

Board of Directors Meeting Minutes for:

October 22, 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 October 22, 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 & Dennie Franklin, 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

Nicole Crawford, Optiv
Laura Alexander, Hilltop Financial
Robert Dransfield, Norton Rose Fullbright US LLP
Robert Wagner, McGriff
Chris Newport, Accenture
Rick Dennis, 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
Amanda Riddle, Senior Manager of Budget
Javier Trilla, Director of IT
Tim Palermo, Planning & Data Analytics Manager
Rony Pilip, Senior Director of Railway Operations
Brandy Pedron, Executive Administrator

Public Attendees

Kristin Green, Lewisville Alternate
Paul Cristina, Denton County Alternate
Shannon Joski, Denton County Alternate
Mayor Wilcox, Highland Village
Claire Powell, City of Lewisville
RJ Garza, NTMC
Gordon Glass, First Group
Brandi Bird, Bird Advocacy & Consulting
Justin Grass, DRC
Michael Rimoin, King County
Kelli Shields
V Palacios
P Stevens
Elspeth Green
Isabella Olea
W Gensler
Chase Seely
M Mattiza
Scott Burkoth
Jim Owen

CALL TO ORDER – *Chair Costa called the meeting to order and announced the presence of a quorum at 10:02 am.*

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

RECOGNITION OF SERVICE – *Chair Costa led the Board in recognizing Carter Wilson for his 8 years of service to the DCTA Board of Directors.*

INTRODUCTION OF NEWLY APPOINTED BOARD MEMBER AND ALTERNATE – *Chair Costa introduced Dennis Franklin, Carter Wilson’s replacement for DCTA’s Frisco representative, to the Board. Dennie Franklin provided a brief background and his community involvement. Vice Chair Gilmore introduced Kristin Green and Claire Powell’s replacement for Lewisville Alternate. Kristin Green provided her background to the Board.*

PUBLIC COMMENT – *No public comments were made or submitted.*

CONVENE EXECUTIVE SESSION – *The Board convened into executive session at 10:19 am for the following:*

- 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 – *The Board reconvened into open session at 11:06 am. No action was taken.*

[Board Chair Costa made a motion to recess the meeting for short break at 11:10 a.m. The time of recess expired, and the meeting resumed at 11:20 a.m.]

CONSENT AGENDA

1. **Approval of September 24, 2020 Minutes** – *Minutes provided in meeting packet.*
2. **Approval of Monthly Financial Statements for September 2020 and Quarterly Reports for Q4 FY20** – *The Monthly Financial Statements for September 2020 and the Capital Projects Budget Report for September 2020 were not available at this time due to technical issues on the part of DCTA’s cloud vendor caused unexpected outages to the financial software platform, resulting in delays in the month-end close process. The Financial Statements and Capital Projects Budget Report for the fiscal year-to-date September 2020 will be sent out under separate cover when available.*
3. **Approval of the Interlocal Agreement with King County, Washington for Cooperative Purchasing** – *Memo and Interlocal Agreement provided in meeting packet.*
4. **Approval of Interlocal Agreement with City of Lubbock, Texas for Cooperative Purchasing** – *Memo and Interlocal Agreement provided in meeting packet.*
 - *A Motion to approve Consent Agenda items 1 - 4 as presented was made by Chris Watts. The motion was seconded by Vice Chair Gilmore. 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 56.36% for the Fiscal Year 2020 budget. The annual revised sales tax budget for FY20 is \$26,805,374. 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 October, receipts were favorable compared to the revised budget. Sales tax for sales generated at retail in the month of August and received in October was \$2,511,707. This represents an increase of 1120.84% or \$1,374,357*

compared to revised budget for the month and an increase of 2.88% or \$70,341 compared to the original budget for the month. Compared to the same month last year, sales tax receipts are \$199,283 or 8.62% higher. Member city collections for the month compared to prior year are as follows: City of Lewisville up 8.77%; City of Denton up 7.16%; and City of Highland Village down 3.89%.

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 in Member Cities and Contracted Cities was discussed at the June Board meeting and was presented at the September Board meeting to authorize negotiation of two task orders. Negotiations are currently being conducted and staff anticipates presenting the resulting task orders at the December Board meeting for approval.

