternate Member only when serving in the absence of the regular appointed member of the Board.
- (d) Capital Asset: Land, a fixture attached to land, or an item of personal property that meets all of the following criteria: (i) the cost of acquisition or the cost of improvement of such property exceeds \$5,000; (ii) the expected useful life of the property when acquired is more than one year or the extension of the useful life of the property as a result of the improvement is more than one year; (iii) the property retains its original shape and appearance with use; and (iv) the property is nonexpendable (meaning that if the property is damaged or some of its constituent parts are lost or worn out, it is usually more economical to repair the property than to replace it with an entirely new unit).
- (e) Capital Expenditure: An expenditure made to acquire or improve one or more Capital Assets.
- (f) Commissioners Court Appointed Member. One of the two Board Members appointed by the Denton County Commissioners Court who must reside in:
 - (i) an unincorporated area of Denton County; or

Commented [SFE1]: There is an open issue whether the Nonvoting Members are intended to have Alternates. See Article III, Section 2(c) discussion.

Commented [SFE2]: New from SB 1066.

(ii) a municipality in the territory of the Authority that is neither a Founding Municipality nor a Financial Participating Municipality and thus not authorized to appoint a voting Board Member. [Section 460.253(2)].

(e)(g) Executive Committee: The committee that may be appointed by the Authority's Chair consisting of the Board Members set forth in Article III, Section 9(c) hereof.

(h) Financial Participating ~~Member~~Municipality: A municipality whose governing body is authorized by the Board to appoint one Board Member because that municipality:

(i) designated a public transportation financing area for the benefit of the Authority under Subchapter I, Chapter 460 of the Code, and entered into an agreement with the Authority under Section 460.602 of the Code approved by a Major Decision Approval Vote; or

(ii) ~~that has imposed the transit-Authority's sales and use tax levy at the rate of one-half of one percent authorized by Chapter 460 of the Transportation Code or which has contracted with DCTA for financial participation through tax increment payments as provided by Subchapter I, Chapter 460 of the Transportation Code, and which is entitled to have a Director on the DCTA Board of Directors; and-~~

the authorization to appoint one Board Member was approved by a Major Decision Approval Vote. [Section 460.254].

(i) Founding Municipality: Any of the municipalities of Denton, Highland Village, or Lewisville, each of which being a municipality in which an election was held before December 31, 2003, authorizing the Authority's sales and use tax levy. [Section 460.251(2)].

(j) Major Decision Approval Vote: The affirmative vote of at least three-fifths of the all Board Members appointed by the Founding Municipalities and the Financial Participating Municipalities, and at least one Commissioners Court Appointed Member regarding any of the matters set forth in Article III, Section 10(b) hereof. [Sections 460.205(b), 460.254(a)(2), and 460.602(b)].

(k) Nonvoting Member: A Board Member appointed by a municipality whose governing body is authorized pursuant to a Major Decision Approval Vote by the Board and Article III, Section 2(c) hereof to appoint one Board Member because that municipality:

(i) is not otherwise authorized to appoint a Board Member; and

(ii) is located in the territory of the Authority. [Section 460.255].

Notwithstanding the foregoing, the following six (6) Nonvoting Members shall constitute the "Initial Nonvoting Members." Upon the effective date of these

Commented [SFE3]: Does a board the size of the DCTA Board need an "Executive Committee"? I've made its appointment strictly at the Chair's option (see Art. III, Sec. 9(c)). Chapter 460 does not appear to require one. There is an "interim executive committee," but it changes into the board of directors once an authority is confirmed. [Sec. 460.059(d)]. Other Ch. 460 references to simply "executive committee" are defined to refer to "board of directors." ["Sec. 460.004. REFERENCE. A reference in this chapter to the executive committee means the board of directors."]

Commented [SFE4]: Since "Member" – as in "Board Member," "Commissioners Court Appointed Member," Nonvoting Member," and "Alternate Member" – otherwise refers to a person and this term refers to a municipality, it seems more clear to use "Municipality," and thus be consistent with "Founding Municipality" which appears in SB 1066. Thus, the proposed new defined term is "Financial Participating Municipality."

Commented [SFE5]: The following language tracks new Section 460.254 added by SB 1066.

Bylaws, the then-currently serving members of the Board appointed by the municipalities of Corinth, Flower Mound, Frisco, Little Elm, and The Colony, each of which being a municipality with a population of 17,000 or more that satisfies subsections 3(k)(i) and (ii) above, shall each assume the position of Nonvoting Member. Additionally, the Denton County Commissioners Court shall as soon as practicable after the effective date designate one (1) then-currently serving member of the Board appointed by a municipality with a population of more than 500 but less than 17,000 that satisfies subsections 3(k)(i) and (ii) above to serve as a Nonvoting Member.

- ~~(1)~~ Territory of the Authority: All territory within the boundaries of Denton County, Texas, being the county for which this coordinated county transportation authority was created under Chapter 460 of the Code. [Sections 460.002 and 460.051].

ARTICLE II OFFICES

Section 1. Principal Office. The principal office of the Authority shall be in Denton County, Texas.

Section 2. Additional Offices. The Authority also may have offices at such other places as the Authority from time to time may determine or as the activities of Authority may require.

ARTICLE III BOARD

Section 1. General Powers. The responsibility for the management, operation, and control of the Authority and its properties is vested in the Board. [Section 460.401].

Section 2. Number and Composition; Alternate Members.

- (a) The Board is composed of:
- (i) One member appointed by the governing body of each Founding Municipality~~municipality with a population of 17,000 or more that is located in the county;~~
 - ~~(ii) Two Commissioners Court Appointed Members~~~~Three members appointed by the Commissioner's Court of Denton County, two of whom must reside in the unincorporated area of the county; and~~
 - ~~(iii)~~(ii) Three members to be designated by the remaining municipalities with a population of more than 500 but less than 17,000 located in the Denton County. These three members will be selected according to provisions of the Code. [Section 460.054(b)].

Commented [SFE6]: This paragraph memorializes the provisions in the transition portion of SB 1066 that automatically convert the Board Members appointed by non-Founding Municipalities with a population of 17,000 or more to Nonvoting Members, and that authorize the Denton County Commissioners Court to appoint 1 Nonvoting Member from the Board Members representing the Non-Founding Municipalities with a population between 500 to 17,000. These Nonvoting Members have been defined as the "Initial Nonvoting Members."

Commented [SFE7]: Section 460.054, which contained these now-deleted provisions, was made inapplicable to DCTA per SB 1066.

(iii) One member appointed by the governing body of each Financial Participating Municipality;

(iv) Any Nonvoting Member; and

Any Alternate Member, but only when serving in place of a regular appointed Board Member described under subsections (a)(i) - (iv) above. [Section 460.253].

(v)

(b) Member appointed by the governing body of a municipality that was entitled to appoint a member under Section 460.054 (b)(1) of the Code before the effective date of an increase in the population threshold. (Section 460.2015) The Board of Directors may increase the population threshold amounts stated in Section 460.054(b)(1) in increments up to 5,000 each year. A municipality that appointed a member to the Board of Directors according to the provisions of Section 460.054(b)(1) of the Code prior to any increase in population threshold is grandfathered and may continue to appoint a member to the Board of Directors. Appointing entities may appoint a member to the Board of Directors and Each of the entities appointing the voting Board Members described under subsections (a)(i) – (iii) above may also appoint one Alternate Member to serve only in the absence of the regular appointed Board Member. Except when serving in place of the regular appointed Board Member described under subsections (a)(i) – (iii), an Alternate Member may attend Board and committee meetings (including closed or executive sessions), but shall not (i) be counted for purposes of determining a quorum, (ii) vote on any matter before the Board or committee, or (iii) participate in any discussion of matters before the Board or a committee, or (iv) otherwise be considered a Board Member for any purpose. Appointing entities shall notify the Authority in writing of the appointment, reappointment, resignation, or removal of an Alternate Member. [Section 460.206].

(b)(c) A Nonvoting Member may attend Board and committee meetings (but not closed or executive sessions) and may participate in any discussion of matters at any such meeting, but shall not (i) be counted for purposes of determining a quorum or (ii) vote on any matter before the Board or committee. Each entity appointing a Nonvoting Member may also appoint one Alternate Member to serve only in the absence of the regular appointed Nonvoting Member. An Alternate Member may attend Board and committee meetings (but not closed or executive sessions), but, except when serving in place of the regular appointed Nonvoting Member, shall not (i) participate in any discussion of matters before the Board or a committee or (ii) otherwise be considered a Board Member for any purpose. Upon the expiration of the term of office of a Nonvoting Member (including an Initial Nonvoting Member), the Board may upon a Major Decision Approval Vote elect to reauthorize the applicable municipality to appoint a Nonvoting Member, and the failure to do so will cause the applicable Nonvoting Member seat on the Board to terminate and the size of the Board to be reduced accordingly. In determining whether to

Commented [SFE8]: These provisions drawn from Transportation Code Sections 460.054 and 460.2015 are made inapplicable to DCTA as per SB 1066.

Commented [SFE9]: Do you want the Nonvoting Members to have "Alternate Members"? The fact they don't vote argues that having Alternate Members is unnecessary. On the other hand, the transition provisions of SB 1066 appear to provide for the continuation of any then-serving "Alternate Member" for those formerly voting Board Members that were converted to Nonvoting Members. Thus, the current Nonvoting Members can and may have Alternate Members now.

Commented [SFE10]: I've provided that, unless there's a "Major Decision Approval Vote" to reauthorize it, a Nonvoting Member seat expires and is dropped from the Board after the appointee's two-year term. This may not be the desired approach.

This does not affect the "Initial Nonvoting Members" serving out the remainder of their terms.

authorize or reauthorize the appointment of a Nonvoting Member, the Board may consider the financial and other contributions made to the Authority and its public transportation system by the applicable municipality and its citizens, the equitable allocation of representation on the Board among municipalities throughout the territory of the Authority providing such contributions, and other information and issues it deems relevant. At no time shall the Board have [less than/more than] [three/six] Nonvoting Members. [Section 460.255].

Commented [SFE11]: Section 460.255(c) codified by SB 1066 provides that the Board “shall adopt rules and bylaws governing the appointment, number, authority, and duties of nonvoting members...” You may want to state a minimum or maximum number of Nonvoting Members.

Section 3. Eligibility.

- (a) To be eligible for appointment to the Board ~~of Directors~~, a person must: (i) have professional experience in the field of transportation, business, government, engineering, or law; and (ii) reside: (A) ~~within~~ the territory of the Authority; or (B) outside the territory of the ~~A~~ authority in a municipality that is located partly in the territory of the Authority. [Section 460.202].
- (b) The death or resignation of a Board Member, or three consecutive unexcused absences of a Board Member at noticed Board meetings and notice to the appointing entity, will cause the removal of that Board Member and create a vacancy on the Board. [Section 460.206].
- (c) A Board Member may be removed from the Board by the entity that appointed that Board Member upon the Board Member’s (i) inability to serve, (ii) failure to possess at the time of appointment or to thereafter maintain the eligibility qualifications required by these Bylaws, the Code, or other applicable law, or (iii) for other cause as permitted by law, such removal to be effective upon the Authority receiving notice of removal from the appointing entity.
- (d) If the Executive Director of the Authority knows that a potential ground for removal of a Board Member exists, the Executive Director shall notify the Chair; the Chair then shall notify the entity that appointed that Board Member.
- (e) A Board Member may resign at any time upon giving written notice to the Authority and the entity that appointed that Board Member.
- (f) An elected officer of a political subdivision of this state who is not prohibited by the Texas Constitution from serving on the Board is eligible, as an additional duty of office, to serve on the Board, but is not entitled to receive compensation for that service other than reimbursement for reasonable expenses incurred in performing that Board Member’s duties. [Section 460.256].

Commented [SFE12]: Ineligibility needs to be grounds for removal.

Commented [SFE13]: Other “cause” should be mentioned to prevent the misunderstanding that this is an exclusive list.

Commented [SFE14]: Added strictly for discussion purposes. Do the appointing cities/county want this notice?

Commented [SFE15]: I recommend a mechanism for resignation that requires notice to DCTA.

Commented [SFE16]: Added by SB 1066.

Section 4. Vacancy. A vacancy on the Board is filled in the same manner as the original appointment to the Board. [Section 460.201(c)]. A Board Member appointed to a vacant position shall be appointed for the unexpired term of the Board Member’s predecessor in that position.

Section 5. Terms. The term of office for a member of the Board is two years. [Section 460.201(a)]. By a Major Decision Approval Vote, the Board may set staggered terms for Board

Commented [SFE17]: Section 460.2015 made inapplicable to DCTA per SB 1066.

Members so the terms of one-half of the Board Members (or as close to one-half as possible) expire in alternate years. [Section 406.206].

Commented [SFE18]: Section 460.206 authorizes the Board to generate rules to stagger terms, thus we've added that ability to the Bylaws upon a Major Decision Approval Vote.

