



## Board of Directors Regular Meeting

September 24, 2020 | 10:00 a.m.

To be held by Zoom Video Conference

*NOTICE IS HEREBY GIVEN that the members of the DCTA Board of Directors will be meeting via video conference using Zoom. The meeting will be made available to the public at the following web address <https://zoom.us/j/93618151322> or by joining via telephone by dialing the following number: +1 346 248 7799; Meeting ID: 936 1815 1322*

### CALL TO ORDER

### INVOCATION

### PUBLIC COMMENT

This agenda item provides an opportunity for citizens to address the Board of Directors on any agenda item(s) or other matters relating to the DCTA. Each speaker will be given a total of three (3) minutes to address any item(s). Anyone wishing to speak shall be courteous and cordial. Any person who wishes to address the Board of Directors regarding any item(s) may do so by utilizing the "raise hand" function of the Zoom meeting at this time. Citizens that are not able to connect virtually to the Zoom meeting must email his or her public comment to [bpedron@dcta.net](mailto:bpedron@dcta.net) no later than 3:00 pm on Wednesday, September 23, 2020 to ensure the comment will be read. The Board of Directors is not permitted to take action on any subject raised by a speaker during Public 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. **Consider Approval of August 27, 2020 Meeting Minutes**  
(packet pages 9-15)

*Action Item*

Presenter: Dianne Costa, Highland Village, Board Chair  
Item Summary: Staff recommends approval of the August 27, 2020 Meeting Minutes.  
Backup Information: Exhibit 1: August 27, 2020 Board Meeting Minutes

2. **Consider Approval of Monthly Financial Statements for August 2020**  
(packet pages 16-22)

*Action Item*

Presenter: Marisa Perry, CFO/VP of Finance  
Item Summary: Board approval will be requested of the following items:

- o Financial Statements for August 2020
- o Capital Projects Budget Report for August 2020

Backup Information: Memo: Monthly Financial Statements for August 2020  
Exhibit 1(a): Monthly Financial Statements – August 2020  
Exhibit 1(b): Capital Projects Budget Report – August 2020

3. **Consider Approval of the Interlocal Agreement with the City of Frisco for Mobility Services**  
(packet pages 23-50)

*Action Item*

Presenter: Lindsey Baker, Director of Government Affairs

Item Summary: As staff briefed the Board of Directors on August 27, the Frisco City Council approved a new, one-year Interlocal Cooperative Agreement with DCTA, on September 1, to continue to provide mobility services with an increased budget of \$400,000, which includes cost of services and DCTA's administrative fee per the administrative fee policy. Additional programmatic changes include increased passenger fares, elimination of the reduced fare, and reduction of eligible service boundaries to the Frisco City limits and portions of Plano currently being served.

Backup Information: Memo: Consider Approval of the Interlocal Agreement with the City of Frisco for Mobility Services

Exhibit 1: Interlocal Agreement as Approved by City of Frisco City Council on September 1, 2020

Exhibit 2: Extension Letter, October 1, 2019 through September 30, 2020

Exhibit 3: 2018 Restated Interlocal Agreement

Exhibit 4: Frisco Service Map Comparison

4. **Consider Approval of Resolution R20-16 Approving Financial Management Policies and Annual Investment Policy for FY2021**  
(packet pages 51-75)

*Action Item*

Presenter: Marisa Perry, CFO/VP of Finance

Item Summary: Staff recommends approval of Resolution R20-16 Approving Financial Management Policies and Annual Investment Policy for FY2021

Backup Information: Memo: Consider Approval of Resolution R20-16 Approving Financial Management Policies and Annual Investment Policy for FY2021

Exhibit 1: Resolution R20-16 with Exhibit "A" Red-lined Proposed Financial Management Policies including Investment Policy

Exhibit 2: Investment Policy Review Letter

## INFORMATIONAL REPORTS

1. **Monthly Financial Reports**  
(packet pages 76-82)

Item Summary: DCTA staff will answer questions of the Board regarding updates on financial items.

Backup Information: Memo 1: Monthly Sales Tax Receipts

Exhibit 1: FY20 Monthly Sales Tax Report

Memo 2: Monthly Mobility-as-a-Service Update

Memo 3: Budget Information

2. **Ridership Trend Report**

(packet pages 83-89)

Item Summary: Exhibits 1-4 provide an overview of total monthly ridership trends across all DCTA services--comparing FY 19 and FY20 to date with the associated COVID impacts. Note that A-train and Connect July-August ridership each increased by nearly 8 and 82 percent respectfully.

Backup Information: Memo: Ridership Trend Report  
Exhibit 1: FY19 & FY20 Total Monthly Ridership - Rail  
Exhibit 2: FY19 & FY20 Total Monthly Ridership - Bus  
Exhibit 3: FY19 & FY20 Total Monthly Ridership - Access  
Exhibit 4: FY19 & FY20 Total Monthly Ridership – On-Demand  
Exhibit 5: A-train Ridership Pre- and During COVID-19 Comparison

3. **Community Advisory Committee Meeting Recap Report (August 2020)**

(packet pages 90-99)

Item Summary: DCTA hosts quarterly meetings with the agency's dedicated Community Advisory Committee to discuss agency news and receive public feedback on agency services, programs and promotions. Included in the packet in a recap of the joint Denton/Lewisville meeting that occurred on August 20, 2020.

Backup Information: Exhibit 1: Community Advisory Committee Meeting Recap Report (August 2020)

REGULAR AGENDA

1. **Discussion of Transformation Initiative Progress Report**

(packet page 100)

*Possible Action Item*

Presenter: Nicole Recker, VP of Mobility Services and Administration  
Chris Newport, Project Manager, Accenture

Item Summary: The Board-led Transformation Initiative successfully launched on August 7, 2020. An overview of progress has been included in the packet for review and any necessary discussion. Routine progress reports will be provided to the board in each Friday email as well as included on each board agenda. Staff will be prepared to answer questions from the Board.

Backup Information: Memo: Discussion of Transformation Initiative Progress Report

2. **Presentation by HillCo and Discuss and Consider Approval of DCTA's State Legislative Agenda for the 87<sup>th</sup> Texas State Legislature**

(packet page 101-127)

*Action Item*

Presenters:

Lindsey Baker, Director of Government Affairs  
Rick Dennis and Kate Kuhlmann, HillCo

Item Summary:

The purpose of this item is to receive a presentation from HillCo, DCTA's state legislative consultant, regarding the upcoming legislative session and methods of communication to expect including bill tracks, committee hearing overviews, and frequency of debriefs. In addition to the HillCo presentation, continue discussion that began at the August 27 Board meeting, regarding the development and consideration of DCTA's State Legislative Agenda for the 87<sup>th</sup> Texas State Legislature.

Backup Information:

Memo: Presentation by HillCo and Discuss and Consider Approval of DCTA's State Legislative Agenda for the 87<sup>th</sup> Texas State Legislature  
Exhibit 1: HillCo Memo to the DCTA Board of Directors  
Exhibit 2: Proposed Legislative Program for the 87<sup>th</sup> Texas Legislature  
Exhibit 3: Example Template for Legislative Program Design  
Exhibit 4: Final Legislative Program for the 86<sup>th</sup> Texas Legislature  
Exhibit 5: DART P3 Enabling Language, Texas Transportation Code 452.108 (C) & (D)

3. **Consider Approval of Debt Refinancing Structure**

(packet pages 128-130)

*Action Item*

Presenter:

Marisa Perry, CFO/VP of Finance

Item Summary:

DCTA currently has \$23.36 million in outstanding debt with principal payments scheduled through 2031. Refinancing the existing debt would reduce interest expense and increase debt capacity for future capital projects. Board consensus will be requested for the structure in which to pursue refinancing of the outstanding Series 2009 bonds.

Backup Information:

Memo: Consider Approval of Debt Refinancing Structure  
Exhibit 1: Proposed Current Refunding of \$12,755,000 Series 2009 Bonds

4. **Discuss and Consider Approval of the Transportation Reinvestment Policy (TRiP) – Recommended Policy Refinements and Proposed Implementation Strategy**

[\(packet pages 131-153\)](#)

*Possible Action Item*

Presenters:

Kristina Holcomb, Deputy CEO

Andrew Ittigson, Project Manager/Senior Transit Planner for AECOM

Marisa Perry, CFO/VP of Finance

Item Summary:

The DCTA Transportation Reinvestment Program (TRiP) policy is intended to provide financial assistance to DCTA member cities for transit-supportive projects consistent with and beneficial to DCTA's Long-Range Service Plan goals. As a follow up from the August Board meeting, DCTA planning consultant AECOM will facilitate a discussion to address feedback received regarding the initial draft TRiP policy board discussion in an effort to finalize the draft policy for Board consideration and possible action.

Backup Information:

Memo: Discuss and Consider Approval of the Transportation Reinvestment Policy (TRiP) – Recommended Policy Refinements & Proposed Implementation Strategy

Exhibit 1: TRiP Policy & Implementation Strategy Draft with Board Feedback

Exhibit 2: Board Presentation with Feedback Summary

5. **Consider Approval of Resolution R20-17 Approving FY 2020 Budget Revision 2020-09**

[\(packet pages 154-166\)](#)

*Action Item*

Presenter:

Marisa Perry, CFO/VP of Finance

Item Summary:

Staff recommends approval of Resolution R20-17 approving FY20 Budget Revision 2020-09.

Backup Information:

Memo: Consider Approval of Resolution R20-17 Approving FY20 Budget Revision 2020-09

Exhibit 1: Resolution R20-17 with the following Exhibits:

“A”: Budget Revision 2020-09

“B”: Change in Net Position (DCTA Only)

“B-1”: Change in Net Position (DCTA & NTMC Combined)

Exhibit 2: Year to Date FY2020 Budget Revisions

6. **Consider Approval of Resolution R20-15 Adopting FY2021 Operating & Capital Budget**

[\(packet pages 167-180\)](#)

*Action Item*

Presenter:

Marisa Perry, CFO/VP of Finance

Item Summary:

Staff recommends approval of Resolution R20-15 Adopting FY2021 Operating & Capital Budget

Backup Information:

Memo: Consider Approval of Resolution R20-15 Adopting FY2021 Operating & Capital Budget

Exhibit 1: Resolution R20-15 with the following Exhibits:

“A”: Change in Net Position – Proposed FY21 Budget

“A-1”: Change in Net Position – DCTA & NTMC Combined

“B”: Capital Improvement & Major Maintenance Plan with  
Proposed FY21 Appropriation

“C”: Long Range Financial Plan

“D”: Budget Contingency Plan

7. Discuss Exploration of Bus Operations and Maintenance Contracting Options

(packet page 181)

*Discussion Item*

Presenter: Kristina Holcomb, Deputy CEO

Item Summary: Staff will provide an update to the Board regarding activities associated with exploring options to address operations and maintenance of DCTA's bus service.

Backup Information: Memo: Discuss Exploration of Bus Operations & Maintenance Contracting Options

8. Consider Approval of MaaS Task Order #2: On-Demand Services for Member Cities and Contracted Cities

(packet pages 182-198)

*Action Item*

Presenter: Nicole Recker, VP of Mobility Services and Administration

Item Summary: DCTA seeks to establish partnerships with non-traditional mobility providers to assist the agency towards establishment of a unified and integrated platform which allows the agency and customers the ability to match travel needs and preferences; thereby transitioning the agency's current conventional role as travel provider towards that of a technology-enabled, integrated *Mobility Manager* and broker of services. DCTA issued a task order 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 requests that the board review the supporting materials and is recommending approval of Task Order #2 to Spare Labs/Lyft and Task Order #3 to RiverNorth (Via).

Backup Information: Memo: Consider Approval of MaaS Task Order #2: On-Demand Services for Member Cities and Contracted Cities

Exhibit 1: Solicitation 2007-001

Exhibit 2: Spare Labs/Lyft Response (*Proprietary Information Under Separate Cover*)

Exhibit 3: RiverNorth (Via) Response (*Proprietary Information Under Separate Cover*)

9. Consider Approval of Interlocal Cooperation Agreement with Denton County for Law Enforcement Services

(packet pages 199-211)

*Action Item*

Presenter: Kristina Holcomb, Deputy CEO

Item Summary: Renewal of agreement between DCTA and Denton County Sheriff's office for FY 21 to provide law enforcement and security services for DCTA A-train service.

Backup Information: Memo: Consider Approval of Interlocal Cooperation Agreement with Denton County for Law Enforcement Services

Exhibit 1: Interlocal Cooperation Agreement for Law Enforcement Services

10. Discuss Draft DCTA & NTMC Interlocal Agreement Amendment

(packet pages 212-226)

*Discussion Item*

Presenter: Kristina Holcomb, Deputy CEO

Item Summary: Staff seeks board feedback regarding the draft amended Interlocal Agreement with the North Texas Mobility Corporation (NTMC) for bus operations and maintenance services. The document includes edits addressing previous discussions with the DCTA Board and will be the focus of joint DCTA-NTMC Board meeting slated for October.

Backup Information: Memo: Discuss Draft DCTA & NTMC Interlocal Agreement Amendment  
Exhibit 1: DCTA-NTMC Amended ILA Redlined Draft

11. Discuss CEO Performance Measures

(packet pages 227-245)

*Discussion Item*

Presenter: Dianne Costa, Highland Village, Board Chair

Item Summary: This item to have Board discussion regarding the CEO's performance measures, timing of the implementation of the measures in light of the Transformation Initiative, the on-going COVID pandemic and the expectations of the CEO as we begin the FY21 period of performance.

Backup Information: Exhibit 1: Previous DCTA President Performance and Measurement Evaluation Process, President Self-Evaluation Form, and Board Member President Performance Evaluation  
Exhibit 2: Ron Holifield, SGR CEO Performance Evaluation Instrument

12. Discuss Local & Regional Transportation and Legislative Issues

*Information Item*

Presenters: Dianne Costa, Highland Village, Board Chair  
Raymond Suarez, CEO  
Kristina Holcomb, Deputy CEO

Item Summary: The Board Chair and staff will provide an update on local and regional transportation initiatives and discuss state and federal legislative issues.



#### 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 551.076 of the Texas Government Code, the Board of Directors Meeting may be Convened into Closed Executive Session for the purpose of Deliberating regarding security devices or audits: presentation and discussion of the Agency Cybersecurity Assessment Report.

#### RECONVENE OPEN SESSION

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

#### 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.

Backup Information: Exhibit 1: Board Agenda Outlook as of 09.18.2020  
([packet page 246](#))

#### 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, *Chair*  
TJ Gilmore, Lewisville, *Vice Chair*  
Sam Burke, Denton County Seat 2, *Secretary*  
Cesar Molina, Denton County Seat 1  
Chris Watts, Denton

##### Non-Voting Board Members:

Mark Miller, Ron Trees, Connie White, Carter Wilson, Tom Winterburn, Joe Perez

##### Staff Liaison:

Raymond Suarez, CEO

This notice was posted on 9/18/2020 at 11:20 AM.

Brandy Pedron, Executive Administrator, Board Support | FOIA

**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 Traylor, 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. This will be the final progress report on these items.*
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 update 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.

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Dianne Costa, Chair

ATTEST

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Sam Burke, Secretary

## Board of Directors Memo

September 24, 2020

SUBJECT: Consider Approval of Monthly Financial Statements for August 2020

### Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending August 31, 2020 include the Statement of Change in Net Position, Statement of Net Position, and Capital Project 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. Variance explanations are provided for all operating revenues and for any material unfavorable variances in operating expenses.

- **Note A:** Passenger Revenues – YTD favorable by \$29k mainly due to Connect and Access ridership of 356k which is 11% more than revised budgeted ridership of 321k. YTD FY20 rail ridership of 213k is 22% less than budgeted ridership of 275k, and overall bus ridership of 1.3 million is 32% less than budgeted ridership of 1.9 million. Ridership remained under budget throughout the month of August as employers sustained telecommuting arrangements in response to COVID-19.

	YTD FY20 Actual Ridership	YTD FY20 Budgeted Ridership	% Variance, Actual to Budget	YTD FY19 Actual Ridership	% Variance, Actual to Prior Year
Total Rail Ridership	213,110	274,754	-22%	357,993	-40%
Connect	328,356	294,754	11%	502,307	-35%
Access & Zone Service	27,773	26,034	7%	35,561	-22%
Frisco (A)	5,468	4,372	25%	10,492	-48%
Collin County Transit (A)	10,089	1,731	483%	10,255	-2%
North Texas Xpress	7,570	9,890	-23%	11,071	-32%
University of North Texas (B)	908,707	1,553,318	-41%	1,526,188	-40%
North Central Texas College (B)	5,784	11,360	-49%	11,181	-48%
Special Movements (B)	4,782	-	N/A	65,390	-93%
Total Bus Ridership	1,298,529	1,901,459	-32%	2,172,445	-40%
Vanpool (B)	126,835	-	N/A	105,538	20%
Total Ridership	1,638,474	2,176,213	-25%	2,635,976	-38%

(A) Includes Demand Response service and Taxi service.

(B) These ridership numbers are not linked to passenger revenues and are shown for information purposes only to include all system ridership. Please note DCTA will be installing trail counters with an anticipated usage reporting by early FY21.

- **Note B:** Contract Service Revenue – YTD unfavorable by \$978k primarily due to lower than budgeted revenue hours and lower than budgeted billable fuel costs. Actual YTD billed hours of 37k were 19% lower than budgeted 46k hours (\$652k decreased revenue). Average YTD pass-through fuel cost is \$1.84/gallon compared to budgeted \$3.00/gallon and YTD usage of 94k gallons is 25% lower than budgeted usage of 125k gallons (\$203k decreased revenue). Additionally, Special Movements, Lyft, and Taxi services were all under budget (\$123k decreased revenue). A budget amendment for FY20 will be presented to the Board for approval to reduce Contract Service Revenue based on revised expectations.

- **Note C:** Sales Tax Revenue – August sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in August will be received in October. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of sales tax receipts collected through September, representing sales tax generated through July.
- **Note D:** Federal/State Grants - Capital – YTD unfavorable by \$220k due to anticipated PTC project reimbursements which will be requested once payments have been made.

	YTD FY20 Actual Revenue	YTD FY20 Budgeted Revenue	Variance, Actual to Budget
Positive Train Control (PTC)	\$ 486,679	\$ 772,558	\$ (285,879)
Safety & Security	66,155	-	66,155
Hike & Bike Trail – Eagle Point	438,548	438,548	-
	<u>\$ 991,382</u>	<u>\$ 1,211,106</u>	<u>\$ (219,724)</u>

- **Note E:** Federal/State Grants - Operating – YTD unfavorable by \$3.8 million mainly due to timing differences of Rail Operating Assistance drawdowns of CARES Act funding. Reimbursement requests will be made before year-end once drawdown calculations and reimbursement documents are finalized.

	YTD FY20 Actual Revenue	YTD FY20 Budgeted Revenue	Variance, Actual to Budget
Bus Preventive Maintenance	\$ 1,284,930	\$ 1,266,606	\$ 18,324
Rail Preventive Maintenance	1,885,731	2,007,873	(122,141)
Bus Operating Assistance	3,984,013	4,107,468	(123,455)
Rail Operating Assistance	-	3,355,676	(3,355,676)
ADA Assistance	305,662	501,166	(195,504)
Vanpool	192,292	110,000	82,292
NCTCOG Train the Trainer	9,566	-	9,566
NCTCOG NTX 35W JARC	68,161	-	68,161
	<u>\$ 7,730,355</u>	<u>\$ 11,348,789</u>	<u>\$ (3,618,434)</u>

#### Identified Need

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

#### Recommendation

Staff recommends approval.

#### Exhibits

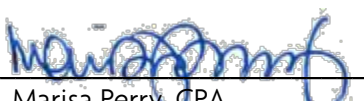
Exhibit 1(a): Monthly Financial Statements – August 2020

Exhibit 1(b): Capital Projects Budget Report – August 2020

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 AS OF AUGUST 31, 2020

(UNAUDITED)

Description	Month Ended August 31, 2020			Year to Date August 31, 2020			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>Revenue and Other Income</b>							
Passenger Revenues	\$ 40,881	\$ 26,348	\$ 14,533	\$ 789,897	\$ 760,564	\$ 29,333	\$ 792,169 <b>Note A</b>
Contract Service Revenues	167,185	380,817	(213,632)	2,979,886	3,957,531	(977,645)	4,416,160 <b>Note B</b>
Sales Tax Revenues	2,520,946	1,137,350	1,383,596	25,545,496	20,210,365	5,335,131	21,464,452 <b>Note C</b>
Federal/State Grants - Capital	53,278	-	53,278	991,382	1,211,106	(219,724)	3,788,325 <b>Note D</b>
Federal/State Grants - Operating	195,226	937,766	(742,540)	7,730,355	11,348,789	(3,618,434)	12,400,872 <b>Note E</b>
<b>Total Revenues and Other Income</b>	<u>2,977,516</u>	<u>2,482,281</u>	<u>495,235</u>	<u>38,037,017</u>	<u>37,488,355</u>	<u>548,662</u>	<u>42,861,978</u>
<b>Operating Expenses</b>							
Salary, Wages and Benefits	337,039	355,352	18,313	4,131,926	4,304,099	172,172	4,659,734
Outsourced Services and Charges	101,799	322,687	220,888	2,066,697	3,536,450	1,469,753	4,472,477
Materials and Supplies	106,247	209,346	103,099	1,759,041	2,284,228	525,187	2,554,461
Utilities	41,061	42,498	1,437	358,001	448,478	90,477	490,988
Insurance	136,693	146,024	9,331	1,518,253	1,606,264	88,011	1,752,329
Purchased Transportation Services	765,294	826,049	60,754	9,199,300	9,445,181	245,881	10,271,634
Employee Development	1,826	17,127	15,301	152,659	281,562	128,903	296,935
Leases and Rentals	25,889	19,127	(6,762)	199,791	210,502	10,711	229,633
Depreciation	794,491	904,747	110,256	8,765,347	9,709,311	943,964	10,612,052
<b>Total Operating Expenses</b>	<u>2,310,340</u>	<u>2,842,957</u>	<u>532,617</u>	<u>28,151,016</u>	<u>31,826,074</u>	<u>3,675,059</u>	<u>35,340,243</u>
<b>Income Before Non-Operating Revenues and Expenses</b>	667,176	(360,676)	1,027,852	9,886,001	5,662,281	4,223,720	7,521,735
<b>Non-Operating Revenues / (Expense)</b>							
Investment Income	13,086	18,333	(5,247)	328,638	306,663	21,975	325,000
Gain (Loss) on Disposal of Assets	(75,607)	-	(75,607)	(75,607)	-	(75,607)	-
Fare Evasion Fee	-	83	(83)	-	913	(913)	1,000
Other Income/(Expense) - Miscellaneous	67,533	-	67,533	205,701	51,000	154,701	51,000
Long Term Debt Interest/Expense	(75,781)	(75,790)	9	(833,353)	(833,690)	337	(909,480)
<b>Total Non-Operating Revenues / (Expenses)</b>	<u>(70,770)</u>	<u>(57,374)</u>	<u>(13,396)</u>	<u>(374,621)</u>	<u>(475,114)</u>	<u>100,493</u>	<u>(532,480)</u>
<b>Income (Loss) before Transfers</b>	596,407	(418,050)	1,014,456	9,511,380	5,187,167	4,324,214	6,989,255
Transfers Out	(371,042)	(563,914)	192,872	(6,806,455)	(7,374,476)	568,021	(8,000,347)
<b>Total Transfers</b>	<u>(371,042)</u>	<u>(563,914)</u>	<u>192,872</u>	<u>(6,806,455)</u>	<u>(7,374,476)</u>	<u>568,021</u>	<u>(8,000,347)</u>
<b>Change in Net Position</b>	<u>\$ 225,364</u>	<u>\$ (981,964)</u>	<u>\$ 1,207,328</u>	<u>\$ 2,704,925</u>	<u>\$ (2,187,309)</u>	<u>\$ 4,892,234</u>	<u>\$ (1,011,092)</u>



## DENTON COUNTY TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION  
AS OF AUGUST 31, 2020  
(UNAUDITED)

	August 31, 2020	July 31, 2020	Change
<b>Assets</b>			
<b>Current Assets</b>			
Operating Cash & Cash Equivalents	\$ 21,848,192	\$ 16,685,225	\$ 5,162,967
Reserves: Cash & Cash Equivalents	8,967,271	8,917,775	49,497
Reserves: Investments	5,084,334	5,084,334	-
Accounts & Notes Receivable	5,014,237	9,266,591	(4,252,354)
Prepaid Expenses	311,570	355,524	(43,954)
Inventory	19,585	30,540	(10,955)
Restricted Asset-Cash and Equivalents	3,191,547	3,193,427	(1,880)
<b>Total Current Assets</b>	<b>44,436,736</b>	<b>43,533,415</b>	<b>903,321</b>
<b>Non-Current Assets</b>			
Land	17,394,147	17,394,147	-
Land Improvements	11,953,783	11,953,783	-
Machinery & Equipment	5,213,614	5,213,614	-
Vehicles	92,907,285	93,020,696	(113,411)
Computers & Software	1,387,627	1,387,627	-
Intangible Assets	16,997,155	16,997,155	-
Construction in Progress	19,623,459	19,406,212	217,247
Other Capital Assets, Net	234,616,978	234,616,978	-
Accumulated Depreciation	(86,324,197)	(85,567,509)	(756,688)
<b>Total Non-Current Assets</b>	<b>313,769,850</b>	<b>314,422,701</b>	<b>(652,851)</b>
<b>Total Assets</b>	<b>358,206,586</b>	<b>357,956,117</b>	<b>250,470</b>
<b>Deferred Outflow of Resources</b>			
Deferred Outflows Related to Pensions	369,652	369,652	-
<b>Total Deferred Outflow of Resources</b>	<b>369,652</b>	<b>369,652</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses	726,176	774,933	(48,757)
Deferred Revenues	57,437	59,355	(1,918)
Interest Payable	378,903	303,123	75,781
Retainage Payable	621,036	621,036	-
<b>Total Current Liabilities</b>	<b>1,783,552</b>	<b>1,758,447</b>	<b>25,105</b>
<b>Non-Current Liabilities</b>			
Rail Easement Payable	900,000	900,000	-
Bonds Payable	25,230,000	25,230,000	-
Net Pension Liability	109,285	109,285	-
<b>Total Non-Current Liabilities</b>	<b>26,239,285</b>	<b>26,239,285</b>	<b>-</b>
<b>Total Liabilities</b>	<b>28,022,837</b>	<b>27,997,732</b>	<b>25,105</b>
<b>Deferred Inflow of Resources</b>			
Deferred Inflows Related to Pensions	47,683	47,683	-
<b>Total Deferred Inflow of Resources</b>	<b>47,683</b>	<b>47,683</b>	<b>-</b>
<b>Net Position</b>			
Net Investment in Capital Assets	293,688,041	293,688,041	-
Unrestricted	34,112,752	34,112,752	-
Change in Net Position	2,704,925	2,479,561	<b>225,364</b>
<b>Total Net Position</b>	<b>\$ 330,505,718</b>	<b>\$ 330,280,354</b>	<b>\$ 225,364</b>



**NORTH TEXAS MOBILITY CORPORATION**  
CHANGE IN NET POSITION  
MONTH AND YEAR TO DATE AS OF AUGUST 31, 2020  
(UNAUDITED)

Description	Month Ended August 31, 2020			Year to Date August 31, 2020			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
<b>Operating Expenses</b>							
Salary, Wages and Benefits	\$ 333,859	\$ 525,762	\$ 191,903	\$ 6,526,793	\$ 6,943,685	\$ 416,892	\$ 7,531,382
Outsourced Services and Charges	23,789	22,220	(1,569)	149,963	239,409	89,446	261,629
Insurance	13,394	11,052	(2,342)	114,512	121,572	7,060	132,636
Employee Development	-	4,880	4,880	15,188	69,810	54,622	74,700
<b>Total Operating Expenses</b>	<u>371,042</u>	<u>563,914</u>	<u>192,872</u>	<u>6,806,455</u>	<u>7,374,476</u>	<u>568,021</u>	<u>8,000,347</u>
<b>Income (Loss) before Transfers</b>	(371,042)	(563,914)	192,872	(6,806,455)	(7,374,476)	568,021	(8,000,347)
Transfers In	<u>371,042</u>	<u>563,914</u>	<u>(192,872)</u>	<u>6,806,455</u>	<u>7,374,476</u>	<u>(568,021)</u>	<u>8,000,347</u>
<b>Total Transfers</b>	<u>371,042</u>	<u>563,914</u>	<u>(192,872)</u>	<u>6,806,455</u>	<u>7,374,476</u>	<u>(568,021)</u>	<u>8,000,347</u>
<b>Change in Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## NORTH TEXAS MOBILITY CORPORATION

## STATEMENT OF NET POSITION

AS OF AUGUST 31, 2020

(UNAUDITED)

	August 31, 2020	July 31, 2020	Change
<b>Assets</b>			
Operating Cash & Cash Equivalents	\$ 263,079	\$ 198,935	\$ 64,144
Accounts & Notes Receivable	1,294	1,294	-
Prepaid Expenses	13,360	26,754	(13,394)
<b>Total Assets</b>	<u>277,733</u>	<u>226,983</u>	<u>50,750</u>
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	<u>277,733</u>	<u>226,983</u>	<u>50,750</u>
<b>Total Liabilities</b>	<u>277,733</u>	<u>226,983</u>	<u>50,750</u>
<b>Net Position</b>			
Change in Net Position	-	-	-
<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DENTON COUNTY TRANSPORTATION AUTHORITY**  
**CAPITAL PROJECT FUND**  
AS OF AUGUST 31, 2020

Capital Project Number/Name	Project Budget	August 2020 Actuals Booked	Actuals Life To Date	\$ Under/ (Over) Budget	% of Budget (As of August 2020 Close)
<b>Construction Work in Progress</b>					
<b>G&amp;A Capital Projects</b>					
Total 10302 · Infrastructure Acquisition	\$ 3,251,990	\$ -	\$ 301,723	\$ 2,950,267	9%
Total 10403 · Server/Network Infrastructure	350,000	-	333,128	16,872	95%
<b>Total G&amp;A Capital Projects</b>	<b>3,601,990</b>	<b>-</b>	<b>634,852</b>	<b>2,967,138</b>	<b>18%</b>
<b>Bus Capital Projects</b>					
Total 50306 · Major Maintenance - Bus	125,000	-	74,925	50,075	60%
Total 50411 · Integrated Fare Payment	600,000	-	-	600,000	0%
Total 50513 · Fleet (2019)	1,481,000	-	875	1,480,125	0%
Total 50514 · Fleet (2020)	1,062,600	-	-	1,062,600	0%
<b>Total Bus Capital Projects</b>	<b>3,268,600</b>	<b>-</b>	<b>75,800</b>	<b>3,192,800</b>	<b>2%</b>
<b>Rail Capital Projects</b>					
Total 61406.1 · Positive Train Control Implementation	16,720,141	19,479	15,909,870	810,271	95%
Total 61406.2 · Positive Train Control Enhancements	5,000,000	-	134,174	4,865,826	3%
Total 61409 · Stadler Diagnostic Laptops	80,000	-	-	80,000	0%
Total 61605 · Brownfield Remediation	385,000	7,259	329,694	55,306	86%
Total 61715 · Trail Safety Improvements	181,157	24,445	160,527	20,630	89%
Total 61720 · Major Maintenance - Rail	2,024,826	166,064	1,343,261	681,565	66%
<b>Total Rail Capital Projects</b>	<b>24,391,124</b>	<b>217,247</b>	<b>17,877,526</b>	<b>6,513,598</b>	<b>73%</b>
<b>Total Construction Work in Progress</b>	<b>\$ 31,261,714</b>	<b>\$ 217,247</b>	<b>\$ 18,588,178</b>	<b>\$ 12,673,536</b>	<b>59%</b>

## Board of Directors Memo

September 24, 2020

SUBJECT: Consider Approval of the Interlocal Agreement with the City of Frisco for Mobility Services

### Background

#### *Item Summary*

As staff briefed the Board of Directors on August 27, the Frisco City Council approved a new, one-year Interlocal Cooperation Agreement with DCTA, on September 1, to continue to provide mobility services with an increased budget of \$400,000, which includes cost of services and DCTA's administrative fee per the administrative fee policy. Additional programmatic changes include increased passenger fares, elimination of the reduced fare, and reduction of eligible service boundaries to the Frisco City limits and portions of Plano currently being served.

#### *Detailed Background*

DCTA has an Interlocal Cooperation Agreement with the City of Frisco to provide demand-response services within the cities of Frisco, McKinney, Allen, and parts of Plano. The service is provided for Frisco residents meeting one of the eligibility requirements of being age 65 or older, disabled, or needing transportation for non-emergency, medical-related purposes. The current ILA went into effect October 1, 2018 for an initial term of one year and was renewed for an additional one-year term through September 30, 2020.

The new Interlocal Agreement serves to increase the contract amount from \$325,000 to \$400,000, including DCTA's new Administrative Fee of an estimated \$150,000, reduce the service area, and make several changes to the fare structure. The term of the agreement is for one year.

DCTA commenced service in Frisco in December of 2015. Since then, the original contract amount of \$325,000 has not been changed. Due to increased ridership and operating costs, monthly invoices for service have been trending upward over the last few years. Prior to Covid-19, invoices were averaging \$30,000 to 35,000. Accordingly, staff has planned for an increased contract amount to \$400,000 while reducing some program parameters. Due to significant trip reduction related to Covid-19, costs for the remainder of the current contract term are not expected to exceed the FY 2020 budget.

Trips into McKinney and Allen consume a significant amount of time and cost due to the large service area and frequency of trips. In addition, since DCTA commenced operations in 2015, there are many more medical offices and hospitals operating within Frisco that reduce the need for medical transportation outside City limits. The service area will be reduced to Frisco City limits in addition to the portion of Plano already served, to concentrate medical and work trips along a few north/south corridors.

In addition, fares within Frisco will increase from \$2 to \$3 and the fare outside of Frisco will increase from \$3 to \$5. These fares will apply to the shuttle and taxi services and Lyft. The fare for service has not increased since service commenced in 2015. After surveying neighboring cities, city staff feel the fare structure is reasonable and in line with other communities. In addition, the reduced fare option is eliminated in the new agreement.

Staff will closely monitor the first months of the new contract to assure costs are in line with expectations. In the event costs rise at a rate that will outpace the contract limit, there are additional measures that can be implemented.



### Financial Impact

The new ILA increases the budget from \$325,000 to \$400,000 per year and includes all DCTA administrative fees, estimated at \$150,000.

- Exhibit 1:** Interlocal Agreement as Approved by City of Frisco City Council on September 1, 2020
- Exhibit 2:** Extension Letter, October 1, 2019 through September 30, 2020
- Exhibit 3:** 2018 Restated Interlocal Agreement
- Exhibit 4:** Frisco Service Map Comparison

Submitted By:   
Lindsey Baker, Director of Government Affairs

Approved By:   
Nicole Recker, VP of Mobility Services & Administration

STATE OF TEXAS	§	
	§	INTERLOCAL COOPERATION
	§	AGREEMENT
COUNTY OF DENTON	§	

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

### RECITALS

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

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

**WHEREAS**, Frisco desires to partner with DCTA to provide transportation services to meet the mobility needs of Frisco 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 Frisco 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 Frisco to provide transportation services.

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

### Article I Purpose of Trips; Eligibility

- 1.1 The purpose of this Agreement is to provide for the administration and operation of transit services for eligible Frisco residents for trips originating in Frisco to destinations located in Frisco and designated areas of Plano as defined by Frisco (the “Transit Services”). Transit Services may include DCTA directly providing transportation to eligible Frisco residents or through third-party service providers that directly contract with DCTA, including but not limited to taxi providers and transportation network companies (TNCs) that directly contract with DCTA. DCTA shall have the discretion to determine the type of Transit Service to dispatch to the eligible passenger. DCTA shall provide the Transit Services to the following eligible passengers:

- (a) Frisco residents who are 65 years of age or older;
- (b) Frisco residents who are disabled;
- (c) Frisco residents requiring transportation for medical care-related purposes; and
- (d) Others as directed by Frisco based on available funding and service capacity.

## **Article II Term**

- 2.1 The Initial Term of this Agreement shall begin on October 1, 2020, and continue for the period ending on September 30, 2021, unless sooner terminated as provided herein (the “Initial Term”). Thereafter, this Agreement shall automatically renew on the same terms and conditions for two (2) additional one-year terms (each a “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 then-current Term.
- 2.2 Either Party may terminate this Agreement for any reason whatsoever, with or without cause, by providing the other Party written notice to terminate at least thirty (30) days prior to the date of termination. After the Initial Term, the required notice to terminate shall be at least ninety (90) days.

## **Article III Transit Services**

- 3.1 DCTA shall provide the Transit Services as follows:
  - (a) Beginning on October 1, 2020, DCTA shall deliver the Transit Services as required herein from 6:00 am to 6:00 pm Monday through Friday, except as provided in Section 3.2.
  - (b) During the Term of this Agreement, DCTA shall provide all administrative and operational services associated with the Transit Services including, but not limited to, employment and management of necessary and sufficient personnel, management of dispatch and call center operations reasonable and necessary to provide the Transit Services, and collection and accounting of fares;
  - (c) DCTA shall supply and maintain the fleet of vehicles providing Transit Services, in a state of good repair, according to the vehicle manufacturers’ recommendations, and in compliance with all state and federal laws and regulations, and shall keep each vehicle clean and fueled. DCTA shall promptly and properly perform all repairs necessary to keep such vehicles in good, safe, and legal operational condition and shall maintain records of all maintenance, repairs, and inspections performed on each vehicle;
  - (d) The Parties shall work together to analyze and review ongoing service levels and ridership eligibility. DCTA shall report to Frisco on alternative Transit Service

delivery methods and cost estimates to meet the long-term public transit needs of Frisco.

- 3.2 Holiday Transit Service. DCTA shall not be required to provide Transit Services on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. DCTA may limit or modify Transit Services on days surrounding these holidays with the prior written agreement of Frisco.
- 3.3 Reservations. Each passenger must schedule with DCTA the Transit Services to be directly provided by DCTA at least 24 hours in advance of the time of the passenger's required trip. Passengers scheduling Transit Survives to be provided by a third-party service provider such as Uber, Lyft, or other taxi-type service provider under this Agreement shall comply with the reservation requirements of such third-party service provider.
- 3.4 Vehicles. DCTA shall provide up to six (6) vehicles and one (1) spare as may be necessary to provide the agreed upon service levels of Transit Services. If additional fleet vehicles are required, DCTA shall work with Frisco to determine how the vehicles shall be acquired and financed and the timing for delivery and placement in to revenue service. DCTA shall not take any action to acquire vehicles or related equipment without obtaining prior written approval from Frisco.
- 3.5 Compliance with Americans with Disabilities Act and Other Laws. DCTA acknowledges and understands that it is responsible for compliance with, and agrees to comply with, the requirements of the Americans with Disabilities Act, as amended, in providing the Transit Services. In addition, DCTA acknowledges and understands that it is responsible for compliance with, and agrees to comply with, all other federal, state, and local laws, statutes, ordinances, regulations and policies, as they exist, may be amended or in the future arising, applicable to DCTA and the Transit Services provided under this Agreement. DCTA shall ensure that its officers, employees, agents, contractors, and other parties performing services for or on behalf of DCTA comply with all applicable laws, statutes, ordinances, regulations, and policies.
- 3.6 Licensure. All vehicles providing Transit Services shall be operated by an operator duly licensed by the State of Texas and in current possession of said license to operate vehicles of the type and size required by this Agreement. DCTA shall ensure that all persons operating vehicles designed to transport sixteen (16) or more passengers (including the driver) have valid commercial drivers' licenses, and shall further ensure compliance with rules for employees with commercial driver's licenses as specified in 49 CFR Part 382, as amended.

#### **Article IV Compensation and Fees**

- 4.1 DCTA Compensation. Except as provided in Section 4.7 (Vehicle Maintenance and Repair), Frisco shall fully reimburse DCTA for the reasonable and necessary costs actually incurred by DCTA in providing the Transit Services to Frisco, including reasonable and

necessary fuel costs and the portion of DCTA's reasonable and necessary administration costs attributable to providing the Transit Services to Frisco (collectively, "DCTA Compensation"). The initial amount payable by Frisco to DCTA for the DCTA Compensation shall not exceed Four Hundred Thousand Dollars (\$400,000) on an annual basis for each term of this Agreement. However, it is understood by the Parties that increased costs for providing Transit Services under this Agreement and/or increased service levels may require a written modification of this amount in order to sustain the requested service levels. Failure to fund the additional costs will result in DCTA's suspension of services until such funding becomes available. DCTA shall prepare or maintain accurate and complete records of all costs incurred under this Agreement and shall retain such records for at least five (5) years after the expiration of this Agreement.

4.2 Fuel Costs. As part of the DCTA Compensation, Frisco shall reimburse DCTA for reasonable and necessary actual fuel costs incurred by DCTA in providing the Transit Services to Frisco under this Agreement. DCTA shall on a monthly basis provide a written invoice to Frisco for the reasonable and necessary fuel costs incurred by DCTA for the Transit Services for the previous ending month. DCTA shall prepare and maintain accurate and complete records of all fuel costs incurred under this Agreement and shall retain such records for at least five (5) years after the expiration of this Agreement.

4.3 Fares.

(a) DCTA shall administer the collection of fares from the passengers at rates determined by Frisco, with input from DCTA. Collected fare revenue shall be allocated to offset the costs of Transit Services provided to Frisco by DCTA and shall be applied to reduce the amount of DCTA Compensation payable by Frisco to DCTA under this Agreement. DCTA shall prepare and maintain accurate and complete records of all collected fare revenue and shall retain such records for at least five (5) years after the expiration of this Agreement.

(b) Effective October 1, 2020, fares for passengers within Frisco shall be Three Dollars (\$3.00); fares for passengers outside Frisco shall be Five Dollars (\$5.00). No reduced fare shall be offered to any passenger.

4.4 Current Revenues. To the extent applicable, Frisco and DCTA acknowledge that Frisco shall make payment of the aforementioned sums from current revenues. Frisco 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 Frisco, September 30 of each calendar year, shall be subject to approval by Frisco's City Council. This approval may be presumed if the City Council includes funding for the Transit Services in an adopted budget. This Agreement cannot be an unfunded liability of Frisco 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 Frisco with notice as provided herein, without any penalty or liability to Frisco except for monies owed DCTA for Transit Services DCTA provided pursuant to this Agreement and for any costs incurred for

demobilization, in the event Frisco's City Council fails to approve or appropriate funds for any continuation of this Agreement.

#### 4.5 Payment.

- (a) On or before the fifteenth (15<sup>th</sup>) day of each calendar month during the term of this Agreement and on or before the fifteenth (15<sup>th</sup>) day of the first calendar month after the expiration of the term of this Agreement, DCTA shall provide to Frisco a written invoice itemizing the total reimbursable, actual costs incurred by DCTA for Transit Services performed under this Agreement during the previous month. DCTA shall deduct the amount of fare revenue collected for each such month and from such reimbursable, actual costs incurred by DCTA, reducing the total invoice amount in accordance with Section 4.3. Each invoice shall identify the period for which the payment is being requested. At Frisco's written request, DCTA shall promptly provide Frisco with all supporting receipts or other documentation in connection with one or more specific invoices.
- (b) Frisco shall pay DCTA within thirty (30) days of the receipt of each monthly invoice, unless supporting receipts or other supporting documentation have been requested by Frisco, in which case Frisco shall pay the invoice as soon after receiving the supporting receipts or documentation as is reasonable; or unless a dispute arises as to any charge(s) contained in the invoice, in which case Frisco shall pay the undisputed amount of the invoice within thirty (30) days of receipt and shall pay the remaining amount, if any, of the invoice after resolution of the dispute as soon after resolution as is reasonable. Nothing contained in this Agreement shall require Frisco to pay for any activities or expenditures that are not authorized, performed or submitted in compliance with the terms of this Agreement, nor shall failure to withhold payment based on this provision constitute a waiver of any right that Frisco may have if DCTA is in default of this Agreement, including Frisco's right to bring legal action for damages or for specific performance of this Agreement. Waiver of any default under this Agreement shall not be deemed a waiver of any subsequent default.

4.6 Frisco acknowledges that capital costs for acquisition of vehicles and related equipment are not included in the cost of service.

4.7 Vehicle Maintenance and Repair. DCTA, at its sole cost and expense, shall be responsible for the regular maintenance of all vehicles providing Transit Services (oil changes, tires, lubricants, cleaning, etc.) ("Ordinary Maintenance and Repairs"). In the event that the reasonable and necessary repair of such vehicles exceeds such Ordinary Maintenance and Repairs ("Extraordinary Repairs") and the estimated costs of performing the Extraordinary Repairs is more than \$1,000 per vehicle, then Frisco shall reimburse DCTA for the reasonable and necessary costs actually incurred by DCTA in performing the Extraordinary Repairs, provided that DCTA obtains Frisco's prior written agreement to proceed with such Extraordinary Repairs.

- 4.8 DCTA shall explore various options for fleet replacement to ensure equipment is available after the useful life of the initial vehicles is exceeded. DCTA shall work with Frisco to develop a fleet replacement schedule and capitalization plan and to identify potential funding sources to support ongoing Transit Services.
- 4.9 In an effort to provide the best Transit Services possible, DCTA may work with third-party service providers to enhance service delivery to the citizens of Frisco. 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 Frisco.

### **Article V Data Reporting**

DCTA shall submit a monthly data report to Frisco at the same time DCTA submits its monthly invoice. This data report shall contain useful insights regarding the Transit Services provided. The monthly data shall include:

- (a) Ridership by city;
- (b) Identification of purpose of trip;
- (c) Average cost per trip per type of Transit Service; and
- (d) Comprehensive operational reports detailing revenue and service hours, passengers per revenue and service hour, on-time performance, number of no-shows, number of cancellations, and deadhead hours and miles.

The data shall be made available in formatted numerical and graphical reports. DCTA reserves the right to amend reports per written agreement by all parties to continually provide pertinent and most technologically advanced data available.

### **Article VI Insurance**

DCTA shall, at its own expense, procure, maintain, and keep in full force and effect the types and amounts of insurance, or the self-insurance equivalent, specified in Frisco's Insurance Requirements, attached hereto as Exhibit "A" and incorporated herein for all purposes, during the Initial Term and any Renewal Term. DCTA shall not commence work under this Agreement until DCTA has obtained all the insurance required under this Agreement, nor shall DCTA allow any subcontractor to commence work on its own subcontract until all similar insurance of the subcontractor has been obtained and approved. DCTA shall comply with all other requirements set forth in Exhibit A.

