

ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS

April 16, 2019 | 3:00 pm

Offices of Denton County Transportation Authority | Administrative Boardroom
1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057

NOTICE IS HEREBY GIVEN that there will be a NTMC Board of Directors Regular Meeting at the time and location above to consider the following:

CALL TO ORDER

WELCOME AND INTRODUCTION OF VISITORS

1. REGULAR AGENDA

- a. Discuss and Approve Resolution No. 2019-N001 Adopting the Bylaws of the North Texas Mobility Corporation
- b. Conduct Election of the Chair and Vice Chair of the Board of Directors
- c. Discuss and Approve Resolution No. 2019-N002 Electing the Officers of the North Texas Mobility Corporation
- d. Discuss and Approve Resolution No. 2019-N003 Establishing Time and Location for Regular Meetings of the Board of Directors and Designating Official Location for Posting of Notices of Meetings Pursuant to the Texas Open Meetings Act
- e. Discuss and Approve Resolution No. 2019-N004 Authorizing an Interlocal Agreement for Mobility Service Operations with the Denton County Transportation Authority
- f. Discuss and Approve Appointment of General Counsel for the Corporation

2. PRESIDENT'S REPORT

- a. Discuss Upcoming Meeting Dates and Possible Additional Meetings
 - i. Friday, May 10, 2019 at 12:00 pm
- b. Discuss Future Agenda Items
 - i. Amalgamated Transit Union Collective Bargaining Agreement Transfer

3. Convene Executive Session

The Board reserves the right to go into closed executive session at any time during the meeting pursuant to the Texas Government Code § 551.071(2) to seek confidential legal advice from the Corporation's attorneys regarding any agenda item listed hereon.

4. ADJOURN

BOARD MEMBERS:

Raymond Suarez, Charles Emery, Dianne Costa, Connie White, Dave Kovatch, Sara Bagheri

The Denton County Transportation Authority meeting rooms are wheelchair accessible. Access to the building and special parking are available at the main entrance. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by emailing bpedron@dcta.net or calling Brandy Pedron at 972.221.4600.

CERTIFICATE – I certify that the above agenda giving notice of meeting was posted on the bulletin board at the Corporation’s offices, which are also the offices of the Denton County Transportation Authority, on 4/12/2019 at 9:56 AM.


Secretary

NTMC Board Meeting Memo

April 16, 2019

SUBJECT: Discuss and Approve Resolution No. 2019-N001 Adopting the Bylaws of the North Texas Mobility Corporation

Background

The North Texas Mobility Corporation (NTMC) is a local government corporation established by the Denton County Transportation Authority (DCTA), approved by the DCTA Board of Directors on February 28, 2019 and recognized by the Office of the Secretary of State as of April 1, 2019.

Identified Need

As an established local government corporation, the NTMC Board of Directors must hold an organizational meeting to establish the initial foundation for the operation of the NTMC including the approval and adoption of the initial NTMC Bylaws.

Recommendation

It is recommended, the NTMC Board of Directors approve and adopt the NTMC Bylaws as outlined in the attached Exhibit.

Exhibits

Resolution No. 2019-N001 Adopting the Bylaws of the North Texas Mobility Corporation

RESOLUTION NO. 2019-N001

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION ADOPTING THE CORPORATION'S BYLAWS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Resolution No. 19-05 approved February 28, 2019, the Denton County Transportation Authority ("DCTA") Board of Directors authorized the form of the Certificate of Formation and Bylaws of the North Texas Mobility Corporation ("NTMC" or "Corporation");

WHEREAS, the Certificate of Formation of the Corporation has been filed with and approved by the Texas Secretary of State; and

WHEREAS, in order to provide for the organizational and operational structure of the Corporation, the Board desires to adopt the form of the Corporation's bylaws previously approved by the DCTA Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THAT:

SECTION 1. The Bylaws of the North Texas Mobility Corporation set forth in Exhibit "A", attached hereto and incorporated herein by reference, are hereby adopted

SECTION 2. This resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE ___ DAY OF APRIL 2019.

APPROVED:

President

ATTEST:

Secretary

Resolution No. 2019-001
Exhibit “A” – Form of Bylaws

BYLAWS OF THE
NORTH TEXAS MOBILITY CORPORATION.

A Texas Non-Profit Local Government Corporation created by and on behalf of the
Denton County Transportation Authority

ARTICLE I
Corporate Purpose and Authority

1.01 *Purpose.* The Corporation is organized for the purpose of aiding, assisting, and acting on behalf of the Denton County Transportation Authority (“the Authority”) in the performance of its governmental functions to promote the common good and general welfare of the Authority, including, without limitation, financing, constructing, owning, managing and operating regional mobility services (the “Mobility Services”) on behalf of the Authority, and to perform such other governmental purposes of the Authority, as may be determined from time to time by the Authority’s Board of Directors (the “DCTA Board”). Subject to applicable state law and any contractual obligations of DCTA or the Corporation, DCTA may discontinue participation in the activities of the Corporation, or a non-participating unit of local government, business, or individuals may join in the activities of the Corporation, under procedures established in the Bylaws of the Corporation (the “Bylaws”). The Corporation, with the prior written consent of the Authority or as may be provided by the Bylaws, shall have the following powers to carry out the purposes of the Corporation, by and through its Directors:

- A. employ and/or contract with persons to carry out the purposes of the Corporation;
- B. issue debt or enter into and administer other contractual obligations to carry out the purposes of the Corporation;
- C. own, lease, maintain and dispose of real and personal property; and
- D. contract with the Authority, political subdivisions, units of governments, and other persons and non-governmental entities.

1.02 *Local Government Corporation.* The Corporation is formed pursuant to the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the “Act”), as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Corporation to assist and act on behalf of the Authority and to engage in activities in the furtherance of the purposes for its creation.

1.03 *Non-Profit Corporation.* The Corporation shall have and exercise all of the rights, powers, privileges, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, the Texas Nonprofit Corporation Law (Tex. Bus. Org. Code, Chapters 20 and 21 and the provisions of Title I thereof to the extent applicable to non-profit corporations, as amended) or their successor.

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1.04 *Powers of Non-Profit Corporation.* The Corporation shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Corporation to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created; provided, however, that the Corporation shall not issue any bond, certificate, note or other obligation evidenced by an instrument without the prior written consent of each of the Authority or as otherwise allowed by these Bylaws.

1.05 *Governmental Entity for Immunity.* The Corporation is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (3), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for all purposes, including for purposes of the Texas Tort Claims Act, Section 101.001, et seq., Texas Civil Practice and Remedies Code. The Corporation shall have the power to acquire land in accordance with the Act as amended from time to time.

1.06 *Authority Consent.* References herein to the consent or written consent of the Authority shall refer to a resolution or order of the Authority’s Board of Directors.

1.07 *Other Units of Government.* The Corporation may contract with a non-member unit of government to provide services on behalf of such non-member unit of government.

1.08 *Approved Projects.* The Corporation, by and through its Board of Directors, may approve capital improvements, services, or other projects consistent with the purposes of the Corporation to assist the Authority in the performance of the Authority’s governmental functions (each an “Approved Project”).

ARTICLE II
Board of Directors

2.01 *Powers Vested in Board.* All powers of the Corporation shall be vested in a Board of Directors consisting of five (5) members (the “Board”) subject to the oversight of the Authority and as otherwise provided in these Bylaws. The qualification, selection, terms, removal, replacement, and resignation of the members of the Board of Directors of the Corporation (“Director” or “Directors”) shall be governed by Article VI of the Certificate of Formation (“Certificate”).