Section 6. Meetings. The Board ~~of Directors~~ shall hold at least one regular meeting each month. [Section 460.055204(a)]. Special meetings of the ~~Authority Board~~ may be called by the Chair ~~or Vice Chair~~ as necessary. [Section 460.204(b)]. In addition, special meetings may be called, upon proper notice, at any time at the request of any two voting Board Members. Special meetings shall be held at such time and place as is specified by the Chair, if the Chair calls the meeting, or by the two voting Board Members, if they call the meeting. The Chair shall set the agendas for meetings of the Board, except that the agendas of meetings called by two voting Board Members shall be set by those Board Members. The Chair shall place on the agenda for a meeting of the Board or a committee any item requested by at least two voting Board Members; the item shall appear in the form submitted to the Chair and, subject to compliance with notice and posting requirements, on the meeting agenda specified by such Board Members.

Commented [SFE19]: Section 460.055(c) cited in the current Bylaws seems limited to the composition of the "Interim Executive Committee" while the provision generally applicable to the "board of directors" is Section 460.204(a).

Commented [SFE20]: Section 460.204(b) authorizes only the Chair to call special meetings; the Vice-Chair appears to lack that statutory authority. I've provided that any two Board Members may do so

Section 7. Quorum. A majority of the voting Board Members described under Article III, Section 2(a)(i), (ii), and (iii) hereof ~~Five members~~ constitutes a quorum for purpose of conducting business. ~~[Section 460.205(a)]. No vacancy in the membership of the Board will impair the right of a quorum to exercise all of the rights and to perform all of the duties of the Board. Therefore, if a vacancy occurs, a majority of the voting Board Members then serving in office will constitute a quorum.]~~

Commented [SFE21]: Other governmental clients have had us place provisions like this in their Bylaws to protect against a Chair blocking a discussion or action from being considered by the Board even when other Directors support doing so.

Commented [SFE22]: I've made it clear that a majority of the voting Board Members constitutes a quorum.

Section 8. Open Meetings Act. All meetings of the Authority and its committees shall be in compliance with Chapter 551 of the Texas Government Code (Open Meetings Act). Pursuant to Section 551.128(b-1)(2) of the Open Meetings Act, an archived copy of the video and audio recording of each regular meeting shall be made available to the public on the Authority's website. [Section 460.102(a)(l)].

Commented [SFE23]: The language in the current Bylaws – "five members" makes a quorum – was based on Section 460.205, which was made inapplicable to DCTA by SB 1066.

Section 9. Committees

- (a) The Chair of the Board may appoint such committees as from time to time may be deemed necessary and appropriate. A committee shall not have any power or authority to bind or act on behalf of the Authority. The Chair will designate the chair of each committee, which will be comprised of at least three Board members, and will serve as an ex officio member of each committee.
- (b) The committee shall report its discussions and recommendations from any meeting at the next Board meeting. [Section 460.401].
- (c) The Chair, at the Chair's sole option, may appoint an Executive Committee consisting of the four (4) officers of the Board described in Article IV hereof, and the Chair may appoint one additional Board Member to the Executive Committee. No Board Member who is an employee of the entity that appointed that person to the Board may serve on the Executive Committee.

Commented [SFE24]: Again, do you want to retain an "Executive Committee." I've made it strictly at the Chair's option.

Commented [SFE25]: Or "three (3)" depending on whether you wish to keep the "Treasurer" office.

Commented [SFE26]: Does the Board wish to retain this prohibition against employees serving on the Executive Committee?

Section 10. Voting.

- (a) An action of the Board requires an affirmative vote of a majority of the Board Members ~~but not less than five (5) Directors~~ present and voting, except for a vote pursuant to subsection (b) of this section. [Section 460.205(b)8].
- (b) A ~~Major Decision Approval Vote~~ affirmative vote of the majority of the entire Board of Directors, including two thirds (2/3) vote of Directors representing Financial Participating Members is required for:
- (1) a Capital Expenditure;
 - (2) an operating or maintenance expenditure for a Capital Asset;
 - (3) the approval of the Annual Budget or any amendment to the Annual Budget (as described in Article V, Section 2);
 - (2)(4) any debt issuance or other incurrence of indebtedness not in the ordinary course of operations;
 - (3)(5) a material change of the service plan;
 - (4)(6) an amendment of these Bylaws;
 - (5)(7) the approval of a comprehensive development agreement (commonly called a “CDA”) or similar financial contractual obligation for a purpose not an express commitment of the service plan;
 - (6)(8) the approval of a contract or other agreement between the Authority and a municipality, ~~or other governmental authority, or a private entity that is not a member of located within the A-train Corridor for participation in DCTA~~ the Authority for the Authority’s provision of transportation services; or
 - (9) the formation of a local government corporation, contracting with, joining or becoming a member or owner of a local government corporation;
 - (10) the approval of an agreement for the Authority to provide public transportation services under Section 460.602 of the Code;
 - (11) the authorization of the appointment of a Board Member by a Financial Participating Municipality under Article I, Section 3(h) hereof;
 - (12) the authorization to appoint a Nonvoting Member under Article I, Section 3(k) and Article III, Section 2(c) hereof; or
 - (7) the setting of staggered terms for Board Members under Article III, Section 5 hereof.
 - (8)(13)

Commented [SFE27]: Section 460.205 was made inapplicable to DCTA by SB 1066. Substitute authorization is provided under new Section 460.258.

Commented [SFE28]: In the current Bylaws, this looks like a defined term, but “CDA” never appears again. If you wish to retain it, identify “CDA” as a common abbreviation for that type of transaction. Alternatively, delete the parenthetical.

Commented [SFE29]: “Service plan” is not defined in these Bylaws and not capped in subsection (3) above or in Chap 460, so likely shouldn’t be capped here.

Commented [SFE30]: Not defined, so likely should not be capped.

Commented [SFE31]: I’ve expanded this beyond the single referenced corridor.

Section 11. Procedure of Meetings. Notice of all meetings and hearings of Authority shall be given, and such meetings and hearings shall be held and conducted in accordance with, applicable law, these Bylaws, the Board Rules of Procedure, and the latest edition of Robert's Rules of Order, in descending order of priority. To the extent of any conflict, the terms of the higher-priority document shall control. The General Counsel of the Authority shall serve as parliamentarian to the Authority.

Section 12. Conflicts of Interest. Board Members are subject to Chapter 171 Local Government Code. [Section 460.203]. A Board Member shall not (a) accept, agree to accept, or solicit any gift, favor, service, or other benefit that might reasonably tend to influence that Board Member in making decisions on behalf of the Authority or that the Board Member knows or should have known is being offered with the intent to influence the Board Member's decision-making; or (b) accept, agree to accept, or solicit other compensation that could reasonably be expected to impair the Board Member's independence of judgment in the making of decisions on behalf of the Authority. Board Members shall familiarize themselves and comply with all applicable laws regarding conflicts of interest, including any conflict of interest policy adopted by the Board.

Commented [SFE32]: This is relatively standard "conflicts of interest" language that summarizes the legal restrictions on local elected officials. I've inserted it in bylaws for other governmental entities. It is added solely for your consideration.

Commented [SFE33]: This language was drawn from Section 460.054, which was made inapplicable to DCTA per SB 1066.

~~Section 13. Population Changes.~~

~~At least annually but before any vote authorizing confirmation of the Authority or imposition of a sales and use tax, the Authority shall determine if any municipality located in the county that has not appointed a member to the Board of Directors as provided by Section 460.054(b)(1) of the Code, has grown to a population of 17,000 or more.~~

~~A determination of population growth to 17,000 or more will be documented by "Annual Population Estimates" for municipalities located in Denton County published by North Central Texas Council of Governments. The population of the municipality submitted to the Authority for approval may be challenged by a member of the Board of Directors.~~

~~The Board of Directors may certify: (i) that a municipality has a current population of 17,000 or more; and (ii) does not have a member appointed to the governing body as provided by Section 460.054(b)(1). Subsequent to the certification vote, a municipality so certified may forthwith appoint one member to the Board of Directors as provided by the Code.~~

ARTICLE IV OFFICERS

Section 1. Election. The Board shall elect ~~four (4) Board of its Members~~ to serve as the Chair, Vice-Chair, Treasurer, and Secretary. [Section 460.055(a)]. The Chair ~~or Vice Chair~~ shall be a Board Member appointed by a ~~Financial Participating Founding Member Municipality~~.

Commented [SFE34]: It is possible to eliminate the "Treasurer" position and have only 3 officers. Only Chair, Vice-Chair, and Secretary appear required under Chapter 460.

Commented [SFE35]: I have provided that the Chair is appointed by a Founding Municipality, and there is no restriction on the appointment of the Vice-Chair.

Section 2. Chair. The Chair shall preside at all regular and special meetings of the Authority.

Section 3. Vice-Chair. The Vice-Chair shall preside at any meeting of the Authority at the request of the Chair, or at which the Chair is absent.

Section 4. Treasurer. The Treasurer shall work with the Chief Financial Officer in preparing the Annual Budget and supervising the annual audit.

Commented [SFE36]: Again, it is possible to eliminate this office.

Section 5. Secretary. The Secretary shall review the minutes of all Board proceedings, make any necessary revisions, and attest to the accuracy of the minutes.

Section 6. Term. The term of office for each officer shall be for a period of one year and shall run from January 1 through and including December 31.

ARTICLE V BUDGET AND FINANCE

Section 1. Fiscal Year. The Fiscal Year of the Authority shall end on September 30 of each year.

Section 2. Annual Budget. The Authority shall prepare an Annual Budget. [Section 460.403].

Section 3. Audit. The Authority shall have an annual audit of the affairs of the Authority prepared by an independent certified public accountant. Any deficiencies noted in the audit report shall be addressed at a regular meeting of the Authority and addressed on the record. [Section 460.402].

ARTICLE VII INDEMNIFICATION

The Authority shall indemnify any current or past Board Member involved in any litigation or threatened litigation, including any civil, criminal, or administrative action, claim, investigation, suit, or other proceeding, for reason of such Board Member's alleged negligence or misconduct in the performance of his or her duties as a Board Member, to the extent funds are lawfully available and subject to any other limitations that exist by law, against liability and reasonable expenses, including attorneys' fees actually and necessarily incurred, except where it is adjudged that such Board Member acted with gross negligence or willful misconduct in the performance of his or her duties. The Board shall approve the Authority's payment of expenses incurred in defending a proceeding in advance of its final adjudication or other disposition if the Board (a) determines that the proceeding involves an action taken within the Board Member's scope of authority acting in the performance of his or her duties to the Authority, and (b) believes, in good faith, such payment serves the public interest. The Board shall require any Board Member receiving such pre-adjudication payments to reimburse the Authority if upon final adjudication of the proceeding the Board Member is determined not entitled to indemnification. The right of indemnification provided by these Bylaws shall not be deemed exclusive of any right to which any current or past Board Member may be entitled as a matter of law, and shall extend and apply to the estates of deceased Board Members.

Commented [SFE37]: "Past" should be added here to allow indemnification of a former Board Member made subject to a claim after his/her tenure on the Board.

Commented [SFE38]: See later Comment re: "claim, investigation." Indemnification should not be denied simply because no formal litigation has commenced.

Commented [SFE39]: Many proceedings began (and often end) with merely a "claim" or "investigation." The Bylaws should specify that indemnification is not withheld unless and until a formal proceeding begins. The financial burden on a volunteer serving on this Board defending himself/herself during an investigation could be profound.

Commented [SFE40]: The indemnification provision in the current Bylaws does not explicitly authorize indemnification prior to a final disposition, dismissal, etc. of the proceeding. In fact, the "except where it is adjudged that such Board Member acted with gross negligence or willful misconduct" might imply that indemnification must await that adjudication. Two problems. Many investigations are never formally terminated or concluded, so there is no final adjudication. Second, proceedings can extend for years, during which the volunteer Director must pay with his/her own funds attorneys' and other fees (and perhaps sell investments or borrow to do so). The insert explicitly authorizes pre-adjudication indemnification if the two tests under Texas law are satisfied.

Commented [SFE41]: A court could order indemnification if for some reason the Board voted to withhold it.

ARTICLE VII
AMENDMENT TO BYLAWS

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted pursuant to Article III, § 10(b) at any regular, properly posted meeting of the Authority, or any properly posted special meeting of the Authority, at which a quorum is present; provided that prior to consideration and vote by the Authority, any proposed revisions to the Bylaws may be reviewed and commented on by the Board of Directors and shall be provided in writing to all Authority Board of Directors members at least two weeks prior to action on the amendments.

DRAFT

DENTON COUNTY TRANSPORTATION

AUTHORITY AMENDED AND RESTATED BYLAWS

Commented [SFE1]: Because this is not being accomplished by a separate amendment, but instead requires restating the Bylaws in their entirety, I believe "Amended and Restated" should be in the title.

DRAFT

Adopted January 3, 2002
(rev. February 13, 2004, October 26, 2006, September 27, 2007, December 17, 2009, November 17, 2011, April 25, 2013, September 26, 2013, February 16, 2016, ~~and~~ September 22, 2016; amended and restated eff May 20, 2019)

Commented [SFE2]: Effective date of SB 1066.

DENTON COUNTY TRANSPORTATION AUTHORITY AMENDED AND RESTATED BYLAWS,

ARTICLE I NAME

Section 1. Name. The name of the authority shall be the Denton County Transportation Authority ("Authority").

Commented [SFE3]: "DCTA" is used several times in the existing Bylaws, but never defined. We've substituted "Authority" as per this definition.

