Agenda

Budget and Finance
Tuesday, November 10, 2020, 3:30 p.m.
DART Conference Room C – 1st Floor
1401 Pacific Ave., Dallas, Texas 75202
(Estimated Meeting Time: 30 minutes)

Due to the COVID-19 virus and current extension of the Disaster Declaration issued by the Governor, all DART Board Meetings and Public Hearings are closed to the public. All meetings will take place by videoconference and will be available at https://www.dart.org/about/board/boardvideo.asp.

1. Roll Call
2. Approval of Minutes: October 20, 2020
3. Depository Banking Contract Approval (Mark Enoch/Joe Costello) [5 minutes]
4. Approval to Add DCTA, TEXRail and Grapevine Vintage Railroad to DART Rail Liability Insurance Program (Mark Enoch/Joe Costello) [10 minutes]
5. Identification of Future Agenda Items
6. Adjournment

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.

Chair – Mark Enoch
Vice Chair – Jon-Bertrell Killen
Members – Robert C. Dye, Michele Wong Krause and Paul N. Wageman
Staff Liaison – Joe Costello
Due to the COVID-19 virus, DART Board meeting rooms were closed to the public. All meetings took place by videoconference and are available at https://www.dart.org/about/board/boardvideo.asp.

The Dallas Area Rapid Transit Budget and Finance Committee meeting came to order at 3:41 p.m., Tuesday, October 20, 2020, via videoconference, at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Enoch presiding.

The following Committee members were present: Mark Enoch, Jon-Bertrell Killen, Robert C. Dye, Michele Wong Krause, and Paul N. Wageman.

Other Board Members present: Jonathan R. Kelly, Amanda Moreno-Lake, Rick Stopfer, and Dominique P. Torres.

Others present: Gary Thomas, Gene Gamez, Tim McKay, Joseph Costello, Dwight D. Burns, Sherry Foster, Senanu Adadevoh, Nery Armbruster, Nancy Johnson, and Josefina Chavira.

1. **Roll Call**

Chair Enoch took Roll Call, confirming a quorum was present.

Chair Enoch stated the Committee would conduct the actions of the meeting by Roll Call vote. He then provided voting instructions prior to continuing with the agenda items.

2. **Approval of Minutes: September 22, 2020**

Mr. Dye made a motion to approve the Minutes from the September 22, 2020, Budget and Finance Committee Meeting and enter into the record as written.

Ms. Wong Krause seconded.

Chair Enoch took a Roll Call vote, and the motion was approved unanimously.

3. **Contract for Banking Services**

Prior to going into discussion of Item 3, Contract for Banking Services, Mr. Wageman questioned the duration of the term of contract. Mr. Joseph Costello, Chief Financial Officer, responded the contract is for all of DART’s banking services and is quite involved with DART’s revenue services. He continued, the duration for the term of contract was recommended due to the extensiveness that would take staff to change banks and he further noted that the previous contract was handled in similar fashion. After further discussion, Mr. Wageman recommended not taking action on this item and postponing action to a later date.

Chair Enoch agreed and stated the Committee would be briefed on the item, however, there would be no action.

Mr. Wageman recused himself at 3:52 p.m.
Mr. Dwight Burns, Treasurer, briefed the Committee (slides on file with the Office of Board Support) as follows:

- Recommendation (slide 1)
- Current Banking Services (slide 2)
- Banking Service Contract Background (slides 3-5)
- Banking Service Contract – RFP (slide 6)
- Banking Service Contract RFP FY2020 (slide 7)
- Recommend (slide 8)

4. +Approval of the Twenty-First Supplemental Debt Resolution for Issuance of Series 2020D Senior Lien Sales Tax Revenue Refunding Bonds

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

- Recommendation (slide 1)
- Bond Refunding Market (slide 2)
- Current Bond Refunding Candidates (slide 3)
- Parameters Governing the Twenty-First Supplemental Debt Resolution (slide 4)

Mr. Wageman rejoined the meeting at 3:58 p.m.

- Bond Refunding (timetable) (slide 5)
- Recommendation (slide 6)

Referring to slide 4, Parameters Governing the Twenty-First Supplemental Debt Resolution, Mr. Wageman noted he would not support a 1-year expiration of delegation, however, he recommended a six-month expiration of delegation.

Mr. Dye stated he would support the six-month expiration of delegation.

