
DCTA



DENTON COUNTY
TRANSPORTATION AUTHORITY
LEWISVILLE, TEXAS

2019

OPERATING & CAPITAL BUDGET | FISCAL YEAR ENDING SEPTEMBER 30, 2019

2019

DENTON COUNTY
TRANSPORTATION AUTHORITY
OPERATING & CAPITAL BUDGET

TABLE OF CONTENTS

VISION, MISSION, CORE VALUES & GOALS.....	iii
DISTINGUISHED BUDGET PRESENTATION AWARD.....	iv
AGENCY OVERVIEW	
BUDGET MESSAGE.....	1
BOARD OF DIRECTORS.....	5
DENTON COUNTY MAP.....	6
DCTA ORGANIZATION CHART.....	7
STRATEGIC PLANNING GUIDANCE REPORT.....	8
SERVICES AND ACTIVITIES.....	14
OPERATING BUDGET SUMMARY	
BUDGET PROCESS.....	31
CHANGE IN NET POSITION - BUDGET BASIS.....	33
STATEMENT OF CASH FLOWS.....	34
LONG RANGE FINANCIAL PLAN.....	35
SOURCES AND USES OF FUNDS.....	38
OPERATING BUDGET BY CLASSIFICATION.....	39
REVENUE AND EXPENDITURE CHARTS.....	40
OPERATING EXPENSES BY DIVISION AND DEPARTMENT.....	41
REVENUE SOURCES - FIVE YEAR TREND.....	42
BUDGET ASSUMPTIONS.....	43
DEBT SCHEDULE.....	47
FULL-TIME EQUIVALENT (FTE) COMPARISON.....	50
DIVISION BUDGETS	
PRESIDENT/CEO.....	51
FINANCE.....	54
MARKETING AND COMMUNICATIONS.....	62
STRATEGIC PLANNING AND DEVELOPMENT.....	73
HUMAN RESOURCES.....	78
TRANSIT OPERATIONS - ADMIN.....	80
RAIL SERVICE.....	85
BUS SERVICE.....	87
CAPITAL IMPROVEMENT PLAN	
CAPITAL IMPROVEMENT PLAN OVERVIEW.....	89
CAPITAL IMPROVEMENT PLAN SUMMARY.....	90
CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL.....	91
APPENDIX	
STRATEGIC PLANNING GUIDANCE REPORT.....	110
FINANCIAL MANAGEMENT POLICIES.....	130
BUDGET CONTINGENCY PLAN.....	148
OPERATIONAL STATISTICS.....	151
DENTON COUNTY COMMUNITY PROFILE.....	167
DCTA BUSINESS CASE FOR TRANSIT.....	171
RESOLUTION ADOPTING FY 2019 OPERATING AND CAPITAL BUDGET.....	186
GLOSSARY.....	193

DENTON COUNTY TRANSPORTATION AUTHORITY

VISION, MISSION, CORE VALUES & GOALS

The Denton County Transportation Authority is guided by the vision, mission and core values set forth by the Board of Directors and staff. These serve as the foundation for defining the goals and objectives for the budget process.

OUR VISION

Be a leader in advancing mobility alternatives.

OUR MISSION

As a regional partner, the Denton County Transportation Authority is committed to provide safe, customer-focused and efficient mobility solutions.

OUR VALUES

- **Safety**
In accordance with our Service Plan, our most important commitment is passenger safety through the strict adherence to policies and procedures and ongoing employee training and professional development.
- **Accountability**
As public servants, DCTA employees and Board of Directors hold themselves accountable to their constituents and are committed to being exemplary stewards of public resources.
- **Commitment**
DCTA employees and Board of Directors are committed to working collaboratively to deliver the components of the Service Plan in a timely manner to serve the mobility needs of our passengers.
- **Excellence**
Always in the pursuit of excellence, DCTA will consistently offer innovative, effective and quality public transportation alternatives that will exceed customer expectations.
- **Integrity**
It is incumbent upon DCTA employees and Board of Directors to conduct themselves in a manner that upholds the highest moral, legal and ethical standards. We are uncompromising in our commitment to truth, honesty, and openness in all relationships and interactions.
- **Respect**
We believe that all of our passengers are important and that all of our employees add value. We will treat passengers and employees with dignity and esteem.

OUR GOALS

- Safety – Passenger, Employee, Public
- Maximize service efficiency and reliability
- Maximize the effectiveness of service for DCTA's ridership markets
- Increase the visibility and elevate the image of DCTA
- Expand DCTA's services into areas where transit has a strong likelihood of success
- Coordinate regional services with other regional transportation providers
- Tie the provision of transit to land-use and the resulting demand levels
- Advocate sustainable development practices that support transit
- Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values
- Leverage state-of-the-art technology for the development of innovative transit solutions



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Denton County Transportation Authority
Texas**

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Denton County Transportation Authority, Texas for its annual budget for the fiscal year beginning October 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



AGENCY OVERVIEW



September 27, 2018

Chairman and Members of the Board:

We are pleased to present to you the Fiscal Year 2019 Operating and Capital Budget for Denton County Transportation Authority (DCTA). The Texas Transportation Code Chapter 460 requires the preparation of an annual budget. This budget was created in accordance with State law and DCTA Board policy. The budget presented is a balanced budget with current year revenues and reserve balances covering operating and capital requirements for the fiscal year.

The FY2019 Budget reflects a full year of operations for DCTA that includes commuter rail service, fixed route bus services, vanpools, paratransit demand response, general demand response, and university shuttle services. The budget is developed within the context of the Long Range Financial Plan which outlines the long-term service and infrastructure needs of the agency. This approach helps provide a financially sustainable perspective of the impact of current year decisions on future years. As future forecasts are developed, staff will continue to evaluate the agency's ability to fund major service and infrastructure priorities while balancing revenues and expenditures consistent with Board-adopted financial management policies and the Board's Strategic Planning Guidance Report which was adopted by Resolution on March 22, 2018. These can be found in the Appendix section of the document.

The Board plays a critical role in making decisions regarding the direction of the organization. The budget provides a framework for DCTA activities during the next year and serves as a source of information for the Board, staff, passengers, member cities and other stakeholders. The programs and services provided by this budget focus on attaining the vision and accomplishing the mission adopted by the Board of Directors. The budget process includes development of department objectives and performance measures that are linked to overall agency goals. These objectives and performance measures are detailed in the Division Budgets section of this budget document.

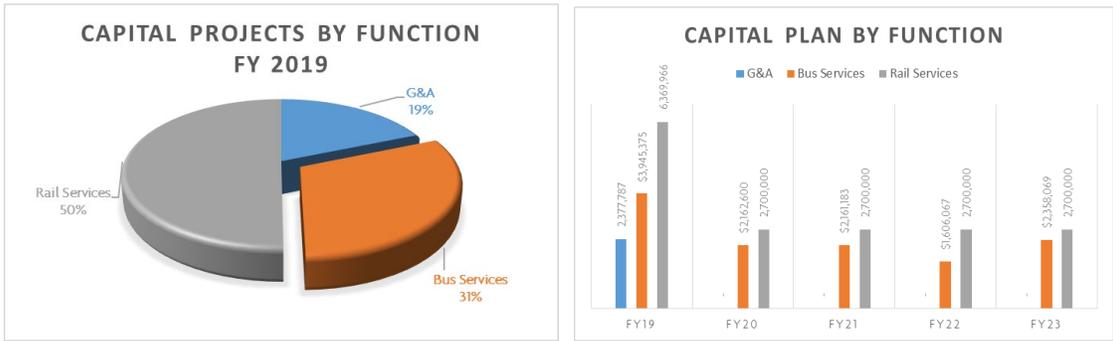
The budget process is structured to allow staff, the Finance Committee, the Board of Directors and other stakeholders adequate time for review and analysis of the key components of the budget. The initial budget process began in February with the Board Strategic Planning Session. The Board outlined its priorities in the context of the Long Range Financial Plan. The financial plan is a best practice that provides policy makers with a framework for strategic decision making. This provided the template for the development of the FY2019 budget. In May, service delivery objectives and related performance measures were defined. In the June/July timeframe, staff and the Finance Committee developed and reviewed revenue projections, operating budget, 5-year capital budget requirements as well as the impact of the budget

BUDGET MESSAGE

decisions on the Long Range Financial Plan with specific focus on the first five years. The Finance Committee forwarded the proposed budget to the full Board for review and public comment at the Board’s August meeting. The Board adopted the FY2019 Operating and Capital Budget, the updated Long Range Financial Plan and the Budget Contingency Plan at the September 2018 meeting.

Development of the budget must balance the demand for more bus and rail service and continued maintenance of facilities and infrastructure with the financial constraint of limited funding. A detailed narrative of the assumptions that build this budget is provided on pages 43- 46 of this document.

Capital projects represent a significant investment in developing and maintaining the agency’s equipment and infrastructure in a state of good repair. Preparing a five-year capital plan allows the agency to anticipate and plan for the major capital improvements that will be needed in subsequent years. It allows staff to identify alternative funding sources as well as anticipated on-going operating costs of new capital projects. DCTA anticipates spending roughly \$12.7 million on current and new capital projects for FY2019.



DCTA is committed to rail safety and is working diligently to implement Positive Train Control (PTC) by the Federal Railroad Administration (FRA) deadline of December 31, 2018. PTC was designed to prevent collisions and other incidents by automatically detecting and controlling the movement of trains. The agency is diligently working with the FRA to implement PTC within the federally mandated requirements and is currently listed by the FRA as one of the top third of public transit agencies for PTC implementation progress. All hardware has been installed and DCTA is in the process of training employees on the system. DCTA has submitted a formal application to the FRA for revenue service demonstration. The FY2019 budget includes completion of PTC implementation in early FY2019 and provides for increased ongoing rail operating costs for PTC.

Implementation Status of Commuter Rail in North Central Texas*

Commuter Line	Total Hardware Installed	Onboard (Trains) Hardware Installed	Wayside (Signals) Hardware Installed	All Spectrum Acquired?	Sufficient RSD Initiated?	Employees Trained	On Track to Meet Deadline**?	Status
DCTA's A-train	100%	11/11	121/121	N/A	No	20/50	RSD Request Submitted	✓

*Source: Federal Railroad Administration as of June 30, 2018
 **Deadline to Meet Criteria for Alternative Schedule

Excerpt from presentation at Surface Transportation Technical Committee Meeting. Status Report on Positive Train Control Implementation

BUDGET MESSAGE

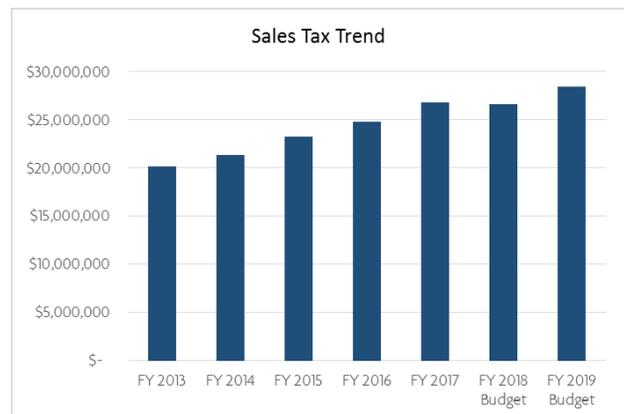
In addition to PTC, significant outlays included in the capital budget provide for scheduled bus fleet replacement, maintenance required for rail vehicles as well as the rail line, completion of the Eagle Point section of the A-train Rail Trail, infrastructure acquisition, and agency-wide safety and technology improvements.

The Board of Directors recognizes that employee satisfaction, recruitment, and retention are key to the success of the agency and the provision of high quality of service for our customers and stakeholders. Merit pay for DCTA employees and TMDC administrative and maintenance staff is included in the FY2019 budget in addition to a wage rate increase for bus operators and enhanced medical benefits for all TMDC employees. New positions approved in the FY2019 budget include a Communications Coordinator, Regulatory Compliance Officer, Bus Operations Manager (Mobility as a Service), and Bus Operations Intern. Executive Staff will assess agency needs and stakeholder requests for additional and varied service when reviewing current positions or considering the addition of new employees.

Service changes were implemented in August 2018 to enhance route connections and transfers between Denton Connect routes and the A-train and to provide more direct access to services along North Texas Xpress and University of North Texas (UNT) routes. These changes were approved with no impact to the overall budgeted operating expense.

The Dallas-Fort Worth area has continued to grow, with Texas year-to-date employment growth at 3 percent. Recently completed construction on I-35E and sustained gas prices below \$3 per gallon have contributed to a decrease in ridership from FY2017 to FY2018. DCTA implemented a promotional fare reduction for Connect (bus only) and local (bus and rail) service beginning in August 2018 to coincide with regional fare increases that were approved to provide regional fare consistency with our regional transit partners. The promotional reduction is designed to result in lower total transit fares when purchasing one local fare from each agency than the current or original regional fare equivalent. DCTA also implemented a promotion allowing area university students, faculty, and staff to ride the A-train for free. The agency will monitor ridership data over the promotional period to gauge if the fare promotions will encourage ridership. Although the FY2019 budget assumes a decrease in passenger revenues as compared to the FY2018 revised budget, overall operating revenue is projected to increase over prior year due to budgeted increases in contract service revenue. DCTA currently provides contracted service to UNT, North Central Texas College (NCTC), the City of Frisco, and the McKinney Urban Transit District.

Sales tax represents the single largest source of revenue for DCTA and is monitored closely. DCTA was originally funded with a dedicated ½ cent sales tax by voters in the cities of Denton, Lewisville and Highland Village. These three cities have seen increased sales tax revenue over prior year. As of October 2018, sales tax revenue generated in FY2018 was roughly 4.5% higher than FY2017 revenue. FY2019 sales tax is projected at a 4% increase over FY2018 projected sales tax.



BUDGET MESSAGE

DCTA has the ability to encourage prosperity and improve air quality in the communities and the region it serves. One of the challenges will be to thoughtfully and strategically address DCTA's role in transit-oriented development (TOD) around its rail stations. Hebron 121 Station, a multi-phase transit-oriented development in Lewisville, offers over 1,500 luxury apartment homes, retail space, community amenities, and is walking distance to DCTA's Hebron Station. This project serves as an example of how transit-oriented development can provide value to communities through an increased property tax base and increased sales tax from new residents in the area. Ridership at this station has increased year over year, an indication that DCTA has been able to provide a valuable service to these residents.

The North Central Texas Council of Governments (NCTCOG) serves as the Metropolitan Planning Organization (MPO) for the North Texas region. The NCTCOG's Mobility 2045 Plan guides the implementation of multimodal transportation improvements, policies, and programs in the 12-county Metropolitan Planning Area through the year 2045 and outlines projected growth for the region and the implications for transportation systems. The Mobility 2045 Plan identifies investments in rail and bus as necessary to address the region's transportation needs. As the region grows, transit will play an increasingly important role in the way people travel. The region is expected to grow from the current 7.2 million residents today to an estimated 11.2 million people by 2045. In addition, employment is expected to grow from 4.6 million to 7.0 million by 2045.

DCTA is assessing and implementing innovative mobility solutions to meet our customer and stakeholder needs and to provide enhanced regional mobility to our passengers. Unemployment has averaged 3.5% in the Metroplex over the past year, and DCTA is working with communities to match employees and employers by providing access to jobs in areas where employers are having difficulty filling positions. Staff is also analyzing areas currently served by traditional fixed-route service to determine if a more flexible service model would improve the overall customer experience.

DCTA's FY2019 Budget and Long Range Financial Plan incorporate an approach that positions the agency to help meet the future needs of the region. The challenge for DCTA will be to prioritize projects and demands for service that outpace available funding.

This budget continues DCTA's commitment to stay the course by maintaining long-term fiscally sustainable service delivery while meeting the transit needs of our rapidly growing region. Our thanks to the Finance Committee and the Board of Directors for their leadership during the entire process. We also want to recognize the outstanding work of staff as they continue to focus on Board and community priorities and providing outstanding, safe public transportation services.

Sincerely,



Raymond Suarez
CEO



Marisa Perry, CPA
Chief Financial Officer/VP of Finance

BOARD OF DIRECTORS

The Board of Directors is responsible for governance of the Authority. The Board is composed of fourteen members representing the county of Denton: one member from each municipality with a population of 17,000 or more (eight in total); three members appointed by the Denton County Commissioners Court; and three members designated by the remaining municipalities with a population of more than 500 and less than 17,000. Each member serves a term of two years, and may be reappointed. There are no term limits.



Board Chairman
Charles Emery
City of Lewisville



Board Vice Chairman
Richard Huckaby
City of Denton



Board Treasurer
Dave Kovatch
Denton County At Large



Board Secretary
Dianne Costa
City of Highland Village



Board Member
George A. Campbell
Denton County Unincorporated



Board Member
Don Hartman
Denton County Unincorporated



Board Member
Tom Winterburn
City of Corinth



Board Member
Connie White
Small Cities



Board Member
Allen Harris
City of The Colony



Board Member
Mark Miller
City of Flower Mound



Board Member
Carter Wilson
City of Frisco



Board Member
Skip Kalb
Small Cities

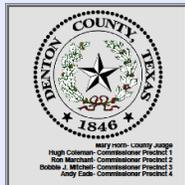
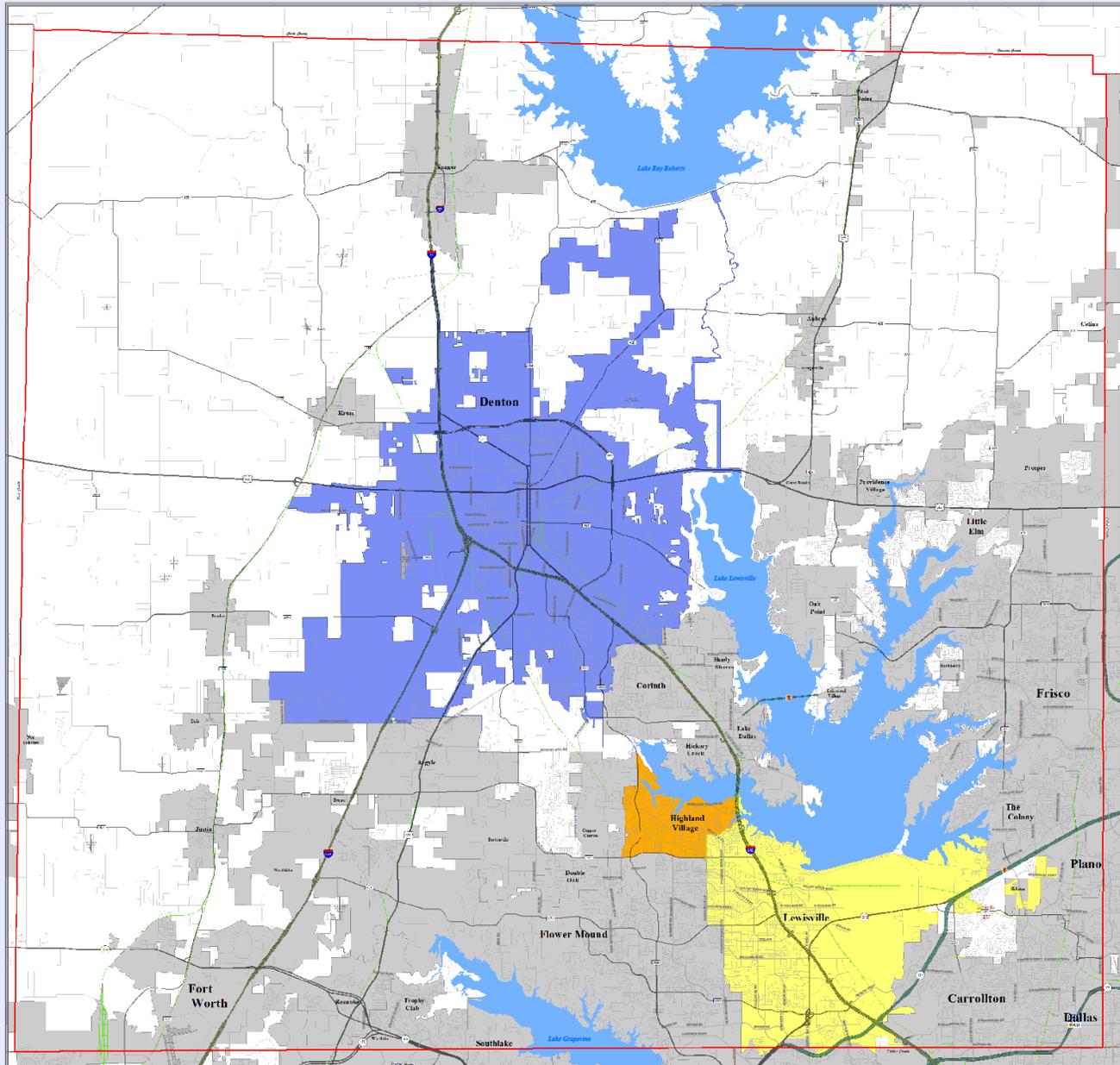


Board Member
Ron Trees
City of Little Elm

Board Member
Vacant
Small Cities

DENTON COUNTY MAP

DENTON COUNTY



INTERSTATE
 U.S. HIGHWAY
 STATE HIGHWAY
 FARM TO MARKET
 MAJOR THOROUGHFARES
 MINOR ROADS
 CEMETERY
 RAILROADS
 CREEKS
 LAKES AND PONDS
 AIRPORTS

City Population
 Denton - 190,000
 Lewisville - 100,000
 Carrollton - 100,000
 Flower Mound - 70,000
 Highland Village - 20,000
 Little Elm - 10,000
 Plano - 10,000

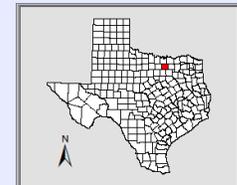
MAD 1983 StatePlane
(Zone 5301)
Texas North Central
Lambert Conformal Conic

1 inch = 1.5 miles
October 08, 2018

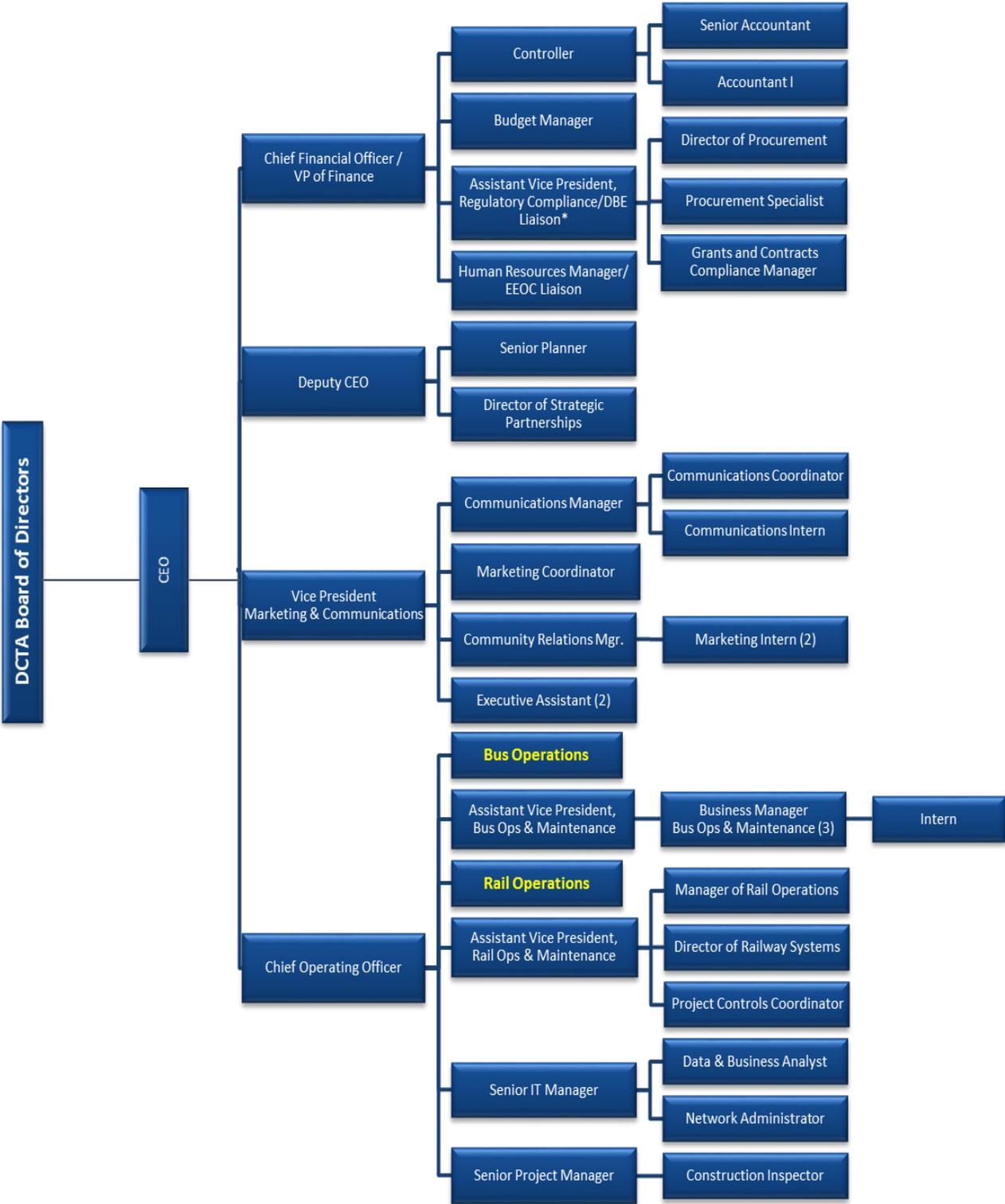
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Denton County does not guarantee the correctness or accuracy of any features on this product and assumes no responsibility if someone is harmed. This product may be revised at any time without notification to any user.

CONTACT INFORMATION
 LANDSCAPE/IT: 940.343.6000
 E-MAIL: gis@dentoncounty.com



DCTA ORGANIZATION CHART



*DBE Liaison has direct access to the President on DBE related matters

STRATEGIC PLANNING GUIDANCE REPORT

At DCTA, we're committed to providing safe, customer-focused and efficient mobility solutions. In order to accomplish this, The Board of Directors develops and adopts a Strategic Planning Guidance Report each year at the beginning of the budget development process. This report highlights our commitment to offer more alternative and innovative mobility options to improve the quality of life where residents live, work and play. In addition, the report focuses on key priorities to enable us to be a leader in advancing mobility alternatives in the many communities we serve.

DCTA BOARD OF DIRECTORS PRIORITIES

Overall Guidance

- Always place safety and regulatory compliance first; maintain transparency
- Build stronger relationship with stakeholders
- Grow ridership and improve service in Denton, Highland Village and Lewisville
- Expand focus to providing “mobility” versus delivering “public transportation” – fully consider the entire linked trip
- Shift focus from manager of assets/transportation provider to a broker of services
- Lead implementation of innovative mobility solutions
- Sustain and grow Frisco and the McKinney Urban Transit District (MUTD) services
- Continue seeking alternatives for unserved areas of Denton County and contiguous areas

Operations

- Enhance service within member cities
 - Rail service
 - Bus service
 - Innovative services
 - Added value (Office, Transit Oriented Development [TOD] and Trails)
- Growth within unserved areas of Denton County
 - Open dialogue with Flower Mound, Corinth, Little Elm, The Colony and 35W Corridor
 - Communities in southwest Denton County
 - Grow relationship with Frisco including the development of Burlington Northern Santa Fe Railway (BNSF)
 - Regular outreach
 - Develop further service options
- Expansion into Collin County
 - Grow relationships with communities along the Burlington Northern Santa Fe Railway (BNSF) corridor for future service
 - Sustain relationship with the McKinney Urban Transit District (MUTD)
 - Growth within underserved areas
- Strategic acquisition of property, property use rights and right-of-way
- Embrace technological changes

Relationships

- Sustain and build key relationships
- Key themes and messages:
 - Innovative partnerships
 - Willingness to take a leadership role
 - Communication with all stakeholders – always transparent
- Use Marketing/Communication actions to enhance relationships

People

- Match personnel growth to agency needs
- Be scalable and proactive
- Sustain a positive, supportive culture
- Build and sustain a place where people want to work
- Build a pipeline of talent for succession

Finance

- Sustain our solid position and practices
- Sustainable funding for improvements and expansion
- Retain fidelity with stakeholders
- Judicious use of agency debt

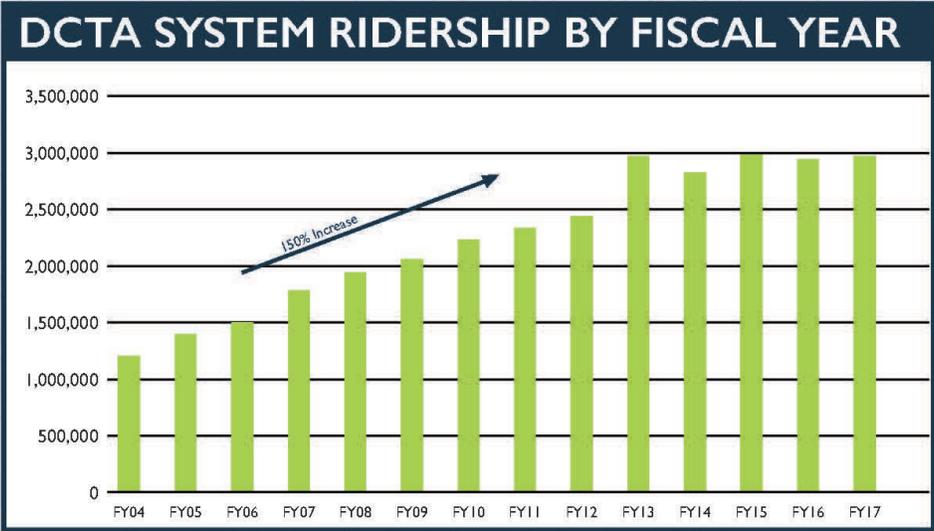
STRATEGIC PLANNING GUIDANCE REPORT

FY '17 YEAR-END REVIEW

I. Progress since FY'17 Strategic Planning Guidance Report (adopted in March 2017)

- Implemented bus service changes (consistent headways, improved coordination) in Lewisville, Denton and Highland Village
- Single Car Operations – Safe, sustained single car operation has been in place since Q2FY17
- Positive Train Control (PTC) – 100 percent of installation complete, testing pending
- Clean FY'17 financial audit
- McKinney Urban Transit District (MUTD) Coordination – Executed service contract with City of McKinney (on behalf of MUTD) for elderly/disabled service in McKinney, Celina, Prosper, Melissa and Princeton
- Frisco Service – Continued elderly/disabled service; service expanded to portions of Plano
- Strategic acquisitions initiated
- \$178,200 in federal grants beyond formula funds and 5M transportation development credits (TDCs) awarded to DCTA in FY'17
- All newly created positions filled

2. Ridership



3. Remaining Challenges

- Ridership (particularly rail) declines
- Beginning dynamic testing of Positive Train Control (PTC) system
- Completion of strategic acquisitions

*Fiscal Year: Oct. 1 - Sept. 30

STRATEGIC PLANNING GUIDANCE REPORT

SPECIFIC GOALS

Immediate Goals (within next 12 months)

- Enhance Outreach to Stakeholders
 - Conduct a forum/round table with leadership of member cities
 - Expand to include:
 - Communities along existing A-train corridor
 - Potential new member communities
 - Potential contract service areas
 - Deliver our good news in multiple forums on a regular basis
- Increase Ridership
 - Assess where our riders go and what they value
 - Develop possible service enhancements in existing service areas
 - Propose fare structure changes to improve ridership
 - Improve “first mile/last mile” connections
 - Provide regional leadership in innovative services (Transportation Network Companies [TNCs], Autonomous vehicles, etc.) to grow ridership and improve operational efficiency
 - Prepare a feasible plan to add a station near North Central Texas College (NCTC) in Corinth
- Begin Positive Train Control (PTC) Revenue Service Demonstration (RSD) no later than Dec. 31, 2018
- Execute long-term agreement with the University of North Texas
- Complete last section of the A-train Rail Trail
- Prepare initial analysis of A-train extensions north and south
- Develop legislative package to allow use of freight corridors for commuter rail
- Develop options to consider brand change/agency renaming

Short-Term Goals (within next 24 months)

- Implement safety and security enhancements
- Complete strategic acquisitions
- Facilitate development near stations that will grow ridership and property values (ex. Higher Education)
- Focused planning on east/west movement for jobs (State Highway 121 corridor commuter traffic)

Long-Term Goals (within next 2-5+ years)

- Move into permanent office space
- Implement A-train extensions
- Execute long-term agreement with Texas Women’s University (TWU)
- Implement service on Burlington Northern Santa Fe Railway (BNSF) from Belt Line to Celina

STRATEGIC PLANNING GUIDANCE REPORT

ONGOING GOALS

- Deliver our good news in multiple forums on a regular basis
- Sustain strong audit results
- Develop viable financing strategies
- Sustain a positive and supporting workplace environment
- Ensure staffing levels provide a strong “bench” and scale up as demand increases
- Implement business approach as a broker of services

TARGETED SERVICES

	ACCESS/ ELD/DIS	TNC/ON- DEMAND	VANPOOL	BUS	COMMUTER BUS	RAIL
LEWISVILLE	■	■	■	■	■	■
HIGHLAND VILLAGE	■	■	■	■	■	■
DENTON	■	■	■	■**	■	■
CORINTH	■	■	■	■*		■
LITTLE ELM	■	■	■			
FLOWER MOUND	■	■	■	■*	■	
THE COLONY	■	■	■		■	■
35W CORRIDOR	■	■			■	■
FRISCO	■	■	■		■	■
PROSPER	■	■				■
CELINA	■	■				■
MCKINNEY	■	■	■	■	■	■
MELISSA	■	■				
PRINCETON	■	■				
LOWRY CROSSING	■	■				
SW DENTON COUNTY***	■	■			■	

■ **CURRENT**
■ **ACTIVELY PURSUING**
■ **IDENTIFYING OPPORTUNITIES**
 *NCTC CONTRACT
 **INCLUDES UNT CONTRACT
 ***TROPHY CLUB, NORTH LAKE, JUSTIN, ROANOKE

STRATEGIC PLANNING GUIDANCE REPORT

ABOUT DCTA

Agency Background

- Established Under Texas Transportation Code Chapter 460 (2002)


- Supported by 1/2¢ Sales Tax from Denton, Highland Village and Lewisville (2003)


- DCTA Began Bus Service (October 2005)
A-train Began Revenue Service (June 2011)


- 14-Member Board of Directors (Appointed)



Agency Facts

<u>SERVICES</u>	22 Bus Routes A-train Commuter Rail Demand-Response Services Paratransit Services Commuter Vanpool TNC/Taxi
<u>RIDERSHIP</u>	Carried Over 2.9 Million Passengers in FY'17
<u>INNOVATION</u>	Integrated Ride Share Services Taxi Partnership Real-Time Travel Tools
<u>LEADERSHIP</u>	Financial and Transparency Awards 20 Marketing and Communications Awards in FY'17 Regional Involvement (Regional Transportation Council [RTC]/ Surface Transportation Technical Committee [STTC])

*Fiscal Year: Oct. 1 - Sept. 30

ABOUT DCTA (CONTINUED)

DCTA Value Proposition



DCTA is a well-established, efficiently-operated, and fiscally-responsible transit authority.



DCTA understands suburban communities and high-growth areas.



DCTA is leading the country with innovative on-demand mobility solutions.



DCTA offers flexible and customizable approaches to mobility.



SERVICES & ACTIVITIES

DCTA AT A GLANCE

Denton County is the 25th fastest-growing county in United States with nearly 781,000 residents, according to the U.S. Census Bureau. On November 5, 2002 Denton County approved the creation of the Denton County Transportation Authority (DCTA). DCTA is the coordinated county transportation authority for Denton County created in 2002 to advance public transportation alternatives. The agency was funded in 2003 by a dedicated ½ cent sales tax from the cities of Denton, Lewisville and Highland Village and fulfilled its initial service plan in June of 2011 with the launch of commuter rail service. In December 2011, DCTA updated its service plan to include system-wide improvements to build on the initial investments and meet the public transit needs caused by the area’s dynamic growth.

As a regional partner, the DCTA is committed to providing safe, customer focused, and efficient mobility solutions for Denton County. For the past 15 years, DCTA has accelerated innovative mobility options which have been critical to reducing traffic congestion and enhancing air quality, while contributing to orderly growth and development and improving the quality of life for the many communities the agency serves. DCTA has achieved many major milestones including:

- Launching the A-train 21-mile commuter rail service in June 2011
- Celebrating the grand opening of its new bus operations and maintenance facility in February 2014
- Partnering with the City of Frisco to launch new demand-response service in December 2015
- Implementing the first phase of the agency’s Comprehensive Operational Analysis (COA) study which provided for enhanced services in Lewisville in August 2016, new Highland Village Connect Shuttle and Community On-Demand services in April 2016, and service improvements in Denton in 2017-2018
- Signing a new long-term rail operations and maintenance contract with First Transit, Inc. in June 2016 which is one of largest contract agreements in agency history
- Launching the North Texas Xpress commuter bus service in partnership with Trinity Metro in September 2016
- Launching Collin County Transit in partnership with the City of McKinney and McKinney Urban Transit District (MUTD) to provide efficient mobility options (taxi voucher program) for participating MUTD cities including McKinney, Lowry Crossing, Melissa, Princeton and Celina in 2017
- Partnering with Lyft to provide “last mile” connection within a specific geo-coded area for Highland Village and portions of Lewisville in January 2018
- Joining the Frisco Transportation Management Association (TMA) in May 2018 to improve connectivity in the City of Frisco’s “North Platinum Corridor” which led to a partnership with California-based drive.ai for the launch of a driverless car pilot program in the City of Frisco. This program marks the first time members of the public will have access to an on-demand self-driving car service on public roads.

DCTA operates a 21-mile A-train commuter rail system, 11 fixed routes in Denton and Lewisville, Highland Village Connect Shuttle, Access service, campus shuttle service supporting the University of North Texas (UNT) campus and North Central Texas Community College (NCTC), vanpool services, demand response/paratransit services in Frisco, North Texas Xpress commuter bus service in partnership with Trinity Metro and Collin County Transit taxi voucher service. The agency’s 58 peak bus vehicles, four peak rail vehicles, 36.75 direct employees and 194 third party contract employees serve roughly three million passengers annually.

SERVICES & ACTIVITIES

DCTA serves three higher-education institutions, connects with the regional transit network and serves key employment, healthcare, retail and government centers. The system also includes the A-train Rail Trail that parallels the A-train rail line. The A-train Rail Trail will connect all five of the DCTA rail stations and link with trail systems of cities along the A-train corridor once completed in 2019.

SAFETY

DCTA's policies, procedures, services, employee training and professional development are focused on the goal of creating and maintaining a culture grounded in the principles of safety and security. The agency's commitment to safety includes investments in design, equipment, training, and community education. These investments have contributed to DCTA successfully and consistently meeting annual agency goals for safe operations. This resulted in zero FRA reportable injuries during the construction phase of the A-train project, and as of September 2018 has led to 583 days to date without a reportable occupational injury in rail operations.

In 2011, DCTA completed construction of the A-train project, the 21-mile commuter rail line which, in addition to the already existing bus service, was the central element of the agency's initial service plan. Recognizing this was a major construction project that would initiate rail service in areas unfamiliar with commuter rail, DCTA and its contractors placed a strong emphasis on safety through design, occupational training, enforcement and community education. DCTA invested in programs that trained 1,000 first responders on rail vehicle critical response techniques and educated more than 12,000 citizens about rail safety with the agency's Rail Ready program, which is based on Operation Lifesaver's rail safety message.

DCTA's efforts, in partnership with the Federal Railroad Administration (FRA) and the vehicle manufacturer, to operate the nation's first alternative crashworthiness compliant diesel multiple unit (DMU) demonstrates not only the agency's commitment to increased safety for its passengers and operators, but also to improving safety for the commuter rail industry. DCTA's Stadler GTW is an articulated railcar that combines modern European safety engineering measures such as enhanced braking systems and crash energy management with stringent U.S. federal regulatory standards.

In 2014, DCTA completed construction of its new bus operations and maintenance facility funded through FTA's State of Good Repair program. The new building replaced the agency's previously leased facility which consisted of temporary administrative offices, maintenance bays and a bus wash bay shared with local sanitation fleet. The new bus operations and maintenance facility decreases the risk posed by occupational safety hazards that existed in the leased facilities. Safety elements incorporated into the new facility include improved lighting, signage, fire protection, fencing, non-slip surfaces, and key-card access to secure facilities including vehicle parking.

The Rail Safety Improvement Act ("RSIA") of 2008 enacted by the United States Congress and implemented by the FRA includes among its many provisions the requirement that Positive Train Control ("PTC") be implemented. In October of 2015, DCTA awarded a contract for the design, implementation, testing and commissioning of an Enhanced Automatic Train Control (E-ATC) rail safety enhancement system to meet RSIA safety requirements by the federally mandated deadline of December 2018. This will provide DCTA with an enhanced onboard equipment and wayside signal system to protect against over speed operation, switches improperly lined, train to train collision, and incursion into a work zone.

SERVICES & ACTIVITIES

DCTA is committed to rail safety and is working diligently to implement PTC by the FRA deadline of December 31, 2018. All wayside (signal) and onboard (on the car) equipment was installed by January 2018. DCTA completed static testing; and dynamic testing has been ongoing since July 22, 2018. DCTA is the first public transit agency in Texas to begin testing on PTC.

OPERATIONS

Guided by the agency's mission to provide safe, customer focused, and efficient mobility solutions for Denton County, DCTA has built ridership on the bus and rail services with the intent of maintaining and building a system that operates as safely and efficiently as possible.

DCTA closely monitors its system performance and provides monthly statistical performance reports to its Board of Directors. The transit network currently averages 96 percent on-time performance. DCTA monitors each route by reviewing passengers per-mile, passengers per-hour, total ridership per-month and numerous financial indicators to identify high and low performing areas. Those areas are then further reviewed every six months for adjustment or corrective action. DCTA also closely monitors street repairs and has developed alternative route options to minimize impacts to operations.

When launching the A-train, DCTA collaborated with regional partners to share resources and gain greater operating efficiencies. This resulted in a joint contract for operations and maintenance through a partnership with the Dallas Area Rapid Transit (DART) and Trinity Railway Express (TRE) for the first four (4) years of operation. Factors impacting DCTA's decision included the aggressive timeline for service implementation, a constrained operating budget, the need to maintain the initial fleet and right-of-way leased from DART and the existing relationship among DART, the Fort Worth Transportation Authority (The T), now Trinity Metro and Herzog Transit Services. Shared overhead allowed DCTA to provide more direct service. DCTA constructed a state-of-the-art rail facility equipped to serve as a regional maintenance and back-up dispatch facility to other regional dispatch centers.

DCTA's selection of the Stadler GTW DMU over traditional commuter rail vehicles offers more efficient operations and smoother travel for passengers. Furthermore, GTWs have better braking and acceleration abilities allowing for shorter headways and improved travel time for DCTA passengers.

In June 2016, DCTA awarded a new rail and operations maintenance contract to First Transit to operate and maintain the agency's A-train commuter rail line. The contract agreement, effective October 1, 2016, covers a period of nine years with an additional five-year option. In November 2016, First Transit received the International Standards Organization (ISO) 9001:2015 Quality Management System (QMS) certification for its first rail operation in North America for operation and maintenance of DCTA's A-train.

CUSTOMER SERVICE

DCTA believes all customers are important. According to the agency's 2017 Passenger Survey, DCTA received a 91 percent 'good to excellent' review for employee service. To maintain service excellence, DCTA actively seeks better tools to engage customers, improve the passenger experience, foster a positive work environment and expand transit's influence throughout the region.

A key addition to DCTA customer service was the construction and opening of the Downtown Denton Transit Center (DDTC) in January of 2011. The facility is staffed by on-site customer service representatives assisting with ticket sales, train and bus schedules and general information requests. It includes an indoor passenger waiting area, public restrooms, bus platform, passenger shelter and

SERVICES & ACTIVITIES

windbreakers. The transit center also offers free Wi-Fi, conference and community rooms, climate-controlled waiting area with cable TV, vending machines and a covered patio often used as a free entertainment venue.

Improved use of technology is key to customer communications. In 2012, DCTA implemented GOREquest, a web-based and smartphone application that allows customers to communicate with DCTA offering suggestions, commendations and complaints. The comments are monitored by management, logged and tracked to completion with a required seven-day resolution time. 95 percent of issues are resolved within two days.

In January 2015, DCTA launched *Where's My Ride* – a vehicle tracking tool that provides real-time travel information to passengers. *Where's My Ride* helped passengers access the DCTA system more easily by allowing them to obtain predictive arrival information for the next bus or train at a particular stop location via mobile application, SMS text alert, interactive voice response or through an online portal.

DCTA provides passengers with up-to-date service information in the form of Rider Alerts to help keep them informed of any detours, delays, etc. In October 2016, the agency launched GovDelivery, a new email Rider Alert email subscription service, with enhanced features that allows riders to customize the Rider Alerts they receive. The new system also features back-end reporting which identifies service data and trends that can help the agency improve services and enhance the passenger experience.

In September 2017, DCTA replaced its *Where's My Ride* tracking tool with the new Transit Tracker system – a comprehensive vehicle tracking system that provides passengers with access to real-time information for the DCTA A-train, fixed-route bus and shuttle services. Passengers can track vehicles via phone, online, text and free mobile application. The new system includes enhanced functionality and real-time data from the previous *Where's My Ride* tracking tool.

FINANCIAL MANAGEMENT

DCTA understands a strong financial management plan should focus on building financial integrity and a financially sustainable transit agency. DCTA's Long Range Financial Planning process, initially adopted in 2009, is supported by Financial Management Policies, a Long Range Financial Plan and the Long Range Service Plan. The Long Range Financial Plan sets the framework for the annual budget process and includes a five-year operating and capital plan and a forecasted 20-year planning horizon consistent with the Long Range Service Plan. DCTA is committed to staying the course in its commitment to long-term fiscal stability and sustainability.

As part of the annual budget process and in collaboration with the management team and the Finance Committee, decisions are evaluated to determine the impact of service enhancements and changes on the 20-year financial plan. These decisions include impact of both the up-front and on-going operating cost of new or existing capital projects and the impact of any funding requirements, impact of new services or changes in service levels, changes in economic environment, increase in costs, and/or impacts to revenues. The Long Range Financial Plan incorporates the projected sources and uses of funds. Revenues include fare box revenues, grants, sales tax and anticipated debt issuance. Expenditures include current operating expenditures, capital projects and on-going operating expense associated with the project (if any), and debt service requirements.

DCTA has received the Distinguished Budget Award and the Certificate for Excellence in Financial Reporting from the Government Financial Officers of America (GFOA) as well as the Texas State Comptroller's Leadership Circle Silver and Platinum Award. The Leadership Circle award recognizes

SERVICES & ACTIVITIES

governmental entities across Texas striving to meet a high standard for financial transparency online. In 2015, DCTA was only one of two transit agencies in Texas to receive the Platinum Award.

In August 2018, DCTA was awarded the prestigious Annual Achievement of Excellence in Procurement® (AEP) award from the National Procurement Institute, Inc. (NPI) for the third year in a row. This award highlights the innovation, professionalism, e-procurement, productivity, and leadership in the DCTA procurement function.

DCTA's major revenue source, sales tax, continues to trend upward. Sales tax revenues were \$43.7 million in FY '17 compared to \$24.6 million in FY '16. Total revenues were \$43.7 million in FY '17 compared to \$40.5 million in FY '16. Despite strong sales tax growth, DCTA faces challenges in healthcare costs, low interest rates impacting investment earnings, and funding for the increased demand for the expansion of services. In addition, the changing landscape with consumers migrating to on-line purchases from the traditional brick and mortar retail stores could impact local sales tax.

Population and job growth continue to drive the demand for a transit system that can provide residents with access to jobs, medical care, education and recreation activities, and DCTA must be positioned to address this demand.

ENVIRONMENTAL SUSTAINABILITY

As a transit provider in an ozone non-attainment area, DCTA is committed to smarter environmental practices that reduce emissions, lead to smarter land-use and provide a cleaner environment for residents. DCTA partners with the North Central Texas Council of Governments (NCTCOG) to encourage residents to improve air quality by utilizing alternate forms of transportation. In addition, the agency partnered with NCTCOG on the implementation of a Clean Fleet and Idling Reduction Program, which outlines DCTA's commitment to purchasing only newly manufactured vehicles and decreasing vehicle idling to the minimum necessary to operate service.

DCTA promotes ridesharing and use of other transportation alternatives. In July of 2011, DCTA began its first Commuter Vanpool program, which has now grown to 33 active vanpools. As part of the A-train project, DCTA constructed an eight-mile bicycle/pedestrian trail which connects residential properties and businesses to the A-train and the bus network. In 2016, DCTA completed construction of the first of two phases of the A-train Rail Trail that connects the train alignment with a complementary bike/pedestrian facility in Lewisville. Once completed, this trail will connect with planned and existing trails in five municipalities and complete a portion of the Regional Veloweb.

One of DCTA's biggest achievements for environmental sustainability was its partnership with the FRA in June 2012 to operate Swiss-made Stadler GTW vehicles on the same tracks as freight trains. This allowed light-weight/fuel efficient, eco-friendly low-floor vehicles to operate in rail corridors concurrently with traditionally compliant vehicles. The Stadler GTW DMU vehicles have improved fuel efficiency over the previous rail diesel car (RDC) vehicles DCTA leased and have level boarding which greatly enhances passenger access and minimizes the dwell time at stations.

DCTA recently completed the A-train station landscaping project which included replacing non-native plants with native and drought tolerant plants at Highland Village/Lewisville Lake, Old Town, Hebron Station and MedPark. The new plants will be easier for DCTA to maintain and will lower watering costs. In addition to replacing plants, DCTA also installed new watering systems. The new tree ring drip irrigation applies water slowly and only where it's needed – at the plant's roots. The total project cost \$419,000.

SERVICES & ACTIVITIES

WORKFORCE DEVELOPMENT

DCTA recognizes that a key to maintaining a high-level of satisfaction with external customers is by addressing the needs of internal customers. Employee satisfaction has a direct correlation to employee costs and efficiencies. Continuous quality education and training as well as employee satisfaction are major factors for individual advancement and corporate success. DCTA offers development opportunities throughout all levels of the organization to provide a knowledgeable and well-trained workforce dedicated to meeting the growing needs of the community. DCTA encourages and funds participation in industry training, conferences, professional organizations and career advancement opportunities. The agency also provides flexible work hours for the employee to support training and career development. Bus operations staff is given class instruction quarterly on driving techniques and defensive driving. In addition, each bus and rail operator conducts regular “ride-alongs” which are reviewed by management.

DCTA also focuses on career advancement for its current employees and workforce development for future public sector employees. Most supervisors and administrative staff on the operations team began as bus and rail operators. Staff is also encouraged to seek additional education opportunities and to interface with operators daily. Employees are made aware of attendance rules regularly and a “point” system is in place to measure attendance records. In addition, DCTA executive management holds monthly governance meetings with First Transit Management bus staff to communicate expectations and review performance metrics.

In 2016, DCTA completed a market study to review its compensation and benefits structure to ensure that its pay-scale system for employees was competitive with the market and peer agency benchmarks. The Board of Directors has established a policy that a comprehensive compensation and benefits study will be conducted every three years to maintain a competitive structure. This will allow any changes to be addressed as part of the budget process. A tuition reimbursement program was established in 2015 to assist employees interested in pursuing a higher education.

DCTA also teams with local graduate programs by providing paid internships for students interested in transportation, marketing, finance, planning, operations and public administration.

DIVERSITY

DCTA is committed to promoting diversity by developing policies and programs that support diversity and promote inclusiveness in both its hiring practices and delivery of transit services. DCTA works with the local community, social service agencies and workforce commissions to recruit minorities, women and veterans.

DCTA and its contractors have clear policies and practices to recruit, hire, train and promote employees without discrimination based on race, religion, color, political affiliation, physical or mental disability, national origin, sex, marital status, age, sexual orientation, gender identification, or membership or non-membership in any employee association. DCTA abides by all state and federal regulations regarding employment discrimination.

The agency has also established a Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) program to encourage the use of small and disadvantaged businesses in contracting opportunities. DCTA works with contractors to identify DBE/SBEs available in the local area to perform as subcontractors and encourages the use of small firms in performance of the contracts. The \$193 million A-train track construction project exceeded the agency diversity goal which resulted in nearly \$40 million being awarded to disadvantaged businesses.

SERVICES & ACTIVITIES

MARKETING

Marketing and communications efforts by DCTA have focused on attracting and retaining riders and demonstrating the benefits of investing in a public transit system. The agency's main marketing and communications objectives are to promote and enhance the organization's brand identity through effective marketing, advertising, communications, and public relations efforts to help increase ridership and brand awareness, enhance the agency's image and garner customer loyalty.

DCTA's marketing and communications efforts have focused on implementing new marketing campaigns, increasing communications, expanding community outreach efforts, enhancing customer service requirements and instituting cost-effective new technology. Below are specific campaigns and projects in FY '18 that have helped increase DCTA brand awareness and promote ridership:

- For the first time in agency history, DCTA took part in the State Fair of Texas' consignment program in 2017 to be a ticket consignment outlet and provided a special ticket combo package in which fair goers could purchase an adult fair ticket through DCTA and receive a 25 percent discount on a regional day pass (\$20.50 total for a ticket combo package). The agency successfully sold 227 ticket combo packages and plans to offer it again during the 2018 State Fair of Texas.
- DCTA revamped the agency's Shaping our Future campaign in March 2018 which consisted of the following promotional tie-ins: Antero Group study (highlighting DCTA's A-train benefits), FY'18 Strategic Planning Guidance Report, innovative mobility partnerships and programs, future service areas and the recent Comprehensive Operational Analysis (COA). DCTA promoted this campaign with revamped website content, social media and digital marketing and advertising, video and infographics development and media relations efforts which led to nearly 175,000 impressions and 850 engagements for social media and five media articles secured with 124,979 impressions.
- In March 2018, DCTA revamped its safety campaign with a musical theme of "At DCTA, your safety is music to our ears" to better engage with riders and promote engaging safety content so people pay attention to the campaign messaging. Promotional efforts included vehicle and facility signage, video development, social media and digital marketing. Since the campaign launched, there have been nearly 450 page views to the new web page (previous safety campaign had only 118 total page views in FY'17).
- DCTA began utilizing key social media influencers to better connect authentically with riders which led to a successful 2017 State Fair of Texas social media contest in which 108 people participated (highest contest participation in agency history for user-generated content request). These influencer marketing efforts have resulted in numerous public transit industry and marketing awards.
- DCTA successfully launched a new website in August 2018 with more user-friendly features including a responsive design for both desktop and mobile, enhanced trip planner, new comprehensive media center, PCI compliant ticket store/cart and more valuable content in a reader-friendly format.
- Successfully garnered more than 650 media articles in local, regional, state and national press coverage for DCTA through strategic media relations efforts.

In addition to its own marketing efforts, the agency's marketing and communications department collaborates with various community partners, stakeholders and higher-education institutions to further promote the DCTA brand and help increase ridership. DCTA's marketing and communications efforts

SERVICES & ACTIVITIES

have been recognized with Stevie Business Awards, Hermes Creative Awards, Marcom Awards, Videographer Awards, dotComm Awards, Ragan Communications Awards, DFW American Marketing Association (AMA) Marketing of the Year Awards, Public Relations Southwest Transit Association (SWTA) Spotlight Awards and American Public Transportation Association (APTA) AdWheel Awards and featured in public transportation industry media outlets.

POLICY AND ADMINISTRATION

DCTA's policies and administration, led by its Board of Directors and President, have created a safe, efficient and financially stable transit operation. DCTA staff work under the direction of the President and executive management team representing operations, finance and administration, capital planning, marketing and service development. Transit services for both bus and rail operations are provided through contracts with First Transit.

DCTA has adopted a set of policies to demonstrate accountability to the public and guide investments and service planning. The agency's financial management policies safeguard the fiscal stability and resiliency required to achieve the agency's goals and objectives. The policies have established a fund balance reserve for unanticipated emergencies, a sales tax stabilization fund, fuel stabilization, and a capital/infrastructure reserve. In addition, the policies outline the process for evaluating revenue forecasts, contracts for service and the requirement for a budget contingency plan to provide a framework for decision making should an economic downturn occur. Other processes included are accounting and financial reporting, budget development, purchasing, cost allocation, debt management and investments.

