

**Dallas Area Rapid Transit  
COMMITTEE-OF-THE-WHOLE  
Tuesday, October 12, 2021, 4:00 P.M. - Board Room  
1401 Pacific Ave., Dallas, Texas 75202**

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**General Items:**

1. Approval of Minutes: September 28, 2021
2. \*Briefing on Items of Interest to DART Included on the October 14, 2021 North Central Texas Council of Governments, Regional Transportation Council Agenda
3. This item will be discussed at Board Meeting only.
4. Public Comments

**Consent Items:**

**Budget and Finance:**

5. Approval of DART Investment Officers (Mark Enoch/Nicole Fontayne-Bárdowell)
6. Approval to Pay Premium and Surplus Lines Fees for the Annual Renewal of the Rail Operating Liability Insurance Policy (Mark Enoch/Nicole Fontayne-Bárdowell)
7. Call for Public Hearing and Approval of Submission of FY 2020 and FY 2021 Federal Grant Applications (Mark Enoch/Nicole Fontayne-Bárdowell)

**Individual Items:**

8. Approval to Rename North Lake College Station to Dallas College North Lake Campus Station (Rick Stopfer/Nicole Fontayne-Bárdowell)
9. Approval of DART Board Policy II.04, Investment Policy, and Approval of DART's FY 2022 Investment Strategy (Mark Enoch/Nicole Fontayne-Bárdowell)
10. Approval of Apportionment of DART Board of Directors (Gene Gamez)
11. Approval of 2022 DART Board Meeting Dates (Paul N. Wageman/Nancy Johnson)
12. \*Briefing on Silver Line Claims and Cost Impacts (Patrick J. Kennedy/Todd Plesko)
13. Authorize Administrative Settlement for the Acquisition of Parcel CB2-010, Located at or near 1500 Cecil Dr., in the City of Carrollton, Texas, for the Silver Line Regional Rail Project (Patrick J. Kennedy/Todd Plesko)
14. Approval to Call a Public Hearing for a Service Plan Amendment to Modify the Grade Separations of Custer Parkway in Richardson, Texas, and Jupiter Road in Plano, Texas, on the Silver Line Corridor (Patrick J. Kennedy/Todd Plesko)
15. This item will be discussed at Board Meeting only.

**Other Items:**

16. This item will be discussed at Board Meeting only.
17. Identification of Future Agenda Items
18. Adjournment



**\*This Is A Briefing Item Only**

**The Committee-of-the-Whole may go into Closed Session under the Texas Open Meetings Act, Section 551.071, Consultation with Attorney, for any Legal issues, under Section 551.072, Deliberation Regarding Real Property for real estate issues, or under Section 551.074 for Personnel matters, or under section 551.076, for deliberation regarding the deployment or implementation of Security Personnel or devices, arising or regarding any item listed on this Agenda.**

**This facility is wheelchair accessible. For accommodations for the hearing impaired, sign interpretation is available. Please contact Community Affairs at 214-749-2799, 48 hours in advance.**



# Agenda

Quorum = 10

**Dallas Area Rapid Transit  
6:30 P.M. BOARD OF DIRECTORS' MEETING  
Tuesday, October 12, 2021 – Board Room  
1401 Pacific Ave., Dallas, Texas 75202**

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**General Items:**

1. Approval of Minutes: September 28, 2021
2. This item will be discussed at Committee-of-the-Whole only.
3. Public Hearing for a Service Plan Amendment to Locate the Silver Line Equipment Maintenance Facility (EMF) at a DCTA/DART Joint Rail Operations Facility (JROF) in Lewisville, Texas (Patrick J. Kennedy/Todd Plesko)
4. Public Comments

**Consent Items:**

**Budget and Finance:**

5. Approval of DART Investment Officers (Mark Enoch/Nicole Fontayne-Bárdowell)
6. Approval to Pay Premium and Surplus Lines Fees for the Annual Renewal of the Rail Operating Liability Insurance Policy (Mark Enoch/Nicole Fontayne-Bárdowell)
7. Call for Public Hearing and Approval of Submission of FY 2020 and FY 2021 Federal Grant Applications (Mark Enoch/ Nicole Fontayne-Bárdowell)

**Individual Items:**

8. Approval to Rename North Lake College Station to Dallas College North Lake Campus Station (Rick Stopfer/Nicole Fontayne-Bárdowell)
9. This item will be discussed at Committee-of-the-Whole only.
10. Approval of Apportionment of DART Board of Directors (Gene Gamez)
11. Approval of 2022 DART Board Meeting Dates (Paul N. Wageman/Nancy Johnson)
12. This item will be discussed at Committee-of-the-Whole only.
13. Authorize Administrative Settlement for the Acquisition of Parcel CB2-010, Located at or near 1500 Cecil Dr., in the City of Carrollton, Texas, for the Silver Line Regional Rail Project (Patrick J. Kennedy/Todd Plesko)
14. This item will be discussed at Committee-of-the-Whole only.
15. Election of DART Board of Directors Officers (Paul N. Wageman/Nancy Johnson)

**Other Items:**

16. Public Comments
17. This item will be discussed at Committee-of-the-Whole only.
18. Adjournment

The Board of Directors may go into Closed Session under the Texas Open Meetings Act, Section 551.071, Consultation with Attorney, for any legal issues, under Section 551.072, Deliberation Regarding Real Property for real estate issues, or under Section 551.074 for Personnel matters, or under Section 551.076, for deliberation regarding deployment or implementation of Security Personnel or devices, arising or regarding any item listed on this Agenda.

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**MINUTES  
DALLAS AREA RAPID TRANSIT  
COMMITTEE-OF-THE-WHOLE  
September 28, 2021**

The Dallas Area Rapid Transit **Committee-of-the-Whole** meeting came to order on Tuesday, September 28, 2021, at 3:32 p.m., at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Wageman presiding.

The following Board members were present: Paul N. Wageman, Michele Wong Krause, Jonathan R. Kelly, Rodney Schlosser, Robert C. Dye, Mark Enoch, Flora M. Hernandez, Doug Hrbacek, Patrick J. Kennedy, Jon-Bertrell Killen, Eliseo Ruiz, and Gary Slagel.

Mr. Rick Stopfer, Ms. Dominique P. Torres, and Ms. Hosanna Yemiru were absent.

**General Items:**

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**1. Approval of Minutes: September 14, 2021**

**Mr. Hrbacek moved for approval of the September 14, 2021, Committee-of-the-Whole Meeting Minutes, as written.**

**Mr. Enoch seconded, and the Minutes were approved as written.**

**2. This item will be discussed at Board Meeting only.**

Chair Wageman made a few announcements.

**3. Public Comments**

Chair Wageman stated there were no public comments.

**Consent Items:**

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**Mr. Ruiz moved to forward Consent Items 4 through 12.**

**Customer Service, Safety and Mobility:**

**4. Approval of Contract for Four Bus Utility Service Trucks**

**Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating the President & Chief Executive Officer, or her designee, is authorized to award a contract to Caldwell Country for four bus utility service trucks [Contract No. C-2054759-01], for a total authorized amount not to exceed \$592,560.**

**5. Approval of Contract for Bus CNG Fuel Station Maintenance**

**Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating the President & Chief Executive Officer, or her designee, is authorized to award a three-year contract with two, one-year options to Transtar Energy Company, d/b/a Clean Energy for bus compressed natural gas (CNG) fuel station maintenance [Contract No. C-2062537-01], for a total authorized amount not to exceed \$4,655,980.**

6. **Approval to Exercise Contract Option for DART Police Uniforms**

Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating the President & Chief Executive Officer, or her designee, is authorized to execute a contract modification for DART Police Uniforms with Galls, LLC [Contract No. C-2054963-01], to:

Section 1: Exercise the first, one-year option.

Section 2: Increase the not-to-exceed amount by \$153,000, for a new total authorized amount not to exceed \$302,078.

7. **Approval of Contract for 20 Police Patrol SUVs**

Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating the President & Chief Executive Officer, or her designee, is authorized to award a contract to Johnson Grayson Automotive, Inc., dba Holiday Chevrolet for 20 Police Patrol SUVs [Contract No. C-2059278-01], for a total authorized amount not to exceed \$972,802.

*Planning and Capital Programs:*

8. **Approval of Contract Modification for the Re-Envisioned Bus Network Plan Consultant**

Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating the President & Chief Executive Officer, or her designee, is authorized to execute a contract modification for the Re-Envisioned Bus Network Plan with Jarrett Walker + Associates, LLC [Contract No. C-2048280-01, to extend the period of performance by one year and increase the not-to-exceed amount by \$110,197 for a new total authorized amount not to exceed \$609,737.

9. **Approval to Distribute the Draft 2045 Transit System Plan to the Public and Service Area Cities for Review and Comment**

Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating the President & Chief Executive Officer, or her designee, is authorized to distribute the Draft 2045 Transit System Plan to the public and service area cities for review and comment. This action does not constitute the approval of the Draft 2045 Transit System Plan.

10. **Approval of the Dallas/Fort Worth (DFW) Site-Specific Shuttle Funding Agreement**

Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating the President & Chief Executive Officer, or her designee, is authorized to execute a three-year site-specific shuttle funding agreement, substantially in the form shown as Exhibit 1, with Trinity Metro and the Dallas/Fort Worth International Airport Board, for a total authorized amount not-to-exceed \$569,604 through FY 2024.

11. **Approval of 1<sup>st</sup> Amendment of Shared Services Interlocal Agreement between DART and Denton County Transportation Authority (DCTA)**

Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating the President & Chief Executive Officer, or her designee, is authorized to execute this 1st Amendment of the Shared Services Interlocal Agreement with Denton County Transportation Authority (DCTA), substantially in

the form shown in Exhibit 1 to the Resolution and subject to legal review, to provide access to DCTA for on demand services, in addition to bus and A-train service to selected stations on the DART Green Line.

***Budget and Finance:***

**12. Approval of the Twenty-Fourth Supplemental Debt Resolution for Issuance of Senior Lien Sales Tax Revenue Bonds**

Moved to forward this draft resolution to the Board of Directors, with a recommendation, stating that the Twenty-Fourth Supplemental Debt Resolution, including all documents and agreements contained therein, for the issuance of Senior Lien Sales Tax Revenue Bonds, in substantially the form shown in Exhibit 1 to this Resolution, is approved.

Mr. Hrbacek seconded and the items were approved unanimously.

**Individual Items:**

**13. +Approval of Interlocal Agreement with McKinney Urban Transit District (MUTD) to Provide Microtransit Service**

Mr. Todd Plesko, Interim Executive Vice President of Growth and Regional Development, briefed the Committee (slides on file with the Office of Board Support) as follows:

- Today's Consideration (slide 1)
- Background (slide 2)
- Procurement Update (slide 3)
- Project Administration Update (slide 4)

Mr. Schlosser entered, and left, the meeting at 3:39 p.m.

- Collin County Transit Study Update (slide 5)
- Proposed MUTD Service (slide 6)

Mr. Schlosser reentered the meeting at 3:41 p.m.

- LGC Revenue (slide 7)
- Benefits to DART (slide 8)
- Timeline (slide 9)
- Recommendation (slide 10)

Mr. Enoch questioned where the plan for membership was. Mr. Plesko responded, the McKinney Urban Transit District (MUTD) currently does not have a plan, however, they will need to submit a plan within three years. He further clarified the study, conducted by the North Central Texas Council of Governments (NCTCOG), that should lead to a plan and identifies DART as an option for that is just getting distributed to all the cities within Collin County. Mr. Enoch inquired if this would be the beginning of the 36-month period. Mr. Plesko answered that was correct. After further deliberation concerning DART Board Policy III.07, Mr. Enoch inquired if this contract would still follow the expectations of Board Policy III.07. Mr. Plesko responded, yes, as with other contracts, if a plan is not provided, DART will terminate the service at the end of the contract.

Mr. Killen reentered the meeting at 3:49 p.m.

Mr. Hrbacek inquired, should a time arrive that this relationship is not working, could DART withdraw from it. Mr. Plesko replied, both entities have the ability to cancel the contract, although, he was unsure of the exact length of the notice.

Following up on Mr. Enoch's questions, Chair Wageman inquired if this was an Urban Transit District (UTD). Mr. Plesko responded yes, noting that the MUTD is made up of six cities. Chair Wageman noted he wondered how this fit in with Board Policy III.07 and if it applies, when it is a district and not a single municipality. Mr. Plesko answered, the policy does not specifically deal with a transit district, however, there are six cities, and if they wanted service, then his presumption is that DART would want those cities to join. He explained that is how the taxes would become available through referendums of the cities. Chair Wageman questioned if the UTD was an informal confederation among the six cities or does it have federal standing. Mr. Plesko explained, under Texas Statutes, Transportation Code, Title 6, Roadways, Subtitle K, Mass Transportation, Chapter 458, Rural and Urban Transit District, the six cities formed a UTD in 2006. He further explained, while they do not have a dedicated source of revenue, they do receive federal funds and state funds, as well as, local funds. Chair Wageman noted, that while he was supportive of this item as well as the other related items, he felt they still had time to better understand how this entity, that is a federally-supported entity, can fit with the boundaries of Board Policy III.07. He opined that this was different than a pure municipality.

Mr. Schlosser questioned if the City of McKinney had voted to set aside their 1% sales tax to be devoted to economic development. Mr. Plesko replied that their 1% was currently being used for 4A or 4B purposes. He noted that they do not have any available funds at the moment, however, they could elect to change that. After further discussion, Chair Wageman clarified for the record, that Mr. Schlosser was referring to the \$0.01 sales tax, and not a 1% sales tax.

In reference to Board Policy III.07 and the MUTD, Mr. Killen questioned if it was fair to say that each individual city did not have the funds to complete a plan within the first three years. Mr. Plesko responded he did not believe he could state that. He explained the first three years are to provide a plan to join DART that would outline how that would be implemented.

Mr. Hrbacek requested that the Board be updated continuously on this item moving forward.

Mr. Enoch noted, in his opinion, that things have changed and DART should do what it needs to in order to stay relevant.

**After further discussion, Mr. Slagel moved to forward the draft resolution to the Board of Directors, with a recommendation, as a same-date item, stating that the President of the Dallas Area Rapid Transit Mobility Service, Local Government Corporation (LGC), or his designee, is authorized to execute a three-year Interlocal Agreement (ILA) with McKinney Urban Transit District (MUTD) for shared-ride microtransit service, subject to legal review and approval.**

**Mr. Enoch seconded.**

Ms. Wong Krause commented that this was slightly different since it was an entity of communities, however, she hoped to be fair.

**Chair Wageman called for the vote and the item was approved by a majority vote with Mr. Killen opposing.**

14. **+Approval of Contract for McKinney Urban Transit District Shared-Ride Microtransit Service**

Mr. Plesko briefed the Committee (slides on file with the Office of Board Support) as follows:

- Today's Consideration (slide 1)
- Approved FY22 LGC Budget (slide 2)
- MUTD Microtransit Service FY22 Budget (slide 3)
- Amended FY22 LGC Budget (slide 4)
- Recommendation (slide 5)

**Mr. Slagel moved to forward the draft resolution to the Board of Directors, with a recommendation, as a same-date item, stating that the President of the Dallas Area Rapid Transit Mobility Service, Local Government Corporation (LGC), or his designee is authorized to award a three-year contract, subject to legal review and the LGC/DART Board of Directors' approvals of the LGC-MUTD Interlocal Agreement (ILA), to Spare Labs, Inc., for the McKinney Urban Transit District (MUTD) Shared-Ride Microtransit Service [Contract No. C-2066109-01], for a total authorized amount not to exceed \$2,186,000.**

**Mr. Enoch seconded and the item was approved by a majority vote with Mr. Killen opposing.**

15. **+Approval of an Amendment to the FY 2022 Annual Budget for the Dallas Area Rapid Transit Mobility Service, LGC to Include Revenues and Expenses for McKinney Urban Transit District Microtransit Service**

Mr. Plesko briefed the Committee (slides on file with the Office of Board Support) as follows:

- Today's Consideration (slide 1)
- Approved FY22 LGC Budget (slide 2)
- MUTD Microtransit Service FY22 Budget (slide 3)

Mr. Enoch left the meeting at 4:10 p.m.

- Amended FY22 LGC Budget (slide 4)
- Recommendation (slide 5)

**Mr. Slagel moved to forward the draft resolution to the Board of Directors, with a recommendation, as a same-date item, stating that the Fiscal Year (FY) 2022 Annual Budget for the Dallas Area Rapid Transit Mobility Service, LGC, is amended as shown in Exhibit 1 to the Resolution.**

**Mr. Dye seconded and the item was approved by a majority vote with Mr. Killen opposing.**

16. **+Approval of an Interlocal Agreement Between DART, McKinney Urban Transit District (MUTD), and DART Mobility Service, Local Government Corporation for GoPass® Licensing**

Mr. Gregory Elsborg, Vice President/Chief Innovation Officer, briefed the Committee (slides on file with the Office of Board Support) as follows:

- Today's Consideration (slide 1)



- McKinney Urban Transit District Service Details (slide 2)
- MUTD & LGC ILA Details (slide 3)
- MUTD & LGA ILA Timeline/Deliverables (slide 4)
- Recommendation (slide 5)

**Mr. Slagel moved to forward the draft resolution to the Board of Directors, with a recommendation, as a same-date item, stating the President & Chief Executive Officer, or her designee, is authorized to execute an interlocal agreement, substantially in the form shown as Exhibit 1 to the Resolution and subject to legal review, with McKinney Urban Transit District (MUTD) and the Dallas Area Rapid Transit Mobility Service, Local Government Corporation (LGC) for GoPass® mobile app licensing with one-time fees for onboarding, hosting and maintenance, and service level agreement.**

**Mr. Kelly seconded and the item was approved by majority vote with Mr. Killen opposing.**

**17. Approval of Voting Requirement for Substantial Changes to the Final Bus Network Plan**

Mr. Gene Gamez, General Counsel, briefed the Committee (slides on file with the Office of Board Support) as follows:

- 2/3 Voting Requirement\* Related to Rail-Fixed Guideway System (slide 2)
- Rationale for 2/3 Voting Requirement (slide 3)
- Mobility Network Plan (slide 4)

Mr. Kennedy noted, while he was not opposed to this in theory, he was concerned on what would cause a trigger for this type of vote.

Ms. Wong Krause questioned if this item was time-sensitive. Mr. Gamez responded no. Ms. Wong Krause recommended having this item vetted longer before going to a vote.

During deliberation of this item, several Board members opined that this item should continue to be vetted prior to moving to a vote. Chair Wageman stated he was committed to make sure that there is more process and more discussion on this item. He further stated they would work on bringing clarity on how this will be triggered.

Mr. Hrbacek reentered the meeting at 4:48 p.m.

Chair Wageman then clarified that this item was brought before the Board to protect the voting rights of the minorities on the Board. He stated that he found it exceptionally inappropriate that with a simple majority vote a city's bus or rail system could be changed, while the adding of a single word to the name of a station took a 2/3 vote.

**18. \*Briefing on Reapportionment of DART Board of Directors**

Mr. Gamez briefed the Committee (slides on file with the Office of Board Support) as follows:

- State Law (slide 2)
- Performance of Research (slide 3)
- Census 2020 Key Points (slide 4)

Mr. Schlosser stepped out of the meeting at 4:49 p.m.