2.02 *Initial Board and Transition.* The initial directors of the Corporation (“Director” or “Directors”) shall be those persons named in Article VIII of the Certificate. To provide for terms which end at the end of a calendar month, each initial Director named in Article VIII of the Certificate shall serve for the term prescribed therein. With respect to the initial Board, the terms of the initial Directors shall commence on the date the Secretary of State has issued the certificate of incorporation for the Corporation. Upon the expiration of the terms of office of the initial Directors, the subsequent Directors shall be appointed for a three (3) year term, or until his or her successor is appointed by the Authority; provided, however, upon the death, resignation or

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removal of a Director, the Authority shall appoint a replacement Director to serve for the unexpired term of office of the replaced Director.

2.03 *Governing Documents.* All other matters pertaining to the internal affairs of the Corporation shall be governed by these Bylaws, so long as these Bylaws are not inconsistent with the Certificate, and such other documents agreed to by the Authority and as the same may be amended from time to time, or the laws of the State of Texas.

2.04 *Voting Rights.* All Directors shall have full and equal voting rights. All references herein to an act, resolution or vote of the Directors shall refer to a vote of the Directors entitled to vote on the matter as provided herein.

2.05 *Meetings of Directors.* The Directors may hold their meetings and may have an office and keep the books of the Corporation at such place or places within Denton County, Texas, as the Board may from time to time determine; provided, however, in the absence of any such determination, such place shall be the registered office of the Corporation in the State of Texas. The Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required under Chapter 551, Texas Government Code (the “Open Meetings Act”); provided that the notice of each meeting of the Board shall be posted on the official bulletin board designated by the Authority for the posting of meetings of the Authority. The Corporation, the Board, and any committee of the Board exercising the powers of the Board are subject to Chapter 552, Texas Government Code (the “Public Information Act”).

2.06 *Regular Meetings.* Regular meetings of the Board shall be held at least quarterly at such times and places as shall be designated, from time to time, by resolution of the Board.

2.07 *Special and Emergency Meetings.* Special and emergency meetings of the Board shall be held whenever called by the Chair of the Board, the President of the Corporation, or by any two (2) Directors who are serving duly appointed terms of office at the time the meeting is called. A majority of the Board must be present for the conduct of any special called or emergency meeting. The Secretary of the Corporation shall give notice of each special meeting in person, by telephone, facsimile, mail or email at least three (3) days before the meeting to each Director and to the public in compliance with the Open Meetings Act. Notice of each emergency meeting shall also be given in the manner required under the Open Meetings Act. An emergency meeting may only be held when there is an emergency or an urgent public necessity exists and immediate action is required of the Board because of an imminent threat to public health and safety, or a reasonably unforeseeable situation. The agenda notice of the emergency meeting must be posted at least two (2) hours before the meeting and clearly identify the emergency or urgent public necessity. The President or Secretary of the Corporation, the Chair of the Board, or the Board members who call an emergency meeting must notify by telephone, facsimile transmission, or electronic mail not later than one hour before the meeting those members of the news media that have previously filed at the Corporation’s office a request containing all pertinent information for the special notice and has agreed to reimburse the Board for the cost of providing the special notice. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special

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meeting to the same extent as they may be considered and acted upon in a regular meeting. At any meeting at which every Director shall be present, even though without any notice, any matter pertaining to the purposes of the Corporation may be considered and acted upon to the extent allowed by the Open Meetings Act.

2.08 *Election of Chair and Vice-Chair of the Board.* Upon the initial meeting of the Board and at the last regular meeting of the Board occurring prior to October 1 of each calendar year thereafter, the Directors shall elect a Chair and Vice-Chair from among the members of the Board who will serve as Chair and Vice-Chair, respectively, for the period of October 1 until September 30 immediately following their election, and until their replacements are elected.

2.10 *Quorum.* A majority of the entire Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. If at any meeting of the Board there is less than a quorum present, those present may adjourn the meeting. The vote of a majority of the entire membership of the Board in favor of a motion, resolution, or other act shall be required to constitute the act of the Board, unless the vote of a greater number of Directors is required by law, by the Certificate of Formation, or by these Bylaws.

2.11 *Assent Presumed Without Express Abstention or Dissent.* A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action unless such person’s dissent or abstention shall be entered in the minutes of the meeting or unless such person shall file written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof. Such right to dissent or abstain shall not apply to a Director who voted in favor of the action.

2.12 *Conduct of Business.* At the meetings of the Board, matters pertaining to the purpose of the Corporation shall be considered in such order as the Board may from time to time determine. At all meetings of the Board, the Chair of the Board shall preside, and in the absence of the Chair, the Vice-Chair shall preside. In the absence of the Chair and Vice-Chair, the majority of Directors present and voting shall select from among the Directors in attendance a Director to preside at the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the Director presiding at the meeting may appoint any person to act as secretary of the meeting.

2.13 *Executive Committee, Other Committees.* The Board may, by resolution passed by a majority of the entire Board, designate two (2) or more Directors to constitute an executive committee or other type of committee. In addition, the Board may appoint members of Corporation staff and citizens and/or employees of the Authority to be members of a committee, except for an Audit, Compensation or Governance Committee, which committees may only be composed of Directors.

2.14 *Power of Committees.* Except to the extent provided in the authorizing resolution for the committee and the Board-approved committee charter, a committee may not exercise the authority of the Board. Each committee so designated shall keep regular minutes of the transactions of its meetings, shall cause such minutes to be recorded in books kept for that purpose in the office of the Corporation, and shall report the same to the Board from time to

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time. Committees authorized to exercise the powers of the Board shall give notice of any meeting in the manner required for a meeting of the Board.

2.15 *Compensation of Directors.* Directors, as such, shall receive no salary or compensation for their services as Directors; provided, however, Directors may be reimbursed for reasonable and necessary expenses incurred in carrying out the Corporation’s purposes.

2.16 *Director’s Reliance on Consultant Information.* A Director shall not be liable if, while acting in good faith and with ordinary care, such person relies on information, opinions, reports or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by:

- (a) one or more other officers or employees of the Corporation;
- (b) an employee of the Authority; or
- (c) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person’s professional or expert competence.

2.17 *Attorneys and Consultants.* The Board may employ attorneys, auditors, certified accountants, engineers, and such other professionals and consultants as may be required for the purposes of the Corporation from time to time.

ARTICLE III
Officers

3.01 *Titles and Term of Office.* The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except the President shall not hold the office of Secretary. The initial term of the officers of the Corporation shall extend to December 31, 2021. The subsequent terms of office for each officer shall be three (3) years commencing on January 1.

All officers shall be appointed and subject to removal at any time, with or without cause, by a vote of a majority of the entire Board.

A vacancy in any office elected pursuant to this Article III shall be filled by a vote of a majority of the entire Board and shall be for the remainder of the then current term of office vacated.

3.02 *Powers and Duties of the President.* The President shall be the principal executive officer of the Corporation and, subject to the Board’s approval, the President shall be in general charge of the properties and affairs of the Corporation. In furtherance of the purposes of the Corporation and subject to the limitations contained in the Certificate, the President or Vice-President may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Corporation.

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The President will be responsible for implementing all orders and resolutions of the Board, and all other powers that are not specifically reserved to the Directors or Authority will be executed by the President within the general guidelines and policies of the Board and Authority. The President shall have such other duties as are assigned by the Board including, but not limited to, those set forth in Article VI, below. The President shall be an ex-officio member of all Board committees except the Audit Committee, if established.

3.03 *Powers and Duties of the Vice President.* The Vice President shall have such powers and duties as may be assigned to such person by the Board or the President, including the performance of the duties of the President upon the death, absence, disability, or resignation of the President, or upon the President’s inability to perform the duties of such office. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

3.04 *Treasurer.* The Treasurer shall have custody of all funds and securities of the Corporation which come into possession of the Corporation. When necessary or proper, the Treasurer (i) may endorse, on behalf of the Corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; (ii) may sign all receipts and vouchers for payments made to the Corporation, either alone or jointly with such other officer as is designated by the Board; (iii) shall enter or cause to be entered regularly in the books of the Corporation to be kept by such person for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; (iv) shall perform all acts incident to the position of Treasurer subject to the control of the Board; including the monitoring and audit of all cash accounts whose existence must first be approved by the Board; and (v) shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require. The Corporation may contract with the Authority to provide financial services for the Corporation in deciding the performance of the duties of the Treasurer set forth in this Section 3.04.