In December 2011, the Board of Directors adopted an updated Long Range Service Plan which outlined a series of recommendations for improvements to the existing system, opportunities for expansion of the existing system, and other corridors warranting transit service over the next 25 years. The plan will serve as a road map guiding DCTA's service planning, capital improvement program and financial planning through 2035. In March 2018, the Board adopted the new Strategic Planning Guidance Report which focuses on key priorities and goals to enable DCTA to be a leader in advancing mobility alternatives in the many communities the agency serves.

COMMUNITY RELATIONS

DCTA understands the importance of developing and maintaining strong relationships with its surrounding communities. From 2011 to present time, DCTA has participated in more than 400 community events and hosted more than 100 events and community meetings reaching nearly 885,000 individuals. To help promote positive relationships, DCTA has developed and participated in various efforts to improve the quality of life for Denton County residents and the North Texas Region, including:

- For the past five years, DCTA's organizational efforts to advance mobility and improve the quality of life for its communities have been recognized by the North Texas Commission Transportation Excellence Award, North Texas Clean Air Coalition, Lewisville Area Chamber of Commerce, North Central Texas Council of Governments and the Denton Economic Partnership.
- DCTA continues to educate the public on how to ride transit and to assist with transitioning eligible demand response users to fixed-route service through its travel training program.

SERVICES & ACTIVITIES

- Staff has established relationships with businesses to create leads for DCTA's Corporate Pass Program and In-transit Marketing Program with further execution efforts planned for Fiscal Year 2019.
- DCTA has been an advocate of regional partnerships since its inception. As a result of the agency's positive reputation and the advocacy efforts of its Chairman, DCTA's Chairman and President were tasked by the Regional Transportation Council to form and lead the North Texas Regional Rail Alliance to foster, coordinate and advance regional rail projects in North Texas.

SERVICES

COMMUTER RAIL SERVICE: A-train

The A-train connects Denton County and Dallas County and has five A-train stations, two in Denton and three in Lewisville, and connects with the DART Green Line at their Trinity Mills Station in Carrollton. DCTA's A-train connects Denton County residents with many destinations served by DART, Trinity Rail Express (TRE) and Trinity Metro.

A regional rail system has been the overarching goal of DCTA since its inception. DCTA and Denton County leaders and residents recognized the need for such a system based upon projected population and employment growth; growing traffic congestion; air quality concerns; and the need to improve access to Denton County's health care facilities, employment centers, retail and entertainment opportunities and higher education campuses.

The A-train carried 8,300 passengers on its first day of service in June 2011. The A-train runs along the former Missouri-Kansas-Texas Railroad (MKT) line parallel to Interstate 35E. This regional rail line includes an adjacent bicycle and pedestrian path to provide further transportation options for the people of Denton County.

DCTA is committed to rail safety and is working diligently to implement positive train control (PTC) by the FRA deadline of December 31, 2018. In November 2015, DCTA awarded a contract to the GE Transportation Systems/Alstom (GE/Alstom) for implementation of an Enhanced Automatic Train Control system (E-ATC) system. DCTA is managing the project with internal staff, an independent Chief Technical Architect and one project manager to oversee the Alstom implementation. The project is expected to be in revenue service demonstration by the December 31, 2018 deadline. Revenue service demonstration is defined as PTC data collection under normal operating conditions (passenger service).

SERVICES & ACTIVITIES

**BENEFITS OF TRANSIT**

DCTA is keeping Denton County open for business. Since opening in 2011, our A-train commuter rail service has attracted new professionals and businesses, spurred new market investment, and expanded the countywide tax base while providing an alternative form of transportation to address air quality and cost-of-living. In addition to other countywide strengths, including a high quality of life, skilled workforce and a welcoming environment to new land development, the A-train has helped to build the local economy.

With the assistance of The Antero Group, an innovative and nationally recognized planning and engineering consulting firm, DCTA leveraged local and national statistical sources and conducted case studies of local transit-oriented development to share the business case for transit in Denton County.

SERVICES & ACTIVITIES

The following are some major findings from this research:



Increases the Tax Base

The A-train has spurred real estate development, brought new residents into the county, and added more retail space, all of which have boosted the tax base of its member cities:

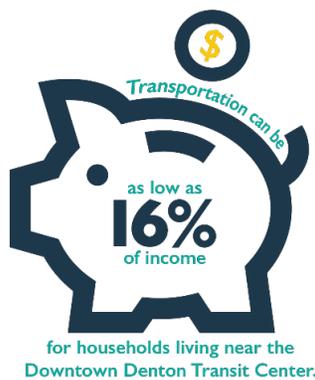
- \$11.8M in new property and sales tax revenue for DCTA member cities

Attracts New Professionals

DCTA service helps Denton County attract upwardly mobile professionals and young earners that want to drive less frequently and commute by transit more. Since the A-train opened in 2011:

- 1 out of 3 new residents within one half mile of the A-train is under the age of 35

48 percent of transit commutes have come from professionals earning more than \$65,000 per year



Reduces the Cost of Living

Transportation is the second highest household cost after housing. The A-train has spurred development in places where residents can take transit, walk, or bike more frequently.

- Transportation costs the typical county residents 22 percent of income every year

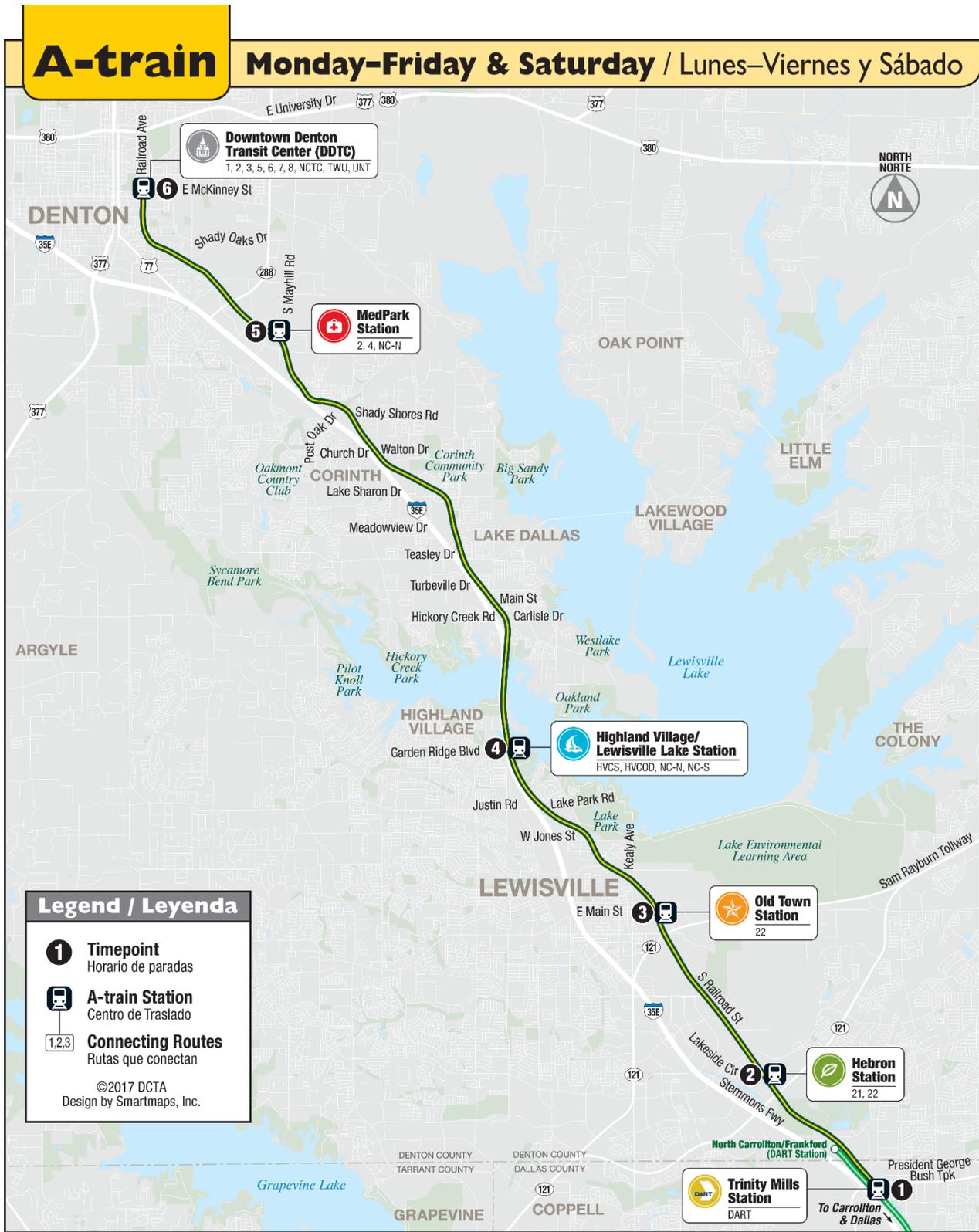
Supports Cleaner Air

Automobile transportation plays a role in producing the emissions that affect countywide air quality, but the A-train helps mitigate these by creating an environment where residents can drive less. For instance, a household at Hebron 121 produces: 1.66 fewer tons of NOx and 0.32 fewer tons of VOC per year

CONGESTION IS INCREASING IN DENTON COUNTY



SERVICE AREA MAP - A-TRAIN



SERVICES & ACTIVITIES

BUS OPERATIONS

LOCAL FIXED - ROUTE SERVICES:

Passengers have connections to many destinations within Denton and Lewisville via DCTA Connect, the agency's local fixed-route bus service.

In Denton, passengers travel any of 8 routes Monday through Saturday to reach stops such as City Hall, hospitals, retail and grocery stores, and educational institutions including the University of North Texas (UNT) and Texas Woman's University (TWU), as well as schools within the Denton Independent School District (DISD).

In Lewisville, residents use two DCTA Connect routes Monday through Saturday to reach places such as City Hall, shopping centers, schools, and social service agencies.

CONNECT SHUTTLE:

DCTA provides peak-period bus service in Highland Village. The Connect Shuttle operates Monday through Friday from 5 a.m. to 10 a.m. and 3 p.m. to 9 p.m. Passengers who ride the Connect Shuttle can also connect to other DCTA services such as the A-train commuter rail, Lewisville Connect Bus service and North Central Texas College (NCTC) Campus Shuttle.

CAMPUS SHUTTLES:

DCTA offers low-cost, safe and reliable transportation services to the Denton County campuses of NCTC, UNT and TWU.

- **NCTC:** The NCTC Campus Shuttle is a DCTA service offered in partnership with NCTC to provide shuttle service to the Corinth and Flower Mound campuses, as well as connectivity between Denton and Lewisville.
- **UNT:** The UNT Campus Shuttle is a DCTA service offered in partnership with UNT to provide direct shuttle service to the Denton campus and off campus student-oriented housing. Denton Connect Routes 7 and 8 serve UNT from the Downtown Denton Transit Center (DDTC).
- **TWU:** Students may use DCTA Connect Bus service and are able to purchase discounted Connect passes exclusively at the TWU Student Union (room 209). Denton Connect Routes 5 and 6 serve the area around TWU from the DDTC.



SERVICES & ACTIVITIES

PARATRANSIT & DEMAND-RESPONSE SERVICE:

The DCTA Access service offers curb to curb Americans with Disabilities (ADA) paratransit service in Denton and Lewisville and elderly and disabled demand-response (Non-ADA) service for the residents of Denton, Lewisville, and Highland Village. Access passengers can schedule trips to begin and end within one of the two Access service zones. ADA paratransit service is provided by DCTA for customers traveling within $\frac{3}{4}$ -mile from the Connect local fixed-routes and is available to those with ADA eligibility. Reservations are accepted up to seven days in advance.

DCTA began curb-to-curb demand-response transit service in Frisco in 2016. This is for eligible passengers for trips originating within Frisco's incorporated limits to destinations located in Frisco, McKinney and Allen. The agency operates Frisco demand-response service Monday through Friday from 6 a.m. to 6 p.m. The agency introduced a taxi voucher program in the City of Frisco in March 2018 for eligible residents.

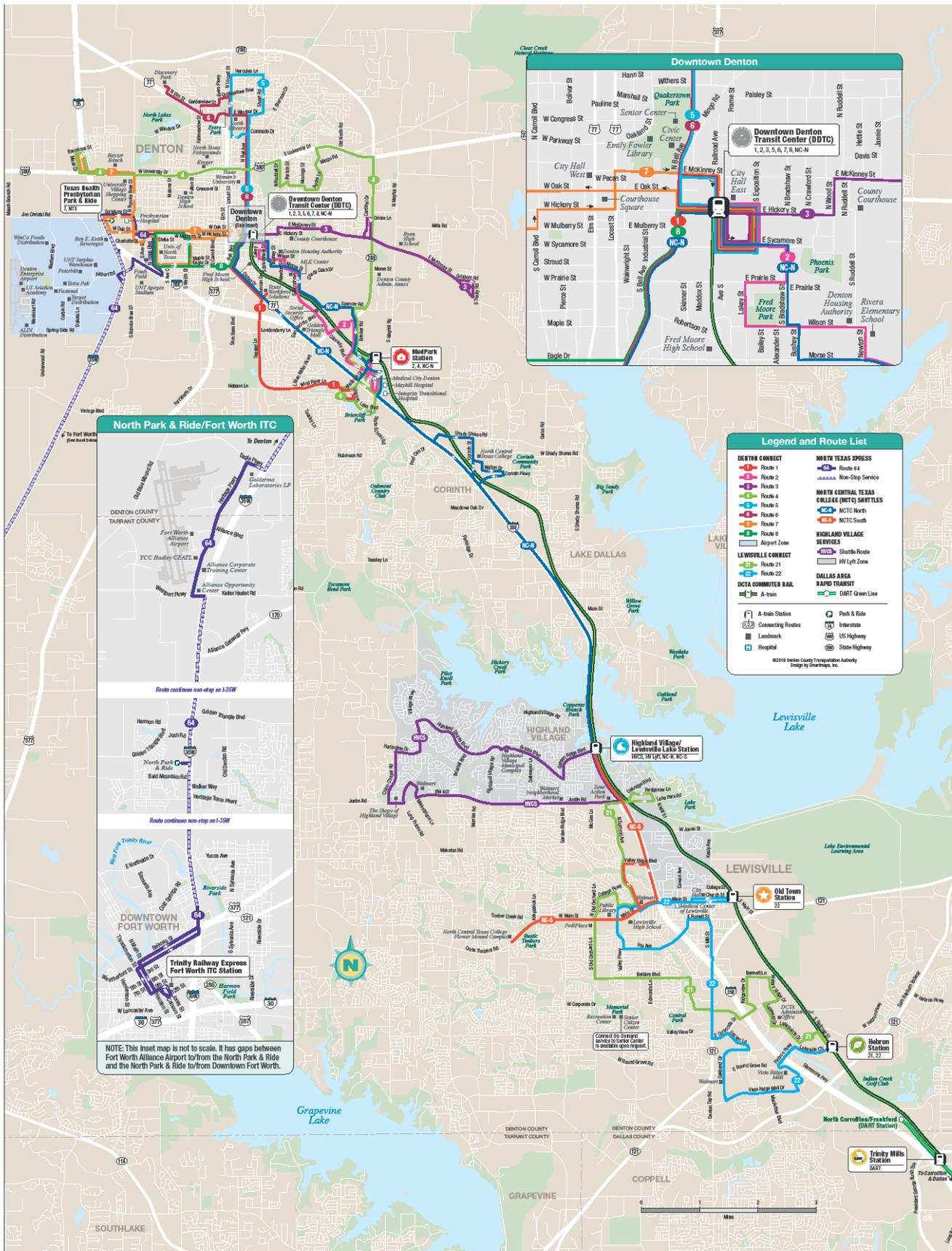
In June 2017, the City of McKinney, the McKinney Urban Transit District (MUTD) and DCTA partnered together to launch Collin County Transit. This service consists of a subsidized taxi voucher program that provides efficient transit options for participating MUTD cities including McKinney, Lowry Crossing, Melissa, Princeton and Celina.

VANPOOLS:

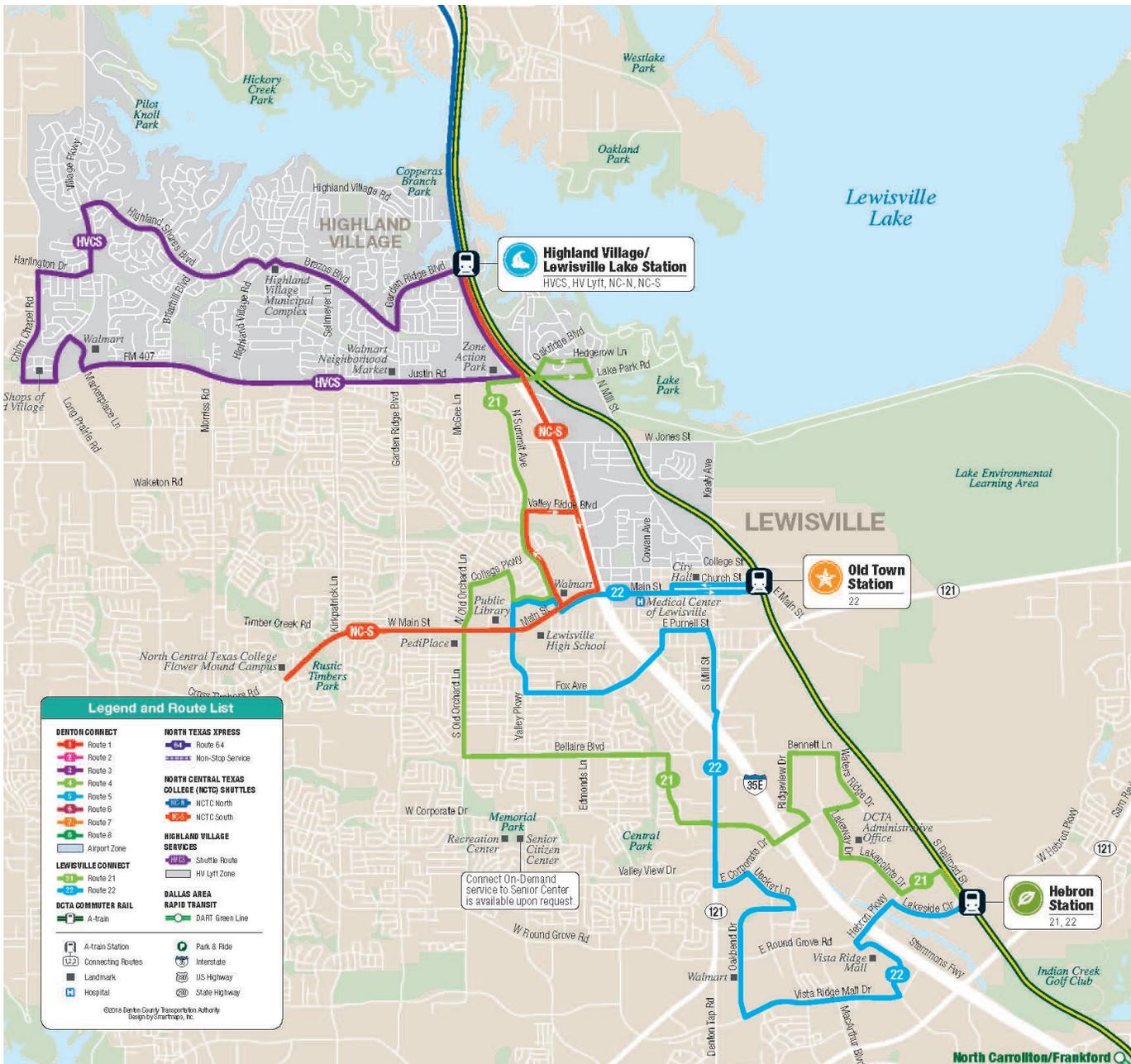
Commuter Vanpools are an additional DCTA service which provides a comfortable, cost-effective and convenient way to get to work. Vanpools are ideal for groups of five to 15 people who live or work in Denton County. DCTA provides funding for half of all vanpool costs, providing a low cost commuting alternative. Additionally, DCTA will assist interested commuters with finding an active vanpool in their area.



SYSTEM-WIDE MAP



SYSTEM-WIDE MAP - HIGHLAND VILLAGE & LEWISVILLE





OPERATING BUDGET SUMMARY

BUDGET PROCESS

BASIS OF ACCOUNTING AND FINANCIAL PRINCIPLES

DCTA is accounted for as a single entity enterprise fund and is required to report financial results in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidance. Enterprise Funds account for operations that are financed and operated in a manner similar to private business. The intent of DCTA is that the costs (expenses, including depreciation) of providing transit services to the general public will be financed through a combination of farebox revenue, sales tax, and other grants. The governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. DCTA uses the accrual basis of accounting for the audited financial statements, external reporting, and internally for budgeting. Under this method, revenues are budgeted in the period that they are earned and expenses are budgeted in the period in which the liability or benefit is expected.

BUDGET PREPARATION

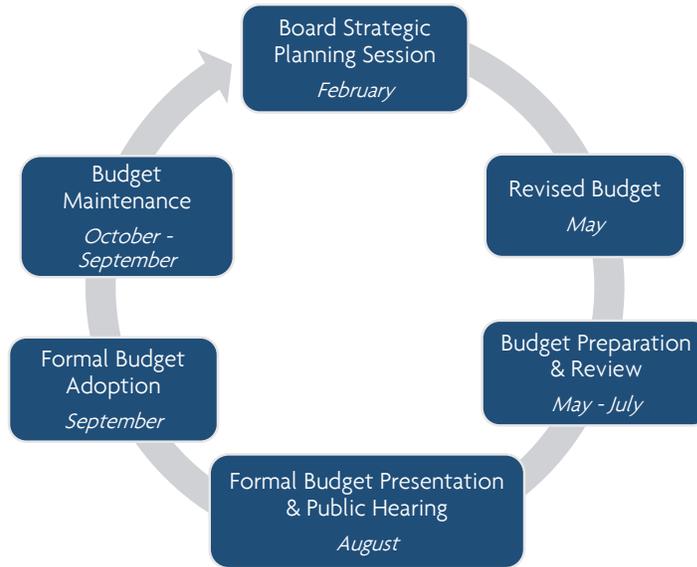
Development of a comprehensive operating and capital budget requires a very active and participative process between DCTA staff, Board and the public. The development process is outlined below:

1. **Goals, Objectives and Performance Measures**
Development of overall agency goals and corresponding department objectives and performance measures for the upcoming fiscal year.
2. **Revenue Projections**
Staff identifies the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.
3. **Operating Expenses and Expanded Level Projects**
The base operating budget which maintains the current service level is identified. Any new projects, plans for expansion, or increased service delivery that are above and beyond current service level are proposed as an Expanded Level Project. These are expenses that are generally classified as “one-time” or “out of the ordinary” expenses. Once all of the Expanded Level Projects are identified and ranked, executive staff reviews all requests and determines which projects would best address the agency’s needs and will be included in the operating budget.
4. **Capital Budget and Five Year Capital Plan**
The next step in completing the budget is determining the capital budget and Five Year Capital Plan for the agency which is consistent with the previously established agency goals and community needs, both current and future.
5. **Long Range Financial Plan**
Once the operating & capital budget components have been identified, the Budget Manager incorporates all aspects into the Long Range Financial Plan. This allows staff to ensure that all programs are sustainable and within our financial limits.
6. **Staff then takes the comprehensive operating & capital budget, along with the Long Range Financial Plan to the Finance Committee of the Board of Directors for a budget workshop to review and comment. Once staff incorporates any changes received, the proposed budget is then presented in August to the full Board and open for public comment. In September, the proposed budget is then formally adopted by the Board.**
7. **The adopted budget is enacted with the beginning of the new fiscal year on October 1st.**

BUDGET PROCESS

BUDGET CALENDAR

The budget calendar allows DCTA to develop and implement a set of processes that will facilitate the creation, review, modification and adoption of a proposed budget. The budget calendar identifies the various tasks involved in the budget process and ensures that the information provided will be properly integrated, the process will be kept on schedule, and all parties will be aware of their responsibility in advance.



Revised Budget (Current Year) May	<ul style="list-style-type: none"> • Revised Budget is Presented to the Finance Committee for Review & Comment and Forwarded to the Board for Formal Adoption
Budget Preparation & Review May - July	<ul style="list-style-type: none"> • May-June: Staff Prepares, Submits & Reviews Proposed Revenue Projections, Operating Expenses and Capital Budgets • July: Operating & Capital Budget and Long Range Financial Plan are Presented to the Finance Committee for Review and Comment
Formal Budget Presentation & Public Hearing August	<ul style="list-style-type: none"> • Final Presentation of Fiscal Year Budget to Finance Committee • Formal Presentation of FY Budget to Board & Public Hearing*
Formal Budget Adoption September	<ul style="list-style-type: none"> • Adoption of FY Budget & Long Range Financial Plan by the Board of Directors
Budget Maintenance October - September	<ul style="list-style-type: none"> • October 1st: Fiscal Year Begins • October-November: Staff Completes the Budget Document and Presents It at the November Board Meeting • December: Submit Budget to GFOA For Review • October-September: Budget Maintenance & Review

**DCTA conducts a public hearing as part of the annual budget process that allows citizen input to the Board and staff. This public hearing is advertised in the local newspaper two weeks prior to the scheduled Board meeting*

CHANGE IN NET POSITION - BUDGET BASIS

	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
OPERATING REVENUES				
Passenger Fares	\$ 1,292,725	\$ 1,464,725	\$ 1,074,590	\$ 880,448
Contract Service Revenue	3,716,481	4,102,163	3,508,104	4,132,383
Total Operating Revenues	\$ 5,009,206	\$ 5,566,888	\$ 4,582,694	\$ 5,012,831
OPERATING EXPENSES				
Salaries, Wages & Fringe Benefits	\$ 10,455,885	\$ 12,338,449	\$ 11,881,666	\$ 12,817,577
Services	2,600,492	3,365,168	3,767,779	3,920,640
Materials & Supplies	2,317,171	3,601,940	3,028,375	3,548,328
Utilities	427,012	460,164	460,164	503,723
Insurance, Casualties & Losses	1,600,932	1,726,782	1,726,783	1,808,331
Purchased Transportation Services	10,587,125	9,713,342	9,628,343	10,492,159
Miscellaneous	203,463	423,326	423,326	610,016
Leases & Rentals	248,127	265,880	265,880	248,974
Depreciation	9,986,476	10,679,874	10,679,874	10,790,950
Total Operating Expenses	\$ 38,426,683	\$ 42,574,925	\$ 41,862,190	\$ 44,740,698
Operating Income / (Loss)	\$ (33,417,477)	\$ (37,008,037)	\$ (37,279,496)	\$ (39,727,867)
NON-OPERATING REVENUES/(EXPENSES)				
Sales Tax Revenue	\$ 26,790,098	\$ 26,649,585	\$ 26,649,585	\$ 28,450,180
Net Investment Income / (Expenses)	122,250	78,000	78,000	200,000
Long-Term Debt Interest / (Expense)	(1,098,106)	(1,008,084)	(1,008,084)	(974,984)
Non-Operating Revenues / (Expenses)	408,658	1,000	738,255	1,000
Federal Grants & Reimbursements	11,429,852	13,077,265	8,668,022	8,854,376
State Grants & Reimbursements	3,434	2,114,696	310,610	1,844,086
Debt Issuance	-	-	-	-
Total Non-Operating Revenues	\$ 37,656,186	\$ 40,912,462	\$ 35,436,388	\$ 38,374,658
CHANGE IN NET POSITION	\$ 4,238,709	\$ 3,904,425	\$ (1,843,108)	\$ (1,353,209)
Net Position - Beginning of Year:	\$ 325,428,122	\$ 320,161,410	\$ 320,161,410	\$ 306,745,393
Net Position - End of Year:	\$ 329,666,831	\$ 324,065,835	\$ 318,318,302	\$ 305,392,184
<i>Transfer to Capital Projects</i>	<i>\$ 9,505,421</i>	<i>15,633,998</i>	<i>11,572,909</i>	<i>12,693,128</i>
Net Position After Capital Project Transfer	\$ 320,161,410	\$ 308,431,837	\$ 306,745,393	\$ 292,699,056

Net Position reflects the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

STATEMENT OF CASH FLOWS

	FY 2018		FY 2019	
Estimated Beginning Cash Balance		25,033,551		20,662,410
OPERATING ACTIVITIES				
Operating Revenue	\$	4,582,694	\$	5,012,831
Sales Tax Revenue		26,649,585		28,450,180
G&A Operating Expenses*		(6,489,298)		(6,764,961)
Rail Operating Expenses*		(12,624,941)		(14,033,517)
Contract Bus (TMDC) Operating Expenses*		(12,068,075)		(13,151,270)
Total Operating Activities	\$	49,965	\$	(486,737)
INVESTING ACTIVITIES				
G&A Capital Expenditure	\$	(3,441,705)	\$	(2,377,787)
Rail Capital Expenditure		(7,214,284)		(6,369,966)
Bus Capital Expenditure		(801,920)		(3,945,375)
Non-Operating (Expense)/Income		738,255		1,000
Investment Income		78,000		200,000
Federal / State Grants & Reimbursements		8,708,022		8,854,376
State Grants & Reimbursements		270,610		1,844,086
Total Investing Activities	\$	(1,663,022)	\$	(1,793,666)
FINANCING ACTIVITIES				
Debt Issuance	\$	-	\$	-
Debt Payment		(2,758,084)		(2,764,984)
Total Financing Activities	\$	(2,758,084)	\$	(2,764,984)
Net Increase (Decrease) in Cash	\$	(4,371,141)	\$	(5,045,387)
Estimated Ending Cash Balance	\$	20,662,410	\$	15,617,023

* Operating expenses net of depreciation expense

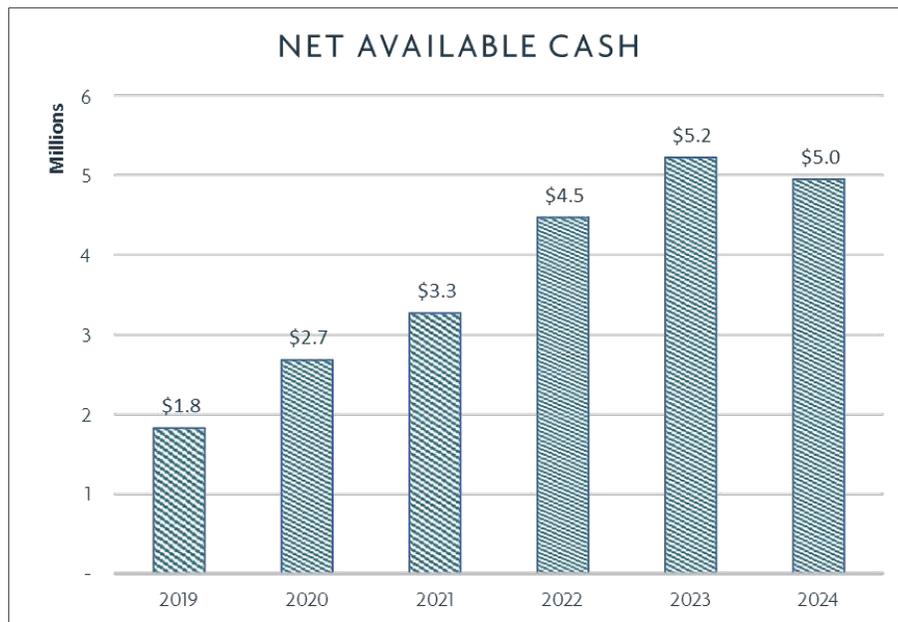
LONG RANGE FINANCIAL PLAN

LONG RANGE FINANCIAL PLAN

The Long Range Financial Plan for the agency is an integral piece of the budget process each year and serves as the foundation to build the budget. After the agency service objectives are identified each year, the executive staff presents the Board of Directors a five year forecast that includes proposed capital projects as well as service level increases that have been identified. The impact of the proposed budget is then incorporated into the Long Range Financial Plan. With Board approval, this cash flow model serves as the first building block of the budget.

The Long Range Financial Plan is a working document, evolving based on planned changes. The agency applies escalators to the current budget year to forecast future periods. These escalators are based on different resources including, but not limited to, the Employment Cost Index, Consumer Price Index, and Energy Information Administration. All future periods are based on the current fiscal year budget and escalated based on the following major assumptions:

- Labor cost inflation is forecasted at a 4% increase over prior year
- Benefit cost inflation of 5.56% is derived from the Employment Cost Index and is based on a historical average
- All contract rates for bus and rail service are based on current contracts and escalated per contract terms
- Escalation rates for fuel are based on the Energy Information Administration (EIA) forecasts
- Sales tax projections are increased at a rate of 4% thru 2023 and 3% for future periods. This conservative estimate is based on the current trend of 6% increase DCTA has experienced.



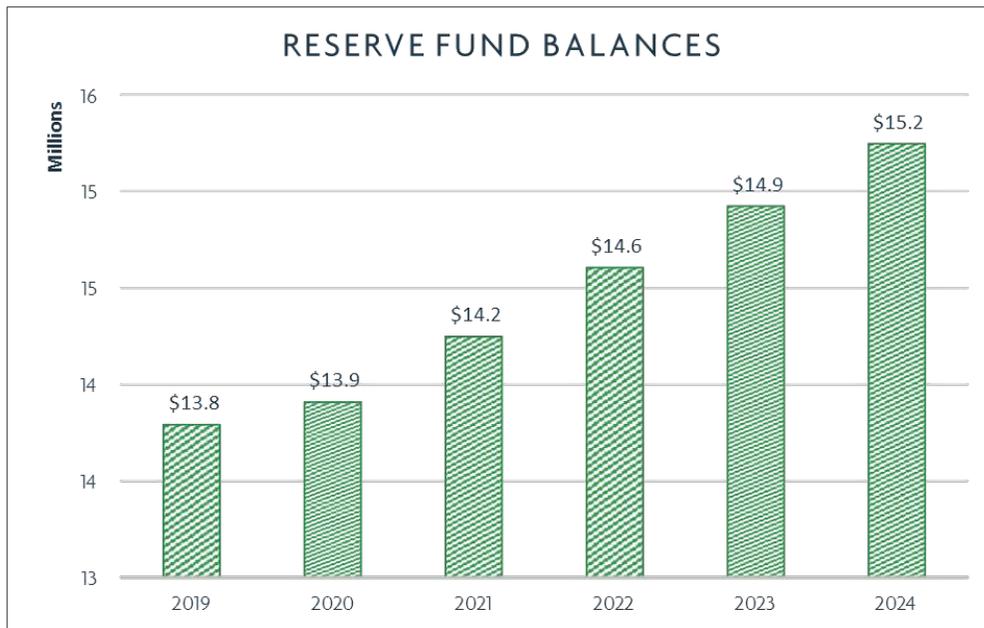
Net available cash is cash balance after annual operating and capital expenses as well as reserve funds have been removed.

LONG RANGE FINANCIAL PLAN

Reserve Fund Policies

Adequate reserve levels are a necessary component of DCTA's overall financial management strategy and a key factor in external agencies' measurement of DCTA's financial strength. Funding priorities based on Board policy are in the order listed below:

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unrestricted net position. An annual contribution will be budgeted from general operating resources, as available, to maintain the target reserve level.
- b. It will be the policy of DCTA to maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual budgeted sales tax.
- c. It will be the policy of DCTA to maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA's investment and maintain appropriate service levels. The use of any funds within the Capital Facilities/Infrastructure Maintenance Fund will be approved by the Board within the resources available each fiscal year.
- d. It will be the policy of DCTA to maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$.50 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year. The use of any funds within the Fuel Stabilization Fund shall be approved by the Board.



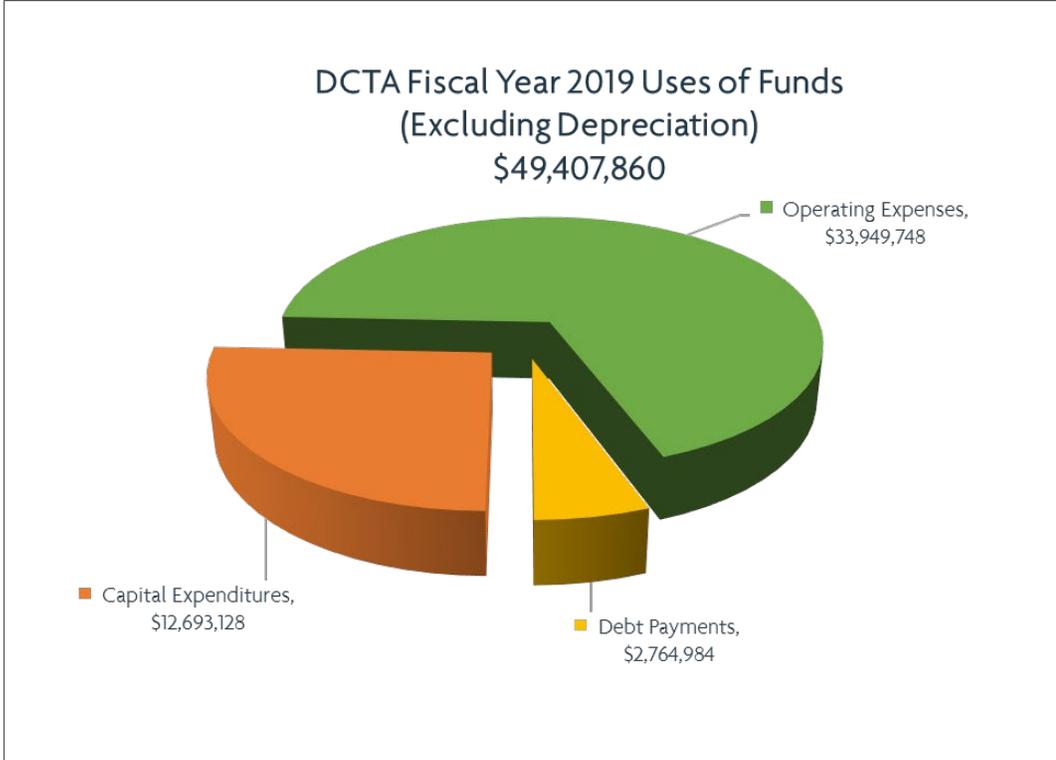
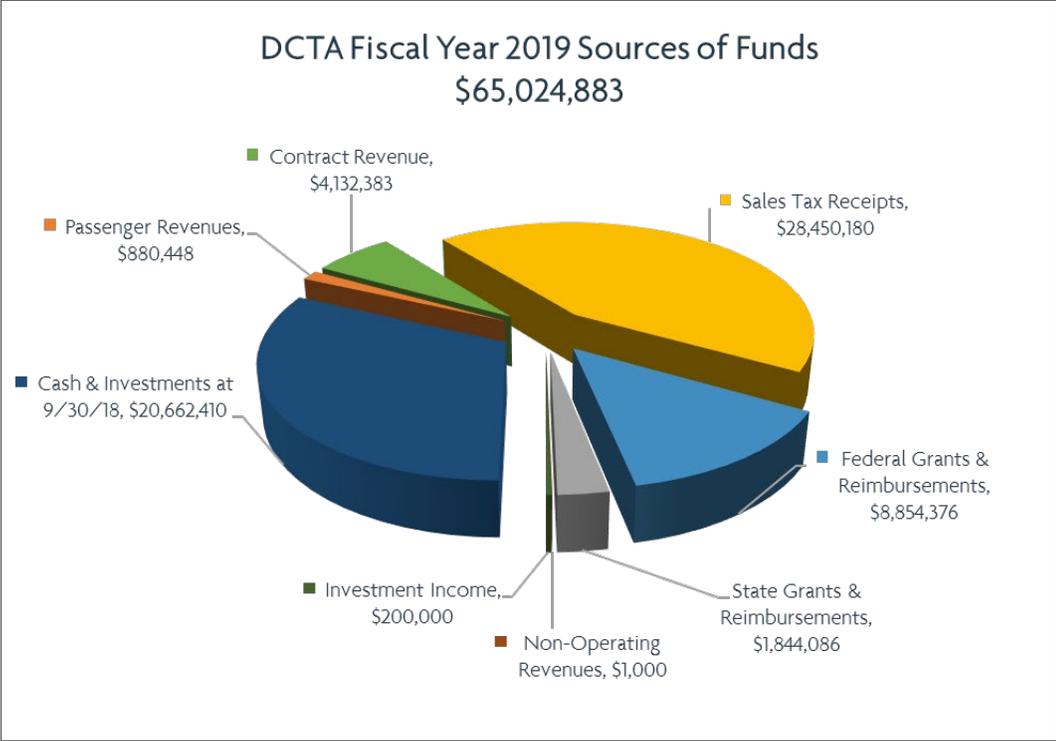
Reserve fund balances include 3-month Operating Reserve, Sales Tax Stabilization, Fuel Stabilization and Capital Infrastructure Fund.

Contributions to the Capital Replacement/Infrastructure Maintenance, Sales Tax Stabilization and Fuel Stabilization Funds will be made from available funds as identified in the annual budget or amended budget. The Chief Financial Officer (CFO) shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as deemed appropriate at the time.

LONG RANGE FINANCIAL PLAN

DENTON COUNTY TRANSPORTATION AUTHORITY									
LONG RANGE FINANCIAL PLAN									
FY19 ADOPTED BUDGET									
	Revised 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024		FY 2018 - FY 2024
<i>Beginning Fund Balance:</i>	\$ 25,033,551	\$ 20,662,410	\$ 15,617,023	\$ 16,588,498	\$ 17,516,815	\$ 19,075,018	\$ 20,145,381	\$	21,958,790
OPERATING REVENUES									
Bus Operating Revenue	4,035,494	4,565,631	4,677,105	4,665,162	4,784,335	4,884,935	5,008,973		32,621,635
Rail Operating Revenue	547,200	447,200	451,672	456,189	460,751	465,358	470,012		3,298,381
NON-OPERATING REVENUES									
Sales Tax Revenue	26,649,585	28,450,180	29,588,187	30,771,715	32,002,583	33,282,687	34,281,167		215,026,104
Formula Grants (Operating)	3,019,151	5,397,931	6,125,183	6,126,387	6,598,236	5,959,034	5,434,731		38,660,652
Interest Income	78,000	200,000	156,170	165,885	175,168	190,750	201,454		1,167,427
Misc. Revenue	738,255	1,000	1,000	1,000	1,000	1,000	1,000		744,255
TOTAL REVENUES	35,067,685	39,061,942	40,999,317	42,186,337	44,022,073	44,783,764	45,397,337		291,518,455
OPERATING EXPENSES									
Bus Operating Expense	12,068,075	13,151,270	13,311,327	13,816,761	14,493,594	14,952,756	15,494,383		97,288,166
Rail Operating Expense	12,624,941	14,033,517	14,191,278	14,666,017	15,027,130	15,437,084	15,806,332		101,786,300
G&A Operating Expense	6,489,298	6,764,961	6,780,049	7,013,775	7,256,501	7,508,603	7,770,474		49,583,662
TOTAL EXPENSES	31,182,314	33,949,748	34,282,655	35,496,554	36,777,225	37,898,443	39,071,189		248,658,128
NET INCOME	3,885,371	5,112,194	6,716,662	6,689,784	7,244,848	6,885,321	6,326,147		42,860,327
CAPITAL OUTLAY									
Bus Capital Expenditure	736,620	311,500							1,048,120
Bus Fleet Replacement Expense	37,806	2,837,000	2,162,600	2,161,183	1,606,067	2,358,069	2,974,896		14,137,621
Professional Services / Technology Improvements	280,074	417,723							697,797
Trail Safety Improvements	45,000	36,157							81,157
Hike & Bike Trails	353,895	2,658,812							3,012,707
Rail Station Improvements	20,443								20,443
Rail Capital Maintenance	1,297,397	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000		16,297,397
Disaster Recovery - 2015 Floods	803,814		-						803,814
Positive Train Control	4,041,153	632,681							4,673,834
Infrastructure Acquisition	3,164,125	606,939							3,771,064
Valley Ridge Crossing	259,494								259,494
Safety & Security	25,000	200,000							225,000
Rail Safety Improvements	140,760	332,240	200,000	200,000	200,000	200,000	200,000		1,473,000
Brownfield Remediation	252,328	110,076							362,404
CAPITAL PROJECT REQUESTS									
Server & Network Infrastructure		350,000					350,000		700,000
Trail Safety Improvements Increase		100,000							100,000
Fleet Farebox Replacement		600,000							600,000
2019 One-Time Transit Improvements		1,000,000							1,000,000
TOTAL CAPITAL OUTLAY	11,457,909	12,693,128	4,862,600	4,861,183	4,306,067	5,058,069	6,024,896		49,263,852
CAPITAL SOURCES									
RTRFI/RTC Funds	3,232,922	506,145							3,739,067
FEMA Reimbursements	2,101,477								2,101,477
Formula Grants (Capital)	625,082	4,794,386	1,896,782	1,895,578	1,423,729	2,062,931	2,587,234		15,285,721
TOTAL CAPITAL SOURCES	5,959,481	5,300,531	1,896,782	1,895,578	1,423,729	2,062,931	2,587,234		21,126,265
DEBT SERVICE									
2009 Refunding (ST) Debt Service	1,717,600	1,714,697	1,715,209	1,713,925	1,715,845	1,715,771	1,713,701		12,006,748
2011 Contractual Obligations	1,040,484	1,050,287	1,064,160	1,081,937	1,088,462	1,104,048	1,123,382		7,552,760
TOTAL DEBT SERVICE	2,758,084	2,764,984	2,779,369	2,795,862	2,804,307	2,819,819	2,837,083		19,559,508
Internal Debt Service Coverage:	1.41	1.85	2.42	2.39	2.58	2.44	2.23		
<i>Outstanding Bond Principal as of September 30th</i>	<i>27,020,000</i>	<i>25,230,000</i>	<i>23,360,000</i>	<i>21,405,000</i>	<i>19,370,000</i>	<i>17,245,000</i>	<i>15,025,000</i>		
ENDING FUND BALANCE	20,662,410	15,617,023	16,588,498	17,516,815	19,075,018	20,145,381	20,196,783		
<i>Less Required Fund Balance (O&M Reserve Policy):</i>	<i>7,795,579</i>	<i>8,487,437</i>	<i>8,570,664</i>	<i>8,874,138</i>	<i>9,194,306</i>	<i>9,474,611</i>	<i>9,767,797</i>		
<i>Less Sales Tax Stabilization Fund</i>	<i>799,488</i>	<i>853,505</i>	<i>887,646</i>	<i>923,151</i>	<i>960,077</i>	<i>998,481</i>	<i>1,028,435</i>		
<i>Less Fuel Stabilization Fund</i>	<i>450,000</i>								
<i>Less Capital/Infrastructure</i>	<i>2,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>		
NET AVAILABLE FUND BALANCE	\$ 9,617,344	\$ 1,826,081	\$ 2,680,189	\$ 3,269,525	\$ 4,470,634	\$ 5,222,290	\$ 4,950,551		

SOURCES AND USES OF FUNDS

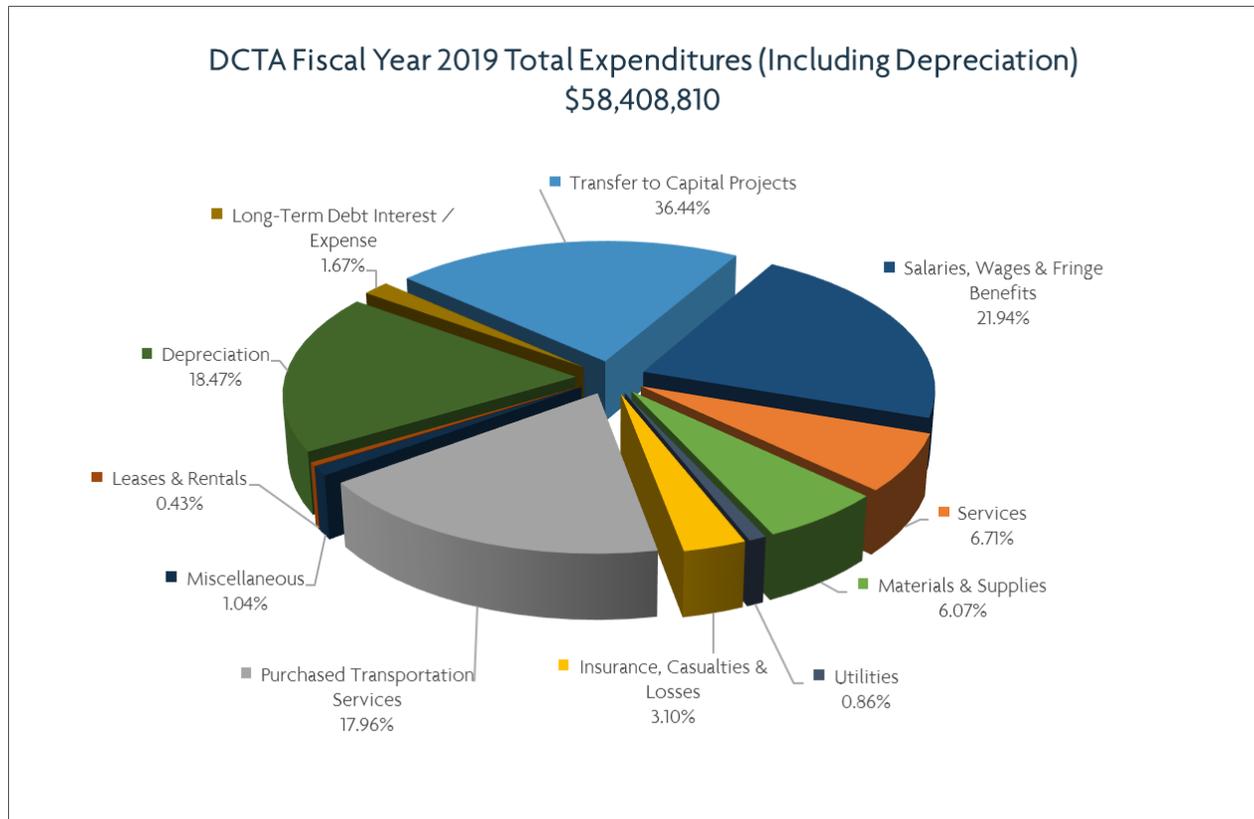
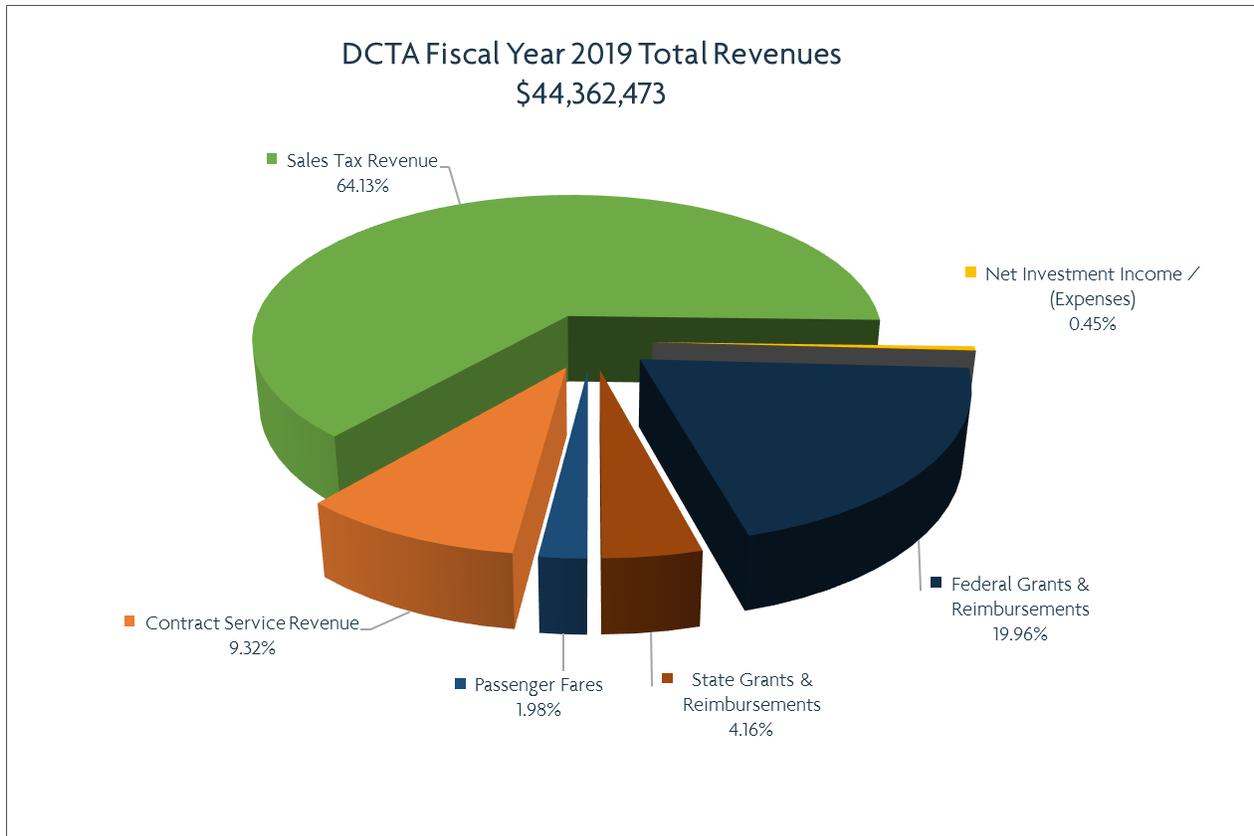


OPERATING BUDGET BY CLASSIFICATION (INCLUDING DEPRECIATION)

SUMMARY (millions)						
		FY 2017	FY 2018	FY 2018	FY 2019	% CHANGE
		Actual	Budget	Revised Budget	Budget	FY 19 to FY 18 Rev Budget
TOTAL REVENUES	\$	43.8	\$ 47.5	\$ 41.0	\$ 44.4	8.1%
TOTAL EXPENSES		49.0	59.2	54.4	58.4	7.3%
ANNUAL SURPLUS (DEFICIT)	\$	(5.3)	\$ (11.7)	\$ (13.4)	\$ (14.0)	4.7%

DETAIL						
		FY 2017	FY 2018	FY 2018	FY 2019	\$ CHANGE
		Actual	Budget	Revised Budget	Budget	FY 19 to FY 18 Rev Budget
REVENUES						
Passenger Fares	\$	1,292,725	\$ 1,464,725	\$ 1,074,590	\$ 880,448	\$ (194,142)
Contract Service Revenue		3,716,481	4,102,163	3,508,104	4,132,383	624,279
Subtotal Operating Revenue	\$	5,009,206	\$ 5,566,888	\$ 4,582,694	\$ 5,012,831	\$ 430,137
Sales Tax Revenue		26,790,098	26,649,585	26,649,585	28,450,180	1,800,595
Net Investment Income / (Expenses)		122,250	78,000	78,000	200,000	122,000
Debt Issuance		-	-	-	-	-
Non-Operating Revenues		408,658	1,000	738,255	1,000	(737,255)
Federal Grants & Reimbursements		11,429,852	13,077,265	8,668,022	8,854,376	186,354
State Grants & Reimbursements		3,434	2,114,696	310,610	1,844,086	1,533,476
Subtotal Non-Operating Income	\$	38,754,292	\$ 41,920,546	\$ 36,444,472	\$ 39,349,642	\$ 2,905,170
TOTAL REVENUES	\$	43,763,498	\$ 47,487,434	\$ 41,027,166	\$ 44,362,473	\$ 3,335,307
EXPENSES						
Salaries, Wages & Fringe Benefits	\$	10,455,885	\$ 12,338,449	\$ 11,881,666	\$ 12,817,577	935,911
Services		2,600,492	3,365,168	3,767,779	3,920,640	152,867
Materials & Supplies		2,317,171	3,601,940	3,028,375	3,548,328	519,953
Utilities		427,012	460,164	460,164	503,723	43,559
Insurance, Casualties & Losses		1,600,932	1,726,782	1,726,783	1,808,331	81,548
Purchased Transportation Services		10,587,125	9,713,342	9,628,343	10,492,159	863,816
Miscellaneous		203,463	423,326	423,326	610,016	186,690
Leases & Rentals		248,127	265,880	265,880	248,974	(16,906)
Depreciation		9,986,476	10,679,874	10,679,874	10,790,950	111,076
Subtotal Operating Expenses	\$	38,426,683	\$ 42,574,925	\$ 41,862,190	\$ 44,740,698	\$ 2,878,508
Long-Term Debt Interest / Expense		1,098,106	1,008,084	1,008,084	974,984	(33,100)
Non-Operating Expenses		-	-	-	-	-
Subtotal Non-Operating Expenses	\$	1,098,106	\$ 1,008,084	\$ 1,008,084	\$ 974,984	\$ (33,100)
TOTAL EXPENSES	\$	39,524,789	\$ 43,583,009	\$ 42,870,274	\$ 45,715,682	\$ 2,845,408
<i>Transfer to Capital Projects</i>		<i>9,505,421</i>	<i>15,633,998</i>	<i>11,572,909</i>	<i>12,693,128</i>	<i>1,120,219</i>
ANNUAL SURPLUS (DEFICIT)	\$	(5,266,712)	\$ (11,729,573)	\$ (13,416,017)	\$ (14,046,337)	\$ (630,320)

REVENUE AND EXPENDITURE CHARTS



OPERATING EXPENSES BY DIVISION AND DEPARTMENT

GENERAL AND ADMINISTRATIVE

	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
President/CEO	\$ 776,416	\$ 1,137,485	\$ 1,117,485	\$ 1,064,146
Finance	1,184,970	1,414,729	1,371,730	1,560,801
Board of Directors	20,724	41,736	41,736	43,800
Marketing & Communications	1,147,565	1,243,925	1,135,925	1,247,850
Transit Operations	1,115,799	1,755,905	1,759,905	1,856,414
Strategic Planning & Development	389,158	711,424	884,205	797,920
Human Resources	108,379	169,312	178,312	194,030
TOTAL GENERAL & ADMIN	\$ 4,743,011	\$ 6,474,516	\$ 6,489,298	\$ 6,764,961

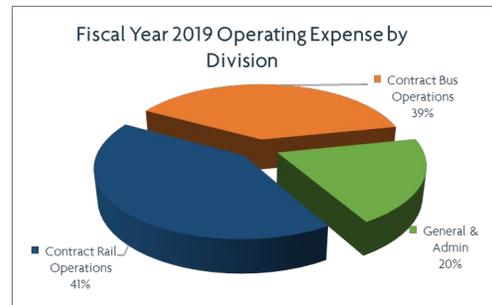
RAIL SERVICES (THIRD PARTY CONTRACT)

	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
Rail Services	\$ 13,280,537	\$ 12,682,112	\$ 12,624,940	\$ 14,033,517
TOTAL RAIL SERVICES	\$ 13,280,537	\$ 12,682,112	\$ 12,624,940	\$ 14,033,517

BUS SERVICES (THIRD PARTY CONTRACT)

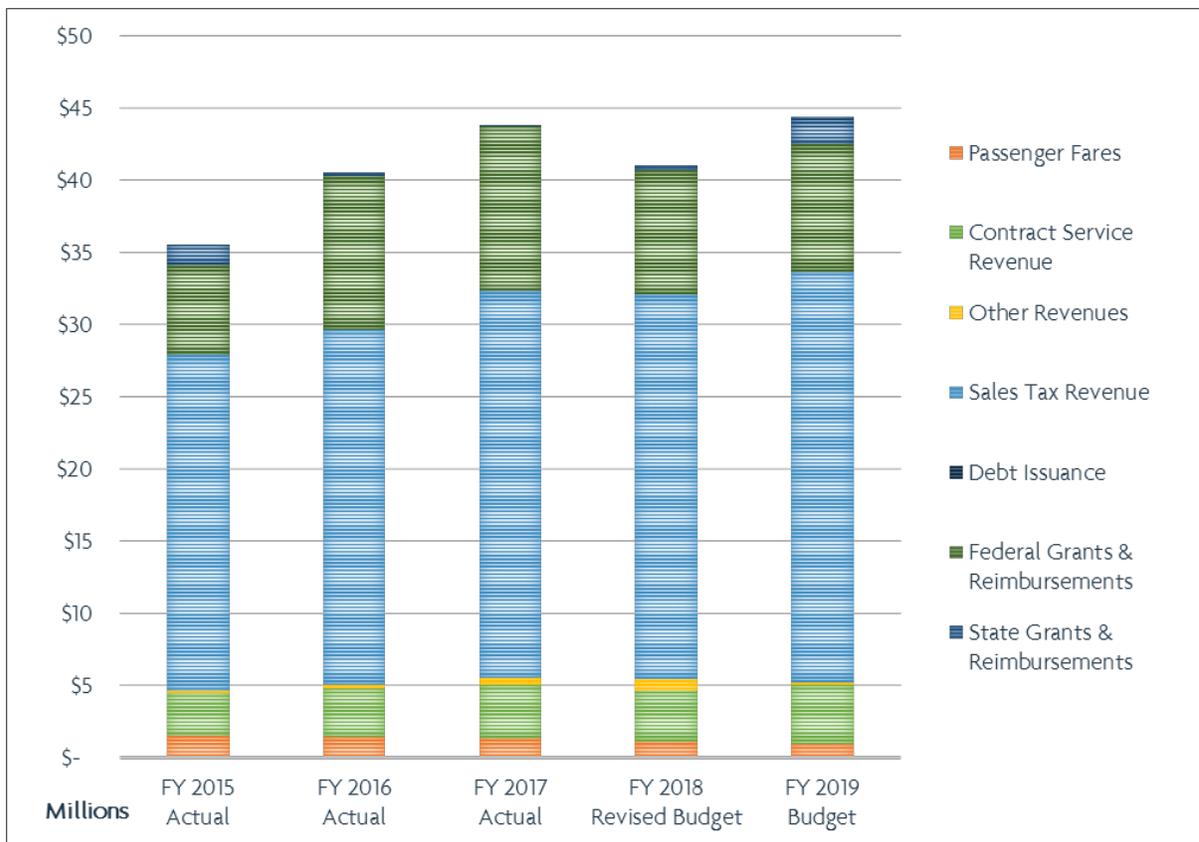
	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
Administration	\$ 950,211	\$ 1,292,756	\$ 1,277,407	\$ 1,478,121
Connect Service	2,948,853	3,584,432	3,286,248	3,827,320
UNT Contract Service	1,829,589	2,073,216	1,828,568	1,865,969
Access Service	791,677	996,639	975,810	914,162
North Texas Xpress	245,877	450,000	450,394	450,000
Maintenance	1,948,265	1,974,414	1,975,595	2,297,282
Supervisors & Dispatch	824,861	947,252	908,443	1,025,846
NCTC Contract Service	127,848	222,196	222,998	193,257
Frisco Contract Service	135,548	219,513	216,321	274,364
McKinney Contract Service	22,383	300,686	280,991	125,000
Customer Service (DDTC)	591,547	677,320	645,301	699,949
TOTAL BUS SERVICES	\$ 10,416,659	\$ 12,738,424	\$ 12,068,076	\$ 13,151,270
<i>Total Depreciation</i>	<i>\$ 9,986,476</i>	<i>\$ 10,679,873</i>	<i>\$ 10,679,876</i>	<i>\$ 10,790,950</i>

TOTAL OPERATING EXPENSES	\$ 38,426,683	\$ 42,574,925	\$ 41,862,190	\$ 44,740,698
---------------------------------	----------------------	----------------------	----------------------	----------------------



REVENUE SOURCES - FIVE YEAR TREND

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Revised Budget	FY 2019 Budget
REVENUE SOURCE					
Passenger Fares	\$ 1,478,838	\$ 1,406,470	\$ 1,292,725	\$ 1,074,590	\$ 880,448
Contract Service Revenue	2,935,371	3,383,656	3,716,481	3,508,104	4,132,383
Sales Tax Revenue	23,261,746	24,658,546	26,790,098	26,649,585	28,450,180
Net Investment Income	24,772	59,364	122,250	78,000	200,000
Non-Operating Revenues	200,582	156,067	408,658	738,255	1,000
Federal Grants & Reimbursements	6,227,397	10,587,249	11,429,852	8,668,022	8,854,376
State Grants & Reimbursements	1,395,467	312,428	3,434	310,610	1,844,086
TOTAL REVENUES	\$ 35,524,173	\$ 40,563,780	\$ 43,763,498	\$ 41,027,166	\$ 44,362,473



BUDGET ASSUMPTIONS

REVENUE

Department specific revenue budgets, such as Passenger Revenue, are the responsibility of the particular department since the staff in the respective departments are the most knowledgeable source of information. Likewise, the Finance Department is responsible for Sales Tax Revenue estimates. Revenue forecasts are largely based on trend analysis, with an emphasis on current and expected future economic conditions within the national, state, and local economy. DCTA sales tax rate is one half a percent of taxable goods and services sold within the three member cities of Denton, Highland Village, and Lewisville. Local businesses within member cities collect the tax, remit it to the State Comptroller, and then it is disbursed to the state, cities, transit authorities, and other taxing jurisdictions.

