



DENTON COUNTY TRANSPORTATION AUTHORITY

DCTA

LEWISVILLE, TX

OPERATING and CAPITAL BUDGET
FY 2015

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 public transportation alternatives.

OUR MISSION

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

OUR UNITY STATEMENT

All DCTA staff will work to maintain an office environment that fosters humility, enthusiasm, self-discipline, consistency, responsibility, leadership, commitment and unity.

OUR CORE VALUES

- **Accountability**

The DCTA Board and employees hold themselves accountable to their constituents and are committed to being exemplary stewards of public resources.

- **Commitment**

The DCTA Board and employees are committed to working collaboratively to deliver the components of the Service Plan in a timely manner to serve the mobility needs of our customers.

- **Excellence**

The DCTA, in the pursuit of excellence, will consistently offer innovative, effective, and quality public transportation alternatives that exceed customer expectations.

- **Integrity**

The DCTA Board and employees shall conduct themselves in a manner that upholds the highest legal and ethical standards. We are uncompromising in our commitment to truth, honesty, and openness in all relationships and interactions.

- **Respect**

The DCTA believes that all customers are important and all employees add value; and we will treat customers and employees with dignity and esteem.

- **Safety**

The most important commitment of the DCTA is safety through the strict adherence to policies, procedures and ongoing employee training and professional development.

OUR GOALS

- Maximize service efficiency and reliability
 - Maximize the effectiveness of service for DCTA's ridership markets
 - Increase the visibility and elevate the image of the Authority
 - Expand DCTA's services into areas where transit has a likelihood of success
 - Coordinate regional services with other regional transit providers
 - Tie the provision of transit to land-use and the resulting demand levels
 - Advocate sustainable development practices that support transit
 - Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values
-



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Denton County Transportation Authority
Texas**

For the Fiscal Year Beginning

October 1, 2013

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, 2013. 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.

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AGENCY OVERVIEW

Formed in 2002 and funded in 2003, Denton County Transportation Authority is the primary public transportation operator in Denton County and offers services to the general public in the greater Lewisville, Highland Village and Denton area.

DCTA was created by House Bill 3323, under Chapter 460 of the Texas Transportation Code, approved by the 77th Texas Legislature and signed into law by the Governor in 2001.

On November 5, 2002, the voters in Denton County approved the confirmation of DCTA by 73 percent. With the launch of the A-train, Denton County residents gained regional connectivity to Dallas and Fort Worth with the train connecting to the Dallas Area Rapid Transit (DART).





September 25, 2014

Chairman and Members of the Board:

We are pleased to present to you the fiscal year 2015 Operating and Capital Budget for Denton County Transportation Authority (DCTA). The Texas Transportation Code Chapter 460 requires the preparation of an annual budget for DCTA. This budget was created in accordance with State law and DCTA Board policy. The budget presented is a balanced budget with current revenues and fund balance/ reserves covering operating and capital requirements for the fiscal year.

The FY15 Budget reflects the fourth full year of operation of an integrated public transportation system for Denton County that includes commuter rail service, fixed route bus services, vanpools, paratransit demand response, and general demand response and university shuttle services. The budget is developed within the context of the 5-year financial plan and 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 our ability to fund major service and infrastructure priorities while balancing revenues and expenditures consistent with board adopted financial policies.

As DCTA's policy makers, 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:

To be a leader in advancing public transportation alternatives by providing safe, customer-focused, and efficient mobility solutions for Denton County

It also allows the agency to move toward achieving the Board established goals that include a focus on excellence. These are to:

- **Maximize service efficiency and reliability**
- **Maximize the effectiveness of service for DCTA's ridership market**
- **Increase visibility and evaluate the image of the Authority**
- **Expand DCTA services into areas where transit has a likelihood of success**
- **Coordinate regional services with other regional transit providers**
- **Tie the provision of transit to land-use and the resulting demand levels**
- **Advocate sustainable development practices that support transit**
- **Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values**

Since its creation in 2002, DCTA has been a goal driven agency. Each year has seen the completion of major initiatives and components of the Service Plan. Fiscal Year 2014 was no exception. Those accomplishments are detailed in the Operating Budget Summary section of this budget document.

The budget process is structured to allow staff, the Board Finance Committee, the Board of Directors and other stakeholder's adequate time for review and analysis of the key components of the budget. The initial budget process began in February with the Board Retreat that outlined the Board priorities in the context of the 5-year financial plan. The 5-year 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 FY15 budget. In the March/April timeframe service delivery objectives and related performance measures were defined. After identifying all revenue sources available to the agency for FY2015, staff began the process of developing the operating budget consistent with Board Mission and Goals. The final step in creating the FY 2015 budget was identifying a five-year capital plan. At their meetings in May through August, components of the proposed budget were presented in detail to the Finance Committee for review and deliberation. The Finance Committee forwarded the proposed budget to the full Board at its August meeting for Board review and public comment. The Board adopted the FY2015 Budget and the updated Cash Flow Model at its September 2014 meeting.

BUDGET SUMMARY

The development of any budget is always challenging because the needs and demands for services are great and exceed the available resources. The current economic climate in North Texas continues to show steady improvement. The challenge for DCTA is to continue to respond to demands for service, maintain facilities and infrastructure in a state of good repair while at the same time balancing the need to insure the financial resilient and long-term sustainability of the agency. A detailed narrative of the assumptions that build this budget is provided on pages 40-44 of this document. Key elements of the budget include the following:

Revenues for FY 2015 are projected at \$50.6 million, an increase of 33% over FY2014 revised budget. This is due primarily to just over \$10 million in Federal operating and capital grants as well as \$1.8 million in State

Budget Message cont.

grants. Another major revenue source for DCTA is sales tax. Sales tax is budgeted at a 3% increase resulting in a \$621,760 increase in sales tax revenue projected for FY2015.

The expenditure portion of the budget includes operating and capital expenditures. Total expenditures (including \$9.5 million for depreciation) are \$61.8 million for the FY2015 budget, with capital expenditures making up \$22.5 million or 36%. Total expenditures reflect an increase of \$10.4 million or 20% over FY2014 revised budget. The major increase in the expenditure portion of the budget is due to the implementation of the positive train control capital project scheduled to begin in 2015. Other operating expenditure elements include:

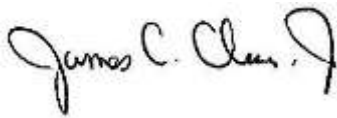
- \$9.8 million is budgeted for purchased transportation for the joint rail operations contract with DART and the Fort Worth “T”. This is an increase of \$0.55 million over prior year, a portion of which supports additional mid-day rail service.
- Service improvements for both bus and rail are included. Additional mid-day rail service is scheduled to begin in January 2015. Weekday frequency for Denton Connect and an increase in Saturday service for Denton Connect routes 2, 4, 6, and 8 will increase revenue hours. The additional service is supported by an increase of just over \$220,000 in salaries/benefits
- Diesel fuel is budgeted at \$4.00 per gallon and accounts for the majority of the \$281,552 increase in Materials and Supplies category compared to revised FY2014. Although fuel cost per gallon is budgeted \$0.15 lower than last year, the increase is due to the addition of mid-day rail service and increased Connect bus service scheduled to begin in January, 2015.
- Decrease of \$77 thousand in leases and rentals due to the elimination of lease expense for the bus maintenance facility at the City of Denton landfill site and the reduction in annual lease expense for the new Lakeway Drive location in Lewisville for DCTA administrative offices. The new bus maintenance facility opened in January of 2014 and DCTA administrative offices moved September of 2014.
- 3.5% merit pay for DCTA employees is included in this budget. This is an increase of approximately \$40 thousand is budgeted to allow for merit pay based on employee performance. TMDC salaries will also increase—for bus operators based on the negotiated union contract and 4% increase for administrative and maintenance staff.
- An increase of 10% and 15% in health care benefits for DCTA and TMDC respectively. This projected increase of \$185,000 over last year is primarily due to increases in current claims history and the impact of the Affordable Health Care Act.
- A salary market review is also planned for 2015 and \$25,000 is budgeted for that effort. A survey is conducted every two years to insure DCTA maintains competitive salary plan. Adjustments to the pay range will be budgeted as needed and adjustments to the pay ranges will be based on results of the bi-annual market survey.
- Additional positions for FY2015 include a Purchasing Assistant, Support Technician and bus operators to provide support for the increase in service hours.

Budget Message cont.

Capital projects represent a significant investment by DCTA in developing and maintaining the agency's equipment and infrastructure. Preparing a five-year capital plan allows the agency to anticipate the major capital improvements needed in subsequent years and allows staff to identify alternative funding sources as well as anticipated on-going operating impact. DCTA is anticipating spending \$22.5 million on capital projects for FY2015. \$15.3 million of the total is appropriated for positive train control; \$2.9 million for construction of the Lewisville Hike and Bike trail from Hebron to Old Town; the remaining amount for bus equipment, rail facilities and station landscaping and agency-wide technology improvements.

This budget continues DCTA's commitment to respond to community needs with safe, quality, sustainable service. 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 their focus on Board and community priorities and providing outstanding, safe public transportation services to the residents of Denton County.

Sincerely,



James C. Cline, Jr., P.E.
President



Anna Mosqueda
Sr. V-P Finance/CFO

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
Paul Pomeroy
City of Highland Village



Board Secretary
Richard Huckaby
City of Denton



Board Treasurer
Dave Kovatch
Denton County At Large



Board Member
George A. Campbell
Denton County Unincorporated



Board Member
Skip Kalb
Small Cities



Board Member
Daniel Peugh
City of Corinth



Board Member
Doug Peach
City of Little Elm



Board Member
Allen Harris
City of The Colony



Board Member
Jim Robertson
City of Flower Mound



Board Member
Don Hartman
Denton County Unincorporated



Board Member
Carter Wilson
City of Frisco

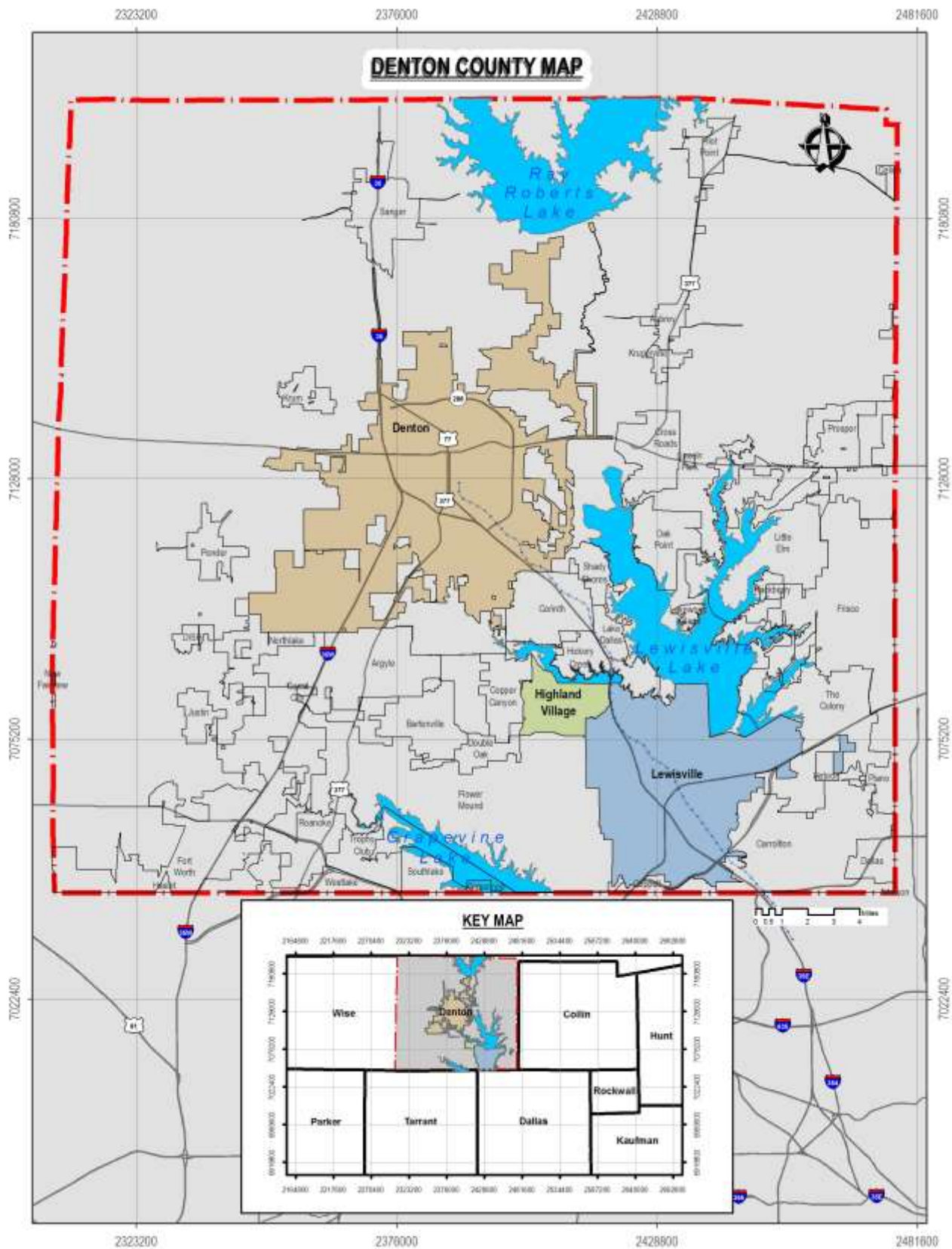


Board Member
Bill Walker
Small Cities

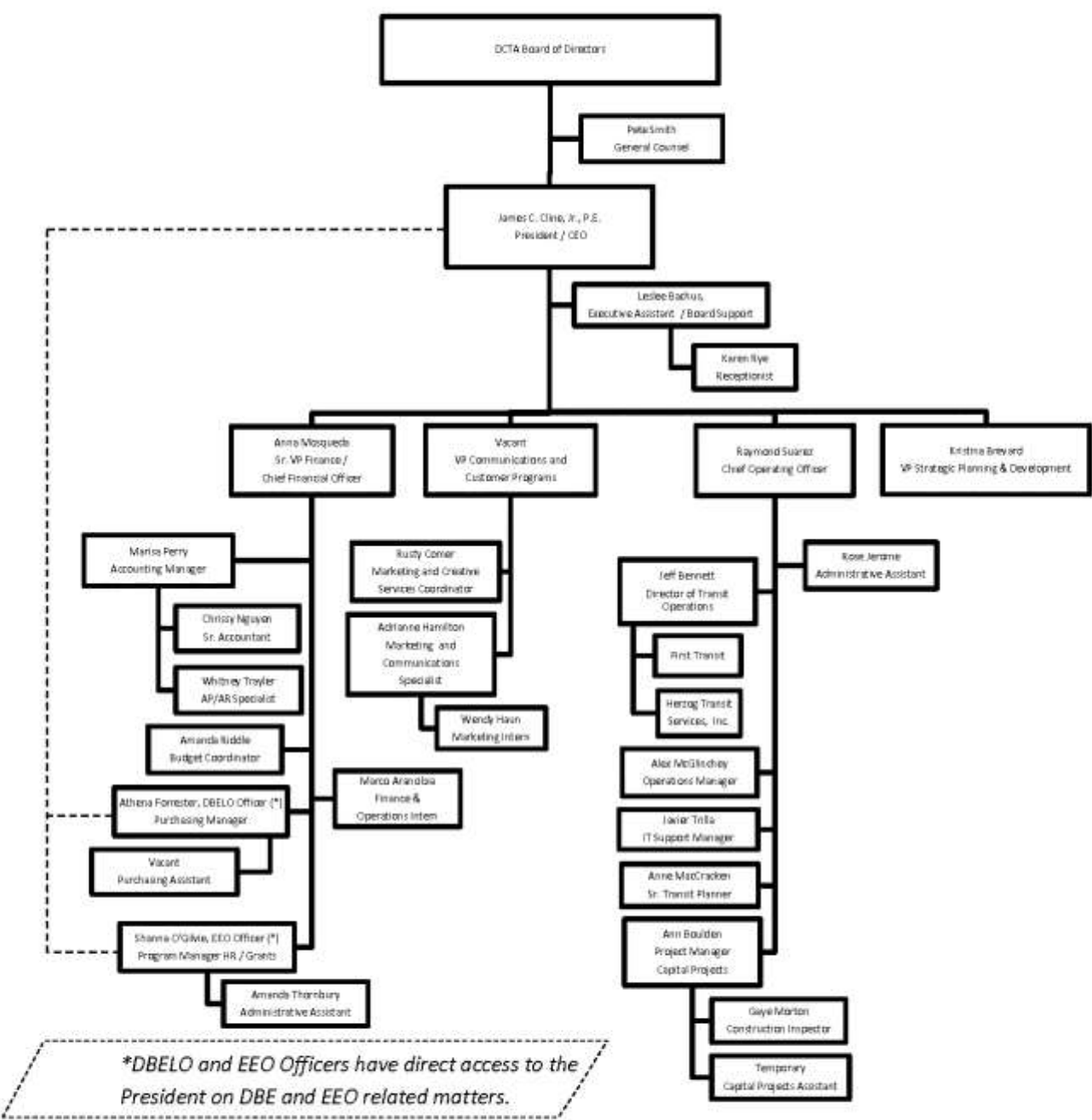
Board Member
Vacant

Small Cities

Denton County Map



DCTA ORGANIZATION CHART



DCTA AT A GLANCE

Denton County is the 34th fastest-growing county in the nation, with a population of 707,304, according to the 2012 U.S. Census Bureau. Denton County approved the creation of the Denton County Transportation Authority (DCTA) on November 5, 2002. DCTA is the coordinated county transportation authority for Denton County created to advance public transportation alternatives. DCTA was funded in 2003 by a dedicated sales tax from the cities of Denton, Lewisville and Highland Village and fulfilled its initial service plan in 2011. In December 2011, the Agency adopted its updated service plan to include system-wide improvements which will build on the initial investments and meet the needs caused by future growth.

For the past 12 years, DCTA has accelerated transportation solutions 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 residents of Denton County, Texas. DCTA achieved a major milestone with the completion of the A-train 21-commuter rail in June 2011. It gives Denton County residents the opportunity to avoid highway traffic while commuting to and from work and enjoy nearby city attractions with friends and family without worrying about parking hassles. In addition to the A-train, DCTA recently celebrated the grand opening of its new rail and bus operations maintenance facility.

DCTA operates 12 fixed routes, a general public demand response service, campus shuttle service supporting the University of North Texas (UNT) campus and North Central Texas Community College (NCTC), a 21-mile A-train commuter rail system, vanpool services and demand response/paratransit services. The agency's 57 peak bus vehicles, eight peak rail vehicles, 23 direct employees and 184 third party contracted employees serve more than three million passengers annually. DCTA serves three higher-education institutions, connects with the regional transit network and serves key employment, healthcare and government centers.

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, community education, and improved hiring practices. These investments have contributed to DCTA successfully and consistently meeting annual agency goals for safe bus operations, resulted in zero reportable injuries during the construction phase of the A-train project, and have led to 907 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 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.

Services and Activities

DCTA's efforts, in partnership with the Federal Railroad Administration (FRA) and the vehicle manufacturer, to operate the nation's first alternative crashworthiness compliant DMU demonstrates not only DCTA's commitment to increased safety for its passengers and operators but also to improving safety for the commuter rail industry. DCTA's Stadler GTW 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 replaces the agency's previously leased temporary 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.

OPERATIONS

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

DCTA closely monitors its system performance and provides statistical performance reports to its Board of Directors monthly. The transit network currently averages 97 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 teamed 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 DART and TRE. 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 between DART, the Fort Worth Transportation Authority (The T) 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 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.

CUSTOMER SERVICE

DCTA believes all customers are important. This belief and practice is demonstrated by the 94 percent satisfaction rating consistently given to DCTA staff during annual customer surveys. To maintain service

Services and Activities

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 Euline Brock Downtown Denton Transit Center (DDTC) in January of 2011 which is staffed with three on-site customer service representatives assisting with ticket sales, train and bus schedules and general information requests. The facility includes an indoor passenger waiting area, public restrooms, bus platform, passenger shelter and 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.

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.

The agency is currently working on an innovative tool – “Where’s My Ride” – which will provide real-time travel information to passengers. The “Where’s My Ride” real-time travel information system will help 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 the agency’s website. DCTA is set to launch this product late 2014.

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.

As part of the annual budget process and in collaboration with the management team, decisions are evaluated to determine the long-term impact on the 20-year financial plan. These decisions include impact 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 of revenues including fare box revenues, grants, and sales tax and expenditures.

Not only has DCTA experienced tremendous growth in ridership over the last three years, DCTA has experienced significant growth in its net assets over the last three years. DCTA activities resulted in an increase in net position of \$279 million since the 2008 fiscal year. The increase primarily has been the result of the A-train capital project and the related reimbursement of \$250 million in expenditures from the Regional Toll Road Funding Initiative (RTRFI). The agency continues to pursue grant opportunities at the state and federal level. Since 2009, DCTA

Services and Activities

has received \$253 million in state and local grants and \$25 million in federal grants. DCTA works closely with partnering agencies to improve grant reporting and administration, and expedite project delivery.

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 Award. The Leadership Circle award recognizes governmental entities across Texas striving to meet a high standard for financial transparency online.

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, which has grown to 25 active vanpools in less than three years. As part of the A-train project, DCTA constructed an eight-mile bicycle/pedestrian trail which connects residential properties and business to the A-train and the bus network. In May of 2014 DCTA began construction of the first of two phases of the trail that will connect the A-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 Federal Railroad Administration (FRA) in June 2012 to operate Swiss-made Stadler GTW vehicles on the 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 RDC vehicles DCTA leased and have level boarding which minimizes the dwell time at stations.

WORKFORCE DEVELOPMENT

Continuous quality education and training 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. The agency 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. DCTA bus operations staff is given class instruction quarterly on driving techniques and defensive driving. In addition, each bus and rail operator has a weekly "ride-along" review by management.

Services and Activities

DCTA also focuses on career advancement for its current employees and workforce development for future public sector employees. Half of the agency's executive management team was promoted from within the organization. The majority of supervisors and administrative staff for DCTA Operations began as bus and rail operators. DCTA also teams with local graduate programs by providing paid internships for students interested in transportation, planning and public administration.

ATTENDANCE AND EMPLOYEE COSTS

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 also has a direct correlation to employee costs and efficiencies. The agency has been in an aggressive service implementation mode since inception. That intensity has not slowed down since the launch of the A-train. In order to help re-focus efforts on key issues identified by staff, DCTA management initiated the "Unity Effort" based on nine goals for success which were developed by the staff. DCTA staff identified challenges and opportunities and developed action plans to address them. Although many of the challenges have been addressed, staff continues this effort through quarterly strategy sessions with the executive management team.

All bus operations staff members meet with the General Manager monthly to review schedules and receive instructions in customer relations techniques and latest transit operational training aids. 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 early 2011, DCTA conducted a market study and established a pay-scale system for employees, designed to make the agency competitive. By August 2011, DCTA achieved its goal of a 98 percent compa-ratio. A follow-up market study was conducted in 2013 and confirmed that DCTA's benefits and salaries were competitive. In 2012, DCTA implemented a succession plan/development program that motivates employees, controls compensation costs, sets standards for merit increases, ensures fairness and equity, and develops future transit leaders by prioritizing professional development and training.

MINORITY AND WOMEN ADVANCEMENT

DCTA is committed to promoting diversity internally and externally by developing policies and programs that support diversity and promote inclusiveness. DCTA's executive management team is 50 percent female and 50 percent Hispanic. Additionally, administrative staff is comprised of about 37.5 percent minority and 75 percent female. 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 on the basis of 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.

Services and Activities

The agency has also established a Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) program to encourage the use of small and disadvantaged business in contracting opportunities. DCTA works with contractors to identify DBE/SBE's 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 construction project exceeded the agency diversity goal which resulted in nearly \$40 million being awarded to disadvantaged businesses.

MARKETING

Transit is still new to most Denton County residents who abide by the “car” culture that is prevalent throughout Texas. Smart marketing efforts by DCTA have been important to attract and retain riders and demonstrate the benefits of investing in a transit system. The agency's marketing and communications department's main objective is to promote and enhance the organization's brand identity through effective marketing, advertising, communications, and public relations efforts to help increase ridership.

As a result of DCTA's marketing efforts, ridership continues to grow year-over-year. Based on an analysis of fiscal year 2014 performance, the agency carried 2,827,539 passengers system-wide.

DCTA's marketing and communications efforts have been recognized with regional ADDY awards, 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 are provided through contracts with First Transit and Herzog Transit Services.

DCTA has adopted a set of policies to demonstrate accountability to the public and to guide investments and service planning. DCTA's financial policies safeguard the fiscal stability and resiliency required to achieve the agency's goals and objectives. The policies established a fund balance reserve for unanticipated emergencies, a sales tax stabilization fund, fuel stabilization, and a capital/infrastructure reserve. The policy also outlines the process for evaluating revenue forecasts and contracts for service. 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.

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 350 community events, hosted more than 75 events and community meetings reaching more than 500,000 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 three 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.
- Throughout A-train construction, DCTA hosted public meetings and special events to keep the community informed about the project's progress, potential impacts and future operating plans. As the system moved closer to completion, DCTA hosted community wide events in partnership with other local organizations. Three safety events were held with 30 other organizations participating and reaching more than 3,000 residents.
- 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.
- In April 2014, DCTA participated in Denton's Arts & Jazz festival and hosted canned food drive during the event that benefited the Mayor's Day of Concern for the Hungry.
- In December 2013, DCTA partnered with the UNT and Denton CVB to provide A-train service and distributed 750 free regional transit passes for the Heart of Dallas Bowl game on New Year's Day. New Year's Day is not a regular service day, but the agency provided A-train service in support of UNT and to accommodate Mean Green fans attending the game.
- 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

REGIONAL RAIL SERVICE: A-train

The A-train is a 21-mile regional rail system connecting Denton County and Dallas County. DCTA has five A-train stations; two in Denton, three in Lewisville and connects with the Green Line at Dallas Area Rapid Transit (DART) at their Trinity Mills Station in Carrollton. DCTA's A-train connects Denton County residents with many destinations served by DART, Trinity Railway Express (TRE) and the Fort Worth Transportation Authority (The T).

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.

Upon the completion of construction and the official opening of the A-train regional rail project the agency 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.

The next major milestone the agency will address is the implementation of federally mandated Positive Train Control (PTC). DCTA has partnered with the DART/Trinity Rail Express (TRE) and TexRail to form the North Texas Commuter Rail Alliance to address regional rail issues including PTC. PTC and related funding is incorporated in DCTA's 5-year capital plan.



Service Area Map – A-train



BUS OPERATIONS

LOCAL FIXED - ROUTE SERVICES:

Passengers have connections to many destinations within Denton and Lewisville via DCTA Connect, the Authority's local fixed-route bus service. In Highland Village and North Lewisville, residents use Connect RSVP on-demand service to travel and connect to other DCTA transit options.

In Denton, passengers travel any of nine routes Monday through Saturday to reach stops such as City Hall, hospitals, retail and grocery stores, and educational institutions including UNT, TWU, as well as schools within the Denton Independent School District.

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

The DCTA Connect RSVP service provides on-demand transportation in Highland Village and North Lewisville. Destinations include private residences, local shopping centers, grocery stores and key employment centers. Passengers may transfer from Connect RSVP to Lewisville Connect routes and the A-train.

SHUTTLE ROUTES:

DCTA offers low-cost, safe and reliable transportation services to the Denton County campuses of North Central Texas College (NCTC), University of North Texas (UNT) and Texas Woman's University (TWU).

- **NCTC:** The NCTC 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.



Services and Activities

- **UNT:** The UNT 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. Connect Routes 7, 8, and 9 serve UNT from the Eulene Brock 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). Connect Routes 4, 5 and 6 serve the area around Texas Woman's University from the DDTC.



DEMAND RESPONSE SERVICE:

The DCTA Access service offers curb to curb 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 services zones. ADA paratransit service is provided by DCTA for customers traveling within ¾-mile from the Connect local fixed-routes and is available to those with Americans with Disabilities Act eligibility. Reservations are accepted up to seven days in advance.



