



*Denton County Transportation Authority  
1660 S. Stemmons., Suite 250  
Lewisville, Texas 75067  
(972) 221-4600  
dcta.net*

**Board of Directors  
Work Session  
April 24, 2014  
1:30 p.m.**

1. Routine Briefing Items
  - a. Financial Reports
    - i. Financial Statements
    - ii. Capital Projects Fund
    - iii. Sales Tax Report
    - iv. Procurement Report
    - v. Quarterly Investment Report
  - b. Communications and Marketing
    - i. Marketing and Communications Initiatives
    - ii. Media Coverage
    - iii. Customer Service
  - c. Capital Projects Update
    - i. GTW Integration
    - ii. Where's My Ride
    - iii. Bus Operations and Maintenance Facility (O&M)
    - iv. Community Enhancements
    - v. Lewisville Bike Trail
    - vi. Positive Train Control (PTC)
    - vii. Station Improvements
  - d. Transit Operations
    - i. Rail Operations
    - ii. Bus Operations
2. Items for Discussion
  - a. Connect RSVP Policies
3. Committee Reports
  - a. Finance Committee – Chairman Dave Kovatch
4. Discussion of Regular Board Meeting Agenda Items (April 24, 2014)

5. Executive Session
  - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
  - b. As authorized by Texas Government Code section 551.071 consultation with General Counsel regarding pending litigation Cause No 2011-30066-211; URS Corporation v. Denton County Transportation Authority; 211th District Court, Denton County, Texas.
  
6. Reconvene Open Session
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
  
7. Discussion of Future Agenda Items
  - a. Board Member Requests

**Board of Directors  
Regular Meeting**

April 24, 2014

3:00 p.m.\*

*\*or immediately following Board Work Session*

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

1. CONSENT AGENDA
  - a. Approval of Minutes - Board Meeting March 27, 2014
  - b. Acceptance of Financial Reports
  - c. Acceptance of Quarterly Investment Report
  
2. REGULAR AGENDA
  - a. Discussion / Approval of Bus Operations and Maintenance Management Contract
  - b. Discussion / Approval of Disadvantaged Business Enterprise Program
  - c. Discussion / Approval of Resolution 14-01 Transportation Alternative Program Grant
  - d. Discussion / Approval of bus purchase for North Central Texas College (NCTC) service
  
3. CHAIR REPORT
  - a. Discussion of Regional Transportation Issues

**4. PRESIDENT'S REPORT**

- a. Regional Transportation Update
- b. Report on Current Federal Railroad Administration Safety Issues
- c. Future American Public Transportation Association Meetings

**5. REPORT ON ITEMS OF COMMUNITY INTEREST**

- a. Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

**6. CONVENE EXECUTIVE SESSION**

- a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.

**7. RECONVENE OPEN SESSION**

- a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.

**8. ADJOURN REGULAR MEETING**

**Chair – Charles Emery  
Vice Chair – Paul Pomeroy**

**Secretary – Richard Huckaby  
Treasurer – Dave Kovatch**

**Members – Skip Kalb, Doug Peach, Jim Robertson, Bill Walker, Daniel Peugh,  
Richard Huckaby, Don Hartman, George A. Campbell, Allen Harris, Carter Wilson  
President – Jim Cline**

The Denton County Transportation Authority meeting rooms are wheelchair accessible. Access to the building and special parking are available at the east entrance. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling Leslee Bachus at 972-221-4600 or e.mail [lbachus@dcta.net](mailto:lbachus@dcta.net)



## Board of Directors Memo

April 24, 2014

### Subject: Work Session 1ai) Monthly Financial Reports

#### Background

The financial statements are presented to the Board of Directors on a monthly basis for acceptance. The reports presented for the period ending March 31, 2014 include the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund. These reports provide a comparison of budget vs. actual for the fiscal year as of the current month.

The following are major variances which are annotated on the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund:

#### Statement of Changes in Net Assets:

- **Note A:** Passenger Revenues – YTD favorable by \$50k reflecting GoPass deferred revenue being recognized in the current year.
- **Note B:** Contract Service Revenue – YTD unfavorable by (\$289k) because revenue hours were lower than budgeted in November, December, February and March partially offset by higher revenue hours in October and January. Actual YTD revenue hours were 26,690 compared to budgeted 29,730. In addition, actual YTD fuel usage was 84,596 gallons compared to budget 97,637 gallons, down 13%. In FY14 fuel was budgeted at \$4.15/gallon. In March fuel was \$3.33/gallon.
- **Note C:** Sales Tax Revenue – March sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in March will be received in May. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of sales tax receipts for FY 14.
- **Note D:** Federal/State Grants – YTD favorable by \$1.1 million is the net of delays in capital project activities and drawdowns of FY13 formula grant funds for operating activities. The final FY13 apportionment was available in March 2014 for draw down. FTA grant revenue is recognized as reimbursements for expenditures as they occur. Changes in project timelines from what was originally anticipated budget results in a timing variance.
- **Note E:** Services – YTD favorable by \$801k due to advertising and legal expenses not expended as originally anticipated in the budget. These items will be expended throughout the fiscal year.
- **Note F:** Materials and Supplies – YTD favorable by \$629k mainly because fuel usage and price are below budget. Rail operations fuel is \$318k under budget because actual fuel prices have averaged \$3.07/gallon compared to the budgeted price of \$4.15/gallon. Bus operations fuel is \$253k under budget because actual fuel usage of 180k gallons is down 13% compared to 207k gallons budgeted. In addition, YTD fuel prices have averaged \$3.30/gallon compared to \$4.15/gallon budgeted.
- **Note G:** Leases and Rentals – YTD unfavorable by (\$14k) because April rent payments were made in March.

**Capital Projects Fund**


- The Capital Projects Fund schedule provides budget to actual comparisons for DCTA bus and rail capital projects. It provides information on a life-to-date basis for approved projects.

**Identified Need**


Provides the Board a review of DCTA's financial position and performance to budget.

**Recommendation**

Staff recommends acceptance.

Submitted by: Chrissy Nguyen   
Senior Accountant

Final Review:   
Department Head

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

**Denton County Transportation Authority**  
**Change in Net Assets**  
**Month and Year to Date March 31, 2014**  
**(Unaudited)**

WS1ai

Description	Month Ended March 31, 2014			Year to Date March 31, 2014			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
<b>Revenue and Other Income</b>								
Passenger Revenues	141,349	114,185	27,164	740,587	690,186	50,401	1,375,663	Note A
Contract Service Revenue	247,093	277,007	(29,914)	1,558,767	1,847,620	(288,853)	3,298,781	Note B
Sales Tax Revenue	1,837,294	1,836,424	870	10,288,996	10,206,081	82,915	20,725,320	Note C
Federal/State Grants and Reimbursements	2,021,209	244,930	1,776,279	5,005,878	3,942,901	1,062,977	7,079,358	Note D
<b>Total Revenue and Other Income</b>	<b>4,246,945</b>	<b>2,472,546</b>	<b>1,774,399</b>	<b>17,594,228</b>	<b>16,686,788</b>	<b>907,440</b>	<b>32,479,122</b>	
<b>Operating Expenses</b>								
Salary, Wages and Benefits	631,427	694,692	63,265	3,958,646	4,192,885	234,239	8,279,130	
Services	185,920	211,320	25,400	974,044	1,774,581	800,537	2,511,948	Note E
Materials and Supplies	254,568	319,461	64,892	1,323,756	1,952,533	628,776	3,829,224	Note F
Utilities	30,532	37,318	6,786	160,597	223,907	63,310	447,815	
Insurance, Casualties and Losses	63,216	65,805	2,589	390,787	394,827	4,040	798,162	
Purchased Transportation Services	720,788	768,216	47,428	4,477,007	4,542,631	65,624	9,201,518	
Miscellaneous	6,904	12,277	5,372	38,461	131,370	92,909	233,085	
Leases and Rentals	13,148	12,919	(230)	121,241	107,103	(14,139)	284,615	Note G
Depreciation	722,689	749,779	27,091	4,331,753	4,500,868	169,115	8,997,293	
<b>Total Operating Expenses</b>	<b>2,629,192</b>	<b>2,871,785</b>	<b>242,593</b>	<b>15,776,292</b>	<b>17,820,705</b>	<b>2,044,413</b>	<b>34,582,789</b>	
<b>Income Before Non-operating Revenue and Expense</b>	<b>1,617,753</b>	<b>(399,239)</b>	<b>2,016,993</b>	<b>1,817,936</b>	<b>(1,133,917)</b>	<b>2,951,853</b>	<b>(2,103,667)</b>	
<b>Non-Operating Revenues / (Expense)</b>								
Investment Income	1,892	2,750	(858)	10,847	16,500	(5,653)	33,000	
Gain (Loss) Disposal of Assets	-	-	-	4,940	-	4,940	-	
Fare Evasion Fee	225	-	225	2,400	-	2,400	-	
Other Income - Miscellaneous	4,409	750	3,659	31,867	3,375	28,492	7,125	
Long Term Debt Interest/Expense	(106,320)	(201,987)	95,667	(631,664)	(1,211,920)	580,256	(2,423,840)	
<b>Total Non-Operating Revenue / (Expense)</b>	<b>(99,794)</b>	<b>(198,487)</b>	<b>98,693</b>	<b>(581,610)</b>	<b>(1,192,045)</b>	<b>610,434</b>	<b>(2,383,715)</b>	
<b>Change in Net Assets</b>	<b>1,517,959</b>	<b>(597,726)</b>	<b>2,115,685</b>	<b>1,236,326</b>	<b>(2,325,962)</b>	<b>3,562,288</b>	<b>(4,487,382)</b>	

**Denton County Transportation Authority**  
**Statement of Net Assets**  
**As of March 31, 2014**  
**(Unaudited)**

	<u>March 31, 2014</u>	<u>February 28, 2014</u>	<u>Change</u>
<b>Current Assets</b>			
Cash & Cash Equivalents	7,723,440	7,666,471	56,970
Investments	6,183,730	6,356,350	(172,620)
Accounts & Notes Receivable	5,783,635	4,470,317	1,313,318
Prepaid Expenses	695,375	-	695,375
Inventory	50,539	47,643	2,896
Restricted Asset-Cash and Equivalents	3,976,993	4,793,136	(816,143)
<b>Total Current Assets</b>	<u>24,413,713</u>	<u>23,333,917</u>	<u>1,079,795</u>
<b>Property, Plant and Equipment</b>			
Land	16,228,337	16,228,337	-
Land Improvements	5,386,734	5,386,734	-
Machinery & Equipment	1,695,752	1,695,752	-
Leasehold Improvements	55,506	55,506	-
Vehicles	88,584,258	88,584,258	-
Computers & Software	262,676	262,676	-
Accumulated Depreciation	(25,192,059)	(24,469,370)	(722,689)
<b>Total Property, Plant and Equipment</b>	<u>87,021,205</u>	<u>87,743,893</u>	<u>(722,689)</u>
<b>Other Non Current Assets</b>			
Bond Fees	197,899	198,917	(1,018)
<b>Total Other Non Current Assets</b>	<u>197,899</u>	<u>198,917</u>	<u>(1,018)</u>
<b>Capital Assets</b>			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	216,226,592	216,226,592	-
Construction in Progress	22,152,974	21,170,032	982,942
<b>Total Capital Assets</b>	<u>255,376,721</u>	<u>254,393,779</u>	<u>982,942</u>
<b>Total Assets</b>	<u><u>367,009,537</u></u>	<u><u>365,670,506</u></u>	<u><u>1,339,031</u></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	1,573,492	911,375	662,117
Salary, Wages, and Benefits Payable	451,432	445,604	5,828
Accrued Expenses Payable	2,854,347	2,988,884	(134,536)
Deferred Revenues	271,649	483,188	(211,539)
Interest Payable	-	520,253	(520,253)
<b>Total Current Liabilities</b>	<u>5,150,919</u>	<u>5,349,304</u>	<u>(198,384)</u>
<b>Non-Current Liabilities</b>			
Rail Easement Payable	1,650,000	1,650,000	-
Retainage Payable	1,931,200	1,911,744	19,456
Bonds Payable	34,395,000	34,395,000	-
<b>Total Non-Current Liabilities</b>	<u>37,976,200</u>	<u>37,956,744</u>	<u>19,456</u>
<b>Total Liabilities</b>	<u>43,127,119</u>	<u>43,306,048</u>	<u>(178,928)</u>
<b>Net Assets</b>			
Invested in Capital Assets	305,306,546	305,306,546	-
Unrestricted Retained Earnings	17,339,546	17,339,546	-
Change in Net Assets	1,236,326	(281,634)	<b>1,517,959</b>
<b>Total Equity</b>	<u>323,882,418</u>	<u>322,364,459</u>	<u>1,517,959</u>
<b>Total Liabilities and Equity</b>	<u><u>367,009,537</u></u>	<u><u>365,670,506</u></u>	<u><u>1,339,031</u></u>

**Capital Projects Fund - DCTA**  
**Budget vs. Actual**  
As of March 31, 2014  
(Cash Basis)

Work Session 1aii

	Original Budget	Revised Budget	March 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of March 2014 Close)
<b>ASSETS</b>						
<b>Fixed Assets</b>						
<b>1660 · Construction Work in Progress</b>						
<b>5 · Bus Capital Projects</b>						
<b>50202 · Passenger Amenities (Phase 2)</b>						
5020214 · Acquisition	174,011	229,326		139,063	90,263	61%
5020215 · Survey, Testing & Inspection			300	2,900	(2,900)	
5020216 · Construction				73,453	(73,453)	
5020226 · Furniture Fixtures & Equipment				142	-	
5020229 · Project Management			1,620	7,148	(7,148)	
<b>Total 50202 · Passenger Amenities (Phase 2)</b>	<b>174,011</b>	<b>229,326</b>	<b>1,920</b>	<b>222,706</b>	<b>6,762</b>	<b>97%</b>
<b>50301 · Bus O&amp;M Facility</b>						
5030113 · Design	590,000	1,294,280		1,161,886	132,395	90%
5030115 · Survey, Testing, Inspection		104,735		112,957	(8,222)	108%
5030114 · Land Acquisition	1,164,310	1,173,451	2,747	1,178,171	(4,720)	100%
5030116 · Building Construction	4,745,690	5,648,243	130,346	5,190,412	457,831	92%
5030118 · Canopy Construction				-	-	0%
5030120 · Landscaping		542,513	33,240	607,785	(65,272)	112%
5030121 · Systems		333,294	70,414	338,002	(4,708)	101%
5030125 · Utilities		1,362,500	24,250	1,590,069	(227,569)	117%
5030126 · Furniture, Fixtures & Equipment	1,642,667	517,865	103,028	687,156	(169,291)	133%
5030128 · Contingency		275,895		-	275,895	0%
5030129 · Project Management		205,000	1,080	43,644	161,356	21%
5030131 · Insurance/Bonds		105,521		105,521	-	100%
5030132 · Mobilization		157,060	8,754	165,385	(8,325)	105%
5030133 · Legal Fees		360		1,460	(1,100)	406%
<b>Total 50301 · Bus O&amp;M Facility</b>	<b>8,142,667</b>	<b>11,720,717</b>	<b>373,859</b>	<b>11,182,448</b>	<b>538,269</b>	<b>95%</b>
<b>50302 · Bus Maintenance Equipment - Closed</b>						
5030226 · FF&E	-	-		13,219	(13,219)	
5030214 · Acquisition	500,000	500,000		486,781	13,219	97%
<b>Total 50302 · Bus Maintenance Equipment</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>	<b>(0)</b>	<b>100%</b>
<b>50303 · DDTC</b>						
5030314 · Acquisition	373,282	373,282	615	1,410	371,872	0%
<b>Total 50303 · DDTC</b>	<b>373,282</b>	<b>373,282</b>	<b>615</b>	<b>1,410</b>	<b>371,872</b>	<b>0%</b>
<b>50406 · Where's My Ride</b>						
5040614 · Acquisition	940,485	940,485		453,674	486,811	48%
5040629 · Project Management				7,296	(7,296)	
<b>Total 50406 · Where's My Ride</b>	<b>940,485</b>	<b>940,485</b>	<b>-</b>	<b>460,970</b>	<b>479,516</b>	<b>49%</b>
<b>50502 · Fleet Replacement</b>						
5050214 · Acquisition	1,968,500	3,411,592		2,982,327	429,265	87%
<b>Total 50502 · Fleet Replacement</b>	<b>1,968,500</b>	<b>3,411,592</b>	<b>-</b>	<b>2,982,327</b>	<b>429,265</b>	<b>87%</b>
<b>50504 · Fleet Replacement (2014)</b>						
5050414 · Acquisition	877,998	877,998	538,365	567,565	310,433	65%
<b>Total 50504 · Fleet Replacement (2014)</b>	<b>877,998</b>	<b>877,998</b>	<b>538,365</b>	<b>567,565</b>	<b>310,433</b>	<b>65%</b>
<b>50408 · Bus Radios</b>						
5040814 · Acquisition	137,457	137,457		-	137,457	0%
<b>Total 50408 · Bus Radios</b>	<b>137,457</b>	<b>137,457</b>	<b>-</b>	<b>-</b>	<b>137,457</b>	<b>0%</b>
<b>Total 5 · Bus Capital Projects</b>	<b>13,114,400</b>	<b>18,190,857</b>	<b>914,759</b>	<b>15,917,426</b>	<b>2,273,574</b>	<b>88%</b>