PASSENGER FARE REVENUE



Passenger fare revenue consists of fare box collections and ticket sales for the DCTA bus and paratransit services as well as rail farebox revenue. Total fare revenue is projected at an 18% decrease from the FY 2018 revised budget. This decrease is based on current declining ridership trends for rail and bus service. The agency has also implemented a new fare structure which took effect in August 2018 and assumes an overall decrease in passenger revenues.

CONTRACT SERVICE REVENUE



Contract service revenue consists of revenue or income related to providing transit services to UNT, NCTC, McKinney, and Frisco on a contract basis. The 2019 budget reflects an 18% increase (or \$624,279) over the 2018 revised budget and is based on current contract rates for each service. DCTA entered into a new ten year contract with the University of North Texas in fall of 2018 which resulted in an increase to the contract rate and this makes up the majority of the overall category increase.

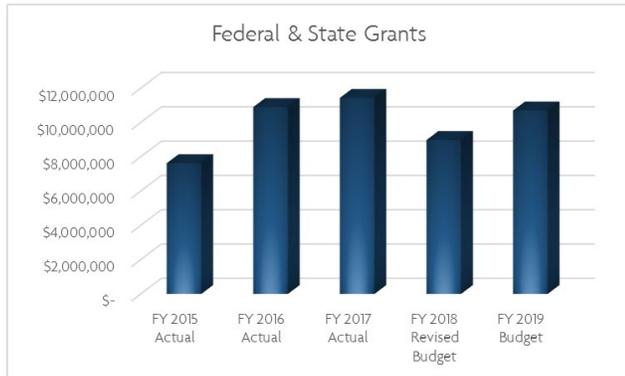
SALES TAX REVENUE



Sales Tax Revenue is a non-operating revenue source for DCTA. DCTA collects a one-half percent sales tax in member cities. Sales tax revenue for the 2019 budget year is a 4% increase over the projected sales tax budget for FY18. DCTA has experienced a 6% average growth in sales tax between 2013 and 2019.

BUDGET ASSUMPTIONS

GRANTS & REIMBURSEMENTS



Grant revenue consists of revenue or income from various grants available to DCTA from both the federal and state government. Operating grants are used to fund projects such as preventive maintenance, eligible bus transit operations, and the vanpool program. Capital grants are used to fund capital projects such as fleet replacement, construction, hike & bike trails, and Positive Train Control. In FY 2019, DCTA anticipates \$8.8 million in federal grants and \$1.8 million in state grants. State grant revenue includes funds from the Texas Department of Transportation (TxDOT) TAP grants. The agency was awarded \$2.1M in 2016 to fund the Eagle Point section of the trail along the rail corridor. This project is scheduled to be completed in 2019. All grant funds are on a reimbursement basis where all drawdown requests occur after the expense has been paid.

OPERATING EXPENSES

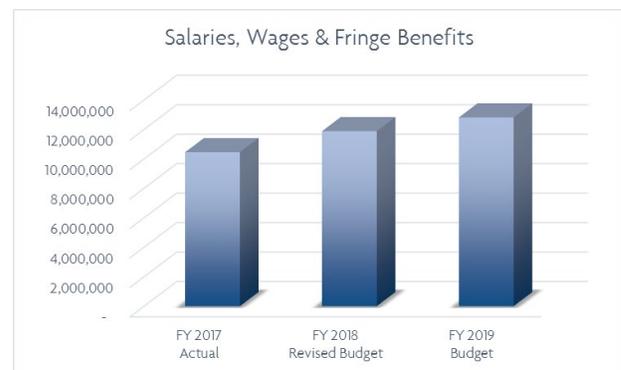
The Operating Expense Budget includes costs related to the day-to-day operations of DCTA at current service levels and any costs related to approved Expanded Level Projects. Expanded Level Projects include any new projects, plans for expansion, or increased service delivery that are above and beyond current service levels.

DCTA awarded a seven (7) year management services contract for bus operations on October 1, 2014 to First Transit, Inc. to provide a General Manager (GM) and an Assistant General Manager (AGM) and support to manage and oversee the bus operations and related support functions. First Transit, Inc. through its wholly owned subsidiary, Transit Management of Denton County (TMDC), provides the bus operations support for DCTA. DCTA

management, accounting, and procurement and monitors the required controls over expenditures, for the cost of running the day-to-day operations. Under this type of management contract, the expenses are reported in the regular expense categories of Salary and Wages, Services, Materials and Supplies, etc.

DCTA also entered into a rail operations contract directly with First Transit beginning in FY17. This contract supports the train operations (service hours, fuel, maintenance, etc.) and is accounted for in the Purchased Transportation expense category.

SALARY, WAGES AND FRINGE BENEFITS



This expense category includes DCTA and TMDC payroll, employer taxes, insurance premiums, and additional benefits. The FY 2019 budget reflects an 8% increase in this category. Major components included in this category are the following: (1) planned merit and pay plan adjustments; (2) new positions (3.5 FTE); (3) 10% increase in health benefits for DCTA; 15% increase for TMDC; (4) TMDC bus operator's average wage rate increase outlined by Union contract.

In response to the goal of creating an organization that encourages and promotes a high performing workforce, it is important to ensure that DCTA is competitive in recruiting skilled staff. Funds are budgeted annually to maintain that position and the FY19 budget includes \$25k for this purpose. Merit pay has also been included at 3.50%, and accounts for \$79k (DCTA staff). To address the growth of DCTA, executive staff have identified four new positions (3.5 FTE) to include in the FY19 budget. These include a Communications Coordinator, Bus Operations Manager, Regulatory Compliance Officer and a Bus Intern.

BUDGET ASSUMPTIONS

This budget incorporates an increase of 10% and 15% in health care benefits for DCTA and TMDC respectively based on the current plan design. This is based on analysis of employee health benefits and projections of anticipated increase in the cost of health care. Although health care increases have seen a slight leveling in recent years, increases in medical benefits are anticipated based on plan performance.

TMDC, which provides the bus operations for DCTA, includes an average rate increase from \$16.61 in FY18 to \$18.53/hour in FY19 for operators. This increase is outlined by the Union contract currently in place. Also included is a merit increase of 3% (\$59k) for the administrative staff of TMDC.

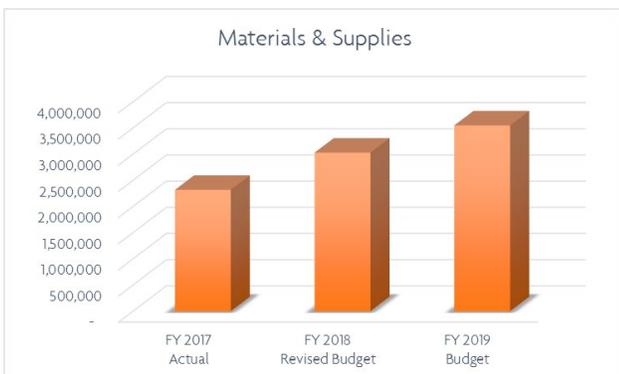
SERVICES



Service Expense consists of DCTA contracts and purchase of services from consultants and is higher than the FY 2018 revised budget by 4% (\$153k) mainly due to the following Expanded Level Projects that were included in 2019:

- Southbound Rail Extension Study - \$200k
- Rail Operations & Maintenance Facility Modifications - \$185k

MATERIALS AND SUPPLIES



This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2019 budget for this category is higher than 2018 revised budget by \$520 thousand (17%). At FY18 revised budget, the agency captured realized savings from bus and rail fuel accounts and transferred these savings to cover an increase in a fuel tank capital project as well as offset the reduction in revenues experienced in 2018. In FY19 the fuel is budgeted at \$2.75/gallon and \$3.00/gallon respectively for rail and bus operations.

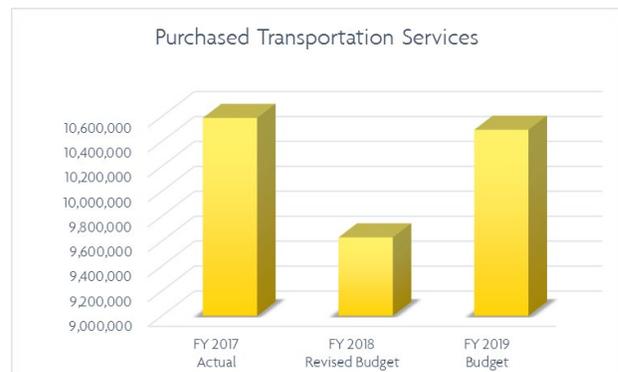
UTILITIES

This expense category includes gas, electric and communication expenses. The 2019 budget reflects an increase of \$44 thousand compared to the FY 2018 revised budget and is based on current expenses incurred by the agency.

INSURANCE

This expense category budget item reflects an increase of 5% and is based on current insurance rates of the agency.

PURCHASED TRANSPORTATION SERVICES



This expense category includes all purchased transportation services provided under a 3rd party contract.

- This includes an Inter-Local Agreement for a contract with DART and Trinity Metro for shared services for the maintenance of the Trinity Mills platform, Ticket Vending Machine (TVM) maintenance and revenue collection, and emergency dispatch.
- DCTA entered into a contract with First Transit for rail operations and maintenance in FY17. This contract includes management fees,

BUDGET ASSUMPTIONS

maintenance of way, vehicle maintenance, train hours and car miles. Rail purchased transportation is based on the current contract rate and also assumes an increase of \$250k for the Positive Train Control (PTC) operational cost estimate that will begin in FY 2019.

- In June 2017, the City of McKinney, the McKinney Urban Transit District (MUTD) and DCTA partnered together to launch Collin County Transit (CCT). This service consists of a subsidized taxi voucher program that provides efficient transit options for participating MUTD cities including McKinney, Lowry Crossing, Melissa, Princeton and Celina.
- Frisco demand-response contract service is also included under Purchased Transportation and is based on the current contract.

MISCELLANEOUS

This expense category includes travel and lodging, dues and memberships, seminars and conferences, staff training and development and other minor expenditures that do not fit into the categories above. Examples of these items include:

- Training opportunities for additional administrative staff
- Training for operations staff
- Annual Tuition Reimbursement Program of \$20k
- Agency membership dues

LEASES AND RENTALS

Leases and rental expense includes DCTA office leases at the Lewisville location as well as small printer/copier lease contract expenses. The 2019 budget is based on current contracted lease rates.

DEPRECIATION

This expense category represents the expense of using capital assets over time.

NON-OPERATING EXPENSES

LONG-TERM DEBT INTEREST/EXPENSE

This category accounts for the expenses related to long-term debt issuance and includes the interest payments. In FY 2010, DCTA refunded its existing 2008 debt and issued a Sales Tax Revenue Refunding Series 2009 bond issue for \$20.9 million. In FY 2011, DCTA issued Sales Tax Contractual Obligations Series 2011 for \$14.4 million. The FY 2019 budget reflects the interest payments for these outstanding debts. Please refer to the debt tables on pages 47-49 for additional information.

NON-OPERATING (REVENUES) / EXPENSES

This category accounts for incidental expenses and/or revenues that are not generated through or directly related to the regular operating activities of DCTA. In FY 2019, DCTA is expecting \$1,000 for fare citation fines.

DEBT SCHEDULE

SALES TAX REVENUE REFUNDING BONDS, SERIES 2009**\$20,890,000****DATE** December 17, 2009**INTEREST** Semi-annual each March and September, commencing March 2010. Interest accrues at a fixed rate of 3.99%.**PURPOSE** The bonds were issued in order to refund the Sales Tax Revenue Bonds, Series 2008 dated June 24, 2008 and scheduled to mature on June 15, 2013. This allowed DCTA to remove restrictive bond covenants.**SECURITY** The Bonds are secured by Pledged Revenues, including receipts from a 1/2% sales and use tax levied within the Authority.

DEBT SERVICE	Fiscal Year	Principal	Interest	Total
	2010	\$ -	\$ 620,503	\$ 620,503
	2011	-	833,511	833,511
	2012	-	833,511	833,511
	2013	885,000	833,511	1,718,511
	2014	920,000	798,200	1,718,200
	2015	955,000	761,492	1,716,492
	2016	995,000	723,387	1,718,387
	2017	1,030,000	683,687	1,713,687
	2018	1,075,000	642,590	1,717,590
	2019	1,115,000	599,697	1,714,697
	2020	1,160,000	555,209	1,715,209
	2021	1,205,000	508,925	1,713,925
	2022	1,255,000	460,845	1,715,845
	2023	1,305,000	410,771	1,715,771
	2024	1,355,000	358,701	1,713,701
	2025	1,410,000	304,637	1,714,637
	2026	1,465,000	248,378	1,713,378
	2027	1,525,000	189,924	1,714,924
	2028	1,585,000	129,077	1,714,077
	2029	1,650,000	65,835	1,715,835
	TOTAL	\$ 20,890,000	\$ 10,562,386	\$ 31,452,386

DEBT SCHEDULE

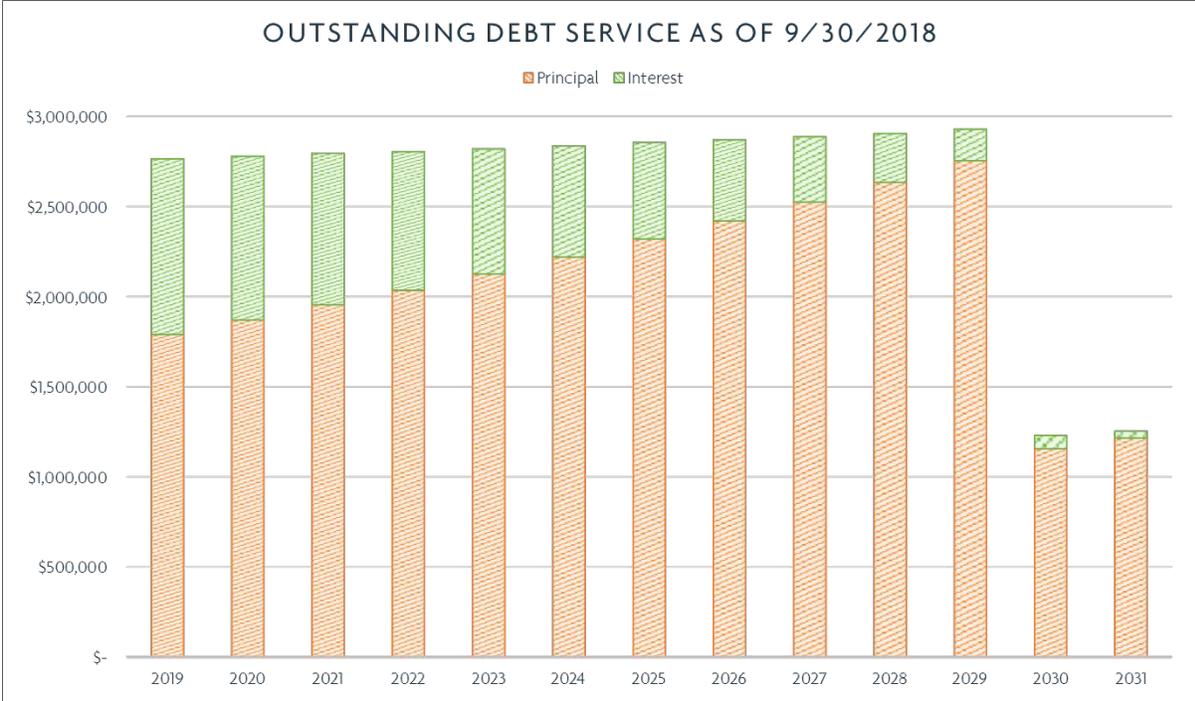
SALES TAX CONTRACTUAL OBLIGATIONS, SERIES 2011**\$14,390,000****DATE** September 15, 2011**INTEREST** Semi-annual each March and September, commencing September 2011. Interest accrues at a fixed rate of 3.13%.**PURPOSE** These Contractual Obligations are to fund transportation system improvements which will include the initial phase of the Positive Train Control project and a portion of DCTA's share of the new rail vehicles.**SECURITY** The Bonds are secured by Pledged Revenues, including receipts from a 1/2% sales and use tax levied within the Authority.

DEBT SERVICE	Fiscal Year	Principal	Interest	Total
	2011 \$	- \$	- \$	-
	2012	-	452,909	452,909
	2013	-	449,156	449,156
	2014	-	449,156	449,156
	2015	555,000	450,407	1,005,407
	2016	585,000	432,842	1,017,842
	2017	615,000	414,420	1,029,420
	2018	645,000	395,475	1,040,475
	2019	675,000	375,287	1,050,287
	2020	710,000	354,159	1,064,159
	2021	750,000	331,937	1,081,937
	2022	780,000	308,462	1,088,462
	2023	820,000	284,048	1,104,048
	2024	865,000	258,381	1,123,381
	2025	910,000	231,307	1,141,307
	2026	955,000	202,824	1,157,824
	2027	1,000,000	172,932	1,172,932
	2028	1,050,000	141,633	1,191,633
	2029	1,105,000	108,768	1,213,768
	2030	1,155,000	74,181	1,229,181
	2031	1,215,000	38,030	1,253,030
	TOTAL	\$ 14,390,000	\$ 5,926,314	\$ 20,316,314

DEBT SCHEDULE

Outstanding Debt Schedule as of 9/30/2018

Fiscal Year	Principal	Interest	Total
2019	\$ 1,790,000	\$ 974,984	\$ 2,764,984
2020	1,870,000	909,368	2,779,368
2021	1,955,000	840,861	2,795,861
2022	2,035,000	769,307	2,804,307
2023	2,125,000	694,818	2,819,818
2024	2,220,000	617,082	2,837,082
2025	2,320,000	535,943	2,855,943
2026	2,420,000	451,202	2,871,202
2027	2,525,000	362,856	2,887,856
2028	2,635,000	270,709	2,905,709
2029	2,755,000	174,603	2,929,603
2030	1,155,000	74,181	1,229,181
2031	1,215,000	38,030	1,253,030
TOTAL	\$ 27,020,000	\$ 6,713,944	\$ 33,733,944

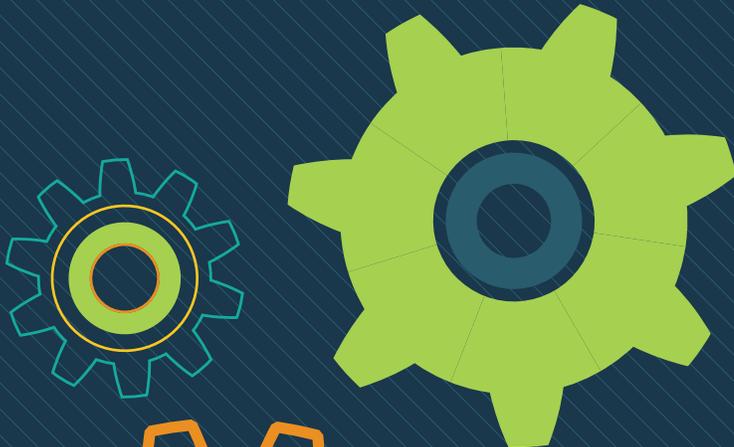


The existing debt levels are in line with our internal debt coverage ratio requirement of 1.25X and therefore our debt has a minimal impact on current operations of the agency at 5.82% of total operating budget. Detailed information regarding the Debt Policy can be found in the Financial Management Policies located in the Appendix.

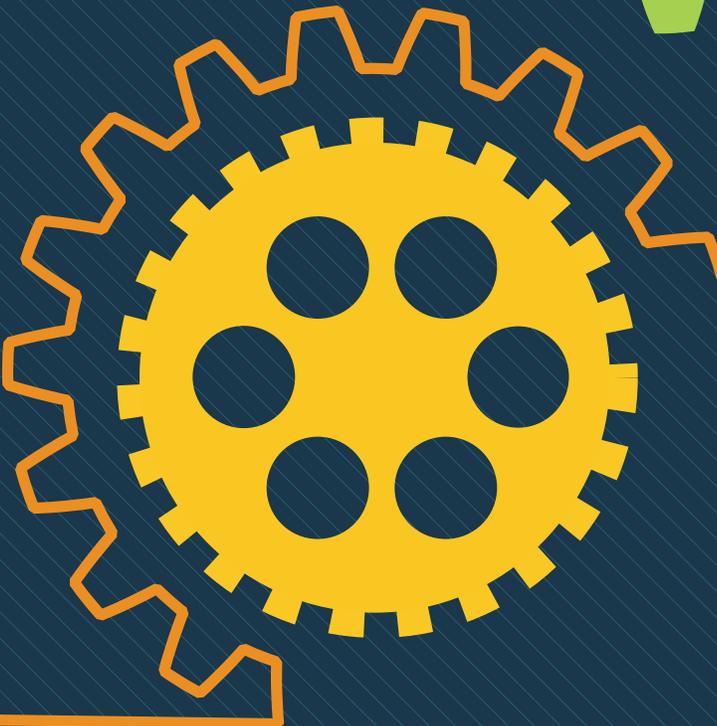
FULL-TIME EQUIVALENT (FTE) COMPARISON

DIVISION SUMMARY				
	FY 2017	FY 2018	FY 2019	Variance
GENERAL & ADMINISTRATIVE DIVISION				
President Department				
<i>President / CEO</i>	1.00	1.00	1.00	-
Finance Department				
<i>Chief Financial Officer / VP Finance</i>	1.00	1.00	1.00	-
<i>Controller</i>	1.00	1.00	1.00	-
<i>Senior Accountant</i>	1.00	1.00	1.00	-
<i>Budget Manager</i>	1.00	1.00	1.00	-
<i>Accountant I</i>	1.00	1.00	1.00	-
<i>Director of Procurement</i>	1.00	1.00	1.00	-
<i>Procurement Specialist</i>	1.00	1.00	1.00	-
<i>Grants & Contracts Compliance Manager</i>	1.00	1.00	1.00	-
<i>AVP, Regulatory Compliance Officer</i>			1.00	1.00
Marketing & Communications Department				
<i>VP Marketing & Communications</i>	1.00	1.00	1.00	-
<i>Communications Manager</i>	1.00	1.00	1.00	-
<i>Marketing Coordinator</i>	1.00	1.00	1.00	-
<i>Community Relations Manager</i>	1.00	1.00	1.00	-
<i>Executive Assistant</i>	2.00	2.00	2.00	-
<i>Communications Coordinator</i>	-	-	1.00	1.00
<i>Intern</i>	2.00	2.00	1.50	(0.50)
Transit Operations Department				
<i>Chief Operating Officer</i>	1.00	1.00	1.00	-
<i>Senior IT Manager</i>	1.00	1.00	1.00	-
<i>Senior Project Manager</i>	1.00	1.00	1.00	-
<i>Construction Inspector</i>	0.75	0.75	0.75	-
<i>AVP, Bus Operations & Maintenance</i>	1.00	1.00	1.00	-
<i>Data & Business Systems Analyst</i>	1.00	1.00	1.00	-
<i>Business Manager - Bus Operations & Maintenance</i>	1.00	2.00	3.00	1.00
<i>Network Administrator</i>	-	1.00	1.00	-
<i>Intern</i>	-	-	0.50	0.50
Strategic Planning & Development Department				
<i>Deputy CEO</i>	1.00	1.00	1.00	-
<i>Senior Planner</i>	1.00	1.00	1.00	-
<i>Director of Strategic Partnerships</i>	-	1.00	1.00	-
Human Resources Department				
<i>HR Manager</i>	1.00	1.00	1.00	-
RAIL OPERATIONS DIVISION				
Rail Development Department				
<i>AVP, Rail Operations & Maintenance</i>	1.00	1.00	1.00	-
<i>Manager - Rail Operations</i>	1.00	1.00	1.00	-
<i>Project Controls Coordinator</i>	1.00	1.00	1.00	-
<i>Director of Railway Systems</i>	-	1.00	1.00	-
TOTAL DCTA FTE STAFF	29.75	33.75	36.75	3.00
THIRD PARTY CONTRACT OPERATIONS				
<i>Contracted Rail Services (First Transit)</i>	50.75	60.00	54.00	(6.00)
<i>Contracted Bus Services (TMDC)</i>	132.50	141.00	140.00	(1.00)
TOTAL THIRD PARTY CONTRACT OPERATIONS	183.25	201.00	200.00	(7.00)

*Contracted Bus Services FTE methodology is based on operator hours.



DIVISION BUDGETS



GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

PRESIDENT / CEO AND BOARD OF DIRECTORS

Provides professional leadership, guidance, and coordination in the implementation of the policies established by the Board of Directors. The President's department administers Board support, records management, and coordinates legislative liaisons and General Counsel. The CEO also oversees intergovernmental relations and communications with local, regional, state and federal agencies and organizations. The department is responsible for the overall direction, supervision, and coordination of DCTA's activities.

COST CLASSIFICATION

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
PRESIDENT/CEO					
Salary, Wages & Benefits	\$ 268,265	\$ 311,344	\$ 564,234	544,234	\$ 388,536
Services	503,871	261,776	322,149	322,149	398,799
Materials & Supplies	37,690	16,152	27,804	27,804	28,000
Utilities	18,633	21,233	28,800	28,800	29,400
Insurance & Casualties	-	-	-	-	-
Miscellaneous	59,018	69,147	115,841	115,841	121,730
Leases & Rentals	118,682	117,488	120,393	120,393	141,481
Depreciation	-	-	112,870	112,870	29,536
Total Operating Expense	\$ 1,006,159	\$ 797,140	\$ 1,292,091	1,272,091	\$ 1,137,482
Full-Time Equivalents	1.50	1.50	1.50	1.50	1.00

MATERIAL BUDGET ITEMS:

- Pay plan adjustment of \$25 thousand included in 2019 budget
- Anticipated staffing plan to address core positions was included for FY18 (\$175K) resulting in a decrease in FY19
- Archives & Records Management Consultant project included in FY19 (\$100k)
- Eliminated one intern position (.5 FTE)

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

President / CEO
FY19 Objectives & Tasks / Performance Measures
ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS

GOAL 1: Safety - Passenger, Employee, Public**Tasks / Performance Measure:**

- Maintain a safe environment through education, awareness and implementation of best practices
- Identify safety solutions to enhance the agency's overall safety

GOAL 2: Maximize service efficiency and reliability**Tasks / Performance Measure:**

- Execute service changes in January and August of each year to consistently improve services provided
- Conduct annual surveys to garner community and passenger feedback

GOAL 3: Maximize the effectiveness of service for DCTA's ridership markets**Tasks / Performance Measure:**

- Identify and implement innovative strategies to drive ridership
- Enhance services in existing member cities
- Identify growth opportunities within underserved areas of Denton County

GOAL 4: Increase the visibility and elevate the image of DCTA**Tasks / Performance Measure:**

- Attend community meetings and forums on a regular basis
- Provide outreach to member cities, non-participating cities and other potential public or private partners
- Develop options to consider a brand change / agency renaming

GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success**Tasks / Performance Measure:**

- Consider joint operations / shared funding of transit services that cross county boundaries
- Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available
- Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps

GOAL 6: Coordinate regional services with other regional transportation providers**Tasks / Performance Measure:**

- Meet with leadership from DART, TRE and Trinity Metro on a regular basis to coordinate regional activities/services
- Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan

GOAL 8: Advocate sustainable development practices that support transit**Tasks / Performance Measure:**

- Identify strategic acquisition of property, property use rights and right-of-way
- Match personnel growth to agency need

GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values**Tasks / Performance Measure:**

- Sustain agency's solid position and practices
- Identify sustainable funding for improvements and expansion
- Retain fidelity with stakeholders
- Exhibit judicious use of agency debt
- Seek opportunities for increased efficiency and reduced cost

GOAL 10: Leverage state-of-the-art technology for the development of innovative transit solutions**Tasks / Performance Measure:**

- Identify and test innovative software solutions that would enable DCTA-driven on-demand service
- Continue testing and identify implementation steps for Positive Train Control (PTC)
- Embrace technological changes/advancements

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

President / CEO
FY18 Performance Measure Results/Status

GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success**OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries****Tasks / Performance Measure:**

- Seek opportunities for increased efficiency and reduced cost

Results / Status:

- Successfully operated commuter bus service between Fort Worth ITC and Denton in partnership with Trinity Metro
- Participated in and continue to play an active role with Trinity Metro, Alliance Airport and other key stakeholders regarding first/last mile connections
- DCTA is leading efforts to explore service between Downtown McKinney and Old Town Lewisville along SRT 121 with major destinations expected in The Colony, Frisco and Plano

OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners**Tasks / Performance Measure:**

- Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan
- Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps

Results / Status:

- DCTA planned an active role with the NCTCOG and Municipal leaders in both Denton and Collin Counties. Several initiatives are underway with both existing member cities and non participating cities.
- Several programs are underway which include regional planning initiatives, transportation forums and briefings to council members and elected officials throughout the region.

OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available**Tasks / Performance Measure:**

- Develop alternative delivery of demand response service
- Work closely with the NCTCOG, Trinity Metro and local communities to implement commuter bus service on 35W Corridor

Results / Status:

- Mobility As A Service (MAAS) has been launched in the Denton Airport zone with additional expansion planned for Lewisville in 2019. An Autonomous vehicle pilot project has been launched in Frisco and is currently operational providing service in several major developments.
- Service was initiated and ridership is growing along the corridor. Additional service enhancements are being planned to increase frequency and to address first/last mile.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

FINANCE

To provide the highest quality financial management, support, fiduciary oversight, and public accountability to the DCTA Board and stakeholders. The department, management, and staff are committed to the following principles:

- Provide timely and accurate financial information to the departments and the Board
- Comply with State and Federal regulations regarding financial management, procurement, accounting, and internal controls
- Surpass industry standards of financial management and reporting
- Be a resource for the President and Board on financial matters, economic issues, and operational performance
- Monitor and report DCTA's financial performance
- Recommend effective allocation of resources and safeguard assets

Departmental functions include responsibilities for the accounting and financial reporting functions, budget and Long Range Financial Planning, treasury and investing function, risk management, contracts, procurement human resources and grant compliance and reporting. The Human Resources budget is reported separately on pages 78-79.

COST CLASSIFICATION

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
FINANCE					
Salary, Wages & Benefits	\$ 810,187	\$ 876,472	\$ 962,010	\$ 919,010	\$ 1,072,042
Services	237,837	253,239	365,619	365,619	404,063
Materials & Supplies	-	83	600	600	500
Utilities	-	-	-	-	-
Insurance & Casualties	12,665	13,591	13,938	13,938	12,706
Miscellaneous	16,949	41,585	72,562	72,562	71,490
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 1,077,638	\$ 1,184,970	\$ 1,414,729	1,371,730	\$ 1,560,801
Full-Time Equivalents	8.50	8.00	8.00	8.00	9.00

MATERIAL BUDGET ITEMS:

- Merit Pay of 3.5% included in 2019
- Additional position included in FY19 for a Regulatory Compliance Officer
 - This position will serve as an independent subject matter expert regarding Disadvantaged Business Enterprise (DBE), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), and Title VI programs and will be responsible for collaborating with staff to ensure compliance with these programs. This position will provide guidance and direction to staff on necessary guidelines and will allow departments to focus more on their core functions.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

FINANCE – MAJOR 2018 ACCOMPLISHMENTS:

- Received the Achievement for Excellence in Procurement (AEP) for 2018 from the National Procurement Institute, Inc. (NPI) for the third consecutive year
- Received Government Finance Officers Association of United States and Canada (GFOA) awards:
 - Certificate of Achievement for Excellence in Financial Reporting for the FY2017 Comprehensive Annual Financial Report (CAFR); eighth consecutive year
 - Distinguished Budget Presentation Award for FY2018 Budget; 12th consecutive year
- Received unqualified “clean” audit opinion for FY2017 audit with no management comments
- Recovered \$310,000+ in sales tax as a result of audit of sales/use tax remittances and related information
- Increased investment earnings by \$228,000+ over prior year by diversifying portfolio
- Selected by National Transit Institute (NTI) to host the ‘Procurement Series III – RFPs and Competitive Contract Negotiations’ training course. NTI was established in 1991 by the Transportation Act to delivery training and education programs for the public transit industry.
- Implemented COGNOS, a financial reporting software, to improve accessibility to financial records across departments and increase staff efficiency in compiling data for distribution and analysis
- Fourteen procurement solicitation requests completed including:
 - Payroll processing and human data management services
 - Tire & barrel removal at Rail O&M facility
 - Construction of bus fueling facility and parking lot
 - Purchase of twelve buses
- In addition to the NCTCOG STIP/TIP Program of Projects and related Urbanized Areas formula grants and ongoing grant management and administration, the following grant activity was completed:
 - Completed the FY2018 Triennial Review
 - Awarded \$2,625,000 from FTA’s FY2017 Bus and Bus Facilities Grant Call for Projects for the Bus O&M Lewisville Satellite “Lite” Facility. The facility will be constructed on the Rail O&M property and can accommodate up to 45 buses as well as a wash facility.
 - Awarded \$4,000,000 from FRA for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant to fund future PTC enhancements.
 - Submitted the following applications:
 - Shared Use Mobility Center’s Mobility On Demand On-Ramp Program to develop a financial “clearinghouse” and data exchange service for transportation technology, providers, and services
 - Better Utilizing Investments to Leverage Development (BUILD) grant for at-grade rail crossing closures
 - FY2018 Bus & Bus Facilities Call for Projects for express bus service along the 121 corridor

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance

FY19 Objectives & Tasks / Performance Measures

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities

Tasks / Performance Measure:

- Submit application and meet criteria on on-going basis for the Texas Comptroller of Public Accounts' Transparency Stars program (replacement of the Leadership Circle Award). Target Stars for Traditional Finances, Contracts & Procurement, and Debt Obligations.
- Optimize visibility and access to procurement opportunities via e-procurement processes
- Solicit and incorporate public input in budget process and the NCTCOG Transportation Improvement Program

GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success

OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services

Tasks / Performance Measure:

- Provide financial review and analysis of new service requests with review of current and long-term impact
- Provide financial review and analysis of proposed new corridors and long-term impact

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Support development of grant applications identified in DCTA's Long-Range Service Plan, and identify where applicable opportunities for partnerships with regional agencies and planning entities

Tasks / Performance Measure:

- Pursue joint funding for safety initiatives, passenger information and planning tools that encourage connectivity
- Identify grant funding and other financing options for DCTA's proposed Lewisville Multi-Modal Facility

OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries

Tasks / Performance Measure:

- Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures
- Support regional reciprocal fare agreement with DART and Trinity Metro
- Participate in fare payment initiatives that promote regional cooperation

GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

OBJECTIVE: Develop capital plans and funding strategies for critical infrastructure, replacement, maintenance and service enhancements and growth opportunities

Tasks / Performance Measure:

- Align agency long range financial plan with Long Range Service Plan and Board Strategic Plan
- Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements
- Implement fully allocated cost model for evaluating performance of each service type

OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services

Tasks / Performance Measure:

- Monitor and respond to legislation that affects sales tax
- Strengthen current financial conditions by ensuring appropriate systems and controls are in place
- Develop comprehensive grants management framework
- Implement dashboard type reporting access for non-Finance Department users of financial software application
- Maintain internal debt coverage ratio at 1.25x and update financial model to incorporate debt service plan for the full issuance period

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance
FY19 Objectives & Tasks / Performance Measures

GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse

Tasks / Performance Measure:

- Receive NPI Excellence in Procurement Award
- Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies
- Achieve unqualified audit opinion and completion of annual audit within 6 months of year end
- Receive Government Finance Officers Association Distinguished Budget Award
- Receive Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
- Maintain appropriately diversified investment portfolio

Finance
FY18 Performance Measure Results/Status

GOAL 2: Maximize service efficiency and reliability

OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA

Tasks / Performance Measure:

- Ensure fleet sustainability and timely vehicle procurements consistent with operating and funding requirements
- Manage procurement of goods and services to reduce impacts on operating costs
- Develop and implement infrastructure for managing both procurement & non-procurement contracts that support adopted contract administration procedures

Results / Status:

- On-going.
- Multi-year procurements in place for major maintenance goods & services.
- Completed. Included in the Quarterly Procurement Meeting is a review of all outstanding contracts

OBJECTIVE: Support optimization of maintenance, preservation, and timely replacement of assets

Tasks / Performance Measure:

- Provide accurate and timely financial data, which is used to evaluate services, by the 10th working day of each month
- Quarterly Review Meetings
 - 1) Operating Budget Review to monitor performance to budget and identify any outliers with appropriate time to address
 - 2) Capital projects meetings to review/close/capitalize completed projects in timely manner
 - 3) Procurement review to assist departments with timely planning and provide oversight of upcoming scheduled for agency procurements
- Continue to improve standard procedures and procurement processes to align with a customer focused procurement philosophy and best practices

Results / Status:

- Achieved 100% on monthly close for delivery of departmental P&Ls
- Completed
- Procurement training conducted with DCTA and TMDC staff. Selected by National Transit Institute (NTI) to host the 'Procurement Series III – RFPs and Competitive Contract Negotiations' training course

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance
FY18 Performance Measure Results/Status

GOAL 2: Maximize service efficiency and reliability**OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio**Tasks / Performance Measure:

- Conduct auctions and ensure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%)

Results / Status:

- On-going

GOAL 4: Increase the visibility and elevate the image of DCTA**OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities**Tasks / Performance Measure:

- Submit application and meet criteria for the State Comptroller's new Transparency Stars Project (replaced the Leadership Circle Award). Target Stars for Traditional Finances, Contracts & Procurement & Debt Obligations
- Optimize visibility and access to procurement opportunities via e-procurement processes using BidSync
- Maintain well defined annual budget process that incorporates opportunity for public input
- Maintain clear well defined public meeting process for NCTCOG Transportation Improvement Program
- Monitor and provide feedback on website modification to ensure ease of access to all DCTA Financial data and procurement opportunities

Results / Status:

- Currently evaluating the new award program
- On-going
- Completed. Finance Committee Workshop, Board Meetings and Budget Public Hearing conducted according to budget calendar
- On-going
- Completed. DCTA launched a new website in August 2018 which includes more valuable content in a reader-friendly format

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information effortsTasks / Performance Measure:

- Support regional reciprocal fare agreement with DART and Trinity Metro
- Participate in fare payment initiatives that promote regional cooperation
- Evaluate use of shared services agreement

Results / Status:

- Completed. DCTA adopted new regional fares in August 2018 to maintain regional fare consistency
- On-going. DCTA is evaluating additional fare payment options for regional consistency with DART
- On-going. Current shared services agreements (ILAs) include: DENTON COUNTY - Law Enforcement for A-train; DART - TVM & Platform maintenance, GoPass mobile ticketing, Trinity Mills Station crew facility; Trinity Metro - I-35 W North Texas Xpress Service

GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success**OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services**Tasks / Performance Measure:

- Provide financial review and analysis of new services requests with review of current and long-term impact
- Provide financial review and analysis of proposed new corridors and long-term impact

Results / Status:

- On-going. Assisted with UNT service model pro-forma for FY18 negotiations for 10-year service contract
- On-going

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance
FY18 Performance Measure Results/Status

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities

Tasks / Performance Measure:

- More frequent meetings to discuss and coordinate special projects, events or issues
- Quarterly meetings with DART and Trinity Metro on regional services
- Meet no less than semi-annually with member city CFOs to communicate DCTA's financial performance and service objectives

Results / Status:

- On-going. Met with regional partners several times in FY2018 to discuss GoPass upgrades, regional fares, and new fare payment options
- Completed
- Will begin in FY2019

OBJECTIVE: Support development grant applications identified in DCTA's Long-Range Service Plan, and identify where applicable opportunities for partnerships with regional agencies and planning entities

Tasks / Performance Measure:

- Develop plan to identify and secure funding, in conjunction with regional transit agencies, for safety initiatives
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity
- Identify grant funding and other financing options for DCTA's proposed Lewisville Multi-Modal Facility
- Support regional initiatives with other agencies and NCTCOG

Results / Status:

- No activity to report
- No activity to report
- On-going. DCTA received award notification of \$10.4 million in CMAQ funding from NCTCOG for land acquisition and construction
- On-going

OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries

Tasks / Performance Measure:

- Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures
- Pursue options for shared excess rail liability and other insurance coverages as appropriate for the agency
- Develop public trust and confidence thru transparency, open communication and regional collaboration

Results / Status:

- On-going
- Shared participation on hold. DCTA has secured coverage individually as primary insured
- Supported submittal of DCTA financial information for NCTCOG's 2045 Plan update; Public Meetings conducted for Annual Program of Projects; Public Hearing advertised and conducted for annual budget; Posted all Finance Committee meetings

GOAL 7: Tie the provision of transit to land-use and the resulting demand levels

OBJECTIVE: Existing services that significantly exceed standards should be augmented

Tasks / Performance Measure:

- Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level

Results / Status:

- On-going

OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods

Tasks / Performance Measure:

- Identify sustainable options for service enhancements during schedule update and annual budget process
- Facilitate TOD projects on properties adjacent to agency stations
- Support Transit Oriented Development (TOD) and real estate opportunities that further agency goal of increasing ridership

Results / Status:

- On-going as part of annual budget process. Implemented service changes in August 2018
- No activity to report
- No activity to report

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance
FY18 Performance Measure Results/Status

GOAL 8: Advocate sustainable development practices that support transit

OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs

Tasks / Performance Measure:

- Identify funding methods and sources for capital needs outlined in long-range service plan
- Establish method for prioritization of projects that will be supported

Results / Status:

- On-going. DCTA received award notification of \$10.4 million in CMAQ funding from NCTCOG for land acquisition purchases
- No activity to report

GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

OBJECTIVE: Establish a bond rating

Tasks / Performance Measure:

- Prepare agency to obtain credit rating by making progress toward incorporating criteria for top management characteristics of highly rated municipal/governmental credits into DCTA operations
- Leverage agency assets by improving efficiencies through
- Conduct scheduled review of fare structure as outlined in agency

- No activity to report

- No activity to report

- Completed. DCTA adopted new regional fares in

OBJECTIVE: Develop capital plans and funding strategies for critical infrastructure, replacement, maintenance and service enhancements and growth opportunities

Tasks / Performance Measure:

- Align agency long range financial plan with Long Range Service
- Continue utilization of Long-Term Financial Planning cash flow
- Establish process for annual risk assessment to manage and
- Implement fully allocated cost model for evaluating performance of each service type

- On-going

- On-going as part of annual budget process

- No activity to report

- Entered into an agreement for development of a service pricing model to be completed in FY2019

OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services

Tasks / Performance Measure:

- Monitor and respond to legislation that affects sales tax
- Increase and broaden grant funding resources
- Review and align risk insurance coverage with DCTA operational needs
- Strengthen current financial conditions by ensuring appropriate systems and controls are in place that improve financial health
- Develop comprehensive grants management framework
- Implement dash-board type reporting access for non-Finance Department users of financial software application
- Establish and maintain reserves per adopted Financial Policies
- Maintain internal debt coverage ratio at 1.25x and update financial model to incorporate debt service plan for the full issuance period
- Complete fare structure and revenue analysis for scheduled fare increases
- More effective utilization of sales tax audit, reporting and data collection information which is now available
- Find new innovative revenues and sources of funding to leverage local transportation dollars

Results / Status:

- On-going

- On-going

- On-going. DCTA re-evaluate needs annually as part of annual TML re-rate

- On-going

- Completed. Implemented active grant monitoring process in coordination with consultant

- Dashboard reporting has been transferred to IT Department as part of their Data Warehouse Project

- Completed

- Completed

- Fare changes implemented in August 2018. Public meeting and Title VI analysis completed

- On-going

- Received Transportation Development Credits (TDCs) from NCTCOG which will be utilized as local match for Bus & Bus Facilities grant-funded project

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance
FY18 Performance Measure Results/Status

GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values**OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse****Tasks / Performance Measure:**

- Receive NPI Excellence in Procurement Award
- Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies
- Achieve unqualified audit opinion and completion of annual audit within 6 months of year end
- Receive Government Finance Officers Assoc. Distinguished Budget Award
- Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Reporting
- Maintain compliance and accountability of P-card program
- Review and update process/procedures annually
- Implement routine, scheduled review of agency-wide cash management, cash handling processes and key internal controls
- Maintain appropriately diversified investment portfolio

Results / Status:

- Completed
- Quarterly Grants updated presented to Board. Grant reporting deadlines met
- Completed
- Completed
- Completed
- On-going
- On-going
- On-going
- On-going. Diversifying portfolio resulted in FY2018 investment income that was more than double the amount earned in FY2017

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

MARKETING AND COMMUNICATIONS

To provide strategic marketing and communications efforts on behalf of the agency, Board of Directors, DCTA departments and consultants to promote the agency, key messages, brand identity, and build brand awareness. To direct critical internal and external communications via proactive and reactive media relations, public involvement, community outreach, and customer service.