VANPOOLS:

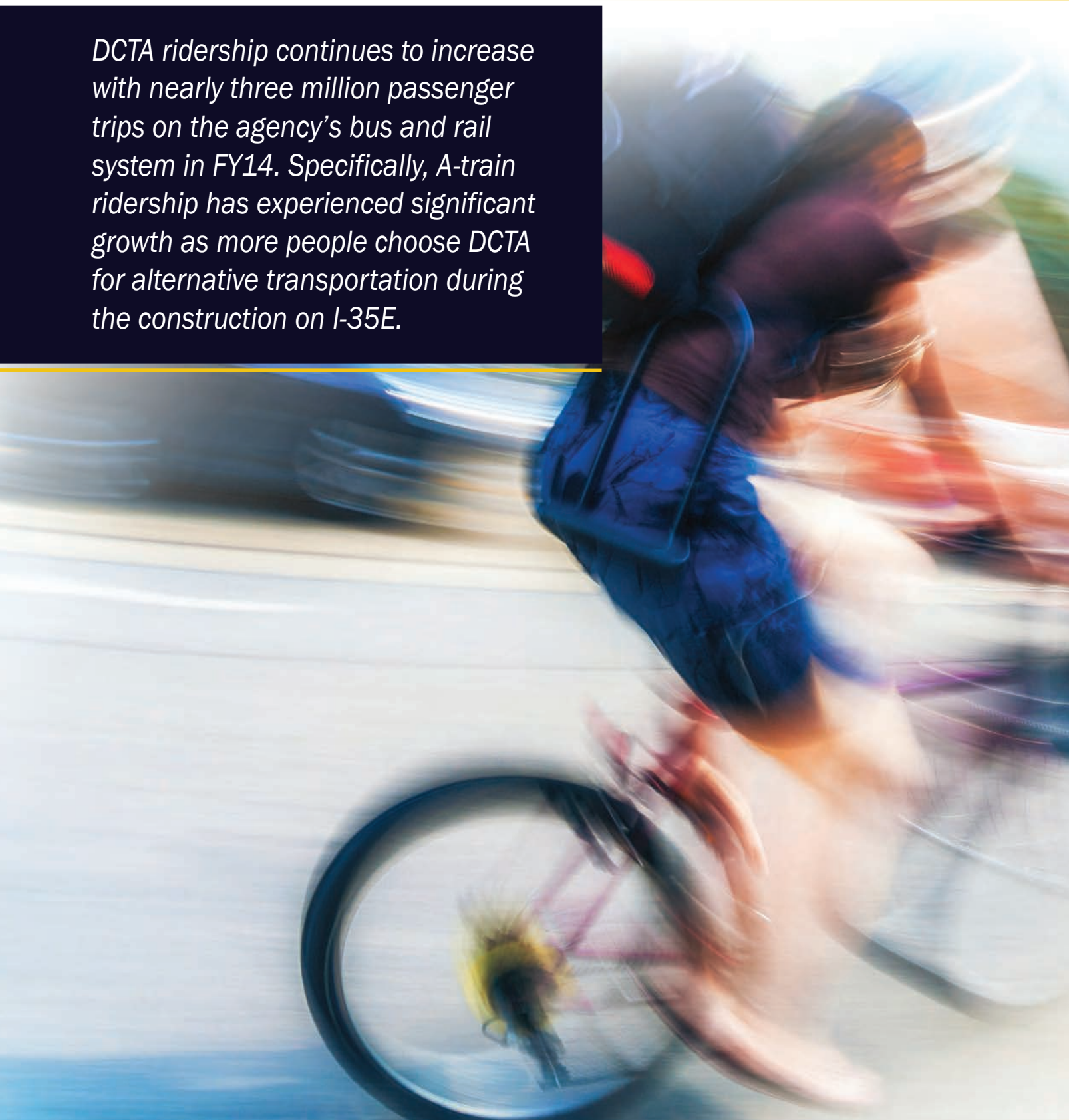
Commuter Vanpools are an additional DCTA service which provides a comfortable, cost-effective and convenient way to get to work. Vanpools are ideal for groups of five to 15 people who live or work in Denton County. DCTA provides funding for half of all vanpool costs, providing a low cost commuting alternative.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





OPERATING BUDGET SUMMARY

DCTA ridership continues to increase with nearly three million passenger trips on the agency's bus and rail system in FY14. Specifically, A-train ridership has experienced significant growth as more people choose DCTA for alternative transportation during the construction on I-35E.



BASIS OF BUDGETING

The Texas Transportation Code Chapter 460 requires DCTA to prepare an annual budget. The budget is a policy tool used by staff and the Board of Directors to establish goals and deliver the services defined in the Service Plan. The budget is the foundation for the long range Service Plan goals and is a building block for the DCTA long range financial model. The long range financial model is an important planning tool used to evaluate DCTA's financial strengths and weaknesses, prioritize goals, and evaluate options. Staff presents the budget as a financial expression of current goals, objectives for the coming year, and a snapshot view of capital needs for the following four years.

The budget is designed to communicate DCTA 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. The budget communicates DCTA's commitment to a balanced budget, where expenses do not exceed current year revenues and reserve balances. Finally, the budget communicates our strategic operating plans to operate the first full year of A-train service along with current bus services. The budget and strategic plan help to keep departments centered on the goals and plans to accomplish those goals.

The budget is a financial document. It identifies the source and use of the funds expended by DCTA. In preparing the budget, the Board and staff must ensure DCTA maintains a sound financial condition and recognize that the financial decisions made today will impact the ability to deliver future services. The budget communicates the priorities and informs Denton County citizens about the financial condition of DCTA.

The budget provides a tool for staff to monitor the financial performance of the Agency and provides a tool to measure that performance. DCTA staff also uses the adopted budget to maintain control over operating and capital expenditures by:

1. Developing and presenting a cost effective budget geared to providing quality services for our customers as defined by our Board of Directors.
2. Complying with the Budget Amendment Procedures as approved by the Board of Directors to provide timely, useful information for the management of DCTA resources.
3. Reviewing all purchase requests and complying with the DCTA Procurement Policy as approved by the Board of Directors.
4. Reconciling all expenditures to budget and reporting material variances to the Board on a monthly basis.
5. Using standards and benchmarks established in the budget and comparing the results of operations.

BASIS OF ACCOUNTING AND FINANCIAL PRINCIPLES

DCTA is accounted for as a single entity enterprise fund and 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. **Cash Flow Model Adoption**
Board of Directors adopts a rolling five-year cash flow model that serves as the foundation of the budget.
3. **Revenue Projections**
Staff identified the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.
4. **Operating Expenses and Expanded Level Projects**
The base operating budget which maintained the current service level was identified. Any new projects, plans for expansion, or increased service delivery that was above and beyond current service level were 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 reviewed all requests and determined which projects would facilitate the agency’s needs and will be included in the operating budget.
5. **Capital Budget and Five Year Capital Plan**
The final step in completing the budget was 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.

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.



FISCAL YEAR 2014 ACCOMPLISHMENTS

DCTA made significant strides in implementing components of the Service Plan, as well as creating the foundation for successfully achieving major milestones, these included:

- Completed required reporting for outstanding bonds
- Created and implemented process for recording and reconciling GoPass revenue
- Created and implemented process for recording and reconciling fuel inventory at new Bus O&M Facility
- Began implementation of PRISM software to assist with DBE and Davis-Bacon compliance and reporting to FTA
- Received unqualified “clean” opinion on external audit with no comments on DCTA or Single Audit (Circular OMB A-133)
- Completed responses to FTA Procurement Review
- Received Texas Comptrollers Leadership Circle Transparency Award – Silver
- Received Government Finance Officers of United States and Canada (GFOA) awards for:
 - Distinguished Budget Award FY14
 - Certificate of Excellence in Financial Reporting FYE 9/30/2013
- Completed quarterly operating budget and capital project budget reviews as scheduled
- Completed following major procurements:
 - Lewisville Hike & Bike Trail (south portion Hebron to Old Town)
 - Community Enhancement
 - Landscaping assessment for Rail Stations
 - Recreational Parking Lot – Lewisville Lake
 - Bus acquisitions
- Transition of fuel services and other activities to new Bus O&M facility
- Closed outstanding lease issues with City of Denton landfill on vacated maintenance facility site
- In addition to STIP/TIP Program of Projects grants activity, the following grant applications were submitted in response to Calls for projects:
 - FRA/DOT FY14 NOFA - PTC (\$3 million)
 - TIGER6 (Regional focus) - PTC (\$20.9 million); Lewisville Hike & Bike trail (Old Town to HV/LL) (\$2.8 million)
 - TAP – Lewisville Hike & Bike (Old Town to HL/LL) (\$2.7 million)
 - Ladders of Opportunity – Lewisville Multi-Modal Facility (\$3 million); Fleet Replacement (\$9.8 million)
- Launched a new customer focused design responsive website
- Launched a full-fledged I-35E Campaign to leverage the construction on 35E
- Revitalized DCTA's Social Media Platforms to further engage with passengers
- Rebranded DCTA with a new passenger and administrative look

Schedule of Expenditures – Budget Basis (Excluding Depreciation)

	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised Budget	FY 2015 Budget
Operating Revenues				
Passenger Fares	\$ 1,265,685	\$ 1,375,664	\$ 1,375,664	\$ 1,515,377
Contract Service Revenue	2,980,804	3,298,781	3,298,781	3,259,635
Other Revenues	-	-	-	-
Total Operating Revenues	\$ 4,246,489	\$ 4,674,445	\$ 4,674,445	\$ 4,775,012
Operating Expenses				
Salaries, Wages & Fringe Benefits	\$ 6,702,366	\$ 8,279,130	\$ 8,329,943	\$ 9,173,857
Services	1,628,116	1,865,784	2,724,636	2,189,251
Materials & Supplies	3,071,663	3,829,224	3,879,223	4,160,775
Utilities	415,342	447,815	472,015	452,149
Insurance, Casualties & Losses	625,788	798,162	798,162	778,016
Purchased Transportation Services	8,874,900	9,331,365	9,300,701	9,853,076
Miscellaneous	144,746	233,085	243,085	245,475
Leases & Rentals	349,592	284,615	284,615	207,204
Total Operating Expenses	\$ 21,812,513	\$ 25,069,180	\$ 26,032,380	\$ 27,059,803
Operating Income / (Loss)	\$ (17,566,024)	\$ (20,394,735)	\$ (21,357,935)	\$ (22,284,791)
Non-Operating Revenues / (Expenses)				
Sales Tax Revenue	\$ 20,209,051	\$ 20,725,320	\$ 20,725,320	\$ 21,347,080
Net Investment Income / (Expenses)	32,137	33,000	33,000	33,000
Long-Term Debt Interest / (Expense)	(1,458,806)	(2,423,840)	(2,423,840)	(2,721,899)
Non-Operating Revenues / (Expenses)	52,222	7,125	7,125	6,300
Federal Grants & Reimbursements	8,859,377	6,486,142	6,486,142	16,617,500
State Grants & Reimbursements	163,710	593,216	593,216	2,358,300
Debt Issuance	-	5,500,000	5,500,000	5,500,000
Total Non-Operating Revenue	\$ 27,857,691	\$ 30,920,963	\$ 30,920,963	\$ 43,140,281
SCHEDULE				
Net Income	\$ 10,291,667	\$ 10,526,228	\$ 9,563,028	\$ 20,855,490
OF				
Beginning of Year Balance:	\$ 18,326,983	\$ 17,823,220	\$ 17,823,220	\$ 13,112,211
End of Year Balance:	\$ 28,618,650	\$ 28,349,448	\$ 27,386,248	\$ 33,967,701
<i>Transfer to Capital Projects</i>	<i>\$ 10,795,430</i>	<i>10,163,952</i>	<i>14,274,037</i>	<i>22,516,242</i>
Balance After Capital Project Transfer	\$ 17,823,220	\$ 18,185,496	\$ 13,112,211	\$ 11,451,459

Change in Net Assets- Budget Basis (Including Depreciation)

	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised Budget	FY 2015 Budget
Operating Revenues				
Passenger Fares	\$ 1,265,685	\$ 1,375,664	\$ 1,375,664	\$ 1,515,377
Contract Service Revenue	2,980,804	3,298,781	3,298,781	3,259,635
Other Revenues		-	-	-
Total Operating Revenues	\$ 4,246,489	\$ 4,674,445	\$ 4,674,445	\$ 4,775,012
Operating Expenses				
Salaries, Wages & Fringe Benefits	\$ 6,702,366	\$ 8,279,130	\$ 8,329,943	\$ 9,173,857
Services	1,628,116	1,865,784	2,724,636	2,189,251
Materials & Supplies	3,071,663	3,829,224	3,879,223	4,160,775
Utilities	415,342	447,815	472,015	452,149
Insurance, Casualties & Losses	625,788	798,162	798,162	778,016
Purchased Transportation Services	8,874,900	9,331,365	9,300,701	9,853,076
Miscellaneous	144,746	233,085	243,085	245,475
Leases & Rentals	349,592	284,615	284,615	207,204
Depreciation	8,613,310	8,997,293	8,668,090	9,503,440
Total Operating Expenses	\$ 30,425,823	\$ 34,066,473	\$ 34,700,470	\$ 36,563,243
Operating Income / (Loss)	\$ (26,179,334)	\$ (29,392,028)	\$ (30,026,025)	\$ (31,788,231)
Non-Operating Revenues / (Expenses)				
Sales Tax Revenue	\$ 20,209,051	\$ 20,725,320	\$ 20,725,320	\$ 21,347,080
Net Investment Income / (Expenses)	32,137	33,000	33,000	33,000
Long-Term Debt Interest / (Expense)	(1,458,806)	(2,423,840)	(2,423,840)	(2,721,899)
Non-Operating Revenues / (Expenses)	52,222	7,125	7,125	6,300
Federal Grants & Reimbursements	8,859,377	6,486,142	6,486,142	16,617,500
State Grants & Reimbursements	163,710	593,216	593,216	2,358,300
Debt Issuance	-	5,500,000	5,500,000	5,500,000
Total Non-Operating Revenue	\$ 27,857,691	\$ 30,920,963	\$ 30,920,963	\$ 43,140,281
Increase in Net Assets	\$ 1,678,357	\$ 1,528,935	\$ 894,938	\$ 11,352,050
Net Assets - Beginning of Year:	\$ 320,967,732	\$ 311,850,659	\$ 311,850,659	\$ 298,471,560
Net Assets - End of Year:	\$ 322,646,089	\$ 313,379,593	\$ 312,745,597	\$ 309,823,610
<i>Transfer to Capital Projects</i>	<i>\$ 10,795,430</i>	<i>10,163,952</i>	<i>14,274,037</i>	<i>22,516,242</i>
Net Assets After Capital Project Transfer	\$ 311,850,659	\$ 303,215,641	\$ 298,471,560	\$ 287,307,368

Statement of Cash Flows

	FY 2014	FY 2015
Estimated Beginning Cash Balance	17,114,359	14,970,761
Operating Activities		
Operating Revenue	\$ 4,674,444	\$ 4,775,011
Sales Tax Revenue	20,725,320	21,347,080
G&A Operating Expenses*	(4,516,507)	(4,289,087)
Rail Operating Expenses*	(12,473,641)	(12,746,538)
Contract Bus (TMDC) Operating Expenses*	(9,042,232)	(10,024,178)
Total Operating Activities	\$ (632,616)	\$ (937,712)
Investing Activities		
G&A Capital Expenditure	\$ (32,363)	\$ (490,607)
Rail Capital Expenditure	(4,108,819)	(19,806,499)
Bus Capital Expenditure	(3,813,802)	(2,219,136)
Non-Operating (Expense)/Income	7,125	6,300
Investment Income	33,000	33,000
Federal / State Grants & Reimbursements	8,572,485	18,975,800
Total Investing Activities	\$ 657,626	\$ (3,501,142)
Financing Activities		
Debt Issuance	\$ -	\$ 5,500,000
Debt Payment	(2,168,608)	(2,721,900)
Total Financing Activities	\$ (2,168,608)	\$ 2,778,100
Net Increase (Decrease) in Cash	\$ (2,143,598)	\$ (1,660,754)
Estimated Ending Cash Balance	\$ 14,970,761	\$ 13,310,007

* Operating expenses net of depreciation expense

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 model 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, CPI, and Energy Information Administration.

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:

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 unreserved/undesignated retained earnings. An annual contribution will be budgeted from general operating resources as available to maintain the target reserve level.

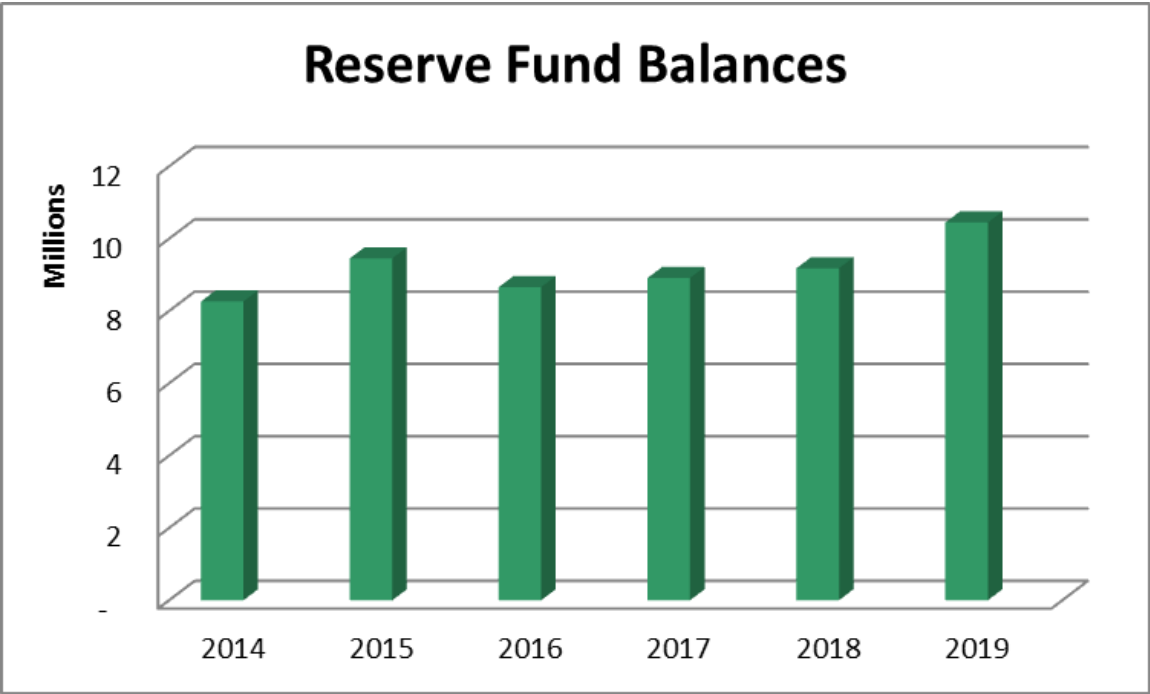
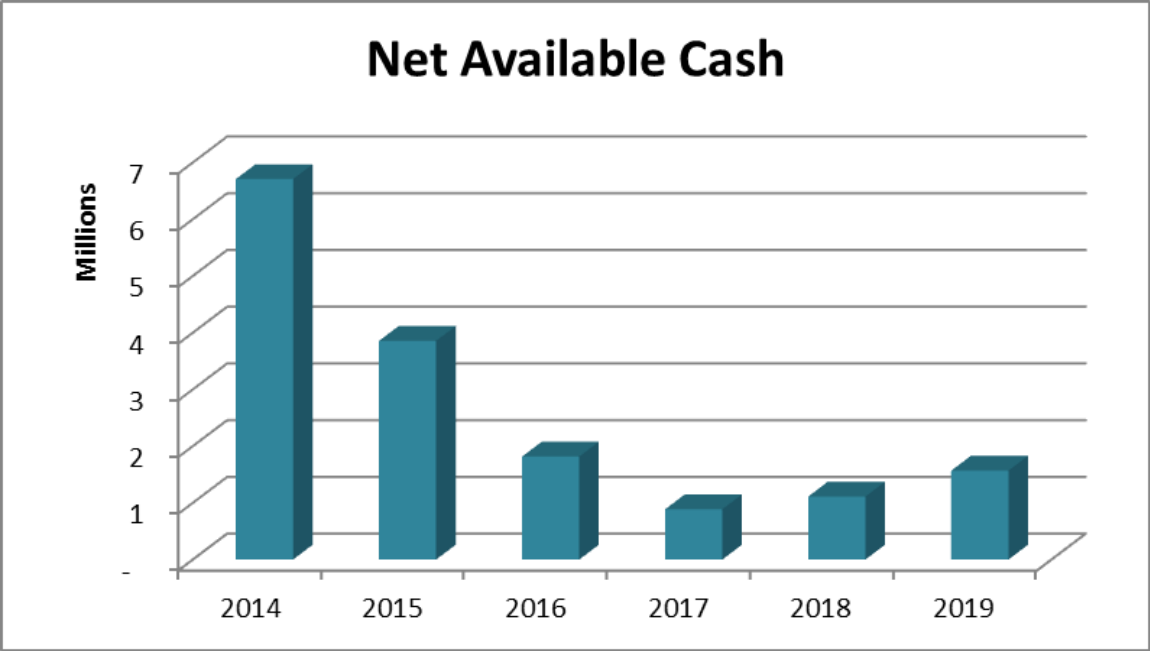
It will be the policy of DCTA to establish and maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual sales tax.

It will be the policy of DCTA to establish and 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.

It will be the policy of DCTA to establish and maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$.05 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.

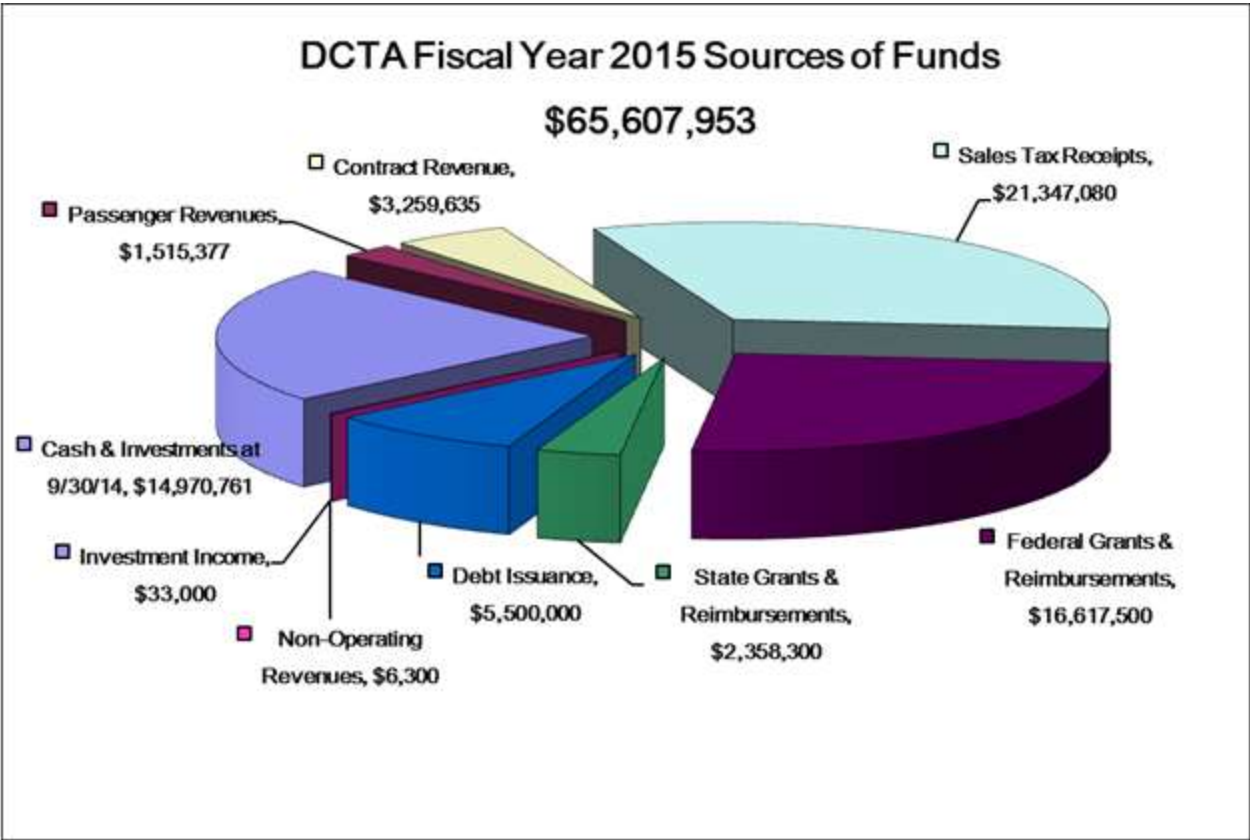
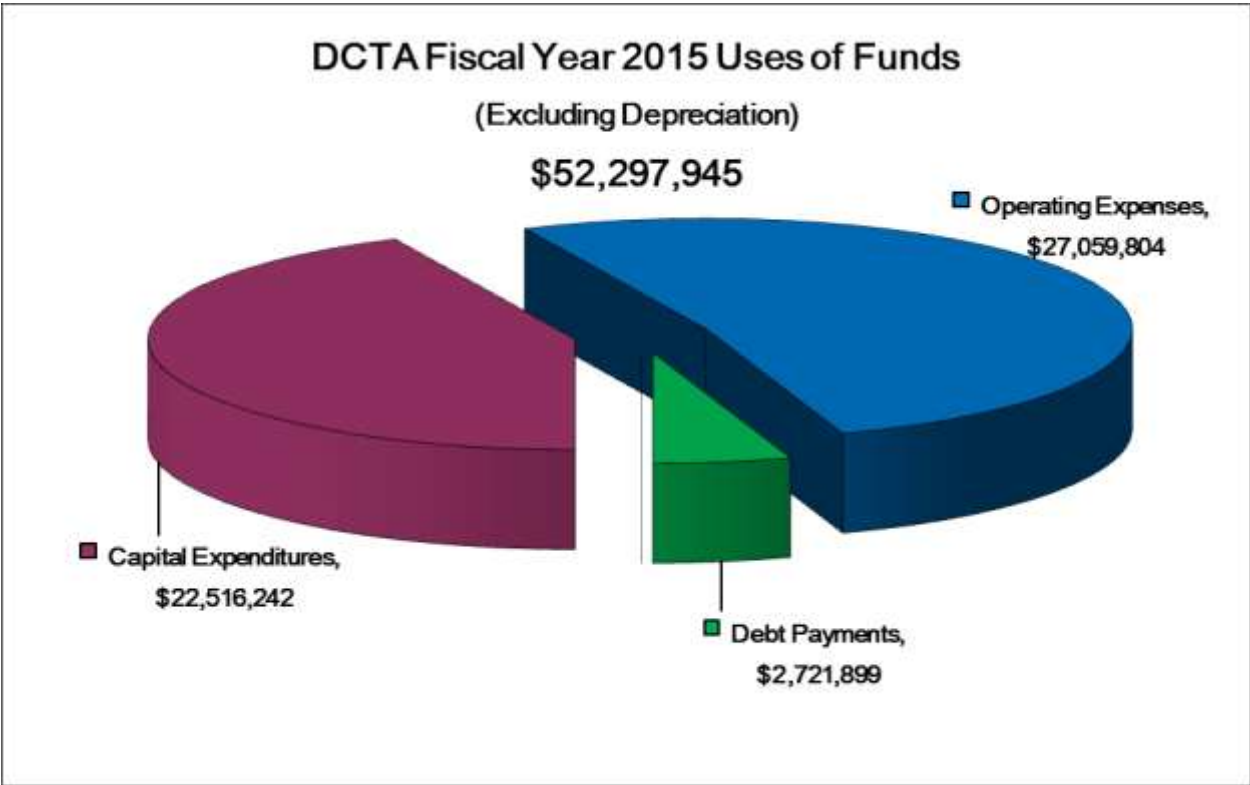
Contributions to the Capital Replacement/Infrastructure Maintenance, Sales Tax Stabilization and Fuel Stabilization Funds will be made from available funds as identified in the annual budget, or amended budget.

The Sr. V-P of Finance/CFO shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as the Board shall determine to be appropriate at that time.