Mr. Wageman moved to forward this draft resolution to the Committee-Of-The-Whole agenda, with a recommendation, stating the Twenty-First Supplemental Debt Resolution, including all documents and agreements contained therein with the term of delegation being at six-months, for the issuance of Series 2020D Senior Lien Sales Tax Revenue Refunding Bonds, in substantially the form shown in Exhibit 1 to this Resolution, is approved.

Mr. Dye seconded.

Chair Enoch took a Roll Call vote, and the motion was approved unanimously with no response from Mr. Killen.

5. +Approval of Twenty-Second Supplemental Debt Resolution for Issuance of Series 2020E Senior Lien Sales Tax Revenue Bonds in Conjunction with a Railroad Rehabilitation and Improvement Financing (RRIF) Program Loan

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

- Railroad Rehabilitation and improvement Financing (RRIF) program loan (slides 2-3)
- Build America Bureau (BAB) (slide 4)
- Railroad Rehabilitation and improvement Financing (RRIF) Program Loan (slides 5)
- Parameters Governing the Twenty-Second Supplemental Debt Resolution (slide 6)
Mr. Wageman stated he would not support a 1-year expiration of delegation, however, he recommended a six-month expiration of delegation.

Mr. Wageman moved to forward this draft resolution to the Committee-Of-The-Whole agenda, with a recommendation, stating the Twenty-Second Supplemental Debt Resolution, including all documents and agreements contained therein, for the issuance of Series 2020E Senior Lien Sales Tax Revenue Bonds in conjunction with a Railroad Rehabilitation and Improvement Financing (RRIF) Program Loan Rate Reset, with the change to six-month expiration of delegation, in substantially the form shown in Exhibit 1 to this Resolution, is approved.

Mr. Dye seconded.

Chair Enoch took a Roll Call vote, and the motion was approved unanimously.

Mr. Wageman recused himself at 4:17 p.m.

6. **Approval to Pay Premium and Surplus Lines Fees for the Rail Operating Liability Insurance Policy**

Mr. James Duff, Assistant Vice President of Risk Management, briefed the Committee (slides on file with the Office of Board Support) as follows:

- Recommendation (slide 1)
- Rail Liability Insurance (slide 2)
- Program Structure and Cost Allocation (slide 3)

Mr. Gene Gamez, General Counsel, briefed the Committee as follows:

- Tort Claims Act Provisions (slide 4)
- Recommendation (slide 5)

After some discussion, Ms. Wong Krause 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 pay up to $681,174 in premium and $35,851 in surplus lines fees for a total of $717,025 for the purchase of $100 million in rail liability insurance for the period beginning November 1, 2020.

Mr. Dye seconded.

Chair Enoch took a Roll Call vote, and the motion was approved unanimously.

Mr. Wageman rejoined the meeting at 3:58 p.m.

7. **Briefing on Workers’ Compensation Program**

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

- Overview (slide 1)
- Purpose of Workers’ Compensation Program (slide 2)
- Workers Compensation Program Overview (slide 3)
- Claims Activity (slide 4)
- Impact of COVID-19 (slide 5)
8. *Briefing on DART Financial Standards*

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

- FY 2022 Budget and Financial Planning Process Calendar (slides 2-3)
- Presentation Outline (slide 4)
- Financial Standards Policy (slide 5)
- Financial Standards (slide 6)
- Financial Standards – General (slide 7)
- Financial Standards – Business Planning Parameters (slide 8)
- Financial Standards – Debt (slide 9)
- FY 2022 Financial Standards – Potential Changes (slide 10)
- FY 2022 Budget and Financial Planning Process Calendar (slide 11)

9. Identification of Future Agenda Items

There were no future agenda items identified for this committee.

10. Adjournment

There being no further business to discuss, the meeting was adjourned at 4:48 p.m.

Josefina Chavira, CAP
Board Committee Secretary

/jc
+Same Night Item
*Briefing Item
DATE: November 10, 2020

SUBJECT: Depository Banking Contract Approval

RECOMMENDATION

Approval of a resolution that authorizes the President/Executive Director or his designee, to award a five-year contract with two, one-year options for banking services with Bank of America, N.A., [Contract No. C-2053420-01] for a total authorized amount not to exceed $853,562.