Section 2. Authorization and Effective Date. These Bylaws are adopted pursuant to authority granted in Section 460.204(c)(2) of the Texas Transportation Code ("Code"). In the event of any conflict between these Bylaws and the Code or other applicable laws of the State of Texas, such laws shall be controlling. In the event any provision of these Bylaws shall be determined to be invalid, the provision will be deemed revised in a manner as both renders it valid and effectuates its purposes as fully as possible, and the remainder of these Bylaws shall nevertheless remain in force and effect as written. The effective date of these Bylaws is May 20, 2019.

Commented [SFE4]: You may want a provision that reforms an invalid provision to make it valid AND accomplishes its purposes as closely as possible, instead of simply having it dropped from the Bylaws.

Section 3. Definitions.

(a) Alternate ~~Member~~: ~~Alternate Board Member shall mean a~~ person appointed pursuant to Article III, Section[s] 2(b) [and (c)] hereof to serve in the absence of the regular appointed Board ~~in~~ Member of the Board of Directors representing such city. [Section 460.206].

Commented [SFE5]: The definitions are not presented in parallel fashion in the current Bylaws. Some repeat the defined term and some don't. We've adopted the latter approach for concision and consistency.

(b) Board: The Board of Directors of the Authority.

Commented [SFE6]: There is an open issue whether the Nonvoting Members are intended to have Alternates. See Article III, Section 2(c) discussion.

~~(b)(c)~~ Board Member: ~~Board Member means and includes appointed A or elected~~ members of the Board of Directors, as well as an Alternate Member only when board members serving in the absence of the regular appointed board members of the Board.

Commented [SFE7]: Reference to "such city" should be deleted. Section 6 of SB 1066 can be read to say that a non-city-appointed Board member can have an alternate, and not simply the ones appointed by cities.

~~(e)(d)~~ Capital Asset: Land, a fixture attached to land, or an item of personal property that meets all of the following criteria: (i) the cost of acquisition or the cost of improvement of such property exceeds \$5,000; (ii) the expected useful life of the property when acquired is more than one year or the extension of the useful life of the property as a result of the improvement is more than one year; (iii) the property retains its original shape and appearance with use; and (iv) the property is nonexpendable (meaning that if the property is damaged or some of its constituent parts are lost or worn out, it is usually more economical to repair the property than to replace it with an entirely new unit).

Commented [SFE8]: Many provisions in the Bylaws are followed by the pertinent statutory citation, which is very helpful. Other provisions lack that. We've tried to make it consistent whenever a Bylaws provision tracks a statutory one.

Commented [SFE9]: The current Bylaws uses both "Board" and "Board of Directors." It would both shorten the Bylaws and make them more consistent to use just "Board" in all instances.

Commented [SFE10]: All Board members are "appointed," and not "elected," so we've deleted "elected" here.

(e) Capital Expenditure: An expenditure made to acquire or improve one or more Capital Assets ~~and includes the acquisition and/or improvement of real property.~~

Commented [SFE11]: This language ("includes the acquisition of ... real property") is unnecessary since "Land" is defined as a "Capital Asset" in the immediately preceding paragraph.

Commented [SFE12]: Making any "improvement" of real property a "Capital Asset" is not consistent with the definition of "Capital Asset" which requires that the improvement cost more than \$5,000, etc. To ensure consistency, I've simply allowed the preceding definition of "Capital Asset" to control.

(f) Commissioners Court Appointed Member. One of the two Board Members appointed by the Denton County Commissioners Court who must reside in:

(i) an unincorporated area of Denton County; or

(ii) a municipality in the territory of the Authority that is neither a Founding Municipality nor a Financial Participating Municipality and thus not authorized to appoint a voting Board Member. [Section 460.253(2)].

~~(d)(g)~~ Executive Committee:- Executive Committee shall mean: The committee that may be appointed by the ~~DCTA Authority's~~ Chair consisting of the ~~Directors Board Members~~ as set forth in Article III, Section 9-(c) hereof.

(h) Financial Participating Member Municipality:- A Financial Participating Member shall mean a municipality whose governing body is authorized by the Board to appoint one Board Member because that municipality:

(i) designated a public transportation financing area for the benefit of the Authority under Subchapter I, Chapter 460 of the Code, and entered into an agreement with the Authority under Section 460.602 of the Code approved by a Major Decision Approval Vote; or

(ii) that has imposed the transit Authority's sales and use tax levy at the rate of one-half of one percent authorized by Chapter 460 of the Transportation Code or which has contracted with DCTA for financial participation through tax increment payments as provided by Subchapter I, Chapter 460 of the Transportation Code, and which is entitled to have a Director on the DCTA Board of Directors; and-

the authorization to appoint one Board Member was approved by a Major Decision Approval Vote. [Section 460.254].

(i) Founding Municipality: Any of the municipalities of Denton, Highland Village, or Lewisville, each of which being a municipality in which an election was held before December 31, 2003, authorizing the Authority's sales and use tax levy. [Section 460.251(2)].

(j) Major Decision Approval Vote: The affirmative vote of at least three-fifths of the all Board Members appointed by the Founding Municipalities and the Financial Participating Municipalities, and at least one Commissioners Court Appointed Member regarding any of the matters set forth in Article III, Section 10(b) hereof. [Sections 460.205(b), 460.254(a)(2), and 460.602(b)].

(k) Nonvoting Member: A Board Member appointed by a municipality whose governing body is authorized pursuant to a Major Decision Approval Vote by the Board and Article III, Section 2(c) hereof to appoint one Board Member because that municipality:

Commented [SFE13]: New from SB 1066.

Commented [SFE14]: The defined term in the current Bylaws is "Board Member," and "Director" does not appear to be defined.

Commented [SFE15]: Does a board the size of the DCTA Board need an "Executive Committee"? I've made its appointment strictly at the Chair's option (see Art. III, Sec. 9(c)). Chapter 460 does not appear to require one. There is an "interim executive committee," but it changes into the board of directors once an authority is confirmed. [Sec. 460.059(d)]. Other Ch. 460 references to simply "executive committee" are defined to refer to "board of directors." ["Sec. 460.004. REFERENCE. A reference in this chapter to the executive committee means the board of directors."]

Commented [SFE16]: Since "Member" – as in "Board Member," "Commissioners Court Appointed Member," Nonvoting Member," and "Alternate Member" – otherwise refers to a person and this term refers to a municipality, it seems more clear to use "Municipality," and thus be consistent with "Founding Municipality" which appears in SB 1066. Thus, the proposed new defined term is "Financial Participating Municipality."

Commented [SFE17]: The following language tracks new Section 460.254 added by SB 1066.

Commented [SFE18]: The "Code" is defined in Section 2 above, so "Transportation" is unneeded.

(i) is not otherwise authorized to appoint a Board Member; and

(ii) is located in the territory of the Authority. [Section 460.255].

Notwithstanding the foregoing, the following six (6) Nonvoting Members shall constitute the "Initial Nonvoting Members." Upon the effective date of these Bylaws, the then-currently serving members of the Board appointed by the municipalities of Corinth, Flower Mound, Frisco, Little Elm, and The Colony, each of which being a municipality with a population of 17,000 or more that satisfies subsections 3(k)(i) and (ii) above, shall each assume the position of Nonvoting Member. Additionally, the Denton County Commissioners Court shall as soon as practicable after the effective date designate one (1) then-currently serving member of the Board appointed by a municipality with a population of more than 500 but less than 17,000 that satisfies subsections 3(k)(i) and (ii) above to serve as a Nonvoting Member.

(e)(1) Territory of the Authority: All territory within the boundaries of Denton County, Texas, being the county for which this coordinated county transportation authority was created under Chapter 460 of the Code. [Sections 460.002 and 460.051].

ARTICLE II OFFICES

Section 1. Principal Office. The principal office of the Authority shall be in Denton County, Texas.

Section 2. Additional Offices. The Authority also may have offices at such other places as the Authority from time to time may determine or as the activities of Authority may require.

ARTICLE III ~~BOARD OF DIRECTORS~~

Section 1. General Powers. The responsibility for the management, operation, and control of the Authority and its properties is vested in the Board ~~of Directors~~. [Section 460.401].

Section 2. Number and Composition; Alternate Members.

~~(a)~~ — The Board ~~of Directors~~ is composed of:

~~(b)(a)~~

- (i) One member appointed by the governing body of each Founding Municipality ~~municipality with a population of 17,000 or more that is located in the county;~~

Commented [SFE19]: This paragraph memorializes the provisions in the transition portion of SB 1066 that automatically convert the Board Members appointed by non-Founding Municipalities with a population of 17,000 or more to Nonvoting Members, and that authorize the Denton County Commissioners Court to appoint 1 Nonvoting Member from the Board Members representing the Non-Founding Municipalities with a population between 500 to 17,000. These Nonvoting Members have been defined as the "Initial Nonvoting Members."

Commented [SFE20]: "Territory of the Authority" is used throughout the Bylaws, and we felt it should be defined.

Commented [SFE21]: I think "The" should be added here.

Commented [SFE22]: Comma.

~~(ii) — Two Commissioners Court Appointed Members Three members appointed by the Commissioner's Court of Denton County, two of whom must reside in the unincorporated area of the county; and~~

~~(iii)(ii) Three members to be designated by the remaining municipalities with a population of more than 500 but less than 17,000 located in the Denton County. These three members will be selected according to provisions of the Code. [Section 460.054(b)].~~

Commented [SFE23]: Section 460.054, which contained these now-deleted provisions, was made inapplicable to DCTA per SB 1066.

~~(i) — One member appointed by the governing body of each Financial Participating Municipality municipality in the county with a population of more than 500 but less than 17,000 that:~~

~~(iv) — designates a public transportation financing area under Section 460.603;~~

~~(v) — enters into an agreement with the Authority to provide public transportation services in the public financing area under Subchapter I, Chapter 460; and~~

~~(iii) — did not approve the designation of any member designated under Section 2 (c) above;~~

Commented [SFE24]: I don't think there is any reason to repeat the entire definition of "Financial Participating Municipality," but instead just use the defined term from Article I, Section 3.

~~(iv) — Any Nonvoting Member; and~~

~~Any Alternate Member, but only when serving in place of a regular appointed Board Member described under subsections (a)(i) - (iv) above. [Section 460.253].~~

~~(v) —~~

~~(b) — Member appointed by the governing body of a municipality that was entitled to appoint a member under Section 460.054 (b)(1) of the Code before the effective date of an increase in the population threshold. (Section 460.2015) The Board of Directors may increase the population threshold amounts stated in Section 460.054(b)(1) in increments up to 5,000 each year. A municipality that appointed a member to the Board of Directors according to the provisions of Section 460.054(b)(1) of the Code prior to any increase in population threshold is grandfathered and may continue to appoint a member to the Board of Directors. Appointing entities may appoint a member to the Board of Directors and Each of the entities appointing the voting Board Members described under subsections (a)(i) – (iii) above may also provide for the appointment of appoint one Alternate Member to serve only in the absence of the regular appointed Board Member. Except when serving in place of the regular appointed Board Member described under subsections (a)(i) – (iii), a An Alternate Member may attend Board and committee meetings (including closed or executive sessions), but shall not (i) be counted for purposes of determining a quorum, (ii) vote on any matter before the Board or committee, or (iii) participate in any discussion of matters before the Board or a committee, or (iv) otherwise be considered a Board Member for any purpose except when serving in place of the regular Board of Directors member~~

Commented [SFE25]: These provisions drawn from Transportation Code Sections 460.054 and 460.2015 are made inapplicable to DCTA as per SB 1066.

Commented [SFE26]: Here's one of the instances in which just "Board," instead of "Board of Directors," is used in the current draft of Bylaws; we've made "Board" consistent throughout.

~~[Section 460.054(b)(1)].~~ Appointing entities shall notify the Authority in writing of the appointment, reappointment, resignation, or removal of an Alternate Member. ~~[Section 460.206].~~

Commented [SFE27]: Section 460.054, referenced here, was made inapplicable to DCTA per SB 1066.

- (c) ~~A Nonvoting Member may attend Board and committee meetings (but not closed or executive sessions) and may participate in any discussion of matters at any such meeting, but shall not (i) be counted for purposes of determining a quorum or (ii) vote on any matter before the Board or committee. Each entity appointing a Nonvoting Member may also appoint one Alternate Member to serve only in the absence of the regular appointed Nonvoting Member. An Alternate Member may attend Board and committee meetings (but not closed or executive sessions), but, except when serving in place of the regular appointed Nonvoting Member, shall not (i) participate in any discussion of matters before the Board or a committee or (ii) otherwise be considered a Board Member for any purpose. Upon the expiration of the term of office of a Nonvoting Member (including an Initial Nonvoting Member), the Board may upon a Major Decision Approval Vote elect to reauthorize the applicable municipality to appoint a Nonvoting Member, and the failure to do so will cause the applicable Nonvoting Member seat on the Board to terminate and the size of the Board to be reduced accordingly. In determining whether to authorize or reauthorize the appointment of a Nonvoting Member, the Board may consider the financial and other contributions made to the Authority and its public transportation system by the applicable municipality and its citizens, the equitable allocation of representation on the Board among municipalities throughout the territory of the Authority providing such contributions, and other information and issues it deems relevant. At no time shall the Board have [less than/more than] [three/six] Nonvoting Members. [Section 460.255].~~

Commented [SFE28]: Here's an instance in which just "Board" is used in the current draft of Bylaws; we've made "Board" consistent throughout.

