



Board of Directors Meeting Minutes for:

August 27, 2020

Regular Meeting Minutes

The Board of Directors of the Denton County Transportation Authority convened the Regular Meeting of the Board of Directors with Dianne Costa, Chair presiding on August 27, 2020 remotely using Zoom Meeting.

Attendance

Voting Members

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

Non-voting Members

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

Legal Counsel

Joe Gorfida, NJDHS

DCTA Executive Staff

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

Guest Speakers

Laura Alexander, Hilltop Financial
Adam LanCarte, Hilltop Financial
Andrew Ittigson, Project Manager/Senior Transit Planner for AECOM
Kristen Lueken, Transportation Planner for AECOM

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

Public Attendees

Claire Powell, Lewisville Alternate
Michael Leavitt, Highland Village Alternate
Chris Newport, Accenture
Jason April, AECOM
Paula Richardson, ATU
Brandi Bird, Bird Advocacy & Consulting
Justin Grass, DRC
Bobby Gomez
M. Mattiza

Other DCTA Staff Attendees

CALL TO ORDER – *Chair Costa called the meeting to order and announced the presence of a quorum at 10:16 am.*

INVOCATION – *Chair Costa led the Meeting in silent Prayer.*

PUBLIC COMMENT – *There were no public comments made at this time.*

GUEST SPEAKER

1. Debt Refinancing Options

- *Marisa Perry introduced Laura Alexander with Hilltop who gave a presentation to the Board regarding debt refinancing options.*
- *The Board discussed the options presented.*

[Chris Watts stepped out of the meeting at 11:19 a.m. and returned to the meeting at 12:19 p.m.]

CONSENT AGENDA

1. **Approval of July 23, 2020 Minutes and August 7, 2020 Special Called Meeting Minutes**
2. **Approval of Monthly Financial Statements for July 2020**
3. **Authorize the CEO to Execute Amendment to the Interlocal Agreement (ILA) with the City of Coppell for Mobility Services – Lindsey Baker briefed the Board last month on this item. Budget and effective date information was provided in the memo.**
4. **Authorize the CEO to Execute the Lyft Task Order Renewal for Coppell Mobility Services – This item is contingent upon passage of Consent Item 3.**
5. **Authorize the CEO to Execute Task Order 3 with Irving Holdings for MUTD Services – Lindsey Baker briefed the Board last month on this item. Budget and effective date information was provided in the memo.**
 - *A Motion to approve Consent Agenda item 1-5 as presented was made by Cesar Molina. The motion was seconded by Chair Costa. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

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

1. **Monthly Financial Reports - Sales tax represents the single largest source of revenue for DCTA at 49.64% for the Fiscal Year 2020 budget. The annual revised sales tax budget for FY20 is \$21,464,452. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target. For the month of August, receipts were favorable compared to the revised budget. Sales tax for sales generated at retail in the month of June and received in August was \$2,819,430. This represents an increase of 129.11% or \$1,588,831 compared to budget for the month. Compared to the same month last year, sales tax receipts are \$163,071 or 6.14% higher. Member city collections for the month compared to prior year are as follows: City of Lewisville up 11.56%; City of Denton up 2.20%; and City of Highland Village down 24.52%.**

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



will be presented at the September Board meeting (instead of at the August Board meeting as previously noted) for award consideration.

Budget Transfer 2020-07 has a net budget impact of zero. Above expense adjustments from the original budget have been offset by realized savings in other areas.

2. *Ridership Trend Report - Beginning in March 2020, DCTA staff began a series of special COVID-related ridership tabulations to gain a better understanding of the ridership impacts associated with the pandemic and ensuing service changes. Exhibits 1-4 provide an overview of total monthly ridership trends across all DCTA services--comparing FY19 and FY20 with the associated COVID impacts. A-train and Connect May-July ridership each increased by approximately 19 and 32 percent respectfully. July 2020 A-train passenger trips were about three percent less than June. Average monthly A-train passenger trips during the March-July 2020 COVID -impacted months are over seventy percent less than prior months.*
3. *Contracted Service Agreements Monthly Progress Report – Contract Service updates for City of McKinney, City of Frisco, City of Coppell, and North Central Texas College were provided to the Board in the board packet.*
4. *Information Requested by Board Members - The following information was provided in the board packet per the request of Board Members at previous Board Meetings: Performance Measures by Route with Revenue and Bus and Rail Operational Safety Protocols and Safety Procedures.*
5. *Transformation Initiative Progress Report – An updated on the transformation initiative was provided by memo in the board packet. Updates included information on financial impact, milestone dates, weekly status reports from Accenture, and timeline updates. Nicole Recker reminded the Board of the Visioning Workshop with Accenture that will occur in early September.*

[Board Chair Costa made a motion to recess the meeting for short break at 11:48 a.m. The time of recess expired, and the meeting resumed at 12:04 p.m.]

