
**DENTON COUNTY TRANSPORTATION AUTHORITY
AMENDED AND RESTATED BYLAWS**

Adopted January 3, 2002
(rev. February 13, 2004, October 26, 2006, September 27, 2007, December 17, 2009, November 17, 2011, April 25,
2013, September 26, 2013, February 16, 2016, September 22, 2016; amended and restated eff December 5, 2019)

**DENTON COUNTY TRANSPORTATION AUTHORITY
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**ARTICLE I
NAME**

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

Section 2. Authorization and Effective Date. These Bylaws are adopted pursuant to authority granted in Section 460.204(c)(2) of the Texas Transportation Code ("Code"). In the event of any conflict between these Bylaws and the Code or other applicable laws of the State of Texas, such laws shall be controlling. In the event any provision of these Bylaws shall be determined to be invalid, the provision will be deemed revised in a manner as both renders it valid and effectuates its purposes as fully as possible, and the remainder of these Bylaws shall nevertheless remain in force and effect as written. The effective date of these Bylaws is December 5, 2019. Without limiting the foregoing, any action taken by the Authority (a) subsequent to May 20, 2019, the effective date of Senate Bill 1066 passed by the 86th Texas Legislature which amended the Code, and (b) prior to the effective date of these Bylaws that was (i) in compliance with the Code as amended by Senate Bill 1066, but (ii) at variance with the Bylaws in effect at that time, is hereby fully ratified and affirmed.

Section 3. Definitions.

- (a) **Alternate Member:** A person appointed pursuant to Article III, Sections 2(b) and (c) hereof to serve in the absence of the regular appointed Board Member. [Section 460.206].
- (b) **Board:** The Board of Directors of the Authority.
- (c) **Board Member:** A member of the Board, as well as an Alternate Member only when serving in the absence of the regular appointed member of the Board.
- (d) **Capital Asset:** Land, a fixture attached to land, or an item of personal property that meets all of the following criteria: (i) the cost of acquisition or the cost of improvement of such property exceeds \$75,000; (ii) the expected useful life of the property when acquired is more than one year or the extension of the useful life of the property as a result of the improvement is more than one year; (iii) the property retains its original shape and appearance with use; and (iv) the property is nonexpendable (meaning that if the property is damaged or some of its constituent parts are lost or worn out, it is usually more economical to repair the property than to replace it with an entirely new unit).
- (e) **Capital Expenditure:** An expenditure made to acquire or improve one or more Capital Assets.

- (f) Commissioners Court Appointed Member. One of the two Voting Board Members appointed by the Denton County Commissioners Court who must reside in:
 - (i) an unincorporated area of Denton County; or
 - (ii) a municipality in the territory of the Authority that is neither a Founding Municipality nor a Financial Participating Municipality and thus not authorized to appoint a Voting Board Member. [Section 460.253(2)].
- (g) Financial Participating Municipality: A municipality, other than a Founding Municipality, that joins the Authority only if that municipality:
 - (i) designated a public transportation financing area for the benefit of the Authority under Subchapter I, Chapter 460 of the Code; or
 - (ii) imposed the Authority's sales and use tax levy at the rate of one-half of one percent authorized by Chapter 460 of the Code; and
 - (iii) entered into an agreement with the Authority approved by a Major Decision Approval Vote under Section 460.602 or 460.302 of the Code which may also authorize one Voting Board Member for that municipality.
- (h) Founding Municipality: Any of the municipalities of Denton, Highland Village, or Lewisville, each of which being a municipality in which an election was held before December 31, 2003, authorizing the Authority's sales and use tax levy. [Section 460.251(2)].
- (i) Major Decision Approval Vote: The affirmative vote of (i) at least three-fifths of the all Board Members appointed by the Founding Municipalities and the Financial Participating Municipalities, and (ii) at least one Commissioners Court Appointed Member regarding any of the matters set forth in Article III, Section 10(b) hereof. [Sections 460.254(a)(2), 460.258, and 460.602(b)].
- (j) Nonvoting Member: A Board Member appointed by either (i) the Denton County Commissioners Court to represent a municipality with a population of more than 500 but less than 17,000, or (ii) each of the municipalities of Corinth, Flower Mound, Frisco, Little Elm, and The Colony, provided that each municipality under clauses (i) and (ii):
 - (A) is not otherwise authorized to appoint a Board Member; and
 - (B) is located in the territory of the Authority. [Section 460.255].