Commented [SFE29]: Do you want the Nonvoting Members to have "Alternate Members"? The fact they don't vote argues that having Alternate Members is unnecessary. On the other hand, the transition provisions of SB 1066 appear to provide for the continuation of any then-serving "Alternate Member" for those formerly voting Board Members that were converted to Nonvoting Members. Thus, the current Nonvoting Members can and may have Alternate Members now.

Commented [SFE30]: I've provided that, unless there's a "Major Decision Approval Vote" to reauthorize it, a Nonvoting Member seat expires and is dropped from the Board after the appointee's two-year term. This may not be the desired approach.

This does not affect the "Initial Nonvoting Members" serving out the remainder of their terms.

Commented [SFE31]: Section 460.255(c) codified by SB 1066 provides that the Board "shall adopt rules and bylaws governing the appointment, number, authority, and duties of nonvoting members..." You may want to state a minimum or maximum number of Nonvoting Members.

Section 3. Eligibility.

- (a) To be eligible for appointment to the Board ~~of Directors~~, a person must: (i) have professional experience in the field of transportation, business, government, engineering, or law; and (ii) reside: (A) ~~within~~ the territory of the Authority; or (B) outside the territory of the ~~A~~ authority in a municipality that is located partly in the territory of the Authority. [Section 460.202].
- (b) ~~The death or resignation of a Board Member, or Three consecutive unexcused absences of a Director Board Member at a noticed Board of Directors meetings or the death, resignation or inability to serve shall and notice to the appointing entity, will cause the removal of that Board Member and create a vacancy on the Board. [Section 460.206].~~
- (c) ~~A Board Member may be removed from the Board by the entity that appointed that Board Member upon the Board Member's (i) inability to serve, (ii) failure to possess at the time of appointment or to thereafter maintain the eligibility qualifications required by these Bylaws, the Code, or other applicable law, or (iii)~~

Commented [SFE32]: I'm concerned about saying there is a vacancy without saying the Board Member is removed. Otherwise it sounds like an additional, vacant seat is created.

Commented [SFE33]: Ineligibility needs to be grounds for removal.

for other cause as permitted by law, such removal to be effective upon the Authority receiving notice of removal from the appointing entity.

Commented [SFE34]: Other “cause” should be mentioned to prevent the misunderstanding that this is an exclusive list.

(d) If the Executive Director of the Authority knows that a potential ground for removal of a Board Member exists, the Executive Director shall notify the Chair; the Chair then shall notify the entity that appointed that Board Member.

Commented [SFE35]: Added strictly for discussion purposes. Do the appointing cities/county want this notice?

(e) A Board Member may resign at any time upon giving written notice to the Authority and the entity that appointed that Board Member.

Commented [SFE36]: I recommend a mechanism for resignation that requires notice to DCTA.

(f) An elected officer of a political subdivision of this state who is not prohibited by the Texas Constitution from serving on the Board is eligible, as an additional duty of office, to serve on the Board, but is not entitled to receive compensation for that service other than reimbursement for reasonable expenses incurred in performing that Board Member’s duties. [Section 460.256].

Commented [SFE37]: Added by SB 1066.

Section 4. Vacancy. A vacancy on the Board of Directors is filled in the same manner as the original appointment to the Board of Directors. [Section 460.201(c)]. A Board Member appointed to a vacant position shall be appointed for the unexpired term of the Board Member’s predecessor in that position.

Section 5. Terms. The term of office for a member of the Board of Directors is two years. [Section 460.201(a)] A vacancy on the Board of Directors is filled in the same manner as the original appointment to the Board of Directors to fill the unexpired portion of such term of office, except as provided by Section 460.2015 of the Code for grandfathered municipalities. By a Major Decision Approval Vote, the Board may set staggered terms for Board Members so the terms of one-half of the Board Members (or as close to one-half as possible) expire in alternate years. [Section 406.206].

Commented [SFE38]: The deleted language – “A vacancy on the Board of Directors is filled in the same manner as the original appointment to the Board of Directors” – repeats the opening sentence of the preceding section.

Commented [SFE39]: Section 460.2015 made inapplicable to DCTA per SB 1066.

Commented [SFE40]: Section 460.206 authorizes the Board to generate rules to stagger terms, thus we’ve added that ability to the Bylaws upon a Major Decision Approval Vote.

Commented [SFE41]: Section 460.055(c) cited in the current Bylaws seems limited to the composition of the “Interim Executive Committee” while the provision generally applicable to the “board of directors” is Section 460.204(a).

Commented [SFE42]: Section 460.204(b) authorizes only the Chair to call special meetings; the Vice-Chair appears to lack that statutory authority. I’ve provided that any two Board Members may do so

Section 6. Meetings. The Board of Directors shall hold at least one regular meeting each month. [Section 460.055204(ae)]. Special meetings of the Authority Board may be called by the Chair or Vice Chair as necessary. [Section 460.204(b)]. In addition, special meetings may be called, upon proper notice, at any time at the request of any two voting Board Members. Special meetings shall be held at such time and place as is specified by the Chair, if the Chair calls the meeting, or by the two voting Board Members, if they call the meeting. The Chair shall set the agendas for meetings of the Board, except that the agendas of meetings called by two voting Board Members shall be set by those Board Members. The Chair shall place on the agenda for a meeting of the Board or a committee any item requested by at least two voting Board Members; the item shall appear in the form submitted to the Chair and, subject to compliance with notice and posting requirements, on the meeting agenda specified by such Board Members.

Commented [SFE43]: Other governmental clients have had us place provisions like this in their Bylaws to protect against a Chair blocking a discussion or action from being considered by the Board even when other Directors support doing so.

Commented [SFE44]: I’ve made it clear that a majority of the voting Board Members constitutes a quorum.

Section 7. Quorum. A majority of the voting Board Members described under Article III, Section 2(a)(i), (ii), and (iii) hereof Five members constitutes a quorum for purpose of conducting business. [Section 460.205(a)]. No vacancy in the membership of the Board will impair the right of a quorum to exercise all of the rights and to perform all of the duties of the Board. Therefore, if a vacancy occurs, a majority of the voting Board Members then serving in office will constitute a quorum.

Commented [SFE45]: The language in the current Bylaws – “five members” makes a quorum – was based on Section 460.205, which was made inapplicable to DCTA by SB 1066.

Section 8. ~~Notice~~Open Meetings Act. All meetings of the Authority and its committees shall be in compliance with Chapter 551 of the Texas Government Code (-Open Meetings Act). Pursuant to Section 551.128(b-1)(2) of the Open Meetings Act, an archived copy of the video and audio recording of each regular meeting shall be made available to the public on the Authority's website. [Section 460.102(a)(1)].

Commented [SFE46]: I wonder if "Notice" is the optimal title for this section.

Commented [SFE47]: This requirement applies specifically to a Chapter 460 transit authority, and so I suggest it be placed here. It is not applicable to committee meetings, so they are not mentioned.

Section 9. Committees

- (a) The Chair of the Board may appoint such committees as from time to time may be deemed necessary and appropriate. ~~The A~~ committee shall not have any power or authority to bind or act on behalf of the ~~Denton County Transportation~~ Authority. The Chair will designate the chair of each committee, which will be comprised of at least three Board ~~of Directors~~ members, and will serve as an ex officio member of each committee.
- (b) The committee shall report its discussions ~~or and~~ recommendations, from any subsequent to its meeting, at the next Board ~~of Directors~~ meeting. [Section 460.401].
- (c) The ~~Chair, at the Chair's sole option, may appoint an~~ Executive Committee ~~shall~~ consisting of the ~~four (4) officers of the Board of Directors described in Article IV hereof, and the Chair may appoint one additional eligible Director of the Board Member of Directors to the Executive Committee. Notwithstanding the foregoing,~~ a No Board Member ~~of the Board of Directors, who is an employee of the governmental unit entity that appointing appointed such a~~ that person to the Board ~~of Directors, may serve on the Executive Committee.~~

Commented [SFE48]: Use the defined term, "Authority," and not DCTA's full name.

Commented [SFE49]: Again, do you want to retain an "Executive Committee." I've made it strictly at the Chair's option.

Commented [SFE50]: Or "three (3)" depending on whether you wish to keep the "Treasurer" office.

Commented [SFE51]: The existing draft typically spells out numbers and then does not include Arabic numerals in parentheses.

Commented [SFE52]: I'm not sure what "eligible" means or adds here.

Commented [SFE53]: I don't see why "Notwithstanding the foregoing" is used here.

Commented [SFE54]: "Governmental unit" is not used anywhere else in the Bylaws in this context; "entity" is used elsewhere, so I've inserted it here.

Commented [SFE55]: Does the Board wish to retain this prohibition against employees serving on the Executive Committee?

Commented [SFE56]: Section 460.205 was made inapplicable to DCTA by SB 1066. Substitute authorization is provided under new Section 460.258.

Section 10. Voting.

- (a) An action of the Board ~~of Directors~~ requires an affirmative vote of a majority of the ~~Directors~~ Board Members, ~~but not less than five (5) Directors~~ present and voting, except for a vote pursuant to ~~paragraph subsection~~ (b) of this section. [Section 460.205 ~~(b)(8)~~].
- (b) A Major Decision Approval Voten ~~affirmative vote of the majority of the entire Board of Directors, including two thirds (2/3) vote of Directors representing Financial Participating Members~~ is required for:
 - (1) a ~~e~~Capital ~~E~~xpenditure;
 - (2) an operating or maintenance expenditure for a ~~C~~eapital ~~A~~sset;
 - (3) the approval of the Annual Budget or any amendment to the Annual Budget (as described in Article V, Section 2);
 - (2)(4) any debt issuance or other incurrence of indebtedness not in the ordinary course of operations;
 - (3)(5) a material change of the service plan;
 - (4)(6) an amendment of these Bylaws;

Commented [SFE57]: Should be capped to indicate the defined term is intended.

Commented [SFE58]: Ditto.

Commented [SFE59]: "These Bylaws" is how this document is described in almost every other instance.

~~(5)(7)~~ the approval of a comprehensive development agreement (commonly called a “CDA”) or similar financial contractual obligation for a purpose not an express commitment of the DCTA’s Service Plan;

Commented [SFE60]: In the current Bylaws, this looks like a defined term, but “CDA” never appears again. If you wish to retain it, identify “CDA” as a common abbreviation for that type of transaction. Alternatively, delete the parenthetical.

~~(6)(8)~~ the approval of a contract or other agreement between the Authority DCTA and a municipality, or other governmental authority, or a private entity that is not a member of located within the A-train Corridor for participation in DCTA the Authority for the Authority’s provision of transportation services; or

Commented [SFE61]: “Service plan” is not defined in these Bylaws and not capped in subsection (3) above or in Chap 460, so likely shouldn’t be capped here.

(9) the formation of a local government corporation, contracting with, joining or becoming a member or owner of a local government corporation;

Commented [SFE62]: Not defined, so likely should not be capped.

(10) the approval of an agreement for the Authority to provide public transportation services under Section 460.602 of the Code;

Commented [SFE63]: I’ve expanded this beyond the single referenced corridor.

(11) the authorization of the appointment of a Board Member by a Financial Participating Municipality under Article I, Section 3(h) hereof;

(12) the authorization to appoint a Nonvoting Member under Article I, Section 3(k) and Article III, Section 2(c) hereof; or

~~(7)~~ the setting of staggered terms for Board Members under Article III, Section 5 hereof.

~~(8)(13)~~

~~Alternate Members. An alternate Board Member may only serve in the absence of the regular board member. An alternate Board Member may vote in place of the regular Board Member when the regular Board Member is absent.~~

Commented [SFE64]: This topic is already addressed in Article III, Section 2(b). Further, the reference to “vote” is no longer correct because Nonvoting Members can select Alternates under this draft (subject to change).

Section 11. Procedure of Meetings. Notice of all meetings and hearings of Authority shall be given, and such meetings and hearings shall be held and conducted in accordance with the following order: applicable law, these Bylaws, the Board of Directors Rules of Procedure, and the latest edition of Robert’s Rules of Order, newly revised, in descending order of priority. To the extent not in of any conflict, the terms of the higher-priority document shall control. The General Counsel of the Authority shall serve as parliamentarian to the Authority.

Commented [SFE65]: Add comma.

Commented [SFE66]: “Following order” seemed unclear, so “in descending order of priority” is substituted after the list.

Section 12. Conflicts of Interest. Board Members of the Board of Directors and officers are subject to Chapter 171 Local Government Code, [Section 460.203]. A Board Member shall not (a) accept, agree to accept, or solicit any gift, favor, service, or other benefit that might reasonably tend to influence that Board Member in making decisions on behalf of the Authority or that the Board Member knows or should have known is being offered with the intent to influence the Board Member’s decision-making; or (b) accept, agree to accept, or solicit other compensation that could reasonably be expected to impair the Board Member’s independence of judgment in the making of decisions on behalf of the Authority. Board Members shall familiarize themselves and comply with all applicable laws regarding conflicts of interest, including any conflict of interest policy adopted by the Board.

Commented [SFE67]: While the reference to “and officers” tracks the pertinent provision of Chapter 460, its inclusion here creates the impression that “officers” can be in addition to individuals who are “Board Members.” That may be misleading because an “officer” must be a “Board Member.”