3.05 *Secretary.* The Secretary (i) shall keep or cause to be kept the minutes of all meetings of the Board in books provided for that purpose; (ii) shall attend to the giving and serving of all notices; (iii) in furtherance of the purposes of the Corporation and subject to the limitations contained in the Certificate of Formation, may sign with the President in the name of the Corporation and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation; (iv) shall have charge of the Corporation’s books, records, documents and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director upon application at the office of the Corporation during business hours; and, (v) shall in general perform all duties incident to the office of Secretary subject to the control of the Board. Nothing in this Section 3.05 shall be construed as prohibiting the Board or the President from providing to the Secretary such support as may be reasonable and necessary to assist the Secretary in carrying out the duties set forth herein.

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3.06. *Compensation and Staff.* Officers who are members of the DCTA Board of Directors or DCTA employees or who occupy a government office of emolument (as defined in Tex. Const. art. XVI §40) shall serve without compensation with respect to the performance of their duties as officers of the Corporation but are entitled to receive reimbursement for their reasonable expenses only in performing their functions in accordance with any policies that may be adopted by the Board. Administrative services for the Corporation may be performed by employees of the Authority, as directed by the Authority’s Chief Executive Officer, and the Corporation shall pay the costs for such services pursuant to an agreement between the Corporation and the Authority entered pursuant the Interlocal Cooperation Act (Chapter 791, Tex. Govt. Code).

3.07 *Officer’s Reliance on Consultant Information.* In the discharge of a duty imposed or power conferred on an officer of the Corporation, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by:

- (a) one or more other officers or employees of the Corporation, including members of the Board;
- (b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person’s professional or expert competence; or,
- (c) an employee of the Authority.

ARTICLE IV
Financial Responsibilities

4.01 *Audit.* The Corporation shall have an annual audit prepared by an independent auditor who is duly licensed or certified as a public accountant in the State of Texas of the financial books and records of the Corporation.

4.02 *Capital Spending Authority:* The Board may expend funds for capital improvements in accordance with a capital improvement plan approved by the Board for the current fiscal year budget as follows:

- (a) Funds from the Authority shall be used for the purposes of the Corporation as authorized and directed by the Authority.
- (b) Funds from other sources, such as donations, may be used at the discretion of the Board for capital purposes as long as the uses are consistent with the direction of the Authority and are not reasonably expected by the Board to increase the operation and maintenance costs of the Corporation above the limits established in Section 4.04, below, or have a capital cost greater than \$100,000.

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(c) Proceeds of bonds, notes and other obligations shall be expended in accordance with the terms of the resolution authorizing the issuance of such bonds, notes or other obligations.

4.03 *Issuance of Debt.*

(a) The Corporation, with the approval of the Authority, is authorized to issue short-term debt in the form of bonds, notes, and other obligations which by their terms mature and are payable not later than one (1) year from their initial date of issuance. Where possible, the amount and purpose of the short-term debt shall be projected by the Corporation in its annual budget to the Authority. The Authority shall be given the first opportunity to provide these funds before the Board incurs debt.

(b) The Corporation, with the approval of the Authority, is authorized to issue long-term debt in the form of bonds, notes, and other obligations which by their terms mature and are payable beyond one (1) year from their initial date of issuance. Long term debt may be issued to finance capital improvements and costs related thereto, and to refund or refinance any outstanding bonds, notes, or obligations issued or incurred by the Corporation, or for such other reasons as may be approved by the Authority.

(c) Short-term debt as defined in Subsection (a) and long-term debt as defined in Subsection (b) of this Section 4.03 may be issued only if:

(i) the issuance of said debt is approved by a majority of the entire Board; and

(ii) the issuance of said debt is approved by resolution or ordinance of the Authority.

(d) Any debt issuance approved by the Authority shall be paid from any source or sources permitted by law including the income and revenue of the Corporation.

4.04 *Increase of O&M Costs.* Except for items mandated by changes in state or federal law or regulation that could not reasonably have been anticipated prior to submission of the Corporation’s annual budget to the Authority for review and comment, in the event any one or more items are added during a fiscal year that would increase or cause the annual operation and maintenance costs to exceed ten percent (10%) above the budgeted amount for that year, the Board must receive prior approval from the Authority prior to making that addition.

4.05 *Fiscal Year.* The fiscal year of the Corporation shall begin October 1 of each year.

4.06 *Annual Budget.*

(a) No later than ninety (90) days prior to the beginning of each fiscal year, the Board shall prepare, or cause to be prepared, and approve a budget (the “Budget”) for the fiscal year. After approval by the Board, the Budget shall be submitted to the Authority for approval.

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(b) The Budget shall, at a minimum, include capital, operational, debt service and project-specific expenditures and corresponding revenues. The Budget shall clearly indicate the sources and purposes of revenues contributed by the Authority, any non-participating unit of government, or other third-parties.

(c) If the Board fails to approve the Budget, or if the Budget is not approved by the Authority, then the Budget for the prior fiscal year shall be deemed approved.

(d) From time to time, the Board may undertake one or more projects related to the purposes of the Corporation requiring the expenditure of funds not approved in the Annual Budget. While the Board may elect to amend the Annual Budget for a particular project(s) related to the purposes of the Corporation, such expenditures may not be undertaken in that regard unless or until an agreement with the Authority or a third-party unit of government is executed with the Corporation, which shall contain at least the following:

- (i) the service(s) to be provided by the Corporation;
- (ii) the method by which the Corporation intends to provide the service(s) (i.e., the Corporation intends to contract with a private entity or perform the service(s) itself, or some blending of the various methods);
- (iii) the total cost of the project(s) to be undertaken by the Corporation; and
- (iv) written agreement by the third-party unit of government to contribute an agreed-upon portion of the stated project expenditures, along with the agreed-upon portion being contributed by the Authority, if any.

4.07 *Line Item Flexibility.* The Board and, if authorized by the Board, the President, has the authority to shift operation and maintenance funds from one line item of the Budget to another without the approval of the Authority.

4.08 *Reserve Fund.* The Budget may provide for one or more reserve funds for the replacement of scheduled assets, for capital improvements and reasonable reserves for future activities, debt, establishment of a capital reserve. Any unencumbered funds remaining at the end of the fiscal year shall be converted to the Reserve Fund.

4.09 *Other Funds.* Other funds, such as unrestricted charitable donations, may be used by the Board in accordance with the approved budget or, if not anticipated in the Budget, as the Board directs, provided that the limitation set out in Section 4.04, above or a capital cost of \$100,000 is not exceeded.

4.10 *Appropriations and Grants.* The Corporation shall have the power to request and accept any appropriations, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.

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4.11 *Sale or Transfer of Assets.* The Corporation may not sell, transfer or assign real property or permits of the Corporation, in whole or in part, without the approval of the Board. After approval by the Board, the proposed sale, transfer or assignment of the assets (“the Asset Transfer”) must be submitted to the Authority for approval. The Authority will approve or disapprove the Asset Transfer in whole or in part. Notwithstanding the foregoing, the Board shall not be required to obtain the consent of the Authority to sell, convey, or transfer to a third-party personal property of the Corporation determined by the Board to be surplus and which has a depreciated unit value of less than \$1000.00 per unit.