At no time shall the Board have less than one or more than six Nonvoting Members.

Upon the effective date of Senate Bill 1066, the then-currently serving members of the Board appointed by the municipalities listed under clause (ii) each assumed the position of Nonvoting Member. Additionally, the Denton County Commissioners

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

- (k) Territory of the Authority: All territory within the boundaries of Denton County, Texas, being the county for which this coordinated county transportation authority was created under Chapter 460 of the Code. [Sections 460.002 and 460.051].
- (l) Voting Board Member: A Board Member who is either (i) appointed by a Founding Municipality or a Financial Participating Municipality or (ii) a Commissioners Court Appointed Member (for clarification purposes, other than the Nonvoting Member the Denton County Commissioners Court appoints under clause (i) of subsection 3(j) above).

ARTICLE II OFFICES

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

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

ARTICLE III BOARD

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

Section 2. Number and Composition; Alternate Members.

- (a) The Board is composed of:
 - (i) One member appointed by the governing body of each Founding Municipality;
 - (ii) Two Commissioners Court Appointed Members;
 - (iii) One member appointed by the governing body of each Financial Participating Municipality, if authorized by the Board by a Major Decision Approval Vote;
 - (iv) Any Nonvoting Member; and

- (v) Any Alternate Member, but only when serving in place of a regular appointed Board Member described under subsections 2(a)(i) - (iv) above. [Section 460.253].
- (b) Each of the entities appointing the Voting Board Members described under subsections 2(a)(i) – (iii) above may also appoint one Alternate Member to serve only in the absence of the regular appointed Board Member. Except when serving in place of the regular appointed Board Member described under subsections 2(a)(i) – (iii), an Alternate Member may attend Board and committee meetings (including closed meetings or executive sessions), but shall not (i) be counted for purposes of determining a quorum, (ii) vote on any matter before the Board or committee, or (iii) otherwise be considered a Board Member for any purpose. Appointing entities shall notify the Authority in writing of the appointment, reappointment, resignation, or removal of an Alternate Member. If (A) both a Commissioners Court Appointed Member and his or her appointed Alternate Member do not attend a Board or committee meeting, and (B) both the other Commissioners Court Appointed Member and his or her appointed Alternate Member do attend that meeting, the attending Alternate Member may serve in place of the absent Commissioners Court Appointed Member. [Section 460.206].
- (c) Nonvoting Member may attend Board and committee meetings (but not closed meetings or executive sessions) and may participate in any discussion of matters at any such meeting, but shall not (i) be counted for purposes of determining a quorum or (ii) vote on any matter before the Board or committee. Each entity appointing a Nonvoting Member may also appoint one nonvoting Alternate Member to serve only in the absence of the regular appointed Nonvoting Member. A nonvoting Alternate Member may attend Board and committee meetings (but not closed or executive sessions), but, except when serving in place of the regular appointed Nonvoting Member, shall not otherwise be considered a Board Member for any purpose. [Section 460.255].

Section 3. Eligibility.

- (a) To be eligible for appointment to the Board, a person must: (i) have professional experience in the field of transportation, business, government, engineering, or law; and (ii) reside: (A) in the territory of the Authority; or (B) outside the territory of the Authority in a municipality that is located partly in the territory of the Authority. [Section 460.202]. “Professional experience” shall mean vocational, trade, work, or occupational experience, or otherwise having significant experience, training, or mastery in the indicated field.
- (b) Upon either (i) the death or resignation of a Board Member or (ii) the failure of the appointing entity to be represented by either its Board Member or the Board Member’s Alternate Member at three consecutive noticed Board meetings, the Chief Executive Officer of the Authority shall notify the Chair; the Chair then shall notify the appointing entity so it may evaluate modifications to its appointed Board Member or Alternate Member selection. [Section 460.206].

