

NTMC BOARD OF DIRECTORS MEETING

Thursday, May 28, 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 using Adobe Connect. The meeting will be made available to the public at the following web address: <https://meet662935157.adobeconnect.com/dctaboard/> or by joining via telephone conference at the following number: 1-254-266-7685, ID: 260376225#

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 April 22, 2020 Board Meeting

2. REGULAR AGENDA

- a. Coronavirus (COVID-19) Response Update
- b. General Manager Report, Hendrickson Transportation Group
- c. Discuss Reduction In Force
- d. Discuss and Consider Resolution 2020-N007 Approving Amended and Restated Bylaws
- e. Discussion with DCTA Board Chair, Dianne Costa Regarding NTMC Path Forward
- f. General Manager RFP Update
- g. Review Monthly Financial Statements for FY2020 Year to Date April 2020
- h. Consider Resolution 2020-N001 Approving FY20 Budget Amendment Continued from February 28, 2020 Meeting
- i. Consider Resolution 2020-N005 Approving FY20 Budget Amendment

3. NEXT BOARD MEETING – The next NTMC Board meeting is currently scheduled for June 24, 2020 at 9:00 a.m.

4. FUTURE AGENDA ITEMS

CONVENE EXECUTIVE SESSION – A PRIVATE SKYPE CONFERENCE NUMBER WILL BE PROVIDED TO BOARD MEMBERS VIA EMAIL PRIOR TO THE MEETING FOR CLOSED SESSION

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

- a. As Authorized by Section 551.071(1)(A) of the Texas Government Code, the Board of Directors will Convene into Closed Executive Session for the Purpose of discussing the following with the General Counsel and/or Labor Attorney: pending arbitration #380 between ATU 1338 and NTMC.
- b. As Authorized by Section 551.074(a)(1) of the Texas Government Code, the Board Meeting may be Convened into Closed Executive Session for Deliberation of Personnel Matters: duties of NTMC General Manager.
- c. The Board reserves the right to go into closed executive session at any time during the meeting pursuant to the Texas Government Code § 551.071(2) to seek confidential legal advice from the Corporation’s attorneys regarding any agenda item listed hereon.

RECONVENE OPEN SESSION

Reconvene and Take Necessary Action on Items Discussed during Executive Session.

5. ADJOURN

BOARD MEMBERS:

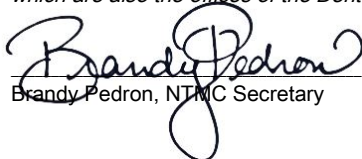
Dean Ueckert, Chair
Richard Hayes, Vice Chair
Don Combs, Sara Hensley, Raymond Suarez

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 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 5/22/2020 at 2:13 PM.*


Brandy Pedron, NTMC Secretary

MEETING MINUTES

THE BOARD OF DIRECTORS MEETING

April 22, 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 April 22, 2020 virtually.

ATTENDANCE

BOARD MEMBERS

Dean Ueckert
Richard Hayes
Don Combs
Sara Hensley
Raymond Suarez

OFFICERS

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

LEGAL COUNSEL

Joe Gorfida

OTHER ATTENDEES

Javier Trilla
Troy Raley
Amanda Riddle
Amber Karkauskas
Claire Powell
Paula Richardson
Brandi Bird

CALL TO ORDER – *The meeting is called to order by Chair Ueckert at 9:11 am*

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

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

1. CONSENT AGENDA – *Regular agenda item 2b was conducted before consent agenda*
 - a. Approval of Minutes from December 5, 2019 Board Meeting Continued from February 28, 2020 Meeting
 - **VOTE:** *Vice Chair Hayes made a motion to approve the December 5, 2019 meeting minutes continued from February 28, 2020 as prepared. Sara Hensley 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.*
 - b. Approval of Minutes from February 28, 2020 and March 25, 2020 Board Meetings
 - **VOTE:** *Chair Ueckert made a motion to approve the February 28, 2020 meeting minutes as prepared and the March 25, 2020 meeting minutes with the addition of added information as noted. Vice Chair Hayes 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. REGULAR AGENDA
 - a. Coronavirus (COVID-19) Response Update – *Chair Ueckert previously ask the Officers to keep the Board updated by email as has been done to save time here in the meeting. No update given at this time.*
 - b. Discuss and Approve Amendments to the NTMC Certificate of Formation
 - *Kristina Holcomb, Sara Hensley and Chair Ueckert noted and discussed the four major changes proposed for the Certificate of Formation. The proposed modifications included the following:*
 - *Removal of Article IV, Section 4.3 B: “issue debt or enter into and administer other contractual obligations to carry out the purposes of the Corporation;”*
 - *Removal of the following in Article IV, Section 4.5: “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.”*
 - *Removal of Article VI, Section 6.3 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.”*
 - *Change to Article VI, Section 6.3 B: “The Authority shall appoint ~~four (4)~~ **five (5)** Directors who shall at all times during the term of office be a resident of Denton County, Texas.”*

