



Denton County Transportation Authority

****Note New Address****

**1955 Lakeway Dr., # 260
Lewisville, Texas 75057**

(972) 221-4600
dcta.net

**Board of Directors
Work Session
September 25, 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
 - 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
 - e. Strategic Planning / Development
 - i. Comprehensive Service Analysis
 - ii. Outreach Efforts
2. Committee Reports
 - a. Legislative Committee – Chairman Charles Emery
 - b. Program Services – Chairman Paul Pomeroy

3. Discussion of Regular Board Meeting Agenda Items (September 25, 2014)
4. 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.
5. Reconvene Open Session
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
6. Discussion of Future Agenda Items
 - a. Board Member Requests

**Board of Directors
Regular Meeting
September 25, 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 – Presentation of Agency Awards

1. CONSENT AGENDA
 - a. Approval of Minutes August 28, 2014
 - b. Acceptance of Financial Reports
 - c. Authorize the President to execute Letter of Engagement with Weaver and Tidwell, LLP for annual audit services for Fiscal Year ended 9/30/2014
 - d. Authorize the President to execute contract for purchase of utility tractor & implements
 - e. Authorize President to execute contract for the purchase of handheld radios
 - f. Approval of Amendment to President's Employment Agreement
2. REGULAR AGENDA
 - a. Discussion / Approval of Resolution 14-06 adopting:
 - i. Fiscal Year 2015 Capital & Operating Budget
 - ii. Contingency Plan

- iii. Cash Flow Model
 - b. Discussion / Approval of Huffines Temporary Access Easement
 - c. Discussion / Approval of 2015 Annual Program of Projects
 - d. Discussion / Approval Denton County Transportation Authority's State and Federal Legislative Agenda
 - e. Discussion / Approval of Rail Drainage Improvements
 - i. Approve FY15 Capital Project in the amount of \$250,000 for Drainage Improvements
 - ii. Authorize President to Negotiate and Execute Agreement(s) necessary for engineering, grading and related drainage site work in an amount not to exceed \$250,000
3. CHAIR REPORT
 - a. Discussion of Regional Transportation Issues
 4. PRESIDENT'S REPORT
 - a. Regional Transportation Update
 - b. Budget Transfers
 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

Chair – Charles Emery
 Vice Chair – Paul Pomeroy

Secretary – Richard Huckaby
 Treasurer – Dave Kovatch

Members – Skip Kalb, Doug Peach, Jim Robertson, Bill Walker, Daniel Peugh,
 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

This notice was posted at 1955 Lakeway Dr., #260, Lewisville, Texas 75057 at a place convenient and readily accessible to the public at all times. Said notice was posted on 9/19/2014 at 2:34 PM.

Leslee Bachus, Executive Assistant



Board of Directors Memo

September 25, 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 August 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 \$58k because the average passenger fare for Connect and Access passengers is higher than anticipated in the budget, offset by lower than budgeted ridership. Total YTD ridership of 2.4 million is 17% less than budgeted YTD ridership of 2.9 million.
- **Note B:** Contract Service Revenue – YTD unfavorable by (\$226k) because actual YTD fuel usage and price are lower than budgeted. Billed usage was 133,160 gallons compared to budgeted 150,070 gallons, down 11%. In FY14, fuel was budgeted at \$4.15/gallon. In August, fuel was \$3.16/gallon. In addition, actual YTD revenue hours were 46,705 compared to budgeted 46,876.
- **Note C:** Sales Tax Revenue – August sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in August will be received in October. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY14 sales tax receipts collected through September.
- **Note D:** Federal/State Grants – YTD favorable by \$881k 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 in the budget results in a timing variance.
- **Note E:** Services – YTD favorable by \$905k due to a delay in expenses and cost savings of certain projects. Budgeted funds of \$228k are remaining from FY13 for pending litigation. Budgeted funds of \$489k remain for legal fees; the hybrid computing ELP; finance consulting projects; marketing expenses associated with passenger information, website redesign, and I-35 campaign; bus maintenance; rail station landscaping; and rail contract support. Cost savings of \$119k for external audit and investment advisory services, PR for pending litigation, employer outreach, the university pass program and GoPass campaign are realized as these expenses were not needed.
- **Note F:** Materials and Supplies – YTD favorable by \$928k mainly because fuel usage and price are below budget. Rail operations fuel is \$439k under budget due to a timing variance in the DART billings and because actual YTD fuel prices have averaged \$3.08/gallon compared to the budgeted price of \$4.15/gallon. Bus operations fuel is \$305k under budget primarily because YTD fuel prices have averaged \$3.28/gallon compared to \$4.15/gallon budgeted. In addition, actual fuel usage of 323k gallons is 2% lower than the 328k gallons

budgeted. Actual expenses for bus tire replacements and additional IT materials were \$155k below budget as of August. Additional expenses are anticipated in September.