## Article VII Liability

To the fullest extent permitted by law, DCTA shall be fully and solely responsible and liable for its own acts and omissions, including those of its officers, agents, representatives, employees or any other third-parties for whom DCTA is legally responsible, and for any and all damage to its vehicles, equipment and other property. Frisco assumes no such responsibility or liability. Frisco shall have no such responsibility or liability to either DCTA or the said officers, agents, representatives, employees, or other persons. The provisions of this Article are solely for the benefit of the Parties and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

## Article VIII Miscellaneous

- 8.1 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.
- 8.2 Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party.
- 8.3 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.
- 8.4 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.
- 8.5 No Waiver of Immunity. 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, and 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.
- 8.6 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

8.7 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.

8.8 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:

With Copy to:

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

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

If intended for Frisco:

With Copy to:

City of Frisco, Texas  
Attn: George Purefoy  
6101 Frisco Square Blvd.  
Frisco, Texas 75034  
Phone: 972-292-5000

Abernathy, Roeder, Boyd & Hullett, P.C.  
Attn: Ryan D. Pittman  
1700 Redbud Blvd., Suite 300  
McKinney, Texas 75069  
Phone: 214-544-4000

8.9 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.

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

8.11 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.

8.12 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.

- 8.13 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.
- 8.14 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.
- 8.15 Third-Party Subcontractors. DCTA has the right to contract with third-party or other contractors to perform all or any part of the service under this Agreement. The terms and conditions of this Agreement shall be binding on such third-party contractors.
- 8.16 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 related to this Agreement. Each Party shall have access during normal working 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 provision. Each Party shall give the other Party advanced notice of at least forty-eight (48) business hours of intended audits.

*(signature page shall follow)*

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective when all the parties have signed it. The date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature below) will be deemed the effective date of this Agreement ("Effective Date").

**Denton County Transportation Authority**

By: \_\_\_\_\_  
Raymond Suarez, Chief Executive Officer

Date: \_\_\_\_\_, 2020

Approved as to form:

By: \_\_\_\_\_  
Joseph J. Gorfida, Jr., General Counsel  
(08-21-2020:TM117534)

**City of Frisco, Texas,**  
a home-rule municipality

By: \_\_\_\_\_  
George Purefoy, City Manager

Date: \_\_\_\_\_, 2020

Approved as to form:

By: \_\_\_\_\_  
Abernathy, Roeder, Boyd & Hullett, P.C.  
Ryan D. Pittman, City Attorneys

**Exhibit A**  
**Insurance Requirements**

**I. GENERAL INSURANCE REQUIREMENTS –**

- A. All policies shall name the City of Frisco, its officers, agents, representatives and employees as additional insureds as to all applicable coverages with the exception of workers compensation insurance.
- B. All policies shall be written on an “occurrence” basis. Any policy submitted shall not be subject to limitations, conditions or restrictions deemed inconsistent with the intent of the insurance requirements to be fulfilled under this Agreement. Frisco’s decision(s) thereon shall be final.
- C. Such policies shall provide for a waiver of subrogation against Frisco for injuries, including death, property damage or any other loss to the extent the same is covered by the proceeds of the insurance.

**II. INSURANCE COMPANY QUALIFICATION –** All insurance companies providing the required insurance shall be authorized to transact business in the State of Texas, and shall have a minimum rating of “A” by A.M. Best’s Key Rating Guide, or other equivalent rating service(s).

**III. CERTIFICATE OF INSURANCE; ENDORSEMENTS –** A Certificate of Insurance and all applicable endorsement(s) evidencing the required insurance shall be submitted prior to the Effective Date of this Agreement. If the Agreement is renewed by Frisco, a Certificate of Insurance and all applicable endorsement(s) shall also be provided to Frisco prior to the date the Agreement is renewed.

**IV. INSURANCE CHECKLIST –** “X” means that the following coverage is required for this Agreement.

	Coverage Required	Limits
<u>X</u>	1. Worker’s Compensation & Employer’s Liability	<ul style="list-style-type: none"> <li>▪ Statutory Limits of the State of Texas</li> </ul>
<u>X</u>	2. General Liability	<ul style="list-style-type: none"> <li>▪ Minimum \$1,000,000.00 each occurrence;</li> <li>▪ Minimum \$2,000,000.00 in the aggregate.</li> </ul>
<u>X</u>	3. Business Automobile Liability covering owned, hired and non-owned vehicles	<ul style="list-style-type: none"> <li>▪ Minimum \$1,000,000.00 each occurrence;</li> <li>▪ Minimum \$2,000,000.00 in the aggregate.</li> </ul>

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| <p>_____</p> | <p>4. Professional Liability</p> | <ul style="list-style-type: none"> <li>▪ Minimum \$1,000,000.00 each claim;</li> <li>▪ Minimum \$ 2,000,000.00 in the aggregate.</li> </ul> |
|--------------|----------------------------------|---|
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| <p><u>  X  </u></p> | <p>5. Umbrella Coverage or Excess Liability Coverage</p> | <ul style="list-style-type: none"> <li>▪ An amount of \$ 2,000,000.00.</li> </ul> |
|---------------------|--|---|
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- |                     |   |  |
|---------------------|---|--|
| <p><u>  X  </u></p> | <p>6. Frisco and its officers, agents, representatives and employees named as additional insured on General Liability Policy, as provided above. This coverage is primary to all other coverage Frisco may possess.</p> |  |
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- |                     |  |  |
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| <p><u>  X  </u></p> | <p>7. General Liability Insurance provides for a Waiver of Subrogation in favor of Frisco and its officers, agents, representatives and employees for injuries, including death, property damage, or any other loss to the extent that same is covered by the proceeds of the insurance.</p> |  |
|---------------------|--|--|
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| <p><u>  X  </u></p> | <p>8. For each policy, at least thirty (30) days prior to the expiration, cancellation, non-renewal or any other material change in coverage, a notice thereof shall be given to Frisco by certified mail. The words “endeavor to” and “but failure” (to end of sentence) are to be eliminated from the Notice of Cancellation provision on standard ACORD certificates.</p> |  |
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- |                     |   |  |
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| <p><u>  X  </u></p> | <p>9. Insurance company has a minimum rating of “A” by A.M. Best’s Key Rating Guide, or other equivalent rating service(s).</p> |  |
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- |                     |   |  |
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| <p><u>  X  </u></p> | <p>10. The Certificate of Insurance must state the project title.</p> |  |
|---------------------|---|--|
- 
- |              |  |  |
|--------------|--|--|
| <p>_____</p> | <p>11. Other Insurance Requirements (State Below):</p> |  |
|--------------|--|--|



September 3, 2019

City of Frisco, Texas  
City Manager  
6101 Frisco Square Blvd  
Frisco TX 75034

RE: Transportation Services Agreement

The contract for the above referenced commenced on October 1, 2018, for an initial term of one (1) year with automatic renewals for additional one (1) year terms.

Per Article 2.1 of the agreement DCTA is requesting to extend the term of the agreement for one (1) year. This will be the first extension of the agreement.

If the City of Frisco is agreeable to the extension through and including September 30, 2020, please execute and return a copy of this letter to DCTA.

Please contact me should you have any questions.

Regards,

A handwritten signature in black ink, appearing to read 'J Cogdell', is written over a light blue horizontal line.

Jamie Cogdell, CTPM  
Senior Procurement Specialist

The City of Frisco agrees to the extension of the agreement through and including September 30, 2020.

---

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Date

STATE OF TEXAS       §  
                                   §  
 COUNTY OF DENTON   §       **INTERLOCAL COOPERATION AGREEMENT**

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

**RECITALS**

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

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

WHEREAS, Frisco desires to partner with DCTA to provide transportation services to meet the mobility needs of Frisco 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 Frisco are units of local government that have the statutory authority under the Act to perform the services set forth in this Agreement; and

WHEREAS, the Parties entered into an initial Interlocal Agreement dated November 25, 2015, and both Parties desire to continue this mutually beneficial partnership by entering into this new Agreement for transportation services thereby replacing and superseding the Parties' Interlocal Agreement dated November 25, 2015; and

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

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

**Article I**  
**Purpose of Trips; Eligibility**

- 1.1 The purpose of this Agreement is to provide for the administration and operation of transit services for eligible Frisco residents for trips originating in Frisco to destinations located in Frisco, McKinney, Allen, and designated areas of Plano as defined by Frisco (the "Transit Services"). Transit Services may include DCTA directly providing transportation to eligible Frisco residents or through third-party service providers that directly contract

with DCTA, including but not limited to taxi providers and transportation network companies (TNCs) that directly contract with DCTA. DCTA shall have the discretion to determine the type of Transit Service to dispatch to the eligible passenger. DCTA shall provide the Transit Services to the following eligible passengers:

- (a) Frisco residents who are 65 years of age or older;
- (b) Frisco residents who are disabled;
- (c) Frisco residents requiring transportation for medical care-related purposes; and
- (d) Others as directed by Frisco based on available funding and service capacity.

## **Article II Term**

- 2.1 The initial term of this Agreement shall begin on October 1, 2018, and continue for the period ending on September 30, 2019, unless sooner terminated as provided herein (the "Initial Term"). After the Initial Term, this Agreement shall automatically renew on the same terms and conditions for an additional period of one 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 Either Party may terminate this Agreement for any reason whatsoever, with or without cause, by providing the other Party written notice to terminate at least thirty (30) days prior to the date of termination. 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 Transit Services as follows:
  - (a) Beginning on October 1, 2018, DCTA shall deliver the Transit Services as required herein from 6:00 am to 6:00 pm Monday through Friday, except as provided in Section 3.2.
  - (b) During the term of this Agreement, DCTA shall provide all administrative and operational services associated with the Transit Services including, but not limited to, employment and management of necessary and sufficient personnel, management of dispatch and call center operations reasonable and necessary to provide the Transit Services, and collection and accounting of fares;
  - (c) DCTA shall supply and maintain the fleet of vehicles providing Transit Services, in a state of good repair, according to the vehicle manufacturers' recommendations, and in compliance with all state and federal laws and regulations, and shall keep each vehicle clean and fueled. DCTA shall promptly and properly perform all repairs necessary to keep such vehicles in good, safe, and legal operational

condition and shall maintain records of all maintenance, repairs, and inspections performed on each vehicle;

- (d) The Parties shall work together to analyze and review ongoing service levels and ridership eligibility. DCTA shall report to Frisco on alternative Transit Service delivery methods and cost estimates to meet the long-term public transit needs of Frisco.
- 3.2 Holiday Transit Service. DCTA shall not be required to provide Transit Services on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. DCTA may limit or modify Transit Services on days surrounding these holidays with the prior written agreement of Frisco.
- 3.3 Reservations. Each passenger must schedule with DCTA the Transit Services to be directly provided by DCTA at least 24 hours in advance of the time of the passenger's required trip. Passengers scheduling Transit Services to be provided by a third-party service provider such as Uber, Lyft, or other taxi-type service provider under this Agreement shall comply with the reservation requirements of such third-party service provider.
- 3.4 Vehicles. DCTA shall provide up to six (6) vehicles and one (1) spare as may be necessary to provide the agreed upon service levels of Transit Services. If additional fleet vehicles are required, DCTA shall work with Frisco to determine how the vehicles shall be acquired and financed and the timing for delivery and placement in to revenue service. DCTA shall not take any action to acquire vehicles or related equipment without obtaining prior written approval from Frisco.
- 3.5 Compliance with Americans with Disabilities Act and Other Laws. DCTA acknowledges and understands that it is responsible for compliance with, and agrees to comply with, the requirements of the Americans with Disabilities Act, as amended, in providing the Transit Services. In addition, DCTA acknowledges and understands that it is responsible for compliance with, and agrees to comply with, all other federal, state, and local laws, statutes, ordinances, regulations and policies, as they exist, may be amended or in the future arising, applicable to DCTA and the Transit Services provided under this Agreement. DCTA shall ensure that its officers, employees, agents, contractors, and other parties performing services for or on behalf of DCTA comply with all applicable laws, statutes, ordinances, regulations, and policies.
- 3.6 Licensure. All vehicles providing Transit Services shall be operated by an operator duly licensed by the State of Texas and in current possession of said license to operate vehicles of the type and size required by this Agreement. DCTA shall ensure that all persons operating vehicles designed to transport sixteen (16) or more passengers (including the driver) have valid commercial drivers' licenses, and shall further ensure compliance with rules for employees with commercial driver's licenses as specified in 49 CFR Part 382, as amended.

## Article IV Compensation and Fees

- 4.1 **DCTA Compensation.** Except as provided in Section 4.7 (Vehicle Maintenance and Repair), Frisco shall fully reimburse DCTA for the reasonable and necessary costs actually incurred by DCTA in providing the Transit Services to Frisco, including reasonable and necessary fuel costs and the portion of DCTA's reasonable and necessary administration costs attributable to providing the Transit Services to Frisco (collectively, "DCTA Compensation"). The initial amount payable by Frisco to DCTA for the DCTA Compensation shall not exceed Three Hundred Twenty-Five Thousand and 00/100 Dollars (\$325,000.00) on an annual basis for each term of this Agreement. However, it is understood by the Parties that increased costs for providing Transit Services under this Agreement and/or increased service levels may require a written modification of this amount in order to sustain the requested service levels. Failure to fund the additional costs will result in DCTA's suspension of services until such funding becomes available. DCTA shall prepare or maintain accurate and complete records of all costs incurred under this Agreement and shall retain such records for at least five (5) years after the expiration of this Agreement.
- 4.2 **Fuel Costs.** As part of the DCTA Compensation, Frisco shall reimburse DCTA for reasonable and necessary actual fuel costs incurred by DCTA in providing the Transit Services to Frisco under this Agreement. DCTA shall on a monthly basis provide a written invoice to Frisco for the reasonable and necessary fuel costs incurred by DCTA for the Transit Services for the previous ending month. DCTA shall prepare and maintain accurate and complete records of all fuel costs incurred under this Agreement and shall retain such records for at least five (5) years after the expiration of this Agreement.
- 4.3 **Fares.** DCTA shall administer the collection of fares from the passengers at rates determined by Frisco, with input from DCTA. Collected fare revenue shall be allocated to offset the costs of Transit Services provided to Frisco by DCTA and shall be applied to reduce the amount of DCTA Compensation payable by Frisco to DCTA under this Agreement. DCTA shall prepare and maintain accurate and complete records of all collected fare revenue and shall retain such records for at least five (5) years after the expiration of this Agreement.
- 4.4 **Current Revenues.** To the extent applicable, Frisco and DCTA acknowledge that Frisco shall make payment of the aforementioned sums from current revenues. Frisco 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 Frisco, September 30 of each calendar year, shall be subject to approval by Frisco's City Council. This approval may be presumed if the City Council includes funding for the Transit Services in an adopted budget. This Agreement cannot be an unfunded liability of Frisco 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 Frisco with notice as provided herein, without any penalty or liability to Frisco except for monies owed DCTA for Transit Services DCTA provided pursuant to this Agreement and for any costs incurred for demobilization, in the event Frisco's City Council fails to approve or appropriate funds for any continuation of this Agreement.

#### 4.5 Payment.

- (a) On or before the fifteenth (15<sup>th</sup>) day of each calendar month during the term of this Agreement and on or before the fifteenth (15<sup>th</sup>) day of the first calendar month after the expiration of the term of this Agreement, DCTA shall provide to Frisco a written invoice itemizing the total reimbursable, actual costs incurred by DCTA for Transit Services performed under this Agreement during the previous month. DCTA shall deduct the amount of fare revenue collected for each such month and from such reimbursable, actual costs incurred by DCTA, reducing the total invoice amount in accordance with Section 4.3. Each invoice shall identify the period for which the payment is being requested. At Frisco's written request, DCTA shall promptly provide Frisco with all supporting receipts or other documentation in connection with one or more specific invoices.
- (b) Frisco shall pay DCTA within thirty (30) days of the receipt of each monthly invoice, unless supporting receipts or other supporting documentation have been requested by Frisco, in which case Frisco shall pay the invoice as soon after receiving the supporting receipts or documentation as is reasonable; or unless a dispute arises as to any charge(s) contained in the invoice, in which case Frisco shall pay the undisputed amount of the invoice within thirty (30) days of receipt and shall pay the remaining amount, if any, of the invoice after resolution of the dispute as soon after resolution as is reasonable. Nothing contained in this Agreement shall require Frisco to pay for any activities or expenditures that are not authorized, performed or submitted in compliance with the terms of this Agreement, nor shall failure to withhold payment based on this provision constitute a waiver of any right that Frisco may have if DCTA is in default of this Agreement, including Frisco's right to bring legal action for damages or for specific performance of this Agreement. Waiver of any default under this Agreement shall not be deemed a waiver of any subsequent default.

4.6 Frisco acknowledges that capital costs for acquisition of vehicles and related equipment are not included in the cost of service.

4.7 Vehicle Maintenance and Repair. DCTA, at its sole cost and expense, shall be responsible for the regular maintenance of all vehicles providing Transit Services (oil changes, tires, lubricants, cleaning, etc.) ("Ordinary Maintenance and Repairs"). In the event that the reasonable and necessary repair of such vehicles exceeds such Ordinary Maintenance and Repairs ("Extraordinary Repairs") and the estimated costs of performing the Extraordinary Repairs is more than \$1,000 per vehicle, then Frisco shall reimburse DCTA for the

reasonable and necessary costs actually incurred by DCTA in performing the Extraordinary Repairs, provided that DCTA obtains Frisco's prior written agreement to proceed with such Extraordinary Repairs.

- 4.8 DCTA shall explore various options for fleet replacement to ensure equipment is available after the useful life of the initial vehicles is exceeded. DCTA shall work with Frisco to develop a fleet replacement schedule and capitalization plan and to identify potential funding sources to support ongoing Transit Services.
- 4.9 In an effort to provide the best Transit Services possible, DCTA may work with third-party service providers to enhance service delivery to the citizens of Frisco. 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 Frisco.

#### **Article V Insurance**

DCTA shall, at its own expense, procure, maintain, and keep in full force and effect the types and amounts of insurance, or the self-insurance equivalent, specified in Frisco's Insurance Requirements, attached hereto as Exhibit A and incorporated herein for all purposes, during the Initial Term and any Renewal Term. DCTA shall not commence work under this Agreement until DCTA has obtained all the insurance required under this Agreement, nor shall DCTA allow any subcontractor to commence work on its own subcontract until all similar insurance of the subcontractor has been obtained and approved. DCTA shall comply with all other requirements set forth in Exhibit A.

#### **Article VI Liability**

To the fullest extent permitted by law, DCTA shall be fully and solely responsible and liable for its own acts and omissions, including those of its officers, agents, representatives, employees or any other third-parties for whom DCTA is legally responsible, and for any and all damage to its vehicles, equipment and other property. Frisco assumes no such responsibility or liability. Frisco shall have no such responsibility or liability to either DCTA or the said officers, agents, representatives, employees, or other persons. The provisions of this Article are solely for the benefit of the Parties and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

#### **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 Immunity. 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, and 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.
- 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:

With Copy to:

Raymond Suarez  
CEO  
DCTA

Peter G. Smith  
Nichols, Jackson, Dillard, Hager & Smith, LLP  
1800 Ross Tower

1955 Lakeway Drive, Site 260  
Lewisville, Texas 75057  
Facsimile: ( ) \_\_\_\_\_

500 North Akard  
Dallas, Texas 75201  
Facsimile: ( ) \_\_\_\_\_

If intended for Frisco:

With Copy to:

City of Frisco, Texas  
Attn: City Manager  
6101 Frisco Square Blvd.  
Frisco, Texas 75034  
Facsimile: (972) 292-5028

Abernathy, Roeder, Boyd & Hullett, P.C.  
Attn: Ryan D. Pittman  
1700 Redbud Blvd., Suite 300  
McKinney, Texas 75069  
Facsimile: (214) 544-4044

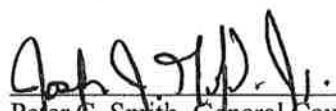
- 7.9 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.
- 7.10 Recitals. The recitals to this Agreement are incorporated herein and made a part hereof for all purposes.
- 7.11 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.
- 7.12 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.
- 7.13 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.
- 7.14 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.
- 7.15 Third-Party Subcontractors. DCTA has the right to contract with third-party or other contractors to perform all or any part of the service under this Agreement. The terms and conditions of this Agreement shall be binding on such third-party contractors.
- 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 related to this Agreement. Each Party shall have access during normal working 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 provision. Each Party shall give the other Party advanced notice of at least forty-eight (48) business hours of intended audits.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective when all the parties have signed it. The date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature below) will be deemed the effective date of this Agreement ("Effective Date").

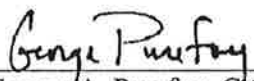
**Denton County Transportation Authority**

By:   
Raymond Suarez, CEO  
Date: 10/19/2018


**APPROVED AS TO FORM:**

By:   
Peter G. Smith, General Counsel

**City of Frisco, Texas,**  
a home-rule municipality

By:   
George A. Purefoy, City Manager  
Date: 10/16/2018

**APPROVED AS TO FORM:**

By:   
Abernathy, Roeder, Boyd & Hullett, P.C.  
Ryan D. Pittman, City Attorneys

**Exhibit A**  
**Insurance Requirements**

**I. GENERAL INSURANCE REQUIREMENTS –**

- A. All policies shall name the City of Frisco, its officers, agents, representatives and employees as additional insureds as to all applicable coverages with the exception of workers compensation insurance.
- B. All policies shall be written on an “occurrence” basis. Any policy submitted shall not be subject to limitations, conditions or restrictions deemed inconsistent with the intent of the insurance requirements to be fulfilled under this Agreement. Frisco’s decision(s) thereon shall be final.
- C. Such policies shall provide for a waiver of subrogation against Frisco for injuries, including death, property damage or any other loss to the extent the same is covered by the proceeds of the insurance.

**II. INSURANCE COMPANY QUALIFICATION –** All insurance companies providing the required insurance shall be authorized to transact business in the State of Texas, and shall have a minimum rating of “A” by A.M. Best’s Key Rating Guide, or other equivalent rating service(s).

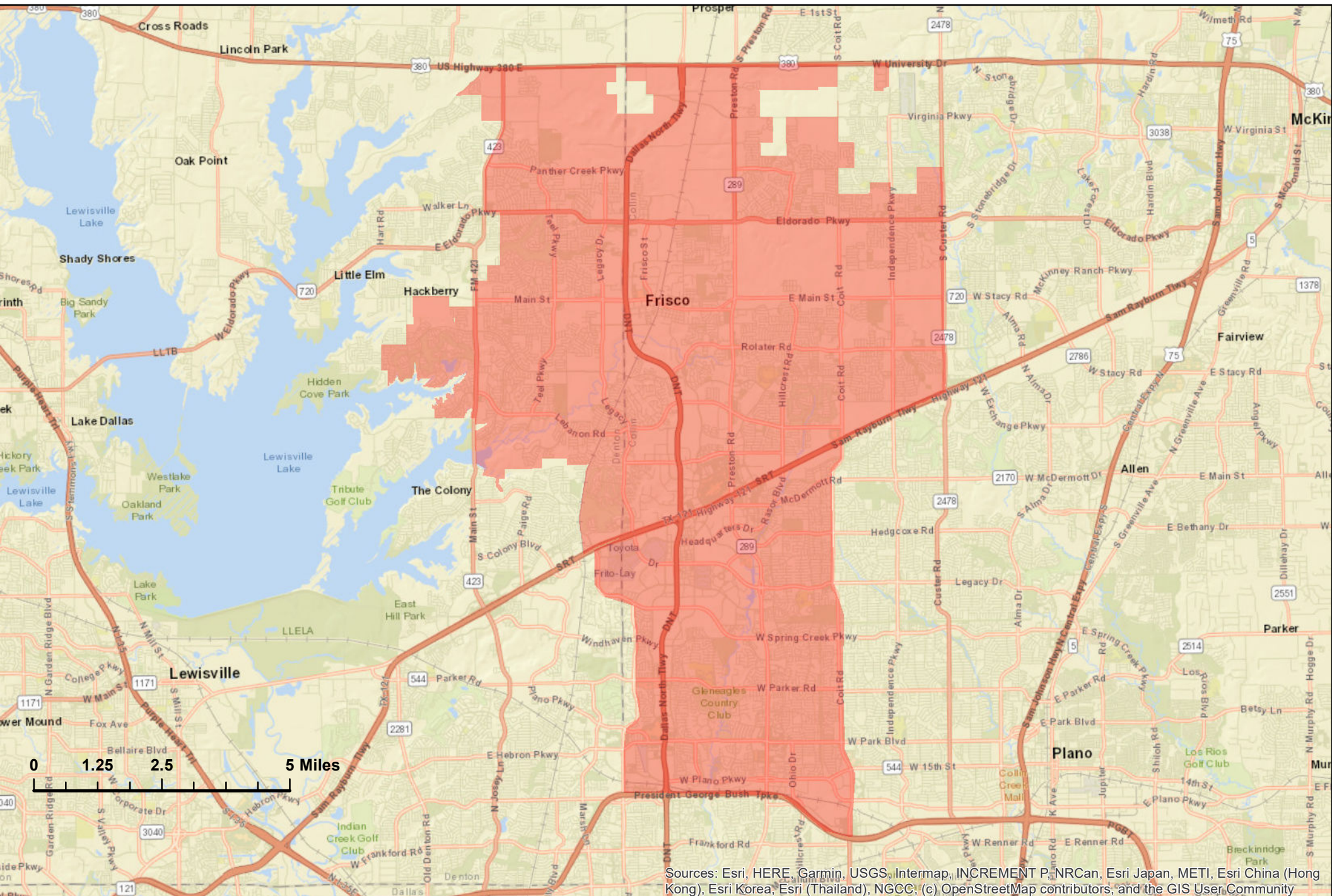
**III. CERTIFICATE OF INSURANCE; ENDORSEMENTS –** A Certificate of Insurance and all applicable endorsement(s) evidencing the required insurance shall be submitted prior to the Effective Date of this Agreement. If the Agreement is renewed by Frisco, a Certificate of Insurance and all applicable endorsement(s) shall also be provided to Frisco prior to the date the Agreement is renewed.

**IV. INSURANCE CHECKLIST –** “X” means that the following coverage is required for this Agreement.

	Coverage Required	Limits
<u>X</u>	1. Worker’s Compensation & Employer’s Liability	<ul style="list-style-type: none"> <li>▪ Statutory Limits of the State of Texas</li> </ul>
<u>X</u>	2. General Liability	<ul style="list-style-type: none"> <li>▪ Minimum \$1,000,000.00 each occurrence;</li> <li>▪ Minimum \$2,000,000.00 in the aggregate.</li> </ul>
<u>X</u>	3. Business Automobile Liability covering owned, hired and non-owned vehicles	<ul style="list-style-type: none"> <li>▪ Minimum \$1,000,000.00 each occurrence;</li> <li>▪ Minimum \$2,000,000.00 in the aggregate.</li> </ul>

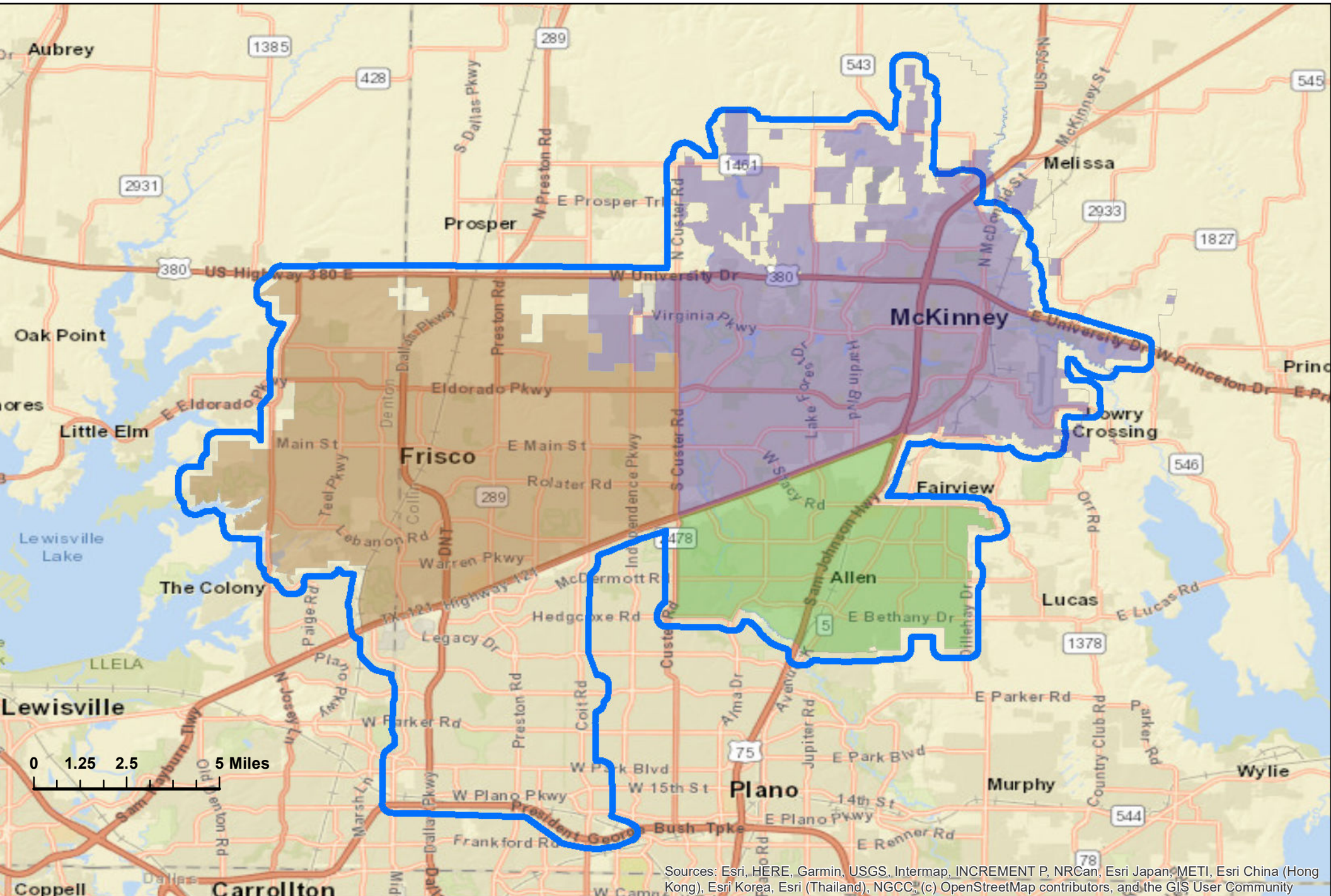
- 
4. Professional Liability
- Minimum \$1,000,000.00 each claim;
  - Minimum \$ 2,000,000.00 in the aggregate.
- 
- X   5. Umbrella Coverage or Excess Liability Coverage
- An amount of \$ 2,000,000.00.
- 
- X   6. Frisco and its officers, agents, representatives and employees named as additional insured on General Liability Policy, as provided above. This coverage is primary to all other coverage Frisco may possess.
- X   7. General Liability Insurance provides for a Waiver of Subrogation in favor of Frisco and its officers, agents, representatives and employees for injuries, including death, property damage, or any other loss to the extent that same is covered by the proceeds of the insurance.
- X   8. For each policy, at least thirty (30) days prior to the expiration, cancellation, non-renewal or any other material change in coverage, a notice thereof shall be given to Frisco by certified mail. The words "endeavor to" and "but failure" (to end of sentence) are to be eliminated from the Notice of Cancellation provision on standard ACORD certificates.
- X   9. Insurance company has a minimum rating of "A" by A.M. Best's Key Rating Guide, or other equivalent rating service(s).
- X   10. The Certificate of Insurance must state the project title.
11. Other Insurance Requirements (State Below):

# Frisco Service Area Effective October 1, 2020



# Existing Frisco Geofence, Expires September 30, 2020

Consent Item 3, Exhibit 4



## Board of Directors Memo

September 24, 2020

SUBJECT: Consider Approval of Resolution R20-16 Approving Financial Management Policies and Annual Investment Policy for FY2021

### Background

DCTA Financial Management Policies are presented at the start of each fiscal year. The Investment Policy is included in the Financial Management Policies document. 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. Investments shall be made that provide the maximum security of principal invested while meeting the daily cash flow needs of DCTA and conforming to all applicable state statutes governing the investment of public funds. While DCTA staff strives to maximize the yield on its investments, increasing the market yield-to-maturity is secondary to the requirements for safety and liquidity.

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. Included for your reference is the letter from Hilltop confirming their review of the investment policy. Hilltop is not recommending any changes to the policy for FY2021.

In connection with investment transactions conducted between Hilltop and DCTA, Hilltop has provided as required under the Act a certification that they have reviewed the entity’s investment policy. In addition, Hilltop has 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. These documents are available in the DCTA Finance Department.

In addition to slight language and formatting adjustments for ease of reading, the attached red-lined document incorporates 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
- Clarified Cost Allocation section to emphasize correlation with grant reimbursement requests

### Identified Need

This action 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.

### Recommendation

Staff recommends the Board of Directors approve Resolution R20-16 to approve the financial management policies and annual investment policy for FY2021.

### Exhibits

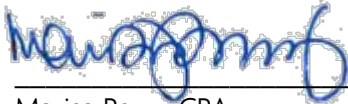
Exhibit 1: Resolution R20-16 with Exhibit “A” Red-lined Proposed Financial Management Policies including Investment Policy

Exhibit 2: Investment Policy Review Letter

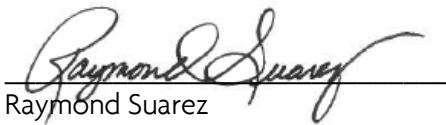
Submitted by:

Amanda Riddle  
Senior Manager of Budget

Final Review:

Marisa Perry, CPA  
Chief Financial Officer/VP of Finance

Approval:

Raymond Suarez  
Chief Executive Officer

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. R20-16**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) APPROVING THE DCTA FINANCIAL MANAGEMENT POLICIES AND UPDATING THE DCTA INVESTMENT POLICY; APPOINTING THE INVESTMENT OFFICERS AND AUTHORIZING INVESTMENT TRANSACTIONS ON BEHALF OF DCTA; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Comprehensive Financial Management Policy assembles the Denton County Transportation Authority's (DCTA) financial policies in one document, which are the tools to ensure that DCTA is financially able to meet its immediate and long-term service objectives. The individual policies serve as guidelines for both the financial planning and internal financial management of DCTA consistent with provisions of Chapter 460 of the Texas Transportation Code and adopted by DCTA Bylaws; and

**WHEREAS**, DCTA is accountable to its constituents for the use of public dollars. Resources must be wisely used to ensure adequate funding for the operations, services, facilities, and infrastructure necessary to meet present and future needs. These policies help safeguard the fiscal stability required to achieve DCTA's goals and objectives; and

**WHEREAS**, DCTA Financial Management Policies and the DCTA Investment Policy are presented to the DCTA Board of Directors for review at the start of each fiscal year; and

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

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

**WHEREAS**, in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the Board of Directors by resolution adopted the DCTA Investment Policy; and

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

**WHEREAS**, the Board of Directors of DCTA finds it to be in the public interest to approve and adopt the DCTA Financial Management Policies and the updated DCTA Investment Policy attached hereto as Exhibit "A";

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

**SECTION 1.** The DCTA Financial Management Policies and updated DCTA Investment Policy, attached hereto as Exhibit “A”, be and the same is hereby approved and shall govern the financial policies and the investment policies and investment strategies for DCTA, and shall define the authority of the investment officials of DCTA from and after the effective date of this Resolution.

**SECTION 2.** The Board of Directors of DCTA has completed its review of the DCTA Financial Management Policies and the DCTA Investment Policy and any changes to such policies are recorded in Exhibit “A”.

**SECTION 3.** The DCTA Chief Financial Officer, Marisa Perry, is hereby designated the Investment Officer, and DCTA President/CEO, Raymond Suarez, is designated as the Alternate Investment Officer.

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

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

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

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

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

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 24<sup>TH</sup> DAY OF SEPTEMBER, 2020.**

**APPROVED:**

\_\_\_\_\_  
Dianne Costa, Chair

**ATTEST:**

\_\_\_\_\_  
Sam Burke, Secretary  
(09-16-2020:TM 117976)

**EXHIBIT “A”**  
**DCTA Financial Policies and Updated DCTA Investment Policy**

# Denton County Transportation Authority Financial Management Policies

(~~Adopted October 2019~~ Proposed September 2020)

## Operating Policies

### Purpose

The Comprehensive Financial Management Policy assembles the Denton County Transportation Authority's (DCTA) financial policies in one document. They are the tools to ensure that DCTA is financially able to meet its immediate and long-term service objectives. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of DCTA consistent with provisions of Chapter 460 of the Texas Transportation Code and adopted DCTA Bylaws.

DCTA is accountable to its constituents for the use of public dollars. Resources must be wisely used to ensure adequate funding for the operations, services, facilities, and infrastructure necessary to meet present and future needs. These policies help safeguard the fiscal stability required to achieve DCTA's goals and objectives.

### Review

DCTA Financial Management Policies are presented to the Board of Directors for review, discussion, and approval ~~after at~~ the start of each fiscal year ~~but prior to the start of the next year's budget process.~~

### Objectives

In order to achieve its purpose, the Financial Management Policies have the following objectives for DCTA's fiscal performance:

- a. To ~~enable the guide~~ DCTA Board of Directors (the Board) ~~to establish and manage and management~~ policy decisions that have significant impact on the agency.
- b. To set forth operating principles that minimize the cost of government and financial risk.
- c. To employ balanced and fair revenue policies that provide adequate funding for desired services and programs.
- d. To maintain appropriate financial capacity for present and future needs.
- e. To promote sound financial management by providing accurate and timely information on DCTA's financial condition.
- f. To protect DCTA's credit rating and provide for adequate resources to meet the provision of DCTA's obligations on all its debt.
- g. To ensure the appropriate use of financial resources through an effective system of written and audited internal controls.
- h. To promote cooperation and coordination with other governments, agencies and the private sector in the financing and delivery of services.
- i. To establish long-term objectives for the financial operations of DCTA.
- j. To ensure an optimum balance between demand for service and resources to provide ~~those services.~~

## Reserve Fund Policies

Adequate reserve levels are a necessary component of DCTA's overall financial management strategy and a key factor in external agencies' measurement of DCTA's financial strength. Funding priorities will be in the order listed and be reflected in the agency's long range financial plan:

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve Fund that is equal to three months of the total budgeted operating expenses (~~less-excluding~~ capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unrestricted net position. An annual contribution will be budgeted from general operating resources, as available, to maintain the target reserve level.
- b. It will be the policy of DCTA to maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual budgeted sales tax.
- c. It will be the policy of DCTA to maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA's investment and maintain appropriate service levels. ~~The use of any funds within the Capital Facilities/Infrastructure Maintenance Fund will be approved by the Board within the resources available each fiscal year.~~
- d. It will be the policy of DCTA to maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$0.50 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year. ~~The use of any funds within the Fuel Stabilization Fund shall be approved by the Board.~~

Contributions to the Sales Tax Stabilization, Capital Replacement/Infrastructure Maintenance, and Fuel Stabilization Funds will be made from available funds as identified in the annual budget or amended budget. The Chief Financial Officer (CFO) shall make a recommendation to the Board ~~with regard to~~ regarding transfers to and from reserve funds. The Board shall authorize the transfers as deemed appropriate at the time. Guidelines for transfers and contributions are as follows:

- a. All transfers for expenses from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board in the annual budget or amended budget.
- b. Capital Replacement Fund will at a minimum be an amount equivalent to twenty percent (20%) of bus ~~✓~~ fleet replacement costs (reflective of anticipated grants) plus ~~the cost of one transit bus with a twelve (12) year useful life~~ an additional \$500,000. (Example - FY21 Bus Fleet replacement: \$1.87 million X 20% = \$374,020; ~~cost of transit bus = \$0.4 million.~~ Minimum Capital Replacement Fund requirement: \$374,020 + \$500,000 = \$874,020).
- c. Infrastructure Maintenance – Available funds, within limitations of current long range financial plan, in accordance with assessed capital needs which shall be reviewed during the annual budget process.

If after procedures as outlined in the adopted Budget Contingency Plan have been met, and a severe economic downturn or other emergency requires draw down of Fund Balance Reserve or Sales Tax Stabilization funds, it will be a priority to replenish fund balances. Fund balances will be replenished within three (3) years, from any year-end budget surpluses. These surpluses may be achieved through expense reductions or through

higher than anticipated revenues. The long range financial plan and annual budget will specifically outline the timeframe and plan for fund balance replenishment.

## Revenue Policies

- a. To the extent possible, a diversified and stable revenue system will be maintained to shelter service delivery from short-run fluctuations in any one revenue source due to changes in economic conditions. Trends analyzing the dependence on distinct revenue sources shall be included in the budget documents for consideration by the Board.
- b. Revenue forecasts will assess the full spectrum of resources that can be allocated for service delivery. Each year the Board shall review potential sources of revenue as part of the annual budget process.
- c. Revenue forecasts shall be realistically estimated and based on the best information available. DCTA shall use a conservative, objective and analytical approach when preparing revenue estimates and follow a vigorous policy of collecting revenues. Shortfalls anticipated based on this forecast will be addressed as follows:
  - i. Short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow: Expense reductions or restrictions may be imposed as outlined in the Budget Contingency Plan adopted as part of the annual budget by the Board. The Board may approve a contribution from the Sales Tax Stabilization Fund or Fund Balance Reserve Fund to address temporary downturns in revenues.
  - ii. Long-term (greater than one year) revenue downturns: Deficit financing and borrowing to support on-going operations is not the policy of DCTA. Revenue forecasts will be revised. Expenses will be reduced to conform to the revised long-term revenue forecast and fare increases will be considered.
- d. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.
- e. DCTA shall develop and maintain fair and equitable fares for all public transportation services which it operates. A fare structure establishing a base fare, categories of prepaid fares and special fare programs shall be adopted by the Board and reviewed no less than every two years. The fare structure should be competitive and offer seamless integration for passengers within the regional transportation system.
- f. Services provided on a contract basis may be set at levels sufficient to cover the entire cost of service delivery, or the service may be subsidized, as the Board deems appropriate. DCTA will systematically review fees and consider adjustments as necessary to take into account the effects of additional service costs and inflation. Studies shall be conducted to ensure that the fees will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation of capital assets, and moderate system expansion. Based on a market analysis, fees for similar services in other communities may also be considered. The criteria used to evaluate recommended target rates (equity, cost recovery policy, market demand, etc.) shall be included in the review. Such review should be scheduled periodically and be incorporated into the budget process for possible action by the Board. will be charged at rates in accordance with DCTA's Administrative Fee Policy as approved by the Board of Directors.
  - Contracts for service delivered to local Universities and Colleges within member cities must recover a minimum of 75% of total operating and capital costs. Contracts for services delivered outside member cities must recover 100% of total operating and capital costs.

- An overhead percentage shall be calculated annually based on DCTA's cost allocation model to determine the percentage of allocated, indirect costs in proportion to direct costs. A three percent (3%) fee shall be added to this overhead percentage for all contract services delivered outside member cities. This calculated overhead percentage, plus 3%, shall be used as the Administrative Fee added to direct costs. In no case shall the Administrative Fee be less than 60% without prior approval of the DCTA Board of Directors.
- The President/CEO or designee is authorized to implement this policy and to issue more detailed procedures to facilitate implementation of the policy as needed. All agreements developed under this policy and any proposed deviations from this policy will be brought to the Board for prior review and approval.

f.g. DCTA will review contracts and leases which result in revenues to DCTA on a timely basis for careful consideration by the Board.

### Expense Policies

DCTA will only propose operating expenses which can be supported from on-going revenues. Before undertaking any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years. Capital expenses may be funded from one-time revenues, but the operating budget expense impacts of capital expenses will be reviewed for compliance with this policy provision:-

- a. Vice Presidents are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expense categories to help assure the most efficient use of resources.
- b. DCTA will maintain expense categories according to state statute and administrative regulation.
- c. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. DCTA will consider investing in technology and other efficiency tools to maximize productivity. DCTA will hire additional staff only after the need for such positions has been demonstrated and documented.
- d. All compensation planning will focus on the total cost of compensation, which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to DCTA. A compensation study shall be conducted every three (3) years to ensure that DCTA maintains a competitive position in the market, with a goal to stay at the mid-point of the market range.

### Accounting, Auditing and Financial Reporting

DCTA will maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall DCTA goals and objectives are met:

- a. Accounting Records and Reporting: DCTA will maintain its accounting records in accordance with state and federal regulations. Financial statements will conform to generally accepted accounting principles (GAAP) of the Governmental Accounting Standards Board (GASB).
- b. Auditing: As required under Chapter 460.402 of the Texas Transportation Code, an outside independent CPA firm will annually perform the DCTA's financial audit. Results of the annual audit

will be provided to the Board in a timely manner. The external audit firm is accountable to the Board of Directors and will have access and direct communication with the Board. The Single Audit Report will be prepared and presented to the Board by the external auditors along with the audited financial statements. The Single Audit Report shall list the status and current operations of all federal, state and local grant funds awarded and received.

- c. Simplified Fund Structure. To the extent possible, DCTA will minimize the number of Funds.

The Finance Department will develop, maintain, and consistently seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets.

### Budget and Operating Policies

- a. Decisions of the Agency will be within the context of the long range financial plan and the long range service plan. Staff shall provide a review of the implications of budgetary proposals on the long range financial plan.
- b. The budget is designed to communicate DCTA's financial goals and objectives to ~~our~~its stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and revenue sources used to pay for the service. DCTA is committed to a balanced budget, where current year expenses do not exceed current year revenues and applicable/specific reserve balances.
- c. Chapter 460.403 of the Texas Transportation Code requires the Board to prepare an annual budget. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and the Board. A calendar of events related to budget development shall be presented to the Board each year prior to the start of the annual budget process.
- d. The Finance Department will maintain a system for monitoring the DCTA's budget performance. The system will provide the Board with monthly and/or quarterly information in a timely manner on fund level resource collections and category level expenses.
- e. Budget Revisions: The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. DCTA staff shall watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations as follows:
  - i. Operating Fund Expenses:
    - 1. DCTA is required to control operating costs and maintain the total expenses incurred at or below the total annual adopted Operating Expenses budget or budget as amended.
    - 2. The Chief Executive Officer (CEO) may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.
    - 3. The Board may authorize a Budget Amendment for approval of new contracts and unbudgeted expenses when available savings cannot be identified within the operating or capital budget.
  - ii. Capital Project Fund Expenses:
    - 1. Expenses for capital projects must be approved within the fiscal year capital project

budget; or

2. By Board approval of any increase to an existing capital project budget that is not offset by savings within the operating or capital budget; or
- ~~2.3. The addition of a new capital project and approval of the purchase~~ during the fiscal year approved by Budget Amendment.

- iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and long range financial plan.

f. Definitions:

- i. Budget Amendment – Shall mean a net change in the total adopted fiscal year budget (operating + capital) based on the following criterion:
  1. A net change in the budgeted expenses (operating + capital), to include:
    - (a) addition of a new capital project; (b) increase in Capital Projects Fund annual appropriation that is not offset by identified savings within the operating or capital budget; (c) addition of operating expenses that are not offset by identified savings within the operating or capital budget.
  2. A resolution approved by the DCTA Board of Directors is required to authorize an amendment as specified in Section e.
- ii. Budget Transfers – Shall mean transfer of funds between the following:
  1. Departments, ~~or~~ expense line items, or capital projects that neither increase nor decrease the total adopted budget (operating + capital)~~budget.~~
  2. If budgeted expenses associated with a capital project are deemed operating, the capital project budget will be decreased and transferred to the appropriate operating budget.
- g. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This allows DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to effectively recover and/or adjust to serious downturns.
- h. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken. A physical inventory will be conducted no less than every two (2) years.

### Purchase and Disposal of Assets

DCTA will follow and maintain purchasing procedures that comply with applicable State and Federal laws and Board resolutions and policies regarding procurement. The policy of the Board of Directors is to:

- a. Provide equal access to all vendors participating through competitive acquisition of goods and services.
- b. Conduct the procurement process and disposal of property in a manner that promotes and fosters public confidence in the integrity of DCTA's procurement procedures.

- c. Protect the interest of entities providing financial support without regard to any undue influence or political pressure.

Federal Funds: When procurement involves the expense of federal funds, purchasing shall be conducted in accordance with all applicable federal laws or regulations.

Grant Funds: When procurement involves the expense of grant funds, purchasing shall be conducted in accordance with all applicable grant laws or regulations.

Emergency procurement: The CEO or his/her designated agent may make or authorize others to make emergency procurements of materials, supplies, equipment or services when there exists a threat to public health, welfare, or safety. The officers of the Board will be notified immediately of such action. State laws relating to emergency purchases shall be followed.

## Cost Allocation

Should DCTA choose to include indirect costs in its grant reimbursement requests, DCTA ~~desires to~~will comply with all laws and recommendations in calculating and receiving full cost recovery for services rendered \_and for allocating appropriate indirect costs.

Cost allocation is a method to identify and distribute indirect costs. Direct costs are costs assignable to a specific objective, whereas indirect costs are costs incurred for multiple cost objectives or not assignable to a specific cost objective without effort disproportionate to the benefit received. Should DCTA choose to include indirect costs in its grant reimbursement requests, DCTA will prepare ~~or have prepared an annual and seek funding agency approval of a~~ cost allocation plan to identify direct and indirect costs to use for recovering allowable costs under OMB Circular A-87 ~~and in the development of cost of services as applicable for use in contracts for service delivery with outside entities~~. The plan will be prepared consistent with guidelines established by:

### The Federal Office of Management and Budget (OMB) Circular A-87

OMB Circular A-87 establishes cost principles for State, local, and Indian Tribal Governments for determining costs for Federal Awards. Item 5 of the Circular states that, "The principles are for determining allowable costs only." In defining allowable costs, the Circular provides a definition of allocable costs on Attachment A, paragraph C.3.a, "A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received." The Circular further outlines costs that are allowable for charging the Federal government and distinguishes those that are specifically excluded from recovery.

### Governmental Accounting Standards Board (GASB)

GASB is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. While GASB is not a governmental agency and does not have enforcement authority, compliance with GASB is tested by the external auditor in the annual audit of DCTA.

## Debt Management Policy

The objectives of the DCTA's Debt Management Policy will be:

- a. To minimize the use of debt to the effect that debt service payments will be a predictable and manageable part of the operating budget.
- b. Utilize debt as the last resort, to raise capital at the lowest cost, consistent with the need to borrow.

These will be accomplished by:

- a. Securing and maintaining a high credit rating if appropriate to reduce the cost of borrowing.
- b. Maintaining a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly.
- c. Selecting professional service providers (underwriters, financial advisors, bond insurers, etc.) through negotiation, RFQ process or as defined for professional services under DCTA's procurement procedures.
- d. Issuing debt on a competitive basis (except when conditions make a negotiated sale preferable) and awarding to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project is speculative or complex, the issue is a refunding, or the market is unstable:
  - i. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
  - ii. Short-term borrowing will not be used for operating purposes.
- e. Complying with continuing disclosure reporting requirements and the obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. The DCTA's annual audited financial report will be sent to EMMA as soon as the external auditor issues the report and it has been approved by the Board of Directors, within six months after the fiscal year end.
- f. Ensuring no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.
- g. Limiting bonded indebtedness to a level that:
  - i. permits sufficient borrowing to support a reasonable level of capital programming;
  - ii. maintains a debt amortization schedule within DCTA's ability to pay; and
  - iii. supports DCTA's credit rating objectives.
- h. Considering credit enhancements only after a cost/benefit analysis has been completed for each bond issue.
- i. Maintaining debt service reserve accounts as required by bond ordinances and where deemed advisable by the Board. DCTA shall structure such debt service reserves to avoid violation of IRS arbitrage regulations.
- j. Maintaining debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

## INVESTMENT POLICY

### I. POLICY STATEMENT

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

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

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

### II. SCOPE

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

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

### III. OBJECTIVES AND STRATEGY

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

#### Safety of Principal

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

### Liquidity

Investments will be based on a cash flow analysis of needs and will remain sufficiently liquid to satisfy all operating requirements which might be reasonably anticipated by the agency's long range financial plan. The portfolio will be structured so that investments mature concurrent with cash needs. Because all possible cash demands cannot be anticipated, the portfolio will include investments that offer same-day liquidity for those unanticipated situations. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

### Diversification

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

### Yield

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

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

## **IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY**

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

## **V. DELEGATION OF INVESTMENT AUTHORITY**

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

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

The Investment Officer shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials and staff. The Investment Officer shall designate in writing a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer and Alternate Investment Officer are not available.

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

#### Authorization Resolution

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

### **VI. PRUDENCE**

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

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

#### Limitation of Personal Liability

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

### **VII. INTERNAL CONTROLS**

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

#### Cash Flow Forecasting

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

## VIII. AUTHORIZED INVESTMENTS

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

- a. Obligations of the United States Government, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), agencies and instrumentalities and government sponsored enterprises, excluding collateralized mortgage obligations (CMO's), not to exceed two years to stated maturity with the exception of project funds which may be invested in longer maturities but not to exceed forecasted expense dates;
- b. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed two years to stated maturity. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD insured by the Federal Deposit Insurance Corporation (FDIC) may be purchased through a broker that has its main office in Texas and is selected from a list adopted by the DCTA Board or a selected depository institution with its main office or branch office in Texas. See Attachment II for a list of Board approved broker/dealers. This broker or depository shall act as the custodian for the various certificates on behalf of DCTA;
- c. Repurchase agreements and reverse repurchase agreements as defined by the Act, not to exceed 90 days to stated maturity, provided an executed Master Repurchase Agreement is on file with DCTA and the counterparty bank or primary dealer. Flexible repurchase agreements used specifically for capital projects may extend beyond the stated limitation, but shall not exceed the expense plan of the projects;
- d. No-load SEC-registered money market funds, each approved specifically before use by DCTA;
- e. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act; and
- f. Interest bearing bank savings deposits issued by state and national banks or savings bank or a state or federal credit union (having their main or branch office in Texas) that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund (or their successor organizations).

If additional types of securities are approved for investment by public funds by state statutes, none will be eligible for investment by DCTA until this policy has been amended and approved by the DCTA Board.

### Competitive Bidding Requirements

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

### Delivery versus Payment

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

## IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

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

Securities broker/dealers must meet and disclose certain criteria as determined by the Investment Officer including:

- a. an audited financial statement each year;
- b. proof of certification by the Financial Industry Regulatory Authority (FINRA) and provision of CRD number;
- c. proof of current registration with the State Securities Commission; and
- d. completion of DCTA questionnaire.

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

DCTA may appoint one or more investment advisors to assist the financial staff in the management of DCTA funds. The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an investment advisor. To be eligible for consideration, an investment advisor shall demonstrate knowledge of, and experience in, the management of public funds. An appointed investment advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy, and shall not have discretionary authority to transact business on behalf of DCTA.

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

## X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is DCTA's policy to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

<u>Security Type</u>	<u>Max % of Portfolio</u>
U.S. Treasury obligations	100%
U.S. Government agencies and instrumentalities	Not to exceed 75%
Fully insured or collateralized CDs	Not to exceed 30%
Repurchase agreements	100%
Money Market Funds	50%
Local Government Investment Pools	
Liquidity Pools	100%
Maximum percent ownership of pool	Not to exceed 10%
Interest Bearing Bank Savings Deposits	25%

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not:

- a. invest more than 20% of the portfolio for a period greater than one (1) year, or
- b. invest any portion of the portfolio for a period of greater than two (2) years.

## XI. SAFEKEEPING AND COLLATERALIZATION

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

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

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

### Collateralization

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

To provide a level of additional security for all funds and to also anticipate any market changes, the collateralization level required will be 105% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

## **XII. PERFORMANCE EVALUATION AND REPORTING**

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

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

## **XIII. DEPOSITORY**

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

#### **XIV. TRAINING REQUIREMENT**

The DCTA Investment Officer(s) shall attend at least one investment training session consisting of no less than 10 hours of instruction relating to investment responsibilities within twelve months of taking office or assuming duties, and subsequently shall receive a minimum of 10 hours not less often than once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive years after that date. The investment training session shall be provided by an independent source approved by the Board of Directors. See Attachment I for a list of Board approved independent investment training sources. Contingent upon Board approval, additional independent sources from which investment training may be obtained shall include a professional organization, an institute of higher learning, or any sponsor other than a business organization with whom DCTA may engage in an investment transaction. Such training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

#### **XV. ETHICS AND CONFLICTS OF INTEREST**

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

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

#### **XVI. SUBJECT TO AUDIT**

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

#### **XVII. INVESTMENT POLICY ADOPTION BY DCTA BOARD**

DCTA's Investment Policy shall be adopted annually by the Board of Directors. The policy and strategies shall be reviewed on an annual basis by the Board. A written resolution approving that review, and suggested changes to the policy will be approved by the Board.

**Attachment I**

Board Approved Independent Investment Training Sources

1. Texas Municipal League (TML)
2. Government Finance Officers Association (GFOA)
3. Government Finance Officers Association of Texas (GFOAT)
4. North Central Texas Council of Governments
5. Texas Higher Education Coordinating Board
6. University of North Texas – Center for Public Management

Attachment II

Board Approved Broker/Dealers List



**Approved Broker/Dealers**  
May 2020

**BofA Securities**  
BOK Financial  
**Cantor Fitzgerald & Co**  
**Citigroup Global Markets**  
**Daiwa Capital Markets**  
FHN Financial  
**Goldman, Sachs & Co**  
INTL FCStone  
**JP Morgan Securities**  
KeyBanc Capital Markets  
*Loop Capital Markets \*\**  
Mesirow Financial  
**Mizuho Securities**  
**Morgan Stanley & Co**  
*Multi-Bank Securities \*\**  
Piper Sandler & Co  
Raymond James  
**RBC Capital Markets**  
*Rice Financial \*\**  
SunTrust Robinson Humphrey  
Stifel, Nicolaus & Co.  
**TD Securities**  
**UBS Securities**  
Vining Sparks  
**Wells Fargo Securities**  
*Siebert Williams Shank \*\**

\* **Bold face font indicates firm is a Primary Dealer.**

\*\* *Dark blue italics font indicates firm is a Historically Underutilized Business (HUB) or Minority/Women Owned Business (MWOB).*



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Austin, TX 78746

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800-575-3792 Toll Free  
512-481-2020 Fax

**Scott McIntyre, CFA**  
Managing Director

[scott.mcintyre@hilltopsecurities.com](mailto:scott.mcintyre@hilltopsecurities.com)

July 24, 2020

Ms. Marisa Perry, CPA  
Chief Financial Officer/VP of Finance  
Denton County Transportation Authority  
1955 Lakeway Drive, Suite 260  
Lewisville, TX 75057

Dear Marisa:

As requested, Hilltop Securities Asset Management has performed a review of the Denton County Transportation Authority ("DCTA") written investment policy to determine compliance with the Texas Public Funds Investment Act (the "Act"), Texas Government Code, Chapter 2256. Our review was limited in scope, with the primary purpose being to evaluate conformity with the Act. We did not seek to ensure that all funds and procedures are addressed in the policy, nor have we reviewed compliance with the policy or internal controls of DCTA. Based upon our review, we have reached the following conclusion:

*The Texas Legislature did not meet in 2020, so there were no changes to the Act. We believe the Denton County Transportation Authority investment policy, as written, is in full compliance with state law and do not recommend any changes at this time.*

Please contact me with any questions you might have regarding this review.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott McIntyre". The signature is stylized with a large, sweeping initial "S".

Scott McIntyre, CFA  
Senior Portfolio Manager

Cc: Ms. Amber Karkauskas



## Board of Directors Memo

September 24, 2020

SUBJECT: Monthly Sales Tax Receipts

### Background

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 September, receipts were favorable compared to the revised budget.

- Sales tax for sales generated at retail in the month of July and received in September was \$2,412,772.
- This represents an increase of 134.44% or \$1,383,596 compared to revised budget for the month and an increase of 8.44% or \$187,754 compared to the original budget for the month.
- Compared to the same month last year, sales tax receipts are \$34,423 or 1.41% lower.
- Resolution R20-17 will be presented to the Board for approval to increase the FY20 sales tax budget to capture the year to date increases above revised budget.
- Member city collections for the month compared to prior year are as follows:
  - City of Lewisville down 10.36% (Audit collection of \$392k)
  - City of Denton down 5.99%
  - City of Highland Village down 5.74%

### Identified Need

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


### Recommendation

For information only. No action required.

### Exhibits

Exhibit 1: FY20 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:	2019-2020 Original Budget	2019-2020 Revised Budget	2019-2020 Year Actual	Variance Actual to Original Budget	CY Actual to CY Original Budget % Variance <sup>(A)</sup>	Variance Actual to Revised Budget	CY Actual to CY Revised Budget % Variance <sup>(B)</sup>	2018-2019 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,353,270	\$ 2,329,419	\$ 2,329,419	\$ (23,851)	-1.01%	\$ -	0.00%	\$ 2,307,128	\$ 22,291	0.97%
November	January	\$ 2,338,596	\$ 2,188,220	\$ 2,188,220	\$ (150,376)	-6.43%	\$ -	0.00%	\$ 2,292,741	\$ (104,521)	-4.56%
December	February	\$ 2,888,362	\$ 3,191,714	\$ 3,191,714	\$ 303,352	10.50%	\$ -	0.00%	\$ 2,831,728	\$ 359,986	12.71%
January	March	\$ 2,111,018	\$ 2,268,362	\$ 2,268,362	\$ 157,344	7.45%	\$ -	0.00%	\$ 2,069,625	\$ 198,737	9.60%
February	April	\$ 2,064,564	\$ 2,114,448	\$ 2,114,448	\$ 49,884	2.42%	\$ -	0.00%	\$ 2,024,082	\$ 90,366	4.46%
March	May	\$ 2,525,343	\$ 2,503,274	\$ 2,503,274	\$ (22,069)	-0.87%	\$ -	0.00%	\$ 2,475,826	\$ 27,448	1.11%
April	June	\$ 2,534,129	\$ 1,183,731	\$ 2,185,555	\$ (348,574)	-13.76%	\$ 1,001,824	84.63%	\$ 2,484,440	\$ (298,886)	-12.03%
May	July	\$ 2,234,810	\$ 1,034,072	\$ 2,400,743	\$ 165,933	7.42%	\$ 1,366,671	132.16%	\$ 2,307,292	\$ 93,451	4.05%
June	August	\$ 2,627,865	\$ 1,230,599	\$ 2,819,430	\$ 191,565	7.29%	\$ 1,588,831	129.11%	\$ 2,656,359	\$ 163,071	6.14%
July	September	\$ 2,225,018	\$ 1,029,176	\$ 2,412,772	\$ 187,754	8.44%	\$ 1,383,596	134.44%	\$ 2,447,195	\$ (34,423)	-1.41%
August	October	\$ 2,441,366	\$ 1,137,350						\$ 2,312,424		
September	November	\$ 2,674,843	\$ 1,254,087						\$ 2,552,054		
YTD TOTAL		\$ 23,902,975	\$ 19,073,015	\$ 24,413,937	\$ 510,962	2.14%	\$ 5,340,922	28.00%	\$ 23,896,417	\$ 517,520	2.17%
FISCAL YEAR TOTAL		\$ 29,019,184	\$ 21,464,452						\$ 28,760,896		

<sup>(A)</sup> Formula: YTD Variance Actual to Original Budget/YTD Original Budget

<sup>(B)</sup> Formula: YTD Variance Actual to Revised Budget/YTD Revised Budget

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

September 10, 2020

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:	2018-2019 Year Actual	2019-2020 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	Sales Generated in Month of:	Received in Month of:	2018-2019 Year Actual	2019-2020 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,287,654	\$ 3,282,870	\$ (4,784)	-0.15%	October	December	\$ 319,132	\$ 357,488	\$ 38,356	12.02%
November	January	\$ 3,193,613	\$ 2,904,782	\$ (288,831)	-9.04%	November	January	\$ 311,524	\$ 356,224	\$ 44,700	14.35%
December	February	\$ 4,003,626	\$ 4,407,090	\$ 403,465	10.08%	December	February	\$ 446,811	\$ 521,121	\$ 74,309	16.63%
January	March	\$ 3,029,803	\$ 3,148,942	\$ 119,140	3.93%	January	March	\$ 283,228	\$ 338,734	\$ 55,507	19.60%
February	April	\$ 2,965,849	\$ 2,987,194	\$ 21,344	0.72%	February	April	\$ 258,782	\$ 262,811	\$ 4,029	1.56%
March	May	\$ 3,631,625	\$ 3,733,423	\$ 101,799	2.80%	March	May	\$ 344,912	\$ 322,245	\$ (22,667)	-6.57%
April	June	\$ 3,806,587	\$ 3,294,690	\$ (511,898)	-13.45%	April	June	\$ 304,322	\$ 267,280	\$ (37,043)	-12.17%
May	July	\$ 3,253,159	\$ 3,399,328	\$ 146,168	4.49%	May	July	\$ 340,531	\$ 311,278	\$ (29,254)	-8.59%
June	August	\$ 3,620,748	\$ 4,039,429	\$ 418,682	11.56%	June	August	\$ 523,000	\$ 394,759	\$ (128,242)	-24.52%
July	September	\$ 3,382,881	\$ 3,032,247	\$ (350,634)	-10.36%	July	September	\$ 322,509	\$ 303,996	\$ (18,513)	-5.74%
August	October	\$ 3,226,407				August	October	\$ 316,585			
September	November	\$ 3,574,678				September	November	\$ 382,932			
YTD TOTAL		\$ 34,175,545	\$ 34,229,995	\$ 54,450	0.16%	YTD TOTAL		\$ 3,454,753	\$ 3,435,935	\$ (18,818)	-0.54%
FISCAL YEAR TOTAL		\$ 40,976,630				FISCAL YEAR TOTAL		\$ 4,154,270			

CITY OF DENTON					
Sales Generated in Month of:	Received in Month of:	2018-2019 Year Actual	2019-2020 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,875,467	\$ 2,887,178	\$ 11,711	0.41%
November	January	\$ 2,933,274	\$ 2,911,334	\$ (21,940)	-0.75%
December	February	\$ 3,667,687	\$ 4,230,616	\$ 562,929	15.35%
January	March	\$ 2,435,272	\$ 2,902,937	\$ 467,665	19.20%
February	April	\$ 2,397,631	\$ 2,571,667	\$ 174,036	7.26%
March	May	\$ 3,229,426	\$ 3,061,108	\$ (168,318)	-5.21%
April	June	\$ 2,945,196	\$ 2,521,781	\$ (423,415)	-14.38%
May	July	\$ 2,897,074	\$ 2,878,630	\$ (18,444)	-0.64%
June	August	\$ 3,479,089	\$ 3,555,689	\$ 76,601	2.20%
July	September	\$ 3,190,582	\$ 2,999,523	\$ (191,059)	-5.99%
August	October	\$ 2,955,618			
September	November	\$ 3,396,022			
YTD TOTAL		\$ 30,050,698	\$ 30,520,463	\$ 469,765	1.56%
FISCAL YEAR TOTAL		\$ 36,402,338			

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
September 10, 2020

## 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%	\$ 21,054,968	\$ 22,824,244	-7.75%	\$ 195,968,196	\$ 195,881,840	0.04%
Corpus Christi MTA	0.50%	\$ 2,744,819	\$ 3,169,718	-13.40%	\$ 25,513,600	\$ 26,266,509	-2.86%
Dallas MTA	1.00%	\$ 48,295,326	\$ 46,922,520	2.92%	\$ 459,571,269	\$ 465,913,755	-1.36%
Denton CTA	0.50%	\$ 2,412,772	\$ 2,447,195	-1.40%	\$ 22,084,519	\$ 21,589,289	2.29%
El Paso CTD	0.50%	\$ 3,933,207	\$ 3,807,248	3.30%	\$ 36,001,457	\$ 35,288,668	2.01%
Fort Worth MTA	0.50%	\$ 6,468,869	\$ 6,737,363	-3.98%	\$ 60,707,814	\$ 61,555,734	-1.37%
Houston MTA	1.00%	\$ 59,899,307	\$ 63,108,590	-5.08%	\$ 572,893,311	\$ 586,462,150	-2.31%
Laredo CTD	0.25%	\$ 635,165	\$ 702,646	-9.60%	\$ 6,127,966	\$ 6,363,727	-3.70%
San Antonio ATD	0.25%	\$ 5,655,396	\$ 6,148,029	-8.01%	\$ 53,206,479	\$ 54,414,637	-2.22%
San Antonio MTA	0.50%	\$ 12,803,656	\$ 13,410,314	-4.52%	\$ 118,476,612	\$ 120,259,393	-1.48%
TOTALS		\$ 163,903,486	\$ 169,277,868	-3.17%	\$ 1,550,551,223	\$ 1,573,995,703	-1.49%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

September 10, 2020

## Board of Directors Memo

September 24, 2020

SUBJECT: 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 reduced the total annual contract value of \$2,400,000 to \$75,000 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 expenses.

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

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

The remaining four contracts, all with software companies (Passport, SeatsX, Token Transit and Transloc), have been placed on hold until a need arises to enter into a contract for software.

### Financial Impact

Task Order #1 – Lewisville Lakeway Zone and Denton Evening Zone was issued to Spare Labs, Inc. for Platform-as-a-Service (Spare Platform). The task order was approved for award at the June Board meeting and was issued on 6/30/2020 for a not-to-exceed amount of \$50,000 per year with an initial term of two years and one two-year option to extend (total of 4 years). No funds have been expended to date.

Task Orders #2 & #3 – On-Demand Services for Member Cities and Contracted Cities was discussed at the June Board meeting and will be presented at the September Board meeting for negotiation authorization of two task orders. If approved, staff will bring the negotiated price information to the October Board meeting.

### Identified Need

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

### Recommendation

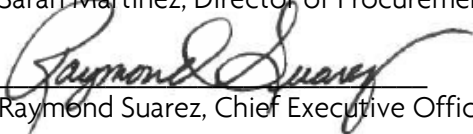
For information only. No action required.



Submitted By:

  
\_\_\_\_\_  
Sarah Martinez, Director of Procurement

Final Review:

  
\_\_\_\_\_  
Raymond Suarez, Chief Executive Officer



## Board of Directors Memo

September 24, 2020

SUBJECT: Budget Information

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

### Identified Need

Provides the Board of Directors a monthly status on any budget transfers completed.

### Recommendation

For information only. No action required.

### Exhibits

N/A

Submitted By:

A handwritten signature in blue ink that reads "Amanda Riddle".

Amanda Riddle  
Senior Manager of Budget

Final Review:

A handwritten signature in blue ink that appears to read "Marisa Perry".

Marisa Perry, CPA  
Chief Financial Officer/VP of Finance

## Board of Directors Memo

SEPTEMBER 24, 2020

SUBJECT: Ridership Trend Report

**Background**

Beginning in March 2020, DCTA staff developed 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-August ridership each increased by approximately 29 and 133 percent respectively.

**Unlinked Passenger Trips**

Mode	May	June	July	August	May-Aug % Change	July-Aug % Change
Connect	12,908	15,930	17,056	30,109	133%	82%
A-Train	5,762	7,069	6,846	7,431	29%	8%
Access	911	1,193	1,134	1,245	37%	9%
On-Demand	749	742	789	731	-2%	-8%

August 2020 A-train passenger trips increased by nearly eight percent compared to July. Average monthly A-train passenger trips during COVID (March-August 2020) are down 73 percent from prior months.

**Exhibits**

Exhibit 1: FY19 & FY20 Total Monthly Ridership – Rail

Exhibit 2: FY19 & FY20 Total Monthly Ridership – Bus

Exhibit 3: FY19 & FY20 Total Monthly Ridership – Access

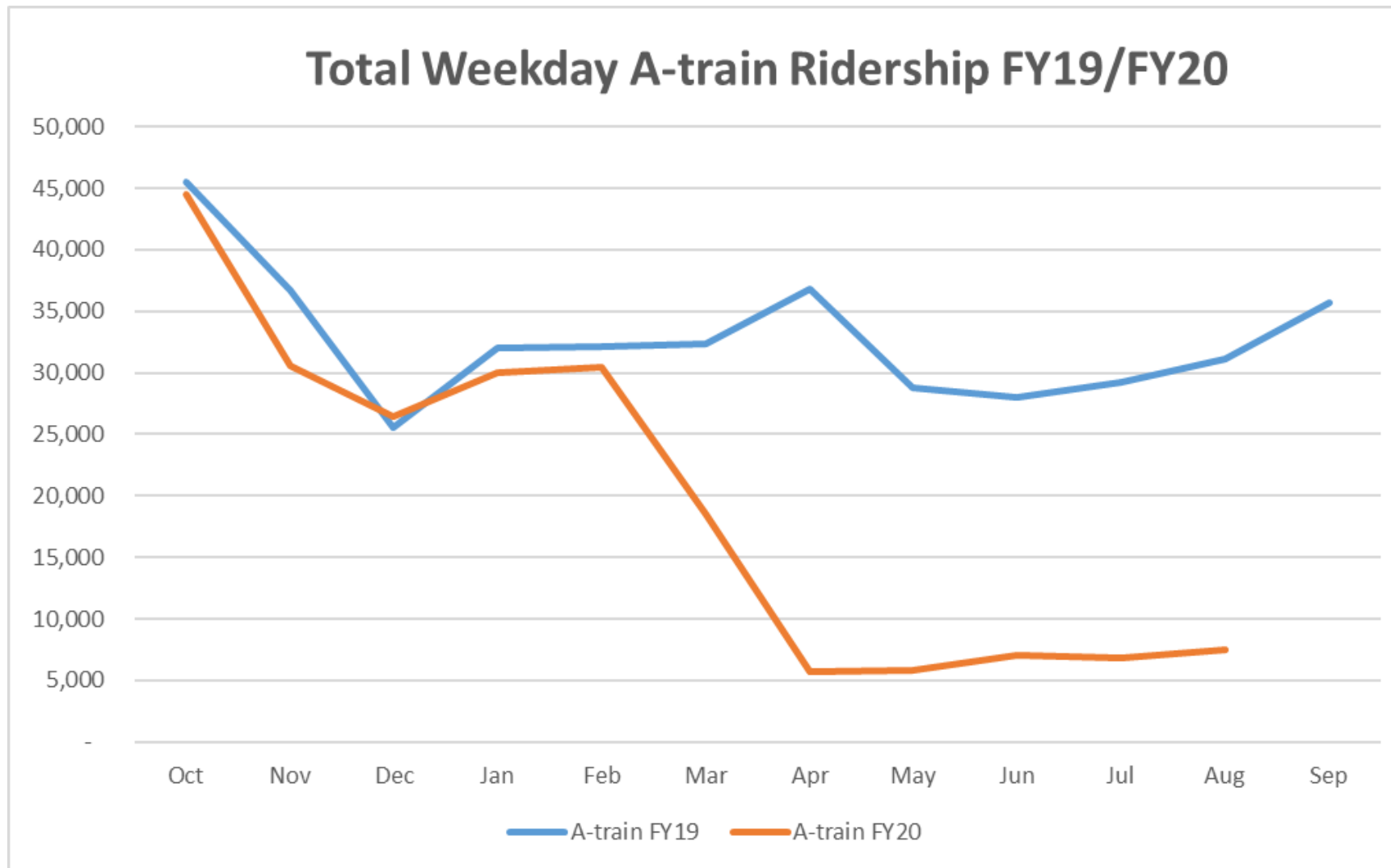
Exhibit 4: FY19 & FY20 Total Monthly Ridership – On-Demand

Exhibit 5: A-train Ridership Pre- and During COVID-19 Comparison

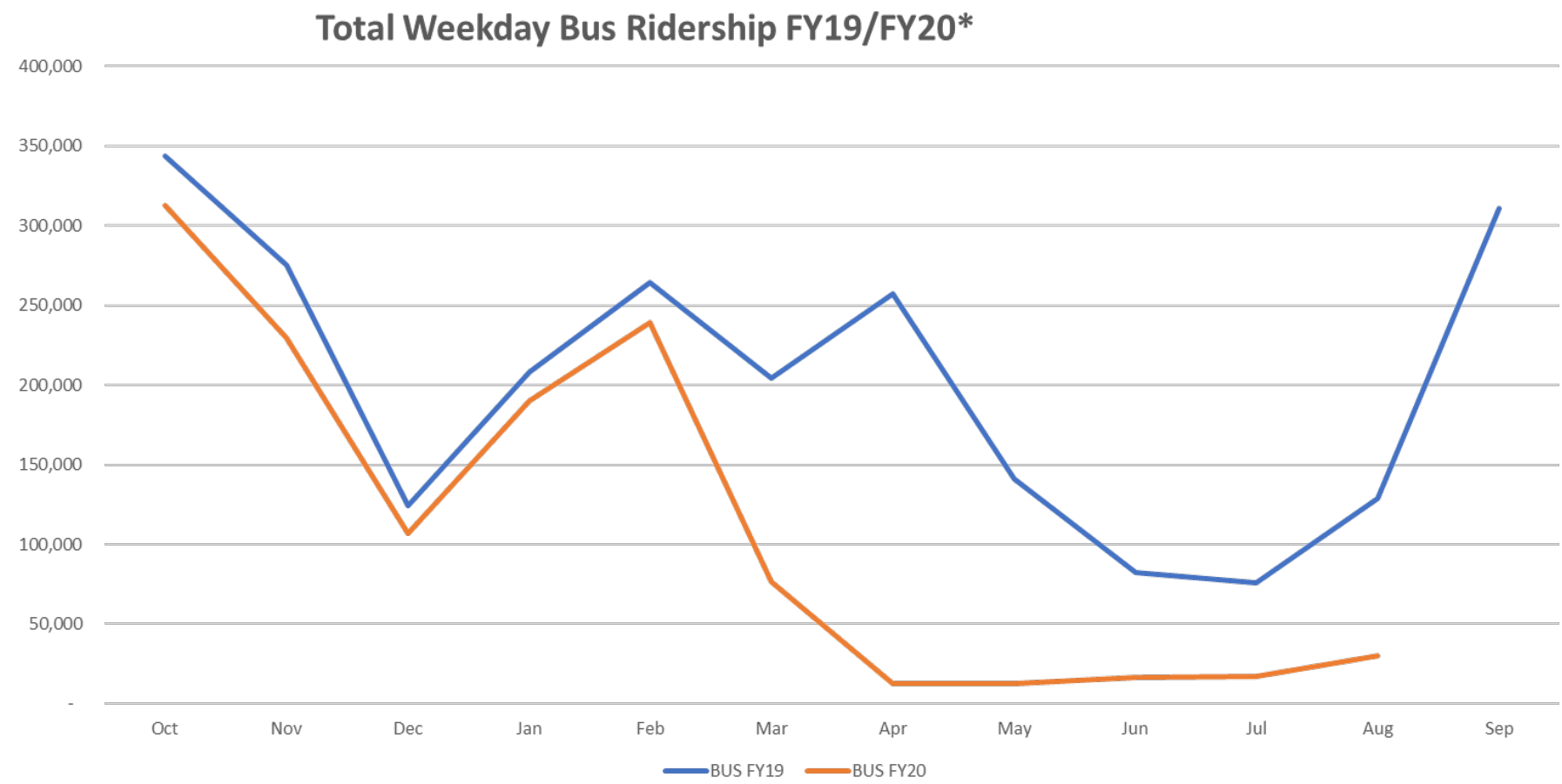
Submitted By:   
Tim Palermo, Planning & Data Analytics Manager

Approval:   
Kristina Holcomb, Deputy CEO

# FY19/FY20 Total Monthly Ridership – A-train

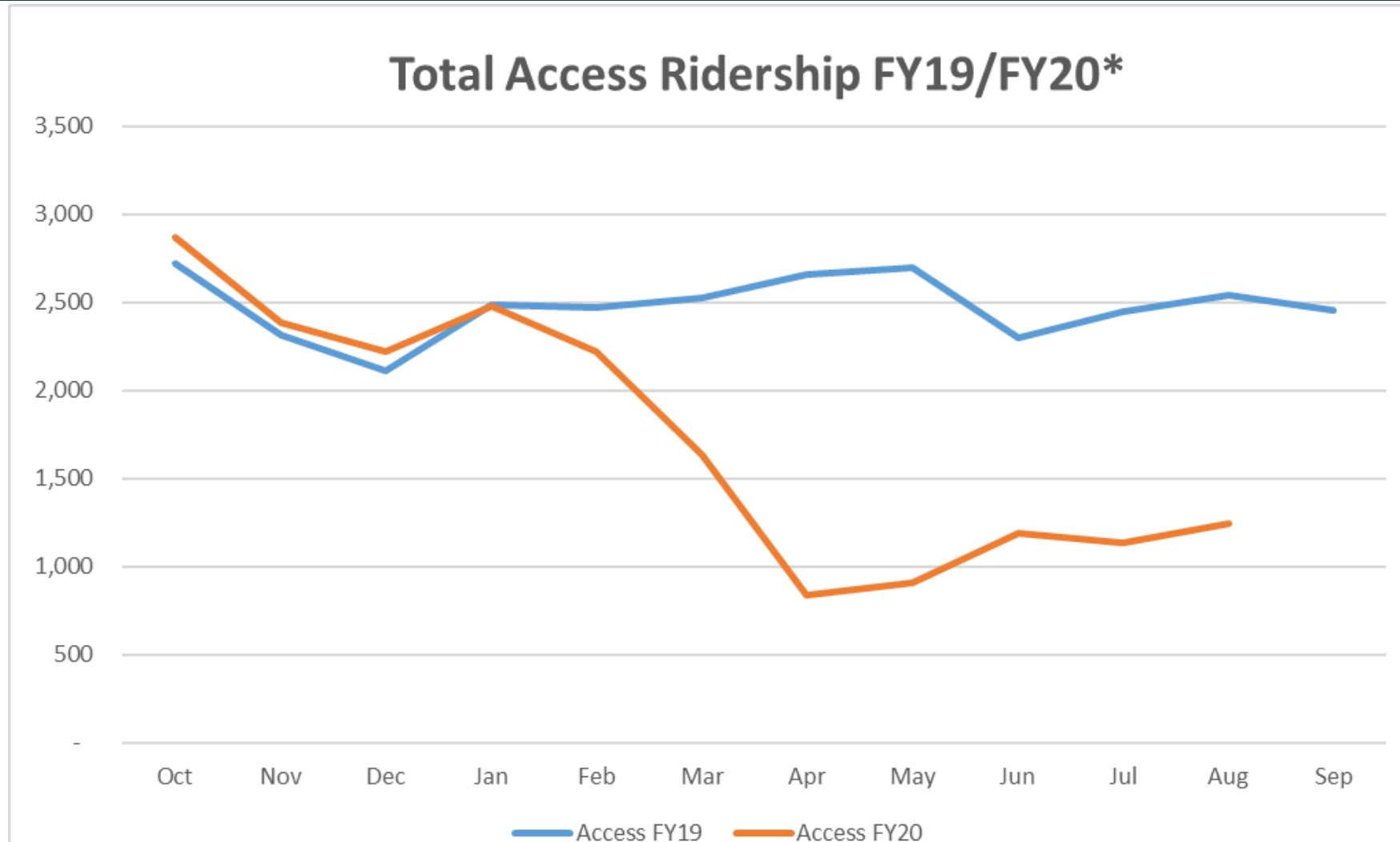


# FY19/FY20 Total Monthly Ridership – Bus



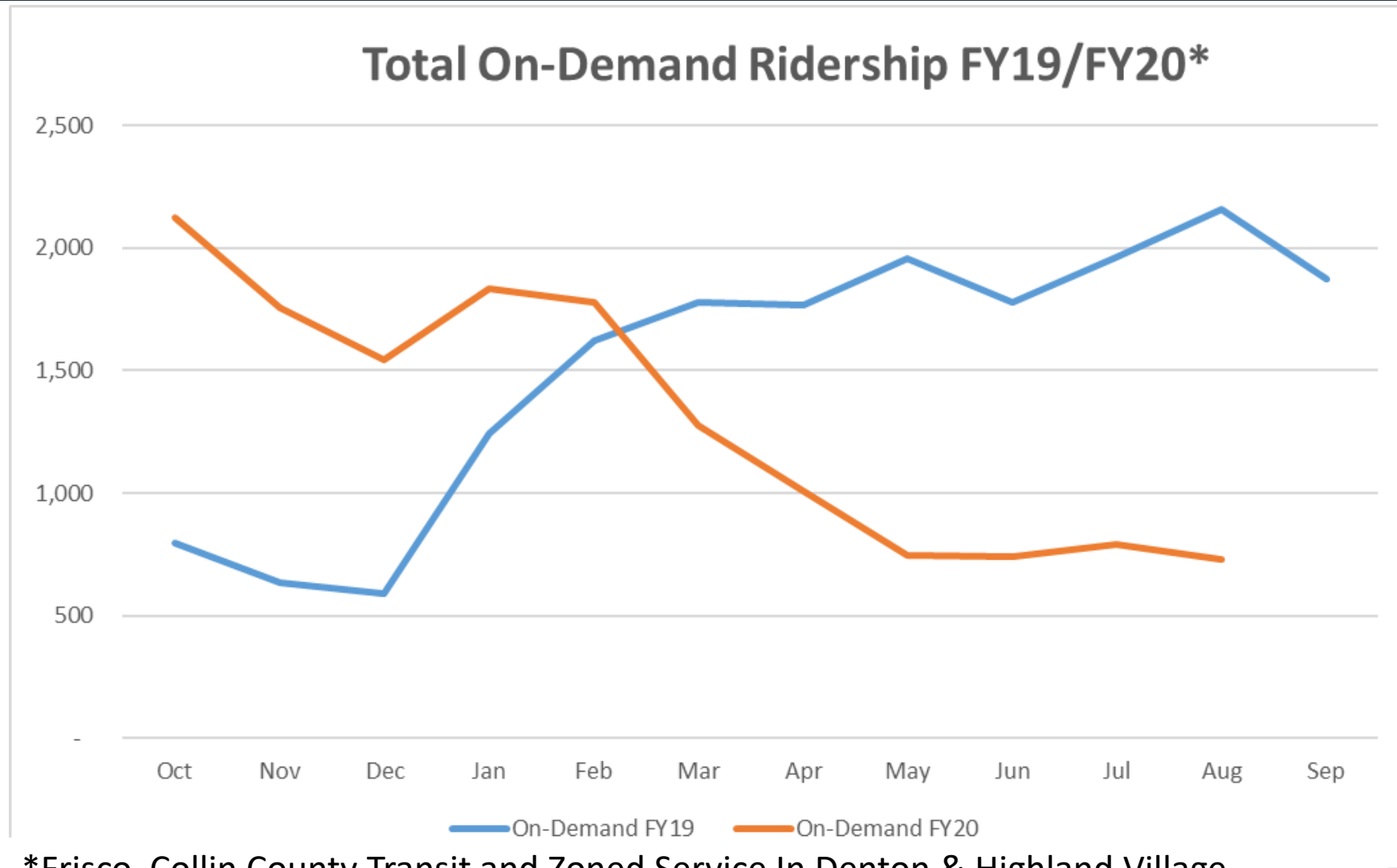
\*UNT, NCTC, Denton, Lewisville, and Highland Village Connect Service.

# FY19/FY20 Total Monthly Ridership – Access



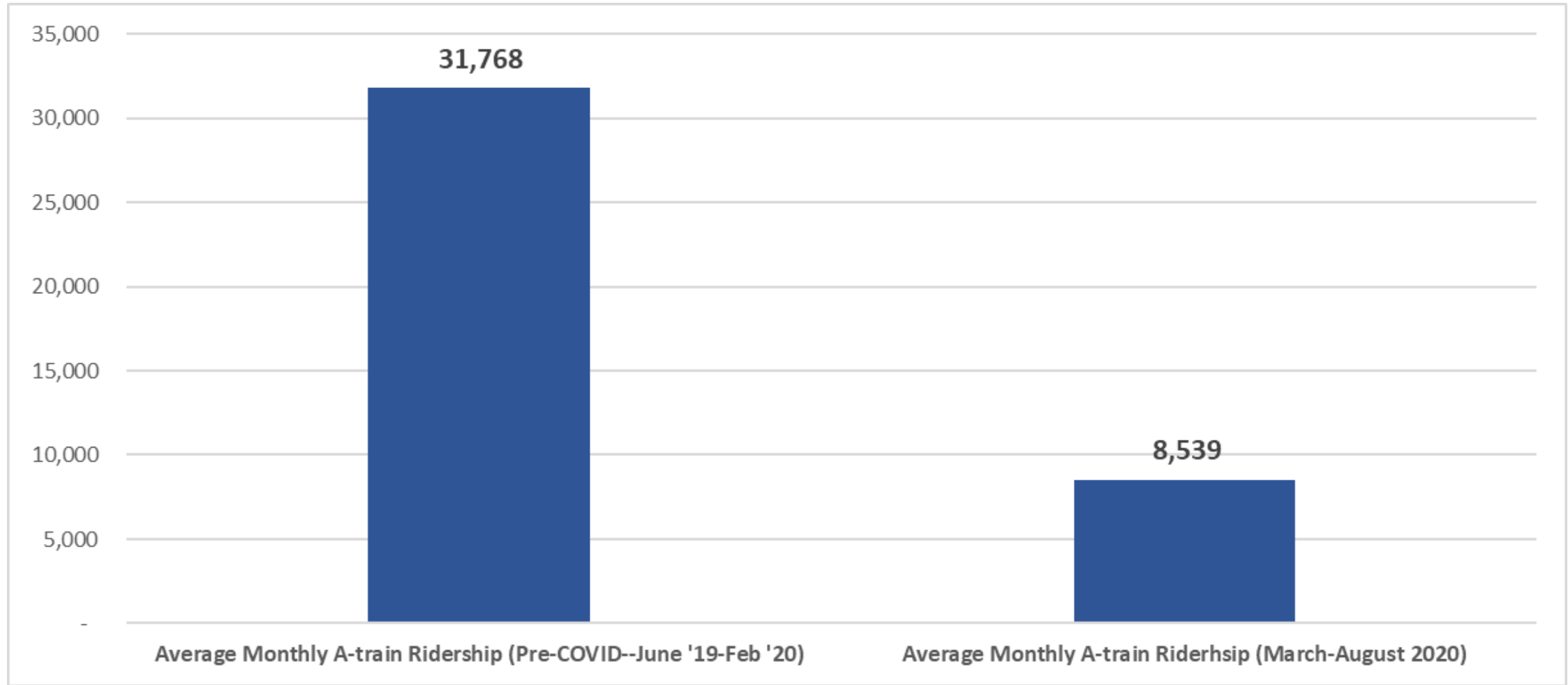
\*ADA & Non-ADA Service in Denton, Lewisville & Highland Village

# FY19/FY20 Total Monthly Ridership – On-Demand

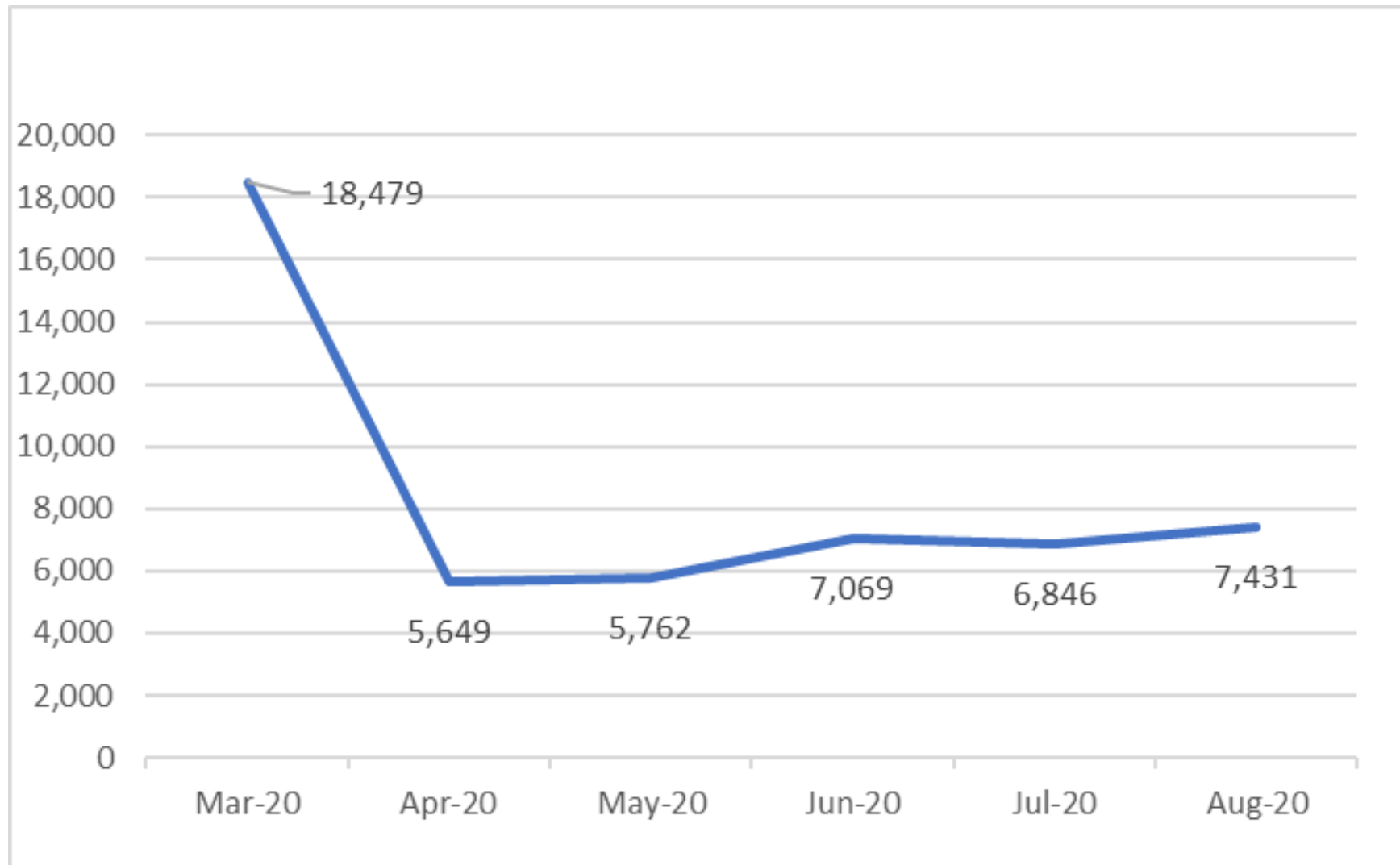


\*Frisco, Collin County Transit and Zoned Service In Denton & Highland Village

# Pre-COVID Average Monthly A-train Ridership and Current Average



# Monthly A-train Ridership: March - August 2020





# Community Advisory Committee Meeting Recap Report

## August 2020

# MEETING DETAILS

Informational Report 3, Exhibit 1



Community Advisory Committee

**DCTA** DENTON COUNTY  
TRANSPORTATION  
AUTHORITY

Online meeting held on  
Thursday, August 20 at 6 p.m.