Statement of Cash Flows

OPERATING REVENUES	2014	2015	2016	2017	2018	2019
<i>Beginning Fund Balance:</i>	\$ 17,114,359	\$ 14,970,761	\$ 13,310,006	\$ 10,472,059	\$ 9,798,352	\$ 10,289,288
Bus Operating Revenue	\$ 3,859,241	\$ 3,895,151	\$ 3,999,295	\$ 4,106,437	\$ 4,216,664	\$ 4,330,088
Rail Operating Revenue	815,203	879,880	888,659	897,545	906,521	915,586
NON-OPERATING REVENUES						
Sales Tax Revenue	20,725,320	21,347,080	22,200,963	23,089,001	24,012,561	24,973,084
Formula Grants (Operating)	3,680,022	4,474,679	4,988,217	4,707,981	6,567,595	7,057,758
Interest Income-Non RTRFI Funds	33,000	33,000	39,930	31,416	29,395	30,888
Misc. Revenue	7,125	6,300	6,300	6,300	6,300	6,300
Restricted RTRFI Interest Income						
Total Revenues	29,119,911	30,636,070	32,123,364	32,838,681	35,739,036	37,313,644
OPERATING EXPENSES						
Bus Operating Expense	9,042,232	10,024,178	10,410,666	10,802,475	11,214,159	11,622,939
Rail Operating Expense	12,473,641	12,746,538	13,130,402	13,511,441	13,907,221	14,295,947
G&A Operating Expense	4,516,507	4,289,087	4,228,889	4,369,810	4,516,004	4,667,686
NON-OPERATING EXPENSES						
Non-Operating (Income) / Expense						
Total Expenses	26,032,380	27,059,803	27,769,956	28,683,726	29,637,384	30,586,572
NET INCOME	3,087,531	3,576,267	4,353,407	4,154,955	6,101,652	6,727,072
CAPITAL OUTLAY						
Bus Capital Expenditure	2,935,804	1,394,871				
Fleet Replacement Expense	877,998	824,285	1,250,000	1,750,000	2,060,000	1,603,050
Professional Services / Technology Improvements	32,363	490,607	-	-	-	-
Real Estate	1,000,000	-	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	741,520	2,651,872	-	-	-	-
Rail Capital Expenditure (Community Enhancements)	409,677	200,000				
Rail Capital Expenditure (Rail Grinding)	104,000		150,000		150,000	
HV Parking Expansion	281,781					
Rail Station Improvements		325,000				
Rail MOW	150,000		55,000	55,000	75,000	65,000
Rail MOE	1,150,041	1,067,627	342,800	1,252,400	1,812,800	1,450,400
Rail Facility Maintenance			-	35,000	-	-
Signals - Systems & Communications			10,000	10,000	20,000	20,000
Single Car Operations / Shunt Enhancement	101,800	141,000				
Re-Railing Equipment	-	121,000				
Positive Train Control	170,000	15,300,000	6,421,898			
Total Capital Outlay	7,954,984	22,516,242	8,229,698	3,102,400	4,117,800	3,138,450
CAPITAL SOURCES						
New Money (Debt Issuance)		5,500,000				
RTRFI/RTC Funds	-	9,470,000	3,030,000			
Formula Grants (Capital)	4,892,463	5,031,121	1,000,000	1,400,000	1,648,000	1,282,440
Total Capital Sources	4,892,463	20,001,121	4,030,000	1,400,000	1,648,000	1,282,440
DEBT SERVICE						
2008 Issue (ST) Debt Service						
2009 Refunding (ST) Debt Service	1,718,200	1,716,492	1,718,387	1,713,687	1,717,590	1,714,697
2011 Contractual Obligations (Vehicles)	336,945	751,945	763,955	770,183	775,785	785,761
2011 Contractual Obligations (PTC)	113,463	253,483	254,081	259,542	264,691	264,526
2014 Contractual Obligations (PTC)	-	-	255,233	382,850	382,850	382,850
Total Debt Service	2,168,608	2,721,900	2,991,656	3,126,262	3,140,916	3,147,834
Gross Sales Tax Coverage:	9.56	7.84	7.42	7.39	7.65	7.93
Internal Debt Service Coverage:	1.42	1.31	1.46	1.33	1.94	2.14
Ending Fund Balance:	14,970,761	13,310,006	10,472,059	9,798,352	10,289,288	12,012,516
Less Restricted RTRFI Interest Income	-	-	-	-	-	-
Less Required Fund Balance (O&M Reserve Policy):	6,508,095	6,764,951	6,942,489	7,170,931	7,409,346	7,646,643
Less Sales Tax Stabilization Fund	621,760	640,412	666,029	692,670	720,377	749,192
Less Fuel Stabilization Fund	50,000	50,000	50,000	50,000	50,000	50,000
Less Capital/Infrastructure	1,084,959	2,000,000	1,000,000	1,000,000	1,000,000	2,000,000
Net Available Cash	6,705,947	3,854,643	1,813,541	884,750	1,109,565	1,566,681



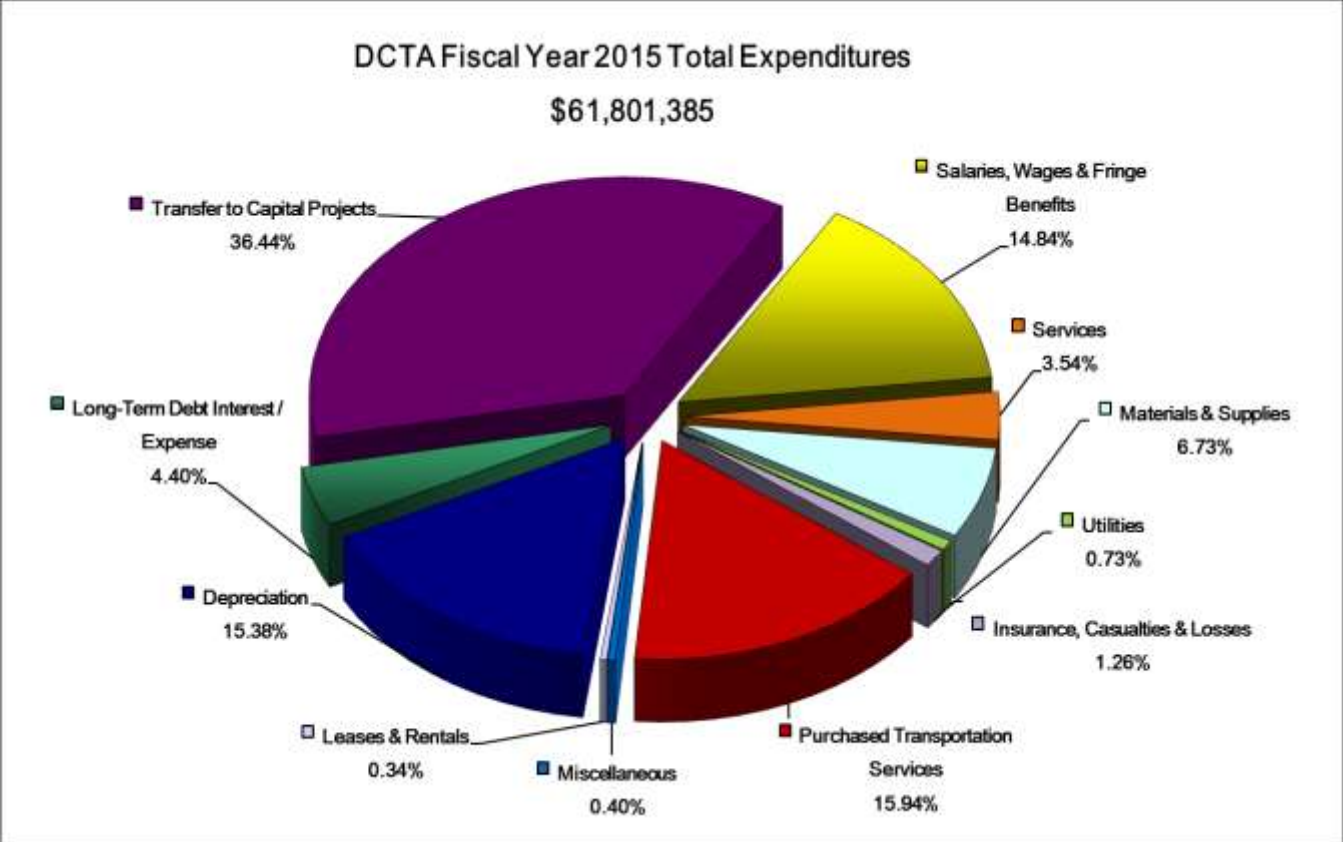
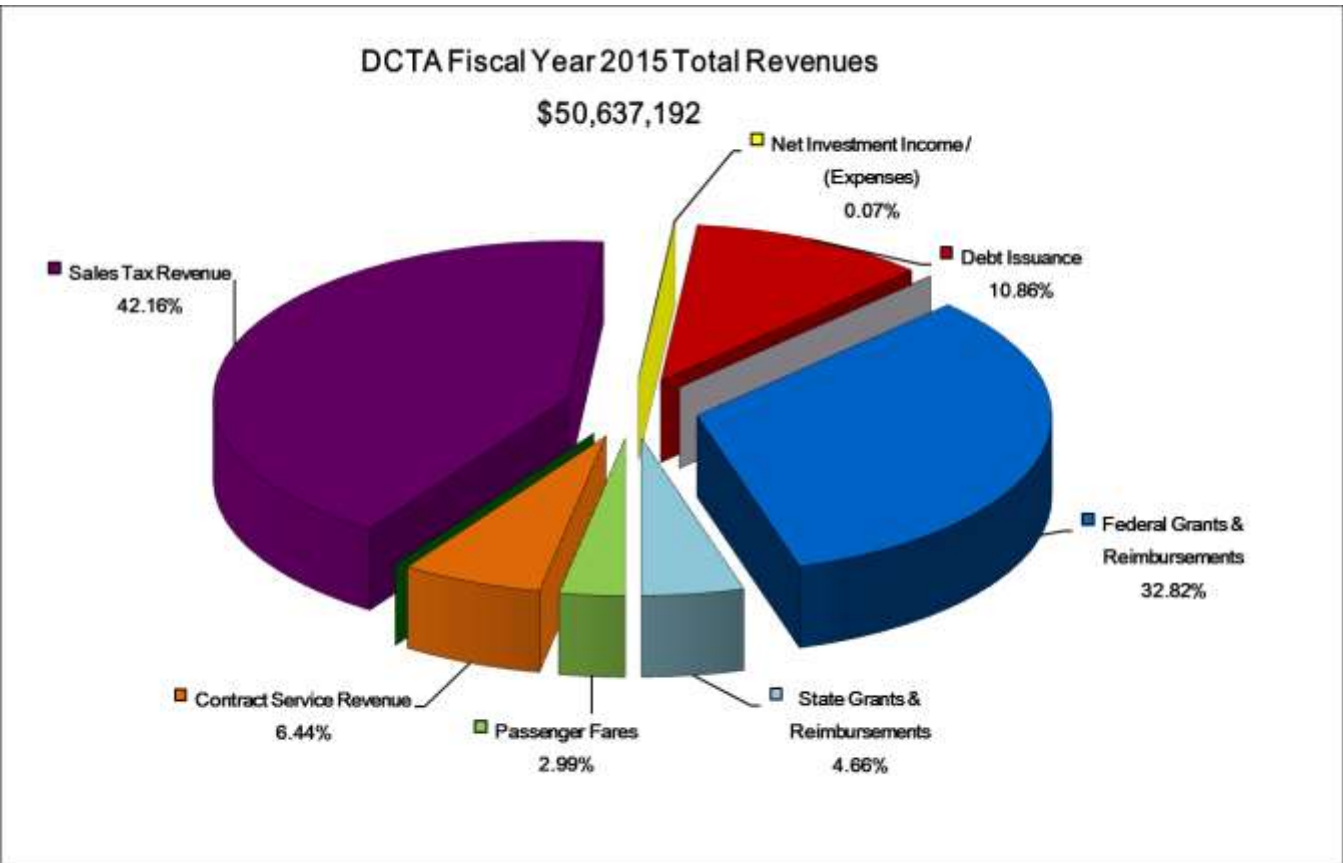
Operating Budget by Classification (including depreciation)

SUMMARY (millions)

	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised Budget	FY 2015 Budget	% CHANGE FY 15 to FY 14 Rev Budget
TOTAL REVENUES	\$ 33.6	\$ 38.0	\$ 38.0	\$ 50.6	33.2%
TOTAL EXPENSES	\$ 39.9	\$ 46.7	\$ 51.4	\$ 61.8	20.2%
ANNUAL SURPLUS (DEFICIT)	\$ (6.3)	\$ (8.6)	\$ (13.4)	\$ (11.2)	-16.6%

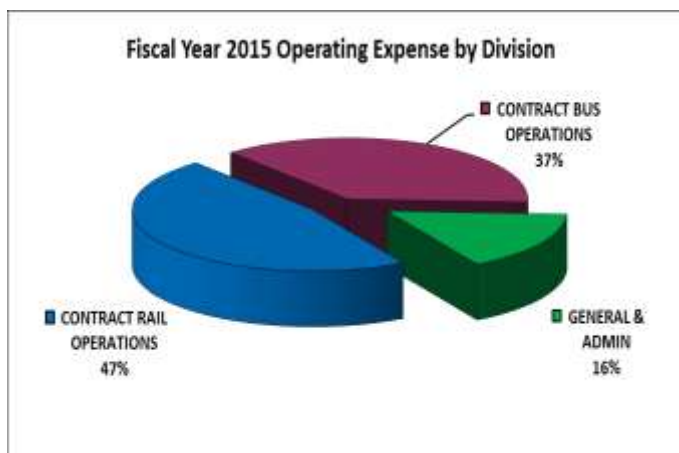
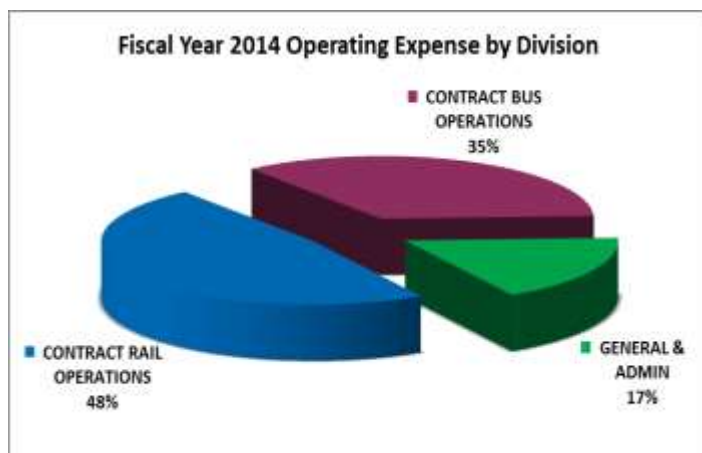
DETAIL

	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised Budget	FY 2015 Budget	\$ CHANGE FY 15 to FY 14 Rev Budget
REVENUES					
Passenger Fares	\$ 1,265,685	\$ 1,375,663	\$ 1,375,664	\$ 1,515,377	\$ 139,713
Contract Service Revenue	2,980,804	3,298,781	3,298,781	3,259,635	\$ (39,146)
Subtotal Operating Revenue	4,246,489	4,674,444	4,674,445	4,775,012	100,567
Sales Tax Revenue	20,209,051	20,725,320	20,725,320	21,347,080	621,760
Net Investment Income / (Expenses)	32,137	33,000	33,000	33,000	-
Debt Issuance	-	5,500,000	5,500,000	5,500,000	-
Non-Operating Revenues	52,222	7,125	7,125	6,300	(825)
Federal Grants & Reimbursements	8,859,377	6,486,142	6,486,142	16,617,500	10,131,358
State Grants & Reimbursements	163,710	593,216	593,216	2,358,300	1,765,084
Subtotal Non-Operating Income	29,316,498	33,344,803	33,344,803	45,862,180	12,517,377
TOTAL REVENUES	\$ 33,562,987	\$ 38,019,247	\$ 38,019,248	\$ 50,637,192	\$ 12,617,944
EXPENSES					
Salaries, Wages & Fringe Benefits	\$ 6,702,366	\$ 8,279,130	\$ 8,329,943	\$ 9,173,858	\$ 843,915
Services	1,628,117	1,865,784	2,724,636	2,189,251	(535,385)
Materials & Supplies	3,071,662	3,829,224	3,879,223	4,160,775	281,552
Utilities	415,342	447,815	472,015	452,149	(19,866)
Insurance, Casualties & Losses	625,789	798,162	798,162	778,016	(20,146)
Purchased Transportation Services	8,874,900	9,331,365	9,300,701	9,853,076	552,375
Miscellaneous	144,746	233,085	243,085	245,475	2,390
Leases & Rentals	349,592	284,615	284,615	207,204	(77,411)
Depreciation	8,613,310	8,997,293	8,668,090	9,503,440	835,350
Subtotal Operating Expenses	30,425,824	34,066,473	34,700,470	36,563,244	1,862,774
Long-Term Debt Interest / Expense	1,458,806	2,423,840	2,423,840	2,721,899	298,059
Non-Operating Expenses	-	-	-	-	-
Subtotal Non-Operating Expenses	1,458,806	2,423,840	2,423,840	2,721,899	298,059
TOTAL EXPENSES	\$ 31,884,630	\$ 36,490,313	\$ 37,124,310	\$ 39,285,143	\$ 2,160,833
<i>Transfer to Capital Projects</i>	<i>8,010,117</i>	<i>10,163,952</i>	<i>14,274,037</i>	<i>22,516,242</i>	<i>8,242,205</i>
ANNUAL SURPLUS (DEFICIT)	\$ (6,331,761)	\$ (8,635,018)	\$ (13,379,099)	\$ (11,164,193)	\$ 2,214,906



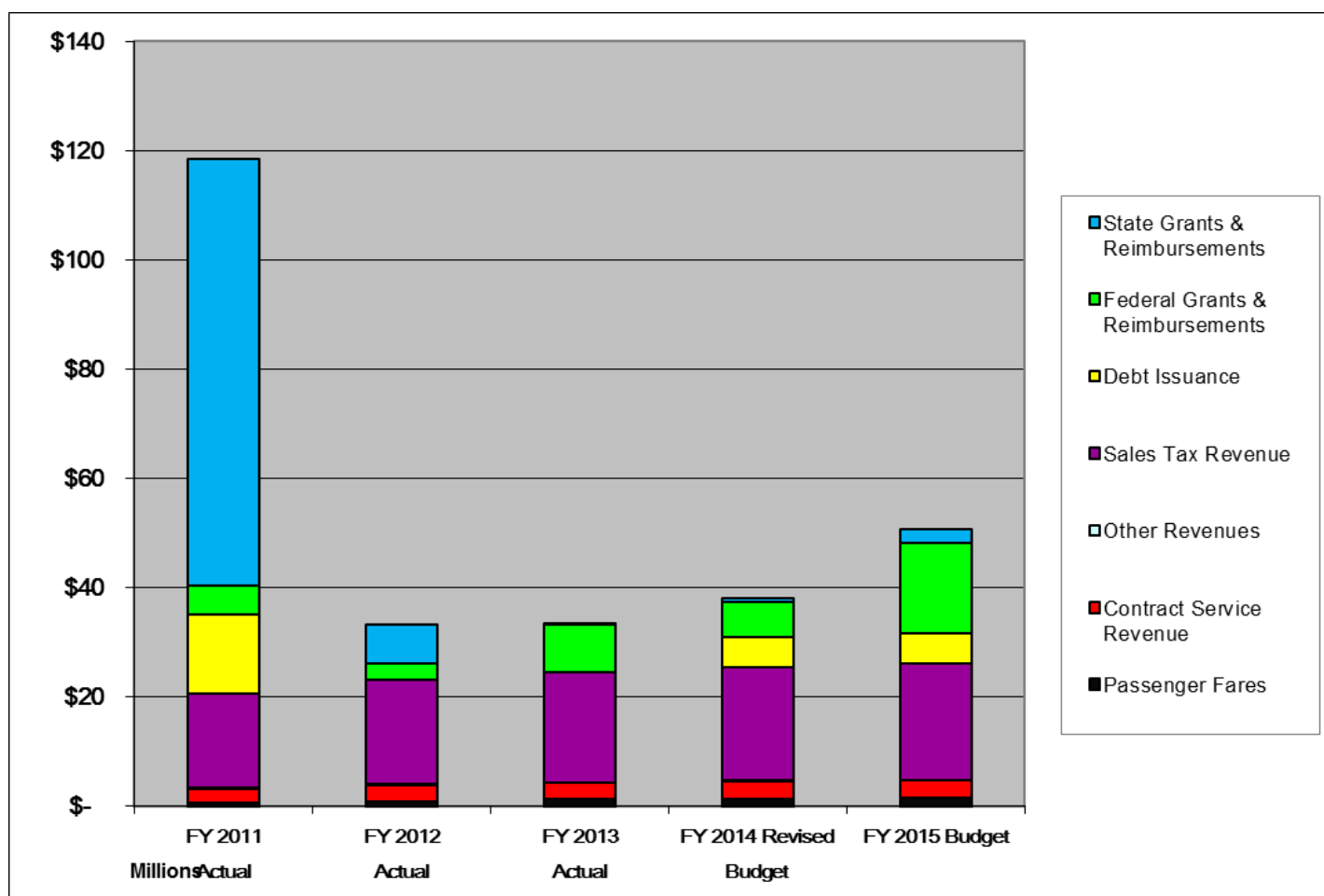
Operating Expenses by Division and Department

OPERATING EXPENSES	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised Budget	FY 2015 Budget
GENERAL AND ADMINISTRATIVE				
President	\$ 1,082,874	\$ 1,285,900	\$ 1,811,397	\$ 1,083,008
Vice President of Finance / CFO	746,450	1,008,281	1,008,281	1,067,669
Board of Directors	17,896	31,867	31,867	34,136
Communications and Marketing	555,477	805,540	805,540	796,535
Transit Operations	374,328	254,977	416,248	960,419
Planning	154,476	245,677	294,490	176,876
Human Resources	111,047	148,684	148,684	170,445
TOTAL GENERAL & ADMIN	\$ 3,042,547	\$ 3,780,925	\$ 4,516,506	\$ 4,289,088
RAIL SERVICES (THIRD PARTY CONTRACT)				
Rail Services	\$ 11,173,809	\$ 12,258,021	\$ 12,473,641	\$ 12,746,538
TOTAL RAIL SERVICES	\$ 11,173,809	\$ 12,258,021	\$ 12,473,641	\$ 12,746,538
BUS SERVICES (THIRD PARTY CONTRACT)				
Administration	\$ 577,006	\$ 667,803	\$ 679,802	\$ 859,266
Connect Service	1,921,668	2,646,827	2,646,826	2,848,250
UNT Service	1,884,232	2,152,142	2,152,142	2,185,319
Access Service	680,179	782,555	782,554	785,127
Maintenance	1,417,722	1,418,384	1,418,385	1,797,783
Supervisors & Dispatch	631,036	756,747	756,747	922,308
NCTC Service	66,413	105,427	105,427	140,717
Customer Service (DDTC)	417,902	500,349	500,350	485,408
TOTAL BUS SERVICES	\$ 7,596,158	\$ 9,030,233	\$ 9,042,232	\$ 10,024,178
<i>Total Depreciation</i>	<i>\$ 8,613,310</i>	<i>\$ 8,997,294</i>	<i>\$ 8,668,090</i>	<i>\$ 9,503,440</i>
TOTAL OPERATING EXPENSES	\$ 30,425,824	\$ 34,066,473	\$ 34,700,470	\$ 36,563,244



Revenue Sources – Five Year Trend

REVENUE SOURCE	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Revised Budget	FY 2015 Budget
Passenger Fares	\$ 666,496	\$ 1,015,814	\$ 1,265,685	\$ 1,375,664	\$ 1,515,377
Contract Service Revenue	2,560,035	2,927,341	2,980,804	3,298,781	3,259,635
Other Revenues	-	-	-	-	-
Sales Tax Revenue	17,135,359	19,009,136	20,209,051	20,725,320	21,347,080
Net Investment Income	110,472	53,927	32,137	33,000	33,000
Debt Issuance	14,390,000	-	-	5,500,000	5,500,000
Non-Operating Revenues	183,598	90,301	52,222	7,125	6,300
Federal Grants & Reimbursements	5,376,471	3,095,510	8,859,377	6,486,142	16,617,500
State Grants & Reimbursements	77,973,713	7,214,635	163,710	593,216	2,358,300
TOTAL REVENUES	\$118,396,143	\$ 33,406,664	\$ 33,562,986	\$ 38,019,248	\$ 50,637,192



REVENUE

Department specific revenue budgets, such as Passenger Revenue are the responsibility of the particular department since the staff in the respective departments is 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.

OPERATING REVENUE:

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 \$140k or 10% increase over the FY 2014 revised budget. This increase is based on current ridership trends for rail and Connect service with a projected 3-5% increase for FY15.

CONTRACT SERVICE REVENUE

Contract service revenue consists of revenue or income related to providing transit services to UNT and NCTC on a contract basis. The 2015 budget reflects a slight decrease over the 2014 revised budget mainly due to a reduction in projected fuel costs. Diesel fuel was budgeted at \$4.15/gallon in 2014 and at \$4.00/gallon in 2015.

NON-OPERATING REVENUE:

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 2015 budget year is a 3% increase over the current budget for FY14.

NET INVESTMENT INCOME

Net investment income represents DCTA earnings from investments net of interest expense. In FY 2015 due to market conditions, DCTA is anticipating a conservative return on investment.

FEDERAL GRANTS & REIMBURSEMENTS

Federal grant revenue consists of revenue or income from various grants available to DCTA and includes both operating and capital grants. In FY 2015, DCTA anticipates \$4.5 million in operating grants. Operating grants are

Budget Assumptions cont.

used to fund projects such as preventative maintenance, eligible bus transit operations, vanpool program, and travel training. DCTA anticipates \$12.1 million in capital grants, which reflects a significant increase of \$9.3 million over the FY 2014 revised budget. This increase is mainly attributable to the total \$12.5M the agency was awarded from the North Central Texas Council of Governments (NCTCOG) for the Positive Train Control capital project, of which \$9M is anticipated to be drawn down in 2015. Additional federal grants will be used to fund bus fleet replacement, passenger information projects, IT software applications as well as a crew facility at the Trinity Mills station platform projected for FY15.

STATE GRANTS & REIMBURSEMENTS

The State grant revenue anticipated in FY15 totals \$2.4M in Texas Department of Transportation (TxDOT) STEP grants which will be used toward the Lewisville Hike and Bike Trail capital project. Construction will begin in the first quarter of 2015, with an anticipated completion date of December 2015.

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 implemented an operating management service contract for bus operations on October 1, 2006. DCTA contracted with First Transit, Inc. to provide a General Manager (GM) and corporate support for human resources, benefits, and oversight for the bus operations. First Transit, Inc. created a wholly owned subsidiary, Transit Management of Denton County (TMDC) to provide the bus operations support for DCTA. DCTA provides the accounting, implements the required controls over expenditures, and processes the payments 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. This year the management contract also includes the addition of an Assistant General Manager under the First Transit umbrella.

DCTA also entered into a joint rail operations contract with DART and The "T" in 2011. 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, employer insurance, and employer contributions to the 401(a). The FY 2015 budget reflects a 10% increase in this category. Major components included in this category are the following: (1) planned merit and pay plan adjustments; (2) Addition of 2 FTE

Budget Assumptions cont.

administrative support staff; (3) Additional Denton Connect service; (4) 10% increase in health benefits for DCTA; 15% increase for TMDC and (5) TMDC bus operator's salary increases based on the negotiated union contract.

In response to the goal of achieving an organization structure that encourages and promotes a high performing workforce, it is important to ensure that DCTA is competitive in recruiting skilled staff. The FY 2010 budget incorporated a philosophical change in the approach to maintaining a competitive position and incorporated a pay plan market adjustment. Based on a review of competitive market ranges, it served as a first step to begin adjustments for those positions that fell below the mid-point of the market range. A market comparison will be conducted every two years with a goal to stay within mid-point of the market range. Funds will be budgeted as needed to help maintain that position and the FY15 budget includes \$25k for this purpose. Merit pay has also been included at 3.50%, and accounts for \$40k (DCTA staff) and staff re-organization. The agency plans to add a VP of Communications and Customer Programs as well as a Purchasing Assistant and Support Technician.

An increase to the Denton Connect Routes 2 & 6 was also approved as an Expanded Level Project for FY15. This service enhancement will increase weekday frequency and will help meet the minimum service standards that the agency has identified. The revenue hours will increase by 47%, creating an anticipated increase in wages and benefits of \$185k. A Saturday service increase for Denton Connect Routes 2, 4, 6, and 8 was also included in the FY15 budget and accounts for an additional \$37k in wages and benefits for operations.

This budget incorporates an increase of 10% and 15% in health care benefits for DCTA and TMDC respectively based on the current plan design, which accounts for a \$185k increase compared to FY 2014 revised budget. 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, the higher increases in medical benefits are due to current claims history for the agency and the impact of the Affordable Health Care Act.

Transit Management of Denton County (TMDC), which provides the bus operations for DCTA, includes an increase from \$15 to \$15.36/average per hour for bus operators. This average per hour increase is a result of the negotiated union contract. The budget also includes a cost of living increase and merit increase for the administrative staff of TMDC.

SERVICES

Service Expense consists of DCTA contracts and purchase of services from consultants and is lower than the FY 2014 revised budget by 20% due to the significant reduction in legal fees anticipated for FY15. There is also a reduction of \$216k in consulting services for rail that are not required in FY15. These decreases are offset by a slight increase with the additional of an Assistant General Manager position added as part of the new bus operations contract with First Transit.

MATERIALS AND SUPPLIES

This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2015 budget for this category is higher than 2014 revised budget by \$282 thousand (7.2%). This variance can be attributed to an increase in fuel consumption due to the addition of mid-day rail service and increased Connect bus service scheduled to begin in January 2015. The agency has also included computer and software upgrades as well as a phone system upgrade for the DDTC facility.

UTILITIES

This expense category includes gas, electric and communication expenses. The 2015 budget reflects a decrease of \$20 thousand compared to the FY 2014 revised budget and is based on current expenses incurred by the agency.

INSURANCE

This expense category budget item reflects a decrease of \$20 thousand and is based on current insurance rates of the agency.

PURCHASED TRANSPORTATION SERVICES

This expense category includes all purchased transportation services from a contracted third party. This includes a joint rail operations and maintenance contract with Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority ("The T"). This Inter-Local Agreement (ILA) is for operations provided by Herzog Transit Services, Inc. and includes management fees, maintenance, dispatch services, maintenance of way, train hours and car miles. The increase of 6% is due to the following factors: (1) the additional mid-day rail service scheduled to begin in January 2015; (2) 3% contract increase.

MISCELLANEOUS

This expense category includes travel and lodging, dues and memberships, seminars and conferences, and other minor expenditures that do not fit into the categories above. This expense category is consistent with previous year.

LEASES AND RENTALS

Leases and rental expense includes DCTA facility leases at Denton and office leases at the Lewisville location. The 2015 budget is lower than FY 2014 revised budget by \$77 thousand due to the elimination of lease expense for the Denton location when the Bus Operations and Maintenance Facility opened in January 2014 as well as a reduction in lease expense for the new Lakeway location for administrative offices in Lewisville.

DEPRECIATION

This expense category represents the expense of using our 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 principal and 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 2015 budget reflects the principal and interest payments for these outstanding debt and anticipated issuance of \$5.5 million for Positive Train Control. Please refer to the debt tables on pages 45-47 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 2015, DCTA is expecting \$6,300 for fare citation fines.