- **Note G:** Purchased Transportation Services – YTD unfavorable by (\$67k) due to additional maintenance of equipment needed as a result of the rail washout.
- **Note H:** Leases and Rentals - YTD unfavorable by (\$77k) due to the payment for Waters Ridge improvements. This is a timing variance that will be adjusted in September.

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

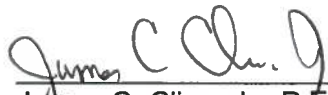
Provides the Board a review of DCTA's financial position and performance to budget.

Recommendation

Staff recommends acceptance.

Submitted by: Marisa Perry, CPA 
Accounting Manager

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 August 31, 2014
(Unaudited)

WS1ai

Description	Month Ended August 31, 2014			Year to Date August 31, 2014			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	126,297	134,181	(7,884)	1,316,408	1,258,672	57,736	1,375,663	Note A
Contract Service Revenue	331,439	227,370	104,068	2,716,337	2,942,014	(225,676)	3,298,781	Note B
Sales Tax Revenue	1,821,556	1,741,243	80,313	19,211,359	18,786,107	425,252	20,725,320	Note C
Federal/State Grants and Reimbursements	143,691	932,372	(788,681)	6,758,948	5,877,966	880,982	7,079,358	Note D
Total Revenue and Other Income	2,422,982	3,035,166	(612,184)	30,003,052	28,864,759	1,138,293	32,479,122	
Operating Expenses								
Salary, Wages and Benefits	490,886	682,308	191,422	6,974,894	7,601,181	626,288	8,329,943	
Services	151,083	188,468	37,384	1,699,980	2,605,237	905,257	2,731,636	Note E
Materials and Supplies	207,948	291,812	83,863	2,483,670	3,411,620	927,950	3,736,224	Note F
Utilities	40,188	43,368	3,180	344,036	428,647	84,611	472,015	
Insurance, Casualties and Losses	64,212	67,222	3,011	711,775	730,939	19,164	798,162	
Purchased Transportation Services	942,831	778,058	(164,773)	8,589,523	8,522,643	(66,881)	9,300,701	Note G
Miscellaneous	14,113	11,735	(2,378)	109,048	224,622	115,575	236,085	
Leases and Rentals	149,303	12,919	(136,384)	348,228	271,696	(76,532)	427,615	Note H
Depreciation	721,711	721,368	(343)	7,943,923	7,946,722	2,799	8,668,090	
Total Operating Expenses	2,782,275	2,797,259	14,983	29,205,078	31,743,308	2,538,230	34,700,470	
Income Before Non-operating Revenue and Expense	(359,293)	237,908	(597,201)	797,974	(2,878,549)	3,676,523	(2,221,348)	
Non-Operating Revenues / (Expense)								
Investment Income	1,695	2,750	(1,055)	19,496	30,250	(10,754)	33,000	
Gain (Loss) Disposal of Assets	-	-	-	22,795	-	22,795	-	
Fare Evasion Fee	225	-	225	3,525	-	3,525	-	
Other Income - Miscellaneous	10,322	375	9,947	55,291	6,375	48,916	7,125	
Long Term Debt Interest/Expense	(137,034)	(234,970)	97,936	(1,316,832)	(2,392,878)	1,076,046	(2,627,850)	
Total Non-Operating Revenue / (Expense)	(124,792)	(231,845)	107,053	(1,215,725)	(2,356,253)	1,140,528	(2,587,725)	
Change in Net Assets	(484,085)	6,063	(490,148)	(417,751)	(5,234,802)	4,817,051	(4,809,073)	