COST CLASSIFICATION

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
MARKETING & COMMUNICATIONS					
Salary, Wages & Benefits	\$ 450,613	\$ 518,997	\$ 568,796	\$ 538,796	\$ 659,710
Services	485,836	580,509	601,354	533,354	495,280
Materials & Supplies	27,791	24,275	41,300	31,300	43,300
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	26,306	23,550	32,475	32,475	46,560
Leases & Rentals	-	234	-	-	3,000
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 990,546	\$ 1,147,565	\$ 1,243,925	\$ 1,135,925	\$ 1,247,850
Full-Time Equivalents	6.50	7.50	7.50	7.50	8.50

MATERIAL BUDGET ITEMS:

- Merit pay of 3.5% included
- Additional position included in FY19 for a Communications Coordinator

MARKETING & COMMUNICATIONS – MAJOR 2018 ACCOMPLISHMENTS:

- Increased community outreach resulting in more than 300,000 global impressions, 5,000 direct 1:1 impressions, and enhanced university orientation engagement
- More than 750 news stories placed in local, regional, national and industry publications (including broadcast and online)
- Successful launch of email marketing program resulting in more than 75 email blasts, 500 thousands emails delivered and an open rate of more than 18%
- Successful implementation of a complete website rebuild and launch, resulting in higher-than-average webpage impressions and engagement
- Substantial decrease in customer service inbound calls due to other methods of customer service solutions put in place – including an enhanced Rider Alert system and a comprehensive Transit Tracker system
- More than \$100,000 in discount pass programs sold through the agency's Corporate Pass Program, Non-Profit Pass Program and Group Discount Pass Program

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications FY19 Objectives & Tasks / Performance Measures

GOAL 2: Maximize service efficiency and reliability

OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards

Tasks / Performance Measure:

- Survey passengers to obtain feedback on overall satisfaction
- Actively promote GOREquest to encourage passenger feedback
- Utilize GOREquest inquiries to provide rider feedback to operations
- Proactively engage with passengers at events and community gatherings to solicit feedback
- Drive increased public involvement through regularly scheduled public meetings
- Monitor service change feedback and provide rider feedback to operations
- Monitor social media and report service feedback accordingly

OBJECTIVE: Ensure routes are easy to understand

Tasks / Performance Measure:

- Utilize new maps and timetables to communicate service offerings
- Continue to optimize route guide layout and content
- Identify translation standards and incorporate standards into DCTA's Title VI Program
- Create efficiencies across all departments in the development of routine service change collateral
- Continue to implement the Passenger Information Communication Architecture (revamp maps, at-stop signage and bus shelter vinyl)
- Develop and execute comprehensive marketing and communications plans to promote routine service changes
- Continue to audit passenger signage and communications to enhance the rider experience
- Continue to work with UNT to promote consistent messaging regarding service

GOAL 3: Maximize the effectiveness of service for DCTA's ridership markets

OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas

Tasks / Performance Measure:

- Engage in partner discussions regarding customized service to major centers of demand
- Hold bi-annual public meetings to collect feedback regarding potential service modifications
- Continue to utilize GOREquest to collect feedback from passengers
- Engage in customer and community conversations via social media channels to encourage discussion about service
- Continually work with planning staff to support service initiatives in employment centers and high-density residential service areas
- Support contract service with required marketing and communications efforts

OBJECTIVE: Increase incremental revenue service offerings for the Agency

Tasks / Performance Measure:

- Actively promote and track sales for the Corporate Pass Program
- Actively promote and track sales for the Group Discount Program
- Actively promote and track sales for the Non-Profit Discount Program
- Increase website traffic for all discount pass programs to increase awareness and potential incremental revenue
- Update and launch DCTA's In-Transit Advertising Program
- Execute ticket promotions to increase ridership
- Continue to promote all DCTA services to build brand awareness and potential incremental revenue opportunities

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority

Tasks / Performance Measure:

- Develop annual strategic marketing and communications plan with detailed initiatives, metrics and goals
- Continue to update agency brand standards to enhance the brand
- Execute targeted marketing and communication efforts (online, print, social, etc.) to enhance brand awareness and drive ridership

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications FY19 Objectives & Tasks / Performance Measures

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority

Tasks / Performance Measure:

- Maximize media exposure and increase earned media value in local, regional, national, and industry media outlets
- Continue to optimize new website to enhance the brand's communications efforts
- Continually update website content to increase pageviews, number of pages visited, and average time on site
- Increase social media impressions and engagement by implementing strategic campaigns
- Continue applying for local and industry awards to further elevate the agency image to external audiences

OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services

Tasks / Performance Measure:

- Continue to elevate the content provided in the passenger newsletter
- Coordinate with Operations to effectively produce revised passenger information materials for schedule revision implementation in January and August
- Utilize updated maps and timetables in all signage and materials
- Distribute revised passenger information materials twice a year at least two weeks in advance of any service changes
- Develop comprehensive distribution plans to increase placement of passenger information throughout the community
- Continue implementing elements of the Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)
- Gather feedback regarding improvements to passenger information through surveys, community events and Citizen's Advisory Team

OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities

Tasks / Performance Measure:

- Provide updated information on the agency's website and blog
- Coordinate with internal DCTA departments to upload pertinent content to the DCTA website
- Encourage public participation by conducting public meetings and community outreach in accordance with the agency's Public Involvement Plan
- Actively engage and inform the public through a variety of formats including traditional, online, print, social media, and video
- Provide regular communication with stakeholders
- Identify and coordinate presentation opportunities (rail safety, agency facts, new service, etc.) with civic groups, schools and neighborhood associations

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts

Tasks / Performance Measure:

- Continue to enhance partnership with UNT to increase communications efforts
- Continue to partner with member cities to expand communication reach
- Continue to partner with contract cities and cities of interest to increase overall brand awareness
- Continue to take part in job, apartment and student fairs
- Continue to engage in member city community events
- Engage in partnerships with chambers of commerce and CVBs to expand communications reach
- Explore and execute community events in adjacent cities and key cities along corridors of interest
- Develop community relationships to assist in the promotion of social content
- Develop relationships with community bloggers and key influencers to take part in new programs and expand communications reach
- Continue to maximize community events and develop innovative methods to directly impact individuals in attendance
- Continue to collect email addresses at events to increase DCTA's email marketing database

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications
FY19 Objectives & Tasks / Performance Measures

GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success

OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners

Tasks / Performance Measure:

- Assist with the launch of new and/or expanded services
- Assist with the launch of contract services
- Assist in cultivating and developing partnership opportunities of prospective new communities
- Engage chambers of commerce and CVBs in prospective new communities
- Develop and launch outreach campaigns targeted at prospective new communities
- Support DCTA Board of Directors and Executive Staff with preparation of marketing collateral and presentations
- Provide non-participating cities and other potential public or private partners with information as needed

OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services

Tasks / Performance Measure:

- Develop and launch strategic passenger information plan to address public-facing signage, installation and consistency
- Develop specialized passenger information to support the expansion and/or launch of new service
- Update specialized signage as part of the regularly schedule Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)
- Develop new and update existing collateral materials to promote DCTA services and programs
- Continue to promote services, programs and news via signage at facilities and in vehicles
- Create new route guides to enhance map and timeline communications
- Continue to translate vital documents and create large-print materials as required

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities

Tasks / Performance Measure:

- Host regularly scheduled meetings with marketing and communications staff to discuss progress of strategic marketing and communications plan and other projects as necessary
- Engage in regular meetings with customer service staff to communicate effectively and monitor performance
- Attend monthly safety meetings hosted by First Transit to remain engaged with operational staff
- Meet with NCTCOG to discuss projects and programs as necessary
- Regular meetings with TxDOT communications team during 35Express project

OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries

Tasks / Performance Measure:

- Meet with regional transit partners quarterly to discuss initiatives and opportunities for collaboration
- Meet routinely with Trinity Metro to discuss plans and performance of North Texas Xpress
- Continue partnering with DART, Trinity Metro and TRE on cross promotional opportunities including regional initiatives and special events
- Collaborate with DART, Trinity Metro and NCTCOG on the development and execution of joint projects as necessary
- Collaborate with transit agencies across the US to research and receive feedback on projects and programs

OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas

Tasks / Performance Measure:

- Support operations as needed to promote the vanpool program
- Coordinate with the Planning department to assist with the communications of mobility options throughout North Texas
- Support partnerships with TNCs with strategic marketing and communications efforts
- Participate in regional events
- Target Denton County employers that have employees driving from outside of Denton County
- Promote ridesharing opportunities through use of DCTA's station parking lots

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications

FY18 Performance Measure Results/Status

GOAL 2: Maximize service efficiency and reliability

OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards

Tasks / Performance Measure:

- Survey the community to obtain feedback of brand and service delivery satisfaction
- Actively promote GORrequest to encourage passenger feedback
- Utilize GORrequest inquiries to provide rider feedback to operations
- Proactively engage with passengers at events and community gatherings to solicit feedback
- Drive increased public involvement through regularly scheduled public meetings
- Streamline rider alerts by format and topic to enhance customer communications
- Monitor service change feedback and provide rider feedback to operations
- Monitor social media and report service feedback accordingly

Results / Status:

- Conducted a point-in-time study on the A-train to garner data that would inform service planning; kicked off the 2018 community survey process (slated for November 2018)
- Continually promote the travel tool via posted signage, social media, events and through drivers
- Provided monthly reports to operations
- Globally reached more than 310,000 community members and had more than 12,500 one-on-one discussions through community outreach efforts
- Held public meetings in April and Septembers resulting in the highest attendance the agency has seen in the last four years
- Developed strategic rider alert templates and calendar to maximize alerts sent, emails opened and overall click through rate
- Actively brought service changes to both public meetings, as well as discussed the details with key stakeholders, to garner feedback and share with operations
- Actively monitored social media daily and provided detailed monthly reports

OBJECTIVE: Ensure routes are easy to understand

Tasks / Performance Measure:

- Utilize new maps and timetables to communicate service offerings
- Develop and implement new route guides
- Create efficiencies across all departments in the development of routine service change collateral
- Continue to implement the Passenger Information Communication Architecture (revamp maps, at-stop signage and bus shelter vinyl)
- Develop and execute comprehensive marketing and communications plans to promote routine service changes
- Continue to audit passenger signage and communications to enhance the rider experience
- Continue to work with UNT to promote consistent messaging regarding service

Results / Status:

- Utilized new maps and timetables for both service changes, resulting in efficiency for both production and reprints
- Individual route guides were developed; positive operational and passenger feedback was received
- Service change committee was developed to discuss and monitor service change progress and successfully bring changes to a close
- Continually include all communications mediums in planning efforts; conducted a complete audit of all passenger architecture with the plan to rebuild a stronger platform for passenger communications
- Developed and executed a robust annual plan to support all agency messaging
- Continually include all communications mediums in planning efforts; conducted a complete audit of all passenger architecture with the plan to rebuild a stronger platform for passenger communications
- Increased collaboration with UNT to develop a robust social media and student outreach plan spanning both semesters

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications

FY18 Performance Measure Results/Status

GOAL 3: Maximize the effectiveness of service for DCTA's ridership markets

OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas

Tasks / Performance Measure:

- Engage in partner discussions regarding customized service to major centers of demand
- Hold bi-annual public meetings to collect feedback regarding potential service modifications
- Continue to utilize GORrequest to collect feedback from passengers
- Engage in customer and community conversations via social media channels to encourage discussion about service
- Continually work with planning staff to support service initiatives in employment centers and high-density residential service areas
- Support contract service with required marketing and communications efforts

Results / Status:

- Executed stakeholder engagement to facilitate interest in DCTA services; worked with Planning and Development to execute agreements and opportunities
- Held public meetings in April and Septembers resulting in the highest attendance the agency has seen in the last four years
- Continually promote the travel tool via posted signage, social media, events and through drivers
- Actively posted and engaged on all social media platforms daily, resulting in an increase of social media followers (Facebook - 1,347; Twitter - 301; YouTube - 14; LinkedIn - 67; Hop On Board Blog - 25)
- Executed stakeholder engagement to facilitate interest in DCTA services; worked with Planning and Development to execute agreements and opportunities
- Provided support services for Alliance Link, Denton Enterprise Airport Zone, Frisco AV, Collin County Transit, and others

OBJECTIVE: Increase incremental revenue service offerings for the Agency

Tasks / Performance Measure:

- Actively promote and track sales for the Corporate Pass Program
- Actively promote and track sales for the Group Discount Program
- Actively promote and track sales for the Non-Profit Discount Program
- Increase website traffic for all discount pass programs to increase awareness and potential incremental revenue
- Update in-transit advertising program
- Execute ticket promotions to increase ridership and ticket revenue
- Continue to promote all DCTA services to build brand awareness and potential incremental revenue opportunities

Results / Status:

- Actively promoted the program resulting in 646 webpage hits and \$68,720 in sales
- Actively promoted the program resulting in 514 webpage hits and \$20,883 in sales
- Actively promoted the program resulting in 807 webpage hits and \$14,684.59 in sales; increased overall percentage to reach additional social service agency needs
- Increased webpage hits for all three programs (Non-Profit - 807; Group - 514; Corporate Pass - 646)
- Kicked off In-Transit Advertising Program parameters and developed collateral to promote the program...
- University A-train Promotion, Local Fare Promotion, and the State Fair of Texas Promotion
- Promoted services and programs through passenger signage, social media, community outreach and paid advertising

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications

FY18 Performance Measure Results/Status

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority

Tasks / Performance Measure:

- Develop annual strategic marketing and communications plan with detailed initiatives, metrics and goals
- Continue to update agency brand standards to enhance the brand
- Execute targeted marketing and communication efforts (online, print, social, etc.) to enhance brand awareness and drive ridership
- Maximize media exposure and increase earned media value in local, regional, national, and industry media outlets
- Launch new website to enhance the brand's communications efforts
- Continually update website content to increase pageviews, number of pages visited, and average time on site
- Increase social media impressions and engagement by implementing strategic campaigns
- Launch strategic email marketing program
- Enhance agency newsletter with new design and monthly execution
- Continue applying for local and industry awards to further elevate the agency image to external audiences

Results / Status:

- Developed and executed a robust annual plan to support all agency messaging; shared quarterly metrics with Board of Directors
- Updated the agency's brand standards manual twice during the fiscal year
- Promoted services and programs through passenger signage, social media, community outreach and paid advertising
- Placed 836 stories mentioning DCTA (up 38.4% YOY) resulting in more than 220M impressions and a total of \$945,100 in publicity value
- Successfully launched new website resulting in an increase of new users by 15%
- Provided monthly reporting to monitor activity and trends
- Increased social media impressions and engagement by 17% YOY
- Launched successful email marketing program - the first of its kind at DCTA - resulting in a 19% increase in email addresses, a total of 83 marketing email blasts, 586,000 emails delivered, a 17% open rate and a 1.09% click through rate
- Revamped the Wheels & Rails newsletter and added new areas focusing on the President's message and Human Resources; celebrated 10-year employee milestones
- Continued applying for local and industry awards, resulting in an increase in awards won and an elevation in the agency's image throughout the industry

OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services

Tasks / Performance Measure:

- Continue to elevate the content provided in the passenger newsletter
- Coordinate with Operations to effectively produce revised passenger information materials for schedule revision implementation in January and August
- Utilize updated maps and timetables in all signage and materials
- Distribute revised passenger information materials twice a year at least two weeks in advance of any service changes
- Develop comprehensive distribution plans to increase placement of passenger information throughout the community
- Continue implementing elements of the Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)

Results / Status:

- Successfully launched an online newsletter resulting in print savings and tracked readership
- Service change committee was developed to discuss and monitor service change progress and successfully bring changes to a close
- Utilized new maps and timetables for both service changes, resulting in efficiency for both production and reprints
- Successfully distributed route guides in accordance with the service change schedule and committee planning
- Added a Community Relations Manager who aided in an increased distribution schedule for all agency collateral
- Continually include all communications mediums in planning efforts; conducted a complete audit of all passenger architecture with the plan to rebuild a stronger platform for passenger communications

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications

FY18 Performance Measure Results/Status

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services

Tasks / Performance Measure:

- Gather feedback regarding improvements to passenger information through surveys, community events and Citizen's Advisory Team

Results / Status:

- Surveyed passengers with the A-train Point-in-Time Study and through social media; engaged with more than 12,500 community members to collect feedback, held quarterly CAT meetings (with the highest attendance in that last three years), and reported all feedback to operations staff

OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities

Tasks / Performance Measure:

- Provide updated information on the agency's website and blog
- Encourage public participation by conducting public meetings and community outreach in accordance with the agency's Public Involvement Plan
- Actively engage and inform the public through a variety of formats including traditional, online, print, social media, and video
- Provide regular communication with stakeholders
- Identify and coordinate presentation opportunities (rail safety, agency facts, new service, etc.) with civic groups, schools and neighborhood associations
- Coordinate with internal DCTA departments to upload pertinent content to the DCTA website

Results / Status:

- Updated the agency's website and blog weekly as well as when needed; launched new website resulting in an increase of new users by 15%; reported more than 5,000 unique users in the blog with 15% of those users returning to the site on a regular basis
- Followed the Public Involvement Plan and hosted public meetings in April and September; increased community outreach by globally reaching more than 310,000 community members and having more than 12,500 one-on-one conversations with the community
- Promoted services and programs through passenger signage, social media, community outreach and paid advertising
- Developed stakeholder engagement matrix to better identify all community stakeholders and how the agency as a whole should be engaged
- Globally reached more than 310,000 community members and had more than 12,500 one-on-one discussions through community outreach efforts
- Updated the website weekly as well as when needed; provided monthly reporting to monitor activity and trends

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts

Tasks / Performance Measure:

- Continue to enhance partnership with UNT to increase communications efforts
- Continue to partner with member cities to expand communication reach
- Continue to take part in job, apartment and student fairs
- Continue to engage in member city community events

Results / Status:

- Increased collaboration with UNT to develop a robust social media and student outreach plan spanning both semesters
- Regularly communicated with member cities to provide service and program information; developed stakeholder engagement matrix to better identify all community stakeholders and how the agency as a whole should be engaged
- Maintained engagement with higher education institutions and social service agencies to participate in table top opportunities
- Participated in the North Texas Fair and Rodeo, Denton Arts & Jazz Festival, Thin Line Film Festival, Highland Village Balloon Festival, Lewisville Western Days, Lewisville Colorpalooza, and other community events within our member cities

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications
FY18 Performance Measure Results/Status

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts

Tasks / Performance Measure:

- Engage in partnerships with chambers of commerce and CVBs to expand communications reach
- Explore and execute community events in adjacent cities and key cities along corridors of interest
- Develop community relationships to assist in the promotion of social content
- Develop relationships with community bloggers to take part in new programs and expand communications reach
- Continue to maximize community events and develop innovative methods to directly impact individuals in attendance

Results / Status:

- Actively sit on the Denton CVB Advisory Council; work with the Highland Village Business Association and the Lewisville Chamber of Commerce on community outreach efforts
- Increased community outreach activities to Alliance, Flower Mound, Lake Cities, Frisco and McKinney
- Engaged community partners to share DCTA's social media content
- Engaged with community bloggers to amplify DCTA's message; DCTA's State Fair of Texas influencer marketing campaign won a 2018 PRSA Dallas Pegasus Award
- Globally reached more than 310,000 community members and had more than 12,500 one-on-one discussions through community outreach efforts; added a prize wheel and plinko to our tabletop activities to draw in more participation

GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success

OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners

Tasks / Performance Measure:

- Assist with the launch of new and/or expanded services
- Assist with the launch of contract services
- Assist in cultivating and developing partnership opportunities of prospective new communities
- Engage chambers of commerce and CVBs in prospective new communities
- Develop and launch outreach campaigns targeted at prospective new communities
- Support DCTA Board of Directors and Executive Staff with preparation of marketing collateral and presentations
- Provide non-participating cities and other potential public or private partners with information as needed

Results / Status:

- Provided support services for Alliance Link, Denton Enterprise Airport Zone, Frisco AV, Collin County Transit, and others
- Provided support services for Alliance Link, Denton Enterprise Airport Zone, Frisco AV, Collin County Transit, and others
- Executed stakeholder engagement to facilitate interest in DCTA services; worked with Planning and Development to execute agreements and opportunities
- Signed up for memberships the chambers of commerce in Lake Cities, Frisco and McKinney
- Executed a "Community Awareness" campaign that targeted member cities, contract cities, key adjacent cities, Collin County cities, I-35W corridor cities and 380 corridor cities
- Provided support services for presentations and materials as needed
- Executed a "Community Awareness" campaign that targeted member cities, contract cities, key adjacent cities, Collin County cities, I-35W corridor cities and 380 corridor cities; provided support services for presentations and materials as needed; attended planning and status meetings

OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services

Tasks / Performance Measure:

- Develop specialized passenger information to support the expansion and/or launch of new service

Results / Status:

- Provided support services for Alliance Link, Denton Enterprise Airport Zone, Frisco AV, Collin County Transit, and others; this included collateral, website content, program parameters, etc.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications FY18 Performance Measure Results/Status

GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success

OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services

Tasks / Performance Measure:

- Update specialized signage as part of the regularly schedule Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)
- Develop new and update existing collateral materials to promote DCTA services and programs
- Develop strategic editorial calendars to ensure proper signage coverage at facilities and in vehicles
- Continue to promote services, programs and news via signage at facilities and in vehicles
- Create new route guides to enhance map and timeline communications
- Continue to translate vital documents and create large-print materials as required

Results / Status:

- Continually include all communications mediums in planning efforts; conducted a complete audit of all passenger architecture with the plan to rebuild a stronger platform for passenger communications
- Created supporting materials when necessary for agency information, campaign support, etc.
- Developed strategic editorial calendars for media relations, social media, Hop on Board blog, EnRoute News, Wheels & Rails, platform signage, and campaigns
- Continued to leverage platform, facility and fleet signage to communicate DCTA services, program and promotions
- Individual route guides were developed; positive operational and passenger feedback was received
- Conducted a long-term RFP for translation services to support the agency's translation needs in both Spanish and Haka Chin

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities

Tasks / Performance Measure:

- Host regularly scheduled meetings with marketing and communications staff to discuss progress of strategic marketing and communications plan and other projects as necessary
- Engage in regular meetings with customer service staff to communicate effectively and monitor performance
- Attend monthly safety meetings hosted by First Transit to remain engaged with operational staff
- Meet with NCTCOG to discuss projects and programs as necessary
- Regular meetings with TxDOT communications team during 35Express project

Results / Status:

- Hosted by-monthly meetings with marketing and communications staff to discuss strategy, priorities and kick-start new projects
- Hosted monthly meetings with customer service staff and provided binder overviews of all new services, programs and promotions to keep CSRs up to date
- Coordinated with the Customer Communications Specialist (TMDC) to attend monthly safety meetings to update operators on all DCTA services, programs and promotions
- Met with NCTCOG as needed regarding a variety of programs and initiatives
- Met with 35Express committee as needed

OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries

Tasks / Performance Measure:

- Meet with regional transit partners quarterly to discuss initiatives and opportunities for collaboration
- Continue partnering with DART, FWTa and TRE on cross promotional opportunities including regional initiatives and special events
- Collaborate with DART, FWTa and NCTCOG on the development and execution of joint projects as necessary
- Collaborate with transit agencies across the US to research and receive feedback on projects and programs

Results / Status:

- Met with DART and Trinity Metro quarterly to provide agency updates and collaborate on regional initiatives
- Met with DART and Trinity Metro quarterly to provide agency updates and collaborate on regional initiatives
- Met with DART and Trinity Metro quarterly to provide agency updates and collaborate on regional initiatives
- Actively collaborate with agencies through SWTA and APTA

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications
FY18 Performance Measure Results/Status

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas

Tasks / Performance Measure:

- Support operations as needed to promote the vanpool program
- Coordinate with the Planning department to assist with the communications of mobility options throughout North Texas

- Support partnerships with TNCs with strategic marketing and communications efforts

- Participate in regional events

- Target Denton County employers that have employees driving from outside of Denton County

- Promote ridesharing opportunities through use of DCTA's station parking lots

Results / Status:

- Provided program and grant support to operations
- Provided support services for Alliance Link, Denton Enterprise Airport Zone, Frisco AV, Collin County Transit, and others; this included collateral, website content, program parameters, etc.
- Provided support for a variety of Uber and Lyft programs; actively participated in the Drive.ai program, launch and communications maintenance
- Participated in a variety of regional events to represent DCTA
- Engaged businesses via Corporate Pass Program outreach, resulting in 646 webpage hits and \$68,720 in sales
- Promoted DCTA's vanpool program, Lyft programs, National Bike to Work Day, and other ridesharing programs to encourage rideshare

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

STRATEGIC PLANNING AND DEVELOPMENT

To provide direction in all strategic planning and development functions for the organization. The department is responsible for establishing a framework for sound transit decision making and for the deployment system-wide planning in the context of regional metropolitan transportation planning and economic development. This department also supports legislative initiatives.

COST CLASSIFICATION

		FY 2016 Actual		FY 2017 Actual		FY 2018 Budget		FY 2018 Revised Budget		FY 2019 Budget
STRATEGIC PLANNING & DEVELOPMENT										
Salary, Wages & Benefits	\$	174,216	\$	267,885	\$	427,924		407,924	\$	430,220
Services		46,931		107,116		262,000		454,781		334,000
Materials & Supplies		-		-		-		-		-
Utilities		-		-		-		-		-
Insurance & Casualties		-		-		-		-		-
Miscellaneous		16,853		14,157		21,500		21,500		33,700
Leases & Rentals		-		-		-		-		-
Depreciation		-		-		-		-		-
Total Operating Expense	\$	238,001	\$	389,158	\$	711,424		884,205	\$	797,920
Full-Time Equivalents		2.00		2.00		3.00		3.00		3.00

MATERIAL BUDGET ITEMS:

- Merit Pay included at 3.5%

STRATEGIC PLANNING & DEVELOPMENT – MAJOR 2018 ACCOMPLISHMENTS:

- Successfully secured more than \$20M in funding for the implementation of DCTA projects and programs.
- Continued successful service expansion within Collin County with the establishment of the Frisco Transportation Management Association, deployment of the Drive.ai automated vehicle pilot, and transportation forum planning for future commuter service along the Sam Rayburn Tollway corridor.
- Participated in multiple national, state, regional, and local conferences and meetings as subject matter experts regarding innovative mobility and the future of transportation.
- Continued to effectively identify and develop strategic partnerships with new municipalities and major employers along corridors of interest for future transit planning initiatives.
- Participated and supported member city planning initiatives through small area planning studies, complete street projects and development code modifications.
- Saw continued growth in the Planning & Development department, allowing greater and more effective outreach efforts to member and non-member communities.
- Conducted studies and drafted plans to better position agency for long-term growth and advocate support for transit by member cities and partner agencies.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Strategic Planning & Development FY19 Objectives & Tasks / Performance Measures

GOAL 1: Safety - Passenger, Employee, Public

OBJECTIVE: Ensure all contracts with Transportation Network Companies, Mobility as a Service, or other on-demand service providers related to innovative mobility solutions include appropriate safety requirements to meet DCTA policy and any other local, state, or federal safety regulations

Tasks / Performance Measure:

- As new service opportunities arise, work with Procurement to ensure contracts have appropriate language to support safety requirements and DCTA policy
- Develop and communicate safe rider tips for different mobility services

GOAL 2: Maximize service efficiency and reliability

OBJECTIVE: Continue to identify opportunities where Mobility as a Service and other on-demand options can be incorporated to enhance connectivity to existing service

Tasks / Performance Measure:

- Explore opportunities with third party service and technology vendors to stay apprised of new and emerging innovations
- As businesses approach DCTA to develop transportation solutions for employees, incorporate on-demand services as an efficient and reliable option in corporate transportation packages

GOAL 3: Maximize the effectiveness of service for DCTA's ridership markets

OBJECTIVE: Conduct ongoing analyses of mobility services to meet the needs of unique transit markets

Tasks / Performance Measure:

- Study ridership trends and preferences among target populations
- Explore opportunities for public-private partnerships to provide customized service solutions

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts

Tasks / Performance Measure:

- Participate in planning initiatives, informational meetings and events, provide technical assistance when needed and support initiatives with transit, development and sustainability elements.
- Present information regarding agency expansion and improvement projects to the community, regional agencies and county and city officials

GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success

OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners

Tasks / Performance Measure:

- Assist with identifying and prospecting new communities along key corridors where transit has a likelihood of success, assist leaders within those communities to determine need, develop appropriate solutions and encourage participation
- Strategically attend events and meetings that represent key corridors and actively engage target stakeholders
- Partner with new employers and private developers with large populations in our service area, to enhance transit connectivity related to job access
- Assist in coordination of collaborative groups with similar objectives involving mobility solutions

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities

Tasks / Performance Measure:

- Attend/host quarterly meetings with planning staff to discuss potential project partnerships
- Attend regular meetings and engage with NCTCOG staff to discuss projects with regional impact potential; participate in NCTCOG Working Group meetings to share best practices and identify collaboration opportunities

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Strategic Planning & Development FY19 Objectives & Tasks / Performance Measures

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Support regional initiatives with other transit agencies and NCTCOG

Tasks / Performance Measure:

- Co-author grant applications with regional agencies and planning entities
- Attend regional transportation and transit-focused meetings to further engage key stakeholders and partners

GOAL 7: Tie the provision of transit to land-use and the resulting demand levels

OBJECTIVE: Demonstrate the value-add of DCTA in member and contract cities as it relates to economic development

Tasks / Performance Measure:

- Improve transit-oriented development (TOD) opportunities and enhance land use around existing and future A-train stations by working with municipalities, chambers of commerce, economic development corporations, and others to identify potential development opportunities and partnerships
- Coordinate with municipal planning and economic development departments to promote transit connectivity in the recruitment of new and re-locating businesses
- Track relevant Multi-family / Office / Residential development activity in our service region
- Research models that project transit demand based on development type and density

GOAL 8: Advocate sustainable development practices that support transit

OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria

Tasks / Performance Measure:

- Participate in city and regional planning initiatives and provide support during development planning to ensure sustainable development and transit supportive design
- Strategically engage developers in planning processes that specialize in sustainable development initiatives to positively influence ridership and transit support

OBJECTIVE: Work with Denton County and its jurisdictions to enact zoning regulations that facilitate dense transit-oriented development to be focused near A-train, future rail or express bus stations

Tasks / Performance Measure:

- Provide technical assistance to local and regional officials
- Participate in conferences and trainings on transit friendly zoning and land regulation practices

OBJECTIVE: Support the establishment of building orientation and pedestrian accessibility recommendations for new development, so that the development that occurs is convenient to the transit rider

Tasks / Performance Measure:

- Monitor new development activity in member cities and provide feedback
- Work with city planning and economic development staff to promote connectivity

OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs

Tasks / Performance Measure:

- Monitor projects along the corridor. Support public and private development by serving as a technical resource for the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Strategic Planning & Development FY19 Objectives & Tasks / Performance Measures

GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

OBJECTIVE: Support Finance, Procurement, and Operations in maintaining fiscal responsibility as new and existing relationships are further developed from outreach efforts

Tasks / Performance Measure:

- Identify grant funding opportunities through local, regional, state and federal sources, as well as potential public and private sector partners
- Work with businesses and key corridor partners to incorporate contract, on-demand services where fixed-route service may be cost prohibitive to encourage cost-efficient transit connectivity

GOAL 10: Leverage state-of-the-art technology for the development of innovative transit solutions

OBJECTIVE: Leverage private sector technology-based solutions to provide customized mobility options to unique markets

Tasks / Performance Measure:

- Explore opportunities with Mobility as a Service vendors for new programs and solutions
- Participate in regional coordination efforts to implement seamless mobility options for passengers
- Support the development of a centralized data / financial exchange to enhance Mobility as a Service initiatives
- Support the regional development of a consistent network of data and financial transaction information across transit systems for ease of customer use

Strategic Planning & Development FY18 Performance Measure Results/Status

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts

Tasks / Performance Measure:

- Participate in planning initiatives, informational meetings and events, provide technical assistance when needed and support initiatives with transit, development and sustainability elements.
- Present information regarding agency expansion and improvement projects to the community, regional agencies and city officials.

Results / Status:

- Regular meetings have been held with city staff, stakeholders, developers and agency partners to discuss new developments and any transit needs foreseen throughout Denton and Collin counties. This will be an ongoing effort by the agency.
- Regular meetings have been held with the community, regional agencies and local city officials. This will be an ongoing effort by the agency.

GOAL 5: Expand DCTA's services into areas where transit has a string likelihood of success

OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners

Tasks / Performance Measure:

- Assist with identifying and prospecting new communities along key corridors where transit has a likelihood of success, assist leaders within those communities determine need, develop appropriate solutions and encourage participation.

Results / Status:

- Regular meetings have been held with city staff to discuss new developments and any transit needs foreseen. This will be an ongoing effort by the agency.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Strategic Planning & Development FY18 Performance Measure Results/Status

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities

Tasks / Performance Measure:

- Quarterly meetings with planning staff to discuss potential project partnerships.
- Regular meetings and engagement with NCTCOG staff to discuss projects and regional impact potential.

Results / Status:

- Completed and will be an ongoing effort of the agency.
- Regular meetings have been held with NCTCOG staff to discuss current and future regional and agency projects. This will be an ongoing effort by the agency.

OBJECTIVE: Co-author grant applications with regional agencies and planning entities

Tasks / Performance Measure:

- Support regional initiatives with other transit agencies and NCTCOG.

Results / Status:

- Engaged and participated in multiple NCTCOG initiatives; Provided Letters of Support for NCTCOG grant applications regarding regional initiatives; Will continue to be an ongoing effort of the agency.

GOAL 8: Advocate sustainable development practices that support transit

OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria

Tasks / Performance Measure:

- Participate in city and regional planning initiatives and provide support during development planning to ensure sustainable development and transit supportive design.

Results / Status:

- Working closely with member and non-member city planning and community development staff to provide assistance during their project and development planning processes. Will continue to be an ongoing effort of the agency.

OBJECTIVE: Work with Denton County and its jurisdictions to enact zoning regulations that facilitate dense transit-oriented development to be focused near A-train, future rail or express bus stations

Tasks / Performance Measure:

- Provide technical assistance to local and regional officials.

Results / Status:

- Partnering with member cities to ensure success of TOD projects. This will be an ongoing effort by the agency.

OBJECTIVE: Support the establishment of building orientation and pedestrian accessibility recommendations for new development, so that the development that occurs is convenient to the transit rider

Tasks / Performance Measure:

- Monitor new development activity in member cities and provide feedback.

Results / Status:

- Meeting with member city staff to stay engaged with city economic development, community development activities. This will be an ongoing effort by the agency.

OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs

Tasks / Performance Measure:

- Monitor projects along the corridor. Support public and private development by serving as a technical resource for the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans.

Results / Status:

- Staying engaged in development projects along the major corridors, meeting with area developers regularly and offering assistance when appropriate. This will be an ongoing effort by the agency.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

HUMAN RESOURCES

To manage and direct the Authority's human resource and personnel functions. The department administers programs in recruiting, compensation, employee relations and communications, performance appraisal systems, and safety and training programs. Other key functions include the development and administration of the employee benefit programs and maintenance of all official personnel records and related record keeping.

COST CLASSIFICATION

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
HUMAN RESOURCES					
Salary, Wages & Benefits	\$ 15,692	\$ 62,451	\$ 67,062	\$ 76,062	\$ 93,080
Services	44,154	33,325	61,900	61,900	62,400
Materials & Supplies	559	485	500	500	500
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	11,604	12,118	39,850	39,850	38,050
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 72,009	\$ 108,379	\$ 169,312	\$ 178,312	\$ 194,030
Full-Time Equivalents	0.50	1.00	1.00	1.00	1.00

MATERIAL BUDGET ITEMS:

- Merit Pay included at 3.5%

HUMAN RESOURCES – MAJOR 2018 ACCOMPLISHMENTS:

- Recruited and hired thirteen (13) employees (10 regular full-time, 3 part-time interns) within the last fiscal year. Posting for 1 newly created regular full-time position for FY19.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Human Resources
FY19 Objectives & Tasks / Performance Measures**

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities

Tasks / Performance Measure:

- Maintain DCTA Employment website with current opportunities and provide timely, reliable information for those seeking employment
- Identify opportunities for collaboration with local universities on internships and relevant research
- Establish a competitive total compensation package that aligns with and supports a culture of innovation and performance
- Assist the Management Team in creating a dynamic organization committed to innovation with a focus on productivity and cross-departmental collaboration
- Encourage staff empowerment by providing training and tools that promote initiative, career development and achievement of organizational goals
- Cultivate a skilled workforce that is recognized for its experts and leaders in the transportation field
- Foster an inclusive environment and implement strategies that increase employee job satisfaction and loyalty

**Human Resources
FY18 Performance Measure Results/Status**

GOAL 4: Increase the visibility and elevate the image of DCTA

OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities

Tasks / Performance Measure:

Results / Status:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Maintain DCTA Employment website with current opportunities and provide timely, reliable information for those seeking employment • Monitor and provide feedback on website modifications to ensure ease of access to all DCTA employment opportunities • Identify opportunities for collaboration with local universities on internships and relevant research • Establish a competitive total compensation package that aligns with and supports a culture of innovation and performance • Assist the Management Team in creating a dynamic organization committed to innovation with a focus on productivity and cross-departmental collaboration • Encourage staff empowerment by providing training and tools that promote initiative, career development and achievement of organizational goals • Cultivate a skilled workforce that is recognized for its experts and leaders in the transportation field • Foster an inclusive environment and implement strategies that increase employee job satisfaction and loyalty | <ul style="list-style-type: none"> • On-going. Thirteen DCTA job opportunities (10 FT & 3 PT interns) recruited and hired in FY18 • On-going • On-going • Compensation study scheduled for FY19 • On-going • On-going • On-going • On-going |
|---|---|

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

TRANSIT OPERATIONS - ADMIN

The Transit Operations department provides management and oversight efforts of the regional rail component, the A-train as well as the bus services component. In previous years, this division was separated into a Bus Admin and Rail Admin component but has now been combined. This department also includes Information Technology and capital projects management.

COST CLASSIFICATION

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised	FY 2019 Budget
TRANSIT OPERATIONS - ADMIN					
Salary, Wages & Benefits	\$ 640,082	\$ 788,518	\$ 1,113,609	1,117,609	\$ 1,226,535
Services	145,196	156,366	368,738	368,738	366,501
Materials & Supplies	122,097	37,068	69,200	69,200	63,800
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Purchased Transportation Services	205,025	125,966	187,368	187,368	158,778
Miscellaneous	14,326	7,881	16,990	16,990	40,800
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 1,126,725	\$ 1,115,799	\$ 1,755,905	1,759,905	\$ 1,856,414
Full-Time Equivalents	6.25	6.75	8.75	8.75	10.25

MATERIAL BUDGET ITEMS:

- FTE has been increased by 1.5 due to the addition of an Operations Manager (Bus) that will focus on Mobility as a Service (MaaS) and a Bus Operations Intern
- Merit included at 3.5%

TRANSIT OPERATIONS – MAJOR 2018 ACCOMPLISHMENTS:

- Completion of Pockrus Page construction, the final FEMA project.
- Completion of subsurface evaluation field work at Rail O&M facility.
- Initiation of the bus fueling facility project at Rail O&M.
- Installation and training on AutoCAD Vault for document control.
- Completion of Phase 3 (Lake Cities) Hike and Bike Trail.
- Completion of Rail/Trail safety survey and installation of improvements at 2 grade crossings.
- Letting of Phase 2, Eagle Point section of the Hike and Bike Trail.
- Completion of the 2018 Passenger Amenities project in Denton.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Transit Operations

FY19 Objectives & Tasks / Performance Measures

GOAL 2: Maximize service efficiency and reliability

OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA

Tasks / Performance Measure:

- No more than 2 preventable accidents per 100,000 miles for DCTA Bus Operations
- Maintain zero FRA reportable worker injuries
- 90% of Bus preventative maintenance performed on-time
- Maintain appropriate level of revenue, contingency, and spare vehicles to meet service needs
- Ensure timely vehicle procurements consistent with all operating and funding requirements
- Be in revenue service demonstration (RSD) by December 31, 2018

OBJECTIVE: Operate on-schedule within adopted on-time performance standards

Tasks / Performance Measure:

- 90% on-time performance for bus services
- 98% on-time performance for rail services

OBJECTIVE: Consistently monitor and evaluate service in accordance with adopted service standards

Tasks / Performance Measure:

- Decrease cost per passenger system wide
- Minimize non-revenue hours system-wide, measured as number of Revenue Hours to Service Hours (+85%)

OBJECTIVE: Ensure DCTA business systems, network infrastructure, business productive tools are reliable, cost effective and secure

Tasks / Performance Measure:

- Implement and maintain an IT business continuity and sustainability plan to ensure high reliability and security of the agencies information and technology
- Coordinate with departments to determine annual business needs, develop and gain approval of expanded level projects and operating funds to implement approved projects
- Implement Shared Use Mobility tools with Microtransit partners

GOAL 3: Maximize the effectiveness of service for DCTA's ridership markets

OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas

Tasks / Performance Measure:

- Evaluate the existing route structure to identify areas to improve existing services, provide greater efficiencies, and recommend opportunities for expansion to better serve major employment and residential areas

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Co-author grant applications with regional agencies and planning entities

Tasks / Performance Measure:

- Pursue joint funding for positive train control
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity

OBJECTIVE: Pursue opportunities for coordinated procurement, joint operations, or shared funding that enhance regional services

Tasks / Performance Measure:

- Participate in regional commuter rail & bus initiatives that support regional mobility and growth
- Review opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Transit Operations
FY19 Objectives & Tasks / Performance Measures**

GOAL 7: Tie the provision of transit to land-use and the resulting demand levels

OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action

- Review service performance monthly and conduct bi-annual assessments to provide recommended enhancements

OBJECTIVE: Existing services that significantly exceed standards should be augmented

Tasks / Performance Measure:

- Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level

GOAL 8: Advocate sustainable development practices that support transit

OBJECTIVE: Effectively and efficiently plan and implement capital programs that support transit oriented services and operational business needs.

Tasks / Performance Measure:

- Continue the development of positive relationships with member city staffs in order to promote transit supportive development
- Identify, plan, and execute capital work programs that support bus, paratransit, rail, hike and bike trails and other innovative services programs
- Implement a passenger amenities program that supports expansion and maintenance of passenger amenities where ridership demand supports the need for shelters, benches, crew rooms, and other passenger amenities
- Work with planning and finance to explore transit service expansion and transit oriented development opportunities

GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services.

Tasks / Performance Measure:

- Manage Bus & Rail Operations and Maintenance activities within budget and work with finance to ensure consistent cash flow demand

**Transit Operations
FY18 Performance Measure Results/Status**

GOAL 2: Maximize service efficiency and reliability

OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA

Tasks / Performance Measure:

- No more than 2 preventable accidents per 100,000 miles for DCTA Bus Operations
- Maintain zero FRA reportable worker injuries
- 90% of Bus preventative maintenance performed on-time
- Maintain appropriate level of revenue, contingency, and spare vehicles to meet service needs
- Ensure timely vehicle procurements consistent with all operating and funding requirements

Results / Status:

- Achieved (0.922)
- Achieved: 613 days no reportable injury
- Achieved
- Achieved/Ongoing
- Ongoing

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Transit Operations

FY18 Performance Measure Results/Status

GOAL 2: Maximize service efficiency and reliability

OBJECTIVE: Operate on-schedule within adopted on-time performance standards

Tasks / Performance Measure:

- 90% on-time performance for bus services
- 98% on-time performance for rail services

Results / Status:

- Achieved: 93.06% OTP (actual)
- Achieved: 99.07% OTP (actual)

OBJECTIVE: Consistently monitor and evaluate service in accordance with adopted service standards

Tasks / Performance Measure:

- Decrease cost per passenger system wide
- Minimize non-revenue hours system-wide, measured as number of Revenue Hours to Service Hours (+85%)

Results / Status:

- Not achieved (FY2018 cost per passenger increased from \$7.39 to \$7.81.)
- Achieved (90.52%)

OBJECTIVE: Ensure DCTA business systems, network infrastructure, business productive tools are reliable, cost effective and secure

Tasks / Performance Measure:

- Implement and maintain an IT business continuity and sustainability plan to ensure high reliability and security of the agencies information and technology
- Coordinate with departments to determine annual business needs, develop and gain approval of expanded level projects and operating funds to implement approved projects

Results / Status:

- Ongoing
- Ongoing - Approval acquired for FY19 projects.

GOAL 3: Maximize the effectiveness of service for DCTA's ridership markets

OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas

Tasks / Performance Measure:

- Evaluate the existing route structure to identify areas to improve existing services, provide greater efficiencies, and recommend opportunities for expansion to better serve major employment and residential areas

Results / Status:

- Ongoing

GOAL 6: Coordinate regional services with other regional transportation providers

OBJECTIVE: Co-author grant applications with regional agencies and planning entities

Tasks / Performance Measure:

- Pursue joint funding for positive train control
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity

Results / Status:

- Achieved: \$4M FRA PTC grant awarded
- Ongoing

OBJECTIVE: Pursue opportunities for coordinated procurement, joint operations, or shared funding that enhance regional services

Tasks / Performance Measure:

- Participate in regional commuter rail & bus initiatives that support regional mobility and growth
- Review opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures

Results / Status:

- Ongoing
- Ongoing

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Transit Operations

FY18 Performance Measure Results/Status

GOAL 7: Tie the provision of transit to land-use and the resulting demand levels

OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action

Tasks / Performance Measure:

- Review service performance monthly and conduct bi-annual assessments to provide recommended enhancements

Results / Status:

- Ongoing

OBJECTIVE: Existing services that significantly exceed standards should be augmented

Tasks / Performance Measure:

- Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level

Results / Status:

- Ongoing

GOAL 8: Advocate sustainable development practices that support transit

OBJECTIVE: Effectively and efficiently plan and implement capital programs that support transit oriented services and operational business needs.

Tasks / Performance Measure:

- Continue the development of positive relationships with member city staffs in order to promote transit supportive development
- Identify, plan, and execute capital work programs that support bus, paratransit, rail, hike and bike trails and other innovative services programs
- Implement a passenger amenities program that supports expansion and maintenance of passenger amenities where ridership demand supports the need for shelters, benches, crew rooms, and other passenger amenities
- Work with planning and finance to explore transit service expansion and transit oriented development opportunities

Results / Status:

- Ongoing
- Ongoing
- Ongoing
- Ongoing

GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services.

Tasks / Performance Measure:

- Manage Bus & Rail Operations and Maintenance activities within budget and work with finance to ensure consistent cash flow demand

Results / Status:

- Ongoing

RAIL SERVICES DIVISION BUDGET

RAIL SERVICES

The Rail Services department provides management and operations efforts of the regional rail component, the A-train. Primary to the activities undertaken by this section of DCTA include internal and external agency coordination, transit oriented development (TOD), route planning, rail operations, rail maintenance, and safety/security. In October 2016, DCTA entered into a contract with First Transit for operations and maintenance of the A-train system. This contract supports the train operations and includes service hours, fuel, maintenance, etc. and is accounted for under Purchased Transportation Services category. Additionally, DCTA and DART entered into an interlocal shared services agreement for ticket vending machine maintenance and train platform maintenance. DCTA entered into an agreement with GE for the implementation of Enhanced Automatic Train Control technology that will move the agency towards compliance with Positive Train Control.

COST CLASSIFICATION

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
RAIL SERVICES					
Salary, Wages & Benefits	\$ 295,641	\$ 317,366	\$ 473,889	473,889	\$ 495,307
Services	400,496	421,770	353,450	631,279	773,574
Materials & Supplies	584,921	648,283	1,131,967	881,967	1,118,667
Utilities	237,063	258,687	289,044	289,044	300,563
Insurance & Casualties	502,230	1,193,243	1,224,376	1,224,376	1,334,003
Purchased Transportation Services	10,461,267	10,422,758	9,191,633	9,106,633	9,990,263
Miscellaneous	14,170	16,223	15,545	15,545	16,628
Leases & Rentals	2,207	2,207	2,208	2,208	4,512
Depreciation	8,037,306	8,138,245	8,388,963	8,388,965	9,163,244
Total Operating Expense	\$ 20,535,301	\$ 21,418,782	\$ 21,071,075	21,013,905	\$ 23,196,761
DCTA FTE's	3.00	3.00	4.00	4.00	4.00
First Transit Contract FTE's	50.00	50.75	60.00	60.00	54.00

MATERIAL BUDGET ITEMS:

- Purchased Transportation for FY19 is based on current contract rates with First Transit and includes operating expenses related to Positive Train Control of \$250k
- Fuel budgeted at \$2.75 per gallon in FY19 @ 400,000 gallons
 - FY18 Revised Budget fuel was reduced by \$250k in order to transfer savings for the Fuel Tank capital project
- Expanded Level Projects Included in FY19 Budget:
 - Southbound Rail Extension Study \$200k
 - Rail Operations & Maintenance Facility Modifications \$185k

The goals and objectives for rail services are addressed under Transit Operations

RAIL SERVICES DIVISION BUDGET

RAIL SERVICES – MAJOR 2018 ACCOMPLISHMENTS:

- DCTA Rail focused throughout the year on rail schedules services improvements on corridor connecting community and daily commuters on our rail system.
- Crossing improvements such as Shady Shores and Valley Ridge Blvd established excellent track stability, ride quality in improving ride quality and minimize service interruptions on our network.
- DCTA Rail Contract 2nd year anniversary with First Transit no safety violations nor employee FRA reportable injuries.
- FEMA Project flooding mitigation completed
- PTC-EATC
 - Static Testing Wayside completed
 - Systems Integration Testing Dynamic
 - Phase I Temporary Speed Restrictions, Completed
 - Phase II Operational Scenario, Completed
 - Phase III Permanent Speed Restriction, projected completion date October 6, 2018
- DCTA has formally applied Revenue Service Demonstration (RSD) to the FRA pending approval.
- PTC-EATC Personnel training on wayside, onboard, operational and back office systems have started 20 persons out of 50 have being trained.

BUS SERVICES DIVISION BUDGET

BUS SERVICES

In 2014, DCTA contracted with First Transit, Inc. to manage the bus operations. Under this Management Services Agreement contract, First Transit, Inc. provides a General Manager (GM) and an Assistant General Manager (AGM) to provide complete transportation management services for DCTA's on-going bus operations, fare enforcement services and DCTA's customer service/call center. The GM and AGM are employees of the contractor and is not included in the full time equivalent employees. DCTA staff provides the accounting and procurement as well as required controls over expenditures and makes payments for the cost of running the day to day bus operations. The expenses are reported in the normal expense categories of Salary and Wages, Services, Materials and Supplies, etc. The staff consists of drivers, maintenance, operations, and direct administration personnel.

COST CLASSIFICATION

	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Revised Budget	FY 2019 Budget
CONTRACT BUS SERVICES					
Salary, Wages & Benefits	\$ 6,561,277	\$ 7,312,851	\$ 8,160,925	7,804,142	\$ 8,452,147
Services	734,429	786,391	1,029,958	1,029,958	1,086,023
Materials & Supplies	1,263,323	1,590,825	2,330,569	2,017,004	2,293,561
Utilities	149,200	147,092	142,320	142,320	173,760
Insurance & Casualties	335,085	394,098	488,468	488,468	461,622
Purchased Transportation Services	-	38,400	334,342	334,342	343,118
Miscellaneous	25,284	18,804	108,563	108,563	241,058
Leases & Rentals	37,361	128,198	143,279	143,279	99,981
Depreciation	1,817,601	1,848,231	2,178,040	2,178,040	1,598,170
Total Operating Expense	\$ 10,923,560	\$ 12,264,890	\$ 14,916,464	14,246,116	\$ 14,749,440
Bus Contract FTE's	135.00	132.50	141.00	141.00	140.00

*Contracted Bus Services FTE methodology is based on operator hours.

MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$3.00 per gallon in FY19 @ 431,000 gallons
 - FY18 Revised Budget \$304k in savings were captured from fuel
- Bus operator wage average \$18.53 based on Union contract
 - FY18 Revised Budget \$378k in savings were captured from Bus salary & wages
- Includes 3% merit pay for non-operators
- Assumes an 15% increase in health benefits along with higher participation
- Scheduled engine overhauls are budgeted at \$230k

The goals and objectives for bus services are addressed under Transit Operations

BUS SERVICES DIVISION BUDGET

BUS SERVICES – MAJOR 2018 ACCOMPLISHMENTS:

- Streamlined route scheduling and bid process.
- Reduced headways on Route 4 from 60 minutes during peak to 30 minutes during peak.
- Procured 12 small vehicles (Arboc Spirit of Independence 2300).
- Initiated process to right size the fleet, including operating small vehicles on all Lewisville Connect routes and Denton Connect Route 4.
- Executed 10 year service agreement with the University of North Texas.
- Implemented on-demand pilot project in the Denton Enterprise Airport Zone.



CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PLAN OVERVIEW

CAPITAL IMPROVEMENT PLAN OVERVIEW

The Capital Improvement Plan (CIP) is a five year financial plan of anticipated capital project needs. The CIP is designed to meet the DCTA's ongoing operational and infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of the agency and is updated on an annual basis during the budget process.

Capital projects represent a significant investment by DCTA in developing and maintaining the agency's equipment and infrastructure. This level of investment requires a serious and intensive review of all project requests and any associated operating expenditures to ensure that they are consistent with the needs and goals of the community and adequate resources are available. The capital budget process is designed to enhance the review procedure and ensure this match between capital projects and community needs.

All capital projects should be based upon or be consistent with established agency goals and community needs, both current and future. Department heads should consider established plans such as Board goals, or established maintenance and replacement schedules in developing the CIP projects. Department heads should also consider the relationship between the requested projects and other approved or planned capital projects and any on-going operating costs that will be incurred.

A capital project is funded for one of the following purposes: land acquisition, new construction of buildings, remodeling of and/or additions to buildings, major equipment purchases or refurbishment, and other infrastructure or technology needs, service improvements, or major studies. The basic criteria for a capital project are any construction or purchase costing \$25,000 or more and which has a useful life of five years or longer. A capital project may also be established for large-scale operating expenses that we expect to span multiple years and these are expensed upon completion.

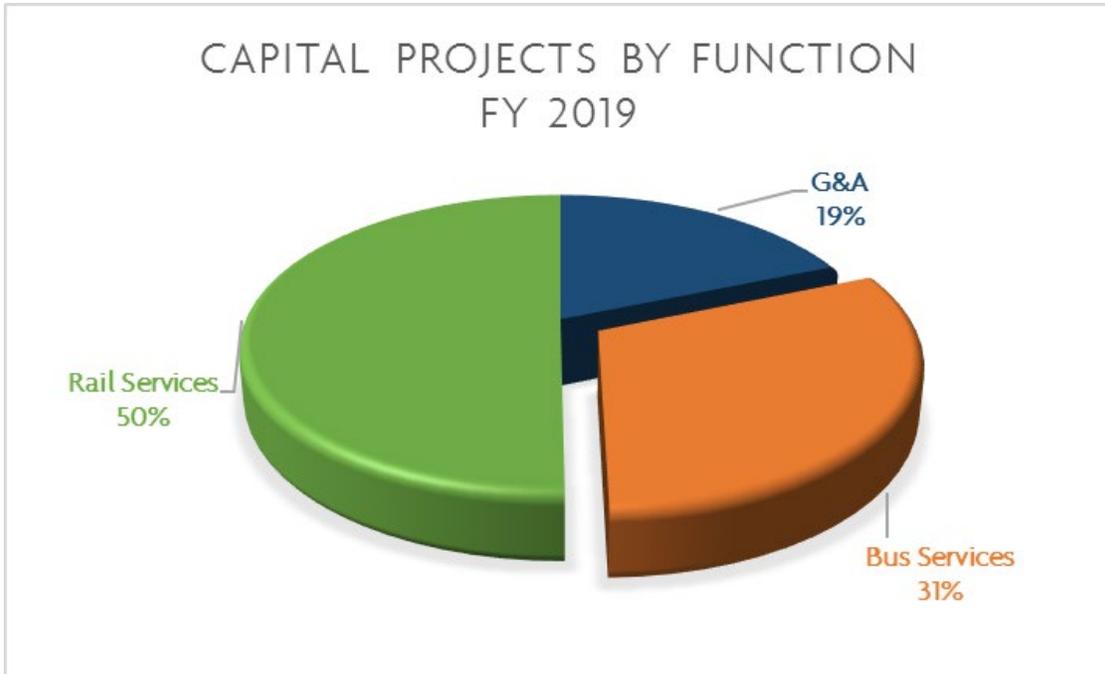
The current year of the CIP is adopted with the approval of the FY 2019 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY19 is \$12.7 million, and includes bus, rail and general administrative related projects. These projects are outlined in greater detail on subsequent pages in this section.

CAPITAL IMPROVEMENT PLAN SUMMARY

Project Name	Project Number	Project Budget	Project LTD thru FY 2017	Revised FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Project Total (Thru 2024)
BUS OPERATIONS											
Scheduling Software	50601	\$ 250,000	\$ 28,125	\$ 25,000	\$ 196,875						\$ 250,000
Bus Fleet Cameras	50409	149,500			149,500						149,500
IOMF Fuel Tanks - Lewisville	50305	987,000	53,380	771,620	162,000						987,000
Fleet (2018)	50512	1,356,000			1,356,000						1,356,000
Fleet (2019)	50513	1,481,000			1,481,000						1,481,000
Fleet Farebox Replacement	50411	600,000			600,000						600,000
Future Fleet						2,162,600	2,161,183	1,606,067	2,358,069	2,974,896	11,262,815
RAIL OPERATIONS											
Positive Train Control Implementation	61406.1	16,720,141	12,046,307	4,041,153	632,681						16,720,141
Lewisville Bike Trail	61708	2,146,355	2,087,510	53,895	4,950						2,146,355
Rail Capital Maintenance (2018)	61714	1,386,643	89,246	1,297,397							1,386,643
Rail Capital Maintenance (2019)	61719	2,500,000			2,500,000						2,500,000
Trail Safety Improvements	61715	181,157		45,000	136,157						181,157
Lewisville Bike Trail - Eagle Point	61716	2,995,873	42,011	300,000	2,653,862						2,995,873
Brownfield Remediation	61605	385,000	22,596	252,328	110,076						385,000
Rail Safety Improvements	61718	400,000		67,760	332,240						400,000
Future Rail Capital Maintenance						2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
Future Rail Safety Improvements						200,000	200,000	200,000	200,000	200,000	1,000,000
GENERAL & ADMINISTRATIVE											
Data Analytics & Reporting	10601	200,000		42,580	157,420						200,000
Safety & Security Assessment	10604	250,000	25,000	25,000	200,000						250,000
Infrastructure Acquisition	10302	3,900,000	128,936	3,164,125	606,939						3,900,000
Project Mgmt / Document Control	10605	150,000		150,000							150,000
Shared Use Mobility Study	10606	123,428		60,000	63,428						123,428
Server & Network Infrastructure	10403	350,000			350,000					350,000	700,000
2019 One-Time Transit Improvements	10701	1,000,000			1,000,000						1,000,000
TOTAL CAPITAL BUDGET		\$ 37,512,097	\$ 14,523,111	\$ 10,295,858	\$ 12,693,128	\$ 4,862,600	\$ 4,861,183	\$ 4,306,067	\$ 5,058,069	\$ 6,024,896	\$ 62,624,912

Sources of Funding (FY19)

Federal/State Grants	\$ 5,300,531
DCTA Funding	\$ 7,392,597
TOTAL	\$ 12,693,128



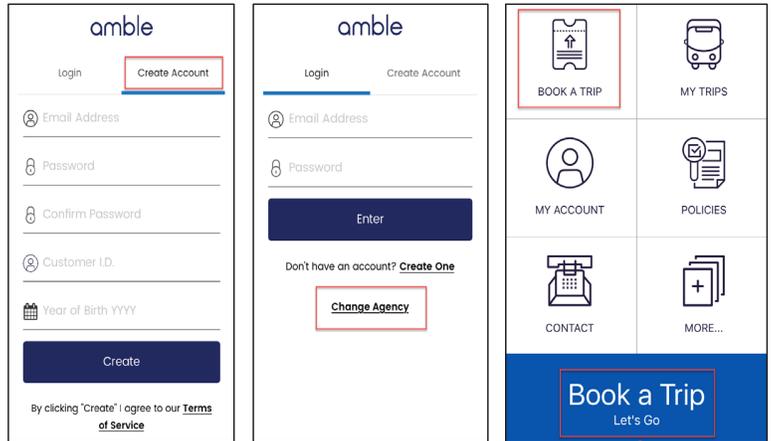
CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Mobility On-Demand Scheduling Software

Project Number: 50601

Statement of Need/Description

Mobility On-Demand Scheduling Software will enhance the customer experience and allow for continuous optimization of the day's schedule to improve efficiencies. Customers will be able to request and pay for trips online or via an app up to 2 hours in advance. The software will be developed to be compatible with DCTA's vehicle tracking system and Google Transit. In addition, this software should track different schedule versions and maintain the integrity of the "master schedule." This project will be grant funded (80%).