DEBT SCHEDULE

Sales Tax Revenue Refunding Bonds, Series 2009 \$20,890,000				
<u>Date:</u>	December 17, 2009			
<u>Interest:</u>	Semi-annual each March and September, commencing March 2010. Interest accrues at a fixed rate of 3.99%.			
<u>Purpose:</u>	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.			
<u>Security:</u>	The Bonds are secured by Pledged Revenues, including receipts from a 1/2 of 1% sales and use tax levied within the Authority.			
<u>Debt Service:</u>				
	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	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

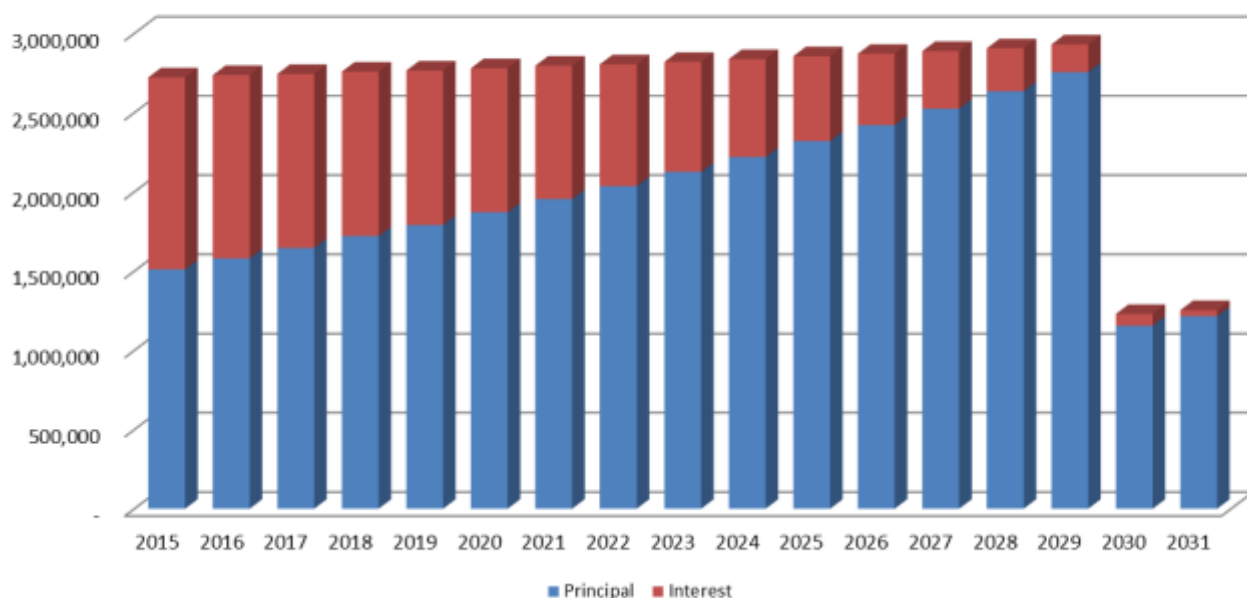
Sales Tax Contractual Obligations, Series 2011**\$14,390,000****Date:** September 15, 2011**Interest:** Semi-annual each March and September, commencing September 2011.
Interest accrues at a fixed rate of 3.13%.**Purpose:** These Contractual Obligations are to fund transportation system improvements 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 of 1% sales and use tax levied within the Authority.**Debt Service:**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	-	-	-
2012	-	450,408	450,408
2013	-	450,408	450,408
2014	-	450,408	450,408
2015	555,000	450,408	1,005,408
2016	585,000	433,036	1,018,036
2017	615,000	414,725	1,029,725
2018	645,000	395,476	1,040,476
2019	675,000	375,287	1,050,287
2020	710,000	354,160	1,064,160
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	258,382	1,123,382
2025	910,000	231,307	1,141,307
2026	955,000	202,824	1,157,824
2027	1,000,000	172,933	1,172,933
2028	1,050,000	141,633	1,191,633
2029	1,105,000	108,768	1,213,768
2030	1,155,000	74,182	1,229,182
2031	1,215,000	38,030	1,253,030
Total	\$ 14,390,000	\$ 5,926,822	\$ 20,316,822

Outstanding Debt Schedule as of 9/30/2014

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	1,510,000	1,211,900	2,721,900
2016	1,580,000	1,156,423	2,736,423
2017	1,645,000	1,098,412	2,743,412
2018	1,720,000	1,038,066	2,758,066
2019	1,790,000	974,984	2,764,984
2020	1,870,000	909,369	2,779,369
2021	1,955,000	840,862	2,795,862
2022	2,035,000	769,307	2,804,307
2023	2,125,000	694,819	2,819,819
2024	2,220,000	617,083	2,837,083
2025	2,320,000	535,944	2,855,944
2026	2,420,000	451,202	2,871,202
2027	2,525,000	362,857	2,887,857
2028	2,635,000	270,710	2,905,710
2029	2,755,000	174,603	2,929,603
2030	1,155,000	74,182	1,229,182
2031	1,215,000	38,030	1,253,030
Total	33,475,000	11,218,748	44,693,748

Outstanding Debt Service as of 9/30/2014



Full-Time Equivalent (FTE) Comparison

Division Summary	FY 2013	FY 2014	FY 2015	Variance
General & Administrative Division				
President Department				
President	1.00	1.00	1.00	-
Executive Assistant	1.00	1.00	1.00	-
Receptionist	1.00	1.00	1.00	-
Admin Asst	1.50	1.00	1.00	-
Intern (P-T)	1.00	1.00	1.00	-
Finance Department				
Sr. VP Finance / Chief Financial Officer	1.00	1.00	1.00	-
Accounting Manager	1.00	1.00	1.00	-
Senior Accountant	1.00	1.00	1.00	-
Budget Coordinator	1.00	1.00	1.00	-
AP/AR Specialist	1.00	1.00	1.00	-
Purchasing Manager	1.00	1.00	1.00	-
Purchasing Specialist	-	-	1.00	1.00
Communications & Marketing Department				
VP Communications & Customer Programs	1.00	1.00	1.00	-
Marketing & Communications Manager	1.00	-	-	-
Marketing & Communications Specialist	-	1.00	1.00	-
IT Support Manager	-	1.00	-	(1.00)
Marketing & Creative Services Coordinator	1.00	1.00	1.00	-
Transit Operations Department				
Chief Operating Officer	1.00	1.00	1.00	-
Senior Transit Planner	1.00	-	1.00	1.00
IT Support Manager			1.00	1.00
Project Manager - Capital Projects			1.00	1.00
QCQA Inspector (Grant Funded)			0.75	0.75
Strategic Planning & Development Department				
VP Strategic Planning & Development	-	-	1.00	1.00
Project Manager - Capital Projects	1.00	1.00	-	(1.00)
QCQA Inspector (Grant Funded)	0.75	0.75	-	(0.75)
Senior Transit Planner	-	1.00	-	(1.00)
Human Resources Department				
Program Manager: HR/Grants	1.00	1.00	1.00	-
Rail Operations Division				
Rail Development Department				
Project Assistant	1.00	-	-	-
Director of Transit Operations	1.00	1.00	1.00	-
Operations Manager	-	1.00	1.00	-
Admin Asst	-	1.00	1.00	-
Total DCTA FTE Staff	21.25	22.75	24.75	2.00
Third Party Contract Operations				
Contracted Rail Services (HTSI)	53.00	46.50	49.00	2.50
Contracted Bus Services (TMDC)	139.00	137.00	140.50	3.50
Total Third Party Contract Operations	192.00	183.50	189.50	6.00

"I have been riding the buses for the past several months.

Judy on Route 7 is one of the kindest most professional bus drivers. She is always taking care of her customers especially in wheel chairs but always keeps the bus on time. I don't know how she pulls it off but she is amazing."



DIVISION BUDGETS

DIVISION BUDGETS

"This is just a note to tell you how great the A-train experience was for me when I used it to travel from Carrollton, TX to the Denton County courthouse to serve as a juror.

I found the A-train to be very efficient ... I will encourage my family and friends to use it whenever they need to travel up to Denton, TX.

Thanks for the great A-train experience and will definitely ride it again."



PRESIDENT

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 President 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 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised	FY 2015 Budget
<u>PRESIDENT</u>					
Salary, Wages & Benefits	\$ 400,466	\$ 384,451	\$ 545,783	\$ 545,783	\$ 472,435
Services	436,034	436,380	425,418	911,915	356,009
Materials & Supplies	19,315	29,338	55,790	105,790	27,704
Utilities	15,268	13,570	18,000	18,000	44,513
Insurance & Casualties	-	-	-	-	-
Miscellaneous	80,338	64,077	117,751	117,751	113,706
Leases & Rentals	168,465	155,058	155,025	155,025	102,777
Depreciation	(43,042)	(614)	680	680	-
Total Operating Expense	\$ 1,076,843	\$ 1,082,260	\$ 1,318,447	\$ 1,854,944	\$ 1,117,144
Full-Time Equivalents	4.0	5.5	5.0	5.0	5.0

MATERIAL BUDGET ITEMS:

- Reduction in lease expense for Lewisville administration office
- Increase in utilities as a result of electricity no longer being included in the new lease agreement
- Pay plan adjustment of \$25 thousand included in 2015 budget
- Reduction of legal fees

General and Administrative Division Budgets

President	
FY15 Objectives & Tasks / Performance Measures	
ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
<p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none">• Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement <p>OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none">• 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 <p>OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none">• Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridors• Work closely with the NCTCOG, Fort Worth T, and local communities to implement commuter bus service on the 35W Corridor	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none">• Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement	

President													
FY14 Performance Measure Results/Status													
ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS													
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>												
<p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</p> <table> <tr> <th><u>Tasks / Performance Measure:</u></th><th><u>Results / Status:</u></th></tr> <tr> <td> <ul style="list-style-type: none"> Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement </td><td> <ul style="list-style-type: none"> Pursuing joint rail operating agreement and joint PTC agreement </td></tr> </table> <p>OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners</p> <table> <tr> <th><u>Tasks / Performance Measure:</u></th><th><u>Results / Status:</u></th></tr> <tr> <td> <ul style="list-style-type: none"> Host a county-wide lunch with local and state elected officials prior to legislative sessions to discuss long-term vision, opportunities and key legislative strategies 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 </td><td> <ul style="list-style-type: none"> Participated in Denton County Days trip to Washington DC, TRTC, I35W Coalition, DRMC, TCNT, NCTCOG, and Chamber Luncheons Continued efforts with NCTPRA, I35W Coalition, TRTC, DRMC, TCNT, and NCTCOG DCTA Staff and Board members made presentations at participating Denton County entities </td></tr> </table> <p>OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available</p> <table> <tr> <th><u>Tasks / Performance Measure:</u></th><th><u>Results / Status:</u></th></tr> <tr> <td> <ul style="list-style-type: none"> Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridors Partner with DART and The T to advance the Cotton Belt / TexRail and regional rail initiatives </td><td> <ul style="list-style-type: none"> Developed draft language for 2015 session Coordinated with Fort Worth T staff to explore possibilities for joint efforts in support of TEX Rail </td></tr> </table>		<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>	<ul style="list-style-type: none"> Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement 	<ul style="list-style-type: none"> Pursuing joint rail operating agreement and joint PTC agreement 	<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>	<ul style="list-style-type: none"> Host a county-wide lunch with local and state elected officials prior to legislative sessions to discuss long-term vision, opportunities and key legislative strategies 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 	<ul style="list-style-type: none"> Participated in Denton County Days trip to Washington DC, TRTC, I35W Coalition, DRMC, TCNT, NCTCOG, and Chamber Luncheons Continued efforts with NCTPRA, I35W Coalition, TRTC, DRMC, TCNT, and NCTCOG DCTA Staff and Board members made presentations at participating Denton County entities 	<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>	<ul style="list-style-type: none"> Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridors Partner with DART and The T to advance the Cotton Belt / TexRail and regional rail initiatives 	<ul style="list-style-type: none"> Developed draft language for 2015 session Coordinated with Fort Worth T staff to explore possibilities for joint efforts in support of TEX Rail
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>												
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<ul style="list-style-type: none"> Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement 	<ul style="list-style-type: none"> Pursuing joint rail operating agreement and joint PTC agreement 												

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 control
- 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 reporting functions, budget and long range financial planning, treasury and investing function, risk management, contracts, procurement human resources and grant reporting. The Human Resources budget is reported separately on pages 68-69.

COST CLASSIFICATION	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised	FY 2015 Budget
FINANCE					
Salary, Wages & Benefits	\$ 521,601	\$ 526,452	\$ 622,921	\$ 622,921	\$ 711,215
Services	189,112	204,520	356,804	356,804	314,230
Materials & Supplies	2,475	-	1,000	1,000	800
Utilities	-	-	-	-	-
Insurance & Casualties	4,910	9,035	11,420	11,420	11,309
Miscellaneous	7,054	6,444	16,136	16,136	30,115
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 725,153	\$ 746,450	\$ 1,008,281	\$ 1,008,281	\$ 1,067,669
Full-Time Equivalents	6.0	6.0	6.0	6.0	7.0

MATERIAL BUDGET ITEMS:

- Merit Pay of 3.5% included in 2015
- Additional FTE for a Purchasing Specialist
- Additional travel included related to legislative issues

General and Administrative Division Budgets

Finance	
FY15 Objectives & Tasks / Performance Measures	
GOAL 1:	<i>Maximize service efficiency and reliability</i>
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Insure timely vehicle procurements consistent with all operating and funding requirements • Insure timely procurement of required maintenance goods and services 	
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide accurate and timely financial data used to evaluate services monthly by the 10th working day • Quarterly Capital projects meetings to review/close/capitalize completed projects in timely manner • Insure active participation in procurement contracts for bus operating and rail operating services 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Silver Award. Present options to meet Gold Level • 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 	
<p>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Support regional reciprocal fare agreement with DART and the "T" • Participate in fare payment initiatives that promote regional cooperation • Evaluate use of shared services agreement 	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide financial review and analysis of new services requests with review of current and long-term impact 	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • More frequent meetings to discuss and coordinate special projects, events or issues • Quarterly meetings with DART and The T on regional services issues 	
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity • Support regional initiatives with other transit agencies and NCTCOG • Develop plan to identify and secure funding, in conjunction with regional transit agencies, for safety initiatives 	
<p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	

General and Administrative Division Budgets

Finance	
FY15 Objectives & Tasks / Performance Measures	
GOAL 6:	<i>Tie the provision of transit to land-use and the resulting demand levels</i>
<p>OBJECTIVE: Existing services that significantly exceed standards should be augmented</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level 	
<p>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</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Identify sustainable options for service enhancements during schedule update and annual budget process 	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Identify funding methods and sources for capital needs outlined in long-range service plan Establish method for prioritization of projects that will be supported 	
GOAL 8:	<i>Financial excellence by fiscally sound financial planning and sustainable budgets that reflects community priorities and values</i>
<p>OBJECTIVE: Establish and maintain high bond ratings</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> 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 Complete an analysis of potential impact of I-35E construction to sales tax revenue and rideship 	
<p>OBJECTIVE: Develop capital and funding plans for critical infrastructure, replacement and maintenance</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Adopt a 5-Year capital plan as part of the annual budget process Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements 	
<p>OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Complete sales tax audit Implement review of risk insurance coverage for DCTA operations Continue to develop full functionality of new financial system with focus on reporting capabilities Insure proper grant management and timely reporting Monitor and insure timely reimbursement of all allowable grant expenditures Establish and maintain reserves per adopted Financial Policies Maintain internal debt coverage ratio at 1.25x 	
<p>OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects 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 for budget document and process Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Reporting for comprehensive annual financial report Maintain compliance and accountability of P-card program Review and update process/procedures annually Implement routine, scheduled review of agency-wide cash management and cash handling processes 	

General and Administrative Division Budgets

Finance	
FY14 Performance Measure Results/Status	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Insure timely vehicle procurements consistent with all operating and funding requirements • Insure timely procurement of required maintenance goods and services <p>Results / Status:</p> <ul style="list-style-type: none"> • On-going. Issue procurements with multi-year options • On-going. Incorporate multi-year blanket purchases for routine commodities 	
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Provide accurate and timely financial data used to evaluate services monthly by the 10th working day • Quarterly Capital projects meetings to review/close/capitalize completed projects in timely manner • Insure active participation in procurement contracts for bus operating and rail operating services <p>Results / Status:</p> <ul style="list-style-type: none"> • On-going • Completed • On-going 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) <p>Results / Status:</p> <ul style="list-style-type: none"> • Complete 	
GOAL 3:	Increase the visibility and elevate the image of the Authority
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Silver Award. Present options to meet Gold Level • 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 <p>Results / Status:</p> <ul style="list-style-type: none"> • Silver Level achieved • BidSyn utilized. On-going • Complete 	
<p>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Support regional reciprocal fare agreement with DART and the "T" • Participate in fare payment initiatives that promote regional cooperation • Evaluate use of shared services agreement <p>Results / Status:</p> <ul style="list-style-type: none"> • On-going • On-going • On-going (Rail O&M; Positive Train Control (PTC)) 	
GOAL 4:	Expand DCTA's services into areas where transit has a likelihood of success
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Provide financial review and analysis of new services requests with review of current and long-term impact <p>Results / Status:</p> <ul style="list-style-type: none"> • 1 completed 	
GOAL 5:	Coordinate regional services with other regional transit providers
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • More frequent meetings to discuss special projects, events or issues • Quarterly meetings with DART and The T on regional services issues <p>Results / Status:</p> <ul style="list-style-type: none"> • Pending • Pending 	
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity • Support regional initiatives with other transit agencies and NCTCOG • Develop plan to identify and secure funding, in conjunction with regional transit agencies, for safety initiatives <p>Results / Status:</p> <ul style="list-style-type: none"> • NCTCOG funding received • Pending • On-going; bus initiatives • On-going- PTC 	
<p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures <p>Results / Status:</p> <ul style="list-style-type: none"> • On-going 	

General and Administrative Division Budgets

Finance	
FY14 Performance Measure Results/Status	
GOAL 6: Tie the provision of transit to land-use and the resulting demand levels	
OBJECTIVE: Existing services that significantly exceed standards should be augmented	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level 	<ul style="list-style-type: none"> Continuing to review
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	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> Identify sustainable options for service enhancements during schedule update and annual budget process 	<ul style="list-style-type: none"> On-going
GOAL 7: 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	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> Identify funding methods and sources for capital needs in long-range service plan Establish method for prioritization of projects that will be supported 	<ul style="list-style-type: none"> Complete for FY15 Complete utilizing ELP process as part of budget development
GOAL 8: Financial excellence by fiscally sound financial planning and sustainable budgets that reflect community priorities and values	
OBJECTIVE: Establish and maintain high bond ratings	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> 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 Complete an analysis of potential impact of I-35E construction to sales tax revenue and rideship 	<ul style="list-style-type: none"> 6 of 10 Pending
OBJECTIVE: Develop capital and funding plans for critical infrastructure, replacement and maintenance	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> Adopt a 5-Year capital plan as part of the annual budget process Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements 	<ul style="list-style-type: none"> Complete Complete
OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> Complete sales tax audit Implement review of risk insurance coverage for DCTA operations Develop full functionality of new financial system with focus on reporting capabilities Insure proper grant management and timely reporting Monitor and insure timely reimbursement of all allowable grant expenditures Establish and maintain reserves per adopted Financial Policies Maintain internal debt coverage ratio at 1.25x 	<ul style="list-style-type: none"> Pending Pending On-going. Cognos reprot writer funded for FY15 On-going On-going Complete Complete
OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects 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 Earn Government Finance Officers Assoc. recognition for Distinguished Budget Award and Certificate of Excellence in Financial Reporting Implement routine, scheduled review of agency-wide cash management and cash handling processes Maintain compliance and accountability of P-card program Review and update process/procedures annually 	<ul style="list-style-type: none"> On-going; FTA I Review scheudled for 2015 On-going Complete Complete Pending On-going Pending

MARKETING AND COMMUNICATIONS

To provide critical external and internal communications support for staff, consultants, and the DCTA Board of Directors, to develop marketing strategies for all DCTA services, and to promote and enhance the organization's brand identity through effective marketing, communications, and public relations activities. Additionally, the communications and marketing department manages all media inquiries and public involvement activities related to major service changes and initiatives.

COST CLASSIFICATION	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised	FY 2015 Budget
MARKETING & COMMUNICATIONS					
Salary, Wages & Benefits	\$ 201,172	\$ 261,461	\$ 330,560	\$ 330,560	\$ 294,113
Services	250,290	249,189	418,085	418,085	423,642
Materials & Supplies	44,869	25,711	38,525	38,525	59,400
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	15,112	19,115	18,370	18,370	19,380
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 511,443	\$ 555,477	\$ 805,540	\$ 805,540	\$ 796,535
Full-Time Equivalents	3.0	3.0	4.0	4.0	3.0

MATERIAL BUDGET ITEMS:

- Merit pay of 3.5% included
- IT Support Manager position has been moved to the Transit Operations-Admin division in the FY15 budget
- Special I-35 Construction Communication Campaign included for \$71 thousand
- Passenger Information Improvements Implementation Phase IV included. This project will improve passenger information design allowing it to be more user-friendly

General and Administrative Division Budgets

Communications & Marketing FY15 Objectives & Tasks / Performance Measures	
GOAL 1: Maximize service efficiency and reliability	
OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards	
<u>Tasks / Performance Measure:</u>	
	<ul style="list-style-type: none"> Survey passengers to obtain feedback of service delivery satisfaction
OBJECTIVE: Ensure routes are easy to understand	
<u>Tasks / Performance Measure:</u>	
	<ul style="list-style-type: none"> Continue to implement the Passenger Information Communication Architecture (revamp maps, at-stop signage and bus shelter vinyl)
GOAL 2: 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	
<u>Tasks / Performance Measure:</u>	
	<ul style="list-style-type: none"> Increase community outreach with planning staff to employment centers and high density residential service areas Hold bi-annual meetings to collect feedback regarding potential service modifications Continue to utilize GORquest, online and mobile customer tool to collect additional feedback from passengers
GOAL 3: Increase the visibility and elevate the image of the Authority	
OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority	
<u>Tasks / Performance Measure:</u>	
	<ul style="list-style-type: none"> Develop yearly calendar of activities for annual marketing initiatives including A-train, Bus Service, Dump the Pump, Summer Youth Pass, etc. Targeted marketing and communication efforts will be focused around agency announcements, service changes, key events, etc. Maximize media exposure and increase earned media value in local and industry media outlets Establish agency branding standards with development of style guide Continue to implement internal communications efforts to create staff ambassadors who can effectively promote DCTA marketing efforts to external audiences Continue improving social media marketing efforts to better engage our passengers and followers 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	
<u>Tasks / Performance Measure:</u>	
	<ul style="list-style-type: none"> Coordinate with Planning and Operations to effectively produce revised passenger information materials for schedule revision implementation in January and August Distribute revised passenger information materials twice a year at least two weeks in advance of any service changes 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 Coordinate with Operations to implement new SMS text and email travel alert system Coordinate and execute promotional launch of Where's My Ride to external audiences
OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities	
<u>Tasks / Performance Measure:</u>	
	<ul style="list-style-type: none"> Encourage public participation by conducting public meetings and community outreach in accordance with the Authority's Public Involvement Plan Actively engage and inform the public through a variety of formats including traditional and social media Provide regular communication with stakeholders during capital project development and implementation Identify and coordinate presentation opportunities (rail safety, agency facts, 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	
<u>Tasks / Performance Measure:</u>	
	<ul style="list-style-type: none"> Continue to maximize marketing partnerships and employer outreach Continue to maximize community events and individuals reached Continue execution of marketing campaign focused on the congestion mitigation during I-35E construction project
OBJECTIVE: Improve the passengers' experience through enhanced bus stops and passenger amenities	
<u>Tasks / Performance Measure:</u>	
	<ul style="list-style-type: none"> Provide updated passenger information for all newly installed bus shelters located in Lewisville and Denton Develop new passenger information materials for at-stop information holders in Lewisville and Denton

Communications & Marketing FY15 Objectives & Tasks / Performance Measures	
GOAL 4: Expand DCTA's services into areas where transit has a likelihood of success	
OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none"> • Assist with identifying and prospecting new communities where transit has a likelihood of success • Assist in cultivating and developing partnership opportunities of prospective new communities • Support DCTA Board of Directors and Executive Staff with preparation of marketing collateral and presentations • Support Planning Team with development and implementation of business district surveys 	
GOAL 5: Coordinate regional services with other regional transit providers	
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none"> • Quarterly meetings with customer service staff • Quarterly meetings with marketing & communications staff (additional meetings as needed to discuss special events, projects and issues) • Regular meetings with TxDOT communications team during 35Express project 	
OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none"> • Continue partnering with DART, the T and TRE on cross promotional opportunities including regional initiatives and special events • Continue partnering with DART and the T on the development of a regional transit advertising program • Collaborate with DART, the T and NCTOG on the development and execution of the Veterans Transportation & Community Living Initiative (VTCLI) • Collaborate with the Southwest Transit Association (SWTA) on the implementation and promotion of the Operation Veterans in Public Transportation (OVIPT) 	
OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none"> • 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 • Continue leveraging vendor marketing resources through partnership opportunities 	

General and Administrative Division Budgets

Communications & Marketing FY14 Performance Measure Results/Status	
GOAL 1: <i>Maximize service efficiency and reliability</i>	
OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service plan <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Survey passengers to obtain feedback of service delivery satisfaction 	<u>Results / Status:</u> <ul style="list-style-type: none"> Passenger Satisfaction Survey was conducted.
OBJECTIVE: Ensure routes are easy to understand <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Continue to implement the Passenger Information Communication Architecture in phases to improve the readability of passenger information 	<u>Results / Status:</u> <ul style="list-style-type: none"> Design changes have been made to the rail station windscreens and kiosks, bus shelter information panels, website and Go Guides to create more user-friendly information for passengers.
GOAL 2: <i>Maximize the effectiveness of service for DCTA's ridership markets</i>	
OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service area <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Increase community outreach with planning staff to employment centers and high density residential service areas Hold bi-annual meetings to collect feedback regarding potential service modifications Engage passengers and community members in social media conversations Continue to utilize GoRequest, online customer service tool to collect additional feedback from passengers 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to be an ongoing effort for the agency. Completed and will continue to be an ongoing effort for the agency. Engagement with passengers and community members has increased on DCTA's social media channels; 130% Facebook Fan increase, 49% Twitter follower increase 607 requests were entered into the GoRequest system by community members, as well as TMDC and DCTA staff.
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Annual marketing initiatives will include Commuter Vanpool, University Pass Program, local fixed-route and A-train Targeted marketing and communication efforts will be focused around service changes and key events Maximize media exposure and increase earned media value 	<u>Results / Status:</u> <ul style="list-style-type: none"> 14 marketing and promotional campaigns were implemented Completed and will continue to be an ongoing effort for the agency. 398 total articles, \$230,820 ad value
OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Produce and print ridership materials twice a year two weeks in advance of any service changes Hold at least one focus-group with passengers annually to discuss improvements to passenger information Continue to implement the Passenger Information Communication Architecture in phases to improve the readability of passenger information Develop mobile website (January 2014) Implement Where's My Ride predictive travel information (January 2014) Implement SMS text rider alert system as part of the Where's My Ride project (January 2014) Intergrate Where's My Ride technology into GoPass, regional mobile ticketing application (March 2014) 	<u>Results / Status:</u> <ul style="list-style-type: none"> Passenger information was developed and distributed with a significant production cost-savings Citizen Advisory Team meetings were held quarterly. New elements have been implemented and will continue to be an ongoing effort for the agency. Responsive design website was launched. Where's My Ride marketing campaign is developed and ready for implementation. Will continue to be an ongoing effort for the agency. Will continue to be an ongoing effort for the agency.
OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Encourage public participation by conducting public meetings and community outreach in accordance with the Authority's Public Involvement Plan Actively engage and inform the public through a variety of formats including traditional and social media Provide regular communication with stakeholders during capital project development and implementation Provide presentation opportunities to civic groups and neighborhood associations 	<u>Results / Status:</u> <ul style="list-style-type: none"> Five public meetings were held in DCTA member cities, UNT and TWU. All meetings, events and initiatives were promoted through DCTA's various communication channels. Capital project updates were provided monthly at DCTA board meetings and provided to related stakeholders on a regular basis. Presentations were made to Rotary and Kiwanis groups as well as the Southeast Denton Neighborhood Association.
OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Number of marketing partnerships and employer outreach Number of relevant community events and individuals reached Implement a transit advertising program that encourages local participation and generates additional non-operating revenue Develop and execute a marketing campaign focused on congestion mitigation during the I-35E construction project 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to be an ongoing effort for the agency. 107 community events reaching 316,258 individuals Will continue to be an ongoing effort for the agency. Executed campaign included earned media, outdoor billboards, radio, print, digital and social media. Will continue to be an ongoing effort for the duration of the construction.

General and Administrative Division Budgets

Communications & Marketing FY14 Performance Measure Results/Status	
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Consider joint operations/shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Continue partnering with DART, the T and TRE on cross promotional opportunities including regional initiatives and special events Collaborate with DART on the development and execution of the Veterans Transportation & Community Living Initiative (VTCLI). Collaborate with the South West Transit Association on the implementation and promotion of the Operation Veterans in Public Transportation (OVIPT). 	<u>Results / Status:</u> <ul style="list-style-type: none"> Executed joint-regional marketing campaigns for APTA's Annual Dump the Pump, State Fair of Texas and GoPass. DCTA staff serve on the VTCLI planning committee and will continue supporting this initiative. Will continue to be an ongoing effort for the agency.
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Quarterly meetings with customer service staff Quarterly meetings with marketing & communications staff More frequent meetings to discuss special projects, events or issues Regular meetings with TxDOT communications team during 35Express project 	<u>Results / Status:</u> <ul style="list-style-type: none"> Completed and will continue this effort. Completed and will continue this effort. Completed and will continue this effort. DCTA staff participate in the External Communications Task Force and will continue through the remainder of construction.
OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Participate in regional events Target Denton County employers that have employees driving from outside of Denton County Evaluate vanpool opportunities for Wise County residents who work in Denton County Promote ridesharing opportunities through use of DCTA's station parking lots 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will be an ongoing effort for the agency. DCTA has successfully organized and retained 24 commuter vanpools and will continue this effort. Will be an ongoing effort for the agency. Will be an ongoing effort for the agency.

