

## THE BOARD OF DIRECTORS MEETING

April 22, 2020 | 9:00 am

To be held by Video Conference

*NOTICE IS HEREBY GIVEN that the members of the NTMC Board of Directors will be meeting via video conference link and the meeting will be made available to the public at the following web address: <https://meet662935157.adobeconnect.com/dctaboard/>*

### CALL TO ORDER

### BRIEF ORIENTATION TO NAVIGATING THE VIDEO CONFERENCE

### PUBLIC COMMENT

This agenda item provides an opportunity for citizens to address the Board of Directors on any agenda items or other matters relating to the NTMC. Anyone wishing to address the Board of Directors should complete a Citizen Comment Registration Card and submit it to the NTMC Secretary prior to the start of the Board meeting. There is a three (3) minute time limit for each citizen. Anyone wishing to speak shall be courteous and cordial. The Board of Directors is not permitted to take action on any subject raised by a speaker during Citizen Comments. However, the Board of Directors may have the item placed on a future agenda for action; refer the item to the NTMC Officers for further study or action; or provide a brief statement of factual information in response to the inquiry.

### 1. CONSENT AGENDA

- a. Approval of Minutes from December 5, 2019 Board Meeting Continued from February 28, 2020 Meeting
- b. Approval of Minutes from February 28, 2020 and March 25, 2020 Board Meetings

### 2. REGULAR AGENDA

- a. Coronavirus (COVID-19) Response Update
- b. Discuss and Approve Amendments to the NTMC Certificate of Formation
- c. NTMC Budget Briefing
- d. General Manager Report, Hendrickson Transportation Group
- e. General Manager RFP Process Update
- f. Discuss Modification of NTMC Bylaws

3. NEXT BOARD MEETING – The next NTMC Board meeting is currently scheduled for May 27, 2020 at 9:00 a.m.
  
4. FUTURE AGENDA ITEMS
  - a. Consider Resolution 2020-N001 Approving FY20 Budget Revision Continued from February 28, 2020 Meeting
  - b. NTMC Bylaw Modification Discussion Continued from April 22, 2020 Meeting
  - c. Executive Closed Session with Labor Relations Attorney
  - d. Monthly Financial Report

5. ADJOURN

BOARD MEMBERS:

Dean Ueckert, Chair  
Richard Hayes, Vice Chair  
Don Combs, Sara Hensley, Raymond Suarez

OFFICERS:

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

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@ntmc.com](mailto:bpedron@ntmc.com) 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 4/17/2020 at 4:26 PM.*

  
Brandy Pedron, NTMC Secretary

# MEETING MINUTES

## THE BOARD OF DIRECTORS MEETING

December 5, 2019 | 9:00 am

Offices of Denton County Transportation Authority | T&P Conference Room  
1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057

The Board of Directors of the North Texas Mobility Corporation convened the Regular Meeting of the Board of Directors with Raymond Suarez, Chair presiding on December 5, 2019 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

### ATTENDANCE

#### BOARD MEMBERS

Raymond Suarez, Chair  
Dianne Costa  
Connie White

#### OFFICERS

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

#### LEGAL COUNSEL

Joe Gorfida

#### OTHER ATTENDEES

Troy Raley, DCTA Director of Bus Operations and Maintenance  
Jim Owen, NTMC Bus Driver  
Paula Richardson, ATU  
Peggy Hinkle-Wolf, DRC

CALL TO ORDER – *The meeting was called to order by Chair Suarez at 9:01 am*

#### PUBLIC COMMENT

- *Paula Richardson read a statement from a previous employee.*
- *Jim Owen gave comment on scheduling issues.*

#### 1. CONSENT AGENDA

- a. Approval of Minutes from NTMC August 22, September 26, and November 14, 2019 Board Meetings
  - *VOTE: A motion to approve the minutes for August 22, September 26 and November 14, 2019 as presented was made by Connie White. The Motion was seconded by Dianne Costa. Motion passed unanimously by the Board with no abstentions.*

## 2. REGULAR AGENDA

- a. Consider Resolution 2019-N008 Designating Authorized Signatories for Contractual and Financial Documents – *Treasurer Perry stated to the Board that this resolution is to establish a clear line of demand to sign any and all documents on behalf of NTMC.*
  - *VOTE: A motion to approve Resolution 2019-N008 was made by Dianne Costa. The motion was seconded by Connie White. Motion passed unanimously by the Board with no abstentions.*
- a. Discussion regarding Employee Health Benefits – *Treasurer Perry updated the Board on Employee Health benefit with the following: first year with United Health Care saw a - 110% loss ratio in 2019. The initial renewal rate was 19%. Homes and Murphy negotiated to 16%. Anything over 15% requires us to notify the Union. Final negotiated rate, by removing Out-of-Network coverage, came at 6.9% and was approved by the Union. 6.9% is within the Budget and does not require Board approval. Dental and Vision coverage stayed the same and Open Enrollment meetings occurring this week.*

NORTH TEXAS MOBILITY CORPORATION OPERATIONAL UPDATE – *NTMC Officers gave an update on the following:*

- *NTMC Open Enrollment: Open Enrollment Events (Held this week)*
- *Operational Task Force: Strategically Assign Vehicles to Service + Parts, Maintenance Partnerships + Staffing/Training Opportunities, Workforce Sustainability, Procurement/Contract Strategy, Payroll/Accounts Payable*
- *DCTA staff from all departments will provide support to the NTMC GM to develop and implement solutions to current challenges; Group Problem Solving*
- *Operator Appreciation Events*
- *Secret Holiday Pal*

FUTURE AGENDA ITEMS - *Chair Suarez discussed addressing on-time performance, scheduling, late-night service (UNT) and bids in a future meeting.*

ADJOURN – *The meeting was called to recess by Chair Suarez at 9:40 am and will stay in session due to a quorum in the following DCTA Board meeting where it will be adjourned at the adjournment of the DCTA Board meeting.*

---

Raymond Suarez, Board Chair

ATTEST:

---

Brandy Pedron, NTMC Secretary

# MEETING MINUTES

## THE BOARD OF DIRECTORS MEETING

February 28, 2020 | 1:00 pm

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

The Board of Directors of the North Texas Mobility Corporation convened the Regular Meeting of the Board of Directors with Raymond Suarez, Chair presiding on February 28, 2020 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

### ATTENDANCE

#### BOARD MEMBERS

Raymond Suarez  
Dean Ueckert  
Richard Hayes  
Don Combs  
Sara Hensley

#### OFFICERS

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

#### LEGAL COUNSEL

Joe Gorfida

#### OTHER ATTENDEES

Michelle Bloomer, DCTA Vice President of  
Operations  
Amanda Riddle, DCTA Senior Budget Manager  
Troy Raley, DCTA Director of Bus Operations &  
Maintenance  
Jim Owen, NTMC Bus Driver

CALL TO ORDER – *The meeting is called to order by Chair Suarez at 1:00 pm*

PUBLIC COMMENT – *There were no public comments made.*

*Chair Suarez requests introductions be made around the room with the new Board members present.*

*Chair Suarez gives a very brief overview and background on NTMC to the new Board Members.*

### 1. CONSENT AGENDA

- a. Approval of Minutes from December 5, 2019 Board meeting.

- *VOTE: Don Combs moves to approve the December 5, 2019 minutes as presented. Chair Suarez seconds to motion. Dean Ueckert abstains. Those opposing to approval of the December 5, 2019 minutes: Sara Hensley, Richard Hayes and Dean Ueckert.*
- *Motion does not pass.*
- *Action on the December 5, 2019 minutes will be continued to the next Board meeting after Board members have the opportunity to listen to the audio recording of the December Board meeting.*

## 2. REGULAR AGENDA

- a. Consider Resolution 2020-N002 Appointing NTMC Chair and Vice Chair – *President Holcomb stated that in the Articles of Formation the previous Board voted Raymond Suarez as chair and we are opening it up for this new Board to appoint its Chair and Vice Chair.*
  - *VOTE: Richard Hayes nominates Dean Ueckert as Board Chair of NTMC. Sara Hensley seconds the nomination. The nomination passes unanimously by the Board with no abstentions.*
  - *VOTE: Chair Ueckert nominates Richard Hayes as Board Vice Chair of NTMC. Sara Hensley seconds the nomination. The nomination passes unanimously by the Board with no abstentions.*
  
- b. Consider Resolution 2020-N003 Designating Brandy L. Pedron as the North Texas Mobility Corporation Public Information Coordinator and Records Manager – *Chair Dean suggests that this be an interim position until an operational workshop can be conducted with the Board. Legal states to the Board that there must be a public information officer for the agency.*
  - *VOTE: Sara Hensley makes a motion to approve Resolution 2020-N003 with the change to say “interim” public information officer and “interim” records manager. Vice Chair Hayes seconds the motion. The motion passes unanimously by the Board with no abstentions.*
  