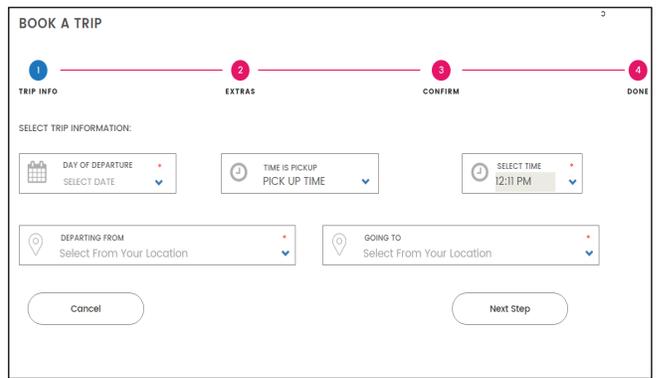
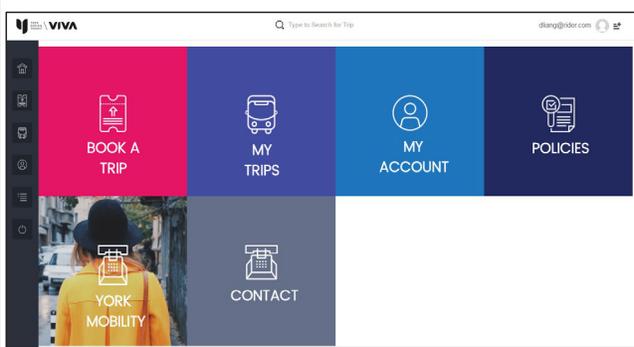
Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ 28,125	\$ -	\$ -	State Grants \$ -
2017-18	\$ 25,000	\$ -	\$ -	Federal Grants \$ 200,000
2018-19	\$ 196,875	See Project Notes	\$ -	Operating Funds \$ 50,000
Total	\$ 250,000	\$ -	\$ -	Total Funding \$ 250,000

Change from Previous CIP

No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

Project Notes

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process. The first year of maintenance and support will be included as part of the project implementation. Future operating cost impacts will include license renewals and software maintenance and will be included in the future budgets when identified.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Bus Fleet Cameras

Project Number: 50409

Statement of Need/Description

Purchase and install safety and security cameras on new and existing vehicles to provide maximum fleet coverage.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ -	\$ -	\$ -	Federal Grants \$ 119,600
2018-19	\$ 149,500	See Project Notes	\$ -	Operating Funds \$ 29,900
Total	\$ 149,500	\$ -	\$ -	Total Funding \$ 149,500

Change from Previous CIP

No Change X
 Increase in Amount
 Decrease in Amount
 New Project

Project Notes

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project at this time. The cameras will be covered under warranty for a period and after that, any maintenance expense will be negligible.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: IOMF Fuel Tank Installation

Project Number: 50305

Statement of Need/Description

This project will provide for purchase and installation of an above ground fueling system to fuel the Lewisville buses currently parked at the Rail Operations and Maintenance Facility (ROMF). Additional funds will be used to pave a large part of the remaining empty field at the ROMF and install the pad and piping for a 2nd tank.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ 53,380	\$ -	\$ -	State Grants \$ -
2017-18	\$ 771,620	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 162,000	See Project Notes	\$ -	Operating Funds \$ 987,000
Total	\$ 987,000	\$ -	\$ -	Total Funding \$ 987,000

Change from Previous CIP

No Change	
Increase in Amount	X
Decrease in Amount	
New Project	

Project Notes

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process. This capital project will result in cost savings due to reduction in man hours to move the vehicles from the Rail Operations & Maintenance Facility in Lewisville to Bus Operations & Maintenance Facility in Denton to refuel and associated wear and tear on each vehicle for the additional road miles. DCTA will be able to purchase the fuel at a reduced rate if we are able to store on site.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Fleet 2018

Project Number: 50512

Statement of Need/Description

The fleet replacement scheduled for FY18 includes replacement of 12 small vehicles that will be used to meet service requirements. These vehicles were ordered in FY18 and are scheduled to arrive in FY19. The additional buses will be grant funded at 85%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ -	\$ -	\$ -	Federal Grants \$ 1,152,600
2018-19	\$ 1,356,000	See Project Notes	\$ -	Operating Funds \$ 203,400
Total	\$ 1,356,000	\$ -	\$ -	Total Funding \$ 1,356,000

Change from Previous CIP

No Change

Increase in Amount

Decrease in Amount

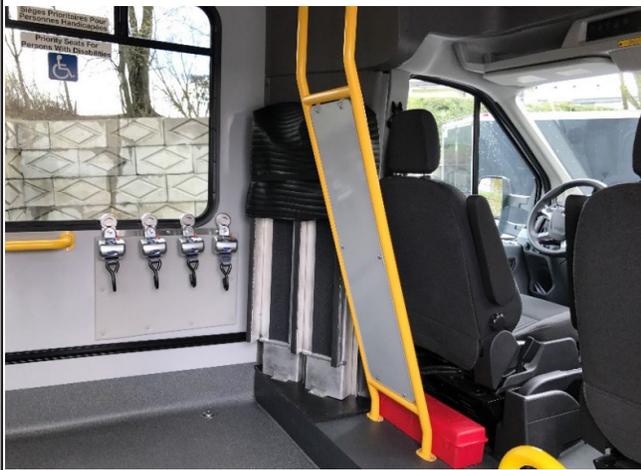
New Project

X

Project Notes

Coordinating Department: Transit Operations

The agency reviews each capital project for associated operating impacts during the budget process. The operating cost related to the additional buses and non-service vehicle replacements will be minimal and include fuel and standard maintenance. These expenses are included in the cash flow model in future periods under service and materials category.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Fleet 2019

Project Number: 50513

Statement of Need/Description

The fleet replacement scheduled for FY19 includes replacement of 12 small vehicles that will be used to meet service requirements. These vehicles will be ordered in FY19 and are scheduled to arrive in late FY19 and FY20. We will also be replacing 3 non-revenue vehicles. The additional fleet will be grant funded at 85%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ -	\$ -	\$ -	Federal Grants \$ 1,258,850
2018-19	\$ 1,481,000	See Project Notes	\$ -	Operating Funds \$ 222,150
Total	\$ 1,481,000	\$ -	\$ -	Total Funding \$ 1,481,000

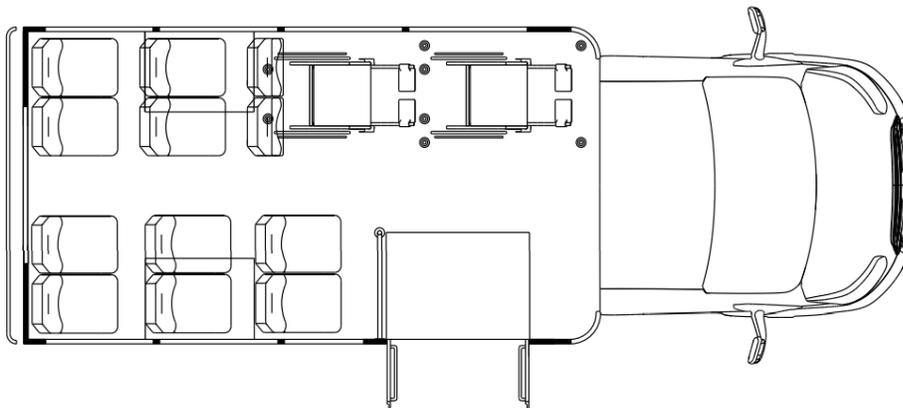
Change from Previous CIP

No Change	
Increase in Amount	
Decrease in Amount	
New Project	X

Project Notes

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process. The operating cost related to the additional buses and non-service vehicle replacements will be minimal and include fuel and standard maintenance. These expenses are included in the cash flow model in future periods under service and materials category.

178" WB - 12 Passenger, 2 WC



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Farebox Replacement

Project Number: 50411

Statement of Need/Description

Reduce cash handling and improve fare payment options by utilizing a pre-paid transit fare card to be used on all vehicles in the bus and rail fleet. The budget includes the equipment and appropriate back office hardware and software to support system reporting needs.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ -	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 600,000	See Project Notes	\$ -	Operating Funds \$ 600,000
Total	\$ 600,000	\$ -	\$ -	Total Funding \$ 600,000

Change from Previous CIP

Project Notes

No Change	
Increase in Amount	
Decrease in Amount	
New Project	X

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process. Upon completion of the procurement process, all associated operating expenses will be identified and included in our Long Range Financial Plan.

This project benefits DCTA by reducing risk and cost by lowering the amount of cash collected on DCTA buses, as customer will be able to purchase pre-paid transit fares online via credit card or bank transfer and at retail locations throughout DCTA's service area. Utilizing this technology will also provide DCTA more accurate ridership data and information about system usage. Benefits to the customer include the ability to seamlessly travel regionally between DCTA and DART using one fare in addition to fare capping, a technology that counts how many times a rider uses the system within a time period and stops charging fares once the customer meets the cost of daily, weekly, or monthly pass. With fare capping, riders who can't afford the upfront cost of a pass no longer end up paying more overall.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Positive Train Control (PTC) Implementation

Project Number: 61406.1

Statement of Need/Description

The PTC project is a function of the federally mandated Rail Safety Improvement Act of 2008 (RSIA) that mandates PTC be implemented across a significant portion of the Nation's rail industry. Lines requiring PTC include any railroad main lines over which regularly scheduled intercity passenger or commuter rail services are provided. PTC refers to a communication-based/processor-based train control technology that provides a system capable of reliability and functionality preventing train-to-train collisions, overspeed derailments, incursions into established work zone limits, and the movement of a train through a main line switch in the improper position. Project implementation began in FY2016 and is scheduled to be in Revenue Service Demonstration by the end of 2018.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ 6,594,741	\$ -	\$ -	Debt Issuance \$ 3,344,028
2016-17	\$ 5,451,566	\$ -	\$ -	State Grants \$ 12,500,000
2017-18	\$ 4,041,153	\$ -	\$ -	Federal Grants \$ 876,113
2018-19	\$ 632,681	\$ 250,000	\$ -	Operating Funds \$ -
Total	\$ 16,720,141	\$ 250,000	\$ -	Total Funding \$ 16,720,141

Change from Previous CIP

No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

Project Notes

Coordinating Department: Rail Operations
 The agency has awarded this project to GE to implement E-ATC Rail Safety Enhancements.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Lewisville Bike Trail

Project Number: 61708

Statement of Need/Description

Construction of Phase 1 of this project, from Hebron Station to just north of College Street, was completed in 2016. The balance of the funds in this project are earmarked for final engineering and engineering construction services associated with the Eagle Point project. We expect to begin construction of Eagle Point in Q1 FY2019 with completion in June 2019.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2012-16	\$ 2,046,355	\$ -	\$ -	
2016-17	\$ 41,155	\$ -	\$ -	State Grants \$ 1,717,084
2017-18	\$ 53,895	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 4,950	See Project Notes	\$ -	Operating Funds \$ 429,271
Total	\$ 2,146,355	\$ -	\$ -	Total Funding \$ 2,146,355

Change from Previous CIP

No Change X
 Increase in Amount
 Decrease in Amount
 New Project

Project Notes

Coordinating Department: Rail Services
 DCTA will be responsible for the trail during the one year warranty period, including any cost of irrigation. After the warranty period, the respective City Parks Department will take over responsibility for the trail. The operating impact will be included in the FY20 budget.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Rail Capital Maintenance (2019)

Project Number: 61719

Statement of Need/Description

The rail capital maintenance project is an annual reserve for the operations and maintenance contract that was awarded to First Transit in 2016. DCTA will work with the contractor to develop annual and multi-year capital project needs. Please refer to Project Notes section for a detailed breakout of current capital maintenance needs planned for FY2019.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ -	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 2,500,000	See Project Notes	\$ -	Operating Funds \$ 2,500,000
Total	\$ 2,500,000	\$ -	\$ -	Total Funding \$ 2,500,000

Change from Previous CIP

No Change	
Increase in Amount	
Decrease in Amount	
New Project	X

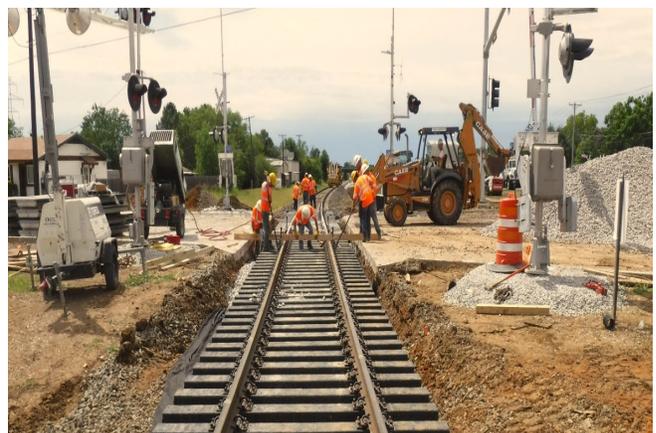
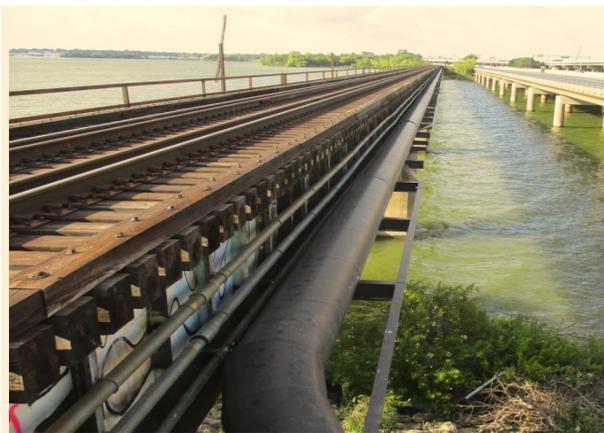
Project Notes

Coordinating Department: Rail Operations

FY19 Projected Vehicle: Continue COT&S brake overhauls; continue engine overhauls; continue electronics (ABB Board) upgrade; begin suspension elastomer replacement; continue engine air compressor replacement program.

FY19 Projected Track/Signals: Bridge management program; begin ROW Embankment/Drainage program; begin signal bungalow backup battery replacement program; continue signal bungalow HVAC replacement program.

FY19 Projected Rail Facility: Upgrade facility exterior lighting to LED.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Trail Safety Improvements

Project Number: 61715

Statement of Need/Description

This project will include safety and security components along the hike and bike trail. Examples of these are fencing, the addition of Z crossings at rail/trail grade crossings and the addition of standardized signage and pavement markings along the trail.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ 45,000	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 136,157	See Project Notes	\$ -	Operating Funds \$ 181,157
Total	\$ 181,157	\$ -	\$ -	Total Funding \$ 181,157

Change from Previous CIP

No Change
 Increase in Amount **X**
 Decrease in Amount
 New Project

Project Notes

Coordinating Department: Planning / Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project. Interlocal Agreements are in the process of being established with each city in which the trail is located for city to take over maintenance of the trail.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Lewisville Bike Trail - Eagle Point

Project Number: 61716

Statement of Need/Description

This project will complete the Hike and Bike Trail by completing the gap between Mill Street and the Highland Village Station. This section begins at Mill Street and Jones and will follow the rail right of way to a point just south of the Highland Village/Lake Lewisville Station, where it will meander through the DCTA right of way. Engineering fees for this project are included in project 61708. Construction is expected to begin in the first quarter of FY19.



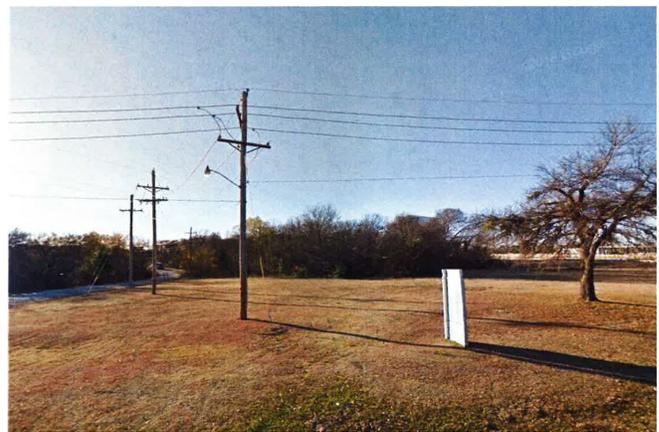
Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ 42,011	\$ -	\$ -	State Grants \$ 2,396,698
2017-18	\$ 300,000	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 2,653,862	\$ -	\$ -	Operating Funds \$ 599,175
Total	\$ 2,995,873	\$ -	\$ -	Total Funding \$ 2,995,873

Change from Previous CIP

No Change X
 Increase in Amount
 Decrease in Amount
 New Project

Project Notes

Coordinating Department: Transit Operations
 DCTA will be responsible for the trail during the one year warranty period, including the bill for irrigation. After the warranty period, the City of Lewisville will take over responsibility for the trail.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Brownfield Remediation

Project Number: 61605

Statement of Need/Description

The Rail Operations and Maintenance Facility was built on the site of an abandoned/illegal dump. There are identified items (tires, barrels, etc.) that need to be removed and disposed of properly. This project will remove the above ground items and identify subsurface conditions for any remediation requirements. DCTA was awarded an EPA grant in 2017 that will be used to conduct Phase II Environmental Site Assessment, which includes the testing for petroleum and hazardous materials. The target area is a total of 77.5 acres.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ 22,596	\$ -	\$ -	State Grants \$ -
2017-18	\$ 252,328	\$ -	\$ -	Federal Grants \$ 178,200
2018-19	\$ 110,076	See Project Notes	\$ -	Operating Funds \$ 206,800
Total	\$ 385,000	\$ -	\$ -	Total Funding \$ 385,000

Change from Previous CIP

Project Notes

No Change **X**
 Increase in Amount
 Decrease in Amount
 New Project

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project.



Legend

- Northern Section
- Southern Section
- DCTA Property Boundary

SITE LOCATION MAP

Denton County
 Denton County Transportation Authority
 Denton County, TX

0 500 1,000 Feet

Tire and barrel removal is complete.
 Testing is in progress.
 Results will be available in October 2018.

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Rail Safety Improvements

Project Number: 61718

Statement of Need/Description

TSA conducted a security/threat evaluation of DCTA Rail. DCTA will address the identified areas via a phased implementation. Phase 1 consists of procuring surveillance/security systems for rail facilities and stations.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ 67,760	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 332,240	See Project Notes	\$ -	Operating Funds \$ 400,000
Total	\$ 400,000	\$ -	\$ -	Total Funding \$ 400,000

Change from Previous CIP

Project Notes

No Change
 Increase in Amount X
 Decrease in Amount
 New Project

Coordinating Department: Transit Operations
 DCTA Staff will work with a consultant to coordinate procurement and installation that will enhance rail facility security within budget guidelines. Any operating impact will be included in the FY20 operating budget once the surveillance/security system has been installed.



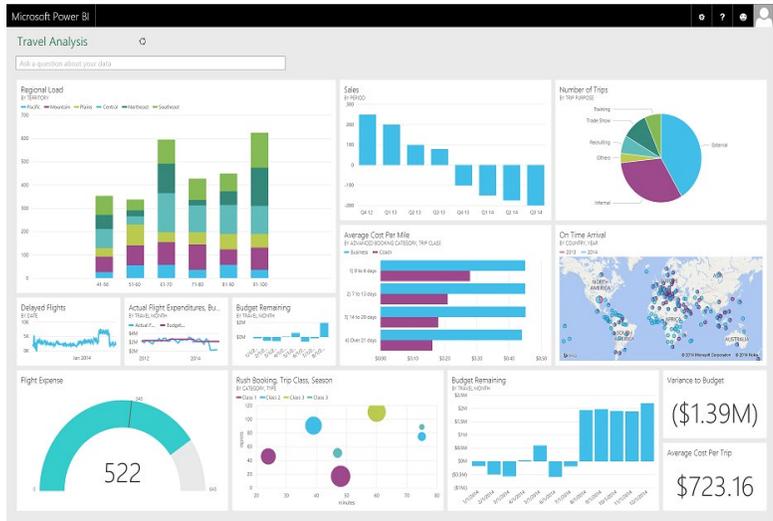
CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Data Analytics & Reporting

Project Number: 10601

Statement of Need/Description

The Data Analytics & Reporting project is a large scale, on-going project that involves improving the output and usefulness of the data created by DCTA. FY2018 included the implementation of Cognos reporting in conjunction with our OneSolution finance package. Other projects will involve loading DCTA's data inputs into a central warehouse and analysis of that data with a business analytics software package. It will enhance utilization of operational, financial, and marketing data by providing routine and non-routine users real-time access to business data for planning, budgeting, forecasting and analysis needs. This improves reporting and future dashboarding capabilities. This project is 80% grant funded.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ 42,580	\$ -	\$ -	Federal Grants \$ 160,000
2018-19	\$ 157,420	See Project Notes	\$ -	Operating Funds \$ 40,000
Total	\$ 200,000	\$ -	\$ -	Total Funding \$ 200,000

Change from Previous CIP

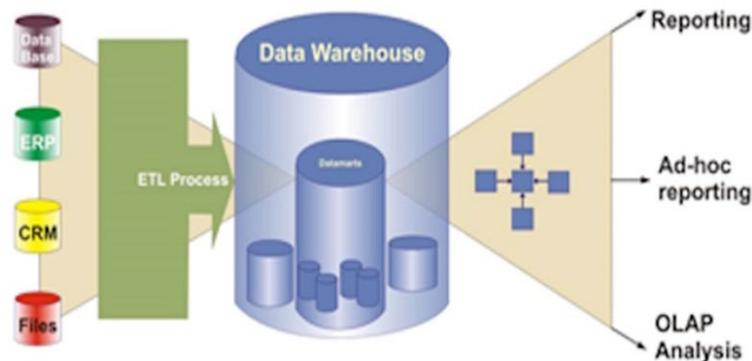
Project Notes

No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

Coordinating Department: Finance / IT

The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project in FY19.

*FY18 - Completed successful implementation of Cognos to improve reports obtained from OneSolution



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Safety & Security Assessment

Project Number: 10604

Statement of Need/Description

This project will secure the assistance of an expert to manage a comprehensive security camera system for fleet and facilities. This professional will assist by providing recommendations for infrastructure improvements, system scope writing, vendor selection and project implementation.



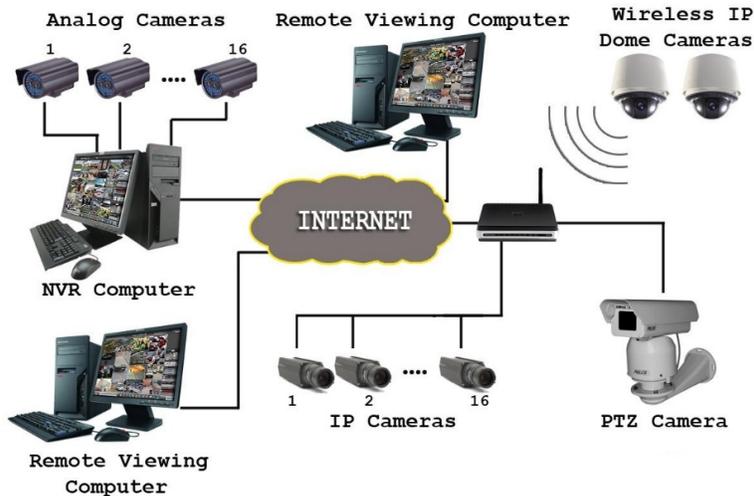
Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ 25,000	\$ -	\$ -	State Grants \$ -
2017-18	\$ 25,000	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 200,000	See Project Notes	\$ -	Operating Funds \$ 250,000
Total	\$ 250,000	\$ -	\$ -	Total Funding \$ 250,000

Change from Previous CIP

Project Notes

No Change X
 Increase in Amount
 Decrease in Amount
 New Project

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process. The operating cost for this project will be identified thru the process of identifying the needs of the agency as well as the equipment software and hardware required. Upon completion of the procurement process, all associated operating expenses will be identified and included in our Long Range Financial Plan.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Infrastructure Acquisition

Project Number: 10302

Statement of Need/Description

The Infrastructure Acquisition capital project will assist the agency with the implementation of long-range planning efforts through the purchase of property and related engineering and design work associated with relevant projects. Some of the projects may include intermodal transit facilities, administrative offices, parking capacity improvements and rail corridor improvements.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ 128,936	\$ -	\$ -	State Grants \$ -
2017-18	\$ 3,164,125	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 606,939	See Project Notes	\$ -	Operating Funds \$ 3,900,000
Total	\$ 3,900,000	\$ -	\$ -	Total Funding \$ 3,900,000

Change from Previous CIP

No Change X
 Increase in Amount
 Decrease in Amount
 New Project

Project Notes

Coordinating Department: Strategic Planning & Development
 The agency reviews each capital project for associated operating impacts during the budget process and has concluded that there will be no operating cost impact from this capital project.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Shared Use Mobility Study

Project Number: 10606

Statement of Need/Description

DCTA completed a Comprehensive Service Analysis in Lewisville, Highland Village and Denton and implemented recommendations from that process. There are areas with low density development where traditional transit is not the best fit, leaving them unserved/underserved. Leveraging non-traditional innovative transit solutions and mobility on-demand service could be a great option for these areas. To develop the best comprehensive approach for implementing non-traditional transit services, DCTA will conduct a Shared Use Mobility Study. This study will provide recommendations for serving the low density areas with various modes of non-traditional transit services. This project will be 80% grant funded.

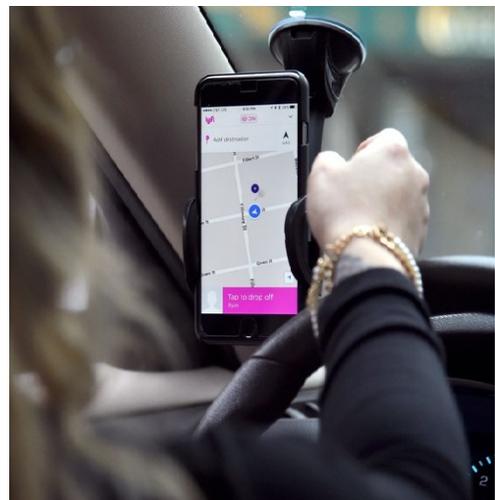


Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ 60,000	\$ -	\$ -	Federal Grants \$ 98,742
2018-19	\$ 63,428	See Project Notes	\$ -	Operating Funds \$ 24,686
Total	\$ 123,428	\$ -	\$ -	Total Funding \$ 123,428

Change from Previous CIP

Project Notes

No Change	X	Coordinating Department: Strategic Planning & Development
Increase in Amount		Once the study is complete, the agency will incorporate any new projects into the agency's regular service change process which will involve discussions of budget impact and necessary budget revisions will be addressed at that time.
Decrease in Amount		
New Project		



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Server & Network Infrastructure

Project Number: 10403

Statement of Need/Description

DCTA's existing server and network infrastructure was designed and planned prior to opening the Bus Operations facility and linking of all sites through our corridor fiber. Server virtualization has consolidated much of the physical hardware and centralized IT operations to two facilities. Our servers are all approaching their 5 year useful life and are pushing the limits of their capacity for current and future needs. The replacement server hardware will be focused around a redundant SAN architecture. This project will include a redesign of the network infrastructure to support a business continuity plan with the appropriate routing and switching hardware.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ -	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 350,000	\$ -	\$ -	Operating Funds \$ 350,000
Total	\$ 350,000	\$ -	\$ -	Total Funding \$ 350,000

Change from Previous CIP

Project Notes

No Change	
Increase in Amount	
Decrease in Amount	
New Project	X

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project in FY19. This project will replace existing servers and the contract will involve warranties and service plans for future years.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: 2019 One-Time Transit Improvements

Project Number: 10701

Statement of Need/Description

DCTA is focused on improving the economic prosperity of the communities we serve by providing innovative mobility solutions and improving air quality. Sales tax revenue collected from the cities of Denton, Highland Village and Lewisville has continued to exceed forecasted amounts. The 2019 One-Time Transit Improvements capital project was established as an allotment to provide investment to member cities for projects that enhance transit.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY17	\$ -	\$ -	\$ -	State Grants \$ -
2017-18	\$ -	\$ -	\$ -	Federal Grants \$ -
2018-19	\$ 1,000,000	See Project Notes	\$ -	Operating Funds \$ 1,000,000
Total	\$ 1,000,000	\$ -	\$ -	Total Funding \$ 1,000,000

Change from Previous CIP

- No Change
- Increase in Amount
- Decrease in Amount
- New Project X

Project Notes

Coordinating Department: Transit Operations
 The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project at this time.





APPENDIX

STRATEGIC PLANNING GUIDANCE REPORT



DENTON COUNTY
TRANSPORTATION AUTHORITY



**STRATEGIC PLANNING
GUIDANCE REPORT**

**RESOLUTION 18-02
ADOPTED MARCH 22, 2018**



RideDCTA.net • HopOnBoardBlog.com • [#RideDCTA](https://twitter.com/RideDCTA)

STRATEGIC PLANNING GUIDANCE REPORT



DENTON COUNTY
TRANSPORTATION AUTHORITY

BOARD OF DIRECTORS

Small Cities (500 – 17,000)



VACANT



Skip Kalb



Connie White

Large Cities (>17,000)



Richard Huckaby
Denton/Vice Chair



Dianne Costa
Highland Village/Secretary



Charles Emery
Lewisville/Chairman



Tom Winterburn
Corinth



Ron Trees
Little Elm



Carter Wilson
Frisco



Allen Harris
The Colony



Mark Miller
Flower Mound

Denton County Unincorporated



George A. Campbell



Don Hartman

Denton County at Large



Dave Kovatch
Treasurer

V2/3.22.18

MISSION, VISION & VALUES

Mission

As a regional partner, the Denton County Transportation Authority is committed to providing safe, customer-focused and efficient mobility solutions.

Vision

Be a leader in advancing mobility alternatives.

Values

- **Safety** – In accordance with our Service Plan, our most important commitment is passenger safety through the strict adherence to policies and procedures and ongoing employee training and professional development.
- **Accountability** – As public servants, DCTA employees and the Board of Directors hold themselves accountable to their constituents and are committed to being exemplary stewards of public resources.
- **Commitment** – DCTA employees and Board of Directors are committed to working collaboratively to deliver the components of the Service Plan in a timely manner to serve the mobility needs of our passengers.
- **Excellence** – Always in the pursuit of excellence, DCTA will consistently offer innovative, effective and quality mobility alternatives that will exceed passenger expectations.
- **Integrity** – It is incumbent upon DCTA employees and the Board of Directors to conduct themselves in a manner that upholds the highest moral, legal and ethical standards. We are uncompromising in our commitment to truth, honesty and openness in all relationships and interactions.
- **Respect** – We believe that all of our passengers are important and that all of our employees add value. We will treat passengers and employees with dignity and esteem.

DCTA GOALS & OBJECTIVES

1. Safety – Passenger, Employee, Public
2. Maximize service efficiency and reliability
3. Maximize the effectiveness of service for DCTA's ridership markets
4. Increase the visibility and elevate the image of DCTA
5. Expand DCTA's services into areas where mobility alternatives have a strong likelihood of success
6. Coordinate regional services with other regional transportation providers
7. Tie the provision of mobility alternatives to land-use and the resulting demand levels
8. Advocate sustainable development practices that support mobility alternatives
9. Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values
10. Leverage state-of-the-art technology for the development of innovative mobility alternatives

STRATEGIC PLANNING GUIDANCE REPORT



DCTA BOARD OF DIRECTORS PRIORITIES

Overall Guidance

- Always place safety and regulatory compliance first; maintain transparency
- Build stronger relationship with stakeholders
- Grow ridership and improve service in Denton, Highland Village and Lewisville
- Expand focus to providing “mobility” versus delivering “public transportation” – fully consider the entire linked trip
- Shift focus from manager of assets/transportation provider to a broker of services
- Lead implementation of innovative mobility solutions
- Sustain and grow Frisco and the McKinney Urban Transit District (MUTD) services
- Continue seeking alternatives for unserved areas of Denton County and contiguous areas

Operations

- Enhance service within member cities
 - Rail service
 - Bus service
 - Innovative services
 - Added value (Office, Transit Oriented Development [TOD] and Trails)
- Growth within unserved areas of Denton County
 - Open dialogue with Flower Mound, Corinth, Little Elm, The Colony and 35W Corridor
 - Communities in southwest Denton County
 - Grow relationship with Frisco including the development of Burlington Northern Santa Fe Railway (BNSF)
 - Regular outreach
 - Develop further service options
- Expansion into Collin County
 - Grow relationships with communities along the Burlington Northern Santa Fe Railway (BNSF) corridor for future service
 - Sustain relationship with the McKinney Urban Transit District (MUTD)
 - Growth within underserved areas
- Strategic acquisition of property, property use rights and right-of-way
- Embrace technological changes

Relationships

- Sustain and build key relationships
- Key themes and messages:
 - Innovative partnerships
 - Willingness to take a leadership role
 - Communication with all stakeholders – always transparent
- Use Marketing/Communication actions to enhance relationships

People

- Match personnel growth to agency needs
- Be scalable and proactive
- Sustain a positive, supportive culture
- Build and sustain a place where people want to work
- Build a pipeline of talent for succession

Finance

- Sustain our solid position and practices
- Sustainable funding for improvements and expansion
- Retain fidelity with stakeholders
- Judicious use of agency debt

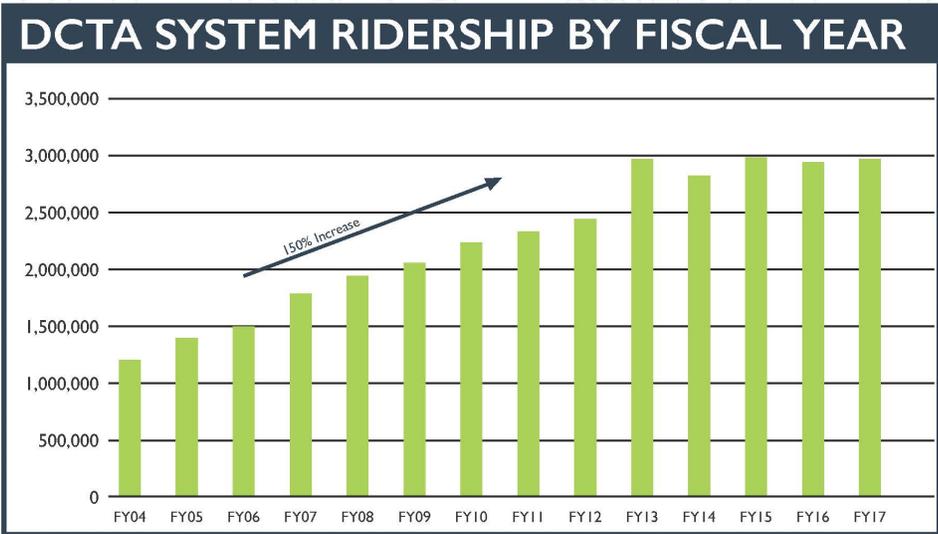
V2/3.22.18

FY '17 YEAR-END REVIEW

1. Progress since FY'17 Strategic Planning Guidance Report (adopted in March 2017)

- Implemented bus service changes (consistent headways, improved coordination) in Lewisville, Denton and Highland Village
- Single Car Operations – Safe, sustained single car operation has been in place since Q2FY17
- Positive Train Control (PTC) – 100 percent of installation complete, testing pending
- Clean FY'17 financial audit
- McKinney Urban Transit District (MUTD) Coordination – Executed service contract with City of McKinney (on behalf of MUTD) for elderly/disabled service in McKinney, Celina, Prosper, Melissa and Princeton
- Frisco Service – Continued elderly/disabled service; service expanded to portions of Plano
- Strategic acquisitions initiated
- \$178,200 in federal grants beyond formula funds and 5M transportation development credits (TDCs) awarded to DCTA in FY'17
- All newly created positions filled

2. Ridership



3. Remaining Challenges

- Ridership (particularly rail) declines
- Beginning dynamic testing of Positive Train Control (PTC) system
- Completion of strategic acquisitions

*Fiscal Year: Oct. 1 - Sept. 30

STRATEGIC PLANNING GUIDANCE REPORT



SPECIFIC GOALS

Immediate Goals (within next 12 months)

- Enhance Outreach to Stakeholders
 - Conduct a forum/round table with leadership of member cities
 - Expand to include:
 - Communities along existing A-train corridor
 - Potential new member communities
 - Potential contract service areas
 - Deliver our good news in multiple forums on a regular basis
- Increase Ridership
 - Assess where our riders go and what they value
 - Develop possible service enhancements in existing service areas
 - Propose fare structure changes to improve ridership
 - Improve “first mile/last mile” connections
 - Provide regional leadership in innovative services (Transportation Network Companies [TNCs], Autonomous vehicles, etc.) to grow ridership and improve operational efficiency
 - Prepare a feasible plan to add a station near North Central Texas College (NCTC) in Corinth
- Begin Positive Train Control (PTC) Revenue Service Demonstration (RSD) no later than Dec. 31, 2018
- Execute long-term agreement with the University of North Texas
- Complete last section of the A-train Rail Trail
- Prepare initial analysis of A-train extensions north and south
- Develop legislative package to allow use of freight corridors for commuter rail
- Develop options to consider brand change/agency renaming

Short-Term Goals (within next 24 months)

- Implement safety and security enhancements
- Complete strategic acquisitions
- Facilitate development near stations that will grow ridership and property values (ex. Higher Education)
- Focused planning on east/west movement for jobs (State Highway 121 corridor commuter traffic)

Long-Term Goals (within next 2-5+ years)

- Move into permanent office space
- Implement A-train extensions
- Execute long-term agreement with Texas Women’s University (TWU)
- Implement service on Burlington Northern Santa Fe Railway (BNSF) from Belt Line to Celina

STRATEGIC PLANNING GUIDANCE REPORT

V2/3.22.18

ONGOING GOALS

- Deliver our good news in multiple forums on a regular basis
- Sustain strong audit results
- Develop viable financing strategies
- Sustain a positive and supporting workplace environment
- Ensure staffing levels provide a strong “bench” and scale up as demand increases
- Implement business approach as a broker of services

TARGETED SERVICES

	ACCESS/ ELD/DIS	TNC/ON- DEMAND	VANPOOL	BUS	COMMUTER BUS	RAIL
LEWISVILLE	■	■	■	■	■	■
HIGHLAND VILLAGE	■	■	■	■	■	■
DENTON	■	■	■	■**	■	■
CORINTH	■	■	■	■*		■
LITTLE ELM	■	■	■			
FLOWER MOUND	■	■	■	■*	■	
THE COLONY	■	■	■		■	■
35W CORRIDOR	■	■			■	■
FRISCO	■	■	■		■	■
PROSPER	■	■				■
CELINA	■	■				■
MCKINNEY	■	■	■	■	■	■
MELISSA	■	■				
PRINCETON	■	■				
LOWRY CROSSING	■	■				
SW DENTON COUNTY***	■	■			■	

■ CURRENT

■ ACTIVELY PURSUING

■ IDENTIFYING OPPORTUNITIES

*NCTC CONTRACT

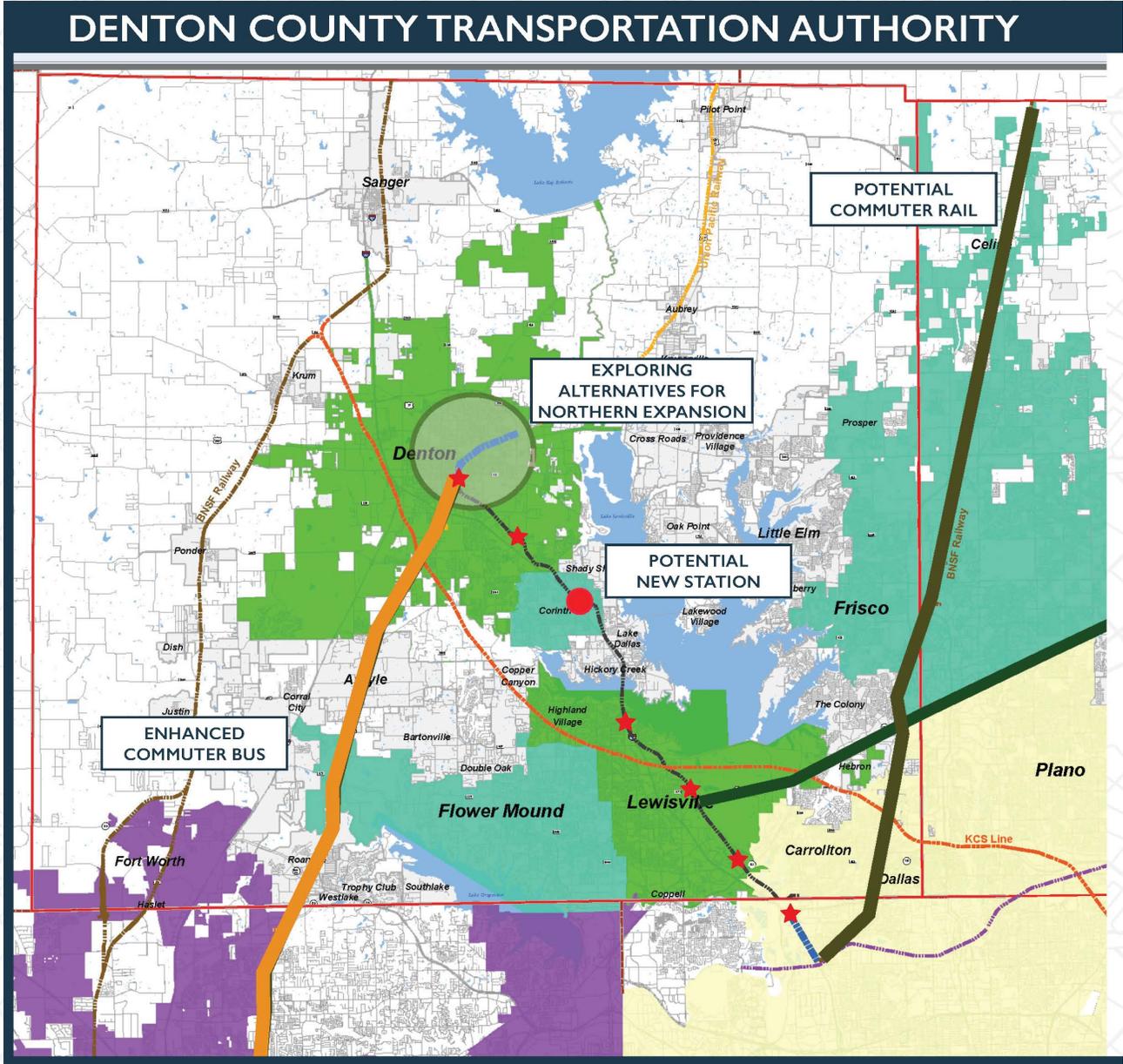
**INCLUDES UNT CONTRACT

***TROPHY CLUB, NORTH LAKE, JUSTIN, ROANOKE

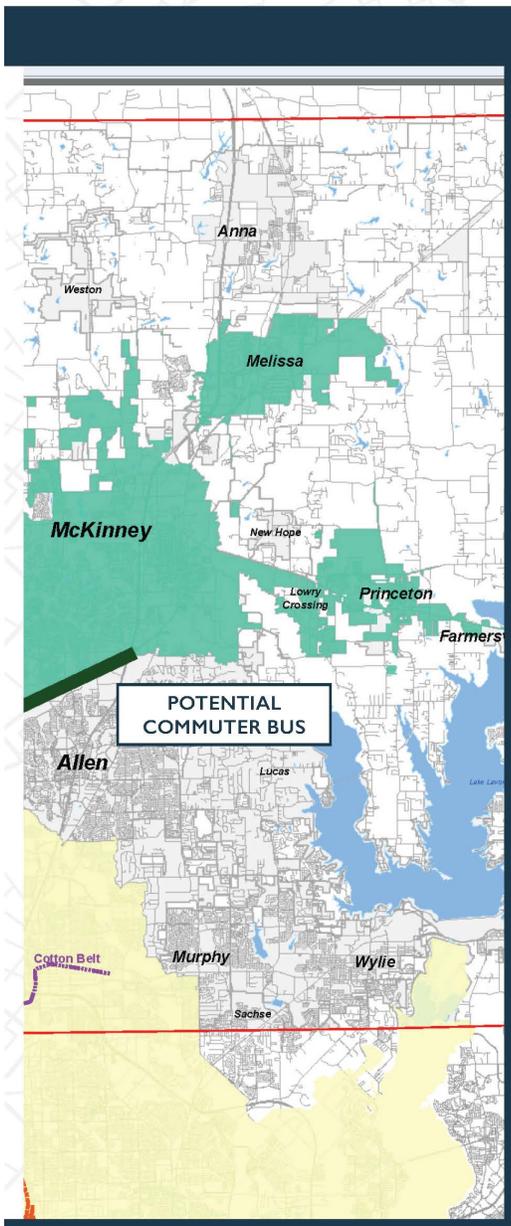
STRATEGIC PLANNING GUIDANCE REPORT



DENTON AND COLLIN COUNTY MAP



V2/3.22.18



-  **A-TRAIN STATIONS**
-  **A-TRAIN LINE**
-  **A-TRAIN EXTENSION**
-  **UNION PACIFIC RAILWAY**
-  **KCS LINE**
-  **COTTON BELT**
-  **I-35W**
-  **SRT 121**
-  **BURLINGTON NORTHERN SANTA FE RAILWAY**
-  **DCTA MEMBER CITIES**
-  **DART MEMBER CITIES**
-  **DCTA SERVICE AREA**
-  **TRINITY METRO MEMBER CITIES**

STRATEGIC PLANNING GUIDANCE REPORT



ABOUT DCTA

Agency Background

- Established Under Texas Transportation Code Chapter 460 (2002)
- Supported by 1/2¢ Sales Tax from Denton, Highland Village and Lewisville (2003)
- DCTA Began Bus Service (October 2005)
A-train Began Revenue Service (June 2011)
- 14-Member Board of Directors (Appointed)

Agency Facts

SERVICES 22 Bus Routes Paratransit Services
A-train Commuter Rail Commuter Vanpool
Demand-Response Services TNC/Taxi

RIDERSHIP Carried Over 2.9 Million Passengers in FY'17

INNOVATION Integrated Ride Share Services
Taxi Partnership
Real-Time Travel Tools

LEADERSHIP Financial and Transparency Awards
20 Marketing and Communications Awards in FY'17
Regional Involvement (Regional Transportation Council [RTC]/
Surface Transportation Technical Committee [STTC])

*Fiscal Year: Oct. 1 - Sept. 30

V2/3.22.18

ABOUT DCTA (CONTINUED)

DCTA Value Proposition



DCTA is a well-established, efficiently-operated, and fiscally-responsible transit authority.



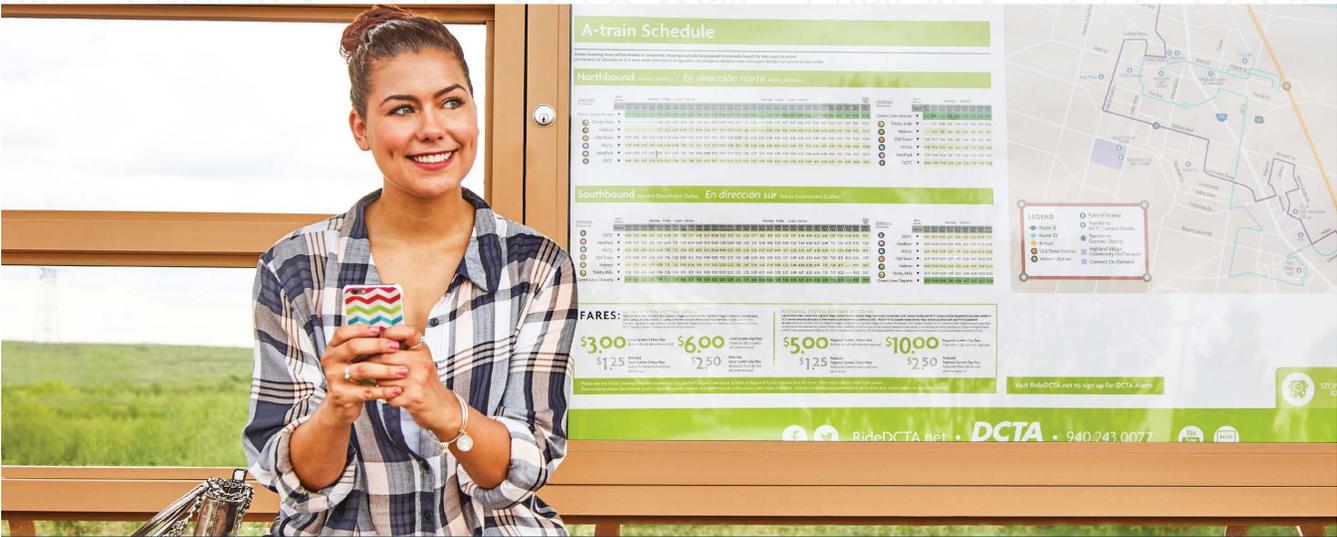
DCTA understands suburban communities and high-growth areas.



DCTA is leading the country with innovative on-demand mobility solutions.



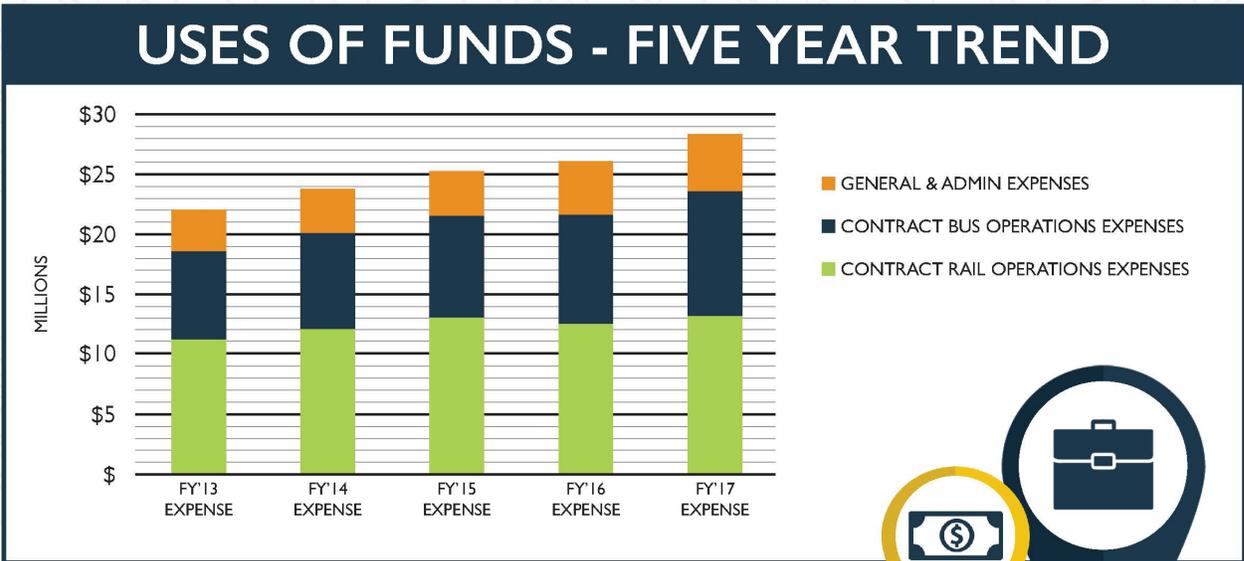
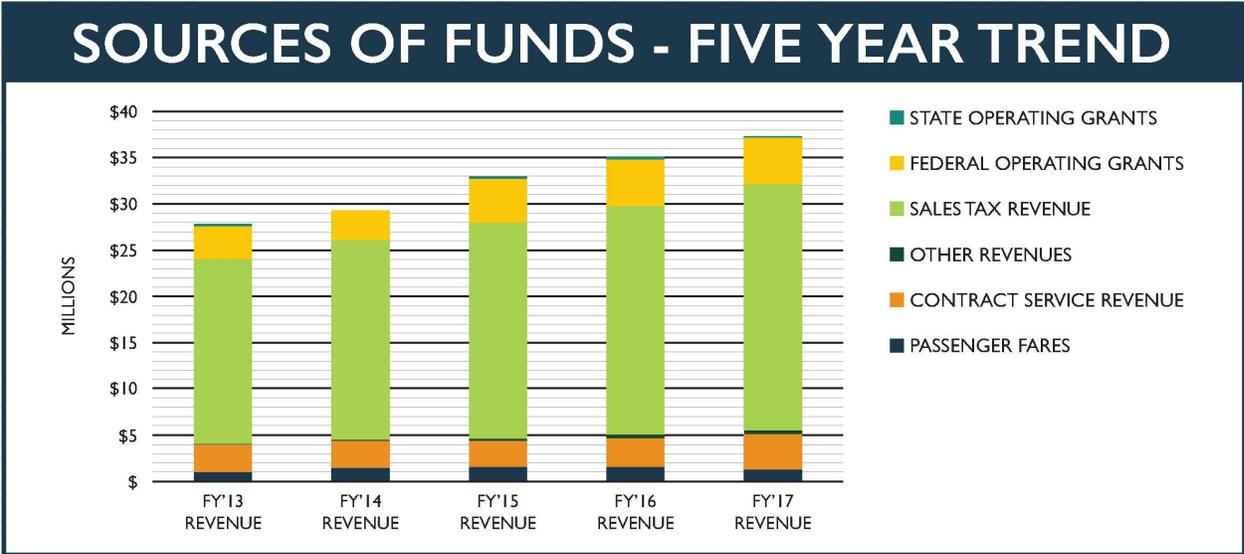
DCTA offers flexible and customizable approaches to mobility.