- ***VOTE:** Vice Chair Hayes made a motion to approve the proposed amendments to the NTMC Certificate of Formation with the necessary administrative and grammar edits as outlined during discussion. Sara Hensley 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.*

 - c. NTMC Budget Briefing
 - *Marisa Perry answered Board questions and briefed the Board on the following budget items as presented in the packet: FY20 change in net position, FY20 operating budget by department, and budget comparison line item.*

 - d. General Manager Report, Hendrickson Transportation Group
 - *John Hendrickson gave the Board a brief background on Hendrickson Transportation Group and introduced RJ Garza, NTMC General Manager.*
 - *RJ Garza gave the Board a brief background of his work history and presented his general manager updates report included in the packet.*
 - *Chair Ueckert requested that the NTMC General Manager reported directly to the Board instead of the President and requested that RJ provide the Board with a weekly update*

 - e. General Manager RFP Process Update
 - *Kristina Holcomb made mention to the Board that an updated timeline was included in the Board Packet. No questions or further discussion.*

 - f. Discuss Modification of NTMC Bylaws
 - *The Board agreed to have Legal Counsel draft a red-line version for the Board to review at the next meeting. Chair Ueckert requested that the General Manger reporting to the Board be included in those modifications. Board comments or concerns will be sent to Legal Counsel directly.*
3. NEXT BOARD MEETING – The next NTMC Board meeting is currently scheduled for May 27, 2020 at 9:00 a.m.
- *No scheduling conflicts were addressed.*
 - *Staff will keep the Board updated on how this meeting will be conducted.*
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

- *It was recommended by Legal Counsel to have this closed session in May or June at the latest.*
- *Chair Ueckert directed staff to plan for it to go on the May agenda.*

d. Monthly Financial Report

5. ADJOURN – *The meeting was motioned to adjourn at 9:58 am by Sara Hensley. Motion for adjournment was seconded by Vice Chair Hayes.*

Dean Ueckert, Board Chair

ATTEST:

Brandy Pedron, NTMC Secretary

COVID-19 NTMC Board UPDATE

May 22, 2020

NTMC management continues to monitor the COVID-19 pandemic and is dedicated to maintaining the necessary precautionary measures keeping staff and the public safe. Precautions continue to evolve as new CDC recommendations are released and new resources become available.

- DCTA has continued to reduce service levels in the midst of this pandemic which impacts NTMC Operators. The reductions were initially thought to be a temporary change and are now being considered a more long-term solution. A bid for a new service schedule has been scheduled for NTMC Operators on June 7th. This will be discussed in greater detail at the May NTMC Board of Director's meeting.
- All buses are receiving routine cleanings using a medical-grade disinfecting cleaner as well as a broad-spectrum disinfectant which is effective against a range of microorganisms for an extended period of time.
- Additional cleaning (using medical-grade disinfectant) is being provided on all high-touch areas such as door handles, crew rooms, countertops, driver consoles, steering wheels, etc.
- Dispatch staff has access to disinfectant wipes should operators have additional concerns or specific areas inside facilities or on buses need to be cleaned (on top of already increased cleaning measures).
- Essential personnel reporting for duty are required to disclose any travel outside of the DFW area, any potential COVID-19 exposure they've experienced and are having their temperatures monitored before being released to their vehicle or beginning work.
- Operators are provided personal protective equipment (PPE) supplies with each shift including gloves, disinfectant wipes, facial tissues and masks.
- Social distancing continues in operator crew rooms and the internal processes that require close-proximity engagement have been adjusted to limit interaction.
- Passengers are being encouraged to maintain social distancing, use hand sanitizer and wear a mask when riding.
- To provide an additional level of protection, a clear vinyl barrier has been installed on buses between bus operators and passengers.
- A dedicated reporting process has been implemented should employees experience symptoms, be diagnosed as positive or be exposed to someone with a confirmed case.
- The Family First Care Act benefits are available to employees and signage about FFCRA have been posted in breakrooms and crew rooms.



