



DENTON COUNTY
TRANSPORTATION AUTHORITY

1955 Lakeway Dr., # 260, Lewisville, Texas 75057
972.221.4600 | RideDCTA.net

Board of Directors Regular Meeting

September 28, 2017 | 3:00 p.m.*

**or immediately following Board Work Session
scheduled at 1:30 p.m. on September 28, 2017*

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

AGENCY AWARDS AND RECOGNITIONS

1. CONSENT AGENDA

- a. Approval of Minutes for the Board Work Session and Regular Meeting on August 24, 2017
- b. Acceptance of Monthly Financial Statements – August 2017
- c. Approve Capital Project Budget Amendment (2017-21) – Shared Use Mobility Study
- d. Approve and Authorize the President to Execute a Contract with CTJ Maintenance for Janitorial Services
- e. Approve and Authorize the President to Execute Contracts with Jacob's Engineering and Lockwood, Andrews, & Newnam, Inc. for On-Call Architecture and Engineering Services
- f. Approve and Authorize the President to Execute a Contract with Capital Edge for Federal Legislative Consulting Services
- g. Discussion/Approval of Change Order to Alstom Signaling Operations, Inc. for Positive Train Control

2. REGULAR AGENDA

- a. Approval of Resolution 17-04 adopting FY 2018 Operating and Capital Budget
- b. Authorize President to Negotiate and Execute Shared Services Interlocal Agreement with the Dallas Area Rapid Transit (DART)

3. Convene Executive Session. The Board may convene the Regular Board Meeting into Closed Executive Session for the following:
 - 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 551.072 Deliberation regarding Real Property: Discuss acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, Highland Village, or the A-train corridor.
4. Reconvene Open Session
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
5. CHAIR REPORT
 - a. Discussion of Regional Transportation Issues
 - b. Discussion Legislative Issues
 - i. Regional
 - ii. State
 - iii. Federal
6. PRESIDENT'S REPORT
 - a. Budget Transfers
 - b. Regional Transportation Issues
7. 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.
8. ADJOURN

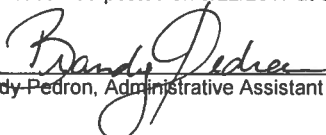
Chair – Charles Emery
Vice Chair – Paul Pomeroy

Secretary – Richard Huckaby
Treasurer – Dave Kovatch

Members – Skip Kalb, Tom Winterburn, Don Hartman,
George A. Campbell, Allen Harris, Carter Wilson, Connie White, Mark Miller
President – Jim Cline

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

This notice was posted on 9/22/2017 at 8:27 AM.


Brandy Pedron, Administrative Assistant



Board of Directors

Work Session Minutes

The Board of Directors of the Denton County Transportation Authority convened the work session of the Board of Directors with Charles Emery, Chairman presiding at 1:31 p.m. on August 24, 2017 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057. A quorum was present.

Attendance

Small Cities

Skip Kalb
Connie White

Large Cities

Charles Emery, Lewisville, Chairman
Paul Pomeroy, Highland Village,
Vice-Chair
Dave Kovatch, Denton County At Large,
Treasurer
Richard Huckaby, Denton, Secretary
Tom Winterburn, Corinth
Allen Harris, The Colony
Josh Graham, Frisco Alternate
Mark Miller, Flower Mound

Denton County Unincorporated

Don Hartman (arrived at 1:32)
George Campbell

Legal Counsel

Pete Smith

DCTA Staff

Jim Cline, President
Anna Mosqueda, Chief Financial Officer
Raymond Suarez, Chief Operating
Officer
Kristina Brevard, Vice President
Planning and Development
Nicole Recker, Vice President,
Marketing and Communications

Other Attendees

Marisa Perry, Controller
Amanda Riddle, Budget Manager
Athena Forrester, Senior Procurement
Manager
Jim Owen, Citizen
David Smith, Citizen

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

1. Routine Briefing Items
 - a. Staff Briefing on Monthly Financial Reports – Anna Mosqueda, Chief Financial Officer reported on the following
 - i. Financial Statements for June 2017
 - ii. Capital Projects Budget Report for June 2017
 - iii. Monthly Sales Tax Receipts
 - iv. Quarterly Investment Report Q3 FY17
 - v. Current Procurement Activities
 - vi. Quarterly Grants Update Q3 FY17
 - b. Marketing and Communications – Nicole Recker, Vice President Marketing and Communications, reported on the following
 - i. New Collateral Overview
 - ii. Quarterly Marketing/Communications Metrics Report
 - iii. Bike to Work Challenge Recap Report
 - iv. FY17 Passenger Satisfaction Survey Results
 - v. Awards Update
 - c. Strategic Planning and Development – Kristina Brevard, Vice President Planning & Development, reported on the following
 - i. Regional Planning Initiatives Update
 - ii. Local Planning Update
 - iii. Business Development and Partnerships Update
 - d. Capital Projects – Raymond Suarez, Chief Operating Officer, gave an update on the following projects
 - i. Flood Damage Repairs Update
 - ii. Positive Train Control and Signal System Enhancements
 - e. Staff Briefing on Transit Operations Reports – Raymond Suarez, Chief Operating Officer, gave an update on ridership
 - i. Bus and Rail Operations
2. Items for Discussion – Raymond Suarez, Chief Operating Officer, lead a discussion on the Proposed Service Changes
 - a. Staff briefing on proposed service changes; Highland Village Community on Demand and Connect Shuttle, UNT Shuttle changes in support of UNT's Transportation Master Plan, and DCTA Route 7 and 8 modifications in support of UNT's Transportation Master Plan
3. Committee Chair Report – Paul Pomeroy, Vice-Chairman, gave an update of the Program Services Committee activities from the August 15, 2017 meeting
 - a. Program Services Committee (08/15/2017) Paul Pomeroy, chair
4. Discussion of Regular Board Meeting Agenda Items (August 2017) – There was no discussion on this item

5. Convene Executive Session – The board did not meet in Executive Session
6. Discussion of Future Agenda Items – There was no discussion on this item
 - a. Board Member Requests
7. ADJOURN at 3:03 p.m.

The minutes of the August 24, 2017 work session meeting of the Board of Directors were passed, and approved by a vote on this 28th day of September, 2017.

Charles Emery, Chairman

ATTEST

Richard Huckaby, Secretary



Board of Directors

Board Meeting Minutes

The regular meeting of the Board of Directors of the Denton County Transportation at 3:13 p.m., August 24, 2017 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057. A quorum was present.