STRATEGIC PLANNING GUIDANCE REPORT



DCTA SOURCES AND USES OF FUNDS (5-YEAR HISTORY)



*Fiscal Year: Oct. 1 - Sept. 30

V2/3.22.18

KEY RELATIONSHIPS

- Denton, Highland Village and Lewisville
- Denton County/Collin County
- North Central Texas Council of Governments (NCTCOG)/Regional Transportation Council (RTC)
- Dallas Area Rapid Transit (DART)
- Trinity Metro (formerly Fort Worth Transportation Authority)
- Senior Programs for Aging Needs (SPAN)
- Higher Education
 - University of North Texas (UNT)
 - Texas Women's University (TWU)
 - North Central Texas College (NCTC)
- Contract Communities (Frisco)
- McKinney Urban Transit District (MUTD)
- Alliance Texas Area
- Texas Department of Transportation (TxDOT)
- Federal and State Regulatory Agencies
- Transportation Coalitions
 - Dallas Regional Mobility Coalition (DRMC)
 - Tarrant Regional Transportation Coalition (TRTC)
- Corridor Groups
 - I-35W Corridor Coalition
- Trade Organizations
 - American Public Transportation Association (APTA)
 - South West Transit Association (SWTA)
 - Texas Transit Association (TTA)
- Texas Legislature/US Congress
- Federal Transit Administration (FTA)
- Federal Railroad Administration (FRA)

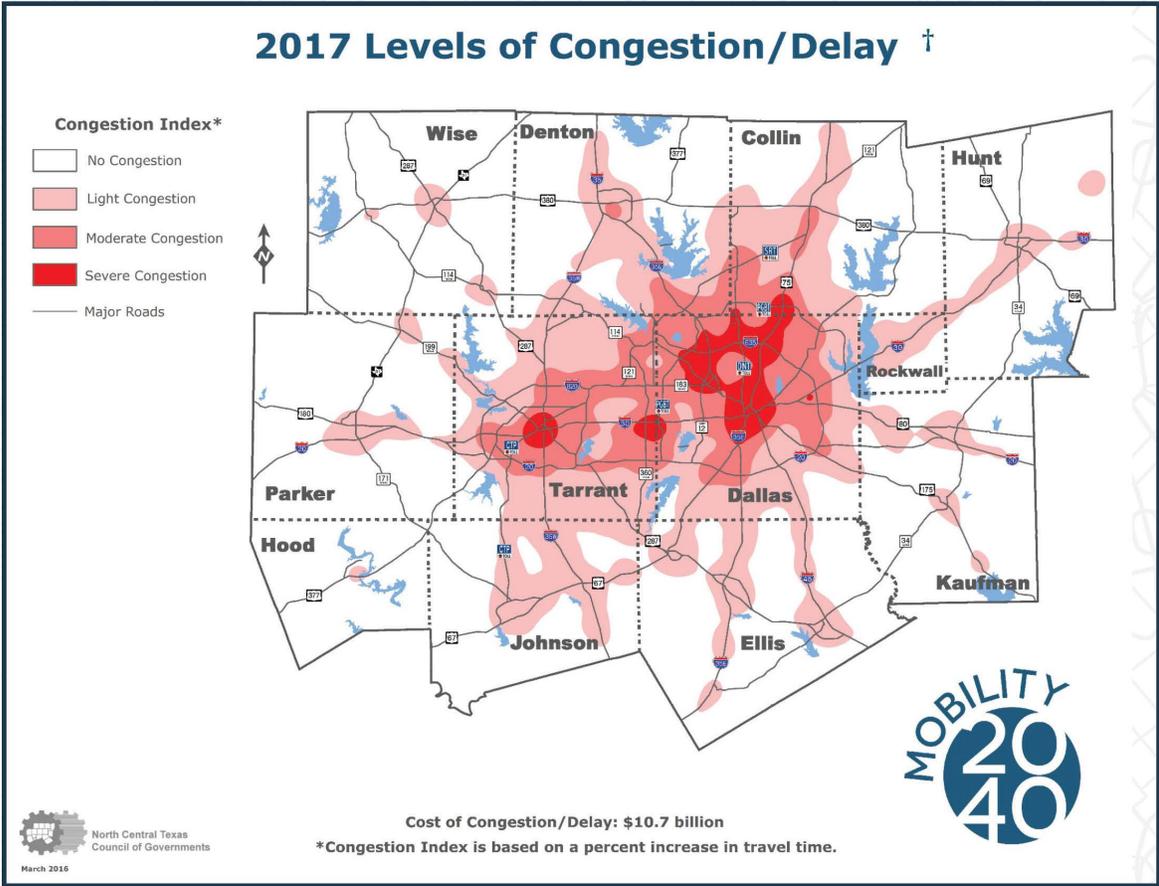


STRATEGIC PLANNING GUIDANCE REPORT



DENTON COUNTY
TRANSPORTATION AUTHORITY

CONGESTION MAPS

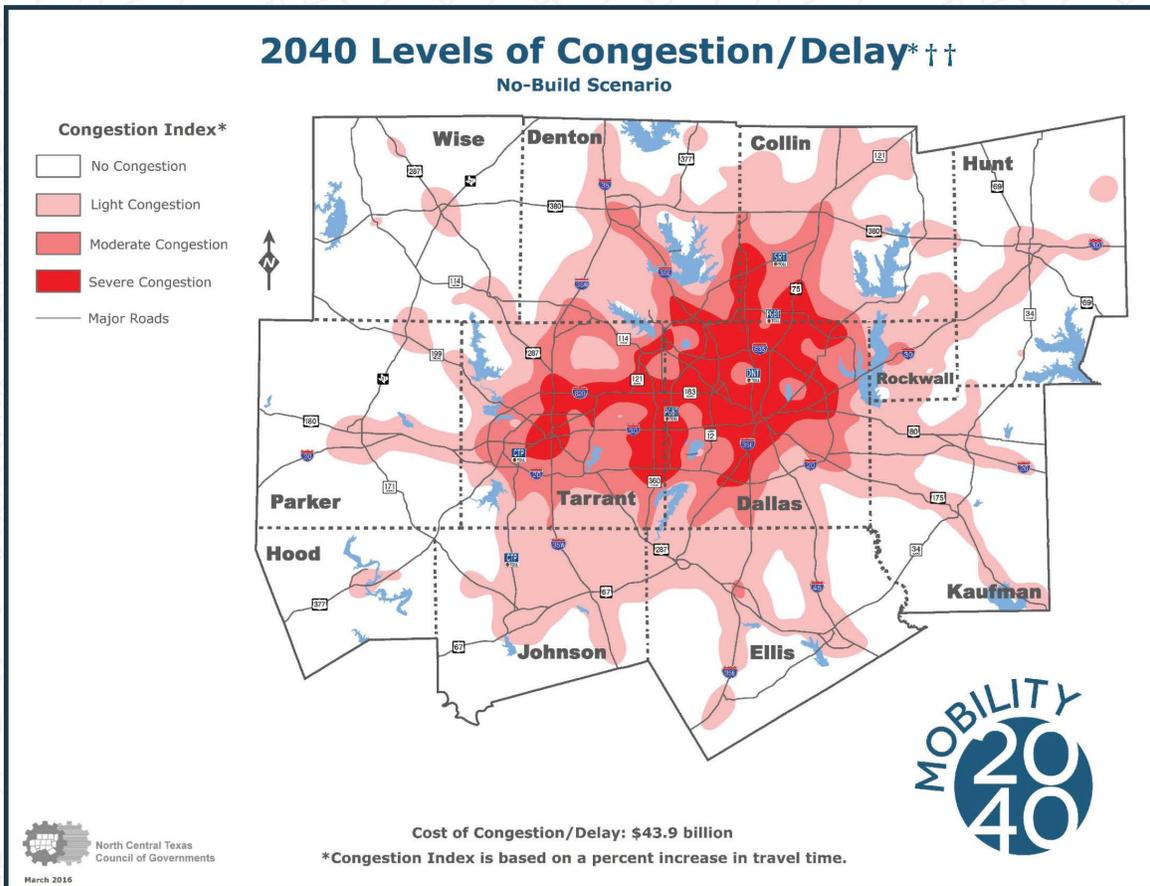


DCTA is an active contributor to the Mobility 2045 Plan in order to:

- Continue existing service to meet the needs of the communities we serve
- Improve existing services to meet the demands of an ever-growing region
- Lead innovation to improve mobility solutions within the region

† Denton and Collin Counties have experienced rapid growth prior to 2017, and that growth will continue well into the future

V2/3.22.18



- DCTA continually monitors the growing levels of congestion and delay in order to:
- Properly prepare for the rapid growth of up to 12M people in our service area
 - Develop mobility options to provide alternatives to the single occupant vehicle to improve air quality
 - Mitigate designation as a non-attainment area (air quality standards) to improve health and the possibility of losing federal funds

† † While much of this growth has occurred without the support of public transportation, building road congestion and lack of space for expansion will limit potential growth

† † Clear need demonstrated for accessible transportation options

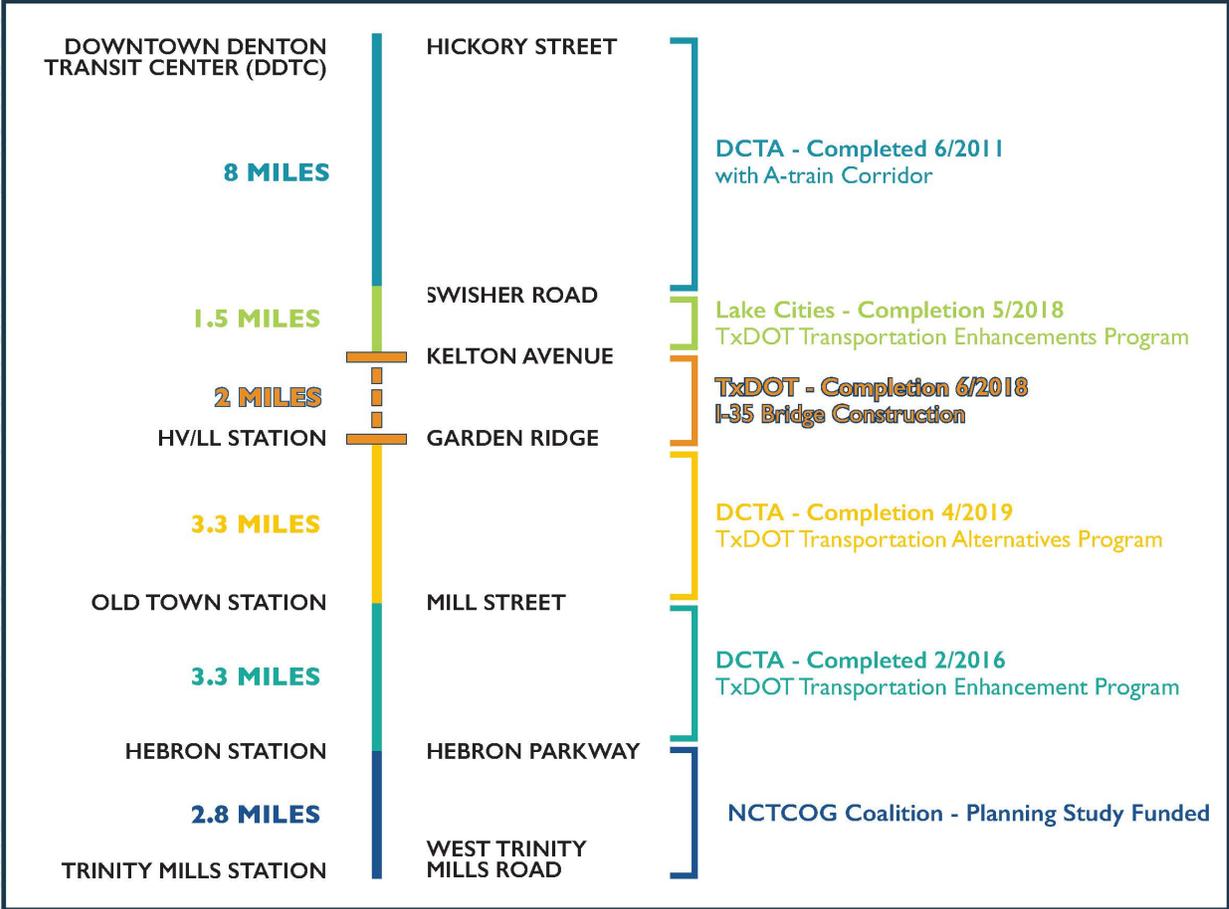
*2040 maps will be updated with the 2045 maps when available



DENTON COUNTY
TRANSPORTATION AUTHORITY

A-TRAIN RAIL TRAIL

A-TRAIN RAIL TRAIL – STATUS AS OF 3/2018



GLOSSARY

- **APTA** – American Public Transportation Association
- **BNSF** – Burlington Northern Santa Fe Railway
- **DART** – Dallas Area Rapid Transit
- **DCTA** – Denton County Transportation Authority
- **DRMC** – Dallas Regional Mobility Coalition
- **FRA** – Federal Railroad Administration
- **FTA** – Federal Transit Administration
- **MUTD** – McKinney Urban Transit District
- **NCTC** – North Central Texas College
- **NCTCOG** – North Central Texas Council of Governments
- **RTC** – Regional Transportation Council
- **SPAN** – Senior Programs for Aging Needs
- **STTC** – Surface Transportation Technical Committee
- **SWTA** – South West Transit Association
- **TDC** – Transportation Development Credit
- **TNC** – Transportation Network Company
- **TOD** – Transit Oriented Development
- **TRTC** – Tarrant Regional Transportation Coalition
- **TTA** – Texas Transit Association
- **TWU** – Texas Women’s University
- **TxDOT** – Texas Department of Transportation
- **UNT** – University of North Texas
- **UTD** – Urban Transit District

STRATEGIC PLANNING GUIDANCE REPORT



DENTON COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 18-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) PROVIDING FOR ADOPTION OF THE STRATEGIC PLANNING GUIDANCE REPORT; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the firm Nelson/Nygaard Consulting Associates, Inc. was engaged to work with DCTA to prepare a Long Range Service Plan (“the Plan”) which was adopted on December 15, 2011; and

WHEREAS, the Plan provides for a roadmap for DCTA to invest in future transit services to address the mix of priorities, funding sources, and transit needs; and

WHEREAS, the Plan is intended to articulate the Authority’s service and planning goals and inform agency decisions and annual budget development; and

WHEREAS, the Board of Directors of the DCTA conducted a strategic planning session on February 22, 2018 to review steps toward the implementation of the Plan and provide guidance; and

WHEREAS, the Board of Directors of DCTA finds its to be in the public interest to approve and adopt the Strategic Planning Guidance Report;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THAT:

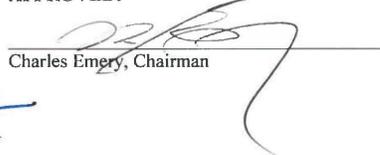
SECTION 1. The Strategic Planning Guidance Report dated March 22, 2018 attached hereto as Exhibit “A” is adopted as guidance on the implementation of the Long Range Service Plan adopted on December 15, 2011, and is hereby adopted and approved in all aspects.

SECTION 2. All provisions of the resolutions of the DCTA 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 DENTON COUNTY TRANSPORTATION AUTHORITY THE 22ND DAY OF MARCH, 2018.

APPROVED:

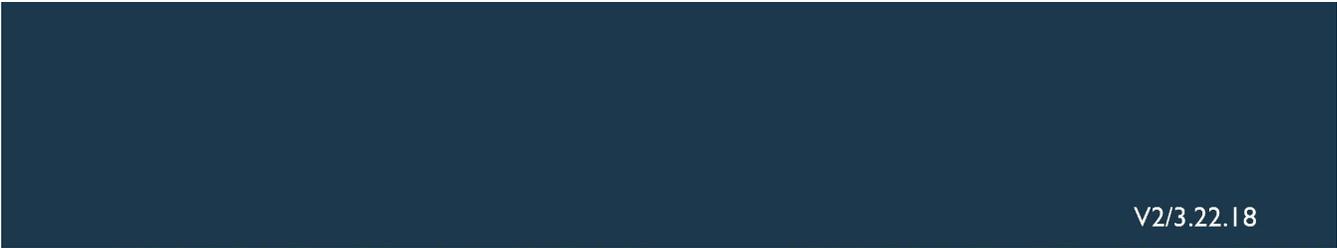

Charles Emery, Chairman

ATTEST:


Dianne Costa, Secretary

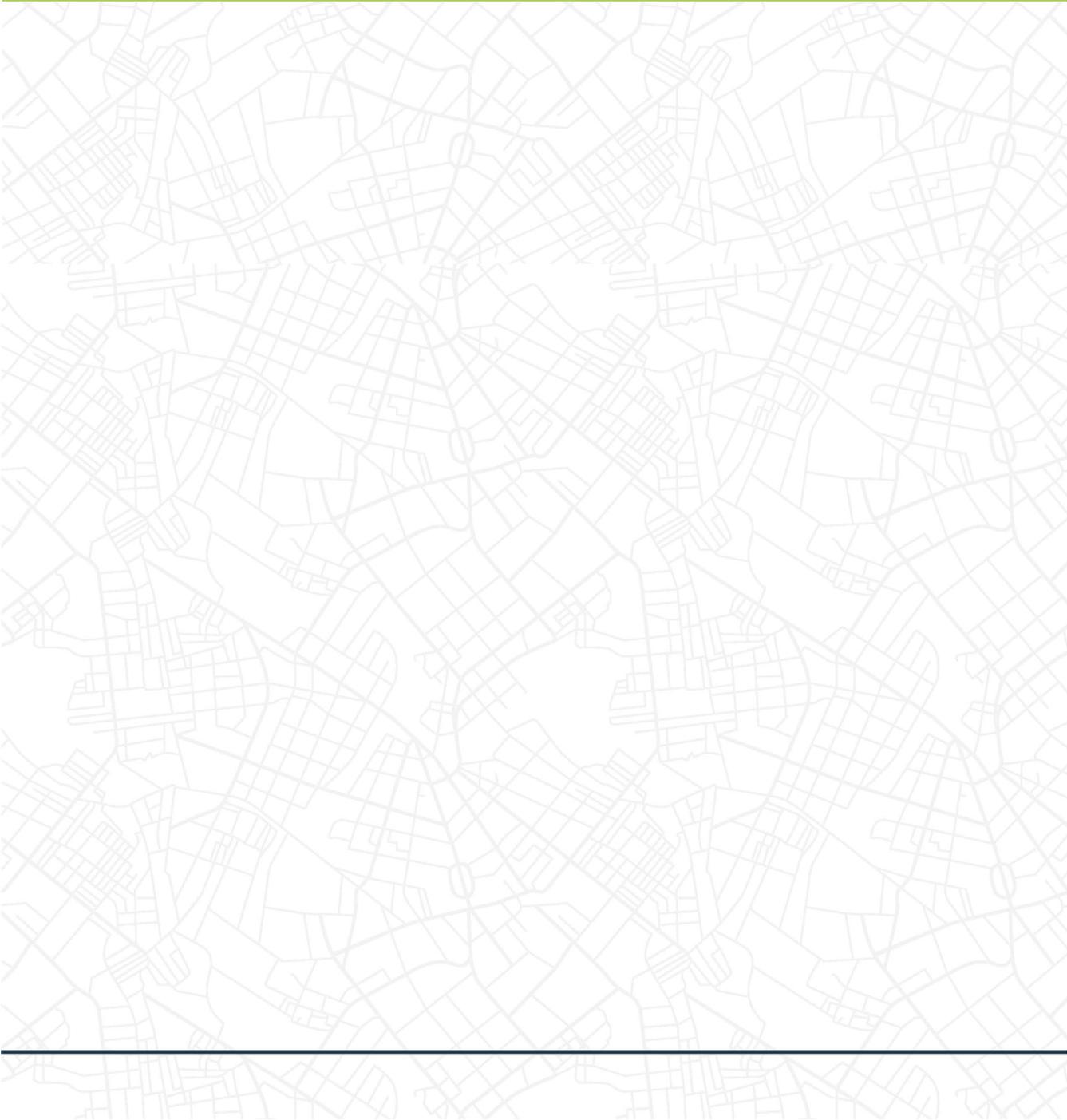
APPROVED AS TO FORM:


Peter G. Smith, General Counsel
(PGS:3-13-18:TM 96998)

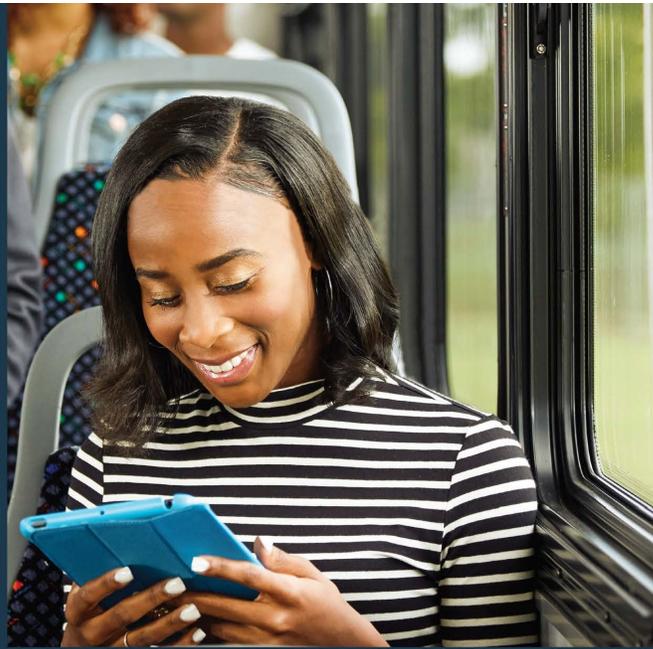


V2/3.22.18

NOTES



STRATEGIC PLANNING GUIDANCE REPORT



DCTA

DENTON COUNTY
TRANSPORTATION AUTHORITY

RideDCTA.net • 940.243.007



Your Future is Riding on Us.
HopOnBoardBlog.com • #RideDC

Denton County Transportation Authority Financial Management Policies

(Adopted October 2018)

FINANCIAL POLICIES

PURPOSE

The Comprehensive Financial Management Policy assembles the Denton County Transportation Authority's (DCTA) financial policies in one document. They are the tools to ensure that DCTA is financially able to meet its immediate and long-term service objectives. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of DCTA consistent with provisions of Chapter 460 of the Texas Transportation Code and adopted DCTA Bylaws.

DCTA is accountable to its constituents for the use of public dollars. Resources must be wisely used to ensure adequate funding for the operations, services, facilities, and infrastructure necessary to meet present and future needs. These policies help safeguard the fiscal stability required to achieve DCTA's goals and objectives.

REVIEW

DCTA Financial Management Policies are presented to the Finance Committee for review after the start of each fiscal year but prior to the start of the next year's budget process. Any changes proposed by the Finance Committee will be forwarded to the Board for review and final action.

OBJECTIVES

In order to achieve its purpose, the Financial Management Policies have the following objectives for DCTA's fiscal performance:

- A. To guide DCTA Board of Directors (the Board) and management policy decisions that have significant impact on the agency.
- B. To set forth operating principles that minimize the cost of government and financial risk.
- C. To employ balanced and fair revenue policies that provide adequate funding for desired services and programs.
- D. To maintain appropriate financial capacity for present and future needs.
- E. To promote sound financial management by providing accurate and timely information on DCTA's financial condition.
- F. To protect DCTA's credit rating and provide for adequate resources to meet the provision of DCTA's obligations on all its debt.
- G. To ensure the appropriate use of financial resources through an effective system of written and audited internal controls.
- H. To promote cooperation and coordination with other governments, agencies and the private sector in the financing and delivery of services.
- I. To establish long-term objectives for the financial operations of DCTA.
- J. To ensure an optimum balance between demand for service and resources to provide.

FINANCIAL POLICIES

RESERVE FUND POLICIES

Adequate reserve levels are a necessary component of DCTA's overall financial management strategy and a key factor in external agencies' measurement of DCTA's financial strength. Funding priorities will be in the order listed and be reflected in the agency's cash flow model:

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve Fund that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unrestricted net position. An annual contribution will be budgeted from general operating resources, as available, to maintain the target reserve level.
- b. It will be the policy of DCTA to maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual budgeted sales tax.
- c. It will be the policy of DCTA to maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA's investment and maintain appropriate service levels. The use of any funds within the Capital Facilities/Infrastructure Maintenance Fund will be approved by the Board within the resources available each fiscal year.
- d. It will be the policy of DCTA to maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$0.50 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year. The use of any funds within the Fuel Stabilization Fund shall be approved by the Board.

Contributions to the Sales Tax Stabilization, Capital Replacement/Infrastructure Maintenance, and Fuel Stabilization Funds will be made from available funds as identified in the annual budget or amended budget. The Chief Financial Officer (CFO) shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as deemed appropriate at the time. Guidelines for transfers and contributions are as follows:

- a. All transfers for expenditures from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board in the annual budget or amended budget.
- b. Capital Replacement Fund will at a minimum be an amount equivalent to twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the cost of one transit bus with a twelve (12) year useful life. (Example - FY16 Bus Fleet replacement: \$2.9 million X 20% = \$0.58 million; cost of transit bus = \$0.4 million. Minimum Capital Replacement Fund requirement: \$0.58 million + \$0.4 million = \$0.98 million).
- c. Infrastructure Maintenance – Available funds, within limitations of current cash flow model, in accordance with assessed capital needs which shall be reviewed during the annual budget process.

If after procedures as outlined in the adopted budget contingency plan have been met, and a severe economic downturn or other emergency requires draw down of Fund Balance Reserve or Sales Tax Stabilization funds, it will be a priority to replenish fund balances. Fund balances will be replenished within three (3) years, from any year-end budget surpluses. These surpluses may be achieved through expenditure reductions or through higher than anticipated revenues. The cash flow model and annual budget will specifically outline the timeframe and plan for fund balance replenishment.

FINANCIAL POLICIES

REVENUE POLICIES

- a. To the extent possible, a diversified and stable revenue system will be maintained to shelter service delivery from short-run fluctuations in any one revenue source due to changes in economic conditions. Trends analyzing the dependence on distinct revenue sources shall be included in the budget documents for consideration by the Board.
- b. Revenue forecasts will assess the full spectrum of resources that can be allocated for service delivery. Each year the Board shall review potential sources of revenue as part of the annual budget process.
- c. Revenue forecasts shall be realistically estimated and based on the best information available. DCTA shall use a conservative, objective and analytical approach when preparing revenue estimates and follow a vigorous policy of collecting revenues. Shortfalls anticipated based on this forecast will be addressed as follows:
 - i. Short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow: Expenditure reductions or restrictions may be imposed as outlined in the Budget Contingency Plan adopted as part of the annual budget by the Board. The Board may approve a contribution from the Sales Tax Stabilization Fund or Fund Balance Reserve Fund to address temporary downturns in revenues.
 - ii. Long-term (greater than one year) revenue downturns: Deficit financing and borrowing to support on-going operations is not the policy of DCTA. Revenue forecasts will be revised. Expenses will be reduced to conform to the revised long-term revenue forecast and fare increases will be considered.
- d. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.
- e. DCTA shall develop and maintain fair and equitable fares for all public transportation services which it operates. A fare structure establishing a base fare, categories of prepaid fares and special fare programs shall be adopted by the Board and reviewed no less than every two years. The fare structure should be competitive and offer seamless integration for passengers within the regional transportation system.
- f. Services provided on a contract basis may be set at levels sufficient to cover the entire cost of service delivery, or the service may be subsidized, as the Board deems appropriate. DCTA will systematically review fees and consider adjustments as necessary to take into account the effects of additional service costs and inflation. Studies shall be conducted to ensure that the fees will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation of capital assets, and moderate system expansion. Based on a market analysis, fees for similar services in other communities may also be considered. The criteria used to evaluate recommended target rates (equity, cost recovery policy, market demand, etc.) shall be included in the review. Such review should be scheduled periodically and be incorporated into the budget process for possible action by the Board.
- g. DCTA will review contracts and leases which result in revenues to DCTA on a timely basis for careful consideration by the Board.

FINANCIAL POLICIES

EXPENDITURE POLICIES

DCTA will only propose operating expenditures which can be supported from on-going revenues. Before undertaking any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years. Capital expenditures may be funded from one-time revenues, but the operating budget expenditure impacts of capital expenditures will be reviewed for compliance with this policy provision:

- a. Department heads are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expenditure categories to help assure the most efficient use of resources.
- b. DCTA will maintain expenditure categories according to state statute and administrative regulation.
- c. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. DCTA will consider investing in technology and other efficiency tools to maximize productivity. DCTA will hire additional staff only after the need for such positions has been demonstrated and documented.
- d. All compensation planning will focus on the total cost of compensation, which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to DCTA. A compensation study shall be conducted every three (3) years to ensure that DCTA maintains a competitive position in the market, with a goal to stay at the mid-point of the market range.

ACCOUNTING, AUDITING & FINANCIAL REPORTING

DCTA will maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall DCTA goals and objectives are met:

- a. Accounting Records and Reporting: DCTA will maintain its accounting records in accordance with state and federal regulations. Financial statements will conform to generally accepted accounting principles (GAAP) of the Governmental Accounting Standards Board (GASB).
- b. Auditing: As required under Chapter 460.402 of the Texas Transportation Code, an outside independent CPA firm will annually perform the DCTA's financial audit. Results of the annual audit will be provided to the Board in a timely manner. The external audit firm is accountable to the Board of Directors and will have access and direct communication with the Board. The Single Audit Report will be prepared and presented to the Board by the external auditors along with the audited financial statements. The Single Audit Report shall list the status and current operations of all federal, state and local grant funds awarded and received.
- c. Simplified Fund Structure. To the extent possible, DCTA will minimize the number of Funds.

The Finance Department will develop, maintain, and consistently seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets.

FINANCIAL POLICIES

BUDGET & OPERATING POLICIES

- a. Decisions of the Agency will be within the context of the cash flow model and the long range service plan. Staff shall provide a review of the implications of budgetary proposals on the cash flow model.
- b. The budget is designed to communicate DCTA's financial goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and revenue sources used to pay for the service. DCTA is committed to a balanced budget, where current year expenses do not exceed current year revenues and applicable/specific reserve balances.
- c. Chapter 460.403 of the Texas Transportation Code requires the Board to prepare an annual budget. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and Finance Committee of the Board of Directors and the Board. A calendar of events related to budget development shall be presented to Finance Committee each year prior to the start of the annual budget process.
- d. The Finance Department will maintain a system for monitoring the DCTA's budget performance. The system will provide the DCTA Finance Committee and the Board with monthly and / or quarterly information in a timely manner on fund level resource collections and category level expenditures.
- e. Revised Budget Policy: The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. DCTA staff shall watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations as follows:
 - i. Operating Fund Expenditures:
 1. DCTA is required to control operating costs and maintain the total expenditures incurred at or below the total annual adopted Operating Expenses budget or budget as amended.
 2. The President may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.
 3. The Board may authorize a budget amendment for approval of new contracts and unbudgeted expenditures.
 - ii. Capital Project Fund Expenditures:
 1. Expenditures for capital projects must be approved with the fiscal year capital project budget; or
 2. By Board approval of any increase to a capital project budget and approval of the purchase during the fiscal year. Capital project budget amendments will be incorporated in the revised budget process.
 - iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and cash flow model.

FINANCIAL POLICIES

f. Definitions:

- i. Budget Amendment – Shall mean a change in the total adopted fiscal year budget based on the following criteria:
 - 1. Operating – an increase to the total bottom line operating fund expenditure budget.
 - 2. Capital – (a) addition of a new project; (b) increase in Capital Projects Fund annual appropriation; (c) an increase to the total approved budget of a specific project.
 - 3. A resolution approved by the DCTA Board of Directors is required to authorize an amendment as specified in Section e (i).
 - ii. Budget Transfers – Shall mean transfer of funds between departments or expenditure line items that neither increase nor decrease the total adopted budget.
- g. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This allows DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to effectively recover and/or adjust to serious downturns.
- h. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken. A physical inventory will be conducted no less than every two (2) years.

PURCHASE & DISPOSAL OF ASSETS

DCTA will follow and maintain purchasing procedures that comply with applicable State and Federal Laws and Board resolutions and policies regarding procurement. The policy of the Board of Directors is to:

- a. Provide equal access to all vendors participating through competitive acquisition of goods and services.
- b. Conduct the procurement process and disposal of property in a manner that promotes and fosters public confidence in the integrity of DCTA's procurement procedures.
- c. Protect the interest of entities providing financial support without regard to any undue influence or political pressure.

Federal Funds: When procurement involves the expenditure of federal funds, purchasing shall be conducted in accordance with all applicable federal laws or regulations.

Grant Funds: When procurement involves the expenditure of grant funds, purchasing shall be conducted in accordance with all applicable grant laws or regulations.

Emergency procurement: The DCTA President or his/her designated agent may make or authorize others to make emergency procurements of materials, supplies, equipment or services when there exists a threat to public health, welfare, or safety. The Executive Committee of the Board will be notified immediately of such action. State laws relating to emergency purchases shall be followed.

FINANCIAL POLICIES

COST ALLOCATION

DCTA desires to comply with all laws and recommendations in calculating and receiving full cost recovery for services rendered and for allocating appropriate indirect costs.

Cost allocation is a method to identify and distribute indirect costs. Direct costs are costs assignable to a specific objective, whereas indirect costs are costs incurred for multiple cost objectives or not assignable to a specific cost objective without effort disproportionate to the benefit received. DCTA will prepare or have prepared an annual cost allocation plan to identify direct and indirect costs to use for recovering allowable costs under OMB Circular A-87 and in the development of cost of services as applicable for use in contracts for service delivery with outside entities. The plan will be prepared consistent with guidelines established by:

The Federal Office of Management and Budget (OMB) Circular A-87

OMB Circular A-87 establishes cost principles for State, local, and Indian Tribal Governments for determining costs for Federal Awards. Item 5 of the Circular states that, "The principles are for determining allowable costs only." In defining allowable costs, the Circular provides a definition of allocable costs on Attachment A, paragraph C.3.a, "A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received." The Circular further outlines costs that are allowable for charging the Federal government and distinguishes those that are specifically excluded from recovery.

Governmental Accounting Standards Board (GASB)

GASB is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. While GASB is not a governmental agency and does not have enforcement authority, compliance with GASB is tested by the external auditor in the annual audit of DCTA.

DEBT MANAGEMENT POLICY

The objectives of the DCTA's Debt Management Policy will be:

- A. To minimize the use of debt to the effect that debt service payments will be a predictable and manageable part of the operating budget.
- B. Utilize debt as the last resort, to raise capital at the lowest cost, consistent with the need to borrow.

These will be accomplished by:

- a. Securing and maintaining a high credit rating.
- b. Maintaining a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly.
- c. Selecting professional service providers (underwriters, financial advisors, bond insurers, etc.) through negotiation, RFQ process or as defined for professional services under DCTA's procurement procedures.
- d. Issuing debt on a competitive basis (except when conditions make a negotiated sale preferable) and awarding to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project is

FINANCIAL POLICIES

speculative or complex, the issue is a refunding, or the market is unstable:

- i. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
 - ii. Short-term borrowing will not be used for operating purposes.
- e. Complying with continuing disclosure reporting requirements and the obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. The DCTA's annual audited financial report will be sent to EMMA as soon as the external auditor issues the report and it has been presented to the Board of Directors.
- f. Ensuring no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.
- g. Limiting bonded indebtedness to a level that:
- i. permits sufficient borrowing to support a reasonable level of capital programming;
 - ii. maintains a debt amortization schedule within DCTA's ability to pay; and
 - iii. supports DCTA's credit rating objectives.
- h. Considering credit enhancements only after a cost/benefit analysis has been completed for each bond issue.
- i. Maintaining debt service reserve accounts as required by bond ordinances and where deemed advisable by the Board. DCTA shall structure such debt service reserves to avoid violation of IRS arbitrage regulations.
- j. Maintaining debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

FINANCIAL POLICIES

INVESTMENT POLICY (As adopted 10/25/2018)**I. POLICY STATEMENT**

The Denton County Transportation Authority (DCTA) policy stipulates that the administration of its funds and the investment of those funds shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of DCTA. DCTA's investments will conform to all applicable state statutes governing the investment of public funds.

Effective cash management is essential to good fiscal management. Cash management is defined as the process of managing monies to ensure maximum cash availability. DCTA shall maintain a comprehensive cash management program which includes: collection of accounts receivable; prudent investment of its available cash; disbursement of payments in accordance with invoice terms; compliance with Board Policy; and, the management of bank depository services.

Receiving a market rate of interest will be secondary to the requirements for safety and liquidity. DCTA intends to be in compliance with local law and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). Investment earnings will be used in a manner that best serves the interests of DCTA.

II. SCOPE

This investment policy applies to all the financial assets and funds of DCTA. However, this policy does not apply to the assets administered for the benefit of DCTA by outside agencies under deferred compensation programs.

DCTA may commingle its funds into one pooled investment fund for investment purposes for efficiency and maximum investment opportunity.

III. OBJECTIVES AND STRATEGY

DCTA's policy is that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety of principal, liquidity, diversification and yield. Investments are to be chosen in a manner which reflects diversity by market sector, type of credit, and length of maturity as best meets DCTA's requirements. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise. To best meet anticipated cash flow requirements, the weighted average maturity (WAM) of the overall portfolio may not exceed 18 months.

Safety of Principal

Safety of principal is the foremost objective. Investments of DCTA's cash shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The safety of principal is best achieved by: limiting maximum maturities to two years or no further than expected project cash flow forecasts; limiting investment types to those specifically authorized by this policy; diversifying investments; and, monitoring credit ratings on selected investment types.

Liquidity

Investments will be based on a cash flow analysis of needs and will remain sufficiently liquid to satisfy all operating requirements which might be reasonably anticipated by the agency's cash flow model. The

FINANCIAL POLICIES

portfolio will be structured so that investments mature concurrent with cash needs. Because all possible cash demands cannot be anticipated, the portfolio will include investments that offer same-day liquidity for those unanticipated situations. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

Diversification

The portfolio will be diversified by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding as defined in Section VIII of this policy will be used on each sale and purchase.

Yield

DCTA's investment portfolio shall be designed with the objective of attaining a market yield-to-maturity taking into account DCTA's risk constraints and the cash flow needs. Market yield-to-maturity may be defined as the rolling average yield of the current six-month Constant Maturity Treasury (CMT).

DCTA has selected the weighted-average yield-to-maturity as its preferred measure of investment performance. The weighted-average yield-to-maturity shall be calculated on a monthly basis by multiplying each individual security's yield-to-maturity at time of purchase by its book value, totaling the product of these calculations, and dividing by the total book value of the portfolio.

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public fund deposits. All investments will be made in accordance with these statutes.

V. DELEGATION OF INVESTMENT AUTHORITY

The Chief Financial Officer, acting on behalf of DCTA, is designated as the Investment Officer and the President of DCTA is designated as the Alternate Investment Officer. The Investment Officer is responsible for investment management decisions and activities according to this Investment Policy. The Investment Officer is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the activities of the investment program which are consistent with this Investment Policy. The procedures will include: reference to safekeeping; require and include Master Repurchase Agreements (as applicable); wire transfer agreements; banking services contracts; and, other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials and staff. The Investment Officer shall designate in writing a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer and Alternate Investment Officer are not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established herein.

FINANCIAL POLICIES

Authorization Resolution

A Resolution is established with this investment policy and attached hereto authorizing the Investment Officer to engage in investment transactions on behalf of DCTA. The persons authorized by the Resolution to transact business for DCTA are also authorized to approve wire transfers used in the process of investing.

VI. PRUDENCE

The standard of prudence to be used in the investment function shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. This standard states that:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived.”

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule in Section VI, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner to the Board of Directors and that appropriate actions are taken to control adverse market effects.

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of DCTA. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions by employees of DCTA. Results of review of internal controls by the independent auditor shall be included in the annual audit.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of DCTA. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

VIII. AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below and as further described by the Public Funds Investment Act:

- a. Obligations of the United States Government, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), agencies and instrumentalities and government sponsored enterprises, excluding collateralized mortgage obligations (CMO’s), not to exceed two years to stated maturity with the exception of project funds which may be invested in longer maturities but not to exceed forecasted expenditure dates;
- b. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed two years to stated maturity. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and

FINANCIAL POLICIES

interest of each CD insured by the Federal Deposit Insurance Corporation (FDIC) may be purchased through a broker that has its main office in Texas and is selected from a list adopted by the DCTA Board or a selected depository institution with its main office or branch office in Texas. See Attachment II for a list of Board approved broker/dealers. This broker or depository shall act as the custodian for the various certificates on behalf of DCTA;

- c. Repurchase agreements and reverse repurchase agreements as defined by the Act, not to exceed 90 days to stated maturity, provided an executed Master Repurchase Agreement is on file with DCTA and the counterparty bank or primary dealer. Flexible repurchase agreements used specifically for capital projects may extend beyond the stated limitation, but shall not exceed the expenditure plan of the projects;
- d. No-load SEC-registered money market funds, each approved specifically before use by DCTA;
- e. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act; and
- f. Interest bearing bank savings deposits issued by state and national banks or savings bank or a state or federal credit union (having their main or branch office in Texas) that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund (or their successor organizations).

If additional types of securities are approved for investment by public funds by state statutes, none will be eligible for investment by DCTA until this policy has been amended and approved by the DCTA Board.

Competitive Bidding Requirements

All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that DCTA is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by DCTA, shall be conducted on a delivery versus payment (DVP) basis.

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments will be made through either DCTA's banking services bank or an approved broker/dealer. DCTA will review the list of authorized broker/dealers annually. A list of at least three broker/dealers will be maintained in order to assure competitive bidding.

Securities broker/dealers must meet and disclose certain criteria as determined by the Investment Officer including:

- A. an audited financial statement each year;
- B. proof of certification by the Financial Industry Regulatory Authority (FINRA) and provision of CRD number;
- C. proof of current registration with the State Securities Commission; and
- D. Completion of DCTA questionnaire.

FINANCIAL POLICIES

Every broker/dealer, investment pool, investment manager and bank with which DCTA transacts business will be provided a copy of this Investment Policy to assure they are familiar with the goals and objectives of DCTA's investment program. A representative of the transacting organization will be required to return a signed certification stating that the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to DCTA.

DCTA may appoint one or more investment advisors to assist the financial staff in the management of DCTA funds. The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an investment advisor. To be eligible for consideration, an investment advisor shall demonstrate knowledge of, and experience in, the management of public funds. An appointed investment advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy, and shall not have discretionary authority to transact business on behalf of DCTA.

If DCTA has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of DCTA. The advisor shall annually present a list of its authorized broker/dealers to DCTA for review and likewise shall return a signed certification stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures and controls to preclude imprudent investment activities. The advisor shall obtain and document competitive bids and offers on all transactions and present these to DCTA as part of its trade documentation.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is DCTA's policy to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

Security Type	Max % of Portfolio
U.S. Treasury obligations	100%
U.S. Government agencies and instrumentalities	Not to exceed 75%
Fully insured or collateralized CDs	Not to exceed 30%
Repurchase agreements	100%
Money Market Funds	50%
Local Government Investment Pools	
Liquidity Pools	100%
Maximum percent ownership of pool	Not to exceed 10%
Interest Bearing Bank Savings Deposits	25%

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not:

- a. invest more than 20% of the portfolio for a period greater than one (1) year, or
- b. invest any portion of the portfolio for a period of greater than two (2) years.

FINANCIAL POLICIES

XI. SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery-versus-payment (DVP) basis and be held in safekeeping by either DCTA, an independent third party financial institution, or DCTA's designated banking services depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third-party custodian shall be required to issue safekeeping receipts to DCTA listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for DCTA or pledged to DCTA.

All securities pledged to DCTA for certificates of deposit or demand deposits shall be held by an independent third-party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

Collateralization

Collateralization is required on time and demand deposits exceeding the FDIC insurance coverage of \$250,000, and on repurchase agreements.

To provide a level of additional security for all funds and to also anticipate any market changes, the collateralization level required will be 105% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

A comprehensive quarterly investment report shall be prepared by the Investment Officer or Investment Advisor within ten (10) days following the fiscal quarter end and be presented to the DCTA Board the month following the fiscal quarter end. As required by the Texas Public Funds Investment Act, the report will:

- A. describe in detail the investment position of DCTA on the date of the report;
- B. be signed by the Investment Officer(s);
- C. contain a summary statement that presents:
 - a. beginning book and market value for the reporting period;
 - b. ending book and market value for the reporting period; and
 - c. fully accrued interest for the reporting period;
- D. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- E. state the maturity date of each separately invested asset that has a maturity date;
- F. state the account or fund for which each investment security was purchased;
- G. compare the portfolio's performance to other benchmarks of performance; and
- H. state the compliance of the investment portfolio with DCTA Investment Policy, Investment Strategy, and the Public Funds Investment Act.

XIII. DEPOSITORIES

DCTA will designate one banking institution through a competitive process as its central banking services provider at least every five years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. Other banking institutions from which DCTA may purchase certificates of deposit will also be designated as a depository after providing their latest audited financial statements to DCTA.

FINANCIAL POLICIES

XIV. TRAINING REQUIREMENT

The DCTA Investment Officer(s) shall attend at least one investment training session consisting of no less than 10 hours of instruction relating to investment responsibilities within twelve months of taking office or assuming duties, and subsequently shall receive a minimum of 10 hours not less often than once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive years after that date. The investment training session shall be provided by an independent source approved by the Board of Directors. See Attachment I for a list of Board approved independent investment training sources. Contingent upon Board approval, additional independent sources from which investment training may be obtained shall include a professional organization, an institute of higher learning, or any sponsor other than a business organization with whom DCTA may engage in an investment transaction. Such training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

XV. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair the ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which personal business is conducted. Further disclosure shall also be made of any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of DCTA.

An Investment Officer of DCTA who has a personal business relationship with an organization seeking to sell an investment to DCTA shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to DCTA shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the DCTA Board of Directors.

XVI. SUBJECT TO AUDIT

A formal annual review of the investment reports will be performed by an independent auditor with the results reported to the Board. All collateral shall be subject to inspection and audit by the DCTA Treasurer or DCTA's independent auditors.

XVII. INVESTMENT POLICY ADOPTION BY DCTA BOARD

DCTA's Investment Policy shall be adopted annually by the Board of Directors. The policy and strategies shall be reviewed on an annual basis by the Board or a designated Committee of the Board. A written resolution approving that review, and suggested changes to the policy will be approved by the Board.

Board Approved Independent Investment Training Sources

1. Texas Municipal League (TML)
2. Government Finance Officers Association (GFOA)
3. Government Finance Officers Association of Texas (GFOAT)
4. North Central Texas Council of Governments
5. Texas Higher Education Coordinating Board

Board Approved Broker/Dealers List



Approved Broker/Dealers March 2018

Bank of America Merrill Lynch

BOK Financial

Cantor Fitzgerald & Co**Citigroup Global Markets**

D.A. Davidson

Daiwa Capital Markets

FTN Financial

Goldman, Sachs & Co

INTL FCStone

JP Morgan Securities

KeyBanc Capital Markets

*Loop Capital Markets ***

Mesirow Financial

Mizuho Securities**Morgan Stanley & Co**

Piper Jaffray & Co.

Raymond James

RBC Capital Markets*Rice Financial ***

SunTrust Robinson Humphrey

Stifel, Nicolaus & Co.

TD Securities**UBS Securities**

Vining Sparks

Wells Fargo Securities*Williams Capital Group **** **Bold face font indicates firm is a Primary Dealer.**** *Dark blue italics font indicates firm is an Historically Underutilized Business (HUB) or Minority/Women Owned Business (MWOB).*

BUDGET CONTINGENCY PLAN

DCTA BUDGET CONTINGENCY PLAN

FISCAL YEAR 2019

The fiscal year budget includes revenue streams based on historical trends and projections of future activity. The largest revenue stream is sales tax. A contingency plan is recommended should the budgeted increase in sales tax not materialize or, if there is a need for service enhancements not planned in the fiscal year budget and it is determined that sales tax revenue has increased sufficiently to support sustainable service.

SECTION I: SALES TAX REVENUE SHORTFALL

The following precautionary actions will be initiated immediately if a sales tax revenue shortfall is anticipated:

Initial Precautionary Action

- Freeze all new hire positions and vacant positions except with necessity review by the Budget Assessment Team.
- Identify any non-traditional revenue sources.
- Re-justify all planned capital outlay over \$10,000 to the Budget Assessment Team prior to expenditures.
- Re-justify all vehicle replacement/purchase schedules to the Budget Assessment Team.
- Re-justify all travel related expenditures to the Budget Assessment Team.
- Re-justify expenditures related to the service and materials & supplies category including, but not limited to:
 - Technology
 - Professional Services
 - Consulting Fees

Initiate the following expenditure reductions and measures if a cumulative unanticipated shortfall in sales tax revenue is equal to:

2% Reduction (\$569,004)

- Realized savings will not be transferred between categories.
- Prohibit unbudgeted expenditures including supplies and maintenance accounts.
- The Management Team will be required to review, monitor and control planned expenditures greater than \$5,000.
- Supplemental appropriations will not be made from budgeted savings or unappropriated fund balance.

BUDGET CONTINGENCY PLAN

- All carry forward requests will be carefully reviewed and approved by Finance.
- Any overtime must be pre-approved by department heads.
- Determination made and plan developed regarding utilization of sales tax stabilization fund. Utilization of sales tax stabilization funds will require Board Approval prior to implementation.

3% Reduction (\$853,505)

- Freeze all travel and training requests except with necessity review by the Budget Assessment Team.
- Reduce expenditures in operations and maintenance accounts in each functional area. Amount of reduction to be determined by Budget Assessment Team.
- Freeze capital outlay except with necessity review by the Budget Assessment Team.
- Indefinitely freeze all vacant positions except with necessity review by the Budget Assessment Team.

4% Reduction (\$1,138,007)

- Will require Board policy decisions regarding service delivery and fund balance reserves.
- Re-evaluate any budgeted transfer to Capital Projects, which is not a grant match requirement.
- The Budget Assessment Team will review service level reductions, passenger fare increases, elimination of specific programs, and reduction in work force. This would require implementation of the Service Reduction Policy.
- Evaluate the 90-day Operating Fund Balance Reserve Policy and consider options for fund balance utilization or utilization of other reserve funds. Board action will be required for utilization of reserve funds.

SECTION II: SALES TAX REVENUE SUSTAINABLE INCREASE

The following steps will be followed when it is determined that additional mid-year service level enhancements are necessary (above those already programmed in the annual budget) and sales tax revenue exceeds budget and prior year's actual for at least 4 consecutive months and a determination is made that sales tax revenue increase is sufficient to support sustainable service levels.

For planning purposes, recommended service level increases will be less than or equal to the available sales tax stabilization fund.

BUDGET CONTINGENCY PLAN

Increases in sales tax revenue may be utilized to fund:

- Direct service enhancements
- System support
- Capital Infrastructure and maintenance reserve

Recommended service levels enhancements will be evaluated and prioritized based on:

- System performance and
- Board adopted service standards and service plan

Service Level considerations are not limited to additional transit service hours but may include other agency or transit system support requirements.

Service Level enhancement decisions will follow annual Decision Cycle framework.

Prior to implementation and adoption by Board, additional service level enhancements will be incorporated into long-range cash flow model to identify impact of current enhancement in future years.

Implementation of Service Level Enhancements will require Board action and revision of annual budget.

SECTION III: FEDERAL GRANT FUNDING REDUCTION

The following precautionary actions will be initiated immediately if a federal grant reduction is anticipated:

Capital Expenditures:

- Identify and evaluate other available funding sources
- Evaluate scaling back the scope of the project to the allocated funds, if feasible
- Freeze project pending review and discussion with Board of Directors

Operating Funds:

- Follow the Sales Tax Revenue Shortfall Procedure

OPERATIONAL STATISTICS

SYSTEM ON-TIME PERFORMANCE

- FY 2018 YTD “On Time Performance” (OTP) for the A-train is 99.07%
- FY 2018 YTD “On Time Performance” (OTP) system-wide for Bus is 93.06%.

RIDERSHIP PERFORMANCE

YEAR TO DATE CHANGE IN RIDERSHIP BY SERVICE TYPE			
Service	% Change FY 2017 to FY 2018	Color Indicator	Notation No.
All Bus & Rail	-3.24%	Red	1
Rail	-16.96%	Red	2
All Bus	-0.45 %	Green	
Connect	-3.24%	Red	2
UNT	-0.75%	Green	
NCTC	-25.12%	Red	
Highland Village	-2.41%	Yellow	
North Texas Express	31.93%	Green	1
Access	2.24%	Green	1
Frisco Demand Response	57.75%	Green	1
Collin County Transit	119.67%	Green	1

1. While All Bus & Rail ridership is down, the decrease is lessened by increases in Access, North Texas Xpress, Frisco, and Collin County Transit ridership.
2. The YTD boardings decreased for Rail and Connect over the same period for the previous fiscal year. We are in the 3rd year of sustained low gas prices, which is making car ownership more competitive to mass transit, and it appears that consumer behavior is adjusting. This is consistent with national trends.
3. NCTC ridership continues to trend downward. Staff continues to work with NCTC to explore options to reverse this trend.

Color Key

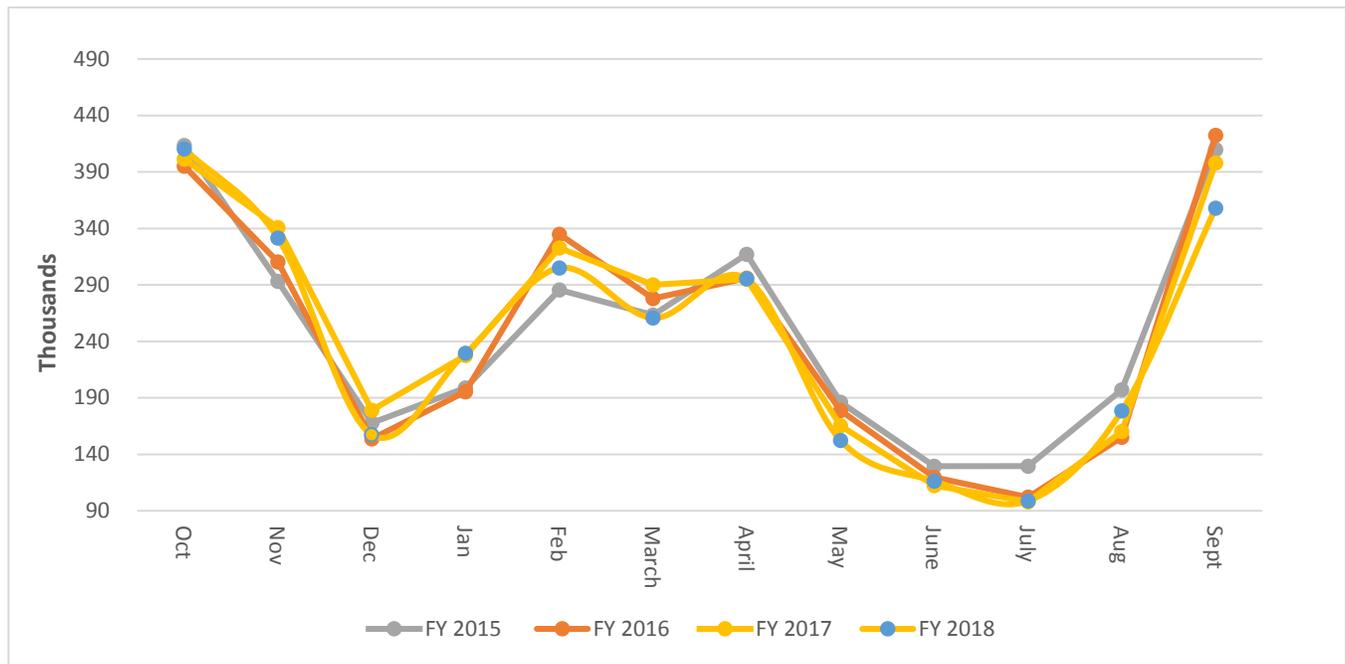
Green indicates positive performance

Yellow indicates service that will be monitored by staff

Red indicates poor performance and needs further research

OPERATIONAL STATISTICS

RAIL AND ALL BUS: TOTAL BOARDINGS



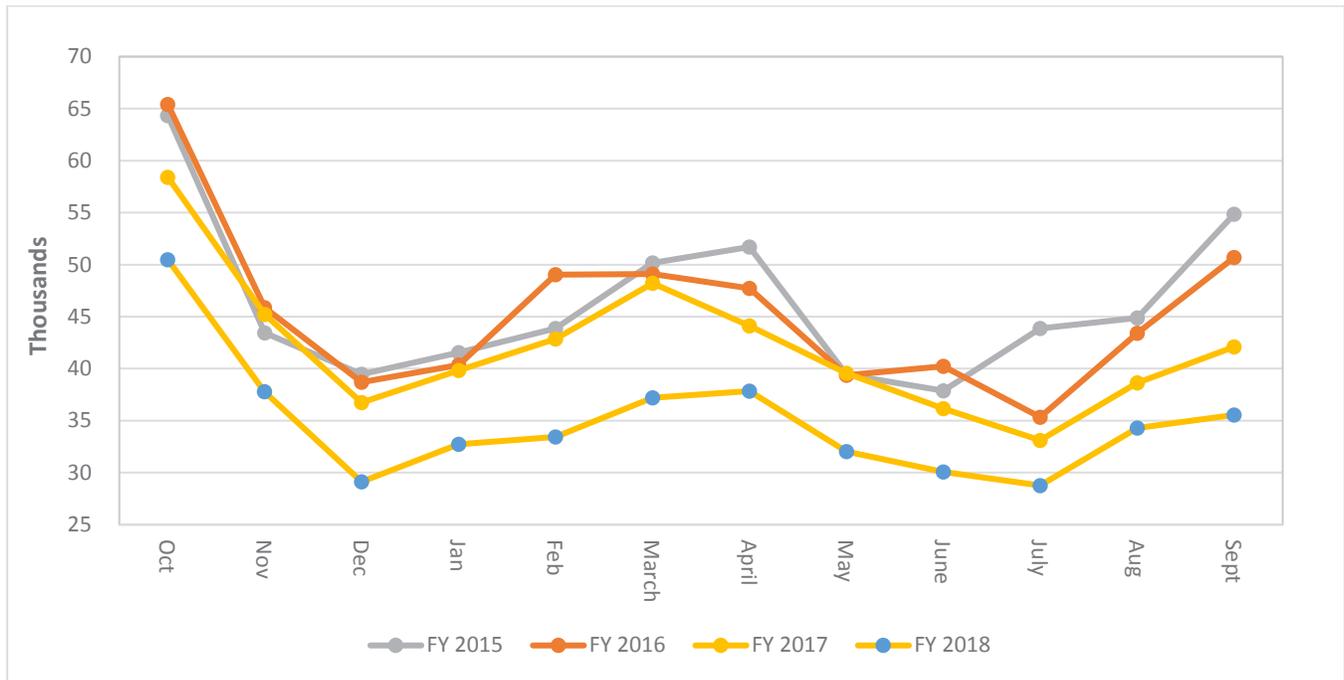
Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, Highland Village Connect Shuttle, Highland Village Community On-Demand, Frisco Demand Response Service, North Texas Xpress Commuter, and special movement services. For display purposes, the Y axis origin has been modified.