Mr. Michael J. Walk, of Texas A & M Transportation Institute, briefed the Committee as follows:

- Method (slide 5)

Mr. Schlosser reentered the meeting at 4:50 p.m.

- Chart (Methodology for the 7<sup>th</sup> Column) (slide 6)
- Chart (Deviation) (slide 7)
- Current Board Configuration (slide 8)

Mr. Ruiz stepped out of the meeting 5:00 p.m. and reentered at 5:01 p.m.

- Next Steps (slide 9)

After much deliberation, Chair Wageman stated this item would be up for consideration at the October 12th Committee-of-the-Whole and Board meetings to approve the reapportionments of the Board.

#### 19. **\*Briefing on DART Board Meeting Frequency**

Ms. Nadine S. Lee, President & Chief Executive Officer, briefed the Committee (slides on file with the Office of Board Support) as follows:

- Purpose of Briefing (slide 2)
- Proposed Board Meeting Schedule (slide 3)
- Typical Process for Board Action (slide 4)

Mr. Schlosser questioned if this schedule would begin in January, 2022. Ms. Lee responded yes, clarifying that the November and December meetings only meet once a month. Chair Wageman interjected that the month of July also has only one meeting a month where all the committees, as well as the Committee-of-the-Whole and the Board meetings, are able to meet.

Mr. Hrbacek noted his reason for supporting this was the possibility of freeing up time during the day and giving the Board members more flexibility.

Mr. Kennedy questioned if any thought had been given to the scheduling of the Audit and Committee-of-the-Whole meetings since these two committees now have Public Comments on their agendas. He wondered if the time had been adjusted to accommodate the public to provide their comments or was that something that still needed to be worked out. Ms. Lee responded that was something that would need to be worked out with the incoming Board Chair.

Ms. Wong Krause voiced her concern was in reference to the longevity of some of the committees on the second Tuesday of the month. She then inquired, for clarity, if the items going to the fourth Tuesday of the month would be same-date items at the Committee-of-the-Whole and Board. Ms. Lee explained, to her understanding of the definition of a same-night item, it is typically when an item goes through the committee level, Committee-of-the-Whole and Board meetings all on the same date. The new schedule, she continued, would essentially eliminate that option. In conclusion, Ms. Wong Krause reiterated her concern from several meetings regarding the limited time available for Board Members to discuss items.

Chair Wageman recommended Ms. Lee poll the Board Members on when they would like to convene the meetings. In reference to Mr. Hrbacek's comments, he noted the Board is

trying to be more efficient and more predictable about the time commitments that the Board makes. Ms. Lee responded she would work with Ms. Nancy Johnson, Director of Board Support, to get a response back to the Board.

## **20. \*Federal Relations Update**

Ms. Hernandez and Mr. Killen stepped out of the meeting at 5:18 p.m.

Ms. Edie Diaz, Vice President of Government Relations, introduced Mr. Steve Palmer, of Van Scoyoc Associates, who briefed the Committee (slides on file with the Office of Board Support) as follows:

- Overview (slide 2)
- Surface transportation reauthorization DART programmatic priorities (slide 3)
- Infrastructure Investment and Jobs Act (IIJA) Overview (slide 4)

Ms. Hernandez reentered the meeting, and Mr. Hrbacek stepped out of the meeting, at 5:22 p.m.

- IIJA –Transit Programs (slide 5)

Mr. Hrbacek reentered the meeting, at 5:22 p.m.

- Funding Opportunities for DART -IIJA (slide 6)
- Budget Reconciliation Overview (slide 7)
- Budget Reconciliation Transportation Provisions (slide 8)
- Budget Reconciliation Bonding/Revenue Provisions (slide 9)
- Biden Administration Justice40 Initiative (slide 10)

Mr. Hrbacek left the meeting, at 5:30 p.m.

## **21. \*Briefing on Advertising, Marketing and Communications for DARTzoom**

Ms. Robbie Douglas, Assistant Vice President of Marketing and Advertising, introduced Mr. Kirk Arnold, Account Director of Moroch Partners. She then briefed the Committee (slides on file with the Office of Board Support) as follows:

- Briefing Objective (slide 2)
- Agenda (slide 3)
- Communications Approach (slide 4)
- DARTzoom Board Briefings (slide 5)
- Rider Surveys continue to Inform Completion of New Collateral (slide 6)
- Advertising Overview *-topic separator*

Mr. Slagel reentered the meeting, at 5:39 p.m.

- Advertising for Measurable Awareness (slide 8)
- DARTzoom Evolution (slide 9)
- Objectives (slide 10)

Mr. Arnold briefed the Committee as follows:

- Creative *-topic separator*
- Insight & Concept (slide 12)
- Key Visual: Vertical (English) (slides 13-15)
- Key Visual: Vertical (Spanish) (slide 16)
- Key Visual: Vertical (English & Spanish) (slides 17-18)

- Digital Video :30 “Dancing” (slide 19)
- Social Media Videos (slide 20)
- Mobile and Desktop Banners (slides 21-27)
- Streaming Audio (slide 28)
- Facebook & Instagram (slide 29)
- Social Content (slide 30)
- Ad Testing *-topic separator*
- Consumer Tested (slide 32)
- Concept Feedback (slide 33)
- Media Plan *-topic separator*
- Intercepting Our Audience (slide 35)
- Campaign Timeline (slide 36)

Ms. Douglas briefed the Committee as follows:

- Activations *-topic separator*
- Bus & Rail Wraps (slide 38)
- Bus Stop Unveiling Media Events by City (slides 39-40)
- FREE Rides for a Week (slide 41)
- Feet on the Street (slide 42)
- GoLink™ Awareness Plan (slide 43)
- Virtual Transit Guide (slide 44)
- Lifestyle Photo Series (slide 45)
- Neon Sign + T-Shirts (slide 46)
- TIMELINES *-topic separator*
- Implementation Timeline (slide 48)
- DARTzoom Board Briefings (slide 49)

In reference to the free rides, Mr. Kennedy inquired if this would be for the bus system only or the full DART system. Ms. Lee responded, it was her understanding, this would be for the full DART system. Mr. Joseph Costello, Chief Financial Officer, explained that this would follow the New Year’s Eve schedule and it would include the Trinity Railway Express (TRE) up to Centre Port.

After further discussion, Chair Wageman thanked Ms. Douglas for the presentation.

**22. \*Briefing on Silver Line Claims and Cost Impacts**

**Chair Wageman stated that it was 6:01 p.m. on Tuesday, September 28, 2021, and the Dallas Area Rapid Transit Committee-of-the-Whole was going into Closed Session under Texas Open Meetings Act, Section 551.071, which allows for consultation with Attorney, to discuss Agenda Item 22, \*Briefing on Silver Line Claims and Cost Impacts.**

**The Committee reconvened into Open Session at 7:03 p.m.**

**Other Items:**

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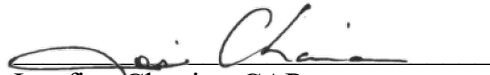
**23. This item will be discussed at Board Meeting only.**

**24. Identification of Future Agenda Items**

There were no future agenda items identified for this committee.

**25. Adjournment**

There being no further business to discuss, the meeting was adjourned at 7:03 p.m.



Josefina Chavira, CAP  
Board Committee Secretary

/jc

+ Same-Date Item

\* Briefing Item

**MINUTES  
DALLAS AREA RAPID TRANSIT  
BOARD OF DIRECTORS'  
September 28, 2021**

The Dallas Area Rapid Transit **Board of Directors'** meeting came to order on Tuesday, September 28, 2021, at 7:04 p.m., at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Wageman presiding.

**City of Dallas**

Flora M. Hernandez  
Patrick J. Kennedy  
Jon-Bertrell Killen  
Michele Wong Krause – **Vice-Chair**  
Rodney Schlosser – **Assistant Secretary**  
Dominique P. Torres  
Hosanna Yemiru

**City of Garland**

Jonathan R. Kelly– **Secretary**

**City of Irving**

Rick Stopfer

**City of Plano**

Paul N. Wageman – **Chair**

**City of Cockrell Hill and Dallas**

Eliseo Ruiz, III

**Cities of Carrollton and Irving**

Doug Hrbacek

**Cities of Farmers Branch and Plano**

Robert C. Dye

**Cities of Garland, Rowlett, and Glenn Heights**

Mark C. Enoch

**Cities of Richardson and University Park; Towns of Addison and Highland Park**

Gary A. Slagel

Mr. Rick Stopfer, Ms. Dominique P. Torres, Mr. Mark Enoch, Mr. Doug Hrbacek, and Ms. Hosanna Yemiru were absent.

## **General Items:**

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1. **Approval of Minutes:** September 14, 2021

Mr. Schlosser moved to approve the September 14, 2021, Board of Directors' meeting Minutes to be entered into record as written.

Mr. Kennedy seconded and the Minutes were approved unanimously.

2. **CAC Report on September 16, 2021 Meetings**

Ms. Edie Diaz, Vice President of Government Relations, read into record the highlights of the reports from the CAC meetings that convened on September 16, 2021.

3. **Public Comments**

Chair Wageman read the rules that govern the Public Comments portion of the meeting, including the DART Board Code of Conduct, for News Media and Visitors during DART Board Meetings, that are on file with the Office of Board Support and posted outside the Board Room.

Public Comments were as follows:

**Mr. Harrold Barnett, DART Employee:**

Mr. Barnett voiced concern with the pay that was provided to the bus operators and should have been tax free, however, this pay was taxed.

**Ms. Ebony Wilson, Irving, TX:**

Ms. Wilson voiced concern with her bus not showing up consistently. She also recommended adding a new stop near her location at Valley Ranch Pkwy in Irving, TX.

Ms. Nadine S. Lee, President & Chief Executive Officer, requested Ms. Wilson provide her information to Mr. Todd Plesko, Interim Executive Vice President of Growth and Regional Development. She further stated that staff would get back with her.

**Mr. Dave Brady, Garland, TX:**

Mr. Brady commended the Board for getting DART through the worst of the COVID-19 pandemic. He urged the Board to continue to work together and maintain the relationships that they have built with the member-cities.

**Mr. Kenneth Day, DART Employee:**

Mr. Day voiced concern with the relief funds being distributed appropriately with the staff.

## **Consent Items:**

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Chair Wageman stated due to the voting requirements for Agenda Item 12, **Approval of the Twenty-Fourth Supplemental Debt Resolution for Issuance of Senior Lien Sales Tax Revenue Bonds**, this item would be removed from Consent Items and moved to Individual Items on the agenda. This being said, he then called for a motion for the remaining consent items.

Mr. Kelly moved to approve Consent Items 4 through 11.

## **Customer Service, Safety and Mobility:**

4. **Approval of Contract for Four Bus Utility Service Trucks**

Moved for approval of Resolution 210137 stating the President & Chief Executive Officer, or her designee, is authorized to award a contract to Caldwell Country for four bus utility service trucks [Contract No. C-2054759-01], for a total authorized amount not to exceed \$592,560.

5. **Approval of Contract for Bus CNG Fuel Station Maintenance**  
 Moved for approval of Resolution 210138 stating the President & Chief Executive Officer, or her designee, is authorized to award a three-year contract with two, one-year options to Transtar Energy Company, d/b/a Clean Energy for bus compressed natural gas (CNG) fuel station maintenance [Contract No. C-2062537-01], for a total authorized amount not to exceed \$4,655,980.
6. **Approval to Exercise Contract Option for DART Police Uniforms**  
 Moved for approval of Resolution 210139 stating the President & Chief Executive Officer, or her designee, is authorized to execute a contract modification for DART Police Uniforms with Galls, LLC [Contract No. C-2054963-01], to:  
 Section 1: Exercise the first, one-year option.  
 Section 2: Increase the not-to-exceed amount by \$153,000, for a new total authorized amount not to exceed \$302,078.
7. **Approval of Contract for 20 Police Patrol SUVs**  
 Moved for approval of Resolution 210140 stating the President & Chief Executive Officer, or her designee, is authorized to award a contract to Johnson Grayson Automotive, Inc., dba Holiday Chevrolet for 20 Police Patrol SUVs [Contract No. C-2059278-01], for a total authorized amount not to exceed \$972,802.

*Planning and Capital Programs:*

8. **Approval of Contract Modification for the Re-Envisioned Bus Network Plan Consultant**  
 Moved for approval of Resolution 210141 stating the President & Chief Executive Officer, or her designee, is authorized to execute a contract modification for the Re-Envisioned Bus Network Plan with Jarrett Walker + Associates, LLC [Contract No. C-2048280-01, to extend the period of performance by one year and increase the not-to-exceed amount by \$110,197 for a new total authorized amount not to exceed \$609,737.
9. **Approval to Distribute the Draft 2045 Transit System Plan to the Public and Service Area Cities for Review and Comment**  
 Moved for approval of Resolution 210142 stating the President & Chief Executive Officer, or her designee, is authorized to distribute the Draft 2045 Transit System Plan to the public and service area cities for review and comment. This action does not constitute the approval of the Draft 2045 Transit System Plan.
10. **Approval of the Dallas/Fort Worth (DFW) Site-Specific Shuttle Funding Agreement**  
 Moved for approval of Resolution 210143 stating the President & Chief Executive Officer, or her designee, is authorized to execute a three-year site-specific shuttle funding agreement, substantially in the form shown as Exhibit 1, with Trinity Metro and the Dallas/Fort Worth International Airport Board, for a total authorized amount not-to-exceed \$569,604 through FY 2024.
11. **Approval of 1<sup>st</sup> Amendment of Shared Services Interlocal Agreement between DART and Denton County Transportation Authority (DCTA)**  
 Moved for approval of Resolution 210144 stating the President & Chief Executive Officer, or her designee, is authorized to execute this 1st Amendment of the Shared



Services Interlocal Agreement with Denton County Transportation Authority (DCTA), substantially in the form shown in Exhibit 1 to the Resolution and subject to legal review, to provide access to DCTA for on demand services, in addition to bus and A-train service to selected stations on the DART Green Line.

Mr. Schlosser seconded and items were approved unanimously.

**Individual Items:**

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*Budget and Finance:*

12. Approval of the Twenty-Fourth Supplemental Debt Resolution for Issuance of Senior Lien Sales Tax Revenue Bonds

Mr. Slagel moved for approval of Resolution 210145 stating that the Twenty-Fourth Supplemental Debt Resolution, including all documents and agreements contained therein, for the issuance of Senior Lien Sales Tax Revenue Bonds, in substantially the form shown in Exhibit 1 to this Resolution, is approved.

Mr. Ruiz seconded and items were approved unanimously.

13. +Approval of Interlocal Agreement with McKinney Urban Transit District (MUTD) to Provide Microtransit Service

Mr. Slagel moved for approval of Resolution 210146 stating the President of the Dallas Area Rapid Transit Mobility Service, Local Government Corporation (LGC), or his designee, is authorized to execute a three-year Interlocal Agreement (ILA) with McKinney Urban Transit District (MUTD) for shared-ride microtransit service, subject to legal review and approval.

Mr. Kelly seconded and the Item was approved by a majority vote with Mr. Killen opposing.

14. +Approval of Contract for McKinney Urban Transit District Shared-Ride Microtransit Service

Mr. Slagel moved for approval of Resolution 210147 stating the President of the Dallas Area Rapid Transit Mobility Service, Local Government Corporation (LGC), or his designee is authorized to award a three-year contract, subject to legal review and the LGC/DART Board of Directors' approvals of the LGC-MUTD Interlocal Agreement (ILA), to Spare Labs, Inc., for the McKinney Urban Transit District (MUTD) Shared-Ride Microtransit Service [Contract No. C-2066109-01], for a total authorized amount not to exceed \$2,186,000.

Mr. Dye seconded and the item was approved by majority vote with Mr. Killen opposing.

15. +Approval of an Amendment to the FY 2022 Annual Budget for the Dallas Area Rapid Transit Mobility Service, LGC to Include Revenues and Expenses for McKinney Urban Transit District Microtransit Service

Mr. Kelly moved for approval of Resolution 210148 stating the Fiscal Year (FY) 2022 Annual Budget for the Dallas Area Rapid Transit Mobility Service, LGC, is amended as shown in Exhibit 1 to the Resolution.

Mr. Slagel seconded and the item was approved by a majority vote with Mr. Killen opposing.

16. **+Approval of an Interlocal Agreement Between DART, McKinney Urban Transit District (MUTD), and DART Mobility Service, Local Government Corporation for GoPass® Licensing**

Mr. Slagel moved for approval of Resolution 210149 stating the President & Chief Executive Officer, or her designee, is authorized to execute an interlocal agreement, substantially in the form shown as Exhibit 1 to the Resolution and subject to legal review, with McKinney Urban Transit District (MUTD) and the Dallas Area Rapid Transit Mobility Service, Local Government Corporation (LGC) for GoPass® mobile app licensing with one-time fees for onboarding, hosting and maintenance, and service level agreement.

Mr. Dye seconded and the item was approved by a majority vote with Mr. Killen opposing.

17. **This item will be discussed at Committee-of-the-Whole only.**

18. **This item will be discussed at Committee-of-the-Whole only.**

19. **This item will be discussed at Committee-of-the-Whole only.**

20. **This item will be discussed at Committee-of-the-Whole only.**

21. **This item will be discussed at Committee-of-the-Whole only.**

22. **This item will be discussed at Committee-of-the-Whole only.**

**Other Items:**

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23. **Public Comments**

There were no Public Comments.

24. **This item will be discussed in Committee-of-the-Whole only.**

25. **Adjournment:**

There being no further business to discuss, the meeting was adjourned at 7:28 p.m.



Josefina Chavira, CAP  
Board Committee Secretary

/jc

+ Same Date Item



# Agenda Report

*Committee-of-the-Whole*   
*Board Meeting*

**Voting Requirements:**  
**Majority**

**DATE:**            **October 12, 2021**

**SUBJECT:**       **Approval of DART Investment Officers**

**RECOMMENDATION**

Approval of a resolution authorizing that: 1) Individuals in the following positions are identified as Investment Officers to invest DART funds in accordance with DART's Investment Policy and internal procedures, and are additionally authorized to take all actions necessary to establish required accounts for investment activities:

<b>Investment Officers</b>
Chief Financial Officer
Treasurer
Assistant Treasurer
Treasury Operation Senior Manager

2) The authority of the Investment Officers is not limited as to investment amount; and 3) The Treasurer is designated as the authorized representative to supervise the substitution of securities pledged to secure DART funds.

**COMMITTEE CONSIDERATIONS**

- On September 28, 2021, the Budget and Finance Committee unanimously moved this item to the October 12, 2021 Committee-of-the-Whole for Final Consideration.

**BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS**

- The Texas Public Funds Investment Act (PFIA) requires that the governing body of a public entity approve a written Investment Policy not less than annually. The Investment Policy requires that the Board of Directors delegate authority to Investment Officers and establishes the Standard of Care to be applied to such Investment Officers.
- DART Board Policy II.04: Investment Policy, provides guiding principles for the investment of funds.
- Approval of this item will help achieve Board Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations.