Attendance

Small Cities

Skip Kalb
Connie White

Large Cities

Charles Emery, Lewisville, Chairman
Paul Pomeroy, Highland Village,
Vice-Chair
Dave Kovatch, Denton County At Large,
Treasurer
Richard Huckaby, Denton, Secretary
Tom Winterburn, Corinth
Allen Harris, The Colony
Josh Graham, Frisco Alternate
Mark Miller, Flower Mound

Denton County Unincorporated

Don Hartman (arrived at 1:32)
George Campbell

Legal Counsel

Pete Smith

DCTA Staff

Jim Cline, President
Anna Mosqueda, Chief Financial Officer
Raymond Suarez, Chief Operating
Officer
Kristina Brevard, Vice President
Planning and Development
Nicole Recker, Vice President,
Marketing and Communications

Other Attendees

Marisa Perry, Controller
Amanda Riddle, Budget Manager
Athena Forrester, Senior Procurement
Manager
Jeremy Lewallen, Procurement
Coordinator
Jim Owen, Citizen
David Smith, Citizen

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

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS – led by Connie White

INVOCATION – led by Skip Kalb

WELCOME AND INTRODUCTION OF VISITORS – Charles Emery, Chairman, welcomed Josh Graham, and Jim Cline, President, welcomes citizen, David Smith

AGENCY AWARDS AND RECOGNITIONS – Jim Cline, President discussed the National Procumbent Institute (NIP) – Achievement of Excellence in Procurement awarded

1. CONSENT AGENDA

- a. Approval of Minutes for the Board Work Session and Regular Meeting on July 27, 2017
- b. Acceptance of Financial Statements – July 2017
- c. Approve and Authorize the President to Execute a Contract with Irving Holdings for On-Call Taxi and Non-Emergency Transportation Services
- d. Rescind Award of Mobile Video Surveillance System
 - Motion to approve the Consent Agenda items a - d was made by Allen Harris. The motion was seconded by Dave Kovatch. Motion passed unanimously.

2. REGULAR AGENDA

- a. Presentation and Discussion of Proposed FY 2018 Capital and Operating Budget
 - Anna Mosqueda, Chief Financial Officer, and Amanda Riddle, Budget Manager, discussed the FY 2018 Capital Operating Budget
- b. Conduct Public Hearing on Proposed FY 2018 Capital and Operating Budget
 - Public Hearing was called to open at 3:58 pm
 - Jim Owen, 207 Teasley Lane, UNT Bus Driver, commented on the UNT Contract special movements and a 20 percent bump, and proposed that DCTA allow customer/citizen comments to be made at every board meeting, not just once per year, in terms of transparency and being more proactive with the public.
 - Public Hearing was closed at 4:02 pm

3. CONVENE EXECUTIVE SESSION – convened at 4:03 p.m.

- a. As Authorized by Section 551.072 of the Texas Government Code, the Regular Board Meeting convened into Closed Executive Session for the Purpose of Deliberation regarding Real Property: Discuss acquisition of real property related to long range service plan within the cities of Denton, Lewisville, Highland Village, or A-train corridor. Subject matter of deliberation: Board received staff update on real estate potential acquisitions.
- b. As Authorized by Section 551.074 of the Texas Government Code, the Regular Board Meeting convened into Closed Executive Session for the Purpose of Deliberation of Personnel Matters: Deliberation regarding DCTA President's Annual Performance Review. Subject matter of deliberation: Board reviewed the President's performance and discussed employment compensation.

4. RECONVENE OPEN SESSION – reconvened at 4:49 p.m.
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session
 - Motion to increase Base Salary of DCTA President to \$229,000 and authorize the Chairman to execute an appropriate amendment to the President's Employment Agreement was made by George Campbell. Motion was seconded by Richard Huckaby. Motion passed unanimously.
5. CHAIR REPORT – Charles Emery, Chairman, gave updates on the following
 - a. Discussion of Regional Transportation Issues
 - b. Discussion Legislative Issues
 - Regional
 - State
 - Federal
6. PRESIDENT'S REPORT – Jim Cline, President, provided information on the following items
 - a. Budget Transfers
 - b. Regional Transportation Issues
7. REPORT ON ITEMS OF COMMUNITY INTEREST – there was none at this time
 - 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.
8. ADJOURN – Adjourned at 4:54 PM

The minutes of the August 24, 2017 regular meeting of the Board of Directors were passed, and approved by a vote on this 28th day of September, 2017.

Charles Emery, Chairman

ATTEST

Richard Huckaby, Secretary

**Board of Directors Memo****September 28, 2017****Subject: 1(c) Approve Capital Project Budget Amendment (2017- 21) – Shared Use Mobility Study****Identified Need**

The Comprehensive Service Analysis in Lewisville, Highland Village and Denton has been completed and recommendations from that process have been implemented. With the service modifications, there are still areas identified throughout DCTA's service area with low density development where traditional transit is not the best fit leaving them unserved/underserved. Leveraging non-traditional innovative transit solutions and mobility on-demand service could be a great options for these unserved/underserved areas. To develop the best comprehensive approach for implementing non-traditional transit services, DCTA will conduct a Shared Use Mobility Study. This study is expected to produce recommendations for serving the low density areas with various modes of non-traditional transit services. Savings from the COA capital project will be transferred to cover the expense of this study and will be 80% grant funded.

Financial Impact

DCTA will utilize project funds currently identified for the capital project Comprehensive Service Analysis (10602), reducing that project budget to \$296,794. There will be no bottom line impact to the FY17 budget.

Recommendation

Staff recommends the Board of Directors approve capital budget revision 2017-21 to add project 10606 for the Shared Use Mobility Study.

Submitted by:

A handwritten signature in blue ink, reading "Amanda Riddle", is written over a horizontal line.

Amanda Riddle
Budget Manager

Approval:

A handwritten signature in blue ink, reading "Anna Mosqueda", is written over a horizontal line.