RAIL AND ALL BUS: TOTAL BOARDINGS

- Total boardings for Rail and All Bus decreased by 39,634 boardings or 9.96% in September 2018 compared to September 2017.
- The YTD boardings for Rail and All Bus decreased by 96,834 boardings or 3.24% in September.

OPERATIONAL STATISTICS

RAIL: TOTAL BOARDINGS



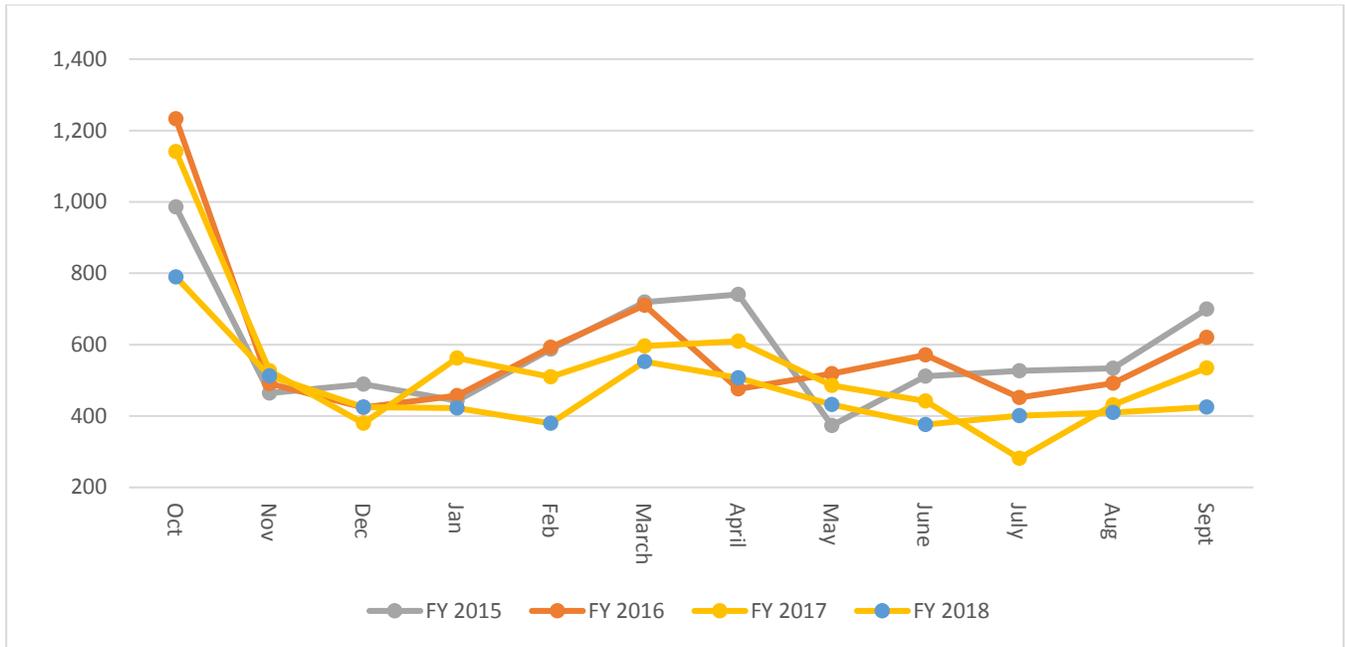
Note: For display purposes, the Y axis origin has been modified.

RAIL: TOTAL BOARDINGS

- Total boardings for Rail decreased by 6,560 or 15.58% in September 2018 compared to September 2017.
- The YTD Total boardings for Rail decreased by 85,623 or 16.96% in September 2018 compared to the same period last year. Ridership for TRE and DART rail are also down as compared to last year.
- The decrease is primarily attributable to completion of construction on IH35E, resulting in decreased boardings predominately from the Downtown Denton Transit Center and MedPark southbound in the morning and northbound in the afternoon/evening. Limited parking and low gas prices also contribute to the decrease in rail ridership.
- Additional information is included as Attachment 1, which includes a summary graph reflecting A-train Monthly Boardings by Station for January 2015 through September 2018, as well as individual graphs for each station for the same period.

OPERATIONAL STATISTICS

RAIL: SATURDAY AVERAGE BOARDINGS



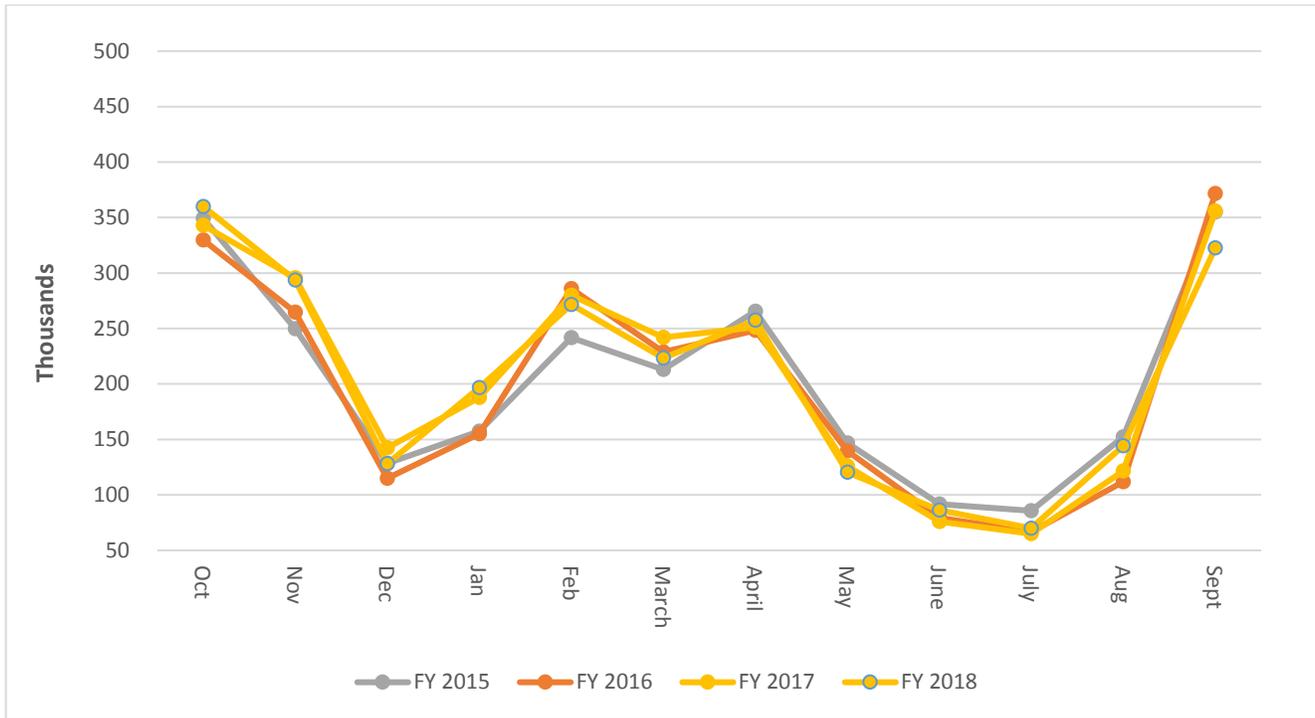
Note: For display purposes, the Y axis origin has been modified.

RAIL: SATURDAY AVERAGE BOARDINGS

- Average Saturday Boardings decreased by 109 or 20.55% in September 2018 compared to September 2017.
- The YTD Average Saturday Boardings decreased by 1,008 or 15.18% in September 2018 compared to the same period last year.

OPERATIONAL STATISTICS

ALL BUS: TOTAL BOARDINGS



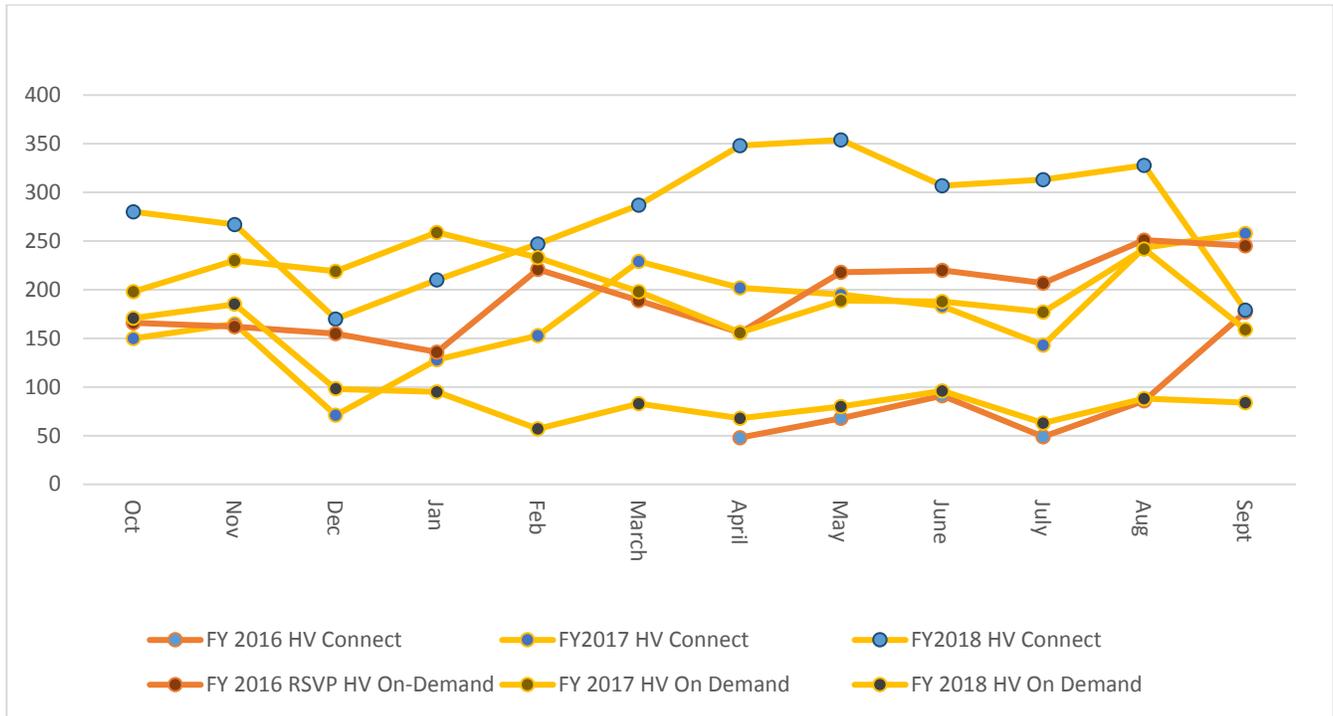
Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, Highland Village Connect Shuttle, Highland Village Community On-Demand, Frisco Demand Response Service, North Texas Xpress Commuter and special movement services. For display purposes, the Y axis origin has been modified.

ALL BUS: TOTAL BOARDINGS

- In September 2018, total boardings decreased by 33,074 or 9.30% compared to the same period last year.
- The YTD total boardings in September decreased by 11,200 or 0.45% compared to the same period last year.
- Ridership for Denton Connect overall decreased by 3,596 or 9.43% for September 2018 when compared to the same period last year. The largest increase was for Route 4 that had a 14.48% increase in September from the previous year. The largest decrease was for Route 7 that decreased 26.07% from the previous year.
- Ridership for Lewisville Connect overall increased by 1,367 or 19.65% for September 2018 when compared to the same period last year. The largest increase was for Route 21 that increased 43.53% from the previous year.

OPERATIONAL STATISTICS

HIGHLAND VILLAGE SERVICE: TOTAL BOARDINGS

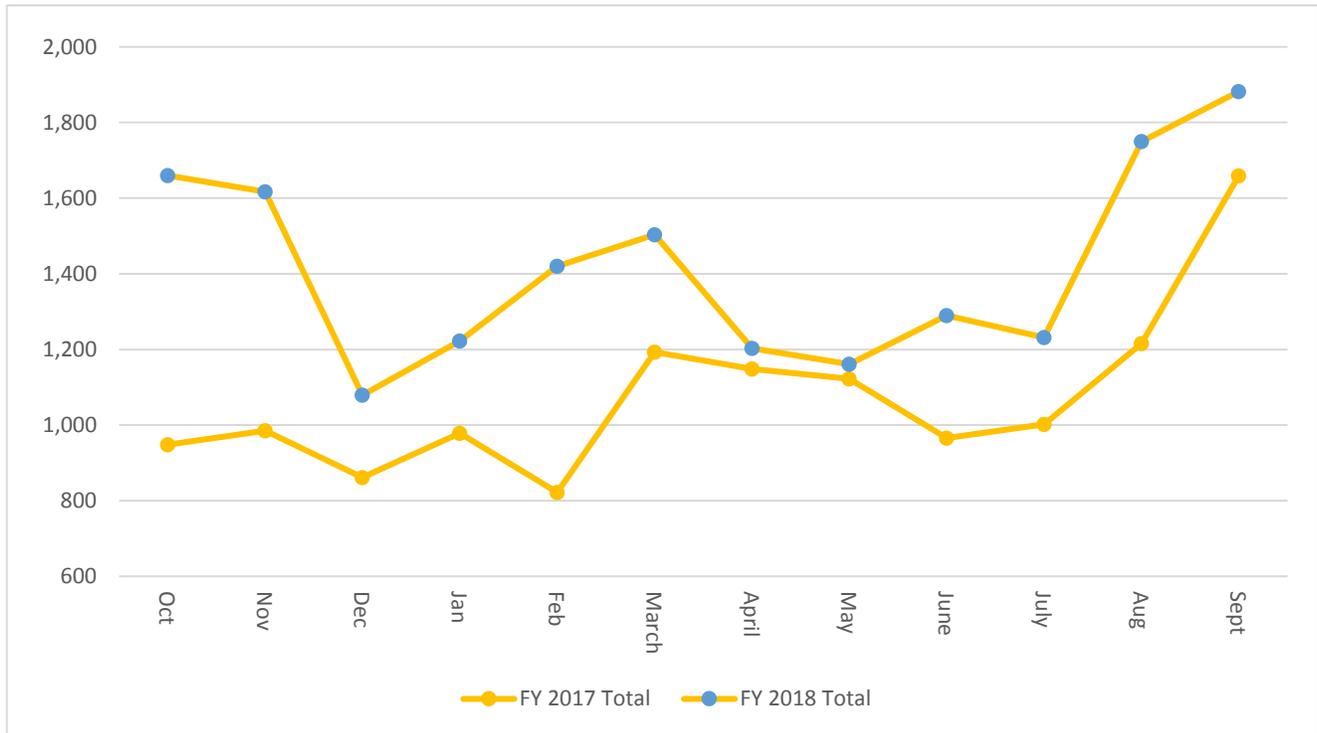


HIGHLAND VILLAGE SERVICE: TOTAL BOARDINGS

- Highland Village Connect Shuttle total boardings decreased by 79 or 30.62% from September 2017 to September 2018. YTD boardings increased by 1,170 or 55.19% over the same period last year.
- On August 27, 2018 Highland Village Community On-Demand service was transitioned to a Lyft Zone. A total of 84 Lyft trips were provided in September 2018.
- YTD total boardings for all Highland Village services decreased by 110 or 2.41% compared to the same period the prior year.

OPERATIONAL STATISTICS

NORTH TEXAS XPRESS COMMUTER SERVICES: TOTAL BOARDINGS

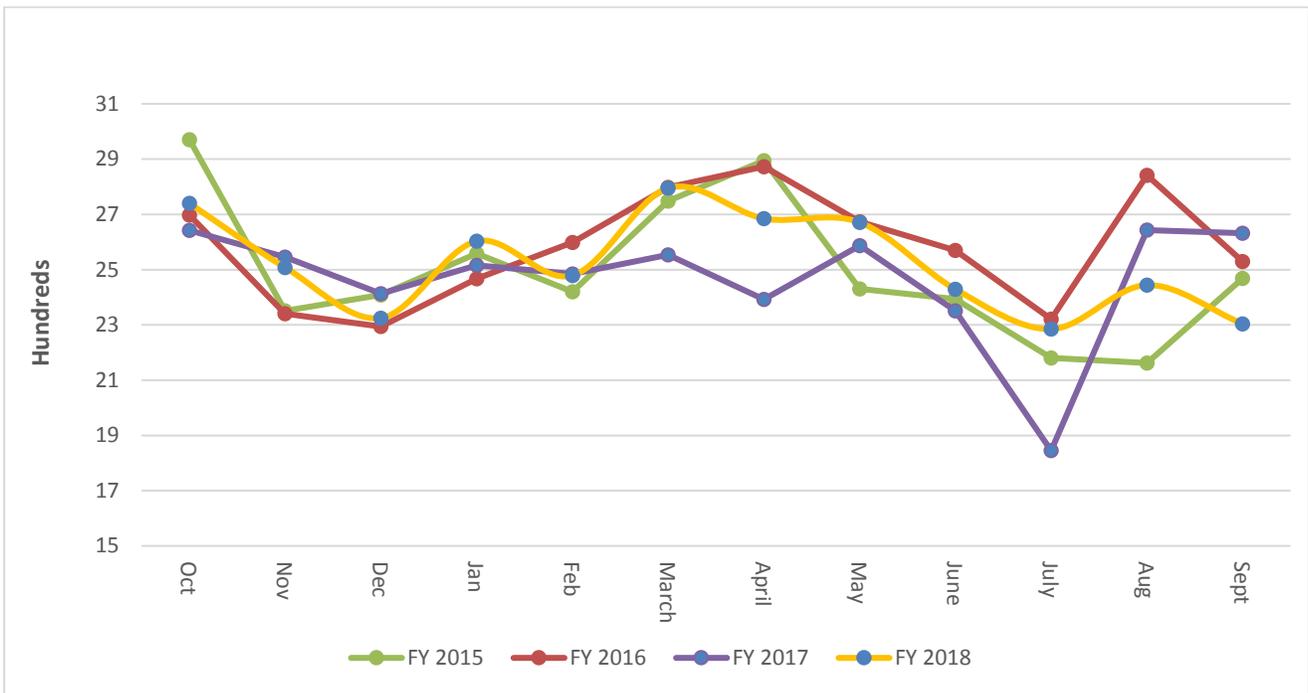


NORTH TEXAS XPRESS: TOTAL BOARDINGS

- Service was initiated in September 2016 in coordination with the Fort Worth Transportation Authority and operates Monday through Friday from 6:15 am to 9:30 pm.
- Total boardings increased by 223 or 13.37% in September 2018 compared to September 2017.
- In September 2018, the YTD total boardings increased 4,119 or 31.93% over the same period the prior year.

OPERATIONAL STATISTICS

ACCESS: TOTAL BOARDINGS



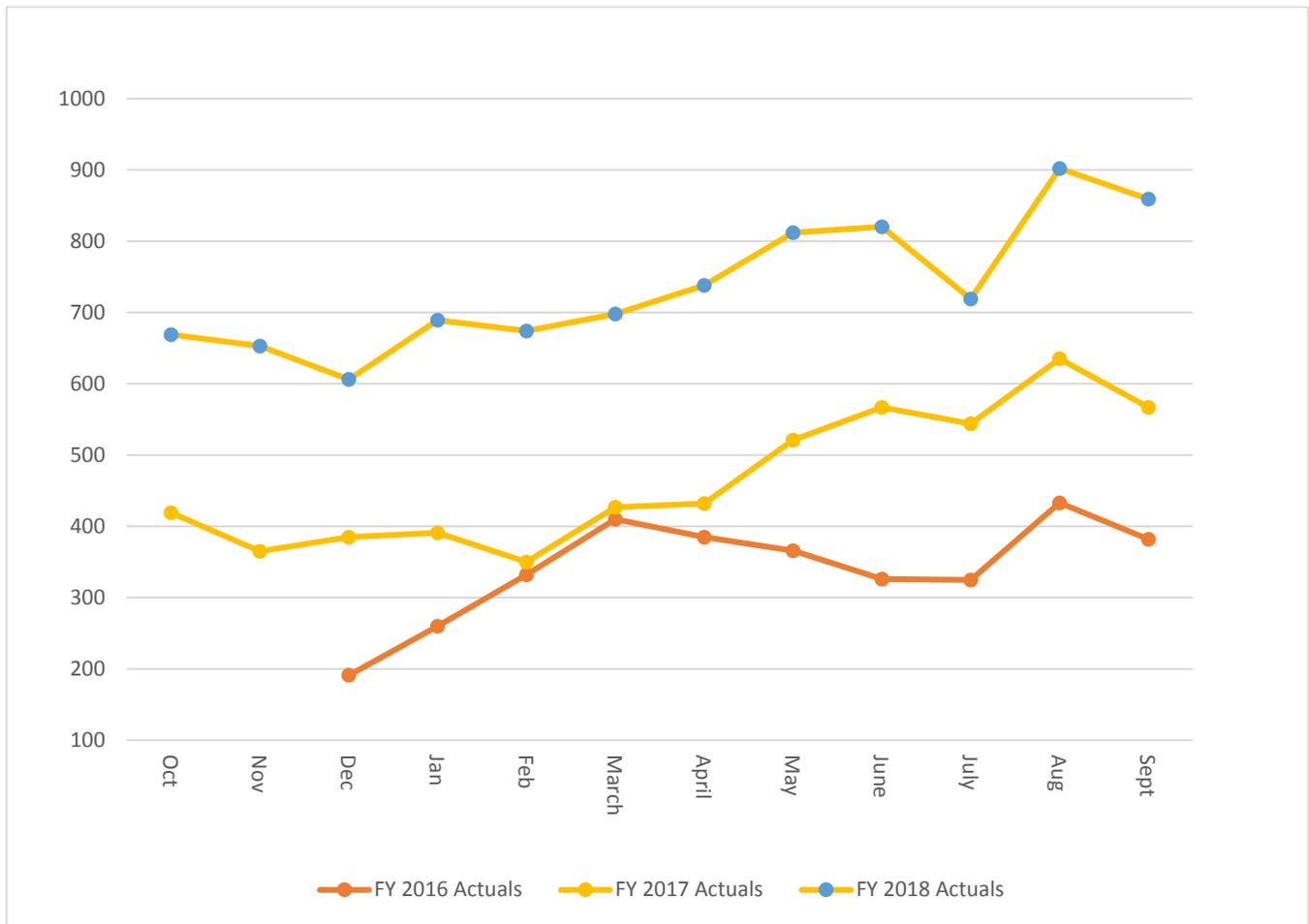
Note: For display purposes, the Y axis origin has been modified.

ACCESS: TOTAL BOARDINGS

- Total boardings decreased by 328 or 12.46% in September 2018 compared to September 2017.
- In September, the YTD total boardings increased by 663 or 2.24% compared to the same period last year.

OPERATIONAL STATISTICS

FRISCO DEMAND RESPONSE SERVICE: TOTAL BOARDINGS

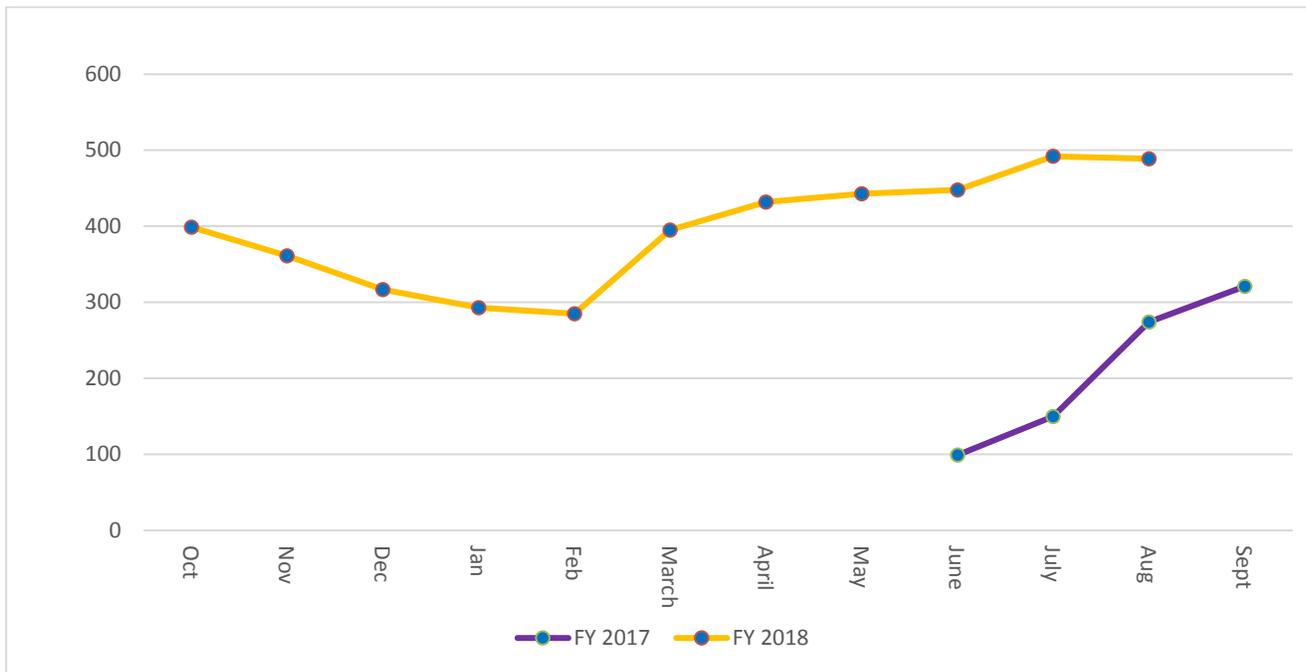


FRISCO DEMAND RESPONSE SERVICE: TOTAL BOARDINGS

- In September, total boardings increased by 292 or 51.5% compared to September 2017.
- Total boardings YTD increased by 3,236 or 57.75% compared to the same period last year.
- These increases can be attributed to the implementation of the Taxi Pilot Project, which was implemented on March 20, 2017.
- Since inception, the Taxi Pilot Project has provided an additional 3,683 trips.

OPERATIONAL STATISTICS

COLLIN COUNTY TRANSIT



COLLIN COUNTY TRANSIT SERVICE: TOTAL BOARDINGS

- Collin County Transit is a hybrid service provided on behalf of the McKinney Urban Transit District, which consists of a taxi voucher program, with supplemental demand response service for those customers who are not able to utilize a taxi due to their mobility device. Service was initiated in June 2017 and is provided Monday through Friday from 6:00 am to 6:00 pm and Saturday 8:00 am to 6:00 pm in the cities of McKinney, Celina, Melissa, Princeton, and Lowry Crossing.
- Total boardings increased by 104 or 32.40% in September 2018 compared to September 2017.
- Total boardings YTD increased by 1,010 or 119.67% compared to the same period last year.

OPERATIONAL STATISTICS

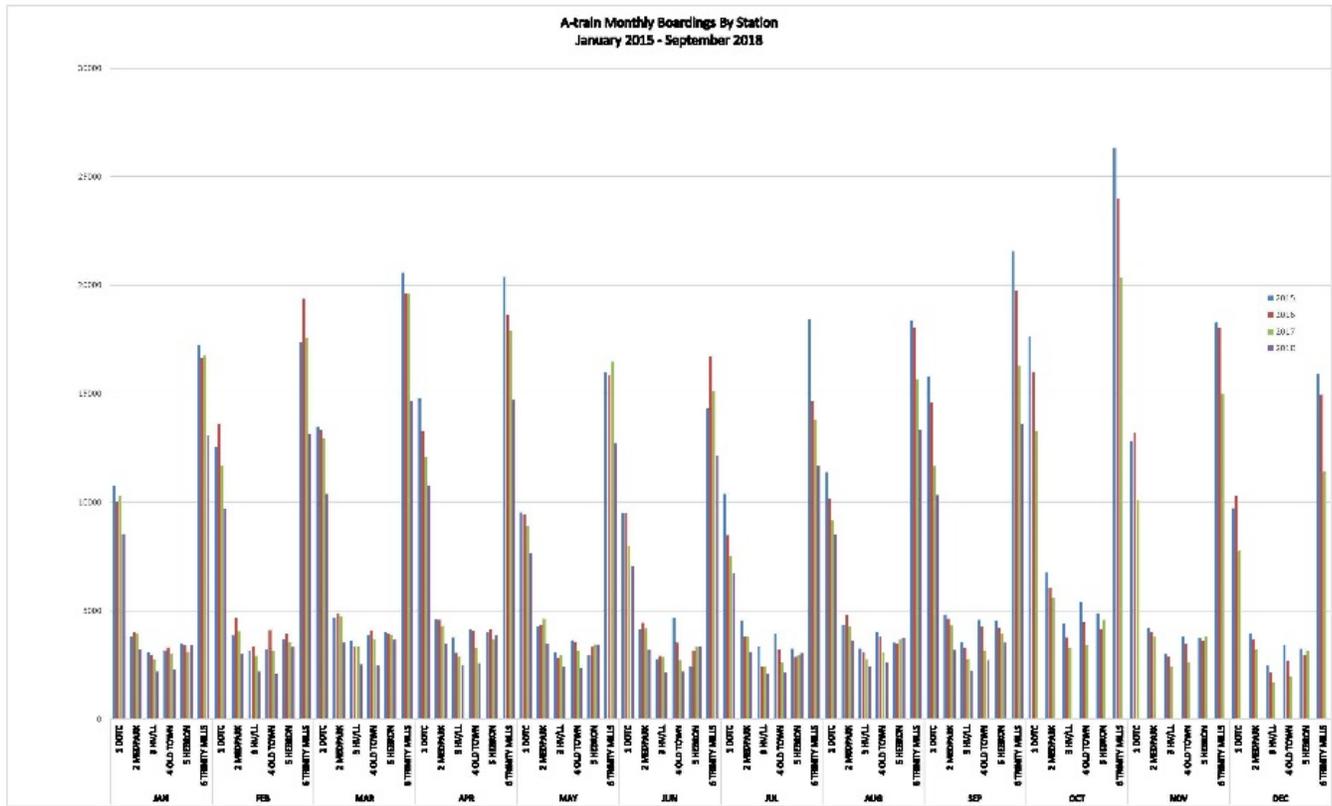
SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 613
- DCTA Bus Operations Injury-Free Workdays: 29

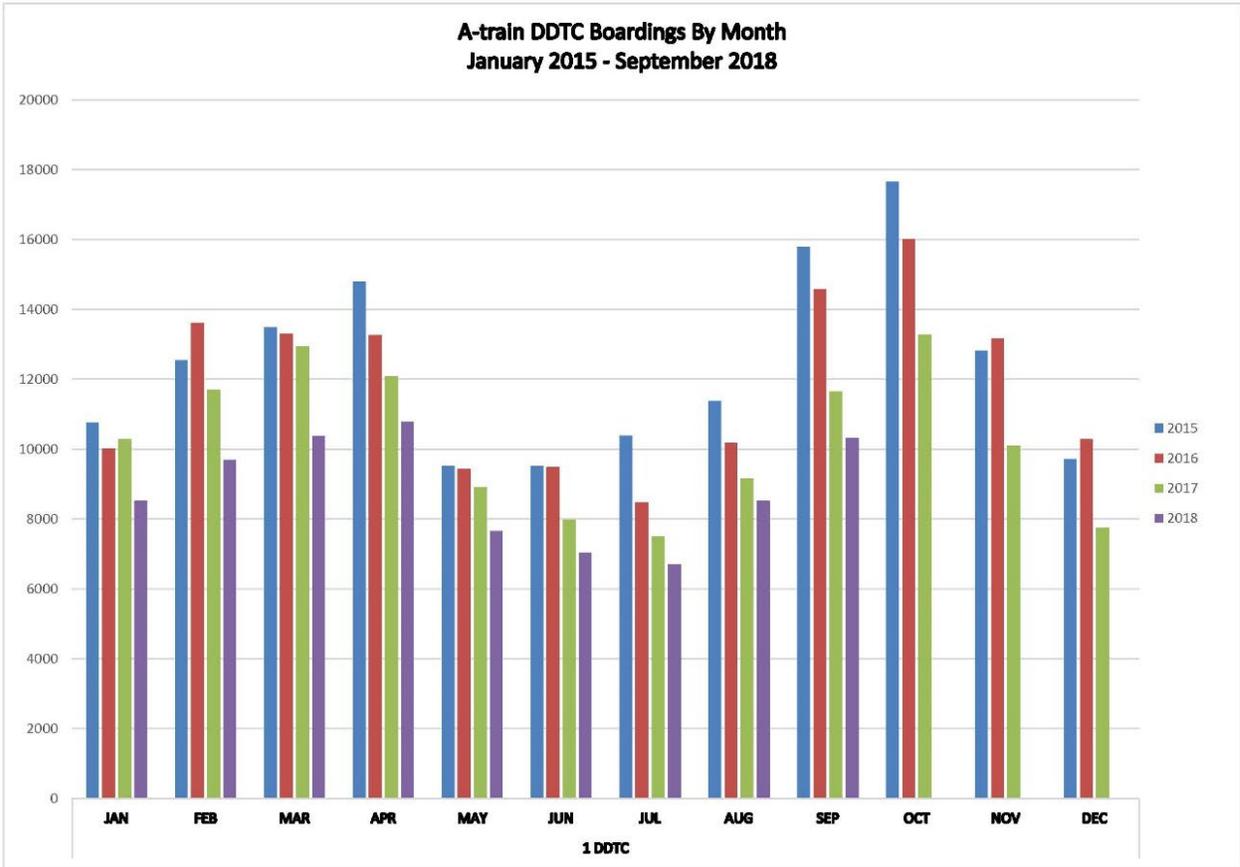
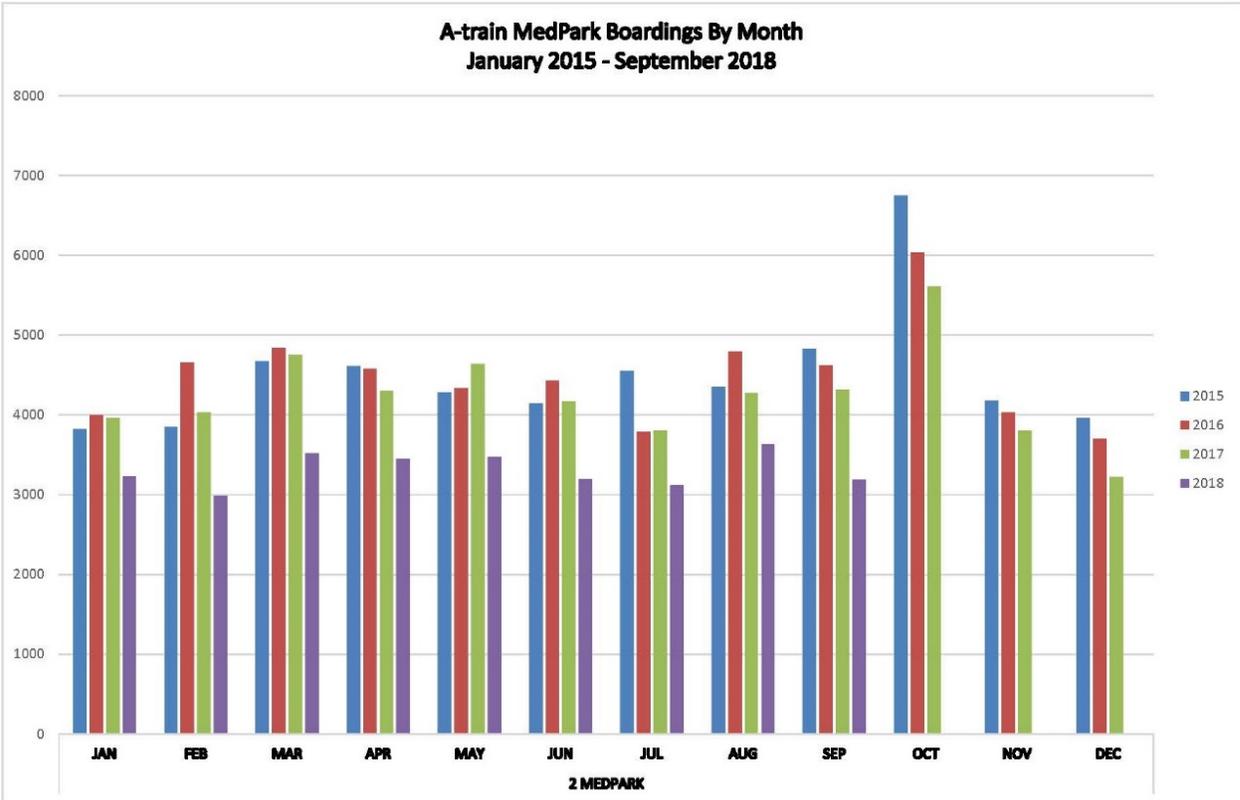
MAINTENANCE

- **Right of Way:** DCTA contract operations (Rio Grande Pacific) reported flooding due to heavy rain storms in the Lewisville area during the morning of 9/8. For safety reasons, the track was taken out of service from Old Town Station to Hebron Station. A bus bridge was implemented for two hours during morning service until the water subsided. Track inspectors then checked for damage and declared the track safe to resume service by 10 am on the 8th. Additional drainage repair work has been approved to mitigate any future flooding near Old Town Station and areas along Railroad Street in Lewisville. The contractor continues to perform weekly safety inspections, which have not identified any major issues.
- **Signal/Communications:** DCTA contract operations (CTC) reported one signal system battery failure on 9/27 that resulted in 12 delayed trains and 2 cancelled trains. Repairs have been made and the contractor continues to perform weekly safety inspections, which have not identified any major issues.
- **Stations:** DCTA contract operations (Rio Grande Pacific) continues to perform weekly safety inspections, which have not identified any major issues.
- **Rail Mechanical:** DCTA contract operations (First Transit) reported Stadler vehicle mechanical failures on 9/13 and 9/24. The failure on the 13th was traced to a faulty engine hose. This resulted in 7 trains delayed and 1 train cancelled. The failure on the 24th was related to a faulty vehicle safety bell. The vehicle was switched with another vehicle, but this resulted in two trains delayed. Repairs have been made and the contractor continues to perform weekly safety inspections, which have not identified any major issues.

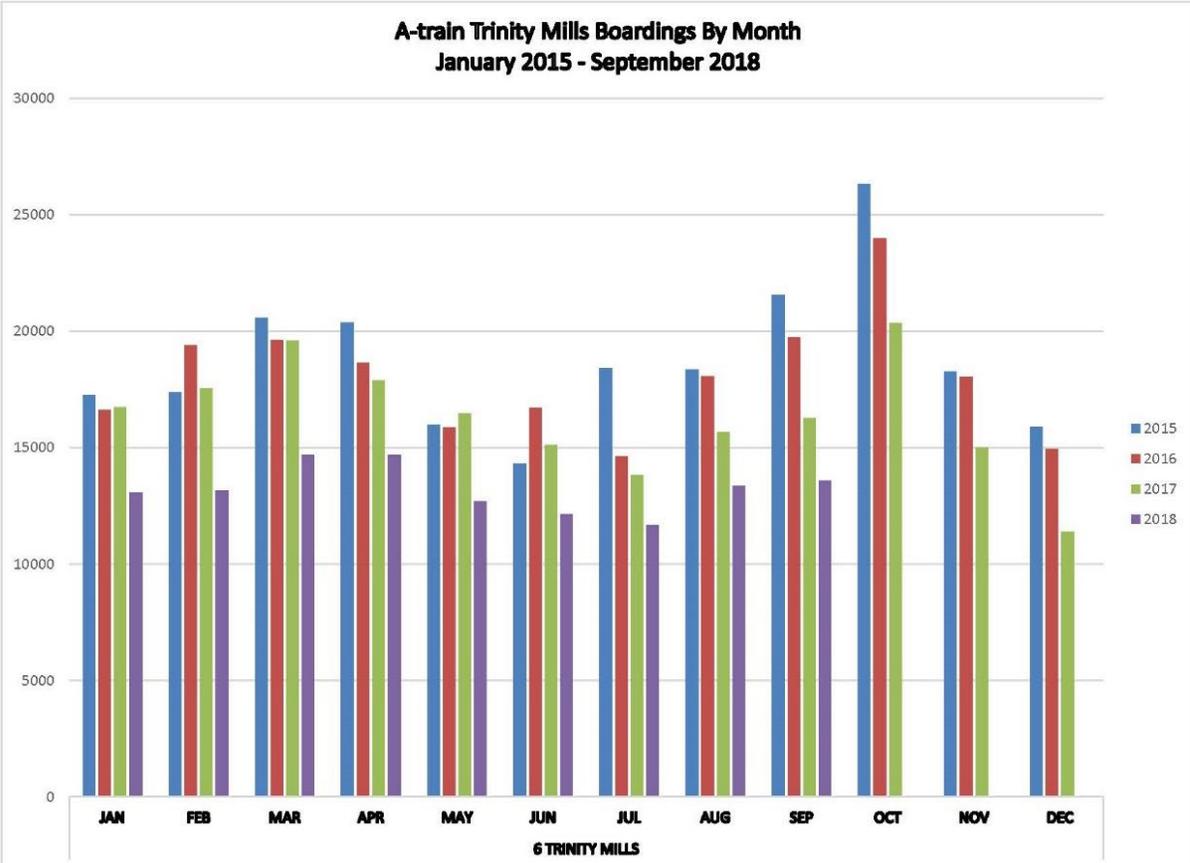
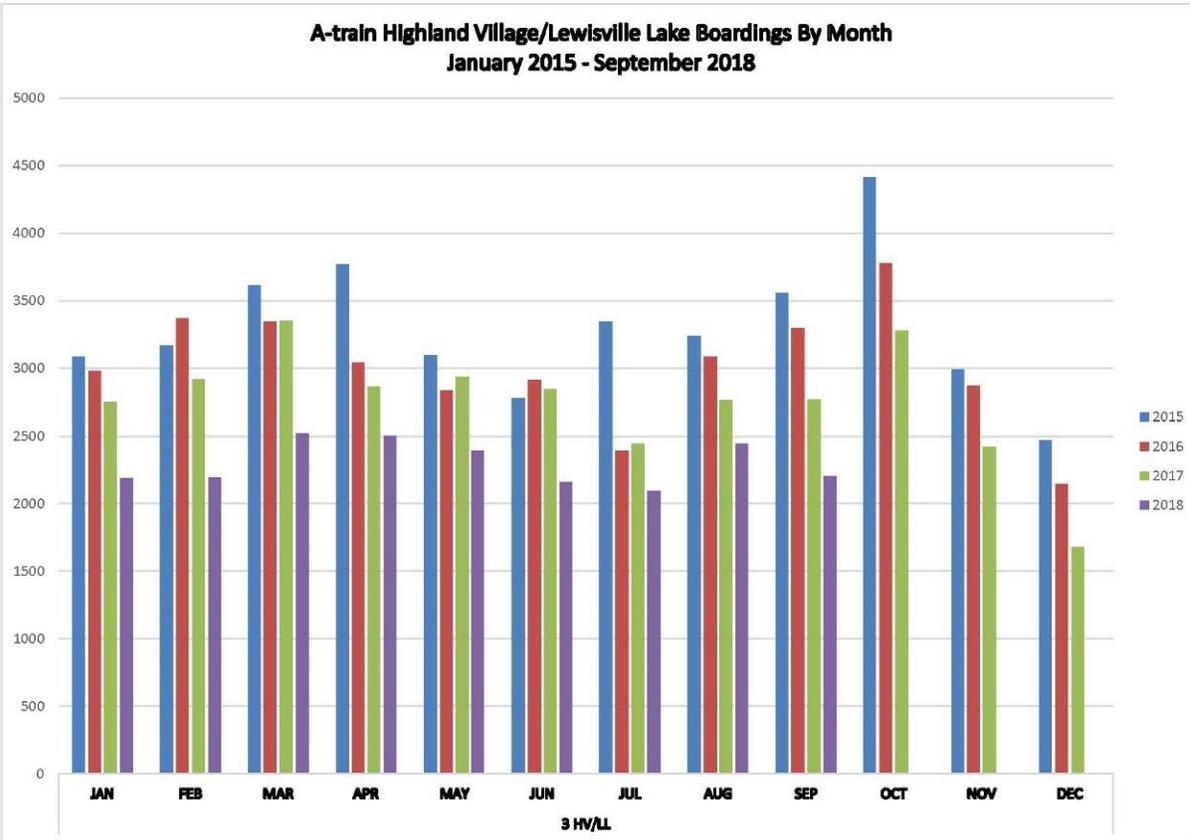
OPERATIONAL STATISTICS



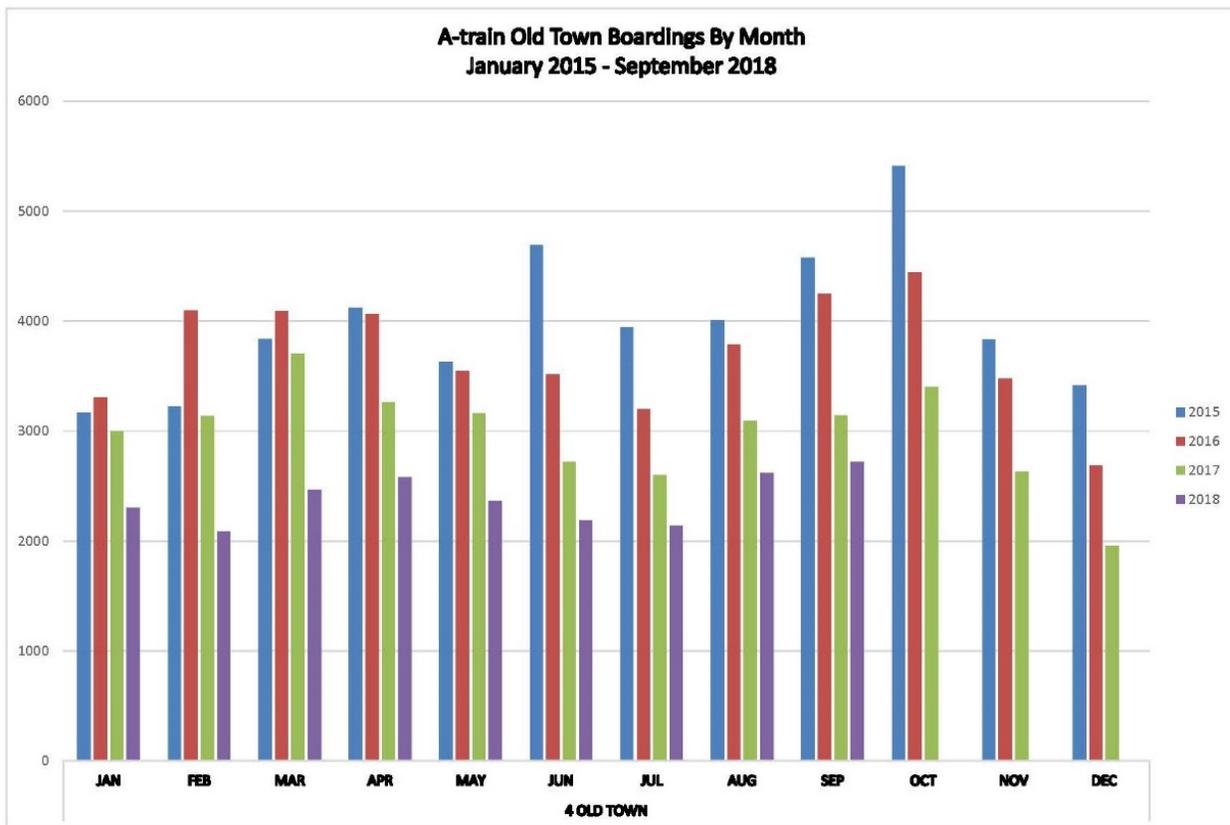
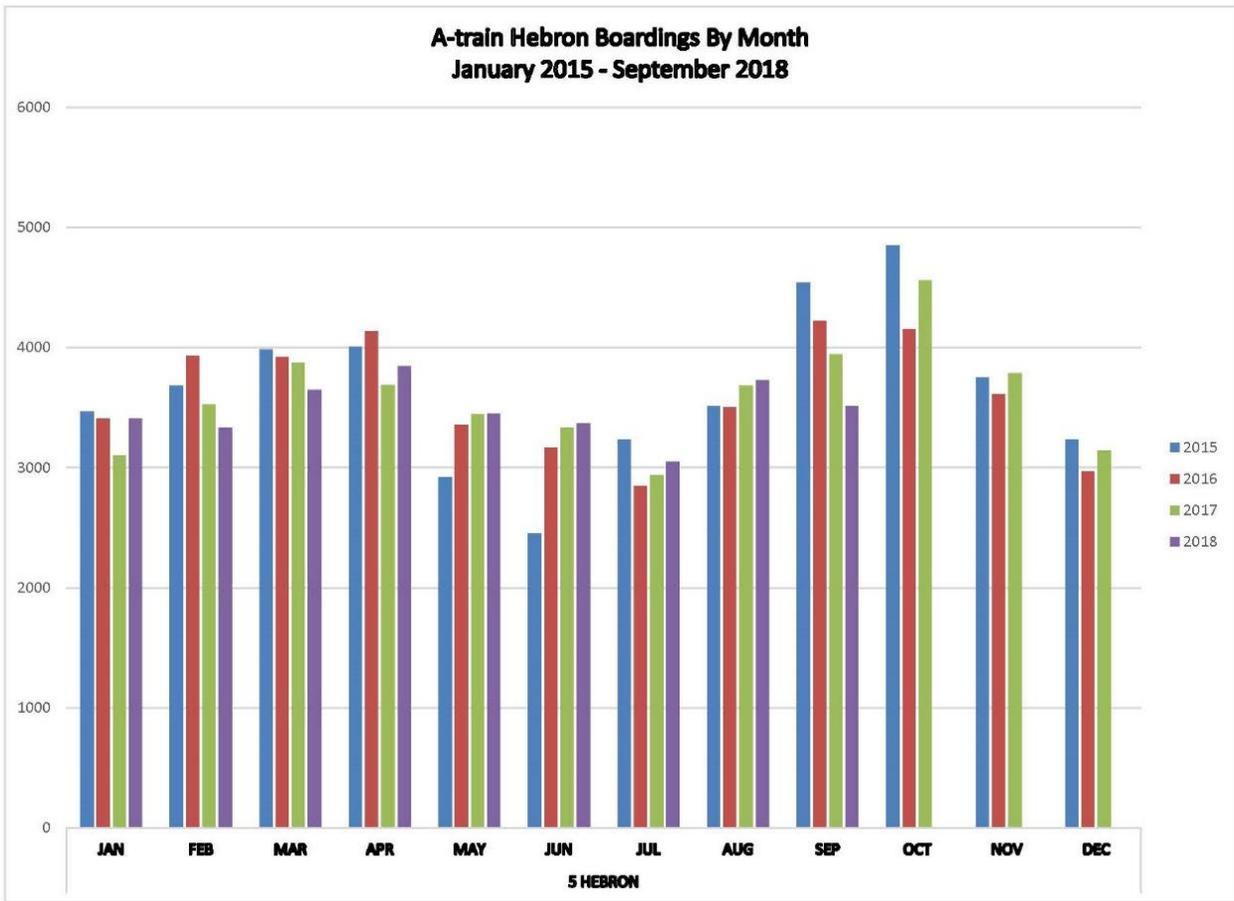
OPERATIONAL STATISTICS



OPERATIONAL STATISTICS



OPERATIONAL STATISTICS



OPERATIONAL STATISTICS

Operational Statistics						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	% CHANGE
	Actual	Actual	Actual	Actual	Budget	FY18 Actual v. FY19 Budget
PASSENGERS						
A-train	555,423	545,250	504,952	419,335	385,985	-7.95%
Access	29,984	31,003	29,605	30,268	32,386	7.00%
Connect	589,404	549,531	488,319	472,667	408,565	-13.56%
RSVP/ Highland Village	2,162	2,845	4,568	4,503	2,863	-36.42%
North Texas Xpress			6,449	8,440	8,716	3.27%
UNT	1,800,332	1,788,877	1,925,549	1,907,035	1,921,991	0.78%
NCTC	17,489	20,250	18,147	13,588	16,534	21.68%
Frisco		3,537	5,603	8,884	6,846	-22.94%
Collin County Transit				4,781	4,916	2.82%
TOTAL PASSENGERS	2,994,794	2,941,293	2,983,192	2,869,501	2,788,802	-2.81%
REVENUE VEHICLE MILES						
A-train	326,217	334,468	338,750	329,551	391,642	18.84%
Access	209,445	219,186	204,750	206,926	227,835	10.10%
Connect	745,349	766,111	772,224	873,956	756,378	-13.45%
RSVP/ Highland Village	16,620	64,523	106,289	91,649	89,567	-2.27%
North Texas Xpress			100,216	100,250	101,261	1.01%
UNT	572,469	584,348	577,498	461,992	464,342	0.51%
NCTC	80,565	90,295	91,015	94,977	94,125	-0.90%
Frisco		34,819	39,188	70,979	66,225	-6.70%
Collin County Transit				42,761	41,089	-3.91%
TOTAL REVENUE MILES	1,950,665	2,093,750	2,229,928	2,273,041	2,232,464	-1.79%
REVENUE HOURS						
A-train	13,149	13,580	13,510	13,206	13,436	1.74%
Access	16,050	17,948	18,512	16,982	21,877	28.83%
Connect	61,728	63,554	65,262	75,972	68,762	-9.49%
RSVP/ Highland Village	1,565	7,195	11,068	8,463	7,841	-7.35%
North Texas Xpress			3,912	3,888	3,942	1.40%
UNT	51,370	54,784	54,332	44,727	53,309	19.19%
NCTC	4,156	4,790	4,576	4,769	4,727	-0.89%
Frisco		2,469	2,899	4,921	5,463	11.01%
Collin County Transit				1,896	1,820	-4.01%
TOTAL REVENUE HOURS	148,017	164,320	174,071	174,825	181,177	3.63%
PASSENGERS PER REVENUE HOUR						
A-train	42.24	40.15	37.38	31.75	28.73	-9.53%
Access	1.87	1.73	1.60	1.78	1.48	-16.94%
Connect	9.55	8.65	7.48	6.22	5.94	-4.50%
RSVP/ Highland Village	1.38	0.40	0.41	0.53	0.37	-31.38%
North Texas Xpress			1.65	2.17	2.21	1.85%
UNT	35.05	32.65	35.44	42.64	36.05	-15.44%
NCTC	4.21	4.23	3.97	2.85	3.50	22.77%
Frisco		1.43	1.93	1.81	1.25	-30.58%
Collin County Transit				2.52	2.70	7.12%
AVERAGE	20.23	17.90	17.14	16.41	15.39	-4.23%

DENTON COUNTY COMMUNITY PROFILE

DENTON COUNTY COMMUNITY PROFILE

Denton County Statistics

Denton County was created by an Act of the Texas State Legislature in 1846.

Area in Square Miles:

953 (includes lake areas)

Officials Elected by Vote of the People:

40

County Employees Including Those in Grant Programs:

1,765.5

Incorporated Municipalities in the County:

42

Organized School Districts in the County:

17 (11 with schools located in Denton County)

Form of Government:

Political subdivision of the State of Texas, a Public Corporation, with a County Judge and four Commissioners as the governing body. The Commissioners Court has only three powers as authorized by the Constitution of Texas or the State Legislature or implied therefrom.

Business:

Varied industries (food products, apparel, brick, trucks, oil tools, parts, heating and cooling equipment, retail, utilities and many other products), colleges (University of North Texas and Texas Woman's University), Denton State School and tourism.

Minerals:

Limited output of oil, sand, gravel, and clay. Increased output of natural gas.

Agriculture:

About \$136.90 million total farm income, 74% from horse, livestock and dairy products. Grains, peanuts, nursery plants, hay and turf grass are the principal crops.