## LEGAL CONSIDERATIONS

- Section 452.101 of the Texas Transportation Code authorizes the Board to designate authorized representatives to invest DART funds according to terms prescribed by the Board. The Board is also required to designate an authorized representative to supervise the substitution of securities pledged to secure DART funds.
- Section 452.102 of the Texas Transportation Code sets out those investment instruments in which the funds of the authority may be invested.
- The Public Funds Investment Act, Chapter 2256 of the Texas Government Code, requires that the Board adopt a written investment policy and a separate investment strategy, both of which must be reviewed not less than annually. The Act also sets out the types of investments in which funds may be invested. The Act also requires that the Board designate Investment Officers to invest DART funds according to terms prescribe by the Board's adopted investment policy.
- The Public Funds Collateral Act, Chapter 2257 of the Texas Government Code, requires that the Board adopt a written policy addressing which investment securities are eligible to secure deposits of public funds.
- DART Board Policy No. II.04, Investment Policy, requires that the Board authorize DART staff to invest and manage DART funds.

**DRAFT**  
**RESOLUTION**  
**of the**  
**DALLAS AREA RAPID TRANSIT BOARD**  
**(Executive Committee)**

**Approval of DART Investment Officers**

WHEREAS, the Board of Directors has established an Investment Policy (No. II.04) that governs the investment of DART funds; and

WHEREAS, DART's Investment Policy requires that the Board of Directors delegate authority to Investment Officers and establishes the Standard of Care to be applied to such Investment Officers.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

Section 1: Individuals in the following positions are authorized Investment Officers to invest DART funds in accordance with DART's Investment Policy and internal procedures, and are additionally authorized to take all actions necessary to establish required accounts for investment activities:

<b>Investment Officers</b>
Chief Financial Officer
Treasurer
Assistant Treasurer
Treasury Operation Senior Manager

Section 2: The authority of the Investment Officers is not limited as to investment amount.

Section 3: The Treasurer is designated as the authorized representative to supervise the substitution of securities pledged to secure DART funds.

## Approval of DART Investment Officers

Prepared by: /s/ Nicole Fontayne-Bárdowell \*

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Nicole Fontayne-Bárdowell  
Executive Vice President  
Chief Administrative Officer &  
Interim Chief Financial Officer

/s/ Gene Gamez \*

Approved as to form: Gene Gamez  
General Counsel

Approved by: /s/ Nadine S. Lee \*

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Nadine S. Lee  
President & Chief Executive Officer

\* Reviewed and approved, but not signed due to COVID-19  
Coronavirus Pandemic



# Agenda Report

*Committee-of-the-Whole*   
*Board Meeting*

<b>Voting Requirements:</b> <b>Majority</b>
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**DATE:**           **October 12, 2021**

**SUBJECT:**       **Approval to Pay Premium and Surplus Lines Fees for the Annual Renewal of the Rail Operating Liability Insurance Policy**

## RECOMMENDATION

Approval of a resolution authorizing the President & Chief Executive Officer or her designee to pay up to \$3,266,364 in premium and \$163,318 in surplus lines fees for a total of \$3,429,682 for the annual renewal of the rail operating liability policy for the period beginning November 1, 2021.

## COMMITTEE CONSIDERATIONS

- On September 28, 2021, the Budget and Finance Committee unanimously moved this item to the October 12, 2021 Committee-of-the-Whole for Final Consideration.

## BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS

- The commuter rail operating agreements with various railroads, and positive train control (PTC) agreements require DART, Denton County Transportation Authority (DCTA) and Trinity Metro to furnish evidence of rail liability insurance in order to maintain and operate commuter rail service. The policy insures DART, TRE, DCTA, Trinity Metro for TRE, and Light Rail operations.
- Approval of this item will help achieve Board Strategic Priority 2: Demonstrate stewardship of the transit system, agency assets and financial obligations.
- On December 8, 2020, the DART Board approved adding DCTA to DART's Rail Liability Program (Resolution 200134).
- The coverage, with a limit of \$323 million, per occurrence, and a \$3 million self-insured retention, is provided through a blanket insurance program.
- The \$3,429,682 cost represents a \$241,737 (7%) increase compared to last year's cost of \$3,187,945. The increase in premium is attributed to an unconventionally hard market that has experienced in the past few years large jury verdicts and carriers leaving the rail liability market, creating a reduction in capacity. Additionally, the COVID-19 pandemic has insurers taking a critical look at coverage terms and considering capacity restrictions.
- DART marketed the program through Willis Towers Watson Insurance Services West, Inc. (Contract No. C-2024740-02), DART's broker of record for property and liability insurance coverage.

- There is no single insurance carrier with the capacity to provide the entire \$323 million of coverage; therefore, coverage will be provided through a combination of multiple companies. The combination of companies providing the most favorable rates, terms, and conditions includes: Queens Island Insurance Company Ltd. (Gemini) for the first \$15 million; Lex-London Insurance for the next \$10 million; three companies (Apollo Liability Consortium, AEGIS Casualty Consortium, and Ascot) share the next \$25 million; 28 other markets share the remaining \$270 million.
- Surplus Lines insurance carriers are highly specialized insurers that write unique and high-capacity risks such as rail liability. Surplus lines fees consist of premium taxes and filing fees payable to the Texas State Comptroller.
- Cost for the rail liability coverage for the TRE is shared with Trinity Metro and split evenly. DART's share is \$1,372,141. Trinity Metro's share is \$1,372,141. DCTA's share of the premium is \$685,400. DCTA is insured up to \$140 million
- DART's share of the payment for premium and surplus lines fees for the annual renewal of the rail operating liability insurance policy is included in the Finance Department's approved FY 2022 operating budget.
- Sufficient funding for payment of premium and surplus lines fees for the annual renewal of the rail liability insurance policy in the amount of \$3,429,682 is included in both the Finance Department's FY 2022 Operating Expense budget and the Total Operating Expense line items of the FY 2022 Twenty-Year Financial Plan.

## **LEGAL CONSIDERATIONS**

- Section 452.062 of the Texas Transportation Code authorizes DART to insure, through purchased insurance policies or self-insurance programs, or both, its own legal liability and the legal liability of its contractors and subcontractors arising from the acquisition, construction, or operation of the programs and facilities of DART.
- Section 452.054 of the Texas Transportation Code authorizes DART to exercise all powers necessary or convenient to carry out the purposes or the provisions of the statute.



**DRAFT**  
**RESOLUTION**  
**of the**  
**DALLAS AREA RAPID TRANSIT BOARD**  
**(Executive Committee)**

**Approval to Pay Premium and Surplus Lines Fees for the Annual Renewal of the Rail  
Operating Liability Insurance Policy**

WHEREAS, the commuter rail positive train control (PTC) agreements require that DART, Trinity Metro and DCTA furnish evidence of liability insurance in order to maintain and operate commuter rail passenger service on the corridors; and

WHEREAS, the most cost-effective way to furnish the required coverage is through a blanket insurance program, with limits to \$323 million, covering all parties providing commuter rail services; and

WHEREAS, DART marketed the program through Willis Towers Watson Services West, Inc. (Contract No. C-2024740-02); and

WHEREAS, no single insurance carrier has the capacity to provide the entire \$323 million of required coverage, and the most favorable pricing, terms, and conditions is through a combination of multiple markets which includes: Queens Island Insurance Company Ltd. (Gemini) for the first \$15 million; Lex-London Insurance for the next \$ 10 million; three companies (Apollo Liability Consortium, AEGIS Casualty Consortium, and Ascot) share the next \$ 25 million; 28 other markets share the remaining \$270 million.; and

WHEREAS, funding for the premium and surplus line fees for the annual renewal of the rail operating liability insurance policy is within the FY 2022 Operating Budget and approved FY 2022 Twenty-Year Financial Plan allocations.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the President & Chief Executive Officer or her designee is authorized to pay up to \$3,266,364 in premium and \$163,318 in surplus lines fees for a total of \$3,429,682 for the annual renewal of the rail operating liability policy for the period beginning November 1, 2021.

**Approval to Pay Premium and Surplus Lines Fees for the Annual Renewal of the Rail Operating Liability Insurance Policy**

Prepared by: /s/ Nicole Fontayne-Bárdowell \*

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Nicole Fontayne-Bárdowell  
Executive Vice President  
Chief Administrative Officer &  
Interim Chief Financial Officer

/s/ Gene Gamez \*

Approved as to form: Gene Gamez  
General Counsel

Approved by: /s/ Nadine S. Lee \*

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Nadine S. Lee  
President & Chief Executive Officer

\* Reviewed and approved, but not signed due to COVID-19  
Coronavirus Pandemic



# Agenda Report

*Committee-of-the-Whole*   
*Board Meeting*

**Voting Requirements:  
Majority**

**DATE:**            **October 12, 2021**

**SUBJECT:**       **Call for Public Hearing and Approval of Submission of FY 2020 and FY 2021 Federal Grant Applications**

**RECOMMENDATION**

Approval of a resolution to: 1) call a public hearing to be held on November 9, 2021, at 12:00 noon and 6:00 p.m. in the DART Board Room regarding federal grant applications; and 2) authorizing the President & Chief Executive Officer or her designee to a) execute and file applications for Federal assistance on behalf of DART, with FTA for Federal Assistance authorized by 49 U.S.C. Chapter 53, Title 23, United States Code; or other Federal statutes authorizing a project administered by the FTA; b) execute and file annual certifications and assurances and other documents the Federal Transit Administration requires before awarding a Federal assistance grant agreement; and c) execute the grant agreements with the FTA on behalf of DART.

**COMMITTEE CONSIDERATIONS**

- On September 28, 2021, the Budget and Finance Committee unanimously moved this item to the October 12, 2021 Committee-of-the-Whole for Final Consideration.

**BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS**

- The Federal Transit Administration (FTA) authorizes grants for funding of Formula; New Starts; State of Good Repair (SOGR); Bus or Bus Facility; New Freedom; Job Access/Reverse Commute (JARC); and Enhanced Mobility for Seniors and Individuals with Disabilities projects.
- The North Central Texas Council of Governments (NCTCOG) approves Federal Highway Administration Congestion Mitigation/Air Quality (CMAQ) funding for eligible DART projects. These funds are typically transferred to FTA for funding of DART’s projects.
- For FY 2020 and FY 2021, DART has funding available under the FTA Formula, State of Good Repair, and Bus and Bus Facilities programs.
- The grant amounts are estimates and may vary slightly depending upon the Federal Transit Administration (FTA) Fiscal Year 2020 and FY 2021 Apportionments and Allocations of formula grant programs.
- DART proposes to request public comment on and to file the following grant applications:
  - FY 2021 State of Good Repair Grant Application. The \$34,923,923 (\$27,939,138 FTA and \$6,984,785 DART) grant will provide funds for preventative maintenance.
  - FY 2021 Formula Grant Application. The \$67,774,961 (\$54,219,969 FTA and \$13,554,992

- DART) grant will provide funding for Capital Preventive Maintenance, other capital projects in the financial plan eligible under the formula program, such as transit enhancements.
- FY 2021 Security Projects Grant Application. The \$731,451 (\$585,161 FTA and \$146,290 DART) grant will provide funding for security projects.
- FY 2021 Bus/Bus Facility Grant. The \$5,588,269 (\$4,470,615 FTA and \$1,117,654 DART) grant is for the purchase of buses or maintenance of bus facilities.
- FY 2021 Security Projects Grant Application. The \$740,968 (\$592,774 FTA and \$148,194 DART) grant will provide funding for security projects.
- FY 2020 State of Good Repair Grant Application. The DART allocation is estimated at \$32,928,114 (\$26,342,491 FTA and \$6,585,623 DART) and the grant will provide funds for rail preventative maintenance.
- FY 2020 Formula Grant Application. The DART allocation is estimated to be \$60,404,394 (\$48,323,515 FTA and \$12,080,879 DART) and the grant will provide funding for Capital Preventive Maintenance and other capital projects in the financial plan eligible under the formula program.
- FY 2020 Bus/Bus Facility Grant. The DART allocation is estimated to be \$4,375,000 (\$3,500,000 FTA and \$875,000 DART) and provides grant funds for the purchase of vehicles.
- Federal regulations require an opportunity for public comments on the candidate list of projects for grant applications.
- These projects are included in various project budget line items of the approved FY 2022 Capital budget.
- Sufficient funding for the local share of these projects is within various FY 2022 project budgets and Capital line item of the approved FY 2022 Twenty-Year Financial Plan allocations.
- Due to impacts of the COVID-19 coronavirus pandemic, there has been a delay in receiving and processing these grants.
- The DART Board approved a resolution to call a public hearing to discuss FTA grant estimates for FY 2020 and approve submittal of grant applications on July 9, 2019 (Resolution no. 190078). DART staff will be presenting the actual amounts awarded for FY 2020.
- Approval of this item will help achieve Board Strategic Priority 2: Demonstrate stewardship of the transit system, agency assets and financial obligations

## **D/M/WBE CONSIDERATIONS**

- DART agrees that, as a condition of receiving Federal financial assistance from the Federal Transit Administration, it will comply with all applicable Federal nondiscrimination laws, rules, regulations, circulars and guidance, including but limited to Title VI and Title VII of the Civil Rights Act of 1964, FTA Circular 4702.1B, FTA Circular 4704.1A, 49 CFR Part 21, 49 CFR Part 26, and DART's DBE program.

## **LEGAL CONSIDERATIONS**

- DART will be required to enter into a contractual agreement with FTA and Department of Homeland Security (DHS), the terms of which require DART to agree to comply with all rules and regulations concerning the expenditure of grant funds, including the requirement to receive public comments.

- Section 452.055 of the Texas Transportation Code authorizes DART to make agreements with and accept grants from the Federal and State government.

**DRAFT**  
**RESOLUTION**  
**of the**  
**DALLAS AREA RAPID TRANSIT BOARD**  
**(Executive Committee)**

**Call for Public Hearing and Approval of Submission of Federal Grant Applications**

WHEREAS, the Federal Transit Administration has been delegated authority to award Federal financial assistance for transportation projects; and

WHEREAS, grants for Federal financial assistance will impose certain obligations upon DART and require DART to provide the local share of the proposed projects; and

WHEREAS, sufficient funding for these local share obligations is included in current Budget and FY 2022 Twenty-Year Financial Plan allocations; and

WHEREAS, DART will provide annual certifications and assurances to the Federal Transit Administration (FTA) required for the projects; and

WHEREAS, FTA regulations require an opportunity for public comments on the candidate list of projects.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

- Section 1: A public hearing is called on November 9, 2021, at 12:00 noon and 6:00 p.m. in the DART Board Room to solicit public comments on the projects for the FY 2020 and FY 2021 Grant Applications.
- Section 2: The President & Chief Executive Officer or her designee is authorized to execute and file applications for Federal assistance on behalf of DART, with FTA for Federal Assistance authorized by 49 U.S.C. Chapter 53, Title 23, United States Code; or other Federal statutes authorizing a project administered by the FTA.
- Section 3: The President & Executive Officer or her designee is authorized to execute and file annual certifications and assurances and other documents the Federal Transit Administration requires before awarding a Federal assistance grant agreement.
- Section 4: The President & Executive Officer or her designee is authorized to execute the grant agreements with the FTA on behalf of DART.

**Call for Public Hearing and Approval of Submission of FY 2020 and FY 2021 Federal Grant Applications**

Prepared by: /s/ Nicole Fontayne-Bárdowell \*

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Nicole Fontayne-Bárdowell  
Executive Vice President  
Chief Administrative Officer &  
Interim Chief Financial Officer

/s/ Gene Gamez \*

Approved as to form: Gene Gamez  
General Counsel

Approved by: /s/ Nadine S. Lee \*

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Nadine S. Lee  
President & Chief Executive Officer

\* Reviewed and approved, but not signed due to COVID-19  
Coronavirus Pandemic



# Agenda Report

*Committee-of-the-Whole*   
*Board Meeting*

<b>Attachments:</b> 1. Board Policy V.06 2. Cost Associated with the Name Change	<b>Voting Requirements:</b> 2/3
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**DATE:** October 12, 2021

**SUBJECT:** Approval to Rename North Lake College Station to Dallas College North Lake Campus Station

## RECOMMENDATION

Approval of a resolution authorizing the President & Chief Executive Director or her designee to execute all documents necessary to rename DART's North Lake College Station to Dallas College North Lake Campus Station, subject to the terms of DART Board Policy V.06, requiring Dallas College to pay for the associated costs related to the name change.

## COMMITTEE CONSIDERATIONS

- On September 28, 2021, the Administration Committee unanimously moved this item to the October 12, 2021 Committee-of-the-Whole for Final Consideration, with a recommendation.

## BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS

- The purpose of this item is to approve a station name change for North Lake College Station to Dallas College North Lake Campus Station.
- DART received a request from Dallas College, formerly Dallas County Community College District (DCCCD), to rename North Lake College Station to Dallas College North Lake Campus Station. DCCCD previously operated as a district of seven independently accredited colleges. In 2020, those colleges united under a single brand name, Dallas College, to better market under a master brand strategy and provide continuity for students.
- The total cost associated with the name change is \$133,434; however, since the name change will coincide with the DARTzoom system change, the incremental cost associated exclusively to Dallas College will total \$31,995.
- Dallas College will assume the incremental cost of \$31,995 for the name change.
- Approval of this item will help achieve Board Strategic Priority 5: Enhance DART's role as a recognized local, regional, and national transportation leader.

## LEGAL CONSIDERATIONS

- Section 452.054 of the Texas Transportation Code authorizes DART to exercise all powers



necessary or useful in the construction, repair, maintenance, or operation of the public transportation system.

- DART Board Policy V.06, specifies the criteria to be used in naming stations, and the criteria and requirements for re-naming a station. The policy also requires that all name changes must be approved by a vote of two-thirds of the appointed and qualified members of the Board.

## Transit Facility Naming Policy

**DATE ISSUED:** June 8, 1999  
**Resolution No.** 990097, 150033  
**Policy No.** V.06 (Overall Guiding Policies)

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**Section 1.** DART seeks to name and identify its Transit Facilities in a way that clearly communicates the location to its frequent, infrequent, and prospective transit users and visitors to the area. In this policy, "Transit Facility" means a light rail station, commuter rail station, transit center or transfer center.

is not considered a renaming under this Policy if adding the name of a business, product or service is required under a naming rights, sponsorship or other similar revenue-producing agreement that is approved by the DART Board of Directors.

### **Section 2. Naming Criteria**

The name of a Transit Facility shall include the name of an adjacent or nearby street (such as Hampton Station), a well-known destination (such as Dallas Zoo Station), or a combination of location and destination. Business names, product names and personal names shall not be used unless the name is also a street name or a well-known destination (such as Cityplace Station). Consideration shall be given to the various applications where the Transit Facility name will be displayed, including Light Rail Vehicle destination signs which are limited to 12 characters per panel.

### **Section 3. Renaming Considerations**

3.1 There must be a compelling reason to rename a Transit Facility, and the renaming must benefit existing and prospective transit users. The new Transit Facility name must meet the naming criteria set out in this policy. All costs associated with changing the name of a Transit Facility, including any market research that DART may require to determine if a proposed name identifies a well-known destination for existing or prospective transit users, will be paid by the requester. All name changes must be approved by a vote of two-thirds of the appointed and qualified members of the Board.