Anna Mosqueda
CFO

DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) BUDGET TRANSFER / REVISION REQUEST

Number: **2017-21**

Type: Transfer ✓
 Revision

	Current Budget Amount	Budget Revision Amount	Adjusted Budget Amount
From: 10602 - Comprehensive Service Analysis	420,222	(123,428)	296,794
To: 10606 - Shared Use Mobility Study	-	123,428	123,428
	<u>420,222</u>	<u>-</u>	<u>420,222</u>

Explanation:

The Comprehensive Service Analysis in Lewisville, Highland Village and Denton has been completed and recommendations from that process have been implemented. With the service modifications, there are still areas identified throughout DCTA's service area with low density development where traditional transit is not the best fit leaving them unserved/underserved. Leveraging non-traditional innovative transit solutions and mobility on-demand service could be a great option for these unserved/underserved areas. To develop the best comprehensive approach for implementing non-traditional transit services, DCTA will conduct a Shared Use Mobility Study. This study is expected to produce recommendations for serving the low density areas with various modes of non-traditional transit services. Savings from the COA project will be transferred to cover the expense of this study and will be 80% grant funded.

Date: 9/1/2017

Date: 9/1/2017

Date: 21 Sep 2017

Requested By Kristina Brevard

Reviewed By Amanda Riddle

President 

**Board of Directors Memo****September 28 2017****Subject: 1(d) Approve and Authorize the President to Execute a Contract with CTJ Maintenance Inc. for Janitorial Services****Background**

A request for bids was released on July 13, 2017, on BidSync seeking janitorial services for the DCTA administrative building. Fifty-nine (59) suppliers viewed the bid documents.

On August 9th, DCTA received eleven (11) bids in response to our RFB:

1. TBM, Inc.
2. CTJ Maintenance, Inc.
3. Entrust One Facility Services, Inc.
4. Evans Young & Associates
5. Global Building Maintenance
6. Oriental Building Services
7. Sonlight Cleaning Service
8. Andrew's Building Service, Inc.
9. Annacious Services Commercial Cleaning
10. AAVA Cleaning Services
11. Cook Industries

Staff conducted a review and evaluation of the bids received and staff recommends awarding the contract to CTJ Maintenance Inc.

Identified Need

Janitorial services are required in order to ensure the administrative offices remain clean and sanitary.

Financial Impact

The initial term of the contract shall be for 3 years with the option to renew for two (2) additional one (1) year terms. The cost expected will be \$10,500 per year. Funds are available in the current budget to cover these expenses.

Recommendation

Staff recommends the Board approve the award of janitorial services and authorize the President to execute a contract with CTJ Maintenance.

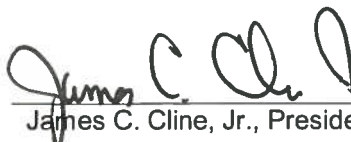
Submitted by:


Athena Forrester, CPPO, CPPB
AVP of Procurement

Final Review:


Nicole Recker, Vice President of
Marketing and Communications

Approval:


James C. Cline, Jr., President



Board of Directors Memo

September 28, 2017

Subject: 1 (e) Approve and Authorize the President to Execute Contracts with Jacob's Engineering and Lockwood, Andrews, & Newnam, Inc. for On-Call Architecture and Engineering Services

Background

A request for qualifications was released on June 8th, 2017, on BidSync for On-Call Architecture and Engineering Services. Firms were invited to submit responses for general architecture and engineering services, environmental engineering services, railroad specific engineering services, or any combination of those categories. Services will be on an as-needed basis over the contract term.

One-hundred thirty eight (138) suppliers viewed the solicitation documents.

On July 14, 2017, DCTA received fourteen (14) responses to our request for qualifications:

1. Freese & Nichols (General A/E, Environmental)
2. Corgan (General A/E)
3. Eikon (General A/E)
4. HNTB (General A/E, Rail)
5. Huitt-Zollars (General A/E)
6. Jacobs Engineering (General A/E, Environmental, Rail)
7. LCA Environmental (Environmental)
8. Lockwood, Andrews, & Newnam (General A/E, Rail)
9. RailPros (Rail)
10. Randall Scott Architects (General A/E)
11. Signal South (Rail)
12. TRC (General A/E, Environmental, Rail)
13. Urban Engineers (General A/E, Environmental, Rail)
14. VRX (Environmental)

Staff conducted reviews of the fourteen (14) responses and interviews with three (3) shortlisted firms. Staff recommends the award of the general architecture and engineering services and environmental services contract to Jacobs Engineering. Staff also recommends the award of the rail engineering services contract to Lockwood, Andrews, & Newnam (LAN).

Identified Need

DCTA requires occasional on-call services for general building projects, environmental reviews and assessments and railroad specific services such as bridge inspections, guideway and station planning and design on a task order basis.

Financial Impact

The initial contract will be for three (3) years with the option to extend for three (3) additional one (1) year terms. All contract work is task order based. Task orders will be negotiated and those exceeding \$25,000 will be presented to the Board for approval. Eligible projects will be reimbursed with grant funds.

Recommendation

Staff recommends the Board approve the award of on-call architecture and engineering services and authorize the President to execute contracts with Jacobs Engineering and Lockwood, Andrews, & Newnam, Inc.

Submitted by:


Athena Forrester, CPPO, CPPB AVP of
Procurement

Final Review:

 for
Raymond Suarez, COO

Approval:


James C. Cline, Jr., President



Board of Directors Memo

September 28, 2017

Subject: 1(f) Approve and Authorize the President to Execute a Contract with Capital Edge for Federal Legislative Consulting Services

Background

A request for proposals was released on July 25, 2017, for services related to Federal Legislative Consulting Services. Firms were invited to submit proposals demonstrating experience in Federal Legislative Consulting Services and a demonstrated understanding and experience in dealing with transportation related legislative initiatives.

On August 23, 2017, two (2) proposals were received:

1. Capital Edge
2. Squire Patton Boggs (US) LLP

Staff conducted reviews of the responses and recommends award of the contract to Capital Edge.

Identified Need

DCTA needs continued federal legislative consulting services to serve as its representation in Washington, D.C. before the United States Congress and appropriate Federal agencies.

Financial Impact

The new proposed contract will be \$81,000 annually payable in monthly installments of \$6,750. The contract term is two (2) years with the option to extend for three (3) additional one year terms. The fees are included in the operating budget.

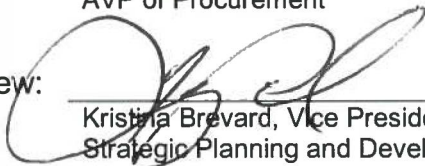
Recommendation

DCTA staff recommends the Board of Directors authorize the president to authorize and execute a contract with Capital Edge.