Section 13. Population Changes.

Commented [SFE68]: This is relatively standard “conflicts of interest” language that summarizes the legal restrictions on local elected officials. I’ve inserted it in bylaws for other governmental entities. It is added solely for your consideration.

Commented [SFE69]: This language was drawn from Section 460.054, which was made inapplicable to DCTA per SB 1066.

~~At least annually but before any vote authorizing confirmation of the Authority or imposition of a sales and use tax, the Authority shall determine if any municipality located in the county that has not appointed a member to the Board of Directors as provided by Section 460.054(b)(1) of the Code, has grown to a population of 17,000 or more.~~

~~A determination of population growth to 17,000 or more will be documented by "Annual Population Estimates" for municipalities located in Denton County published by North Central Texas Council of Governments. The population of the municipality submitted to the Authority for approval may be challenged by a member of the Board of Directors.~~

~~The Board of Directors may certify: (i) that a municipality has a current population of 17,000 or more; and (ii) does not have a member appointed to the governing body as provided by Section 460.054(b)(1). Subsequent to the certification vote, a municipality so certified may forthwith appoint one member to the Board of Directors as provided by the Code.~~

ARTICLE IV OFFICERS

Section 1. Election. The Board ~~of Directors~~ shall elect ~~four (4) Board of its Members~~ to serve as the Chair, Vice-Chair, Treasurer, and Secretary. [Section 460.055(a)]. The Chair ~~or Vice Chair~~ shall be a ~~Director~~ ~~Board Member representing~~ ~~appointed by a Financial Participating Founding Member Municipality.~~

Section 2. Chair. The Chair shall preside at all regular and special meetings of the Authority.

Section 3. Vice-Chair. The Vice-Chair shall preside at any meeting of the Authority ~~at~~ ~~on~~ the request of the Chair, or at which the ~~Authority Chair~~ is absent.

Section 4. Treasurer. The Treasurer shall work with the Chief Financial Officer in preparing the ~~Annual Budget~~ and supervising the annual audit.

Section 5. Secretary. The Secretary shall review the minutes of all Board proceedings, make any necessary revisions, and attest to the accuracy of the minutes.

Section 6. Term. ~~The officers of the Authority shall be elected from among the members of the Board of Directors and shall hold office for one (1) year. The~~ term of office for each officer shall be for a period of one year and shall run from January 1 through and including December 31 ~~of the calendar year.~~

Commented [SFE70]: It is possible to eliminate the "Treasurer" position and have only 3 officers. Only Chair, Vice-Chair, and Secretary appear required under Chapter 460.

Commented [SFE71]: Another instance in the current Bylaws in which "Director" is used, instead of the defined term, "Board Member."

Commented [SFE72]: I have provided that the Chair is appointed by a Founding Municipality, and there is no restriction on the appointment of the Vice-Chair.

Commented [SFE73]: "Authority" is unnecessary.

Commented [SFE74]: Since the "Annual Budget" is referenced later in Article V, Section 2, I presume that's the "budget" referenced here.

Commented [SFE75]: Again, it is possible to eliminate this office.

Commented [SFE76]: This sentence is redundant with the first sentence of Section 1 above (regarding officers being elected from Board Members) and with the second sentence of this section (regarding 1-year term).

Commented [SFE77]: Is "calendar year" needed here?

ARTICLE V BUDGET AND FINANCE

Section 1. Fiscal Year. The Fiscal Year of the Authority shall end on September 30 of each year.

Section 2. Annual Budget. The Authority shall prepare an Annual Budget. [Section 460.403].

Section 3. Audit. The Authority shall have an annual audit of the affairs of the Authority prepared by an independent certified public accountant. Any deficiencies noted in the audit report shall be addressed at a regular meeting of the Authority and addressed on the record. [Section 460.402].

ARTICLE VI RULES, POLICIES AND PROCEDURES

~~The Board of Directors is responsible for the management, operation, and control of the authority and its properties. [Section 460.401].~~

Commented [SFE78]: This Article is substantially identical to Article III, Section 1, of the current Bylaws.

ARTICLE VII INDEMNIFICATION

The ~~Denton County Transportation~~ Authority shall indemnify any current or past Board Member of the Board of Directors involved in any litigation or threatened litigation, including any civil, criminal, or administrative action, claim, investigation, suit, or other proceeding, for reason of such Board Member's alleged negligence or misconduct in the performance of his or her duties as a Board of Directors Member, to the extent funds are lawfully available and subject to any other limitations that exist by law, against liability, and reasonable expenses, including attorneys' fees, actually and necessarily incurred, except where it is adjudged that such Board of Directors Member acted with gross negligence or willful misconduct in the performance of their his or her duties. The Board shall approve the Authority's payment of expenses incurred in defending a proceeding in advance of its final adjudication or other disposition if the Board (a) determines that the proceeding involves an action taken within the Board Member's scope of authority acting in the performance of his or her duties to the Authority, and (b) believes, in good faith, such payment serves the public interest. The Board shall require any Board Member receiving such pre-adjudication payments to reimburse the Authority if upon final adjudication of the proceeding the Board Member is determined not entitled to indemnification. The right of indemnification provided by these Bylaws shall not be deemed exclusive of any right to which any current or past Board Member may be entitled as a matter of law, and shall extend and apply to the estates of deceased Board Members.

Commented [SFE79]: I suggest using the defined term.

Commented [SFE80]: "Past" should be added here to allow indemnification of a former Board Member made subject to a claim after his/her tenure on the Board.

Commented [SFE81]: See later Comment re: "claim, investigation." Indemnification should not be denied simply because no formal litigation has commenced.

Commented [SFE82]: Comma.

Commented [SFE83]: Many proceedings began (and often end) with merely a "claim" or "investigation." The Bylaws should specify that indemnification is not withheld unless and until a formal proceeding begins. The financial burden on a volunteer serving on this Board defending himself/herself during an investigation could be profound.

Commented [SFE84]: "Board Member" is the defined term, and not "Director."

Commented [SFE85]: The indemnification provision in the current Bylaws does not explicitly authorize indemnification prior to a final disposition, dismissal, etc. of the proceeding. In fact, the "except where it is adjudged that such Board Member acted with gross negligence or willful misconduct" might imply that indemnification must await that adjudication. Two problems. Many investigations are never formally terminated or concluded, so there is no final adjudication. Second, proceedings can extend for years, during which the volunteer Director must pay with his/her own funds attorneys' and other fees (and perhaps sell investments or borrow to do so). The insert explicitly authorizes pre-adjudication indemnification if the two tests under Texas law are satisfied.

Commented [SFE86]: A court could order indemnification if for some reason the Board voted to withhold it.

ARTICLE VIII AMENDMENT TO BYLAWS

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, pursuant to Article III, ~~Section§~~ 10(b) hereof by Major Decision Approval Vote at any regular, properly posted meeting of the Authority, or any properly posted special meeting of the Authority, at which a quorum is present; provided that prior to consideration and vote by the Authority, any proposed revisions to the Bylaws may be reviewed and commented on by ~~the all~~ Board ~~Members of~~ Directors and shall be provided in writing to all ~~Authority Board of Directors m~~Members at least two weeks prior to action on ~~the any~~ amendments.

Commented [SFE87]: The section symbol is not used elsewhere.

DRAFT

Board of Directors Memo

August 22, 2019

SUBJECT: Consider Resolution R19-10 adopting DCTA's Board Governance Rules of Procedure.

Background

The DCTA Board of Directors held a Board Governance Workshop on August 14, 2019 to discuss revising the Rules of Procedure related to the conduct of Board meetings and other associated matters, including rules of decorum, conflicts of interest, code of ethics, and overviews of Board Member and staff roles. If approved, Resolution R19-10 (Exhibit 1) would adopt the Board Governance Rules of Procedure as revised from the August 14 workshop discussions. Exhibit 1 also includes a copy of the Board Governance Rules of Procedure.

Identified Need

As a result of the passage of SB 1066, the Board of Directors has been reconstituted under Chapter 460 of the Texas Transportation Code, and as such requires updated Board governance policies and procedures. The current DCTA Rules of Procedure document was approved in May 2007 and last updated in April 2012.

Financial Impact

There is no financial impact to the budget.

Recommendation

Staff recommends Board approval of Resolution R19-10.

Exhibits

Exhibit 1 – Resolution R19-10 and Proposed Board Governance Rules of Procedure

Submitted By:



Kristina Holcomb, Deputy CEO

Approval:



Raymond Suarez, CEO

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. R19-10**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY ADOPTING DCTA'S BOARD GOVERNANCE RULES OF PROCEDURE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, as a result of the passage of Senate Bill 1066, the Board of Directors has been reconstituted under Chapter 460 of the Texas Transportation Code, and as such, requires updated Board governance policies and procedures; and

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

SECTION 1. The Board of Directors of the Denton County Transportation Authority hereby adopts the Board Governance Rules of Procedure attached hereto as Exhibit "A".

SECTION 2. 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 22ND DAY OF AUGUST 2019.

APPROVED:

Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

Peter G. Smith, General Counsel
(PGS:8-14-19:TM 110080)

**DCTA Board Governance Rules of Procedure
(to be attached)**

Denton County Transportation Authority
Board Governance Rules of Procedure
Draft 08.14.2019 w/Workshop Edits

TABLE OF CONTENTS

1. Overview
2. Board Members Description
 - a. Voting Member Purpose
 - b. Alternate Member Purpose
 - c. Non-Voting Member Purpose
 - d. Terms
 - e. Attendance
 - f. Obligations
 - g. Specific Duties
3. Chairperson Description
4. Chief Executive Officer and Staff Description
 - a. Chief Executive Officer
 - b. Executive Administrator
 - c. Legal Counsel
5. Conflict of Interest and Code of Ethics
6. General Rules of Procedure
 - a. Public Meetings
 - b. Quorum
 - c. Attendance
 - d. Misconduct
 - e. Board Meeting Scheduling
 - f. Board Workshop Scheduling
 - g. Meeting Minutes
 - h. Meeting Agendas
 - i. Rules of Order
 - j. Seating Arrangement
7. Code of Conduct/Rules of Decorum
 - a. All Meeting Attendees
 - b. Board Members
 - c. Citizens
 - d. Enforcement of Decorum
8. New Member Orientation
9. Committee Structure
10. Annual Board Evaluation
11. Board Member Diversity

Denton County Transportation Authority
Board Governance Rules of Procedure
8.14.2019 Version W/Workshop Edits

1. Overview

The Denton County Transportation Authority (DCTA) Board of Directors is governed by Chapter 460 of the Texas Transportation Code and any bylaws developed and approved by the Board of Directors. The Board Governance Rules of Procedures herein are established to articulate the Board's role in providing strategic leadership, setting agency priorities, making policy and strategy decisions, providing legal and fiduciary oversight, overseeing and monitoring organizational performance, and ensuring overall accountability.

The Board Governance Rules of Procedure further identify the individual responsibilities of the Board Chairperson, Board Members and the Chief Executive Officer in order to distinguish board policymaking responsibilities from staff day-to-day operational management of the Agency.

2. DCTA Board Member Description

a. Voting Member Purpose:

- i. Serves the DCTA Board of Directors as a voting member
- ii. Develops policies to ensure efficient DCTA operations
- iii. Monitors the finances of DCTA, its policies, programs and performances
- iv. Represents the Board and agency while serving as a liaison between DCTA Board and entity of representation
- v. Appoints the North Texas Mobility Corporation (NTMC) Board of Directors

b. Alternate Voting Member Purpose:

- i. Serves as alternate to an assigned DCTA Board of Director as a voting member when the respective Board Member is unavailable
- ii. Stays engaged in DCTA initiatives to ensure informed decision-making when required to fill in for a voting member
- iii. May attend any and all meetings, provided he/she does not vote if the voting member is present
- iv. Represents the Board and agency while serving as a liaison between DCTA Board and entity of representation

c. Non-Voting Member Purpose:

- i. Serves in an advisory capacity providing a county-wide and regional perspective during board discussion
- ii. Provides input during the development of policies for the operation of DCTA
- iii. Represents the Board and agency while serving as a liaison between non-financially contributing cities and DCTA Board and staff

d. Term:

- i. As established in the Bylaws

e. Attendance:

- i.** Meeting attendance by the Board Member is assumed unless member informs the Executive Administrator that he/she will be missing a meeting and confirms appropriate arrangements have been made to ensure assigned alternate will attend
- ii.** If the alternate is unavailable to fill a Board member's seat for three (3) consecutive regular Board Meetings each year, a recommendation will be made to the appointing entity to appoint a new Board member and alternate
- iii.** Receives New Board Member Orientation Training
- iv.** Attends other periodic or special called meetings, including Board workshops

f. Board Obligations:

- i.** Establishes, implements and supports the Vision, Mission, and Values of DCTA
- ii.** Develops the agency's strategic direction and sets organizational priorities
- iii.** Monitors finances and ensures adequate funding through budget development process and approval
- iv.** Establishes service standards and policies
- v.** Reviews and approves service and fare changes
- vi.** Awards contracts according to Texas state law
- vii.** Hires, supervises, and evaluates the Chief Executive Officer's performance
- viii.** Appoints and evaluates Legal Counsel
- ix.** Committed to public transit and advocates for services that meet the needs of the community

g. Specific Duties:

- i.** Attends meetings and demonstrates commitment to Board activities
- ii.** Stays well informed of current issues and meeting agenda items prior to the meetings
- iii.** Participates in Board discussions and decision-making
- iv.** Contributes skills, knowledge and experience
- v.** Listens respectfully to other points of view and demonstrates willingness to reach a consensus for the good of the agency
- vi.** Represents DCTA to public and private sector stakeholders
- vii.** Stays informed of the transit needs of the community
- viii.** Cultivates and maintains relationships with the entity of representation and provides monthly reports regarding DCTA activity
- ix.** Coordinates and participates in annual agency update presentation regarding DCTA activity to the entity of representation with the support of DCTA leadership team
- x.** Assumes leadership roles in various Board activities, as needed

3. DCTA Board Chairperson Description

The DCTA Board Chairperson is elected by the Board of Directors as established in the Bylaws.