3.2 Adding the name of a business, product or service to the existing name of a Transit Facility

Overall Guiding Policy V.06

Items (Qty.)	New Bus Network	North Lake (Incremental Cost)
<b>Brochures</b>		
How To Ride (20,000)	\$ 6,300	\$ -
Schedules (134 routes 5,000ea)	\$ 39,346	\$ -
Service Change (50,000)	\$ 3,600	\$ -
Rail Guide (40,000)	\$ 20,663	\$ -
<b>Maps</b>		
System Map (60,000)	\$ 11,400	\$ -
Rail Interior (350)		\$ 1,771
Rail Line Decal		\$ 5,000
Mini Pylons (99)		\$ 2,574
Maxi Pylons (112)	\$ 9,968	\$ -
TVM (190)		\$ 13,870
<b>Signs</b>		
Bus Interior (1200)	\$ 2,928	\$ -
Rail Interior (300)	\$ 1,515	\$ -
Corner Markers (16)	\$ 1,376	\$ -
Wind Screens (20)	\$ 1,485	\$ -
Banners (60)	\$ 2,898	\$ -
<b>SUBTOTAL</b>	<b>\$ 101,479</b>	<b>\$ 23,215</b>
Sign Band (6 North Lake College)		\$ 1,740
Site ID (1)		\$ 7,000
<b>TOTAL</b>	<b>\$ 101,479</b>	<b>\$ 31,955</b>

**DRAFT**  
**RESOLUTION**  
**of the**  
**DALLAS AREA RAPID TRANSIT BOARD**  
**(Executive Committee)**

**Approval to Rename North Lake College Station to Dallas College North Lake Campus Station**

WHEREAS, Dallas College has requested that DART implement a name change of DART's North Lake College Station to Dallas College North Lake Campus Station; and

WHEREAS, in accordance with DART Board Policy No. V.06, the DART Board finds that there is a compelling reason to rename DART's North Lake College Station, and there is a benefit to existing and prospective transit users in implementing this name change, which is to avoid customer confusion and provide naming consistency; and

WHEREAS, approval of this request complies with DART Board Policy V.06; and

WHEREAS, DART Board Policy V.06 requires that a change in the name of a station be approved by two-thirds of the appointed and qualified members of the Board; and

WHEREAS, pursuant to DART Board Policy V.06, Dallas College will assume the incremental cost of \$31,995 for the name change.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the President & Chief Executive Director or her designee is authorized to execute all documents necessary to rename DART's North Lake College Station to Dallas College North Lake Campus Station, subject to the terms of DART Board Policy V.06 requiring Dallas College to pay for the associated costs related to the name change.

**Approval to Rename North Lake College Station to Dallas College North Lake Campus Station**

Prepared by: /s/ Nicole Fontayne-Bárdowell \*

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Nicole Fontayne-Bárdowell  
Executive Vice President  
Chief Administrative Officer

/s/ Gene Gamez \*

Approved as to form:

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Gene Gamez  
General Counsel

Approved by: /s/ Nadine S. Lee \*

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Nadine S. Lee  
President & Chief Executive Officer

\* Reviewed and approved, but not signed due to  
COVID-19 Coronavirus Pandemic



# Agenda Report

*Committee-of-the-Whole*

<b>Attachments:</b> <b>1. Investment Policy - Redlined</b> <b>2. Investment Strategy - Redlined</b>	<b>Voting Requirements:</b> <b>Majority</b>
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**DATE:**           **October 12, 2021**

**SUBJECT:**       **Approval of DART Board Policy II.04, Investment Policy, and Approval of DART's FY 2022 Investment Strategy**

**RECOMMENDATION**

Approval of a resolution: 1) approving DART Board Policy II.04, Investment Policy, as shown in Exhibit 1 to the Resolution; 2) approving the FY 2022 Investment Strategy as shown in Exhibit 2 to the Resolution to become effective as of the date of the Resolution; and 3) stating that the Investment Policy and FY 2022 Investment Strategy are adopted by the DART Board of Directors.

**COMMITTEE CONSIDERATIONS**

- On September 28, 2021, the Budget and Finance Committee unanimously moved this item to the October 12, 2021 Committee-of-the-Whole for Final Consideration.

**BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS**

- The Texas Public Funds Investment Act (PFIA) and DART Board Policy II.04, Investment Policy, require the DART Board to review a written investment policy and a statement of investment strategy for funds under its control on an annual basis.
- The Board Policy II.04, Investment Policy, included as Exhibit 1, sets out the types of investments in which funds may be invested. Attachment 1 shows proposed changes to the Investment Policy.
- The DART Investment Strategy included as Exhibit 2, describes the fund portfolios established by the Board of Directors and provides an investment strategy for each portfolio based on the fund objective and its unique cashflow characteristics. Attachment 2 shows proposed changes to the DART Investment Strategy.
- Approval of the Investment Policy and FY 2022 Investment Strategy will help achieve Board Strategic Priority 2: Demonstrate stewardship of the transit system, agency assets and financial obligations and Board Strategic Priority 3: Innovate to enhance mobility options, business processes, and funding.

**LEGAL CONSIDERATIONS**

- Section 452.101 of the Texas Transportation Code authorizes the Board to designate authorized representatives to invest DART funds according to terms prescribed by the Board.
- Section 452.102 of the Texas Transportation Code sets out those investment instruments in which the funds of the authority may be invested.
- The Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code and DART Board Policy No. II.04, requires that the Board approve a written investment policy and a separate investment strategy, both of which must be reviewed not less than annually. PFIA and Board Policy No. II.04 also sets out the types of investments in which funds may be invested.
- The Public Funds Collateral Act, Chapter 2257 of the Texas Government Code, requires that the Board adopt a written policy addressing which investment securities are eligible to secure deposits of public funds.

# **Dallas Area Rapid Transit Investment Policy, II.04**



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**DART Investment Policy, II.04**

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**DATE ISSUED:** December 10, 1985  
**Resolution No.** 850180  
**Amended by Resolutions:** 870080, 940008, 940172, 950193, 960015, 970014, 970264, 000220, 010197, 090132, 120111, 130096, 140102, 170078, 190128, **200106**  
**Affirmed by Resolution:** 980268, 990224, 020187, 030132, 040149, 050114, 060135, 070134, 080152, 100131, 110088, 150095, 160087, 180088  
**Policy No.** II.04 (Finance)

## Section 1: SCOPE

Dallas Area Rapid Transit (DART) shall utilize those investment strategies and procedures that most effectively accomplish the following goals in order of priority: (1) preservation of capital; (2) liquidity to meet all obligations in a timely manner; and (3) maximization of earnings from the full investment of all available funds. DART funds will be invested and managed in compliance with Section 452.102 of the Texas Transportation Code, the Public Funds Investment Act (Chapter 2256, Government Code), DART's Investment Policy, and internal procedures as documented in DART's Funds Administration Procedures Manual. The funds as listed in Attachment 2 - Dallas Area Rapid Transit FY 202~~1~~<sup>2</sup> Statement of Investment Strategy shall be subject to these requirements.

## Section 2: DEFINITIONS

Defined terms shall, for all purposes of this Investment Policy, have the meanings set out below unless otherwise expressly provided or unless the context clearly requires otherwise.

**2.1 Aggregate Portfolio** combined assets held in all investment portfolios managed by DART, including, but not limited to, General Operating Fund, Project Fund, Insurance Reserve Fund, Mobility Assistance and Innovation Fund, Financial Reserve Fund, DART Commercial Paper and Bonds System Expansion & Acquisition Funds, Debt Service Funds (Senior Lien and Senior Subordinate Lien), and State or Local Government-Provided Funds.

**2.2 Approved Security** are obligations which fall within the definitions of investment securities legal for DART under the Public Funds Investment Act (PFIA) or Section 452.102 of the Texas Transportation Code and which are specifically included in the Investment Policy as approved by the Board of Directors. DART is not required to liquidate investments that were authorized investments at the time of purchase, but may no longer be authorized due to regulatory changes.

**2.3 Arbitrage Regulations** are regulations issued by the IRS limiting ability of municipalities to take advantage of, arbitrage, the rate differential between their own tax-exempt securities and taxable securities such as U.S. Treasury Notes. One method of yield restriction to comply with regulations is investing proceeds in other municipal securities.

**2.4 Banker's Acceptance** negotiable time draft, typically arising from letters of credit issued in a foreign trade transaction, drawn on and accepted by a bank which adds its credit to that of an importer of the merchandise. Prime Banker's Acceptances are those, which are liquidated at maturity from proceeds of the sale of goods, distinguishing these self-liquidating instruments from those used only to finance inventory.

**2.5 Certificate of Deposit** interest bearing negotiable time deposit of fixed maturity at a bank or trust company organized under the laws of Texas or national banking associations.

**2.6 Commercial Paper** the promissory note or draft of a corporation, government agency, or bank holding company, usually unsecured but backed by unused bank credit lines and issued for short-term credit needs with a maturity of up to 365 days.

**2.7 Corporate Securities** corporation-issued debt instruments as opposed to securities issued by a government agency or a municipality.

**2.8 Federal Agency Securities** debt instruments issued by federal agencies that are presumed to be unconditionally guaranteed, or backed by the full faith and credit of, the United States of America. These agencies include, but are not limited to: Federal Agricultural Mortgage Corporation, Federal Home Loan Banks, Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, and the Tennessee Valley Authority.

**2.9 Federal Deposit Insurance Corporation (FDIC)** established in the U.S. in 1933 to insure accounts at commercial and mutual saving banks and thus protect depositors.

**2.10 Financial Institutions and Authorized Broker/Dealers** financial Institutions and Authorized Broker/Dealers means qualified financial institutions and broker/dealers authorized to engage in the purchase and sale of obligations of the U.S. Government, its agencies or other approved investments to DART. The Investment Committee will review, revise and adopt the list on an annual basis. Such selection shall include but not be limited to the following criteria:

- \* Certification with the Financial Industry Regulatory Authority or be subject to regulation by the U.S. Comptroller of the Currency.
- \* Acknowledge to DART that the latest investment policy was received, and reasonable controls are in place to abide by the terms of the Policy, and as required under Section 2256.005(k) of the Public Funds Investment Act, as amended.
- \* Proven access to new issue market for government securities, suitable for DART's approved strategies.

**2.11 Floating Rate Securities** are securities which change coupon rate periodically based on changes in specified benchmarks. Unless there is a cap on the amount of change allowed at each reset, these securities will move with the current market and maintain a price close to par. Although these securities have a final stated maturity, the maturity date for purposes of liquidity analysis is the next reset date.

**2.12 Funds Administration Procedures Manual** is the manual maintained by DART's Treasury Division which provides detailed procedures and guidelines for investing and controlling DART funds and which is subject to review and approval by the Investment Committee, ~~consisting of representatives from various departments such as the Finance and Executive Departments.~~

**2.13 Futures Contracts/Options Contracts** agreements executed on the floor of a commodity exchange, to sell or buy a specific amount of a commodity or security at a specific price and time, and options on futures contracts which provide the buyer the right, but not the obligation, to exercise the option by the exercise date.

**2.14 Hedge** establishment of a position on a commodity or financial futures or options market, which is equal and opposite to a transaction made on an actual or physical market.

**2.15 Interest-Bearing Bank Deposit Account** bank deposit accounts that bear interest and are collateralized, or guaranteed, or insured by FDIC, or the National Credit Union Share Insurance Fund or its successor.

**2.16 Investment Committee** nine member committee consisting of the ~~five-four~~ Board-approved Investment Officers and ~~four-five~~ additional employees as designated by the President/~~Executive Director & Chief Executive Officer~~.

**2.17 Investment Officers** Staff to be authorized by Board Resolution to invest and manage DART funds. The Board of Directors may authorize persons in the following positions as Investment Officers: Chief Financial Officer, ~~Senior Vice President, Finance~~, Treasurer, Assistant Treasurer, and ~~Treasury Operations Senior Manager Cash and Debt Administration~~. In order to assure quality and capability of investment management, the Investment Officers shall possess sufficient working knowledge of economics and securities markets, as well as the supervisory experience and judgment necessary to carry out the responsibilities outlined in this Policy.

**2.18 Municipal Securities** debt instruments issued by a city, state, or other governmental entity with interest paid to holders being exempt from federal income tax.

**2.19 Mutual Funds** means mutual funds of money market instruments, which are no-load and comply with the Securities and Exchange Commission Rule 2a-7. Ultra-short bond funds that have a duration of less than one year and whose investments are limited to investment grade securities, excluding asset backed securities, are eligible investments.

**2.20 Prudent Person Rule** the standard to be applied to Investment Officers stated as follows: Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

**2.21 Rating (of Securities)** the determination of an issuing company's financial strength and stability, based on the company's management ability, debts, and payment history. The highest rating for notes/bonds is AAA; for commercial paper A-1+ or P-1; and for variable rate notes MIG-1.

**2.22 Repurchase Agreement** an agreement that is fully secured by a combination of cash and obligations including commercial paper in which an investor sells an investment to another investor with the provision that the first investor will buy it back for a specific price by a specific date, with the difference between the amount received and the final amount paid representing the interest.

**(a) Direct Repurchase Agreement**

An agreement for sale of securities by a broker/dealer under the provision that the buyer will sell them back at a predetermined date for a specific price.

**(b) Master Repurchase Agreement**

An agreement between the customer and the financial institution setting out the conditions under which repurchase or reverse repurchase transactions may be negotiated and executed, including requirements for delivery, default provisions, and collateral value of underlying securities.

**(c) Reverse Repurchase Agreement**

An agreement for sale of securities to a broker-dealer under the provision that the seller will buy them back by a predetermined date for a specific price.

**2.23 Security Agreement** an agreement between DART and a Depository Bank governing the pledging of collateral against deposits held by the bank.

**2.24 Swap Agreement** an agreement to exchange one stream of payments for another, such as floating interest rate payments for fixed rate payments or payments in one currency for payments in another.

**2.25 U.S. Government Securities** U.S. government debt instruments, such as Treasury bills, notes, and bonds, payable by the U.S. government and which carry the full faith and credit of the U.S. government.

**Section 3: DELEGATION OF AUTHORITY**

The Investment Officers shall have the authority without further Board review to purchase or sell any Approved Security, without limitation as to dollar amount, through Financial Institutions and Authorized Broker/Dealers and subject to DART's Investment Policy. All securities, other than money market mutual funds and investment pools, must be purchased or sold on a delivery versus payment basis.

**Section 4: STANDARD OF CARE**

**4.1 Prudent Person Rule** the standard of care to be applied to the Investment Officers shall be the Prudent Person Rule as defined herein and stated in Government Code, Section 2256.006, taking into consideration the investment of all funds over which the Officer has responsibility rather than consideration as to the prudence of a single investment.

**4.2 Personal Responsibility** the Investment Officers, acting in accordance with DART's Investment Policy and exercising due diligence, shall not be held personally responsible for changes to a specific security's credit risk or market price, provided that appropriate actions are taken to report and control adverse developments as provided in DART's Funds Administration Procedures Manual.

**4.3 Ethics Disclosure and Conflicts of Interest** an Investment Officer must file a disclosure statement with the Texas Ethics Commission, the Board of Directors, and with the General Counsel of DART if:

1. The Investment Officer has a personal business relationship, as defined under Section 2256.005(i) of the Public Funds Investment Act, with businesses offering to engage in investment transactions with DART;
  - a. Owning ten (10) percent or more of the voting stock or shares or owns \$5,000 or more of the fair market value of the business organization; or
  - b. Funds received exceeding ten (10) percent of the investment officer's gross income for the previous year; or

- c. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.
2. The Investment Officer is related within the second degree of affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with DART.

## **Section 5: INVESTMENT GUIDELINES**

Investment decisions of the Investment Officers shall be made within the following guidelines:

**5.1 U.S. Government Securities** are not restricted to any minimum or maximum limitation.

**5.2 Federal Agency Securities** issued by any single issuer shall not exceed 25% of the Aggregate Portfolio at the time any part of the holding was purchased. Agency securities, which meet the criteria set out in Section 6, Prohibited Investments, shall not be purchased for any portfolio and shall not be accepted as collateral for repurchase agreements or certificates of deposit.

**5.3 Municipal Securities** with a Rating of A or better from a nationally recognized rating agency may be purchased. Total securities of a single Municipal Issuer shall not exceed 25% of the Aggregate Portfolio at the time any part of the holding was purchased.

**5.4 Repurchase Agreements and Reverse Repurchase Agreements** covering U.S. Government Securities or Federal Agency Securities, may be executed with a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas which has entered into a written Master Repurchase Agreement with DART. All Repurchase Agreements will require that securities purchased be pledged to DART, held in DART's name, and deposited at the time the investment is made with DART or with a third party selected and approved by DART's Executive Vice President/Chief Financial Officer. All repurchase agreements must be collateralized by U.S. Government Securities at a level of at least 101% initially and monitored on a daily basis for potential collateral adjustments. The term of any reverse repurchase agreement may not exceed 90 days, and proceeds may not be used to acquire investments maturing beyond the expiration date of the reverse repurchase agreement. No more than 5% of the Aggregate Portfolio should be loaned to any one dealer in a reverse repurchase situation at the time the holding was loaned. Total Repurchase Agreement transactions shall not exceed 50% of the Aggregate Portfolio at the time the holding was loaned.

**5.5 Money Market Mutual Funds** may be purchased primarily for purposes of liquidity or timing of investments.

**5.6 Commercial Paper** may be used for matching cash flow of expenditures, but must be rated either A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies and have a maturity of 365 days or less. Total commercial paper from a single issuer shall not exceed ~~5~~ 10% of the Aggregate Portfolio at the time any part of the holding was purchased.

**5.7 Banker's Acceptances** may be used for matching cash flow of expenditures, but must have a stated maturity of 270 days or less, be deemed as eligible collateral for borrowings from the Federal Reserve Bank, be designated as "prime" or self-liquidating at maturity, and be accepted by a bank organized under the laws of the United States or any state. The short-term obligations of the accepting bank (or of the bank holding

company of which the bank is the largest subsidiary) must be rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit agency. Total Banker's Acceptances from a single bank shall not exceed 5% of the Aggregate Portfolio at the time any part of the holding was purchased.

**5.8 Certificates of Deposit** may be purchased through a Financial Institution or Authorized Broker/Dealer approved by DART's Investment Committee that has its main office or branch office within the DART Service Area and that contractually agrees to place the funds in federally-insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Act. Good-faith efforts will be made to encourage the participation of minority and women-owned financial institutions in the placement of Certificates of Deposit.

**5.9 Futures Contracts, Options Contracts, and Swap Agreements** will require prior Board approval before being implemented to Hedge against security market losses or unfavorable movements in interest rates, currency exchange rates, fuel prices, and other areas of identified risk, where prudent.

**5.10 Local Government Investment Pools (LGIPs)** may be purchased, primarily for the purposes of liquidity or timing of investments. LGIPs must comply with the Public Funds Investment Act, must be individually approved by the Board of Directors, must make available an offering circular or similar disclosure instrument, and must maintain a AAA-m or equivalent rating by a nationally recognized rating agency.