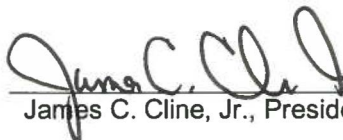
Submitted by:


Athena Forrester, CPPO, CPPB
AVP of Procurement

Final Review:


Kristina Brevard, Vice President of
Strategic Planning and Development

Approval:


James C. Cline, Jr., President



Board of Directors Memo

September 28, 2017

Subject: 1 (g) Discussion/Approval of Change Order to Alstom Signaling Operations, Inc. for Positive Train Control

Background

In November, 2015, DCTA executed a contract with Alstom Signaling for the provision of the Enhanced Automatic Train Control (E-ATC) system. The system is being implemented to meet the requirements for Positive Train Control. Design of the system is progressing well, and some changes in the contract are required to accommodate system improvements and additional design effort.

Identified Need

The Change Order reflects the following request from Alstom Signaling:

- Delay – On August 28, 2017, DCTA staff met at Alstom headquarters in Melbourne, FL to discuss the project status and potential delays. Based on this discussion, a joint decision was reached that both Alstom and DCTA are responsible for project delays. As a result of the conversation, it is anticipated that the project will slip at least 3.5 months as a result. 2.5 months in net was the responsibility of DCTA due to delays in engineering completion.
- Cost - Alstom proposed a rate of \$35,000 per month for additional level of effort on this project. This will total \$87,500 for 2.5 months.

Financial Impact

The PTC system is a significant investment by DCTA. Current available funding is \$16,720,806 (Federal - \$13,376,645/Local - \$3,344,161). Cost impact is as follows:

Initial Alstom Costs

- Initial Alstom Signaling Contract \$ 12,720,917

Previous Alstom Change Orders

- Engineer and Block Design \$ 681,790
 - Cutout Switch \$ 64,141
- =====
- \$ 13,466,848

Project Support Costs

- Project Mgmt./Tech Assist. \$ 812,000
- Signal Enhancement/Network Upgrade \$ 627,139
- Shunt Enhancements \$ 868,568

Current Change Order Request

- Alstom Change Order #5 \$ 87,500

Known pending costs

- Additional level of effort to work south to north \$ 60,000
- =====

Projected Total


\$15,992,055

Addition cost may result due to regulatory delays and element of the certification process. DCTA staff will work diligently to control these cost and promptly bring forward funding recommendations.

Recommendation

Staff recommends the Board of Directors authorize the President to execute the change order to Alstom Signaling for \$87,500 and extending the time by 2.5 months.

Approval:


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



Board of Directors Memo

September 28, 2017

Subject: 2(a) Approval of Resolution 17-04 adopting FY 2018 Operating and Capital Budget

Background

The Texas Transportation Code Chapter 460 requires the preparation of an annual budget for DCTA. The DCTA Board has adopted annual budget development and budget amendment procedures.

The proposed FY 2018 Budget was presented to the Finance Committee at its July Budget Workshop and incorporates their feedback. DCTA staff has prepared a balanced budget, where operating expenses and capital expenditures do not exceed current year revenues and undesignated fund balance/reserves. The proposed budget was also briefed to the Board at its July 27, 2017 meeting via the Finance Committee Chair Report. The information presented to the Finance Committee was incorporated in the Committee Chair Report.

The proposed FY 2018 Budget was also presented to the Board of Directors at the August Board meeting, in accordance with requirements under Chapter 460 of the Texas Transportation Code and DCTA Board policy and procedures, for Board review and comment as well as citizen input. Notice of the public hearing was published in the Denton Record Chronicle on August 10th, 2017. The proposed FY18 budget schedules were also available for viewing on the DCTA website.

At the August Board meeting, Jim presented the recommended FY18 staffing plan to the Board. In the proposed budget presented in August, there was a total of \$700k identified for the anticipated staffing and this was under the President's budget as a "place-holder". Since identifying the specific positions, these budget funds have been re-allocated to the specific departments where they will report. There is no bottom line impact to the operating budget for this transfer. The cash flow model in future periods was slightly impacted since the funds are now being escalated at the appropriate category. Previously the expenses of \$700k were located under "salary" category and that includes a 4% escalation rate in future periods. Now these expenses have been allocated to the "benefit" category and is escalated at a rate of 5.56% which in turn causes a slight increase in out years. The positions include a Bus Operations Manager, IT Systems Engineer, Rail Systems Manager and Business/Partnerships Development Director.

The proposed Budget contains revenue and expenditure assumptions for FY18 operating and capital expenditures. Included as agenda back-up are the following exhibits:

- Exhibit A: Proposed Fiscal Year 2018 Budget (operating revenues and expenditures for proposed FY18 as compared to the FY17 Revised Budget).
- Exhibit B: Capital Improvement Plan with Proposed FY18 appropriation
- Exhibit C: 5-year cash flow model. It incorporates the FY18 budget as proposed and provides the Board a view of the impact of the adopted FY18 budget on the cash flow model.

- Exhibit D: Fiscal Year 2018 Budget Contingency Plan

Identified Need

Approval of Resolution #17-04, adopting the FY18 Operating & Capital Budget is required to establish a budget for the 2018 fiscal year which will begin October 1, 2017.

Committee Review

In addition to the budget workshop held in July, the Finance Committee reported its activities and discussions at the regular July Board meeting by way of the "Finance Committee Chair – Report to the Board". The Finance Committee included Board members Richard Huckaby, Connie White, Tom Winterburn, and Dave Kovatch serving as Committee Chair.

Financial Impact

This item will determine the budget for FY18 and will begin on October 1, 2017.

Recommendation

Staff recommends the approval of Resolution #17-04, adopting the FY2017-18 Operating & Capital Budget, Budget Contingency Plan and Cash Flow Model.

Submitted By:



Amanda Riddle, Budget Manager

Final Review:



Anna Mosqueda, CFO

Approval:



Jim Cline, President

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 17-04**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2017-2018, BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE BUDGET CONTINGENCY PLAN FOR FISCAL YEAR 2017-2018; ADOPTING THE DCTA CASH FLOW MODEL; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 460.403 of the Texas Transportation Code requires the Denton County Transportation Authority ("DCTA") to prepare an annual budget; and

WHEREAS, the prepared budget, budget contingency plan, and cash flow model have been presented to the public for review and comment; and

WHEREAS, the budget, budget contingency plan, and cash flow model have been presented to the DCTA Board of Directors for review and comment; and

WHEREAS, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2017–2018 budget as hereinafter set forth, meets the legal and practical requirements of the DCTA for the proper and sustained operation of DCTA services and capital expenditures and should be approved as presented;

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

SECTION 1. The DCTA Operating and Capital Budgets for FY 2017-2018, the Budget Contingency Plan FY 2017-2018, and the DCTA Cash Flow Model, attached as Exhibits "A" through "D", be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

SECTION 2. That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2016-2017 are hereby ratified, and the budget for fiscal year 2016-2017, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

SECTION 3. That all provisions of the resolutions of the DCTA Board of Directors in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 4. That this Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 28TH DAY OF SEPTEMBER, 2017.