ARTICLE V
Indemnification of Directors and Officers

5.01 *Right to Indemnification.* Subject to the limitations and conditions as provided in this Article V and the Certificate, each person who was or is made a party, is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (hereinafter a “proceeding”), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director or officer of the Corporation shall be indemnified by the Corporation to the fullest extent permitted by the Texas Nonprofit Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlement and reasonable expenses (including, without limitation, attorneys’ fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article V shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnify hereunder. The rights granted pursuant to this Article V shall be deemed contract rights, and no amendment, modification or repeal of this Article V shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article V could involve indemnification for negligence or under theories of strict liability.

5.02 *Advance Payment.* The right to indemnification conferred in this Article V shall include the right to be paid in advance or reimbursed by the Corporation the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 5.01 who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the person’s ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of a written affirmation by such Director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article V and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article V or otherwise.

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5.03 *Indemnification of Employees and Agents.* The Corporation, by adoption of a resolution of the Board, may indemnify and advance expenses to an employee or agent of the Corporation to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Directors and officers under this Article V.

5.04 *Appearance as a Witness.* Notwithstanding any other provision of this Article V, the Corporation may pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness or other participation in a proceeding involving the Corporation or its business at a time when he or she is not a named defendant or respondent in the proceeding.

5.05 *Non-exclusivity of Rights.* The right to indemnification and the advancement and payment of expenses conferred in this Article V shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to Section 5.03 of this Article V may have or hereafter acquire under any law (common or statutory), provision of the Certificate or these Bylaws, agreement or disinterested Directors or otherwise.

5.06 *Insurance.* The Corporation shall provide for the purchase and maintenance of insurance, at its expense, to protect itself and any person who is (or was) serving as a Director, officer, employee or agent of the Corporation or who is (or was) serving at the request of the Corporation as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, proprietorship, employee benefit plan, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article V.

5.07 *Notification.* Any indemnification of or advance of expenses to a Director or officer in accordance with this Article V shall be reported in writing to the members of the Board with or before the notice of the next regular meeting of the Board and, in any case, within the ninety (90) day period immediately following the date of the indemnification or advance notification.

5.08 *Savings Clause.* If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each Director, officer or any other person indemnified pursuant to this Article V as to costs, charges and expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VI
Additional Duties and Authority of the President; Employees

6.01 *Additional Powers and Duties of the President.*

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(a) *Responsible for hiring and supervision of Employees.* The President shall be responsible for hiring and terminating the employees of the Corporation. Except to the extent provided (i) in a collective bargaining agreement to which the Corporation is a party or (ii) under applicable state or federal law or regulations, all employees hired by the President shall be terminable at-will and not be provided any term or promise of employment.

(c) *Spending Authority.* The President is authorized to approve expenditures, make purchases, and enter into contracts on behalf of the Corporation which require an expenditure not to exceed \$50,000 without Board approval as long as funds are budgeted and are available for the expenditure.

(d) *Annual Budget.* The President is responsible for the preparation of the Corporation’s annual budget for consideration and approval by the Board.

6.02 *Contracting with the Authority.* The Corporation may contract with the Authority for utilization of employees of the Authority. The Corporation may, without compensation, use the services of employees the Authority with the prior written consent of the Authority’s Chief Executive Officer. The Board is authorized to employ or contract for project-specific personnel to manage or to operate a service provided by the Corporation.

ARTICLE VII
Code of Ethics

7.01 *Policy.* It is the policy of the Corporation that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Corporation; and that the Board establish policies to control and manage the affairs of the Corporation fairly, impartially, and without discrimination.

7.02 *Purpose.* This Code of Ethics has been adopted as part of the Corporation’s Bylaws for the following purposes: (i) to encourage high ethical standards in official conduct by Directors and corporate officers; and (ii) to establish guidelines for such ethical standards of conduct.

ARTICLE VIII
Miscellaneous Provisions

8.01 *Seal.* The seal of the Corporation shall be such as may be from time to time approved by the Board. The seal of the Corporation shall not be required to be placed on a document in order for the document to be considered a valid act or agreement of the Corporation.

8.02 *Notice and Waiver of Notice.* Whenever any notice, other than public notice of a meeting given to comply with the Open Meetings Act, is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing

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the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. If transmitted by facsimile or email, such notice shall be deemed to be delivered upon successful transmission of the facsimile or email. A Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting unless such attendance is for the purpose of objecting to the failure of notice. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

8.03 *Gender.* References herein to the masculine gender shall also refer to the feminine in all appropriate cases and vice versa.

8.04 *Distribution of Net Income; Return of Funds.* Notwithstanding Section 431.107 of the Act entitling the Authority at all times to have the right to equally receive the income earned by the Corporation, any income earned by the Corporation after payment of reasonable expenses, reasonable reserves for future activities, debt, establishment of a capital reserve, and establishment of a reserve for satisfaction of other legal obligations of the Corporation shall be retained by the Corporation and applied as a credit to the charges to the Authority for operations of the Corporation and/or other services provided by the Corporation to the Authority.

8.05 *Authority Access to Records of Corporation.* Notwithstanding the provisions of the Public Information Act or any exceptions contained therein to disclosure and the rights or limitations thereof regarding the review of records of Texas non-profit corporations, the Authority shall have a special right to review and obtain copies of the records of the Corporation, regardless of format, upon reasonable notice and during regular business hours of the Corporation; provided, however, such special right of access to the Authority shall not apply to records to which law or regulation expressly prohibit disclosure to third parties that would by definition include the Authority.

8.06 *Amendments.* A proposal to alter, amend or repeal these Bylaws shall be made by the affirmative vote of a majority of the entire Board at any regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting. However, any proposed change or amendment to these Bylaws must be approved by resolution of the Authority in order to be effective.

Approved by DCTA Board of Directors on February 28, 2019

**Approved by Board of Directors of North Texas Mobility Corporation on _____,
2019.**

NTMC Board Meeting Memo

April 16, 2019

SUBJECT: Conduct Election of the Chair and Vice Chair of the Board of Directors

Background

The North Texas Mobility Corporation (NTMC) is a local government corporation established by the Denton County Transportation Authority (DCTA), approved by the DCTA Board of Directors on February 28, 2019 and recognized by the Office of the Secretary of State as of April 1, 2019.

Identified Need

As an established local government corporation, the NTMC Board of Directors must hold an organizational meeting to establish the initial foundation for the operation of the NTMC including conducting an election of the Board of Directors Chair and Vice Chair.

These two positions are especially critical during the NTMC's initial year of existence as they will provide leadership to the NTMC board, officers and staff.

The Chair of the board ensures that the corporation's duties to stakeholders are being fulfilled by acting as a link between the board and staff. The Chair is expected to have substantial interaction and supervision of the corporation officers and provide strategic guidance through regular meetings as the NTMC establishes its initial goals and objectives. Lastly, the Chair will be responsible for running the board meetings which will likely be held monthly during the first year, but at a minimum the meetings will be held Quarterly.

The Vice Chair will monitor corporation progress and will assist the Chair in setting board meeting agendas. During the period when the Chair is absent for a board meeting, the Vice Chair will carry out the duties of the Chair.

Recommendation

It is recommended, the NTMC Board of Directors elect the following:

Raymond Suarez, Chair

Dave Kovatch, Vice Chair

NTMC Board Meeting Memo

April 16, 2019

SUBJECT: Discuss and Approve Resolution No. 2019-N002 Electing the Officers of the North Texas Mobility Corporation

Background

The North Texas Mobility Corporation (NTMC) is a local government corporation established by the Denton County Transportation Authority (DCTA), approved by the DCTA Board of Directors on February 28, 2019 and recognized by the Office of the Secretary of State as of April 1, 2019.

Identified Need

As an established local government corporation, the NTMC Board of Directors must hold an organizational meeting to establish the initial foundation for the operation of the NTMC including conducting an election of officers including President, Vice President, Treasurer and Secretary.

