Budget and Finance Committee Meeting
Tuesday, July 9, 2019, 3:00 p.m.
DART Conference Room C - 1st Floor
1401 Pacific Ave., Dallas, Texas 75202

1. Approval of Minutes: June 18, 2019
2. *Update on Activities Relating to Financing of the Cotton Belt Regional Rail Project (Paul N. Wageman/Gary Thomas)
5. Identification of Future Agenda Items
6. Adjournment

*This Is A Briefing Item Only

The Budget and Finance Committee may go into Closed Session under the Texas Open Meetings Act, Section 551.071, Consultation with Attorney, for any legal issues, under Section 551.072 Deliberation Regarding Real Property for Real Estate issues, arising or regarding any item listed on this Agenda.

This facility is wheelchair accessible. For accommodations for the hearing impaired, sign interpretation is available. Please contact Community Affairs at 214-749-2543, 48 hours in advance.

Chair – Paul N. Wageman
Vice Chair – Jon-Bertrell Killen
Members – Mark Enoch, Ray Jackson, Patrick J. Kennedy, Michele Wong Krause, Gary Slagel, and Lissa Smith
Staff Liaison – Gary Thomas
The Dallas Area Rapid Transit Budget and Finance Committee meeting convened at 3:10 p.m., Tuesday, June 18, 2019, at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Wageman presiding.

The following Committee members were present: Paul N. Wageman, Jon-Bertrell Killen, Mark Enoch, Ray Jackson, Patrick J. Kennedy, Michele Wong Krause, Gary Slagel, and Lissa Smith.

Other Board members present: Amanda Moreno, Dominique P. Torres, Sue S. Bauman, and Lee Ruiz.

Others present: Gary Thomas, Gene Gamez, Joseph Costello, Dwight Burns, Todd Plesko, Steve Salin, Nicole Fontayne-Bardowell, Katina Morch-Pierre, John Adler, Chris Koloc, Donna Henry, Nancy Johnson, and Josefina Chavira.

1. Approval of Minutes: May 28, 2019

Ms. Smith made a motion to approve the Minutes from the May 28, 2019, Budget and Finance Committee Meeting and enter into record as written.

Ms. Wong Krause seconded and the item was approved by a unanimous vote.

Chair Wageman stated Agenda Items 2, Call for Public Hearing and Approval to Submit FY 2019 and FY 2020 Federal Transit Administration (FTA) Grant Applications, and Agenda Item 3, Approval of Agreements with Texas Cooperative Liquid Assets Securities System Trust (CLASS) and TexasTERM Local Government Investment Pools for Cash Investment Needs, would be briefed together.

2. Call for Public Hearing and Approval to Submit FY 2019 and FY 2020 Federal Transit Administration (FTA) Grant Applications

Mr. Joseph Costello, Senior Vice President of Finance, introduced Mr. Jesse Flores, Grant Manager, who briefed the Committee (slides on file with the Office of Board Support) as follows:

- Applications (slides 2-5)
- Considerations (slide 6)
- Recommendation (slide 7)

Mr. Kennedy moved to forward this draft resolution to the Committee-Of-The-Whole agenda, with a recommendation, stating:

Section 1: A public hearing is called on August 12, 2019, at 12:00 p.m. and 6:00 p.m. in the DART Board Room to solicit public comments on the projects for the FY 2019 and FY 2020 FTA Grant Applications.
Section 2: The President/Executive Director or his designee is authorized to execute and file applications for Federal assistance on behalf of DART, with FTA for Federal Assistance authorized by 49 USC Chapter 53, Title 23, United States Code; or other Federal statutes authorizing a project administered by the FTA.

Section 3: The President/Executive Director or his designee is authorized to execute and file annual certifications and assurances and other documents the Federal Transit Administration requires before awarding a Federal assistance grant agreement.

Section 4: The President/Executive Director or his designee is authorized to execute the grant agreements with the Federal Transit Administration on behalf of DART.

Ms. Wong Krause seconded and the item was approved unanimously.

Chair Wageman stated Agenda Item 4, *Review of FY 2019 Second Quarter Operating & Financial Performance Report, and Agenda Item 5, *FY 2020 Budget and Financial Planning Process – Operating Budget Overview, would be presented together and not Agenda items 2 and 3. He then directed the Committee’s attention back to the next item on the agenda.