PLANNING AND STRATEGIC 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 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised	FY 2015 Budget
PLANNING					
Salary, Wages & Benefits	\$ 47,094	\$ 115,929	\$ 205,657	\$ 244,470	\$ 130,216
Services	21,783	35,524	28,000	28,000	28,000
Materials & Supplies	-	-	300	300	300
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	1,683	3,023	11,720	21,720	18,360
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 70,560	\$ 154,476	\$ 245,677	\$ 294,490	\$ 176,876
Full-Time Equivalents	1.0	1.75	2.75	3.75	1.00

MATERIAL BUDGET ITEMS:

- The decrease in FTEs from 3.75 to 1 in FY15 reflects the organizational change between the Planning and Transit Operations-Admin Divisions. The following staff positions are now located in the Transit Operations Division:
 - Senior Transit Planner
 - QCQA Inspector
 - Project Manager – Capital Projects
- New position approved in FY14 Revised Budget
 - VP Strategic Planning & Development

General and Administrative Division Budgets

Planning & Service Development FY15 Objectives & Tasks / Performance Measures	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Operate consistent headways whenever possible Build services around a network of intercity and local feeder services, as well as local routes/service in urban areas Assign vehicles by service type <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Improve overall service delivery with each planned schedule update • Continue to improve connectivity between Connect bus and A-train 	
GOAL 2:	Maximize the effectiveness of service for DCTA's ridership markets
<p>OBJECTIVE: Minimize service overlap/duplications <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Effectively implement planned services while maximizing connectivity opportunities and eliminating service redundancy <p>OBJECTIVE: (1) Bi-directional service should be provided by most route segments, so that transit provides an equivalent alternative to for travel in both directions</p> <p>(2) Transfers should be convenient and fast between routes (3) Operate routes directionally, minimizing the amount of off-directional travel (4) Implement strategies to speed transit service, particularly along congested corridors Fy15 <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Successfully implement with schedule revisions in August and January <p>OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Identify new employment centers and high density residential service areas • Assist Marketing & Communications with bi-annual meetings to collect feedback regarding potential service modifications • Continue to utilize data from GOREquest, online and mobile customer tool to collect additional feedback from passengers 	
GOAL 3:	Increase the visibility and elevate the image of the Authority
<p>OBJECTIVE: Improve the passengers' experience through enhanced bus stops and passenger amenities <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Utilize internal Where's My Ride data to continue recommending key bus shelter locations in Lewisville and Denton for installation as funding allows • Utilize internal Where's My Ride data to recommend key bus stop locations for at-stop information holders in Lewisville and Denton 	
GOAL 4:	Expand DCTA's services into areas where transit has a likelihood of success
<p>OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Host a county-wide lunch with local and state elected officials prior to legislative sessions to discuss long-term vision, opportunities and key legislative strategies • 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 • Assist with identifying and prospecting new communities where transit has a likelihood of success • Assist with development and implementation of business district surveys for prospective communities <p>OBJECTIVE: Negotiate potential pilot programs and partnership to introduce transit services into communities where service is not currently <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridors • Partner with DART and The T to advance the Cotton Belt / TexRail • Promote the commuter vanpool program in areas that are currently not served by DCTA <p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Review proposed schedules for timely connections with other service • Coordinate with Operations to ensure proper resources for new services are financially feasible • Assist in identifying proper sustainable funding sources to adequately fund new services • Set performance goals for new services and monitor the service to ensure it is meeting performance standards 	

General and Administrative Division Budgets

Planning & Service Development FY15 Objectives & Tasks / Performance Measures	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Quarterly meetings with planning staff (additional meetings as needed to discuss special events, projects and issues) 	
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Pursue joint funding for Positive Train Control (PTC) Pursue joint funding for passenger information and planning tools that encourage seamless connectivity Support regional initiatives with other transit agencies and NCTCOG 	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Participate in city and regional planning initiatives Provide examples of best practices to DCTA's member cities that encourage pedestrian and transit accessibility Offer speaking and presentation opportunities on sustainable development and transit supportive design 	
<p>OBJECTIVE: Work with Denton County and its jurisdictions to enact zoning regulations that facilitate dense transit-oriented development to be focused near A-train and future rail or express bus stations <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Provide technical assistance to local and regional officials 	
<p>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 <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Monitor new development activity in member cities and provide feedback 	
<p>OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Provide technical assistance to development of professionals to encourage transit supportive development 	
<p>OBJECTIVE: Encourage the establishment of local policies requiring new transit-dependent land uses, such as social service offices and community colleges, should be located on transit routes <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Serve as a technical resource for Denton County and local jurisdictions in the development of policies associated with transit-dependent land uses 	
<p>OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Monitor projects along the corridor. Support public and private development by serving as a technical resource on the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans 	
GOAL 8:	<i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>
<p>OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies 	

General and Administrative Division Budgets

Planning & Service Development FY14 Performance Measure Results/Status	
GOAL 1: <i>Maximize service efficiency and reliability</i>	
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Effectively manage the construction of the Bus Operations & Maintenance Facility to ensure that the facility once constructed meets the Authority's operational and maintenance needs. Target completion date is January 2014. 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> The Bus Operations & Maintenance was completed and opened in January 2014.
<p>OBJECTIVE: Operate consistent headways whenever possible Build services around a network of Intercity and local feeder services, as well as local routes/service in urban areas Assign vehicles by service type</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Improve overall service delivery with each planned schedule update Improve average headways in Lewisville and Denton 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Will continue to be an ongoing effort of the agency. Will continue to be an ongoing effort of the agency.
GOAL 2: <i>Maximize the effectiveness of service for DCTA's ridership markets</i>	
<p>OBJECTIVE: Minimize service overlap/duplications</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Evaluate UNT/Connect campus routes and identify areas to leverage the two services Evaluate Access and Connect RSVP and determine opportunities to leverage the two services to cover Non-ADA service in Lewisville and Highland Village 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Will continue to be an ongoing effort of the agency. Complete and will continue to be an ongoing effort of the agency.
<p>OBJECTIVE: (1) Bi-directional service should be provided by most route segments, so that transit provides an equivalent alternative to for travel in both directions (2) Transfers should be convenient and fast between routes (3) Operate routes directionally, minimizing the amount of off-directional travel (4) Implement strategies to speed transit service, particularly along congested corridors (5) Ensure adequate vehicle capacity to maintain passenger loads within the adopted maximum load standards established for fixed-route services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Successfully implement with schedule revisions in August and January Improve the Denton and Lewisville Connect system through thorough evaluation of existing route structure to identify areas to improve existing services, provide greater efficiencies and opportunities for expansions to better serve major employment and residential areas. 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Complete and will continue to be an ongoing effort of the agency. Complete and will continue to be an ongoing effort of the agency.
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
<p>OBJECTIVE: Improve the passengers' experience through enhanced bus stops and passenger amenities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Install 3 bus shelters in Denton Construct additional recreational parking near Highland Village/Lewisville Lake Complete design of Phase Two and Phase Three of the Rail Trail. Install schedule holders along the bus routes in Lewisville and Denton and rail stations Complete Community Enhancement Project 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Complete. Complete through a partnership with the City of Lewisville. Complete. Will continue to be an ongoing effort of the agency. Majority complete. Historical marker installation and tree planting to occur November 2014.
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
<p>OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> 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 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Regular meetings with regional partners and briefings with local communities. Monthly meetings with the board and briefings with local communities.
<p>OBJECTIVE: Negotiate potential pilot programs and partnership to introduce transit services into communities where service is not currently available</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Partner with DART, The T and SPAN on appropriate opportunities Promote the vanpool program in areas that are currently not served by DCTA 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Will continue to be an ongoing effort of the agency. Currently at max capacity.
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p>	

General and Administrative Division Budgets

Planning & Service Development FY14 Performance Measure Results/Status	
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Quarterly meetings with customer service staff More frequent meetings to discuss special projects, events or issues 	<u>Results / Status:</u> <ul style="list-style-type: none"> Completed and will continue to be an ongoing effort of the agency. Completed and will continue to be an ongoing effort of the agency.
OBJECTIVE: Co-author grant applications with regional agencies and planning entities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Pursue joint funding for positive train control Support regional initiatives with other transit agencies and NCTCOG 	<u>Results / Status:</u> <ul style="list-style-type: none"> \$12,500,000 has been awarded by RTC Will continue to be an ongoing effort of the agency.
GOAL 7: <i>Advocate sustainable development practices that support transit</i>	
OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Participate in city and regional planning initiatives Provide examples of best practices to DCTA's member cities that encourage pedestrian and transit accessibility Offer speaking and presentation opportunities on sustainable development and transit supportive design 	<u>Results / Status:</u> <ul style="list-style-type: none"> Participated in Denton and Lewisville Master Planning process. Met with city staff to ensure TOD initiatives align. Completed and will continue to be an ongoing effort of the agency. 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 and future rail or express bus stations <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Provide technical assistance to local and regional officials 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to be an ongoing effort of 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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Monitor new development activity in member cities and provide feedback 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to be an ongoing effort of the agency.
OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Provide technical assistance to development of professionals to encourage transit supportive development 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to be an ongoing effort of the agency.
OBJECTIVE: Encourage the establishment of local policies requiring new transit-dependent land uses, such as social service offices and community colleges, should be located on transit routes <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Serve as a technical resource for Denton County and local jurisdictions in the development of policies associated with transit-dependent land uses 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to be an ongoing effort of the agency.
OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Monitor projects along the corridor. Support public and private development by serving as a technical resource on the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to be an ongoing effort of the agency.
GOAL 8: <i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>	
OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects Timely reporting of transit data and project milestones to staff and appropriate state and federal agencies 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to be an ongoing effort of the agency. Will continue to be an ongoing effort of the agency.

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. The HR department also ensures all programs comply with applicable local, state, and federal legal requirement and is responsible for grant reporting to appropriate granting agencies.

COST CLASSIFICATION	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised	FY 2015 Budget
HUMAN RESOURCES					
Salary, Wages & Benefits	\$ 83,301	\$ 82,377	\$ 86,954	\$ 86,954	\$ 89,809
Services	38,019	26,368	29,100	29,100	63,700
Materials & Supplies	37,338	31	-	-	-
Utilities	-	-	-	-	-
Insurance & Casualties	1,085	-	-	-	-
Miscellaneous	1,293	2,271	32,630	32,630	16,936
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 161,037	\$ 111,047	\$ 148,684	\$ 148,684	\$ 170,445
Full-Time Equivalents	1.0	1.0	1.0	1.0	1.0

MATERIAL BUDGET ITEMS:

- Merit Pay included at 3.5%
- In 2015, DCTA will elevate its bi-annual compensation market survey efforts by launching a comprehensive Total Reward Survey that will provide an independent assessment of DCTA's Employee Benefit Programs, Compensation Plan, Environment & Culture, and Employee Development

Human Resources	
FY15 Objectives & Tasks / Performance Measures	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment • Identify opportunities for collaboration with local universities on internships and relevant research • Maintain a competitive compensation and benefits package for employees • Identify opportunities to incorporate Goals for Success developed during agency-wide unity process • Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity 	

Human Resources													
FY14 Performance Measure Results/Status													
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>												
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <table> <tr> <th><u>Tasks / Performance Measure:</u></th><th><u>Results / Status:</u></th></tr> <tr> <td>• Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment</td><td>• Complete</td></tr> <tr> <td>• Identify opportunities for collaboration with local universities on internships and relevant research</td><td>• Complete</td></tr> <tr> <td>• Maintain a competitive compensation and benefits package for employees</td><td>• On-going</td></tr> <tr> <td>• Identify opportunities to incorporate Goals for Success developed during agency-wide unity process</td><td>• Pending</td></tr> <tr> <td>• Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity</td><td>• On-going</td></tr> </table>		<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>	• Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment	• Complete	• Identify opportunities for collaboration with local universities on internships and relevant research	• Complete	• Maintain a competitive compensation and benefits package for employees	• On-going	• Identify opportunities to incorporate Goals for Success developed during agency-wide unity process	• Pending	• Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity	• On-going
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>												
• Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment	• Complete												
• Identify opportunities for collaboration with local universities on internships and relevant research	• Complete												
• Maintain a competitive compensation and benefits package for employees	• On-going												
• Identify opportunities to incorporate Goals for Success developed during agency-wide unity process	• Pending												
• Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity	• On-going												

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.

COST CLASSIFICATION	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised	FY 2015 Budget
TRANSIT OPERATIONS - ADMIN					
Salary, Wages & Benefits	\$ 503,768	\$ 204,468	\$ 167,837	\$ 167,837	\$ 499,301
Services	\$ 47,208	\$ 145,775	61,000	222,271	311,448
Materials & Supplies	\$ 12,687	\$ 91	11,700	11,700	128,660
Utilities	\$ -	\$ -	-	-	15,840
Insurance & Casualties	\$ 709	\$ -	-	-	-
Miscellaneous	\$ 19,130	\$ 23,994	14,440	14,440	5,170
Leases & Rentals	\$ -	\$ -	-	-	-
Depreciation	\$ -	\$ -	-	-	-
Total Operating Expense	\$ 583,502	\$ 374,328	\$ 254,977	\$ 416,248	\$ 960,419

Full-Time Equivalents	5.0	2.0	1.0	1.0	4.75
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MATERIAL BUDGET ITEMS:

- FTE has been increased due to the following positions relocating from various other divisions:
 - IT Support Manager – previously under the Communications & Marketing Division
 - Senior Transit Planner – previously under the Planning Division
 - Project Manager – Capital Projects – previously under the Planning Division
 - Construction Inspector – previously under the Planning Division
- Includes the following IT related expenses:
 - Bandwidth Upgrade
 - Shortel System
 - Enterprise Content Management
 - Annual computer & software upgrades as outlined by the replacement schedule
- Where's My Ride data related expenses of \$64k
- Vanpool expenses

General and Administrative Division Budgets

Transit Operations	
FY15 Objectives & Tasks / Performance Measures	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • No more than 2 accidents per 100,000 miles for DCTA Bus Operations • Maintain zero FRA reportable worker injuries • Maintain rail vehicle up-time at 90% • 100% of preventative maintenance performed on-time • Ensure timely vehicle procurements consistent with all operating and funding requirements 	
<p>OBJECTIVE: Operate on-schedule within adopted on-time performance standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • 95% on-time performance for bus services • 99% on-time performance for rail services 	
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Increase Access passengers per hour to 2.25 • Increase system ridership by 10% • Decrease cost per passenger system wide 	
<p>OBJECTIVE: Minimize non-revenue hours operated on all services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Revenue Service Hours to Total Hours Ratio (+85%) 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Conduct auctions and ensure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	
<p>OBJECTIVE: (1) Operate consistent headways whenever possible (2) Build services around a network of intercity and local feeder services, as well as local routes/service in urban areas (3) Assign vehicles by service type</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Achieve average headway of 35 minutes in Lewisville and 40 minutes in Denton • Improve overall service delivery with each planned schedule update 	
GOAL 2:	Maximize the effectiveness of service for DCTA's ridership markets
<p>OBJECTIVE: Minimize service overlap/duplications</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Evaluate UNT/Connect campus routes and identify areas to leverage the two services • Evaluate Access and Connect RSVP and determine opportunities to leverage the two services to cover Non-ADA service in Lewisville and Highland Village 	
<p>OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Improve the Denton and Lewisville Connect system through thorough evaluation of existing route structure to identify areas to improve existing services, provide greater efficiencies and opportunities for expansions to better serve major employment and residential areas. 	
<p>OBJECTIVE: Ensure routes are easy to understand</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide 100 separate travel training sessions • Effectively train 30 individuals to take trips on Connect and the A-train 	
<p>OBJECTIVE: (1) Bi-directional service should be provided by most route segments, so that transit provides an equivalent alternative to for travel in both directions (2) Transfers should be convenient and fast between routes (3) Operate routes directionally, minimizing the amount of off-directional travel (4) Implement strategies to speed transit service, particularly along congested corridors (5) Ensure adequate vehicle capacity to maintain passenger loads within the adopted maximum load standards established for fixed-route services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Successfully implement with schedule revisions in August and January 	

General and Administrative Division Budgets

Transit Operations	
FY15 Objectives & Tasks / Performance Measures	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide proactive and effective customer service that allows for increased use of DCTA's services and the regional transit network • Number of GovRequest interactions and average response time. Goal of closure within seven days • Monitor call center capacity and customer response through measurement of talk time, hold time and dropped call • Coordinate with regional customer service staff to ensure seamless connectivity • Evaluate call center infrastructure and staffing to ensure both are adequate 	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p>	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Quarterly meetings with customer service staff • Quarterly meetings with planning staff • Quarterly meetings with marketing & communications staff • More frequent meetings to discuss special projects, events or issues <p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity <p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Actively participate in the planning and implementation of the CottonBelt • Participate in regional commuter rail operations and maintenance procurement. • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	
GOAL 6:	<i>Tie the provision of transit to land-use and the resulting demand levels</i>
<p>OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action</p> <p>OBJECTIVE: Existing services that significantly exceed standards should be augmented</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level <p>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</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Bring forward affordable options for service enhancements during schedule update 	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Continue the development of positive relationships with member city staffs in order to promote transit supportive development 	
GOAL 8:	<i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>
<p>OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Develop scope and procure a new Bus Operations and Maintenance contract 	

General and Administrative Division Budgets

Transit Operations FY14 Performance Measure Results/Status	
GOAL 1: <i>Maximize service efficiency and reliability</i>	
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pull-out requirements for DCTA</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Effectively manage completion of and transition into the Bus Operations & Maintenance Facility. Target completion date is January 2014. No more than 2 accidents per 100,000 miles for DCTA Bus Operations Maintain zero FRA reportable worker injuries Maintain rail vehicle up-time at 90% 100% of preventative maintenance performed on-time Ensure timely vehicle procurements consistent with all operating and funding requirements 	<p>Results / Status:</p> <ul style="list-style-type: none"> 100%. Bus Ops moved in January 2014. Achieved 1.4 per 100,000 miles Zero FRA reportable injuries 876 days injury-free. 94% vehicle up-time achieved. Completed on time. Completed on time.
<p>OBJECTIVE: Operate on-schedule within adopted on-time performance standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> 95% on-time performance for bus services 99% on-time performance for rail services 	<p>Results / Status:</p> <ul style="list-style-type: none"> 97.4% achieved 99.89% achieved
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Increase Access passengers per hour to 2.25 Increase system ridership by 3% Decrease cost per passenger system wide by 3% 	<p>Results / Status:</p> <ul style="list-style-type: none"> Ongoing effort 1.8 achieved 7.5% decrease primarily due to planned reduction in UNT service which resulted in a corresponding decrease in ridership. Ongoing effort Ongoing effort
<p>OBJECTIVE: Minimize non-revenue hours operated on all services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Revenue Service Hours to Total Hours Ratio (+85%) 	<p>Results / Status:</p> <ul style="list-style-type: none"> 88% Achieved.
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	<p>Results / Status:</p> <ul style="list-style-type: none"> Spare ratio 8%. Achieved
<p>OBJECTIVE: (1) Operate consistent headways whenever possible (2) Build services around a network of intercity and local feeder services, as well as local routes/service in urban areas (3) Assign vehicles by service type</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Achieve average headway of 35 minutes in Lewisville and 40 minutes in Denton Improve overall service delivery with each planned schedule update 	<p>Results / Status:</p> <ul style="list-style-type: none"> Lewisville 37.3 minutes & Denton 44.25 minutes. Ongoing effort Schedule changes in January and August based on improvements needed. Achieved.
GOAL 2: <i>Maximize the effectiveness of service for DCTA's ridership markets</i>	
<p>OBJECTIVE: Minimize service overlap/duplications</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Evaluate UNT/Connect campus routes and identify areas to leverage the two services Evaluate Access and Connect RSVP and determine opportunities to leverage the two services to cover Non-ADA service in Lewisville and Highland Village 	<p>Results / Status:</p> <ul style="list-style-type: none"> UNT Colorado Express rerouted to connect with MedPark ongoing effort as part of FY 15 bus system study. This initiative will be addressed as part of the comprehensive bus system study in FY15
<p>OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Improve the Denton and Lewisville Connect system through thorough evaluation of existing route structure to identify areas to improve existing services, provide greater efficiencies and opportunities for expansions to better serve major employment and residential areas. 	<p>Results / Status:</p> <ul style="list-style-type: none"> Achievement of this goal was hampered by heavy construction in Denton in FY14 which affected route performance. Staff will continue to review opportunities to improve services in FY15.
<p>OBJECTIVE: Ensure routes are easy to understand</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Provide 100 separate travel training sessions Effectively train 30 individuals to take trips on Connect and the A-train 	<p>Results / Status:</p> <ul style="list-style-type: none"> 41 training sessions were achieved in FY14 87 individuals were trained/ achieved
<p>OBJECTIVE: (1) Bi-directional service should be provided by most route segments, so that transit provides an equivalent alternative to for travel in both directions (2) Transfers should be convenient and fast between routes (3) Operate routes directionally, minimizing the amount of off-directional travel (4) Implement strategies to speed transit service, particularly along congested corridors (5) Ensure adequate vehicle capacity to maintain passenger loads within the adopted maximum load standards established for fixed-route services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Successfully implement with schedule revisions in August and January 	<p>Results / Status:</p> <ul style="list-style-type: none"> Implemented August and January schedule revisions; Ongoing.

General and Administrative Division Budgets

Transit Operations FY14 Performance Measure Results/Status	
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Provide proactive and effective customer service that allows for increased use of DCTA's services and the regional transit network • Number of GovRequest interactions and average response time. Goal of closure within seven days • Monitor call center capacity and customer response through measurement of talk time, hold time and dropped call • Coordinate with regional customer service staff to ensure seamless connectivity • Evaluate call center infrastructure and staffing to ensure both are adequate 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Ongoing • Average Go Request closure of 2 days. Achieved. • Ongoing • Achieved • Staffing levels are being evaluated to determine additional needs. Ongoing 	
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Review all service expansions and proposals in advance of implementation to ensure adherence to System Performance and Design Standards 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • FY14 planned service changes were implemented as scheduled. A more in-depth analysis will be performed in FY15 as part of the comprehensive bus system study to determine areas for improving system performance. 	
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Quarterly meetings with customer service staff • Quarterly meetings with planning staff • More frequent meetings to discuss special projects, events or issues 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Achieved • Achieved • Achieved 	
OBJECTIVE: Co-author grant applications with regional agencies and planning entities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Pursue joint funding for positive train control 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Partial PTC funding has been obtained through NCTCOG. We continue to explore additional funding sources. Ongoing 	
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Actively participate in the planning and implementation of the Cotton Belt • Participate in regional commuter rail operations and maintenance procurement. • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • DCTA explored opportunities with the Fort Worth Transportation Authority with no definitive results at this time. DCTA will explore options as part of the FY15 bus study. • O&M evaluations are on schedule with planned completion of the procurement scheduled for Q1 FY 2015. • DCTA continues to working with DART, FWTa and others to reduce ongoing expenditure 	
GOAL 6: <i>Tie the provision of transit to land-use and the resulting demand levels</i>	
OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action	
OBJECTIVE: Existing services that significantly exceed standards should be augmented <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Ongoing. 	
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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Bring forward affordable options for service enhancements during schedule update 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • New schedule changes made for January and August were achieved as planned. 	

General and Administrative Division Budgets

Transit Operations	
FY14 Performance Measure Results/Status	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">• Continue the development of positive relationships with member city staffs in order to promote transit supportive development	<ul style="list-style-type: none">• Discussions were held with Frisco, Flower Mound, Coppell, The T and Span regarding service opportunities.
GOAL 8:	<i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>
OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">• Develop scope and procure a new Bus Operations and Maintenance contract	<ul style="list-style-type: none">• Completed procurement in April. Contract awarded

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, TOD and planning, rail operations, rail maintenance, and safety/security. DCTA also entered into a joint rail operations contract with DART and The T in 2011. This contract supports the train operations (service hours, fuel, maintenance, etc.) and is accounted for under the Purchased Transportation Services category.

COST CLASSIFICATION	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised	FY 2015 Budget
RAIL SERVICES					
Salary, Wages & Benefits	\$ 39	\$ 189,468	\$ 276,534	\$ 276,534	\$ 275,024
Services	127,974	145,796	139,252	361,336	145,391
Materials & Supplies	1,190,195	1,212,234	1,556,490	1,556,490	1,591,037
Utilities	300,596	327,549	327,915	352,115	279,276
Insurance & Casualties	41,429	327,167	514,477	514,477	494,089
Purchased Transportation Services	7,605,437	8,874,900	9,331,365	9,300,701	9,853,076
Miscellaneous	-	3,815	11,988	11,988	6,438
Leases & Rentals	653,815	92,880	100,000	100,000	102,207
Depreciation	8,316,019	7,737,424	8,100,273	7,637,029	7,719,558
Total Operating Expense	\$ 18,235,504	\$ 18,911,233	\$ 20,358,293	\$ 20,110,670	\$20,466,096
DCTA FTE's	0	2	3	3	3
DART Contract FTE's	53	53	46.5	46.5	49

MATERIAL BUDGET ITEMS:

- Includes a 3% standard contract increase for Purchased Transportation
- Includes \$80 thousand for additional rail mid-day service scheduled to begin in January 2014
- Fuel budgeted at \$4.00 per gallon in FY15

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

Bus Services Division Budget

BUS SERVICES

In 2006, DCTA contracted with First Transit, Inc. to manage the bus operations. Under this contract, First Transit, Inc. provides a General Manager (GM) and corporate support for human resource, benefits, etc. The GM is an employee of the contractor and is not included in the full time equivalent employees. DCTA staff provides the accounting and 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 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Revised	FY 2015 Budget
<u>CONTRACT BUS SERVICES</u>					
Salary, Wages & Benefits	\$ 4,535,797	\$ 4,937,760	\$ 6,042,884	\$ 6,054,884	\$ 6,701,745
Services	321,194	384,201	408,125	408,125	546,831
Materials & Supplies	1,703,703	1,804,258	2,165,419	2,165,418	2,352,874
Utilities	80,384	74,223	101,900	101,900	112,520
Insurance & Casualties	314,824	289,586	272,265	272,265	272,618
Miscellaneous	1,577	4,475	10,050	10,050	35,370
Leases & Rentals	120,880	101,654	29,590	29,590	2,220
Depreciation	938,263	876,500	896,341	1,030,382	1,783,882
Total Operating Expense	\$ 8,016,622	\$ 8,472,658	\$ 9,926,574	\$ 10,072,614	\$11,808,060
Bus Contract FTE's	132	139	137	137	140.5

MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$4.00 per gallon in FY15
- Increased bus service beginning in January 2014
- Additional Maintenance Technician included in FY15
- Bus operator wage increase based on Union contract
- Increase in health benefits of 15%

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



CAPITAL IMPROVEMENT PLAN

For the past 12 years, DCTA has accelerated transportation solutions 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 current and future residents of Denton County, Texas.

In recent years, DCTA has achieved major accomplishments such as the completion of the A-train 21-commuter rail in June 2011, which gives Denton County residents the opportunity to avoid highway traffic while commuting to and from work, enjoy nearby city attractions with friends and family without worrying about parking hassles, etc.

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, 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 seven years or longer.

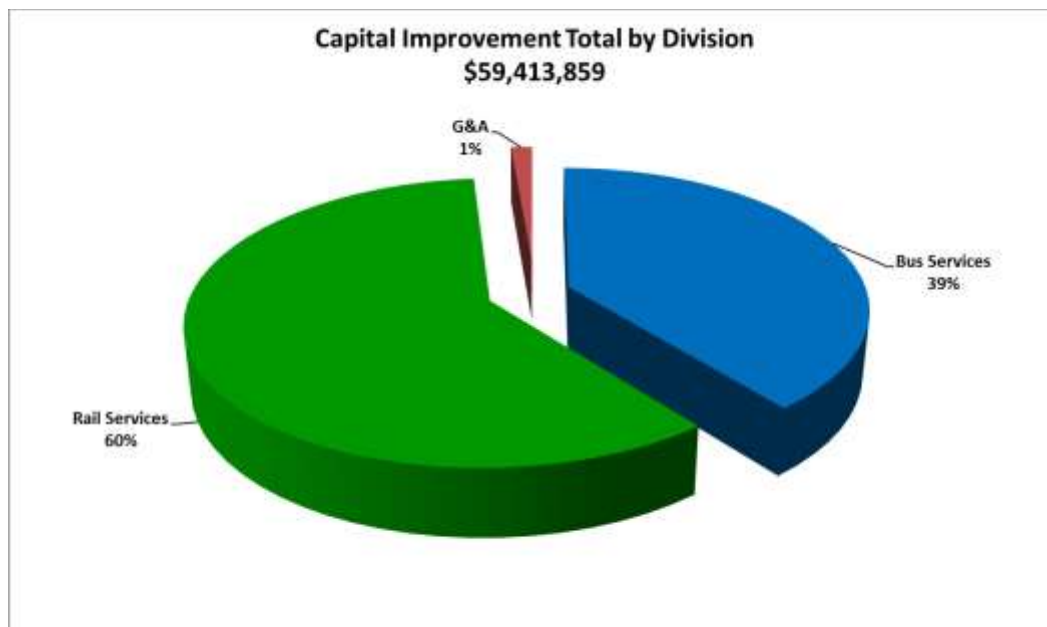
The current year of the CIP is adopted with the approval of the FY 2015 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY15 is \$22.6 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	Adopted Project Budget	Project LTD thru FY 2012	FY 2013 Actuals	FY 2014 Projections	FY 2015	FY 2016	FY 2017	FY 2018	Anticipated Project Total (Thru 2018)
Bus Services										
Bus Operations & Maintenance Facility	50301	11,720,717	2,073,478	7,028,293	2,618,946	-				11,720,717
Fleet Replacement	50502	3,411,592	2,871,592	110,735	-	429,265				3,411,592
Fleet (2014)	50504	877,998	-	-	877,998	-				877,998
DDTC	50303	373,282	-	-	13,282	360,000				373,282
Where's My Ride	50406	940,485	-	456,906	303,579	180,000				940,485
Bus Radios	50408	137,457	-	-	-	137,457				137,457
Bus Engines & Transmissions	50506	150,000	-	-	-	150,000				150,000
Scheduling Software	50601	250,000	-	-	-	250,000				250,000
Fleet (2015)	50505	395,000	-	-	-	395,000	1,250,000	1,750,000	2,060,000	5,455,000
Rail Services										
Passenger Information	60701	96,821	4,807	19,044	32,363	40,607				96,821
Rail Grinding (2014)	61102	192,000	-	-	104,000	-	150,000		150,000	404,000
MedPark Extension	61206	1,000,000	-	-	1,000,000	-				1,000,000
Positive Train Control	61406	22,902,951	788,073	222,980	170,000	15,300,000	6,421,898			22,902,951
Community Enhancements	61707	752,708	13,091	129,940	409,677	200,000				752,708
Lewisville Bike Trail	61708	3,099,856	60,685	35,319	351,980	2,651,872				3,099,856
HV Parking Expansion	61710	314,110	-	6,900	307,210	-				314,110
Rail Maintenance of Way	61711	150,000	-	-	150,000	-	55,000	55,000	75,000	335,000
Rail Maintenance of Equipment	61712	1,302,627	-	-	235,000	1,067,627	342,800	1,252,400	1,812,800	4,710,627
Rail Single Car Operations	61503	101,800	-	-	101,800	-				101,800
Re-Railing Equipment	61504	121,000	-	-	-	121,000				121,000
Shunt Enhancement	61407	141,000	-	-	-	141,000				141,000
T. Mills Crew Facility	61209	250,000	-	-	-	250,000				250,000
Station Landscaping	61210	75,000	-	-	-	75,000				75,000
Rail Facility Maintenance	-	-	-	-	-	-		35,000		35,000
Signals - Systems & Communications	-	-	-	-	-	-	10,000	10,000	20,000	40,000
GTW Wheel Work	61505	915,041	-	-	915,041	-				915,041
G&A										
COGNOS Report Writing Application	10601	200,000	-	-	-	200,000				200,000
Comprehensive Service Analysis	10602	567,414	-	-	-	567,414				567,414
Cloud Hybrid Backup Solution	10401	35,000	-	-	-	35,000				35,000
TOTAL		\$ 50,473,859	\$ 5,811,726	\$ 8,010,117	\$ 7,590,876	\$ 22,551,242	\$ 8,229,698	\$ 3,102,400	\$ 4,117,800	\$ 59,413,859