FINANCIAL CONSIDERATIONS

- This contract for banking services is included in the FY 2021 Net Debt Service Budget.
- Sufficient funding for this contract in the amount of $853,562 is included in both the FY 2021 Net Debt Service budget and the Cost of Debt (Interest and Fees) line item of the FY 2021 Twenty-Year Financial Plan.

BUSINESS PURPOSE

- DART’s banking service contract provides all banking services needed for DART operations, including checking accounts, lockbox deposits, check clearing, coin and currency processing, armored car delivery of $1 coins to the DART vault, delivery of DART deposits to the bank’s vault, and settlement and safekeeping for the multi-million dollar fixed income securities. Service requirements also include on-line capability for placement of wire transfers, Automated Clearing House (ACH) services for payroll and accounts payable and reporting daily activity. 
- DART has implemented innovative services which have increased the efficiency of finance operations and financial control, including: 1) Positive Pay, under which no check is honored unless preauthorized through transmission of accounts payable and payroll information; 2) full reconciliation of bank accounts to DART-provided issuance information; and 3) paid checks reporting on-line to facilitate research of paid items. The depository banking services do not include trust services related to DART’s financings or retirement plans, which are handled through other agreements.
- The approval of this item will help achieve Board Strategic Priority 3: Innovate to enhance mobility options, business processes and funding.
- The Board-Approval Expenditure Justification is included as Attachment 3.
PROCUREMENT CONSIDERATIONS

- On May 19, 2020, a Request for Proposals (RFP) notification was sent to 230 firms for Banking Services.
- This will be a indefinite delivery/indefinite quantity contract, for a term of five years with two, one-year options.
- The contract award analysis is provided as Attachment 1.

D/M/WBE CONSIDERATIONS

- The goal for this contract was established in January 2020 at 10% M/WBE participation.
- Bank of America, N.A., the prime contractor, has committed to achieve some participation.
- The M/WBE analysis and Equal Employment Opportunity (EEO-1) information are included in Attachment 2. The prime contractor’s actual EEO-1 report is available upon request.

LEGAL CONSIDERATIONS

- Section 452.103 of the Texas Transportation Code authorizes DART to exercise all powers necessary or convenient to carry out the purposes or the provisions of the statute.
- Funds in a depository bank, to the extent that those funds are not insured by the Federal Deposit Insurance Corporation (FDIC), shall be secured in the manner provided by the Texas Public Funds Collateral Act, Chapter 2257 of the Government Code.
Contract Information

A. Description: Banking Services

B. Contractor: Bank of America, N.A.

C. Contract Number: C-2053420-01

D. Contract Amount: Not to exceed $853,562

E. Contract Type: Indefinite Delivery/Indefinite Quantity

F. Performance Period/Term of Contract: Five years

G. Options Available: Two, one-year options

H. Bond Requirement: N/A

I. Liquidated Damages: N/A

J. Funding Source: Local

Solicitation Information

A. Issue Date: May 19, 2020

B. Number of Notifications Sent: 230

C. Date and Time for Proposal Receipt: June 3, 2020 @ 2:00 P.M. (Central Time)

D. Proposals Received: Three

E. Discussion of Proposal Evaluation Process: This was a competitively negotiated procurement. A source Evaluation Committee (SEC) was appointed to conduct proposal evaluations and the proposals were evaluated against the following criteria:

- Qualifications of the Firm & Staff 200 Maximum Points
- Work Plan, Management & Project Approach 100 Maximum Points
- Online System & System Performance Standards 200 Maximum Points
- Deposit Processing 100 Maximum Points
- Price 400 Maximum Points
- Total 1,000 Maximum Points
F. **Discussion of Unacceptable Proposals:** N/A

G. **Proposal Scoring:** Three proposals were received. The following represents the final scores, following evaluation of the Best and Final Offers.

<table>
<thead>
<tr>
<th>Firms</th>
<th>Total Amount</th>
<th>Pricing Score (Max Points 400)</th>
<th>Technical Score (Max Points 600)</th>
<th>Total Score (Max Points 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America N.A.</td>
<td>$853,562</td>
<td>400</td>
<td>590</td>
<td>990</td>
</tr>
<tr>
<td>JP Morgan Chase</td>
<td>$1,520,096</td>
<td>288</td>
<td>573</td>
<td>861</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td>$1,506,888</td>
<td>290</td>
<td>555</td>
<td>845</td>
</tr>
</tbody>
</table>

The Source Evaluation Committee recommends Bank of America, N.A., for award of the contract.