- c. Consider Resolution 2020-N001 Approving FY20 Budget Revision – *Chair Dean finds there to be minimal information provided on this item in the Board packet and suggests that the Board needs a workshop on how the budget works. President Holcomb provides a background of information on this budget revision.*
  - *VOTE: Vice Chair Hayes motions to postpone until after a budget workshop is held at the next Board meeting. Sara Hensley seconds the motion. The motion passes unanimously by the Board with no abstentions.*
  - *Resolution 2020-N001 will be continued at the next Board meeting after Board members are able to participate in a budget workshop at the next Board meeting.*

- d. North Texas Mobility Corporation Operational Update – *Raymond Suarez gave an update on services provided including the Highland Village Lyft Service approved by the DCTA board on February 27 which will allow savings on time for NTMC. He briefly discussed upcoming service changes and the Board had discussions on other services and operational matters. Raymond Suarez informed the Board of DCTA’s transformation initiative that is in procurement now. President Holcomb noted to the Board that the NTMC Board role is strictly policy to bus service and how to deliver the service. Raymond Suarez explained the subsidy program to the Board in further detail. As discussions continued, Joe Gorfida, Legal Counsel, made mention that discussions of the Collective Bargaining Agreement will need to be held at the next meeting.*
- e. Discuss and Consider Resolution 2020-N004 Designating Dates, Times, and Location of NTMC Board Meetings – *Chair Dean leads the discussion on proposed Board meeting dates, times and location.*
- *VOTE: Vice Chair Hayes motions the Board of Directors shall meet monthly at the official location, DCTA Administration Office at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 beginning at 9:00 am on the following dates: March 25, 2020; April 22, 2020; May 27, 2020; June 24, 2020; July 22, 2020; August 26, 2020; September 23, 2020; October 21, 2020; November 11, 2020; and December 9, 2020 unless the Board decides a meeting is not required; the Board shall meet at a quarterly basis as directed by the Bylaws of NTMC . Raymond Suarez seconds the motion. The motion passes unanimously by the Board with no abstentions.*

FUTURE AGENDA ITEMS - *Chair Ueckert requests that a budget workshop be held at the next meeting as well as discussion on the Bylaws and Certification of Formation.*

ADJOURN – *The meeting was motioned to adjourn at 2:15 pm by Sara Hensley. Motion for adjournment was seconded by Don Combs.*

---

Dean Ueckert, Board Chair

ATTEST:

---

Brandy Pedron, NTMC Secretary

# MEETING MINUTES

## THE BOARD OF DIRECTORS MEETING

March 25, 2020 | 9:00 am

This meeting was held by Video Conference through Adobe Connect

The Board of Directors of the North Texas Mobility Corporation convened the Regular Meeting of the Board of Directors with Dean Ueckert, Chair presiding on March 25, 2020 virtually.

### ATTENDANCE

#### BOARD MEMBERS

Dean Ueckert  
Richard Hayes  
Don Combs  
Sara Hensley  
Raymond Suarez

#### LEGAL COUNSEL

Joe Gorfida

#### OTHER ATTENDEES

Javier Trilla

#### OFFICERS

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

*CALL TO ORDER – The meeting is called to order by Chair Ueckert at 9:07 am*

*BRIEF ORIENTATION TO NAVIGATING THE VIDEO CONFERENCE – President Holcomb gave a brief orientation to the video conference and how the meeting would be navigated.*

*PUBLIC COMMENT – There were no public comments made.*

*Chair Ueckert gave direction to the Board on how the voting process shall be conducted virtually.*



1. REGULAR AGENDA – *Item b was conducted before item a.*
  - a. Coronavirus (COVID-19) Response Update – *Chair Ueckert ask the Officers to keep the Board updated by email as has been done to save time here in the meeting.*
  - b. Consider and Approve Resolution 2020-N008 Authorizing the President to Execute and Negotiate the Agreement Contract with Hendrickson Transportation Group to Provide NTMC General Management Services. – *Chair Ueckert presented questions to the NTMC Officers regarding the previous General Manager and the General Manager contract. NTMC Officers and Legal Counsel answered Chair Ueckert's questions:*
    - *Chair Ueckert would like to address, in a future meeting, the issue of the general manager reporting to the NTMC President employed by DCTA.*
    - *Chair Ueckert asked if a bid process was performed for this contract. President Holcomb and Legal Counsel clarified that NTMC does not required a bidding process according to the Texas Transportation Code for this type of contract and further explained that this contract was for a maximum of 6 months until the position can be filled if that is the direction of the Board. NTMC could begin a bidding process now, but given that the process could take weeks or a couple of months to get someone in the role, Officers would like the Board to approve the contract presented to fill the position right now as both NTMC and DCTA do not have the capability to fill the role from within. Legal Counsel stated that the contract does have a termination provision that allows us to terminate the contract without cause with a 30-day notice. President Holcomb clarified that this contractor will be working solely for NTMC and not shared in other roles.*
    - *Chair Ueckert's major concern was the salary which seemed excessive to him as he interpreted the salary to be over \$170,00 for a six-month contract which would be over \$340,000 a year. Board Member Suarez explained the value of this position and what NTMC would need to pay for a qualified, competent contractor for the General Manager position to the Board and NTMC needs the position filled to follow the protocol with the Union and to follow the proper process and procedures. Suarez also mentioned that DCTA will be performing an efficiency study in the near future and filling the position with a hire or a long-term contract did not make sense until DCTA knows what the future service looks like.*
    - *Vice Chair Hayes asked if it was a good time to hire someone with the ridership numbers down so low. President Holcomb clarified that we are asking to do a six-month contract instead of hiring for the position. This contract will provide NTMC the flexibility to fill a critical position, to help operations continue and dealings with the Union, and respond to DCTA's requested services to NTMC.*
    - *Don Combs supported the reasons for the decision that were laid out and can see that it is not ideal, but it is a critical need and all his questions have been answered.*

- *Board Member Hensley asked if there were any opportunity for a temporary NTMC or DCTA person to fill that position. Legal Counsel replied that the only way for that to occur, DCTA would have to relinquish all control of the DCTA employee to NTMC under the borrowed employee theory and DCTA did not have that staff to support a DCTA employee sitting in as an NTMC representative fulltime.*
  - *Chair Ueckert asked if NTMC could enter into a contract with DCTA with the same specifications as the contract presented and then DCTA would determine what source they want to give the General Manager from and how they provide the General Manager service is up to them? Legal Counsel responded that it is something that we would have to look at to make sure we would not be running afoul of the Collective Bargaining Agreement with DCTA having control of the contract. That is something that we can investigate, but timing is the issue.*
  - *Chair Ueckert asked if there was a way that this position could report directly to the Board? Legal Counsel replied that we would have to change the Resolution that was passed in accordance with the Bylaws that made the General Manager report to the President. Additionally, it was stated that the General Manager would need daily interactions who they report to in order to run daily operations. The Board does have control of the contract for the services of the General Manager. President Holcomb suggested that the General Manager attend the Board meetings and provide a report to the Board. Chair Ueckert agreed.*
  - *Chair Ueckert stated concern with the budget going from \$109,000 a year to \$345,00 a year and how NTMC is would reassure taxpayers that NTMC is doing its due diligence for this contract. President Holcomb stated that the year amount would only be \$170,000 and the contract is only six-month contract so it would only be half of the \$170,000 which is \$85,000. There are cost savings in the budget to cover this item which were laid out to the Board by Treasurer Perry.*
  - *Board Member Hensley asked if there was any payout from the previous General Manager leaving? Treasurer Perry responded that the previous employees' payouts for sick and vacation were already accrued, and she did not receive any additional payouts.*
  - ***VOTE:** Vice Chair Hayes made a motion to adopt the Resolution 2020-N008 as prepared with the additional requirement that staff immediately prepare Request for Proposal, send it out, interview and bring back a recommendation to the Board of Directors as soon as reasonably practical. Don Combs seconded the motion. All signified by saying "I". A roll-call vote was not needed because there were no "no" votes; the "I" vote was unanimous.*
2. NEXT BOARD MEETING – The next NTMC Board meeting is currently scheduled for April 22, 2020 at 9:00 a.m.
- *Staff will keep the Board updated on how this meeting will be conducted.*

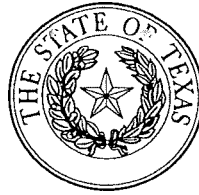
3. FUTURE AGENDA ITEMS – *Chair Ueckert would like to add the issue of the Articles of Formation as the first item after approval of minutes on the next meeting agenda.*
  - a. Approval of Minutes from December 5, 2019 Board Meeting Continued from February 28, 2020 Meeting
  - b. Approval of Minutes from January 28, 2020 and March 25, 2020 Board Meeting
  - c. NTMC Budget Workshop
  - d. Bylaws and Certification of Formation Discussion
  - e. Current and Prior Budgets Discussion
  - f. Consider Resolution 2020-N001 Approving FY20 Budget Revision Continued from February 28, 2020 Meeting
  - g. Executive Closed Session with Labor Relations Attorney
  - h. NTMC Operations Workforce/Positions
  - i. NTMC Insurance/Retirement
  
4. ADJOURN – *The meeting was motioned to adjourn at 10:06 am by Don Combs. Motion for adjournment was seconded by Raymond Suarez.*

\_\_\_\_\_  
Dean Ueckert, Board Chair

ATTEST:

\_\_\_\_\_  
Brandy Pedron, NTMC Secretary

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



David Whitley  
Secretary of State

## Office of the Secretary of State

April 02, 2019

Kevin B. Laughlin, Attorney for Denton County Transportation Authority  
500 N. Akard, Suite 1800  
Dallas, TX 75201 USA

RE: NORTH TEXAS MOBILITY CORPORATION  
File Number: 803280549

-----  
It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at <http://window.state.tx.us/taxinfo/exempt/index.html>. Information on exemption from federal taxes is available from the Internal Revenue Service web site at [www.irs.gov](http://www.irs.gov).