Capital Projects Fund - DCTA  
**Budget vs. Actual**  
As of March 31, 2014  
(Cash Basis)

Work Session 1a11

	Original Budget	Revised Budget	March 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of March 2014 Close)
<b>6 - Rail Construction</b>						
<b>61103 - Rail Grinding (2014)</b>						
6110317 - Track & Civil Construction	192,000	192,000	-	-	192,000	0%
<b>Total 61103 - Rail Grinding (2014)</b>	<b>192,000</b>	<b>192,000</b>	<b>-</b>	<b>-</b>	<b>192,000</b>	<b>0%</b>
<b>61206 - MedPark Extension</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>100%</b>
<b>61208 - Rail Station Improvements - Closed</b>						
6120812 - Preliminary Design				7,745	(7,745)	
6120815 - Installation		15,000		-	15,000	0%
6120816 - Construction				6,743	(6,743)	
6120829 - Project Management				699	(699)	
<b>Total 61208 - Rail Station Improvements</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>15,187</b>	<b>(187)</b>	<b>101%</b>
<b>61401 - Fare Collection Systems</b>						
6140111 - Engineering	-	68,962		68,963	(1)	100%
6140114 - Acquisition	489,000	582,371		477,281	105,090	82%
6140115 - Installation	80,000	81,771		103,699	(21,928)	127%
<b>Total 61401 - Fare Collection Systems</b>	<b>569,000</b>	<b>733,104</b>	<b>-</b>	<b>649,943</b>	<b>83,161</b>	<b>89%</b>
<b>61406 - Positive Train Control</b>						
6140617 - Construction		19,397,536			19,397,536	0%
6140628 - Contingency		728,554			728,554	0%
6140629 - Project Management		2,097,992	23,218	741,116	1,356,876	35%
6140633 - Legal Fees		80,939			80,939	0%
6140636 - Vehicle Provisions		597,930		358,758	239,172	60%
6140621 - Systems	-	-		-	-	0%
<b>Total 61406 - Positive Train Control</b>	<b>-</b>	<b>22,902,951</b>	<b>23,218</b>	<b>1,099,874</b>	<b>21,803,077</b>	<b>5%</b>
<b>61603 - Stadler Implementation - Closed</b>						
6160332 - Mobilization	-	895,803		985,226	(89,423)	110%
<b>Total 61603 - Stadler Implementation</b>	<b>-</b>	<b>895,803</b>	<b>-</b>	<b>985,226</b>	<b>(89,423)</b>	<b>110%</b>
<b>61707 - Community Enhancements</b>						
6170711 - Engineering	-	22,000		-	22,000	0%
6170712 - Preliminary Design	-	12,500		55,737	(43,237)	446%
6170713 - Final Design	-	15,000		64,812	(49,812)	432%
6170715 - Survey, Inspection & Testing	-	6,000		-	6,000	0%
6170716 - Building Construction	-	545,000		-	545,000	0%
6170720 - Landscaping	-	25,000		2,500	22,500	10%
6170726 - FF&E	-	10,000		-	10,000	0%
6170727 - Environmental Mitigation	-	4,000		-	4,000	0%
6170728 - Contingency	-	15,029		-	15,029	0%
6170729 - Project Management	-	85,088	300	1,508	83,588	2%
6170733 - Administration Fees	-	13,091		19,637	(6,546)	150%
<b>Total 61707 - Community Enhancements</b>	<b>-</b>	<b>752,708</b>	<b>300</b>	<b>144,194</b>	<b>608,514</b>	<b>19%</b>

Capital Projects Fund - DCTA  
**Budget vs. Actual**  
As of March 31, 2014  
(Cash Basis)

Work Session 1a ii

	Original Budget	Revised Budget	March 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of March 2014 Close)
<b>61708 · Lewisville Bike Trail</b>						
6170811 · Engineering	-	75,000		-	75,000	0%
6170812 · Preliminary Design	-	75,000		35,057	39,943	47%
6170813 · Final Design	-	41,000		-	41,000	0%
6170816 · Building Construction	-	2,045,991		-	2,045,991	0%
6170820 · Landscaping	-	21,000		-	21,000	0%
6170822 · Bridges	-	55,355		-	55,355	0%
6170823 · Crossings/Traffic Signals	-	200,000		-	200,000	0%
6170825 · Utilities	-	75,000		-	75,000	0%
6170826 · FF&E	-	3,000		-	3,000	0%
6170827 · Environmental Mitigation	-	28,800		-	28,800	0%
6170828 · Contingency	-	50,000		-	50,000	0%
6170829 · Project Management	-	394,454	150	2,753	391,701	1%
6170833 · Administration Fees	-	60,685		60,685	-	100%
<b>Total 61708 · Lewisville Bike Trail</b>	-	<b>3,125,285</b>	<b>150</b>	<b>98,495</b>	<b>3,026,790</b>	<b>3%</b>
<b>61710 · HV Parking Expansion</b>						
6171011 · Engineering	-	-		31,301	(31,301)	
6171017 · Civil Construction	-	288,681		-	288,681	0%
<b>Total 61710 · HV Parking Expansion</b>	-	<b>288,681</b>	-	<b>31,301</b>	<b>257,380</b>	<b>11%</b>
<b>60701 · Passenger Information</b>						
6070114 · Acquisition	-	56,214		23,851	32,363	42%
<b>Total 60701 · Passenger Information</b>	-	<b>56,214</b>	-	<b>23,851</b>	<b>32,363</b>	<b>42%</b>
<b>61711 · Rail Maintenance of Way (MOW)</b>						
6171117 · Track & Civil Construction	150,000	150,000	35,358	35,358	114,642	24%
<b>Total 61711 · Rail MOW</b>	<b>150,000</b>	<b>150,000</b>	<b>35,358</b>	<b>35,358</b>	<b>114,642</b>	<b>24%</b>
<b>61712 · Rail Maintenance of Equipment (MOE)</b>						
6171217 · Track & Civil Construction	585,000	585,000	8,262	8,262	576,738	1%
<b>Total 61712 · Rail MOE</b>	<b>585,000</b>	<b>585,000</b>	<b>8,262</b>	<b>8,262</b>	<b>576,738</b>	<b>1%</b>
<b>61503 · Rail Single Car Operations</b>						
6150315 · Survey, Testing, Inspection	101,800	101,800	895	17,685	84,115	17%
<b>Total 61503 · Rail Single Car Operations</b>	<b>101,800</b>	<b>101,800</b>	<b>895</b>	<b>17,685</b>	<b>84,115</b>	<b>17%</b>
<b>Total Rail Construction Projects</b>	<b>2,597,800</b>	<b>30,798,546</b>	<b>68,183</b>	<b>4,109,376</b>	<b>26,689,170</b>	<b>13%</b>
<b>61501 · Rail Cars - Closed</b>						
6150114 · Acquisition	71,500,000	77,715,424		77,781,247	(65,823)	100%
6150128 · FRA Compliance Contingency	-	211,715		-	211,715	0%
6150133 · Legal Fees	-	15,005		15,005	-	100%
6150129 · Project Management	-	1,796,462		1,541,056	255,406	86%
<b>Total 61501 · Rail Cars</b>	<b>71,500,000</b>	<b>79,738,606</b>	<b>-</b>	<b>79,337,308</b>	<b>401,298</b>	<b>99%</b>
<b>TOTAL RAIL CONSTRUCTION &amp; CARS</b>	<b>74,097,800</b>	<b>110,537,152</b>	<b>68,183</b>	<b>83,446,684</b>	<b>27,090,468</b>	<b>75%</b>
<b>Total 1660 · Construction Work in Progress</b>	<b>87,212,200</b>	<b>128,728,009</b>	<b>982,942</b>	<b>99,364,109</b>	<b>29,364,042</b>	<b>77%</b>



## **Board of Directors Memo**

**April 24, 2014**

### **Item: WS 1(a)iii Sales Tax Report**

#### **Background**

Sales tax represents the single largest source of revenue for DCTA, at 54.51% for FY14 budget. The annual Sales Tax budget is \$20,725,320. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target. This month, receipts were unfavorable compared to budget. The City of Lewisville was impacted by a significant audit adjustment. A Lewisville vendor had been misapplying taxable sales to the city of Lewisville. The correction which goes back to 2009 resulted in a 30% reduction for Lewisville compared to the same month last year. As a result the DCTA portion of that adjustment was just over \$260,000 resulting in a 17% unfavorable variance to budget. City of Lewisville estimates this audit adjustment will affect future allocations to the city by approximately \$12,000/month.

- Sales tax for sales generated at retail in the month of February and received in April was \$1,278,211.
- This represents a decrease of 16.9% or \$260,367 compared to budget for the month.
- Receipts are unfavorable 1.41% year-to-date compared to budget.
- Compared to the same month last year, sales tax receipts were \$216,452 or 14.48% less.
- Member city collections for the month compared to prior year are as follows:
  - City of Lewisville down 29.77% (\$693k audit collection in April)
  - City of Denton up 5.21%
  - Highland Village up 7.09%

#### **Need**

Provides the Board of Directors a monthly status on Sales Tax collections.

#### **Recommendation**

For information only. No action required.

**Final Review:**

  
 \_\_\_\_\_  
 Anna Mosqueda,  
 CFO

**Denton County Transportation Authority (DCTA)  
Sales Tax Report  
Budget to Actual and Previous Year Comparison**

Sales Generated in Month of:	Received in Month of:	2013-2014 Year Budget	2013-2014 Year Actual	Variance Actual to Budget	CY Actual to CY Budget % Variance	2012-2013 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual Variance
October	December	\$ 1,663,294	\$ 1,646,959	\$ (16,336)	-0.98%	\$ 1,637,689	\$ 9,270	0.57%
November	January	\$ 1,460,365	\$ 1,582,022	\$ 121,657	8.33%	\$ 1,437,884	\$ 144,138	10.02%
December	February	\$ 2,161,605	\$ 2,173,929	\$ 12,324	0.57%	\$ 2,128,329	\$ 45,600	2.14%
January	March	\$ 1,545,815	\$ 1,570,510	\$ 24,695	1.60%	\$ 1,501,720	\$ 68,790	4.58%
February	April	\$ 1,538,578	\$ 1,278,211	\$ (260,367)	-16.92%	\$ 1,494,663	\$ (216,452)	-14.48%
March	May	\$ 1,836,424				\$ 1,785,090		
April	June	\$ 1,634,166				\$ 1,587,871		
May	July	\$ 1,689,374				\$ 1,641,703		
June	August	\$ 1,876,393				\$ 1,824,064		
July	September	\$ 1,638,850				\$ 1,592,438		
August	October	\$ 1,741,243				\$ 1,692,280		
September	November	\$ 1,939,214				\$ 1,885,320		
<b>YTD Total</b>		<b>\$ 20,725,320</b>	<b>\$ 8,251,631</b>	<b>\$ (118,026)</b>	<b>-1.41%</b>	<b>\$ 20,209,051</b>	<b>\$ 51,345</b>	<b>0.62%</b>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
 Prepared By: Denton County Transportation Authority Finance Department  
 April 15, 2014

**Denton County Transportation Authority (DCTA)  
Member Cities Sales Tax Report  
Month Allocation is Received from Comptroller  
Previous Year Comparison**

City of Lewisville					
Sales Generated in Month of:	Received in Month of:	2012-2013 Year Actual	2013-2014 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual Variance
October	December	\$ 2,371,150	\$ 2,412,800	\$ 41,651	1.76%
November	January	\$ 1,965,351	\$ 2,283,269	\$ 317,918	16.18%
December	February	\$ 3,085,264	\$ 3,094,980	\$ 9,716	0.31%
January	March	\$ 2,041,610	\$ 2,250,821	\$ 209,211	10.25%
February	April	\$ 2,102,744	\$ 1,476,738	\$ (626,007)	-29.77%
March	May	\$ 2,507,338			
April	June	\$ 2,214,494			
May	July	\$ 2,350,979			
June	August	\$ 2,611,642			
July	September	\$ 2,256,113			
August	October	\$ 2,407,746			
September	November	\$ 2,649,874			
<b>YTD Total</b>		<b>\$ 28,564,305</b>	<b>\$ 11,518,609</b>	<b>\$ (47,511)</b>	<b>-0.41%</b>

City of Highland Village					
Sales Generated in Month of:	Received in Month of:	2012-2013 Year Actual	2013-2014 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual Variance
October	December	\$ 250,036	\$ 242,975	\$ (7,061)	-2.82%
November	January	\$ 246,297	\$ 271,909	\$ 25,612	10.40%
December	February	\$ 413,314	\$ 415,312	\$ 1,998	0.48%
January	March	\$ 239,867	\$ 240,189	\$ 321	0.13%
February	April	\$ 215,912	\$ 231,225	\$ 15,313	7.09%
March	May	\$ 310,470			
April	June	\$ 240,403			
May	July	\$ 240,734			
June	August	\$ 318,280			
July	September	\$ 244,567			
August	October	\$ 244,339			
September	November	\$ 280,725			
<b>YTD Total</b>		<b>\$ 3,244,944</b>	<b>\$ 1,401,610</b>	<b>\$ 36,183</b>	<b>2.65%</b>

City of Denton					
Sales Generated in Month of:	Received in Month of:	2012-2013 Year Actual	2013-2014 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual Variance
October	December	\$ 1,947,110	\$ 1,858,283	\$ (88,827)	-4.56%
November	January	\$ 1,729,578	\$ 1,802,476	\$ 72,898	4.21%
December	February	\$ 2,521,245	\$ 2,657,999	\$ 136,754	5.42%
January	March	\$ 1,929,590	\$ 1,877,525	\$ (52,064)	-2.70%
February	April	\$ 1,843,927	\$ 1,940,004	\$ 96,078	5.21%
March	May	\$ 2,297,125			
April	June	\$ 1,940,931			
May	July	\$ 1,950,564			
June	August	\$ 2,236,264			
July	September	\$ 1,936,814			
August	October	\$ 2,091,400			
September	November	\$ 2,529,584			
<b>YTD Total</b>		<b>\$ 24,954,131</b>	<b>\$ 10,136,287</b>	<b>\$ 164,838</b>	<b>1.65%</b>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
April 15, 2014

**All Transit Agencies  
Monthly Sales and Use Tax Comparison Summary**

<b>Transit</b>	<b>Current Rate</b>	<b>Net Payment This Period</b>	<b>Comparable Payment Prior Year</b>	<b>% Change</b>	<b>2014 Payments To Date</b>	<b>2013 Payments To Date</b>	<b>% Change</b>
Houston MTA	1.00%	\$ 49,938,570.64	\$ 47,050,820.04	6.14%	\$ 226,182,315.50	\$ 208,865,482.18	8.29%
Dallas MTA	1.00%	\$ 36,070,397.26	\$ 32,894,655.00	9.65%	\$ 157,546,703.26	\$ 148,328,212.77	6.21%
Austin MTA	1.00%	\$ 14,088,706.20	\$ 12,957,427.03	8.73%	\$ 62,997,374.45	\$ 58,289,036.17	8.08%
San Antonio MTA	0.50%	\$ 9,231,185.16	\$ 8,691,010.89	6.22%	\$ 41,907,129.72	\$ 38,426,219.62	9.06%
San Antonio ATD	0.25%	\$ 4,174,092.68	\$ 3,928,607.85	6.25%	\$ 19,131,149.83	\$ 17,367,897.78	10.15%
Fort Worth MTA	0.50%	\$ 4,461,777.42	\$ 4,226,321.11	5.57%	\$ 20,108,546.01	\$ 18,933,071.10	6.21%
El Paso CTD	0.50%	\$ 2,942,792.22	\$ 2,783,670.03	5.72%	\$ 13,091,427.86	\$ 12,725,305.28	2.88%
Corpus Christi MTA	0.50%	\$ 2,569,257.44	\$ 2,464,000.73	4.27%	\$ 11,173,000.91	\$ 11,700,118.61	-4.51%
Denton CTA	0.50%	\$ 1,278,211.29	\$ 1,494,663.46	-14.48%	\$ 6,604,672.45	\$ 6,562,596.85	0.64%
Laredo CTD	0.25%	\$ 565,807.14	\$ 554,358.37	2.07%	\$ 2,614,181.09	\$ 2,554,650.17	2.33%
<b>TOTALS</b>		<b>\$ 125,320,797.45</b>	<b>\$ 117,045,534.51</b>	<b>7.07%</b>	<b>\$ 561,356,501.08</b>	<b>\$ 523,752,590.53</b>	<b>7.18%</b>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
April 15, 2014



## Board of Directors Memo

April 24, 2014

### Item: 1(a)(iv) Procurement Status Report

#### Implementation of Software

Staff is implementing software which will assist with the monitoring of contract and purchases funded with federal dollars. The system will compile data for the required DBE semi-annual reporting to FTA, the system will capture the expenditures by project, contract, grant, including race and gender. Currently this data is maintained manually. The new system will provide staff with additional tools to include reporting of certified payrolls, verification of payments to sub-contractors and suppliers, on-site interviews for Davis Bacon and DBE. The system will assist DCTA with compliance to federal regulations and documentation.