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

	<u>August 31, 2014</u>	<u>July 31, 2014</u>	<u>Change</u>
Current Assets			
Cash & Cash Equivalents	9,166,256	10,082,027	(915,771)
Investments	6,518,405	4,906,890	1,611,516
Accounts & Notes Receivable	4,157,506	4,457,344	(299,837)
Prepaid Expenses	403,083	449,482	(46,399)
Inventory	32,121	31,555	566
Restricted Asset-Cash and Equivalents	5,011,322	5,010,630	692
Total Current Assets	<u>25,288,694</u>	<u>24,937,927</u>	<u>350,767</u>
Property, Plant and Equipment			
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	(28,804,229)	(28,082,518)	(721,711)
Total Property, Plant and Equipment	<u>83,409,034</u>	<u>84,130,746</u>	<u>(721,711)</u>
Other Non Current Assets			
Bond Fees	32,983	65,966	(32,983)
Total Other Non Current Assets	<u>32,983</u>	<u>65,966</u>	<u>(32,983)</u>
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	216,226,592	216,226,592	-
Construction in Progress	23,328,959	23,083,640	245,319
Total Capital Assets	<u>256,552,706</u>	<u>256,307,387</u>	<u>245,319</u>
Total Assets	<u><u>365,283,417</u></u>	<u><u>365,442,026</u></u>	<u><u>(158,609)</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	999,928	907,402	92,526
Salary, Wages, and Benefits Payable	450,168	392,096	58,072
Accrued Expenses Payable	3,031,400	3,009,141	22,259
Deferred Revenues	203,321	165,875	37,446
Interest Payable	520,253	416,202	104,051
Total Current Liabilities	<u>5,205,069</u>	<u>4,890,717</u>	<u>314,353</u>
Non-Current Liabilities			
Rail Easement Payable	1,500,000	1,500,000	-
Retainage Payable	1,955,007	1,943,884	11,123
Bonds Payable	34,395,000	34,395,000	-
Total Non-Current Liabilities	<u>37,850,007</u>	<u>37,838,884</u>	<u>11,123</u>
Total Liabilities	<u>43,055,076</u>	<u>42,729,600</u>	<u>325,476</u>
Net Assets			
Invested in Capital Assets	305,306,546	305,306,546	-
Unrestricted Retained Earnings	17,339,546	17,339,546	-
Change in Net Assets	(417,751)	66,334	(484,085)
Total Equity	<u>322,228,341</u>	<u>322,712,426</u>	<u>(484,085)</u>
Total Liabilities and Equity	<u><u>365,283,417</u></u>	<u><u>365,442,026</u></u>	<u><u>(158,609)</u></u>

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

Work Session 1aii

	Original Budget	Revised Budget	August 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of August 2014 Close)
ASSETS						
Fixed Assets						
1660 · Construction Work in Progress						
5 · Bus Capital Projects						
50202 · Passenger Amenities (Phase 2)						
5020214 · Acquisition	174,011	229,326		139,063	90,263	61%
5020215 · Survey, Testing & Inspection				2,900	(2,900)	
5020216 · Construction				86,787	(86,787)	
5020226 · Furniture Fixtures & Equipment				142	(142)	
5020229 · Project Management				10,283	(10,283)	
Total 50202 · Passenger Amenities (Phase 2)	174,011	229,326	-	239,175	(9,849)	104%
50301 · Bus O&M Facility						
5030113 · Design	590,000	1,294,280		1,161,886	132,395	90%
5030115 · Survey, Testing, Inspection				112,957	(8,222)	108%
5030114 · Land Acquisition	1,164,310	1,173,451		1,184,450	(10,999)	101%
5030116 · Building Construction	4,745,690	5,648,243		5,236,508	411,735	93%
5030118 · Canopy Construction				-	-	0%
5030120 · Landscaping		542,513		594,369	(51,856)	110%
5030121 · Systems		333,294		377,034	(43,740)	113%
5030125 · Utilities		1,362,500		1,638,126	(275,626)	120%
5030126 · Furniture, Fixtures & Equipment	1,642,667	517,865		698,441	(180,576)	135%
5030128 · Contingency		275,895		-	275,895	0%
5030129 · Project Management	-	205,000		52,498	152,502	26%
5030131 · Insurance/Bonds		105,521		105,521	-	100%
5030132 · Mobilization		157,060		165,385	(8,325)	105%
5030133 · Legal Fees		360		1,460	(1,100)	406%
Total 50301 · Bus O&M Facility	8,142,667	11,720,717	-	11,328,634	392,083	97%
50303 · DDTC						
5030311 · Engineering	-	-		1,850	(1,850)	
5030314 · Acquisition	373,282	373,282		10,747	362,535	3%
Total 50303 · DDTC	373,282	373,282	-	12,597	360,685	3%
50406 · Where's My Ride						
5040614 · Acquisition	940,485	940,485	4,925	552,978	387,507	59%
5040629 · Project Management	-	-		11,816	(11,816)	
Total 50406 · Where's My Ride	940,485	940,485	4,925	564,794	375,692	60%
50502 · Fleet Replacement						
5050214 · Acquisition	1,968,500	3,411,592		2,982,327	429,265	87%
Total 50502 · Fleet Replacement	1,968,500	3,411,592	-	2,982,327	429,265	87%
50504 · Fleet Replacement (2014)						
5050414 · Acquisition	877,998	877,998		567,565	310,433	65%
Total 50504 · Fleet Replacement (2014)	877,998	877,998	-	567,565	310,433	65%
50408 · Bus Radios						
5040814 · Acquisition	137,457	137,457	2,332	2,332	135,125	2%
Total 50408 · Bus Radios	137,457	137,457	2,332	2,332	135,125	2%
Total 5 · Bus Capital Projects	12,614,400	17,690,857	7,257	15,697,424	1,993,433	89%