In addition to the Board Member Description, the DCTA Board Chairperson:

- a. Ensures effective action of the board through leadership, convenes board meetings and makes appropriate arrangements if not able to attend a meeting (designates Vice Chair to preside over meeting in his/her absence)
- b. Develops meeting agendas with the Chief Executive Officer
- c. Leads the annual board evaluation process and develops recommendations for improvements
- d. Establishes committees as needed and appoints committee chairs
- e. Actively supports the Chief Executive Officer;
- f. In coordination with the Board, leads the selection, evaluation, compensation recommendation and dismissal process of the Chief Executive Officer
- g. In the event of an emergency situation, the Chairperson is authorized to provide immediate direction to the Chief Executive Officer and will provide the Board notification of the situation within 24 hours
- h. Works in partnership with the Chief Executive Officer
- i. Acts as primary liaison to the Chief Executive Officer

Board-Related Staff Descriptions

a. Chief Executive Officer

- i. Responsible to the Board of Directors for the general administration of DCTA to achieve the mission, goals and values established by the Board
- ii. Plans, organizes, coordinates, and manages DCTA's programs and services compatible with the pertinent legislation and within the general parameters of the approved annual operating plan and budget
- iii. Develops and presents proposed annual budget based on Board's strategic priorities
- iv. Facilitates Board's strategic visioning process to identify organizational priorities
- v. Manages employee and contractor relationships
- vi. The Deputy Chief Executive Officer assists the Chief Executive Officer in the planning and coordination of DCTA's programs and services compatible with the pertinent legislation and within the general parameters of the approved annual operating plan and budget and serves in the absence of the Chief Executive Officer

b. Executive Administrator Description

- i. **Serves as the liaison between Board and DCTA staff**
- ii. Provides board-related administrative support to the Board of Directors in the form of correspondence, meeting reminders, obtaining information from staff or other board members and assisting new members with their board responsibilities
- iii. Responsible for tracking board member requests, board meeting minutes, attendance tracking and recording of meetings according to Texas State Law
- iv. Coordinates the scheduling and any travel needs for all board-related external meetings, events and conferences

c. Legal Counsel Description

- i. Appointed by and reports to the Board of Directors
- ii. Ensures Board and staff follow necessary procedures and are compliant with Chapter 460 of the Texas Transportation Code, the Texas Open Meetings Act, and other applicable Texas state laws
- iii. Provides legal advice to Board and staff regarding procurement, contractor performance, workforce issues, and other items as requested and allowable by law

Board of Directors Conflict of Interest Statement and Code of Ethics

Conflict of Interest Statement: **LEGAL REVIEW REQUESTED**

No board member shall use his or her position, or the knowledge gained there from, in such a manner that a conflict between the interest of the organization or any of its affiliates and his or her personal interest arises.

Each board member has a duty to place the interest of the organization foremost in any dealings with the organization and has a continuing responsibility to comply with the requirements of this policy.

The conduct of personal business between any board or committee member and the organization and any of its affiliates is prohibited.

Board or committee members may not obtain for themselves, their relatives, or their friends a material interest of any kind from their association with the organization.

If a board member has an interest in a proposed transaction with the organization in the form of any personal financial interest in the transaction or in any organization involved in the transaction, or holds a position as a trustee, director, or officer in any such organization, he or she must make full disclosure of such interest before any discussion or negotiation of such transaction.

Any board or committee member who is aware of a potential conflict of interest with respect to any matter coming before the board or committee shall not be present for any discussion of or vote in connection with the matter.

Code of Ethics: **LEGAL REVIEW REQUESTED**

No Board member shall, during such person's term as a Board member:

- a. Accept any gift from any person that might reasonably tend to influence such Board member in the discharge of such person's official duties;
- b. Occasional items with a value of less than \$50 may be exempted from this provision;
- c. Use the position of DCTA Board member to secure special privileges or benefits for such Board member or others;
- d. Grant any special consideration, treatment, or advantage to any person, business, organization or group beyond that which is normally available to every other person, business, organization or group;
- e. Disclose confidential information. For purposes of this Rule confidential information means attorney client privileged communications and any information to which a Board member has access in such person's official capacity including which may not be disclosed to the public except pursuant to state and/or federal law and which is not otherwise a matter of public record or public knowledge;

- f. Represent or appear in behalf of private interests of others before the DCTA Board or a committee of the DCTA, nor shall represent any private interests of others in any action or proceeding involving the DCTA, nor voluntarily participate on behalf of others in any litigation to which the DCTA is or might be an adverse party;
- g. Engage in any outside activities which will conflict with or will be incompatible with such person's official position or duties as a Board member;
- h. Use DCTA supplies, personnel, property, equipment or facilities (whether tangible or intangible) for any purpose other than the conduct of official DCTA business;
- i. Participate in a vote or decision on any matter in which the Board member has a substantial interest.

5) **General Rules of Procedure**

- a. Public Meetings:
 - i) All meetings, except posted closed meetings as permitted by the Texas Open Meetings Act, will be public and comply with provisions set forth in the Texas Open Meetings Act
- b. Quorum:
 - i) As established in the Bylaws.
- c. Attendance:
 - i) To ensure an accurate count for a quorum, the Board Member shall notify the DCTA Executive Administrator prior to the meeting for which he/she will be absent and confirm his/her alternate will attend the meeting.
 - ii) The Chief Executive Officer shall attend all meetings of the Board unless otherwise excused. The Deputy Chief Executive Officer, or other designee, shall attend all meetings on behalf of Chief Executive Officer if he/she is absent.
 - iii) Acting Legal Counsel shall attend all meetings of the Board unless otherwise excused.
 - iv) Executive Administrator shall attend all meetings of the Board unless otherwise excused. The Executive Administrator, or designee in his/her absence, shall keep official minutes.
- d. Misconduct:
 - i) The Board of Directors may censure any member of the Board if he/she is in violation of the conflict of interest statement or Code of Ethics as adopted by the Board.
- e. Board Meeting Scheduling:
 - i) The Board shall meet quarterly, at a minimum, as established in the Bylaws but will convene Regular Board Meetings on the fourth Thursday of the month at 1:30PM with exception of November and December, unless otherwise determined by the voting members of the Board.
 - ii) To accommodate holiday schedules, the Board will combine November and December meetings and convene at 9:00AM on the second Thursday of December.
- f. Board Workshop Scheduling:
 - i) **A full-day Board Visioning Workshop will be held annually. This workshop will typically be held within the first two months of the year.**
 - ii) A full-day Budget Workshop will be held annually as part of the budget preparation process. This workshop will typically be held the second week of June but may be adjusted to accommodate Board member schedules.
 - iii) The Board may hold additional subject-specific workshops as needed, to allow adequate time for addressing additional key agency issues.
- g. Meeting Minutes:
 - i) An account of all proceedings shall be officially recorded by the Executive Administrator or designee, which shall be approved by the Board of Directors at a future Board meeting.

- h. Meeting Agendas:**
 - i)** All meeting agendas shall be posted in compliance with the Texas Open Meetings Act.
 - ii)** All materials related to the posted Board of Directors agenda shall be provided to the Board Members at least three (3) full business days prior to the posted meeting date.
 - iii)** The Chief Executive Officer, in cooperation with the Board Chairperson, shall be responsible for setting the Board Agenda.
 - iv)** An item may be added to any Board or committee agenda, for the next scheduled meeting upon the request of a Board member. A request to add an item to a Board agenda must specifically state the subject of the item and indicate whether it is for discussion only, or if action is requested. The Chief Executive Officer shall be responsible for placing the item on the appropriate agenda.
 - v)** The Board Chair may impose reasonable time limits on agenda item presentations, Board member questions and speakers.
 - vi)** The Board Chair may rearrange the order of the agenda items or take agenda items out of order when deemed necessary
- i. Rules of Order:**
 - i)** Proceedings of the Board of Directors meetings shall be governed by Robert's Rules of Orders, unless otherwise governed herein, by the Bylaws, or by Chapter 460 of the Texas Transportation Code. Acting Legal Counsel shall act as the Board's parliamentarian.

7) Code of Conduct/Rules of Decorum

Board meetings bring together citizens of varied interests and ideas. To ensure fairness and orderly meetings, the Board has adopted rules of decorum which apply to all members of the Board, DCTA staff, news media, citizens, and visitors. Failure to observe these rules may result in such person being asked to leave a meeting of the Board or a committee room by DCTA Board Chair or committee Chair.

- a) All Meeting Attendees:**
 - i)** During Board and Committee meetings, Board Members shall preserve order and decorum, and shall not delay or interrupt the proceedings, nor refuse to observe the rules of the Board of Directors.
 - ii)** All persons should refrain from disruptive conversation during a meeting of the Board or a committee. Cell phones and personal devices shall be muted during meetings of the Board or a committee. Failure to comply may be cause for the Board Chair or committee Chair to ask the offender to leave the meeting.
- b) Board Members:**
 - i)** During Board and committee meetings, Board Members shall preserve order and decorum, and shall not delay or interrupt the proceedings, nor refuse to observe the rules of the Board of Directors.
 - ii)** Any person who disrupts a Board or committee meeting shall be requested by the Board Chair or committee Chair to leave the meeting and shall be lawfully removed from the room if such person fails to leave the room when so requested.
 - iii)** If a DCTA Board member is called to order, that Board member shall cease speaking immediately until the question of order is determined. If the Chair rules such Board member to be in order, the Board member shall be permitted to proceed. If Chair rules that such Board member is out of order, the Board member shall remain silent unless allowed by the Chair to make additional remarks.
 - iv)** A Board member who desires to speak shall address the Board Chair and, upon recognition by the Board Chair, confine discussion to the issue before the Board.
 - v)** A Board member shall avoid discussion of personalities, indecorous language, and shall refrain from personal attacks or verbal abuse.

- c) Citizens:
- i) Citizens and other visitors are welcome to attend all public meetings of the Board of Directors and will be admitted to the Board Conference room or other room in which the Board is meeting, up to the fire safety capacity of the room.
 - ii) All meeting attendees shall conduct themselves with propriety and decorum. Conversations between or among audience members should be conducted discretely outside the meeting room. Attendees will refrain from excessively loud private conversations while the Board is convened.
 - iii) Citizens may address the Board of Directors during the “public comment period” as listed on the posted agenda. The comment period shall not exceed three (3) minutes per person. If wishing to address the Board during the public comment period, the citizen shall fill out a comment card located at the entrance of the Board Conference room and provide card to the Executive Administrator when completed. All remarks shall remain respectful in nature. Any person making personal, impertinent, profane, or slanderous remarks or otherwise violates any of the rules herein while attending and/or addressing the Board of Directors shall be removed from the room at the direction of the presiding officer. If the presiding officer does not act, the Chief Executive Officer may do so.
- d) Enforcement of Decorum: If at any time, board members, employees, or citizens violate public meeting decorum, the Chief Executive Officer reserves the right to provide necessary tools to enforce the rules of decorum herein.

8) New Member Orientation

New Board members will need at least one year to develop an understanding and solid knowledge of transportation operations including federal policy mandates and transit-specific finance and reporting. New board members should expect to receive New Member Orientation from the Board Chairperson, Chief Executive Officer. This orientation can be scheduled after a new member or alternate is appointed and preferably prior to attending their first meeting. In addition to an informative orientation session with Agency leadership, members will receive a Board Orientation Binder and meet with the Executive Administrator to complete necessary administrative paperwork and be sworn in.

Following is a list of topics included in the Orientation Process:

- Board’s roles, responsibilities and member expectations
- Brief history of DCTA
- Committee structure and responsibilities
- Current and future strategic plan
- Introduction to key staff members and departmental responsibilities
- Mission and goals
- Tour of DCTA’s system
- Review of DCTA’s finances, funding mechanisms and annual budget
- Overview of DCTA’s programs and services
- State of Texas Open Meetings Act

9) Committee Structure

The Board Chairperson is responsible for the establishment of any ad hoc committees and will appoint of a chairperson to all committees and is responsible for assigning members to committees based on specific expertise and interest necessary to resolve related issues. The board does not have any established committees, ad hoc committees may be established with a defined termination date to address short-term tasks, as needed.