#### Fitness Equipment for Bus Facility

As part of the wellness initiative an elliptical and treadmill have been purchased for use by employees. The units have been ordered and will be set up in the Bus Operations Facility. The vendor will deliver and train staff on the proper use of the equipment.

#### Towing Services

Staff is developing a solicitation for towing services for DCTA vehicles as needed for accidents and inoperable fleet. Part of the solicitation will be an agreement with a towing company to provide services for abandoned vehicles on DCTA property. Per state regulations the property owner must have an agreement with a towing company and post signs at the location before a vehicle can be towed at owner's expense. The solicitation should be released in May.

#### Lewisville Hike and Bike Improvements

The engineering firm has submitted final documents to TxDOT for review and approval to solicit for bids for the improvements to the hike and bike trail. Staff anticipates releasing the bid in June with bids due in July and award of the contract on the July agenda.


Submitted by:

  
Athena Forrester, Procurement Manager

Final Review:

  
Anna Mosqueda, CFO

Approval:

  
James C. Cline, Jr., President

**Denton County Transportation Authority**



**For the Quarter Ended**

**March 31, 2014**



**Report Name**

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- Certification Page
- Executive Summary
- Benchmark Comparison
- Detail of Security Holdings
- Change in Value
- Earned Income
- Investment Transactions
- Amortization and Accretion
- Projected Fixed Income Cash Flows

**MARKET RECAP:**

The unusually severe winter maintained its icy grip on economic data throughout the month of March as many of the key indicators released during the month reflected the negative impacts of weather. The ISM manufacturing managed to climb from 51.3 to 53.2, but is still well below the 56.2 average during the final six months of 2013. The ISM non-manufacturing index skidded to a four-year low of 51.6. Figures above 50 indicate expansion, so both series show an economy that is growing, just at a slower pace than had been the case. Non-farm payrolls grew by 175k in February while upward revisions to previously released data added another 25k. That brought the three-month average up to a meager 129k, a far cry from the 225k average that prevailed in early December. The unemployment rate ticked up from 6.6% to 6.7% as the labor force expanded. Retail sales rose 0.3% in February, marking the first gain since November, but only because data for December and January were revised lower. Compared to the originally reported January figures, February was actually down 0.1%. Inflation remains stagnant as consumer prices rose just 0.1% in the month and are up only 1.1% year-over-year. The Fed's preferred inflation measure, the core personal consumption expenditures (PCE), was up just 0.09% in February and 1.1% year-over-year, well below the Fed's stated 2% objective. Housing data has suffered too, as both new and existing home sales, as well as pending home sales, all declined in February.

Geopolitical events resurfaced as a concern when unrest in Ukraine led Russia to stage a military takeover of Crimea. While this caused a fair amount of consternation among western leaders, its ultimate impact on financial markets was limited. Worries about an economic slowdown in China were yet another distraction for investors to be wary of. Increased stock market volatility was the result, but as the month drew to a close both the DOW and S&P 500 stood near record highs. Fixed income markets were dealt a mild shock during March following the Federal Reserve's FOMC meeting. To no one's surprise the FOMC did elect to reduce the so-called QE3 program by another \$10 billion as QE3 is clearly on track to be completed before the end of 2014. What caught the attention of investors was the FOMC's interest rate forecast, as well as post-meeting comments from Chair Janet Yellen. Both suggested rate hikes could begin sooner than markets had previously anticipated, perhaps as soon as mid-2015. This caused a sharp sell-off in fixed income markets, particularly at the short end of the curve, where the yield on the 2-year T-note climbed 13 basis points during the month while the 3-year T-note yield rose 24 basis points. With an almost universal expectation that the economy will improve along with warmer weather, interest rates are clearly biased to move higher.

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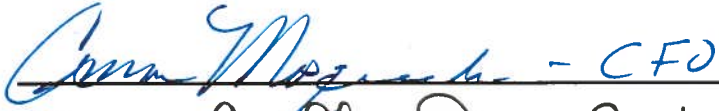
**For the Quarter Ended**  
**March 31, 2014**


This report is prepared for the **Denton County Transportation Authority** (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

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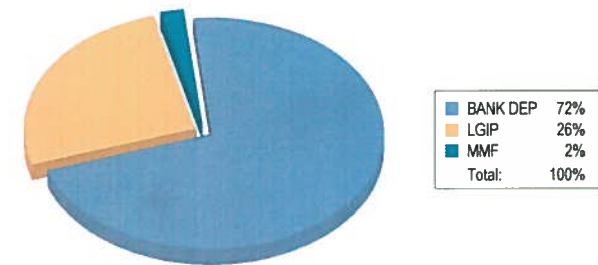
**Officer Names and Titles:**

  
\_\_\_\_\_ - CFO

  
\_\_\_\_\_ - President

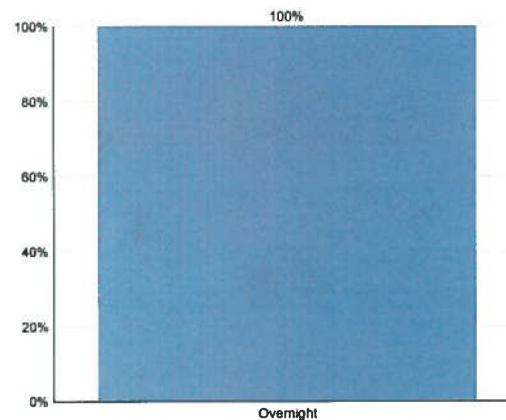
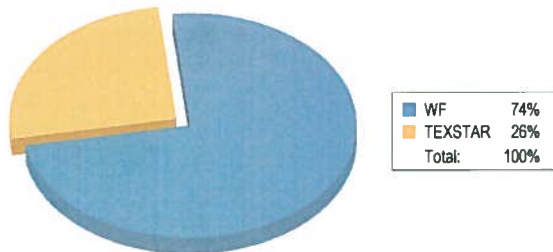
**Account Summary** **Allocation by Security Type**

	Beginning Values as of 12/31/13	Ending Values as of 03/31/14
Par Value	19,607,523.41	18,014,915.81
Market Value	19,607,523.41	18,014,915.81
Book Value	19,607,523.41	18,014,915.81
Unrealized Gain / Loss	0.00	0.00
<b>Market Value %</b>	<b>100.00%</b>	<b>100.00%</b>
Weighted Avg. YTW	0.119%	0.125%
Weighted Avg. YTM	0.119%	0.125%

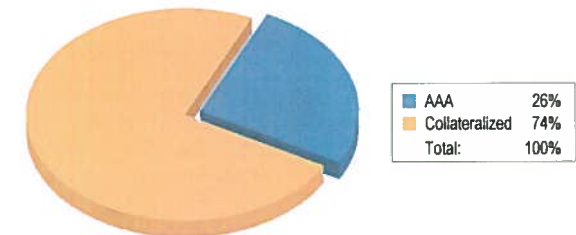


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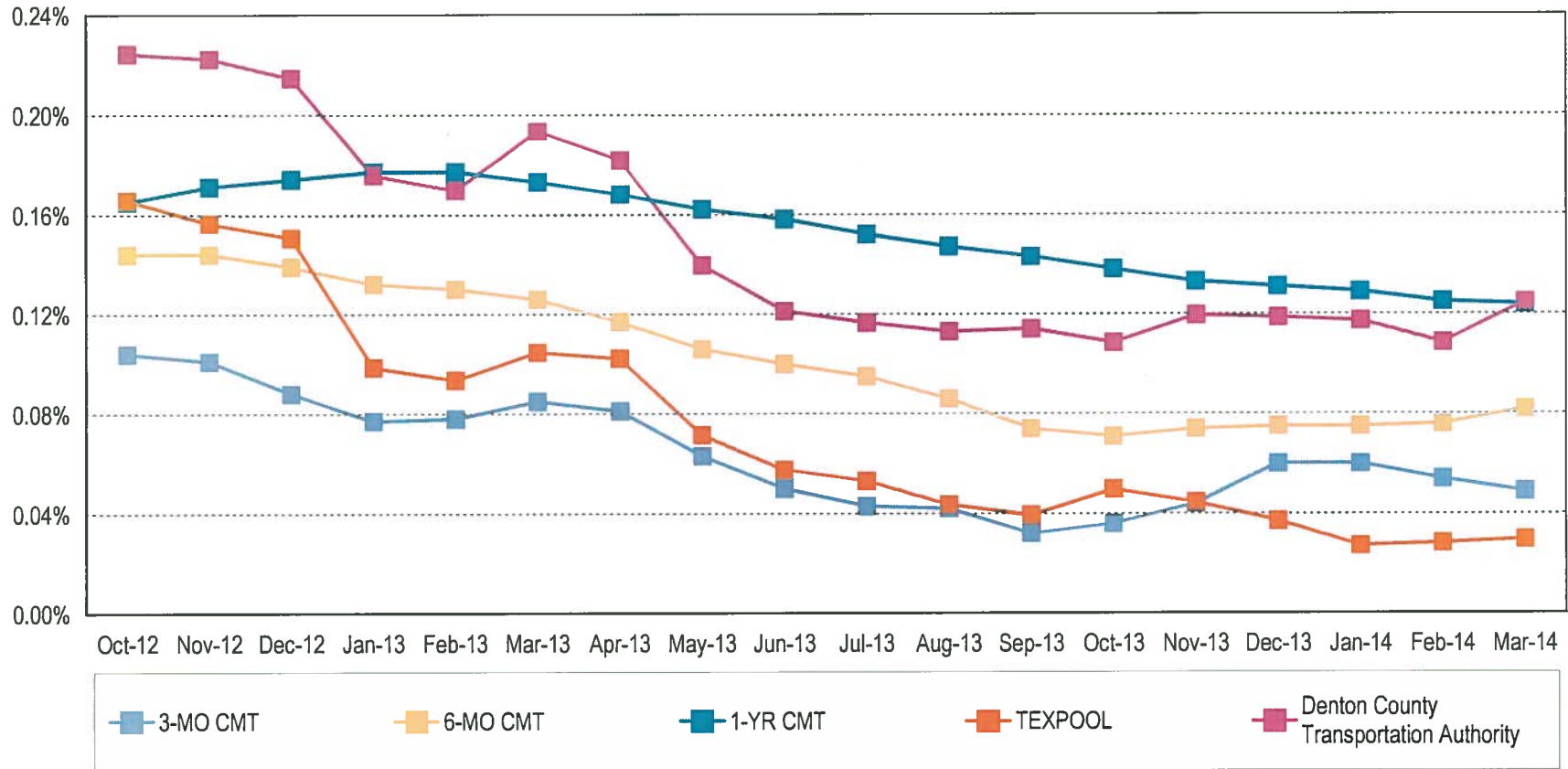
**Allocation by Issuer** **Maturity Distribution %** **Credit Quality**



Weighted Average Days to Maturity: 0



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**Note 1:** CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

**Note 2:** Benchmark data for TexPool is the monthly average yield.



Denton County Transportation Authority  
**Detail of Security Holdings**  
 As of 03/31/2014

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
<b>2011 Bond Fund</b>																	
WF-MANA		BANK DEP	Wells Fargo Managed Rate					3,337,976.76	100.000	3,337,976.76	3,337,976.76	100.000	3,337,976.76	1		0.240	0.240
<b>Total for 2011 Bond Fund</b>								<b>3,337,976.76</b>	<b>100.000</b>	<b>3,337,976.76</b>	<b>3,337,976.76</b>	<b>100.000</b>	<b>3,337,976.76</b>	<b>1</b>		<b>0.240</b>	<b>0.240</b>
<b>Bond Fund</b>																	
TEXSTAR		LGIP	TexSTAR					464,058.14	100.000	464,058.14	464,058.14	100.000	464,058.14	1		0.040	0.040
<b>Total for Bond Fund</b>								<b>464,058.14</b>	<b>100.000</b>	<b>464,058.14</b>	<b>464,058.14</b>	<b>100.000</b>	<b>464,058.14</b>	<b>1</b>		<b>0.040</b>	<b>0.040</b>
<b>Operating Fund</b>																	
WF-MANA		BANK DEP	Wells Fargo Managed Rate					1,952,769.61	100.000	1,952,769.61	1,952,769.61	100.000	1,952,769.61	1		0.240	0.240
WF-SWEEP		MMF	Wells Fargo Sweep					396,843.85	100.000	396,843.85	396,843.85	100.000	396,843.85	1		0.020	0.020
<b>Total for Operating Fund</b>								<b>2,349,613.46</b>	<b>100.000</b>	<b>2,349,613.46</b>	<b>2,349,613.46</b>	<b>100.000</b>	<b>2,349,613.46</b>	<b>1</b>		<b>0.203</b>	<b>0.203</b>
<b>Reserve Fund</b>																	
WF-PREM		BANK DEP	Wells Fargo Premium Rate					7,457,348.88	100.000	7,457,348.88	7,457,348.88	100.000	7,457,348.88	1		0.100	0.100
<b>Total for Reserve Fund</b>								<b>7,457,348.88</b>	<b>100.000</b>	<b>7,457,348.88</b>	<b>7,457,348.88</b>	<b>100.000</b>	<b>7,457,348.88</b>	<b>1</b>		<b>0.100</b>	<b>0.100</b>
<b>RTRFI Funding</b>																	
WF-MANA		BANK DEP	Wells Fargo Managed Rate					153,310.74	100.000	153,310.74	153,310.74	100.000	153,310.74	1		0.240	0.240
<b>Total for RTRFI Funding</b>								<b>153,310.74</b>	<b>100.000</b>	<b>153,310.74</b>	<b>153,310.74</b>	<b>100.000</b>	<b>153,310.74</b>	<b>1</b>		<b>0.240</b>	<b>0.240</b>
<b>RTRFI Interest</b>																	
TEXSTAR		LGIP	TexSTAR					21,647.35	100.000	21,647.35	21,647.35	100.000	21,647.35	1		0.040	0.040
<b>Total for RTRFI Interest</b>								<b>21,647.35</b>	<b>100.000</b>	<b>21,647.35</b>	<b>21,647.35</b>	<b>100.000</b>	<b>21,647.35</b>	<b>1</b>		<b>0.040</b>	<b>0.040</b>

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**Denton County Transportation Authority**  
**Detail of Security Holdings**  
*As of 03/31/2014*

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
<b>Sales Tax Fund</b>																	
TEXSTAR		LGIP	TexSTAR					4,230,960.48	100.000	4,230,960.48	4,230,960.48	100.000	4,230,960.48	1		0.040	0.040
<b>Total for Sales Tax Fund</b>								<b>4,230,960.48</b>	<b>100.000</b>	<b>4,230,960.48</b>	<b>4,230,960.48</b>	<b>100.000</b>	<b>4,230,960.48</b>	<b>1</b>		<b>0.040</b>	<b>0.040</b>
<b>Total for Denton County Transportation Authority</b>								<b>18,014,915.81</b>	<b>100.000</b>	<b>18,014,915.81</b>	<b>18,014,915.81</b>	<b>100.000</b>	<b>18,014,915.81</b>	<b>1</b>		<b>0.125</b>	<b>0.125</b>