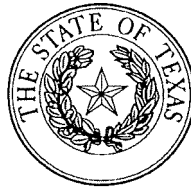
Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section  
Business & Public Filings Division  
(512) 463-5555  
Enclosure

*Come visit us on the internet at <http://www.sos.state.tx.us/>*

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



David Whitley  
Secretary of State

## Office of the Secretary of State

### CERTIFICATE OF FILING OF

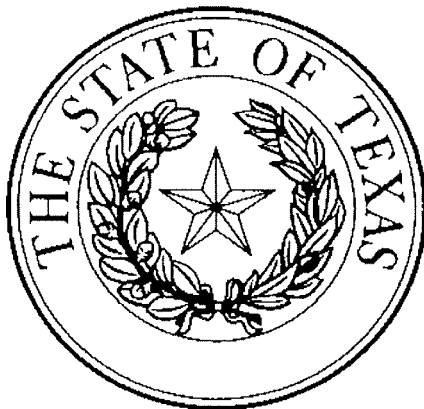
NORTH TEXAS MOBILITY CORPORATION  
File Number: 803280549

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above corporation pursuant to the provisions of the Local Government Corporation Act have been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 04/01/2019

Effective: 04/01/2019



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley  
Secretary of State

**FILED**  
In the Office of the  
Secretary of State of Texas

APR 01 2019

**CERTIFICATE OF FORMATION  
OF  
NORTH TEXAS MOBILITY CORPORATION      Corporations Section**

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), and Chapter 394, Texas Local Government Code, do hereby adopt the following Certificate of Formation for such corporation:

**ARTICLE I  
Corporation Name**

The name of the corporation is **NORTH TEXAS MOBILITY CORPORATION** (the "Corporation").

**ARTICLE II  
Nature of Corporation**

The Corporation is a public non-profit corporation.

**ARTICLE III  
Duration of Corporation**

The period of duration of the Corporation shall be perpetual.

**ARTICLE IV  
Corporate Purpose and Authority**

4.01 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 from time to time in the Bylaws of the Corporation (the "Bylaws").

4.02 The Corporation is formed pursuant to the provisions of 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.

4.03 The Corporation, with the prior written consent of the DCTA Board 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 or entities 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. purchase, acquire, own, lease, maintain and dispose of real and personal property; and
- D. contract with other political subdivisions and units of governments.

4.04 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 22 and the provisions of Title I thereof to the extent applicable to non-profit corporations, as amended) or their successor.

4.05 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 the Authority or as otherwise allowed by the Bylaws.

4.06 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.

4.07 References herein to the consent or written consent of the Authority shall refer to an ordinance, resolution order, or motion approved by the DCTA Board.

## **ARTICLE V**

### **No Members or Shareholders**

The Corporation shall have no members and shall have no stock.



## ARTICLE VI Board of Directors

6.01 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 the Bylaws. The Board shall independently manage and operate the Mobility Services in accordance with all applicable laws and documents, including this Certificate, the Bylaws, and such other documents agreed to by the Authority and as the same may be amended from time to time.

6.02 The initial directors of the Corporation ("Director" or "Directors") shall be those persons named in Article VIII, below. 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. Subsequent Directors shall be appointed to the Board for a term of three (3) years as prescribed herein. Except as set forth in this Certificate or the Bylaws, any Director may be removed from office at any time, with or without cause, by the Authority.

6.03 The number of Directors shall be five (5), and shall be selected as follows:

A. The Authority shall appoint one (1) Director who shall at all times during the term of office be serving as the Chief Executive Officer or similar position for the Authority.

B. The Authority shall appoint four (4) Directors who shall at all times during the term of office be a member of the DCTA Board or resident of Denton County, Texas.

6.04 The majority of Directors must at all times be people who reside within Denton County.

6.05 Except as set forth in Section 6.02 above, Directors shall serve a term of office of three (3) years, with no limit imposed by this Certificate on the number of terms that a Director may serve.

6.06 Vacancies on the Board that occur before the end of a Director's term shall be filled in the same manner as appointments made pursuant to Section 6.03.

6.07 The Directors appointed pursuant to Section 6.03.B. may be removed at any time, with or without cause, by the DCTA Board.

6.08 All other matters pertaining to the internal affairs of the Corporation shall be governed by the Bylaws, so long as such Bylaws are not inconsistent with this Certificate of Formation or the laws of the State of Texas.



**ARTICLE VII**  
**Registered Office and Agent**

The street address of the initial registered office of the Corporation is 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057, and the name of its initial registered agent at such address is Raymond Suarez.

**ARTICLE VIII**  
**Initial Directors**

The names, addresses, and terms of office of the five (5) initial Directors are:

NAME	ADDRESS	TERM EXPIRES
Raymond Suarez	6823 Pistoia Drive, Frisco, Texas 75034	September 30, 2020
Dave Kovatch	5023 Westway Drive, Little Elm, Texas 75068	September 30, 2021
Connie White	119 Trophy Club Drive, Trophy Club, Texas 76262	September 30, 2020
Dianne Costa	3119 Misty Oak Drive, Highland Village, Texas 75077	September 30, 2021
Charles Emery	2200 N. Garden Ridge Blvd., Lewisville, Texas 75077	September 30, 2020

**ARTICLE IX**  
**Incorporators**

The names and street addresses of the incorporators, each of whom resides within the Authority forming the Corporation are:

NAME	ADDRESS
Sara Bagheri	1125 E. University Drive, Suite A, Denton, Texas 76209
Dianne Costa	3119 Misty Oak Drive, Highland Village, Texas 75077
Charles Emery	2200 N. Garden Ridge Blvd., Lewisville, Texas 75077

**ARTICLE X**  
**Approval of Certificate of Formation by the Authority**

Resolution No. 19-05 approving the form and substance of this Certificate of Formation was adopted by the Board of Directors of the Denton County Transportation Authority on February 28, 2019.

**ARTICLE XI**  
**Director Liability**

No Director shall be liable to the Corporation for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (ii) for any transaction from which the Director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iii) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article

by the Directors shall be prospective only and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director.

## ARTICLE XII

### Limits on Use of Corporate Assets; Income of Corporation

12.01 In accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code (the "Code"), and regardless of any other provisions of this Certificate of Formation or the laws of the State of Texas, the Corporation shall not:

- A. permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation in effecting one or more of its purposes);
- B. devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise;
- C. participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and
- D. attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives.

No part of the Corporation's income shall inure to the benefit of any private interests.

12.02 Notwithstanding Section 431.107 of the Act entitling the Authority to have the right to 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 other legal obligations of the Corporation, shall be retained by the Corporation and applied as a credit to the charges to the Authority and others who may, from time to time in accordance with this Certificate and the Bylaws, become a participating entity in the Corporation, for the operation and maintenance of the Mobility Services, or distributed to the Authority and such others in a manner to be determined by the Board in accordance with the provisions of the Bylaws of the Corporation.

## ARTICLE XIII

### Corporation as Private Foundation

If the Corporation is a private foundation within the meaning of Section 509(a) of the Code, the Corporation: (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; (d)

shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

#### **ARTICLE XIV Dissolution**

14.01 If the Board determines by resolution that the purposes for which the Corporation was formed have been substantially met and all bonds or notes issued by, and all obligations incurred by, the Corporation or on behalf of the Corporation have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Corporation dissolved in accordance with the requirements of Section 394.026 of Texas Local Government Code, or with applicable law then in existence.

14.02 Subject to any restrictions contained in applicable state law, if the Authority considers and approves a concurrent resolution directing the Board to proceed with the dissolution of the Corporation, the Board shall promptly proceed with the dissolution of the Corporation. The failure of the Board to promptly proceed with the dissolution of the Corporation in accordance with this Section 14.02 shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of this Certificate of Formation.

14.03 Upon the dissolution of the Corporation the assets of the Corporation shall be distributed to the Authority.

#### **ARTICLE XV Indemnification of Directors and Officers**

15.01 *Right to Indemnification.* Subject to the limitations and conditions as provided in this Article XV and the Bylaws of the Corporation, each person who was or is made a party or 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 for 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, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article XV shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article XV shall be deemed contract rights, and no amendment, modification or repeal of this Article XV shall have the effect of limiting or denying any such rights with respect to action taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article XV could involve indemnification for negligence or under theories of strict liability.