10) Annual Board Evaluation

Each Board member and staff liaison will complete a board evaluation form annually to provide additional information regarding the needs of the composition. The Board Chair is encouraged to complete this form after a discussion is held with other board members during a regular board meeting. Care should be taken to ensure board composition is balanced along several dimensions: age, gender, race, disability status and employment background. However, primary emphasis must be placed on the unique contribution each potential member can bring to the board.

11) Board Member Diversity

Board composition and selection are both covered in the Bylaws, however measures should be taken to ensure the board membership is balanced along several dimensions: age, gender, race, disability status and employment background. Primary emphasis must be placed on the unique contribution each potential member can bring to the board. A diverse board that provides a broad range of experience and perspectives is usually viewed as a more representative board.

DRAFT

Board of Directors Memo

August 22, 2019

SUBJECT: Consider Electing DCTA Board Officers and Approving Resolution R19-11

Background

Pursuant to Article IV of the Denton County Transportation Authority Board of Directors' Bylaws, the Board of Directors shall elect members to serve in Board Officer positions as set forth in the Bylaws.

Identified Need

Article IV, Section 6 of the Bylaws requires the officers to be elected from among the members of the Board of Directors and shall hold office in accordance with the term as set forth in the Bylaws.

Financial Impact

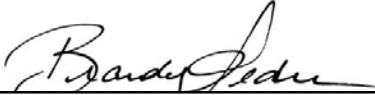
There is no financial impact.

Recommendation

Staff recommends the Board of Directors conducted an election of the officers for the Board and approve Resolution R19-11 Board Officer Elections

Exhibits

Resolution R19-11 Appointing Officers of the Board of Directors of DCTA

Submitted By: 
Brandy Pedron, Executive Administrator

Final Review: 
Kristina Holcomb, Deputy CEO

Approval: 
Raymond Suarez, CEO

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. R19-11**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY ELECTING THE OFFICERS OF THE BOARD OF DIRECTORS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Article IV of the Denton County Transportation Authority Board of Directors' Bylaws, the Board of Directors shall elect four (4) of its members to serve as the Chair, Vice-Chair, Treasurer, and Secretary; and

WHEREAS, the Board of Directors conducted an election of the officers for the Board;

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

SECTION 1. The following members of the Board of Directors of the Denton County Transportation Authority were duly elected to the following positions:

Chair – _____
Vice-Chair – _____
Treasurer – _____
Secretary – _____

SECTION 2. 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 22ND DAY OF AUGUST 2019.

APPROVED:

Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

Peter G. Smith, General Counsel
(PGS:8-14-19:TM 110079)

Board of Directors Memo

August 22, 2019

SUBJECT: Consider Appointing a Regional Transportation Council Representative and Alternate

Background

Pursuant to The Bylaws and Operating Procedures of the Regional Transportation Council (RTC) each seat on the RTC is permitted to have an alternate member in addition to its primary member. Former DCTA Chairman previously served on the RTC Board of Directors with Dianne Costa as the Alternate.

Identified Need

RTC appointments for Representative and Alternate shall be elected from among the members of the Board of Directors.

Financial Impact

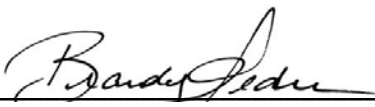
There is no financial impact.

Recommendation

Staff recommends the Board of Directors appoint an RTC Representative and Alternate.

Exhibits

None

Submitted By: 
Brandy Pedron, Executive Administrator

Final Review: 
Kristina Holcomb, Deputy CEO

Approval: 
Raymond Suarez, CEO

Board of Directors Memo

August 22, 2019

SUBJECT: Presentation and Discussion of Agency Procurement and Purchasing Thresholds

Background

In January 2019, Staff presented a request to the Finance Committee and the Board to increase the threshold for award of agreements and contracts from \$50,000 to \$100,000. The Board considered and discussed the request from Staff and changed the threshold to \$75,000. Any agreement or contract under the \$75,000 threshold is awarded by Staff and the legal documents are executed by the CEO or designee. Any action in excess of \$75,000 is presented to the Board for approval prior to execution of the legal documents.

On an annual basis, Staff reviews processes and thresholds and compares the information to DCTA's current processes against others in the industry as best practice. Our member cities and other local transit agencies thresholds vary from \$50,000 to \$250,000. DCTA's processes and thresholds are consistent with others in our area as shown on the table.

DCTA Current Board Approval Threshold	DART Board Approval Threshold	Trinity Metro Board Approval Threshold	City of Lewisville Council Approval Threshold	City of Denton Council Approval Threshold	City of Highland Village Council Approval Threshold
\$75,000	- \$100,000 for non-commercial items - \$250,000 for all others	\$50,000	\$50,000	\$100,000	\$50,000

Rail Operations and Maintenance Contract The contract was awarded in June 2016 with a term of nine years with a five-year option to extend. The contract value for the nine-year term is \$121,272,512 with a total for the fourteen-year term is \$198,909,921.	Mobility as a Service (MaaS) contracts The Board awarded 30 contracts in April 2019. The annual Not to Exceed threshold is \$2.4M for a five-year term with an authorized total award threshold of \$12M.
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Rail Operations and Maintenance: The contract includes a \$2m line item for Capital projects, Total \$18m for the initial term, and \$28m for the full fourteen-year term. Work to be performed is authorized through the use of work authorizations.

Mobility as a Service (MaaS) contract: As services are requested the work will be authorized by means of a Task Order. In April 2019, the Board authorized the CEO to execute task orders for services, as needed, up to \$2.4m on an annual basis.

Submitted By: 
Athena Forrester
AVP of Regulatory Compliance

Final Review:



Marisa Perry, CPA
Chief Financial Officer/VP of Finance

Approval:



Raymond Suarez
Chief Executive Officer

Board of Directors Memo

August 22, 2019

SUBJECT: Consider Interlocal Agreement with Coppell for the Provision of Contracted Services.

Background

DCTA and the City of Coppell propose an Interlocal Agreement to deploy mobility services to serve the workforce transit needs of the west side business park starting on or around October 1, 2019. DCTA would also execute a task order with Lyft directly, based on the existing contract, to provide first/last mile connectivity to area transit stops.

The Lyft geofence boundaries, which will be specific in the Task Order, will include specific boundaries to accommodate employee transportation needs within the west business park and during lunch hours, as noted on the attached draft map (Exhibit 1). In addition, transfers to and from the A-train Hebron Station, DART Trinity Mills Station, and DART Beltline Station will be geofenced, as well as DART bus stops that will be identified through the task order process.

Passengers will access the Lyft service either at a location within the Coppell city limits or at one of the nearby A-train or DART transit stations. The average cost per ride from the transit stations to the center of the west side business park is between \$12-15. Trips between the center point of the west side business park and Denton Tap/Beltline to access lunch options, as requested by the City, would average \$6-9 per trip. The passenger subsidy amount to be provided by Coppell is still being discussed.

The primary method of hailing a ride on Lyft is on the Lyft application on the passenger's smartphone. A specific code will be required in order to qualify for any City of Coppell-offered subsidies within the geofenced zone. The passenger must have a debit card or credit card to link to the Lyft app in order to use the service (this is based on Lyft policies). If a passenger is unbanked or low-banked, they may purchase a Visa gift card as a "cash option". The City may also consider offering the Lyft Concierge service, which essentially acts as a dispatch service to schedule rides for the passenger.

ADA/paratransit service would continue to be provided by SPAN.

ILA costs will include one-hundred percent of direct Lyft costs and a 25% administrative fee to cover contract management, billing, administration, reporting, data analytics, and customer service. City of Coppell will be responsible for primary marketing and outreach efforts.

Proposed Timeline:

August 22, 2019	Interlocal Agreement Agenda Item for Approval to DCTA Board of Directors
August 27, 2019	Interlocal Agreement Agenda Item for Approval to Coppell City Council
September 2019	Finalize Lyft Task Order
September 2019	Marketing/Outreach Efforts and Business Forums (Led by Coppell with support from DCTA)
October 2019	Deploy Coppell Lyft Service (Follows DCTA August service changes and allows for one full month of data analysis)

Identified Need

Coppell is home to a number of large warehouse and distribution facilities, similar to the Alliance ZipZone, which employ predominately low-wage positions. Because Coppell does not have affordable housing and limited public transportation (SPAN provides contracted paratransit services), these businesses face recruitment and retention issues like many of our partner areas. Lyft would serve to fill the first/last mile need of Coppell's low-wage workforce, many of whom currently use public transportation.

Committee Review

The Board of Directors Executive Committee received a briefing on June 12, 2019 and directed staff to proceed with the project. The Board of Directors received a board memo/briefing regarding Coppell contract service, Nov. 15 and Dec. 18, 2018. Program Services discussed contract services, Sept. 16, 2018.

Financial Impact

There is no financial impact to the budget.

Recommendation

Staff recommends the Board of Directors authorize the CEO to execute an Interlocal Agreement with City of Coppell for Mobility Services.

Exhibits


Exhibit 1 – Draft Interlocal Agreement with City of Coppell

Exhibit 2 – Proposed Coppell Lyft Service Geofence Boundaries

Submitted By: 
Lindsey Baker, Director of Strategic Partnerships

Reviewed By: 
Sarah Martinez, Director of Procurement

Final Review: 
Kristina Holcomb, Deputy CEO

Approval: 
Raymond Suarez, CEO

STATE OF TEXAS

§

§

INTERLOCAL COOPERATION

§

AGREEMENT

COUNTY OF DENTON

§

This Interlocal Cooperation Agreement (“Agreement”) is made by and between Denton County Transportation Authority (“DCTA”) and the City of Coppell, Texas (“Coppell”), (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

RECITALS

WHEREAS, Coppell is a home-rule municipality and local governmental entity located within the State of Texas and in the counties of Dallas and Denton; and

WHEREAS, DCTA is a coordinated county transportation authority created under Chapter 460 of the Texas Transportation Code; and

WHEREAS, Coppell desires to partner with DCTA to provide transportation services to meet the mobility needs of Coppell businesses and residents; and

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act (“Act”), Chapter 791, Texas Government Code; and

WHEREAS, DCTA and Coppell are units of local government that have the statutory authority under the Act to perform the services set forth in this Agreement; and

WHEREAS, pursuant to Chapter 460 of the Texas Transportation Code, DCTA is authorized to enter into this Agreement with Coppell to provide transportation services; and

WHEREAS, the Parties have agreed on the terms and conditions for DCTA to deploy first/last mile mobility solutions to the business park located in the western quadrant of Coppell and between transit stations located outside of the city limits, as set forth in Section 3.1(b) of this Agreement, through use of a mobility provider; and

NOW, THEREFORE, for and in consideration of the mutual promises and covenants set forth in this Agreement, and other valuable consideration, the receipts and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I

Purpose

- 1.1 The purpose of this Agreement is to provide for the administration and operation of mobility services to improve access to jobs within the business park located in the western quadrant of Coppell for trips originating in a defined geofence to destinations located in the geofence and to/from designated transit stops as defined in section 3.1(b). Mobility

services may include DCTA directly providing transportation to employees and residents in Coppell or through third-party service providers that directly contract with DCTA, including but not limited to taxi providers and transportation network companies (TNCs).

- 1.2 DCTA may execute a task order for a period not to exceed twelve (12) months with a contracted mobility provider (e.g. Lyft) to deploy first/last mile mobility services in the city limits of Coppell and as defined in section 3.1(b) The hours and days of operation shall be agreed upon by the Parties and adjusted based on ridership.
- 1.3 DCTA has entered into an appropriate mobility services provider agreement to provide their services herein; and, DCTA shall receive assurances under such agreement regarding the services provided herein; and, Coppell's sole responsibility shall be to fund such services.

Article II Term

- 2.1 Initial Term. The Initial Term of this Agreement shall begin on September 2, 2019 and continue for the period ending on September 1, 2020 unless sooner terminated as provided herein (the "Initial Term"). After the Initial Term providing for a one (1) year pilot program, this agreement shall automatically renew on the same terms and conditions for an additional period of one (1) year ("the Renewal Term"), unless either Party provides to the other Party written notice of non-renewal at least thirty (30) days prior to the termination of the Initial Term.
- 2.2 Termination. Either Party may terminate this Agreement, with or without cause, by giving sixty (60) days prior written notice to the other Party. After the Initial Term, the required notice to terminate shall be at least ninety (90) days.

Article III Services

- 3.1 DCTA shall provide the Mobility Services as follows:
 - (a) Beginning on September 2, 2019, DCTA shall deliver the Mobility Services during the hours and days of operation as mutually agreed upon by the Parties and based on ridership.
 - (b) Mobility services will initially be provided generally within the city limits to serve the workforce population and to and from designated transit stops and stations that fall outside the Coppell city limits. Specific parameters will be determined through the Task Order process and in coordination with DCTA and Coppell. Location of mobility services and geofence boundaries may be amended in writing as mutually agreed upon by the Parties and based on ridership trends.

- (c) The Parties shall work together to analyze and review ongoing service levels and alternative Mobility Service delivery methods and cost estimates to meet the long-term public transit needs of Coppell.
- (d) During the term of this Agreement, DCTA shall provide all administrative and operational services associated with the Mobility Services including, but not limited to, employment and management of necessary and sufficient personnel, contract management of third-party providers, billing, customer service, program management, and data reporting and analytics.
- (e) During the Term of this Agreement, Coppell shall be responsible for all primary marketing and outreach efforts, with ancillary support provided by DCTA.