Recommendation

It is recommended, the NTMC Board of Directors elect the following Officers:

Kristina Holcomb, President
Nicole Recker Crim, Vice President
Marisa Perry, Treasurer
Brandy Pedron, Secretary

Exhibits

Resolution No. 2019-N002 Electing the Officers of the North Texas Mobility Corporation

RESOLUTION 2019-N002

A RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH TEXAS MOBILITY CORPORATION ELECTING THE CORPORATION'S OFFICERS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article III of the Bylaws of the North Texas Emergency Communications Center, Inc. provides that the Board of Directors shall elect a President, Vice President, Secretary and Treasurer for NTECC;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THAT:

SECTION 1. The following officers of the Corporation have been elected in accordance with Article III of the Bylaws of the North Texas Mobility Corporation, with terms ending on December 31, 2021:

President	_____
Vice President	_____
Secretary	_____
Treasurer	_____

SECTION 2. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE ___ DAY OF APRIL 2019.

APPROVED:

President

ATTEST:

Secretary

NTMC Board Meeting Memo

April 16, 2019

SUBJECT: Discuss and Approve Resolution No. 2019-N003 Establishing Time and Location for Regular Meetings of the Board of Directors and Designating Official Location for Posting of Notices of Meetings Pursuant to the Texas Open Meetings Act

Background

The North Texas Mobility Corporation (NTMC) is a local government corporation established by the Denton County Transportation Authority (DCTA), approved by the DCTA Board of Directors on February 28, 2019 and recognized by the Office of the Secretary of State as of April 1, 2019.

Identified Need

As an established local government corporation, the NTMC Board of Directors must hold an organizational meeting to establish the initial foundation for the operation of the NTMC including establishing a board meeting schedule and location and designating an official posting location.

Recommendation

It is recommended the NTMC meet at a minimum, quarterly as discussed during the NTMC organizational meeting.

Exhibits

Resolution No. 2019-N003 Establishing Time and Location for Regular

RESOLUTION NO. 2019-N003

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION ESTABLISHING TIMES AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF DIRECTORS; DESIGNATING OFFICIAL LOCATION FOR POSTING NOTICES OF MEETINGS OF THE BOARD PURSUANT TO THE TEXAS OPEN MEETINGS ACT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Sections 2.06 of the Bylaws of the Corporation state that the regular meetings of the Board shall be established by resolution of the Board of Directors of the Corporation (“the Board”); and

WHEREAS, Section 2.05 of the Bylaws provide that the Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required under Texas Open Meetings Act (“the Act”); and

WHEREAS, the Board desires to establish its monthly regular meeting time, date, and place, and the official location for posting agendas pursuant to the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THAT:

SECTION 1. The Regular Meetings of the Board of Directors shall be held in accordance with the Bylaws on the ____ of the month at _____.m., at the offices of the Denton County Transportation Authority, 1955 Lakeway Drive, Suite 260, Lewisville, Texas.

SECTION 2. The official location for the posting of the notice of each regular and special meeting of the Board of Directors shall be on the window adjacent to the front door on the north façade of the DCTA offices, 1955 Lakeway Drive, Suite 260, Lewisville, Texas.

SECTION 3. This resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE ____ DAY OF APRIL 2019.

APPROVED:

President

ATTEST:

Secretary

NTMC Board Meeting Memo

April 16, 2019

SUBJECT: Discuss and Approve Resolution No. 2019-N004 Authorizing an Interlocal Agreement for Mobility Service Operations with the Denton County Transportation Authority

Background

The North Texas Mobility Corporation (NTMC) is a local government corporation established by the Denton County Transportation Authority (DCTA), approved by the DCTA Board of Directors on February 28, 2019 and recognized by the Office of the Secretary of State as of April 1, 2019.

Identified Need

As an established local government corporation, the NTMC Board of Directors must hold an organizational meeting to establish the initial foundation for the operation of the NTMC. The NTMC must enter into an interlocal agreement for the on-going operations of DCTA's mobility services (fixed route, demand response for the general public, demand response for elderly and disabled and ADA paratransit), fare enforcement services and DCTA's customer service/call center for DCTA member cities and contracted entities.

To support NTMC and the provision of complete transportation management services, DCTA will provide assistance with administrative services including, but not limited to; information technology, marketing and communications, bus route planning, payroll oversight and distribution, procurement, accounting and staff training.

Recommendation

It is recommended the NTMC Board of Directors Approve and Authorize the President to execute the Interlocal Agreement for Mobility Service Operations with the Denton County Transportation Authority.

Exhibits

Resolution No. 2019-N004 Authorizing an Interlocal Agreement for Mobility Service Operations with the Denton County Transportation Authority

RESOLUTION 2019-N004

A RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH TEXAS MOBILITY CORPORATION APPROVING AN INTERLOCAL COOPERATION AGREEMENT FOR MOBILITY SERVICE OPERATIONS WITH DCTA; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, one of the primary purposes of the Corporation is to provide mobility services for and on behalf of the Corporation’s creating entity, the Denton County Transportation Authority; and

WHEREAS, the Board of Directors of the North Texas Mobility Corporation finds it to be in the best interest of the Corporation to execute an interlocal cooperation agreement pursuant to Chapter 791 of the Texas Government Code for the purpose of setting forth the terms and conditions relating to the provision of mobility services for and on behalf of DCTA;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THAT:

SECTION 1. The President of the Corporation is hereby authorized to sign an Interlocal Cooperation Agreement for Mobility Service Operations with the Denton County Transportation Authority substantially in the form attached hereto as Exhibit “A” and incorporated herein by reference.

SECTION 2. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE ___ DAY OF APRIL 2019.

APPROVED:

President

ATTEST:

Secretary

Resolution No. 2019-004
Exhibit “A” – Form of Interlocal Cooperation Agreement with DCTA

STATE OF TEXAS	§	
	§	INTERLOCAL AGREEMENT FOR
COUNTY OF DENTON	§	MOBILITY SERVICE OPERATIONS

This Interlocal Agreement for Mobility Service Operations Services (“Agreement” or “Operations Agreement”) is made as of the Effective Date by and between **DENTON COUNTY TRANSPORTATION AUTHORITY** (“DCTA”), a Texas political subdivision, being a Coordinated County Transportation Authority pursuant to Chapter 460 of the Texas Transportation Code, as amended, and the **NORTH TEXAS MOBILITY CORPORATION** (“NTMC”), a Texas non-profit local government corporation created pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended and Chapter 394, Texas Local Government, as amended. DCTA and NTMC are hereafter collectively referred to as the “Parties” or individually as a “Party”.

RECITALS

WHEREAS, DCTA is a political subdivision within the State of Texas engaged in the provision of governmental services for the benefit of the residents within its jurisdiction, including, but not limited to, mobility services; and

WHEREAS, NTMC desires to provide complete mobility services and management for the on-going operations of DCTA’s mobility services (e.g., fixed route, demand response for the general public, demand response for elderly and disabled and ADA paratransit), fare collection and enforcement services, maintenance, service operation and DCTA’s customer service/call center for DCTA member cities and contracted entities in accordance with the terms and conditions set forth in this Agreement;

WHEREAS, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, as amended (the “Act”), provides authority for local governments of the State of Texas to enter into interlocal agreements with each other and with local government corporations for the purpose of performing governmental functions and services as set forth in the Act;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby acknowledged, and upon and subject to the terms and conditions hereinafter set forth, the Parties agree as follows:

ARTICLE I
TERM OF AGREEMENT

1.01 Initial Term. This Agreement shall commence on the Effective Date and end on the last day of the twentieth (20th) complete Fiscal Year after NTMC commences providing Mobility Services to DCTA (“the Initial Term”).

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Exhibit “A” – Form of Interlocal Cooperation Agreement with DCTA

1.02 Renewal Term. After the end of the Initial Term, this Agreement shall be extended automatically through each subsequent Fiscal Year (each being a “Renewal Term”) unless terminated as provided in this Agreement.