*This was a joint meeting for both the Denton and  
Lewisville/Highland Village CAC groups*

Community Attendees: 5  
2 Confirmed Members Absent  
DCTA Attendees: 1

The Community Advisory Committee welcomed a new  
member - Glenn Kimball (Lewisville)

External promotion for each of the Community Advisory Committee meetings are posted to generate new attendance and participation.

## Twitter

July 13  
July 17  
July 24  
July 29  
August 13  
August 20

## Facebook

July 13  
July 24  
August 20  
August 20

## Total Impressions

Twitter: 3158  
Facebook: 581



## Direct Outreach

- The meeting was announced digital to the following groups:
  - Community Outreach News email newsletter which is delivered to the agency's outreach contacts
  - Direct email to active CAC participants

## Metrics

- Email Outreach July 15
  - **435** emails sent
  - **313** total opens
  - Open rate of **72%**
- Email Outreach August 3
  - **452** emails sent
  - **180** total opens
  - Open rate of **39.82%**



# MEETING NOTES



## Purpose of the Community Advisory Committee (CAC)

- Exchanging Information
- Providing public input/feedback
- Sharing DCTA News
- Recruitment and welcoming new members

## COVID-19 Update Provided

Reviewed and presented all precautionary measures DCTA is taking with CAC to include:

- **Passengers**
  - DCTA encourages passengers to follow CDC protocol
  - Face mask required
  - Social distancing and use of hand sanitizer
- **Staff**
  - All non-essential personnel are operating under a work-from-home policy
  - Operators are provided personal protective equipment (PPE) supplies with each shift including gloves, disinfectant wipes, masks, and facial tissues
  - Operators are also welcomed to bring their own facial cloth covering for additional protection

## COVID-19 Update Con't

- **Cleaning**
  - All buses and trains are receiving additional cleanings using a medical-grade disinfecting cleaner as well as a daily spray down using a broad-spectrum disinfectant that is effective against a range of microorganisms for an extended period of time
  - Additional cleaning (using medical-grade disinfectant) is being placed on high-touch areas such as door handles, crew rooms, countertops, driver consoles, and steering wheels
  - DCTA continues to evaluate our cleaning processes and add additional measures as needed

## Presentation of August 24, 2020 Service Changes

- An overview of the August 24 service changes were presented to the committee
- Information about potential A-train frequency changes was also reported

## Campaigns

- Ride Safe/Stay Safe
- Community Education Outreach Campaign
- Events/Sponsorships – virtual sponsorships with City of Lewisville and Denton Radio

## **Community Involvement**

- Train the Trainer Travel Training Program
  - Virtual Training to start in October for Social Service Agency Travel Trainers
- DCTA Social Service Agency Roundtable
  - Lewisville – October 27 (Virtual Meeting)
  - Denton – October 29 (Virtual Meeting )

## **General Updates**

- LISD/DISD Communications efforts – sending information directly to parents through e-distribution and newsletter/magazine inclusion
- Community Outreach News channels – new channels added to provide outreach to apartment complexes, churches, homeowners associations, daycares, etc.
- Discount Pass Program Update – effective October 1, 2020, discounts will no longer be provided on regional passes

# NEXT MEETING



# November CAC Meeting

Informational Report 3, Exhibit 1



November 18  
6 p.m.

For questions about the upcoming Community Advisory Committee Meeting, or to get more involved in the conversation, please contact:

Mary Worthington, Community Relations Manager, at [mworthington@dcta.net](mailto:mworthington@dcta.net)



## Board of Directors Memo

September 24, 2020

SUBJECT: Discussion of Transformation Initiative Progress Report

### Background

The Transformation Initiative is an agency-wide study to help the DCTA Board of Directors develop a cohesive vision for DCTA's future, improve operations, address perceived concerns, and respond to evolving markets, technology and consumer preferences.

The following progress report is being provided to keep the board abreast of all activities related to the initiative. Board discussion and/or action is not required at the September 2020 board meeting.

### Financial Impact

On June 25, 2020, the DCTA Board of Directors approved Task Order #1 for a total of \$667,000.

### Progress Report

#### *Milestone Dates:*

- Kick-Off Meeting with Accenture – August 7, 2020
- Board Interviews – Week of August 10, 2020
- DCTA Staff Interviews – Week of August 17, 2020
- Data Requests Fulfilled – August 21, 2020
- Visioning Session with Board of Directors – September 11, 2020 from 9 a.m. – 4 p.m.
- Delivery of Current State Assessment (Phase II) – Second week of October 2020

#### *Weekly Status Reports from Accenture:*

##### *(as of September 16, 2020)*

- Weekly reports have been provided in the board Friday emails
- Friday, September 11 – No report was provided due to the visioning session
- Friday, September 18 – Will include interview, data analysis activity and will call out Current State Assessment (Phase II) activities

#### *Timeline:*

As of August 19, 2020, Accenture has indicated that they will require a minimum of two additional weeks to complete Task Order #1. Additional timing is necessary due to the timing of the board's visioning session. All activities are on schedule according to Accenture's weekly progress report.

#### *Board Discussion:*

At this time (as of September 16, 2020), Accenture would like to facilitate board discussion regarding the visioning session findings and next steps.

Approval:

Nicole Recker, VP of Mobility Services and Administration

## Board of Directors Memo

September 24, 2020

SUBJECT: Presentation by HillCo and Discuss and Consider Approval of DCTA's State Legislative Agenda for the 87th Texas State Legislature

### Background

Based on the discussion at the August 27 Board meeting, staff has included a statement on DCTA being a resource to the Texas State legislature, the recently-created draft Vision Statement from the September 11 Visioning Session, and a brief history of the Agency as an introduction. The proposed draft legislative agenda will be formatted using the current Agency media kit as a design template for maximum impact, enclosed as Exhibit 3. The media kit is currently in the process of being updated by the Marketing and Communications department with 2020 information.

### *Proposed Statements Overview*

The proposed legislative program seeks primarily to preserve authority and resources. There are two general statements of preservation and four legislative position statements, that provide greater specificity. The statements in the program would allow DCTA to actively oppose legislation that would erode the Agency's authority to provide the transportation services needed and requested by member cities and contracted entities. In addition, DCTA has been on the front lines of innovation, and the Agency seeks to protect these activities, while supporting the North Central Texas Council of Governments and other state/local entities in developing innovative transportation solutions to meet the growing needs of our communities. Finally, staff has included a statement to support legislation related to excess rail liability, particularly if pursued as part of a consortium effort.

Finally, staff proposes a position statement that would allow DCTA to oppose legislation that seeks to further erode member cities' ability to raise adequate revenues to fund needed infrastructure improvements and other critical programs/projects that citizens want in their respective communities. As the Texas Municipal League has stated, "Our Home, Our Decisions", reinforcing that local governments, including DCTA's member cities, need to be able to make budget and revenue-generating policy decisions at the government closest to the citizens they serve.

### *Offensive Legislation*

Based on feedback received at the August 27 Board meeting, staff has drafted a statement for the Board's consideration to seek introduction and passage of legislation related to public-private partnership (P3) authority. P3 Authority is currently explicitly permitted in DART's statute in the Texas Transportation Code, Section 452.108 (C) and (D), to encourage private investment in developments around transit projects on land owned by or adjacent to land owned by the transit entity. The DART statute is included as Exhibit 5. Based on DCTA's enabling statute, the agency is not prohibited from P3 engagement, but, as discussed, may be worth considering such legislation.

### *Timeline*

Provided the Board of Directors approves the content of the formal legislative program on September 24, staff will work with Marketing and Communications to develop a document using Exhibit 3 as the design template to be finalized by the end of October. This will allow staff to share the final document 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.



### Identified Need

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.

### Recommendation

Staff recommends approval of the proposed Legislative Agenda for the 87<sup>th</sup> Texas Legislature.

### Exhibits

Exhibit 1: HillCo Memo to the DCTA Board of Directors

Exhibit 2: Proposed Legislative Program for the 87<sup>th</sup> Texas Legislature

Exhibit 3: Example Template for Legislative Program Design

Exhibit 4: Final Legislative Program for the 86<sup>th</sup> Texas Legislature

Exhibit 5: DART P3 Enabling Language, Texas Transportation Code 452.108 (C) & (D)

Submitted By:

Lindsey Baker, Director of Government Affairs

Approval:

Kristina Holcomb, Deputy CEO



## **Overview**

In preparation for the start of the 2021 Legislative Session, HillCo has composed this memo in order to finalize plans for client communications with the Denton County Transportation Authority (DCTA) during the fast moving, ever changing 140-day lawmaking process.

## **Summary of Current HillCo and DCTA Communications Strategies**

Despite the COVID pandemic and the immense impact that has had on our traditional way of life, HillCo has been extremely satisfied with the ability to communicate in real time and deliver information with the DCTA through the interim portion of the legislative process. This success has been attained through the following:

1. Developing a strong rapport with key DCTA personnel (including: Lindsey Baker, Kristina Holcomb, and Raymond Suarez) so that DCTA staff has strong lines of communications with HillCo and each party can timely reach one another as immediate needs arise;
2. Working with DCTA staff to gain a strong perspective of the local and legislative issues that will greatly impact DCTA operations, and beginning the process of identifying topics of strong interest for the next session;
3. HillCo delivering in person presentations (pre COVID) to the DCTA Board of Directors;
4. Organizing and participating on multiple rounds of in person meetings (pre-COVID) and conference calls with DCTA staff and delegation legislators / key House and Senate Committee personnel on : general introductory topics, DCTA route and service changes made as part of COVID response, steps DCTA has effectively taken to prohibit spread of COVID through employees and riders, and potential legislative topics of the next session;
5. Organizing near future conversations with: The Governor's office of Economic Development, the Texas Department of Transportation, regional and statewide transportation leaders, and others.

## **Moving Forward into the Legislative Session**

Seamless client communication during a legislative session requires additional layers of interaction due to the increased volume of activity and speed in which developments occur. The additional layers that HillCo would propose include the following:

1. **Periodic Scheduled Conference Calls** – Touching base routinely by telephone during the legislative session with key staff and DCTA leadership will be vital to keeping Austin advocacy efforts perfectly in line with DCTA's vision for positive legislative outcomes.
2. **Design and frequent updating of bill tracking document** -HillCo Partners will customize a bill tracking document to archive all important information on each piece of legislation that DCTA wishes to track through the legislative process. This will include the bill number, caption, author name, short summary of the legislation's intent, the last official action taken on the bill, and can also include other elements at the client's desire, such as statement of client position, topical category and more. Below is an example bill track report for reference.



## Bill Status Report

09-16-2020 - 09:02:16

A - Action in the date range R - Link to Related Information ( ) - Priority

<span style="color: red;">A</span> HB 2	Burrows, Dustin(R)	Relating to ad valorem taxation.
<b>Companions:</b>		
<div> <div>SB 2</div> <div>Bettencourt, Paul (Identical)</div> <div>6-12-19 G Effective January 1, 2020, except section 92 effective September 1, 2019, and multiple sections effective September 1, 2020 and January 1, 2021. See history notes</div> </div>		
<b>General Remarks :</b>		
<div>Feb 1, 2019 - 10:52</div> <div>Omnibus property tax reform bill</div>		
<b>Bill History:</b>		
<div>04-30-19 H Laid on the table - subject to call - see SB 2</div>		
<span style="color: red;">A</span> HB 230	Krause, Matt(R)	Relating to reporting by political subdivisions regarding the receipt or expenditure of federal funds.
<b>Companions:</b>		
<div> <div>HB 135</div> <div>Krause, Matt (Refiled from 85R Session)</div> </div>		
<b>General Remarks :</b>		
<div>Jan 9, 2019 - 14:01</div> <div>Requires political subdivisions to report to the comptroller the receipt of and expenditure of any federal grants or federal funds otherwise.</div>		
<b>Bill History:</b>		
<div>04-08-19 H Committee action pending House Appropriations</div>		
<span style="color: red;">A</span> HB 305	Paul, Dennis(R) Nelson, Jane(R)	Relating to the requirement that a state agency or political subdivision with authority to impose a tax post certain information on an Internet website.
<b>General Remarks :</b>		
<div>Dec 14, 2018 - 08:26</div> <div>This bill would require all political subdivisions to maintain a website that can be accessed by the public and keep on their website a list of and contact information for all officers of the entity, any announced</div>		

candidates for an officer position,  
notification of upcoming elections  
and notification of all upcoming  
scheduled meetings of the entity's  
officers

**Bill History:** 09-01-19 G Earliest effective date

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<b>A</b>	HB 358	Lang, Mike(R)	Relating to holding elections on uniform election dates.
<b>General Remarks :</b>			Dec 17, 2018 - 09:19 Provides that debt issuance elections can only occur during November general elections
<b>Bill History:</b>			02-19-19 H Introduced and referred to committee on House Elections

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<b>A</b>	HB 365	Cain, Briscoe(R)	Relating to holding elections on uniform election dates.
<b>General Remarks :</b>			Dec 14, 2018 - 08:27 Provides that state and local debt elections can only occur in November general elections of even numbered years.
<b>Bill History:</b>			04-15-19 H Committee action pending House Elections

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<b>A</b>	HB 430	Shaheen, Matt(R)	Relating to certain information included with ballot propositions for elections to authorize state and local general obligation bonds.
<b>General Remarks :</b>			Dec 14, 2018 - 13:46 Adds language to the ballot for an election to issue state or local debt, including: how much debt the entity already owes, what their maximum debt limit would be if the proposition passes and the estimated total cost of repaying the bonds.
<b>Bill History:</b>			02-20-19 H Introduced and referred to committee on House Pensions/Investments/Financial Services

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3. **Summary of Committee Hearings** – Throughout the legislative session hundreds of House and Senate Committee hearings will be held to consider legislation of interest to the DCTA. Working with DCTA staff, HillCo will identify those hearings, have them covered on behalf of the client and quickly provide summary notes from the committee hearings, with focus on legislation and conversation topics of most interest to the DCTA. Below is an example summary for reference.

6/19/2019

Senate Transportation – March 6, 2019 – HillCo Partners

## Senate Transportation – March 6, 2019

The Senate Committee on Transportation met on March 6, 2019 to take up [SB 83 \(Hall\)](#), [SB 198 \(Schwertner\)](#), [SB 215 \(Seliger\)](#), [SB 225 \(Flores\)](#), [SB 228 \(Hinojosa\)](#), [SB 240 \(Nelson\)](#), [SB 282 \(Buckingham et al.\)](#), [SB 356 \(Nichols\)](#), [SB 357 \(Nichols\)](#), [SB 497 \(Zaffirini\)](#), and [SB 537 \(Kolkhorst\)](#). This report covers only SB 198 (Schwertner), SB 282 (Buckingham et al.), SB 356 (Nichols), and SB 357 (Nichols).

*This report is intended to give you an overview and highlight of the discussions on the various topics the committee took up. It is not a verbatim transcript of the hearing but is based upon what was audible or understandable to the observer and the desire to get details out as quickly as possible with few errors or omissions.*

**SB 282 (Buckingham)** – Relating to the allocation of money associated with delays of transportation projects.

- Provide relief to communities impacted by transportation delays.
- Makes sure communities impacted by delays benefit from funds which are recouped.
- Passed unanimously out of Senate last session.

### *Public Testimony*

*Skip Blancett, Mayor of Salado – Support*

- Salado's "spirit" has been broken.
- Salado is still on way to recovery.

**SB 282 passed 6-0.**

**Certified local and uncontested.**

**SB 198 (Schwertner)** – Relating to payment for the use of a highway toll project.

- Refile from last session, passed unanimously out of Senate last session.
- Under the bill, customers will not be required to pay administrative fees if they have a working and active transponder.
- Drivers will be notified when their equipment is not working.
- West – Question about collection fees
  - Schwertner – Last session there was such a large problem with billing that there was an appropriation with TxDOT concerning how they had overcharged some of the fees and penalties.

6/19/2019

Senate Transportation – March 6, 2019 – HillCo Partners

*Public testimony**Terry Hall, Texans for Toll Free Highways – Support*

- Support the bill, would like it to go further.
- Fines and fees for drivers are excessive.

*James Bass, TxDOT*

- Failure to pay late payment fee is \$4/month.
- Had concerns new fee regime would create customer confusion.
- West – This only applies to TxDOT or all toll roads?
  - Bass – What I just spoke about only applies to TxDOT.
  - Schwertner – The bill applies to all tolling entities.
  - West – It is \$4 for TxDOT and is there a collection fee on top of that?
  - Bass – There is a \$1.50 mailing fee.

**SB 198 left pending.**

**SB 356 (Nichols)** – Relating to the enforcement of commercial motor vehicle safety standards in certain municipalities.

- Allows police officers in Jacksonville, TX, to be certified for commercial vehicle safety.
- Kolkhorst – I think I have a similar issue in Katy, where trucks will avoid I-10 and go through the middle of town.
  - Nichols – These cities have to have their officers trained and get the proper equipment from DPS.
  - Kolkhorst – Support this, I understand the problems it has.

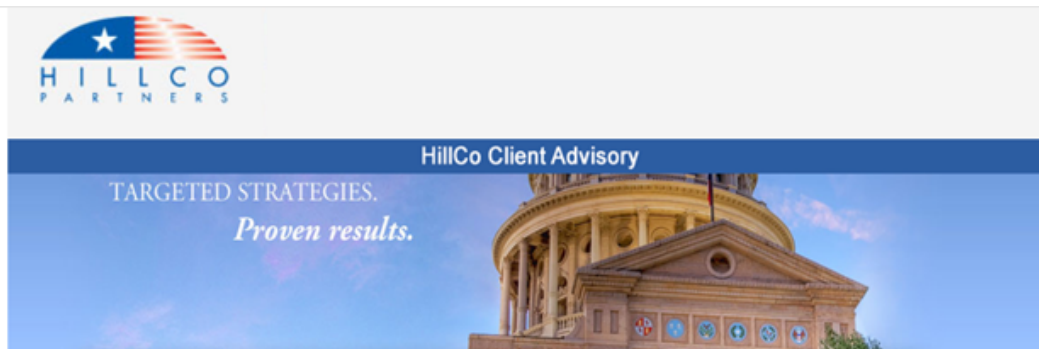
*Public testimony**John Esparza, Texas Trucking Association – On*

- TTA works closely with law enforcement partners, has built a reputation of safety.
- Safety through education is effective.
- As additional agencies are added, get complaints from members that are getting stopped multiple times a day in certain jurisdictions.
  - Leads to questions that some jurisdictions are more interested in revenue than safety.
  - This is only in pockets, but complaints are on the rise.
- Authority should be passed based on objective criteria such as traffic accident counts.
- Nichols – If you have some of those pockets where you feel like they are harassing and not concerned about safety, let the Senator from that area know and we can remove that authority,

<https://hillcopartners.com/senate-transportation-march-6-2019/>

2/3

4. **HillCo Client Advisories** – The very frequent client advisories that are generated by HillCo’s communications team are rivaled by none and will be provided to the DCTA for their internal use in real time. These advisories hit on all important topics of the legislative process, including the publications of interim committee reports, announcements of major legislation filed, summaries of key press conferences, and other newsworthy moments of the legislative session. Below are examples of client advisories.



[HillCo Partners, 823 Congress Avenue Suite 900, Austin, Texas](#)  
512-480-8962

#### Inside this issue

- [Legislative Spotlight](#)
- [Patrick Announces Priority Bills](#)
- [Senate Higher Education – March 6, 2019](#)
- [Senate Transportation – March 6, 2019](#)
- [House Public Health – March 6, 2019](#)
- [House Natural Resources – March 5, 2019](#)
- [House Human Services – March 5, 2019](#)
- [Senate Property Tax – March 5, 2019](#)
- [House Pensions, Investments & Financial Services – March 5, 2019](#)
- [Texas Water Development Board – March 5, 2019](#)
- [Senate State Affairs – March 4, 2019](#)

#### [Legislative Spotlight](#)

*Both the House and Senate will reconvene on Monday, March 11 at 4 p.m. and 3 p.m. respectively*

#### **Spotlight on Bills**

##### **Disaster Legislation Filed**

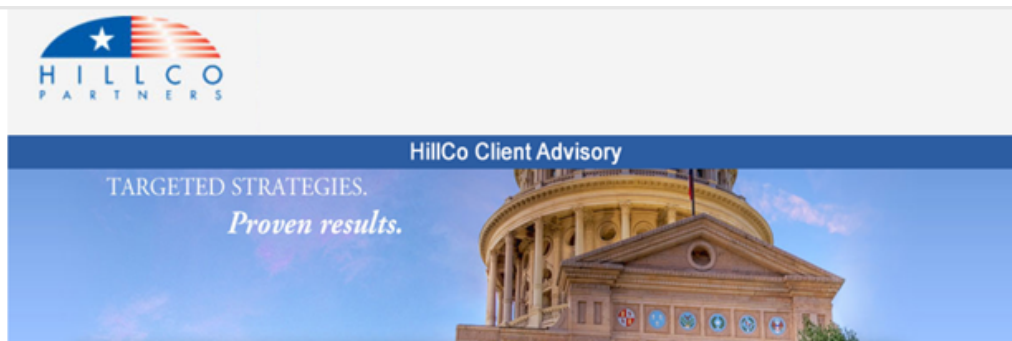
[SB 8](#) (Perry) creating the first statewide flood plan, [SB 6](#) (Kolkhorst) best practices for disaster response, [SB 7](#) (Creighton) creation of a fund to pay for flood mitigation projects. In addition to the \$1.8 billion to fund the filed bills, \$1.2 billion will be sought to pay back recovery and response costs incurred by local and state agencies during the last year and a half. Some of that money will also go towards school districts to cover tax revenue lost due to the devaluation of property from storm damage. Kolkhorst said that some of these numbers could change as state budget writers work through the process. All three bills will be heard today in the [Senate Committee on Water and Rural Affairs](#).

##### **Open Government Legislation Filed**

[SB 1640](#) (Watson) and [HB 3402](#) (Phelan) address an issue caused by the Court of Criminal Appeals striking down a provision of the Open Meetings Act. The language in the bill addresses the Court’s concerns by replacing vague phrases with more precise language designed to capture the same scope of prohibited activities.

##### **House Public School Funding Bill Filed and Committee Hearing This Week**

House Public Education Committee Chair Dan Huberty filed [HB 3](#) last week, the House’s major school finance bill referred to as “[The Texas Plan](#).” The bill adds \$9 billion in funding, which includes \$6.3 billion for schools (above enrollment growth), \$2.7 billion for property tax relief,



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#### Inside this issue

- [Interim Reports Published](#)
- [House Higher Education Committee Interim Report Published](#)
- [Senate Higher Education Committee Interim Report Published](#)
- [Senate Agriculture, Water & Rural Affairs Publishes Interim Report](#)
- [Senate Agriculture, Water & Rural Affairs Publishes Interim Report on Hurricane Harvey](#)
- [Senate Natural Resources & Economic Development Publishes Interim Report](#)
- [House Economic & Small Business Development Interim Report Published](#)
- [House Government Transparency & Operations Interim Report Published](#)
- [House Transportation Interim Report Published](#)
- [Senate Health & Human Services Interim Report Released](#)
- [House Select Committee on Opioids & Substance Abuse](#)

#### Interim Reports Published

Both House & Senate interim committees have published multiple interim reports. Below is a spotlight on some of those reports, links are included for your reference in case you want to quickly access the report in its entirety. Click on the "read more" link for access to all the recommendations that have been pulled from the interim report. All HillCo clients\* have access to content under "read more."

We will continue to monitor for additional reports to be posted. Interim reports for the House will be published at the following [House link](#) when they are available. Interim reports for the Senate will be published on individuals Senate Committee pages which can be accessed at the following [Senate link](#).

*\*If you have not yet set up access to online content, and you are a HillCo client, simply register for an account by visiting [HillCo Partners](#).*

#### House Higher Education Committee Interim Report Published

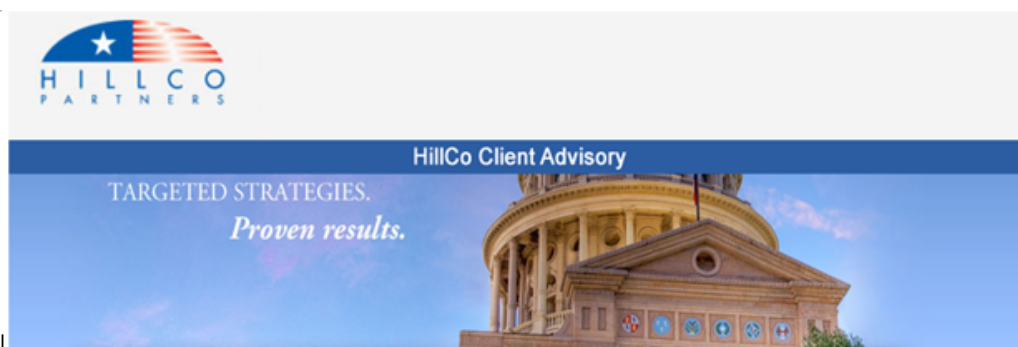
The House Committee on Higher Education has published its [interim report to the 86th Legislature](#).

#### Recommendations

##### Interim Charge One

1) Continuation of the Texas Higher Education Coordinating Board's flexible approach to semester start dates, financial obligations and financial aid. Allowing institutions of higher education a degree of flexibility in times of crisis has enabled an optimal disaster recovery process.

[Read More](#)



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#### Bill Filing Deadline - Record Preliminary Totals

Today marked the 60th day of the 86th Legislative Session. It was also the deadline for filing bills and joint resolutions other than local bills, emergency appropriations, and bills that have been declared an emergency by the governor.

As of this evening, the preliminary information on [Texas Legislature Online \(TLO\)](#) shows there has been more bills filed this session than the previous four sessions with a total of 4,627 House Bills and 2,435 Senate Bills filed for a grand total of 7,062 HBs & SBs. The only other legislative session when more bills were filed was the 81st Session when a total of 7,419 bills were filed (the data on TLO goes back to 1991).

25% of the total bills filed for this session, were filed in the last two days: 911 bills were filed on Thursday and preliminary totals show 839 bills were filed today.

In comparison, during the 85th (R) on the 60th day, the preliminary information showed: 4,250 House Bills and 2,235 Senate Bills filed for a grand total of 6,485 HBs & SBs\*.

*\*Note the final totals were larger for the 85th Regular Session with 4,333 House Bills filed and 2,298 Senate Bills filed for a total of 6,631 House and Senate Bills filed.*

5. **Welcoming DCTA Involvement in All Advocacy Efforts** – HillCo is an advocacy firm that greatly welcomes direct client involvement. It is a tool that improves client communication, and we also firmly believe that no one can tell the story as well as the client directly can. While we stand ready and will be prepared to speak on behalf of the client at any and all times, we will also welcome the DCTA's side-by-side involvement at every turn of the road.
6. **Willingness to Be Flexible** – A legislative session is very unpredictable and it requires adaptation throughout the entire process. Part of that adaptation means HillCo and DCTA may have to revise our communication strategy midway through the session, which is a level of service we will happily provide rather than lock into a plan that did not foresee unexpected circumstances.

## **Denton County Transportation Authority Proposed Legislative Agenda for the 87<sup>th</sup> Texas Legislature**

### **Introduction**

**Vision** (*this is subject to change as the Vision Statement is finalized from the 9/11 Board session*)

DCTA innovates and collaborates to deliver safe, accessible, customer-focused mobility solutions, enabling positive economic, environmental, and quality of life outcomes in the region.

### **History**

Effective September 1, 2001, Denton County Transportation Authority was enabled by House Bill 3323 during the 77th Texas Legislature. Senator Jane Nelson and Representative Burt Solomons worked closely with the Denton County Commissioner's Court and community leaders to pass H.B. 3323, initiating the process to create the authority. On November 5, 2002, Denton County approved the creation of the Denton County Transportation Authority (DCTA) to advance public transportation alternatives. DCTA was funded in 2003 by a dedicated half-cent sales tax from the cities of Denton, Lewisville and Highland Village and fulfilled its initial service plan in June of 2011 with the launch of the A-train commuter rail service.

Today, DCTA serves 2.49 million passengers through commuter rail, traditional bus routes, dynamic, on-demand mobility services, a commuter bus service, ADA/Paratransit demand-response service, and a commuter vanpool program.

### **DCTA as a Resource**

The Denton County Transportation Authority seeks to serve the Texas State Legislature as a resource on the topic of transportation, including the future of transit and continuing advances in mobility. DCTA is an innovative and nimble agency, ready to improve service efficiencies and quickly respond to the needs of our communities as new technologies arise.

As subject matter experts, the DCTA Board of Directors and Executive Staff are available to assist legislators and their staff, committee staff, state agencies, the Office of the Governor, and others in understanding the intricacies of transportation policy and the direct impacts on North Texas and Denton County residents.

## **Legislative Statements for the 87<sup>th</sup> Texas Legislature**

### **Statement of Preservation:**

- During the 87<sup>th</sup> Texas Legislature, Denton County Transportation Authority (DCTA) seeks to preserve current authority and Agency resources to implement traditional and innovative mobility solutions which support the transportation needs of Denton County and North Texas residents, improved air quality, vibrant economic development opportunities, and enhanced livability.
- DCTA will actively oppose legislation considered detrimental to the Agency's preservation of authority and resources or the ability to meet strategic priorities.

### **Seek Introduction and Passage:**

- Seek introduction and passage of legislation that would explicitly authorize the agency to enter into public-private partnerships to encourage private investment in developments around transit projects on land adjacent to or owned by DCTA.

### **Legislative Position Statements:**

- Support efforts that would enhance the ability of transit authorities and metropolitan planning organizations to leverage new and evolving technologies, implement innovative mobility solutions, and improve connectivity to meet the changing transportation needs and demands of Denton County, North Texas, and residents statewide.
- Support legislation that would promote initiatives identified in the North Central Texas Council of Government's (NCTCOG) Mobility 2045: The Metropolitan Transportation Plan for North Central Texas.
- Support efforts to seek legislation regarding excess rail liability that would allow North Texas transit agencies to operate on additional rail corridors as part of the regional transportation system.
- Oppose legislation that would erode existing municipal authority to manage revenue streams.



DENTON COUNTY  
TRANSPORTATION  
AUTHORITY

# 2019 MEDIA TOOLKIT

Last updated November 2019

# ABOUT DCTA



## BACKGROUND AND PURPOSE

For the past 16 years, Denton County Transportation Authority (DCTA) has accelerated innovative mobility solutions through efforts that strive to reduce traffic congestion and enhance air quality, while contributing to the growth, development and improvement of quality of life for all communities we serve.

## SERVICE OVERVIEW

DCTA connects riders to the need of their day with a variety of services including the 21-mile A-train commuter rail, Connect fixed-route buses, Collin County Transit, Denton Enterprise Airport and Lewisville Lakeway on-demand, Frisco Demand Response, Access and more.

## VISION, MISSION AND CORE VALUES

DCTA is committed to improving mobility, air quality, economic development and livability in North Texas. With the implementation of core values that prioritize safety, accountability, commitment, excellence, integrity and respect, DCTA is determined to be a leader in advancing mobility alternatives in North Texas.



TRAIN



BUS



RAIL TRAIL



VANPOOL



ON-DEMAND



ACCESS



## MILESTONES

DCTA was formed in 2002 and has grown to be Denton County's primary transportation agency – providing modern transportation solutions to residents and continuously striving to meet the growing need for transportation options.

Below are key milestones DCTA has achieved since inception.

- **2002:** Denton County voters approve the confirmation of DCTA by 73 percent
- **2003:** Denton, Highland Village and Lewisville join DCTA and levy a half cent sales tax to finance the system
- **2005:** The University of North Texas (UNT) and DCTA sign an agreement for a new shuttle system
- **2009:** DCTA starts A-train construction and breaks ground on four stations – Hebron, Old Town, Highland Village/Lewisville Lake and MedPark
- **2011:** DCTA's A-train 21-mile commuter rail line officially launches to the public
- **2012:** The Federal Railroad Administration (FRA) approves first integrated use of Stadler GTW Rail Vehicle for DCTA – the first of its kind in the U.S.
- **2013:** The A-train surpasses one million passengers
- **2016:** DCTA launches North Texas Xpress commuter bus service in partnership with Trinity Metro and new Highland Village Connect Shuttle
- **2018:** DCTA becomes first transit agency in Texas to begin testing federally-mandated Positive Train Control (PTC)
- **2019:** DCTA expands transit offerings with the new Mobility as a Service (MaaS) contract model (one of the first of its kind in the U.S.)

## HISTORY

The A-train officially opened for service on June 18, 2011. In January 2012, DCTA unveiled its new Stadler railcars and received a waiver from the Federal Railroad Administration (FRA) to operate them in June 2012. In September 2013, A-train ridership had reached more than one million passengers with the rail line carrying 1,006,397 passengers in less than 28 months of operation.

## SERVICE OVERVIEW

DCTA's A-train connects Denton and Dallas Counties. At the Trinity Mills station, riders can gain access to Dallas Area Rapid Transit's (DART) Red, Orange, Green and Blue Lines and the Trinity Railway Express (TRE). A-train service is provided Monday through Saturday, excluding major holidays.

The A-train Rail Trail, which is a part of DCTA's continuous efforts to provide riders with safe and efficient mobility solutions, runs alongside the agency's commuter rail line to complement surrounding facilities. It is approximately 19 miles and connects riders from the Downtown Denton Transit Center (DDTC) to the Hebron station in the city of Lewisville. Along the rail trail, the general public can access the Denton Branch Rail Trail, the Lewisville and Highland Village trails.

## 21 MILES OF TRACK



19 MILES OF A-TRAIN RAIL TRAIL



A-TRAIN STATIONS



11 TRAINS IN FLEET



4 IN PEAK  
2 IN OFF PEAK  
1 ON SATURDAYS

**1,454**  
AVERAGE  
**MONDAY-FRIDAY**  
PASSENGER  
BOARDINGS

**435**  
AVERAGE  
**SATURDAY**  
PASSENGER  
BOARDINGS

**1,889**  
AVERAGE  
**WEEKLY**  
PASSENGER  
BOARDINGS

**32,808**  
AVERAGE  
**MONTHLY**  
PASSENGER  
BOARDINGS

**393,700**  
TOTAL  
**FY'18**  
A-TRAIN  
RIDERSHIP

\*ALL STATS ARE BASED OFF FY'19 DATA (OCT. 1, 2018 - SEPT. 30, 2019)

## SERVICE OVERVIEW

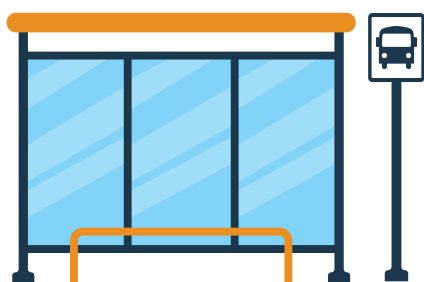
The fixed route and peak period services were configured to provide easy access to many popular destinations as well as connection to A-train stations for access to the commuter rail line. These routes include the Denton and Lewisville Connect Bus, campus shuttle service for the University of North Texas (UNT) and North Central Texas College (NCTC) and Connect Shuttle peak-period service in Highland Village.

**Microtransit Service:** This on-demand service offers real-time, flexible routing and scheduling. Similar to Uber and Lyft, DCTA-branded vehicles carry a handful of riders at a time. These services include the Denton Enterprise Airport and Lewisville Lakeway on-demand zones.

**Taxi Service:** Collin County Transit is DCTA's partnership with the city of McKinney and the McKinney Urban Transit District (MUTD) to provide a subsidized taxi voucher program that provides efficient transit options for participating MUTD cities including Celina, Lowry Crossing, McKinney, Melissa, Princeton and Prosper.

**Lyft Partnership:** DCTA has a partnership with Lyft, in which the agency provides a sponsored discount for the Highland Village Lyft Zone, free rides for the UNT Lyft Zone, a Coppell Pilot Program, Lewisville Access to Flower Mound Lyft service and "first mile/last mile" service in the Alliance area serving Tarrant and Denton counties via Trinity Metro's ZIPZONE service.

**Paratransit Service:** DCTA's Access Paratransit service is a shared ride, origin-to-destination, service that provides transportation for disabled residents, elderly (65 years and older) residents and visitors in Denton, Highland Village and Lewisville.



**57 BUS SHELTERS**  
**14 BENCHES ONLY**  
**512 BUS STOPS**

**2,490,323**  
**TOTAL FY'19 RIDERSHIP**  
**& 284 SQ. MILES SERVED**



**84 VEHICLES IN FLEET**

**1**  
**ROUTE**  
**HIGHLAND VILLAGE CONNECT SHUTTLE**  
**NORTH TEXAS XPRESS**

**2**  
**ROUTES**  
**ZONE SERVICES**  
**LEWISVILLE FIXED ROUTES**  
**NCTC CAMPUS SHUTTLES**

**8**  
**ROUTES**  
**DENTON FIXED ROUTES**  
**10**  
**ROUTES**  
**UNT CAMPUS SHUTTLE SERVICE**

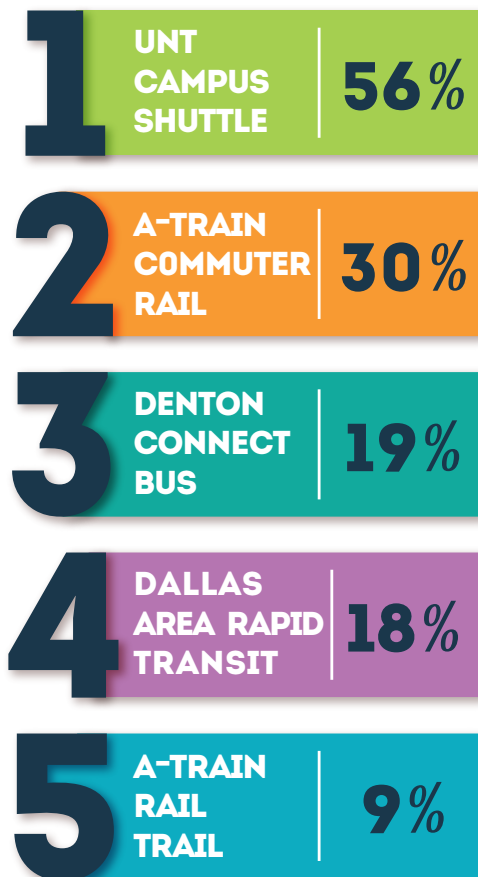
## 2019 PASSENGER SATISFACTION SURVEY

DCTA hosts a biennial passenger satisfaction survey to gather input from riders on their perspective on the agency's system. The results below are from the agency's 2019 survey which yielded a total of 2,629 responses, equal to 20 percent of the average daily ridership for April 2019. The margin of error was 1.71 percent.

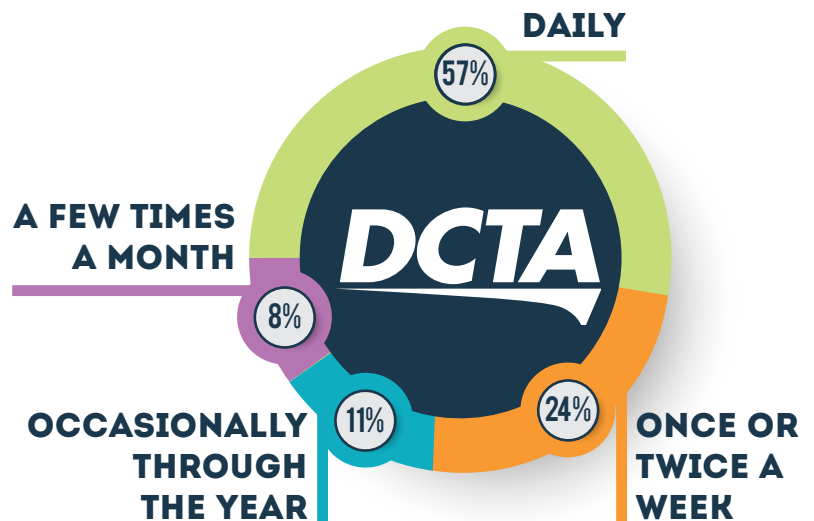
## TOP THREE ATTRIBUTES FOR SERVICES: RELIABILITY, SAFETY & CONVENIENCE

### TOP MODES OF SERVICE

MULTIPLE MODES COULD BE SELECTED



### RIDER FREQUENCY:



**82%** OF RESPONDENTS ARE **VERY LIKELY** AND **SOMEWHAT LIKELY** TO RECOMMEND DCTA SERVICES TO FRIENDS AND FAMILY

THE TOP FIVE DESTINATION CITIES WERE **DENTON** (58%), **DALLAS** (25%), **OTHER** (5.5%), **LEWISVILLE** (5.5%) & **CARROLLTON** (2.5%)

### RIDERS USE DCTA SERVICES TO:



## TRANSIT TRACKER

DCTA's Transit Tracker is a vehicle tracking system that provides passengers with access to real-time information for the agency's A-train, fixed-route bus and shuttle services. Passengers can track vehicles via phone, online, text and free mobile application.

- **Phone:** Call 940.243.0077, select the transit tracker option from the phone menu, enter the stop ID and receive real-time information on that vehicle for that location.
- **Web:** Visit **DCTAtracker.com** to search by address to find the nearest bus or train and its arrival time
- **Text:** Text the stop Id to 64255 to receive the estimated arrival time of your bus or train.
- **App:** Download the Transit mobile app from Google Play or Apple store to see vehicle locations in real-time and get notifications for when it's time to leave for your trip.

## GOREQUEST

Have a question or comment? Download the GORquest app available on the Apple Store or Google Play, or visit our **dcta.net/gorequest** to send your feedback. A staff member will answer your question or address your comment in a timely manner.

## GOPASS<sup>SM</sup>

Download the GoPass<sup>SM</sup> application, available on the Apple Store or Google Play, to purchase your ticket straight from your mobile phone.

### *How It Works*

**Step 1:** Download the app for iPhone or Android

**Step 2:** Register your device within the app

**Step 3:** Purchase tickets

**Step 4:** Activate tickets

All tickets are delivered to your phone as "Not Yet Activated." You can purchase tickets up to 60 days in advance of using them. You must activate your ticket before boarding and show the ticket on your smartphone to the bus driver or fare enforcement officer when required.

## RIDER ALERTS

Sign up for DCTA Rider Alerts at **RideDCTA.net** to receive customized email notifications regarding schedule delays, service changes and promotions.



## BUS

DCTA offers a growing network of bus service from fixed route, shuttle service to on-demand service to connect riders to the greater metroplex, connecting to Dallas and Fort Worth.

- **Number of Routes:**

- 8 Denton Connect Fixed Routes
- 10 University of North Texas Shuttles (Bernard Street, Centre Place, Colorado Express, Discovery Park, Eagle Point, Mean Green, Mean Green Night Rider, Mean Green Night Rider Plus, Mean Green Contra, and North Texan)
- 2 North Central Texas College Shuttles (North and South Shuttles)
- 2 Lewisville Connect Fixed Routes
- 2 Microtransit Zones
  - Denton Enterprise Airport Zone
  - Lewisville Lakeway Zone
- 1 Highland Village Connect Shuttle
- 1 North Texas Xpress



- **Number of Vehicles:**

- 58 vehicles at peak pull-out
- Total number of vehicles: 84

- **Number of shelters: 57**

- Benches only: 14
- Bus stops: 512

- **Total FY'19 Ridership: 2,490,323**



## A-TRAIN

DCTA's A-train connects Denton County passengers to Dallas through Dallas Area Rapid Transit (DART) and to Fort Worth through transferring from DART to the Trinity Railway Express (TRE).

- **Miles of track: 21**
- **Number of stations: 5**
- **Number of vehicles: 11**
- **Total FY'19 Ridership: 393,700**



# FARE AT A GLANCE

Regular Item 2, Exhibit 3

## UPDATED FARE

In January 2019, DCTA launched a new, easier local fare structure for a seamless integration within the regional fare system. Fares and passes may be purchased online, at ticket vending machines (TVM) on A-train station platforms or at one of the ticket outlets listed here. Not all fare types are available for purchase at all locations.