There were no budget transfers completed in the month of September 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. Connect Bus and A-train June-September ridership each increased by approximately 239 and 16 percent respectively. September 2020 A-train passenger trips increased by about ten percent compared to August. Average monthly A-train passenger trips during the March-September 2020 COVID-impacted months are approximately 73 percent less than prior pre-COVID monthly averages.*
3. **Election 2020 Free Ride Campaign Overview** – *During the election years, DCTA provides passengers with the opportunity to ride for free with traveling for the purpose of voting. This year, DCTA will provide free rides on select agency services for Election Day 2020.*
4. **DCTA Board of Directors Terms and Reappointments** – *Staff provided the Board with information from DCTA Bylaws regarding Board of Director terms and reappointments.*
 - *Chris Watts requested a memo or white paper from legal on the process and statutory guidelines on board appointments and notification of terms ending to the member cities/county.*

REGULAR AGENDA

1. **Discuss and Consider Resolution R20-21 Authorizing the Issuance of “Denton County Transportation Authority Sales Tax Refunding Bonds, Series 2020”** - *At the September Board meeting, the Board directed staff and Hilltop Securities to solicit bids under a structure that extends the term of the bonds by 3 years, with final maturity in September 2032. Hilltop Securities solicited bids beginning October 5, 2020, with responses due on or before October 21, 2020. Bids will be presented at the October Board meeting. Award will be made based on highest overall savings to DCTA. Refunding the outstanding 2009 bonds will reduce annual debt service requirements and create additional debt service capacity, offering flexibility for future capital projects or expansion goals. Laura Alexander with Hilltop Securities Inc. and Robert Dransfield with Norton Rose Fulbright US LLP presented the DCTA Sales Tax Refunding Bonds, series 2020 and discussed with the Board. Staff recommended adoption of Resolution R20-21 authorizing the issuance of such bonds and providing for the redemption of the bonds being refunded.*

- *A Motion to approve Regular Item 1 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.*
- 2. Discuss and Consider Approval of Excess Rail Liability Coverage** - *In accordance with the DART/DCTA interlocal agreement (ILA) regarding DCTA's ability to operate rail service on DART's corridor, DCTA is required to maintain a minimum of \$125 million in rail operations liability insurance coverage. The ILA includes a 60-day cure period if a contractual obligation cannot be met. DCTA staff briefed the DCTA Board of Directors in August and September regarding concerns among transit agencies about rail liability insurance. Insurance carriers have left the market thereby causing a decrease in coverage capacity and a significant increase in premiums nationwide.*
- *A Motion to approve Regular Item 2 authorizing the CEO to move forward with securing the additional amounts necessary for the excess rail liability coverage provided within budget 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.*

[Board Chair Costa made a motion to recess the meeting for short break at 12:25 p.m. The time of recess expired, and the meeting resumed at 12:50 p.m.]

- 3. Consider Approval of Resolution R20-20 Approving FY 2020 Budget Revision 2020-10** - *The Hike & Bike Trail – Eagle Point capital project was previously closed in April 2020 at a total cost of \$2,935,919. At the closure, the project had \$60k remaining in the \$2,995,873 budget. In September 2020, DCTA received a final invoice from Jacobs Engineering Group, Inc. that needs to be charged to this capital project in order to capture the full costs of the project. The invoice was delayed because Jacobs was required to convert all drawings into tagged image file format (TIFF) files for the City of Lewisville and COVID-related closures created drafting staffing shortages for the computer aided design (CAD) formatting of the documents. Budget Revision 2020-10 will allow this capital project to be reopened to increase the budget so that the final invoice can be paid, and the project will be closed upon completion. With the additional expense of \$24,342 to the project, the overall budget will come in under the \$2,995,873 previously approved amount. The total budget impact of Budget Revision 2020-10 is an increase of \$24,342 to the FY2020 capital budget, increasing the FY2020 apportionment of the capital project from \$630,144 to \$654,486 and therefore the total capital project budget from \$2,935,919 to \$2,960,261. Staff recommended the Board of Directors approve Resolution R20-20 approving Budget Revision 2020-10 for the FY 2020 capital budget.*
- *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.*
- 4. Discussion of Transformation Initiative Progress Report** - *An updated on the transformation initiative was provided by Nicole Recker and Chris Newport with Accenture 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.*
- *Chris Watts requested a report be presented to the Board regarding VIA and Spare Labs Technology Overview*
 - *Vice Chair Gilmore brought up the future annexation of Castle Hills and the impacts it could have on Accenture's findings. Nicole Recker agreed to send the Castle Hills information to Accenture.*
 - *Discussion only. No action taken.*
- 5. Discuss Process for Priority Legislative Communications during the 87th Texas Legislative Session** – *Rick Dennis with HillCo and Lindsey Baker provided an overview of all bills filed during that week. As monitored bills continue to move through the legislative process, the Board will be notified of any substantive activity,*