General Manager's – Board of Director's Weekly Report

(May 18, 2020)

EXECUTIVE SUMMARY

Operations (New Bid Run Assignments):

Last week's primary focus was to assure all run-bid assignments scheduled to commence May 11, were operationally working well. Twenty-one (21) units are assigned for Denton and eleven (11) are assigned to Lewisville. This includes our demand response (Access) units.

The Solution:

Additional staffing to monitor the morning "pull-out" went well. There was one (1) assignment in Access response that was delayed. However, this was monitored closely and has been corrected.

Operations Street Supervision Update:

Last week I provided information related to our Quality Assurance programs.

Update:

We met with the Street Supervisor team (6 employees, including 2 temporary assignments), to discuss our new organizational culture layout and Quality Assurance initiatives. The group now reports directly to our Safety & Training Manager. This division will focus on observing driver performance and provide positive reinforcement to recognize good work performance. Also, this team will be better trained on conducting coaching techniques to assure all operators are aware of good driving practices and behaviors. I am confident that this group will provide great encouragement for our front-line employees and will also enhance our customer service skills.

Fleet Maintenance: (Road Calls)

For the month of April, there were eleven (11) incidents requiring the replacement of a unit while in revenue service. Most of these incidents did not require an interruption in service. These incidents are being managed more effectively now by our Dispatch and Maintenance Technicians to reduce unneeded interruptions. Additional communication with the team has resulted in positive results.

Other Focus Points:

- Continue staff one-on-one meetings with the GM
- Conduct weekly managerial staff leadership meetings as well as staff development
- Increase the line of communication among all employees, including union representatives
- Establishing a new culture that encourages team effort, trust, respect and accountability
- Continue to provide employees necessary Personal Protective Equipment (PPE) to minimize exposure in our fight against COVID-19
- DCTA Bridge repairs (Bus Yard) commenced on May 11 and is on-going by DCTA's contractor

From: [Nicole Recker NTMC](#)
To: [Kenneth Day President / BA](#); [Albert Dirla](#)
Cc: [RJ Garza](#); [Ervin Myers](#); [Cameron Springer](#); [Ana Szabados](#); [Kristina Holcomb NTMC](#)
Subject: NTMC Operator Reduction in Force
Date: Monday, May 18, 2020 1:18:24 PM
Attachments: [image002.png](#)

Kenneth,

I am reaching out today to notify the ATU of some upcoming changes regarding NTMC's service levels and operator workforce. As you are aware, NTMC modified our service schedules due to COVID-19 in March. After further discussion about the long-lasting impacts of COVID-19 and the long-range plans for the agency, NTMC and DCTA have decided to maintain the existing levels of service moving forward. This decision will result in a reduction in force for the operator workforce.

In order to conduct a reduction in force, in accordance with Article 19A of the CBA, NTMC will be notifying all operators of a new bid that will take place on Sunday, June 7, 2020. The upcoming bid will be almost identical to the most recent bid with the exception of a reduction in extra board positions and temporary, non-operator positions. Below you will find a breakdown of information to best explain our process and the impacts of the new bid.

Details about the bid:

- Estimated impacts –
 - We are eliminating 10 extra board positions and 7 temporary, non-operator positions
 - The new bid will have a total of 63 operator positions
 - We currently have 107 operators. With the reduction in positions noted above, and the total number of bid spots available, we anticipate approximately 39 operators will be negatively impacted by the reduction in force.
- Additional information –
 - All operators, regardless of status, will be provided the opportunity to bid in the June 7, 2020 bid.
 - The bid will be conducted in company seniority order, meaning that the reduction in force will occur in reverse company seniority order.
 - If an operator chooses not to bid, NTMC will accept that as a voluntary resignation. Those who voluntarily resign are not eligible for unemployment.
 - Operators who do not get a bid spot due to company seniority may qualify for one of the five (5) temporary, non-operator positions that will be open. Should they qualify, NTMC will offer them a temporary position.
 - When the temporary positions are no longer required, the employee will not be placed back into the operator workforce. However, they will receive a letter they can use to file for unemployment.
 - All operators negatively impacted by the reduction in force (due to the June 7 bid) will receive a letter, effective June 14, 2020, enabling them to file for unemployment.