H. **Negotiation Memorandum:** Available for review in the contract file.

I. **Cost & Price Analysis:** Prices are fair and reasonable based on historical pricing, and comparison to the independent cost estimate (ICE).

J. **Determination of Responsibility:**
   - **Bond Check:** N/A
   - **Reference Check:** Satisfactory
   - **Financial Responsibility Survey:** Satisfactory
   - **Insurance Check:** Yes
   - **On-Site Inspection:** N/A
   - **Arithmetic Check:** N/A
   - **Verification of Offer:** N/A
   - **Buy America Certification and/or Audit, if applicable:** N/A
   - **Debarred/Suspended list:** Not on the debarred/suspended list

K. **Protests Received:** None

L. **Determinations Required:** N/A

**Determination and Recommendation**

Bank of America N.A., is a responsible offeror that achieved the highest score considering technical and price factors. They have the capacity to perform this contract and are recommended for award.
M/WBE CONSIDERATIONS

The goal for this contract was established in January 2020 at 10% M/WBE participation. Bank of America, N.A., the prime contractor, has committed to achieve some participation through utilization of the following certified firms:

M/WBE Participation

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>LOCATION</th>
<th>ETHNICITY</th>
<th>SERVICE</th>
<th>AMOUNT</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>C&amp;D Couriers</td>
<td>Farmers Branch, TX</td>
<td>Black Male</td>
<td>Courier Services</td>
<td>$12,568</td>
<td>1.47%</td>
</tr>
<tr>
<td>White &amp; Wiggins, LLP</td>
<td>Dallas, TX</td>
<td>Black Male</td>
<td>Legal Services</td>
<td>$15,000</td>
<td>1.76%</td>
</tr>
</tbody>
</table>

TOTAL M/WBE PARTICIPATION: $27,568 3.23%*

Bank of America, N.A., has a Supplier Diversity Program. Spend dollars with Texas based diverse suppliers was $32 million in 2019. In June 2020, Bank of America N.A., committed an additional $250 million in investments in Minority Depository Institutions, minority entrepreneurs, businesses and funds. Bank of America, N.A., is working to identify other areas of opportunity for the inclusion of M/WBE firms in support of this contract.

NOTE: The goal is based on the current not to exceed amount of $853,562. If there are any changes to this amount, the original goal shall apply.

*The percentages and dollar amounts may remain level, increase or decrease depending on the circumstances.

Summary of EEO-1 Report

Bank of America, N.A., is located in Dallas, TX and employs 190,964 individuals. The following is an analysis of their EEO-1 report:

<table>
<thead>
<tr>
<th></th>
<th>ASIAN</th>
<th>BLACK</th>
<th>HISPANIC</th>
<th>NATIVE AMERICAN</th>
<th>WHITE</th>
<th>TOTAL</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALES</td>
<td>11,219</td>
<td>7,146</td>
<td>9,657</td>
<td>285</td>
<td>73,873</td>
<td>102,180</td>
<td>53.51%</td>
</tr>
<tr>
<td>FEMALES</td>
<td>10,758</td>
<td>14,967</td>
<td>18,240</td>
<td>359</td>
<td>44,460</td>
<td>88,784</td>
<td>46.49%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21,977</td>
<td>22,113</td>
<td>27,897</td>
<td>644</td>
<td>118,333</td>
<td>190,964</td>
<td>100%</td>
</tr>
<tr>
<td>PERCENTAGE</td>
<td>11.51%</td>
<td>11.58%</td>
<td>14.61%</td>
<td>0.34%</td>
<td>61.96%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
## Board-Approved Expenditure Justification