15.02 *Advance Payment.* The right to indemnification conferred in this Article XV 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 15.01 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 XV 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 XV or otherwise.

15.03 *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 XV, and the Corporation may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Corporation against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status of such a person to the same extent that it may indemnify and advance expenses to Directors under this Article XV.

15.04 *Appearance as a Witness.* Notwithstanding any other provision of this Article XV, 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.

15.05 *Non-exclusivity of Rights.* The right to indemnification and the advancement and payment of expenses conferred in this Article XV shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to Section 15.03, above, may have or hereafter acquire under any law (common or statutory), provision of this Certificate of Formation or the Bylaws of the Corporation, agreement, or vote of disinterested Directors or otherwise.

15.06 *Insurance.* The Corporation may purchase and maintain 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 is or was serving at the request of the Corporation as a Director, officer, partner, venture, 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 the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article XV.

15.07 *Notification.* Any indemnification of or advance of expenses to a Director or officer in accordance with this Article XV 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 12-month period immediately following the date of the indemnification or advance.

15.08 *Savings Clause.* If this Article XV 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 XV as to costs, charges and expenses (including attorneys' fees), judgments, fines and in 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 XV that shall not have been invalidated and to the fullest extent permitted by applicable law.

**ARTICLE XVI**  
**Amendments**

This Certificate of Formation may not be changed or amended unless approved in writing by the Authority.

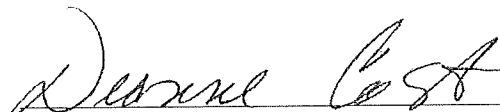
**IN WITNESS WHEREOF**, we have hereunto set our hands on the dates indicated below.

*(Incorporator Signatures on Following Pages)*

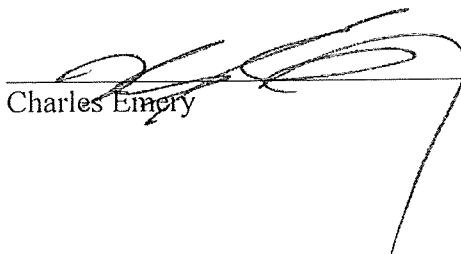
*Signatures and Verification of Incorporators*



Sara Bagheri



Dianne Costa



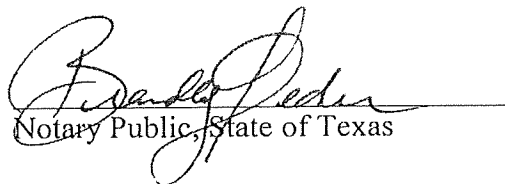
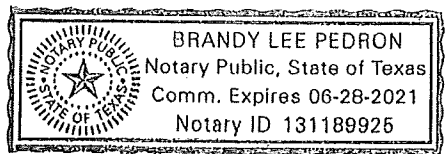
Charles Emery

STATE OF TEXAS §

§

COUNTY OF DENTON §

Before me, a notary public, on this 28 day of February, 2019, appeared Sara Bagheri, Dianne Costa, and Charles Emery, known to me to be the persons whose names are subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

  
Notary Public, State of Texas

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



David Whitley  
Secretary of State

## Office of the Secretary of State

April 02, 2019

Kevin B. Laughlin, Attorney for Denton County Transportation Authority  
500 N. Akard, Suite 1800  
Dallas, TX 75201 USA

RE: NORTH TEXAS MOBILITY CORPORATION  
File Number: 803280549

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at <http://window.state.tx.us/taxinfo/exempt/index.html>. Information on exemption from federal taxes is available from the Internal Revenue Service web site at [www.irs.gov](http://www.irs.gov).

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section  
Business & Public Filings Division  
(512) 463-5555  
Enclosure

Phone: (512)463-5555  
Prepared by: Delores Moore

Come visit us on the internet at <http://www.sos.state.tx.us/>  
Fax: (512) 463-5709  
TIO: 10286

Dial: 7-1-1 for Relay Services  
Document: 878943810002



Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



David Whitley  
Secretary of State

**Office of the Secretary of State**

**CERTIFICATE OF FILING  
OF**

**NORTH TEXAS MOBILITY CORPORATION**  
File Number: 803280549

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above corporation pursuant to the provisions of the Local Government Corporation Act have been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 04/01/2019

Effective: 04/01/2019



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley  
Secretary of State

Prepared by: Deborah Rogers

Phone: (512) 463-5555



*Come visit us on the internet  
at <http://www.sos.state.tx.us/>*

Fax: (512)  
463-5709

Dial: 7-1-1 for  
Relay  
Services

TID:  
10306

Docu  
ment:  
87894  
38100  
02

NEW ITEM

FILED  
In the Office of the  
Secretary of State of Texas

APR 01 2019

**CERTIFICATE OF FORMATION  
OF  
NORTH TEXAS MOBILITY CORPORATION** Corporations Section

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), and Chapter 394, Texas Local Government Code, do hereby adopt the following Certificate of Formation for such corporation:

**ARTICLE I  
Corporation Name**

The name of the corporation is **NORTH TEXAS MOBILITY CORPORATION** (the "Corporation").

**ARTICLE II  
Nature of Corporation**

The Corporation is a public non-profit corporation.

**ARTICLE III  
Duration of Corporation**

The period of duration of the Corporation shall be perpetual.

**ARTICLE IV  
Corporate Purpose and Authority**

4.1 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 from time to time in the Bylaws of the Corporation (the "Bylaws").

4.2 The Corporation is formed pursuant to the provisions of 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.

4.3 The Corporation, with the prior written consent of the OCTA Board 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 or entities to carry out the purposes of the Corporation;

B. purchase, acquire, own, lease, maintain and dispose of real and personal property; and

C. contract with other political subdivisions and units of governments.

**Deleted:** <#>issue debt or enter into and administer other contractual obligations to carry out the purposes of the Corporation;¶

4.4 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 22 and the provisions of Title I thereof to the extent applicable to non-profit corporations, as amended) or their successor.

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.

**Deleted:** , 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 the Authority or as otherwise allowed by the Bylaws.¶

4.5 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.

4.6 References herein to the consent or written consent of the Authority shall refer to an ordinance, resolution order, or motion approved by the OCTA Board.

**ARTICLE V**  
**No Members or Shareholders**

The Corporation shall have no members and shall have no stock.

**ARTICLE VI  
Board of Directors**

6.1 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 the Bylaws. The Board shall independently manage and operate the Mobility Services in accordance with all applicable laws and documents, including this Certificate, the Bylaws, and such other documents agreed to by the Authority and as the same may be amended from time to time.

6.2 The initial directors of the Corporation ("Director" or "Directors") shall be those persons named in Article VIII, below. 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. Subsequent Directors shall be appointed to the Board for a term of three (3) years as prescribed herein. Except as set forth in this Certificate or the Bylaws, any Director may be removed from office at any time, with or without cause, by the Authority.

6.3 The number of Directors shall be five (5), and shall be selected as follows:

A. The Authority shall appoint five (5) Directors who shall at all times during the term of office be a resident of Denton County, Texas.

6.4 The majority of Directors must at all times be people who reside within Denton County.

6.5 Except as set forth in Section 6.02 above, Directors shall serve a term of office of three (3) years, with no limit imposed by this Certificate on the number of terms that a Director may serve.

6.6 Vacancies on the Board that occur before the end of a Director's term shall be filled in the same manner as appointments made pursuant to Section 6.03.

6.7 The Directors appointed pursuant to Section 6.03.B. may be removed at any time, with or without cause, by the OCTA Board.

6.8 All other matters pertaining to the internal affairs of the Corporation shall be governed by the Bylaws, so long as such Bylaws are not inconsistent with this Certificate of Formation or the laws of the State of Texas.

**Deleted:** <#>The Authority shall appoint one (1) Director who shall at all times during the term of office be serving as the Chief Executive Officer or similar position for the Authority.¶

**Deleted:** four

**Deleted:** 4

**Deleted:** member of the OCTA Board or

**Deleted:** forih

**ARTICLE VII**  
**Registered Office and Agent**

The street address of the initial registered office of the Corporation is 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057, and the name of its initial registered agent at such address is Raymond Suarez.