- (c) A Board Member may be removed from the Board by the entity that appointed that Board Member upon the Board Member's (i) inability to serve, (ii) failure to possess at the time of appointment or to thereafter maintain the eligibility qualifications required by these Bylaws, the Code, or other applicable law, or (iii) for other cause as permitted by law, such removal to be effective upon the Authority receiving notice of removal from the appointing entity.
- (d) If the Chief Executive Officer knows that a potential ground for removal of a Board Member exists, the Chief Executive Officer shall notify the Chair; the Chair then shall notify the entity that appointed that Board Member, which appointing entity shall determine whether grounds for the removal of the Board Member exist.
- (e) A Board Member may resign at any time upon giving written notice to the Authority and the entity that appointed that Board Member.
- (f) An elected officer of a political subdivision of this state who is not prohibited by the Texas Constitution from serving on the Board is eligible, as an additional duty of office, to serve on the Board, but is not entitled to receive compensation for that service other than reimbursement for reasonable expenses incurred in performing that Board Member's duties. [Section 460.256].
- (g) The Board may exercise all of its disciplinary prerogatives in accordance with the latest edition of Robert's Rules of Order.

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

Section 5. Terms. The term of office for a member of the Board is two years. [Section 460.201(a)]. By a Major Decision Approval Vote, the Board may set staggered terms for Board Members so the terms of one-half of the Board Members (or as close to one-half as possible) expire in alternate years. [Section 406.206]. The Chief Executive Officer or his or her designee shall notify each appointing entity at least ninety days prior to the expiration of the term of its Board Member. Board Members and Alternates qualified to serve under applicable law and these Bylaws may be reappointed following the expiration of their terms. Except as otherwise provided by applicable law, there is no limitation on the number of terms a Board Member may serve.

Section 6. Meetings. The Board shall hold at least one regular meeting each month. [Section 460.204(a)]. Special meetings of the Board may be called by the Chair as necessary. [Section 460.204(b)]. In addition, special meetings may be called, upon proper notice, at any time at the request of any two Voting Board Members. Special meetings shall be held at such time and place as is specified by the Chair, if the Chair calls the meeting, or by the two Voting Board Members, if they call the meeting, subject to reasonable input from the Chair or the Chief Executive Officer to ensure the time and place specified by the two Voting Board Members (a) comply with applicable notice and posting requirements and (b) are not selected for the primary purpose of preventing the attendance of one or more Board Members. The Chair shall set the agendas for meetings of the Board, except that the agendas of meetings called by two Voting Board

Members shall be set by those Board Members. The Chair shall place on the agenda for a meeting of the Board or a committee any item requested by at least two Voting Board Members; the item shall appear in the form submitted to the Chair and, subject to compliance with notice and posting requirements, on the meeting agenda specified by such Board Members.

Section 7. Quorum. A majority of the Voting Board Members constitutes a quorum for purpose of conducting business. No vacancy in the membership of the Board will impair the right of a quorum to exercise all of the rights and to perform all of the duties of the Board. Therefore, if a vacancy occurs, a majority of the Voting Board Members then serving in office will constitute a quorum.

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

Section 9. Committees.

- (a) The Chair of the Board may appoint such committees as from time to time may be deemed necessary and appropriate. A committee shall not have any power or authority to bind or act on behalf of the Authority. The Chair will designate the chair of each committee, which will be comprised of at least three Board Members, with at least one of them being a Voting Board Member, and will serve as an ex officio member of each committee. No committee's membership shall include a sufficient number of Voting Board Members to create a quorum as described in Article III, Section 7 above; however, if all applicable notice and posting requirements have been satisfied, Board Members who are not committee members may attend a committee meeting as observers and in a nonvoting capacity.
- (b) The committee shall report its discussions and recommendations from any meeting at the next Board meeting. [Section 460.401].

Section 10. Voting.

