

**MINUTES
DALLAS AREA RAPID TRANSIT
SPECIAL BOARD OF DIRECTORS'
June 20, 2017**

The Dallas Area Rapid Transit **Board of Directors'** meeting convened on Tuesday, June 20, 2017 at 9:02 a.m., at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Moses Wilkins presiding.

City of Dallas

Sue S. Bauman
~~Richard Carrizales~~ [VACANT]
Jerry L. Christian– **Vice-Chair**
Amanda Moreno
Pamela Dunlop Gates
Patrick J. Kennedy
Michele Wong Krause

City of Garland

Jonathan R. Kelly

City of Irving

Rick Stopfer

City of Plano

Paul N. Wageman

City of Cockrell Hill and Dallas

William M. Velasco, II

Cities of Carrollton and Irving

Tim Hayden

Cities of Farmers Branch and Plano

Faye Moses Wilkins – **Chair**

Cities of Garland, Rowlett, and Glenn Heights

Mark C. Enoch

Cities of Richardson and University Park; Towns of Addison and Highland Park

Gary A. Slagel– **Secretary**

There is one City of Dallas Representative vacancy.

General Items:

1. Public Comments

Chair Moses Wilkins reviewed the rules that govern the Public Comments portion of the meeting, including the Code of Conduct for Citizens, News Media, and Visitors at DART Board Meetings (on file with the Office of Board Support).

The following individuals addressed the Board:

Mr. Velasco and Mr. Slagel entered the meeting at 9:03 a.m.

Mayor Joe Chow; Addison, TX:

Mayor Chow voiced his concern and encouragement in support of the Cotton Belt Corridor. He also recognized his council colleague, Mr. Ivan Hughes.

Councilmember Ivan Hughes; Addison, TX:

Councilmember Hughes voiced his concern and encouragement in support of the Cotton Belt Corridor.

Deputy Mayor Pro Tem John C. Danish; Irving, TX:

Deputy Mayor Pro Tem Danish voiced his support of the Cotton Belt Corridor.

Ms. Cookie Peadon; Dallas, TX:

Ms. Peadon voiced concern regarding the fiscal funding and stated one of her biggest concerns was in regards to the schools in the North Dallas area and public transportation.

Mr. Charles Mann; Dallas, TX:

Mr. Mann read into record an article posted on social media.

Mr. Dave Brady; Garland, TX:

Mr. Brady voiced his concern and encouragement in support of the Cotton Belt Corridor.

Mr. Christian entered the meeting at 9:22 a.m.

Mr. Matt Tranchin; Dallas, TX:

Mr. Tranchin voiced his concerns regarding DART's financial funding for the Cotton Belt Corridor. He then began to address the audience, for which Chair Moses Wilkins requested Mr. Tranchin address all comments to the Board.

Individual Items:

2. +Approval of Fifteenth Supplemental Debt Resolution for Financing Through the Issuance of Senior Lien Sales Tax Revenue Bonds in Conjunction with 1) a Railroad Rehabilitation and Improvement Financing (RRIF) Program Loan, or 2) a Conventional Revenue Bond Issue, or 3) a Combination of a Conventional Revenue Bond Issue and a RRIF Program Loan for the Cotton Belt Commuter Rail Project

Chair Moses Wilkins provided a preamble of this item.

Mr. Wageman requested the floor to ask a procedural question. He then directed his question to Mr. Scott Carlson, General Counsel regarding a parliamentary question. Mr. Wageman stated, at the last regular DART Board meeting, which convened on June 6, 2017, this item was defeated and there was a motion made by Mr. Enoch, who was on the losing side of that vote, to reconsider this item at the next regularly scheduled meeting. He then remarked, he looked in the DART Bylaws and the Rules of Procedure

and did not see where it permits a board-member, on the losing side, to make that motion. Mr. Wageman requested Mr. Carlson show him where that authority lies. Mr. Carlson responded he would refer to two points, the first point was the vote was approved by a unanimous agreement to bring this item back to the Board of Directors. He further stated, secondly, he did not consider the motion to be a reconsideration, but a motion for new debate. Mr. Wageman then asked if Robert's Rules of Order prevailed if a rule was not found in the DART Bylaws and Rules of Procedure. Mr. Carlson responded by referring Mr. Wageman to Rule 18, of the DART Rules of Procedure, which speaks to renewed debate. Mr. Wageman voiced his concern regarding Mr. Enoch's motion to reconsider this item at the next regularly scheduled meeting. He further stated he did not feel this was an appropriate meeting to address this issue based on his reading of the Rules of Procedures and the Bylaws.