22



**Denton County Transportation Authority**  
**Change in Value**  
*From 12/31/2013 to 03/31/2014*

CUSIP	Security Type	Security Description	12/31/13 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	03/31/14 Book Value	12/31/13 Market Value	03/31/14 Market Value	Change in Mkt Value
<b>2011 Bond Fund</b>											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	3,336,022.12	1,954.64	0.00	0.00	0.00	3,337,976.76	3,336,022.12	3,337,976.76	1,954.64
<b>Total for 2011 Bond Fund</b>			<b>3,336,022.12</b>	<b>1,954.64</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,337,976.76</b>	<b>3,336,022.12</b>	<b>3,337,976.76</b>	<b>1,954.64</b>
<b>Bond Fund</b>											
TEXSTAR	LGIP	TexSTAR	549,537.75	540,051.76	(625,531.37)	0.00	0.00	464,058.14	549,537.75	464,058.14	(85,479.61)
<b>Total for Bond Fund</b>			<b>549,537.75</b>	<b>540,051.76</b>	<b>(625,531.37)</b>	<b>0.00</b>	<b>0.00</b>	<b>464,058.14</b>	<b>549,537.75</b>	<b>464,058.14</b>	<b>(85,479.61)</b>
<b>Operating Fund</b>											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	1,951,626.11	1,143.50	0.00	0.00	0.00	1,952,769.61	1,951,626.11	1,952,769.61	1,143.50
WF-SWEEP	MMF	Wells Fargo Sweep	1,150,865.48	0.00	(754,021.63)	0.00	0.00	396,843.85	1,150,865.48	396,843.85	(754,021.63)
<b>Total for Operating Fund</b>			<b>3,102,491.59</b>	<b>1,143.50</b>	<b>(754,021.63)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,349,613.46</b>	<b>3,102,491.59</b>	<b>2,349,613.46</b>	<b>(752,878.13)</b>
<b>Reserve Fund</b>											
WF-PREM	BANK DEP	Wells Fargo Premium Rate	7,455,510.32	1,838.56	0.00	0.00	0.00	7,457,348.88	7,455,510.32	7,457,348.88	1,838.56
<b>Total for Reserve Fund</b>			<b>7,455,510.32</b>	<b>1,838.56</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,457,348.88</b>	<b>7,455,510.32</b>	<b>7,457,348.88</b>	<b>1,838.56</b>
<b>RTRFI Funding</b>											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	153,220.96	89.78	0.00	0.00	0.00	153,310.74	153,220.96	153,310.74	89.78
<b>Total for RTRFI Funding</b>			<b>153,220.96</b>	<b>89.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>153,310.74</b>	<b>153,220.96</b>	<b>153,310.74</b>	<b>89.78</b>
<b>RTRFI Interest</b>											
TEXSTAR	LGIP	TexSTAR	212,959.81	10.68	(191,323.14)	0.00	0.00	21,647.35	212,959.81	21,647.35	(191,312.46)
TEXSTAR2	LGIP	TexSTAR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total for RTRFI Interest</b>			<b>212,959.81</b>	<b>10.68</b>	<b>(191,323.14)</b>	<b>0.00</b>	<b>0.00</b>	<b>21,647.35</b>	<b>212,959.81</b>	<b>21,647.35</b>	<b>(191,312.46)</b>

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Denton County Transportation Authority  
**Change in Value**  
 From 12/31/2013 to 03/31/2014

CUSIP	Security Type	Security Description	12/31/13 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	03/31/14 Book Value	12/31/13 Market Value	03/31/14 Market Value	Change in Mkt Value
<b>Sales Tax Fund</b>											
TEXSTAR	LGIP	TexSTAR	4,797,780.86	532,156.31	(1,098,976.69)	0.00	0.00	4,230,960.48	4,797,780.86	4,230,960.48	(566,820.38)
<b>Total for Sales Tax Fund</b>			<b>4,797,780.86</b>	<b>532,156.31</b>	<b>(1,098,976.69)</b>	<b>0.00</b>	<b>0.00</b>	<b>4,230,960.48</b>	<b>4,797,780.86</b>	<b>4,230,960.48</b>	<b>(566,820.38)</b>
<b>Total for Denton County Transportation Authority</b>			<b>19,607,523.41</b>	<b>1,077,245.23</b>	<b>(2,669,852.83)</b>	<b>0.00</b>	<b>0.00</b>	<b>18,014,915.81</b>	<b>19,607,523.41</b>	<b>18,014,915.81</b>	<b>(1,592,607.60)</b>

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Denton County Transportation Authority  
**Earned Income**  
 From 12/31/2013 to 03/31/2014

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
<b>2011 Bond Fund</b>									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	1,954.64	1,954.64	0.00	0.00	0.00	1,954.64
<b>Total for 2011 Bond Fund</b>			<b>0.00</b>	<b>1,954.64</b>	<b>1,954.64</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,954.64</b>
<b>Bond Fund</b>									
TEXSTAR	LGIP	TexSTAR	0.00	74.77	74.77	0.00	0.00	0.00	74.77
<b>Total for Bond Fund</b>			<b>0.00</b>	<b>74.77</b>	<b>74.77</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>74.77</b>
<b>Operating Fund</b>									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	1,143.50	1,143.50	0.00	0.00	0.00	1,143.50
WF-SWEEP	MMF	Wells Fargo Sweep	0.00	32.38	32.38	0.00	0.00	0.00	32.38
<b>Total for Operating Fund</b>			<b>0.00</b>	<b>1,175.88</b>	<b>1,175.88</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,175.88</b>
<b>Reserve Fund</b>									
WF-PREM	BANK DEP	Wells Fargo Premium Rate	0.00	1,838.56	1,838.56	0.00	0.00	0.00	1,838.56
<b>Total for Reserve Fund</b>			<b>0.00</b>	<b>1,838.56</b>	<b>1,838.56</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,838.56</b>
<b>RTRFI Funding</b>									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	89.78	89.78	0.00	0.00	0.00	89.78
<b>Total for RTRFI Funding</b>			<b>0.00</b>	<b>89.78</b>	<b>89.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>89.78</b>
<b>RTRFI Interest</b>									
TEXSTAR	LGIP	TexSTAR	0.00	12.55	12.55	0.00	0.00	0.00	12.55
<b>Total for RTRFI Interest</b>			<b>0.00</b>	<b>12.55</b>	<b>12.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12.55</b>

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Denton County Transportation Authority

**Earned Income**

From 12/31/2013 to 03/31/2014

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
<b>Sales Tax Fund</b>									
TEXSTAR	LGIP	TexSTAR	0.00	393.45	393.45	0.00	0.00	0.00	393.45
<b>Total for Sales Tax Fund</b>			<b>0.00</b>	<b>393.45</b>	<b>393.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>393.45</b>
<b>Total for Denton County Transportation Authority</b>			<b>0.00</b>	<b>5,539.63</b>	<b>5,539.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,539.63</b>



**Board of Directors Memo**

**April 24, 2014**

**Item: 1(b) Communications and Marketing Update**

**Marketing & Communications Initiatives**

35Express Construction Campaign & Initiatives  
 WMR Software Design & Implementation  
 Internal Brand Communications  
 Public Meeting Coordination & Materials Development  
 Community Surveys & Plan Development  
 Main & Mill District Event Partnership Development  
 Community Events Calendar Coordination  
 Hickory Street Construction Marketing Campaign  
 Arts & Jazz Festival Partnership Development

Mayor's Day of Concern for the Hungry Food Drive  
 Partnership  
 Summer Youth Pass Promotion  
 National Train Day Coordination  
 Agency General Brochure Development  
 FY14 Fact Sheets Development  
 Passenger Newsletter Development  
 APTA Awards Development  
 Dallas Business Journal Awards Development  
 Internship Recruitment

**Regional Initiatives**

NCTCOG Air North Texas  
 NCTCOG Regional Transit Survey  
 Regional "North Texas Travels" Planning  
 Regional Marketing & Communications Committee  
 NCTCOG Casual Carpool App

GoPass Promotion & Passenger Tools Enhancement  
 Dump the Pump Planning & Coordination

**Recent Events**

19-Mar	Denton "Mouthwatering Wednesdays" Food Truck Event	
19-Mar	TWU Apartment Fair	500 event attendees
26-Mar	Denton Breakfast Kiwanis Club	40 attendees
2-Apr	UNT Spring Housing Fair	875 event attendees
2-Apr	Denton "Mouthwatering Wednesdays" Food Truck Event	
4-Apr	NCAA March Madness Music Festival	2,332 passengers
5-Apr	NCAA March Madness Music Festival	784 passengers
9-Apr	Denton "Mouthwatering Wednesdays" Food Truck Event	
10-Apr	Hedrick Middle School Field Trip	
10-Apr	Citizen's Advisory Team, Lewisville	
12-Apr	Denton ISD Transition Fair	10 booth visitors
17-Apr	Citizen's Advisory Team, Denton	
21-Apr	Public Meeting (Lewisville)	
22-Apr	Travel Training	
23-Apr	Public Meeting (Highland Village)	

**Upcoming Events**

25-27 Apr	Denton Arts & Jazz Festival
29-Apr	Public Meeting (UNT)
29-Apr	Mayor's Day of Concern for the Hungry
29-Apr	Texas Education Center
30-Apr	Public Meeting (TWU)
1-May	Lewisville High School Harmon Campus Presentations
3-May	Public Meeting (DDTC)
9-May	Shady Shores Elementary Career Day
10-May	National Train Day
28-May	Strickland Middle School Field Trip
7-June	Celebrate Highland Village
19-June	National Dump the Pump Day
21-June	Lewisville's Best Little Brewfest of Texas
15-17 Aug	Highland Village Lions Balloon Festival

**General DCTA Related Media**

Articles Mentioning DCTA	26	Month Total Ad Value	\$13,141
Web Reach Per Million	979	YTD Total Ad Value	\$132,383
YTD Web Reach Per Million	10,340		

**Topic Highlights**

DCTA survey available until May 5  
 Final Four weekend schedule for North Texas  
 All DCTA Trains are stopped due to a Tornado Warning  
 DCTA meetings aim to inform public

**DCTA Marketing Web Statistics**

RideDCTA.net						
	January	February	March	1st Quarter FY2014	2nd Quarter FY2014	% Change from Last Quarter
Visitors	18,089	15,193	16,911	56,995	50,193	-11.93%
Visits	34,274	29,693	32,774	102,267	96,741	-5.40%
New Visits	41.04%	38.72%	40.26%	43.90%	40.01%	-8.88%
Avg. Time on Site	3:32	3:07	3:51	3:01	3:30	15.60%

Top Page Views
Homepage
A-train Schedule
Connect Schedules
Routes and Schedules
A-train Map

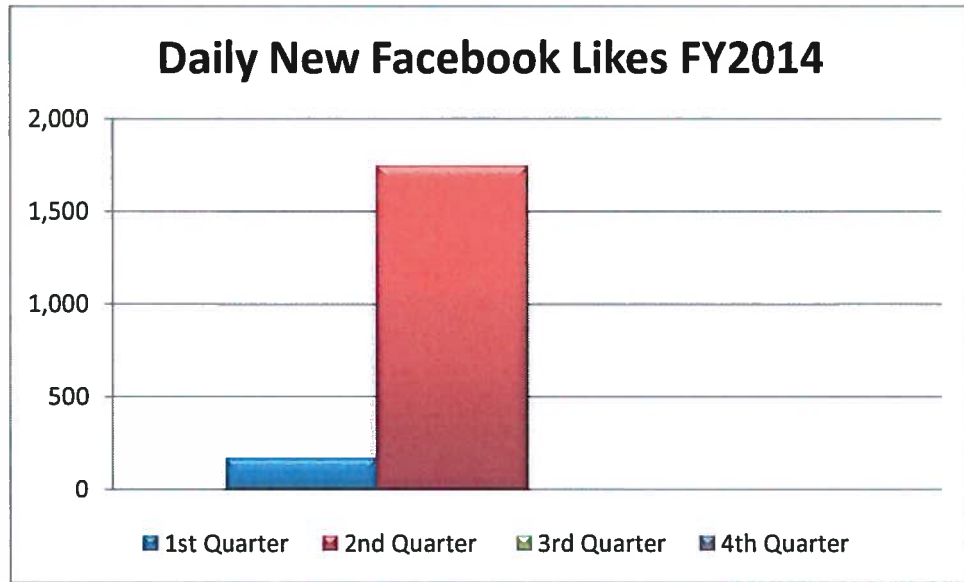
	Traffic Sources Overview		
	January	February	March
Search Engines	21,908	19,372	21,084
Direct Traffic	9,131	7,706	8,770
Referring Sites	2,918	2,368	2,620
Social	317	247	300

Top Traffic Sources
Google
Direct
Bing
Yahoo
DART

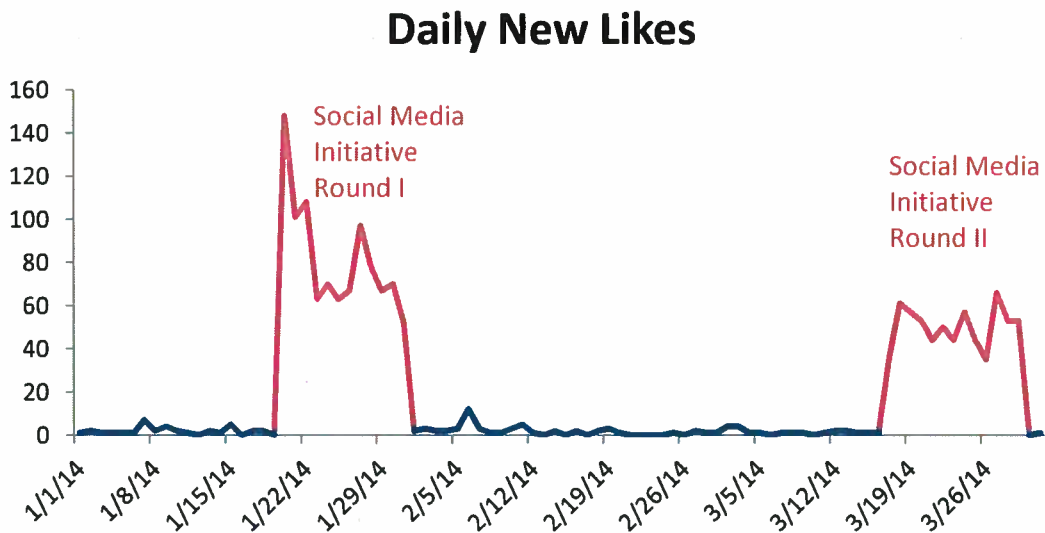
twitter.com			
	1st Quarter FY2014	2nd Quarter FY2014	% Change from Last Quarter
Followers	2018	2202	9%
Following	368	429	17%
Listed	50	56	12%

Transit Talk Blog			
	1st Quarter FY2014	2nd Quarter FY2014	% Change from Last Quarter
Visitors	113	640	466.37%

facebook.com						
	January	February	March	1st Quarter FY2014	2nd Quarter FY2014	% Change from Last Quarter
People Talking About This	1161	179	828	485	2,168	347%
Lifetime Total Likes	3137	3178	3789	2,203	1,879	-15%
New Likes	1019	52	676	168	1,747	940%
Unlikes	81	9	66	16	156	875%
Page Engaged Users	2128	588	1520	1,486	4,236	185%
Total Reach	82218	8166	56114	27,158	146,498	439%
Total Impressions	125938	21752	93030	76,256	240,720	216%

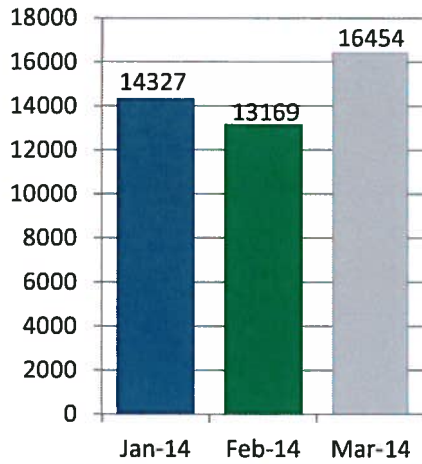


During this reporting period an increase in “likes” was generated from rounds I & II of the I35 Construction Social Media Initiative.

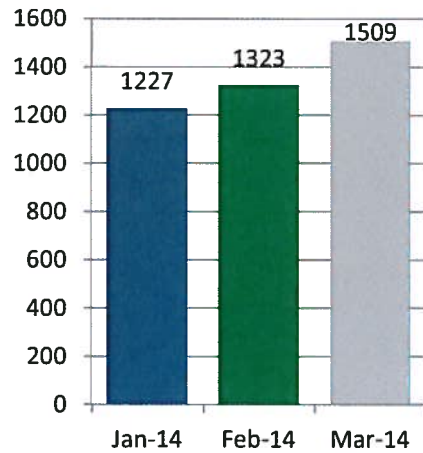


### GoPass Application

**New Downloads**



**DCTA Tickets Sold**



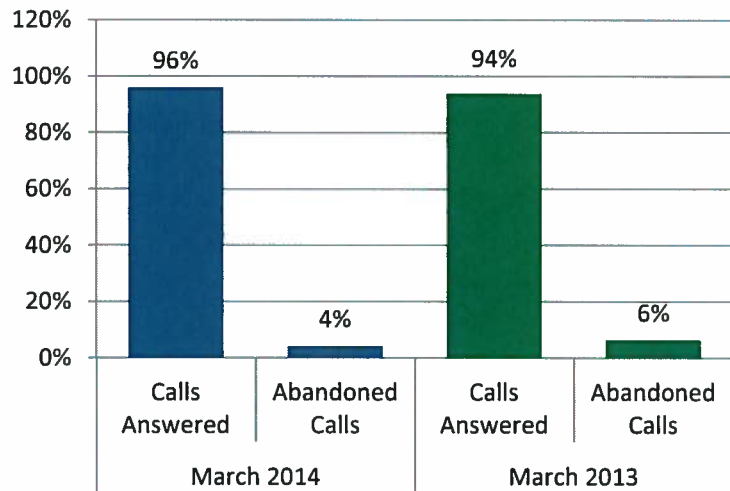
### Call Center Statistics

In March, DCTA's call center received 4,549 calls compared to the 4,991 calls that were recorded in the month of February. This is a 9% decrease in call volume from the previous month. 4,362 of the calls recorded in March were answered and 187 were abandoned.