Budget vs. Actual

As of August 31, 2014

(Cash Basis)

	Original Budget	Revised Budget	August 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of August 2014 Close)
6 · Rail Construction						
61103 · Rail Grinding (2014)						
6110317 · Track & Civil Construction	192,000	192,000		103,987	88,013	54%
Total 61103 · Rail Grinding (2014)	192,000	192,000	-	103,987	88,013	54%
61206 · MedPark Extension	1,000,000	1,000,000	-	1,000,000	-	100%
61401 · Fare Collection Systems						
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%
Total 61401 · Fare Collection Systems	569,000	733,104	-	649,943	83,161	89%
61406 · Positive Train Control						
6140617 · Construction	13,492,026	19,397,536			19,397,536	0%
6140628 · Contingency	728,554	728,554			728,554	0%
6140629 · Project Management	2,097,992	2,097,992		779,920	1,318,072	37%
6140633 · Legal Fees	80,939	80,939			80,939	0%
6140636 · Vehicle Provisions	597,930	597,930		358,758	239,172	60%
6140621 · Systems	-	-		-	-	0%
Total 61406 · Positive Train Control	16,997,441	22,902,951	-	1,138,678	21,764,273	5%
61707 · Community Enhancements						
6170711 · Engineering	22,000	22,000		-	22,000	0%
6170712 · Preliminary Design	12,500	12,500		55,737	(43,237)	446%
6170713 · Final Design	15,000	15,000		66,741	(51,741)	445%
6170715 · Survey, Inspection & Testing	6,000	6,000		325	5,675	5%
6170716 · Building Construction	545,000	545,000	65,002	98,428	446,572	18%
6170720 · Landscaping	25,000	25,000		2,500	22,500	10%
6170726 · FF&E	10,000	10,000		-	10,000	0%
6170727 · Environmental Mitigation	4,000	4,000		-	4,000	0%
6170728 · Contingency	15,029	15,029		-	15,029	0%
6170729 · Project Management	85,088	85,088	3,180	7,853	77,235	9%
6170733 · Administration Fees	13,091	13,091		19,637	(6,546)	150%
Total 61707 · Community Enhancements	752,708	752,708	68,182	251,221	501,487	33%
61708 · Lewisville Bike Trail						
6170811 · Engineering	75,000	75,000		332,719	(257,719)	444%
6170812 · Preliminary Design	75,000	75,000		67,835	7,165	90%
6170813 · Final Design	41,000	41,000		-	41,000	0%
6170816 · Building Construction	2,020,562	2,020,562		-	2,020,562	0%
6170820 · Landscaping	21,000	21,000		-	21,000	0%
6170822 · Bridges	55,355	55,355		-	55,355	0%
6170823 · Crossings/Traffic Signals	200,000	200,000		-	200,000	0%
6170825 · Utilities	75,000	75,000		-	75,000	0%
6170826 · FF&E	3,000	3,000		-	3,000	0%
6170827 · Environmental Mitigation	28,800	28,800		-	28,800	0%
6170828 · Contingency	50,000	50,000		-	50,000	0%
6170829 · Project Management	394,454	394,454	15	3,323	391,131	1%
6170833 · Administration Fees	60,685	60,685		60,685	-	100%
Total 61708 · Lewisville Bike Trail	3,099,856	3,099,856	15	464,562	2,635,294	15%
61710 · HV Parking Expansion						
6171011 · Engineering	-	-		33,986	(33,986)	
6171016 · Building Construction	-	-	168,965	168,965	(168,965)	
6171029 · Project Management	-	-	900	6,060	(6,060)	
6171017 · Civil Construction	250,000	314,110		55,091	259,019	18%
Total 61710 · HV Parking Expansion	250,000	314,110	169,865	264,102	50,008	84%