**ARTICLE II
DEFINITIONS**

2.01. Definitions and Interpretations. In addition to the definitions stated in the preamble and recitals hereof, the following words and phrases as used in this Agreement, unless the context clearly shows otherwise, shall have the following meanings:

“Administrative Services” means services relating to the management and provision of all operations and maintenance activities associated with the DCTA Mobility Operations including, but not limited to:

- (a) Information Technology and IT Help Desk services;
- (b) Marketing and Communications (Internal and External);
- (c) Bus Route Planning;
- (d) Data Analytics;
- (e) Oversight of payroll processing and distribution through the provision of paycheck preparation and processing including writing and delivery (by check or direct deposit) to all NTMC employees, on behalf of NTMC;
- (f) Contracts and Procurement;
- (g) Accounts Payable/Accounts Receivable services and Accounting;
- (h) Legal Services (provided, however, NTMC reserves the right to appoint its own general counsel and other attorneys as necessary from time to time); and
- (i) Staff Training Support;
- (j) Budget Preparation Assistance.

“Agreement” or “Operations Agreement” means this Agreement and any similar agreements executed between NTMC and DCTA with respect to the provision of the Mobility Services.

“Annual Budget” means the total amount of money required during each Fiscal Year (or portion of a Fiscal Year as described in Section 4.02(a), below) for NTMC to pay (1) all Operation Expenses, (2) the principal of, redemption premium, if any, and interest on any debt

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Exhibit “A” – Form of Interlocal Cooperation Agreement with DCTA

issued by NTMC in accordance with Section 4.03 of the Bylaws, and (3) any amounts required to be deposited in any special or reserve funds, including any debt service reserve fund or repair and replacement fund.

“Board” means NTMC’s Board of Directors.

“Bond Resolution” means any resolution of the NTMC Board authorizing the issuance of Bonds and providing for their security and payment, as such resolution(s) may be (i) amended from time to time as therein permitted and (ii) the substance and form of which is approved by DCTA.

“Bylaws” means the Bylaws of NTMC and all amendments thereto as approved by the Parties.

“Certificate” means the Certificate of Formation of NTMC on file with the Texas Secretary of State and shall include all amendments thereto and restatements thereof.

“Credit Agreement” means any credit agreement, as defined in Chapter 1371, Texas Government Code, which NTMC enters into relating to its obligations with respect to the Bonds, the substance and form of which is approved by DCTA; provided, however, for purposes of this Agreement, “Credit Agreement” shall not include Interest Rate Management Agreements as defined in Chapter 1371, Texas Government Code.

“DCTA Member City” means a municipality that (a) has either (i) authorized a one-half cent (\$0.005) sales tax pursuant to Chapter 322 of the Texas Tax Code, as amended, or (ii) designated a public transportation financing area in accordance with Chapter 460, Subch, I of the Texas Transportation Code, as amended, and (b) is represented by a voting position on the DCTA Board of Directors.

“Effective Date” means the date this Agreement signed by authorized representatives of the Parties.

“Fiscal Year” means the twelve (12) month period beginning each October 1 and ending the next subsequent September 30.

“Mobility Services” means services relating to the management and provision of all operations and maintenance activities associated with DCTA Mobility Operations including, but not limited to:

- a. Fixed Route Bus Services;
- b. Commuter Bus Services;
- c. Mobility as a Service;

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- d. Demand Response (ADA, General Public and Elderly/Disabled);
- e. Customer Service/Call Center;
- f. Fleet and Facility Maintenance;
- g. Data Collection and Reporting;
- h. Human Resources, payroll, benefits administration, and employee relations;
- i. Provision of Management Personnel, as a minimum, General Manager;
- j. Recruiting, hiring, retaining, training, managing, and terminating NTMC’s employees assigned to provide Mobility Services;
- k. Management and oversight of budgeting, service delivery, maintenance, customer service, compliance and operational support;
- l. Labor Management/Collective Bargaining, when applicable;
- m. Maintain SOPs in conjunction with DCTA management; and
- n. Such additional services as may be agreed in writing between the Parties from time to time.

“NTMC Governing Documents” means, collectively, the Certificate and the Bylaws.

“Operation Expense” means any cost in the provision of providing the Mobility Services including, but not limited to:

- (a) repairs and replacements of fleet, equipment and capital items to the extent funds are not held in a special fund;
- (b) the cost of utilities, supervision, engineering, accounting, auditing, regulatory costs, legal services, insurance premiums, and any other supplies, services, administrative costs, and equipment necessary in providing the Mobility Services;
- (c) costs relating to NTMC employees including, but not limited to, wages, employer contribution to Social Security, group medical, dental, life, and/or disability insurance, workers compensation coverage, retirement benefits, and other costs related to employee pay and benefits paid by NTMC as an employer;
- (d) payments made for the use or operation of any property, payments of fines, and payments made by NTMC in satisfaction of judgments or other liabilities resulting

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from claims not covered by NTMC's insurance or not paid by DCTA arising in connection with providing the Mobility Services; and

(e) such other costs identified as an Operation Expense in the Annual Budget.

(f) Depreciation shall not be considered an item of Operation and Maintenance Expense.

“Person” means an individual, corporation, organization, government or governmental subdivision or agency, business trust, partnership association, or any other legal entity that is not DCTA or NTMC.

“Standard Operating Procedures” or “SOPs” mean the standard operating procedures relating to the provision of the Mobility Services developed and adopted by NTMC, subject to approval of DCTA.

2.02. Interpretation. The caption headings of this Agreement are for reference purposes only and shall not affect its interpretation in any respect. Unless the context otherwise requires, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa. This Agreement and all the terms and provisions shall be liberally construed to effectuate the purpose set forth herein and to sustain the validity of this Agreement.

**ARTICLE III
SCOPE OF SERVICES**

NTMC shall provide Mobility Services as reasonably required by DCTA and as necessary to assist DCTA in accordance with this Agreement including efficient operation, delivery and all other normal managerial functions reasonably required in the day-to-day provision of service delivery of the Mobility Services in accordance with the SOPs. DCTA will provide to NTMC all equipment, facilities and working capital needed for the provision of the Mobility Services.

**ARTICLE IV
PAYMENTS**

4.01. Annual Expense Budget. The Parties acknowledge and agree that payments to be made under this Agreement, investment income, revenues received from other Persons, and other revenues attributable to the provision of the Mobility Services, will be the only sources available to NTMC to provide the Annual Budget; and that the Annual Budget shall at all times be not less than an amount sufficient to pay or provide for the payment of:

(a) **Operation and Maintenance Component.** An “Operation and Maintenance Component” equal to the amount paid or payable for all Operation and Maintenance Expenses; and

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Exhibit “A” – Form of Interlocal Cooperation Agreement with DCTA

(b) **Debt Service Component.** A “Debt Service Component” related to the cost of issuance and repaying the principal and interest on any debt issued by NTMC as authorized by DCTA pursuant to the NTMC Governing Documents.

4.02 NTMC Annual Expense Budget. NTMC shall adopt and approve an Annual Budget in accordance with applicable provisions of the NTMC Governing Documents. The Annual Budget shall, as a minimum, reflect the Annual Budget and all reasonable anticipated revenues for the Fiscal Year for which the Annual Budget is adopted.

4.03 Annual DCTA Budget; Appropriation. DCTA shall make provision in its annual budget and shall appropriate an amount sufficient, at a minimum, for the payment of all amounts required to be paid by DCTA during each Fiscal Year under this Agreement. Failure of DCTA to include in DCTA’s annual budget funds to pay the Annual Budget for any Fiscal Year shall constitute a notice of termination of this Agreement in which case the provision of Mobility Services shall be immediately suspended until DCTA appropriates funds to pay NTMC’s Annual Budget and, in fact, pays such funds as provided in Section 4.04, below.