## **Section 6: PROHIBITED INVESTMENTS**

The following government securities are not allowable investments: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage backed security collateral and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## **Section 7: INVESTMENT STRATEGY**

A brief investment strategy statement shall be developed for each fund established by the Board of Directors to ensure investment holdings have the required credit quality, diversification, volatility characteristics, yield, and maturity structure to satisfy the stated objectives and cash flow of each fund. Notwithstanding any specific strategic criteria, no security may be purchased in any fund with a maturity in excess of ten years from the settlement date of its purchase. The use of any structured product, not prohibited above, must add value to the total portfolio on a risk-adjusted basis while keeping the total portfolio in compliance with the guidelines.

**Section 8: COMPETITIVE BIDDING**

Security transactions will be executed on the basis of a competitive bid or offer from three Authorized Broker/Dealers. Exceptions are:

1. Transactions with money market mutual funds and local government investment pools;
2. Treasury and Agency Securities purchased at issue through an Authorized Broker/Dealer; or
3. Fully insured Certificates of Deposit placed in accordance with the conditions prescribed in Section 2256.010(b) of the Act.

**Section 9: SALE OF SECURITIES**

DART's policy is to hold securities to maturity. However, securities may be sold:

1. in order to minimize the potential loss of principal on a security whose credit quality has declined;
2. in order to reposition the portfolio for the purpose of improving the quality, yield, or target duration of the portfolio; or
3. in order to meet unanticipated liquidity needs of the portfolio.

**Section 10: REPORTING REQUIREMENTS**

The Board of Directors will be provided detailed information at least quarterly on DART's Aggregate Portfolio and by Fund, covering maturity structure, average yield, diversity, market value, portfolio changes from the prior period, and demonstrating compliance with each fund's objectives and investment strategy. Market prices of securities for recording and reporting purposes must be verified from independent sources, such as *The Wall Street Journal*, Bloomberg, or written bids from Eligible Financial Institutions. The portfolio's performance measure shall be the weighted average yield to stated final maturity date. The Report must meet all requirements of the Act.

**Section 11: POLICY REVIEW**

The Board of Directors will review and adopt DART's Investment Policy and the Statement of Investment Strategy for each fund not less than annually.

**Section 12: ANNUAL POLICY COMPLIANCE AND CONTROL REVIEW**

The external auditors, in conjunction with the annual audit, shall review management's controls, the quarterly investment reports prepared to comply with PFIA, and adherence to the investment policy. The results of the review will be reported to the Board of Directors as part of their regular audit report.

**Section 13: INVESTMENT TRAINING**

All Investment Officers must attend a minimum of ten hours of investment training during a two-year period that begins on the first day of DART's fiscal year and consists of the two consecutive fiscal years after that date. Newly appointed Investment Officers must, within twelve months after taking office, attend at least one training session specifically relating to responsibilities under the Public Funds Investment Act. Such training must be from an independent source and be approved by DART's Investment Committee and include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act.



**Section 14: SAFEKEEPING AND CUSTODY**

Safekeeping and custody of investment securities shall be in accordance with applicable law and accounting standards. Investment securities will be held by a third-party custodian designated by DART and will be required to issue safekeeping receipts clearly detailing that the securities are owned by DART. Pledged securities serving as collateral will be held by a third-party custodian designated by DART and pledged to DART as evidenced by safekeeping receipts of the institution with which the securities are deposited.

**Section 15: SECURITIES ACCEPTED AS COLLATERAL**

Securities pledged in accordance with Chapter 2257 of the Government Code, Collateral for Public Funds to secure DART's various deposits to the extent not protected by F.D.I.C. insurance shall be limited to: (1) U.S. Government Securities; (2) Federal Agency Securities; (3) Municipal Securities as defined in Section 2 of this Investment Policy; and (4) Federal Home Loan Bank Letters of Credit. A third-party custodian shall hold securities, and the market value of such securities shall be monitored using an independent pricing source. Acceptance, substitution, valuation, and release of securities shall be controlled by the terms of a pledge agreement to be executed between DART and the depository institution(s). DART requires that all uninsured collected balances plus accrued interest, if any, in depository accounts must also be collateralized.

**Section 16: MONITORING OF RATING CHANGES**

DART will periodically monitor investment ratings of all investments in its portfolio. DART will take all prudent measures to liquidate an investment when its current rating falls below the minimum required rating

**DALLAS AREA RAPID TRANSIT  
FY 2022 STATEMENT OF INVESTMENT STRATEGY**

Dallas Area Rapid Transit manages separate portfolios for funds established by the Board of Directors. The investment strategy for each portfolio is based on the fund objective and its unique cash flow characteristics.

**GENERAL OPERATING FUND**

The primary objective of investment strategies for the operating fund is liquidity achieved by matching investment maturities and income stream with anticipated cash flows. The majority of funds are placed in short-term or readily marketable securities with emphasis on high-grade commercial paper and government agencies. Local government investment pools are used to provide diversity and facilitate daily funding of cash outflows.

The average dollar-weighted maturity of this portfolio shall not exceed two years; the maximum maturity for any single holding shall not exceed five years. Yield enhancing techniques applied to a core segment of this portfolio, may include the use of Treasury notes in the two to three year area which can be purchased for yield and held for possible capital gains and intermediate-term agencies with short-call provisions offering a spread to comparable Treasuries.

**PROJECT FUNDS**

Include monies designated for project financing greater than 90 days. The investment goals in this fund will be to provide capital preservation, liquidity needs, and investment return. The average dollar-weighted maturity of these portfolios are in the two to three year area with a maximum maturity for any single security of four years.

**DART COMMERCIAL PAPER SYSTEM EXPANSION & ACQUISITION FUND**

Deposits in this fund are generally held less than ninety (90) days between the sale of DART's commercial paper and contract payments for the financed capital projects. To provide the short-term liquidity required, investments are limited to money market instruments, such as money market mutual funds or local government investment pools, commercial paper, discount agencies, or repurchase agreements, with maturities matched to ~~check~~ payment dates where feasible. The average dollar-weighted maturity for this fund is up to 90 days, with a maximum maturity of 180 days.

**FINANCIAL RESERVE FUND**

The investment goal of capital preservation is primary for this fund, which will be accessed in the event of a downturn in sales tax receipts, unanticipated capital overruns, or other financial difficulties. The need for liquidity is low. To maximize yield while maintaining a relatively stable market value, this portfolio will use an investment strategy of normally placing securities evenly spaced over a one to five year maturity range, commonly referred to as a ladder maturity structure, to ensure consistent availability of current funds for reinvestment or cash flow requirements. Securities will be evaluated on a risk-return basis, with bond swaps used to take advantage of market anomalies while maintaining market quality and structure. The average dollar-weighted maturity of this portfolio is four years or less with ten years as the maximum maturity for any single holding.

**INSURANCE RESERVE FUND**

DART's self-insurance program for liability and workers' compensation claims requires the preservation of assets to ensure funding capability. The reserve amount required will vary on a yearly basis as new claims offset claims payments. The fund will be adjusted no less frequently than yearly to reflect the appropriate level, upon approval of the Investment Officers, and after consultation with Risk Management. The lack of liquidity requirements in this fund allows for the average dollar-weighted maturity of four years or less, with a maximum maturity for any single holding of ten years. Capital preservation is valued above yield, but the stable balance and minimal cash outflow permits a higher level of interim market price volatility than in other DART portfolios.

**SENIOR LIEN DEBT SERVICE FUNDS**

The long-term bond program requires the establishment of two reserve funds: an interest fund and a principal fund. These funds will be used to make payments directly to bond investors as needed during the month. The investment objective of these two funds is to provide sufficient liquidity to meet the payment requirements and to minimize market and credit risk. To meet this investment objective, investments will be limited to money market mutual funds that invest in short-term securities that are issued or guaranteed by the U.S. government or U.S. government agencies, or direct obligations of the U.S. government and its agencies with maturities closely matched to specific payment requirements. The average dollar-weighted maturity of the interest fund shall not exceed six months, with a maximum maturity of six months. The average dollar-weighted maturity of the principal fund shall not exceed one year with a maximum maturity of one year.

**SENIOR SUBORDINATE LIEN DEBT SERVICE FUNDS**

The commercial paper program requires the establishment of two reserve funds: an interest fund and a principal fund. These funds will be used to make payments directly to commercial paper investors as needed during the month. The investment objective of the two funds is to provide sufficient liquidity to meet the payment requirements and to minimize market and credit risk. To meet this investment objective, investments will be limited to money market mutual funds that invest in short-term securities that are issued or guaranteed by the U.S. government or U.S.

government agencies, or direct obligations of the U.S. government and its agencies with maturities closely matched to specific payment requirements. The average dollar-weighted maturity of these funds shall not exceed 90 days, with a maximum maturity of one year.

### **MOBILITY ASSISTANCE AND INNOVATION FUND**

In order to provide funding for initiatives that enhance the quality and affordability of public transportation, DART will maintain a Mobility Assistance and Innovation Fund. The investment goal of capital preservation and liquidity is primary for this fund ~~to meet unplanned capital project funding requirements~~. The liquidity need of this fund is 20%. To maximize yield while maintaining a relatively stable market value and the desired liquidity component, this portfolio will use a two-tiered investment strategy. The liquidity needs will be invested evenly, 50% in the 1 to 6 month and 50% in the 6 to 12-month maturity range. The remainder of the portfolio will be invested by placing securities evenly spaced over a two to five-year maturity range, commonly referred to as a ladder maturity structure, to ensure consistent availability of current funds for reinvestment or cash flow requirements. Securities will be evaluated on a risk-return basis, with bond swaps used to take advantage of market anomalies while maintaining market quality and structure. The average dollar-weighted maturity of this portfolio is four years or less with ten years as the maximum maturity for any single holding.

### **DART BOND SYSTEM EXPANSION & ACQUISITION FUND**

The Bond proceeds in this fund are held up to 36 months between the sale of DART's long-term bonds and contract payments to finance capital projects. The investment goals in this fund will be to provide capital preservation, liquidity needs, and investment return. To meet the investment goals, investments will be in high grade corporate and government/agency instruments and local government investment pools. The investments purchased will have maturities that match forecasted payments. The average dollar-weighted maturity for this fund is up to 30 months, with a maximum maturity of 36 months.

### **STATE OR LOCAL GOVERNMENT-PROVIDED FUNDS**

The deposits in these funds are provided by State or Local Governments for specific projects. Preservation of capital and liquidity are the paramount investment objectives of these funds. Therefore, the deposits in these funds will be invested in AAA or United States Treasury money market funds. The average dollar-weighted maturity will be one day, with a maximum maturity of one day.

**DRAFT**

**RESOLUTION**

**of the**

**DALLAS AREA RAPID TRANSIT BOARD**

**(Executive Committee)**

**Approval of DART Board Policy II.04, Investment Policy, and Approval of DART's FY 2022 Investment Strategy**

WHEREAS, the Texas Public Funds Investment Act (PFIA) and DART Board Policy II.04, Investment Policy, require the DART Board to review, approve, and adopt a written investment policy and a statement of investment strategy for funds under its control on an annual basis; and

WHEREAS, the Board has reviewed DART Board Policy II.04, Investment Policy as shown hereto as Exhibit 1, which sets out the types of investments in which funds may be invested; and

WHEREAS, the Board has reviewed the FY 2022 Investment Strategy as shown hereto as Exhibit 2, which describes the fund portfolios established by the Board of Directors and provides an investment strategy for each portfolio based on the fund objective and its unique cashflow characteristics.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

- Section 1: DART Board Policy II.04, Investment Policy, has been reviewed and is approved as shown in Exhibit 1 to this Resolution.
- Section 2: The FY 2022 Investment Strategy as shown in Exhibit 2 to this Resolution is approved and shall become effective as of the date of this resolution.
- Section 3: The Investment Policy and FY 2022 Investment Strategy are adopted by the DART Board of Directors.

**Approval of DART Board Policy II.04, Investment Policy, and Approval of DART's FY 2022 Investment Strategy**

Prepared by: /s/ Nicole Fontayne-Bárdowell \*  
\_\_\_\_\_  
Nicole Fontayne-Bárdowell  
Executive Vice President  
Chief Administrative Officer &  
Interim Chief Financial Officer

Approved as to form: /s/ Gene Gamez \*  
\_\_\_\_\_  
Gene Gamez  
General Counsel

Approved by: /s/ Nadine S. Lee \*  
\_\_\_\_\_  
Nadine S. Lee  
President & Chief Executive Officer

\* Reviewed and approved, but not signed due to COVID-19  
Coronavirus Pandemic

# **Dallas Area Rapid Transit Investment Policy, II.04**

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**DART Investment Policy, II.04**

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**DATE ISSUED:** December 10, 1985  
**Resolution No.** 850180  
**Amended by Resolutions:** 870080, 940008, 940172, 950193, 960015, 970014, 970264, 000220, 010197, 090132, 120111, 130096, 140102, 170078, 190128, 200106  
**Affirmed by Resolution:** 980268, 990224, 020187, 030132, 040149, 050114, 060135, 070134, 080152, 100131, 110088, 150095, 160087, 180088  
**Policy No.** II.04 (Finance)

## Section 1: SCOPE

Dallas Area Rapid Transit (DART) shall utilize those investment strategies and procedures that most effectively accomplish the following goals in order of priority: (1) preservation of capital; (2) liquidity to meet all obligations in a timely manner; and (3) maximization of earnings from the full investment of all available funds. DART funds will be invested and managed in compliance with Section 452.102 of the Texas Transportation Code, the Public Funds Investment Act (Chapter 2256, Government Code), DART's Investment Policy, and internal procedures as documented in DART's Funds Administration Procedures Manual. The funds as listed in Attachment 2 - Dallas Area Rapid Transit FY 2022 Statement of Investment Strategy shall be subject to these requirements.

## Section 2: DEFINITIONS

Defined terms shall, for all purposes of this Investment Policy, have the meanings set out below unless otherwise expressly provided or unless the context clearly requires otherwise.

**2.1 Aggregate Portfolio** combined assets held in all investment portfolios managed by DART, including, but not limited to, General Operating Fund, Project Fund, Insurance Reserve Fund, Mobility Assistance and Innovation Fund, Financial Reserve Fund, DART Commercial Paper and Bonds System Expansion & Acquisition Funds, Debt Service Funds (Senior Lien and Senior Subordinate Lien), and State or Local Government-Provided Funds.

**2.2 Approved Security** are obligations which fall within the definitions of investment securities legal for DART under the Public Funds Investment Act (PFIA) or Section 452.102 of the Texas Transportation Code and which are specifically included in the Investment Policy as approved by the Board of Directors. DART is not required to liquidate investments that were authorized investments at the time of purchase, but may no longer be authorized due to regulatory changes.

**2.3 Arbitrage Regulations** are regulations issued by the IRS limiting ability of municipalities to take advantage of, arbitrage, the rate differential between their own tax-exempt securities and taxable securities such as U.S. Treasury Notes. One method of yield restriction to comply with regulations is investing proceeds in other municipal securities.

**2.4 Banker's Acceptance** negotiable time draft, typically arising from letters of credit issued in a foreign trade transaction, drawn on and accepted by a bank which adds its credit to that of an importer of the merchandise. Prime Banker's Acceptances are those, which are liquidated at maturity from proceeds of the sale of goods, distinguishing these self-liquidating instruments from those used only to finance inventory.

**2.5 Certificate of Deposit** interest bearing negotiable time deposit of fixed maturity at a bank or trust company organized under the laws of Texas or national banking associations.

**2.6 Commercial Paper** the promissory note or draft of a corporation, government agency, or bank holding company, usually unsecured but backed by unused bank credit lines and issued for short-term credit needs with a maturity of up to 365 days.

**2.7 Corporate Securities** corporation-issued debt instruments as opposed to securities issued by a government agency or a municipality.

**2.8 Federal Agency Securities** debt instruments issued by federal agencies that are presumed to be unconditionally guaranteed, or backed by the full faith and credit of, the United States of America. These agencies include, but are not limited to: Federal Agricultural Mortgage Corporation, Federal Home Loan Banks, Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, and the Tennessee Valley Authority.

**2.9 Federal Deposit Insurance Corporation (FDIC)** established in the U.S. in 1933 to insure accounts at commercial and mutual saving banks and thus protect depositors.

**2.10 Financial Institutions and Authorized Broker/Dealers** financial Institutions and Authorized Broker/Dealers means qualified financial institutions and broker/dealers authorized to engage in the purchase and sale of obligations of the U.S. Government, its agencies or other approved investments to DART. The Investment Committee will review, revise and adopt the list on an annual basis. Such selection shall include but not be limited to the following criteria:

- \* Certification with the Financial Industry Regulatory Authority or be subject to regulation by the U.S. Comptroller of the Currency.
- \* Acknowledge to DART that the latest investment policy was received, and reasonable controls are in place to abide by the terms of the Policy, and as required under Section 2256.005(k) of the Public Funds Investment Act, as amended.
- \* Proven access to new issue market for government securities, suitable for DART's approved strategies.

**2.11 Floating Rate Securities** are securities which change coupon rate periodically based on changes in specified benchmarks. Unless there is a cap on the amount of change allowed at each reset, these securities will move with the current market and maintain a price close to par. Although these securities have a final stated maturity, the maturity date for purposes of liquidity analysis is the next reset date.

**2.12 Funds Administration Procedures Manual** is the manual maintained by DART's Treasury Division which provides detailed procedures and guidelines for investing and controlling DART funds and which is subject to review and approval by the Investment Committee.

**2.13 Futures Contracts/Options Contracts** agreements executed on the floor of a commodity exchange, to sell or buy a specific amount of a commodity or security at a specific price and time, and options on futures contracts which provide the buyer the right, but not the obligation, to exercise the option by the exercise date.

**2.14 Hedge** establishment of a position on a commodity or financial futures or options market, which is equal and opposite to a transaction made on an actual or physical market.

**2.15 Interest-Bearing Bank Deposit Account** bank deposit accounts that bear interest and are collateralized, or guaranteed, or insured by FDIC, or the National Credit Union Share Insurance Fund or its successor.

**2.16 Investment Committee** nine-member committee consisting of four Board-approved Investment Officers and five additional employees as designated by the President & Chief Executive Officer.

**2.17 Investment Officers** Staff to be authorized by Board Resolution to invest and manage DART funds. The Board of Directors may authorize persons in the following positions as Investment Officers: Chief Financial Officer, Treasurer, Assistant Treasurer, and Treasury Operations Senior Manager. In order to assure quality and capability of investment management, the Investment Officers shall possess sufficient working knowledge of economics and securities markets, as well as the supervisory experience and judgment necessary to carry out the responsibilities outlined in this Policy.

**2.18 Municipal Securities** debt instruments issued by a city, state, or other governmental entity with interest paid to holders being exempt from federal income tax.

**2.19 Mutual Funds** means mutual funds of money market instruments, which are no-load and comply with the Securities and Exchange Commission Rule 2a-7. Ultra-short bond funds that have a duration of less than one year and whose investments are limited to investment grade securities, excluding asset backed securities, are eligible investments.

**2.20 Prudent Person Rule** the standard to be applied to Investment Officers stated as follows: Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

**2.21 Rating (of Securities)** the determination of an issuing company's financial strength and stability, based on the company's management ability, debts, and payment history. The highest rating for notes/bonds is AAA; for commercial paper A-1+ or P-1; and for variable rate notes MIG-1.