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

Work Session 1aii

	Original Budget	Revised Budget	August 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of August 2014 Close)
60701 · Passenger Information						
6070114 · Acquisition	56,214	56,214		23,851	32,363	42%
Total 60701 · Passenger Information	56,214	56,214	-	23,851	32,363	42%
61711 · Rail Maintenance of Way (MOW)						
6171136 · Vehicle Provisions	-	-		23,712	(23,712)	
6171129 · Project Management	-	-		135	(135)	
6171117 · Track & Civil Construction	150,000	150,000		35,358	114,642	24%
Total 61711 · Rail MOW	150,000	150,000	-	59,205	90,795	39%
61712 · Rail Maintenance of Equipment (MOE)						
6171215 · Survey, Testing, Inspection	-	-		22,721	(22,721)	
6171217 · Track & Civil Construction	585,000	585,000		8,262	576,738	1%
Total 61712 · Rail MOE	585,000	585,000	-	30,983	554,017	5%
61503 · Rail Single Car Operations						
6150315 · Survey, Testing, Inspection	101,800	101,800		18,417	83,383	18%
Total 61503 · Rail Single Car Operations	101,800	101,800	-	18,417	83,383	18%
61504 · Re-Railing Equipment						
6150415 · Acquisition	121,000	121,000		-	121,000	0%
Total 61504 · Re-Railing Equipment	121,000	121,000	-	-	121,000	0%
61505 · GTW Wheel Work						
6150514 · Acquisition	915,041	915,041		-	915,041	0%
Total 61505 · GTW Wheel Work	915,041	915,041	-	-	915,041	0%
Total Rail Construction Projects	24,790,060	30,923,784	238,062	4,004,949	26,918,835	13%
Total 1660 · Construction Work in Progress	37,404,460	48,614,641	245,319	19,702,373	28,912,268	41%



Board of Directors Memo

September 25, 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 favorable compared to budget.

- Sales tax for sales generated at retail in the month of July and received in September was \$1,719,163.
- This represents an increase of 4.90% or \$80,313 compared to budget for the month.
- Receipts are favorable 2.49% year-to-date compared to budget.
- Compared to the same month last year, sales tax receipts were \$126,725 or 7.96% more.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 9.57%
 - City of Denton down -0.74%
 - Highland Village up 10.96%

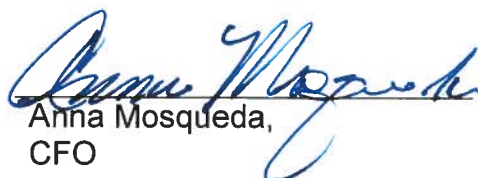
Need

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	\$ 1,957,442	\$ 121,018	6.59%	\$ 1,785,090	\$ 172,352	9.66%
April	June	\$ 1,634,166	\$ 1,777,141	\$ 142,976	8.75%	\$ 1,587,871	\$ 189,270	11.92%
May	July	\$ 1,689,374	\$ 1,756,564	\$ 67,190	3.98%	\$ 1,641,703	\$ 114,860	7.00%
June	August	\$ 1,876,393	\$ 2,008,175	\$ 131,782	7.02%	\$ 1,824,064	\$ 184,111	10.09%
July	September	\$ 1,638,850	\$ 1,719,163	\$ 80,313	4.90%	\$ 1,592,438	\$ 126,725	7.96%
August	October	\$ 1,741,243				\$ 1,692,280		
September	November	\$ 1,939,214				\$ 1,885,320		
YTD Total		\$ 20,725,320	\$ 17,470,116	\$ 425,253	2.49%	\$ 20,209,051	\$ 838,664	4.80%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
September 17, 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	\$ 2,828,191	\$ 320,853	12.80%
April	June	\$ 2,214,494	\$ 2,569,274	\$ 354,780	16.02%
May	July	\$ 2,350,979	\$ 2,570,909	\$ 219,930	9.35%
June	August	\$ 2,611,642	\$ 2,797,425	\$ 185,783	7.11%
July	September	\$ 2,256,113	\$ 2,472,024	\$ 215,911	9.57%
August	October	\$ 2,407,746			
September	November	\$ 2,649,874			
YTD Total		\$ 28,564,305	\$ 24,756,432	\$ 1,249,747	5.32%