4.04 Payments by DCTA. NTMC shall prepare and deliver an invoice to DCTA for the cost of providing Mobility Services as determined by the Annual Budget and Sections 4.02 and 4.03, above. Such invoices shall be issued monthly with the due date thirty (30) days after receipt of the invoice from NTMC. The initial invoice shall be delivered and payable on the first day of the Fiscal Year after the approval of the first Annual Budget for the portion of the Fiscal Year after the Effective Date of this Agreement. Notwithstanding the foregoing to the contrary, NTMC shall not be required to invoice DCTA for payment of Mobility Services as long as DCTA is providing Accounts Payable and Receivables services pursuant to Article VII.

4.05 Delinquent Payments. Payments not made by DCTA on or before the thirtieth (30th) day following receipt of the invoice for same shall be deemed delinquent. Interest shall accrue on delinquent payments at the rate authorized pursuant to Ch. 2251 of the Texas Government Code, as amended. NTMC is authorized to discontinue service under this Agreement to DCTA if DCTA fails to make any delinquent payment on or before the tenth (10th) day after NTMC provides written notice to DCTA in accordance with Tex. Govt. Code §2251.051. NTMC shall not be obligated to recommence provision of service to DCTA until all past due amounts, including any accrued interests and reasonable costs of collection authorized by law, have been paid to NTMC.

4.06 Interest Income. All interest income earned by the investment of any funds created pursuant to any Bond Resolution shall be credited towards the payment of the Bond Service Component and taken into account in determining the Annual Budget; except as to any fund or account created pursuant to the terms of a Bond Resolution or any financing document authorized by such Bond Resolution and funded from any Bond proceeds, together with all interest income earned by the investment thereof may, at the option of NTMC, be credited to such fund or account and used for the purposes for which the Bonds are issued, or be credited towards the payment of the Bond Service Component.

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Exhibit “A” – Form of Interlocal Cooperation Agreement with DCTA

4.07 Place of Payment. Except to the extent otherwise provided by any Bond Resolution or as may otherwise be amended by written notice by NTMC to DCTA, all amounts due under this Agreement shall be paid and be due at the principal administrative offices of NTMC.

**ARTICLE V
STANDARD OPERATING PROCEDURES**

5.01 Adoption of SOPs. As soon as reasonably possible following the Effective Date, the Parties shall develop and adopt an approved set of Standard Operating Procedures (“SOPs”), including performance measures for the provision of the Mobility Services. Until such time as the SOPs are developed pursuant to this Section 5.01, NTMC shall provide the Mobility Services pursuant to the SOPs approved by DCTA

5.02 SOP on Claim Notification. The SOPs shall include a detailed procedure by which the NTMC General Manager shall timely notify designated DCTA personnel of lawsuits, employment claims, citations, and other legal actions against NTMC and/or DCTA, which become known to the NTMC General Manager.

5.03 Additional SOPs. Throughout the term of this Agreement, DCTA may request NTMC develop other SOPs not outlined in the Scope of Services but that are necessary for the successful provision of the Mobility Services.

**ARTICLE VI
GENERAL MANAGER; OPERATIONS MANAGER;
OTHER OPERATIONAL MATTERS**

6.01 NTMC General Manager. NTMC shall employ a person to serve as General Manager, who shall be responsible for management of the Mobility Services and all NTMC employees. Management of DCTA’s Mobility Operations includes oversight of annual budget, service provision, customer service, and fleet and facility maintenance. The NTMC General Manager shall be expected to perform or ensure performance of all requirements set forth under this Agreement in a manner consistent with DCTA standards.

6.02 DCTA Contract Manager. DCTA shall appoint a DCTA employee to serve as Contract Manager with respect to this Agreement. The DCTA Contract Manager shall serve as the NTMC General Manager’s primary contact with respect to the performance of NTMC and its employees in the provision of Mobility Services in accordance with the terms of this Agreement. The SOPs shall include details on the reporting requirements between the DCTA Contract Manager and the NTMC General Manager.

6.03 Issuance of Debt. Notwithstanding other provisions of this Agreement that refer to the issuance of debt by NTMC, the Parties understand, acknowledge, and agree that NTMC is not authorized to issue bonds, certificates of obligation, or other debt instruments without the prior unanimous consent of DCTA granted pursuant to the NTMC Governing Documents.

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Exhibit “A” – Form of Interlocal Cooperation Agreement with DCTA

6.04 Establishment of Operational Policies and Procedures. The Parties understand, acknowledge, and agree that, subject to the NTMC Governing Documents, NTMC shall be solely responsible for the adoption, implementation, and enforcement of policies and procedures (in addition to the SOPs) necessary for the operation and management of NTMC and the provision of Mobility Services.

ARTICLE VII
ADMINISTRATIVE SERVICES BY DCTA

7.01 When In Support of Member Cities’ Services. As additional consideration for this Agreement, DCTA agrees to provide Administrative Services, at DCTA’s cost for Mobility Services provided for the benefit of the Member Cities, either directly or through contracts between DCTA and a third-party, for and on behalf of NTMC in relation to NTMC management and operations. With respect to any administrative services provided by DCTA pursuant to this Article VII that require payments to a third-party, DCTA shall make all such payments within the time required by the agreement or terms of account pursuant to which the payment must be made. With respect to any agreement managed by DCTA for NTMC, DCTA shall immediately deliver to NTMC any notice received under said agreement.

7.02 When in Support of Others. The Parties acknowledge and agree that Section 7.01 relates solely to the provision of Administrative Services in support of Mobility Services provided to and for the benefit of the Member Cities. The cost for Administrative Services provided by DCTA to NTMC in support of the provision of Mobility Services provided to a third-party other than one or more of the Member Cities shall be either:

- (a) If DCTA is the entity contracting with such third-party to provide DCTA Mobility Services, determined and collected directly by DCTA from such third-party; or
- (b) If NTMC is the entity contracting with such third-party, determined by DCTA prior to NTMC entering such third-party agreement, collected by NTMC from the third-party, and paid to DCTA.

ARTICLE VIII
RELATIONSHIP OF PARTIES

All services to be performed by NTMC pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of DCTA. NTMC shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. Nothing herein shall be construed as a waiver by any of the Parties of any rights, standings or immunities granted under the Texas Tort Claims Act, Chapter 101, Texas Civil Practices & Remedies Code, or under any other provision of law.

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Exhibit “A” – Form of Interlocal Cooperation Agreement with DCTA

ARTICLE IX
EMPLOYER STATUS

NTMC agrees to submit to DCTA for review all collective bargaining agreements (“CBA”) or other employment agreements and amendments thereto negotiated by NTMC in order to allow DCTA to determine if such agreements and amendments can be supported within the approved DCTA budget. Unless the agreements and amendments set forth in the proposed CBA are inconsistent with this Agreement or not in line with DCTA’s budget, DCTA shall have no authority to control or modify the terms of the CBA between NTMC and any labor union. DCTA shall have no right to bargain with any labor union representing NTMC employees or enter into agreements with any labor union regarding NTMC employees.

ARTICLE X
EQUIPMENT, FACILITIES AND SERVICES

DCTA will furnish, at its expense and without cost to NTMC, the use of all necessary office space, utilities, furniture, equipment, supplies, materials, communication services, legal services, postage, secretarial and clerical assistance, and such automobile transportation and related parking as may be reasonably necessary for the provision of the Mobility Services.