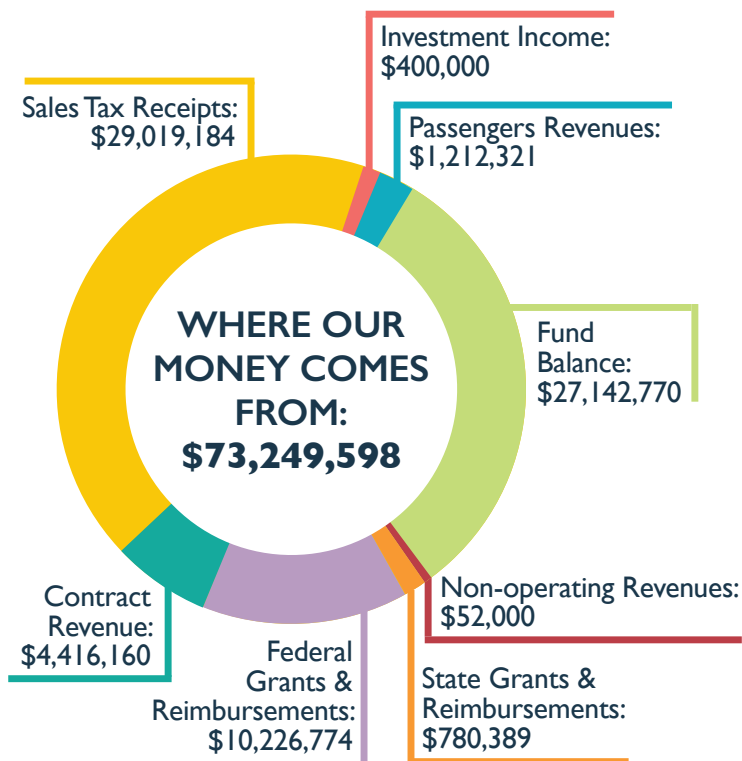
FARE TYPE	LOCAL PRICE	REGIONAL PRICE	LOCAL / REGIONAL REDUCED	WHERE TO BUY
LOCAL AM	\$1.50	—	\$.75 / —	TVM, GOPASS
LOCAL PM	\$1.50	—	\$.75 / —	TVM, GOPASS
DAY PASS	\$3.00	\$12.00	\$1.50 / \$3.00	TICKET OUTLETS, TVM, GOPASS
7-DAY PASS	\$15.00	—	—	TICKET OUTLETS, TVM, GOPASS
10-DAY PASS	\$20.00	\$84.00	—	TICKET OUTLETS, ONLINE
MONTHLY PASS	\$48.00	\$192.00	\$24.00 / \$48.00	TICKET OUTLETS, TVM, GOPASS
ANNUAL PASS	\$480.00	\$1,920.00	\$240.00 / \$576.00	TICKET OUTLETS, ONLINE



## OUR FINANCES

DCTA's consistent dedication to ensuring transparency of the agency's financial records has earned high marks at both the state and national level.

DCTA has also been recognized by the Government Finance Officer Association (GFOA) of the United States and Canada with a Certificate of Achievement for Excellence in Financial Reporting – the highest form of recognition in the area of governmental account and financial reporting.





## SHAPING OUR FUTURE

Denton and Collin counties are projected to be the nation's fastest growing economies over the next five years, according to an Oxford Economics forecast. With this impending growth, it is our commitment to offer more alternative transportation options to improve the quality of life where our residents live, work and play.

In FY'19\*, DCTA has reached numerous milestones in relation to mobility, air quality, economic development and livability. Read more FY'19 milestones below:

- Changed fare structure to provide a lower fare price and simpler structure
- Received Federal Railroad Administration (FRA) approval to go into Revenue Service Demonstration (RSD) for Positive Train Control (PTC) testing
- Launched Lewisville Lakeway on-demand service and expanded Denton Enterprise on-demand service
- Expanded transit options with its on-call Mobility-as-a-Service (MaaS) contracts
- Launched the North Texas Mobility Corporation (NTMC) as a turnkey solution that also provides management oversight, fleet maintenance, and dedicated customer service
- Launched Collin County Transit taxi service in the town of Prosper
- Celebrated eight years of A-train service

## DENTON COUNTY TRANSPORTATION AUTHORITY LEGISLATIVE AGENDA FOR THE 86TH TEXAS LEGISLATURE

### STATEMENT OF PRESERVATION

- During the 86th Texas Legislature, Denton County Transportation Authority (DCTA) seeks to preserve current authority and Agency resources to implement traditional and innovative mobility solutions which support the transportation needs of Denton County and North Texas residents, improved air quality, vibrant economic development opportunities, and enhanced livability.
- DCTA will actively oppose legislation considered detrimental to the Agency's preservation of authority and resources or the ability to meet strategic priorities serving member and non-member stakeholders.

### LEGISLATIVE POSITION STATEMENTS

- Seek introduction and passage of legislation that would amend the current composition of the Board of Directors.
- Support efforts that would enhance the ability of transit authorities and metropolitan planning organizations to leverage new and evolving technologies, implement innovative mobility solutions, and improve connectivity to meet the changing transportation needs and demands of Denton County, North Texas and residents statewide.
- Support legislation that would promote initiatives identified in the North Central Texas Council of Government's (NCTCOG) Mobility 2045: The Metropolitan Transportation Plan for North Central Texas.
- Oppose legislation that would erode existing municipal authority to manage revenue streams.





DENTON COUNTY  
TRANSPORTATION  
AUTHORITY

# AGENCY OVERVIEW

Q1 FY 2019

## VISION & MISSION

DCTA's vision is to be a leader in advancing mobility alternatives. As a regional partner, our mission is to provide safe, customer-focused, and efficient mobility solutions with an emphasis on improving mobility, air quality, economic development and livability.



### SERVICES

- 22 Bus Routes
- A-train Commuter Rail
- Demand-Responsive Service
- Paratransit Service
- Commuter Bus



### RIDERSHIP

- Carried over 2.9 million passengers in FY 2017



### DEMO-GRAPHICS

- 35.7% - Under age 25
- 28.7% - Over age 65
- 23.9% - Household Income <\$20K
- 15.6% - Household Income >\$60K



### WHY THEY RIDE\*

- 43.48% - Get to School
- 20.15% - Get to Work
- 13.33% - Avoid Traffic
- 7.01% - Save Money

## CONTACT

- Raymond Suarez, CEO:  
972.316.6100 • rsuarez@dcta.net
- Kristina Holcomb, Deputy CEO:  
972.316.6113 • kholcomb@dcta.net
- Lindsey Baker, Director of Strategic Partnerships:  
972.316.6117 • lbaker@dcta.net

## FINANCIAL STEWARDSHIP

- o Strong Reserve Funds
  - Operating Reserve: 90 days
  - Sales Tax Stabilization: 3%
  - Fuel: \$450,000
  - Capital Reserve: \$2M
- o Internal Coverage Ratio: 2.04 (Target >1.25)
- o Current-year operating revenue exceeds current-year operating expenditures
- o Positive net cash
- o Sustainable five-year cash flow model
- o Clean audits (no management comments in FY '17)
- o Government Finance Officers Association Awards
  - Distinguished Budget
  - Certificate of Excellence: Comprehensive Annual Financial Report
- o National Procurement Institute, Inc. Awards
  - Awarded the Achievement of Excellence in Procurement Award for three consecutive years

\*Results reported by the DCTA 2017 Passenger Satisfaction Survey. Multiple answers accepted per response.

Sec. 452.108. DURATION OF CONTRACTS AND DELEGATION OF POWERS. (a) An authority may contract for payment with debt obligations and for performance and payments to extend longer than one fiscal year if the contract provides for the discharge of the authority's contractual obligations by any method, including:

(1) committing current year funds, future tax revenues, or cancellation charges; and

(2) making the contract subject to the future availability of funds.

(b) The executive committee may delegate to designated persons the power to contract for construction, services, and property, within budgeted amounts approved by the executive committee.

(c) Except as provided by Subsection (d), an authority consisting of one subregion governed by a subregional board created under Subchapter O may not enter a lease or financing agreement secured wholly or partially by the assets of the authority if the duration of the lease or financing agreement is longer than five years unless the lease or agreement is approved by the voters of the authority in the manner provided for the issuance of bonds and notes under Subchapter H.

(d) To provide tax benefits to another party that are available with respect to property under the laws of a foreign country or **to encourage private investment with a transportation authority in the United States**, and notwithstanding any other provision of this chapter, an authority consisting of one subregion governed by a subregional board created under Subchapter O **may enter into and execute, as it considers appropriate, contracts, agreements, notes, security agreements, conveyances, bills of sale, deeds, leases as lessee or lessor, and currency hedges, swap transactions, or agreements relating to foreign and domestic currency. The agreements or instruments may have the terms, maturities, duration, provisions as to governing law, indemnities, and other provisions that are approved by the subregional board.** In connection with any transaction authorized by this subsection, the authority may

deposit in trust, escrow, or similar arrangement cash or lawful investments securities, or may enter into one or more payment agreements, financial guarantees, or insurance contracts with counterparties having either a corporate credit or debt rating in any form, a claims-paying ability, or a rating for financial strength of "AA" or better by Moody's Investors Service, Inc. or by Standard & Poor's Corporation or of "A (Class XII)" or better by Best's rating system, that by their terms, including interest to be earned on the cash or securities, or payment obligations, are sufficient in amount to pay when due all amounts required to be paid by the authority as rent over the full term of the transaction plus any optional purchase price or other obligation due under the transaction.

**(e) Property sold, acquired, or otherwise transferred under Subsection (d) is considered for all purposes to be property owned and held by the authority and used for public purposes. The property is exempt from ad valorem taxes imposed in this state.** A leasehold interest in the property is exempt from Section [25.07](#)(a), Tax Code. A sale, lease, sublease, or other transfer of personal property by or to the authority under Subsection (d) is **exempt from all sales, use, and motor vehicle taxes imposed by this state or a political subdivision of this state.**

(f) Subsection (c) does not apply to a lease or financing agreement that is payable from or secured by a pledge of funds described by Section [452.357](#)(a)(4).

(g) Subsection (c) does not apply to a multiyear commodity or utility service purchase arrangement or agreement.

Acts 1995, 74th Leg., ch. 165, Sec. 1, eff. Sept. 1, 1995.  
Amended by Acts 1997, 75th Leg., ch. 1028, Sec. 2, eff. June 19, 1997; Acts 1999, 76th Leg., ch. 1284, Sec. 2, eff. Aug. 30, 1999; Acts 2001, 77th Leg., ch. 509, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 792 (H.B. [2195](#)), Sec. 1, eff. June 17, 2011.

## Board of Directors Memo

September 24, 2020

SUBJECT: Consider Approval of Debt Refinancing Structure

### Background

DCTA currently has \$23.36 million in outstanding debt with principal payments scheduled through 2031. Refinancing the existing debt would reduce interest expense and increase debt capacity for future capital projects.

In June 2008, DCTA issued \$20,000,000 in tax-exempt Sales Tax Revenue Bonds through a private placement with a maximum 5 year term to fund the A-train regional passenger rail project. The Series 2008 Sales Tax Revenue bonds were refunded through a private placement to long-term debt on December 17, 2009. These bonds currently have a final maturity in September 2029. This issuance is currently callable and eligible for refinancing.

In September 2011, DCTA issued \$14,390,000 in Contractual Obligations for a portion of the cost for the purchase of rail vehicles and for the first phase of the federally-mandated Positive Train Control project. These Obligations were issued through a private placement with a final maturity in September 2031. This issuance will be eligible for refinancing in June 2021.

	Original Issuance	Outstanding Principal	Rate	Final Maturity
2009 Sales Tax Revenue Refunding Bonds	\$ 20,890,000	\$ 12,755,000	3.99%	2029
2011 Contractual Obligations	\$ 14,390,000	\$ 10,605,000	3.13%	2031
	\$ 35,280,000	\$ 23,360,000		

Hilltop Securities presented two refinancing scenarios at the August Board meeting and requested consensus on which structure the Board preferred. The Board requested for Hilltop to invite bids on both structures. Hilltop needs additional direction and guidance from the Board in order to solicit bids and provide a stated “basis for award” to potential banks.

### Financial Impact

Two refinancing scenarios are included within Exhibit 1 as outlined below:

- Option 1: This option maintains the current term for the debt, reducing total debt service costs due to the lower interest rate. This option results in roughly \$1.7 million in total present value savings.
- Option 2: This option extends the term of the Series 2009 bonds by 3 years, which reduces annual debt service requirements by extending the repayment term. This results in roughly \$1.4 million in total present value savings. This option offers the most flexibility for future capital projects or expansion goals and would provide additional debt service capacity, resulting in a lower rate for any future debt issuance.

### Recommendation

DCTA staff requests consensus from the Board to pursue refinancing the Series 2009 bonds under Option 2. This option provides greater financial flexibility by reducing debt service needs and creating future debt capacity. Final approval of a bid will be requested at the October Board meeting.

### Exhibits

Exhibit 1: Proposed Current Refunding of \$12,755,000 Series 2009 Bonds



Submitted By:

A blue ink signature, appearing to read "Marisa Perry", is written over a horizontal line.

Marisa Perry, CPA  
Chief Financial Officer/VP of Finance

Final Review:

A black ink signature, appearing to read "Raymond Suarez", is written over a horizontal line.

Raymond Suarez, CEO

**Denton County Transportation Authority**  
**Proposed Current Refunding of \$12,755,000 Series 2009 Bonds**

	A	B	C	D	E	F	G
				Option 1		Option 2	
				Level Savings		Creating Future Capacity	
FYE	Outstanding Sales Tax Revenue Debt			Estimated Debt	Total	Estimated Debt	Total
30-Sep	Principal	Interest	Total	Service Savings	Projected Debt Service	Service Savings	Projected Debt Service
2021	1,955,000	840,861	2,795,861	(205)	2,795,656	(2,157)	2,793,705
2022	2,035,000	769,307	2,804,307	(225,550)	2,578,757	(4,165)	2,800,142
2023	2,125,000	694,818	2,819,818	(226,116)	2,593,703	(683,571)	2,136,248
2024	2,220,000	617,083	2,837,083	(224,859)	2,612,224	(700,501)	2,136,582
2025	2,320,000	535,944	2,855,944	(221,779)	2,634,165	(720,357)	2,135,587
2026	2,420,000	451,202	2,871,202	(221,735)	2,649,467	(732,938)	2,138,264
2027	2,525,000	362,857	2,887,857	(224,669)	2,663,188	(753,324)	2,134,533
2028	2,635,000	270,709	2,905,709	(225,382)	2,680,328	(771,237)	2,134,473
2029	2,755,000	174,603	2,929,603	(223,873)	2,705,730	(791,675)	2,137,928
2030	1,155,000	74,181	1,229,181	-	1,229,181	905,560	2,134,741
2031	1,215,000	38,030	1,253,030	-	1,253,030	882,040	2,135,070
2032	-	-	-	-	-	2,138,680	2,138,680
Totals	<u>\$ 23,360,000</u>	<u>\$ 4,829,592</u>	<u>\$ 28,189,592</u>	<u>\$ (1,794,166)</u>	<u>\$ 26,395,426</u>	<u>\$ (1,233,643)</u>	<u>\$ 26,955,949</u>

	Option 1	Option 2
Est Borrowing Cost	1.30%	1.72%
Est Total Savings	\$1,794,166	\$1,233,643
Est Present Value Savings	\$1,681,979	\$1,422,933
PV Savings (% of Ref Par)	13.2%	11.2%
Est Additional Debt Capacity	\$2.9 million	\$9.9 million

Interest rate indications are as of 8/28/20 + 25 basis points. Subject to change. Savings are after transaction costs.

Projected additional capacity assumes 20 year repayment and a 4.5% borrowing cost.



## Board of Directors Memo

September 24, 2020

SUBJECT: Discuss and Consider Approval of the Transportation Reinvestment Policy (TRiP) – Recommended Policy Refinements and Proposed Implementation Strategy

### Background

TRiP will enable transit-supportive projects by authorizing DCTA to distribute funds to member cities for eligible projects consistent with DCTA's enabling legislation, Chapters 431 and 460 of the Texas Transportation Code.

Subsequent to the August 27, 2020 Board discussion, DCTA staff sought and received Board input regarding a draft recommended TRiP policy and implementation strategy. Staff and consultant partner, AECOM have summarized Board member comments received and will present recommended changes for Board consideration and possible approval.

### Exhibits

Exhibit 1 – TRiP Policy and Implementation Strategy Draft with Board Feedback

Exhibit 2 – Board Presentation with Feedback Summary

Submitted By:   
Tim Palermo, Planning & Data Analytics Manager

Approval:   
Kristina Holcomb, Deputy CEO

## DENTON COUNTY TRANSPORTATION AUTHORITY TRANSPORTATION REINVESTMENT PROGRAM (TRiP)

### I. POLICY STATEMENT

The Denton County Transportation Authority (DCTA) Transportation Reinvestment Program (TRiP) policy is to provide financial assistance to DCTA member cities for transit-supportive projects consistent with and beneficial to DCTA's Long-Range Service Plan goals. TRiP funding will be apportioned to DCTA member cities in proportion to each city's net half-cent sales and use tax collection for the previous fiscal year, as published by the Texas Comptroller's Allocation Payment Detail. Total program funding levels and allocation formula are detailed in Section III. DCTA will distribute funds to member cities for eligible projects consistent with DCTA's enabling legislation, Chapters 431 and 460 of the Texas Transportation Code, and project selection criteria specified in Section V.

### II. SCOPE

TRiP will initiate its first funding cycle during the 2021 fiscal year budget. DCTA will establish program funding levels during the annual budget preparation process in Q4 and will base the TRiP budget on the previous fiscal year's net available fund balance and member city sales tax receipts. DCTA will issue a call for projects in Q1. Continuation of the program requires annual DCTA Board approval during the annual budgeting process<sup>1</sup>. In the event the Board does not re-approve subsequent years, the program will expire on the last day of the fiscal year and unobligated funding will be returned to DCTA's cash reserves.

Funds will be available to DCTA member cities, including Denton, Highland Village and Lewisville. A municipality which becomes a participating member of DCTA, under the provisions of Section 460.302 Texas Transportation Code, will become an eligible recipient of DCTA TRiP funding in the next fiscal year following the 10<sup>th</sup> year of collection of a transit sales and use tax.

### III. FUNDING

The annual TRiP budget will be equal to a minimum of 15 percent of DCTA's net available fund balance from the previous fiscal year. In addition, DCTA will authorize a one-time program startup amount of \$2,000,000 to be transferred from the Capital/Infrastructure Reserve to a dedicated TRiP project line within the FY2021 budget. Annual program contributions may be amended as necessary as part of the Board re-approval process.

Funding for each member city will be allocated based on the following formula:

$$= 90\% \times \text{Annual Program Budget} \left( \frac{\text{Individual member city sales tax collection, prior FY}}{\text{Total all member cities sales tax collection, prior FY}} \right)$$

Ten percent of the annual program budget shall be set aside for DCTA program administration, including project selection, monitoring and financial reporting, and 90 percent split among member cities proportional to sales and use tax receipts, as estimated by DCTA financial staff, for the previous fiscal year.

<sup>1</sup> Budget, call for projects, award and disbursement schedule may be delayed in year 1 to account for initial Board approval and start up budget, with call for projects expected October 1 – December 31, DCTA staff review in January and February Board presentation.

August 13/September 15, 2020 Deliberative Draft

Subject to Legal Review

**Commented [TP1]:** COSTA: Structure as a year-to-year program and do not encumber funds in the long-range financial plan for more than one year.

**Commented [LK2R1]:** Recommended: Budget for program is year-to-year, with only one year of funding shown in long range financial plan. To address Gilmore concerns for ability to look ahead, funds included in the annual budget will be available for up to 3 years.

**Commented [AJ3]:** GILMORE: Added "the 10<sup>th</sup> year of"

COSTA: Concerns that this could impact new member cities that might be eligible to join. i.e. Corinth

Recommended: Text not to be added. Edit/focus text to incentivize membership

**Commented [IA4]:** GILMORE: "Added "a minimum of"

COSTA: Concerns about Gilmore's edits regarding the 15%. Program funding should be decided by the Board on an annual basis. The policy also needs to comply DCTA financial policies and coverage ratio

Recommended: Equal to or up to, revised every time board approves policy. Funds are subject to the availability of cash based on reserve capacity of DCTA

**Commented [IA5]:** GILMORE: Removed text

COSTA: Need to set aside some percentage (under 10%) for initial year to help cover TRiP-related costs DCTA staff may incur to administer the program

Recommended: 5% of the initial program will be set aside and subsequent years will be part of the budget process each year.

## DENTON COUNTY TRANSPORTATION AUTHORITY TRANSPORTATION REINVESTMENT PROGRAM (TRiP)

Multiple municipalities may pool their allocated amounts to allow more flexibility in financing larger, mutually beneficial projects. Member cities could accrue allocated funds each fiscal year in order to fund a larger project. Funds would rollover until a member city had sufficient funds to apply for a larger project.

### IV. ELIGIBLE PROJECTS

To be eligible for TRiP funding, a project must be consistent with DCTA's enabling legislation, Chapters 431 and 460 of the Texas Transportation Code, and project selection criteria specified in Section V.

A key provision of Chapter 460 regarding DCTA expenditures is that they be consistent with and beneficial to the locally adopted Long-Range Service Plan goals. Projects eligible for TRiP funding should demonstrate support of these formally adopted goals. Example projects that would typically be considered to be in support of DCTA goals. Eligible projects are shown in Attachment A.

- Transit related street improvements, such as roadway, sidewalk, and crosswalk repairs or maintenance that improve travel time, reliability, or safety for existing or planned DCTA services.
- Transit supportive projects and programs, such as improvement or expansion of sidewalk/trail facilities, transit stop/station amenities, transit oriented development and infrastructure improvements in support of high density, transit adjacent, or sales tax generating development.

In addition to serving Long-Range Service Plan goals, projects eligible for TRiP funding should be clearly defined and financially sound.

Eligible project types may be amended through annual DCTA Board approval of the TRiP policy. The adoption of a DCTA Long-Range Service Plan update may trigger mid-year Board

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**Commented [AJ6]:** GILMORE: Edits add option to rollover funding

COSTA: Funds should not rollover; Funding appropriations should be decided by the board annually.

Recommended: Funds remain with DCTA, in accounts designated for each member city, until obligated to an approved project. Funds may rollover within the member city-designated account for a limited period of time (up to three years) until obligated towards a TRiP-eligible project.

**Commented [AJ7]:** GILMORE: Removed text

Recommended: Text to remain because it provides the legal framework

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**Commented [LK8]:** COSTA: Need a more definitive eligibility project list; Projects should have a capital focus and not be "operational"

GILMORE: Edits remove bulleted list of project types

Recommended: List table of eligible projects in Attachment A (end of document)

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**Commented [LK9]:** GILMORE: Edits remove text

MOLINA: Not supportive of funds being used to support service. This program is not indefinite and usually service request are long term request. This program should be directed toward one time expenses such as a specific capital project.

COSTA: Projects should align with Agency mission statement.

Staff: Assist with backlog projects that are transit supportive. Remove shovel ready term. Projects should be included in other local plans.

Recommended: Remove text that refers to service requests. "cost estimate for future service development shall be developed" Service requests to be addressed through regular board process.

## DENTON COUNTY TRANSPORTATION AUTHORITY TRANSPORTATION REINVESTMENT PROGRAM (TRiP)

action if amendments to TRiP project criteria are needed to ensure consistency with Long-Range Service Plan goals.

### V. PROJECT SELECTION

An eligible member city must submit a written application for funding. The application should include, at minimum: a project description, project limits and boundaries, proposed service costs or engineering based capital cost estimates, requested funding amount, identification of additional funding sources (if applicable), proposed schedule for the project, and a description of how the project would support DCTA Long-Range Service Plan goals. A sample project application is provided in Attachment A.

DCTA will issue a call for projects in Q1, therefore, applications will be submitted within 30 days of the DCTA call for projects. DCTA staff will have 30 days to review the application to determine minimum project eligibility or request more information. Subsequent to completing the review, if no additional information was requested, the application will be placed on the agenda for the next regularly scheduled DCTA Board of Directors meeting for consideration. Following the review of each application, the DCTA Board will lead the approval and award process.

At a minimum, projects must meet the following criteria to be eligible for DCTA funding:

- Project limits located primarily within the DCTA service area, the geographic boundaries of DCTA member cities, or within a quarter mile of any A-train Station or DCTA fixed bus route.
  - Projects that extend beyond this area should identify extra-territorial costs and alternate funding sources for the portion of costs not eligible for TRiP funding
- Clear and defensible nexus to DCTA Long-Range Service Plan goals
- Financially Sound
  - Requested capital funding or service costs do not exceed the member city's TRiP allocation, or
  - Funding sources have been identified for project costs exceeding the requested amount

In the event a member city submits multiple projects for consideration whose total costs exceed the member city's balance of available funds, additional project criteria may be considered to narrow the selection. These additional criteria may include percent cost sharing, ability to leverage additional federal funding, project timeframe, and demonstrated ability to meet multiple Long-Range Service Plan goals. Projects meeting minimum selection criteria may be deferred to a future year in the event of funding limitations.

### VI. DISBURSEMENT

Based on the requested funding amount and as part of the Board approval packet, DCTA staff will recommend a schedule for TRiP funding disbursement which may will be lump sum, quarterly, or monthly. Project applications indicating a schedule of more than one year, multiple phases or components, or which have requested an amount greater than \$500,000 may warrant a separately executed inter-local agreement. The inter-local agreement may be structured as an indefinite delivery indefinite quantity (IDIQ) contract if a member city wishes to apply a fixed

**Commented [IA10]:** GILMORE: Shorter application process from 90 to 30 days

COSTA: Need more than 30 days, especially with the initial year

Recommendation: First year should be 90 days and potentially adjust next year. This allows for more flexibility during the initial year.

**Commented [AJ11R10]:** No change

**Commented [IA12]:** GILMORE: Edits remove text

MOLINA: Under disbursements, there should not be an IDIQ concept in the process. City projects should be funded by the cities and then they receive reimbursement once documentation is presented to staff for expenses. This is similar to how TxDOT, NCTCOG, Texas parks and Wildlife or Dept of Justice grants work. All member cities have been doing this for decades.

COSTA: Need to provide flexibility for initial year; Board can evaluate initial year and determine path forward for future years

Recommendation: This text should remain to allow flexibility in disbursement for complex projects. However, IDIQ terminology can be removed

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## DENTON COUNTY TRANSPORTATION AUTHORITY TRANSPORTATION REINVESTMENT PROGRAM (TRiP)

amounts, for example, sidewalk improvements, but does not yet know the extent of improvements feasible within the identified budget.

Once approved by the DCTA Board, the approved funding becomes programmed to the project. That programmed amount is deducted from the available apportionment as an obligation. Funds will be disbursed in a lump sum.

In no case, will disbursements be made until the project eligibility requirements have been met

In no case, will disbursements be made until the project eligibility requirements have been met and formal approval by the DCTA Board has been made.

For approved projects requesting DCTA-operated service, the estimated cost of service will be deducted from the member city's available apportionment and DCTA will bear the cost of service. DCTA will maintain separate service, performance and financial records for all TRiP-funded services. For services operated by a 3<sup>rd</sup> party, DCTA staff will recommend a disbursement and/or direct payment mechanism that reflects existing contracting relationships and FTA requirements as part of the Board approval process.

For capital assistance projects, member cities shall provide DCTA with a project status report and current financial records for each approved project. The status report shall be submitted on an annual basis (consistent with recommended disbursement schedule), and will include:

- Project identifier
- Approved project budget
- TRiP funds programmed for the project
- Expenses incurred
- Percentage completion

At project completion, in the event that final project accounting or audit reveals that TRiP

At project completion, in the event that final project accounting or audit reveals that TRiP

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At project completion, in the event that final project accounting or audit reveals that TRiP

At project completion, in the event that final

project accounting or audit reveals that TRiP funding was not expended in a manner consistent with program requirements, or that the final project cost was less than the approved TRiP funding, those unspent funds shall be returned to DCTA and remain available in the apportionment for reprogramming to the eligible city. Unspent dollars shall be available to the eligible city for reprogramming and will be in addition to, any future allotments.

All TRiP funding will be considered subordinate to DCTA's debt service requirements. DCTA does not assume or incur any liability, obligation or financial responsibility for a contract between an eligible city and a contractor, employee or agent for an approved project or any liability for a result, occurrence, injury or damages resulting from or caused, directly or indirectly, by an approved project.

### VII. PERFORMANCE EVALUATION AND REPORTING

Eligible cities shall maintain accurate books and records of all approved projects. Cities will maintain separate records for each approved project including project budgets, budget

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**Commented [AJ13]:** GILMORE: Edits removed text

COSTA: Need a developed schedule which provides some level of flexibility for the initial year. Board can evaluate and modify for future years.

Recommendation: Disbursements will occur on an approved schedule

**Commented [AJ14]:** GILMORE: Added rollover for unspent dollars

COSTA: No carry over; Evaluate new funding annually.

Recommended: Unspent dollars shall be available to city for up to three years in a DCTA managed account

## DENTON COUNTY TRANSPORTATION AUTHORITY TRANSPORTATION REINVESTMENT PROGRAM (TRiP)

amendments, revised budget balances, expenditures to date, change orders, cost to complete, and TRiP funding received to date. DCTA maintains the right to audit a city's books to ensure that TRiP funding is applied in accordance with the program criteria. Cities also maintain the right to audit DCTA's books to ensure that the funding allocations and disbursements are in accordance with these guidelines and other applicable laws.

In addition to financial records, member cities will provide to DCTA an annual status report for each funded project detailing the activities completed to date, schedule updates, and any foreseeable issues or challenges. Additional performance monitoring criteria may be established for larger disbursements or on-going programs funded through TRiP.

**Commented [KH15]:** COSTA: Member city auditor could review projects and provide a written statement to DCTA stating the funds received from DCTA were used for the intended purpose.

**Commented [LK16R15]:** GILMORE: Edits remove reference to Interlocal agreements and IDIQ

Recommended: Member cities should supply financial records or an independent (3rd party) audit of the project along with project status report. ILA should remain optional for more complex projects, but language regarding IDIQ can be removed.

**Commented [IA17]:** GILMORE: Edits remove text

Recommended: Performance measures are needed – annual report. Remove specific benchmark example.

City-initiated services provided by DCTA will be monitored by DCTA staff. Ridership, service levels, and costs will be tracked in a manner consistent with DCTA performance monitoring for regular fixed route and demand response services. In the event that performance of a TRiP-funded service meets or exceeds system level performance targets, it may be transitioned to a regular offering under DCTA's general umbrella of fixed route and demand response services funded independently of the Transportation Reinvestment Program.

DCTA will report annually to the Board on the status of the Transportation Reinvestment Program fund, including amounts apportioned, amounts programmed, amounts disbursed to member cities, and the amount remaining for each city. Annual reports will also include a summary of significant milestones.

**Commented [LK18]:** GIMORE: Revised reporting timeframe to annual

Recommended No change, keep quarterly.

**Commented [KH19R18]:**

**Commented [AJ20R18]:** Funding would be evaluated annually but the reporting on project progress would be quarterly

@Lueken, Kristen @Ittigson, Andrew

### VIII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the project selection process shall refrain from personal business activity that could conflict with the proper execution and management of the Transportation Reinvestment Program or that could impair the ability to make impartial decisions. Employees and Board members shall disclose any material interests potentially affected by any of the projects submitted.

Procedures when identifying a potential conflict of interest will comply with Chapter 171 of Texas Local Government Code regarding conflicts of interest. If an officer or employee involved in the project selection process has a substantial interest in a business entity or in real property,

**Commented [LK21R18]:** Recommended: Clarify detail. The quarterly report from DCTA staff is a high-level update to the board on the status of the overall TRiP program and may coincide with program budget decisions, project approval, disbursement, and/or status audit. Member city obligations to report financial records and progress to DCTA will be established during project award and coincide with the disbursement schedule for individual projects.

**Commented [AJ22]:** GILMORE: Edits remove text

Recommended: Performance measured to be defined. Performance measures used instead of benchmarks.

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## DENTON COUNTY TRANSPORTATION AUTHORITY TRANSPORTATION REINVESTMENT PROGRAM (TRiP)

that person must file an affidavit stating the nature and extent of the interest and abstain from further participation.<sup>3</sup>

### IX. SUBJECT TO AUDIT

DCTA shall establish a system of written internal controls which will be reviewed annually with the independent auditor of DCTA. The controls shall be designed to prevent loss of public funds due to error, misrepresentation, or oversight. A formal annual review of these internal controls as well as disbursements and receipts associated with the Transportation Reinvestment Program will be performed by an independent auditor. Results of the audit shall be reported to the Board.

### X. ADOPTION BY BOARD OF DIRECTORS

DCTA's TRiP policy shall be adopted annually by the Board of Directors. The funding amount, policy language, and strategies shall be reviewed on an annual basis by the Board followed by a written resolution approving or amending the program.

**Commented [TP23]:** COSTA: have the city auditor review the projects and provide a written statement to DCTA stating the funds received from DCTA were used for the intended purpose

**Commented [LK24R23]:** Recommended: Audit should be performed by an independent (3rd party) auditor. See similar comment above

<sup>3</sup> Legal exceptions and situations not requiring abstention should be reviewed and documented with DCTA counsel.

**DENTON COUNTY TRANSPORTATION AUTHORITY  
TRANSPORTATION REINVESTMENT PROGRAM (TRiP)**

**ATTACHMENT A – SAMPLE PROJECT APPLICATION**

**PROJECT NAME:**

**PROJECT SPONSOR:** ☐ Denton ☐ Lewisville ☐ Highland Village

**PROJECT DESCRIPTION:**

**GEOGRAPHIC LIMITS/BOUNDARIES:**

**REQUEST FOR CAPITAL**

**REQUEST FOR SERVICE**

LEVEL OF DESIGN:  DAILY HOURS:

PROJECT COST:  DAYS OF SERVICE:

FUNDING REQUEST:  EST. ANNUAL COST:

ESTIMATED PROJECT COMPLETION DATE:  REQUESTED START OF SERVICE DATE:

**ADDITIONAL INFORMATION:**

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**DENTON COUNTY TRANSPORTATION AUTHORITY  
TRANSPORTATION REINVESTMENT PROGRAM (TRiP)**

**IN THE SECTION BELOW, PLEASE INDICATE HOW THE PROPOSED PROJECT  
SUPPORTS DCTA LONG-RANGE SERVICE PLAN GOALS**

☐ Increase service efficiency and reliability

☐ Increase service effectiveness for DCTA customer

☐ Increase the visibility and elevate the image of DCTA

☐ Expand DCTA services into areas where transit has a strong likelihood of success

☐ Coordinate with regional transportation providers

☐ Pair transit facilities to existing and planned transit-supportive development

☐ Advocate sustainable development practices that support transit

☐ Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

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**DENTON COUNTY TRANSPORTATION AUTHORITY  
TRANSPORTATION REINVESTMENT PROGRAM (TRiP)**

**THIS SECTION TO BE COMPLETED BY DCTA STAFF**

Transportation Reinvestment Program Project Identifier: \_\_\_\_\_

- ☐ Meets minimum project eligibility requirements
- ☐ Service Request complies with FTA charter service restrictions
- ☐ Multiple project selection

Rank: \_\_\_\_\_

Initial Member City Transportation Reinvestment Program Balance: \_\_\_\_\_

Recommended Project FY \_\_\_\_\_ Programmed Amount: \_\_\_\_\_

Remaining Member City Balance: \_\_\_\_\_

Recommended Disbursement Schedule:

- ☐ Lump Sum
- ☐ Quarterly
- ☐ Monthly
- ☐ As defined through Inter-local Agreement

**PLEASE ATTACH PROJECT COST BACKUP. ACCEPTABLE COST BACKUP FOR CAPITAL PROJECTS INCLUDES PROJECT DRAWINGS, DESIGN SHEETS, COST WORKBOOK, OR BID SHEET. FOR SERVICE REQUESTS, PLEASE INCLUDE A SUMMARY OF DISCUSSIONS WITH DCTA SERVICE PLANNING STAFF OR AN ESTIMATE FROM AN ALTERNATE TRANSPORTATION SERVICE PROVIDER.**

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**DENTON COUNTY TRANSPORTATION AUTHORITY  
TRANSPORTATION REINVESTMENT PROGRAM (TRiP)**

DRAFT

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**DENTON COUNTY TRANSPORTATION AUTHORITY  
TRANSPORTATION REINVESTMENT PROGRAM (TRiP)**

**ATTACHMENT A**

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<b>Improvement Type</b>	<b>Restrictions</b>
<b>Transit Stop Amenities</b>	Along existing or planned DCTA Routes
<b>Sidewalks</b>	Along existing or planned DCTA Routes
<b>Crosswalks/Median Island</b>	Along existing or planned DCTA Routes
<b>Bike/Ped Trail Connections</b>	Provides connection to existing or planned transit network
<b>Bus Bulb Out/Turning Pocket</b>	N/A
<b>Transit Lane</b>	N/A
<b>Bike Lane</b>	N/A
<b>Other Lane Reconfiguration</b>	N/A
<b>Traffic Calming</b>	N/A
<b>Landscaping/streetscaping</b>	Along existing or planned DCTA Routes
<b>Street lighting/ Other public safety improvements</b>	Along existing or planned DCTA Routes
<b>TSP</b>	Along existing or planned DCTA Routes
<b>Signal Timing</b>	Along existing or planned DCTA Routes
<b>Other Intersection Improvements</b>	Along existing or planned DCTA Routes
<b>Shared Parking, Kiss &amp; Ride/Drop-off Zones</b>	Within 500 feet of DCTA Stations or Facilities
<b>Transit Oriented Development</b>	Planning and site development activities, no direct cash incentives
<b>Transit Adjacent Dev./Value Capture</b>	Planning and site development activities, no direct cash incentives
<b>Civic Space</b>	Planning and site development activities, no direct cash incentives
<b>Catalyst Investment</b>	Planning and site development activities, no direct cash incentives
<b>Active Urban Space</b>	N/A
<b>Wayfinding/Placemaking Signage</b>	N/A

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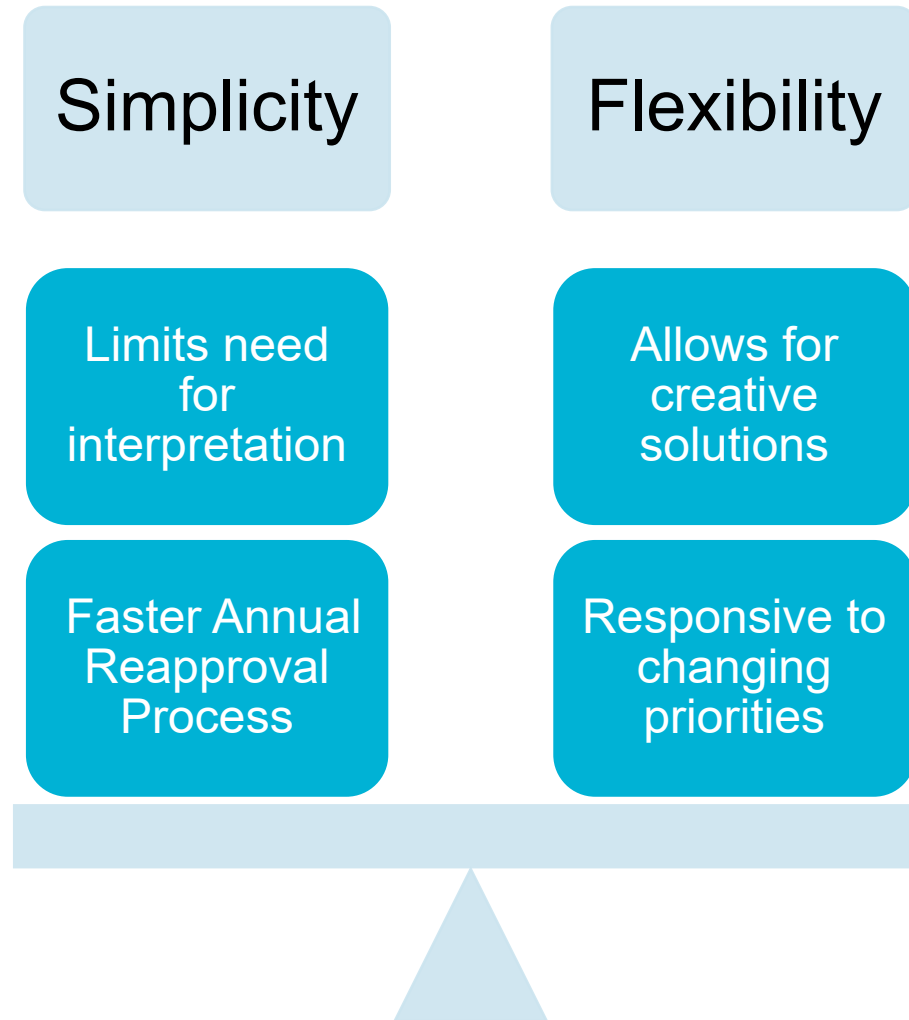


# Issues for Discussion

- Policy Simplification and Complexity
- Length/Recurrence of TRiP Program
- Program Funding Levels
- Project Funding Rollover
- Eligible Projects
- Performance Measure Criteria
- Compliance and Project Management Oversight

## Foundation of limiting legal and political liability for Board and staff:

1. Simple but rigid policy language that limits liability by constricting eligible activities
2. Flexible but complex policy language that limits liability through process checks and balances



## Length/Recurrence of TRiP Program

*“Continuation of the program requires annual DCTA Board approval during the annual budgeting process. In the event the Board does not re-approve subsequent years, the program will expire on the last day of the fiscal year and unobligated funding will be returned to DCTA’s cash reserves.”*

– TRiP, Section II, Scope

- Molina: Should be a short-term (5-year) program.... This is a grant program and not a long-term funding program for the member cities.
- Gilmore: Edits assume a long-term annually recurring program
- Costa: Structure as a year-to-year program and do not encumber funds in the long-range financial plan for more than one year

**Recommendation: Retain annual approval process**

# Program Funding Levels

*“The annual TRiP budget will be equal to 15 percent of DCTA’s net available fund balance from the previous fiscal year. In addition, DCTA will authorize a one-time program startup amount of \$2,000,000 to be transferred from the Capital/Infrastructure Reserve to a dedicated TRiP project line within the FY2021 budget. Annual program contributions may be amended as necessary as part of the Board re-approval process.”*

– TRiP, Section III, Funding

- Molina: Initial funding level of 15% is only guaranteed in the five year period and can be adjusted at the beginning of the next five year period.
- Gilmore: Funding level should be a minimum of 15%
- Costa : Concerns re. 15% minimum. TRiP should comply with DCTA financial policies and coverage ratio

**Recommendation: The TRiP policy will provide a budget of approximately 15% of DCTA’s net available fund balance from the previous fiscal year. The exact amount will be defined through the board reapproval and budget process and must comply with DCTA Financial Policies.**

# Program Funding Levels

*“Ten percent of the annual program budget shall be set aside for DCTA program administration, including project selection , monitoring and financial reporting, and 90 percent split among member cities proportional to sales and use tax receipts, as estimated by DCTA financial staff, for the previous fiscal year.”*

– TRiP, Section III, Funding

- Gilmore: Edits removed this text
- Costa: Set a percentage (less than 10%) for initial year and re-evaluate for future years
- DCTA Staff: Amount to be defined by board
- Gorfida: Need to define a floor

**Recommendation: Understanding that administrative costs may not scale 1-to-1 with total program budget, five percent of the initial program will be set aside and subsequent years will be part of the budget process each year.**

*“Member cities would be obligated to use allocated funds within each fiscal year as funds would not roll over. Unobligated funding will be returned to DCTA’s cash reserve fund.”*  
– TRiP, Section III, Funding

- Molina: N/A
- Gilmore: “Member cities could accrue allocated funds each fiscal year in order to fund a larger project. Funds would rollover until a member city had sufficient funds to apply for a larger project.”
- Costa : No rollover funds; Funding should be determined annually

**Recommendation: Funds remain with DCTA, designated to each member city, until obligated to an approved project. Unobligated funds designated to each member city may rollover for up to three years.**

## Eligible Projects

- Molina: Not supportive of using TRiP to fund service requested. This program should be directed toward one time expenses such as a specific capital project
- Gilmore: Edits removed bullets of example eligible projects types
- Costa : Need a more definitive project eligibility list with a focus on capital projects, not operational

**Recommendation: Replace bulleted example projects with a reference to attachment listing eligible project types and restrictions.**

**Remove service requests from eligible project types and focus TRiP on capital requests. Service requests have an ongoing impact on operational expenses; to be addressed through regular board process.**

# Eligible Projects

- Transit Stop Amenities
- Sidewalks
- Crosswalks
- Bike/Ped Trail Connections
- Median Island
- Bus Bulb Out
- Turning Pocket
- Transit Lane
- Bike Lane
- Other Lane Reconfiguration
- Traffic Calming
- Landscape/Streetscaping
- Street Lighting
- Other Public Safety Improvements

- Shared Parking
- Other Intersection Improvements
- Shared Parking
- Kiss & Ride/Drop Off Zones
- Transit Oriented Development
- Transit Adjacent Dev/Value Capture
- Civic Space
- Catalyst Investment
- Active Urban Space
- Wayfinding/Placemaking Signage

*\*See board packet for a list of eligibility criteria*

# Performance Measure Criteria

*“Upon completion of a project, DCTA may evaluate benchmarks intended to demonstrate the project’s ability to support Long-Range Service Plan goals, for example, the percent change in bus travel times after completion of a series of intersection improvements. These benchmarks will be presented to the DCTA Board and may be used in support of refinement to TRiP project eligibility criteria through the annual Board program re-approval process.”*

– TRiP, Section VII, Performance Evaluation and Reporting

- Gilmore: Edits – removed section
- Staff: Performance measures should be defined instead of benchmarks

**Recommendation: Strike example benchmark and reframe around project-specific performance measures. Performance measures will be defined through the application process in collaboration with member city and DCTA staff.**

*“A formal annual review of these internal controls as well as disbursements and receipts associated with the Transportation Reinvestment Program will be performed by an independent auditor. Results of the audit shall be reported to the Board.”*

– TRiP, Section IX, Subject to Audit

- Costa comments: have the city auditor review the projects and provide a written statement to DCTA stating the funds received from DCTA were used for the intended purpose

**Recommendation: An independent (third-party) audit should be performed to verify funds were used for the designated purpose and in compliance with FTA requirements.**

## Additional Questions

See TRiP Policy comment resolution in Board Packet for more detail

## Board of Directors Memo

September 24, 2020

SUBJECT: Consider Approval of Resolution R20-17 Approving FY 2020 Budget Revision 2020-09

### Background

The DCTA budget is prepared months in advance of the start of the October 1 fiscal year and not all revenues and expenses can be anticipated at the time of the budget preparation. Therefore, during the fiscal year, it may become necessary to reforecast the annual revenues and expenses and modify the budget by amendment. Amending the budget for material changes will provide a better forecasting and management tool for the Board and DCTA staff.

### Identified Need

Due to the COVID-19 pandemic and the ever changing economic climate, staff has identified major items that need to be adjusted in the FY20 operating budget.