**2.22 Repurchase Agreement** an agreement that is fully secured by a combination of cash and obligations including commercial paper in which an investor sells an investment to another investor with the provision that the first investor will buy it back for a specific price by a specific date, with the difference between the amount received and the final amount paid representing the interest.

**(a) Direct Repurchase Agreement**

An agreement for sale of securities by a broker/dealer under the provision that the buyer will sell them back at a predetermined date for a specific price.

**(b) Master Repurchase Agreement**

An agreement between the customer and the financial institution setting out the conditions under which repurchase or reverse repurchase transactions may be negotiated and executed, including requirements for delivery, default provisions, and collateral value of underlying securities.

**(c) Reverse Repurchase Agreement**

An agreement for sale of securities to a broker-dealer under the provision that the seller will buy them back by a predetermined date for a specific price.

**2.23 Security Agreement** an agreement between DART and a Depository Bank governing the pledging of collateral against deposits held by the bank.

**2.24 Swap Agreement** an agreement to exchange one stream of payments for another, such as floating interest rate payments for fixed rate payments or payments in one currency for payments in another.

**2.25 U.S. Government Securities** U.S. government debt instruments, such as Treasury bills, notes, and bonds, payable by the U.S. government and which carry the full faith and credit of the U.S. government.

**Section 3: DELEGATION OF AUTHORITY**

The Investment Officers shall have the authority without further Board review to purchase or sell any Approved Security, without limitation as to dollar amount, through Financial Institutions and Authorized Broker/Dealers and subject to DART's Investment Policy. All securities, other than money market mutual funds and investment pools, must be purchased or sold on a delivery versus payment basis.

**Section 4: STANDARD OF CARE**

**4.1 Prudent Person Rule** the standard of care to be applied to the Investment Officers shall be the Prudent Person Rule as defined herein and stated in Government Code, Section 2256.006, taking into consideration the investment of all funds over which the Officer has responsibility rather than consideration as to the prudence of a single investment.

**4.2 Personal Responsibility** the Investment Officers, acting in accordance with DART's Investment Policy and exercising due diligence, shall not be held personally responsible for changes to a specific security's credit risk or market price, provided that appropriate actions are taken to report and control adverse developments as provided in DART's Funds Administration Procedures Manual.

**4.3 Ethics Disclosure and Conflicts of Interest** an Investment Officer must file a disclosure statement with the Texas Ethics Commission, the Board of Directors, and with the General Counsel of DART if:

1. The Investment Officer has a personal business relationship, as defined under Section 2256.005(i) of the Public Funds Investment Act, with businesses offering to engage in investment transactions with DART;
  - a. Owning ten (10) percent or more of the voting stock or shares or owns \$5,000 or more of the fair market value of the business organization; or
  - b. Funds received exceeding ten (10) percent of the investment officer's gross income for the previous year; or

- c. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.
2. The Investment Officer is related within the second degree of affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with DART.

## **Section 5: INVESTMENT GUIDELINES**

Investment decisions of the Investment Officers shall be made within the following guidelines:

**5.1 U.S. Government Securities** are not restricted to any minimum or maximum limitation.

**5.2 Federal Agency Securities** issued by any single issuer shall not exceed 25% of the Aggregate Portfolio at the time any part of the holding was purchased. Agency securities, which meet the criteria set out in Section 6, Prohibited Investments, shall not be purchased for any portfolio and shall not be accepted as collateral for repurchase agreements or certificates of deposit.

**5.3 Municipal Securities** with a Rating of A or better from a nationally recognized rating agency may be purchased. Total securities of a single Municipal Issuer shall not exceed 25% of the Aggregate Portfolio at the time any part of the holding was purchased.

**5.4 Repurchase Agreements and Reverse Repurchase Agreements** covering U.S. Government Securities or Federal Agency Securities, may be executed with a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas which has entered into a written Master Repurchase Agreement with DART. All Repurchase Agreements will require that securities purchased be pledged to DART, held in DART's name, and deposited at the time the investment is made with DART or with a third party selected and approved by DART's Executive Vice President/Chief Financial Officer. All repurchase agreements must be collateralized by U.S. Government Securities at a level of at least 101% initially and monitored on a daily basis for potential collateral adjustments. The term of any reverse repurchase agreement may not exceed 90 days, and proceeds may not be used to acquire investments maturing beyond the expiration date of the reverse repurchase agreement. No more than 5% of the Aggregate Portfolio should be loaned to any one dealer in a reverse repurchase situation at the time the holding was loaned. Total Repurchase Agreement transactions shall not exceed 50% of the Aggregate Portfolio at the time the holding was loaned.

**5.5 Money Market Mutual Funds** may be purchased primarily for purposes of liquidity or timing of investments.

**5.6 Commercial Paper** may be used for matching cash flow of expenditures, but must be rated either A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies and have a maturity of 365 days or less. Total commercial paper from a single issuer shall not exceed 10% of the Aggregate Portfolio at the time any part of the holding was purchased.

**5.7 Banker's Acceptances** may be used for matching cash flow of expenditures, but must have a stated maturity of 270 days or less, be deemed as eligible collateral for borrowings from the Federal Reserve Bank, be designated as "prime" or self-liquidating at maturity, and be accepted by a bank organized under the laws of the United States or any state. The short-term obligations of the accepting bank (or of the bank holding

company of which the bank is the largest subsidiary) must be rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit agency. Total Banker's Acceptances from a single bank shall not exceed 5% of the Aggregate Portfolio at the time any part of the holding was purchased.

**5.8 Certificates of Deposit** may be purchased through a Financial Institution or Authorized Broker/Dealer approved by DART's Investment Committee that has its main office or branch office within the DART Service Area and that contractually agrees to place the funds in federally-insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Act. Good-faith efforts will be made to encourage the participation of minority and women-owned financial institutions in the placement of Certificates of Deposit.

**5.9 Futures Contracts, Options Contracts, and Swap Agreements** will require prior Board approval before being implemented to Hedge against security market losses or unfavorable movements in interest rates, currency exchange rates, fuel prices, and other areas of identified risk, where prudent.

**5.10 Local Government Investment Pools (LGIPs)** may be purchased, primarily for the purposes of liquidity or timing of investments. LGIPs must comply with the Public Funds Investment Act, must be individually approved by the Board of Directors, must make available an offering circular or similar disclosure instrument, and must maintain a AAA-m or equivalent rating by a nationally recognized rating agency.

## **Section 6: PROHIBITED INVESTMENTS**

The following government securities are not allowable investments: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage backed security collateral and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## **Section 7: INVESTMENT STRATEGY**

A brief investment strategy statement shall be developed for each fund established by the Board of Directors to ensure investment holdings have the required credit quality, diversification, volatility characteristics, yield, and maturity structure to satisfy the stated objectives and cash flow of each fund. Notwithstanding any specific strategic criteria, no security may be purchased in any fund with a maturity in excess of ten years from the settlement date of its purchase. The use of any structured product, not prohibited above, must add value to the total portfolio on a risk-adjusted basis while keeping the total portfolio in compliance with the guidelines.

**Section 8: COMPETITIVE BIDDING**

Security transactions will be executed on the basis of a competitive bid or offer from three Authorized Broker/Dealers. Exceptions are:

1. Transactions with money market mutual funds and local government investment pools;
2. Treasury and Agency Securities purchased at issue through an Authorized Broker/Dealer; or
3. Fully insured Certificates of Deposit placed in accordance with the conditions prescribed in Section 2256.010(b) of the Act.

**Section 9: SALE OF SECURITIES**

DART's policy is to hold securities to maturity. However, securities may be sold:

1. in order to minimize the potential loss of principal on a security whose credit quality has declined;
2. in order to reposition the portfolio for the purpose of improving the quality, yield, or target duration of the portfolio; or
3. in order to meet unanticipated liquidity needs of the portfolio.

**Section 10: REPORTING REQUIREMENTS**

The Board of Directors will be provided detailed information at least quarterly on DART's Aggregate Portfolio and by Fund, covering maturity structure, average yield, diversity, market value, portfolio changes from the prior period, and demonstrating compliance with each fund's objectives and investment strategy. Market prices of securities for recording and reporting purposes must be verified from independent sources, such as *The Wall Street Journal*, Bloomberg, or written bids from Eligible Financial Institutions. The portfolio's performance measure shall be the weighted average yield to stated final maturity date. The Report must meet all requirements of the Act.

**Section 11: POLICY REVIEW**

The Board of Directors will review and adopt DART's Investment Policy and the Statement of Investment Strategy for each fund not less than annually.

**Section 12: ANNUAL POLICY COMPLIANCE AND CONTROL REVIEW**

The external auditors, in conjunction with the annual audit, shall review management's controls, the quarterly investment reports prepared to comply with PFIA, and adherence to the investment policy. The results of the review will be reported to the Board of Directors as part of their regular audit report.

**Section 13: INVESTMENT TRAINING**

All Investment Officers must attend a minimum of ten hours of investment training during a two-year period that begins on the first day of DART's fiscal year and consists of the two consecutive fiscal years after that date. Newly appointed Investment Officers must, within twelve months after taking office, attend at least one training session specifically relating to responsibilities under the Public Funds Investment Act. Such training must be from an independent source and be approved by DART's Investment Committee and include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act.

**Section 14: SAFEKEEPING AND CUSTODY**

Safekeeping and custody of investment securities shall be in accordance with applicable law and accounting standards. Investment securities will be held by a third-party custodian designated by DART and will be required to issue safekeeping receipts clearly detailing that the securities are owned by DART. Pledged securities serving as collateral will be held by a third-party custodian designated by DART and pledged to DART as evidenced by safekeeping receipts of the institution with which the securities are deposited.

**Section 15: SECURITIES ACCEPTED AS COLLATERAL**

Securities pledged in accordance with Chapter 2257 of the Government Code, Collateral for Public Funds to secure DART's various deposits to the extent not protected by F.D.I.C. insurance shall be limited to: (1) U.S. Government Securities; (2) Federal Agency Securities; (3) Municipal Securities as defined in Section 2 of this Investment Policy; and (4) Federal Home Loan Bank Letters of Credit. A third-party custodian shall hold securities, and the market value of such securities shall be monitored using an independent pricing source. Acceptance, substitution, valuation, and release of securities shall be controlled by the terms of a pledge agreement to be executed between DART and the depository institution(s). DART requires that all uninsured collected balances plus accrued interest, if any, in depository accounts must also be collateralized.

**Section 16: MONITORING OF RATING CHANGES**

DART will periodically monitor investment ratings of all investments in its portfolio. DART will take all prudent measures to liquidate an investment when its current rating falls below the minimum required rating



**DALLAS AREA RAPID TRANSIT  
FY 2022 STATEMENT OF INVESTMENT STRATEGY**

Dallas Area Rapid Transit manages separate portfolios for funds established by the Board of Directors. The investment strategy for each portfolio is based on the fund objective and its unique cash flow characteristics.

**GENERAL OPERATING FUND**

The primary objective of investment strategies for the operating fund is liquidity achieved by matching investment maturities and income stream with anticipated cash flows. The majority of funds are placed in short-term or readily marketable securities with emphasis on high-grade commercial paper and government agencies. Local government investment pools are used to provide diversity and facilitate daily funding of cash outflows.

The average dollar-weighted maturity of this portfolio shall not exceed two years; the maximum maturity for any single holding shall not exceed five years. Yield enhancing techniques applied to a core segment of this portfolio, may include the use of Treasury notes in the two to three year area which can be purchased for yield and held for possible capital gains and intermediate-term agencies with short-call provisions offering a spread to comparable Treasuries.

**PROJECT FUNDS**

Include monies designated for project financing greater than 90 days. The investment goals in this fund will be to provide capital preservation, liquidity needs, and investment return. The average dollar-weighted maturity of these portfolios are in the two to three year area with a maximum maturity for any single security of four years.

**DART COMMERCIAL PAPER SYSTEM EXPANSION & ACQUISITION FUND**

Deposits in this fund are generally held less than ninety (90) days between the sale of DART's commercial paper and contract payments for the financed capital projects. To provide the short-term liquidity required, investments are limited to money market instruments, such as money market mutual funds or local government investment pools, commercial paper, discount agencies, or repurchase agreements, with maturities matched to payment dates where feasible. The average dollar-weighted maturity for this fund is up to 90 days, with a maximum maturity of 180 days.

**FINANCIAL RESERVE FUND**

The investment goal of capital preservation is primary for this fund, which will be accessed in the event of a downturn in sales tax receipts, unanticipated capital overruns, or other financial difficulties. The need for liquidity is low. To maximize yield while maintaining a relatively stable market value, this portfolio will use an investment strategy of normally placing securities evenly spaced over a one to five year maturity range, commonly referred to as a ladder maturity structure, to ensure consistent availability of current funds for reinvestment or cash flow requirements. Securities will be evaluated on a risk-return basis, with bond swaps used to take advantage of market anomalies while maintaining market quality and structure. The average dollar-weighted maturity of this portfolio is four years or less with ten years as the maximum maturity for any single holding.

**INSURANCE RESERVE FUND**

DART's self-insurance program for liability and workers' compensation claims requires the preservation of assets to ensure funding capability. The reserve amount required will vary on a yearly basis as new claims offset claims payments. The fund will be adjusted no less frequently than yearly to reflect the appropriate level, upon approval of the Investment Officers, and after consultation with Risk Management. The lack of liquidity requirements in this fund allows for the average dollar-weighted maturity of four years or less, with a maximum maturity for any single holding of ten years. Capital preservation is valued above yield, but the stable balance and minimal cash outflow permits a higher level of interim market price volatility than in other DART portfolios.

**SENIOR LIEN DEBT SERVICE FUNDS**

The long-term bond program requires the establishment of two reserve funds: an interest fund and a principal fund. These funds will be used to make payments directly to bond investors as needed during the month. The investment objective of these two funds is to provide sufficient liquidity to meet the payment requirements and to minimize market and credit risk. To meet this investment objective, investments will be limited to money market mutual funds that invest in short-term securities that are issued or guaranteed by the U.S. government or U.S. government agencies, or direct obligations of the U.S. government and its agencies with maturities closely matched to specific payment requirements. The average dollar-weighted maturity of the interest fund shall not exceed six months, with a maximum maturity of six months. The average dollar-weighted maturity of the principal fund shall not exceed one year with a maximum maturity of one year.

**SENIOR SUBORDINATE LIEN DEBT SERVICE FUNDS**

The commercial paper program requires the establishment of two reserve funds: an interest fund and a principal fund. These funds will be used to make payments directly to commercial paper investors as needed during the month. The investment objective of the two funds is to provide sufficient liquidity to meet the payment requirements and to minimize market and credit risk. To meet this investment objective, investments will be limited to money market mutual funds that invest in short-term securities that are issued or guaranteed by the U.S. government or U.S.

government agencies, or direct obligations of the U.S. government and its agencies with maturities closely matched to specific payment requirements. The average dollar-weighted maturity of these funds shall not exceed 90 days, with a maximum maturity of one year.

### **MOBILITY ASSISTANCE AND INNOVATION FUND**

In order to provide funding for initiatives that enhance the quality and affordability of public transportation, DART will maintain a Mobility Assistance and Innovation Fund. The investment goal of capital preservation and liquidity is primary for this fund. The liquidity need of this fund is 20%. To maximize yield while maintaining a relatively stable market value and the desired liquidity component, this portfolio will use a two-tiered investment strategy. The liquidity needs will be invested evenly, 50% in the 1 to 6-month and 50% in the 6 to 12-month maturity range. The remainder of the portfolio will be invested by placing securities evenly spaced over a two to five-year maturity range, commonly referred to as a ladder maturity structure, to ensure consistent availability of current funds for reinvestment or cash flow requirements. Securities will be evaluated on a risk-return basis, with bond swaps used to take advantage of market anomalies while maintaining market quality and structure. The average dollar-weighted maturity of this portfolio is four years or less with ten years as the maximum maturity for any single holding.

### **DART BOND SYSTEM EXPANSION & ACQUISITION FUND**

The Bond proceeds in this fund are held up to 36 months between the sale of DART's long-term bonds and contract payments to finance capital projects. The investment goals in this fund will be to provide capital preservation, liquidity needs, and investment return. To meet the investment goals, investments will be in high grade corporate and government/agency instruments and local government investment pools. The investments purchased will have maturities that match forecasted payments. The average dollar-weighted maturity for this fund is up to 30 months, with a maximum maturity of 36 months.

### **STATE OR LOCAL GOVERNMENT-PROVIDED FUNDS**

The deposits in these funds are provided by State or Local Governments for specific projects. Preservation of capital and liquidity are the paramount investment objectives of these funds. Therefore, the deposits in these funds will be invested in AAA or United States Treasury money market funds. The average dollar-weighted maturity will be one day, with a maximum maturity of one day.



# Agenda Report

*Committee-of-the-Whole*   
*Board Meeting*

**Voting Requirements:  
Majority**

**DATE:**            **October 12, 2021**

**SUBJECT:**       **Approval of Apportionment of DART Board of Directors**

## RECOMMENDATION

Approval of a Resolution authorizing the current apportionment of the DART Board of Directors and direction to the General Counsel to advise DART member cities of the DART Board’s compliance with reapportionments under Texas Transportation Code Section 452.577.

## FINANCIAL CONSIDERATIONS

- Approval of this resolution has no financial impact to DART.

## BUSINESS PURPOSE

- DART’s enabling statute requires the DART Board be reapportioned, if necessary, each fifth year as of September 1 after the date that the census data or population estimates become available. Due to the pandemic, the release of the 2020 U.S. Census was delayed 2-3 months. DART’s enabling statute permits a member city with a fractional interest to combine that fractional interest with one or more other member cities to be entitled to make one appointment.
- The Committee of the Whole was briefed on September 14, 2021 and September 28, 2021 on census data availability, reapportionment options, fractional remainders, and a timeline leading up to an action item on any reapportionment of the DART Board of Directors. The Board will consider continuation of the current apportionment of the DART Board of Directors and if approved, direct the General Counsel to advise DART member cities of the DART Board’s compliance with reapportionments under Texas Transportation Code Section 452.577.
- Approval of this item will assist DART in achieving Board Strategic Priority 3: Innovate to enhance mobility options, business processes, and funding.

## LEGAL CONSIDERATIONS

Section 452.573(a) of the Texas Transportation Code authorizes appointments to the DART Board in the ratio as the population of the appointing member city bears to the total population of the subregion.

Section 452.573(b) of the Texas Transportation Code authorizes a member city with a fractional interest to combine that fractional interest with one or more member cities to be entitled to make one appointment.

Section 452.577 of the Texas Transportation Code requires the DART Board to be reapportioned as needed each fifth year as of September 1, after the date that the census data or population estimates become available.

**DRAFT**

**RESOLUTION**

**of the**

**DALLAS AREA RAPID TRANSIT BOARD**

**(Executive Committee)**

**Approval of Apportionment of DART Board of Directors**

WHEREAS, Section 452.577 of the Texas Transportation Code directs that the DART Board of Directors be restructured, as needed, each fifth year as of September 1 after the date that census data or population estimates become available; and

WHEREAS, due to the pandemic the release of the 2020 U.S. Census was delayed 2-3 months; and

WHEREAS, the Board has considered the 2020 U.S. Census Bureau population changes and compared this data to the 2016 apportionment of the DART Board of Directors; and

WHEREAS, the Board has agreed to maintain the current apportionment structure.