Below is a timeline that we plan to follow to conduct the new bid and reduction in force:

- May 18
 - Notify the ATU, per this email, of our plan. This provides the ATU with more than a 14-day notice.
- May 22
 - Notify the entire operator workforce – including active operators, those on leave and those in temporary non-operator positions – with a certified letter. This letter will include information about the June 7, 2020 bid, instructions for those who would like to participate in the bid process, and information for those who choose not to bid or do not get a bid spot due to company seniority.
 - Send the ATU the updated bid and a complete list of operators by company seniority. This provides the ATU with more than a 14-day notice. Should the ATU have any concerns about company seniority dates, we ask that you respond back with your exact concerns ASAP so those concerns can be addressed as quickly as possible.
 - Post the bid at all relevant facilities for operators to see.
- June 7
 - Conduct the new bid. The bid will be conducted per Article 14 of the CBA.
- June 8
 - Fill all temporary, non-operator positions.
 - Send reduction in force letters, via certified mail, to the operators who were negatively impacted by the reduction in force. This letter can be utilized to file for unemployment. The reduction in force will be effective Sunday, June 14, 2020.
 - Send the ATU the final results of the bid – including a list of operators who accepted temporary, non-operator positions and a list of operators who were negatively impacted by the reduction in force.
- June 15
 - New service will go into effect.

We certainly appreciate the ATU's cooperation and understanding while NTMC conducts this reduction in force. Decisions like this are never easy, but they are in the best interest of the agency's long-term plan. Should you have any questions about the plan outlined above, please let me know.

Thank you,
Nicole

Nicole Recker
Vice President



Email: nrecker@ntmc.com
Mobile: 817.909.3498
Web: www.ntmc.com

May 18, 2020

[Name]

[Address]

[Address]

Dear [Employee Name],

In light of the COVID-19 pandemic, North Texas Mobility Corporation (NTMC) has been impacted by Denton County Transportation Authority's (DCTA) need to reduce the level of service being provided to adjust to a significant decrease in ridership. This reduction in service has proven to be more permanent than originally intended.

This letter is to inform you that a bid will be conducted on Sunday, June 7, 2020, allowing NTMC to respond to DCTA's service needs. The new bid schedule will be effective Sunday, June 14, 2020. Please be advised that it is DCTA's intention to maintain the existing level of service for the foreseeable future. In accordance with Article 14B of the Collective Bargaining Agreement (CBA), the details of the bid will be posted at all facility locations.

Unfortunately, NTMC will be conducting a Reduction in Force in conjunction with this bid. Any operator who will not have work assigned to them will be subject to the Reduction in Force. In order to follow the CBA and conduct a Reduction in Force in reverse company seniority order, all operators will be given an opportunity to participate in the bid, including operators who are active employees, on a leave of absence/FMLA/furlough, or in a temporary staff position. If any operator does not or cannot participate in the bid, NTMC will accept that as a voluntary resignation.

All operators impacted by the Reduction in Force will receive a letter to enable them to file for unemployment. The Reduction in Force will be effective on Sunday, June 14, 2020 and any active operators are expected to work their regularly scheduled shifts through Saturday, June 13, 2020.

Any operators who do not receive a bid spot due to seniority, may be offered a temporary non-operator position. If you have questions about the temporary non-operator position(s), please contact the Human Resources department.

For any operation/scheduling questions, please don't hesitate to contact Ervin Myers (Operations Manager) at 940.218.1611. For any payroll, benefit, or human resources questions, please contact either Cameron Springer (940.218.1614) or Ana Szabados (940.218.1613) in the Human Resources department.

Sincerely,

Kristina Holcomb
President
North Texas Mobility Corporation

RESOLUTION NO. 2020-N007

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION (“CORPORATION”) ADOPTING THE AMENDED AND RESTATED BYLAWS OF THE NORTH TEXAS MOBILITY CORPORATION; PROVIDING A REPEALING CLAUSE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 8.06 of the NTMC Bylaws, the Board of Directors has reviewed the Corporation’s Amended and Restated Bylaws and recommends approval of the Amended and Restated Bylaws which are attached hereto and incorporated herein as Exhibit “A”; and

WHEREAS, the Board of Directors finds that the approval of the Corporation’s Amended and Restated Bylaws is in the best interest of the Corporation;

WHEREAS, upon full review and consideration of the Corporation’s Amended and Restated Bylaws, and all matters related thereto, the Board of Directors of the North Texas Mobility Corporation is of the opinion and finds that such Amended and Restated Bylaws should be approved;

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 are amended and restated to read as follows:

- (a) Article I titled “Corporate Purpose and Authority” is amended as follows:
 - (i) Section 1.01 titled *Purpose* is amended by removing the Corporation’s power to issue debt or enter into and administer other contractual obligations to carry out the purposes of the Corporation;
 - (ii) Section 1.04 titled *Powers of Non-Profit Corporation* is amended by removing the Corporation’s power to issue any bond, certificate, note or other obligation evidenced by an instrument; and
 - (iii) Section 1.07 titled *Other Units of Government* is amended by requiring the Corporation to obtain the Authority’s approval before Corporation may contract with a non-member unit of government to provide services on behalf of such non-member unit of government.
- (b) Article III titled “Officers” is amended as follows:
 - (i) Section 3.02 titled *Powers and Duties of the President* is amended by removing the power from the President or Vice President to sign and execute bonds or notes in the name of the Corporation.

(c) Article IV titled “Financial Responsibilities” is restated as follows:

- (i) Section 4.03 *Issuance of Debt*. The Corporation shall have no authority to issue debt; and
- (ii) Section 4.06 *Annual Budget*, Subsection (b), is amended by removing debt service from the Budget.

(d) Article VI titled “Additional Duties and Authority of the President; Employees” is amended as follows:

- (i) Section 6.01 *Responsible for Hiring and Supervision of Employees* is amended to require that the General Manager report directly to the Chair of the Board of Directors.

SECTION 2. All provisions of the resolutions of the Corporation’s Board of Directors in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

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

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE 28TH DAY OF MAY, 2020.

APPROVED:

Dean Ueckert, Chair

ATTEST:

Brandy Pedron, Secretary
(05-20-2020:TM 115723)

EXHIBIT “A”
Amended and Restated Bylaws of the North Texas Mobility Corporation

**AMENDED AND RESTATED 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. own, lease, maintain and dispose of real and personal property; and~~

~~C. contract with the Authority, political subdivisions, units of governments, and other persons and non-governmental entities.~~

Deleted: B. . issue debt or enter into and administer other contractual obligations to carry out the purposes of the Corporation;¶

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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.

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 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, upon approval of the Authority, 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 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 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

Deleted: bonds, notes,

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.* The Corporation shall have no authority to issue debt.

Deleted: (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) 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, ~~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.

Deleted: debt service

(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, arbitral 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. The General Manager shall report directly to the Chair of the Board.

(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 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.

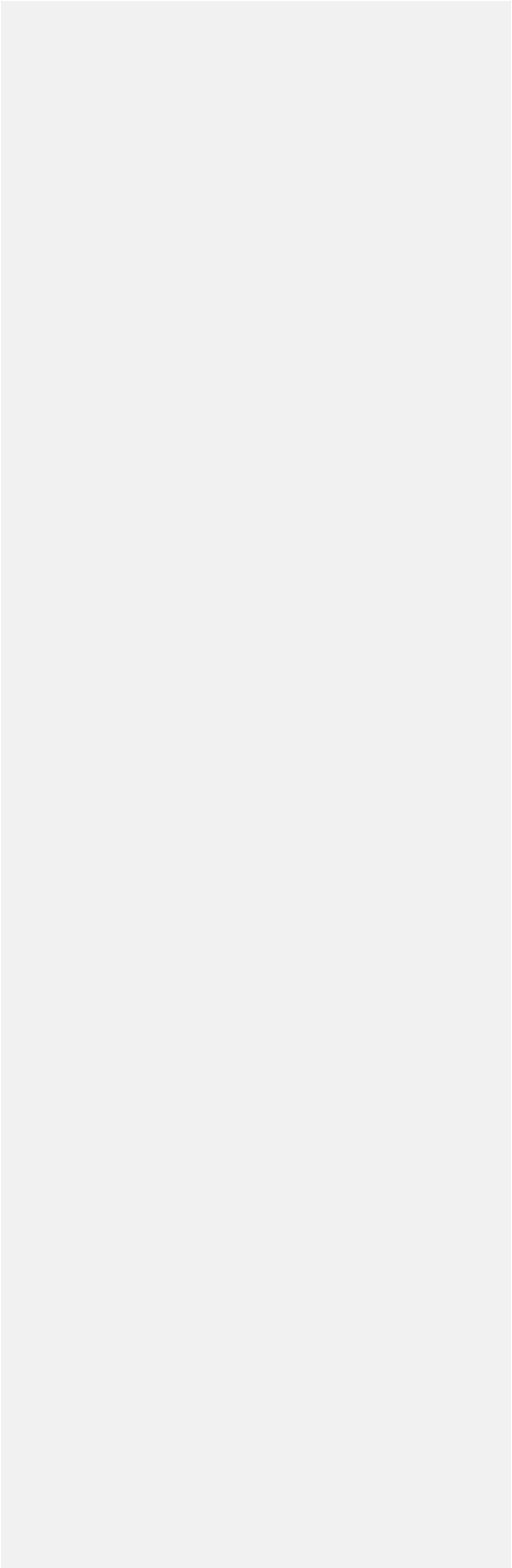
8.04 *Distribution of Net Income; Return of Funds.* Notwithstanding Section 431.107 of the Act entitling the Authority at all times to have the right to equally receive the income earned by the Corporation, any income earned by the Corporation after payment of reasonable expenses, reasonable reserves 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.
Amended by NTMC Board of Directors and DCTA Board of Directors on May 23, 2019