Sources of Funding (FY15)

Federal / State Grants	\$ 5,031,121
New Debt Issuance (PTC 2015)	\$ 5,500,000
RTC Funds	\$ 9,470,000
DCTA Funding	\$ 2,550,121
TOTAL	\$ 22,551,242



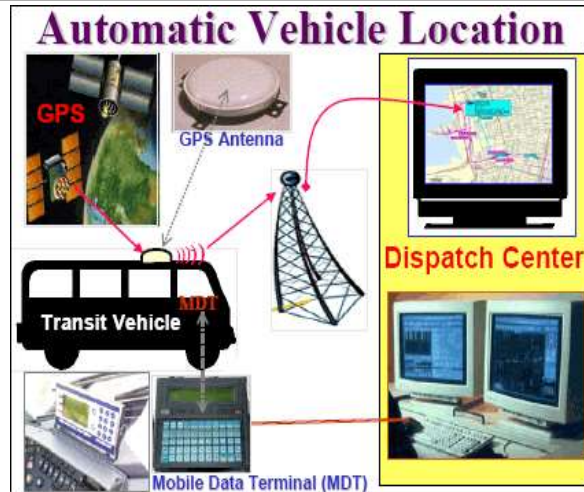
Capital Improvement Plan - Project Detail

Project Name: Where's My Ride

Project Number: 50406

Statement of Need/Description

The Where's My Ride capital project will provide real-time passenger information with predictive arrival by stop and CAD/AVL to aid dispatch and the call center. The project will also include a payment system allowing for university ID integration and GFI integration. The project will provide improved, more accurate and efficient data collection for the bus services and will allow for stop level ridership reporting. Finally, it will offer next stop annunciation which will improve ADA adherence for the bus service. This project will be funded by federal ARRA along with 5307, JARC and New Freedom funds.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2011-12	-	-	-	State Grants (RTRFI)	\$ -
2012-13	456,906	-	-	Federal Grants	841,388
2013-14	303,579	-	-	Operating Funds	99,097
2014-15	180,000	63,840	-		
Total	\$ 940,485	\$ 63,840	\$ -	Total Funding	\$ 940,485

Change from Previous CIP		Project Notes
No Change	<input checked="" type="checkbox"/>	Coordinating Department: Transit Operations
Increase in Amount	<input type="checkbox"/>	Operating costs include data and texts services for FY15
Decrease in Amount	<input type="checkbox"/>	
New Project	<input type="checkbox"/>	

Project Information/Status:



Project Name: Bus Radios

Project Number: 50408

Statement of Need/Description

These radios will replace the cell phone push to talk service that is currently in use that has proven unreliable and costly. This project will utilize the existing infrastructure within the radio towers built for the rail project as well as piggyback on the spectrum acquired for the rail radio system. In the long term this project will save DCTA the operating expense of the monthly cell phone bills while offering a more dependable method of communication for bus operations staff.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2010-11	\$ -	\$ -	\$ -	State Grants (RTRFI) Federal Grants Operating Funds	\$ - 103,764 33,693
2011-12	-	-	-		
2012-13	-	-	-		
2013-14	-	-	-		
2014-15	137,457	See Project Notes	-	Total Funding	\$ 137,457
Total	\$ 137,457	\$ -	\$ -		

Change from Previous CIP		Project Notes
No Change	<input checked="" type="checkbox"/>	Coordinating Department: Transit Operations The bus radios will utilize existing resources of the agency and will eliminate cell phone bills we are currently paying through the Bus Operations operating budget.
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input type="checkbox"/>	

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Bus Engine & Transmission Replacements

Project Number: 50506

Statement of Need/Description

This will include the replacement of the powerplant of heavy-duty transit buses that have reached the mid-point of their useful life cycle. A total of five (5) 2007 Gillig model buses need this overhaul to efficiently continue in service until replacement in FY2021.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	-
2014-15	150,000	See Project Notes	-	Operating Funds	150,000
Total	\$ 150,000	\$ -	\$ -	Total Funding	\$ 150,000

Change from Previous CIP

Project Notes

Coordinating Department: Transit Operations	
No Change	
Increase in Amount	
Decrease in Amount	
New Project	X

The agency reviews each capital project for associated operating impacts during the budget process. The replacement of these engines & transmissions will reduce unnecessary and expensive repairs and extend the life of the vehicle.

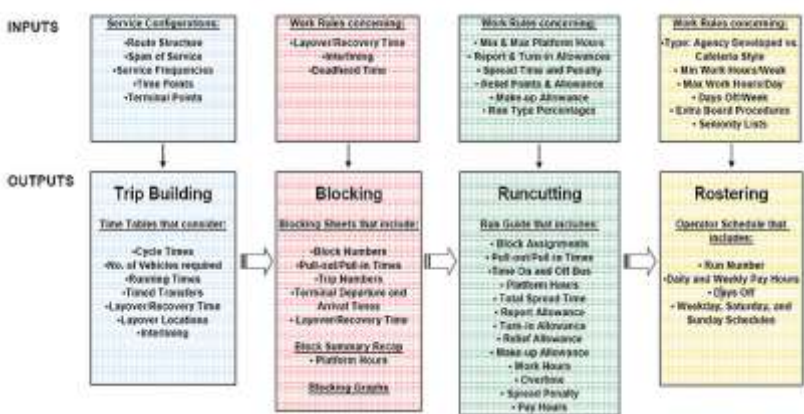
Project Information/Status:



Project Name: Scheduling Software
Project Number: 50601

Statement of Need/Description

Scheduling software will improve the process of developing schedules and creating runcuts. The software will be off-the-shelf and need to be compatible with the Where's My Ride system and Google Transit. In addition, this software should track different schedule versions and maintain integrity of the "master schedule." This project will be grant funded (80%).



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	200,000
2014-15	250,000	See Project Notes	-	Operating Funds	50,000
Total	\$ 250,000	\$ -	\$ -	Total Funding	\$ 250,000

Change from Previous CIP		Project Notes
		Coordinating Department: Planning / Transit Operations
No Change		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.
Increase in Amount		
Decrease in Amount		
New Project	X	The agency will use existing resources.

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Fleet 2015

Project Number: 50505

Statement of Need/Description

The fleet replacement scheduled for FY15 includes replacement of 3 non-revenue service vehicles that have reached the end of their useful life as well as an additional large capacity bus that will be used in the service improvements scheduled to be implemented in January 2015. The additional bus will be grant funded at 80%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	280,000
2014-15	395,000	See Project Notes	-	Operating Funds	115,000
Total	\$ 395,000	\$ -	\$ -	Total Funding	\$ 395,000

Change from Previous CIP

Project Notes

Coordinating Department: Transit Operations

No Change
Increase in Amount
Decrease in Amount
New Project

X

The agency reviews each capital project for associated operating impacts during the budget process. The operating cost related to the additional bus 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.

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Passenger Information

Project Number: 60701

Statement of Need/Description

In 2011, DCTA expanded its services to include the A-train and its five rail stations. The additional ridership growth has resulted in additional demand for passenger information. DCTA identified areas at the rail stations, at bus stops and in the vehicles to display schedule and service information. This capital project will include passenger information signage, sign holder equipment at rail stations as well as area bus stops.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2010-11	\$ -	\$ -	\$ -		
2011-12	4,807	-	-		
2012-13	19,044	-	-	State Grants (RTRFI)	\$ -
2013-14	32,363	2,445	-	Federal Grants	58,738
2014-15	40,607	25,000	-	Operating Funds	38,083
Total	\$ 96,821	\$ 27,445	\$ -	Total Funding	\$ 96,821

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Communications & Marketing DCTA has included printed materials for our passengers as well as station/shelter signage printing in the FY15 operating budget under the Communications & Marketing Division budget.
Increase in Amount	X	
Decrease in Amount		
New Project		

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Positive Train Control

Project Number: 61406

Statement of Need/Description

The Positive Train Control (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 is planned to begin in FY2015.



Year	Capital Cost	Operating Costs	Projected Farebox Revenues	Source(s) of Capital Funding	
2010-11	239,172	\$ -	\$ -		
2011-12	548,901	-	-		
2012-13	222,980	-	-	Debt Issuance	\$ 9,100,000
2013-14	170,000	-	-	State Grants (RTC)	12,500,000
2014-15	15,300,000	-	-	Federal Grants	-
2015-16	6,421,898	See Project Notes	-	Operating Funds	1,302,951
Total	\$ 22,902,951	\$ -	\$ -	Total Funding	\$ 22,902,951

Change from Previous CIP		Project Notes
		Coordinating Department: Rail Services
No Change	<input checked="" type="checkbox"/>	The agency is currently working on a joint procurement with our regional partners for the PTC project. As more information is learned thru the process, we will continue to update the long-range financial model and future budgets with the operating impact the PTC project will have for the agency.
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input type="checkbox"/>	

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Community Enhancements

Project Number: 61707

Statement of Need/Description

This capital project will mitigate A-train impacts not included in the FEID and will provide treatments along the rail corridor as required by Denton City Council. These treatments will better integrate the A-train project into the communities within Denton that is served by DCTA transit services. Enhancements include fencing, pedestrian improvements, landscaping and masonry walls for areas within south east Denton. The project will be complete by the end calendar year 2014.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2010-11	\$ 13,091	\$ -	\$ -		
2011-12	-	-	-		
2012-13	129,940	-	-	State Grants	602,166
2013-14	409,677	-	-	Federal Grants	
2014-15	200,000	See Project Notes	-	Operating Funds	150,542
Total	\$ 752,708	\$ -	\$ -	Total Funding	\$ 752,708

Change from Previous CIP		Project Notes
No Change	<input checked="" type="checkbox"/>	Coordinating Department: Bus Operations
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input type="checkbox"/>	

Project Information/Status:



Capital Improvement Plan - Project Detail

Project Name: Lewisville Bike Trail

Project Number: 61708

Statement of Need/Description

This project will provide for the construction of an expanded bicycle and pedestrian trail. The expansion south of Lewisville Lake will be built between the Hebron Station and the Highland Village / Lewisville Lake Station. DCTA staff is working with Jacobs Engineering on the design, engineering and contract oversight of this project. Final engineering was completed in the Spring of 2014. Phase 1 of the project, from Hebron Station to College Street is funded and a contract has been awarded to start in late 2014. Staff is seeking additional funding to complete the trail to Highland Village/Lewisville Lake station.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2009-10	-	-	-		
2010-11	60,685	-	-		
2011-12	-	-	-		
2012-13	35,319	-	-	State Grants	2,791,516
2013-14	351,980	-	-	Federal Grants	
2014-15	2,651,872	See Project Notes	-	Operating Funds	308,340
Total	\$ 3,099,856	\$ -	\$ -	Total Funding	\$ 3,099,856

Change from Previous CIP		Project Notes
		Coordinating Department: Rail Services
No Change	X	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 Denton Parks Department will take over responsibility for the trail. The operating impact will be included in the FY16 budget.
Increase in Amount		
Decrease in Amount		
New Project		

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Rail Maintenance of Equipment (MOE)

Project Number: 61712

Statement of Need/Description

The Rail Maintenance of Equipment project will include routine wheel maintenance to extend the life of the vehicles as well as FRA mandated tri-annual maintenance to the brake systems of the vehicles. In FY14 DCTA programmed 7 vehicles for brake work and plans to complete the remaining 4 vehicles in FY15. The wheel replacements were budgeted in FY14 for all 11 vehicles.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2011-12	-	-	-	State Grants	\$ -
2013-14	1,150,041	-	-	Federal Grants	-
2014-15	1,067,627	See Project Notes	-	Operating Funds	2,217,668
Total	\$ 2,217,668	\$ -	\$ -	Total Funding	\$ 2,217,668

Change from Previous CIP

Project Notes

		Coordinating Department: Transit Operations
No Change		Rail Maintenance of Equipment has a positive impact on the operating budget. Routine maintenance of the vehicles will allow the agency to continue running reliable service and eliminate the need for costly repairs in the future.
Increase in Amount	X	
Decrease in Amount		
New Project		

Project Information/Status:



Project Name: Shunt Enhancement

Project Number: 61407

Statement of Need/Description

This project includes track circuit modification between N. Lake and S. Med on the A-train line to improve shunting as well as vehicle testing and signal support. This estimate includes parts, labor and provision for four (4) test trains with signal support.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	-
2014-15	141,000	See Project Notes	-	Operating Funds	141,000
Total	\$ 141,000	\$ -	\$ -	Total Funding	\$ 141,000

Change from Previous CIP		Project Notes
		Coordinating Department: Planning / Transit Operations
No Change		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. The agency will use existing resources in place.
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Re-Railing Equipment

Project Number: 61504

Statement of Need/Description

The Re-Railing Equipment capital project was approved as part of the FY14 Revised Budget. This is a set of equipment that will fit our vehicle so, in the event of a derailment, the vehicle could be picked up by a crane and put back on the track without significant damage to the car. The Re-railing equipment is scheduled for delivery in March from Switzerland.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	-
2014-15	121,000	See Project Notes	-	Operating Funds	121,000
Total	\$ 121,000	\$ -	\$ -	Total Funding	\$ 121,000

Change from Previous CIP

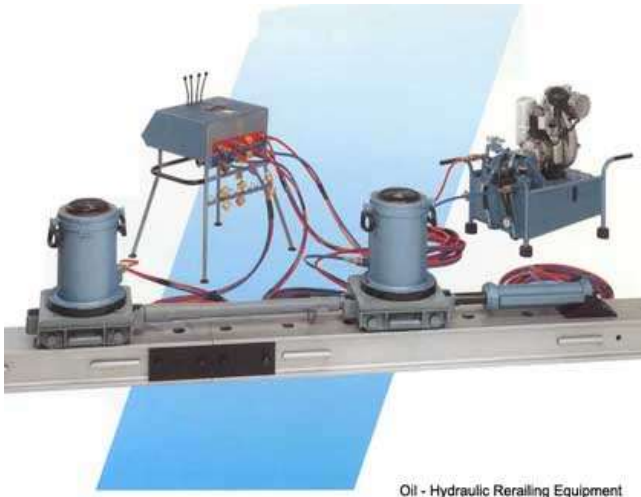
Project Notes

Coordinating Department: Planning / Transit Operations	
No Change	
Increase in Amount	
Decrease in Amount	
New Project	X

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.

The agency will use existing resources in place.

Project Information/Status:



Oil - Hydraulic Rerailing Equipment



Project Name: Trinity Mills Crew Facility

Project Number: 61209

Statement of Need/Description

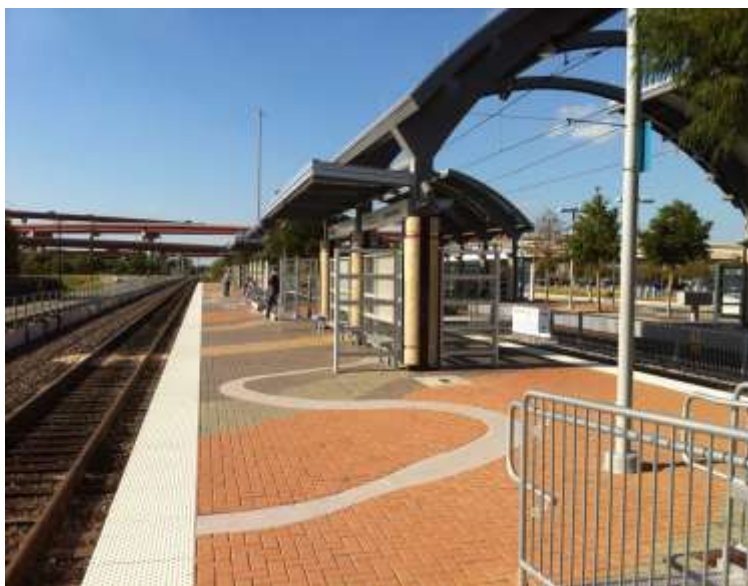
This project will provide a unisex restroom facility for DCTA train crews at the Trinity Mills station. DCTA will provide the funds for engineering and construction. We will allow DART bus drivers to use the facility and DART will pay for the utilities and ongoing maintenance. The cost estimate assumes a prefabricated building similar to others used by DART and is based on two (2) manufacturing budgetary estimates.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	-
2014-15	250,000	See Project Notes	-	Operating Funds	250,000
Total	\$ 250,000	\$ -	\$ -	Total Funding	\$ 250,000

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Planning / Transit Operations Ongoing operating expenses related to the Trinity Mills Crew Facility will be assumed by Dallas Area Rapid Transit (DART) in exchange for DCTA providing funds for engineering and construction of the facility.
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:



Project Name: Station Landscaping

Project Number: 61210

Statement of Need/Description

In FY14, the Board approved an operating budget revision for the services of a landscape architect to review our current stations and design a more sustainable landscape for the agency. The Station Landscape project will include mulching, irrigation repair, and plant replacement at five (5) rail stations to return to landscapes to an acceptable standard.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	-
2014-15	75,000	See Project Notes	-	Operating Funds	75,000
Total	\$ 75,000	\$ -	\$ -	Total Funding	\$ 75,000

Change from Previous CIP		Project Notes
		Coordinating Department: Planning / Transit Operations
No Change		Currently the station landscape is maintained thru the 3rd party contract we have with DART. These operating costs are included in the Rail Services purchased transportation budget.
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:



Project Name: COGNOS Report Writing Application

Project Number: 10601

Statement of Need/Description

COGNOS is a business analytics software application that will enable users to extract data, analyze it and assemble reports from DCTA enterprise-wide back-bone financial system (SunGard) and asset management systems. It will enhance utilization of financial and asset systems functionality by providing routine and non-routine users real-time access to business data for planning, budgeting, forecasting and analysis needs. This provides improved reporting capabilities and will support more integrated long-range financial planning and forecasting. This project is 80% grant funded.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	160,000
2014-15	200,000	See Project Notes	-	Operating Funds	40,000
Total	\$ 200,000	\$ -	\$ -	Total Funding	\$ 200,000

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Finance / IT On-going annual license and maintenance fee to begin in FY16 operating budget: \$12,120.
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:



Project Name: Comprehensive Service Analysis

Project Number: 10602

Statement of Need/Description

This analysis will evaluate DCTA's existing bus service, identify additional local and regional transit needs, provide recommendations for meeting those needs as well as develop an implementation plan for those recommendations. The study will involve data collection, analysis, service planning, financial modeling and reporting. It is anticipated to take up to one year to complete the study in its entirety. This project is grant funded.

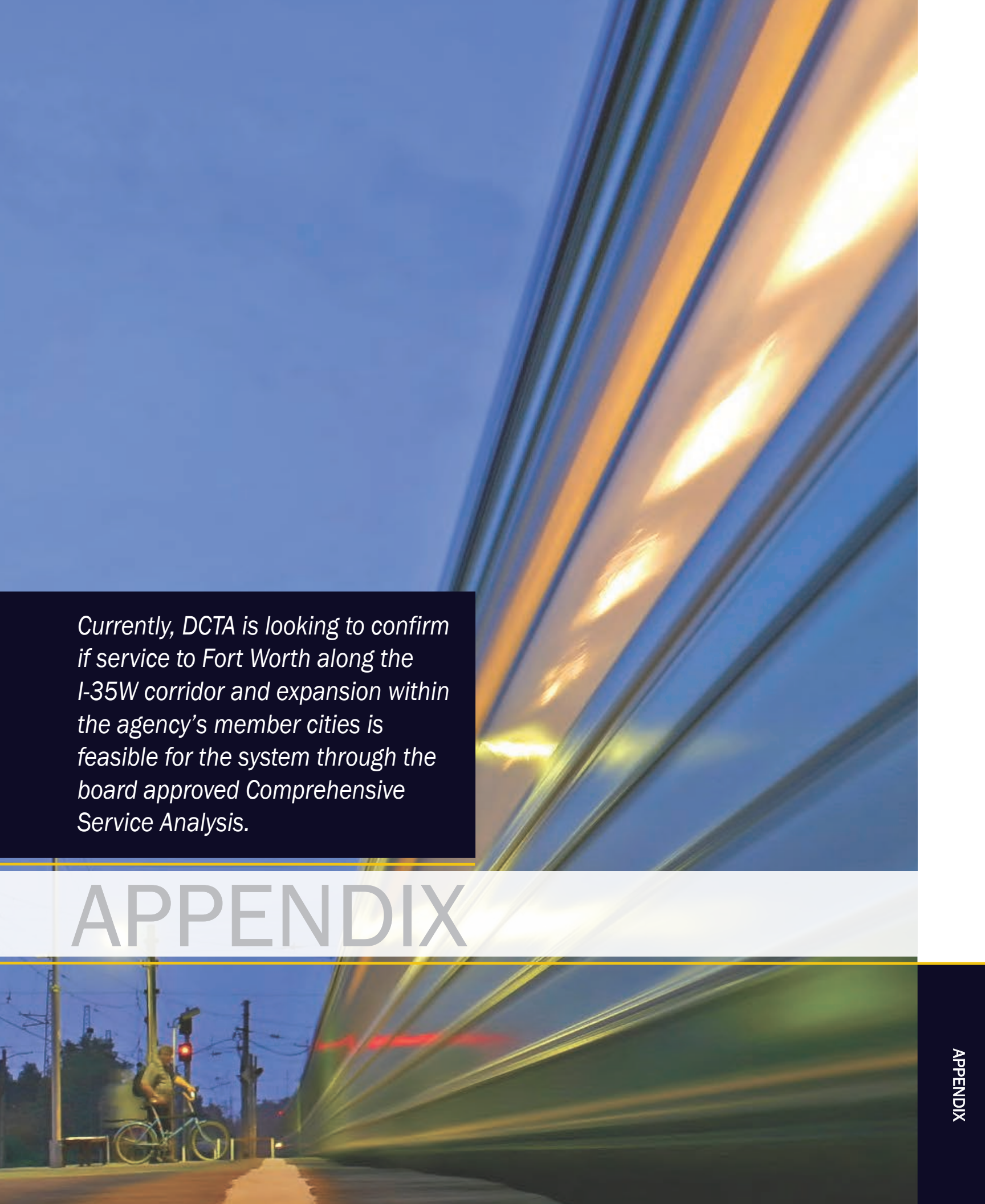


Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-13	-	-	-	State Grants (RTRFI)	\$ -
2013-14	-	-	-	Federal Grants	381,207
2014-15	567,414	See Project Notes	-	Operating Funds	186,207
Total	\$ 567,414	\$ -	\$ -	Total Funding	\$ 567,414

Change from Previous CIP		Project Notes
		Coordinating Department: Planning / Operations Once the Comprehensive Service Analysis is complete, the agency will identify short and long term goals regarding service levels and will follow the current procedures in place to modify service of the agency. This will involve public involvement as well as Board and stakeholder approval. Any associated operating costs will be identified and addressed thru future budget years.
No Change		
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:





Currently, DCTA is looking to confirm if service to Fort Worth along the I-35W corridor and expansion within the agency's member cities is feasible for the system through the board approved Comprehensive Service Analysis.

APPENDIX

Denton County Transportation Authority Financial Management Policies

(Adopted May, 2014)



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OPERATING POLICIES

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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 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.

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.
- 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 debt obligations on all its debt.
- G. To ensure the appropriate use of financial resources through an effective system of 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

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.

- 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 unreserved/undesignated retained earnings. 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 establish and 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 sales tax.
- c. It will be the policy of DCTA to establish and 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 establish and maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$.05 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 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 V-P of Finance/CFO shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as the Board shall determine to be appropriate at that time. Guidelines for their contribution are as follows:

- a. All expenditures drawn from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board for expenditure in the annual budget or amended budget.
- b. Equipment Replacement – Twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the full cost of one twelve (12) year life bus.
- c. Infrastructure – 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 emergency requires draw down of fund balance reserve or sales tax stabilization fund the priority will be to replenish fund balances. Funds 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 long range financial plan and annual budget will reflect the timeframe and plan for fund balance replenishment.

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.

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 bi-annually to insure that DCTA maintains a competitive position in the market, with a goal to stay at the mid-point of the market range.

Accounting, Auditing and 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.

Budget and Operating Policies

- a. Decisions of the Agency will be within the context of the long-range financial plan and the service plan. Staff shall provide a review of the implications of budgetary proposals on long-range plans.
- b. 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.
- c. 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.
- d. 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 expense 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 during the revised budget process, 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 a capital project budget amendment and approval of the purchase during the fiscal year. Capital project budget amendments will be incorporated during the revised budget process.
 - iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and long range financial plan.
 - iv. Definitions:
 1. *Budget Amendment* – Shall mean a change in the fiscal year budget based on the following criteria:
 - a. Operating – an increase to the total bottom line operating fund expenditure budget
 - b. Capital – (a) addition of a new project; (b) change in Capital Projects Fund annual appropriation; (c) an increase to the total approved

- budget of a specific project.
2. Approval by the DCTA Board of Directors in the form of a resolution is required to authorize an amendment as specified in this section.
- v. *Budget Transfers* – Shall mean transfer of funds between departments or specific operating expense line items that neither increase nor decrease the total adopted operating fund budget authorization.
- e. 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 recover and/or adjust to serious downturns effectively.
- f. Fixed asset inventories. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The V-P of Finance/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.

Purchasing

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 taxpayers 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.

Grants: When procurement involves the expenditure of a grant, 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 will be followed.

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 related to grant funded projects.

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 principals for State, local, and Indian Tribal Governments for determining costs for Federal Awards. Item 5 of the Circular states that, “The principals 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 reduce the use of debt so that debt service payments will be a predictable and manageable part of the operating budget.
- B. 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 (while making attempts to strengthen credit rating) (Long Term goal)
- 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 insurer's, etc. through negotiation, RFQ process or as defined for professional services under DCTA's procurement procedures.
- d. Issuance of debt on a competitive basis (except when conditions make a negotiated sale preferable) and award 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 speculative or complex, the issue is a refunding, or the market is unstable.
- e. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
- f. Short-term borrowing will not be used for operating purposes.
- g. Compliance with continuing disclosure reporting requirements and its 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. This site is used by the ratings agencies and investors. 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
- h. Ensure no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The V-P of Finance/CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.
- i. Limit bonded indebtedness to levels that permit sufficient borrowing to support a reasonable rate of capital programming, permits a level and pace of debt amortization within the DCTA's ability to pay, and supports the DCTA's credit rating objectives. Credit enhancements shall be considered with a cost/benefit analysis for each long-term bond issue.
- j. Reserve accounts shall be maintained 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.
- k. DCTA will maintain debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

Investment Policy (As adopted 10/23/2014)

I. POLICY STATEMENT

The Denton County Transportation Authority (DCTA) policy is that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments 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 and conforming to all applicable state statutes governing the investment of public funds.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order 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, Board Policy, and the management of banking services.

Receiving a market rate of interest will be secondary to the requirements for safety and liquidity. DCTA intends to be in complete 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 promotes diversity by market sector, credit, and maturity. 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 of DCTA. Investments of DCTA 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 cashflow forecasts, limiting investment types to those specifically authorized by this policy, diversifying investments, and monitoring credit ratings on selected investment types.

Liquidity

DCTA's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated. The portfolio will be structured so that investments mature concurrent with cash needs. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in investments that offer same-day liquidity

for unanticipated cash demands. 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 herein, 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 of the portfolio. "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

Direct 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 of DCTA. The Investment Officer is responsible for investment management decisions and activities. 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 operation of the investment program which are consistent with this Investment Policy. 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.

Authorization Resolution

A Trading 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 Trading 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, 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 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 the DCTA.

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 principle and 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. 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 180 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 180 day 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,

If additional types of securities are approved for investment by public funds by state statutes, they will not be eligible for investment by DCTA until this policy has been amended and the amended version 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 made by DCTA will be made through either DCTA's banking services bank or a primary 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 certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:

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

Every broker/dealer and bank with which DCTA transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm 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 without any 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 recommend broker selection criteria to the DCTA Investment Officer for approval. The advisor shall annually present a list of its authorized broker/dealers to the DCTA for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures and controls in an effort 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 resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

<u>Security Type</u>	<u>Max % of Portfolio</u>
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%

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 invest more than 20% of the portfolio for a period greater than one (1) year. Unless matched to a specific requirement, the Investment Officer may not invest any portion of the portfolio for a period of greater than two (2) years.

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 over the FDIC insurance coverage of \$250,000, and repurchase agreements.

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% 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
- C. contain a summary statement that states:
 - a. beginning book and market value for the reporting period;
 - b. ending book and market value for the 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 they provide their latest audited financial statements to DCTA.

XIV. TRAINING REQUIREMENT

The DCTA Investment Officer shall attend at least one investment training session within twelve months of taking office or assuming duties, and 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, and shall receive not less than ten hours of instruction relating to investment responsibilities. 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 their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose 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 changes to the policy from the review, will be passed and recorded 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

DCTA Budget Contingency Plan

FY2015

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 (\$426,941)

- 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.