Article IV Compensation and Fees

- 4.1 DCTA Compensation. DCTA shall be reimbursed for one-hundred percent (100%) of all costs for services invoiced from the mobility provider associated with this agreement, and an administrative fee per the schedule in Exhibit 1. Total costs shall not exceed one-hundred thousand dollars (\$100,000) in a twelve (12) month period, unless amended as mutually agreed upon in writing by the parties.
- 4.2 Invoicing. On or before the last day of each calendar month during the Term of this Agreement, DCTA shall prepare a written invoice to Coppell including number of trips, operating expenses, and administrative management fees for the services provided in the previous month.
- 4.3 Payment. Coppell shall pay DCTA within thirty (30) days of the receipt of each monthly invoice.
- 4.4 Current Revenues. To the extent applicable, Coppell and DCTA acknowledge that Coppell shall make payment of the aforementioned sums from current revenues. Coppell further agrees to make all appropriations reasonable and necessary to effectuate the terms of, and its responsibilities under, this Agreement. However, the Parties recognize that the continuation of this Agreement after the close of any given fiscal year of Coppell, September 30 of each calendar year, shall be subject to approval by Coppell's City Council. This approval may be presumed if the City Council includes funding for the Mobility Services in an adopted budget. This Agreement cannot be an unfunded liability of Coppell in violation of the Texas Constitution's unfunded debt prohibition applicable to home-rule cities. The Parties agree that this Agreement may be terminated by Coppell with notice as provided herein, without any penalty or liability to Coppell except for monies owed DCTA for Mobility Services provided pursuant to this Agreement and for any costs incurred for demobilization, in the event Coppell's City Council fails to approve or appropriate funds for any continuation of this Agreement.

- 4.5 Fares. Customers utilizing the first/last mile service will pay a fare that shall be subsidized by Coppell. The subsidy and amount paid by the passenger shall be mutually agreed upon by DCTA and Coppell.
- 4.6 Additional Services. In an effort to provide the best Mobility Services possible, DCTA may work with additional third-party service providers to enhance service delivery to Coppell. At all times, DCTA shall be responsible for contracting directly with the third-parties and shall be responsible for ensuring the overall customer experience and complying with this Agreement. Furthermore, DCTA shall be responsible for managing the cost of such service providers within the mutually agreed funding authorizations established and approved between DCTA and Coppell.

Article V Dispute Resolution

The Parties agree to make a good faith effort to resolve through informal discussions any disagreement or other dispute between them in connection with this Agreement (a “Dispute”). If a Dispute cannot be resolved through informal discussions, before seeking an alternative remedy, either Party must submit a written complaint to the other Party setting out the basis of the complaint and a proposed resolution to the Dispute. The Party receiving the complaint must respond in writing within twenty-one (21) days after receipt of the complaint, by accepting the proposed resolution, rejecting the proposed resolution, or proposing an alternative resolution to the Dispute. If the proposed resolution is rejected, the Parties may seek alternative remedies as they deem appropriate. If an alternative resolution is proposed, the recipient of that alternative proposal shall, within twenty-one (21) days after receipt, either accept the alternative or reject it. If it is rejected, the Parties may seek alternative remedies as they deem appropriate. Subject to the procedure outlined in this section, both Parties will have all legal remedies allowed to them by applicable law. The provisions of this section are strictly limited in scope to serve as a prerequisite to the enforcement of remedies under this Agreement. Failure by either Party to raise a Dispute through this process shall not constitute waiver or acceptance of an alleged violation of this Agreement.

Article VI Insurance

During the Term of this Agreement, the mobility provider shall maintain enforce during the Term, at the mobility provider’s own expense, at least the following coverages:

- (a) Workers’ Compensation Insurance in accordance with state statutory laws, including Employers’ Liability with minimum limits of \$1,000,000 each Accident;
- (b) Commercial General Liability Insurance including, but not limited to, product and completed operations, personal and advertising injury and contractual liability coverage with minimum limits of \$1,000,000 Each Occurrence; \$2,000,000 General Aggregate; and

- (c) Commercial Auto Liability Insurance including a minimum combined single limit of \$1,000,000 each accident and Uninsured/Underinsured motorist coverage with a minimum combined single limit of \$1,000,000.

The mobility provider will include Coppell as an additional insured via blanket endorsement under the mobility provider's commercial general liability insurance policy. All policies maintained shall be written as primary policies, not contributing with and not supplemental to coverage Coppell may carry and will contain a waiver of subrogation against Coppell and its insurance carrier(s) with respect to all obligations assumed by the mobility provider under this Agreement. The fact that the mobility provider has obtained the insurance required hereunder shall in no manner lessen or otherwise affect such mobility provider's other obligations or liabilities set forth in this Agreement.

Article VII Miscellaneous

7.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

7.2 Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party.

7.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

7.4 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall exclusively be in the State District Court of Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

7.5 No Waiver of Liability. The Parties acknowledge that neither Party is an agent, servant, or employee of the other Party, and each Party agrees it is responsible for its own individual negligent acts or omissions or other tortious conduct, as well as such acts and deeds of its contractors, agents, representatives, and employees, during the performance of this Agreement without waiving any governmental immunity available to the Parties under Texas law and other applicable law, and without waiving any available defenses under Texas law and other applicable law. Further, in the execution and performance of this Agreement, the Parties do not waive, and neither Party shall be deemed to have waived, any other immunity or defense that would otherwise be available to each Party as a local governmental entity and/or political subdivision of the State of Texas.

7.6 Amendments. This Agreement may be amended by the mutual written agreement of the Parties. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the

7.7 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

7.8 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for DCTA:

Raymond Suarez
Chief Executive Officer
DCTA
1955 Lakeway Drive, Suite 260
Lewisville, Texas 75067
Phone: 972-221-4600

With Copy to:

Peter G. Smith
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
1800 Ross Tower, 500 North Akard
500 North Akard
Dallas, Texas 75201
Phone: 214-965-9900

If intended for City of Coppell:

Mike Land
City Manager
255 Parkway Blvd.
Coppell, Texas 75019
Phone: 972-304-3618

7.9 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

7.10 Exhibits. The Exhibits attached hereto are incorporated herein.

7.11 Recitals. The recitals to this Agreement are incorporated herein and made a part hereof for all purposes.

7.12 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

7.13 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination hereof.

7.14 Approval of Parties. Whenever this Agreement requires or permits the approval or consent to be given by a Party, the Parties agree that such approval or consent shall not be unreasonably withheld, conditioned or delayed.

7.15 No Third-Party Beneficiary. Nothing in this Agreement shall be construed as creating or giving rise to any rights of third-parties or any persons other than the Parties hereto.

7.16 Recordkeeping and Right to Inspect Records. Each Party shall have mutual access to, and the right to examine, all books, documents, papers, and other records of the other Party involving transactions relating to this Agreement. Each Party shall have access during normal business hours to all necessary facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this Agreement. Each Party shall give the other Party advanced written notice of at least forty-eight (48) business hours of intended audits.

(signature page to follow)

EXECUTED this _____ day of _____, 2019.

Denton County Transportation Authority

By: _____
Raymond Suarez, Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Peter G. Smith, General Counsel
(08-05-2019:TM109875)

EXECUTED this _____ day of _____, 2019.

City of Coppell, Texas
a home-rule municipality

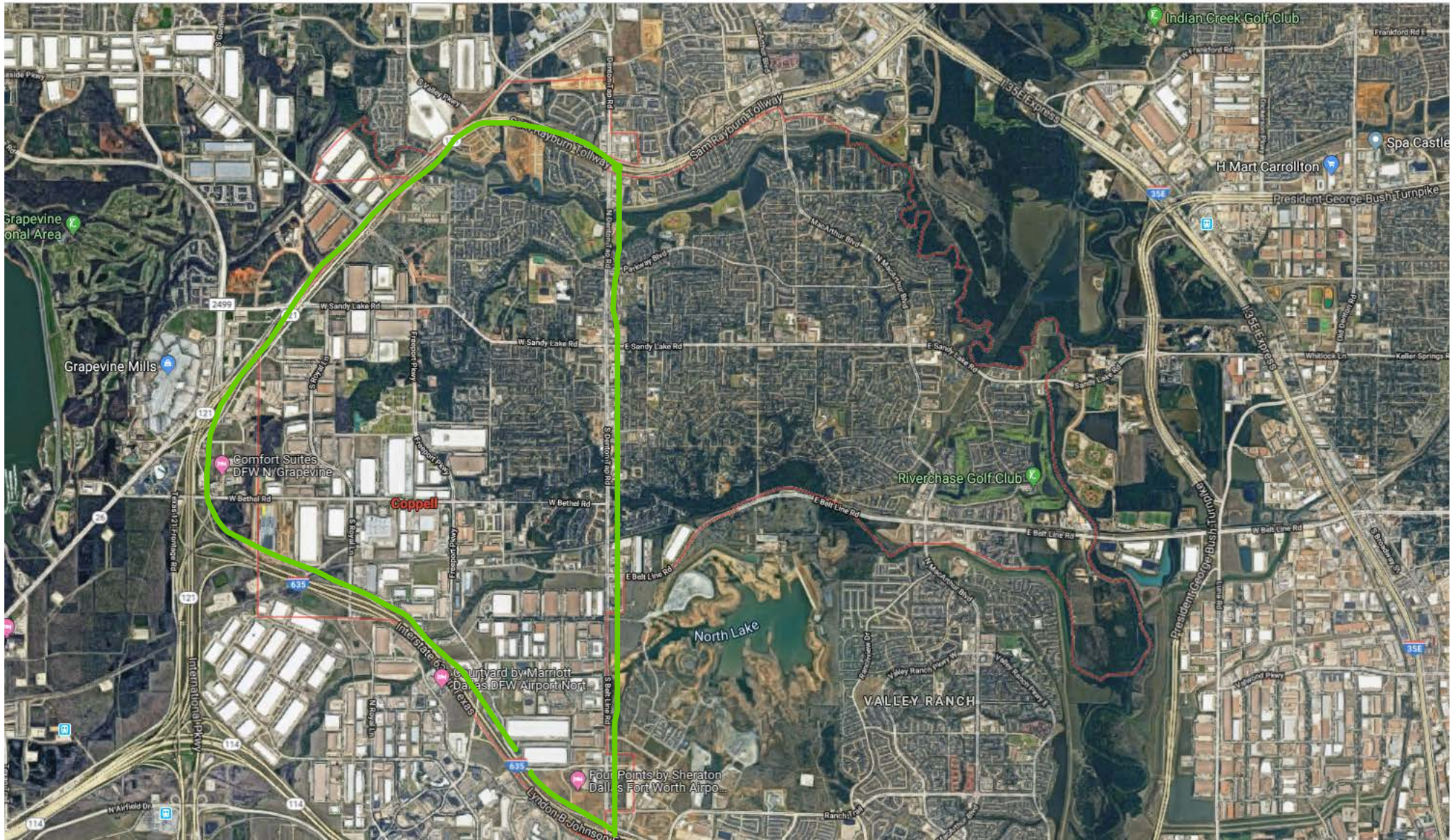
By: _____
Mike Land, City Manager

APPROVED AS TO FORM:

By: _____
Robert E. Hager, Coppell City Attorney

EXHIBIT 1

AGENCY		Service Rendered	Cost Allocation Per Year \$100,000
Denton County Transportation Authority	Contracted Mobility Provider Service: <i>Direct invoiced costs</i>		Not-to-exceed \$65,000/65%
	Administrative Fee: <i>Contract management, billing, administration, reporting, data analytics, and customer service</i>		Not-to-exceed \$25,000/25%
City of Coppel	Marketing and Outreach		Not-to-exceed \$10,000/10%
			TOTAL: \$100,000



Proposed Coppel Lyft Service Geofence Boundaries

- *Specific stops and boundaries will be finalized through the Task Order process.
- **Will include transfers to transit stops and stations not depicted on this map.

Board of Directors Memo

August 22, 2019

SUBJECT: Consider Task Order 6 to HDR Engineering, Inc. for Service Change Planning Assistance

Background

In April 2019, DCTA's Board of Directors awarded contracts to multiple Mobility as a Service (MaaS) providers. Staff will be reviewing current services and determining how best to implement a phased approach for transitioning from a predominately fixed route system to hybrid service that includes fixed route and on-demand services to meet the mobility needs of its member cities.

Identified Need

Given the extended scope, associated complexity, and expedited timeline for implementation, staff is requesting consultant assistance to facilitate implementation of the anticipated MaaS service changes. DCTA has an existing contract with HDR Engineering, Inc. to provide Transit and Transportation Planning Services. Staff is requesting to enter in to a Task Order with HDR to provide planning and support services to assist with the 2020 Service Changes.


Financial Impact

The total cost of this task order shall not exceed \$150,000. Capital project dollars remaining from the Shared Use Mobility Study are available for a portion of this expense while existing FY2019 and proposed FY2020 operating funds would cover the remainder.

Recommendation

DCTA Staff recommends the Board of Directors approve Task Order No. 6 with HDR Engineering, Inc. for Service Planning Assistance.

Submitted By: 
Rusty Comer, Manager of Bus Administration

Review: 
Sarah Martinez, Director of Procurement

Approval: 
Raymond Suarez, Chief Executive Officer