APPROVED:

Charles Emery, Chairman

ATTEST:

Richard Huckaby, Secretary

APPROVED AS TO FORM:



Peter G. Smith, General Counsel
(PGS: 9-13-17:95.90185)

FY18 Budget Revenue

RM 2(a) Exhibit A-1

<i>Bus Operations</i>					
Revenue Source	FY16 Actuals	FY17 Revised Budget	Actuals as of May 31, 2017	Proposed FY18 Budget	
Passenger Revenues					
Connect	\$ 545,526	\$ 560,511	\$ 336,929	\$ 560,511	
Frisco	6,051	-	3,183	4,831	
Access	83,798	76,360	55,537	76,360	
UNT	-	-	50,582	76,914	
NCTC	-	-	-	-	
McKinney	-	-	-	5,010	
North Texas Express	-	-	1,824	2,589	
Total Passenger Revenues	635,375	636,871	448,056	726,215	
Contract Services					
Connect	\$ 57,000	\$ 49,000	\$ 8,000	\$ 57,000	
Frisco	226,472	242,084	120,041	320,169	
UNT	2,643,389	2,686,482	2,213,797	2,636,704	
<i>UNT Fuel (Direct Pass Thru)</i>	<i>240,603</i>	<i>406,203</i>	<i>219,404</i>	<i>458,055</i>	
NCTC	196,110	198,790	131,994	212,575	
<i>NCTC Fuel (Direct Pass Thru)</i>	<i>20,082</i>	<i>67,428</i>	<i>14,015</i>	<i>72,670</i>	
McKinney	-	175,000	-	344,990	
Total Contract Services	3,383,656	3,824,987	2,707,251	4,102,163	
Total	\$ 4,019,030	\$ 4,461,858	\$ 3,155,307	\$ 4,828,378	
<i>Rail Operations</i>					
Revenue Source	FY16 Actuals	FY17 Revised Budget	Actuals as of May 31, 2017	Proposed FY18 Budget	
Rail Farebox	\$ 771,096	\$ 809,137	\$ 498,170	\$ 738,510	
Total	\$ 771,096	\$ 809,137	\$ 498,170	\$ 738,510	
<i>G&A</i>					
Revenue Source	FY16 Actuals	FY17 Revised Budget	Actuals as of May 31, 2017	Proposed FY18 Budget	
Interest Income	\$ 59,364	\$ 40,000	\$ 59,122	\$ 78,000	
Misc. Income/Fare Evasion	156,067	1,001,500	83,947	1,000	
Sales Tax	24,658,546	25,624,601	17,384,613	26,649,585	
Federal Operating Grants	5,056,450	6,657,172	2,652,011	5,410,737	
Federal Capital Grants	5,530,798	9,096,305	3,814,900	7,666,528	
State Operating Grants	73,596	-	-	-	
State Capital Grants	238,832	1,541,533	-	2,114,696	
Debt Issuance	-	-	-	-	
Total	\$ 35,773,653	\$ 43,961,111	\$ 23,994,593	\$ 41,920,546	
TOTAL REVENUES \$ 40,563,780 \$ 49,232,106 \$ 27,648,070 \$ 47,487,434					

Denton County Transportation Authority
Proposed Fiscal Year 2018 Budget
(Including Depreciation)