**ARTICLE VIII**  
**Initial Directors**

The names, addresses, and terms of office of the five (5) initial Directors are:

NAME	ADDRESS	TERM EXPIRES
Raymond Suarez	6823 Pistoia Drive, Frisco, Texas 75034	September 30, 2020
Dave Kovatch	5023 Westway Drive, Little Elm, Texas 75068	September 30, 2021
Connie White	119 Trophy Club Drive, Trophy Club, Texas 76262	September 30, 2020
Dianne Costa	3119 Misty Oak Drive, Highland Village, Texas 75077	September 30, 2021
Charles Emery	2200 N. Garden Ridge Blvd., Lewisville, Texas 75077	September 30, 2020

**ARTICLE IX**  
**Incorporators**

The names and street addresses of the incorporators, each of whom resides within the Authority forming the Corporation are:

NAME	ADDRESS
Sara Bagheri	1125 E. University Drive, Suite A, Denton, Texas 76209
Dianne Costa	3119 Misty Oak Drive, Highland Village, Texas 75077
Charles Emery	2200 N. Garden Ridge Blvd., Lewisville, Texas 75077

**ARTICLE X**  
**Approval of Certificate of Formation by the Authority**

Resolution No. 19-05 approving the form and substance of this Certificate of Formation was adopted by the Board of Directors of the Denton County Transportation Authority on February 28, 2019.

**ARTICLE XI**  
**Director Liability**

No Director shall be liable to the Corporation for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (ii) for any transaction from which the Director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iii) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article

by the Directors shall be prospective only and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director.

**ARTICLE XII**  
**Limits on Use of Corporate Assets; Income of Corporation**

121 In accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code (the "Code"), and regardless of any other provisions of this Certificate of Formation or the laws of the State of Texas, the Corporation shall not:

- A. permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation in effecting one or more of its purposes);
- B. devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise;
- C. participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and
- D. attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives.

No part of the Corporation's income shall inure to the benefit of any private interests.

122 Notwithstanding Section 431.107 of the Act entitling the Authority to have the right to 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 other legal obligations of the Corporation, shall be retained by the Corporation and applied as a credit to the charges to the Authority and others who may, from time to time in accordance with this Certificate and the Bylaws, become a participating entity in the Corporation, for the operation and maintenance of the Mobility Services, or distributed to the Authority and such others in a manner to be determined by the Board in accordance with the provisions of the Bylaws of the Corporation.

**ARTICLE XIII**  
**Corporation as Private Foundation**

If the Corporation is a private foundation within the meaning of Section 509(a) of the Code, the Corporation: (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; (d)



15.2 *Advance Payment.* The right to indemnification conferred in this Article XV 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 15.01 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 XV 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 XV or otherwise.

15.3 *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 XV, and the Corporation may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Corporation against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status of such a person to the same extent that it may indemnify and advance expenses to Directors under this Article XV.

15.4 *Appearance as a Witness.* Notwithstanding any other provision of this Article XV, 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.

15.5 *Non-exclusivity of Rights.* The right to indemnification and the advancement and payment of expenses conferred in this Article XV shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to Section 15.03, above, may have or hereafter acquire under any law (common or statutory), provision of this Certificate of Formation or the Bylaws of the Corporation, agreement, or vote of disinterested Directors or otherwise.

15.6 *Insurance.* The Corporation may purchase and maintain 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 is or was serving at the request of the Corporation as a Director, officer, partner, venture, 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 the Corporation would have the power to indemnify such person against such expense, liability or loss under this Article XV.

15.7 *Notification.* Any indemnification of or advance of expenses to a Director or officer in accordance with this Article XV shall be reported in writing to the members of the Board with

• [ ] • • • • • << MS >> • • • • • - - - - - PZ • • • • • , , , , C > N



or before the notice of the next regular meeting of the Board and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

15.8 *Savings Clause.* If this Article XV 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 XV as to costs, charges and expenses (including attorneys' fees), judgments, fines and in 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 XV that shall not have been invalidated and to the fullest extent permitted by applicable law.

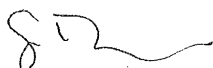
**ARTICLE XVI  
Amendments**


This Certificate of Formation may not be changed or amended unless approved in writing by the Authority.


**IN WITNESS WHEREOF**, we have hereunto set our hands on the dates indicated below.

*(Incorporator Signatures on Following Pages)*

*Signatures and Verification of Incorporators*

  
\_\_\_\_\_  
Sara Bagheri

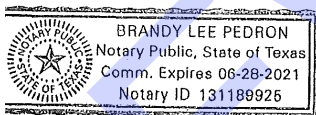
ft-),t,12%(   
Dianne Costa

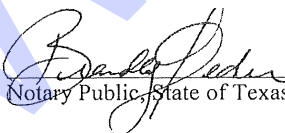
  
\_\_\_\_\_  
Charles Emery

STATE OF TEXAS       §  
                                      §

COUNTY OF DENTON   §

Before me, a notary public, on this 17<sup>th</sup> day of July, 2019, appeared Sara Bagheri, Dianne Costa, and Charles Emery, known to me ~~to be~~ persons whose names are subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.



  
\_\_\_\_\_  
Notary Public, State of Texas

The background of the slide is a light gray map of a city grid, showing various street patterns and blocks. A dark purple horizontal band is centered across the middle of the slide, containing the main title and subtitle in white text.

# FY 2020 OPERATING BUDGET

## NTMC BUDGET BRIEFING – APRIL 22, 2020

# TODAY'S AGENDA

## NTMC FY2020 BUDGET BRIEFING

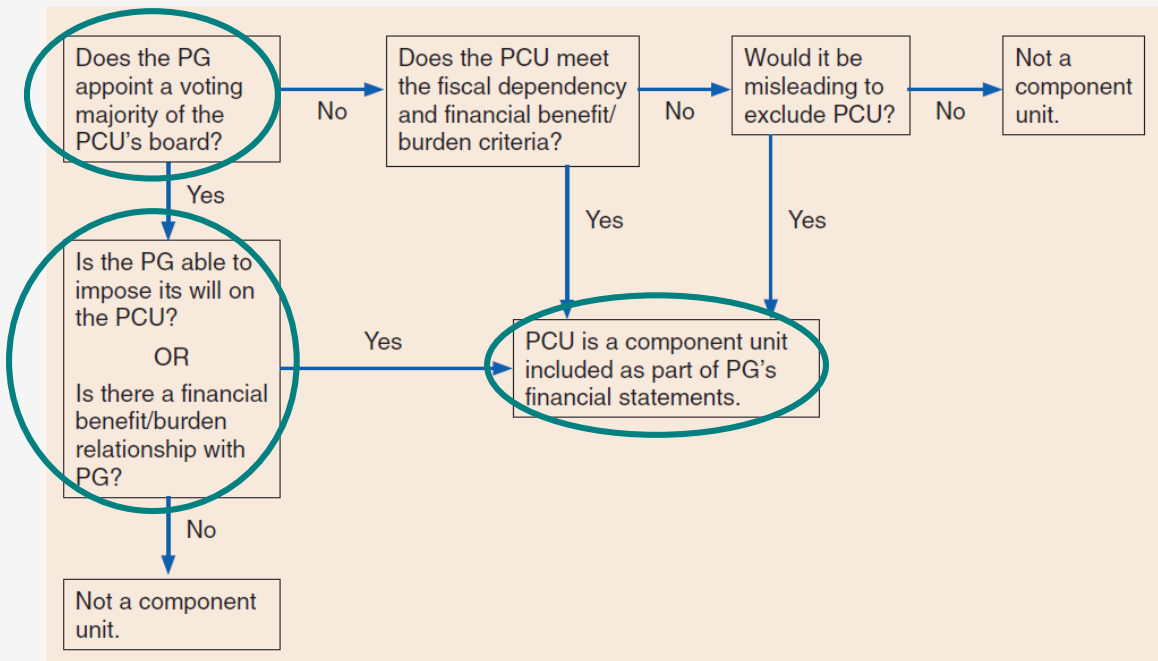
- NTMC Budget Background
- Building the Bus Operations Budgets
- NTMC Change in Net Position
  - Operating Expenses

The background of the slide features a light gray, stylized map pattern of a city grid, showing various street layouts and blocks. This pattern is visible in the top and bottom sections of the slide, separated by a dark purple horizontal band.

# NTMC BUDGET BACKGROUND

# NTMC BUDGET BACKGROUND

North Texas Mobility Corporation (NTMC) was incorporated on April 1, 2019 as a Local Government Corporation created by Denton County Transportation Authority (DCTA). NTMC began operations on June 2, 2019. NTMC is accounted for as a blended component unit for financial reporting.



PG = Primary Government (DCTA)

PCU = Potential Component Unit (NTMC)

- DCTA appoints a voting majority of the NTMC Board.
- NTMC is fiscally dependent and operates solely for DCTA.

# NTMC BUDGET BACKGROUND

- NTMC budget includes all employee-related costs associated with NTMC's employees who provide bus services. NTMC does not own any assets and does not generate revenue.
- DCTA budget includes all employee-related costs associated with DCTA's employees, costs associated with DCTA's fleet and facilities, rail operating costs, purchased transportation services, and outsourced services. DCTA operations generate passenger revenues; DCTA also receives sales tax funding and federal formula funding.
- NTMC Board approval of FY2020 Budget on September 26, 2019
- DCTA Board approval of FY2020 Budget with Transfer to NTMC on September 26, 2019

The background of the slide features a light gray, stylized map pattern of a city street grid, consisting of various rectangular and irregular shapes representing blocks and streets. This pattern is visible in the top and bottom sections of the slide, separated by a central dark purple band.