Budget Contingency Plan

3% Reduction (\$640,412)

- 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 (\$853,883)

- 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

Budget Contingency 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:

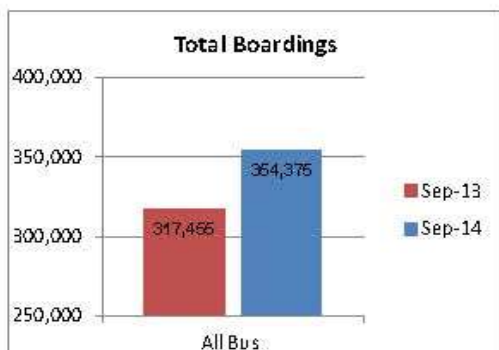
Follow the Sales Tax Revenue Shortfall Procedure

Operational Statistics

Operational Statistics						
	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Actual	FY 2015 Budget	% CHANGE FY14 Actual v. FY15 Budget
PASSENGERS						
A-train	387,478	510,738	638,423	568,338	591,398	4.06%
Access	29,020	29,609	30,497	29,673	29,673	0.00%
Station Shuttle	23,911	-	-	-	-	-
Connect	500,542	547,730	629,890	595,390	605,426	1.69%
RSVP	2,766	3,003	3,303	2,872	2,872	0.00%
UNT	2,018,009	1,908,336	1,908,336	1,617,002	1,600,074	-1.05%
NCTC	14,545	17,908	22,385	14,264	13,551	-5.00%
TOTAL PASSENGERS	2,976,271	3,017,324	3,232,833	2,827,539	2,842,994	0.55%
REVENUE VEHICLE MILES						
A-train	244,783	299,037	328,940	313,062	324,019	3.50%
Access	221,474	217,830	224,365	221,328	221,328	0.00%
Station Shuttle	64,248	-	-	-	-	-
Connect	612,982	642,440	661,714	675,754	692,648	2.50%
RSVP	23,132	19,987	20,587	14,875	14,875	0.00%
UNT	547,781	525,736	525,736	496,709	545,351	9.79%
NCTC	49,181	48,048	49,489	51,274	52,812	3.00%
TOTAL REVENUE MILES	1,763,581	1,753,078	1,810,831	1,773,001	1,851,032	4.40%
REVENUE HOURS						
A-train	10,005	11,125	12,238	12,215	12,643	3.50%
Access	15,399	15,837	16,312	16,042	16,042	0.00%
Station Shuttle	1,809	-	-	-	-	-
Connect	42,989	49,165	51,623	56,313	57,721	2.50%
RSVP	1,576	1,571	1,650	1,565	1,565	0.00%
UNT	49,340	48,134	48,134	46,263	49,393	6.77%
NCTC	2,235	2,169	2,234	2,360	2,431	3.00%
TOTAL REVENUE HOURS	123,353	128,001	132,191	134,758	139,794	3.74%
PASSENGERS PER REVENUE HOUR						
A-train	38.72	45.91	52.17	46.53	46.78	0.54%
Access	1.88	1.87	1.87	1.85	1.85	0.00%
Station Shuttle	13.22	-	-	-	-	-
Connect	11.64	11.14	12.20	10.57	10.49	-0.79%
RSVP	1.76	1.91	2.00	1.84	1.84	0.00%
UNT	41	39.65	39.65	34.95	32.39	-7.32%
NCTC	7	8.26	10.02	6.04	5.58	-7.77%
AVERAGE	12.65	18.12	19.65	16.96	16.49	-2.81%
COST PER REVENUE HOUR						
A-train	\$ 1,019.00	\$ 1,000.45	\$ 1,001.64	\$ 999.92	\$ 1,008.23	0.83%
Access	80.50	68.81	77.08	\$ 73.38	\$ 67.33	-8.25%
Station Shuttle	54.91	-	-	-	-	-
Connect	74.83	62.95	77.38	\$ 62.28	\$ 60.51	-2.86%
RSVP	69.70	63.05	77.54	\$ 62.59	\$ 59.86	-4.38%
UNT	79.83	62.51	71.92	\$ 66.35	\$ 62.35	-6.02%
NCTC	90.95	63.68	84.29	\$ 61.05	\$ 59.27	-2.92%
AVERAGE	\$ 209.96	\$ 220.24	\$ 231.64	\$ 220.93	\$ 219.59	-0.61%
COST PER PASSENGER						
A-train	\$ 19.75	\$ 21.79	\$ 19.20	\$ 21.49	\$ 21.55	0.29%
Access	47.70	36.80	41.23	\$ 39.67	\$ 36.40	-8.25%
Station Shuttle	4.37	-	-	-	-	-
Connect	6.34	5.65	6.34	\$ 5.89	\$ 5.77	-2.08%
RSVP	37.73	32.99	38.73	\$ 34.10	\$ 32.61	-4.38%
UNT	1.98	1.58	1.81	\$ 1.90	\$ 1.92	1.40%
NCTC	19.70	7.71	8.41	\$ 10.10	\$ 10.63	5.26%
AVERAGE	\$ 19.65	\$ 17.75	\$ 19.29	\$ 18.86	\$ 18.15	-3.77%
FARE REVENUE PER PASSENGER						
A-train	\$ 1.48	\$ 1.43	\$ 1.28	\$ 1.46	\$ 1.49	1.68%
Access	2.98	2.96	2.70	\$ 2.94	\$ 2.74	-6.80%
Station Shuttle	0.23	-	-	-	-	-
Connect	0.70	0.87	0.82	\$ 0.95	\$ 0.98	3.55%
RSVP	1.15	5.27	5.16	\$ 5.49	\$ 5.49	-0.01%
UNT	1.37	1.43	1.63	\$ 1.80	\$ 1.91	6.39%
NCTC	10.23	5.20	6.46	\$ 7.58	\$ 10.38	36.94%
AVERAGE	\$ 2.78	\$ 2.86	\$ 3.01	\$ 3.37	\$ 3.83	13.70%
FAREBOX RECOVERY RATIO						
A-train	7%	7%	7%	7%	7%	1.39%
Access	5%	8%	7%	7%	8%	1.58%
Station Shuttle	5%	-	-	-	-	-
Connect	13%	15%	13%	16%	17%	5.75%
RSVP	2%	16%	13%	16%	17%	4.56%
UNT	79%	91%	90%	95%	99%	4.92%
NCTC	44%	67%	77%	75%	98%	30.10%
AVERAGE	22%	34%	34%	36%	41%	13.47%

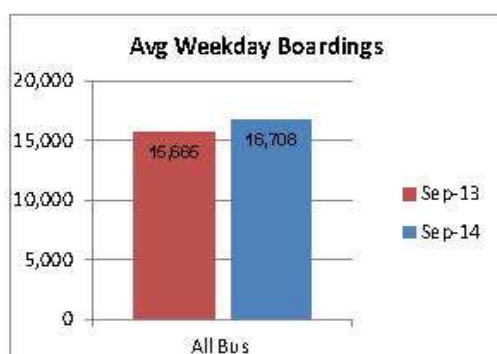


Total Bus



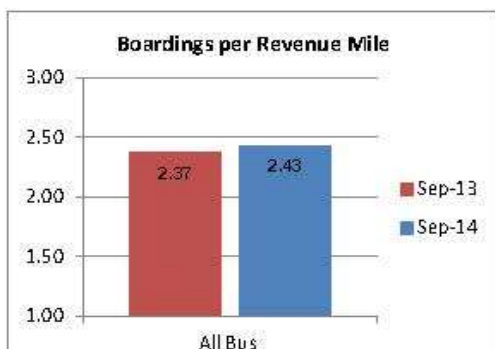
Total Bus: Total Boardings

Total boardings for all bus service increased by 11% (or 36,920 boardings) when comparing September 2013 to 2014. Most of the increase can be explained by jumps in UNT ridership. The UNT routes with the largest increases were Discovery Park, Centre Place (East & West), and Eagle Point.



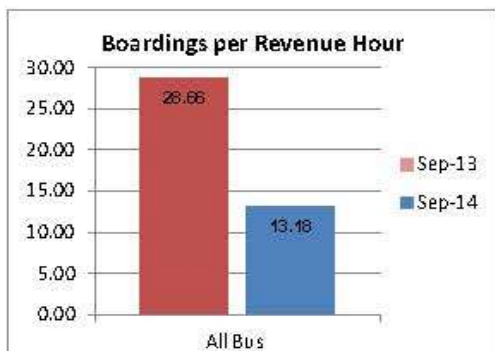
Total Bus: Average Weekday Boardings

Average weekday boardings increased by 6% (or 1,043 boardings) per day when comparing September 2014 to the same period in 2013.



Total Bus: Boardings per Revenue Mile

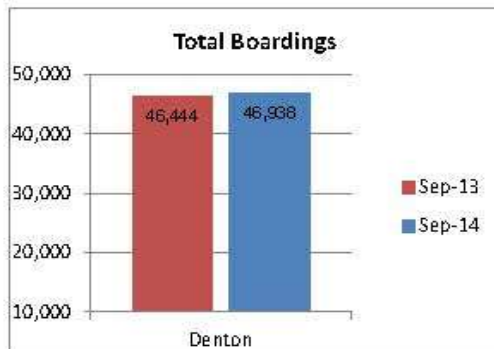
Overall in September, boardings per revenue mile increased slightly compared to the previous year. That is, buses carried about the same amount of passengers per mile relative to last year.



Total Bus: Boardings per Revenue Hour

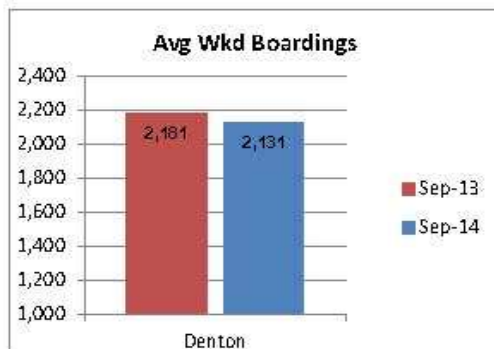
In September, boardings per revenue hour dropped by 54% compared to last year.

Denton Connect



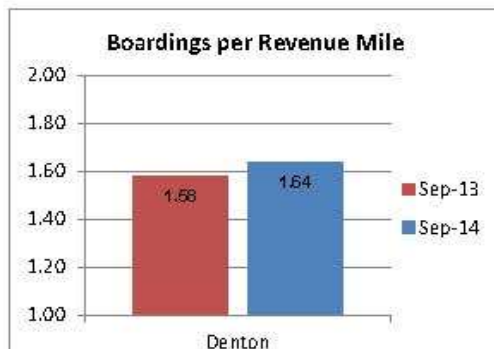
Denton Connect: Total Boardings

In September 2014, Denton routes remained about the same compared to 2013.



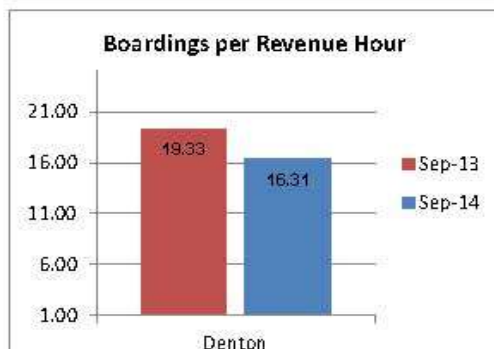
Denton Connect: Average Weekday Boardings

In September 2014, there was a slight decrease in average weekday boardings compared to 2013.



Denton Connect: Boardings per Revenue Mile

In September, boardings per revenue mile increased by 4% from the previous year. This may indicate that service improvements implemented in January 2014 and August 2014 are maturing.

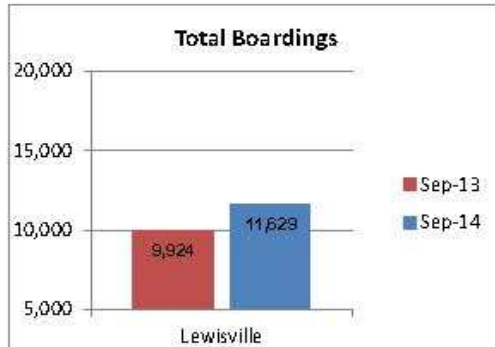


Denton Connect: Boardings per Revenue Hour

In September 2014, boardings per revenue hour decreased by 15% from the previous year.

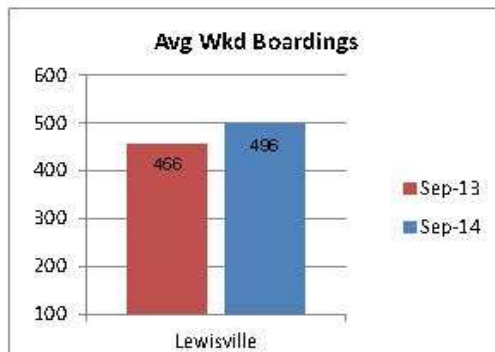


Lewisville Connect



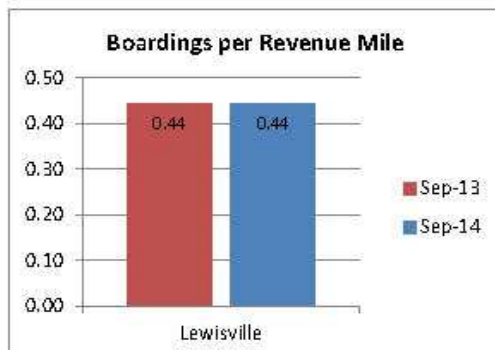
Lewisville Connect: Total Boardings

In September, boardings increased by 17% (or 1,705 boardings) when compared to the previous year.



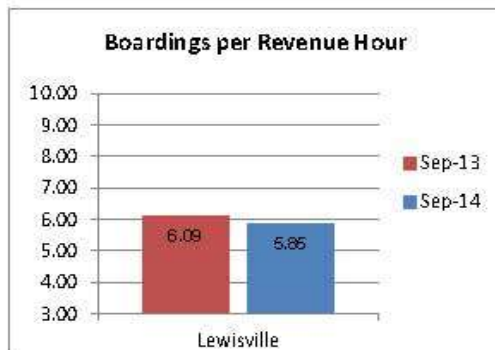
Lewisville Connect: Average Weekday Boardings

In September, average weekday boardings increased by 9% (or 40 boardings per day) when compared to the previous year.



Lewisville Connect: Boardings per Revenue Mile

In September, boardings per revenue mile remained about the same when compared to 2013.

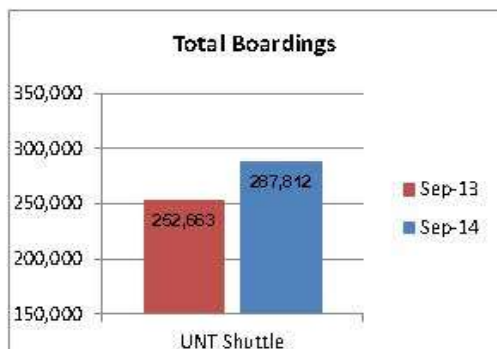


Lewisville Connect: Boardings per Revenue Hour

In September, boardings per revenue hour dropped by 4% from the previous year. As part of the January 2014 service changes, service was added to routes 22 and 23. Because this is new service, ridership has not grown as fast as revenue hours.

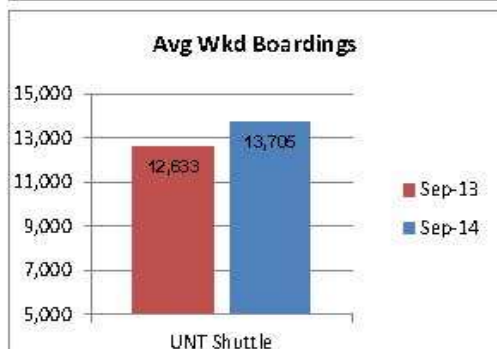


UNT Shuttle



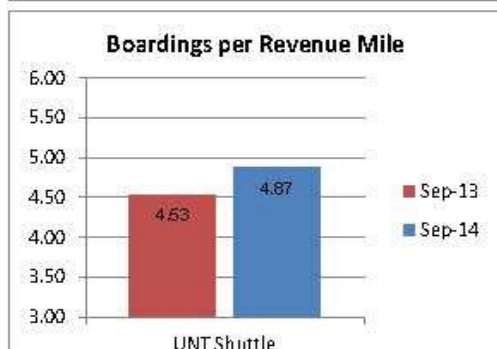
UNT Shuttle: Total Boardings

In September, UNT boardings increased by 14% (or 35,149 boardings) relative to the previous year. Increases in ridership in September and August 2014 may represent a reversal of a 24 month period of declines. As part of service changes in August 2014, service was added to the Colorado Express, Campus Cruiser, and Centre Place (East & West).



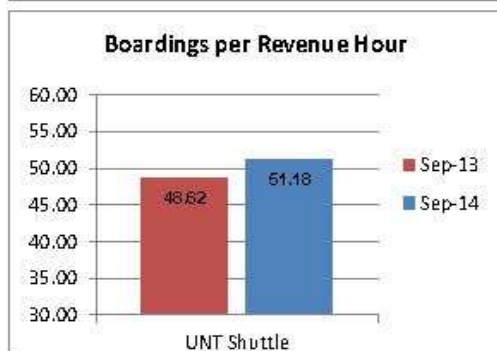
UNT Shuttle: Average Weekday Boardings

In September, UNT average weekday boardings increased by 8% (or 1,072 boardings per day).



UNT Shuttle: Boardings per Revenue Mile

In September, boardings per revenue mile increased by 7%.

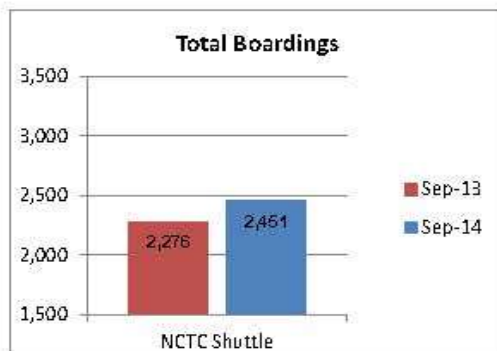


UNT Shuttle: Boardings per Revenue Hour

In September, boardings per revenue hour increased by 5%.

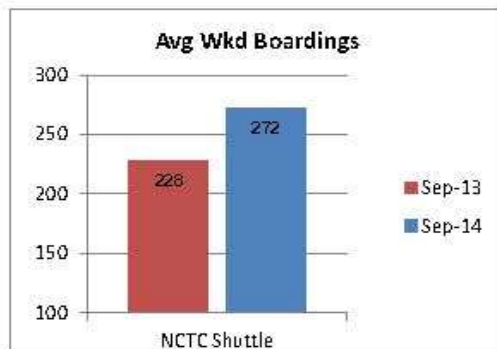


NCTC Shuttle



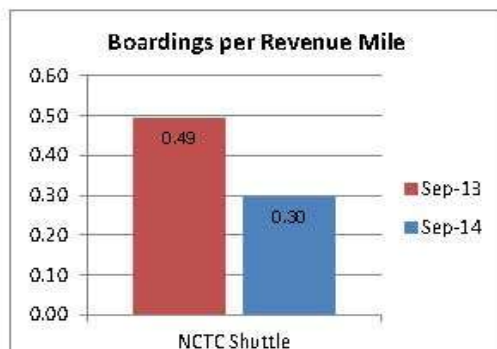
NCTC Shuttle: Total Boardings

In September, NCTC boardings increased by 7% (or 175 boardings) when compared to 2013.



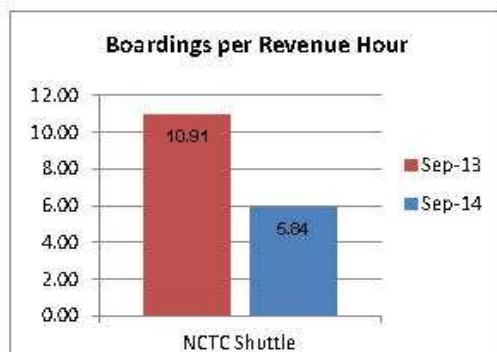
NCTC Shuttle: Average Weekday Boardings

In September, NCTC average weekday boardings increased by 19% (or 45 boardings per day) when compared to 2013.



NCTC Shuttle: Boardings per Revenue Mile

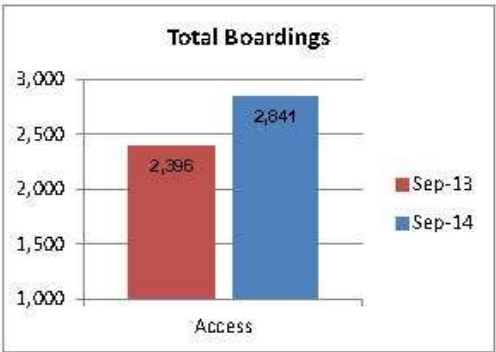
In September, boardings per revenue mile decreased by 40% from the previous year.



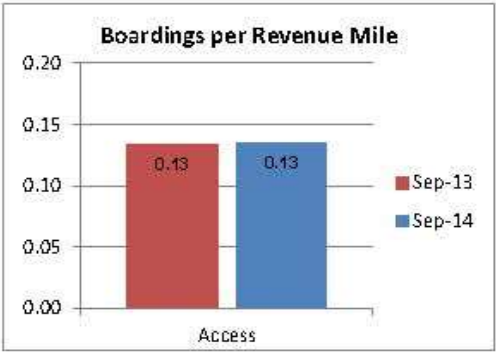
NCTC Shuttle: Boardings per Revenue Hour

In September, boardings per revenue hour decreased by 46% from the previous year.

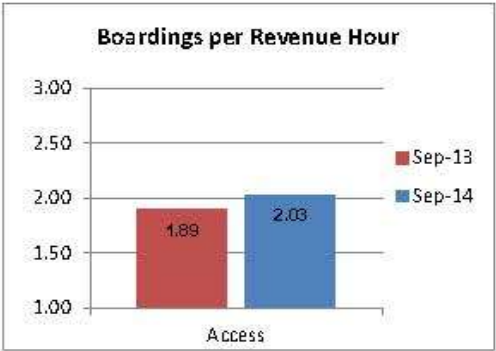
Access



Access: Total Boardings
In September, boardings increased by 18% (or 445 boardings) relative to the previous year. Average weekday boardings improved by 14% (or 16 boardings per day).



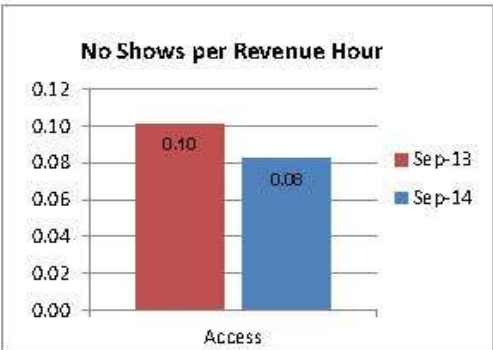
Access: Boardings per Revenue Mile
In September, boardings per revenue mile remained about the same when compared to the previous year.



Access: Boardings per Revenue Hour
In September 2014, boardings per revenue hour remained increased by 7%.



Access: Trip Denials
In September, non-ADA trip denials increased by 21% (or 10 denials) when compared to 2013.



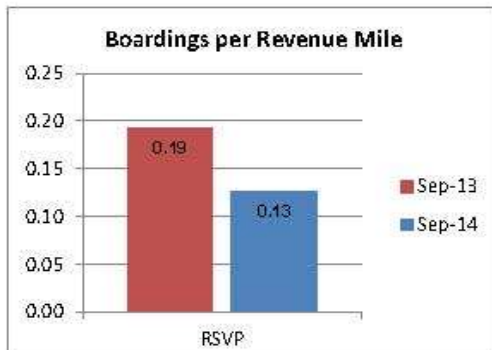
Access: No-Shows per Revenue Hour
In September, the rate of no-shows per revenue hour decreased by 19% from the previous year.

Connect RSVP



Connect RSVP : Total Boardings

In September, boardings dropped by 39% (or 126 boardings) when compared to 2013.



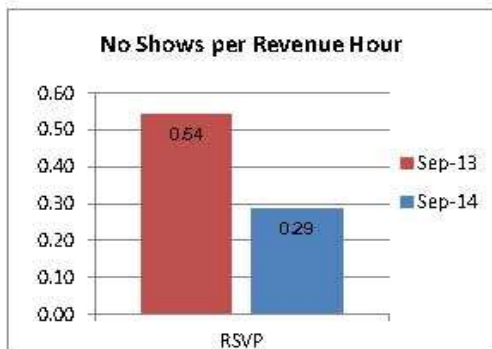
Connect RSVP : Boardings per Revenue Mile

Boardings per revenue miles dropped by 34% when comparing September 2014 to 2013.



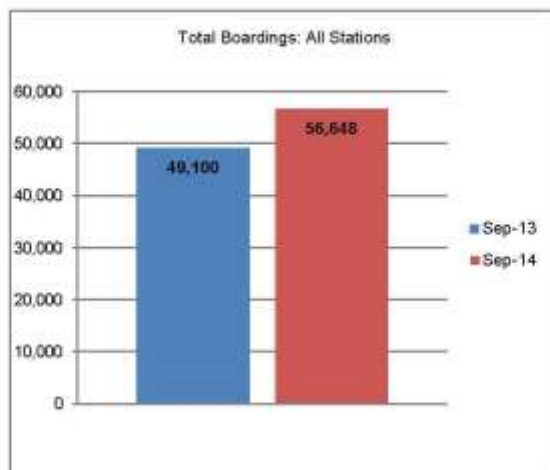
Connect RSVP: Boardings per Revenue Hour

In September, boardings per revenue hour dropped by 42% when compared to 2013.



Connect RSVP: No-Shows per Revenue Hour

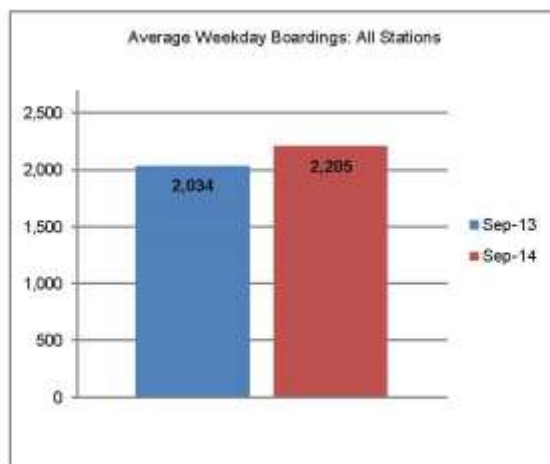
In September, No-shows per revenue hour dropped by 47% from previous year. No-shows dropped by 44% (or 24 no-shows) while revenue hours increased by 5%.



All Stations

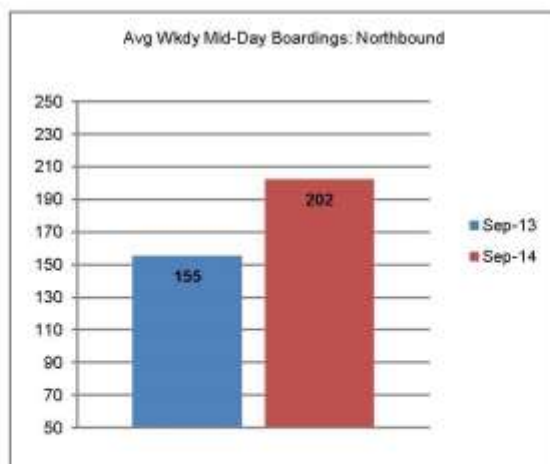
Total Boardings: All Stations

In September 2014, total boardings increased by 15% (or 7,548 boardings) compared to 2013. Reasons for the continued rise in boardings include increasing UNT enrollment, construction on I-35, and State Fare attendance.



Average Weekday Boardings: All Stations

Average weekday boardings increased by 8% (or 171 boardings per weekday) from the previous year.

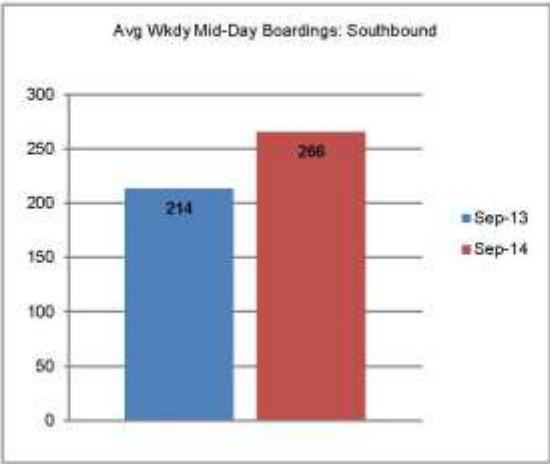


Average Weekday Mid-Day Boardings: Northbound

On an average weekday during the mid-day, boardings increased by 30% (or 47 boardings per day) on northbound trains from September 2013 to September 2014. From August 2013 to January 2014, one northbound train was added.

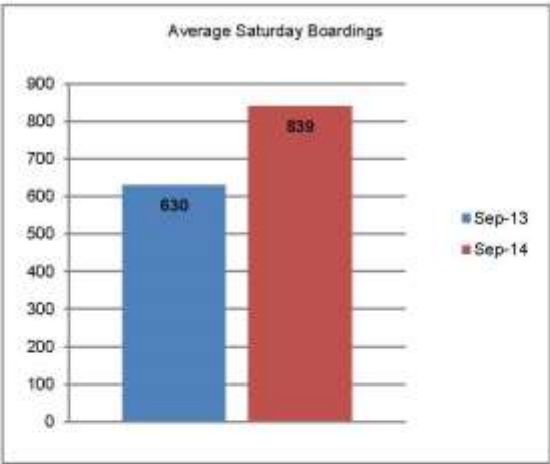


All Stations



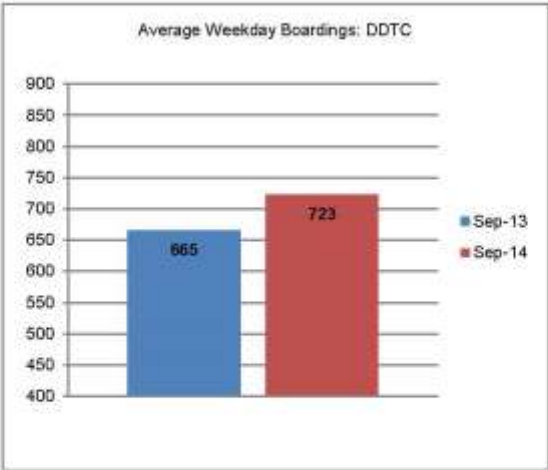
Average Weekday Mid-Day Boardings: Southbound

Average daily boardings during mid-day traveling southbound grew by 24% (or 52 boardings per weekday). Between August 2013 and January 2014, two southbound trips were added during the mid-day.