3. Approval of Agreements with Texas Cooperative Liquid Assets Securities System Trust (CLASS) and TexasTERM Local Government Investment Pools for Cash Investment Needs

Mr. Dwight Burns, Treasurer, briefed the Committee (see handout on file with the Office of Board Support) as follows:

- Local Government Investment Pool (LGIP) – Background (slide 1)
- Local Government Investment Pools (LGIP) (slide 2)
- Currently Used LGIPs – Average Monthly Balance (slide 3)
- Local Government Investment Pools (LGIP) (slide 4)
- LGIP Monthly Rate Comparison (slide 5)
- Benefits (slide 6)
- Timeline (slide 7)
- Recommend approval of agreements with Texas CLASS and TexasTERM Local Government Investment Pools for Cash Investment Needs (slide 8)

After some discussion, Mr. Slagel moved to forward this draft resolution to the Committee-Of-The-Whole agenda, with a recommendation, stating the President/Executive Director, or his designee, is authorized to execute:

Section 1: An Agreement with Texas Cooperative Liquid Assets Securities System Trust (CLASS) Local Government Investment Pool, substantially in the form shown in Exhibit 1 to the Resolution.

Section 2: An Agreement with TexasTERM Local Government Investment Pool, substantially in the form shown in Exhibit 2 to the Resolution.

Ms. Wong Krause seconded and the item was approved unanimously.

Mr. Senanu Adadevoh, Assistant Vice President of Business Planning and Development, briefed the Committee (see handout on file with the Office of Board Support) as follows:

Mr. Slagel stepped out of the meeting at 3:24 p.m.
- FY 2020 Budget and Financial Planning Process Calendar (slides 1-2)
- FY 2019 Second Quarter Ridership (slide 4)

Mr. Slagel reentered into the meeting at 3:27 p.m.
- FY 2019 Second Quarter Ridership (projector)

Mr. Enoch stepped out of the meeting at 3:29 p.m.

Mr. Ruiz requested information on how DART can provide a more accurate comparison on ridership. Mr. Gary Thomas, President/Executive Director, responded staff would look into that.
- FY 2019 Second Quarter Subsidy Per Passenger (projector)

Mr. Killen entered the meeting at 3:33 p.m.
- FY 2019 Second Quarter Agency Scorecard (projector)
- FY 2019 Second Quarter Revenues (slide 7)
- FY 2019 Second Quarter Operating Expenses (slide 8)

Mr. Enoch and Ms. Torres entered the meeting at 3:35 p.m.
- FY 2019 Second Quarter Operating Expenses - Projections (slide 9)

Mr. Killen requested staff look into the possibility of providing KPIs at a more frequent basis, such as monthly. Mr. Thomas noted some information might be provided on a monthly basis, however, other information may take longer to formulate and would not be available so frequently. He stated he would see what could be provided on a monthly basis.

Mr. Adadevoh continued with the briefing as follows:
- FY 2020 Significant Considerations (slides 11-14)
- Budget Target Development (SM) (slide 15)
- Target Budget Status by Type (slides 16-17)
- FY 2020 Budget and Financial Planning Process Calendar (slide 18)

5. *FY 2020 Budget and Financial Planning Process – Operating Budget Overview*

Presented jointly with Agenda Item 4.

6. *Update on Activities Relating to Financing of Cotton Belt Regional Rail Project*

Mr. Burns briefed the Committee (see handout on file with the Office of Board Support) as follows:
- Other Revenue Source – Grants ($144M) (slide 3)
7. *Briefing on the Current Status of 1401 Pacific Space Utilization, Remodeling, and Relocation Options Analysis*

Mr. Costello briefed the Committee (see handout on file with the Office of Board Support) as follows:

- Presentation Outline (slide 2)

Ms. Bauman entered the meeting at 3:52 p.m.

- Objectives (slides 3-6)
- Prerequisite Information (slide 7)
- Develop life-cycle cost estimates (slides 8-10)

Mr. Jackson entered the meeting at 3:58 p.m.

- Develop life-cycle cost estimates (slide 11)
- Other Factors (slide 12)
- Timeline (slide 13)

Mr. Kennedy inquired if part of the options was to sell this property and look at a property that DART owns by partnering with another private entity. Mr. Costello noted staff will look into that option.

Ms. Bauman questioned if staff has considered incorporating this facility as a sub-station for DART police or if they have looked at making the building a mixed development. Mr. Costello responded staff would look into those options.

Chair Wageman remarked, according to Mr. Costello’s timeline, the question on the building would not be answered until eighteen months later. Mr. Costello agreed with his statement. Chair Wageman then stated he would appreciate staff doing what could be done to accelerate this matter.