- Contract service revenues have experienced a sharp decline in recent months due to reduced service hours for the UNT contract and the NCTC service elimination after March 2020. This revision includes an overall decrease in contract service revenue of \$1 million to true up the FY20 budget with current projections.
- With the decrease in revenues, there is also a decrease in overall operating expenses of \$668k. This includes identified savings due to the new direction of the agency or project delays, reduction in fuel expense and a reduction in purchased transportation services based on current contract spend.
- Budget Revision 2020-09 also includes an increase of \$5.3 million in sales tax revenue to capture additional amounts received for the months of June – September 2020 (sales generated in April – July 2020).
- Revisions to NTMC expenses include an additional \$204k for COVID pay for NTMC employees, offset by \$85k in expense reductions due to the elimination of NCTC service, therefore the DCTA Transfer Out to fund NTMC has been increased by \$119k.

### Financial Impact

The total budget impact of Budget Revision 2020-09 is an increase to the FY20 net position of the agency of \$4,872,811.

### Recommendation

Staff recommends the Board of Directors approve Resolution R20-17 approving Budget Revision 2020-09 for the FY 2020 operating budget.

### Exhibits

Exhibit 1: Resolution R20-17 with the following Exhibits:

“A”: Budget Revision 2020-09


“B”: Change in Net Position (DCTA Only)

“B-1”: Change in Net Position (DCTA & NTMC Combined)

Exhibit 2: Year to Date FY2020 Budget Revisions



Submitted By:   
Amanda Riddle  
Senior Manager of Budget

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

Approval:   
Raymond Suarez  
CEO

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. R20-17**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) APPROVING FISCAL YEAR 2020 BUDGET AMENDMENT NUMBER R2020-09 REVISED OPERATING BUDGET AMENDMENT, ATTACHED HERETO AS EXHIBITS “A” AND “B”, RESPECTIVELY; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, DCTA budget is a well calculated estimate as to what will be needed for expenditures in the fiscal year; and

**WHEREAS**, budget estimates are often prepared months in advance of the actual expenditures and the possibility that the actual amount of the expenditure will be known in exact terms at the time of the budget preparation is unlikely; and

**WHEREAS**, during the fiscal year, it may become necessary to reforecast the annual expenditures and modify the budget by amendment; and

**WHEREAS**, the Board of Directors of the DCTA desires to amend the fiscal year 2020 Operating Budget as set forth in Exhibits “A” and “B”, respectively.

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

**SECTION 1.** The Budget Amendment number attached hereto as Exhibits “A” and “B”, respectively, be, and the same is hereby adopted and which shall amend the original budget adopted September 26, 2019, from and after the effective date of this Resolution.

**SECTION 2.** All provisions of the resolutions of the Board of Directors of the DCTA, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

**SECTION 3.** 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 24<sup>TH</sup> DAY OF SEPTEMBER, 2020.**

**APPROVED:**

---

Dianne Costa, Chair

**ATTEST:**

---

Sam Burke, Secretary  
(09-14-2020:TM 117932)

**Exhibit "A"**  
**Budget Revision 2020-09**  
**(to be attached)**

# DENTON COUNTY TRANSPORTATION AUTHORITY

## BUDGET TRANSFER / REVISION REQUEST

Number: 2020-09

TRANSACTION TYPE: Transfer ☐  
Revision ☒

	Working Budget	Budget Revision Amount	Revised Budget
<b>BUDGET REVISIONS</b>			

### OPERATING REVENUES:

Contract Service Revenue	\$ 4,416,160	\$ (1,017,381)	\$ 3,398,779
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### OPERATING EXPENSES:

Salary, Wages & Benefits	4,659,734	11,162	4,670,896
Outsourced Services & Charges	4,472,477	(440,600)	4,031,877
Materials & Supplies	2,554,461	(101,542)	2,452,919
Purchased Transportation	10,271,634	(85,826)	10,185,808
Employee Development	296,935	(51,420)	245,515

### NON-OPERATING REVENUES:

Sales Tax Revenue	21,464,452	5,340,922	26,805,374
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### **TRANSFERS IN / OUT**

Transfers Out	8,000,347	118,956	8,119,303
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Net Revision Impact \$ 4,872,811

EXPLANATION: Please refer to Exhibit 2, Change in Net Position schedule for budget revision details.

DATE: 9.10.2020

REQUESTED BY:

*Amanda Riddle*

DATE:

CFO:

*W. J. Riddle*

DATE:

CEO:

*Raymond Suarez*

**Exhibit "B"**  
**Change in Net Position**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
Change in Net Position (DCTA Only)

Description	DCTA FY 2020 Working Budget	DCTA September Revision (PROPOSED)	Total DCTA FY 2020 Revised Budget	REVISION DETAILS
<b>OPERATING REVENUE</b>				
Passenger Revenues (Bus Farebox)	\$ 370,591	\$ -	\$ 370,591	
Passenger Revenues (Rail Farebox)	421,578	-	421,578	
Contract Service Revenue	4,416,160	(1,017,381)	3,398,779	(1) Reduction of UNT contract service revenues by \$783k based on post-COVID service levels (2) Removal of NCTC contract revenues of \$162K for the months of April - Sept based on elimination of service (3) Reduction of Coppell contract revenues by \$72k based on current spend rate of contract.
<b>Total Operating Revenue</b>	<b>5,208,329</b>	<b>(1,017,381)</b>	<b>4,190,948</b>	
<b>OPERATING EXPENSES</b>				
Salary, Wages & Benefits	4,659,734	11,162	4,670,896	COVID Pay for DCTA staff; approved by Board August 2020
Outsourced Services & Charges	4,472,477	(440,600)	4,031,877	Reduction of various services based on project delays or identified savings due to the new direction of the agency
Materials and Supplies	2,554,461	(101,542)	2,452,919	Reduction of \$93k for fuel related to reduced UNT and NCTC service; \$9k decrease in Bus Operations computer software & supplies based on identified savings
Utilities	490,988	-	490,988	
Insurance, Casualties and Losses	1,752,329	-	1,752,329	
Purchased Transportation Services	10,271,634	(85,826)	10,185,808	Reduction in purchased transportation contracts based on projected spend for FY20
Employee Development	296,935	(51,420)	245,515	Elimination of contingency funds budgeted for possible NTX service changes
Leases and Rentals	229,633	-	229,633	
Depreciation	10,612,052	-	10,612,052	
<b>Total Operating Expenses</b>	<b>35,340,243</b>	<b>(668,226)</b>	<b>34,672,017</b>	
Operating Income / (Loss)	(30,131,914)	(349,155)	(30,481,069)	
<b>NON-OPERATING REVENUE / EXPENSE</b>				
Investment Income	325,000	-	325,000	
Misc. Revenues	52,000	-	52,000	
Sales Tax Revenue	21,464,452	5,340,922	26,805,374	Capturing the increased sales tax received in the months of June - September 2020 (sales generated April - July 2020)
Federal Grants & Reimbursements	15,750,649	-	15,750,649	
State Grants & Reimbursements	438,548	-	438,548	
Long Term Debt Interest/(Expense)	(909,480)	-	(909,480)	
<b>Total Non-Operating Revenue / Expense</b>	<b>37,121,169</b>	<b>5,340,922</b>	<b>42,462,091</b>	
Income (Loss) Before Transfers	6,989,255	4,991,767	11,981,022	-
Transfers Out	(8,000,347)	(118,956)	(8,119,303)	* This amount reflects DCTA's funding of the NTMC operating budget. NTMC budgeted expenses are anticipated to increase by \$118,956; therefore, the DCTA Transfer Out will be increased by this amount.
Transfers In	-	-	-	
<b>Total Transfers</b>	<b>(8,000,347)</b>	<b>(118,956)</b>	<b>(8,119,303)</b>	
<b>CHANGE IN NET POSITION</b>	<b>\$ (1,011,092)</b>	<b>\$ 4,872,811</b>	<b>\$ 3,861,719</b>	
Net Position - Beginning of Year:	327,800,795		327,800,795	
Net Position - End of Year:	326,789,703		331,662,514	
Transfer to Capital Projects:				
Current Capital Projects	(9,183,455)		(9,183,455)	
Proposed Capital Project Rollovers to FY21 Budget	1,834,216		1,834,216	
Net Proposed Transfer to Capital Projects	(7,349,239)		(7,349,239)	
Net Position After Capital Project Transfer	319,440,464		324,313,275	

**Exhibit "B-1"**  
**Change in Net Position**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
Change in Net Position – DCTA & NTMC Combined

Description	DCTA FY 2020 Working Budget	DCTA September Revision (PROPOSED)	Total DCTA FY 2020 Revised Budget	NTMC FY 2020 Working Budget	NTMC September Revision (PROPOSED)	Total NTMC FY 2020 Revised Budget	Total Combined FY 2020 Revised Budget
OPERATING REVENUE							
Passenger Revenues (Bus Farebox)	\$ 370,591	\$ -	\$ 370,591	\$ -	\$ -	\$ -	\$ 370,591
Passenger Revenues (Rail Farebox)	421,578	-	421,578	-	-	-	421,578
Contract Service Revenue	4,416,160	(1,017,381)	3,398,779	-	-	-	3,398,779
Total Operating Revenue	5,208,329	(1,017,381)	4,190,948	-	-	-	4,190,948
OPERATING EXPENSES							
Salary, Wages & Benefits	4,659,734	11,162	4,670,896	7,531,382	121,063	7,652,445	12,323,341
Outsourced Services & Charges	4,472,477	(440,600)	4,031,877	261,629	-	261,629	4,293,506
Materials and Supplies	2,554,461	(101,542)	2,452,919	-	-	-	2,452,919
Utilities	490,988	-	490,988	-	-	-	490,988
Insurance, Casualties and Losses	1,752,329	-	1,752,329	132,636	(2,107)	130,529	1,882,858
Purchased Transportation Services	10,271,634	(85,826)	10,185,808	-	-	-	10,185,808
Employee Development	296,935	(51,420)	245,515	74,700	-	74,700	320,215
Leases and Rentals	229,633	-	229,633	-	-	-	229,633
Depreciation	10,612,052	-	10,612,052	-	-	-	10,612,052
Total Operating Expenses	35,340,243	(668,226)	34,672,017	8,000,347	118,956	8,119,303	42,791,320
Operating Income / (Loss)	(30,131,914)	(349,155)	(30,481,069)	(8,000,347)	(118,956)	(8,119,303)	(38,600,372)
NON-OPERATING REVENUE / EXPENSE							
Investment Income	325,000	-	325,000	-	-	-	325,000
Misc. Revenues	52,000	-	52,000	-	-	-	52,000
Sales Tax Revenue	21,464,452	5,340,922	26,805,374	-	-	-	26,805,374
Federal Grants & Reimbursements	15,750,649	-	15,750,649	-	-	-	15,750,649
State Grants & Reimbursements	438,548	-	438,548	-	-	-	438,548
Long Term Debt Interest/(Expense)	(909,480)	-	(909,480)	-	-	-	(909,480)
Total Non-Operating Revenue / Expense	37,121,169	5,340,922	42,462,091	-	-	-	42,462,091
Income (Loss) Before Transfers	6,989,255	4,991,767	11,981,022	(8,000,347)	(118,956)	(8,119,303)	3,861,719
Transfers Out	(8,000,347)	(118,956)	(8,119,303)	-	-	-	(8,119,303)
Transfers In	-	-	-	8,000,347	118,956	8,119,303	8,119,303
Total Transfers	(8,000,347)	(118,956)	(8,119,303)	8,000,347	118,956	8,119,303	-
CHANGE IN NET POSITION	\$ (1,011,092)	\$ 4,872,811	\$ 3,861,719	\$ -	\$ -	\$ -	\$ 3,861,719
Net Position - Beginning of Year:	327,800,795		327,800,795	-	-	-	327,800,795
Net Position - End of Year:	326,789,703		331,662,514	-	-	-	331,662,514
Transfer to Capital Projects:							
Current Capital Projects	(9,183,455)	-	(9,183,455)	-	-	-	(9,183,455)
Proposed Capital Project Rollovers to FY21 Budget	1,834,216	-	1,834,216	-	-	-	1,834,216
Net Proposed Transfer to Capital Projects	(7,349,239)	-	(7,349,239)	-	-	-	(7,349,239)
Net Position After Capital Project Transfer	319,440,464		324,313,275	-	-	-	324,313,275

## YEAR-TO-DATE FY20 BUDGET REVISIONS

## DCTA 2020-01 (Presented to DCTA Board February 27, 2020)

*\*Budget Transfer - No Approval Necessary; Completed\**

			Adopted		Revised
			Budget	Revision	Budget
Rail:	620-50318	Facilities Maintenance	\$ 102,612	\$ 91,914	\$ 194,526
	620-50810	Purchased Transportation	10,068,545	(100,000)	9,968,545
	620-50309	Professional Services	30,000	100,000	130,000
	620-50410	Fuel	975,000	(117,776)	857,224
G&A:	100-50309	Professional Services	305,479	32,850	338,329
	110-50309	Professional Services	11,000	15,120	26,120
	110-50440	Computer & Software Supplies	-	5,500	5,500
	130-50309	Professional Services	296,000	(89,476)	206,524
	900-40400	Operating Grant Funds	(5,253,753)	123,334	(5,130,419)
Bus:	590-50455	Parts	685,600	(72,000)	613,600
	533-50810	Purchased Transportation	-	1,000	1,000
	533-50440	Computer & Software Supplies	-	33,000	33,000
	531-50313	Computer & Software Maintenance	-	5,000	5,000
	570-50309	Professional Services	-	33,000	33,000
	200-50410	Fuel	342,730	(33,440)	309,290
	511-50410	Fuel	468,666	(28,026)	440,640
Net Budget Impact			\$ -		

## DCTA 2020-02 (Presented to DCTA Board February 27, 2020)

*\*Approved by DCTA Board in February; Completed\**

		Working		Revised
		Budget	Revision	Budget
130.50309	Professional Services	\$ 206,524	\$ (1,551)	\$ 204,973
	Finance Salary & Benefits	1,221,395	61,616	1,283,011
100.50315	Legal Fees	110,000	69,211	179,211
	Transfers Out	(8,781,700)	(20,724)	(8,802,424)
Net Budget Impact		\$ 150,000		

## NTMC 2020-N001 (Presented to NTMC Board February 28, 2020)

*\*Approved by NTMC Board in May; Completed\**

		Adopted		Revised
		Budget	Revision	Budget
700.50315	Bus Maintenance Salary & Benefits	\$ 1,150,815	\$ (60,065)	\$ 1,090,750
	Legal Fees	-	80,789	80,789
	Transfers In	8,781,700	20,724	8,802,424
Net Budget Impact		\$ -		

## DCTA 2020-03 (Presented to DCTA Board March 26, 2020)

*\*Budget Transfer - No Approval Necessary; Completed\**

		Working		Revised
		Budget	Revision	Budget
10606	Professional Planning Services Project	\$ 99,178	\$ (99,178)	\$ -
50601	Train-the-Trainer Project	221,875	(221,875)	-
500-50309	Professional Services	275,000	321,053	596,053
Net Budget Impact		\$ -		

## DCTA 2020-04 (Presented to DCTA Board May 27, 2020)

*\*Approved by DCTA Board in May; Completed\**

	Working Budget	Revision	Revised Budget
<u>OPERATING REVENUE:</u>			
Passenger Revenues (Bus Farebox) \$	624,049	\$ (253,458)	\$ 370,591
Passenger Revenues (Rail Farebox)	588,272	(166,694)	421,578
<u>OPERATING EXPENSES:</u>			
Salary, Wages & Benefits	5,057,807	(398,073)	4,659,734
Services	3,970,777	(165,300)	3,805,477
Materials & Supplies	3,094,917	(540,456)	2,554,461
Utilities	527,988	(37,000)	490,988
Purchased Transportation	10,601,706	(330,072)	10,271,634
Employee Development	387,237	(90,302)	296,935
<u>NON-OPERATING REVENUES:</u>			
Investment Income	400,000	(75,000)	325,000
Sales Tax Revenue	29,019,184	(7,554,732)	21,464,452
Federal Grants & Reimbursements	10,103,440	3,323,319	13,426,759
State Grants & Reimbursements	780,389	(341,841)	438,548
<u>CAPITAL PROJECTS:</u>			
PTC Enhancements	1,780,555	(1,630,555)	150,000
Fleet 2019	1,481,000	(1,471,000)	10,000
Fleet 2020	1,062,600	(1,062,600)	-
Transfers Out	8,802,424	(802,077)	8,000,347
<i>Net Budget Impact</i>		\$ 1,459,029	

## NTMC 2020-N002 (Presented to NTMC Board May 27, 2020)

*\*Approved by NTMC Board in May; Completed\**

	Working Budget	Revision	Revised Budget
Denton Fixed Route Service Reductions:			
Salary & Benefits \$	1,708,103	\$ (474,951)	\$ 1,233,152
Lewisville Fixed Route Service Reductions:			
Salary & Benefits	837,587	(222,319)	615,268
Highland Village Fixed Route Service Reductions:			
Salary & Benefits	172,176	(86,307)	85,869
Employee Development - Travel	21,600	(18,500)	3,100
Transfer Salary & Benefit Savings for addition of GM Contract:			
Salary & Benefits	1,608,614	(85,800)	1,522,814
Professional Services	-	85,800	85,800
Transfers In	8,802,424	(802,077)	8,000,347
<i>Net Budget Impact</i>		\$ -	

## DCTA 2020-05 (Presented to DCTA Board June 25, 2020)

*\*Approved by DCTA Board in June; Completed\**

	Working Budget	Revision	Revised Budget
110-50309 Board - Professional Services	\$ 26,120	\$ 667,000	\$ 693,120
<i>Net Budget Impact</i>		\$ 667,000	

## DCTA 2020-06 (Presented to DCTA Board June 25, 2020)

*\*Approved by DCTA Board in June; Presented for Ratification by Resolution in July\**

	Working Budget	Revision	Revised Budget
10302 Infrastructure Acquisition	\$ 400,000	\$ 2,851,990	\$ 3,251,990
40410 Federal Capital Grants	1,025,887	2,851,990	3,877,877
<i>Net Budget Impact</i>		\$ -	

## DCTA 2020-07 (Presented to DCTA Board August 27, 2020)

*\*Budget Transfer - No Approval Necessary; Completed\**

		Working Budget	Revision	Revised Budget
140-50309	Professional Services	\$ 106,500	\$ (7,625)	\$ 98,875
140-50310	General Services	2,000	7,625	9,625
590-50309	Professional Services	10,000	(10,000)	-
530-50309	Professional Services	-	10,000	10,000
<i>Net Budget Impact</i>		\$	-	

## DCTA 2020-08 (Presented to DCTA Board August 24, 2020)

*\*Approved by DCTA Board in August; Completed\**

		Working Budget	Revision	Revised Budget
50514	Fleet 2020	\$ -	\$ 1,062,600	\$ 1,062,600
<i>Net Budget Impact</i>		\$	1,062,600	



## Board of Directors Memo

September 24, 2020

SUBJECT: Consider Approval of Resolution R20-15 Adopting FY 2021 Operating & Capital Budget

### Background

Chapter 460 of the Texas Transportation Code 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 2021 Budget was presented and discussed at the Budget Workshop on June 18 with additional information presented at the July 23 Board meeting. On August 27 the FY21 Proposed Budget was again presented to the Board of Directors at the Board meeting, 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 13, 2020. The proposed FY 2021 budget schedules are also available on the DCTA website.

### Identified Need

Approval of Resolution R20-15, adopting the FY 2021 Operating & Capital Budget, is required to establish a budget for the 2021 fiscal year which will begin October 1, 2020.

### Recommendation

Staff recommends the approval of Resolution R20-15, adopting the FY 2021 Operating & Capital Budget, Long Range Financial Plan, and Budget Contingency Plan.

### Exhibits

The proposed budget contains revenue and expenditure assumptions for FY 2021, which include capital expenditures. Included as agenda back-up are the following exhibits:

Exhibit 1: Resolution R20-15 with the following Exhibits:

“A”: Change in Net Position – Proposed FY21 Budget

“A-1”: Change in Net Position – DCTA & NTMC Combined

“B”: Capital Improvement & Major Maintenance Plan with Proposed FY21 Appropriation

“C”: Long Range Financial Plan

“D”: FY21 Budget Contingency Plan

Submitted By:

Amanda Riddle

Senior Manager of Budget

Final Review:

Marisa Perry, CPA

Chief Financial Officer/VP of Finance

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. R20-15**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2020-2021, BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING CHANGE IN NET POSITION, CAPITAL IMPROVEMENT & MAJOR MAINTENANCE PLAN, LONG RANGE FINANCIAL PLAN, AND FY21 BUDGET CONTINGENCY PLAN; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Section 460.403 of the Texas Transportation Code requires Denton County Transportation Authority (“DCTA”) to prepare an annual budget; and

**WHEREAS**, the prepared budget, Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY21 Budget Contingency Plan have been presented to the public for review and comment; and

**WHEREAS**, the budget, Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY21 Budget Contingency Plan have been presented to the DCTA Board of Directors for review and comment; and

**WHEREAS**, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2020–2021 budget as hereinafter set forth, meets the legal and practical requirements of DCTA for the proper and sustained operation of DCTA services and capital expenditures and should be approved as presented;

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

**SECTION 1.** The DCTA Operating and Capital Budget for FY 2020-2021, including Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY21 Budget Contingency Plan, attached as Exhibits “A” through “D”, be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

**SECTION 2.** That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2019-2020 are hereby ratified, and the budget for fiscal year 2020-2021, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

**SECTION 3.** That all provisions of the resolutions of the DCTA Board of Directors in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

**SECTION 4.** That this Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 24<sup>TH</sup> DAY OF SEPTEMBER, 2020.**

**APPROVED:**

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Dianne Costa, Chair

**ATTEST:**

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Sam Burke, Secretary  
(09-16-2020:TM 117977)

**EXHIBIT "A"**  
**Change in Net Position - DCTA**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY21 Proposed Budget  
Change in Net Position

Description	DCTA FY 2019 Actuals	DCTA FY 2020 Working Budget (A)	DCTA FY 2021 Proposed Budget
<b>OPERATING REVENUE</b>			
Passenger Revenues (Bus Farebox)	\$ 613,408	\$ 370,591	\$ 331,712
Passenger Revenues (Rail Farebox)	744,283	421,578	248,579
Contract Service Revenue	4,201,278	3,398,779	3,458,402
<b>Total Operating Revenue</b>	<b>5,558,969</b>	<b>4,190,948</b>	<b>4,038,693</b>
<b>OPERATING EXPENSES</b>			
Salary, Wages & Benefits	9,681,725	4,670,896	4,193,211
Outsourced Services & Charges	6,173,872	4,031,877	3,955,959
Materials & Supplies	2,445,770	2,452,919	2,917,735
Utilities	445,809	490,988	506,668
Insurance, Casualties & Losses	1,655,084	1,752,329	1,681,336
Purchased Transportation Services	9,755,585	10,185,808	10,732,539
Employee Development	278,188	245,515	241,304
Leases & Rentals	221,903	229,633	238,468
Depreciation	9,813,483	10,612,052	10,489,375
<b>Total Operating Expenses</b>	<b>40,471,418</b>	<b>34,672,017</b>	<b>34,956,595</b>
Operating Income / (Loss)	(25,098,967)	(30,481,069)	(30,917,902)
<b>NON-OPERATING REVENUE / (EXPENSE)</b>			
Investment Income	597,793	325,000	100,000
Misc. Revenues	228,499	52,000	-
Sales Tax Revenue	28,735,383	26,805,374	26,624,124
Federal Grants & Reimbursements	9,146,240	15,750,649	22,601,232
State Grants & Reimbursements	1,706,197	438,548	-
Long Term Debt Interest/Expense	(972,668)	(909,480)	(841,080)
<b>Total Non-Operating Revenue / (Expense)</b>	<b>39,441,444</b>	<b>42,462,091</b>	<b>48,484,276</b>
Income (Loss) Before Transfers	14,342,477	11,981,022	17,566,374
Transfers Out	(2,760,302)	(8,119,303)	(8,027,839)
Transfers In	-	-	-
<b>Total Transfers</b>	<b>(2,760,302)</b>	<b>(8,119,303)</b>	<b>(8,027,839)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 11,582,175</b>	<b>\$ 3,861,719</b>	<b>\$ 9,538,535</b>
Net Position - Beginning of Year:		\$ 327,800,795	\$ 324,313,275
Net Position - End of Year:		\$ 331,662,514	\$ 333,851,810
Transfer to Capital Projects		\$ (7,349,239)	\$ (14,140,628)
Net Position After Capital Project Transfer		324,313,275	319,711,182

(A) Includes pending Budget Revision 2020-09 being presented to the DCTA Board on 9.24.20 for approval

**EXHIBIT "A-1"**  
**Change in Net Position – Combined (DCTA & NTMC)**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY21 Proposed Budget  
Change in Net Position - Combined Statement (DCTA & NTMC)

Description	DCTA FY 2019 Actuals	NTMC FY 2019 Actuals (June-Sept 2019)	FY 2019 Actuals	DCTA FY 2020 Working Budget (A)	NTMC FY 2020 Working Budget (B)	FY 2020 Working Budget	DCTA FY 2021 Proposed Budget	NTMC FY 2021 Proposed Budget	FY 2021 Proposed Budget
<b>OPERATING REVENUE</b>									
Passenger Revenues (Bus Farebox)	\$ 613,408	\$ -	\$ 613,408	\$ 370,591	\$ -	\$ 370,591	\$ 331,712	\$ -	\$ 331,712
Passenger Revenues (Rail Farebox)	744,283	-	744,283	421,578	-	421,578	248,579	-	248,579
Contract Service Revenue	4,201,278	-	4,201,278	3,398,779	-	3,398,779	3,458,402	-	3,458,402
<b>Total Operating Revenue</b>	<b>5,558,969</b>	<b>-</b>	<b>5,558,969</b>	<b>4,190,948</b>	<b>-</b>	<b>4,190,948</b>	<b>4,038,693</b>	<b>-</b>	<b>4,038,693</b>
<b>OPERATING EXPENSES</b>									
Salary, Wages & Benefits	9,681,725	2,685,968	12,367,693	4,670,896	7,652,445	12,323,341	4,193,211	7,451,314	11,644,525
Outsourced Services & Charges	6,173,872	28,449	6,202,321	4,031,877	261,629	4,293,506	3,955,959	399,919	4,355,878
Materials & Supplies	2,445,770	-	2,445,770	2,452,919	-	2,452,919	2,917,735	3,293	2,921,028
Utilities	445,809	-	445,809	490,988	-	490,988	506,668	-	506,668
Insurance, Casualties & Losses	1,655,084	42,105	1,697,189	1,752,329	130,529	1,882,858	1,681,336	118,878	1,800,214
Purchased Transportation Services	9,755,585	-	9,755,585	10,185,808	-	10,185,808	10,732,539	-	10,732,539
Employee Development	278,188	3,780	281,968	245,515	74,700	320,215	241,304	54,435	295,739
Leases & Rentals	221,903	-	221,903	229,633	-	229,633	238,468	-	238,468
Depreciation	9,813,483	-	9,813,483	10,612,052	-	10,612,052	10,489,375	-	10,489,375
<b>Total Operating Expenses</b>	<b>40,471,418</b>	<b>2,760,302</b>	<b>43,231,720</b>	<b>34,672,017</b>	<b>8,119,303</b>	<b>42,791,320</b>	<b>34,956,595</b>	<b>8,027,839</b>	<b>42,984,434</b>
Operating Income / (Loss)	(25,098,967)	(2,760,302)	(27,859,269)	(30,481,069)	(8,119,303)	(38,600,372)	(30,917,902)	(8,027,839)	(38,945,741)
<b>NON-OPERATING REVENUE / (EXPENSE)</b>									
Investment Income	597,793	-	597,793	325,000	-	325,000	100,000	-	100,000
Misc. Revenues	228,499	-	228,499	52,000	-	52,000	-	-	-
Sales Tax Revenue	28,735,383	-	28,735,383	26,805,374	-	26,805,374	26,624,124	-	26,624,124
Federal Grants & Reimbursements	9,146,240	-	9,146,240	15,750,649	-	15,750,649	22,601,232	-	22,601,232
State Grants & Reimbursements	1,706,197	-	1,706,197	438,548	-	438,548	-	-	-
Long Term Debt Interest/Expense	(972,668)	-	(972,668)	(909,480)	-	(909,480)	(841,080)	-	(841,080)
<b>Total Non-Operating Revenue / (Expense)</b>	<b>39,441,444</b>	<b>-</b>	<b>39,441,444</b>	<b>42,462,091</b>	<b>-</b>	<b>42,462,091</b>	<b>48,484,276</b>	<b>-</b>	<b>48,484,276</b>
Income (Loss) Before Transfers	14,342,477	(2,760,302)	11,582,175	11,981,022	(8,119,303)	3,861,719	17,566,374	(8,027,839)	9,538,535
Transfers Out	(2,760,302)	-	(2,760,302)	(8,119,303)	-	(8,119,303)	(8,027,839)	-	(8,027,839)
Transfers In	-	2,760,302	2,760,302	-	8,119,303	8,119,303	-	8,027,839	8,027,839
<b>Total Transfers</b>	<b>(2,760,302)</b>	<b>2,760,302</b>	<b>-</b>	<b>(8,119,303)</b>	<b>8,119,303</b>	<b>-</b>	<b>(8,027,839)</b>	<b>8,027,839</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 11,582,175</b>	<b>\$ -</b>	<b>\$ 11,582,175</b>	<b>\$ 3,861,719</b>	<b>\$ -</b>	<b>\$ 3,861,719</b>	<b>\$ 9,538,535</b>	<b>\$ -</b>	<b>\$ 9,538,535</b>
Net Position - Beginning of Year:						\$ 327,800,795			\$ 324,313,275
Net Position - End of Year:						\$ 331,662,514			\$ 333,851,810
Transfer to Capital Projects						\$ (7,349,239)			\$ (14,140,628)
Net Position After Capital Project Transfer						\$ 324,313,275			\$ 319,711,182

(A) Includes pending Budget Revision 2020-09 being presented to the DCTA Board on 9.24.20 for approval

(B) Includes pending Budget Revision 2020-N005 being presented to the NTMC Board on 9.30.20 for approval

**EXHIBIT "B"**  
**Capital Improvement & Major Maintenance Plan**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY21 Proposed Budget  
Capital Improvement & Major Maintenance Plan

Project Name	Current Capital Projects	Proposed FY 2021 NEW Capital Projects	Project LTD thru FY 2019	FY 2020 Revised	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024	Proposed FY 2025	Proposed FY 2026	Anticipated Project Total (Thru 2026)
<b>BUS CAPITAL</b>											
IOMF Fuel Tanks - Lewisville (CLOSED)	\$ 1,037,000	\$ -	\$ 1,013,923	\$ 8,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,022,159
<b>BUS FLEET REPLACEMENT</b>											
Fleet (2020)	1,062,600	-	-	1,062,600	-	-	-	-	-	-	1,062,600
Fleet (2021)	1,481,000	399,100	-	10,000	1,870,100	-	-	-	-	-	1,880,100
FUTURE: Fleet Replacement	-	-	-	-	-	1,124,247	1,650,648	2,082,427	2,168,650	2,258,736	9,284,708
<b>PROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS</b>											
Stadler Diagnostic Laptops (2)	80,000	-	-	80,000	-	-	-	-	-	-	80,000
Integrated Fare Payment	600,000	-	-	-	300,000	300,000	-	-	-	-	600,000
Server & Network Infrastructure	350,000	-	303,352	46,648	-	-	-	-	-	-	350,000
FUTURE: Stadler Laptop Replacement	-	-	-	-	-	-	-	-	80,000	-	80,000
FUTURE: Server & Network Infrastructure	-	-	-	-	-	-	-	350,000	-	-	350,000
<b>TRANSIT SAFETY IMPROVEMENTS</b>											
Trail Safety Improvements	181,157	-	56,500	124,657	-	-	-	-	-	-	181,157
Safety & Security Improvements (CLOSED)	267,678	-	67,678	11,600	-	-	-	-	-	-	79,278
<b>HIKE &amp; BIKE TRAILS</b>											
Lewisville Bike Trail - Eagle Point Section (CLOSED)	2,995,873	-	2,305,775	630,144	-	-	-	-	-	-	2,935,919
<b>MAJOR MAINTENANCE ITEMS</b>											
Major Maintenance - Rail (FY20)	2,024,826	-	-	2,024,826	-	-	-	-	-	-	2,024,826
NEW: Major Maintenance - Rail (Proposed FY21)	-	2,124,693	-	-	2,124,693	-	-	-	-	-	2,124,693
Major Maintenance - Bus (FY20)	125,000	-	-	125,000	-	-	-	-	-	-	125,000
FUTURE: Major Maintenance - Rail	-	-	-	-	-	2,062,535	1,798,907	1,099,619	1,704,328	1,900,386	8,565,774
FUTURE: Major Maintenance - Bus	-	-	-	-	-	179,530	238,264	273,851	200,000	200,000	1,091,645
<b>POSITIVE TRAIN CONTROL</b>											
Positive Train Control Implementation	16,720,141	-	15,268,565	563,645	887,931	-	-	-	-	-	16,720,141
Positive Train Control Enhancements (Phase 2)	5,000,000	-	-	150,000	3,000,000	1,850,000	-	-	-	-	5,000,000
<b>INFRASTRUCTURE ACQUISITION</b>											
	3,251,990	-	242,008	2,481,882	-	-	528,100	-	-	-	3,251,990
<b>BROWNFIELD REMEDIATION</b>											
	385,000	-	311,248	30,000	43,752	-	-	-	-	-	385,000
<b>TRANSPORTATION REINVESTMENT PROGRAM (TRIP)</b>											
	-	5,914,152	-	-	5,914,152	-	-	-	-	-	5,914,152
<b>TOTAL CAPITAL BUDGET</b>	<b>\$ 35,562,265</b>	<b>\$ 8,437,945</b>	<b>\$ 19,569,049</b>	<b>\$ 7,349,239</b>	<b>\$ 14,140,628</b>	<b>\$ 5,516,312</b>	<b>\$ 4,215,919</b>	<b>\$ 3,805,897</b>	<b>\$ 4,152,978</b>	<b>\$ 4,359,122</b>	<b>\$ 63,109,143</b>

**EXHIBIT "C"**  
**Long Range Financial Plan**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY21 Proposed Budget  
Long Range Financial Plan

	Adopted FY2020	Revised FY2020 (as of August Board meeting)	Revised FY2020 (A)	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	Proposed FY2036	FY2020- FY2036
Beginning Fund Balance:	\$ 34,263,794	\$ 34,263,794	\$ 34,263,794	\$ 39,418,326	\$ 43,250,608	\$ 49,330,520	\$ 50,282,373	\$ 50,605,868	\$ 50,539,747	\$ 50,011,107	\$ 49,964,175	\$ 49,160,509	\$ 48,012,432	\$ 46,314,799	\$ 44,997,358	\$ 42,362,489	\$ 40,991,630	\$ 36,872,156	\$ 32,276,197	\$ 34,263,794
OPERATING REVENUES																				
Bus Operating Revenue	5,040,209	4,786,751	3,769,370	3,790,114	4,105,310	4,595,658	4,746,357	4,876,546	5,021,443	5,185,431	5,340,948	5,367,319	5,420,483	5,449,192	5,475,765	5,532,495	5,561,041	5,591,030	5,694,351	85,522,852
Rail Operating Revenue	588,272	421,578	421,578	248,579	529,448	588,275	617,689	623,866	630,105	661,610	668,226	674,908	708,654	715,740	722,898	759,042	766,633	774,299	813,014	10,924,563
Misc. Revenue	52,000	52,000	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,000
NON-OPERATING REVENUES																				
Sales Tax Revenue	29,019,184	21,464,452	26,805,374	26,624,124	29,019,184	29,599,568	30,191,559	31,097,306	32,030,225	32,991,132	33,980,866	35,000,292	36,050,300	37,131,809	38,245,764	39,393,137	40,574,931	41,792,179	43,045,944	583,573,692
Operating Grants	5,253,753	12,400,872	12,400,872	16,506,873	12,039,172	6,509,093	6,089,651	6,005,892	5,918,380	6,889,017	6,666,761	7,199,034	5,735,320	7,345,990	5,303,963	7,082,434	5,780,764	5,842,224	5,108,706	128,424,146
Investment Income	400,000	325,000	325,000	100,000	92,647	104,989	108,634	111,551	169,845	170,263	171,703	170,037	166,916	214,231	207,426	193,162	183,768	161,551	170,455	2,822,177
TOTAL REVENUES	40,353,418	39,450,653	43,774,194	47,269,690	45,785,760	41,397,583	41,753,890	42,715,161	43,769,997	45,897,452	46,828,504	48,411,590	48,081,673	50,856,962	49,955,815	52,960,269	52,867,137	54,161,282	54,832,470	811,319,430
OPERATING EXPENSES																				
Bus Operating Expense	14,183,370	13,175,861	12,649,465	12,807,603	14,020,007	15,008,740	15,662,519	16,102,815	16,819,543	17,777,540	18,698,525	19,491,010	20,572,027	21,350,268	22,360,878	23,463,175	24,435,908	25,885,067	27,075,795	324,180,885
Rail Operating Expense	13,672,857	12,990,036	12,991,753	13,586,327	14,002,449	14,402,901	14,813,108	15,226,289	15,666,584	16,107,782	16,573,089	17,047,149	17,541,370	18,045,906	18,561,267	19,101,016	19,649,117	20,215,294	20,800,169	284,331,570
G&A Operating Expense	6,320,872	6,662,641	6,638,051	6,201,129	5,934,899	6,129,938	6,334,718	6,549,944	6,776,386	7,014,881	7,266,339	7,531,754	7,812,208	8,108,881	8,423,061	8,756,153	9,109,689	9,485,346	9,884,953	127,958,329
TOTAL EXPENSES	34,177,099	32,828,538	32,279,269	32,595,059	33,957,354	35,541,579	36,810,344	37,879,048	39,262,513	40,900,202	42,537,953	44,069,913	45,925,605	47,505,055	49,345,207	51,320,344	53,194,715	55,585,708	57,760,917	736,470,784
NET INCOME	6,176,319	6,622,115	11,494,925	14,674,631	11,828,406	5,856,005	4,943,546	4,836,112	4,507,484	4,997,250	4,290,550	4,341,677	2,156,068	3,351,908	610,609	1,639,925	(327,578)	(1,424,426)	(2,928,447)	74,848,645
CAPITAL OUTLAY & MAJOR MAINTENANCE																				
Bus Capital	-	8,237	8,237	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,237
Bus Fleet Replacement	2,543,600	1,072,600	1,072,600	1,870,100	1,124,247	1,650,648	2,082,427	2,168,650	2,258,736	1,259,551	1,488,344	940,415	2,447,180	789,136	2,891,223	1,060,444	2,400,399	2,337,131	3,092,223	30,933,455
Professional Services / Technology Improvements	1,004,472	126,648	126,648	300,000	300,000	-	350,000	80,000	-	-	-	350,000	80,000	-	-	-	350,000	80,000	-	2,016,648
Transit Safety Improvements	324,157	136,257	136,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,257
Hike & Bike Trails	923,427	630,144	630,144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	630,144
Major Maintenance Items - Rail	2,024,826	2,024,826	2,024,826	2,124,693	2,062,535	1,798,907	1,099,619	1,704,328	1,900,386	1,920,337	1,945,982	1,983,282	2,274,599	3,193,772	2,962,871	2,780,487	3,173,312	2,824,759	2,639,918	38,414,613
Major Maintenance Items - Bus	125,000	125,000	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	200,000	3,216,645
Positive Train Control	3,062,913	713,645	713,645	3,887,931	1,850,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,451,576
Infrastructure Acquisition	202,568	157,992	157,992	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	157,992
Infrastructure Acquisition - Old Town	-	2,323,890	2,323,890	-	-	528,100	-	-	-	-	-	-	-	-	-	-	-	-	-	2,851,990
Brownfield Remediation	71,210	30,000	30,000	43,752	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,752
Transportation Reinvestment Program (TRIP)	-	-	-	5,914,152	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,914,152
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	10,282,173	7,349,239	7,349,239	14,140,628	5,516,312	4,215,919	3,805,897	4,152,978	4,359,122	3,379,888	3,634,326	3,473,697	5,001,779	4,182,908	6,054,094	4,040,931	6,123,711	5,441,890	5,932,141	90,805,461
CAPITAL SOURCES																				
Capital Grants	5,753,410	1,464,435	1,464,435	6,094,359	2,572,126	1,603,487	2,022,929	2,106,688	2,194,200	1,223,563	1,445,819	913,546	2,377,260	766,590	2,808,617	1,030,146	2,331,816	2,270,356	3,003,874	36,229,811
Capital Grants - Old Town	-	2,323,890	2,323,890	-	-	528,100	-	-	-	-	-	-	-	-	-	-	-	-	-	2,851,990
TOTAL CAPITAL SOURCES	5,753,410	3,788,325	3,788,325	6,094,359	2,572,126	2,131,587	2,022,929	2,106,688	2,194,200	1,223,563	1,445,819	913,546	2,377,260	766,590	2,808,617	1,030,146	2,331,816	2,270,356	3,003,874	39,081,801
DEBT SERVICE																				
2009 Refunding (Sales Tax) Debt Service	1,715,240	1,715,240	1,715,240	1,714,040	1,715,845	1,715,771	1,713,701	1,714,637	1,713,378	1,714,924	1,714,077	1,715,835	-	-	-	-	-	-	-	17,147,448
2011 Contractual Obligations	1,064,240	1,064,240	1,064,240	1,082,040	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	-	-	-	-	-	13,821,849
TOTAL DEBT SERVICE	2,779,480	2,779,480	2,779,480	2,796,080	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	-	-	-	-	-	30,969,297
Internal Debt Service Coverage:	2.22	2.38	4.14	5.25	4.22	2.08	1.74	1.69	1.57	1.73	1.48	1.48	1.75	2.68	N/A	N/A	N/A	N/A	N/A	
Outstanding Bond Principal as of September 30th	23,360,000	23,360,000	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	33,131,870	34,545,516	39,418,326	43,250,608	49,330,520	50,282,373	50,605,868	50,539,747	50,011,107	49,964,175	49,160,509	48,012,432	46,314,799	44,997,358	42,362,489	40,991,630	36,872,156	32,276,197	26,419,483	26,419,483
Less Required Fund Balance (O&M Reserve Policy)	8,544,275	8,207,134	8,069,817	8,148,765	8,489,339	8,885,395	9,202,586	9,469,762	9,815,628	10,225,051	10,634,488	11,017,478	11,481,401	11,876,264	12,336,302	12,830,086	13,298,679	13,896,427	14,440,229	
Less Sales Tax Stabilization Fund	870,576	643,934	804,161	798,724	870,576	887,987	905,747	932,919	960,907	989,734	1,019,426	1,050,009	1,081,509	1,113,954	1,147,373	1,181,794	1,217,248	1,253,765	1,291,378	
Less Fuel Stabilization Fund	450,000	450,000	450,000	326,000	339,750	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	
Less Capital/Infrastructure Fund	7,500,000	4,000,000	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	
NET AVAILABLE FUND BALANCE	\$ 16,027,913	\$ 21,244,448	\$ 26,094,347	\$ 31,977,119	\$ 37,630,856	\$ 38,131,492	\$ 38,120,035	\$ 37,759,565	\$ 36,857,072	\$ 36,371,890	\$ 35,129,094	\$ 33,567,445	\$ 31,374,388	\$ 29,629,640	\$ 26,501,315	\$ 24,602,249	\$ 19,978,730	\$ 14,748,504	\$ 8,310,375	

(A) Includes pending FY20 budget revisions that are being presented to the DCTA & NTMC Board for approval in September

**EXHIBIT "D"**  
**FY21 Budget Contingency Plan**

## DCTA Budget Contingency Plan Fiscal Year 2021

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 (\$532,482)

- 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 (\$798,724)

- 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 (\$1,064,965)

- 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 financial plan 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

September 24, 2020

SUBJECT: Discuss Exploration of Bus Operations and Maintenance Contracting Options

### Background

Pursuant to previous discussions with the Board, DCTA will explore options for addressing bus operations and maintenance in preparation for pursuing a path best for the Agency.

### Identified Need

Staff will provide an update and is seeking feedback from the board regarding activities associated with options to address DCTA's bus operations and maintenance.

The goals for outsourcing bus operations and maintenance would include:

- Reduce administrative overhead
- Improving operational efficiencies
- Leverage cost sharing opportunities and purchasing power
- Alleviate significant financial investment in software for operational automation

Outsourcing options which have been identified for further exploration include:

- Contracting a third-party vendor for turnkey services via RFP
- Partnering with another local transit agency through an interlocal agreement for turnkey services
- Providing joint bus operations with a partner transit agency through the utilization of a local government corporation

Submitted By:

  
Kristina Holcomb, Deputy CEO

Approved By:

  
Raymond Suarez, CEO

## Board of Directors Memo

September 24, 2020

SUBJECT: Consider Approval of MaaS Task Order #2: On Demand Service for Member Cities and Contracted Cities

### Background

DCTA seeks to partner with non-traditional mobility providers to establish a unified and integrated platform which allows the agency and customers the ability to match travel needs and booking of trips using single platform; thereby transitioning the agency's current conventional role as transit provider towards that of a technology-enabled, integrated Mobility Manager and broker of services.

DCTA issued solicitation 2007-001, on July 28, 2020, to the 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 where DCTA has contracted services. Request for Proposals (RFP) 19-05 Mobility-as-a-Service allows for issuance of multiple task orders.

- Total Distribution: 27
- Total Responses Received: 5
- Firms: First Transit, RideCo, SeatsX, Spare Labs with Lyft and RiverNorth (Via)

### Identified Need

Staff issued solicitation 2007-001 to identify and implement origin-to-destination, on-demand service options to improve DCTA service delivery which may augment or replace conventional fixed-route services. The solutions implemented will enhance mobility, increase service coverage, and promote increase ridership.

### Financial Impact

The financial impact of solicitation 2007-001 will be determined by firm negotiation responses and board approval. Portions of the scope of work have the potential to be federally reimbursed. The extent of federal reimbursement is dependent on the service solutions selected.

### Recommendation

Staff is recommending the Board of Directors authorize the CEO to negotiate two tasks orders:

- Task Order #2 with Spare Labs/Lyft
- Task Order #3 with RiverNorth (Via)

Upon board approval, staff will work with the selected providers to formalize service delivery and cost. The recommended service delivery and cost will then be brought to the board for final review and approval.