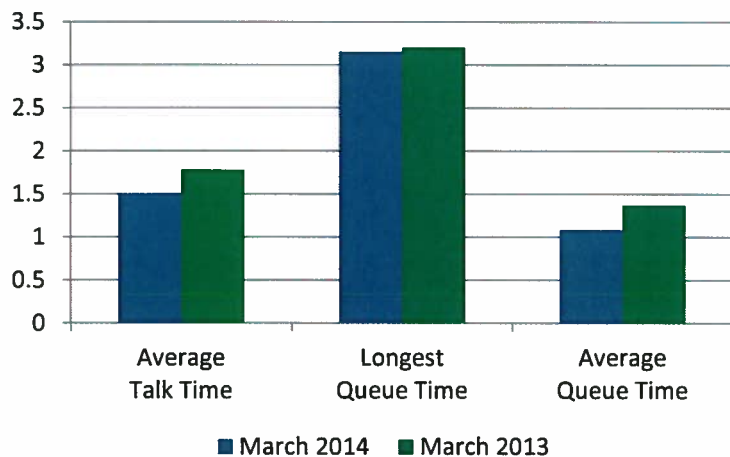
The target for answered calls is 90%. With a 96% rate of calls answered, this target was met this month.

DCTA's target talk time is three minutes. The longest queue time that we would like to see is three minutes. The ideal average queue time is 90 seconds.

**Incoming Calls**



**Call Center Performance**



## GoRequest Statistics

DCTA had a total of 29 submissions into GoRequest during the month of March. This is a 81% increase from the month of February.

A-train Gates / Signals	1
Customer Service Information	1
Driver Conduct	9
Driving Skills	4
Lost and Found	1
On Time Performance	2
Other	5
Route and Schedule Information	2
Service Request	3
Stations / Shelters / Bus Stops	1

### Types of Submittals Breakout

Complaint	16
Compliment	3
Problem	0
Question	7
Suggestion	13

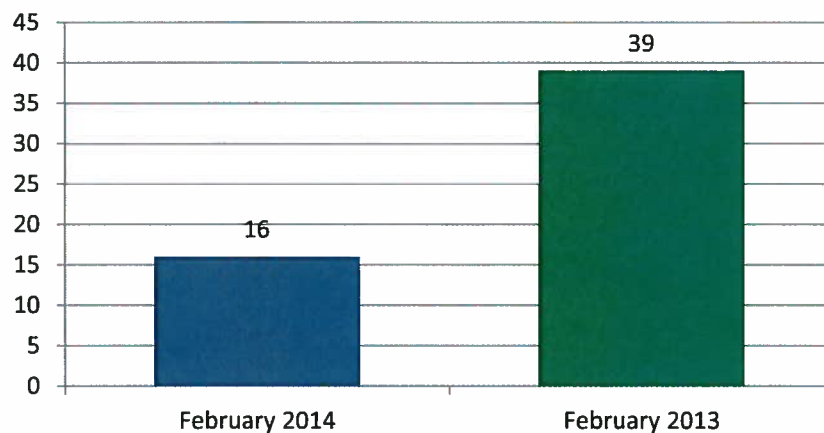
### Complaints Per 10,000 Passengers

0.68	Complaints/10,000 Passengers
1.23	Total Requests / 10,000 Passengers

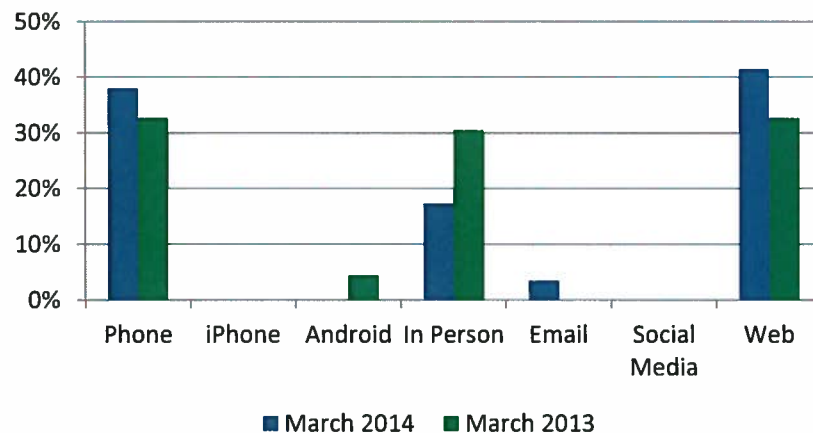
### Complaint Topic Breakout

Driver Conduct	8
Driving Skills	2
On Time Performance	2
Other	3
Route and Schedule Information	1

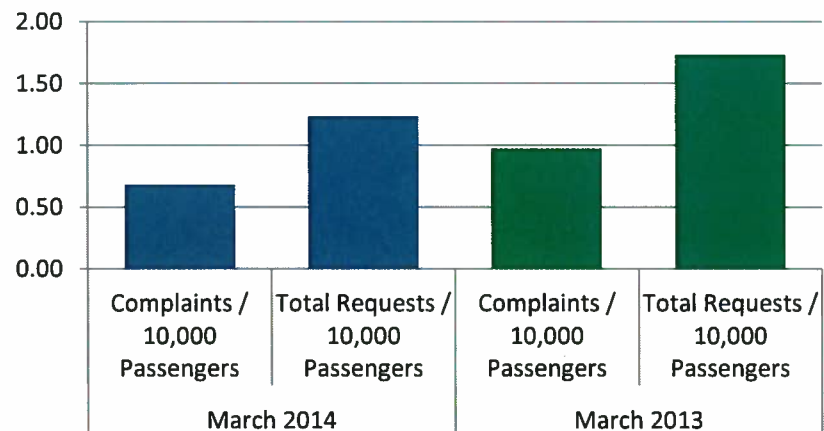
### Number of Opened Requests



### How Requests Are Reported



### Requests Per 10,000 Passengers

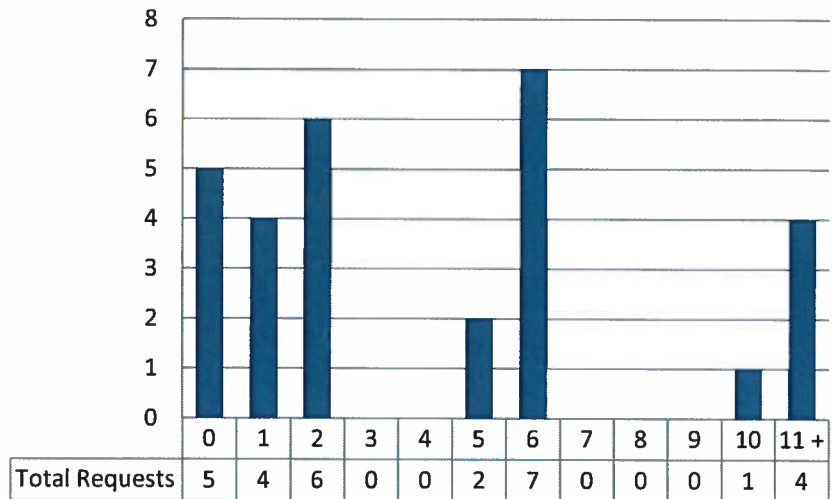


DCTA has a goal to close all requests within seven days. Ten days is the maximum number of days a request is allowed to remain unresolved.

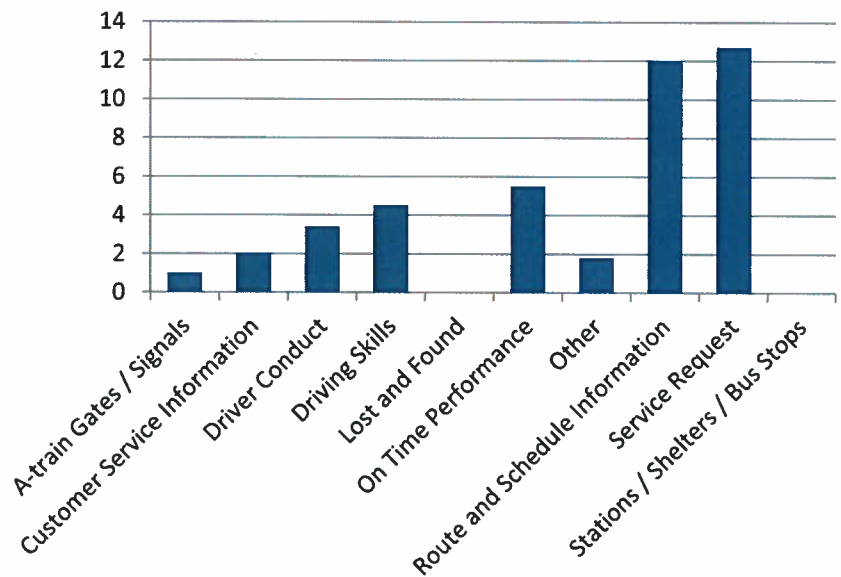
In this reporting period it took, on average, 4.62 days to close out a request.

Four submissions during this reporting period required longer than the allotted ten day response time. Two of the submissions were from the same user as part of an on-going discussion with a staff member. The response for the remaining submissions required input from various departments to provide a complete and adequate response.

### Number of Days to Close a Request



### Average Number of Days to Close a Request



Submitted by: *Rusty Comer*  
 Rusty Comer, Management Specialist

Approved by: *Kristina Brevard*  
 Kristina Brevard, Vice President,  
 Marketing & Communications



## **Board of Directors Memo**

**April 24, 2014**

### **Item: 1(c) Capital Projects Update**

#### **GTW Implementation**

The enhanced shunting test plan for phase one has been reviewed with FRA and a test had been scheduled for April 27. A debrief has been scheduled for April 28<sup>th</sup> to determine results and next steps.

#### **Where's My Ride**

Strategic Mapping released Phase I of the Where's My Ride software package on March 24, 2014. Phase I of the software includes main menu functions, dispatch, route and stop maintenance functions, internal alerts, and reporting elements. Vehicle installation is scheduled to begin on May 5, 2014, with completion by May 19, 2014. In connection with the Where's My Ride project, DCTA staff completed a full audit of all Connect bus routes and stops in March. Staff is now in the process of updating the Where's My Ride software portal to reflect all audit findings. Accurate route and stop data will ensure the accuracy of Where's My Ride prediction information. Staff will use Bus-in-a-Box to test all routes, stops, and announcements when all routes and stops are updated. Strategic Mapping is slated to brief the Board of Directors in May.

#### **Bus Operations and Maintenance Facility**

The building is fully operational and the contractor is working the final punch list. Contract close-out is in progress.

#### **Community Enhancements**

Bids were received on March 20<sup>th</sup> and we received Board approval contingent on TxDOT approval of the award. We are awaiting TxDOT response and the contractor is completing his required federal documentation. We expect to begin construction in May.

#### **Lewisville Hike/Bike Trail**

We received the 60% review comments from TxDOT. Jacobs has submitted the 95% review set to for review. We anticipate TxDOT approval of the plans in May so that the contract can be awarded in July, according to the grant requirements.

#### **Positive Train Control (PTC)**

The bid date remains April 11, 2014. The pre-bid meeting was held on February 20<sup>th</sup> and site visits followed on the 21<sup>st</sup>. Staff continues to work on the PTC 220 lease documents and the Interlocal Agreement. We are on schedule for contract award by summer, 2014. DCTA filed the annual PTCIP update on April 7<sup>th</sup>.

#### **Highland Village/Lewisville Lake Recreational Parking**

Bids were received and the contract awarded in January. Implementation is waiting on final approval from the Corps of Engineers. We received notice that the plans have been reviewed and the matter is now in Real Estate. City of Lewisville staff has requested expedited review.

#### **Bus Radios**

Kenwood has declined to provide factory pricing for the radios. HTI has requested alternative pricing from several Kenwood suppliers in the area.

**DDTC Porch Repair**

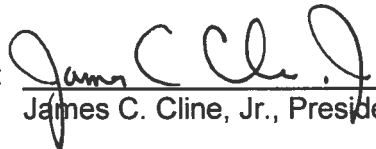
The removal and replacement of the concrete on the north porch of the DDTC has been completed. The contractor is scheduled to place the micro-topping on April 12<sup>th</sup> and 13<sup>th</sup>.

**North Hebron Drainage Improvements**

The installation of additional rip-rap near the N. Hebron Signal to prevent soil erosion is still in progress. The contract operator has scheduled final installation for Sunday, April 13, 2014.

**Rail Maintenance of Equipment**

Progress on the FRA mandated tri-annual maintenance to the vehicle brake system has been delayed due to supplier lead times. Approximately sixty percent of the parts needed for the spare kit have been received. The remaining kit parts are expected to be received by June 2014, with the first brake set removed and shipped to Europe for overhaul shortly thereafter.

Approved by:   
James C. Cline, Jr., President

**Board of Directors Memo****April 24, 2014****Item: 1(d) Transit Operations Report****❖ RIDERSHIP**

- DCTA carried 235,146 passengers system wide in the month of March. This is a 9.9% decrease from overall ridership last year.
- The A-train carried 49,467 passengers during the month of March. This reflects an overall increase in ridership of 12% for the month of March 2014, when compared to March 2013.
- A-train Saturday ridership in March increased 37% compared to last year.
- DCTA's bus system carried 185,679 passengers in March which is an almost 15% decrease from March 2013.
- Connect ridership experienced a 7.7% increase versus this same time period last year.
- NCTC ridership decreased 30% in March 2014 compared to March 2013.
- Ridership on Connect RSVP increased by 17% (or 36 boardings) in March 2014 relative to that same period in 2013.
- Access boardings in March decreased 2% the same compared to the previous year.
- UNT Shuttle continues to experience declines in ridership. Ridership decreased by 20% (or by 34,258) in March 2014 as compared to March 2013.

**❖ SYSTEM ON-TIME PERFORMANCE**

- March "On Time Performance" (OTP) for the A-train was 100%.
- March "On Time Performance" (OTP) for the bus system was above 97.5%.

**❖ SAFETY/SECURITY**

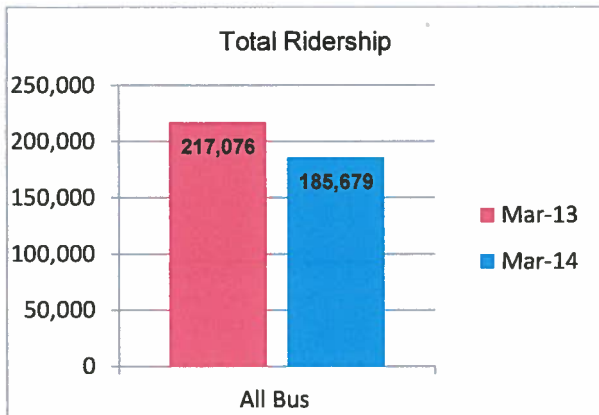
- DCTA Rail Operations Injury-Free Workdays: 691 days
- There were no vehicle issues reported at the Eagle Point Road in the month of March.
- There were three reportable bus incidents in March.

**❖ PLANNING AND CUSTOMER SERVICE**

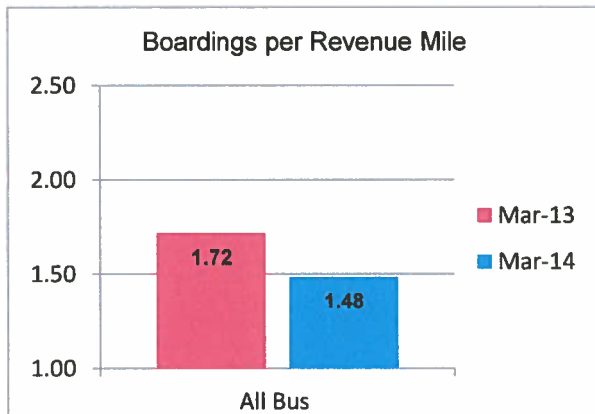
- The January service changes were effective on January 13, 2014. Slight adjustments were made to Route 9 to better align with new a.m. A-train trips. Staff will begin to examine future schedule changes.
- Hickory Street construction has caused a reroute of several bus routes in Denton.
- Construction on Highland Street has impacted UNT Shuttle routes and resulted in increased customer complaints. DCTA is working with UNT to manage the routes during construction and communicate detours to minimize disruption to the customer.