NOW THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

Section 1: The DART Board of Directors continues the current apportionment as set out below effective November 1, 2021. The Board member representing the city or cities as of passage of this Resolution is indicated.

<b>Board Member</b>	<b>Cities</b>
Gary Slagel	Addison, Highland Park, University Park and Richardson
Doug Hrbacek	Carrollton and Irving
Eliseo Ruiz III	Dallas and Cockrell Hill
Michele Wong Krause	Dallas
Rodney Schlosser	Dallas
Patrick Kennedy	Dallas
Jon-Bertrell Killen	Dallas
Dominique P. Torres	Dallas
Flora M. Hernandez	Dallas
Hosanna Yemiru	Dallas
Jonathan R. Kelly	Garland
Mark C. Enoch	Garland, Rowlett and Glenn Heights
Rick Stopfer	Irving
Paul N. Wageman	Plano
Robert C. Dye	Plano and Farmers Branch

Section 2: The General Counsel is directed to advise the DART member cities that the DART Board has complied with Section 452.577(1) of the Texas Transportation Code and determined that the Board has agreed to maintain the current apportionment structure of the DART Board.

**Approval of Apportionment of DART Board of Directors**

/s/ Gene Gamez \*

Prepared and Approved as to form:

\_\_\_\_\_  
Gene Gamez  
General Counsel

Approved by:

/s/ Nadine S. Lee \*

\_\_\_\_\_  
Nadine S. Lee  
President & Chief Executive Officer

\* Reviewed and approved, but not signed due to COVID-19  
Coronavirus Pandemic



# Agenda Report

*Committee-of-the-Whole*   
*Board Meeting*

**Voting Requirements:  
Majority**

**DATE:**        **October 12, 2021**

**SUBJECT:**   **Approval of 2022 DART Board Meeting Dates**

**BOARD ACTION**

Approval of a resolution authorizing that regular meetings of the DART Board of Directors for 2022 be held in the Board Room at 1401 Pacific Avenue, Dallas, Texas, beginning at 6:00 p.m. on the following dates:

- January 25, 2022
- February 22, 2022
- March 22, 2022
- April 26, 2022
- May 24, 2022
- June 28, 2022
- July 12, 2022
- August 23, 2022
- September 27, 2022
- October 25, 2022
- November 8, 2022
- December 13, 2022

**PURPOSE**

- The purpose of this item is to approve the DART Board meeting dates for 2022. DART Board committees will meet on the second Tuesday of each month except for October 2022 when the meeting will be held on October 4, 2022 due to the APTA TransForm Conference being held during the second week of October. Board and Committee meeting dates are included as Exhibit 1 to the Resolution.

**LEGAL CONSIDERATIONS**

Section 452.506(c)(1) of the Texas Transportation Code states that the Board by resolution shall set the time, place, and day of the regular meetings.



**DRAFT**

**RESOLUTION**

**of the**

**DALLAS AREA RAPID TRANSIT BOARD**

**(Executive Committee)**

**Approval of 2022 DART Board Meeting Dates**

WHEREAS, Section 452.506(c)(1) of the Texas Transportation Code states that the Board by resolution shall set the time, place, and day of the regular meetings; and

WHEREAS, the DART Board has adopted rules and bylaws to conduct its meetings; and

WHEREAS, the Board Chair, pursuant to Article III, Section 7, of the DART Board Bylaws has the authority to cancel, postpone, or change the date or time of a regular meeting subject to the requirements of law.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that regular meetings of the DART Board of Directors for 2022 be held in the Board Room at 1401 Pacific Avenue, Dallas, Texas, beginning at 6:00 p.m. on the following dates and that the DART Board Committees meet on the dates shown in Exhibit 1 to this Resolution:

January 25, 2022  
February 22, 2022  
March 22, 2022  
April 26, 2022  
May 24, 2022  
June 28, 2022  
July 12, 2022  
August 23, 2022  
September 27, 2022  
October 25, 2022  
November 8, 2022  
December 13, 2022

**Approval of 2022 DART Board Meeting Dates**

---

Jonathan R. Kelly  
Secretary

---

Paul N. Wageman  
Chair

APPROVED AS TO FORM:

ATTEST:

---

Gene Gamez  
General Counsel

---

Nadine S. Lee  
President & Chief Executive Officer

---

Date

**DART Board and Committee Meeting Dates for 2022**

<b>Month</b>	<b>Committee Meetings</b>	<b>Committee of the Whole and Board Meetings</b>
January	11	25
February	8	22
March	8	22
April	12	26
May	10	24
June	14	28
July	12	12
August	9	23
September	13	27
October	4	25
November	8	8
December	13	13



# Agenda Report

*Committee-of-the-Whole*

**DATE:** October 12, 2021

**SUBJECT:** Briefing on Silver Line Claims and Cost Impacts

## RECOMMENDATION

This is a briefing item. No action is required at this time.

## BUSINESS PURPOSE

- The Board has been continuously briefed in executive session in Committee-of-the-Whole meetings on the status of the claims and cost impacts for the Silver Line Project.
- On October 12, 2021, the Committee will be briefed on the progress of DART's Silver Line project including the administration of controlling potential contract claims, changes, and negotiations for the design-build contract.
- This briefing will help achieve Board Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations; and Strategic Priority 5: Enhance DART's role as a recognized local, regional, and national transportation leader.



# Agenda Report

*Committee-of-the-Whole*

*Board Meeting*

<b>Attachment:</b> <b>1. Location Maps</b>	<b>Voting Requirements:</b> <b>Majority</b>
---	--

**DATE:**           **October 12, 2021**

**SUBJECT:**       **Authorize Administrative Settlement for the Acquisition of Parcel CB2-010, Located at or near 1500 Cecil Dr., in the City of Carrollton, Texas, for the Silver Line Regional Rail Project**

## RECOMMENDATION

Approve a resolution authorizing: 1) the President & Chief Executive Officer or her designee to purchase Parcel CB2-010, located at or near 1500 Cecil Dr., in the City of Carrollton, Texas, for the Silver Line Regional Rail Project for an administrative settlement as approved by the Board; 2) the President & Chief Executive Officer or her designee to execute all necessary legal instruments and to pay any necessary costs, including title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of Parcel CB2-010; and 3) if the President & Chief Executive Officer or her designee is unable to close the purchase and obtain clear title, the General Counsel is hereby authorized and directed to proceed and prosecute the completion of eminent domain proceedings for the acquisition of Parcel CB2-010 for the Silver Line Regional Rail Project.

## FINANCIAL CONSIDERATIONS

- Funding for this real estate acquisition is included in the Silver Line project budget of the approved FY 2022 Capital Budget.
- Sufficient funding for this real estate acquisition is included in both the Silver Line project budget and the Commuter Rail and Railroad Management line item of the FY 2022 Twenty-Year Financial Plan.
- Acquisition of this parcel is financed by the Federal Railroad Administration (FRA) Railroad Rehabilitation and Improvement Financing (RRIF) loan program or DART-issued debt.

## BUSINESS PURPOSE

- The parcel illustrated in Attachment 1, and fully described in Exhibit 1 of the resolution, was identified in the Final Environmental Impact Statement (FEIS) as necessary for the construction of the Silver Line project.
- On May 25, 2021 (Resolution No. 210062), the Board authorized the acquisition of Parcel CB2-010 for the Silver Line Project and authorized eminent domain proceedings, if necessary.
- Good faith negotiations for the purchase of CB2-010 based on appraisal values, right of entry costs, relocation costs and other valuable consideration have been ongoing, and a proposed administrative settlement has been reached and will be presented to the Board for its

consideration. The administrative settlement for the purchase of this parcel is necessary as it is in the critical path area for the construction of the Silver Line Regional Rail Project.

- Approval of this real estate transaction will help achieve Board Strategic Priority 5: Enhance DART's role as a recognized local, regional and national transportation leader.
- The Board has been provided a confidential packet under separate cover outlining the details of the proposed transaction.

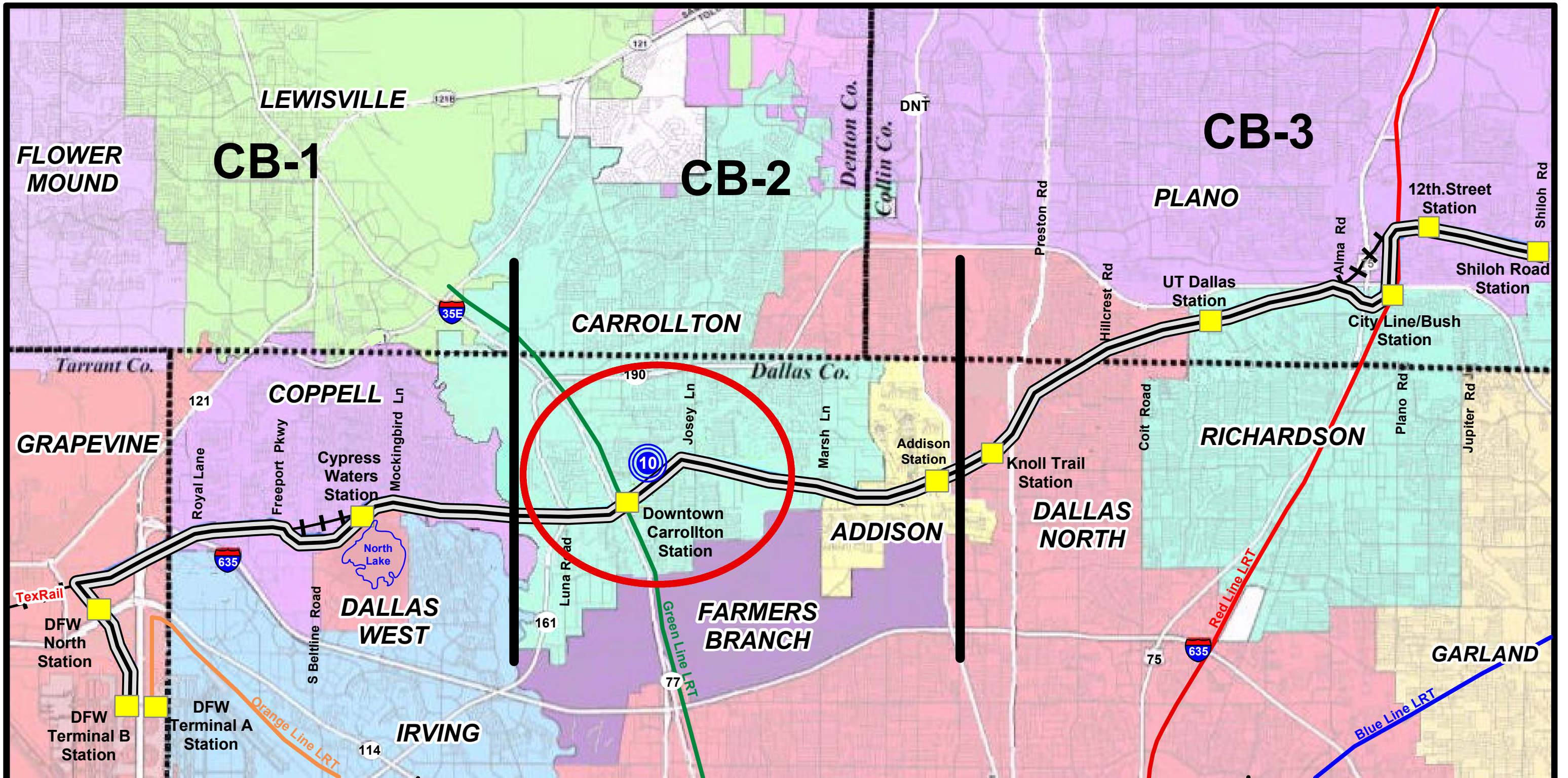
#### **APPRAISAL INFORMATION**

- An appraisal has been prepared by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser.


#### **LEGAL CONSIDERATIONS**

- Section 452.054 of the Texas Transportation Code grants Dallas Area Rapid Transit (DART) authority to acquire real property.
- Section 452.058 of the Texas Transportation Code grants DART the authority to acquire real property by eminent domain.





**Legend**

-  Silver Line Corridor
-  Parcel Locations
-  Station Locations

**DALLAS AREA RAPID TRANSIT**

Authorize Administrative Settlement for Parcel CB2-010, Located at or near Cecil Dr., in the City of Carrollton, Texas, for the Silver Line Regional Rail Project




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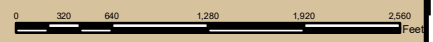



**Legend**

-  Silver Line Corridor
-  Property Boundaries
-  Area To Be Acquired

**DALLAS AREA RAPID TRANSIT**

Authorize Administrative Settlement for the Acquisition of Parcel CB2-010 Located at or near Cecil Dr., in the City of Carrollton, Texas, for the Silver Line Regional Rail Project.





**DRAFT**  
**RESOLUTION**  
**of the**  
**DALLAS AREA RAPID TRANSIT BOARD**  
**(Executive Committee)**

**Authorize Administrative Settlement for the Acquisition of Parcel CB2-010, Located at or near 1500 Cecil Dr., in the City of Carrollton, Texas, for the Silver Line Regional Rail Project**

WHEREAS, Dallas Area Rapid Transit (DART) was created to provide a regional public transportation system, and the acquisition of real property and the planning, design, engineering, and construction of improvements thereon are functions fundamental to the provision of a public transportation system; and

WHEREAS, the parcel described in Exhibit 1 is required for the construction of the Silver Line Regional Rail project; and

WHEREAS, on May 25, 2021 (Resolution No. 210062) the Board authorized the acquisition of Parcel CB2-010 for the Silver Line Project and authorize eminent domain proceedings, if necessary; and

WHEREAS, after careful review of this parcel and the recommendation of the President & Chief Executive Officer, the Board desires to approve the Administrative Settlement for the parcel, and to authorize the President & Chief Executive Officer or her designee to proceed with the negotiation and purchase of this parcel; and

WHEREAS, funding for this real estate acquisition is within current Budget and FY 2022 Twenty-Year Financial Plan allocations.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

- Section 1:           The President & Chief Executive Officer or her designee is hereby authorized and directed to purchase Parcel CB2-010, located at or near 1500 Cecil Dr., in the City of Carrollton, Texas, for an administrative settlement as approved by the Board in closed session.
- Section 2:           The President & Chief Executive Officer or her designee is hereby authorized to execute all necessary legal instruments and to pay necessary title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of Parcel CB2-010.
- Section 3:           If the President & Chief Executive Officer or her designee is unable to close the purchase of this parcel for the approved administrative settlement amount, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project.

**Authorize Administrative Settlement for the Acquisition of Parcel CB2-010, Located at or near  
1500 Cecil Dr., in the City of Carrollton, Texas, for the Silver Line Regional Rail Project**

Prepared by: /s/ David Ehrlicher \*  
\_\_\_\_\_  
David Ehrlicher  
Interim Vice President  
Capital Design & Construction

Prepared by: /s/ Todd Plesko \*  
\_\_\_\_\_  
Todd Plesko  
Interim Executive Vice President  
Growth/Regional Development

Approved as to form: /s/ Gene Gamez \*  
\_\_\_\_\_  
Gene Gamez  
General Counsel

Approved by: /s/ Nadine S. Lee \*  
\_\_\_\_\_  
Nadine S. Lee  
President & Chief Executive Officer

\* Reviewed and approved, but not signed due to  
COVID-19 Coronavirus Pandemic

**BEING** an 32,748 square feet or 0.7518 acre tract of land situated in the Joshua B. Lee Survey, Abstract No. 798, City of Carrollton, Dallas County, Texas, said 32,748 square feet of land being a portion of Lot 19, Block A, Woodcrest Estates, being an Addition to the City of Carrollton, Dallas County, Texas, according to the plat thereof filed for record in Volume 71004, Page 1725, Deed Records, Dallas County, Texas, said 32,748 square feet of land being a portion of that certain tract of land that K-C Metroplex, Inc. conveyed to **RELZY ZETTY and SHIRLEY ZETTY**, by general warranty deed, as recorded in Volume 77094, Page 901, filed May 10, 1977, Deed Records, Dallas County, Texas (D.R.D.C.T), said 32,748 square feet of land being more particularly described by metes and bounds as follows:

**COMMENCING** at a 60d nail found at the most easterly northeast lot corner of said Lot 19, same being the northwest lot corner of Lot 18 of said Block A, said commencing point being on the southerly right-of-way line of Cecil Drive, said commencing point also being South 18°17'46" West, 96.34 feet from a 5/8 inch iron rod (controlling monument) found at the southeast lot corner of Lot 34, Block B of said plat of Woodcrest Estates, said commencing point also being South 23°32'03" East, 89.66 feet from a 5/8 inch iron rod with an illegible cap (controlling monument) found at the southwest lot corner of said Lot 34;

**THENCE** South 00°18'09" West, along the east lot line of said Lot 19 and along the west lot line of Lot 18 of said Block A, 104.17 feet to a 5/8 inch iron rod with a cap stamped "SPOONER 5922" set at the **POINT OF BEGINNING**;

**THENCE** South 00°18'09" West, continuing along the said lot lines, 5.46 feet to a 5/8 inch iron rod with a cap stamped "SPOONER 5922" set at the southeast lot corner of said Lot 19, same being the southwest lot corner of said Lot 18, said point being on the northwest property line of a tract of land conveyed to the Dallas Area Rapid Transit Property Acquisition Corporation, by deed thereof filed for record in Volume 91008, Page 1341, D.R.D.C.T., said point also being at the beginning of non-tangent curve to the right having a radius of 4,981.71 feet;

**THENCE** along the southeast lot line of said Lot 19, along the said northwest property line and along the said curve to the right through a central angle of 0°55'18", an arc length of 80.14 feet, and across a chord which bears South 65°28'37" West, a chord length of 80.14 feet to a 5/8 inch iron rod with a cap stamped "SPOONER 5922" set;

**THENCE** South 65°56'16" West, continuing along the said southeast lot line and along the said northwest property line, 807.54 feet to the southwest lot corner of said Lot 19, same being the intersection of the said northwest property line with the southeast property line of a tract of land owned by Burlington Northern Sante Fe Railroad Company, no deed of record found, said point being at the beginning of a non-tangent curve to the left having a radius of 3,382.16 feet;

**THENCE** along a northwest lot line of said Lot 19, along the said southeast property line of the B.N.S.F. Railroad tract and along the said curve to the left through a central angle of 3°54'34", an arc length of 230.78 feet, and across a chord which bears North 48°14'58" East, a chord length of 230.73 feet to a 5/8 inch iron rod with a cap stamped "SPOONER 5922" set;

**THENCE** North 71°26'05" East, departing the said lot line and the said property line and over and across said Lot 19, 673.20 feet to the **POINT OF BEGINNING**, containing 32,748 square feet or 0.7518 acres of land.

**NOTE:** All bearings and coordinates as based on the Texas State Plane Coordinate System, NAD-83 (2011), North Central Zone (4202). The horizontal datum derived from the 2019 NAD-83 Published (CORS) Stations ZFW1 and TXCO. All distances shown are surface values and may be converted to grid by dividing by the conversion factor for Dallas County of 1.000136506.