### Exhibits

Exhibit 1: Solicitation 2007-001

Exhibit 2: Spare Labs/Lyft Response (*Proprietary Information Under Separate Cover*)

Exhibit 3: RiverNorth (Via) Response (*Proprietary Information Under Separate Cover*)

Submitted by: \_\_\_\_\_

  
Sarah Martinez, Director of Procurement

Approval: \_\_\_\_\_

  
Nicole Recker, Vice President of Mobility Services and Administration

## **Solicitation 2007-001**

### **Task Order for On-Demand Service in Member Cities and Contract Cities**

**Bid Designation: Private**



**Denton County Transportation Authority**

## Bid 2007-001

### Task Order for On-Demand Service in Member Cities and Contract Cities

Bid Number	<b>2007-001</b>
Bid Title	<b>Task Order for On-Demand Service in Member Cities and Contract Cities</b>
Bid Start Date	<b>Jul 28, 2020 11:28:33 AM CDT</b>
Bid End Date	<b>Aug 12, 2020 3:00:00 PM CDT</b>
Question & Answer End Date	<b>Aug 4, 2020 3:00:00 PM CDT</b>
Bid Contact	<b>Sarah Martinez</b> <b>Director of Procurement</b> <b>Finance</b> <b>smartinez@dcta.net</b>
Contract Duration	<b>2 years</b>
Contract Renewal	<b>2 annual renewals</b>
Prices Good for	<b>90 days</b>
Bid Comments	<p><b>The Denton County Transportation Authority (DCTA) is requesting responses for On-Demand Service in Member Cities from firms or contractor teams that have entered into master on-call contracts under Request for Proposals (RFP) 19-05 Mobility-as-a-Service as per the attached request package and that meet all federal requirements identified in RFP 19-05.</b></p> <p><b>Electronic responses via BidSync will only be accepted. Response page limit is 20 pages.</b></p> <p><b>Questions deadline: July 31, 2020 by 3:00pm CST</b></p> <p><b>Electronic response deadline: August 10, 2020 by 3:00pm CST</b></p> <p><b>Added on Jul 30, 2020:</b> <b>Addendum 1: extended electronic response and questions deadline</b></p>

#### Addendum # 1

New Documents	<b>Addendum 1.pdf</b>		
Previous End Date	<b>Aug 10, 2020 3:00:00 PM CDT</b>	New End Date	<b>Aug 12, 2020 3:00:00 PM CDT</b>
Previous Q & A End Date	<b>Jul 31, 2020 3:00:00 PM CDT</b>	New Q & A End Date	<b>Aug 4, 2020 3:00:00 PM CDT</b>

#### Item Response Form

Item	<b>2007-001--01-01 - See request package</b>
Quantity	<b>1 each</b>
Unit Price	<input type="text"/>

Denton County  
Transportation Authority

Delivery Location

**Denton County Transportation Authority**

No Location Specified

**Qty 1**

**Description**

See request package

## MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities

### INTRODUCTION AND BACKGROUND

The Denton County Transportation Authority (DCTA) is committed to improving mobility, air quality, economic development, and livability in the areas we serve. For the past 16 years, DCTA has accelerated innovative transportation solutions towards reducing traffic congestion and enhancing air quality, contributing to regional growth and development, and improving the quality of life for Denton County residents.

DCTA seeks to establish partnerships with non-traditional mobility providers to assist the agency towards establishment of a unified and integrated platform which allows the agency and customers the ability to match travel needs and preferences; thereby transitioning the agency's current conventional role as travel provider towards that of a technology-enabled, integrated *Mobility Manager* and broker of services.

As Mobility Manager, DCTA participates in the emerging on-demand economy in a manner which enables use of the data associated with collaborative consumption to continually improve and expand service, locate future investment in capital facilities, and expand partnerships; both public and private. DCTA sees its emergent role of Mobility Manager comprised of the three elements:

- Branding
  - Present all DCTA services and mobility collaborators as part of a single, unified system
- Technology
  - A single passenger routing, pooling, and fare payment system integrated within an application that's scalable and integrated into existing and future regional trip planning and fare payment systems Simplified back-office accounting and reporting tools
  - Track travel patterns to guide long-term investments in future fleets and facilities
- Mobility Hubs
  - Integrate with future rideshare, bikeshare, and carshare services
  - Function as a catalyst for and enhancement to emerging mixed-use, transit-supportive activity centers

DCTA's current transit services within member cities include (*ridership by route provided as an addendum*):

Service	Pre-COVID Service Levels	Post-COVID Service Levels
<b>A-train</b> <a href="https://www.dcta.net/a-train">https://www.dcta.net/a-train</a> 21-mile commuter rail line, connects with the Dallas Area Rapid Transit (DART) Green Line at the Trinity Mills Station in Carrollton, Texas, has five stations	Monday - Thursday 4:10 a.m. to 10:13 p.m.  Friday 4:10 a.m. to 12:13 a.m.  Saturday 7:30 a.m. to 12:18 a.m.	Monday - Friday 5:20 a.m. to 9:44 p.m.  Saturday 7:30 a.m. to 12:18 a.m.
<b>Denton Connect Route 1</b> <a href="https://www.dcta.net/route1">https://www.dcta.net/route1</a>	Monday - Friday 6:06 a.m. to 9:16 p.m.	Monday - Friday 6:54 a.m. to 7:01 p.m.

**MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities**

	Saturday 7:39 a.m. to 7:01 p.m.	Saturday 7:39 a.m. to 7:01 p.m.
<b>Denton Connect Route 2</b> <a href="https://www.dcta.net/route2">https://www.dcta.net/route2</a>	Monday - Friday 6:44 a.m. to 9:45 p.m.  Saturday 7:44 a.m. to 7:34 p.m.	Monday - Friday 6:44 a.m. to 7:34 p.m.  Saturday 7:44 a.m. to 7:34 p.m.
<b>Denton Connect Route 3</b> <a href="https://www.dcta.net/route3">https://www.dcta.net/route3</a>	Monday - Friday 7:05 a.m. to 8:59 p.m.  Saturday 8:05 a.m. to 6:44 p.m.	Monday - Friday 7:05 a.m. to 6:39 p.m.  Saturday 8:05 a.m. to 6:39 p.m.
<b>Denton Connect Route 4</b> <a href="https://www.dcta.net/route4">https://www.dcta.net/route4</a>	Monday - Friday 6:45 a.m. to 10:26 p.m.  Saturday 7:45 a.m. to 7:32 p.m.	Monday - Friday 6:45 a.m. to 7:32 p.m.  Saturday 7:45 a.m. to 7:32 p.m.
<b>Denton Connect Route 6</b> <a href="https://www.dcta.net/route6">https://www.dcta.net/route6</a>	Monday - Friday 5:29 a.m. to 10:00 p.m.  Saturday 8:35 a.m. to 5:54 p.m.	Monday - Friday 7:43 a.m. to 5:53 p.m.  Saturday 8:35 a.m. to 5:53 p.m.
<b>Denton Connect Route 7</b> <a href="https://www.dcta.net/route7">https://www.dcta.net/route7</a>	Monday - Friday 7:17 a.m. to 9:25 p.m.  Saturday 8:17 a.m. to 7:27 p.m.	Monday - Friday 7:17 a.m. to 7:04 p.m.  Saturday 8:17 a.m. to 7:04 p.m.
<b>Lewisville Connect Route 21</b> <a href="https://www.dcta.net/route21">https://www.dcta.net/route21</a>	Monday - Friday 5:02 a.m. to 9:26 p.m.  Saturday 9:27 a.m. to 7:21 p.m.	Monday - Friday 8:26 a.m. to 8:18 p.m.  Saturday 8:26 a.m. to 7:02 p.m.
<b>Lewisville Connect Route 22</b> <a href="https://www.dcta.net/route22">https://www.dcta.net/route22</a>	Monday - Friday 6:12 a.m. to 9:28 p.m.  Saturday 8:45 a.m. to 7:33 p.m.	Monday - Friday 7:45 a.m. to 8:34 p.m.  Saturday 8:45 a.m. to 7:33 p.m.
<b>Lewisville Lakeway On-Demand Service</b> <a href="https://www.dcta.net/lewisville-lakeway-zone">https://www.dcta.net/lewisville-lakeway-zone</a>	Monday - Friday 5:30 a.m. to 10:00 p.m.  Saturday 8:30 a.m. to 9:30 p.m.	Monday - Friday 6:00 a.m. to 9:40 p.m.  Saturday 8:30 a.m. to 8:00 p.m.
<b>Highland Village Lyft Program</b> <a href="https://www.dcta.net/service-overview/additional-services/highland-village-lyft-program">https://www.dcta.net/service-overview/additional-services/highland-village-lyft-program</a>	Monday - Friday 5 a.m. to 9 p.m.  Saturday 7:30 a.m. to 8 p.m.	

**MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities**

<p><b>A-train Evening Last Mile On-Demand Zones</b> This service was put into place to cover the gap between the end of bus service to the end of rail service with the COVID service reductions The evening zones cover pickups from the two A-train stations (DDTC and Hebron) and then perform drop-offs throughout the fixed route service areas within the city of Lewisville and the city of Denton.</p>	<p>N/A</p>	<p>Monday - Friday 6:00 p.m. to 9:44 p.m.</p>
<p><b>Access</b> A shared ride, origin to destination, paratransit service that provides transportation for disabled residents and visitors in Lewisville, Denton and Highland Village. DCTA's Access service is broken up into two categories, ADA paratransit service and Non-ADA demand-response service.</p>	<p>Access service hours (excluding holidays) for the entire service area complement DCTA fixed route services.</p>	

Effective August 24, 2020, DCTA will implement service level increases for the following services:

- Denton Connect Route 4 – Frequency will increase to 30 minutes during peak and 60 minutes during off-peak; hours of service will 5:18 a.m. – 10:08 p.m. Monday through Friday, and 7:45 a.m. – 7:32 p.m. on Saturday
- Denton Connect Route 7 – Frequency will increase to 30 minutes during peak and 60 minutes during off-peak; hours of service will 5:59 a.m. – 9:54 p.m. Monday through Friday, and 8:17 a.m. – 7:09 p.m. on Saturday
- Lewisville Connect Route 21 – Frequency will increase to 30 minutes during peak and 60 minutes during off-peak; hours of service will be 5:02 a.m. – 9:33 p.m. Monday through Friday, and 8:20 a.m. – 6:36 p.m. on Saturday
- Lewisville Connect Route 22 – Frequency will increase to 30 minutes during peak and 60 minutes during off-peak; hours of service will be 6:15 a.m. – 9:29 p.m. Monday through Friday, and 8:15 a.m. – 7 p.m. on Saturday
- Evening On-Demand Service – The on-demand service out of the DDTC will be made permanent; service will no longer be offered at other stations
- A-train – An increase in frequency will be taken to the DCTA Board of Directors on August 27, 2020 for input; implementation will most likely occur in September 2020

## **MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities**

### **PURPOSE AND OBJECTIVE**

DCTA is 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. The term "broker" in this instance means to have the ability to dynamically assign and pool trips currently associated with the full-range of DCTA fixed-route, paratransit, and on-demand services to multiple providers in near real-time based upon predetermined work rules and to assign, confirm trip booking, plus settle financial transactions between the various mobility providers.

Accordingly, the selected contractor(s) must be able to provide:

- A software platform that enables brokering of multiple mobility providers in near-real-time and can assign trip to multiple providers based on business rules.
- Microtransit providers to plan, design, deploy, and administer a passenger routing and pooling solutions within a specified service area
- Data sharing and regular reporting to DCTA staff
- Demonstrate ability to integrate with other trip planning applications (i.e. GoPass, Transit App, etc.) The selected contractor will be initially asked to develop and operate an initial phased deployment within the DCTA service area. Therefore, firms should anticipate including consulting services to assess travel demand and evaluate possible zones for a prototype deployment based upon economic trends, existing and emerging activity centers, and ridership on existing fixed-routes.
- The contractor is responsible for providing vehicles and operators in a proposed turnkey service delivery model
- Contractor may assess DCTA's existing fleet to determine its suitability for use by the contractor.

### **REQUIREMENTS**

- Ability to analyze DCTA's existing service area, exiting bus routes, train schedules, ridership and demographics and recommend multi-modal options that optimize service delivery to customers while optimizing service efficiency and effectiveness.
- Technical expertise necessary to provide recommendations on pilot zone(s) based upon existing service data and market demographics.
- Solution to include the following items:
  - Software application necessary to perform, scheduling, dispatch, user interface, data collection, reporting, and backend monitoring/administration.
  - ADA Accessible Vehicles and service implementation (provided and maintained by contractor)
  - Evaluation of DCTA's existing fleet and operating facilities to determine if they can be leveraged by the contractor
  - Drivers
  - Operation of service
  - Monday-Saturday service (Sunday optional)
  - Data sharing and ownership by DCTA

## MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities

- Customer service when service is in operation
- On-demand ADA accessibility and potential integration with other on-demand options to optimize fleet utilization
- Options to access service without a smartphone or credit card
- Ability to scale service upon variable demand.
- Ability to integrate with other trip planning applications (i.e. GoPass, Transit App, etc.)

### SERVICE PLAN

The proposed service plan should include provisions for Monday-Saturday (Sundays optional) service. At a minimum, span should be equivalent to that of existing DCTA Connect service and may extend to the limits of each member city. The number of vehicles in service may vary based on travel demand associated with time of day. At this time, recommended service plans should include member cities only. DCTA reserves the right to request a service plan for contract cities at any time.

Firms are encouraged to develop innovative service delivery strategies to supplement or update existing DCTA transit services to improve operating efficiencies above and beyond conventional fixed-route transit service.

### PRICING AND FARE REVENUE

DCTA shares an integrated fare structure with DART and Trinity Metro and leverages the GoPass system provided by DART. It is DCTA's desire to continue to use the GoPass system and to also integrate the DART contactless fare payment system in FY2021. It is important to DCTA that contractors have the ability to seamlessly integrate services across regional providers and will be evaluated on these concepts.

DCTA shall subsidize the cost of public transportation trips provided by the selected contractor for shared ride services, through sales tax revenue collected within its member cities, and in some instances subject to the availability of Federal Funds. The selected contractor shall provide a cost structure that best supports the proposed service, which may include options that are calculated based upon distance traveled, minutes traveled for each trip, or by revenue hour for both turn key and hybrid delivery models. The final cost structure shall be negotiated to ensure maximum operational and cost-efficiency.

DCTA expects to receive all fare revenue, with no deductions taken out by the service provider. Revenue shall be returned to DCTA within 30 days of the end of the billing cycle during which revenue was received. **The task order response shall clearly confirm this understanding and explain how revenue will be returned to DCTA.**

### CONTRACTOR RESPONSIBILITIES

DCTA expects that its selected contractor includes the following elements in its task order response and subsequent negotiated Task Order:

- Work Plan – The Work Plan should include a schedule and identify the persons responsible for producing the services and documents specified in the scope of services. **A draft Work Plan shall be submitted as part of the Task Order response.**
- Project Management – Effective project management is an essential responsibility of the selected contractor. The contract project manager will liaise with the DCTA contract manager coordinate all project activities. **Task Order responses shall identify its proposed project manager and include an outline of anticipated responsibilities.**
- Performance Monitoring and Reporting – The selected contractor must provide regular briefings to the DCTA contract manager regarding work completed, schedule updates, proposed scope

## MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities

modifications, upcoming activities, and anticipated obstacles. Furthermore, the selected contractor shall provide monthly pilot service evaluation reports and summary reports upon six (6) and twelve (12) months of service. **Task Order and responses shall describe the structure and content of its Performance Monitoring Reports and how they may be integrated into existing DCTA information systems.**

DCTA desires full access to and ownership of all data associated with the contract.

- Staffing and Supervision – The selected contractor is responsible for ensuring compliance with all relevant federal, state, and local regulations. The selected contractor shall provide DCTA the following for each driver no less than ten (10) days from start of service:
  - General information for each driver
  - Copy of valid Texas driver's license
  - Copy of CPR/first aid certification
  - Copy of defensive driving course attendance
  - Copy of sensitivity training attendance
  - Copy of criminal background check
  - Copy of drug and alcohol testing program
- Insurance Coverages – **The selected contractor shall demonstrate that insurance and liability coverage will be provided for drivers. See insurance requirements.**
- Supervision – The selected contractor provide supervision necessary to ensure that drivers comply with the work plan. Supervision should ensure that drivers begin and end their work shifts as scheduled, maintain on-time performance, inspect and operate the vehicles safely, maintain a professional appearance, and interact with customers in a courteous and professional manner, comply with local, state, and federal regulations, in addition to contract requirements.
- Technical Requirements – DCTA seeks a technology platform that can be used to, in real time, aggregate riders traveling from multiple origins to multiple destinations in an exceptionally efficient way that optimizes the balance between maximizing vehicle utilization and maintaining excellent quality of customer experience. The platform should support fully automated scheduling, dispatch, and reservations, allowing passengers to book trips in real-time via phone, internet, and mobile application. The administrative interface should allow for real time monitoring and assessment of schedule adherence, vehicle locations, vehicle breakdowns, driver performance, and other relevant trip details. It should be accessible via standard web browsers and from any commonly used internet-enabled device and should provide options to generate reports and extract operational data for analysis. Using the final pilot project service model and description of work above as a basis, the Contractor shall design and document processes and functionalities as they are to be implemented within the software component of the project. The Contractor shall document modules, platforms, and services that will be implemented to meet DCTA's needs, desired service model, and work rules. Contractor will be responsible for coordinating payment and fare integration within the technology platform and/or across other agency applications, as necessary. DCTA imagines that the payment system will be highly accessible and may include access through a smartphone app, online, or by phone and would accept multiple forms of payment to accommodate residents that are unbanked, do not own a smart phone, or have low technology literacy. DCTA envisions an app that can plan a multi-modal trip from origin to destination involving not only the demand response vehicle in the first/last mile zone, but also any rail or fixed route buses as may be necessary to complete

## **MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities**

the trip. Such app would be able to schedule the demand response ride to coincide very closely with the arrival and departure of connecting vehicles.

- Agency and User Training -- This On-Demand Shared Ride Service is expected to be provided by the selected Contractor as a turnkey solution with minimal DCTA staff resources needed to implement the service. The selected contractor shall provide training and manuals needed for DCTA staff to monitor, assess data and develop reports using the dashboard and other tools provided by the selected Contractor. Selected contractor shall also ensure adequate and complete training of drivers takes place prior to placing the drivers on the Approved Drivers List submitted to DCTA.
- Prototype Deployment Plan -- Contractor shall submit a prototype draft plan for detailing all tasks necessary to deploy the pilot on-demand shared ride service. Include schedules and indicate responsible parties. Tasks may include but are not limited to:
  - Vehicle procurement and branding
  - Driver recruitment and training
  - Administrative processes
  - Test runs
  - Full-service deployment

### **EVALUATION CRITERIA**

#### *Project Cost*

Include costs associated with all aspects of setup, implementation, and on-going support per year. Reasonableness/competitiveness of proposed fee and/or benefits to DCTA. DCTA is not bound to select the Company who proposes the lowest fees or most benefits for services and reserves the right to negotiate fees with the selected Company. Include estimated unit costs for consulting services, back-office operations, and revenue hour by vehicle type.

#### *Project Approach to Address Service Request*

- Demonstrate the understanding and resolution of the requirements and scope of work.
- Demonstrated understanding of fundamental and innovative transit demand forecasting and service planning methods.
- The qualifications and experience with similar equipment and service implementations and management of the Company to perform the requested services.
- Ability to provide both turn-key services and software as a service to allow transition from pilot to permanent services that meet DCTA's needs.
- Ability to provide ADA-accessible vehicles and services.
- Provide references from at least three recent clients for whom similar services have been provided and should identify when work was performed and type of services performed.

#### *Timeline of Project Delivery*

Timeline of Project Delivery should include the amount of time needed from project inception to implementation, including milestones.

#### *Innovation in Approach*

## **MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities**

Demonstrate the ability to utilize cutting-edge technologies and mobility industry innovations to provide a product customized to DCTA's service needs. Include information on operations and functionality from the perspective of office staff, service operator, agency clients, and service user.

Demonstrate the service's accommodation for a variety of passenger types, including seniors, individuals with disabilities, mobility device needs, unbanked populations, and customers without mobile access.

Specify how the project can/will integrate with existing technologies being used. If applicable, is there an open API available for sharing with other fare payment or cross platform solutions.

### *Customer Service*

Outline the type of transit customer service that will be provided throughout the project. Specify what type of support is provided after implementation and for how long to allow for any service adjustments or needs.

### *Data and Ridership Reports Available*

- Include sample data and ridership reports.
- Task order response describes a plan for measuring Pilot performance, including indicators that are tied to project goals, such as ridership, origin/destination data, or other relevant metrics.
- Provided Software Technology platform interface enables DCTA to access all pilot related ridership and performance data and create standard and customizable reports with ease.
- Demonstrated vehicle location/tracking technology, transportation demand management, on-time performance
- NTD reporting data provided on a monthly basis to DCTA.

## MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities

### INSURANCE REQUIREMENTS

Proposers performing work on DCTA's behalf shall provide the DCTA a certificate of insurance or a copy of their insurance policy(s) evidencing the coverage and coverage provisions identified herein within ten (10) days of request from DCTA. Proposers shall provide DCTA evidence that all subcontractors performing work on the project have the same types and amounts of coverage as required herein or that the subcontractors are included under the proposer's policy. Work shall not commence until insurance has been approved by DCTA.

All insurance companies and coverage must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must have a A.M. Best's rating A- or greater.

Listed below are the types and minimum amounts of insurances required and which must be maintained during the term of the contract. DCTA reserves the right to amend or require additional types and amounts of coverage or provisions depending on the nature of the work.

#### COMMERCIAL GENERAL LIABILITY:

Covering Bodily Injury/Property Damage, Products/Completed Operations and Personal Advertising Injury

- Per occurrence ..... \$1,000,000
- General Aggregate ..... \$2,000,000

#### BUSINESS AUTO LIABILITY

to include coverage for:

- Owned/Leased vehicles
- Non-owned vehicles
- Hired vehicles
- Combined Single Limit ..... \$5,000,000

#### WORKERS' COMPENSATION EMPLOYERS' LIABILITY

to include:

each accident

Disease Policy Limits

Disease each employee

Statutory Limits per occurrence

- Each accident ..... \$1,000,000
- Disease Policy Limits ..... \$1,000,000
- Disease each employee..... \$1,000,000

#### PROFESSIONAL LIABILITY

- \$1,000,000 per claim
- \$1,000,000 per aggregate

#### ADDITIONAL INSURED:

## **MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities**

The Commercial General Liability and Commercial Automobile Liability policies shall be endorsed to name DCTA, its directors and employees as additional insured regarding Proposer's operations in performance of this Contract.

### **WAIVER OF SUBROGATION:**

The Workers' Compensation and Employers' Liability shall be endorsed to provide a waiver of subrogation in favor of DCTA, its officers, directors and employees.

### **COVERAGE PRIMARY:**

Such insurance as is provided therein shall be primary and non-contributing with any other valid and collectible insurance available to DCTA. The limits of liability required above may be provided by a single policy of insurance or by a combination of primary, excess or umbrella policies. But in no event shall the total limits of liability available for any one occurrence or accident be less than the amounts required below.

### **NO COMMENCEMENT WITHOUT COVERAGE:**

The Proposer shall not commence work at the site under this Contract until he/she has obtained all required insurance and until such insurance has been approved by DCTA. Proposer shall not allow any subcontractor to commence work until all similar required insurance has been obtained and approved. Approval of the insurance by DCTA shall not relieve or decrease the liability of the Proposer hereunder.

### **CERTIFICATES:**

Certificate of Insurance evidencing insurance coverage as required shall be furnished to the Purchasing Manager prior to commencement of work and within ten (10) calendar days after the date of Notice of Award. CERTIFICATES SHALL BE PROVIDED BY PROPOSER AND ANYONE INVOLVED IN THE PERFORMANCE OF WORK UNDER THIS CONTRACT (not otherwise included under Proposer's coverage), INCLUDING ALL SUBCONTRACTORS. All certificates from Proposer and any subcontractors must be issued reflecting DCTA as the certificate holder. All Certificates of Insurance shall reflect the Denton County Transportation Authority project number. Failure to furnish the required certificates of insurance within the time allowed shall not be considered cause for modification of any contractual time limits. All policies of insurance presented, as proof of compliance with the above requirements shall be on forms and with insurance companies approved by DCTA. All such insurance policies shall be provided by insurance companies having a Best's rating of A-VI rating or greater as shown in the most current issue of A.M. Best's Key Rating Guide. Policies of insurance issued by insurance companies not rated by Best's or have a Best's rating lower than A-VI will not be accepted as complying with the insurance requirements of the Contract unless such insurance companies are approved in writing prior to the award of the Contract. Certificate of Insurance shall contain transcripts from the proper office of the insurer, evidencing in particular those insured, the extent of the insurance, the location, and the cancellation clause as required below.

### **NO LAPSE OR CANCELLATION:**

The Proposer and any subcontractor shall not cause any insurance to be canceled nor permit any insurance to lapse. All insurance policies shall include a clause to the effect that the policy shall not be canceled, reduced, restricted, or limited until thirty (30) days after DCTA has received written notice. In the event of cancellation or lapse of insurance, the Proposer shall notify DCTA immediately and unless

**MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities**

otherwise directed by DCTA, shall cease work until evidence of acceptable insurance coverage is supplied to DCTA.

**BREACH:**

Failure to maintain insurance coverage as required herein shall constitute a material breach and default.



July 30, 2020

## ADDENDUM NO. 1

### MaaS Task Order #2: On-Demand Service in Member Cities and Contract Cities

#### Changes:

1. Electronic response deadline has been changed from August 10, 2020 by 3pm CST to **August 12, 2020 by 3pm CST.**
2. Questions deadline has been changed from July 31, 2020 by 3pm CST to **August 4, 2020 by 3pm CST.**

#### Questions & Answers:

1. **Q:** Is it possible for DCTA to grant an extension on this bid so that respondents can have ample time to prepare a more comprehensive response?  
**A:** See above change.

***Addendum must be acknowledged below and returned with the bid submittal. The underlined text is the addition or change. Some unchanged text from original solicitation is shown only for purposes of context. All other text not referenced below remains the same as stated in the original solicitation or as stated in previous addendums.***

Sarah Martinez  
Director of Procurement

Acknowledged by: \_\_\_\_\_ Date: \_\_\_\_\_  
Firm/Representative

## Question and Answers for Bid #2007-001 - Task Order for On-Demand Service in Member Cities and Contract Cities

### Overall Bid Questions

#### Question 1

Is it possible for DCTA to grant an extension on this bid so that respondents can have ample time to prepare a more comprehensive response? (Submitted: Jul 29, 2020 12:02:01 PM CDT)

#### Answer

- See Addendum 1 (Answered: Jul 30, 2020 12:19:27 PM CDT)

Question Deadline: Aug 4, 2020 3:00:00 PM CDT



## Board of Directors Memo

September 24, 2020

Subject: Consider Approval of Interlocal Cooperation Agreement with Denton County for Law Enforcement Services

**Background:** DCTA originally entered into an Interlocal Cooperation Agreement with Denton County for dedicated law enforcement services in February 2011 for a one-year term and has renewed annually subject to budget reviews.

### Identified Need

Annual Renewal of Agreement between DCTA and Denton County for FY 2021, to provide DCTA with dedicated law enforcement services. The current agreement expires September 30, 2020.

The Denton County Sheriff's Office provides the following services to DCTA:

- a) A-train fare checks and fare enforcement.
- b) Routine and random patrols of DCTA transit properties, vehicles and facilities.
- c) Transit security duties as required by the Department of Homeland Security, TSA, FRA and/or FTA.
- d) Respond to any incidents/accidents along the A-train corridor, if needed.

### Financial Impact

FY 21 Annual estimate is \$101,600 (rate is set by the Denton County Commissioners Court). The amount is budgeted for FY 21 under Rail Operations General Services.

### Recommendation

DCTA staff recommends approval of the annual contract renewal, effective October 1, 2020 through September 30, 2021, with Denton County for law enforcement services.

### Exhibits

Exhibit 1: Interlocal Cooperation Agreement for Law Enforcement Services

Submitted By:   
Rony Philip, Sr. Director Rail Operations

Final Review:   
Sarah Martinez

Approval:   
Kristina Holcomb, Deputy CEO

<b>STATE OF TEXAS</b>	§	
	§	<b>Interlocal Cooperation Agreement</b>
	§	<b>Law Enforcement Services</b>
<b>COUNTY OF DENTON</b>	§	

This Interlocal Agreement (the "Agreement") is made and entered into by and between Denton County Transportation Authority ("DCTA") and Denton County ("County"), acting by and through their authorized representatives.

### RECITALS

**WHEREAS**, DCTA desires to provide peace officers to provide the necessary law enforcement and related services upon certain DCTA property within Denton County, Texas; and

**WHEREAS**, County is a duly organized political subdivision of the State of Texas engaged in the administration of county government and related services for the benefit of the citizens of Denton County, Texas; and

**WHEREAS**, Denton County Sheriff's Office ("DCSO") is a duly organized agency of the County engaged in the providing of law enforcement and related services for the benefit of citizens of Denton County, Texas; and

**WHEREAS**, DCSO desires to provide patrol and other law enforcement services to DCTA as specified herein; and

**WHEREAS**, DCTA and County desire to improve the efficiency and effectiveness of local governments by contracting for services of patrol and other law enforcement services as set forth under this Agreement; 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 DCSO 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 the DCTA is authorized to enter into this Agreement with DCSO to provide the requested patrol and other law enforcement services; and

**WHEREAS**, each party will make any required payments for services from current revenues available to such party; and

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

## **Purpose**

The purpose of this Agreement is for the parties to enter into an Agreement for the County, through the Denton County Sheriff's Office, to provide DCTA with dedicated law enforcement and security services. DCTA agrees to fully fund and reimburse the County for all expenditures necessary to implement and maintain the services as stated in this Agreement.

## **Term**

2.1 The term of this Agreement shall commence on October 1, 2020, and will continue in force through September 30, 2021, at which time the Agreement will expire. In the event a new Interlocal Agreement is not executed prior to the expiration of this Agreement, and the DCSO continues to provide law enforcement patrol services as agreed by the parties, DCTA shall reimburse and compensate the County for patrol services at the rate set by the Denton County Commissioners Court for the next fiscal year.

## **Scope of Services**

3.1 The County will provide services to DCTA, rendering such services with the same equipment as is customarily provided by the Sheriff's Office in unincorporated Denton County. Services rendered will also include, but will not be limited to, the following:

- (a) Fare checks and enforcement;
- (b) Both routine and random patrols of DCTA transit properties, vehicles and facilities;
- (c) Transit security duties as required by the Department of Homeland Security, Transportation Security Administration, Federal Railroad Administration, and/or Federal Transit Administration; and
- (d) Additional services that may be agreed to by the respective liaisons.

3.2 **Administration of Services.** County will administrate the provision of services through (1) Denton County Sheriff's Office Policy and Procedures; and (2) Denton County Administration Policy and Procedures. Any and all changes, revisions, upgrades, reclassifications, and deletions to personnel and accompanying equipment will conform to these policies.

3.3 **Patrol Unit.** In exchange for the provision of one or more Patrol Unit(s), DCTA agrees to pay the County, a sum, per unit, totaling the reasonable and necessary expenses more fully described in Exhibit "A," Denton County Budget Impact Statement. The payments made by DCTA to County shall be used by County for reasonable and necessary law enforcement equipment and requirements to support the law enforcement efforts of the Patrol Unit. A Patrol Unit consists of one (1) the Sheriff's Deputy (personnel), (2) the equipment necessary to support the Deputy and (3) direct and non-direct support services.

3.4 **Number of Patrol Units.** DCTA will determine the number of Patrol Units to be funded through this Agreement. The Denton County Budget Office will prepare a Budget Impact Statement reflecting the reasonable and necessary expenses to provide a Patrol Unit to DCTA.

**3.5 Hours Worked by Patrol Unit.** The contracted number of hours worked biweekly by one patrol unit is 80 hours. DCTA and the County will agree to the work shifts for each patrol unit. The Sheriff's Office will manage the schedule of each patrol unit so that the patrol unit has as many direct patrol hours as possible available to DCTA. DCTA understands that a patrol unit may have a certain number of undefined hours in which the unit may be needed to attend court hearings, training, meetings, or have routine employee related absences which may reduce the number of direct patrol hours. If possible and within personnel and budgetary limits, County may assign a substitute patrol unit to DCTA to provide service in the absence of the assigned patrol unit. County Liaison will provide information to DCTA's Liaison Contact of patrol deputy absences.

**3.6 Overtime.** Any time worked by the patrol deputy in excess of 80 hours biweekly is considered overtime. Overtime costs will be administered in accordance with the Denton County Attendance/Leave Time/Overtime policy as it applies to Non-exempt law enforcement personnel. DCTA and the County will establish an overtime protocol designed to help manage overtime costs. DCTA agrees to compensate the County for any overtime directed by DCTA. Such costs will be added to the monthly invoice to DCTA.

**3.7 Absences.** DCTA understands and agrees that the nature of staffing personnel will include a certain amount of employee absences. Each patrol unit deputy will receive County employee benefits including holiday, sick, vacation, personal, comp time that will be incorporated in their 80 hour biweekly service hours, thus reducing the amount of direct patrol hours to DCTA. If possible and within personnel and budgetary limits, County may assign a substitute patrol unit to DCTA to provide service in the absence of the assigned patrol unit. County Liaison will provide information to DCTA's Liaison Contact of patrol deputy absences.

**3.8 Patrol Deputy Duties and Services.** The duties of a Deputy are limited to providing services as outlined in "Scope" above, routine paperwork of filing reports, general services calls, making arrests, and the issuance of citations for offenses and violations of Texas law and local Orders and Resolutions adopted by DCTA. The Deputy may attend Court hearings as necessary.

- (a) The Deputies are duly appointed Deputy Sheriffs of the Denton County Sheriff's Office and are licensed peace officers under the laws of the State of Texas.
- (b) The Deputies will follow all guidelines promulgated by the Denton County Sheriff's Office, the Denton County Personnel Policies and civil and criminal laws of the State of Texas.
- (c) The Deputies will follow job assignments or special requests which have been properly routed through the County Liaison and that do not conflict with the policies and procedures of County. The Deputies will refer all job assignments or special requests which are directed to them to the County Liaison.
- (d) The duties of the Deputies do not include ongoing criminal investigations, mental health intervention, warrant services, or animal control services.
- (e) The Deputies will attend continuing education as required by the Texas Commission on Law Enforcement ("TCOLE") during scheduled work hours.

**3.9 Support Services for Patrol Deputies.** In addition to the direct services each patrol unit provides to DCTA, the County agrees to provide the following indirect support services, as deemed necessary or proper by the County and as is customarily provided by the Sheriff's Office in unincorporated Denton County:

- (a) Supervisory and administrative personnel;
- (b) Criminal Investigation and Crime Scene Services as needed;
- (c) Juvenile Officer and Youth Services as needed;
- (d) Crime Prevention and Analysis services as needed;
- (e) All usual and customary supplies, record keeping, evidence and data processing support needed to support and administer this Agreement;
- (f) Complete access and use of the Denton County Jail for defendants arrested on charges originating on DCTA property or vehicles at no additional cost to DCTA; and
- (g) Ongoing training as required by TCOLE.

### **County's Responsibilities**

4.1 For the purposes and consideration herein stated and contemplated, the County, through DCSO, will provide the following necessary and appropriate services for DCTA to the extent authorized by this Agreement and state or federal law, without regard to race, religion, color, age or national origin.

4.2 **Liaison Officer.** County will designate the Denton County Sheriff or his designee to act on behalf of County, and to serve as "Liaison Officer" for County. The Liaison Officer shall make or receive requests and confer upon matters concerning the delivery of services to DCTA. DCTA will observe and utilize the Liaison Officer who will devote sufficient time and attention to the execution of said duties on behalf of the County and will provide immediate and direct supervision of the Denton County Sheriff's Office employees, in the furtherance of the purposes, terms and conditions of this Agreement for the mutual benefit of County and DCTA.

County Liaison

Denton County Sheriff  
127 N. Woodrow Lane  
Denton, TX 76205  
Administration Phone Number (940)349-1620

4.3 **Service Management.** The planning, organization, assignment, direction, and supervision of County personnel under this agreement will be determined by DCSO. The rendition of service, the standards of performance, the discipline of deputies, and other matter incident to the performance of such services and the control of personnel so employed will be the responsibility of DCSO.

4.4 **Responsiveness.** County will give prompt consideration to all requests from DCTA routed through the Liaison Officer regarding delivery of services under this Agreement. County shall make every effort to comply with these requests as long as they are consistent with the law, the General Manual and the Operations Manual of the Denton County Sheriff's Office.

4.5 **INSURANCE.** County shall provide, during the term of this Agreement, workers compensation insurance in the amounts required by Texas state law, for all County employees engaged in work under this Agreement. This provision does not negate the DCTA's responsibility to fully reimburse County for all expenditures including but not limited to those outlined in Texas Local Government Code §362.003(c). As to all other insurance provided by County, upon

request by DCTA, it shall provide DCTA with documentation indicating coverage prior to the beginning of any activities under this Agreement.

### **DCTA's Responsibilities**

5.1 For the purposes and consideration herein stated and contemplated, DCTA shall provide the following necessary and appropriate services for County to the maximum extent authorized by this Agreement and state or federal law, without regard to race, religion, color, age or national origin.

5.2 **Liaison**. DCTA shall designate a representative to act on behalf of DCTA, and to serve as "Liaison Contact" for DCTA. The Liaison Contact will devote sufficient time and attention to the execution of said duties on behalf of DCTA and will provide immediate and direct supervision of DCTA employees, agents, contractors, and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this Agreement for the mutual benefit of DCTA and County.

DCTA Liaison:	General Manager, Rail Operations P.O. Box 96 Lewisville, Texas 75067 Phone Number: 972-221-4600
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5.3 **Areas of Enforcement**. DCTA shall provide County with accurate information concerning areas, vehicles and structures of DCTA and the areas to be routinely patrolled as well as fare enforcement policies.

### **Compensation**

6.1 DCTA agrees to fully fund and reimburse the County for all expenditures necessary to implement and maintain the services as stated in this Agreement. DCTA shall compensate County for the expenditures and services as provided in Exhibit "A" within thirty (30) days of the receipt of a proper invoice provided there are no errors or discrepancies and that all work services on the invoice have been performed. Any errors, discrepancies or the invoicing of services not performed may result in a delay in payment.

6.2 County shall address its monthly invoices to:

DCTA  
Attention: Accounts Payable  
P.O. Box 96  
Lewisville, Texas 75067

6.3 **Suspension of Services**. The Denton County Auditor's Office shall notify the DCSO if DCTA should become delinquent in payment of the contracted funding. DCSO's Liaison Officer shall be responsible for notifying the DCTA Liaison Contact to discuss such non-payment. If it becomes necessary for the County to suspend services to DCTA for non-payment, the County Liaison Officer will identify a date on which the services will be suspended and will notify the DCTA Liaison Officer by telephone and in writing (to the Notice addresses provided

in this Agreement) of the date service will be suspended.

If DCTA fails to make payment to County within thirty (30) days after the date of billing for a monthly invoiced amount, the County, as its discretion, may suspend service until payment is received or may terminate Agreement by giving proper notice.

If service by County to DCTA has been suspended for non-payment and DCTA subsequently becomes current on payments owed to County under this Agreement, it is the responsibility of DCTA to contact the County Liaison Office to confirm receipt of payment and that services are reactivated. DCTA will not receive credit for time which service is suspended for non-payment.

## **Personnel**

**7.1 Chain of Command.** The Patrol Deputy will be an employee of County and will be in the chain of command at the Denton County Sheriff's Office. The Patrol Deputy is obligated to follow all guidelines, policies, and procedures of Denton County and the Denton County Sheriff's Office.

**7.2 Work Assignment.** The Patrol Deputy shall have their work assignment and duties outlined under this Agreement as their primary job assignment, and will not regularly be assigned additional police duties by the Sheriff's Office. The County reserves the right, however, to reassign the Deputy temporarily in the event of an emergency, or when other circumstances require an enhanced police presence elsewhere in the county.

**7.3 Patrol Deputy Candidate.** DCTA retains the right to provide input into the initial and continuing approval of the candidate employed as a Patrol Deputy. DCTA shall not unreasonably reject any Patrol Deputy candidate not to its satisfaction. If the Patrol Deputy assigned to DCTA subsequently becomes unsatisfactory to DCTA, DCTA may, through the designated Liaison Officer request an alternate deputy.

**7.4 Reduction in Force.** The parties recognize that in the event a contract or grant funding is no longer available, removed or discontinued, such as through loss of a contract or grant funding, the employees assigned to that activity or function will be reassigned to other open classified positions of the same rank in the Sheriff's Office. Such reassignments may involve intra-divisional transfer. If there are no appropriate open positions available and a reduction in force is necessary, then the provisions for layoffs and dismissals will be used to accomplish the reduction in force within the Sheriff's Office.

**7.5 Denton County Civil Service.** The parties recognize the authority, rules, regulations, and procedures of the Denton County Personnel Policies, Denton County Sheriff's Office General Manual, Policy, & Procedures, and the Civil Service Rules of the Denton County Sheriff's Office Civil Service Commission. The rules, regulations, and procedures promulgated by those entities are provided to guide supervisors in management of employees. Occasions may arise that require the parties to investigate incidents in order to properly supervise employees. All parties to this contract agree to cooperate fully in any investigation, or employee review of any kind, that may determine if a violation of the rules, regulations, and procedures has occurred, and

in the recommendation or selection of disciplinary action necessary to deter repeated violations and maintain the integrity and community respect for the Office.

### **Equipment**

8.1 The County will provide law enforcement services to DCTA, rendering such services with the same equipment and vehicle, as is customarily provided by the Sheriff's Office in unincorporated Denton County. DCTA's compensation for such services shall be limited to the amount identified in Exhibit "A."

8.2 **Equipment Replacement.** The County will purchase vehicles and equipment, including computer and other electronic equipment, with funding provided by DCTA for the purpose of providing services under this Agreement. Such vehicles and equipment will be subject to the Denton County Administration Policies and Procedures for replacement of such vehicles or equipment. Such replacement will be incorporated into the budget impact statement and will be consistent with the customary maintenance and replacement schedule for like equipment.

8.3 **Patrol Vehicle.** County and DCTA understand and agree that this Agreement provides funding for the expenses for the County to provide a suitable vehicle, equipment, facilities, maintenance, repair, and service of the vehicle for the performance of all duties and obligations of County as stated herein in Exhibit "A" during the period of this Agreement.

With the funding provided by DCTA, the County will (1) coordinate the purchase of liability insurance coverage via the County's Fleet Policy, (2) provide routine maintenance, repairs, and fuel costs of the vehicle, and (3) purchase, if necessary, and install the necessary equipment to make the vehicle ready for use by the Deputy.

The Deputy shall have the full authority to use the vehicle in accordance with County and Sheriff's Office policies. This includes, but is not limited to allowing the Patrol Deputy to take the vehicle home, within a reasonable distance. DCTA is not responsible for any costs the County determines are attributable to the Deputy's misuse of the vehicle in violation of this Agreement and County and Sheriff's policy.

### **Liability**

This Agreement is made for the express purpose of County providing law enforcement services to DCTA. Both parties acknowledge and agree that the provision of law enforcement services is a governmental function. In no event shall any provision of this Agreement be construed as a waiver of County's or DCTA's sovereign immunity.

### **Availability of Funds**

If monies are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, this Agreement shall be canceled and County may only be compensated for the reasonable value of any non-recurring costs incurred but not amortized in the price of services delivered under this Agreement or which are otherwise not recoverable. The cost of cancellation may be paid from any appropriations for such purposes.

### **Termination**

This Agreement may be terminated by either party upon thirty (30) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party; provided, however, that in any such case, County shall be paid the reasonable value of the services rendered up to the time of termination on the basis of the payment provisions of this Agreement.

### **Miscellaneous**

12.1 **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.

12.2 **Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other party.

12.3 **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.

12.4 **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.

12.5 **Amendments.** This Agreement may be amended by the mutual written agreement of the parties.

12.6 **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.

12.7 **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:

Attention: Raymond Suarez, CEO  
Denton County Transportation Authority  
P.O. Box 96  
Lewisville, Texas 75067  
972-221-4600 Telephone  
972-221-4601 Facsimile

*With copy to:*

Peter G. Smith  
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.  
1800 Ross Tower  
500 North Akard  
Dallas, Texas 75201

If intended for County:

Honorable Andy Eads, Denton County Judge  
Denton County Commissioners Court  
Courthouse-on-the Square  
110 West Hickory Denton, Texas 76201  
(940) 349-2820 Telephone  
(940) 349-2821

If intended for DCSO:

Denton County Sheriff's Office  
127 N. Woodrow Lane  
Denton, Texas 76205  
(940) 349-1620 Telephone

*With copy to:*

Assistant District Attorney  
Counsel to the Sheriff  
127 N. Woodrow Lane  
Denton, Texas 76205  
(940) 349-2390

12.8 **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.

12.9 **Exhibits.** The Exhibits attached hereto are incorporated herein.

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

12.11 **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.

12.12 **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.

12.13 **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.

12.14 **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.

12.15 **Third-Party Subcontractors.** DCTA has the right to contract with a third-party or other contractors to perform all or any part of the service under this Agreement. The terms and conditions of this Agreement shall be binding on such third-party contractors

12.16 **Disputes.** Any dispute arising from the failure of either DCTA or County to agree on proportionate reduction will be determined by mutual agreement of the Sheriff and DCTA Liaison Contact, or their designees.

Any dispute arising from the failure of either DCTA or County to agree on proportionate reduction in fees will be first submitted to non-binding mediation. Each party will pay one-half (1/2) of the cost of expense of said mediation.

The parties further agree that the scope of matters to be submitted to dispute mediation as referenced above is limited to disputes concerning sufficiency or performance and duty to pay or entitlement, if any, to any reduced fee or compensation. Any other disputes or conflicts involving damages or claimed remedies outside the scope of sufficiency or performance and compensation adjustment will be referred to a court of competent jurisdiction.