**❖ MAINTENANCE**

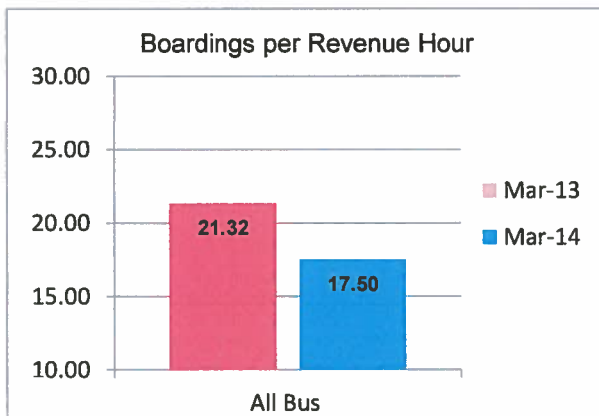
- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** There were no signal or communications issues in March.
- **Stations:** DCTA contract operations (HTSI) continues to perform weekly safety inspections, which have not identified any major issues, and any minor aesthetic issues have been resolved (i.e. landscape maintenance, etc.). DCTA staff is currently reviewing other options for landscape maintenance.
- **Rail Mechanical:** DCTA contract operations (HTSI) reported no mechanical issues in the month of March
- **Bus Mechanical:** TMDC maintenance staff is now working out of the new facility.



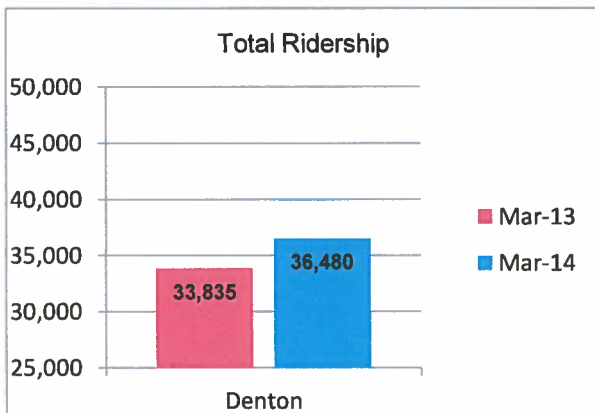
Total boardings for all bus service decreased by almost 15% (or by 31,397 boardings) when comparing March 2014 to 2013. This drop can in part be explained by declining UNT ridership which represents approximately 73% of total fixed route ridership.



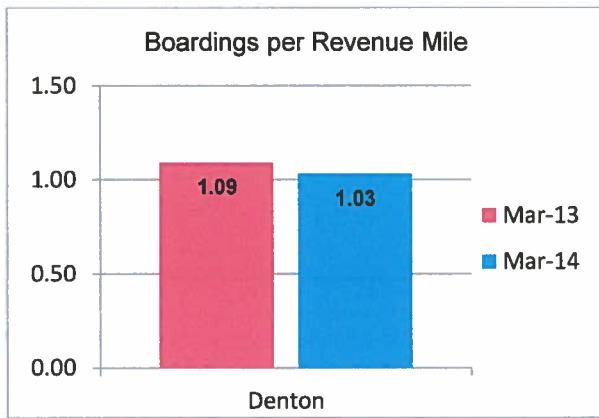
Overall, in March boardings per revenue mile dropped by over 13% when compared to the previous year. Total revenue miles remained about the same from March 2014 to 2013 but boardings dropped which impacted overall efficiency.



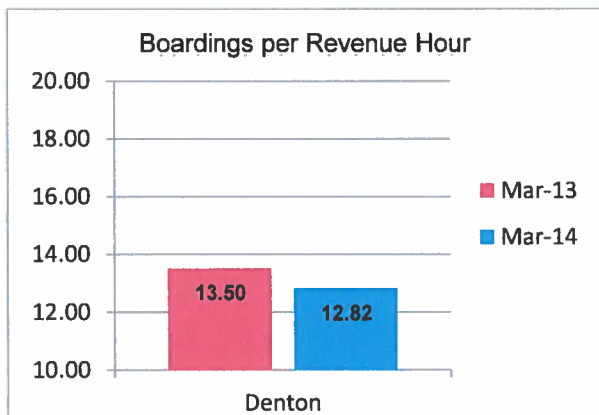
In March, boardings per revenue hour decreased by 18% from the previous year. The drop in ridership was amplified by an small increase in revenue hours.



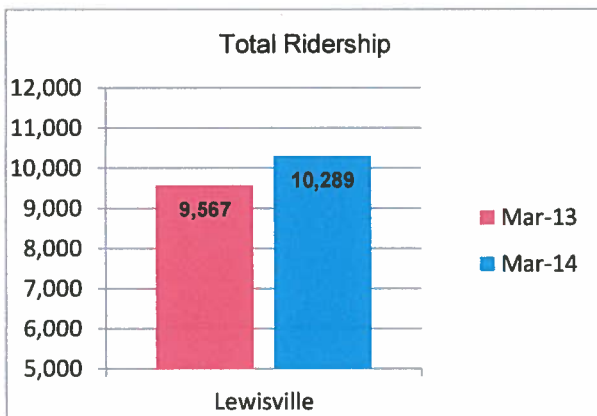
In March, Denton routes carried almost 8% more (or by 2,645 boardings) when comparing 2014 to 2013. As part of the January 2014 service changes, routes 1 and 6 operated independently of each other (no longer interlined).



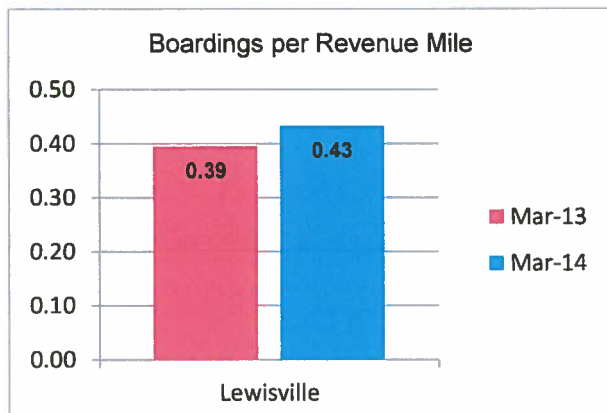
In March, boardings per revenue mile decreased by over 5% from the previous year. This small drop resulted from revenue miles increasing slightly faster than boardings.



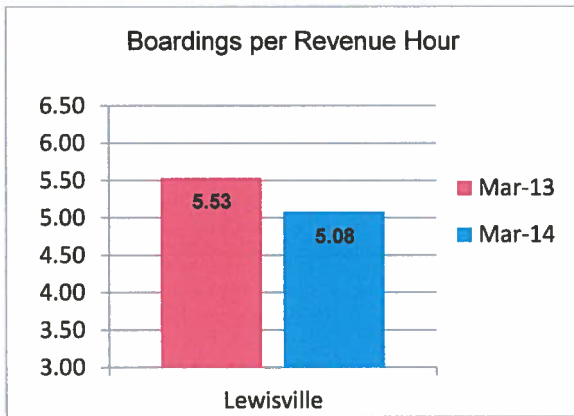
In March, boardings per revenue hour decreased by 5% from the previous year.



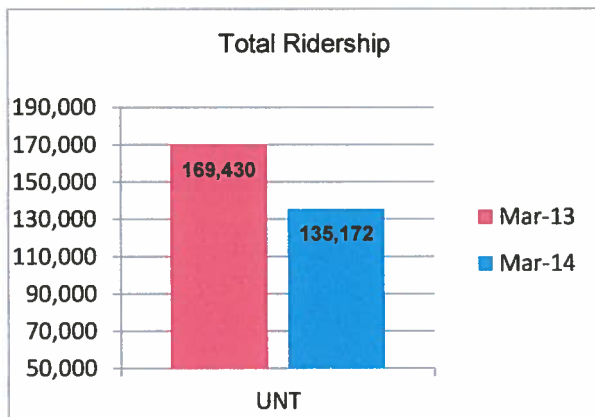
In March, boardings increased by over 7% (or by 722 boardings) when compared to the previous year. As part of the January 13, 2014 Service Changes, mid-day service was added to Routes 21, 22, and 23.



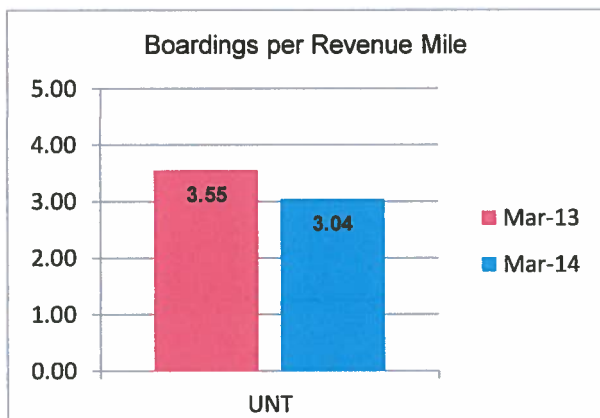
In March, boardings per revenue mile increased by over 9%. Revenue mile decreased slightly from March 2013 to March 2014 which boosted the increase in boardings per revenue mile.



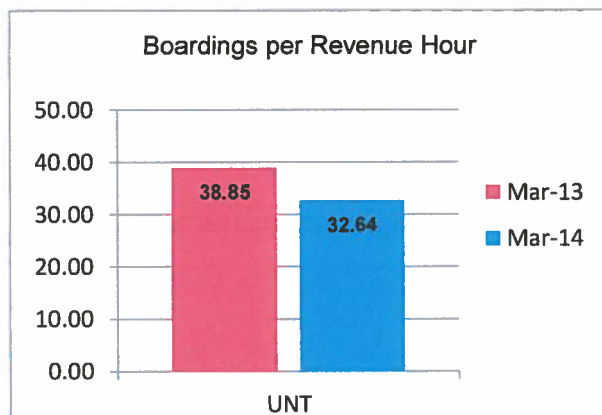
In March, boardings per revenue hour dropped by over 8% from the previous year. This was caused by revenue hours increasing faster than boardings.



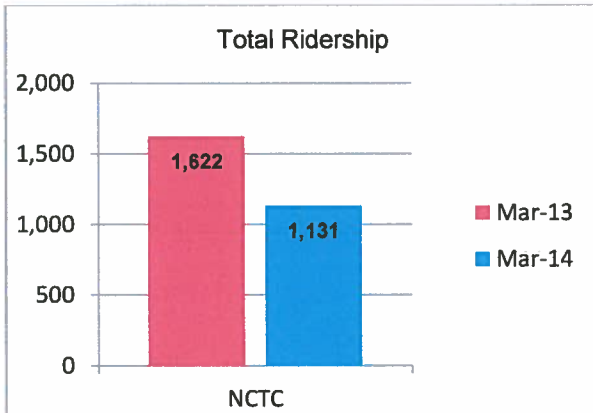
In March, UNT boardings decreased by over 20% (or by 34,258 boardings) relative to the previous year.



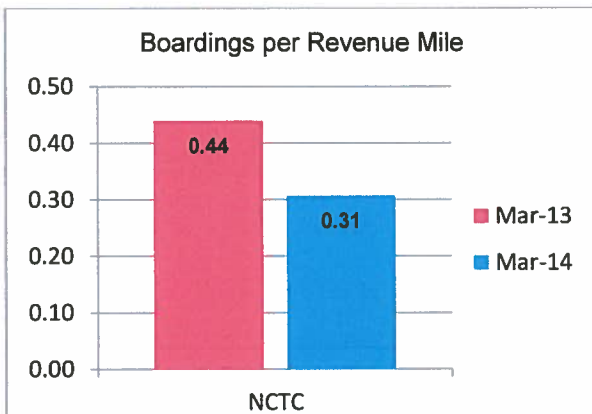
In March, boardings per revenue mile decreased by over 14% from the previous year.



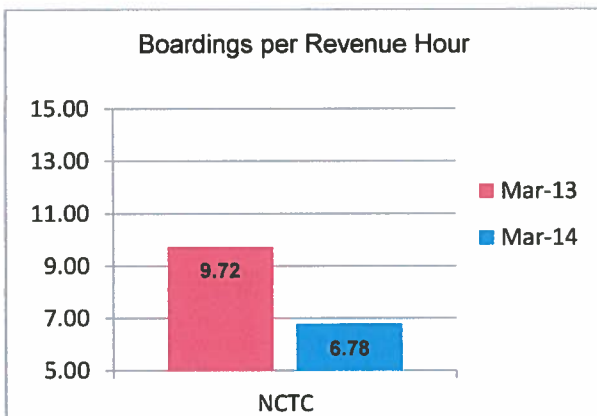
In March, boardings per revenue hour decreased by 16% from the previous year.



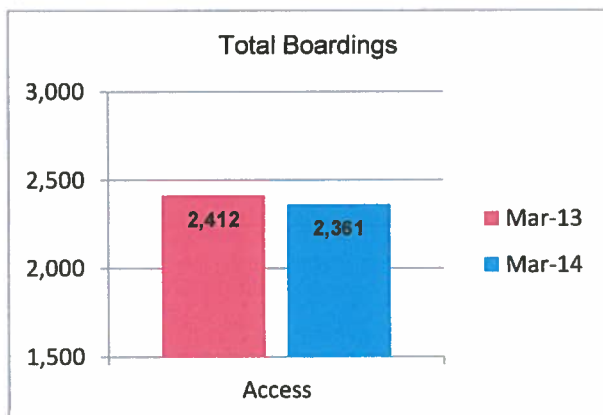
In March, NCTC boardings dropped by over 30% (or by 491 boardings) when compared to 2013.



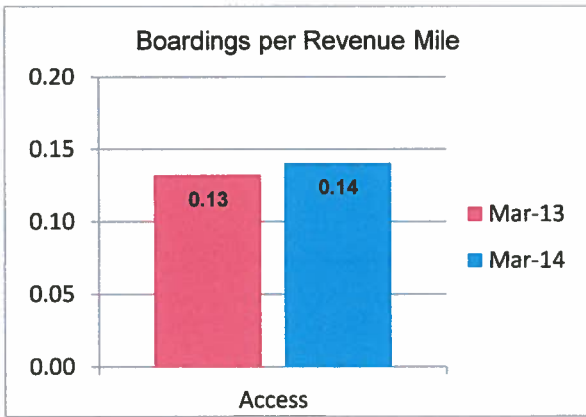
In March, boardings per revenue mile decreased by over 30% from the previous year.



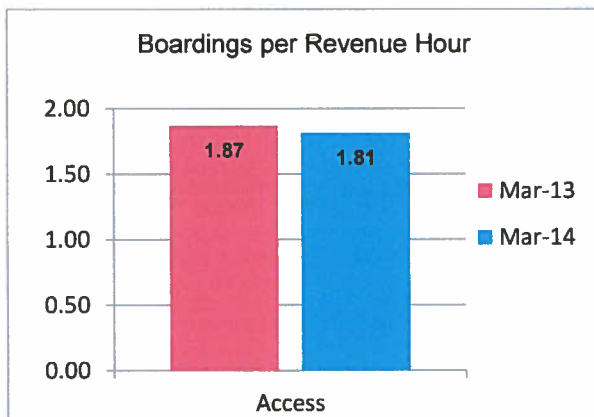
In March, boardings per revenue hour decreased by over 30% from the previous year.



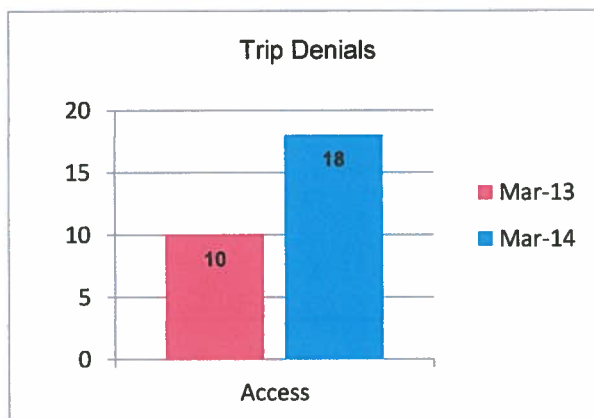
In March, boardings decreased by 2% (or by 51 boardings) when compared to the previous year.



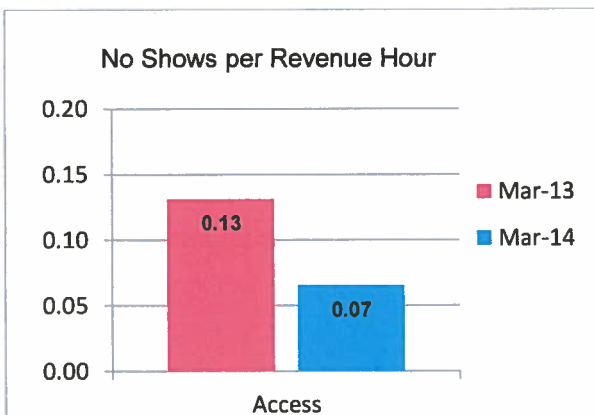
In March, boardings per revenue mile remained about the same when compared to the previous year.