# BUILDING THE BUS OPERATIONS BUDGETS



# BUILDING THE BUS OPERATIONS BUDGETS

## NTMC BUS OPERATIONS DEPARTMENTS

### ADMINISTRATION/SUPPORT

- 700 – Bus Service Administration
- 770 – Customer Service
- 780 – Supervisors and Dispatchers
- 790 – Maintenance

### FIXED ROUTE SERVICES

- 711 – Denton Fixed Route
- 712 – Highland Village Fixed Route
- 713 – Lewisville Fixed Route
- 740 – North Texas Xpress (NTX)

### DEMAND RESPONSE SERVICES

- 731 – Denton Demand Response
- 732 – Highland Village Demand Response
- 733 – Lewisville Demand Response

### CONTRACT SERVICES

- 701 – University of North Texas (UNT)
- 702 – North Central Texas College (NCTC)
- 703 – Frisco
- 704 – Collin County Transit (CCT)

# BUILDING THE BUS OPERATIONS BUDGETS

## GLOSSARY OF TERMS - SERVICES

### DIRECTLY OPERATED (DO)

- Transportation service provided directly by a transit agency, using their employees to supply the necessary labor to operate the revenue vehicles. This includes instances where an agency's employees provide purchased transportation (PT) services to the agency through a contractual agreement

### FIXED ROUTE SERVICE

- Services provided on a repetitive, fixed schedule basis along a specific route with vehicles stopping to pick up & deliver passengers to specific locations; each fixed route trip serves the same origins & destinations, such as rail and bus

### DEMAND RESPONSE SERVICE

- A transit mode comprised of passenger cars, vans or small buses operating in response to calls from passengers or their agents to the transit operator, who then dispatches a vehicle to pick up the passengers & transport them to their destinations

# BUILDING THE BUS OPERATIONS BUDGETS

## GLOSSARY OF TERMS - METRICS

### REVENUE HOURS

- The hours that vehicles travel while in revenue service including revenue service & layover/recovery time

### REVENUE MILES

- The miles that vehicles travel while in revenue service

### DEADHEAD (MILES AND HOURS)

- The miles & hours that a vehicle travels when out of revenue service including leaving or returning to the garage or yard facility, changing routes, & when there is no expectation of carrying revenue passengers

### SERVICE HOURS

- Revenue hours plus applicable deadhead hours

### SERVICE MILES

- Revenue miles plus applicable deadhead miles

The background of the slide features a light gray, stylized map pattern of a city grid, showing various street layouts and building footprints. This pattern is visible in the top and bottom sections of the slide, separated by a dark purple horizontal band.

# BUILDING BUDGETS FOR DIRECTLY OPERATED SERVICE

# BUILDING BUDGETS FOR DIRECTLY OPERATED SERVICES

## OPERATOR WAGES AND BENEFITS

### 1. SERVICE HOURS IDENTIFIED

- Fixed Route based off current actuals with any variance in the months where we expect to see changes
- Demand Response based off current and previous fiscal year reported actuals

### 2. SERVICE HOURS CONVERTED TO PAY HOURS FOR OPERATOR WAGES AND BENEFITS

- Used 1.07 to calculate pay hours
  - 1.07 was calculated by taking the total pay hours, including overtime, and dividing by total service hours for the same period

### 3. AVERAGE WAGE RATE CALCULATED FOR OPERATORS

- Calculated based on escalated actuals of existing operators and beginning wage rates for open positions
  - Wage rates are figured by using the operator pay schedule provided in Collective Bargaining Agreement (CBA)

### 4. TOTAL BENEFITS COSTS CALCULATED FOR OPERATORS

- FY19 actuals billed plus a 10% increase; weighted average for the open positions

# BUILDING BUDGETS FOR DIRECTLY OPERATED SERVICES

## OPERATOR WAGES AND BENEFITS

- Salary & Wages Regular = Pay Hours \* Average Wage Rate
- Salary & Wages Overtime = Salary & Wages Regular \* 8%
- Paid Time Off = (Service Hours \* 5.5%) \* Average Wage Rate
- Benefits = Allocate total cost of benefits based on Service Hours

The background of the slide features a light gray, stylized map pattern of a city grid, showing various street layouts and blocks. This pattern is visible in the top and bottom sections of the slide, framing a central dark purple horizontal band.

# CHANGE IN NET POSITION

## North Texas Mobility Corporation

# CHANGE IN NET POSITION – NTMC

Description	NTMC FY 2019 Working Budget (June-Sept 2019)		NTMC FY 2020 Adopted Budget	
<b>OPERATING EXPENSES</b>				
Salary, Wages and Benefits	\$	2,674,142	\$	8,460,824
Services		29,154		95,040
Insurance, Casualties and Losses		40,408		132,636
Employee Development		74,147		93,200
<b>Total Operating Expenses</b>		<b>2,817,851</b>		<b>8,781,700</b>
Income (Loss) Before Transfers		(2,817,851)		(8,781,700)
Transfers In from DCTA		2,817,851		8,781,700
<b>Total Transfers</b>		<b>2,817,851</b>		<b>8,781,700</b>
<b>CHANGE IN NET POSITION</b>	\$	<b>-</b>	\$	<b>-</b>

Operating Expense Line Items are defined on following slides



# CHANGE IN NET POSITION

## OPERATING EXPENSES – NTMC

### SALARY & BENEFITS:

- Union (Bus Operators) Average Rate: \$18.34/hr.
  - Outlined by Union Contract
  - Previously budgeted at \$18.53/hr.
- 10% increase in health benefit rates
- Includes wages and employee benefits:
  - Medical
  - Dental
  - Vision
  - Life & Disability
  - Medicare/Social Security
  - SUTA/FUTA

### NEW COLLECTIVE BARGAINING AGREEMENT:

\*Increase in benefits total \$643k

- Medical
  - Added employer-paid EE only coverage
  - Increased employer subsidy of 80% for all other coverage types
- Vision
  - Added employer-paid EE only coverage
  - Added 50% subsidy for dependent coverage
- Life & Disability
  - Added \$30k coverage for all full-time and seasonal employees

# CHANGE IN NET POSITION

## FULL TIME EQUIVALENTS (FTEs) – NTMC

### OPERATORS (94 FTEs)

- FTEs calculated by taking the service hours budgeted for each department divided by 2,080 hours
- Total hours 194,534 / 2,080 = 94 FTEs

### BUS SERVICE ADMINISTRATION (7 FTEs)

- General Manager
- Safety & Training Manager
- Trainer
- Payroll & Benefits Specialist
- Recruiter/HR Generalist
- Quality Control Coordinator
- Office Coordinator

### CUSTOMER SERVICE (10 FTEs)

- Customer Service Manager
- Shift Supervisor (2)
- Mobility Service Dispatcher (2)
- Mobility Assistant
- Mobility Service Representatives (4)

### SUPERVISORS & DISPATCH (12 FTEs)

- Operations Manager
- Lead Supervisor (2)
- Street Supervisor (3)
- Lead Dispatcher (2)
- Dispatcher (3)
- Operations Specialist

### MAINTENANCE (19 FTEs)

- Fleet Manager
- Lead Mechanic (2)
- Mechanic I (2)
- Mechanic II (2)
- Mechanic III
- Mechanic IV (2)
- Parts Coordinator
- Lead Service Attendant
- Service Attendant (3)
- Facilities Manager
- Custodian (2)
- Bus Operations Buyer

# CHANGE IN NET POSITION

## OPERATING EXPENSES – NTMC

### SERVICES:

- Advertising costs for recruitment purposes
- Service Fees for payroll processing, FSA/HSA/COBRA administration
- General Services for pre-employment testing/screening

### INSURANCE:

- Workers Compensation Insurance for NTMC employees

### EMPLOYEE DEVELOPMENT:

- Travel and training, registration fees, meals and mileage reimbursement

A light gray background with a repeating pattern of a city street grid, overlaid on a dark purple horizontal band.