8. **Identification of Future Agenda Items**

There were no future agenda items identified for this committee.

9. **Adjournment**

There being no further business to discuss, the meeting was adjourned at 4:06 p.m.

Josefina Chavira, CAP
Board Committee Secretary

/jc
+Same Night Item
*Briefing Item*
Agenda Report

DATE: July 9, 2019

SUBJECT: Update on Activities Relating to Financing of the Cotton Belt Regional Rail Project

RECOMMENDATION

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

BUSINESS PURPOSE

. Staff will brief the Budget and Finance Committee on the status of activities related to DART’s financing of the Cotton Belt Regional Rail Project.

. On November 13, 2018, DART Board approved two new Commercial Paper Programs (Resolution Nos. 180120 and 180121) totaling $250 million of authorized borrowing capacity.

. On December 20, 2018, DART Board closed on a $908 million RRIF loan, enabling DART to draw up to this amount on a reimbursement basis for project costs.

. DART staff will update the Committee on financing activities including the following:

   . RRIF loan
   . Federal Funds: Federal Transit Administration (FTA) Congestion Mitigation/Air Quality (CMAQ) and FTA Formula Funds
   . Commercial Paper
   . Interlocal Agreements

. The discussion will help achieve Board Strategic Priority 3: Optimize DART’s influence in regional transportation planning; Priority 4: Expand DART’s transportation system to serve cities inside and outside the current service area; and Priority 6: Innovate to improve levels of service, business processes, and funding.
DATE: July 9, 2019


RECOMMENDATION

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

BUSINESS PURPOSE

. In order to obtain direction and input from the Board, a series of briefings and discussions is being provided as the FY 2020 Budget and Twenty-Year Financial Plan are developed (see Attachment 1).

. The purpose of this item is to review the Draft FY 2020 Annual Budget and Twenty-Year Financial Plan.

. The discussion will help achieve Board Strategic Priority 6: Innovate to improve levels of service, business processes, and funding.
## FY 2020 Budget and Financial Planning Process Calendar

<table>
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            | ○ Review of Financial Standards for FY 2020 Budget and Financial Planning Process  
            | ○ Briefing on Fare Structure                                               |
| April 23   | ○ Approval of Financial Standards for FY 2020 Budget and Financial Planning Process  
            | ○ Call for Public Hearing Regarding Proposed Amendment to Fare Structure    |
| May 28     | ○ FY 2020 Budget and Financial Planning Process – Capital Budget Overview |
| June 18    | ○ FY 2020 Budget and Financial Planning Process – Operating Budget Overview |
            | ○ FY 2020 Budget and Financial Planning Process – Departmental Budget Presentations  
            | ○ Public Hearing Regarding Proposed Amendment to Fare Structure             |
| August 13  | ○ FY 2020 Budget and Financial Planning Process – Departmental Budget Presentations  
            | ○ Budget and Finance Committee recommends approval to COTW/Board to send FY 2020 Budget and Financial Plan to Cities Within Service Area  
            | ○ Board approves sending FY 2020 Budget and Financial Plan to Cities Within Service Area |
| August 27  | ○ Budget and Finance Committee recommends approval of FY 2020 Annual Budget and Twenty-Year Financial Plan |
| August 29  | ○ Briefing for Service Area City Managers and Finance Directors           |
| September 17 | ○ Committee-of-the-Whole Review of FY 2020 Budget and Twenty-Year Financial Plan |
| September 24 | ○ Board Approval of FY 2020 Annual Budget and Twenty-Year Financial Plan    |
DATE:   July 9, 2019


RECOMMENDATION

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

BUSINESS PURPOSE

. In order to obtain direction and input from the Board, a series of briefings and discussions is being provided as the FY 2020 Budget and Twenty-Year Financial Plan are developed (see Attachment 1).

. The purpose of this item is to provide time for an overview of the proposed FY 2020 departmental budget and workplan for Customer Care/Service Delivery.

. The discussion will help achieve all of the Board Strategic Priorities:
  . 1: Continually improve service and safety experiences and perceptions for customers and the public.
  . 2: Optimize and preserve (state of good repair) the existing transit system.
  . 3: Optimize DART’s influence in regional transportation planning.
  . 4: Expand DART’s transportation system to serve cities inside and outside the current service area.
  . 5: Pursue excellence through employee engagement, development and well-being.
  . 6: Innovate to improve levels of service, business processes, and funding.
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