After further debate, Chair Moses Wilkins interjected, as the Board of Directors for the Dallas Area Rapid Transit, their duty is to develop a set of policies and direct staff to operate on those policies. She stated one of those policies is that the General Counsel acts as DART's Parliamentarian and if the Board has directives from its Parliamentarian that they are acting in accord with the policies of this agency, then that point has been made. She then directed the Board to move forward with the agenda and would work under the orders of its Parliamentarian.

Following further discussion, Mr. Kennedy made a motion, stating, in order to consider and reach a consensus on a contingency plan for Second CBD Light Rail Alignment (D2) Project and insure that both projects can move forward in a timely fashion, that the Approval of Fifteenth Supplemental Debt Resolution be referred back to the Budget and Finance Committee, per our normal procedures, and forwarded to the Committee-of-the-Whole, and the Board, no later than the last meeting in August.

Ms. Moreno seconded.

Chair Moses Wilkins acknowledged the motion and the second on the floor.

Mr. Hayden requested discussion. He then voiced his concern and hope that the Board would look at the region as a whole.

After much deliberation by the full Board, Mr. Enoch requested to hear from Mr. David Leininger, Executive Vice President/Chief Financial Officer.

Prior to continuing, Chair Moses Wilkins called a 5 minute recess at 10:35 a.m.

Chair Moses Wilkins reconvened the meeting at 10:43 a.m.

Mr. Enoch questioned Mr. Leininger if he had a presentation. Mr. Leininger replied yes. He then asked if the Board wanted to present the D2 options.

Mr. Enoch then asked if a grant is not forthcoming, would DART be able to afford the D2 and the Cotton Belt Corridor projects. In response, Mr. Leininger recommended going through the presentation.

This being said, Mr. Leininger briefed the Committee (see slides on file with the Office of Board Support) as follows:

- Presentation Outline (slide 1)
- Current D2 Funding in the Financial Plan (slide 2)
- FY 2018 DRAFT Financial Plan Statistics (slide 3)
- What are our options if we don't get the grant (slide 4)
- What are Capital Appreciation Bonds (CABs)? (slide 5)
- DART Total Debt Service Comparison (\$M) (slide 6)
- D2-Only Debt Service Trade-off (YOE \$M) (slide 7)
- Cash Balance Comparison (\$000s) (slide 8)
- Coverage Ratio Comparison (slide 9)
- Capacity Trade-offs (slide 10)
- Summary (slide 11)

Following much deliberation by the full Board, Mr. Christian called the question.

Mr. Slagel seconded and the motion failed for lack of obtaining a two-thirds vote.

After some discussion, Chair Moses Wilkin requested Mr. Kennedy repeat his substitute motion.

Mr. Kennedy restated his motion as follows: in order to consider and reach a consensus on a contingency plan for D2 and insure that both projects can move forward in a timely fashion, that the Approval of Fifteenth Supplemental Debt Resolution be referred back to the Budget and Finance Committee, per our normal procedures, and forwarded to the Committee-of-the-Whole, and the Board, no later than the last meeting in August.

Ms. Moreno seconded.

Mr. Christian interjected to request making a substitute motion for approval of Fifteenth Supplemental Debt Resolution, as recommended be staff.

Mr. Carlson stated Mr. Kennedy's motion was the substitute motion and must be considered first, while Mr. Christian's motion was the original motion.

Chair Moses Wilkins called for the vote in regards to Mr. Kennedy's substitute motion.

Chair Moses Wilkins stated the motion failed for lack of obtaining a two-thirds vote with Ms. Moreno, Mr. Velasco, Mr. Wageman, Ms. Wong Krause, Mr. Kennedy and Ms. Bauman voting for the item.

This being said, Chair Moses Wilkins called for the original motion.

Mr. Christian motioned for the approval of this Resolution, stating:

Section 1: The Fifteenth Supplemental Debt Resolution for financing through the issuance of senior lien sales tax revenue bonds in conjunction with a Railroad Rehabilitation and Improvement Financing (RRIF) Program loan, or a conventional revenue bond issue, or a combination of a conventional revenue bond issue and a RRIF Program loan for the Cotton Belt Commuter Rail Project, in substantially the same format shown in Exhibit 1 to the Resolution, is approved.

Section 2: The President/Executive Director or his designee is authorized to sign all debt resolution agreements and documents.

Mr. Enoch seconded.

Ms. Dunlop Gates interjected, to set the record straight, regarding her vote at the prior meeting and at the October 2016 meeting.

Chair Moses Wilkins called for the vote and the item failed due to lacking a two-thirds vote with Ms. Moreno, Mr. Kennedy, Ms. Bauman, Ms. Wong Krause, and Mr. Velasco opposing.

Other Items:

3. Adjournment

There being no further business to discuss, the meeting was adjourned at 11:53 a.m.



Josefina Chavira, CAP
Board Committee Secretary

/jc

+ Same Night Item

* Briefing Item