including but not limited to when a bill is voted out of committee, is added to a floor calendar, has received amendments, or other actions via email directly from Lindsey Baker.

- *Vice Chair Gilmore made note of the previous request he made for a policy or process on how DCTA makes decisions regarding legislation be put together and presented to the Board. Staff request more direction and examples be provided so a policy could be drafted and brought to the Board for review.*
- *Discussion only. No action taken.*

6. **Discuss Bus Operations and Maintenance Options Update** – *Staff provided an update and sought feedback from the Board regarding activities associated with options which included joint operations with Trinity Metro and NTMC sharing opportunities. Trinity Metro will be presenting DCTA with a letter of intent that will be shared with the Board.*
 - *Chris Watts expressed his recommendation that DCTA wait until the Transformation Initiative is complete and discussion of what path the DCTA Board wants to proceed with NTMC. More discussion is needed before a proposal from Trinity Metro is presented.*
 - *Discussion only. No action taken.*

7. **Consider Approval of Resolution R20-19 Authorizing CEO to Execute the Consent and Novation Agreement for DCTA Rail Operations and Maintenance Contractor Transition** – *First Transit seeks DCTA's approval to transfer the Operations and Maintenance Contract of its rail operations to Rio Grande Pacific Corporation (RGPC). RGPC has agreed to absorb the entire First Transit staff onto its payroll with no change in staff responsibilities. The FRA will complete the review of the transition Board approval of the assignment of the Contract to Rio Grande Pacific. The pricing structure outlined in the original agreement with First Transit Rail Operations and Maintenance Agreement will remain valid with this transition. Staff recommended the Board approve the Consent and Novation agreement for the assignment of the contract to Rio Grande Pacific Corporation*
 - *A Motion to approve Regular Item 7 as presented was made by Vice Chair Gilmore. The motion was seconded by Secretary Burke. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*

8. **Discuss and Consider Approval of The Transportation Reinvestment Program (TRiP) Policy** – *The Board provided feedback to staff and AECOM at the September board meeting regarding a previous draft of the draft TRiP Policy. Feedback was incorporated into a new "Final Draft" and sent to the board on October 9. Feedback was received from board members on October 14 and incorporated into a new "Final Draft" which is included as Exhibit 1 and 2. At the October board meeting, AECOM will provide an overview of the Final Draft TRiP Policy which has been revised based on Board direction received at the September Board meeting. Substantive changes from the prior edition were presented to the Board. Upon Board Approval of the TRiP policy, TRiP will be a five-year program with its first funding cycle during the 2021 fiscal year budget. The anticipated annual TRiP budget will be set at 15 percent of DCTA's net available fund balance from the previous fiscal year. For the initial program year and in addition to the set 15 percent, a one-time program startup amount of \$2,000,000 will be dedicated to the TRiP project line item within the FY2021 budget. Staff recommended continued review and discussion of the final draft of the Transportation Reinvestment Program (TRiP) Policy and deferring taking action until the November board meeting when a final policy document would be available*
 - *Discussion only. No action taken.*

[Board Chair Costa made a motion to recess the meeting for short break at 2:48 p.m. The time of recess expired, and the meeting resumed at 2:55 p.m.]