In March, boardings per revenue hour remained about the same when compared the previous year.

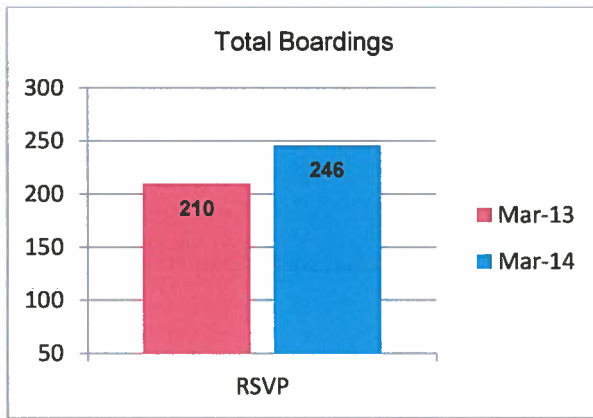


In March, non-ADA trip denials increased by 80% (or by 8 denials) when compared to 2013. Increased demand for services while vehicles and other resources remained the same may explain this increase in denials.

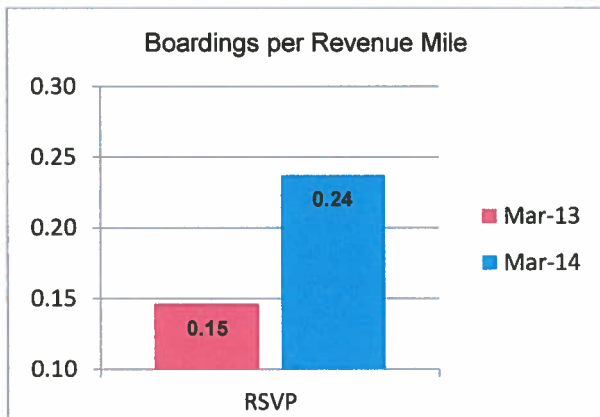


In March, no shows per revenue hour decreased by over 50% from previous year.

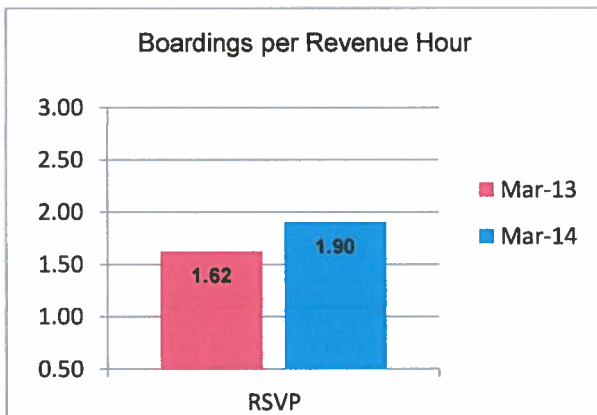




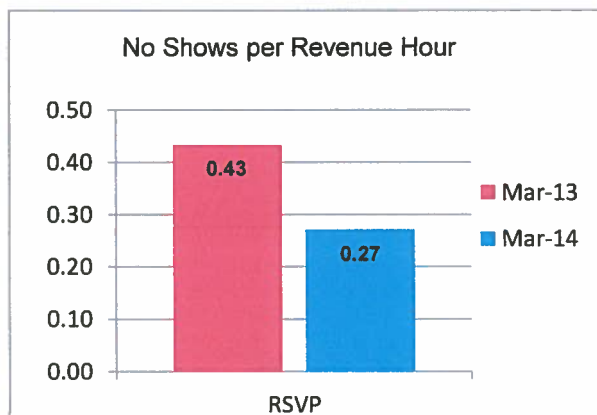
In March, boardings increased by 17% (or by 36 boardings) when compared to 2013.



In March, boardings per revenue mile increased by over 62% from the previous year.



In March, boardings per revenue hour increased by 17% from the previous year.



In March, No Shows per revenue hour dropped by 37% from previous year.



## Board of Directors Memo

April 24, 2014

### Item: WS 3(a) Finance Committee Chair Report

The Finance Committee meeting and Special called Board of Directors meeting was held at 1:00 p.m., Wednesday, April 16, 2014 at 1660 S. Stemmons, Suite 250 Conference Room in Lewisville, TX

In attendance were:

Committee Chair: Dave Kovatch

Committee Members: George Campbell

Board Members: Paul Pomeroy

Absent: Jim Robertson, Richard Huckaby, Allen Harris

DCTA Staff: Anna Mosqueda, Amanda Riddle, Kristina Brevard, Dee Leggett, Leslee Bachus

A complete copy of the Finance Committee agenda packet and handouts is included as "Attachment A" to this report. The following agenda items were discussed:

#### **Financial Management Policies**

The CFO walked through the key changes incorporated into the Financial Management policies as had been recommended by the Finance Committee. The committee members reviewed the most current draft. Although the document changes include some cosmetic/grammatical corrections, the attached draft document reflects the two major recommended changes based on current practice and Finance Committee guidance. These two key changes are:

#### Page 4: Reserve Fund Policies

Addition of the Fuel Stabilization Reserve Fund., this was incorporated during the FY13 budget process by the Finance Committee

#### Pages 9 & 10: Budget & Operating Policies

Revision and incorporation of *Administrative Procedure (AP)2004-2: Budget Amendment Procedures* into the comprehensive financial policies document. This administrative procedure was adopted by the Board in 2004 with revision made in April 2006. The agency has grown dramatically since the initial adoption of (AP)2004-2 and the process needs to be updated to reflect more current practices. It is also important to insure clear communications are maintained with the Board regarding changes made to the bottom line Operating Expenses Fund budget and Capital Project budgets. The changes in the marked-up document reflect the recommendations of the Finance Committee and were presented for discussion.

The Finance Committee discussed the changes incorporated after the last meeting and recommended additional modification of Section d.i.2 to read:

**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.**

A final draft of the Financial Management Policies will be sent for review to the committee members and then be forwarded to the Board for approval at its May meeting.

#### **Review FY14 Revised Budget Process**

The Budget Coordinator gave an overview of the internal revised budget process for FY14 slated to begin in April and outlined the schedule.

#### **Finalize Budget Calendar**

The Budget Coordinator presented the FY 2015 Budget Calendar to the Finance Committee members. The committee approved a time change to move future Finance Committee meetings including the budget discussion meetings to 2-4 pm on the scheduled dates. These meetings were previously scheduled from 1-3 pm. Revised meeting notices will be sent to incorporate the time change. The committee cancelled the July 14, 2014 Quarterly Finance committee meeting that was slated.

#### **Contingency Plan for Federal Funding Reductions**

The CFO presented a proposed contingency plan for federal funding reductions to the committee for review and comment. The Federal Funding Reduction contingency plan will be incorporated as part of the Budget Contingency Plan that is adopted each year with the budget. It will serve as a tool for staff and Board members to identify and outline a process for the agency to follow in the event of a reduction or decline in the agency's apportionment of Federal Transportation Administration (FTA) funding or reduction of federal funding for transit.

The Committee requested additional detail be added to some sections of the plan. Staff will incorporate the additional detail for committee review and comment.

During the FY 2015 budget process, the Finance Committee will review the contingency plan which will now incorporate a plan for federal funding reductions. The final recommendation will be incorporated into the FY15 Budget Contingency Plan.

The meeting adjourned at 2:00pm

#### **Finance Committee**

**Chair – Dave Kovatch**

**Members –George Campbell, Allen Harris, Richard Huckaby, Jim Robertson**

**Staff Liaison – Anna Mosqueda – CFO**



Special Called Meeting of the DCTA Board of Directors  
 and the **Finance Committee**  
 of the DCTA Board of Directors  
**1:00 p.m., April 16, 2014**  
 1660 S. Stemmons, Suite 250 Conference Room  
 Lewisville, TX 75067

### **AGENDA**

NOTICE IS HEREBY GIVEN that there will be a special called meeting of the DCTA Board of Directors and a meeting of the Finance Committee of the DCTA Board of Directors at the time and location above. The DCTA Board of Directors will not conduct its special called meeting if a quorum of the DCTA Board of Directors does not attend however the DCTA Finance Committee will conduct its meeting regardless of the presence of a quorum of the DCTA Board of the Directors. The DCTA Board of Directors and the Finance Committee of the DCTA Board of Directors will consider the following:

#### Welcome and Introductions

- 1) ITEMS FOR DISCUSSION
  - a. Financial Management Policies
  - b. Review Revised Budget Process
  - c. Finalize Budget Calendar
  - d. Contingency Plan for Federal Funding Reductions

- 2) ADJOURN

**Finance Committee**  
**Chair** – Dave Kovatch  
**Members** – George Campbell, Allen Harris Richard Huckaby, Jim Robertson  
**Staff Liaison** – Anna Mosqueda – CFO

The Denton County Transportation Authority meeting rooms are wheelchair accessible. Access to the building and special parking are available at the east entrance. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by emailing [lbachus@dcta.net](mailto:lbachus@dcta.net) or calling Leslee Bachus at 972-221-4600.

This notice was posted at 1660 S. Stemmons, Lewisville, Texas 75067 at a place convenient and readily accessible to the public at all times. Said notice was posted on 4/11/2014 at 4:16 PM.

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Leslee Bachus, Executive Assistant

# Denton County Transportation Authority Financial Management Policies (Adopted October, 2011)



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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/undesigned 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.
    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.

ii.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.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.

e.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 9/26/2013)**

### **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:

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

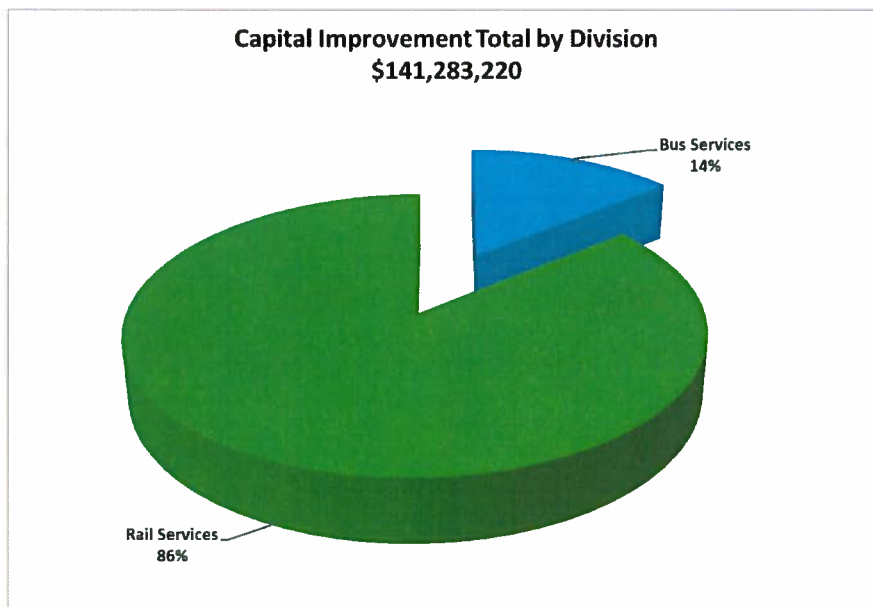


## Change in Net Assets – Budget Basis

	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised Budget	FY 2014 Budget
<b>Operating Revenues</b>				
Passenger Fares	\$ 1,015,813	\$ 1,030,940	\$ 1,030,940	\$ 1,375,663
Contract Service Revenue	2,927,341	3,001,040	3,001,040	3,298,781
Other Revenues	-	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 3,943,154</b>	<b>\$ 4,031,980</b>	<b>\$ 4,031,980</b>	<b>\$ 4,674,444</b>
<b>Operating Expenses</b>				
Salaries, Wages & Fringe Benefits	\$ 6,293,239	\$ 7,211,225	\$ 7,211,225	\$ 8,279,130
Services	1,431,692	1,388,452	2,118,582	1,865,784
Materials & Supplies	3,010,582	3,494,340	3,698,665	3,829,224
Utilities	396,248	372,740	410,398	447,815
Insurance, Casualties & Losses	362,958	544,732	625,791	798,162
Purchased Transportation Services	7,605,437	8,430,186	8,430,186	9,331,365
Miscellaneous	126,187	155,491	148,976	233,085
Leases & Rentals	943,160	421,330	537,430	284,615
Depreciation	6,901,759	9,320,443	9,320,443	8,997,293
<b>Total Operating Expenses</b>	<b>\$ 27,071,262</b>	<b>\$ 31,338,939</b>	<b>\$ 32,501,696</b>	<b>\$ 34,066,473</b>
Operating Income / (Loss)	\$ (23,128,108)	\$ (27,306,959)	\$ (28,469,716)	\$ (29,392,029)
<b>Non-Operating Revenues / (Expenses)</b>				
Sales Tax Revenue	\$ 19,009,136	\$ 18,775,391	\$ 18,775,391	\$ 20,725,320
Net Investment Income / (Expenses)	53,927	36,000	36,000	33,000
Long-Term Debt Interest / (Expense)	(1,499,100)	(2,168,920)	(2,331,608)	(2,423,840)
Non-Operating Revenues / (Expenses)	90,301	-	-	7,125
Federal Grants & Reimbursements	3,095,510	9,556,174	10,177,611	6,486,142
State Grants & Reimbursements	7,214,635	691,926	803,926	593,216
Debt Issuance	-	13,400,000	13,400,000	5,500,000
<b>Total Non-Operating Revenue</b>	<b>\$ 27,964,409</b>	<b>\$ 40,290,571</b>	<b>\$ 40,861,320</b>	<b>\$ 30,920,963</b>
<b>Increase in Net Assets</b>	<b>\$ 4,836,301</b>	<b>\$ 12,983,612</b>	<b>\$ 12,391,603</b>	<b>\$ 1,528,934</b>
<b>Net Assets - Beginning of Year:</b>	<b>\$ 316,131,437</b>	<b>\$ 293,458,414</b>	<b>\$ 293,458,414</b>	<b>\$ 289,189,309</b>
<b>Net Assets - End of Year:</b>	<b>\$ 320,967,738</b>	<b>\$ 306,442,026</b>	<b>\$ 305,850,017</b>	<b>\$ 290,718,242</b>
<i>Transfer to Capital Projects</i>	<i>\$ 27,509,324</i>	<i>\$ 21,496,074</i>	<i>\$ 16,660,708</i>	<i>\$ 10,163,952</i>
<b>Net Assets After Capital Project Transfer</b>	<b>\$ 293,458,414</b>	<b>\$ 284,945,952</b>	<b>\$ 289,189,309</b>	<b>\$ 280,554,290</b>

# Capital Improvement Plan Summary

Project Name	Project Number	Project LTD thru FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Anticipated Project Total (Thru 2018)
<b>Bus Services</b>									
Passenger Amenities-Phase 2	50202	138,223	91,103	-	-	-	-	-	229,326
Bus Operations & Maintenance Facility	50301	2,073,478	8,269,062	1,378,177	-	-	-	-	11,720,717
Bus Maintenance Equipment	50302	78,777	421,223	-	-	-	-	-	500,000
Fleet Replacement	50502	2,871,592	540,000	877,998	776,901	258,300	457,500	-	5,782,291
DDTC	50303	-	373,282	-	-	-	-	-	373,282
Where's My Ride	50406	-	940,485	-	-	-	-	-	940,485
Bus Operations Safety & Security Equipment	50407	-	88,555	-	-	-	-	-	88,555
Bus Radios	50408	-	-	137,457	-	-	-	-	137,457
<b>Rail Services</b>									
Passenger Information	60701	4,807	51,407	-	-	-	-	-	56,214
Rail Grinding	61102	-	204,000	192,000	-	192,000	-	192,000	780,000
MedPark Extension	61206	-	1,000,000	-	-	-	-	-	1,000,000
Fare Collection Systems	61401	633,129	14,405	-	-	-	-	-	647,534
Traffic Signals	61403	2,654,554	141,623	-	-	-	-	-	2,796,177
Positive Train Control	61406	788,073	750,000	6,000,000	9,470,000	5,894,878	-	-	22,902,951
Rail Cars	61501	77,755,654	2,039,870	-	-	-	-	-	79,795,524
Stadler Cars Implementation	61502	478,319	417,484	-	-	-	-	-	895,803
Community Enhancements	61707	13,091	739,617	-	-	-	-	-	752,708
Lewisville Bike Trail	61708	60,685	86,250	741,520	2,600,941	-	-	-	3,489,396
ROW Fencing	61709	-	25,000	-	-	-	-	-	25,000
Rail Station Improvements	61208	-	15,000	-	-	-	-	-	15,000
HV Parking Expansion	61710	-	250,000	-	-	-	-	-	250,000
Rail Maintenance of Way	61711	-	-	150,000	-	-	-	-	150,000
Rail Maintenance of Equipment	61712	-	-	585,000	1,623,000	260,000	345,000	5,040,000	7,853,000
Rail Single Car Operations	61503	-	-	101,800	-	-	-	-	101,800
<b>TOTAL</b>		<b>\$ 87,550,382</b>	<b>\$ 16,458,366</b>	<b>\$ 10,163,952</b>	<b>\$ 14,470,842</b>	<b>\$ 6,605,178</b>	<b>\$ 802,500</b>	<b>\$ 5,232,000</b>	<b>\$ 141,283,220</b>