# DISCUSSION/QUESTIONS

NORTH TEXAS MOBILITY CORPORATION  
Change in Net Position - Adopted FY 20 Budget

Description	NTMC FY 2019 Working Budget (June-Sept 2019)	NTMC FY 2020 Adopted Budget
<b>OPERATING EXPENSES</b>		
Salary, Wages and Benefits	\$ 2,674,142	\$ 8,460,824
Services	29,154	95,040
Insurance, Casualties and Losses	40,408	132,636
Employee Development	74,147	93,200
<b>Total Operating Expenses</b>	<b>2,817,851</b>	<b>8,781,700</b>
Income (Loss) Before Transfers	(2,817,851)	(8,781,700)
Transfers In from DCTA	2,817,851	8,781,700
<b>Total Transfers</b>	<b>2,817,851</b>	<b>8,781,700</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>

FISCAL YEAR 2020 OPERATING BUDGET  
NORTH TEXAS MOBILITY CORPORATION (NTMC)

	CONTRACT SERVICES				FIXED ROUTE SERVICES				DEMAND RESPONSE SERVICES			ADMINISTRATION/SUPPORT				TOTAL NTMC BUDGET	PENDING REVISIONS*	TOTAL ADJUSTED BUDGET (Pending Revisions)
	UNT DEPT 701	NCTC DEPT 702	FRISCO DEPT 703	CCT DEPT 704	NTXPRESS DEPT 740	DENTON FIXED ROUTE DEPT 711	HIGHLAND VILLAGE FIXED ROUTE DEPT 712	LEWISVILLE FIXED ROUTE DEPT 713	DENTON DEMAND RESPONSE DEPT 731	HIGHLAND VILLAGE DEMAND RESPONSE DEPT 732	LEWISVILLE DEMAND RESPONSE DEPT 733	BUS SERVICES ADMINISTRATION DEPT 700	CUSTOMER SERVICE DEPT 770	SUPERVISORS & DISPATCH DEPT 780	MAINTENANCE DEPT 790			
<b>SALARIES &amp; WAGES</b>																		
50110 S&W - Regular	\$ 904,906	\$ 99,433	\$ 53,509	\$ 27,835	\$ 78,552	\$ 1,169,325	\$ 117,840	\$ 573,160	\$ 213,982	\$ 29,210	\$ 284,186	\$ 373,232	\$ 358,380	\$ 509,417	\$ 772,919	\$ 5,565,886	\$ (100,672)	\$ 5,465,214
50120 S&W - OT	72,385	7,948	4,276	2,222	6,279	92,703	9,420	45,846	17,113	2,331	22,729	6,268	21,332	36,068	56,580	403,500	(3,068)	400,432
50160 Paid Time Off	46,511	5,106	2,764	1,402	4,032	59,594	6,054	29,457	10,992	1,497	14,603	-	-	-	-	182,012	-	182,012
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$ 1,023,802</b>	<b>\$ 112,487</b>	<b>\$ 60,549</b>	<b>\$ 31,459</b>	<b>\$ 88,863</b>	<b>\$ 1,321,622</b>	<b>\$ 133,314</b>	<b>\$ 648,463</b>	<b>\$ 242,087</b>	<b>\$ 33,038</b>	<b>\$ 321,518</b>	<b>\$ 379,500</b>	<b>\$ 379,712</b>	<b>\$ 545,485</b>	<b>\$ 829,499</b>	<b>\$ 6,151,398</b>	<b>\$ (103,740)</b>	<b>\$ 6,047,658</b>
<b>BENEFITS</b>																		
50205 ER Medicare & Social Security	104,772	11,508	6,236	3,242	9,090	135,332	13,638	66,363	24,772	3,377	32,900	29,032	29,044	41,728	63,452	574,486	(8,828)	565,658
50210 ER Match - Retirement	-	-	-	-	-	-	-	-	-	-	-	3,600	1,200	11,904	16,080	32,784	-	32,784
50215 Health Insurance	214,136	23,524	12,749	6,628	18,579	276,588	27,882	135,631	50,634	6,909	67,246	73,692	96,996	120,108	162,852	1,294,154	(22,464)	1,271,690
50225 SUTA	18,726	2,052	1,110	574	1,620	24,188	2,436	11,858	4,423	599	5,876	25,044	25,059	36,002	54,740	214,307	(7,677)	206,630
50230 FUTA	-	-	-	-	-	-	-	-	-	-	-	2,280	2,280	3,272	4,980	12,812	(702)	12,110
50231 Life & Disability Insurance	23,989	2,631	1,423	738	2,076	30,987	3,120	15,196	5,667	769	7,529	5,004	5,808	7,704	12,072	124,713	(1,464)	123,249
50235 Vision	2,652	287	151	75	225	3,430	339	1,679	622	78	828	1,092	1,224	2,088	2,364	17,134	(336)	16,798
50265 Dental	6,703	731	394	202	576	8,659	867	4,243	1,581	211	2,101	2,220	2,088	3,684	4,776	39,036	(654)	38,382
<b>TOTAL BENEFITS</b>	<b>\$ 370,978</b>	<b>\$ 40,733</b>	<b>\$ 22,063</b>	<b>\$ 11,459</b>	<b>\$ 32,166</b>	<b>\$ 479,184</b>	<b>\$ 48,282</b>	<b>\$ 234,970</b>	<b>\$ 87,699</b>	<b>\$ 11,943</b>	<b>\$ 116,480</b>	<b>\$ 141,964</b>	<b>\$ 163,699</b>	<b>\$ 226,490</b>	<b>\$ 321,316</b>	<b>\$ 2,309,426</b>	<b>\$ (42,125)</b>	<b>\$ 2,267,301</b>
<b>SERVICES</b>																		
50302 Advertising	-	-	-	-	-	-	-	-	-	-	-	9,600	-	-	-	9,600	-	9,600
50307 Service Fees	-	-	-	-	-	-	-	-	-	-	-	40,440	-	-	-	40,440	-	40,440
50309 Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,800	85,800
50310 General Services	-	-	-	-	-	-	-	-	-	-	-	45,000	-	-	-	45,000	-	45,000
50315 Legal Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,789	80,789
<b>TOTAL SERVICES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 95,040</b>	<b>\$ 166,589</b>	<b>\$ 261,629</b>
<b>INSURANCE</b>																		
50630 Workers Compensation Insurance	30,786	3,383	2,687	938	2,673	36,473	4,009	19,177	7,280	993	9,669	504	480	720	12,864	132,636	-	132,636
<b>TOTAL INSURANCE</b>	<b>\$ 30,786</b>	<b>\$ 3,383</b>	<b>\$ 2,687</b>	<b>\$ 938</b>	<b>\$ 2,673</b>	<b>\$ 36,473</b>	<b>\$ 4,009</b>	<b>\$ 19,177</b>	<b>\$ 7,280</b>	<b>\$ 993</b>	<b>\$ 9,669</b>	<b>\$ 504</b>	<b>\$ 480</b>	<b>\$ 720</b>	<b>\$ 12,864</b>	<b>\$ 132,636</b>	<b>\$ -</b>	<b>\$ 132,636</b>
<b>EMPLOYEE DEVELOPMENT</b>																		
50915 Registration Fees	-	-	-	-	-	-	-	-	-	-	-	12,000	2,400	-	-	14,400	-	14,400
50920 Travel	-	-	-	-	-	-	-	-	-	-	-	12,000	1,200	2,400	6,000	21,600	-	21,600
50925 Mileage Reimbursement	-	-	-	-	-	-	-	-	-	-	-	1,000	-	-	-	1,000	-	1,000
50930 Meals - Non Travel	-	-	-	-	-	-	-	-	-	-	-	8,400	-	-	-	8,400	-	8,400
50940 Other Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	4,800	-	-	-	4,800	-	4,800
50945 Training & Development	-	-	-	-	-	-	-	-	-	-	-	19,000	6,000	6,000	12,000	43,000	-	43,000
<b>TOTAL EMPLOYEE DEVELOPMENT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,200</b>	<b>\$ 9,600</b>	<b>\$ 8,400</b>	<b>\$ 18,000</b>	<b>\$ 93,200</b>	<b>\$ -</b>	<b>\$ 93,200</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 1,425,566</b>	<b>\$ 156,603</b>	<b>\$ 85,299</b>	<b>\$ 43,856</b>	<b>\$ 123,702</b>	<b>\$ 1,837,279</b>	<b>\$ 185,605</b>	<b>\$ 902,610</b>	<b>\$ 337,066</b>	<b>\$ 45,974</b>	<b>\$ 447,667</b>	<b>\$ 674,208</b>	<b>\$ 553,491</b>	<b>\$ 781,095</b>	<b>\$ 1,181,679</b>	<b>\$ 8,781,700</b>	<b>\$ 20,724</b>	<b>\$ 8,802,424</b>
<b>TRANSFER IN FROM DCTA</b>																		
<b>TOTAL FULL TIME EQUIVALENT</b>	<b>24</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>31</b>	<b>3</b>	<b>15</b>	<b>6</b>	<b>1</b>	<b>7</b>	<b>7</b>	<b>10</b>	<b>12</b>	<b>19</b>	<b>142</b>		
	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(B)	(C)	(D)	(E)			

\*Pending Revisions include the following:

- (1) Addition of the GM contract for 6 months @ \$14,300/month, total \$85,800 (approved March 2020)
- (2) Reduction in salaries & wages for the vacant positions of General Manager & Fleet Manager, total (\$85,800)
- (3) Increase in legal fees, total \$80,789 (Budget Revision 2020-N001 presented in February 2020 and postponed)
- (4) Reduction in salaries & wages for the transfer of the Bus Operations Buyer position funds to the DCTA operating budget, total (\$60,065) (Budget Revision 2020-N001 presented in February 2020 and postponed)

FTE Notes:

- (A) Operator FTEs are calculated by taking the service hours budgeted for each department divided by 2,080 hours
- (B) Bus Services Administration includes the following positions: General Manager, Safety & Training Manager, Trainer, Payroll & Benefits Specialist, Recruiter/HR Generalist, Quality Control Coordinator and Office Coordinator
- (C) Customer Service includes the following positions: Customer Service Manager, Shift Supervisor (2), Mobility Service Dispatcher (2), Mobility Assistant, and Mobility Service Representative (4)
- (D) Supervisors & Dispatch includes the following positions: Operations Manager, Lead Supervisor (2), Street Supervisor (3), Lead Dispatcher (2), Dispatcher (3), and Operations Specialist
- (E) Maintenance includes the following positions: Fleet Manager, Lead Mechanic (2), Mechanic I (2), Mechanic II (2), Mechanic III, Mechanic IV (2), Parts Coordinator, Lead Service Attendant, Service Attendant (3), Facilities Manager, Custodian (2), Bus Operations Buyer

NORTH TEXAS MOBILITY CORPORATION  
Budget History (NTMC & TMDC Prior Years)

Description	NTMC Equivalent FY 2018 Working Budget (A)	NTMC Equivalent FY 2019 Working Budget (B)	NTMC FY 2020 Adopted Budget
<b>OPERATING EXPENSES</b>			
<b>Salary &amp; Wages</b>			
Salary & Wages - Regular	\$ 5,432,068	\$ 5,751,540	\$ 5,565,886
Salary & Wages - OT	502,134	514,662	403,500
Paid Timeoff	197,463	194,842	182,012
Total Salary & Wages	6,131,665	6,461,044	6,151,398
<b>Benefits</b>			
ER Medicare & Social Security	449,700	480,285	574,486
ER Match - Retirement	24,518	28,196	32,784
Health Insurance	826,334	881,329	1,294,154
SUTA	283,837	485,997	214,307
FUTA	-	-	12,812
Life & Disability Insurance	61,254	86,295	124,713
Vision	-	13,941	17,134
Dental	47,440	55,426	39,036
Total Benefits	1,693,083	2,031,469	2,309,426
<b>Services</b>			
Management Services	263,991	271,248	-
Advertising	4,000	4,000	9,600
Service Fees	55,356	51,070	40,440
General Services	32,400	32,400	45,000
Total Services	355,747	358,718	95,040
<b>Insurance, Casualties and Losses</b>			
Workers Compensation Insurance	175,101	161,656	132,636
Total Insurance, Casualties and Losses	175,101	161,656	132,636
<b>Employee Development</b>			
Registration Fees	4,500	4,500	14,400
Travel	11,000	13,400	21,600
Mileage Reimbursement	1,000	1,000	1,000
Meals - Non Travel	3,000	6,000	8,400
Contingency	-	58,718	-
Other Miscellaneous	10,000	9,600	4,800
Training & Development	18,200	24,804	43,000
Total Employee Development	47,700	118,022	93,200
<b>Total Operating Expenses</b>	<b>\$ 8,403,296</b>	<b>\$ 9,130,909</b>	<b>\$ 8,781,700</b>

(A) This includes employee costs under TMDC for FY2018.

(B) This includes employee costs under TMDC for October 2018 - May 2019 and under NTMC for June - Sept 2019.

## Brief History of Hendrickson Transportation Group

Hendrickson Transportation Group LLC (HTG) is a wholly owned American company focusing our skills and efforts on small and mid-sized public transportation systems throughout the United States for more than 25 years. Our president created HTG to meet the management and operational needs of public transportation systems with highly skilled, experienced, and professional employees focusing on the growing needs of the communities we serve. Nationally, public transportation plays an important role in assisting communities with economic development, business retention, business recruitment, and most importantly providing access to opportunity for the riding public. Our entire success is centered around the positive impacts we have managed within the public transportation systems we operate. HTG's leadership team have served as CEOs, General Managers, Regional Managers, and Senior Vice Presidents to more than thirty (30) different public transportation systems throughout the United States with annual operating budgets in excess of \$100 million. In these leadership roles, HTG's team developed new innovative transit systems, implemented the newly required Safety Management Systems (SMS) plans, constructed numerous passenger and maintenance facilities, expanded transit capacity through various modes, and maintained equipment at the highest levels.

During the time HTG's personnel were involved with these transit systems, each of these systems were managed to the needs of that community. Besides transportation planning, HTG's staff also has experience in Multimodal Terminal Systems, Transfer Stations, Parking Garage facilities, Park-n-Ride systems, and Fleet Maintenance facilities. At HTG we understand the diverse differences between each community we serve and focus our efforts on meeting the needs as defined by those individual communities.





## Robert J. Garza – Proposed General Manager



Mr. Garza has over 25 years of public transportation experience within the industry. Starting his journey as an Operation Analyst at Corpus Christi Regional Transportation Authority. Throughout his career, Mr. Garza has always provided his team with a focused vision and direct oversight to accomplish individual system goals while maintaining budget compliance and demanding transit services commitments. Mr. Garza is an experienced executive having served at Brownsville Metro, Texas State University, and Laredo Metro. Mr. Garza has direct experience in leading bus, paratransit, and university services.

8726 Osprey St., Harlingen, TX. 78552

Cell: (956) 466-8375; Email: [robert.garza@trusthtg.com](mailto:robert.garza@trusthtg.com)

CAREER SUMMARY: Experienced General Manager in Transportation, Operations Management, Contract Management, Facility Maintenance, Safety & Training Development, and Finance.

### PROFESSIONAL EXPERIENCE:

Hendrickson Transportation Group

December 2019 - Present

VP - Operations & Fleet Management Solutions (Corporate Support/Account Oversight)

- Identifying and defining organization's transportation planning and logistics requirements to provide them with the most efficient transportation system
- Supporting the management with the necessary inputs, and assisting to fulfill the marketing and technology functions
- Managing the client's requirements and demands, to provide them with the most efficient plans and designs with certain customization
- Negotiating favorable terms for the clients, and providing them with the effective strategies and plans to be implemented
- Providing useful solutions to serve the clients demands, and functioning as an intermediary
- Expertise in handling of customer relationship management functions and services



To: North Texas Mobility Corporation (NTMC) Board of Directors  
From: Robert J. Garza, "RJ", Interim General Manager  
CC: Michelle Bloomer, Troy Raley, John Hendrickson  
Date: April 20, 2020  
Subject: **General Manager Monthly Operations Report**

---

For the past three weeks, I have had the opportunity to meet most NTMC Operations and Maintenance personnel while observing daily processes throughout the major divisions of the department. I have made preliminary assessments of each division with the appropriate staff and implemented weekly staff meetings to discuss each divisions' current operating environment. Some of these recommendations include maintenance personnel training, enhancing the onboarding process, and restructuring street supervision to maintain quality assurances of NTMC's services during the current reduction of service.

**Operations:** Due to the current pandemic (COVID-19), service reductions are in place and will continue into the foreseeable future. The service reductions have created challenges in different ways for many departments, but staff are continually adapting to the current working environment. Operator protection has been a primary goal for us, and I am proud to have been a part of the development of the clear protective barrier. This shows how creative minds working together helped design a barrier to shield drivers and make them feel safer. We have received many positive responses on the clear protective barrier from the operators. To date, we have not had an operator test positive for COVID-19.

**Union:** We met with Union officials during the initial reduction in force to establish guidelines for bid opportunities and continue to stay in close contact with Union leadership on all operational goals.

**Maintenance:** I met with our maintenance software vendor to improve the access and updates to the software system. These updates will provide more timely Preventive Maintenance schedules and assist with road call evaluations to reduce overall downtime of the fleet.

As the Interim General Manager, I will use my transportation leadership knowledge and experiences to continue to instill process-oriented operations while continuing to assist and develop staff. I plan to continue to promote a healthy working environment providing consistent direction and ownership to all NTMC employees while holding people accountable for their assigned responsibilities through direction and positive reinforcement.

In summary, I plan to utilize my past 29 years of transportation experience to develop staff, improve processes, provide direction, hold employees accountable, develop standards of performance and encourage employee engagement.

## NTMC GENERAL MANAGER RPF PROCESS DRAFT TIMELINE

<b>Draft RFP to Procurement</b>	<b>May 1</b>
<b>Release RFP to Market</b>	<b>May 29</b>
<b>Proposals Due</b>	<b>June 19</b>
<b>Proposal Review</b>	<b>2 Weeks Review</b>
<b>Review Candidate Interviews</b>	<b>July 6 – 10</b>
<b>Board Approval</b>	<b>July 22</b>
<b>Notice to Candidate</b>	<b>July 27</b>
<b>Start Date</b>	<b>September 3</b>

**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.

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



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

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

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



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.

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.

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.

(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.

(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.



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.

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.*

(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



**Resolution No. 2019-001**  
**Exhibit "A" – Form of Bylaws**

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 April 16, 2019.**

**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 16TH DAY OF APRIL 2019.**

**APPROVED:**

  
\_\_\_\_\_  
Kristina Holcomb, President

**ATTEST:**

  
\_\_\_\_\_  
Brandy Pedron, Secretary