- (a) An action of the Board requires an affirmative vote of a majority of the Voting Board Members present and voting, except for a vote pursuant to subsection (b) of this section. [Section 460.258].
- (b) A Major Decision Approval Vote is required for:
 - (i) a Capital Expenditure;
 - (ii) an operating or maintenance expenditure for a Capital Asset;
 - (iii) the sale or lease of a Capital Asset;

- (iv) the approval of the Annual Budget or any amendment to the Annual Budget (as described in Article V, Section 2 hereof);
- (v) the approval or dismissal of any employee who reports directly to the Board, including the Chief Executive Officer;
- (vi) a contract with the Authority's General Counsel;
- (vii) any debt issuance or other incurrence of indebtedness not in the ordinary course of operations;
- (viii) a material, non-temporary change of the service plan that necessitates a Title VI Compliance Review by the Federal Transit Administration;
- (ix) an amendment of these Bylaws;
- (x) the approval of a comprehensive development agreement (commonly called a "CDA") or similar financial contractual obligation for a purpose not an express commitment of the service plan;
- (xi) the approval of a contract or other agreement between the Authority and a municipality, other governmental authority, or a private entity that is not a member of the Authority for the Authority's provision of transportation services;
- (xii) the enactment or amendment of any policy of the Authority addressing the admission of additional municipalities to the Authority;
- (xiii) the addition of a municipality to the Authority, including by election pursuant to Section 460.302 of the Code;
- (xiv) either the formation of, contracting with, or joining or becoming a member or owner of, a local government corporation;
- (xv) the approval of the annual budget of any local government corporation;
- (xvi) the approval of an agreement for the Authority to provide public transportation services under Section 460.602 of the Code;
- (xvii) the authorization of the appointment of a Board Member by a Financial Participating Municipality under Article I, Section 3(g) hereof;
- (xviii) the authorization to change the criteria regarding Nonvoting Members under Article I, Section 3(j) hereof; or
- (xix) the setting of staggered terms for Board Members under Article III, Section 5 hereof.

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

Section 12. Conflicts of Interest, Etc. Board Members are subject to Chapters 171 and 176, Texas Local Government Code, Chapter 36, Texas Penal Code, and such other similar laws as now exist or as may be subsequently enacted, amended, or superseded. [Section 460.203].

ARTICLE IV OFFICERS

Section 1. Election. The Board shall elect three Voting Board Members to serve as the Chair, Vice-Chair, and Secretary. [Section 460.055(a)].

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

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

Section 4. Secretary. The Secretary shall review the minutes of all Board proceedings, make any necessary revisions, and attest to the accuracy of the minutes.

Section 5. Term for Officers. The term of office for each officer shall be for a period of one year and shall run from October 1 through and including September 30. A Board Member may not be elected to more than three consecutive one-year terms as Chair, provided said three successive terms may be in addition to and preceded by that Board Member's election as Chair to serve the remainder of an unexpired term.

ARTICLE V BUDGET AND FINANCE

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

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

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

Section 4. Cost of Service and Efficiency Analysis. The Authority shall procure an outside consultant to conduct a cost of service and efficiency analysis no less frequently than every four years, the first of which, shall be complete by December 31, 2020. The analysis should include, but is not limited to:

- (a) review of all modes of service, analyzing the cost to provide each mode, and the associated funding sources generated as a result of that service;
- (b) review of all contract service, and associated costs and revenues generated as a result;
- (c) organizational review of staffing structure, to examine comparable agencies and government entities, and identify areas of improvement;
- (d) analysis of the most cost-efficient mode to provide service; and
- (e) review of fiscal policies, including fund balance policies.

As a result of the analysis, the recommendations should include, but is not limited to:

- (i) opportunities to increase ridership;
- (ii) opportunities to improve service;
- (iii) organizational structure recommendations;
- (iv) recommendations for more cost-effective service; and
- (v) analysis of funds that could be reinvested in adjacent infrastructure through a Local Assistance Program.

ARTICLE VI INDEMNIFICATION

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

ARTICLE VII
AMENDMENT TO BYLAWS

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