# DCTA FY15 Budget Calendar

Budget Kick-Off Meeting

Quarterly Budget Reviews

Department Goals Due

Revenue Projections Due

Board of Director Meetings

FY15 Budget Reviews

Operating & Capital Budgets Due

Budget Committee Meetings

April '14						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

April 8: Budget Kick-Off (Staff Mtg)  
April 22: FY14 Q2 Budget Reviews (Staff)

May '14						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

May 2: FY15 Departmental Objectives Due (Staff)  
May 5: Budget Committee (1-3 pm)  
FY14 Revised Budget  
May 22: BOD FY14 Revised Budget Adoption

June '14						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

June 9: FY15 Revenues Projections Due (Staff)  
June 12: FY15 Revenue Reviews (Staff)  
June 23: Budget Committee (1-3 pm)  
FY15 Projected Revenues & Benefit Discussion  
June 27: FY15 Operating & Capital Budgets Due (Staff)

July '14						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

July 1-2: FY14 Operating & Capital Reviews (Staff)  
July 21: Budget Committee (1-3pm)  
FY15 Revenues, Operating & 5-Year CIP

August '14						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August 4: Budget Committee(1-3pm) Cash Flow Mode  
August 11: Budget Committee (1-3pm) if needed  
August 28: Board of Directors and Public Hearing  
Proposed FY15 Budget

September '14						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

September 8: Budget Committee (1-3pm) if needed  
September 25: BOD FY15 Budget Adoption

# Budget Contingency Plan

- Sales Tax Plan (FY14 as Adopted)
  - SECTION I: Sales tax revenue shortfall
  - SECTION II: Sales tax revenue sustained increase
  
- Federal Grant Plan (Proposed)
  - SECTION III: Reduction in Federal grant revenue

# Budget Contingency Plan

- **Section III: Reduction in Federal Grant Revenue (Proposed)**
  - Capital projects review
    - Grant Funded with/local match requirement
    - Non-grant funded
  - Evaluate use of Fund Balance Reserves
  - Evaluate fare increases and required public notice process
  - Evaluate implementation of the Service Reduction Policy.



1660 S. Stemmons., Suite 250  
Lewisville, Texas 75067  
Ph: (972) 221-4600 Fax: (972) 221-4601

Denton County Transportation Authority  
Board of Directors  
Work Session and Board Meeting Minutes

## Work Session Minutes

The Board of Directors of the Denton County Transportation Authority convened with Chairman Charles Emery presiding at 1:31 p.m. March 27, 2014 at 1660 S. Stemmons, Suite 250, Lewisville, TX 75067. A quorum was present.

### Attendance

#### Small Cities

Bill Walker

#### Large Cities

Charles Emery, Lewisville, *Chairman*  
Paul Pomeroy, Highland Village, *Vice-Chair*  
Richard Huckaby, Denton, *Secretary*  
Jim Robertson, Flower Mound (arrived 2:21 p.m.)  
Carter Wilson, Frisco  
Daniel Peugh, Corinth  
Doug Peach, Little Elm

#### Denton County at Large

#### Denton County Unincorporated

George A. Campbell  
Don Hartman (arrived 1:39 p.m.)

#### Board Members Absent

Allen Harris, The Colony  
Dave Kovatch, Treasurer  
Skip Kalb

#### DCTA Staff

James C. Cline, Jr., P.E.  
Dee Leggett, COO / Sr. VP Operations  
Anna Mosqueda, CFO / Sr. VP Finance  
Kristina Brevard, VP Marketing and  
Communications

#### Legal Counsel

Kevin Laughlin, General Counsel

#### Others in Attendance

Michael Chinn – Transit Management of  
Denton County  
Dennis Henning, PB  
Parani Palaniappan, Dikita  
Mickey Tomlin, Herzog  
Greg Hackbarth, Herzog  
Danny Daugherty, Herzog  
Alan R. Dickerson, GFOA-T

Chairman Charles Emery called the meeting to order and announced the presence of a quorum.

1. Routine Briefing Items
  - a. Financial Reports - Anna Mosqueda presented financial information
    - i. Financial Statements
    - ii. Capital Projects Fund
    - iii. Sales Tax Report
    - iv. Procurement Report
    - v. Grants Update

- b. Communications and Planning – Kristina Brevard reported on these items
  - i. Marketing and Communications Initiatives
  - ii. Media Coverage
  - iii. Customer Service
  
- c. Capital Projects Update - Dee Leggett presented information on the following topics
  - i. GTW Integration – Herzog representatives answered questions of the Board
  - ii. Where's My Ride
  - iii. Bus Operations and Maintenance Facility (O&M)
  - iv. Community Enhancements
  - v. Lewisville Bike Trail
  - vi. Positive Train Control (PTC)
  - vii. Station Improvements
  
- d. Transit Operations – Dee Leggett provided an update
  - i. Rail Operations
  - ii. Bus Operations

3:08 p.m. <Break> 3:18 p.m.

- 2. Items for Discussion - The following items were discussed with support from staff
  - a. State Legislative Agenda Development – Capitol Insights made a presentation and answered questions of the Board
  - b. Update on Disadvantaged Business Enterprise (DBE) Program
  - c. Title VI Policies and Program
  - d. Operating Agreements
  - e. Annual Program of Projects
  - f. Upcoming Public Meeting Schedule and Topics
  
- 3. Discussion of Regular Board Meeting Agenda Items (March 27, 2014) – no discussion
  
- 4. Executive Session - 4:06
  - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
  - b. As authorized by Texas Government Code section 551.071 consultation with General Counsel regarding pending litigation Cause No 2011-30066-211; URS Corporation v. Denton County Transportation Authority; 211th District Court, Denton County, Texas.
  - c. As Authorized by Section 551.074 the Texas Government Code, the Meeting may be Convened into Closed Executive Session for the Purpose of Discussion regarding Annual President's Performance Review.
  
- 5. Reconvene Open Session - 4:27

- a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
6. Discussion of Future Agenda Items
- a. Board Member Requests – none



1660 S. Stemmons., Suite 250  
Lewisville, Texas 75067

Denton County Transportation Authority  
Board of Directors  
Work Session and Board Meeting Minutes

## Board Meeting Minutes

The Board of Directors of the Denton County Transportation Authority convened with Chairman Charles Emery presiding at 3:47 p.m. March 27, 2014 at 1660 S. Stemmons, Suite 250, Lewisville, TX 75067. A quorum was present.

### Attendance

**Small Cities**

Bill Walker

**Large Cities**

Charles Emery, Lewisville, *Chairman*  
Paul Pomeroy, Highland Village, *Vice-Chair*  
Richard Huckaby, Denton, *Secretary*  
Jim Robertson, Flower Mound (arrived 2:21 p.m.)  
Carter Wilson, Frisco  
Daniel Peugh, Corinth  
Doug Peach, Little Elm

**Denton County at Large**

**Denton County Unincorporated**

George A. Campbell  
Don Hartman (arrived 1:39 p.m.)

**Board Members Absent**

Allen Harris, The Colony  
Dave Kovatch, Treasurer  
Skip Kalb

**DCTA Staff**

James C. Cline, Jr., P.E.  
Dee Leggett, COO / Sr. VP Operations  
Anna Mosqueda, CFO / Sr. VP Finance  
Kristina Brevard, VP Marketing and  
Communications

**Legal Counsel**

Kevin Laughlin, General Counsel

**Others in Attendance**

Michael Chinn – Transit Management of  
Denton County  
Dennis Henning, PB  
Parani Palaniappan, Dikita  
Mickey Tomlin, Herzog  
Greg Hackbarth, Herzog  
Danny Daugherty, Herzog  
Alan R. Dickerson , GFOA-T

CALL TO ORDER – Chairman Charles Emery called the meeting to order and announced the presence of a quorum of the Board.

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS – Doug Peach



INVOCATION – Charles Emery

WELCOME AND INTRODUCTION OF VISITORS- Kristina Brevard introduced I.T. Manager Javier Trilla

1. CONSENT AGENDA

- a. Approval of Minutes - Board Meeting February 27, 2014
- b. Acceptance of Financial Reports
  - Motion to approve Consent Agenda Items 1a-b made by Jim Robertson. 2<sup>nd</sup> by Daniel Peugh. Motion carried unanimously.

2. REGULAR AGENDA

- a. Approval of Award for Denton Community Enhancements Project
  - Motion to Approve Award for Denton Community Enhancements Project made by Paul Pomeroy. 2<sup>nd</sup> by Doug Peach. Motion carried unanimously.
- b. Authorize the President to Execute Annual Renewal of TML Intergovernmental Risk Pool Insurance (TML-IRP) Coverage
  - Motion to Authorize the President to Execute Annual Renewal of TML Intergovernmental Risk Pool Insurance (TML-IRP) Coverage made by Richard Huckaby. 2<sup>nd</sup> by George Campbell. Motion carried unanimously.

3. CHAIR REPORT – Charles Emery gave an update on these issues

- a. Discussion of Regional Transportation Issues
- b. Discussion Legislative Issues
  - i. Regional
  - ii. State
  - iii. Federal

4. PRESIDENT'S REPORT – Jim Cline provided information on the following items

- a. Regional Transportation Update
- b. Presentation of Government Finance Officers Association(GFOA) Award – Presentation by Alan Dickerson, Regional Director of Government Finance Officers Association of Texas
  - i. Distinguished Budget Award FY2013 – Amanda Riddle
  - ii. Certificate of Excellence In Financial Reporting FYE 9/30/2012 – Marisa Perry
- c. Rail Safety Advisory Committee Update

5. REPORT ON ITEMS OF COMMUNITY INTEREST – Jim Cline presented a signed and framed poster from the University of North Texas Football Team in appreciation of DCTA's support of the Heart of Dallas Bowl.

- a. Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

6. CONVENE EXECUTIVE SESSION – refer to the still-open Work Session agenda

- a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.

7. RECONVENE OPEN SESSION – n/a

- a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.

8. ADJOURN 4:06 p.m.

The minutes of the March 27, 2014 meeting of the Board of Directors were passed, and approved by a vote on this 24<sup>th</sup> day of April, 2014.

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Charles Emery, Chairman

ATTEST

---

Richard Huckaby, Secretary

## **Item 2a**

### **Discussion / Approval of Bus Operations and Maintenance Management Contract**

**Will be distributed at the Board Meeting**



## Board of Directors Memo

April 24, 2014

**Subject: 2b Discussion/Approval of Disadvantaged Business Program**

### Background

The Federal Transit Administration (FTA), in conjunction with the Department of Transportation, has established rules and guidelines governing the procurement of goods and services from Disadvantaged Business Enterprises (DBE's). DCTA adopted a formal DBE policy statement on February 26, 2004. The policy statement outlines the process DCTA will pursue in implementing the guidelines pursuant to 49 CFR Part 26 and FTA Circular 4716.1A. The key modification to the DBE program were changing the time period for updated programs from annual to every three years and incorporating requirements and reporting for Small Business Enterprises (SBE's) as well as the DBE's.

DCTA retained a consultant to review the current DBE Program for compliance with the regulations. Results of the compliance review identified areas where improvements are required for the program to be in full compliance. On March 6, 2014, a letter was received from FTA identifying areas of concern that must be addressed in our program to receive a concurrence and approval of our program.

Areas identified in both the FTA letter and the compliance review have been updated and included in the program document. DCTA must submit a response along with an updated program to FTA by May 6, 2014.

### Recommendation

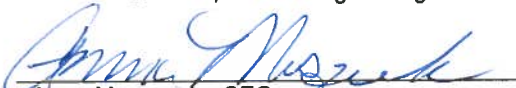
Staff recommends the Board of Directors authorize the President to approve the updates to the program, execute the policy statement and submit the updated program to FTA for review and approval. A copy of the updated program will be provided to the Board prior to the Board meeting.

Respectfully,


Submitted by:

  
 Athena Forrester, Purchasing Manager

Final Review:

  
 Anna Mosqueda, CFO

Approval:

  
 James C. Cline, Jr., President



## Board of Directors Memo

April 24, 2014

### **Subject 2c: Discussion / Approval of Resolution 14-01 Transportation Alternative Program Grant**

#### **Background**

The Denton County Transportation Authority is submitting a grant application for the 2014 Transportation Alternatives Program (TAP) sponsored by the North Central Texas Council of Governments to fund the remaining section (Phase 2C) of the Lewisville portion of A-train bicycle and pedestrian trail.

Phase 1 of the A-train trail runs from DDTC to Swisher Road and was completed as part of the A-train construction. During I-35 construction TxDOT will complete the portion of the trail which crosses Lewisville Lake

Approximately \$28 million is anticipated to be available to fund TAP projects in the 12-county North Central Texas Council of Governments' (NCTCOG) Metropolitan Planning Area. Projects eligible under this program include on-road and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, improved safety and access to schools, and boulevards and similar multimodal roadways.

In 2011 DCTA was awarded funding through the Transportation Enhancement Program sponsored by the Texas Department of Transportation for Phase 2– the Lewisville portion -- of the A-train Rail Trail. Phase 2-Sections A & B of the A-train Rail Trail (Hebron Station to Old Town Station) are funded and in design and will be issued for bid in early June. Phase 2C design has also been completed but funds are needed for construction.

Construction funding for Phase 2-Section C north of Old Town Station, between Mill Street and the Highland Village/Lewisville Lake station is being requested in this grant application. If awarded, this will connect of all the stations between Hebron Station and Highland Village/ Lewisville Lake with a bicycle/pedestrian facility.

#### **Identified Need**

The Board must certify via adoption of a resolution the Authority's commitment to oversee successful implementation of the project and provide the required local match.

#### **Financial Impact**

Since the grant opportunity was not anticipated at the time the FY14 budget was developed, this project does not currently have any assigned capital funds in the FY14 Budget, nor was is it included in the adopted FY14 cash flow model. If this grant is


awarded a 20% (\$600,000) local match will be required. The total project is estimated to cost \$3,000,000.

**Recommendation**

Completion of the A-train bicycle and pedestrian trail has been a priority project with broad local and Board support. Staff recommends that the Board approve the resolution certifying support for the FY14 Transportation Alternatives Program application with the North Central Texas Council of Governments to receive funding for construction of Phase 2C of the A-train bicycle and pedestrian trail.

Submitted by: Shanna O'Gilvie  
Mgmt Specialist-HR/Grants

Final Review:   
Anna Mosqueda, CFO

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



## Board Memo

April 24, 2014

**Subject: 2d Approve /Award the Purchase of One Light Duty Vehicle for North Central Texas College**

### Background

DCTA currently operates approximately 2,000 revenue hours of fixed route service for North Central Texas College (NCTC) using one fixed route vehicle purchased on behalf of NCTC by DCTA. NCTC has since reimbursed DCTA for the cost of the vehicle consistent with the terms of the agreement. The Board approved an interlocal agreement on December 10, 2013, for additional services and the purchase of an additional vehicle.

DCTA conducted procurement for the purchase of the bus. On March 13, 2014, the procurement was released. Three bids were received on April 3, 2014. Staff reviewed all three (3) bids and has made a recommendation for award to Alliance Bus Group for a total cost of \$57,865.

### Identified Need

With growing demand and concerns about construction related congestion on I-35E, NCTC requested DCTA purchase a second vehicle to provide additional service.

### Financial Impact

NCTC has agreed to reimburse DCTA the total cost for the purchase and equipping of such vehicle plus interest at the rate of 3.25% per annum. Payments will be made by NCTC to DCTA in five (5) annual installments. Additionally, expanded service will be billed at currently hourly rate of \$36.97 per revenue hour. NCTC covers all direct costs for shuttle service and necessary fleet. The cost of the vehicle is \$57,865, and will be paid by DCTA and reimbursed by NCTC.

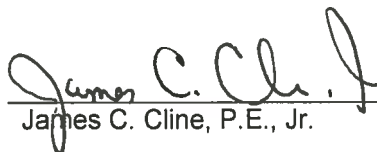
### Recommendation

Staff recommends the Board of Directors authorize the President to approve the purchase of the vehicle from Alliance Bus Group.

Submitted by:

  
Athena Forrester, Purchasing Manager

Approval:

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