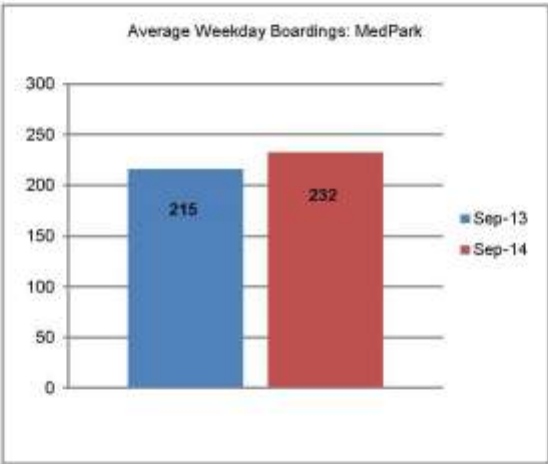
Average Saturday Boardings: All Stations

In September, average Saturday boardings jumped by 33% (or 209 boardings per Saturday) when compared to the previous year. Greater attendance at the State Fair may explain most of this jump in ridership. Compared to last September, the stations with the largest increase in average Saturday boardings are Old Town Station followed by Highland Village/Lewisville Lake then MedPark.

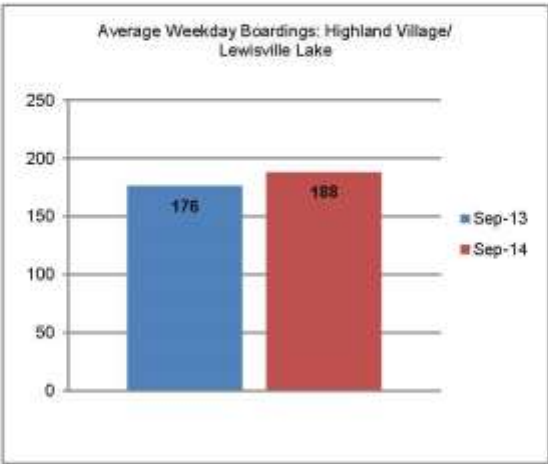


Station by Station

Average Weekday Boardings: DDTC
In September, average daily boardings at the DDTC increased by 8% (or 58 boardings per weekday) when compared to the previous year. Continued increases in UNT Fall enrollment may contribute to this rise in boardings at the DDTC.



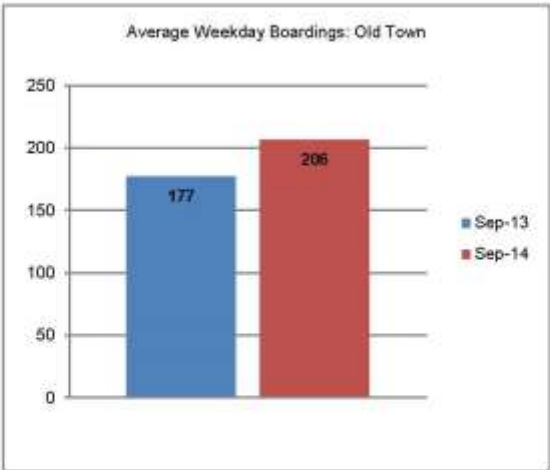
Average Weekday Boardings: MedPark
In September, average daily boardings at the MedPark Station increased by 8% (or 17 boardings per day) when compared to the previous year. This may be explained by the expansion of the Colorado Express Shuttle from the Golden Triangle Mall to the MedPark Station.



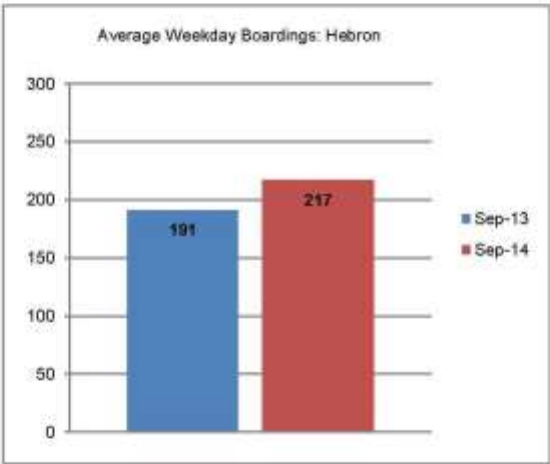
Average Weekday Boardings: Highland Village/ Lewisville Lake
In September, average daily boardings at the Highland Village/Lewisville Lake Station increased by 7% (or 12 boardings per day) when compared to last year. This may be explained by people avoiding I-35 construction by riding the A-train.



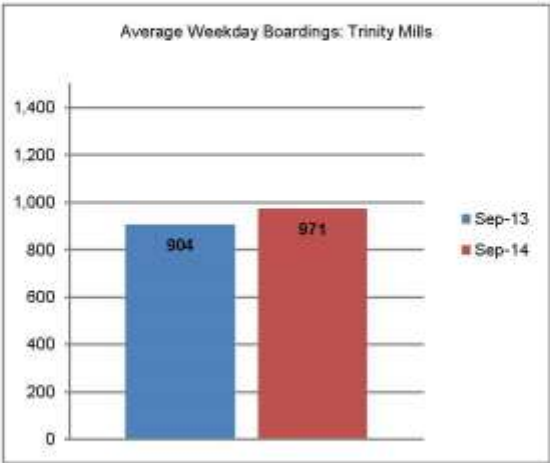
Station by Station



Average Weekday Boardings: Old Town
In September, average daily boardings at the Old Town Station increased by 16% (or 29 boardings per weekday) compared to the previous year. Increased development around the Old Town Station and greater ridership on Lewisville Route 23 may have contributed to this increase.



Average Weekday Boardings: Hebron
In September, the average daily boardings at the Hebron Station increased by 13% (or 26 boardings per weekday) relative to last year.

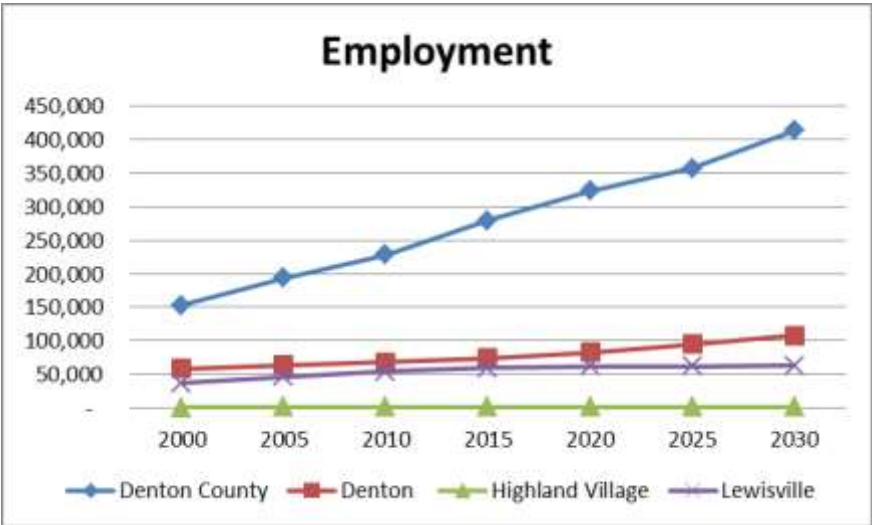
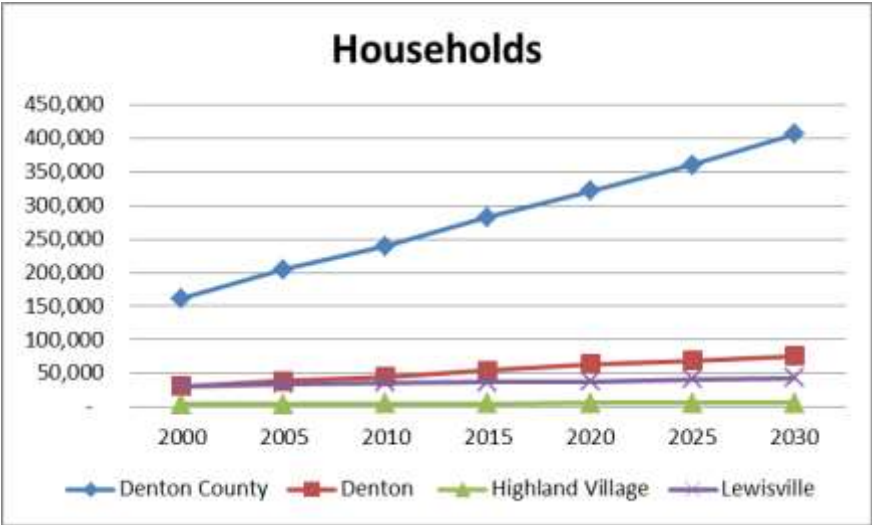
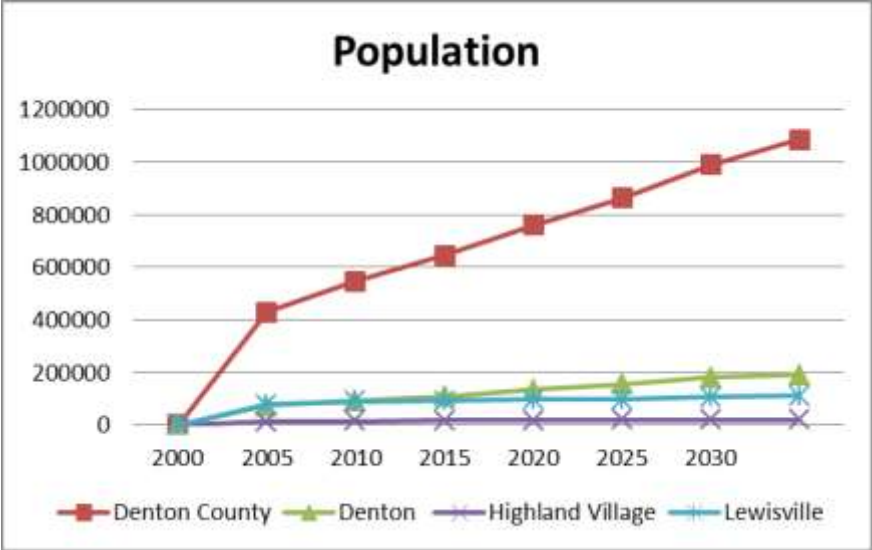


Average Weekday Boardings: Trinity Mills
In September, average daily boardings at the Trinity Mills Station increased by 7% (or 67 boardings per weekday) compared to last year. In the past few months, growth in A-train ridership is occurring more evenly over DCTA stations instead of mostly at Trinity Mills.

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							
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 TRANSPORTATION AUTHORITY
RESOLUTION NO. 14-06**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2014-2015, BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE BUDGET CONTINGENCY PLAN FOR FISCAL YEAR 2014-2015; ADOPTING THE DCTA CASH FLOW MODEL; 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, budget contingency plan, and cash flow model have been presented to the public for review and comment; and

WHEREAS, the budget, budget contingency plan, and cash flow model 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 2014–2015 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 Budget for FY 2014-2015, the Budget Contingency Plan FY 2014-2014, and the DCTA Cash Flow Model, attached as Exhibits “A”-“D”, 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.

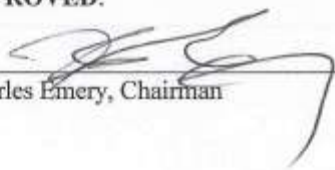
SECTION 2. That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2013-2014 are hereby ratified, and the budget for fiscal year 2013-2014, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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 25TH DAY OF SEPTEMBER, 2014.

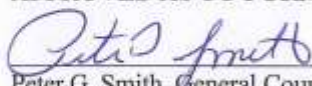
APPROVED:


Charles Emery, Chairman

ATTEST:


Richard Huckaby, Secretary

APPROVED AS TO FORM:


Peter G. Smith, General Counsel
(PGS:09-19-14:TM 68321)

Resolution Adopting FY 2015 Operating and Capital Budget

Board of Directors RM 2a - Exhibit A

Denton County Transportation Authority Proposed Fiscal Year 2015 Budget							
Description	FY13 Actuals	FY14 Original Budget	FY14 Revised Budget	Actuals as of June 30, 2014	FY15 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)
Revenue & Other Income							
Passenger Revenues (Bus Farebox)	536,291	560,461	560,461	453,742	635,517	75,056	13%
Passenger Revenues (Rail Farebox)	729,394	815,203	815,203	612,012	879,860	64,657	8%
Contract Service Revenue	2,980,804	3,298,781	3,298,781	2,096,234	3,259,635	(39,146)	-1%
Total Revenue & Other Income	4,246,489	4,674,445	4,674,445	3,161,988	4,775,012	100,567	2%
Operating Expenses							
GENERAL & ADMINISTRATIVE							
Salary, Wages and Benefits	1,575,138	1,969,712	1,968,525	1,427,629	2,197,080	198,563	10%
Services	1,098,119	1,318,407	1,955,175	968,744	1,497,029	(458,146)	-23%
Materials and Supplies	55,171	107,315	157,315	47,169	218,864	59,549	38%
Utilities	13,570	18,000	18,000	8,947	60,353	42,353	235%
Insurance, Casualties and Losses	9,035	11,420	11,420	8,467	11,309	(111)	-1%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	136,456	211,047	221,047	82,685	203,667	(17,380)	-8%
Leases and Rentals	155,059	155,025	155,025	128,868	102,777	(52,248)	-34%
Subtotal - G&A	3,042,547	3,780,925	4,516,506	2,672,409	4,269,087	(227,419)	-5%
BUS SERVICES							
Salary, Wages and Benefits	4,937,760	6,042,884	6,054,884	4,185,591	6,701,745	646,861	11%
Services	384,201	408,125	408,125	286,680	546,831	138,706	34%
Materials and Supplies	1,804,258	2,165,419	2,165,418	1,140,567	2,352,874	187,456	9%
Utilities	74,223	101,900	101,900	86,955	112,520	10,620	10%
Insurance, Casualties and Losses	269,586	272,265	272,265	200,475	272,610	353	0%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	4,475	10,050	10,050	5,061	35,370	35,320	252%
Leases and Rentals	101,854	29,590	29,590	32,196	2,220	(27,370)	-82%
Subtotal - Bus Services	7,598,157	9,030,233	9,042,332	5,937,495	10,024,170	981,946	11%
RAIL SERVICES							
Salary, Wages and Benefits	189,488	376,534	376,534	201,487	275,024	(1,510)	-1%
Services	145,798	159,252	361,336	178,878	145,391	(215,945)	-80%
Materials and Supplies	1,212,234	1,556,490	1,556,490	720,330	1,591,037	34,547	2%
Utilities	327,549	327,915	352,115	174,587	279,276	(72,839)	-21%
Insurance, Casualties and Losses	327,167	514,477	514,477	374,374	494,089	(20,388)	-4%
Purchased Transportation Services	8,874,908	9,331,265	9,300,701	6,856,739	9,853,076	552,375	6%
Miscellaneous	3,815	11,988	11,988	3,003	6,438	(5,556)	0%
Leases and Rentals	92,890	100,000	100,000	562	102,207	2,207	2%
Subtotal - Rail Services	11,173,809	12,758,021	12,473,641	8,469,960	12,746,530	277,897	2%
Total Operating Expenses	21,812,513	25,069,180	26,032,379	17,079,894	27,039,803	1,027,424	4%
Income Before Non-operating Revenue & Exp	(17,566,024)	(20,394,735)	(21,357,934)	(13,917,886)	(22,264,791)		
Non-Operating Revenues / (Expense)							
Investment Income	32,137	33,000	33,000	16,096	33,000	-	0%
Non-Operating Revenues / (Expense)	52,222	7,125	7,125	54,887	6,300	(825)	-12%
Sales Tax Revenue	20,209,051	20,725,320	20,725,320	13,862,808	21,847,080	621,780	3%
Federal Grants & Reimbursements	8,359,377	6,486,142	6,486,142	5,910,765	16,617,500	10,131,358	156%
State Grants & Reimbursements	183,718	593,216	593,216	284,910	2,358,300	1,765,084	298%
Debt Issuance	-	5,500,000	5,500,000	-	5,500,000	-	N/A
Long Term Debt Interest Expense	(1,458,866)	(2,423,840)	(2,423,840)	(1,842,795)	(2,721,899)	(298,059)	12%
Total Non-Operating Revenue / (Expense)	27,857,691	30,920,963	30,920,963	16,685,731	43,140,281	12,219,315	40%
Net Available before Transfers	10,291,667	10,526,228	9,563,029	4,767,835	20,855,490		

9/17/2014

Resolution Adopting FY 2015 Operating and Capital Budget

Board of Directors RM 2aI - Exhibit A

Bus Operations				
Revenue Source	Actual FY 2013 Oct 12 - Sept 13	Budget FY 2014 Oct 13 - Sept 14	Actuals as of June 30, 2014	Proposed FY15 Oct 14 - Sept 15
Passenger Revenues				
Connect	448,655	477,985	388,481	554,147
Access	87,626	82,475	64,423	81,369
NCTC	10	-	838	-
Total Passenger Revenues	536,291	560,460	453,742	635,516
Contract Services				
Connect	49,000	52,420		57,000
UNT Contract	2,242,358	2,450,000	1,660,212	2,437,919
UNT Fuel	596,318	651,788	368,106	624,124
NCTC Contract	72,468	99,774	54,755	79,317
NCTC Fuel	20,660	44,799	13,161	61,276
Total Contract Services	2,980,804	3,298,781	2,096,234	3,259,636
Total	\$ 3,517,095	\$ 3,859,241	\$ 2,549,976	\$ 3,895,152
Rail Operations				
Revenue Source	Actual FY 2013 Oct 12 - Sept 13	Budget FY 2014 Oct 13 - Sept 14	Actuals as of June 30, 2014	Proposed FY15 Oct 14 - Sept 15
Rail Farebox	\$ 729,394	\$ 815,203	\$ 612,012	\$ 879,860
Total	\$ 729,394	\$ 815,203	\$ 612,012	\$ 879,860
G&A				
Revenue Source	Actual FY 2013 Oct 12 - Sept 13	Budget FY 2014 Oct 13 - Sept 14	Actuals as of June 30, 2014	Proposed FY15 Oct 14 - Sept 15
Interest Income	\$ 32,137	\$ 33,000	\$ 16,096	\$ 33,000
Misc Income	\$ 52,222	\$ 7,125	\$ 54,087	\$ 6,300
Sales Tax	\$ 20,209,051	\$ 20,725,320	\$ 13,862,608	\$ 21,347,080
Federal Operating Grants	\$ 3,051,096	\$ 3,680,022	\$ 2,124,179	\$ 4,474,679
Federal Capital Grants	\$ 5,808,281	\$ 2,806,120	\$ 3,386,586	\$ 12,142,821
State Operating Grants	\$ 49,633	\$ -	\$ -	\$ -
State Capital Grants	\$ 114,077	\$ 593,216	\$ 284,910	\$ 2,358,300
Debt Issuance	\$ -	\$ 5,500,000	\$ -	\$ 5,500,000
Total	\$ 29,316,498	\$ 33,344,803	\$ 19,728,466	\$ 45,862,180
TOTAL REVENUES	\$ 33,562,986	\$ 38,019,247	\$ 22,890,454	\$ 50,637,192
Ridership				
Bus	2,502,668	2,247,324	1,612,148	2,252,230
Rail	510,738	548,877	379,595	591,398

9/17/2014

Resolution Adopting FY 2015 Operating and Capital Budget

Board of Directors RMJ - Exhibit B

Capital Improvement Plan

Project Name	Project Number	Adopted Project Budget	Project LTD thru FY 2012	FY 2013 Actuals	FY 2014 Projection	FY 2015	FY 2016	FY 2017	FY 2018	Anticipated Project Total (Thru 2018)
Bus Services										
Bus Operations & Maintenance Facility	50301	11,720,717	2,073,476	7,028,253	2,618,945	-	-	-	-	11,720,717
Fleet Replacement	50302	3,411,582	2,671,582	110,735	-	429,265	-	-	-	3,411,582
Fleet Replacement (2014)	50304	877,998	-	-	877,998	-	-	-	-	877,998
DOTC	50303	373,282	-	-	13,282	380,000	-	-	-	373,282
Where's My Ride	50408	940,485	-	456,906	303,579	180,000	-	-	-	940,485
Bus Radios	50408	137,457	-	-	-	137,457	-	-	-	137,457
Bus Engines & Transmissions	NEW									
Scheduling Software	NEW									
Fleet (2015)	NEW									
						250,000	1,250,000	1,750,000	2,000,000	5,455,000
Rail Services										
Passenger Information	60701	56,214	4,807	16,044	32,363	40,607	-	-	-	96,021
Rail Grinding (2014)	61103	192,000	-	-	104,000	-	150,000	-	-	404,000
MedPark Extension	61206	1,000,000	-	-	1,000,000	-	-	-	-	1,000,000
Positive Train Control	61406	22,902,951	788,073	222,860	170,000	15,300,000	6,421,898	-	-	22,902,951
Community Enhancements	61707	752,708	13,091	126,940	409,677	200,000	-	-	-	752,708
Lakeside Blue Trail	61708	3,489,396	60,685	36,319	741,520	2,651,872	-	-	-	3,489,396
HV Paving Expansion	61710	288,891	-	6,900	281,781	-	-	-	-	288,891
Rail Maintenance of Way	61711	150,000	-	-	150,000	95,000	95,000	95,000	75,000	335,000
Rail Maintenance of Equipment	61712	585,000	-	-	235,000	1,067,827	342,800	1,252,400	1,812,800	4,710,827
Rail Single Car Operations	61503	101,800	-	-	101,800	-	-	-	-	101,800
Re-Railing Equipment	61504	121,000	-	-	101,800	-	-	-	-	121,000
Shunt Enhancement	NEW									
T. Miller Crew Facility	NEW									
Station Landscaping	NEW									
						121,000	-	-	-	121,000
						141,000	-	-	-	141,000
						250,000	-	-	-	250,000
						75,000	-	-	-	75,000
Rail Facility Maintenance						35,000	-	-	-	35,000
Signals - Systems & Communications						10,000	10,000	10,000	20,000	40,000
GTW Wheel Work						915,041	-	-	-	915,041
G&A										
COGNOS Report Writing Application	NEW					200,000	-	-	-	200,000
Comprehensive Service Analysis	NEW					567,414	-	-	-	567,414
TOTAL		\$ 47,101,281	\$ 5,811,726	\$ 8,010,117	\$ 7,954,967	\$ 22,516,242	\$ 8,229,898	\$ 3,102,400	\$ 4,117,800	\$ 58,742,870
Sources of Funding										
Federal / State Grants				\$ 4,593,877	\$ 5,031,121	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,648,000	
New Debt Issuance (PTC 2014)				\$ -	\$ 5,900,000	\$ -	\$ -	\$ -	\$ -	
RTC Funds				\$ -	\$ 9,470,000	\$ 3,030,000	\$ -	\$ -	\$ -	
DCTA Funding				\$ 3,051,110	\$ 2,515,121	\$ 4,159,696	\$ 1,702,400	\$ 1,702,400	\$ 2,468,800	
TOTAL				\$ 7,554,987	\$ 22,516,242	\$ 8,229,898	\$ 3,102,400	\$ 3,102,400	\$ 4,117,800	\$ -

Resolution Adopting FY 2015 Operating and Capital Budget

CFM - 2015 Budget Baseline Model

Board of Directors RM 2all - Exhibit C

OPERATING REVENUES	2014	2015	2016	2017	2018	2019
Beginning Fund Balance:	\$ 17,114,359	\$ 14,970,761	\$ 13,310,006	\$ 10,472,059	\$ 9,798,352	\$ 10,289,288
Bus Operating Revenue	\$ 3,859,241	\$ 3,895,151	\$ 3,999,295	\$ 4,106,437	\$ 4,216,664	\$ 4,330,068
Rail Operating Revenue	815,203	879,860	888,659	897,545	906,521	915,586
NON-OPERATING REVENUES						
Sales Tax Revenue	20,725,320	21,347,080	22,200,963	23,089,001	24,012,561	24,973,064
Formula Grants (Operating)	3,680,022	4,474,679	4,988,217	4,707,981	6,567,595	7,067,758
Interest Income-Non RTRFI Funds	33,000	33,000	39,930	31,416	29,395	30,868
Misc. Revenue	7,125	6,300	6,300	6,300	6,300	6,300
Restricted RTRFI Interest Income	-	-	-	-	-	-
Total Revenues	29,119,911	30,636,070	32,123,364	32,838,681	35,739,036	37,313,644
OPERATING EXPENSES						
Bus Operating Expense	9,042,232	10,024,178	10,410,666	10,802,475	11,214,159	11,622,939
Rail Operating Expense	12,473,641	12,746,538	13,130,402	13,511,441	13,907,221	14,295,947
G&A Operating Expense	4,516,507	4,289,087	4,228,889	4,369,810	4,516,004	4,667,686
NON-OPERATING EXPENSES						
Non-Operating (Income) / Expense	-	-	-	-	-	-
Total Expenses	26,032,380	27,059,803	27,769,956	28,683,726	29,637,384	30,586,572
NET INCOME	3,087,531	3,576,267	4,353,407	4,154,955	6,101,652	6,727,072
CAPITAL OUTLAY						
Bus Capital Expenditure	2,935,804	1,394,871	-	-	-	-
Fleet Replacement Expense	877,998	824,265	1,250,000	1,750,000	2,060,000	1,603,050
Rail Capital / Construction	-	-	-	-	-	-
Professional Services / Technology Improvements	32,363	490,607	-	-	-	-
Stadler Fleet (Vehicles)	-	-	-	-	-	-
Real Estate	1,000,000	-	-	-	-	-
Right of Way	-	-	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	741,520	2,651,872	-	-	-	-
Rail Capital Expenditure (Community Enhancements)	409,677	200,000	-	-	-	-
Rail Capital Expenditure (Rail Grinding)	104,000	-	150,000	-	150,000	-
HV Parking Expansion	281,781	-	-	-	-	-
Rail Station Improvements	-	325,000	-	-	-	-
Rail MOW	150,000	-	55,000	55,000	75,000	65,000
Rail MOE	1,150,041	1,067,627	342,800	1,252,400	1,812,800	1,450,400
Rail Facility Maintenance	-	-	-	35,000	-	-
Signals - Systems & Communications	-	-	10,000	10,000	20,000	20,000
Single Car Operations / Shunt Enhancement	101,800	141,000	-	-	-	-
Re-Railing Equipment	-	121,000	-	-	-	-
Positive Train Control	170,000	15,300,000	6,421,898	-	-	-
Total Capital Outlay	7,954,984	22,516,242	8,229,698	3,102,400	4,117,800	3,138,450
CAPITAL SOURCES						
New Money (Debt Issuance)	-	5,500,000	-	-	-	-
RTRFI/RTC Funds	-	9,470,000	3,030,000	-	-	-
Formula Grants (Capital)	4,892,463	5,031,121	1,000,000	1,400,000	1,648,000	1,282,440
Total Capital Sources	4,892,463	20,001,121	4,030,000	1,400,000	1,648,000	1,282,440
DEBT SERVICE						
2008 Issue (ST) Debt Service	-	-	-	-	-	-
2009 Refunding (ST) Debt Service	1,718,200	1,716,492	1,718,387	1,713,687	1,717,590	1,714,697
2011 Contractual Obligations (Vehicles)	336,945	751,945	763,955	770,183	775,795	785,761
2011 Contractual Obligations (PTC)	113,463	253,463	254,081	259,542	264,691	264,526
2014 Contractual Obligations (PTC)	-	-	255,233	382,850	382,850	382,850
Total Debt Service	2,168,608	2,721,900	2,991,656	3,126,262	3,140,916	3,147,834
Gross Sales Tax Coverage:	9.56	7.84	7.42	7.39	7.65	7.93
Internal Debt Service Coverage:	1.42	1.31	1.46	1.33	1.94	2.14
Year End Audit Adjustment						
Ending Fund Balance:	14,970,761	13,310,006	10,472,059	9,798,352	10,289,288	12,012,516
Less Restricted RTRFI Interest Income	-	-	-	-	-	-
Less Required Fund Balance (OSM Reserve Policy):	6,508,095	6,764,951	6,942,489	7,170,931	7,409,348	7,646,643
Less Sales Tax Stabilization Fund	621,780	640,412	688,029	682,670	720,377	749,192
Less Fuel Stabilization Fund	50,000	50,000	50,000	50,000	50,000	50,000
Less Capital Infrastructure	1,084,959	2,000,000	1,000,000	1,000,000	1,000,000	2,000,000
Net Available Cash	6,705,947	3,854,643	1,813,541	884,750	1,109,565	1,566,681

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DCTA Budget Contingency Plan
FY2015

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 (\$426,941)

- Realized savings will not be transferred between categories.
- Prohibit unbudgeted expenditures including supplies and maintenance accounts.

RM 2a – Exhibit D

- 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 (\$640,412)

- 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 (\$853,883)

- 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

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 railmotor, 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.

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, Causalities 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.

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.

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.

Performance Measures – Specific qualitative and quantitative measures of work performed as on objective of the department.

Purchased Transportation – Expense consisting of cost incurred for materials, services, fuel and maintenance consumed in providing transportation services.

Regional Toll Revenue Funding Initiative (RTRFI) – The Texas Legislature enabled the Texas Department of Transportation to consider public and private-sector partnerships to finance roadways. The result is a completed project with a toll component and revenue for transportation projects. DCTA was awarded \$250,360,000 from the RTRFI in order to build the A-train regional rail project.

Reserves – Funds set aside for economic uncertainties.

Salary, Wages and Fringe Benefits – Expense including pay to employees for services provided, employer related taxes, employer portion of insurance benefits, employer 401 (a) contributions, sick time, and other miscellaneous pay as established by the board.

Sales Tax – A general “sales tax” is levied on persons and businesses selling merchandise or services in the city limits on a retail basis. The categories for taxation are defined by state law. Monies collected under authorization of this tax are for the use and benefit of the taxing authority.

Services – Expense consisting of labor and other work provided by outside organizations for a fee. These services could include legal expense, accounting services, management consulting, etc.

Utilities – Expense consisting of the use or consumption of electricity, gas, and communication services.

Budget art by Amber Road Design.

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