



Board of Directors Meeting Minutes for:

September 24, 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 September 24, 2020 remotely using Zoom Meeting.

Attendance

Voting Members

Dianne Costa, Chair, Highland Village
TJ Gilmore, Vice Chair, Lewisville (@ 10:30),
Claire Powell Alternate until 10:30
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
Joe Perez, The Colony

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
Chris Newport, Accenture
Rick Dennis, HillCo
Kate Kuhlmann, HillCo
Andrew Ittigson, AECOM
Kristen Lueken, AECOM
Jason April, AECOM

Other DCTA Staff Attendees

Lindsey Baker, Director of Government Affairs
Athena Forrester, Assistant Vice President of
Regulatory Compliance/DBE Liaison
Ann Boulden, Director of Capital Development
Tim Palermo, Senior Regional Planner
Troy Raley, Director of Bus Operations/Maintenance
Amanda Riddle, Senior Manager of Budget
Whitney Traylor, Grants Manager
Kyler Hagler, Network Administrator
Rusty Comer, Manager of Bus Administration
Geraldine Osinaike, Procurement Specialist
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
Rony Philip, Senior Director of Rail Operations
Adrienne Hamilton, Senior Manager of Marketing &
Communications
Amber Karkauskas, Controller
Katie Cruze, Receptionist
Guadalupe Acosta, Marketing Coordinator
Javier Trilla, Director of IT
Alex McGlinchey, Senior Manager of Rail Operations
Brandy Pedron, Executive Administrator

Public Attendees

Claire Powell, Lewisville Alternate
Paul Cristina, Denton County Alternate
Shannon Joski, Denton County Alternate
Mayor Wilcox, Highland Village
Lauri Mullins, Highland Village
Paul Stevens, Highland Village
Ken Heerman, Highland Village
RJ Garza, NTMC
Gordon Glass, First Group
Brandi Bird, Bird Advocacy & Consulting
Justin Grass, DRC

CALL TO ORDER – Chair Costa called the meeting to order and announced the presence of a quorum at 10:05 am.



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

PUBLIC COMMENT – *Dianne Costa read a public comment submitted by Jim Owen.*

CONSENT AGENDA

1. Approval of August 27, 2020 Minutes
2. Approval of Monthly Financial Statements for August 2020
3. Approval of the Interlocal Agreement with the City of Frisco for Mobility Services – *Lindsey Baker briefed the Board last month on this item. Budget and effective date information was provided in the memo.*
4. Approval of Resolution R20-16 Approving Financial Management Policies and Annual Investment Policy for FY2021 – *This item was discussed at the August Board meeting.*
 - *A Motion to approve Consent Agenda items 1 - 4 as presented was made by Secretary Burke. The motion was seconded by Chris Watts. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

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

1. **Monthly Financial Reports** - *Sales tax represents the single largest source of revenue for DCTA at 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 was 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 up down 5.99%; and City of Highland Village down 5.74%.*

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 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.

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



2. *Ridership Trend Report - Beginning in March 2020, DCTA staff began a series of special COVID-related ridership tabulations to gain a better understanding of the ridership impacts associated with the pandemic and ensuing service changes. An overview of total monthly ridership trends across all DCTA services--comparing FY19 and FY20 with the associated COVID impacts was provided to the Board. A-train and Connect May-August ridership each increased by approximately 29 and 133 percent respectfully. 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.*
3. *Community Advisory Committee Meeting Recap Report (August 2020) – The Community Advisory Committee Meeting Recap Report was provided to the Board in the board packet.*