NORTH TEXAS MOBILITY CORPORATION

CHANGE IN NET POSITION

MONTH AND YEAR TO DATE APRIL 30, 2020

(UNAUDITED)

Description	Month Ended April 30, 2020			Year to Date April 30, 2020			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Operating Expenses							
Salary, Wages and Benefits	\$ 589,372	\$ 769,434	\$ 180,062	\$ 4,856,343	\$ 5,038,910	\$ 182,567	\$ 8,460,824
Outsourced Services and Charges	12,084	7,920	(4,164)	57,388	55,440	(1,948)	95,040
Insurance	9,748	11,052	1,304	68,228	77,364	9,136	132,636
Employee Development	1,033	6,680	5,647	14,763	56,780	42,017	93,200
Total Operating Expenses	<u>612,237</u>	<u>795,086</u>	<u>182,849</u>	<u>4,996,722</u>	<u>5,228,494</u>	<u>231,772</u>	<u>8,781,700</u>
Income (Loss) before Transfers	(612,237)	(795,086)	182,849	(4,996,722)	(5,228,494)	231,772	(8,781,700)
Transfers In	<u>612,237</u>	<u>795,086</u>	<u>(182,849)</u>	<u>4,996,722</u>	<u>5,228,494</u>	<u>(231,772)</u>	<u>8,781,700</u>
Total Transfers	<u>612,237</u>	<u>795,086</u>	<u>(182,849)</u>	<u>4,996,722</u>	<u>5,228,494</u>	<u>(231,772)</u>	<u>8,781,700</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



NORTH TEXAS MOBILITY CORPORATION

STATEMENT OF NET POSITION

AS OF APRIL 30, 2020

(UNAUDITED)

	April 30, 2020	March 31, 2020	Change
Assets			
Operating Cash & Cash Equivalents	\$ 381,753	\$ 223,457	\$ 158,297
Accounts & Notes Receivable	1,725	1,725	-
Prepaid Expenses	48,712	58,460	(9,748)
Total Assets	<u>432,191</u>	<u>283,642</u>	<u>148,549</u>
Liabilities			
Accounts Payable and Accrued Expenses	<u>432,191</u>	<u>283,642</u>	<u>148,549</u>
Total Liabilities	<u>432,191</u>	<u>283,642</u>	<u>148,549</u>
Net Position			
Change in Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH TEXAS MOBILITY CORPORATION
RESOLUTION NO. 2020-N001**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION (“NTMC”) APPROVING FISCAL YEAR 2020 BUDGET AMENDMENT 2020-N001 REVISED OPERATING BUDGET ATTACHED HERETO AS EXHIBITS “1’ THROUGH “2”; PROVIDING THAT EXPENSES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING CHANGE IN NET POSITION; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the NTMC budget is a well calculated estimate as to what will be needed for expenses in the fiscal year; and

WHEREAS, budget estimates are often prepared months in advance of the actual expenses and the possibility that the actual amount of the expenses will be known in exact terms at the time of the budget preparation is unlikely; and

WHEREAS, during the fiscal year, it may become necessary to reforecast the annual expenses and modify the budget by amendment; and

WHEREAS, the Board of Directors of NTMC desires to revise the fiscal year 2020 Operating Budget as set forth in Exhibits “1” through “2”, respectively.

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

SECTION 1. The budget revision attached hereto as Exhibits “1” through “2”, respectively, be, and the same are hereby adopted and which shall amend the original budget adopted September 26, 2019, from and after the effective date of this Resolution.