ARTICLE XI
INSURANCE

DCTA shall furnish and maintain, at its sole cost and expense, at all times during the term of this Agreement and any renewal or extension thereof, (i) a standard policy of automobile liability insurance having a combined single limit of not less than \$5,000,000 per occurrence insuring NTMC for the ownership, maintenance, use or operation of the buses and other vehicles used in connection with the provision of the Mobility Services, other DCTA operations or businesses, or in any way associated with this Agreement, (ii) a standard policy of general liability insurance having a combined single limit of not less than \$1,000,000 per occurrence insuring NTMC, its agents, servants and employees for their acts and omissions in connection with the management and operation of the Mobility Services pursuant to this Agreement, and (iii) a standard policy of workers' compensation insurance covering all employees utilized in the operation of the Mobility Services in accordance with applicable law, together with employer's liability coverage of not less than \$1,000,000 per employee per accident and \$1,000,000 per employee for disease. Each such policy (a) shall be written by an insurer reasonably acceptable to NTMC, (b) shall, with the exception of the workers' compensation policy, be endorsed to name NTMC, as defined above, as additional insureds, (c) shall provide that the coverage afforded thereby is primary as to NTMC and not excess and (d) shall provide that it cannot be cancelled or materially altered without thirty (30) days prior written notice to NTMC. DCTA shall provide NTMC with one or more certificates evidencing compliance with the provisions of this section. The insurance required by this Article XI may, at DCTA’s discretion, be provided through purchase of a separate insurance policy and/or through the addition of NTMC to DCTA’s policies as an insured party.

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Exhibit “A” – Form of Interlocal Cooperation Agreement with DCTA

ARTICLE XII
BREACHES AND DISPUTE RESOLUTIONS

12.01 Disputes. Disputes arising in the performance of this Agreement which are not resolved by agreement of the Parties shall be decided in writing by the authorized representative of DCTA. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, NTMC mails or otherwise furnishes a written appeal to DCTA’s authorized representative. In connection with any such appeal, NTMC shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of DCTA’s authorized representative shall be binding upon NTMC, and NTMC shall abide by the decision. Nothing in this paragraph is meant to limit either Party’s right to pursue any action in a court of law.

12.02 Performance During Dispute. Unless otherwise directed by DCTA, NTMC shall continue its performance under this Agreement while matters in dispute are being resolved.

12.03 Claims for Damages. Should either Party suffer injury or damage to persons or property because of any act or omission of the other Party or of any of its employees, agents or others for whose acts it is legally liable, a claim for damages therefore shall be made in writing to such other Party within a reasonable time after the first observance of such injury or damage.

ARTICLE XIII
TERMINATION

13.01 DCTA Termination for Convenience. DCTA may terminate this Agreement without cause in whole or in part, at any time by not less than one hundred eighty-days (180) days prior written notice to NTMC.

13.02 Termination for Default. If either Party fails in any material respect to perform in the manner provided in this Agreement, the non-defaulting Party may terminate this Agreement for default. Termination shall be affected by serving a notice of termination on the non-terminating Party setting forth the manner in which such Party is in default. NTMC shall only be paid for Mobility Services performed in accordance with the manner of performance set forth in this Agreement to the date of termination.

13.03 Opportunity to Cure. The terminating Party shall in the case of a termination for breach or default, allow the non-terminating party an appropriate short period of time in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate condition.

13.04 DCTA Termination. If NTMC fails to remedy to DCTA's reasonable satisfaction the breach or default of any of the terms, covenants, or conditions of this Agreement within thirty (30) days after receipt by NTMC of written notice from DCTA setting forth the nature of said breach or default, DCTA shall have the right to terminate the Agreement without any further obligation to NTMC. Any such termination for default shall not in any way operate to preclude either Party from also pursuing all available remedies for said breach or default.

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13.05 Remedies. Notwithstanding anything in this Agreement to the contrary, as governmental entities, the Parties have not waived immunity from suit and liability under Texas law, and the execution and delivery of this Agreement does not constitute such a waiver. The foregoing sentence notwithstanding, and to the extent permitted by law, the obligations, agreements, and covenants of NTMC and DCTA (including, without limitation, the obligation of DCTA to pay amounts under the Annual Budget, as provided herein) contained in this Agreement may be enforced by any Party and any holder of Bonds of NTMC by such suits, actions, or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained herein.

13.06 Legal Authority. In entering into this Agreement and performing all duties and obligations hereunder, the Parties exercise their authority under and in accordance with the constitution and laws of the State including, but not limited to the Act, DCTA’s By-laws, the NTMC Governing Documents, and all other laws that may authorize this Agreement, all of which provisions and laws, cited or uncited herein, shall cumulatively provide the authority for this Agreement.

ARTICLE XIV
MISCELLANEOUS

14.01 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings, written or oral agreements between the Parties with respect to this subject matter.

14.02 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations granted and assumed under this Agreement.

14.03 Assignment. NTMC may not assign this Agreement in whole or in part without the prior written consent of DCTA. In the event of an assignment by NTMC to which DCTA has consented, the assignee shall agree in writing with DCTA to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

14.04 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and assigns.

14.05 Governing Law. The laws of the State of Texas shall govern this Agreement. Venue for any action concerning this Agreement shall be in a State District Court of Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

14.06 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

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14.07 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

14.08 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

14.09 Recitals. The recitals to this Agreement are incorporated herein.

14.10 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for DCTA:

With Copy to:

Denton County Transportation Authority
Attn: Raymond Suarez, CEO
1955 Lakeway Drive, Suite 260
Lewisville, Texas 75057

Peter G. Smith
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
500 North Akard, Suite 1800
Dallas, Texas 75201

If to NTMC:

North Texas Mobility Corporation
Attn: Kristina Holcomb, President
1955 Lakeway Drive, Suite 260
Lewisville, Texas 75057

14.11 Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties.

14.12 Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

14.13 Compliance with Federal, State & Local Laws. NTMC shall comply in performance of services under the terms of this Agreement with all applicable laws, ordinances

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and regulations, judicial decrees or administrative orders, ordinances, and codes of federal, state and local governments, including all applicable federal clauses.

14.14 Force Majeure. No Party will be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, riots, strikes, picketing, labor disputes, labor shortages, civil disorders, acts of terrorism or any similar cause beyond the reasonable control of such Party, provided that the non-performing Party is without fault in causing such default or delay. The non-performing Party agrees to use commercially reasonable efforts to recommence performance as soon as possible.

14.15 Legal Counsel. It shall be the responsibility of DCTA to handle all legal matters of the Mobility Services not covered by insurance except to the extent those legal matters are related to the criminal acts or sole or gross negligence of NTMC, its officers or employees. Whenever legal counsel is required for the benefit of the Mobility Services and such counsel is not provided by DCTA, NTMC shall have the right to retain counsel reasonably acceptable to DCTA and charge the cost thereof as an operating expense under this Agreement.

SIGNED AND AGREED this _____ day of _____, 2019.

DENTON COUNTY TRANSPORTATION AUTHORITY

By: _____
Raymond Suarez, CEO

Approved as to form:

By: _____
Peter G. Smith, General Counsel

SIGNED AND AGREED this _____ day of _____, 2019.

NORTH TEXAS MOBILITY CORPORATION

By: _____
Kristina Holcomb, President

NTMC Board Meeting Memo

April 16, 2019

SUBJECT: Discuss and Approve Appointment of General Counsel for the Corporation

Background

The North Texas Mobility Corporation (NTMC) is a local government corporation established by the Denton County Transportation Authority (DCTA), approved by the DCTA Board of Directors on February 28, 2019 and recognized by the Office of the Secretary of State as of April 1, 2019.

Legal services are made available to the NTMC through the Interlocal Agreement for Mobility Operations Services between DCTA and the NTMC.

Identified Need

The NTMC needs to have legal representation to advise the NTMC Board of Directors, NTMC Officers and staff on all legal matters.

Recommendation

It is recommended the NTMC Board of Directors leverage the provision for legal services through the Interlocal Agreement established between the Denton County Transportation Authority and the North Texas Mobility Corporation for Transit Operations and approve the appointment of Nichols, Jackson, Dillard, Hager & Smith as NTMC's General Counsel.