REGULAR AGENDA

1. *Discussion of Transformation Initiative Progress Report - An update on the transformation initiative was provided by Chris Newport and by memo in the board packet. Updates included information on financial impact, milestone dates, weekly status reports from Accenture, and timeline updates. No action was taken.*
2. *Presentation by HillCo and Discuss and Consider Approval of DCTA's State Legislative Agenda for the 87th Texas State Legislature – Rick Dennis and Kate Kuhlmann with HillCo gave a presentation to the Board regarding the upcoming legislative session and methods of communication to expect including bill tracks, committee hearing overviews, and frequency of debriefs. Lindsey Baker led continued discussion regarding the development and consideration of DCTA's State Legislative Agenda for the 87th Texas State Legislature.*
 - *Chris Watts requested the taxpayer funded lobby bill that was considered last session be shared with the Board.*
 - *Vice Chair Gilmore requested a policy or process on how DCTA makes decisions regarding legislation be put together and presented to the Board. For example, the Chair and Vice Chair be contacted for prior discussion if DCTA wants to take action on an item. Chair Costa stated she would want the entire Board involved.*
 - *Rick Dennis responded that HillCo will work on designing a system that will keep the Board apprised on any potential action and incorporate it into the bill tracking chart. This will be presented to the Board next month.*
 - *A Motion to approve Regular Item 2 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.*
3. *Approval of Debt Refinancing Structure - Hilltop Securities presented two refinancing scenarios at the August Board meeting and requested consensus on which structure the Board preferred. Hilltop requested additional direction and guidance from the Board in order to solicit bids and provide a stated "basis for award" to potential banks. Two refinancing scenarios were provided in the packet: 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. Staff recommended 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.*



- *A Motion to approve Regular Item 3 Option 2 was made by Secretary Burke. The motion was seconded by Chair Costa. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

[Board Chair Costa made a motion to recess the meeting for short break at 11:45 a.m. The time of recess expired, and the meeting resumed at 12:20 p.m.]

4. **Discussion and Approval of the Transportation Reinvestment Policy (TRiP) – Recommended Policy Refinements and Proposed Implementation Strategy** – *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 summarized Board member comments received and presented the recommended changes to the Board for consideration and approval.*
 - *Board had lengthy discussion on the length of the policy.*
 - *Staff will send out the updated draft policy to the Board for feedback recommendations and will bring back the policy for final consideration next month.*

[Board Chair Costa made a motion to recess the meeting for short break at 2:40 p.m. The time of recess expired, and the meeting resumed at 2:52 p.m.]

5. **Approval of Resolution R20-17 Approving FY2020 Budget Revision 2020-09** – *Due to the COVID-19 pandemic and the ever-changing economic climate, staff identified major items that need to be adjusted in the FY20 operating budget. (1) 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. (2) 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. (3) 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). (4) 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. The total budget impact of Budget Revision 2020-09 is an increase to the FY20 net position of the agency of \$4,872,811. Staff recommended the Board of Directors approve Resolution R20-17 approving Budget Revision 2020-09 for the FY 2020 operating budget.*
 - *Chris Watts asked staff to memorialize the UNT decrease reasoning and send to the Board in the Friday Update email.*
 - *A Motion to approve Regular Item 5 as presented was made by Chris Watts. The motion was seconded by Chair Costa. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*
6. **Approval of Resolution R20-15 Adopting FY2021 Operating and Capital Budget** – *Staff recommended the approval of Resolution R20-15, adopting the FY 2021 Operating & Capital Budget, Long Range Financial Plan, and Budget Contingency Plan as presented.*
 - *The Board discussed the impacts of the 5-year versus the 1-year TRiP program on the Long Range Financial Plan.*
 - *The Long Range Financial Plan was updated real-time to reflect a 5-year program instead of a 1-year program with the understanding that the TRiP policy has not be finalized and adopted and that a budget amendment will need to be brought to the Board if a 5-year TRiP program is adopted.*
 - *A Motion to approve Regular Item 6 with the updated Long Range Financial Plan was made by Chris Watts. The motion was seconded by Vice Chair Gilmore. In-favor votes casted by Vice Chair*

Gilmore, Chris Watts and Cesar Molina. Opposed voted casted by Chair Costa and Secretary Burke. Motion passed as a favorable major decision vote by the Board with no abstentions.