Description	FY16 Actuals	FY17 Original Budget	FY17 Revised Budget	Actuals as of May 31, 2017	FY18 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)	Notes
Revenue & Other Income								**Comparison is between the FY17 Revised Budget and the FY18 Proposed Budget**
Passenger Revenues (Bus Farebox)	635,374	636,871	636,871	448,056	726,215	89,344	14%	Majority of this increase is from the special movements billed to UNT (\$76,914) based on actuals to date. These additional revenue hours were not included in the FY17 budget.
Passenger Revenues (Rail Farebox)	771,096	809,137	809,137	498,170	738,510	(70,627)	-9%	Decrease based on current ridership and revenues
Contract Service Revenue	3,383,656	3,649,987	3,824,987	2,707,251	4,102,163	277,176	7%	*NCTC: \$19,027 due to estimated 5% increase (as permitted by contract) plus additional service days/revenue hours *Frisco: \$78,085 increased to budget up to full contract amount *McKinney: \$169,990 added additional revenue to budget to full contract amount
Total Revenue & Other Income	4,790,126	5,095,995	5,270,995	3,653,478	5,566,888	295,893	6%	
GENERAL & ADMINISTRATIVE								
Salary, Wages and Benefits	2,359,054	3,093,757	3,093,757	1,867,486	3,703,635	609,878	20%	Anticipated staffing plan to address core positions (\$551k) - Includes Dir. Strategic Partnerships; Network Administrator and Bus Ops Business Manager positions
Services	1,463,825	1,574,450	1,586,200	727,671	1,981,760	395,560	25%	Professional Services have increased due to the following Expanded Level Projects that have been included: *\$25k - Archives & Records Management Strategic Plan; *\$200k in Strategic Planning initiatives & consulting services *\$100k - CyberSecurity (Phase I) to address the risks outlined by the cybersecurity assessment completed in FY17
Materials and Supplies	188,138	118,982	110,982	26,336	139,404	28,422	26%	ELP for Wireless Replacements at DCTA Facilities \$14,500 as well as more laptops in this replacement cycle compared to prior year
Utilities	18,633	27,600	27,600	11,966	28,800	1,200	4%	Based on current year actuals
Insurance, Casualties and Losses	12,665	13,598	13,598	8,720	13,938	340	3%	
Purchased Transportation Services	205,025	187,368	187,368	86,580	187,368	-	0%	
Miscellaneous	145,056	312,560	308,810	100,135	299,218	(9,592)	-3%	
Leases and Rentals	118,682	123,981	123,981	87,598	120,393	(3,588)	-3%	
Depreciation		28,333	28,333	-	112,870	84,537	298%	Based on current project schedules
Subtotal - G&A	4,511,079	5,480,630	5,480,630	2,916,492	6,587,386	1,106,756	20%	
BUS SERVICES								
Salary, Wages and Benefits	6,561,277	7,623,917	7,511,317	4,775,549	8,160,925	649,608	9%	*Assumes an 8% increase in health benefits and higher participation= \$70,438 increase *Highland Village Service: -HV Shuttle: 7,964 revenue hours = \$212,874 increase -HV Community On-Demand: 4,231 revenue hours = \$70,952 increase *Denton COA: 14,489 revenue hours = \$298,249 increase
Services	734,429	755,541	831,931	434,247	1,029,958	198,027	24%	*\$32k additional for new security contract *Expanded Level Request for a more robust payroll system - \$31k increase in service fees *Expanded Level Request for ReMix Fixed-Route Scheduling Software \$50k *\$71k increase for Swiftly (\$60k) & RouteMatch (\$11k) software.
Materials and Supplies	1,263,323	2,161,725	2,313,365	1,018,213	2,330,569	17,204	1%	Fuel budgeted at \$3.00/gallon
Utilities	149,200	164,620	164,620	77,607	142,320	(22,300)	-14%	Based on current year actuals
Insurance, Casualties and Losses	335,085	316,956	320,636	233,318	488,468	167,832	52%	Due to an increase in fleet to 117 which includes additional 12 TAPS buses and 8 small vehicles purchased in FY17. Workers Comp also increased by 15% as a result of the FY17 re-rate based on increased number of employees and claims history
Purchased Transportation Services	-	-	155,000	2,416	334,341	179,341	116%	*\$60k increase for Frisco service *\$120k increase to McKinney service based on a full-year of service
Miscellaneous	25,284	58,100	58,100	14,867	108,563	50,463	87%	To address anticipated service requirements for NTX service (\$55,367)
Leases and Rentals	37,361	43,308	180,587	85,994	143,279	(37,308)	-21%	Anticipate returning 2 leased vehicles to FWTA
Depreciation		2,262,289	2,262,289	1,259,308	2,178,040	(84,249)	-4%	
Subtotal - Bus Services	9,105,959	13,386,456	13,797,845	7,901,520	14,916,464	1,118,619	8%	
RAIL SERVICES								
Salary, Wages and Benefits	295,641	315,252	315,252	215,176	473,889	158,637	50%	Anticipated staffing plan to address core positions (\$150k) - Includes Director Railway Systems
Services	400,496	276,155	327,001	344,336	353,450	26,449	8%	Increase of \$19,200 for monthly Atmos Energy expenses (Facilities Maintenance)
Materials and Supplies	584,921	1,118,667	878,667	496,760	1,131,967	253,300	29%	Fuel budgeted at \$2.75/gallon (400,000 gallons for rail); Increase in fuel total as compared to FY17 Revised Budget due to the transfer of savings to Bus
Utilities	237,063	289,044	289,044	140,833	289,044	-	0%	Parts for needed engine/transmission replacements
Insurance, Casualties and Losses	502,230	523,640	1,205,260	791,228	1,224,376	19,116	2%	
Purchased Transportation Services	10,461,267	9,375,986	9,444,366	6,376,842	9,191,633	(252,733)	-3%	Based on FY18 rail contract & DART ILA
Miscellaneous	14,170	14,745	14,745	10,363	15,545	800	5%	
Leases and Rentals	2,207	2,208	2,208	1,472	2,208	-	0%	
Depreciation		8,049,118	8,049,118	5,397,604	8,388,963	339,845	4%	
Subtotal - Rail Services	12,497,995	19,964,815	20,525,661	13,774,613	21,071,075	545,415	3%	
Total Operating Expenses	26,115,033	38,831,900	39,804,136	24,592,626	42,574,925	2,770,790	7%	
Income Before Non-operating Revenue & Exp	(21,324,907)	(33,735,905)	(34,533,141)	(20,939,148)	(37,008,037)			
Non-Operating Revenues / (Expense)								
Investment Income	59,364	40,000	40,000	59,122	78,000	38,000	95%	
Non-Operating Revenues / (Expense)	156,067	1,500	1,001,500	83,948	1,000	(1,000,500)	-100%	FY17 Revised Budget included \$1M for Valley Ridge Crossing reimbursement to be received from the city
Sales Tax Revenue	24,658,546	24,624,601	25,624,601	17,384,613	26,649,585	1,024,984	4%	Assumes a 4% increase from FY17 Revised Budget
Federal Grants & Reimbursements	10,587,249	15,360,732	15,753,476	6,466,911	13,077,265	(2,676,211)	-17%	Majority of grants are directly related to capital projects and the corresponding timelines. In FY18 there is a reduction of \$2.5M related to the PTC project schedule.
State Grants & Reimbursements	312,428	2,844,087	1,541,533	-	2,114,696	573,163	37%	Includes FEMA, TxDOT funding for the Eagle Point Hike & Bike Trail
Long Term Debt Interest/Expense	(1,156,229)	(1,098,412)	(1,098,412)	(731,969)	(1,008,084)	90,328	-8%	Based on current debt schedule
Total Non-Operating Revenue / (Expense)	34,617,424	41,772,508	42,862,698	23,262,624	40,912,462	(1,950,236)	-5%	
Change in Net Position	13,292,517	8,036,603	8,329,557	2,323,477	3,904,425			
Net Position - Beginning of Year:					15,225,158			
Net Position - End of Year:					19,129,583			
Transfer to Capital Projects					(15,633,998)			
Net Position After Capital Project Transfer					3,495,585			