**EXECUTED duplicate originals on the dates indicated below.**

**Denton County, Texas**

**Denton County Transportation Authority**

By:

By:

\_\_\_\_\_  
Andy Eads, County Judge  
Denton County Commissioners Court

\_\_\_\_\_  
Raymond Suarez, CEO

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By:

By:

\_\_\_\_\_  
Denton County Assistant District Attorney  
Counsel to the Sheriff

\_\_\_\_\_  
Peter G. Smith, General Counsel

APPROVED AS TO CONTENT:

By:

\_\_\_\_\_  
Tracy Murphree, Denton County Sheriff

## Exhibit A

DENTON COUNTY, TEXAS

Prepared By: KS

Date: 8/21/2020

## BUDGET IMPACT STATEMENT

CONTRACT ESTIMATE FOR: Denton County Transportation Authority (DCTA)

## Annual Estimate

## Salary/benefits and Miscellaneous Operating Expenses

Effective: October 1, 2020 - September 30, 2021

	FY2021 Annual (12 month) Estimate	
	COUNTY PORTION	ANNUAL ESTIMATED CONTRACT FUNDING
	Average Sheriff Deputy Salary/Benefits Grade 107 Average M&O Expenses	Average Sheriff Deputy Salary/Benefits Grade 107 Average M&O Expenses
4020- Salary, Assistants	\$0	\$59,615
4040- Overtime Pay	\$0	\$225
4060- Longevity Pay	\$0	\$663
4091- Certification Pay	\$0	\$900
4092- Degree Incentive	\$0	\$900
<i>Subtotal Salaries</i>	\$0	\$62,303
4120- FICA	\$0	\$4,766
4130- Retirement	\$0	\$8,593
4140- Workers Comp. (LawEnf)	\$0	\$910
4150- Unemployment Insurance	\$0	\$62
4160- Health Insurance	\$0	\$15,325
<i>Subtotal Benefits</i>	\$0	\$29,657
<b>Total Salaries/Benefits</b>	<b>\$0</b>	<b>\$91,960</b>
4204- Administrative Supplies	\$0	\$600
4409- Fuel	\$0	\$4,500
4710- Uniforms	\$0	\$790
4885- Body Armor	\$0	\$900
5010- Training & Education	\$0	\$500
6260- Wireless Services	\$0	\$1,100
6609- Vehicle Care	\$0	\$1,250
6710- Equipment Rental	\$0	\$0
<i>Subtotal M&amp;O</i>	<b>\$0</b>	<b>\$9,640</b>
<b>Grand Total</b>	<b>\$0</b>	<b>\$101,600</b>
<b><i>Recurring Monthly Expenses</i></b>	<b>\$0</b>	<b>\$8,467</b>

This analysis is based on the Average Sheriff Deputy Salary and Benefits @ 40 hours per week and average Maintenance and Operation Expenses. It is the understanding of Denton County that funding for this contract will be provided 100% by the entity according to the terms of the agreement. Denton County will not be providing supplemental funding for any expenses.

## Board of Directors Memo

September 24, 2020

SUBJECT: Discuss Draft DCTA & NTMC Interlocal Agreement Amendment

### Background

Staff seeks board feedback regarding the draft Interlocal Agreement with the North Texas Mobility Corporation (NTMC) amendment for bus operations and maintenance services. The document includes edits addressing previous discussions with the DCTA Board and will be the focus of a joint DCTA-NTMC Board meeting slated for October.

The attached draft, redlined ILA amends the current interlocal agreement from addressing general mobility services to specifically bus operations and maintenance services. It also provides general language clean-up, amends the financial relationship between DCTA and NTMC and the eliminates the ability for NTMC to issue debt, and removes the ILA's automatic renewal clause.

### Identified Need

Pursuant to the June 25, 2020 joint DCTA-NTMC Board meeting, this agreement has been revised for further discussion with the DCTA Board of Directors and an additional joint DCTA-NTMC meeting in October.

### Exhibits

Exhibit 1: DCTA-NTMC Amended ILA Redlined Draft

Submitted By:

  
\_\_\_\_\_  
Kristina Holcomb, Deputy CEO

STATE OF TEXAS  
COUNTY OF DENTON

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**INTERLOCAL AGREEMENT FOR  
Bus Operations and Maintenance ~~MOBILITY~~  
SERVICE OPERATIONS**

This Interlocal Agreement for Bus Operations and Maintenance~~Mobility~~ Service Operations Services ("Agreement" or "Operations Agreement") is made as of the Effective Date by and between **DENTON COUNTY TRANSPORTATION AUTHORITY** ("DCTA"), a Texas political subdivision, being a Coordinated County Transportation Authority pursuant to Chapter 460 of the Texas Transportation Code, as amended, and the **NORTH TEXAS MOBILITY CORPORATION** ("NTMC"), a Texas non-profit local government corporation created pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended and Chapter 394, Texas Local Government, as amended. DCTA and NTMC are hereafter collectively referred to as the "Parties" or individually as a "Party".

**RECITALS**

**WHEREAS**, DCTA is a political subdivision within the State of Texas engaged in the provision of governmental services for the benefit of the residents within its jurisdiction, including, but not limited to, Bus Operations and Maintenance~~mobility~~ services; and

**WHEREAS**, NTMC ~~desires—was created~~ to provide ~~complete mobility services~~bus operations, maintenance and management ~~for the on-going operations of DCTA's mobility services~~ (e.g., fixed route, demand response for the general public, demand response for elderly and disabled and ADA paratransit), fare collection and enforcement ~~services, maintenance, service operation—~~ and ~~DCTA's~~ customer service/call center for DCTA ~~member cities and contracted entities~~ in accordance with the terms and conditions set forth in this Agreement;

**WHEREAS**, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, as amended (the "Act"), provides authority for local governments of the State of Texas to enter into interlocal agreements with each other and with local government corporations for the purpose of performing governmental functions and services as set forth in the Act;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby acknowledged, and upon and subject to the terms and conditions hereinafter set forth, the Parties agree as follows:

**ARTICLE I  
TERM OF AGREEMENT**

**1.01 Initial Term.** This Agreement shall commence on the Effective Date and end on the last day of the twentieth (20<sup>th</sup>) complete Fiscal Year after NTMC commences providing ~~Mobility S~~services to DCTA ("the Initial Term").

~~**1.02 Renewal Term.** After the end of the Initial Term, this Agreement shall be extended automatically through each subsequent Fiscal Year (each being a "Renewal Term") unless terminated as provided in this Agreement.~~

## ARTICLE II DEFINITIONS

**2.01. Definitions and Interpretations.** In addition to the definitions stated in the preamble and recitals hereof, the following words and phrases as used in this Agreement, unless the context clearly shows otherwise, shall have the following meanings:

“Administrative Services” means services relating to the management and provision of all operations and maintenance activities associated with the DCTA Bus Operations and Maintenance ~~Mobility Operations~~ Services including, but not limited to:

- (a) Information Technology and IT Help Desk services;
- (b) Marketing and Communications (Internal and External);
- (c) Bus Route Planning;
- (d) Data Analytics;
- (e) Oversight and assistance with ~~human resources~~, payroll processing and distribution through the provision of paycheck preparation and processing including writing and delivery (~~by check or~~ direct deposit) to all NTMC employees, on behalf of NTMC;
- (f) ~~Contracts~~ and Procurement development, processing and administration;
- (g) Accounts Payable/Accounts Receivable services and Accounting;
- (h) Legal Services ~~(provided, however, NTMC reserves the right to appoint its own general counsel and other attorneys as necessary from time to time)~~; and
- ~~(i) Identification of Staff Training Support and industry engagement opportunities;~~
- ~~(j) Oversight of compliance;~~
- (j) Budget Preparation Assistance and monthly financial reporting and monitoring.

“Agreement” or “Operations Agreement” means this Agreement and any similar agreements executed between NTMC and DCTA with respect to the provision of Bus Operations and Maintenance ~~the Mobility~~ Services.

“Annual Budget” means the total amount of money required during each Fiscal Year (or portion of a Fiscal Year as described in Section 4.02(a), below) for NTMC to pay (1) all Operation Expenses, ~~(2) the principal of, redemption premium, if any, and interest on any debt issued by NTMC in accordance with Section 4.03 of the Bylaws, and (3) any amounts required to be~~

~~deposited in any special or reserve funds, including any debt service reserve fund or repair and replacement fund.~~

“Board” means NTMC’s Board of Directors.

~~“Bond Resolution” means any resolution of the NTMC Board authorizing the issuance of Bonds and providing for their security and payment, as such resolution(s) may be (i) amended from time to time as therein permitted and (ii) the substance and form of which is approved by DCTA.~~

“Bylaws” means the Bylaws of NTMC and all amendments thereto as approved by the Parties.

“Certificate” means the Certificate of Formation of NTMC on file with the Texas Secretary of State and shall include all amendments thereto and restatements thereof.

~~“Credit Agreement” means any credit agreement, as defined in Chapter 1371, Texas Government Code, which NTMC enters into relating to its obligations with respect to the Bonds, the substance and form of which is approved by DCTA; provided, however, for purposes of this Agreement, “Credit Agreement” shall not include Interest Rate Management Agreements as defined in Chapter 1371, Texas Government Code.~~

“DCTA Member City” means a municipality that (a) has either (i) authorized a one-half cent (\$0.005) sales tax pursuant to Chapter 322 of the Texas Tax Code, as amended, or (ii) designated a public transportation financing area in accordance with Chapter 460, Subch, I of the Texas Transportation Code, as amended, and (b) is represented by a voting position on the DCTA Board of Directors.

“Effective Date” means the date this Agreement signed by authorized representatives of the Parties.

“Fiscal Year” means the twelve (12) month period beginning each October 1 and ending the next subsequent September 30.

~~“Mobility Bus Operations and Maintenance Services” means services relating to the management and provision of all operations and maintenance activities associated with DCTA Mobility Bus Operations and Maintenance Services including, but not limited to:~~

- a. Fixed Route Bus Services;
- b. Commuter Bus Services;
- ~~c. Mobility as a Service;~~
- cd. Demand Response (ADA, General Public and Elderly/Disabled);

- de. Customer Service/Call Center;
- ef. Fleet and Facility Maintenance;
- fg. Data Collection and Reporting;
- hg. Human Resources, payroll, benefits administration, and employee relations;
- hi. Provision of Management Personnel, ~~as-at~~ a minimum providing a, General Manager;
- ij. Recruiting, hiring, retaining, training, managing, and terminating NTMC's employees ~~assigned to provide Mobility Services~~;
- jk. Safety, Security and Compliance;
- k. Management and oversight of the NTMC budgeting, service delivery, maintenance, customer service, compliance and operational support;
- ll. Labor ~~Management~~Engagement and /Collective Bargaining Agreement Negotiation, when applicable;
- mm. Maintain SOPs in conjunction with DCTA management; and
- nn. Such additional services as may be agreed in writing between the Parties from time to time.

“NTMC Governing Documents” means, collectively, the Certificate and the Bylaws.

“Operation Expense” means any cost in the provision of providing the ~~Mobility-Bus Operations and Maintenance~~ Services including, but not limited to:

- (a) repairs ~~and replacements of~~ fleet, equipment and capital items to the extent funds are ~~not held in a special fund~~authorized in the annual budget;
- (b) ~~the cost of utilities, supervision, engineering, accounting, auditing, regulatory costs, legal services, insurance premiums, and any other supplies, services, administrative costs, and equipment necessary in providing the Mobility Services~~;
- (c) costs relating to NTMC employees including, but not limited to, wages, employer contribution to Social Security, group medical, dental, vision, life, and/or disability insurance, workers compensation coverage, retirement benefits, and other costs related to employee pay and benefits paid by NTMC as an employer;
- (d) payments made for the use or operation of any property, payments of fines, and payments made by NTMC in satisfaction of judgments or other liabilities resulting

from claims not covered by NTMC's insurance or not paid by DCTA arising in connection with providing the Bus Operations and Maintenance~~Mobility~~ Services; and

(e) such other costs identified ~~as an Operation Expense~~ in the Annual Budget as a bus operations expense.

~~(f) Depreciation shall not be considered an item of Operation and Maintenance Expense.~~

“Person” means an individual, corporation, organization, government or governmental subdivision or agency, business trust, partnership association, or any other legal entity that is not DCTA or NTMC.

“Standard Operating Procedures” or “SOPs” mean the standard operating procedures relating to the provision of the Bus Operations and Maintenance~~Mobility~~ Services developed and adopted by NTMC, subject to approval of DCTA.

**2.02. Interpretation.** The caption headings of this Agreement are for reference purposes only and shall not affect its interpretation in any respect. Unless the context otherwise requires, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa. This Agreement and all the terms and provisions shall be liberally construed to effectuate the purpose set forth herein and to sustain the validity of this Agreement.

### ARTICLE III SCOPE OF SERVICES

NTMC shall provide Bus Operations and Maintenance~~Mobility~~ Services as reasonably required by DCTA and as necessary to assist DCTA in accordance with this Agreement including efficient operation, delivery and all other normal managerial functions reasonably required in the day-to-day provision of ~~service~~ delivery of the Bus Operations and Maintenance~~Mobility~~ Services in accordance with the SOPs. DCTA will provide to NTMC all equipment, facilities and working capital needed for the provision of the Bus Operations and Maintenance~~Mobility~~ Services.

### ARTICLE IV PAYMENTS

**4.01. Annual Expense Budget.** The Parties acknowledge and agree that payments to be made under this Agreement ~~, investment income, revenues received from other Persons, and other revenues attributable to the provision of the Mobility Services,~~ will be the only sources available to NTMC to provide the Annual Budget; and that the Annual Budget shall at all times be not less than an amount sufficient to pay or provide for the payment of:

(a) **Operation and Maintenance Component.** An “Operation and Maintenance Component” equal to the amount paid or payable for all Operation and Maintenance Expenses; and

~~(b) — **Debt Service Component.** A “Debt Service Component” related to the cost of issuance and repaying the principal and interest on any debt issued by NTMC as authorized by DCTA pursuant to the NTMC Governing Documents.~~

**4.02 NTMC Annual Expense Budget.** NTMC shall adopt and approve an Annual Budget in accordance with applicable provisions of the NTMC Governing Documents. The Annual Budget shall, as a minimum, reflect the Annual Budget and all reasonable anticipated ~~revenues~~ for transfers from DCTA within the Fiscal Year for which the Annual Budget is adopted.

**4.03 Annual DCTA Budget; Appropriation.** DCTA shall make provision in its annual budget and shall appropriate an amount sufficient, at a minimum, for the payment of all amounts required to be paid by DCTA during each Fiscal Year under this Agreement. Failure of DCTA to include in DCTA’s annual budget funds to pay the Annual Budget for any Fiscal Year shall constitute a notice of termination of this Agreement in which case the provision of Bus Operations and Maintenance ~~Mobility~~ Services shall be immediately suspended until DCTA appropriates funds to pay NTMC’s Annual Budget and, in fact, pays such funds as provided in Section 4.04, below.

**4.04 ~~Payments Transfer from by DCTA.~~** ~~DCTA will transfer funds to NTMC equal to NTMC’s actual expenses at the end of each month. NTMC shall prepare and deliver an invoice to DCTA for the cost of providing Mobility Services as determined by the Annual Budget and Sections 4.02 and 4.03, above. Such invoices shall be issued monthly with the due date thirty (30) days after receipt of the invoice from NTMC. The initial invoice shall be delivered and payable on the first day of the Fiscal Year after the approval of the first Annual Budget for the portion of the Fiscal Year after the Effective Date of this Agreement. Notwithstanding the foregoing to the contrary, NTMC shall not be required to invoice DCTA for payment of Mobility Services as long as DCTA is providing Accounts Payable and Receivables services pursuant to Article VII.~~

**4.05 ~~Delinquent Payments.~~** ~~Payments not made by DCTA on or before the thirtieth (30th) day following receipt of the invoice for same shall be deemed delinquent. Interest shall accrue on delinquent payments at the rate authorized pursuant to Ch. 2251 of the Texas Government Code, as amended. NTMC is authorized to discontinue service under this Agreement to DCTA if DCTA fails to make any delinquent payment on or before the tenth (10th) day after NTMC provides written notice to DCTA in accordance with Tex. Govt. Code §2251.051. NTMC shall not be obligated to recommence provision of service to DCTA until all past due amounts, including any accrued interests and reasonable costs of collection authorized by law, have been paid to NTMC.~~

**4.06 ~~Interest Income.~~** ~~All interest income earned by the investment of any funds created pursuant to any Bond Resolution shall be credited towards the payment of the Bond Service Component and taken into account in determining the Annual Budget; except as to any fund or account created pursuant to the terms of a Bond Resolution or any financing document authorized by such Bond Resolution and funded from any Bond proceeds, together with all interest income earned by the investment thereof may, at the option of NTMC, be credited to such fund or account and used for the purposes for which the Bonds are issued, or be credited towards the payment of the Bond Service Component.~~

~~4.07 Place of Payment. Except to the extent otherwise provided by any Bond Resolution or as may otherwise be amended by written notice by NTMC to DCTA, all amounts due under this Agreement shall be paid and be due at the principal administrative offices of NTMC.~~

## ARTICLE V STANDARD OPERATING PROCEDURES

**5.01 Adoption of SOPs.** As soon as reasonably possible following the Effective Date, the Parties shall develop and adopt an approved set of Standard Operating Procedures (“SOPs”), including performance measures for the provision of the Bus Operations and Maintenance~~Mobility~~ Services. Until such time as the SOPs are developed pursuant to this Section 5.01, NTMC shall provide the Bus Operations and Maintenance~~Mobility~~ Services pursuant to the SOPs approved by DCTA

**5.02 SOP on Claim Notification.** The SOPs shall include a detailed procedure by which the NTMC General Manager shall timely notify designated DCTA personnel of lawsuits, employment claims, citations, and other legal actions against NTMC and/or DCTA, which become known to the NTMC General Manager.

**5.03 Additional SOPs.** Throughout the term of this Agreement, DCTA may request NTMC develop other SOPs not outlined in the Scope of Services but that are necessary for the successful provision of the Bus Operations and Maintenance~~Mobility~~ Services.

## ARTICLE VI GENERAL MANAGER; OPERATIONS MANAGER; OTHER OPERATIONAL MATTERS

**6.01 NTMC General Manager.** NTMC shall directly employ or contractee a person to serve as General Manager, who shall be responsible for management of the Bus Operations and Maintenance~~Mobility~~ Services and all NTMC employees. Management of DCTA’s Mobility Operations includes oversight of annual budget, service provision, customer service, and fleet and facility maintenance. The NTMC General Manager shall be expected to perform or ensure performance of all requirements set forth under this Agreement in a manner consistent with DCTA standards.

**6.02 DCTA Contract Manager.** DCTA shall appoint a DCTA employee to serve as Contract Manager with respect to this Agreement. The DCTA Contract Manager has oversight of this agreement and shall serve as the NTMC General Manager’s primary contact with respect to the performance of NTMC and its employees in the provision of Bus Operations and Maintenance~~Mobility~~ Services in accordance with the terms of this Agreement. The SOPs shall include details on the reporting requirements between the DCTA Contract Manager and the NTMC General Manager.

**6.03 Issuance of Debt.** Notwithstanding other provisions of this Agreement that refer to the issuance of debt by NTMC, the Parties understand, acknowledge, and agree that NTMC is not authorized to issue bonds, certificates of obligation, or other debt instruments without the prior unanimous consent of DCTA granted pursuant to the NTMC Governing Documents.

**6.04 Establishment of Operational Policies and Procedures.** The Parties understand, acknowledge, and agree that, subject to the NTMC Governing Documents, NTMC shall be solely

responsible for the adoption, implementation, and enforcement of policies and procedures (in addition to the SOPs) necessary for the operation and management of NTMC and the provision of Bus Operations and Maintenance ~~Mobility~~ Services.

## ARTICLE VII ADMINISTRATIVE SERVICES BY DCTA

**7.01 ~~When In Support of Member Cities' Services.~~** As additional consideration for this Agreement, DCTA agrees to provide Administrative Services, at DCTA's cost for Bus Operations and Maintenance ~~Mobility~~ Services provided for the benefit of the Member Cities, either directly or through contracts between DCTA and a third-party, for and on behalf of NTMC in relation to NTMC management and operations. With respect to any administrative services provided by DCTA pursuant to this Article VII that require payments to a third-party, DCTA shall make all such payments within the time required by the agreement or terms of account pursuant to which the payment must be made. ~~With respect to any agreement managed by DCTA for NTMC, DCTA shall immediately deliver to NTMC any notice received under said agreement.~~

~~**7.02 When in Support of Others.** The Parties acknowledge and agree that Section 7.01 relates solely to the provision of Administrative Services in support of Mobility Services provided to and for the benefit of the Member Cities. The cost for Administrative Services provided by DCTA to NTMC in support of the provision of Mobility Services provided to a third party other than one or more of the Member Cities shall be either:~~

~~(a) If DCTA is the entity contracting with such third party to provide DCTA Mobility Services, determined and collected directly by DCTA from such third party; or~~

~~(b) If NTMC is the entity contracting with such third party, determined by DCTA prior to NTMC entering such third party agreement, collected by NTMC from the third party, and paid to DCTA.~~

## ARTICLE VIII RELATIONSHIP OF PARTIES

All services to be performed by NTMC pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of DCTA. NTMC shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. Nothing herein shall be construed as a waiver by any of the Parties of any rights, standings or immunities granted under the Texas Tort Claims Act, Chapter 101, Texas Civil Practices & Remedies Code, or under any other provision of law.

## ARTICLE IX EMPLOYER STATUS

NTMC agrees to submit to DCTA for review all collective bargaining agreements ("CBA") or other employment agreements and amendments thereto negotiated by NTMC in order to allow

DCTA to determine if such agreements and amendments can be supported within the approved DCTA budget. Unless the agreements and amendments set forth in the proposed CBA are inconsistent with this Agreement or not in line with DCTA's budget, DCTA shall have no authority to control or modify the terms of the CBA between NTMC and any labor union. DCTA shall have no right to bargain with any labor union representing NTMC employees or enter into agreements with any labor union regarding NTMC employees.

## ARTICLE X EQUIPMENT, FACILITIES AND SERVICES

DCTA will furnish, at its expense and without cost to NTMC, the use of all necessary office space, utilities, furniture, equipment, supplies, materials, communication services, ~~legal services~~, postage, ~~secretarial and clerical assistance~~, and such automobile transportation and related parking as may be reasonably necessary for the provision of the Bus Operations and Maintenance~~Mobility~~ Services.

## ARTICLE XI INSURANCE

DCTA shall furnish and maintain, at its sole cost and expense, at all times during the term of this Agreement and any renewal or extension thereof, (i) a standard policy of automobile liability insurance having a combined single limit of not less than \$5,000,000 per occurrence insuring NTMC for the ownership, maintenance, use or operation of the buses and other vehicles used in connection with the provision of the Bus Operations and Maintenance~~Mobility~~ Services, other DCTA operations or businesses, or in any way associated with this Agreement, (ii) a standard policy of general liability insurance having a combined single limit of not less than \$1,000,000 per occurrence insuring NTMC, its agents, servants and employees for their acts and omissions in connection with the management and operation of the Bus Operations and Maintenance~~Mobility~~ Services pursuant to this Agreement, and (iii) a standard policy of workers' compensation insurance covering all employees utilized in the operation of the Bus Operations and Maintenance~~Mobility~~ Services in accordance with applicable law, together with employer's liability coverage of not less than \$1,000,000 per employee per accident and \$1,000,000 per employee for disease. Each such policy (a) shall be written by an insurer reasonably acceptable to NTMC, (b) shall, with the exception of the workers' compensation policy, be endorsed to name NTMC, as defined above, as additional insureds, (c) shall provide that the coverage afforded thereby is primary as to NTMC and not excess and (d) shall provide that it cannot be cancelled or materially altered without thirty (30) days prior written notice to NTMC. DCTA shall provide NTMC with one or more certificates evidencing compliance with the provisions of this section. The insurance required by this Article XI may, at DCTA's discretion, be provided through purchase of a separate insurance policy and/or through the addition of NTMC to DCTA's policies as an insured party.

## ARTICLE XII BREACHES AND DISPUTE RESOLUTIONS

**12.01 Disputes.** Disputes arising in the performance of this Agreement which are not resolved by agreement of the Parties shall be decided in writing by the authorized representative of DCTA. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, NTMC mails or otherwise furnishes a written appeal to DCTA's authorized representative. In connection with any such appeal, NTMC shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of DCTA's authorized representative shall be binding upon NTMC, and NTMC shall abide by the decision. Nothing in this paragraph is meant to limit either Party's right to pursue any action in a court of law.

**12.02 Performance During Dispute.** Unless otherwise directed by DCTA, NTMC shall continue its performance under this Agreement while matters in dispute are being resolved.

**12.03 Claims for Damages.** Should either Party suffer injury or damage to persons or property because of any act or omission of the other Party or of any of its employees, agents or others for whose acts it is legally liable, a claim for damages therefore shall be made in writing to such other Party within a reasonable time after the first observance of such injury or damage.

## ARTICLE XIII TERMINATION

**13.01 DCTA Termination for Convenience.** DCTA may terminate this Agreement without cause in whole or in part, at any time by not less than one hundred eighty-days (180) days prior written notice to NTMC.

**13.02 Termination for Default.** If either Party fails in any material respect to perform in the manner provided in this Agreement, the non-defaulting Party may terminate this Agreement for default. Termination shall be affected by serving a notice of termination on the non-terminating Party setting forth the manner in which such Party is in default. NTMC shall only be paid for Mobility Services performed in accordance with the manner of performance set forth in this Agreement to the date of termination.

**13.03 Opportunity to Cure.** The terminating Party shall in the case of a termination for breach or default, allow the non-terminating party an appropriate short period of time in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate condition.

**13.04 DCTA Termination.** If NTMC fails to remedy to DCTA's reasonable satisfaction the breach or default of any of the terms, covenants, or conditions of this Agreement within thirty (30) days after receipt by NTMC of written notice from DCTA setting forth the nature of said breach or default, DCTA shall have the right to terminate the Agreement without any further obligation to NTMC. Any such termination for default shall not in any way operate to preclude either Party from also pursuing all available remedies for said breach or default.

**13.05 Remedies.** Notwithstanding anything in this Agreement to the contrary, as governmental entities, the Parties have not waived immunity from suit and liability under Texas law, and the execution and delivery of this Agreement does not constitute such a waiver. The

foregoing sentence notwithstanding, and to the extent permitted by law, the obligations, agreements, and covenants of NTMC and DCTA (including, without limitation, the obligation of DCTA to pay amounts under the Annual Budget, as provided herein) contained in this Agreement may be enforced by any Party and any holder of Bonds of NTMC by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained herein.

**13.06 Legal Authority.** In entering into this Agreement and performing all duties and obligations hereunder, the Parties exercise their authority under and in accordance with the constitution and laws of the State including, but not limited to the Act, DCTA's By-laws, the NTMC Governing Documents, and all other laws that may authorize this Agreement, all of which provisions and laws, cited or uncited herein, shall cumulatively provide the authority for this Agreement.

## ARTICLE XIV MISCELLANEOUS

**14.01 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.

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

**14.03 Assignment.** NTMC may not assign this Agreement in whole or in part without the prior written consent of DCTA. In the event of an assignment by NTMC 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.

**14.04 Successors and Assigns.** Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and assigns.

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

**14.06 Amendments.** This Agreement may be amended by the mutual written agreement of the Parties.

**14.07 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.

**14.08 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.

**14.09 Recitals.** The recitals to this Agreement are incorporated herein.

**14.10 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:

With Copy to:

Denton County Transportation Authority  
Attn: Raymond Suarez, CEO  
~~1955 Lakeway Drive, Suite 260~~ PO Box 96  
Lewisville, Texas 750567

~~Peter G. Smith~~ Joseph Gorfida  
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.  
500 North Akard, Suite 1800  
Dallas, Texas 75201

If to NTMC:

North Texas Mobility Corporation  
Attn: Kristina Holcomb, President  
1955 Lakeway Drive, Suite 260  
Lewisville, Texas 75057

**14.11 Counterparts.** This Agreement may be executed by the Parties 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.

**14.12 Exhibits.** The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

**14.13 Compliance with Federal, State & Local Laws.** NTMC shall comply in performance of services under the terms of this Agreement with all applicable laws, ordinances and regulations, judicial decrees or administrative orders, ordinances, and codes of federal, state and local governments, including all applicable federal clauses.

**14.14 Force Majeure.** No Party will be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, riots, strikes, picketing,

labor disputes, labor shortages, civil disorders, acts of terrorism or any similar cause beyond the reasonable control of such Party, provided that the non-performing Party is without fault in causing such default or delay. The non-performing Party agrees to use commercially reasonable efforts to recommence performance as soon as possible.

**14.15 Legal Counsel.** It shall be the responsibility of DCTA to handle all legal matters of the Bus Operations and Maintenance ~~Mobility~~ Services not covered by insurance except to the extent those legal matters are related to the criminal acts or sole or gross negligence of NTMC, its officers or employees. Whenever legal counsel is required for the benefit of the Bus Operations and Maintenance ~~Mobility~~ Services and such counsel is not provided by DCTA, NTMC shall have the right to retain counsel reasonably acceptable to DCTA and charge the cost thereof as an operating expense under this Agreement.

**SIGNED AND AGREED** this \_\_\_\_\_ day of \_\_\_\_\_, 2019~~20~~.

**DENTON COUNTY TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Raymond Suarez, CEO

Approved as to form:

By: \_\_\_\_\_  
~~Peter G. Smith~~ Joseph Gorfida, General Counsel

**SIGNED AND AGREED** this \_\_\_\_\_ day of \_\_\_\_\_, 2019~~20~~.

**NORTH TEXAS MOBILITY CORPORATION**

By: \_\_\_\_\_  
Kristina Holcomb, President

**Denton County Transportation Authority  
President  
Performance & Development Evaluation**

**PURPOSE**

In order to establish and maintain effective Board and President relations, the Board may institute an ongoing evaluation process that offers an opportunity to review the performance of the President. This evaluation should focus on how effectively the President is accomplishing the goals established by the Board and how she/he is carrying out her/his responsibilities in key performance areas.

Specifically, the evaluation should serve the following needs:

1. Allow the President and the Board to test, identify, and refine their respective roles, relationships, expectations of responsibilities to each other.
2. Allow discussion of the President's strengths and weaknesses as demonstrated by past performance with the objective of increasing the President's effectiveness.

**PROCESS**

1. One month before the evaluation is scheduled; the President completes the President's Self-Evaluation Form.
2. Two weeks before the evaluation is scheduled, the Board Chair will provide each Executive Committee Member with a copy of the evaluation form and the completed President Self-Evaluation Form.
3. Each Executive Committee Member completes an evaluation form and returns one copy to the Board Chair.
4. The Board Chair or his designate tabulates the results of the evaluation forms.
5. The composite evaluation of the Executive Committee, along with the President's Self-Evaluation Form, are distributed by the Board Chair to the Board in an executive session of a board meeting for discussion.
6. The Executive Committee meets with the President privately to jointly review the evaluation.
7. The protocol shall be established by the Board Chair for the meeting including, but not limited to, such considerations as location, time, or time considerations for any particular subject matter.
8. The evaluation process shall normally occur in April of each year, except that the Executive Committee may require an additional evaluation at any time during the year.
9. The Board Chair, in executive session of a Board Meeting, shall suggest any salary adjustments to the Board for its consideration.

**PRESIDENT  
SELF-EVALUATION FORM**

(If additional pages are needed for comments, please attach them. The response to the questions on this form should be completed and provided to the Board Chair two weeks before their evaluations of the President are due. Your comments on these self-evaluation questions will be attached to the performance evaluation.)

1. What progress have you made in accomplishing your goals and/or work assignments since your last evaluation?
2. What other job-related accomplishments have you had that were not part of the goals set at your last evaluation?
3. What obstacles, or setbacks, did you encounter during the year that have affected your ability to accomplish goals?
4. What do you see as your major goals for the next year?
5. What can the Executive Committee and Board do to help you accomplish these goals?
6. What suggestions do you have for improving the effectiveness between you and the Executive Committee and Board?
7. Do you have specific training needs which the Executive Committee and Board can facilitate, and how will these needs help you in meeting your goals?
8. Are there any other issues or comments you wish to share?

///Original Signed///  
\_\_\_\_\_  
President's Signature

\_\_\_\_\_  
Date

## **INSTRUCTIONS**

A space has been provided for each performance area to include your comments. Each person preparing the form is encouraged to select specific examples of why a particular rating has been chosen. The comments included should give the President enough information to correct problem areas and allow her/him to place specific items on her/his work plan for the following year.

*Upon completion of the form, please return it to the Board Chair for tabulation - send instructions to XC when doing form.*

**Key performance improvements needed:** Based upon your evaluation, what areas would you suggest the President work on to improve her/his skills and to be more effective in specific areas or situations?

## **USE TO PREPARE MEMO TO SEND EVALUATION FORM TO COMMITTEE**

**PRESIDENT  
PERFORMANCE EVALUATION FORM  
FOR AUGUST 2017**

(If additional pages are needed for comments, please attach them.)

**Accomplishments:** Has the President accomplished or worked toward accomplishing the goals established by the Board? Why or why not?

**Strengths:** Based upon your overall evaluation of the President, what areas would you list as her/his strong points as President?

**Key Performance Areas:**

1. Implementation of Board policy; assisting the Board in the development of annual and long-range goals; and carrying out directives of the Board

- ☐ Executive Competencies Exceed Expectations  
☐ Executive Competencies Fully Demonstrated,  
☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed  
☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

\_\_\_\_\_

2. Financial planning and administration; prepares and administers annual budget, with a multiyear vision

- ☐ Executive Competencies Exceed Expectations  
☐ Executive Competencies Fully Demonstrated  
☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed  
☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

\_\_\_\_\_

3. Staff relations; demonstrates leadership and promotes professional staff performance; including, problem identification and solving
- ☐ Executive Competencies Exceed Expectations
  - ☐ Executive Competencies Fully Demonstrated
  - ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
  - ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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4. Communication with Board; including, effective written and oral presentation and openness to Board feedback or direction
- ☐ Executive Competencies Exceed Expectations
  - ☐ Executive Competencies Fully Demonstrated
  - ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
  - ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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5. Staff support for Board; anticipates and provides reports and recommendations, as required by the Board
- ☐ Executive Competencies Exceed Expectations
  - ☐ Executive Competencies Fully Demonstrated
  - ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
  - ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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6. Personal and professional development; strives to maintain current knowledge and skill levels
- ☐ Executive Competencies Exceed Expectations
  - ☐ Executive Competencies Fully Demonstrated
  - ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
  - ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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7. Alignment with organizations goals, policies and procedures

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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8. Effectiveness in interactions with regional entities

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated,
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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9. Effectiveness in interactions with local constituencies

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated,
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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10. Quantity and Quality of work

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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11. Team work

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments \_\_\_\_\_

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12. Interpersonal skills

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments

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13. Diversity and Sensitivity Awareness

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments

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14. Operational Safety

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments

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15. Acceptance and Action on prior recommendations for personal performance improvement

- ☐ Executive Competencies Exceed Expectations
- ☐ Executive Competencies Fully Demonstrated
- ☐ Some Executive Competencies Not Demonstrated, Some Improvement Needed
- ☐ Executive Competencies Not Satisfactorily Demonstrated. Significant Improvement Needed

Comments

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\_\_\_\_\_  
Board Chair Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
\*Employee's Signature

\_\_\_\_\_  
Date

\*I acknowledge that this Performance Evaluation was discussed with me.

# DCTA

## 2020 CEO Performance Review

### Overview:

At the core, effective performance reviews are primarily about meaningful communication. It is essential that the governing body communicate clearly and unambiguously areas of performance which are functioning well, and areas where performance improvement is possible. But it is also critical for the team to acknowledge the difficult situation a leader is in when the governing body members have differing views on what they expect of the CEO.

This evaluation form is designed to accomplish both of those objectives, and then to serve as a foundation for meaningful, honest and open communication as a team.

### Instructions for Completing the Form:

1. Each Governing Body Member should answer each of the following items as honestly and objectively as possible, remembering that the role of the CEO is to follow the direction of the entire governing body, not that of individual members.
2. Put your name on the review form since this process is designed to communicate each of the governing body members varying desires and expectations to assist in achieving the above mentioned goals.
3. For the section on **Leadership and Management**, please **HIGHLIGHT** in yellow the descriptor which you believe best describes the CEO's performance on that particular characteristic.
  - a. On any item you score as "Poor" or "Unacceptable", please provide specific comments regarding why you have scored that item the way you have. If you cannot describe why you believe improvement is needed and how, then you cannot reasonably expect improvement to occur.
4. For the section on **Quality of Services** please **HIGHLIGHT** in yellow the descriptor that best describes the progress that has been made in the quality of each of the municipal services listed.
  - a. On any item you score as "Declined", please provide specific comments regarding why you have scored that item the way you have. If you cannot describe why you believe improvement is needed and how, then you cannot reasonably expect improvement to occur.

5. For the section on **New Objectives**, please list any new objectives you would like for the Governing Body to consider establishing for the CEO. Please remember that individual governing body members cannot establish objectives for the CEO... only the Board as a body can do so.
6. For the section on **Other Weaknesses** please provide specific details on particular areas in which you would like to see improvement.
  - a. On any item you list as “Other Weaknesses”, please provide specific comments regarding why you have listed that item and the specific changes you would like to see. If you cannot describe why you believe improvement is needed and how, then you cannot reasonably expect improvement to occur.
7. For the section on **Other Strengths** please provide insight into any areas in which you feel the CEO has demonstrated strength that is not otherwise discussed on this form.
8. Once you have completed the form, please email it back to the Consultant.
9. The Consultant will prepare a composite evaluation form that reflects the individual scores of each governing body member on a single combined form using a color-coded key of how each governing body member scored each item to facilitate optimal understanding and meaningful discussion. Each governing body member and the CEO will all receive a copy of the composite form at the evaluation workshop to facilitate and guide the discussion.
10. The composite form will utilize color coding according to the following key. Please complete your comments in the assigned color.

KEY:

**C**= Costa

**G** = Gilmore

**C** = Chrisman

**W** = Watts

**B** = Burke

**Name of Official Completing the Review:**

## **ORGANIZATIONAL VALUES, CULTURE and REPUTATION**

**CONTINUOUS IMPROVEMENT – Creates a culture that is constantly seeking to get better in both big and small things.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**IMPROVING THE AGENCY BRAND – Recognizes that reputation matters and leads in a way that builds trust and confidence in the reputation of the agency. Positions the organization as an industry thought leader of both regional and national significance.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**TRUSTWORTHINESS - Consistently open and straightforward and creates a high trust relationship with the governing body, with employees and with the public.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**PROMOTES a POSITIVE CULTURE – Personally walks the talk of the desired organizational values and culture, and ensures alignment of systems to make it real.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

## **COMMUNICATIONS**

**SENSITIVITY - Listens and understands the positions and circumstances of others; communicates that understanding.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**COMMUNICATIONS WITH GOVERNING BODY - Accurately interprets the direction given by the governing body; keeps you well informed with concise oral and written communication.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**COMMUNICATIONS WITH THE PUBLIC - Is open and available to the public, takes their concerns and problems seriously, recognizes the public's right and need to be well informed; is visible in the community.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**COMMUNICATIONS WITH EMPLOYEES - Provides sufficient information to keep the employees productive, motivated and part of the team; understands their concerns.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**LISTENING – Effectively listens and hears the words and the hearts of governing body, employees and stakeholders.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**CREDITS GOVERNING BODY - Credits agency accomplishments to the policy makers; does not feel a personal ego.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

## **STEWARDSHIP**

**PRODUCTIVITY - Ability to arrange work and apply resources efficiently for themselves and the entire organization, including effective delegation.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comment:

**FINANCIAL MANAGEMENT - Accurately and concisely reports and projects the financial condition; management practices and policies are designed to maintain (or achieve) a sound, long range financial condition - uses debt appropriately, plans for long term replacement and maintenance of equipment and infrastructure.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**RISK MANAGEMENT - Implements effective programs to limit liability and loss.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**OPERATIONAL EFFICIENCY - Obtains the best possible end result for the money spent.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**LEADERSHIP and TEAM BUILDING**

**STRATEGY, VISION and DIRECTION - Ability to anticipate and analyze issues and problems; map effective solutions; lead the organization towards a future that is better than the present.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comment:

**EMPOWERING, MOTIVATING and COACHING - Builds and motivates a team, provides direction, monitors and adjusts performance as necessary.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comment:

**ACCOUNTABILITY and TRANSPARENCY – Creates systems that ensure high accountability and transparency at all levels.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comment:

**SYSTEMS APPROACH – Leads in a way that recognizes that the human systems infrastructure of the organization determine both culture and performance and ensures that those systems are designed to achieve the desired culture and performance.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**COLLABORATION and PARTNERSHIP - Has the ability to resolve the numerous conflicts inherent in leading a complex organization; creates opportunities for collaboration across organizational lines; is a good negotiator.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**ADAPTABLE - Responds positively to a changing world and changing local conditions; does not cling to the status quo for its own sake.**

(Unacceptable)   (Poor)   (Acceptable)   (Good)   (Excellent)

Comments:

**RESILIENT - Energy and motivation maintained in spite of constant demands; handles stress well.**

(Unacceptable)    (Poor)    (Acceptable)    (Good)    (Excellent)

Comments:

**HUMOR and MOOD – Recognizes the impact of the leader’s mood on the performance of the team. Is even keeled and maintains and shares an appropriate sense of humor to lighten the load.**

(Unacceptable)    (Poor)    (Acceptable)    (Good)    (Excellent)

Comments:

**HIRING - Recognizes the value of excellent employees and uses all reasonable efforts to insure the best available individuals are recruited and hired.**

(Unacceptable)    (Poor)    (Acceptable)    (Good)    (Excellent)

Comments:

## **DECISION MAKING**

**STAKEHOLDER FOCUS – Always recognizes that decisions are ultimately judged by how they impact our stakeholders.**

(Unacceptable)    (Poor)    (Acceptable)    (Good)    (Excellent)

Comments:

**EVIDENCE BASED DECISION MAKING – Consistently makes factually based good decisions with good data in a timely manner.**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comment:

**ANALYTICAL - In making decisions, considers the best available facts, projections and scientific evidence. To the extent that resources permit, ensures these tools are available.**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

**CREATIVITY - Ability to reach for effective, and when necessary, inventive solutions.**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

**PROBLEM SOLVING - In spite of limited resources, makes it happen.**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

**RESPONSIVENESS - Aggressively responds to the direction of the majority of the governing body. Not sidetracked by the minority but recognizes their concerns.**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

**ETHICAL - Conforms to the highest standards of the profession;**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

**TECHNICAL EXPERTISE and KNOWLEDGE - Has an appropriate understanding of all phases of operations.**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

**PROFESSIONAL DEVELOPMENT - Takes action to acquire new knowledge and skills.**

**Encourages employees to do the same.**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

**TIMELINESS and COMPLETENESS OF RESPONSES** – Ensures that all inquiries from governing body members are responded to in a prompt, professional and complete manner.

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

**COMPLETION OF GOVERNING BODY PRIOR YEAR OBJECTIVES** - Considering the resources available, how well prior year goals were implemented. **Note that this item may not apply this year... but will apply in future year reviews.**

(Unacceptable) (Poor) (Acceptable) (Good) (Excellent)

Comments:

## **QUALITY OF OPERATIONS and SERVICES**

Please rank each of the following direct services on progress that has been made in the last year.

Bus Service	Declined	No Change	Improved
TBD	Declined	No Change	Improved
TBD	Declined	No Change	Improved
TBD	Declined	No Change	Improved
TBD	Declined	No Change	Improved

## **NEW OBJECTIVES**

List any new priorities you would like the governing body to establish for the CEO.

## **OTHER GROWTH OPPORTUNITIES**

List any other areas in need of improvement.

## **OTHER STRENGTHS**

List other strengths which you feel are notable.

## DCTA Board Agenda Outlook As of 9/18/20

OCTOBER 22, 2020	NOVEMBER 12, 2020	DECEMBER 10, 2020
<p><b><u>CONSENT</u></b></p> <ul style="list-style-type: none"> <li>▪ Approval of Minutes</li> <li>▪ Monthly Financial Statements: (Monthly Financials, Capital Projects Budget Report)</li> <li>▪ Quarterly Investment Report</li> <li>▪ Quarterly Grants Report</li> </ul> <p><b><u>INFORMATIONAL REPORTS</u></b></p> <ul style="list-style-type: none"> <li>▪ Monthly Financial Reports: (Sales Tax, MaaS Update, Budget Transfers)</li> <li>▪ Ridership Trend Report</li> </ul> <p><b><u>REGULAR AGENDA</u></b></p> <p><b><u>Discussion Topics</u></b></p> <ul style="list-style-type: none"> <li>▪ Possible Joint DCTA-NTMC Meeting</li> <li>▪ Bus O&amp;M Options SOW</li> </ul> <p><b><u>Action</u></b></p> <ul style="list-style-type: none"> <li>▪ Transformation Initiative Progress Report (possible action)</li> <li>▪ Potential Budget Amendment</li> <li>▪ Approval of Debt Refinancing Terms</li> <li>▪ Rail O&amp;M Transition Reassignment</li> <li>▪ ILA with King County for Joint Procurements</li> <li>▪ ILA with King County for Joint Procurements</li> <li>▪ MaaS TO for On-Demand Services</li> </ul> <p><b><u>Information</u></b></p> <ul style="list-style-type: none"> <li>▪ Local &amp; Regional Transportation Updates and Legislative Issues</li> </ul>	<p><b><u>CONSENT</u></b></p> <ul style="list-style-type: none"> <li>▪ Approval of Minutes</li> <li>▪ Monthly Financial Statements: (Monthly Financials, Capital Projects Budget Report)</li> </ul> <p><b><u>INFORMATIONAL REPORTS</u></b></p> <ul style="list-style-type: none"> <li>▪ Monthly Financial Reports: (Sales Tax, MaaS Update, Budget Transfers)</li> <li>▪ Ridership Trend Report</li> </ul> <p><b><u>REGULAR AGENDA</u></b></p> <p><b><u>Discussion Topics</u></b></p> <p><b><u>Action</u></b></p> <ul style="list-style-type: none"> <li>▪ Transformation Initiative Progress Report (possible action)</li> <li>▪ Arboc Vehicle Purchase (FY '21)</li> <li>▪ Non-Revenue Vehicle Purchase</li> </ul> <p><b><u>Information</u></b></p> <ul style="list-style-type: none"> <li>▪ Local &amp; Regional Transportation Updates and Legislative Issues</li> </ul>	<p><b><u>CONSENT</u></b></p> <ul style="list-style-type: none"> <li>▪ Approval of Minutes</li> <li>▪ Monthly Financial Statements: (Monthly Financials, Capital Projects Budget Report)</li> </ul> <p><b><u>INFORMATIONAL REPORTS</u></b></p> <ul style="list-style-type: none"> <li>▪ Monthly Financial Reports: (Sales Tax, MaaS Update, Budget Transfers)</li> <li>▪ Ridership Trend Report</li> <li>▪ Contract Service Agreements Monthly Progress Report</li> </ul> <p><b><u>REGULAR AGENDA</u></b></p> <p><b><u>Discussion Topics</u></b></p> <ul style="list-style-type: none"> <li>▪ MK101 Ridership/Fare Discussion</li> </ul> <p><b><u>Action</u></b></p> <ul style="list-style-type: none"> <li>▪ Transformation Initiative Progress Report (possible action)</li> </ul> <p><b><u>Information</u></b></p> <ul style="list-style-type: none"> <li>▪ Local &amp; Regional Transportation Updates and Legislative Issues</li> </ul>