7. **Exploration of Bus Operations and Maintenance Contracting Options** – *Staff provided an update and sought feedback from the Board regarding activities associated with options to address DCTA's bus operations and maintenance.*
 - *Chair Costa shared that there is interest in joint operations from Trinity Metro which will be discussed further in October at a follow-up meeting with Trinity Metro's CEO and Board Chair. Raymond followed with the benefits of a joint operation with Trinity Metro to include cost sharing, general manager sharing, CDL training, ATU Agreement, Joint Procurement, and so forth.*
 - *Chair Costa asked the Board for a grace period to determine opportunities.*
 - *Discussion only. No action taken.*

8. **Approval of MaaS Task Order #2: On-Demand Services for Member Cities and Contracted Cities** – *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 increased ridership. 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. Staff recommended the Board of Directors authorize the CEO to negotiate two tasks orders: Task Order #2 with Spare Labs/Lyft and 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.*
 - *A Motion to approve Regular Item 8 as presented was made by Chair Costa. The motion was seconded by Secretary Burke. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

9. **Approval of Interlocal Cooperation Agreement with Denton County for Law Enforcement Services** – *Annual Renewal of Agreement between DCTA and Denton County for FY 2021 to provide DCTA with dedicated law enforcement services was presented to the Board. The current agreement expires September 30, 2020. The FY2021 Annual estimate budget is \$101,600 (rate is set by the Denton County Commissioners Court). The amount is budgeted for FY21 under Rail Operations General Services. DCTA staff recommended approval of the annual contract renewal, effective October 1, 2020 through September 30, 2021, with Denton County for law enforcement services.*
 - *A Motion to approve Regular Item 9 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.*

10. **Discuss Draft DCTA & NTMC Interlocal Agreement Amendment** – *Staff seeks board feedback regarding the draft Interlocal Agreement with the North Texas Mobility Corporation (NTMC) amendment for bus operations and maintenance services. A draft mark-up with edits addressing previous discussions with the DCTA Board was provided to the Board and will be the focus of a joint DCTA-NTMC Board meeting slated for October.*
 - *Chris Watts stated the Board needs clarification on the level of autonomy and communication with the Board.*
 - *Chair Costa and Kristina Holcomb discussed deferring the joint meeting with NTMC.*
 - *Secretary Burke stated that the Board need to give staff and NTMC Board guidance on what is policy and how it should operate, and the Board should hold on this until it's worked out and the transformation initiative further along.*

- *Discussion only. No action taken.*
11. **Discuss CEO Performance Measures** – *Chair Costa led discussion on the Board's suggestions on DCTA's CEO performance evaluation measuring tools.*
- *Vice Chair Gilmore wants to see what the actionable items are and asked Raymond to write a letter on what he wants to get done and send it to him.*
 - *Secretary Burke stated that his understanding was that the Board needed to have a strategic plan in place before outlining CEO performance measures.*
 - *Cesar Molina suggested that once the transformation initiative is done and a report is given that the Chair select a committee of 2 Board members to put the CEO goals [performance measures] together.*
 - *Chris Watts is okay with waiting a month to get more information from Accenture.*
 - *Discussion only. No action taken.*
12. **Discussion of Regional Transportation and Legislative Issues** – *Raymond Suarez updated the Board on DART 3.0.*

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

- *The Board Agenda Outlook as of 09.18.2020 was presented to the Board in the Board packet.*
- *Chris Watts discussed Officer Elections for next month.*

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

CONVENE EXECUTIVE SESSION – *The Board did not convene into executive session.*


RECONVENE OPEN SESSION – *The Board did not convene into executive session.*

ADJOURN – *Motion to adjourn the meeting was made and the meeting was adjourned at 4:58 p.m.*

The minutes of the August 27, 2020 Board of Directors Meeting were passed and approved by a vote on this 22nd day of October 2020.


Dianne Costa, Chair

ATTEST


Sam Burke, Secretary