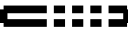




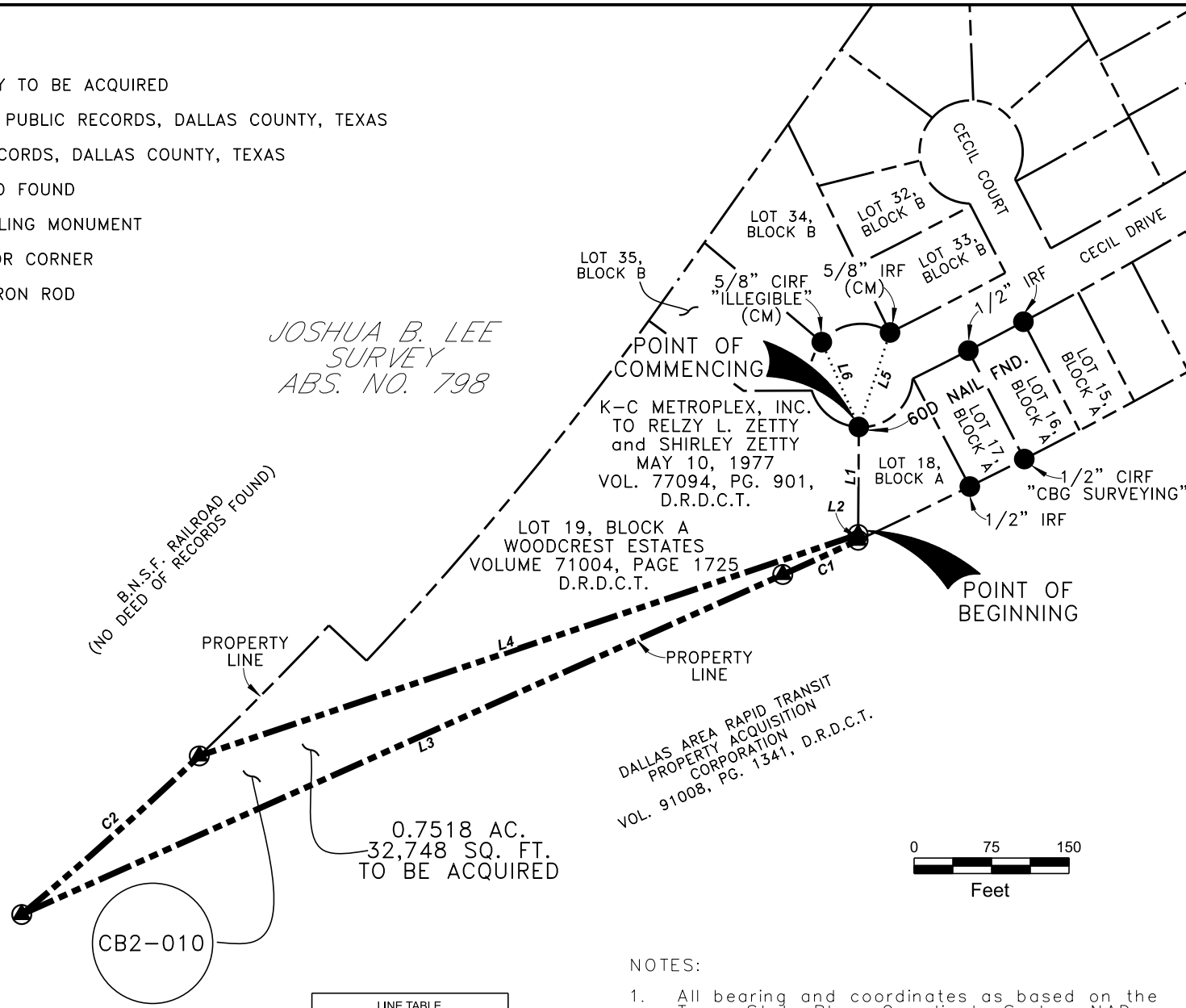
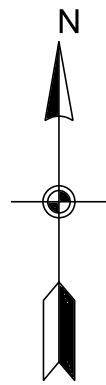
7-20-20

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Surveyors Name: Eric S. Spooner  
Registered Professional Land Surveyor, Texas No. 5922  
Spooner and Associates, Inc.  
Texas Board of Professional Land Surveying No. 10054900



- LEGEND**
-  PROPERTY TO BE ACQUIRED
  - O.P.R.D.C.T. OFFICIAL PUBLIC RECORDS, DALLAS COUNTY, TEXAS
  - D.R.D.C.T. DEED RECORDS, DALLAS COUNTY, TEXAS
  - IRF IRON ROD FOUND
  - (CM) CONTROLLING MONUMENT
  -  POINT FOR CORNER
  -  FOUND IRON ROD



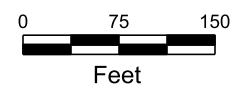
0.7518 AC.  
32,748 SQ. FT.  
TO BE ACQUIRED

CB2-010

CURVE TABLE					
CURVE #	RADIUS	DELTA	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	4,981.71'	0°55'18"	80.14'	S65°28'37"W	80.14'
C2	3,382.16'	3°54'34"	230.78'	N48°14'58"E	230.73'

LINE TABLE		
LINE #	BEARING	LENGTH
L1	S00°18'09"W	104.17'
L2	S00°18'09"W	5.46'
L3	S65°56'16"W	807.54'
L4	N71°26'05"E	673.20'
L5	S18°17'46"W	96.34'
L6	S23°32'03"E	89.66'


- NOTES:
- All bearing and coordinates as based on the Texas State Plane Coordinate System NAD 83 (2011) North Central Zone (4202). The horizontal datum derived from the 2019 NAD 83 Published (CORS) Stations ZFW1 and TXCO.
  - All distances shown are surface values and may be converted to grid by dividing by the conversion factor for Dallas County of 1.000136506
  - This survey was performed without the benefit of a title commitment.
  - Easements were not researched by the surveyor.



COTTON BELT REGIONAL RAIL SYSTEM  
PARCEL CB2-010  
A 32,748 SQ. FOOT (0.7518 ACRES)  
PARCEL TO BE ACQUIRED FROM  
RELZY ZETTY and SHIRLEY ZETTY

SCALE	1"=150'
DRAWN	ROsmont
DESIGNED	Jacobs
CHECKED	E Spooner
IN CHARGE	Jacobs
DATE	07-20-2020

**DART PROJECT**



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**SPOONER & ASSOCIATES**  
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# Agenda Report

*Committee-of-the-Whole*

**Voting Requirements:  
Majority**

**DATE:** October 12, 2021

**SUBJECT:** Approval to Call a Public Hearing for a Service Plan Amendment to Modify the Grade Separations of Custer Parkway in Richardson, Texas, and Jupiter Road in Plano, Texas, on the Silver Line Corridor

## RECOMMENDATION

Approval of a resolution authorizing the President & Chief Executive Officer or her designee to schedule and give notice of a public hearing on December 14, 2021, to receive public comments to modify the grade separations of Custer Parkway in Richardson, Texas, and Jupiter Road in Plano, Texas, on the Silver Line Corridor.

## FINANCIAL CONSIDERATIONS

- Funding for the Silver Line Regional Rail Project is within approved FY 2022 Capital Budget and Twenty-Year Financial Plan allocations.
- The elimination of the grade separations does not substantially change the overall cost or budget of the project.

## BUSINESS PURPOSE

- Approval of this resolution will assist DART in achieving Board Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations; and Priority 5: Enhance DART's role as a recognized local, regional, and national transportation leader.
- On August 28, 2018 (Resolution No. 180085), the DART Board approved a Service Plan Amendment (SPA) for the Cotton Belt Corridor Regional Rail Project (Silver Line) Alignment, Stations, Grade Separations and Facilities. Grade Separations of both Custer Parkway in Richardson and Jupiter Road in Plano were included in this resolution.
- Grade separations of Custer Parkway and Jupiter Road were identified as traffic mitigation in the Cotton Belt (Silver Line) Final Environmental Impact Statement/Record of Decision (FEIS/ROD) dated November 2018.
- The FEIS/ROD also identified a need to minimize or mitigate impacts to freight operations. Four freight railroad companies, Dallas Garland Northeast Railroad (DGNO), Fort Worth Western Railroad (FWWR), the Union Pacific Railroad (UP) and the Kansas City Southern Railroad (KCS), currently operate within the Cotton Belt Railroad Corridor.
- The KCS currently operates at-grade across both Custer Parkway and Jupiter Road in the eastern portion of the corridor.

- During final design, KCS withdrew support for an operating agreement that would have allowed freight trains to operate at the steeper grades required to achieve grade separations of the two roadways. KCS indicated that the concept would impact their ability to operate within the corridor.
- In order to balance the recommendation for grade separation to mitigate traffic while also not impacting freight operations, DART has proposed alternative traffic mitigation measures as follows:
  - In lieu of providing a grade separation of Custer Parkway and Jupiter Road, DART will mitigate traffic impacts through signal timing, signal phasing improvements and/or intersection improvements. As discussed in Section 5.2.3 of the FEIS/ROD, similar traffic mitigation is being used at other Silver Line crossings where grade separations are precluded. These crossings include Luna Road, Addison Road and Alma Road.
- The cities of Richardson and Plano have been informed of the proposed changes and DART is working closely with the two cities to design and implement site-specific, at-grade measures that will mitigate the traffic impacts.
- DART has investigated the environmental considerations of crossing the two roadways at grade and does not anticipate any additional significant impacts. The two existing crossings are quiet zones and DART would maintain these quiet zones for both passenger rail and freight.
- Upon completion of the public hearing and Service Plan Amendment, DART will submit a letter to file to document the changes to FEIS/ROD mitigation. It is anticipated that FTA will determine that design modifications to the Silver Line would not result in any substantial impact to the quality of the human environment, and that the previously approved FEIS/ROD of 9 November 2018 will remain valid.

## **PUBLIC PARTICIPATION CONSIDERATIONS**

- DART's enabling legislation requires that a public hearing be held to establish or amend the location of transit facilities.
- All property owners within 400 feet of the project changes will be notified at least 20 days prior to the public hearing.
- Public input from the public hearing will be incorporated into the environmental documentation (letter to file) to be submitted to FTA for environmental approval.
- Subsequent to the public hearing, the Board will be asked to consider approval of a Service Plan Amendment to modify the grade separations of Custer Parkway in Richardson, Texas, and Jupiter Road in Plano, Texas.

## **LEGAL CONSIDERATIONS**

Section 452.303(a) requires DART to hold a public hearing prior to making a major change to the Service Plan. Changes to fixed guideway projects, including the alignment, stations, facilities, and grade separations are defined as major changes to the Service Plan.

**DRAFT**  
**RESOLUTION**  
**of the**  
**DALLAS AREA RAPID TRANSIT BOARD**  
**(Executive Committee)**

**Approval to Call a Public Hearing for a Service Plan Amendment to Modify the Grade Separations of Custer Parkway in Richardson, Texas, and Jupiter Road in Plano, Texas, on the Silver Line Corridor**

WHEREAS, the current DART Service Plan identifies a grade separation of Custer Parkway and Jupiter Road at the Silver Line Crossing as a traffic mitigation measure; and

WHEREAS, the Cotton Belt (now Silver Line) Regional Rail Corridor Final Environmental Impact Statement/Record of Decision (FEIS/ROD) identified a need to minimize or mitigate impacts to freight operations; and

WHEREAS, the Kansas City Southern Railroad has withdrawn support for grade separating the two roadways which would have resulted in steeper grades for freight operations; and

WHEREAS, DART proposes alternative traffic mitigation measures to enable the Silver Line to cross the roadways at grade through the provision of signal timing improvements, signal phasing improvements and/or intersection improvements; and

WHEREAS, the cities of Richardson and Plano will be involved in defining and approving this alternative mitigation; and

WHEREAS, no additional environmental impacts will result in the elimination of the grade separations; and

WHEREAS, DART's enabling legislation requires that a public hearing be held to establish or modify a grade separation; and

WHEREAS, funding for the Silver Line is within approved FY 2022 Capital Budget and Twenty-Year Financial Plan allocations, and the elimination of the grade separations does not substantially change the overall cost or budget of the project.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the President & Chief Executive Officer or her designee is authorized to schedule and give notice of a public hearing on December 14, 2021, to receive public comments to modify the grade separations of Custer Parkway in Richardson, Texas, and Jupiter Road in Plano, Texas, on the Silver Line Corridor.



**Approval to Call a Public Hearing for a Service Plan Amendment to Modify the Grade Separations of Custer Parkway in Richardson, Texas, and Jupiter Road in Plano, Texas, on the Silver Line Corridor**

Prepared by: /s/ Kay Shelton \*  
\_\_\_\_\_  
Kay Shelton  
Interim Vice President  
Capital Planning

Prepared by: /s/ Todd Plesko \*  
\_\_\_\_\_  
Todd Plesko  
Interim Executive Vice President  
Growth/Regional Development

Approved as to form: /s/ Gene Gamez \*  
\_\_\_\_\_  
Gene Gamez  
General Counsel

Approved by: /s/ Nadine S. Lee \*  
\_\_\_\_\_  
Nadine S. Lee  
President & Chief Executive Officer

\* Reviewed and approved, but not signed due to COVID-19 Coronavirus Pandemic

**Michele Wong Krause**  
**2201 Main St., Suite 1140**  
**Dallas, Tx 75201**

September 20, 2021

Dear Fellow DART Board Members:

With this letter, I am expressing my interest and intent to run for the position of Chair of the DART Board of Directors. It has been a privilege to serve as Vice Chair of the board for these past 2 years.

In addition to presently serving as the Vice Chair of the Administrative Committee, I have served on a wide variety of DART committees, served as Chair of the Capital Construction Oversight Committee and Chair of the Economic Opportunity & Diversity Committee, as well as, served on the Search Committees for the General Counsel, the Internal Auditor and the new CEO. I presently serve on the Executive Committee of the Board of the American Public Transportation Association (APTA).

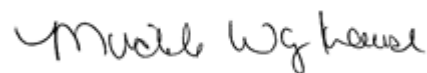
As we move forward with a new CEO, DART is facing a new post-pandemic frontier in public transit. We will need to respond to the new pandemic challenges and opportunities facing our 2 capital projects and Zoom bus re-design with innovative solutions grounded in data driven metrics.

Transparency, communication and consensus building continues to be the most effective path forward to develop policy that benefits all our member cities. Keeping focus on our FTA's Capital Investment Grant funding for D2, the location of the east end portal of D2, and the Silver Line construction, as we roll out our new bus re-design will require frequent communication between our board, staff, and stakeholders.

I believe that DART and our member cities have the desire, capacity, and resiliency to pivot and adapt in the new post pandemic normal in public transit.

I look forward to working with this Board to craft solutions that increase value to our DART member cities and the residents of the communities we serve. I ask for your vote and would be honored to serve as your next Chair.

Sincerely,



Michele Wong Krause

## Rodney Schlosser | Dallas, Texas 75230

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October 5, 2021

Dear Fellow DART Board Members:

I am writing to express my interest in serving as Secretary of the Board.

As you know, earlier this summer I was elected Assistant Secretary to fill an unexpired term. This letter mirrors the letter I drafted a few months ago with a few additions:

Active Participation: I have been and remain committed to perfect/near perfect attendance at Board meetings, committee meetings, DART-related programs, and will be attending the APTA National Conference in November.

Engaged: I have been and remain accessible for conversations with my colleagues, as well as members of the community and the Dallas City Council when they want to discuss DART topics.

Thorough: The Secretary signs numerous official documents, and I have and will continue to approach these responsibilities with the attention they deserve.

Current Secretary Jonathan Kelly has “mastered” this job over the last 2 years, and I have spoken with him about what’s necessary – so I feel prepared to successfully continue in his footsteps. I will also build on prior experience serving on the City of Dallas Park & Recreation Board for 7+ years (including a few as Chair of the Admin & Finance Committee), and Chair of the City’s Library Board.

Thank you in advance for your consideration, and please reach out if you have specific questions you’d like to discuss.

Sincerely,



Rodney Schlosser

Date: October 8, 2021

To: Members of the DART Board of Directors

From: Gary Slagel

Subject: DART Election of Officers Position Paper

Dear fellow Board Members:

It is with humility that I write this letter to express my interest to serve as an officer of the Board for Dallas Area Rapid Transit. This November will mark my tenth year of service. I have been selected in past years to serve as Assistant Secretary and Secretary. I am respectfully requesting your support to reinstate that progression of service in the position of Vice Chairman of the Board for the upcoming 2021/2022 term. As your Vice Chairman I pledge to listen, communicate, collaborate and support you and the DART team.

As background, I was elected to the Richardson City Council in 1987 and was selected by the Council to become Mayor Pro Tem in 1989 and Mayor in 1991. I completed my service and last term as Mayor in 2011. During my 24 years of serving in an elected office, I had the opportunity to work closely with DART on a number of key strategic initiatives, including the legislative process to reduce the number of Board members, the election to increase the DART's debt capacity, a legislative regional rail funding exploration, possible new member city recruiting approaches, and the Silver Line project and the D2 line evaluation. As a result of those initiatives, I was selected in 2011 to represent the cities of Addison, Highland Park, Richardson and University Park on the DART Board.

In addition to my service with DART, I also have an extensive history of dedicating significant time to regional organizations: served on the North Central Texas Council of Governments (NCTCOG) Board as president, served as a member of the Regional Transportation Council (RTC) representing Richardson, Addison and DART, served as a member of the Dallas Regional Mobility Coalition as its Legislative Chair, served as the President of the Metroplex Mayors Association, and still serve as a member of the Texas A&M Transportation Institute (TTI) Advisory Council. Many of those organizations are focused on transit and transportation issues.

While on the DART Board, I have enjoyed my assigned committee work and have attended non-assigned committee meetings in order to stay current on issues and to understand the broad aspects of the organization. When Board Secretary, I have stood in on behalf of Chairwoman Wilkins at regional and national meetings when she was unable to attend. That included making presentations on the policies and strategic direction of DART. I have also participated with fellow Board members and DART staff to meet with those cities that the Board and staff considered candidates to become a part of DART, with the goal of understanding their transportation and

economic development goals. As a part of that interest and through the support of then Chairman John Danish, I worked closely with former Chairman Bill Velasco, DART staff and the Texas A&M Transportation Institute to define the functionality of a software tool that can help cities recognize the mobility and financial impact of being a part of the DART system.

As the strategic direction of DART is very critical, it is important for the Board to continue to set priorities for DART. Some of those areas of focus are to work with DART Cities to create successful transit oriented developments, initiate the construction of the D2 line, provide a safe and clean service, launch the enhance bus service, complete the construction of the Silver Line, identifying an approach to expand the DART service area, support streamlining the Board processes. From a broader regional perspective, the Board should consider reinstating discussions with our regional partners; DCTS and Trinity Metro.

I will close by saying that it has been an honor to serve as an officer on the DART Board of Directors and to work with my fellow members and staff to represent all 13 cities. Thank you for your future consideration.

Best Regards,

A handwritten signature in black ink, appearing to read 'Gary Slagel', with a large, stylized flourish at the end.

Gary Slagel

C: Nancy Johnson  
Gene Gamez  
Nadine Lee