Recreation:

Water activities at Lewisville, Ray Roberts and Grapevine Lakes, Water Works in Denton; seven U.S. Corp of Engineers' parks; cycling and pedestrian trails, universities' cultural and athletic events; and local activities.

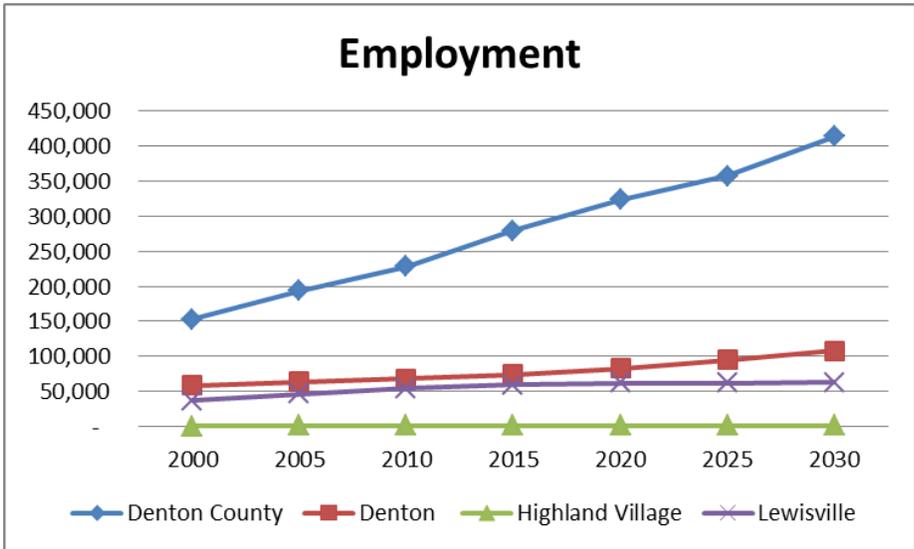
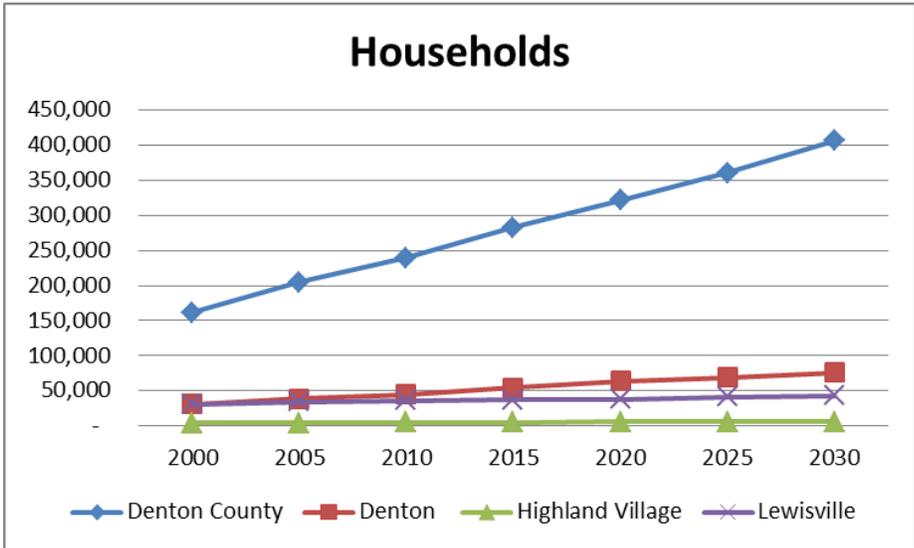
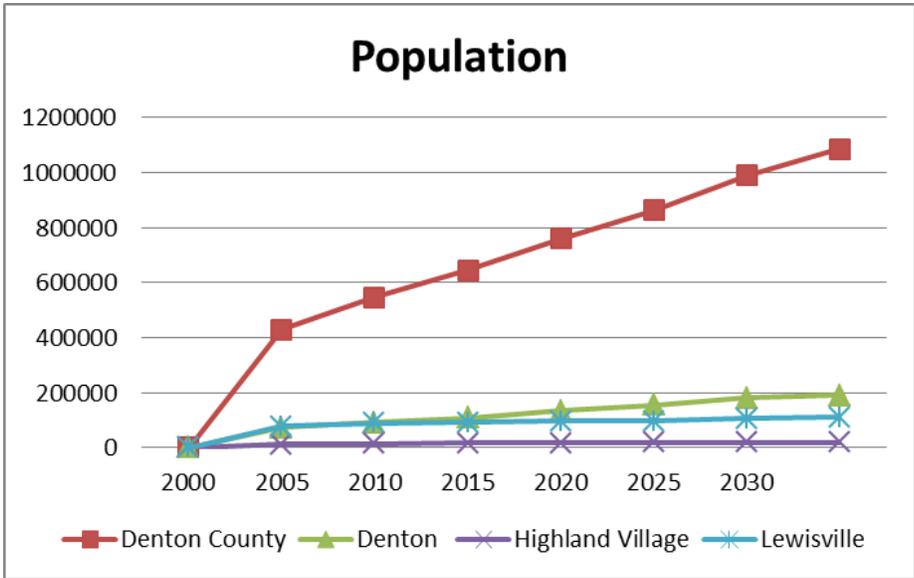
Source: Denton County Budget Department

DENTON COUNTY COMMUNITY PROFILE

	2000	2005	2010	2015	2020	2025	2030
DENTON COUNTY							
Population	428,080	545,987	643,572	758,897	862,332	989,320	1,085,343
Households	161,390	204,732	239,712	282,658	322,158	361,061	406,614
Employment	152,818	193,627	228,191	279,702	323,082	357,239	413,453
DENTON VILLAGE							
Population	73,225	92,375	108,042	132,579	155,700	181,015	190,719
Households	31,174	38,624	44,380	53,930	63,617	68,882	76,397
Employment	58,581	63,470	67,857	74,521	83,082	95,384	107,572
HIGHLAND VILLAGE							
Population	12,144	13,558	16,554	17,412	18,051	18,194	18,624
Households	3,874	4,295	5,163	5,428	5,617	5,661	5,795
Employment	1,065	1,219	1,346	1,573	1,795	1,796	1,796
LEWISVILLE							
Population	78,360	87,841	92,437	95,554	96,844	105,444	111,168
Households	30,689	34,294	35,982	37,269	37,748	41,076	43,232
Employment	37,145	46,893	54,284	59,803	62,067	62,538	62,603

*Source: North Central Texas Council of Governments – North Central Texas 2030 Demographic Forecast

DENTON COUNTY COMMUNITY PROFILE



DENTON COUNTY COMMUNITY PROFILE

**DENTON COUNTY TRANSPORTATION AUTHORITY
LEADING EMPLOYERS IN DENTON COUNTY**

		2018	
LEADING EMPLOYERS DENTON COUNTY	INDUSTRY	RANK	ESTIMATED NUMBER OF EMPLOYEES
University of North Texas	Education	1	8,887
Denton Independent School District	Education	2	4,417
Wal-Mart (Distribution Center & Stores)	Retail	3	3,722
Frito Lay	Food Distribution	4	2,500
Peterbilt Motors Co.	Manufacturing	5	2,314
Northwest Independent School District	Education	6	2,246
Lewisville Independent School District	Education	7	2,061
Nebraska Furniture Mart	Retail	8	2,000
Texas Woman's University	Education	9	1,787
Denton County	County Government	10	1,700
Denton State School	State Government	11	1,700
City of Denton	Local Government	12	1,383
Texas Health Presbyterian Hospital	Hospital	13	1,076
Denton Regional Medical Center	Hospital	14	1,000
Amazon	Retail	15	1,000
			37,793

Sources: Denton County Budget Department



DCTA Business Case for Transit: A-train Commuter Rail

The Antero Group
February 2018

The Antero Group, LLC
www.anterogroup.com

DCTA BUSINESS CASE FOR TRANSIT

Introduction

Investment in public transit is often thought of as simply serving a variety of needs by providing an affordable, reliable, and complementary alternative to car-oriented transportation. Indeed, these have been the focal points of many transportation agencies over the years, but further analysis indicates there are other, equally significant, reasons to invest in transit. To further explore this the Denton County Transportation Authority (DCTA) partnered with the Antero Group, an engineering and planning firm, to analyze potential, less obvious, yet significant fiscal benefits of the A-train's presence on Denton County and North Texas. Further, we explored how the A-train is positioned relative to peer systems to better understand how it compares to larger national trends. With this study, the following report sought to better understand the tax benefits and increased development opportunities that have and may result from continued investments in the A-train corridor. The results point to a substantial business case for ongoing investment in this important regional asset.

Report Methodology

The following report analyzed local, regional, and national data sources from a variety of government, non-profit, and research institutions. This analysis quantified the costs and benefits of existing transportation for residents and businesses in the Denton County and North Texas region. Research included in this report consists of a combination of primary data from the United States Census and Bureau of Labor Statistics, DCTA ridership surveys, Denton County tax assessor data, North Central Texas Council of Governments (NCTCOG), Texas A&M building permits data, and the United States Department of Transportation (USDOT). This data was examined and then synthesized to outline the impacts of the A-train extending one-half mile along the corridor.

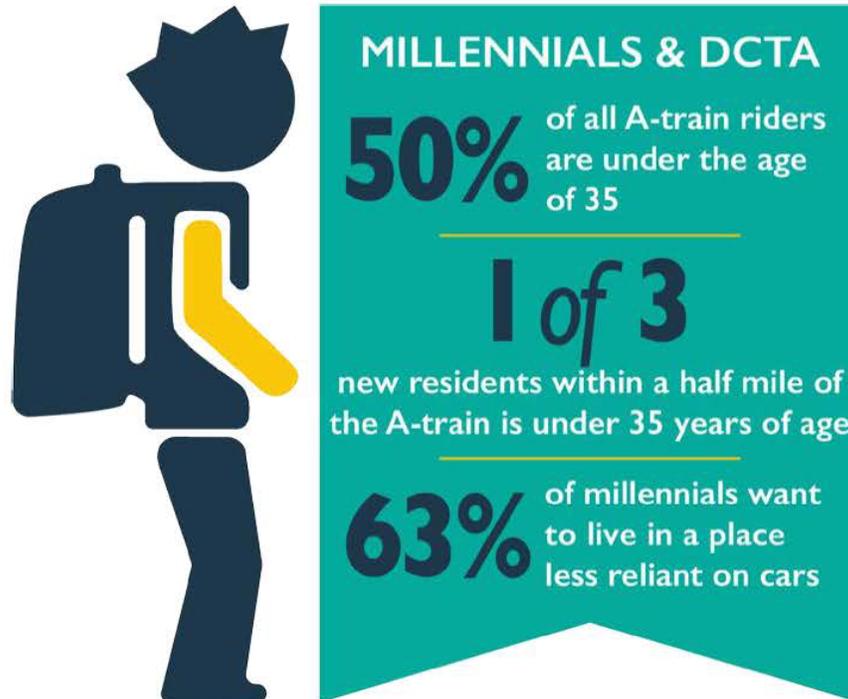
Current trends in terms of demographics, workforce, and consumer preferences are integrated in this report by analyzing the fiscal impacts associated with public transit investment. The report also illustrates the potential increases in property and sales taxes, decreases in public infrastructure expenditures, and increases in disposable income associated with a lower cost of living. The research also highlights potential impacts on the local real estate market of transit-oriented development (TOD) and the potential savings associated with reducing road construction. Lastly, this report utilized national case studies to determine the secondary benefits associated with reducing transportation congestion and the health benefits of improved air quality.

DCTA BUSINESS CASE FOR TRANSIT

Key Demographics

The DCTA A-train has helped attract and serve young earners under 35, students, professionals, and seniors, all of whom benefit from the service. Additionally, the A-train is an amenity that, alongside the workforce and quality of life assets, will keep Denton County competitive for future business attraction. Below are several important points that outline demographic trends emerging along the A-train corridor, as well as within Denton County.

- *The A-train has attracted development for young, upwardly mobile Millennials (under 35).*
 - This generation is likely to be moving over the next five years, just as they enter their prime earning years, 63% of them want to live in a place less reliant on cars.ⁱ Communities best positioned to attract these future stakeholders have a multitude of transportation options.ⁱⁱ
 - Since opening in 2011, the A-train has unlocked development to attract more of this critical workforce to Denton County. In Lewisville, under 35 households are the key market for the Hebron 121 development. In Denton, Martino Group responded to the A-train station by building East End Lofts, also targeted to under 35 households.
 - As a result, Denton County has attracted this critical demographic group
 - **1 out of 3** new residents within one half mile of the A-train is 35 cohort;ⁱⁱⁱ
 - **50%** of all A-train riders are under 35^{iv}



DCTA BUSINESS CASE FOR TRANSIT

- *The A-train attracts professionals and high wage job employers.*
 - Increasingly, workers in knowledge and professional fields are attracted to areas with good public transportation.^Y Migrants into the Dallas-Fort Worth Area from domestic and international destinations with good transit access are more likely to seek to live within a community with the same amenity.
 - The DCTA helps connect member cities to the major employers growing the regional economy. Between the DCTA and the DART Green Line, Denton County can use the A-train to reach:
 - **9 out of 15** top employers in the Dallas-Fort Worth area^{vi}
 - This includes **35,170** jobs just at Southwestern Medical Center, a one-hour ride from Hebron station.^{vii}



- Member cities have utilized the A-train, alongside schools and quality of life, to market housing to in-migrants and international arrivals working at these major employers.
- Since the A-train opened in 2011, high earning professionals have used DCTA in increasing numbers. As transit ridership has grown in the County since 2010:
 - **48%** of growth came among professionals earning more than **\$65,000 per year**.^{viii}
 - **65%** of growth came among riders in professional or office occupations.^{ix}
- The A-train will keep Denton County and the Dallas region competitive for other corporate relocations.
 - In its HQ2 competition, Amazon made mass transit access one of its six core requirements in its RFP.^x

DCTA BUSINESS CASE FOR TRANSIT

- The RFP also emphasizes areas of Countywide and regional strength, including an educated workforce, a high quality of life, and the potential availability of economic development incentives.

This preference is not limited to Amazon. A 2015 study of 40 business moves from auto-oriented to centralized locations found that companies emphasized workforce access in making the move. These moves boosted their location's Transit Score, a national score for transit service on a 0-100 scale, by an average of 25 points.^{xii}

- DCTA service provides a critical element to future business attraction, alongside workforce, tax, and quality of life considerations.

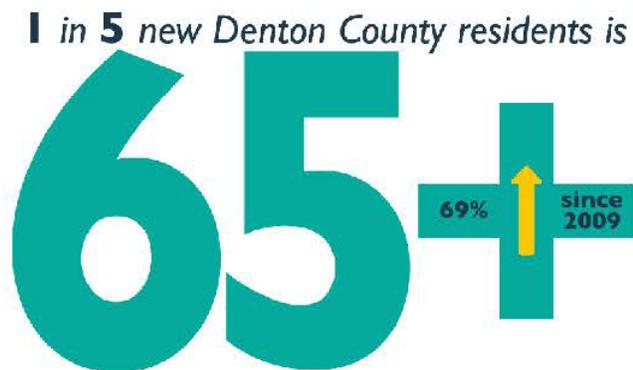
- *DCTA service gets students where they want to go.*

- Together, UNT, TWU, and NCTC 62,435 serve full- and part-time students.^{xii}
- These students include first generation families, low-income families, or both.
- They may not own or afford cars, and this strain will increase if gas prices increase, but the A-train helps them get to class.
 - 26% of A-train riders are between 18-24.^{xiii}



- *DCTA service will help older County residents as they age in place.*

- DCTA bus service will help provide a cost friendly alternative to paratransit as these residents age and increasingly need transportation to medical and other services.
- The percentage of Denton County residents above 65 is growing.
 - Since 2009, the number of residents above 65 has increased by 69%.^{xiv}
 - 1 out of every 5 new net County residents is above 65.
 - And an additional 4 out of 10 County residents will reach retirement age over the next 10 years.^{xv}



DCTA BUSINESS CASE FOR TRANSIT

Improved Tax Revenue and Reduced Expenditures

DCTA and the A-train help pay for themselves by generating revenue for new development and reducing the need for additional infrastructure expansion as Denton County continues to grow. Development around the A- train has created new property and sales tax value that has already begun to recoup the capital and operating costs of the system. And by providing an alternative to driving, DCTA is an investment for the future as the land needed for road expansion becomes more cost prohibitive.

- The A-train has paid for its construction costs in spurring new real estate value in its member cities.
 - Responding to growing demand from the millennial generation, the multifamily residential market is booming locally and nationally. In 2017, ULI and PriceWaterhouseCoopers ranked the Dallas region the fifth hottest multifamily market in the United States.^{xvi}
 - In 2016 alone, the region attracted \$1.6B in new multifamily real estate investment.^{xvii} To date, Denton County has lagged its neighbors, attracting just \$157M in multifamily investment in 2016. Collin County, by contrast, spurred \$496M.^{xviii}



- The A-train has better positioned the County to attract more of this investment as transit- oriented development (TOD). Around the Downtown Denton Transit Center, several multifamily developments east of downtown, like Victoria Station and East End Lofts, were proposed after the A-train was announced. Hebron station helped advance the Hebron 121 development. More development is planned around the Old Town Lewisville and Highland Village/Lewisville Lake Stations.

DCTA BUSINESS CASE FOR TRANSIT

- The A-train has helped create a development environment for TOD that has:
 - Added 1,136 residential units and 68,000 sq. ft. in TODs, with another 1,434 units in the pipeline.^{xi}
 - Added new private investment of \$345M, roughly equal to the \$347M construction cost of A-train.^{xx}

THE A-TRAIN HAS HELPED INCREASE DEVELOPMENT:



- *The A-train is beginning to pay for its operational costs in new property and sales taxes.*
 - Once completed, TOD developments will create \$11.8M in new property and sales tax revenue for its member cities:
 - \$2.9M has already been created in property tax from new TOD development,^{xxi} with \$3.3M in the pipeline.^{xxii}
 - A projected \$1.0M has been created in sales tax from new consumers and reduced transportation expenditures, with \$716,000 expected from future development.^{xxiii}
 - The estimated yearly property and sales tax return is 44% of the \$26.6M sales tax contributions from member cities in 2018.^{xxiv}
- *The A-train has created additional taxable value up and down the corridor.*
 - DCTA service creates a price premium for existing properties that appreciate with new access to transit and jobs. This premium stays resilient during housing downturns. Across five transit-served regions, residential property near transit

DCTA BUSINESS CASE FOR TRANSIT

- has been found to outperform the market by an average of 42%.^{xxv}
- Since 2011 properties within one-half mile of the A-train alignment have experienced:
 - \$1.3B in increased property value;^{xxvi}
 - A projected \$30M increase in property tax from value added.^{xxvii}



- *The A-train will provide an alternative as roadway construction becomes more expensive.*
 - Building roads can be expensive. Road building often requires the acquisition of land from private property owners.
 - According to the FHWA, right-of-way acquisition for new interstates and highways in urbanized areas costs an inflation-adjusted \$924,109 for every new land mile constructed on average.^{xxviii}
 - As the County grows and develops, the public cost of land acquisition for road expansion will continue to rise. Such expansion may require purchase of property from thriving areas, and may, ultimately, be logistically or cost prohibitive.
 - According to TXDOT, the 2013 cost of rebuilding I-35E from 635 to 380 was:
 - \$3.7 billion to construct
 - \$1 billion for right of way acquisition^{xxix}
 - The A-train parallels I-35E. As the costs for expanding road capacity escalate, the A-train provides an alternative.

Reduced Congestion and Improved Air Quality

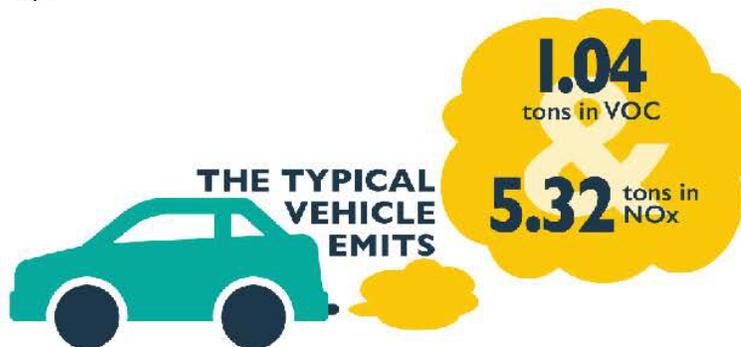
Traffic and air quality concerns have increased in Denton County. The A-train provides an alternative to congestion and, over time, an opportunity to reduce driving and provide cleaner air.

- The A-train provides a reliable alternative to worsening congestion.
 - As traffic worsens in Denton County and the Dallas region, commute times are on the rise. **1 in 10** Denton County commuters now travel more than 60 minutes to work – **an increase of 47% since 2009.**^{xxx}
 - The A-train provides a reliably scheduled alternative to this congestion.
 - Traffic congestion wastes commuter time, makes employees late, creates uncertainty in reliability for services and deliveries, and worsens tailpipe emissions from cars. Every year, congestion costs the average commuter **\$1,067**^{xxxi}

CONGESTION IS INCREASING IN DENTON COUNTY



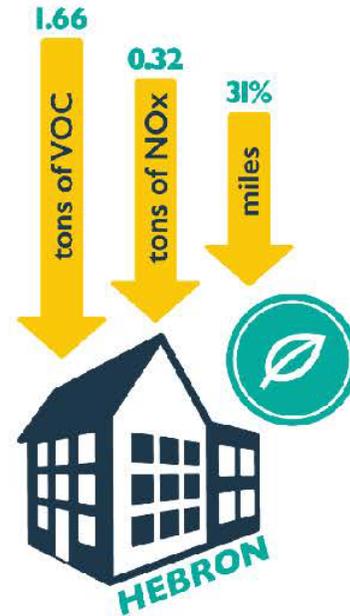
- The A-train reduces vehicle miles and improves the air.
 - Denton County has registered the dirtiest air among Texas counties, created by large concentrations of oxides of nitrogen (NOx) and volatile organic compounds (VOC) in the air.^{xxxii} Though some of this pollution results in north winds that blow emissions from other communities into the County, local transportation plays a role.
 - Increasing vehicle miles traveled in Denton County means that vehicles emit significant amounts of pollutants even as vehicles are becoming cleaner:
 - In 2017, the typical passenger vehicle in Denton County traveled 64 miles per day, an increase in 8% just since 2006.^{xxxiii}
 - Because of these long commutes, NCTCOG estimates that the typical passenger vehicle emits **1.04 tons** in VOC and **5.32 tons** in NOx per day.^{xxxiv}



DCTA BUSINESS CASE FOR TRANSIT

- The A-train has helped spur development in locations where people can drive a little bit less and emit fewer pollutants into the air. For example, households at Hebron 121 drove a projected 44 miles per day, 31% fewer miles than the typical County resident. For every resident able to drive these fewer miles, their car produces a projected:
 - 1.66 fewer tons of NOx.
 - 0.32 fewer tons of VOC. ^{xxxv}

**FEWER MILES
= LESS POLLUTION**



A More Affordable Cost of Living

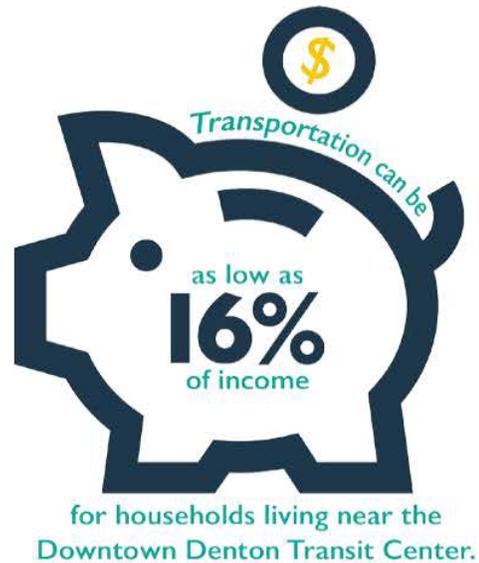
Transportation is the second biggest cost in a household's budget. The A-train has helped spur development in places close to jobs and amenities where residents can take transit for some trips and drive a little bit less for others. This helps reduce the overall cost of transportation. Over time, residents can reinvest those transportation savings in the local economy and generate substantial economic growth.

- Transportation significantly increases economic pressure on households, but DCTA offers relief.
 - The cost of housing, transportation, health care, and education are all rising. An average American household spends 49.9% of income just on housing and transportation. ^{xxxvi} Increased spending on transportation leaves less in household pockets to spend money at local businesses and drive the economy.
 - Transportation costs include the cost of buying a car, insurance, repairs, depreciation from driving, and gasoline. These costs escalate when every driving age household member needs a car.



DCTA BUSINESS CASE FOR TRANSIT

- Transportation costs the typical Denton County household **\$13,211 per year**:
 - **\$10,226** to own the vehicle and
 - **\$2,938** to drive it
 - That's **22% of income** for a household earning **\$60,000** per year.^{xxxvii}
- The A-train has created new housing in neighborhoods closer to destinations where households can take transit to some places and drive a little bit less to others. As a result, transportation costs can be as low as **16% of income** for a household living near the Downtown Denton Transit Center.



- *DCTA can help those savings aggregate as the County grows.*
 - Denton County is projected to add 152,191 households by 2040. If just one out of every five of these new households saved as much on transportation as residents around the Hebron A-train station, they would:
 - Save an aggregate **\$129,331,911** in owning and fueling cars
 - Spend an estimated **\$46,456,602** in the local economy
 - Create **1,394** new jobs just from new consumer spending^{xxxviii}

Transit-Oriented Development Case Studies

Since opening in 2011, the A-train has made new developments possible, which are generating returns for the county-wide economy and tax base. Two of these case studies, Hebron 121 and East End Lofts demonstrate that the A-train has made possible new real estate investment that is contributing to local economies and tax bases.

- **Hebron 121**
 - Huffines Development immediately thought “transit-oriented development” when it purchased a farm around Hebron station in anticipation of the A-train opening.
 - Initially, Huffines planned a single-family development, but as the economy changed after 2008/9, so did the nature of the development.
 - Hebron 121 is centered around the “Millennial renter”, and the combination of transit access, bicycle amenities, town center style development, and road connectivity all made the development possible.
 - The project has been a tremendous success. The first phases are 95% leased, and additional phases are on the way.

DCTA BUSINESS CASE FOR TRANSIT

- Impact:
 - 1,426 new units
 - \$184,381,800 in estimated new investment
 - \$1,736,208 in property tax created and sales tax created^{xxxix}
 - \$38,062,918 in new aggregate income, plus \$1,899,882 in savings accrued from reduced transportation costs, equaling \$39,962,801 in increased effective income in the community
 - 20 fewer vehicle miles traveled per household per day, resulting in a projected:
 - 2,178 fewer tons of NOx per day
 - 424 fewer tons of VOC per day^{xl}



• **East End Lofts**

- When Martino Group first began developing projects, walkable, multifamily development had few comparables, but the company provided “proof of concept”, especially among the millennial renter market.
- Downtown Denton had an emerging market due to the presence of college population and hospitality businesses, but had yet to geographically expand eastward into an area of underutilized industrial properties.
- The A-train station made it possible to development to expand across the tracks and redevelop a vacant building and site otherwise disconnected from the Square.
- As of September 2017, the building was fully leased, reflecting high demand.
- The A-train station also made possible a co-working center, currently operated by City of Denton. Previous ownership of the center reported that the proximity to the A-train attracted tenants interested in the transit connection into the DFW area.



DCTA BUSINESS CASE FOR TRANSIT

○ Impact:

- 110 new housing units
- 9,061 new square footage of retail and office space
- \$425,685 in property and sales tax created, or \$115,675 per acre^{xii}
- \$4,355,287 in new aggregate income, plus \$134,562 in savings accrued from reduced transportation costs, equaling \$4,478,849 in increased effective income in the community
- 18.4 fewer vehicle miles traveled per household per day, resulting in an overall projected:
 - 168 fewer tons of NO_x per day
 - 33 fewer tons of VOC per day^{xiii}

**Conclusion**

The above analysis points to an impressive economic benefit connected directly to the presence of the DCTA A-train within Denton County. This report makes it clear that a combination of demographic changes, shifts in consumer preferences, and increased real estate development will likely continue to increase the demand for public transit investment in the near future. Furthermore, this report indicates that the reciprocal benefits of public transit investment will yield greater economic returns for Denton County in terms of increased revenue from transit-oriented development investment, reduced public expenditures on transportation, reduced congestion on roads, increased labor productivity, lower health costs resulting from decreases in pollution and ultimately, a more vibrant regional economy.

DCTA BUSINESS CASE FOR TRANSIT

- ⁱ Urban Land Institute, *Housing in America*, 2015.
- ⁱⁱ Urban Land Institute and PriceWaterhouseCoopers, *Emerging Trends in Real Estate*, 2017.
- ⁱⁱⁱ U.S. Census, American Community Survey 5 Year Rolling Averages, 2006 – 2010 to 2010 – 2015. All data has been aggregated to ¼ mile around each A-train station.
- ^{iv} DCTA Ridership Survey, 2017.
- ^v American Public Transportation Association, *Public Transportation's Role in the Knowledge Economy*, 2016.
- ^{vi} Tiago Title data subsourced from [Dallas Business Journal data](https://www.bizjournals.com/dallas/subscriber-only/2017/07/21/largest-north-texas-employers.html) <https://www.bizjournals.com/dallas/subscriber-only/2017/07/21/largest-north-texas-employers.html> (2017)
- ^{vii} Southwest Medical District, <http://www.swmddistrict.org/>
- ^{viii} U.S. Census, American Community Survey 5 Year Rolling Averages, 2006 – 2010 to 2010 – 2015.
- ^{ix} U.S. Census, American Community Survey 5 Year Rolling Averages, 2006 – 2010 to 2010 – 2015.
- ^x Amazon, "Amazon HQ2 RFP", https://images-na.ssl-images-amazon.com/images/G/01/Anything/test/images/usa/RFP_3._V516043504_.pdf.
- ^{xi} Smart Growth America, "Core Values: Why American Companies Are Growing Downtown", 2015.
- ^{xii} University websites
- ^{xiii} DCTA Ridership Survey, 2017.
- ^{xiv} U.S. Census, American Community Survey, 1 Year Estimates, 2009 – 2015.
- ^{xv} U.S. Census, American Community Survey, 1 Year Estimates, 2009 – 2015.
- ^{xvi} ULI and PWC, *Emerging Trends in Real Estate*.
- ^{xvii} Texas A&M Real Estate Center, "Building Permits". <https://www.recenter.tamu.edu/data/building-permits>.
- ^{xviii} Texas A&M Real Estate Center, "Building Permits". <https://www.recenter.tamu.edu/data/building-permits>.
- ^{xix} DCTA member cities and developer interviews
- ^{xx} Total real estate value created is projected using the average value per dwelling unit as provided by the Texas A&M Real Estate Center.
- ^{xxi} Denton County Tax Assessor/Collector.
- ^{xxii} Future tax generated is estimated from property tax created to date, using comparable value created per unit from the Denton County Tax Assessor/Collector and tax rates among member cities and Independent School Districts.
- ^{xxiii} Property tax revenue was generated from Denton Central Appraisal District data provided by DCTA in summer of 2017, crosschecked with County Assessor's website to confirm parcels and tax rates. Estimated sales tax revenue is projected first using projected aggregate income from the U.S. Census as well as additional transportation cost savings from the CNT H+T Affordability Index (<http://htaindex.cnt.org/>) at each A-train station area (defined as areas within a half-mile of a station), then a projection of increased local consumer spending in select categories using the BLS Consumer Expenditure Survey for residents in the southern United States (Table 1800). Sales tax is projected for each member city using the local sales tax rate.
- ^{xxiv} Denton County Transportation Authority Proposed Fiscal Year 2018 Budget.
- ^{xxv} APTA and CNT, *The New Real Estate Mantra: Location Near Public Transportation*, 2013.
- ^{xxvi} Analysis of Denton Central Appraisal District data conducted by DCTA staff.
- ^{xxvii} Property tax increase is estimated using property tax increment for each member city and Independent School District, according to the Denton County Tax Assessor/Collector.
- ^{xxviii} Victoria Transport Policy Institute, *Transportation Cost and Benefit Analysis II – Roadway Costs*, 2017. Estimates have been adjusted to reflect 2017 dollars using the Bureau of Labor Statistics Inflation Adjustment.
- ^{xxix} NCTCOG, "Interstate 35E: Project Tracker", http://www.nctcog.org/trans/committees/sttc/2011/08Aug/Ref.Itm_11.10.sttc082611.pdf.
- ^{xxx} U.S. Census, American Community Survey 5 Year Rolling Averages, 2005 – 2006 to 2011 – 2016.
- ^{xxxi} American Community Survey (2016), and Texas A & M Transportation Institute (<https://static.tti.tamu.edu/tti.tamu.edu/documents/mobility-scorecard-2015.pdf>)
- ^{xxxii} Denton Record-Chronicle, "City's average ozone level for 3 years is highest in Texas", <http://www.dentonrc.com/news/news/2016/11/29/denton-air-ranks-as-states-dirtiest>.
- ^{xxxiii} NCTCOG.
- ^{xxxiv} NCTCOG. Data modeled through the USEPA Motor Vehicle Emissions Simulator model.
- ^{xxxv} Projected VMT savings using the difference between 2017 countywide VMT modeled by NCTCOG and station area

DCTA BUSINESS CASE FOR TRANSIT

VMT calculated by CNT H+T Affordability Index. Projected emissions savings calculated by using a multiplier using the 2017 per vehicle estimates provided by NCTCOG. This estimate does not consider idling and congestion, both of which significantly affect the level of emissions that a vehicle generates.

^{xxxxvi} Bureau of Labor Statistics, Consumer Expenditure Survey by region of residence (South). Data is for mean income of \$67,731 per year.

^{xxxxvii} Calculated using CNT H+T Index.

^{xxxxix} Estimate generated from NCTCOG projections and CNT H+T Index.

^{xxxx} Denton Central Appraisal District, Bureau of Labor Statistics, CN H+T Affordability Index, Antero Group Analysis

^{xi} U.S. Census Bureau, CNT H+T Affordability Index, Antero Group Analysis

^{xii} Denton Central Appraisal District, Bureau of Labor Statistics, CN H+T Affordability Index, Antero Group Analysis

^{xiii} U.S. Census Bureau, CNT H+T Affordability Index, Antero Group Analysis

The Antero Group, LLC
www.anterogroup.com

RESOLUTION ADOPTING FY 2019 OPERATING AND CAPITAL BUDGET

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 18-06**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2018-2019, BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE REVENUE PROJECTIONS, CHANGE IN NET POSITION, CAPITAL IMPROVEMENT PLAN, LONG RANGE FINANCIAL PLAN, AND BUDGET CONTINGENCY PLAN; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 460.403 of the Texas Transportation Code requires the Denton County Transportation Authority (“DCTA”) to prepare an annual budget; and

WHEREAS, the prepared budget, Revenue Projections, Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan have been presented to the public for review and comment; and

WHEREAS, the budget, Revenue Projections, Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan have been presented to the DCTA Board of Directors for review and comment; and

WHEREAS, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2018–2019 budget as hereinafter set forth, meets the legal and practical requirements of the DCTA for the proper and sustained operation of DCTA services and capital expenditures and should be approved as presented;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THAT:

SECTION 1. The DCTA Operating and Capital Budgets for FY 2018-2019, along with the Revenue Projections, Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan, attached as Exhibits “A” through “E”, be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

SECTION 2. That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2017-2018 are hereby ratified, and the budget for fiscal year 2017-2018, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

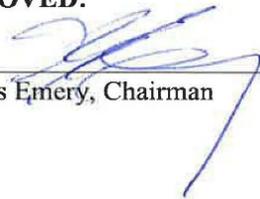
RESOLUTION ADOPTING FY 2019 OPERATING AND CAPITAL BUDGET

SECTION 3. That all provisions of the resolutions of the DCTA 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 4. That this Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 27TH DAY OF SEPTEMBER, 2018.

APPROVED:



Charles Emery, Chairman

ATTEST:



Dianne Costa, Secretary

APPROVED AS TO FORM:



Peter G. Smith, General Counsel
(PGS: 9-11-18 TM 102551)

RESOLUTION ADOPTING FY 2019 OPERATING AND CAPITAL BUDGET

DENTON COUNTY TRANSPORTATION AUTHORITY

FY 19 Revenue Projections

Bus Operations				
	FY 2017 Actual	FY 2018 Revised Budget	YTD Actuals May 31, 2018	FY 2019 Budget
PASSENGER REVENUES				
Connect	\$ 490,632	\$ 438,600	\$ 300,933	\$ 338,600
Frisco	4,763	4,831	3,705	5,819
Access	81,313	76,360	57,161	82,153
UNT	-	-	-	-
NCTC	-	-	-	-
McKinney	34	5,010	6	453
North Texas Express	3,624	2,589	3,801	6,223
Total Passenger Revenues	\$ 580,365	\$ 527,390	\$ 365,606	\$ 433,248
CONTRACT SERVICES				
Connect	\$ 57,000	\$ 57,000	\$ 8,000	\$ 57,000
Frisco	231,401	320,169	174,387	268,545
UNT	2,905,372	2,108,670	1,742,587	3,038,147
<i>UNT Fuel (Direct Pass Thru)</i>	<i>281,657</i>	<i>392,030</i>	<i>203,461</i>	<i>374,621</i>
NCTC	196,759	212,575	148,352	223,017
<i>NCTC Fuel (Direct Pass Thru)</i>	<i>21,782</i>	<i>72,670</i>	<i>16,150</i>	<i>46,506</i>
McKinney	22,510	344,990	56,555	124,547
Total Contract Services	\$ 3,716,481	\$ 3,508,104	\$ 2,349,492	\$ 4,132,383
Total Bus Operations Revenue	\$ 4,296,846	\$ 4,035,494	\$ 2,715,098	\$ 4,565,631
Rail Operations				
	FY 2017 Actual	FY 2018 Revised Budget	YTD Actuals May 31, 2018	FY 2019 Budget
Rail Passenger Revenue	\$ 712,360	\$ 547,200	\$ 381,180	\$ 447,200
Total Rail Operations Revenue	\$ 712,360	\$ 547,200	\$ 381,180	\$ 447,200
Non-Operating Revenue				
	FY 2017 Actual	FY 2018 Revised Budget	YTD Actuals May 31, 2018	FY 2019 Budget
Interest Income	\$ 122,250	\$ 78,000	\$ 194,438	\$ 200,000
Misc. Income/Fare Evasion	408,658	738,255	797,288	1,000
Sales Tax	26,790,098	26,649,585	17,982,500	28,450,180
Federal Operating Grants	4,900,401	5,120,628	3,761,646	5,397,931
Federal Capital Grants	6,529,451	3,547,394	930,357	3,456,445
State Operating Grants	-	-	-	-
State Capital Grants	3,434	310,610	-	1,844,086
Total Non-Operating Revenue	\$ 38,754,292	\$ 36,444,472	\$ 23,666,229	\$ 39,349,642

RESOLUTION ADOPTING FY 2019 OPERATING AND CAPITAL BUDGET

DENTON COUNTY TRANSPORTATION AUTHORITY
Capital Improvement Plan

Project Name	Project Number	Project Budget	Project LTD thru FY 2017	Revised FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Project Total (Thru 2024)
BUS OPERATIONS											
Scheduling Software	50601	\$ 250,000	\$ 28,125	\$ 25,000	\$ 196,875						\$ 250,000
Bus Fleet Cameras	50409	149,500			149,500						149,500
Fleet {2017}	50510	37,806		37,806							37,806
<i>AVL Systems (Closed)</i>	<i>50410</i>	<i>103,141</i>	<i>100,647</i>	<i>2,494</i>							<i>103,141</i>
IOMF Fuel Tanks - Lewisville	50305	902,000	53,380	686,620	162,000						902,000
Fleet {2018}	50512	1,356,000			1,356,000						1,356,000
Fleet {2019}	NEW	1,481,000			1,481,000						1,481,000
Passenger Amenities - Denton	50206	50,000		50,000							50,000
Fleet Farebox Replacement	NEW	600,000			600,000						600,000
Future Fleet						2,162,600	2,161,183	1,606,067	2,358,069	2,974,896	11,262,815
RAIL OPERATIONS											
Positive Train Control Implementation	61406.1	16,720,141	12,046,307	4,041,153	632,681						16,720,141
Lewisville Bike Trail	61708	2,146,355	2,087,510	53,895	4,950						2,146,355
T. Mills Crew Facility	61209	310,000	302,062	7,938							310,000
<i>Station Landscaping (Closed)</i>	<i>61210</i>	<i>415,671</i>	<i>403,166</i>	<i>12,505</i>							<i>415,671</i>
<i>Grade Crossing Replacements (Closed)</i>	<i>61713.2</i>	<i>2,048,377</i>	<i>1,916,218</i>	<i>132,159</i>							<i>2,048,377</i>
<i>Hebron Signal House (Closed)</i>	<i>61713.3</i>	<i>123,848</i>	<i>109,700</i>	<i>14,148</i>							<i>123,848</i>
<i>Ballast Undercutting (Closed)</i>	<i>61713.4</i>	<i>592,847</i>	<i>581,548</i>	<i>11,299</i>							<i>592,847</i>
Pockrus Page {2015 Flood}	61713.5	773,000	126,792	646,208							773,000
Rail Capital Maintenance {2018}	61714	1,386,643	89,246	1,297,397							1,386,643
Rail Capital Maintenance {2019}	NEW	2,500,000			2,500,000						2,500,000
Trail Safety Improvements	61715	181,157		45,000	136,157						181,157
Lewisville Bike Trail - Eagle Point	61716	2,995,873	42,011	300,000	2,653,862						2,995,873
<i>Valley Ridge Crossing (Closed)</i>	<i>61717</i>	<i>997,356</i>	<i>737,862</i>	<i>259,494</i>							<i>997,356</i>
Brownfield Remediation	61605	385,000	22,596	252,328	110,076						385,000
Rail Safety Improvements	61718	400,000		67,760	332,240						400,000
Rail Crossing Study	61606	73,000		73,000							73,000
Future Rail Capital Maintenance						2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
Future Rail Safety Improvements						200,000	200,000	200,000	200,000	200,000	1,000,000
GENERAL & ADMINISTRATIVE											
Data Analytics & Reporting	10601	200,000		42,580	157,420						200,000
Safety & Security Assessment	10604	250,000	25,000	25,000	200,000						250,000
Infrastructure Acquisition	10302	3,900,000	128,936	3,164,125	606,939						3,900,000
Project Mgmt / Document Control	10605	150,000		150,000							150,000
Shared Use Mobility Study	10606	123,428		60,000	63,428						123,428
Server & Network Infrastructure	NEW	350,000			350,000					350,000	700,000
2019 One-Time Transit Improvements	NEW	1,000,000			1,000,000						1,000,000
TOTAL CAPITAL BUDGET		\$ 42,952,143	\$ 18,801,107	\$ 11,457,909	\$ 12,693,128	\$ 4,862,600	\$ 4,861,183	\$ 4,306,067	\$ 5,058,069	\$ 6,024,896	\$ 68,064,959

RESOLUTION ADOPTING FY 2019 OPERATING AND CAPITAL BUDGET

Exhibit D

Presented to Board of Directors August 23, 2018

DENTON COUNTY TRANSPORTATION AUTHORITY LONG RANGE FINANCIAL PLAN FY19 PROPOSED BUDGET								
	Revised 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	
<i>Beginning Fund Balance:</i>		25,033,557 \$	20,662,440 \$	35,677,023 \$	16,388,478 \$	12,566,815 \$	19,025,098 \$	20,345,387
OPERATING REVENUES								
Bus Operating Revenue	4,055,454	4,555,651	4,677,105	4,665,162	4,764,335	4,864,936	5,006,973	
Rail Operating Revenue	547,200	447,200	451,672	456,169	460,751	465,338	470,012	
NON-OPERATING REVENUES								
Sales Tax Revenue	26,649,885	28,400,180	29,988,187	30,771,715	32,002,823	33,262,487	34,282,107	
Formula Grants (Operating)	3,019,150	5,397,931	6,125,183	6,124,387	6,126,236	5,959,034	5,474,721	
Interest Income	78,000	200,000	154,170	163,885	175,468	190,750	201,454	
Misc. Revenue	788,255	1,000	1,000	1,000	1,000	1,000	1,000	
TOTAL REVENUES	35,067,686	39,061,942	40,959,337	42,186,337	44,022,073	44,781,764	45,937,337	
OPERATING EXPENSES								
Bus Operating Expense	12,048,075	13,151,270	13,311,327	13,816,761	14,493,104	14,932,756	15,494,383	
Rail Operating Expense	12,624,941	16,033,517	16,191,278	14,666,017	15,027,130	15,437,084	15,805,332	
G&A Operating Expense	6,489,298	6,764,961	6,780,049	7,018,772	7,245,901	7,508,603	7,770,474	
TOTAL EXPENSES	31,162,314	35,949,748	36,281,655	35,495,554	36,777,025	37,878,443	39,071,189	
NET INCOME	3,905,372	3,112,194	4,677,682	6,690,783	7,245,048	6,903,321	6,866,147	
CAPITAL OUTLAY								
Bus Capital Expenditure	756,620	911,500						
Bus Fleet Replacement Expense	37,806	2,857,000	2,620,000	2,161,283	1,626,007	1,158,069	2,974,896	
Professional Services / Technology Improvements	280,074	417,223						
Traffic Safety Improvements	45,000	26,357						
Hike & Bike Trails	33,895	2,638,812						
Rail Station Improvements	20,443	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	
Rail Capital Maintenance	1,297,397							
Disaster Recovery - 2015 Floods	803,814							
Positive Train Control	4,041,153	632,487						
Infrastructure Acquisition	3,164,125	626,339						
Valley Ridge Crossing	297,494							
Safety & Security	25,000	200,000						
Rail Safety Improvements	140,760	332,240	200,000	200,000	200,000	200,000	200,000	
Brownfield Remediation	22,328	10,076						
CAPITAL PROJECT REQUESTS								
Server & Network Infrastructure		350,000					350,000	
Traffic Safety Improvements Increase		100,000						
Fleet Fleetbox Replacement		260,000						
2019 One-Time Transit Improvements		1,000,000						
TOTAL CAPITAL OUTLAY	11,457,909	12,691,128	4,862,600	4,861,183	4,306,067	5,058,069	6,034,896	
CAPITAL SOURCES								
New Money (Debt Issuance)								
RRAIF/ATCF Funds	3,325,929	566,145						
FEMA reimbursements	2,014,777							
Formula Grants (Capital)	623,082	4,774,366	1,895,782	1,895,578	1,423,729	2,062,931	2,387,124	
TOTAL CAPITAL SOURCES	5,959,481	5,300,531	1,895,782	1,895,578	1,423,729	2,062,931	2,387,124	
DEBT SERVICE								
2009 Bonding (ST) Debt Service	1,774,600	1,716,697	1,715,709	1,718,925	1,715,845	1,715,771	1,715,701	
2011 Contractual Obligations	1,042,484	1,069,327	1,054,160	1,081,227	1,088,462	1,094,648	1,131,383	
TOTAL DEBT SERVICE	2,798,084	2,764,984	2,779,969	2,795,662	2,804,307	2,819,819	2,837,083	
Internal Debt Service Coverage	1.41	1.85	2.42	2.39	2.18	2.44	2.22	
<i>Operating Fund Principal as of September 30th</i>		22,210,000	21,850,000	21,051,000	20,277,000	17,245,000	15,622,000	
ENDING FUND BALANCE	20,662,440	15,617,023	16,388,478	17,516,815	19,075,018	20,145,381	20,194,783	
Less Restricted Funds Balance (O&M Reserve Policy)	7,285,572	8,487,737	8,577,667	8,794,166	9,244,166	9,724,007	9,762,779	
Less Sales Tax Stabilization Fund	799,488	853,505	897,546	921,191	960,077	998,481	1,028,435	
Less Debt Stabilization Fund	480,000	450,000	450,000	450,000	450,000	450,000	450,000	
Less Capital Infrastructure	2,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	
NET AVAILABLE FUND BALANCE	9,097,380	1,825,081	2,460,366	3,169,526	4,470,634	5,172,250	4,950,551	

BUDGET CONTINGENCY PLAN

Fiscal Year 2019

The fiscal year budget includes revenue streams based on historical trends and projections of future activity. The largest revenue stream is sales tax. A contingency plan is recommended should the budgeted increase in sales tax not materialize or, if there is a need for service enhancements not planned in the fiscal year budget and it is determined that sales tax revenue has increased sufficiently to support sustainable service.

Section I: Sales Tax Revenue Shortfall

The following precautionary actions will be initiated immediately if a sales tax revenue shortfall is anticipated:

Initial Precautionary Action

- Freeze all new hire positions and vacant positions except with necessity review by the Budget Assessment Team.
- Identify any non-traditional revenue sources.
- Re-justify all planned capital outlay over \$10,000 to the Budget Assessment Team prior to expenditures.
- Re-justify all vehicle replacement/purchase schedules to the Budget Assessment Team.
- Re-justify all travel related expenditures to the Budget Assessment Team.
- Re-justify expenditures related to the service and materials & supplies category including, but not limited to:
 - Technology
 - Professional Services
 - Consulting Fees

Initiate the following expenditure reductions and measures if a cumulative unanticipated shortfall in sales tax revenue is equal to:

2% Reduction (\$569,004)

- Realized savings will not be transferred between categories.
- Prohibit unbudgeted expenditures including supplies and maintenance accounts.
- The Management Team will be required to review, monitor and control planned expenditures greater than \$5,000.
- Supplemental appropriations will not be made from budgeted savings or unappropriated fund balance.
- All carry forward requests will be carefully reviewed and approved by Finance.
- Any overtime must be pre-approved by department heads.
- Determination made and plan developed regarding utilization of sales tax stabilization fund. Utilization of sales tax stabilization funds will require Board Approval prior to implementation.

3% Reduction (\$853,505)

- Freeze all travel and training requests except with necessity review by the Budget Assessment Team.
- Reduce expenditures in operations and maintenance accounts in each functional area. Amount of reduction to be determined by Budget Assessment Team.
- Freeze capital outlay except with necessity review by the Budget Assessment Team.
- Indefinitely freeze all vacant positions except with necessity review by the Budget Assessment Team.

BUDGET CONTINGENCY PLAN

Exhibit E

4% Reduction (\$1,138,007)

- Will require Board policy decisions regarding service delivery and fund balance reserves.
- Re-evaluate any budgeted transfer to Capital Projects which is not a grant match requirement.
- The Budget Assessment Team will review service level reductions, passenger fare increases, elimination of specific programs, and reduction in work force. This would require implementation of the Service Reduction Policy.
- Evaluate the 90-day Operating Fund Balance Reserve Policy and consider options for fund balance utilization or utilization of other reserve funds. Board action will be required for utilization of reserve funds.

Section II: Sales Tax Revenue Sustainable Increase

The following steps will be followed when it is determined that additional mid-year service level enhancements are necessary (above those already programmed in the annual budget) and sales tax revenue exceeds budget and prior year's actual for at least 4 consecutive months and a determination is made that sales tax revenue increase is sufficient to support sustainable service levels.

For planning purposes, recommended service level increases will be less than or equal to the available sales tax stabilization fund.

Increases in sales tax revenue may be utilized to fund:

- Direct service enhancements
- System support
- Capital Infrastructure and maintenance reserve

Recommended service levels enhancements will be evaluated and prioritized based on:

- System performance and
- Board adopted service standards and service plan

Service Level considerations are not limited to additional transit service hours but may include other agency or transit system support requirements.

Service Level enhancement decisions will follow annual Decision Cycle framework.

Prior to implementation and adoption by Board, additional service level enhancements will be incorporated into long-range cash flow model to identify impact of current enhancement in future years.

Implementation of Service Level Enhancements will require Board action and revision of annual budget.

Section III: Federal Grant Funding Reduction

The following precautionary actions will be initiated immediately if a federal grant reduction is anticipated:

Capital Expenditures:

- Identify and evaluate other available funding sources
- Evaluate scaling back the scope of the project to the allocated funds, if feasible
- Freeze project pending review and discussion with Board of Directors

Operating Funds:

- Follow the Sales Tax Revenue Shortfall Procedure

GLOSSARY

Accrual Basis – The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

Accrued Expenses – Expenses incurred but not due until a later date.

Budget – A plan of financial operation consisting of an estimate of proposed expenditures for a given period and the proposed means of financing them. The budget is proposed until it has been adopted by the board.

Budget Amendment – A procedure utilized by staff and the board to revise the budget.

Budget Calendar – A schedule of milestones which DCTA follows in the preparation, adoption, and administration of the budget.

Grants and Reimbursements are sources of financing for the transportation operations and DCTA.

Capital Improvements – An addition to the DCTA assets, including the design, construction or purchase of land, buildings or facilities, or major renovations.

Change in Net Assets – The change in equity resulting from the current year activities.

Cost – The amount of money of other consideration exchanged for property of services.

Diesel Multiple Unit (DMU) - A diesel multiple unit or DMU is a multiple unit train consisting of multiple carriages powered by one or more on-board diesel engines. They may also be referred to as a railcar or rail motor, depending on country.

Division – An organizational unit, which has the responsibility of providing programs, activities, and functions in a related field.

Depreciation Expense – The amortization of the cost of capital assets over their useful life. Capital assets have a useful life of more than one accounting period and the expense is viewed as the use of capital required to generate the revenues in the accounting period.

Enhanced Local Assistance Program (ELAP) – An expense incurred through a financial improvement program for DCTA participating cities. This expense is generally 25% of the DCTA sales tax collections and can be used to provide transportation related improvements within the participating cities.

Enterprise Fund – Enterprise Funds account for operations that are financed and operated in a manner similar to private business. The intent of DCTA is that the costs (expenses, including depreciation) of providing transit services to the general public will be financed through a combination of farebox revenue, sales tax, and other grants.

Expanded Level Project – any new project, plans for expansion or increased service delivery that is above and beyond the current service level. These are expenses that could be classified as “one-time” and “out of the ordinary” expenses.

Expenditure – The actual spending of funds to acquire assets or services.

Fiscal Year – The time period designated by the board signifying the beginning and ending period for recording financial transactions. DCTA’s fiscal year begins October 1 and ends September 30.

Fixed Assets – Assets of a long term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, autos and machinery.

Full-Time Equivalent – A unit of measure based on the number of hours that an employee works during the fiscal year. One FTE is equivalent to 2,080 hours.

GLOSSARY

Fund – An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

Generally Accepted Accounting Principles (GAAP) – Standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of the entity.

Governmental Accounting Standards Board (GASB) - An organization whose main purpose is to improve and create accounting reporting standards or generally accepted accounting principles (GAAP). These standards make it easier for users to understand and use the financial records of both state and local governments. The Government Accounting Standards Board (GASB) is funded and monitored by the Financial Accounting Foundation (FAF).

Grants – Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.

GTW Vehicle - The GTW articulated railcar is based on a modular vehicle concept to optimally meet the various requirements in terms of track gauge, structural clearance and transport capacity. Thanks to its modular design the GTW articulated railcar available in electric versions for all common voltages as well as in diesel-electric versions. Its' typical feature is its Power Module which is located in the center of the vehicle and which houses the entire power plant.

Income – A term used in proprietary fund type accounting to represent revenues or the excess of revenues over expenditures.

Insurance, Casualties and Loss – Costs for protection from loss through insurance, uninsured loss, and compensation to others for their losses.

Leases and Rentals – Expense consisting of payments made for the use of capital assets not owned by DCTA.

Materials and supplies – Expense consisting of products purchased from outside suppliers or internally produced and consumed in the accounting period.

Metropolitan Planning Organization (MPO) - the policy board of an organization created and designated to carry out the metropolitan transportation planning process. MPOs are required to represent localities in all urbanized areas (UZAs) with populations over 50,000, as determined by the U.S. Census.

Miscellaneous – Expense consisting of expenses that cannot be attributed to any of the other major expense categories.

Net Investment Income – Consists of interest income from authorized investments, net of interest expense related to debt financing.

Non-Operating Revenue / (Expense) – The revenue or expense generated from items other than operating activities.

North Central Texas Council of Governments (NCTCOG) - voluntary association of, by and for local governments, established to assist in regional planning. NCTCOG's purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions.

Operating Budget – Plans for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law.

Operating Expenses – Expenses or cost incurred to provide the operating revenue earned in the accounting period.

Operating Income / (Loss) – The net income or loss from operating activities for providing transportation services.

Katie Shaw

KATIE SHAW DESIGN STUDIO

katieshaw.designs@gmail.com