### Contract Award for Banking Services

<table>
<thead>
<tr>
<th>PURPOSE OF CONTRACT/AGREEMENT</th>
<th>DOLLAR AMOUNT</th>
<th>CONTRACT TERM</th>
<th>TYPE OF PROCUREMENT</th>
<th>1. Is it necessary?</th>
<th>2. Does it need to happen now?</th>
<th>3. Can it be phased?</th>
<th>4. Can we reduce the amount?</th>
</tr>
</thead>
<tbody>
<tr>
<td>This contract will cover cost associated with Banking Services.</td>
<td>$853,562</td>
<td>Five years, with two, one-year options, starting May 1, 2021.</td>
<td>Indefinite Delivery/Indefinite Quantity</td>
<td>Yes, the banking services includes payroll for all DART employees, accounts payable, safe keeping purchases, and all contactless tickets purchase (Ticket revenue, Go-Pass tap cards, open payment with Visa and Mastercard’s etc.), e-payables and third-party administrator (TPA) payments for employee health insurance claims.</td>
<td>Yes, the current contract will expire April 30, 2021.</td>
<td>No, contract needs to be continuous to pay employees.</td>
<td>No, all specified banking services are required. The contract amount was determined through competition and negotiated to achieve best value for DART.</td>
</tr>
</tbody>
</table>
WHEREAS, DART’s banking services contract provides all banking services needed for DART’s operations, including checking accounts, lockbox deposits, check clearing, coin and currency processing, armored car delivery of $1 coins to the DART vault, delivery of DART deposits to the bank’s vault, and settlement and safekeeping for the multi-million dollar fixed-income securities, on-line capability for placement of wire transfers, and Automated Clearing House (ACH) services for payroll and accounts payable, and reporting of daily activity; and

WHEREAS, the current contract for Banking Services expires April 30, 2021; and

WHEREAS, a competitive sealed proposal procurement for a five-year contract with two, one-year options was conducted in accordance with the DART Procurement Regulations; and

WHEREAS, the proposed pricing for this contract is considered fair and reasonable; and

WHEREAS, funding for this contract is within current Budget and FY 2021 Twenty-Year Financial Plan allocations.

NOW, THEREFORE, BE IT RESOLVED, by the Dallas Area Rapid Transit Board of Directors that the President/Executive Director or his designee is authorized to award a five-year contract with two, one-year options for banking services with Bank of America, N.A. for a total authorized amount not to exceed $853,562.
Depository Banking Contract Approval

Prepared by:  
/s/ Joseph G. Costello *

Joseph G. Costello  
Chief Financial Officer

/s/ Gene Gamez *

Approved as to form:  
Gene Gamez  
General Counsel

/s/ Gary C. Thomas *

Approved by:  
Gary C. Thomas  
President/Executive Director

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

DATE: November 10, 2020

SUBJECT: Approval to Add DCTA, TEXRail and Grapevine Vintage Railroad to DART Rail Liability Insurance Program

RECOMMENDATION

Approval of a resolution authorizing the President/Executive Director or his designee to: 1) add Denton County Transit Authority (DCTA) to DART's rail liability insurance policy effective December 9, 2020; and 2) add TEXRail and Grapevine Vintage Railroad to DART's rail liability insurance policy effective January 1, 2021.

BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS

- The DART Board approved DART’s $300 million limit Rail Liability insurance premiums via Resolutions 200109 and 200118, on October 6 and October 20, 2020, respectively.

- DCTA runs a commuter rail line from the City of Denton to the DART Trinity Mills Station located in Carrollton. TEXRail runs commuter rail from Downtown Fort Worth to Dallas – Fort Worth International Airport. The Grapevine Vintage Railroad is an excursion and special event railroad in Grapevine, Texas, that runs from the Main Street station in Grapevine to the Fort Worth Stockyards.

- Public entities in the region have experienced a volatile insurance market, that has experienced, in the past few years, large jury verdicts, and carriers leaving the rail liability market creating a reduction in capacity. Additionally, the COVID-19 pandemic has insurers taking a critical look at coverage terms and considering capacity restrictions, DCTA, TEXRail, and Grapevine Vintage Railroad have requested to partner with DART’s Rail Liability insurance policy, as means to obtain required coverage at a more affordable premium.

- DCTA’s rail liability insurance expired on October 1, 2020. Their broker of record secured a policy with a premium that exceeded their budget. Willis Towers Watson Services West, Inc., is marketing the DCTA rail liability program.

- TEXRail’s rail liability insurance policy expires on January 1, 2021. Grapevine Vintage Railroad must increase their rail liability insurance limit from $25 million to $300 million, effective January 1, 2021. The increase in limits is required by their positive train control (PTC) agreement with Meteorcomm. Willis Towers Watson Services West, Inc. will market the programs.

- McKinney Avenue Transit Authority (MATA) requested to join DART’s rail liability program. MATA’s insurance expired on November 1, 2020. After a review of MATA’s insurance requirements it was determined that their insurance needs i.e. $10,000 deductible and annual...
premium under $60,000, could not be met by joining DART’s rail liability program. MATA’s insurance broker of record secured a policy with a $1 million self-insured retention and a $200,000 premium, that exceeded their budget. Willis Towers Watson Services West, Inc., is marketing MATA’s rail liability program.