REGULAR AGENDA

1. **Approval of COVID Pay for NTMC Non-Operators and Frontline DCTA Staff** - *Staff recommends the DCTA Board approve use of funds in the amount not to exceed \$85,000 (\$73,838 for NTMC and \$11,162 for DCTA) to provide additional compensation to NTMC non-operators and DCTA staff for the period of March 22, 2020 through May 30, 2020.*
 - *A Motion to approve Regular Item 1 as presented was made by Cesar Molina. The motion was seconded by Chris Watts. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*
2. **Approval of Resolution R20-14 Approving FY 2020 Budget Revision 2020-08** - *Based on recent Board direction to increase service levels on Routes 4, 7, 21, and 22, staff reviewed fleet needs and fleet age. Based on findings, staff recommends utilizing the FY20 capital fleet replacement funding to open a purchase order to secure production line placement for nine (9) Arboc vehicles. The purchase of nine (9) Arboc vehicles will allow DCTA to address increased frequency for select fixed routes and replace current small vehicles that are more than two years past their useful life.*
The nine (9) Arboc Spirit of Independence vehicles will replace existing small vehicles in the agency's fleet that have currently exceeded their useful life in age (5 years) and/or miles (150K miles). Maintaining small vehicles within the agency's fleet has proven to be more fuel-efficient and cost-effective. Additionally, the agency can serve more areas with the flexibility of a small vehicle.

Small fleet are currently used for Routes 1, 2, 4, 21, and 22, as well as the Lakeway Zone and Access service. The total budget impact of Budget Revision 2020-08 is an increase to the FY20 capital appropriation of \$1,062,600. This capital project was previously rolled into FY21 in May based on post-COVID service levels. Staff recommended the Board of Directors approve Resolution R20-14 authorizing Budget Revision 2020-08 for the FY 2020 capital budget.

- A Motion to approve Regular Item 2 as presented was made by Vice Chair Gilmore. The motion was seconded by Chair Costa. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

[Chair Costa recommended moving items on the agenda around in order of importance in consideration of time constraints on other Board members.]

- 4. Approval of Enhanced Rail Service Implementation - Based on recent Board direction to increase service levels on Routes 4, 7, 21, and 22, staff reviewed fleet needs and fleet age. Based on findings, staff recommended utilizing the FY20 capital fleet replacement funding to open a purchase order to secure production line placement for nine (9) Arboc vehicles. The purchase of nine (9) Arboc vehicles will allow DCTA to address increased frequency for select fixed routes and replace current small vehicles that are more than two years past their useful life. The nine (9) Arboc Spirit of Independence vehicles will replace existing small vehicles in the agency's fleet that have currently exceeded their useful life in age (5 years) and/or miles (150K miles). Maintaining small vehicles within the agency's fleet has proven to be more fuel-efficient and cost-effective. Additionally, the agency can serve more areas with the flexibility of a small vehicle. Small fleet are currently used for Routes 1, 2, 4, 21, and 22, as well as the Lakeway Zone and Access service. The total budget impact of Budget Revision 2020-08 is an increase to the FY20 capital appropriation of \$1,062,600. This capital project was previously rolled into FY21 in May based on post-COVID service levels. Staff recommended the Board of Directors approve Resolution R20-14 authorizing Budget Revision 2020-08 for the FY 2020 capital budget with implementation set to be on September 21, 2020.*
 - A Motion to approve Regular Item 4 as presented was made by Chris Watts. The motion was seconded by Cesar Molina. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*
- 5. Presentation of Proposed FY2021 Operating & Capital Budget – Marisa Perry and Nicole Recker briefly reviewed the Budget presentation with the adjustments that had been made since the Budget Workshop with the Board.*
- 6. Public Hearing on Proposed FY2021 Operating & Capital Budget – Chair Costa opened up the Public Hearing on Proposed FY2021 Operating and Capital Budget and read a public comment submitted by email from Jim Owen. No other comments were made.*
- 9. Approval of the Draft Transportation Reinvestment Policy (TRiP) – Recommended Policy and Implementation Strategy – Andrew Ittigson and Jason April gave a presentation to the Board on the Transportation Reinvestment Policy (TRiP) presented. The Board held a discussion on this item and agreed to have Board feedback gathered prior to the next Board meeting to present and discuss.*
 - No action was taken.*