SECTION 2. That all provisions of the resolutions of the NTMC Board of Directors in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

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

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE 28TH DAY OF MAY 2020.

APPROVED:

Dean Ueckert, Chair

ATTEST:

Brandy Pedron, Secretary
(02-19-2020:TM 113950)

NORTH TEXAS MOBILITY CORPORATION
 Change in Net Position (NTMC Only)
 (Not Including Depreciation)

Description	NTMC FY 2020 Working Budget	NTMC February Revision (PENDING)	NTMC May Revision (PENDING)	Total NTMC FY 2020 Revised Budget	REVISION DETAILS
OPERATING REVENUE					
Passenger Revenues (Bus Farebox)	\$ -	\$ -	\$ -	\$ -	
Passenger Revenues (Rail Farebox)	-	-	-	-	
Contract Service Revenue	-	-	-	-	
Total Operating Revenue	-	-	-	-	
OPERATING EXPENSES					
Salary, Wages & Benefits	8,460,824	(60,065)	(869,377)	7,531,382	* Transfer of the Procurement Specialist position from the NTMC operating budget, where it was originally budgeted, into the DCTA operating budget. This item is offset by DCTA Budget Revision 2020-02, making the overall net budget impact zero for this item.
Outsourced Services & Charges	95,040	80,789	85,800	261,629	* Increase in expected legal services related to upcoming union negotiation, work completed for employee handbook revisions, and other employment legal matters
Materials and Supplies	-	-	-	-	
Utilities	-	-	-	-	
Insurance, Casualties and Losses	132,636	-	-	132,636	
Purchased Transportation Services	-	-	-	-	
Employee Development	93,200	-	(18,500)	74,700	
Leases and Rentals	-	-	-	-	
Total Operating Expenses	8,781,700	20,724	(802,077)	8,000,347	
Operating Income / (Loss)	(8,781,700)	(20,724)	802,077	(8,000,347)	
NON-OPERATING REVENUE / EXPENSE					
Investment Income	-	-	-	-	
Misc. Revenues	-	-	-	-	
Sales Tax Revenue	-	-	-	-	
Federal Grants & Reimbursements	-	-	-	-	
State Grants & Reimbursements	-	-	-	-	
Long Term Debt Interest/(Expense)	-	-	-	-	
Total Non-Operating Revenue / Expense	-	-	-	-	
Income (Loss) Before Transfers	(8,781,700)	(20,724)	802,077	(8,000,347)	
Transfers Out	-	-	-	-	
Transfers In	8,781,700	20,724	(802,077)	8,000,347	* This amount reflects DCTA's funding of the NTMC operating budget. NTMC budgeted expenses are anticipated to increase by \$20,724; therefore, the Transfer In will be increased by this amount.
Total Transfers	8,781,700	20,724	(802,077)	8,000,347	
CHANGE IN NET POSITION					
Net Position - Beginning of Year:	-	-	-	-	
Net Position - End of Year:	-	-	-	-	
Transfer to Capital Projects	-	-	-	-	
Net Position After Capital Project Transfer	-	-	-	-	

**NORTH TEXAS MOBILITY CORPORATION
RESOLUTION NO. 2020-N005**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION (“NTMC”) APPROVING FISCAL YEAR 2020 BUDGET AMENDMENT 2020-N002 REVISED OPERATING BUDGET ATTACHED HERETO AS EXHIBITS “1” THROUGH “2”; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING CHANGE IN NET POSITION; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the NTMC budget is a well calculated estimate as to what will be needed for expenditures in the fiscal year; and

WHEREAS, budget estimates are often prepared months in advance of the actual expenditures and the possibility that the actual amount of the expenditure will be known in exact terms at the time of the budget preparation is unlikely; and

WHEREAS, during the fiscal year, it may become necessary to reforecast the annual expenditures and modify the budget by amendment; and

WHEREAS, the Board of Directors of NTMC desires to revise the fiscal year 2020 Operating Budget as set forth in Exhibits “1” through “2”, respectively.

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

SECTION 1. The budget revision attached hereto as Exhibits “1” through “2”, respectively, be, and the same are hereby adopted and which shall amend the original budget adopted September 26, 2019, from and after the effective date of this Resolution.

SECTION 2. That all provisions of the resolutions of the NTMC Board of Directors in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

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

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE 28TH DAY OF MAY, 2020.