Capital Improvement Plan

RM 2(a) Exhibit B

Project Name	Project Number	Project Budget	Project LTD thru FY 2015	FY 2016 Actuals	FY 2017 Revised	FY 2018	FY 2019	FY 2020	Anticipated Project Total (Thru 2020)
Bus Services									
Bus Operations & Maintenance Facility	50301	11,497,555	11,329,265	75,626	6,751				11,411,642
Scheduling Software	50601	250,000		20,000	115,000	115,000			250,000
Transit Enhancements {2015-2016}	50204	165,000	4,601	137,432	22,967				165,000
Bus Fleet Cameras	50409	149,500			149,500				149,500
Fleet {2016}	50507	1,250,000			1,250,000				1,250,000
Fleet {2017}	50510	1,885,000				1,474,076			1,474,076
AVL Systems	50410	200,000			200,000				200,000
IOMF Fuel Tanks - Lewisville	50305	740,000			250,000	490,000			740,000
Denton COA Transit Enhancements	50205	58,500			58,500				58,500
Fleet {2018}	NEW	3,003,580				3,003,580			3,003,580
*Future Fleet							2,400,000	2,500,000	4,900,000
*Fleet Farebox							600,000		600,000
Rail Services									
Positive Train Control Preparation	61406	1,346,527	1,346,527						1,346,527
Positive Train Control Implementation	61406.1	16,720,141		6,594,741	7,486,472	2,638,928			16,720,141
Lewisville Bike Trail	61708	2,146,355	1,978,419	67,935	56,155	38,263			2,140,773
T. Mills Crew Facility	61209	310,000	32,528	37,176	240,296				310,000
Station Landscaping	61210	485,000	25,455	365,746	93,799				485,000
Rail Mobilization {2015}	61604	1,174,779		1,201,987	(27,208)				1,174,779
Rail Facility Flume Repair {2015 Flood}	61713.1	325,482		56,282	269,200				325,482
Grade Crossing Replacements {2015 Flood}	61713.2	2,157,760		62,706	2,095,054				2,157,760
Hebron Signal House {2015 Flood}	61713.3	122,000		98,627	23,373				122,000
Ballast Undercutting {2015 Flood}	61713.4	761,600		21,198	740,402				761,600
Pockrus Page {2015 Flood}	61713.5	623,000		34,260	294,370	294,370			623,000
Rail Capital Maintenance	61714	3,575,430			378,492	2,967,927	2,500,000	2,500,000	8,346,419
Trail Safety Improvements	61715	81,157				81,157			81,157
Lewisville Bike Trail - Eagle Point Section	61716	2,995,873		40,176	300,000	2,655,697			2,995,873
Valley Ridge Crossing	61717	1,000,000			1,000,000				1,000,000
Dispatch System	61408	150,000			150,000				150,000
Brownfield Remediation	NEW	325,000			60,000	325,000			385,000
Rail Safety Improvements	NEW	200,000				200,000	200,000	200,000	600,000
G&A									
Data Analytics & Reporting	10601	200,000				200,000			200,000
Comprehensive Service Analysis	10602	420,222	76,210	119,695	224,317				420,222
Shortel Phone System	10402	88,610		75,107	13,503				88,610
Lewisville Facilities Study	10301	100,000		79,065	20,935				100,000
Safety & Security Assessment	10604	250,000			250,000		200,000		450,000
Infrastructure Acquisition	10302	3,900,000			2,900,000	1,000,000			3,900,000
Project Management / Document Control	10605	150,000			150,000	150,000	150,000	150,000	600,000
TOTAL		\$ 58,808,071	\$ 14,793,006	\$ 9,087,760	\$ 18,771,877	\$ 15,633,998	\$ 6,050,000	\$ 5,350,000	\$ 69,686,641