[Board Chair Costa made a motion to recess the meeting for short break at 2:38 p.m. The time of recess expired, and the meeting resumed at 2:49 p.m.]

- 3. Approval of Arboc Vehicle Purchase (FY'20) – The nine (9) Arboc Spirit of Independence vehicles will replace existing small vehicles in the agency's fleet that have currently exceeded their useful life in age (5 years) and/or miles (150K miles) by more than two years. Maintaining small vehicles within the agency's*

fleet has proven to be more fuel-efficient and cost-effective. Additionally, the agency can serve more areas with the flexibility of a small vehicle. Small fleet are currently used for Routes 1, 2, 4, 21, and 22, as well as the Lakeway Zone and Access service. The original FY '21 capital fleet replacement project was presented to the DCTA Board of Directors at the June 18, 2020 DCTA Board Workshop. The replacement cost of nine (9) Arboc Spirit of Independence vehicles will cost a total of \$1,060,137. This is an eligible expense under FTA's Urbanized Area Formula Program and Bus and Bus Facilities Program. The vehicle replacement expenses are federally reimbursable at 85% federal with a 15% local match. Grant funding is available to cover \$901,116, leaving \$159,021 to be covered by local funds. The FY '20 apportionment for capital fleet replacement totals \$1,062,600. DCTA staff recommended that the Board of Directors authorize staff to purchase nine (9) Arboc Spirit of independence vehicles, totaling \$1,060,137, with an estimated delivery of late Summer 2021.

- A Motion to approve Regular Item 3 as presented was made by Secretary Burke. The motion was seconded by Cesar Molina. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

7. **Financial Management Policies and Annual Investment Policy for FY2021** –*Marisa Perry presented the following for Board discussion: It is the intent of DCTA to comply with state and federal law. The Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act") governs investment of public funds at the state level. The Act requires that the Board of Directors review and adopt the Investment Policy annually. It is the policy of DCTA that the administration and investment of its funds shall be handled in a manner that maintains the highest public trust. The last adoption by the Board of the DCTA Investment Policy was on October 24, 2019. DCTA contracts with Hilltop Securities Asset Management for investment advisory services. The policy has been reviewed by Hilltop to ensure that all the necessary language as required by the Act is present in the written DCTA Investment Policy document. Hilltop did not recommend any changes to the policy for FY2021. In connection with investment transactions conducted between Hilltop and DCTA, Hilltop provided, as required under the Act, a certification that they have reviewed the entity's investment policy. In addition, Hilltop provided to DCTA a copy of its current SEC Form ADV Part II, as required by Securities and Exchange Commission Regulation Section 275.204-3. In addition to slight language and formatting adjustments for ease of reading, the attached red-lined document provided to the Board as an exhibit incorporated the following changes: Simplified calculation for minimum Capital Replacement Fund requirement; Included language from Administrative Fee Policy approved by the DCTA Board on April 23, 2020; Revised definition of budget transfers and amendments to simplify process for transfers that have no net financial impact; and Clarified Cost Allocation section to emphasize correlation with grant reimbursement requests. This item is required to fulfill the legal requirements for an annual review and approval of the Investment Policy as well as the review requirements included in the Financial Management Policies.*
 - Discussion only. No action taken.*

[Chris Watts left the meeting at 3:00 p.m.]