APPROVED:

Dean Ueckert, Chair

ATTEST:

Brandy Pedron, Secretary
(05-18-2020:TM 115666)

NORTH TEXAS MOBILITY CORPORATION
BUDGET TRANSFER / REVISION REQUEST

Number: 2020-N002

TRANSACTION TYPE: Transfer
 Revision

	Working Budget (A)	Budget Revision Amount	Revised Budget
BUDGET REDUCTIONS			
<u>OPERATING EXPENSES:</u>			
Denton Fixed Route Service Reductions:			
Salary & Benefits	\$ 1,708,103	\$ (474,951)	\$ 1,233,152
Lewisville Fixed Route Service Reductions:			
Salary & Benefits	837,587	(222,319)	615,268
Highland Village Fixed Route Service Reductions:			
Salary & Benefits	172,176	(86,307)	85,869
Employee Development - Travel	21,600	(18,500)	3,100
TRANSFERS WITHIN EXISTING BUDGET			
Transfer Salary & Benefit Savings for addition of GM Contract:			
Salary & Benefits	1,608,614	(85,800)	1,522,814
Professional Services	-	85,800	85,800
TRANSFERS IN / OUT			
Transfers In	8,802,424	(802,077)	8,000,347
		Net Revision Impact	\$ -

(A) Working Budget includes NTMC February Revision (Pending) on Exhibit 2, Change in Net Position

EXPLANATION: Please refer to Exhibit 2, Change in Net Position schedule for budget revision details.

DATE: 5.21.2020 REQUESTED BY: Amanda Riddle

DATE: TREASURER: [Signature]

DATE: PRESIDENT: _____

NORTH TEXAS MOBILITY CORPORATION
 Change in Net Position (NTMC Only)
 (Not Including Depreciation)

Description	NTMC FY 2020 Working Budget	NTMC February Revision (PENDING)	NTMC May Revision (PENDING)	Total NTMC FY 2020 Revised Budget	REVISION DETAILS
OPERATING REVENUE					
Passenger Revenues (Bus Farebox)	\$ -	\$ -	\$ -	\$ -	
Passenger Revenues (Rail Farebox)	-	-	-	-	
Contract Service Revenue	-	-	-	-	
Total Operating Revenue	-	-	-	-	
OPERATING EXPENSES					
Salary, Wages & Benefits	8,460,824	(60,065)	(869,377)	7,531,382	* Bus service changes resulted in a 48% reduction in service hours for April – September service for projected cost savings of \$784k. * Savings of \$85,800 from two vacant positions are being captured to cover the costs of the management services contract referenced below.
Outsourced Services & Charges	95,040	80,789	85,800	261,629	* The NTMC Board approved a contract for advisory and management services on March 25, 2020 in the amount of \$85,800. Savings from vacant positions will cover this additional expense.
Materials and Supplies	-	-	-	-	
Utilities	-	-	-	-	
Insurance, Casualties and Losses	132,636	-	-	132,636	
Purchased Transportation Services	-	-	-	-	
Employee Development	93,200	-	(18,500)	74,700	* Temporary travel and training freezes for all discretionary events
Leases and Rentals	-	-	-	-	
Total Operating Expenses	8,781,700	20,724	(802,077)	8,000,347	
Operating Income / (Loss)	(8,781,700)	(20,724)	802,077	(8,000,347)	
NON-OPERATING REVENUE / EXPENSE					
Investment Income	-	-	-	-	
Misc. Revenues	-	-	-	-	
Sales Tax Revenue	-	-	-	-	
Federal Grants & Reimbursements	-	-	-	-	
State Grants & Reimbursements	-	-	-	-	
Long Term Debt Interest/(Expense)	-	-	-	-	
Total Non-Operating Revenue / Expense	-	-	-	-	
Income (Loss) Before Transfers	(8,781,700)	(20,724)	802,077	(8,000,347)	
Transfers Out	-	-	-	-	
Transfers In	8,781,700	20,724	(802,077)	8,000,347	* This amount reflects DCTA's funding of the NTMC operating budget. NTMC budgeted expenses are anticipated to decrease by \$802,077; therefore, the Transfer In will be decreased by this amount.
Total Transfers	8,781,700	20,724	(802,077)	8,000,347	
CHANGE IN NET POSITION					
Net Position - Beginning of Year:	-	-	-	-	
Net Position - End of Year:	-	-	-	-	
Transfer to Capital Projects	-	-	-	-	
Net Position After Capital Project Transfer	-	-	-	-	