									TOTAL
OPERATING REVENUES	Audited 2016*	Revised 2017	Proposed 2018	2019	2020	2021	2022	2023	FY 2016 - FY 2023
Beginning Fund Balance:	\$ 25,789,446	\$ 21,958,790	\$ 15,225,158	\$ 12,455,457	\$ 11,920,278	\$ 12,840,648	\$ 14,200,308	\$ 16,222,538	
Bus Operating Revenue	\$ 4,019,030	\$ 4,461,858	\$ 4,828,378	\$ 4,958,705	\$ 5,166,144	\$ 5,304,846	\$ 5,447,545	\$ 5,594,361	39,780,866
Rail Operating Revenue	771,096	809,137	738,510	745,895	827,944	836,223	844,585	853,031	6,426,421
NON-OPERATING REVENUES									
Sales Tax Revenue	24,658,546	25,624,601	26,649,585	27,715,568	28,824,191	29,977,159	31,176,245	32,423,295	227,049,191
Formula Grants (Operating)	4,826,472	2,603,496	5,177,112	5,765,515	6,241,517	5,336,096	4,981,394	4,420,959	39,352,562
Interest Income-Non RTRFI Funds	59,364	40,000	78,000	37,366	35,761	38,522	42,601	48,668	380,282
Misc. Revenue	156,067	1,001,500	1,000	1,500	1,500	1,500	1,500	1,500	1,166,067
Restricted RTRFI Interest Income									-
Total Revenues	34,490,575	34,540,592	37,472,585	39,224,550	41,097,057	41,494,346	42,493,870	43,341,814	314,155,389
OPERATING EXPENSES									
Bus Operating Expense	9,105,959	11,535,556	12,738,424	13,081,396	13,537,944	14,005,762	14,513,753	15,017,862	103,536,656
Rail Operating Expense	12,497,995	12,476,543	12,682,112	13,618,323	13,914,380	14,388,516	14,749,011	15,158,333	109,485,213
G&A Operating Expense	4,511,079	5,452,296	6,474,517	6,595,367	6,589,992	6,818,044	7,058,317	7,304,508	50,804,120
NON-OPERATING EXPENSES									
Non-Operating (Income) / Expense									-
Total Expenses	26,115,033	29,464,395	31,895,053	33,295,086	34,042,316	35,212,322	36,321,081	37,480,703	263,825,990
NET INCOME	8,375,542	5,076,197	5,577,532	5,929,465	7,054,741	6,282,024	6,172,789	5,861,110	50,329,400
CAPITAL OUTLAY									
Bus Capital Expenditure	582,161	487,718	250,000	-	-	-	-	-	1,319,879
Bus Fleet Replacement Expense	1,705,352	1,250,000	4,477,650	2,400,000	2,500,000	2,300,000	2,000,000	3,100,000	19,733,002
Professional Services / Technology Improvements	293,867	723,755	465,000	150,000	150,000	150,000	150,000	150,000	2,232,622
Stadler Fleet (Vehicles)	189,557	-	-	-	-	-	-	-	189,557
Right of Way	-	-	81,157	-	-	-	-	-	81,157
Rail Capital Expenditure (LV Hike & Bike)	108,112	356,155	2,693,960	-	-	-	-	-	3,158,226
Rail Capital Expenditure (Community Enhancements)									-
HV Parking Expansion									-
Rail Station Improvements	421,237	334,095	-	-	-				755,332
Rail MOW	34,914	-	-						34,914
Rail MOE	464,869	-	-						464,869
Single Car Operations / Shunt Enhancement	(122,767)								(122,767)
Re-Railing Equipment									-
Rail Capital Maintenance	371,714	378,492	2,967,927	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	16,218,133
Disaster Recovery - 2015 Floods	273,738	3,422,398	294,370	-	-				3,990,506
Rail Mobilization	1,201,987	122,792	-	-	-				1,324,779
Positive Train Control	6,594,741	7,486,472	2,638,928						16,720,141
Infrastructure Acquisition		2,900,000	1,000,000						3,900,000
Valley Ridge Crossing		1,000,000							1,000,000
Safety & Security	-	250,000							250,000
Rail Safety Improvements			200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
Approved Capital Requests									
Fleet Farebox Replacement				600,000					600,000
Brownfield Remediation		60,000	325,000						385,000
TSA Security (Phase I)				200,000					200,000
OMF Fuel Tanks (Additional)			240,000						240,000
									-
Total Capital Outlay	12,119,481	18,771,880	15,633,998	6,050,000	5,350,000	5,150,000	4,850,000	5,950,000	73,875,359
CAPITAL SOURCES									
New Money (Debt Issuance)									-
RTRFI/RTC Funds	3,011,743	5,989,178	3,499,079						12,500,000
FEMA Reimbursements	303,574	2,293,801	233,625						2,831,000
Formula Grants (Capital)	2,757,887	1,422,485	6,282,145	2,350,341	1,994,998	3,023,498	3,503,748	4,192,248	25,527,350
Total Capital Sources	6,073,204	9,705,464	10,014,849	2,350,341	1,994,998	3,023,498	3,503,748	4,192,248	40,858,350
DEBT SERVICE									
2008 Issue (ST) Debt Service									
2009 Refunding (ST) Debt Service	3,593,387	1,713,687	1,717,600	1,714,697	1,715,209	1,713,925	1,715,845	1,715,771	15,600,121
2011 Contractual Obligations	1,572,842	1,029,725	1,010,484	1,050,287	1,064,160	1,081,937	1,088,462	1,104,048	9,001,945
Total Debt Service	5,166,229	2,743,412	2,728,084	2,764,984	2,779,369	2,795,862	2,804,307	2,819,819	24,602,066
Internal Debt Service Coverage:	1.62	1.85	2.04	2.14	2.54	2.25	2.20	2.08	
Outstanding Bond Principal as of September 30th (End of Fiscal Year)	\$ 30,385,000	\$ 28,740,000	\$ 27,020,000	\$ 25,230,000	\$ 23,360,000	\$ 21,405,000	\$ 19,370,000	\$ 17,245,000	
Audit Adjustment	\$ (993,693)								
Ending Fund Balance:	21,958,790	15,225,158	12,455,457	11,920,278	12,840,648	14,200,308	16,222,538	17,506,077	
Less Restricted RTRFI Interest Income	-	-	-	-	-	-	-	-	
Less Required Fund Balance (O&M Reserve Policy):	6,528,758	7,366,099	7,973,763	8,323,771	8,510,579	8,803,080	9,080,270	9,370,176	
Less Sales Tax Stabilization Fund	739,756	768,738	799,488	831,467	864,726	899,315	935,287	972,699	
Less Fuel Stabilization Fund	72,582	450,000	450,000	450,000	450,000	450,000	450,000	450,000	
Less Capital/Infrastructure	3,961,050	2,000,000	2,000,000	2,000,000	2,000,000	3,000,000	5,000,000	6,000,000	
Net Available Fund Balance	10,656,643	4,640,321	1,232,206	315,040	1,015,344	1,047,913	756,980	713,202	

DCTA Budget Contingency Plan FY2018

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

Section I: Sales Tax Revenue Shortfall

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

Initial Precautionary Action

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

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

2% Reduction (\$532,992)

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

- The Management Team will be required to review, monitor and control planned expenditures greater than \$5,000.
- Supplemental appropriations will not be made from budgeted savings or unappropriated fund balance.
- All carry forward requests will be carefully reviewed and approved by Finance.
- Any overtime must be pre-approved by department heads.
- Determination made and plan developed regarding utilization of sales tax stabilization fund. Utilization of sales tax stabilization funds will require Board Approval prior to implementation.

3% Reduction (\$799,488)

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

4% Reduction (\$1,065,983)

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

Section II: Sales Tax Revenue Sustainable Increase

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

Service Level enhancement decisions will follow annual Decision Cycle framework

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

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

Section III: Federal Grant Funding Reduction

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

Capital Expenditures:

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

Operating Funds:

- Follow the Sales Tax Revenue Shortfall Procedure



Board of Directors Memo

September 28, 2017

Item 2 (b) – Authorize President to Negotiate and Execute Shared Services Interlocal Agreement with the Dallas Area Rapid Transit (DART).

Background

In order to provide seamless rail service to the citizens in their respective service areas and to help relieve traffic congestion, provide transportation opportunities and aid in attaining federal air quality standards, DCTA and DART entered into a shared services agreement for sharing of some costs and services.

On September 30 of 2017, the current Shared Services agreement between DCTA and DART will expire and requires approval of the respective Board of Directors for annual renewal. This Shared Services Agreement includes the following shared costs and services:

- Ticket Vending Machine maintenance and revenue servicing (shared cost)
- Trinity Mills Platform Maintenance (shared cost)
- Director of Safety & Regulatory Compliance (shared cost)
- Reciprocal Fare Policy
- Special Event Service Access
- Required Standard Insurance coverages
- Excess Rail Liability Coverage with DART as additional insured

Identified Need

It is mutually beneficial to the citizens of each agencies service areas for the agencies to cooperate in providing passenger rail service connecting the two service areas. It is also beneficial to identify service components for which costs may be shared to the mutual benefit of DCTA and DART.

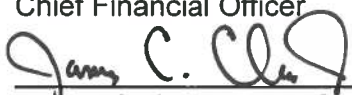
Financial Impact:

The services with shared costs are incorporated in the DCTA FY18 Budget. Required Standard Insurances coverages and Excess Rail Liability Coverage with DCTA as primary are also included in the FY18 Rail Operating Budget.

Recommendation

Staff recommends the President be authorized to execute the Shared Services Agreement. As of the date of this memo the agreement is still in draft form.

Final Review: 
Anna Mosqueda
Chief Financial Officer

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