

**SUPPLEMENTAL AGREEMENT NO. 7
TO THE INTERLOCAL AGREEMENT BETWEEN
STAR TRANSIT AND THE CITY OF MESQUITE, TEXAS**

THIS SUPPLEMENTAL AGREEMENT NO. 7 to that certain Interlocal Agreement executed on September September 19, 2016, as amended by Supplemental Agreement No. 1 executed on September 19, 2019, Supplemental Agreement No. 2 executed on September 23, 2020, Supplemental Agreement No. 3 executed on September 13, 2021, Supplemental Agreement No. 4 executed on November 3, 2022, Supplemental Agreement No. 5 executed on September 22, 2023, and Supplemental Agreement No. 6 executed on September 30, 2024, (“Agreement”) by and between the CITY OF MESQUITE, a Texas home rule municipal corporation, located in Dallas and Kaufman Counties, hereinafter called “CITY,” and STAR TRANSIT, a Texas Rural Transit District, authorized by Texas Transportation Code, Chapter 458, hereinafter called “STAR Transit,” evidences the following:

1. Effective October 1, 2025, the CITY and STAR Transit hereby agree to replace Exhibit A-1 of the Agreement with Exhibit A-1 attached hereto, which is fully incorporated for all purposes.
2. All other terms, provisions, conditions, and obligations of the Agreement between CITY and STAR Transit shall remain in full force and effect and said Agreement and together with Supplemental Agreement No. 1, Supplemental Agreement No. 2, Supplemental Agreement No. 3, Supplemental Agreement No. 4, Supplemental Agreement No. 5, Supplemental Agreement No. 6, and this Supplemental Agreement No. 7 should be construed together as a single contractual agreement.

EXECUTED this the ____ day of ____ 2025, by CITY, signing by and through its City Manager and STAR Transit acting through its duly authorized officials.

**CITY OF MESQUITE
(CITY)**

**STAR TRANSIT
(STAR Transit)**

By: _____
Cliff Keheley, City Manager

By: _____
Tommy Henricks
Executive Director

ATTEST:

ATTEST:

By: _____
Sonja Land, City Secretary

By: _____

APPROVED AS TO FORM:

SUPPLMENTAL AGREEMENT NO. 7
ILA between CITY and STAR Transit

David L Paschall, City Attorney

By: _____
Assistant City Attorney

EXHIBIT A-1

June 20, 2025

City of Mesquite
Mayor Dan Aléman
1515 N. Galloway Ave.
P.O. Box 850137
Mesquite, TX 75149

RE: Notice of FY26 Cost of Service

Dear Mayor Aléman,

As you may know our FY26 cost of service for all public partners has been established by the Board at \$58.50 per hour of transit service. Each jurisdiction will contribute the amount necessary to cover their average number of hours of service each day, less any off-setting grants, contracts that may be used to earn revenue or reduce costs in that specific jurisdiction.

Those off-sets vary greatly by jurisdiction due to funding rules and local conditions. Funds available from non-local sources pay for the vast majority of STAR Transit's capital and operating costs. This letter provides guidance in Exhibit A-1 on how this policy will impact Mesquite's total cost of service for FY26.

Please expect our FY26 cost of service to vary dependent on any changes in our hourly cost of service, grant availability and other local factors. We look forward to serving the City of Mesquite.

Please contact me, Tommy Henricks by email at thenricks@STARtransit.org with comments or questions.

Respectfully,



Tommy Henricks
STAR Transit Executive Director

Cc: Cliff Keheley, City Manager (Electronic Mail)
Anthony Cao, Director of Housing and Community Services (Electronic Mail)



Exhibit A-1

Demand Response and STARNow

Category	Amount	Notes
Weekday Service Days	250	Weekday Standard
Weekday Hours	112	112 hours Demand Response (5:00am – 8:00pm) Includes STARNow and Lawnview Shuttle Access
Weekday Hourly Cost	\$58.50	FY26 Cost of Service (subject to update annually as per the STAR Transit Cost of Service Letter)
Weekend Service Days	52	Saturday STARNow service for 8:00am – 5:00pm
Weekend Hours	9	Saturday STARNow Service for 8:00 am – 5:00 pm
Weekend Hourly Cost	\$66.50	FY26 Cost of Service (subject to update annually as per the STAR Transit Cost of Service Letter)
TNC Contract Cost	\$100,000	Service expansion for FY26
Total Operating Cost	\$1,769,122	Calculated annual cost
Federal Subsidy from STAR Transit	\$1,215,273	STAR Transit 5307 and 5310 grant funding
Net Annual Cost to City	\$553,849	Total cost to the City in FY26
Monthly Payment to STAR Transit	\$46,154	