- The Rail Operating Liability insurance policy will provide TEXRail and Grapevine Vintage Railroad up to $300 million in coverage and DCTA up to $140 million in coverage. The total premium cost estimate for all entities is $6 million and will be allocated to each entity. This partnership will reduce the collective premium 44% to an estimated $4,622,000, and will lower DART’s premium from $1.2 million to an estimated $777,960, saving DART an estimated $433,064.

- The estimated $6 million partnership premium between the five agencies will be shared as follows: DCTA will pay $900,000 (15%), TEXRail will pay $1.8 million (30%), and Grapevine Vintage Railroad will pay $1.5 million (25%). DART and Trinity Metro for TRE will pay $1.8 million (30%). DART and Trinity Metro costs for TRE are shared based on revenue service miles.

<table>
<thead>
<tr>
<th></th>
<th>5 Agencies Combined</th>
<th>Savings</th>
<th>Savings %</th>
</tr>
</thead>
<tbody>
<tr>
<td>DART for TRE</td>
<td>$1,211,024</td>
<td>$777,960</td>
<td>$433,064</td>
</tr>
<tr>
<td>Trinity Metro for TRE</td>
<td>$1,590,976</td>
<td>$1,022,040</td>
<td>$568,936</td>
</tr>
<tr>
<td>TEXRail</td>
<td>$3,220,000</td>
<td>$1,800,000</td>
<td>$1,420,000</td>
</tr>
<tr>
<td>GVRR</td>
<td>$2,300,000</td>
<td>$1,500,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>DCTA</td>
<td>$2,300,000</td>
<td>$900,000</td>
<td>$1,400,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,622,000</strong></td>
<td><strong>$6,000,000</strong></td>
<td><strong>$4,622,000</strong></td>
</tr>
</tbody>
</table>

- Approval of this item will help achieve Board Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations.

**LEGAL CONSIDERATIONS**

- Section 452.062 of the Texas Transportation Code authorizes DART to insure, through purchased insurance policies or self-insurance programs, or both, its own legal liability and the legal liability of its contractors and subcontractors arising from the acquisition, construction, or operation of the programs and facilities of DART.

- Section 452.054 of the Texas Transportation Code authorizes DART to exercise all powers necessary or convenient to carry out the purposes or the provisions of the statute.
DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Approval to Add DCTA, TEXRail and Grapevine Vintage Railroad to DART Rail Liability Insurance Program

WHEREAS, the DART Board approved DART’s $300 million limit rail liability insurance premiums via Resolution Nos. 200109 and 200118, on October 6 and October 20, 2020, respectively; and

WHEREAS, public entities in the region have experienced a volatile rail liability insurance market and have requested to partner with DART on DART’s rail liability insurance policy, as means to obtain required coverage at a more affordable premium; and

WHEREAS, DART’s rail operating liability insurance policy will provide TEXRail and Grapevine Vintage Railroad with up to $300 million in coverage and DCTA with $140 million in coverage; and

WHEREAS, the estimated $6 million partnership premium will be shared as follows: DCTA will pay $900,000 (15%), TEXRail will pay $1.8 million (30%), and Grapevine Vintage Railroad will pay $1.5 million (25%). DART and Trinity Metro for TRE will pay $1.8 million (30%); and

WHEREAS, the rail liability insurance partnership will reduce the collective premium by an estimated $4,622,000, and will lower DART’s premium from $1.2 million to an estimated $777,960, saving DART an estimated $433,064.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the President/Executive Director or his designee is authorized to:

Section 1: Add Denton County Transit Authority (DCTA) to DART's rail liability insurance policy effective December 9, 2020.

Section 2: Add TEXRail and Grapevine Vintage Railroad to DART's rail liability insurance policy effective January 1, 2021.
Approval to Add DCTA, TEXRail and Grapevine Vintage Railroad to DART Rail Liability Insurance Program

Prepared by:  
/s/ Joseph G. Costello *

Joseph G. Costello  
Chief Financial Officer

/s/ Gene Gamez *

Approved as to form:  
Gene Gamez  
General Counsel

/s/ Gary C. Thomas *

Approved by:  
Gary C. Thomas  
President/Executive Director

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