8. **MaaS Task Order #2: On-Demand Service in Member Cities** – *Nicole Recker presented the following for Board discussion: DCTA issued solicitation 2007-001, on July 28, 2020, to our current MaaS providers seeking responses for On-Demand Service from firms or contractor teams that have entered into master on-call contracts under Request for Proposals (RFP) 19-05 Mobility-as-a-Service. DCTA plans to use these services within Member Cities and other areas DCTA serves outside the member cities through contracted services. The purpose of this task order request is to select non-traditional, mobility brokers, providers, and system integrators with the ability to provide DCTA with the expertise, resources, and innovative ideas needed to plan, design, operate, maintain, and broker on-demand, shared ride transit services within and between (where appropriate) the boundaries of various locations throughout DCTA's service area. Staff originally slated board approval of recommended vendors for the August 2020 board meeting. Due to multiple*



requests for a deadline extension, staff extended the original deadline to ensure the quality and quantity of bidder responses. Staff will bring recommended vendors to the board for approval at the September 2020 board meeting. Staff issued solicitation 2007-001 to identify and implement origin-to-destination, on-demand service options that could be layered over existing fixed route and A-train service. This effort allows staff and the board to test and compare ridership and cost of various service types to best inform future service decisions. The financial impact of solicitation 2007-001 will be determined by bidder response and board approval.

- Discussion only. No action taken.

10. **Development of DCTA's State Legislative Agenda for the 87th Texas State Legislature** – *Lindsey Baker presented the following for Board discussion: In order to have a successful legislative session and formally communicate with legislators in what will be a most unique session, it is critical to have a program that clearly articulates the Board of Director's priorities and policy position statements on issues that may impact the Agency. A legislative agenda also signifies to all stakeholders that the Board of Directors speaks with a unified voice on legislative items. Staff seeks direction on the content of a formal legislative program as outlined in the memo. Staff will then work to finalize a draft to bring forward for further discussion and request approval at the September 24 Board of Directors meeting. Following approval of the final draft, staff will work with Marketing and Communications to develop a document similar to the one created for the 86th Legislative Session that we can then share with our legislative delegation, other members of the Texas Legislature, and regional and statewide stakeholders prior to pre-filing of legislation, which begins November 9. The legislative agenda will allow the Board to clearly articulate priority policy positions for the purposes of communicating with state legislators, state legislative staff, and other key stakeholders throughout the legislative process. In addition, the legislative agenda becomes an external policy document that allows DCTA staff and HillCo, the Agency's legislative consultants, to educate legislators and staffers on behalf of DCTA with a unified voice.*

- Discussion only. No action taken.

11. **Rail Operations and Maintenance Agreement Briefing** – *Raymond Suarez and Kristina Holcomb presented the following for Board discussion: DCTA's rail operations and maintenance contractor, First Transit USA has recently informed DCTA of its intent to sell its US bus and rail operations and is actively engaged with potential operators that are interested in assignment of the DCTA rail contract. In DCTA's agreement with First Transit, Article 13.3 states "First Transit may not assign this agreement in whole or in part without the prior written consent of DCTA. In the event of an assignment by First Transit to which DCTA has consented, the assignee shall agree in writing with DCTA to personally assume, perform and be bound by all the covenants, and obligations contained in this Agreement". Staff anticipates bringing an action item to the Board in September once First Transit has selected the final bidder and seeks DCTA approval for the new operator to assume the DCTA rail operations and maintenance contract.*

- Discussion only. No action taken.

12. **Discussion of Regional Transportation and Legislative Issues** – *Raymond Suarez updated the Board on KCS, DART and Trinity Metro discussions.*

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

- The Board Agenda Outlook as of 08.21.2020 was presented to the Board in the Board packet.

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



CONVENE EXECUTIVE SESSION – *The Board convened into executive session at 3:51 pm for the following:*

- c. As Authorized by Section 551.074 of the Texas Government Code, the Board Meeting may be Convened into Closed Executive Session for Deliberation of Personnel: CEO Contract.

RECONVENE OPEN SESSION – *The Board reconvened into open session at 4:00 pm. No formal action was taken.*

- *The Board agreed to a one-time extension of Raymond Suarez's remaining 55.00 hours of vacation time, and to allow these remaining hours to be available until the end of the calendar year instead of dissolving on September 14, 2020, per his contract. The Board unanimously approved this one-time extension.*

ADJOURN – *Motion to adjourn the meeting was made and the meeting was adjourned at 4:01 p.m.*

The minutes of the August 27, 2020 Board of Directors Meeting were passed and approved by a vote on this 24th day of September 2020.

A handwritten signature in blue ink that reads "Dianne Costa".

Dianne Costa, Chair

ATTEST

A handwritten signature in black ink that reads "S. Burke".

Sam Burke, Secretary