- 9. Ratification of Emergency Expenditure for Repairs to the Bus Operations and Maintenance Facility** – *An emergency expenditure was required for the repair to the parking lot at the Bus O&M facility. The original project involved removal and replacement of concrete flatwork around the oil/water separator associated with the bus wash. Water had infiltrated through the expansion joints and caused cracking and subsidence of a small area. The project was competitively bid and a contract was awarded to Xtreme Landsystems in the amount of \$37,507 for removal and replacement of 156 sq. yds. of pavement. Work began on 9/23/20. As demolition began it became apparent that an additional 92 sq. yds. of paving would have to be removed and replaced. This resulted in a change order of \$14,159, which exceeds the 25% statutory limitation for change orders. The statute requires that work in excess of the 25% be competitively bid except in an emergency. The oil/water separator is located between the fuel island and the bus wash, directly in front of the above ground fuel tanks. While the damaged concrete is being repaired, the fuel delivery trucks cannot access the tanks. The tanks contain a 10-day supply of fuel and rebid of the additional work would take significantly longer. The original repair was included in the FY20 budget as part of the Bus Major Maintenance items. The additional work will be paid from FY21 Bus Facilities Maintenance. Staff recommended the Board ratify the Declaration of Emergency regarding repairs to the Bus Operations and Maintenance Facility.*
- *A Motion to approve Regular Item 9 as presented was made by Chris Watts. The motion was seconded by Secretary Burke. All board members voted yes. Motion passed unanimously by the Board with no abstentions.*
- 10. Discuss Current Interlocal Agreement with Trinity Metro Providing Lyft Service to the Alliance, Texas Area** – *The current Interlocal Agreement with Trinity Metro for Mobility Services expires on January 31, 2021. The agreement provides for on-demand rideshare services to the Alliance, Texas area through a task order with Lyft. Alliance, TX faces a first/last mile challenge in getting employees from the North Texas Xpress stops and the North Park & Ride to places of employment. Continuation of the Lyft program will allow employees traveling from Denton and Fort Worth to continue accessing employment opportunities, notwithstanding personal transportation challenges. Direct cost of service and a 60 percent administrative fee would be fully reimbursed by Trinity Metro over a 24-month period for a total ILA budget of \$500,000. Staff recommends the Board provide direction to continue negotiations with Trinity Metro to extend the Interlocal Agreement for a two-year period with an increased administrative fee of 60 percent.*
- *Vice Chair Gilmore stated that he believes its worth talking about not charging another transit agency an administrative fee.*
 - *Staff will bring the Administrative Fee Policy to the Board for further consideration and discussion on Vice Chair Gilmore's recommendation.*
 - *Discussion only. No action taken.*
- 11. Consider Approval of Resolution R20-18 Electing the Officers of the Board of Directors** – *Pursuant to Article IV of the Denton County Transportation Authority Board of Directors' Bylaws, the Board of Directors shall elect members to serve in Board Officer positions as set forth in the Bylaws. Article IV, Section 6 of the Bylaws requires the officers to be elected from among the members of the Board of Directors and shall hold office in accordance with the term as set forth in the Bylaws. Staff recommended the Board of Directors conduct an election of the officers for the Board and approve Resolution R20-18 Electing Officers of the Board of Directors of DCTA to take effect November 1, 2020.*
- *TJ Gilmore nominated Chris Watts as Chair of the Board of Directors. Dianne Costa seconded the nomination. All board members voted yes. Nomination passed unanimously by the Board with no abstentions.*
 - *Chris Watts agreed to let Dianne Costa remain as DCTA's representative for the Regional Transportation Council.*
 - *TJ Gilmore nominated Cesar Molina as Vice Chair of the Board of Directors. All board members voted yes. Nomination passed unanimously by the Board with no abstentions.*

- *Dianne Costa nominated Sam Burke to remain as Secretary of the Board of Directors. TJ Gilmore seconded the nomination. All board members voted yes. Nomination passed unanimously by the Board with no abstentions.*

12. Discussion of Regional Transportation and Legislative Issues – *Raymond Suarez updated the Board on MUTD and DART P3 discussions. Nicole Recker updated the Board on MUTD board meeting requesting the six-month extension of our existing contract.*

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

- *Vice Chair Gilmore noted on Chris Watts earlier request for information on board cycle terms.*

REPORT ON ITEMS OF COMMUNITY INTEREST – *Raymond Suarez discussed Nancy Lieberman's request to bring her production crew on the train with interaction with Raymond and give back to DCTA as an incentive for public transit.*

ADJOURN – *Motion to adjourn the meeting was made and the meeting was adjourned at 3:50 p.m.*

The minutes of the October 22, 2020 Board of Directors Meeting were passed and approved by a vote on this 12th day of November 2020.



Chris Watts, Chair

ATTEST



Sam Burke, Secretary