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	\$ 323,839	\$ 13,369	4.31%
April	June	\$ 240,403	\$ 269,705	\$ 29,302	12.19%
May	July	\$ 240,734	\$ 288,253	\$ 47,519	19.74%
June	August	\$ 318,280	\$ 356,088	\$ 37,808	11.88%
July	September	\$ 244,567	\$ 271,361	\$ 26,794	10.96%
August	October	\$ 244,339			
September	November	\$ 280,725			
YTD Total		\$ 3,244,944	\$ 2,910,855	\$ 190,975	7.02%

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	\$ 2,488,428	\$ 191,303	8.33%
April	June	\$ 1,940,931	\$ 2,077,345	\$ 136,414	7.03%
May	July	\$ 1,950,564	\$ 2,003,488	\$ 52,924	2.71%
June	August	\$ 2,236,264	\$ 2,482,262	\$ 245,998	11.00%
July	September	\$ 1,936,814	\$ 1,922,509	\$ (14,305)	-0.74%
August	October	\$ 2,091,400			
September	November	\$ 2,529,584			
YTD Total		\$ 24,954,131	\$ 21,110,318	\$ 777,171	3.82%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
#####

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

Transit	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2014 Payments To Date	2013 Payments To Date	% Change
Houston MTA	1.00%	\$ 56,756,991.78	\$ 51,967,871.26	9.22%	\$ 518,132,223.00	\$ 485,744,552.08	6.67%
Dallas MTA	1.00%	\$ 39,674,289.53	\$ 36,496,219.94	8.71%	\$ 362,374,867.53	\$ 342,590,255.15	5.78%
Austin MTA	1.00%	\$ 15,818,992.32	\$ 14,243,099.79	11.06%	\$ 145,839,427.94	\$ 133,468,198.52	9.27%
San Antonio MTA	0.50%	\$ 10,443,430.60	\$ 9,762,902.98	6.97%	\$ 98,777,882.78	\$ 89,906,054.68	9.87%
San Antonio ATD	0.25%	\$ 4,648,568.88	\$ 4,454,123.27	4.37%	\$ 44,661,643.41	\$ 40,828,482.80	9.39%
Fort Worth MTA	0.50%	\$ 5,604,015.79	\$ 4,693,294.47	19.40%	\$ 47,183,178.13	\$ 43,910,686.04	7.45%
EI Paso CTD	0.50%	\$ 3,121,760.20	\$ 2,831,290.61	10.26%	\$ 29,526,175.00	\$ 28,368,912.20	4.08%
Corpus Christi MTA	0.50%	\$ 2,855,531.83	\$ 2,135,525.87	33.72%	\$ 25,668,773.95	\$ 24,850,094.18	3.29%
Denton CTA	0.50%	\$ 1,719,162.95	\$ 1,592,437.56	7.96%	\$ 15,823,157.48	\$ 14,993,762.59	5.53%
Laredo CTD	0.25%	\$ 623,253.49	\$ 625,917.64	-0.43%	\$ 5,848,274.35	\$ 5,820,617.69	0.48%
TOTALS		\$ 141,265,997.37	\$ 128,802,683.39	9.68%	\$ 1,293,835,603.57	\$ 1,210,481,615.93	6.89%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
September 17, 2014



Board of Directors Memo

September 25, 2014

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

Year End Procurement

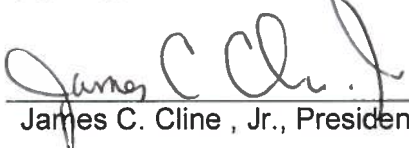
Activities are in process to close open purchase orders, expedite outstanding orders and begin preparation for the close out of the current fiscal year. Staff is working on wrapping up projects and planning for the new fiscal year. Procurements and projects proposed in the FY15 budget are in the planning and information gathering stages in preparation for the procurement process.

Relocation Activities

TxDOT will reimburse DCTA for some expenses related to relocation of the administrative offices. Staff is compiling the required documentation and will be submitting a request in October for reimbursement of the allowable expenses.

Submitted by: 
Athena Forrester, Procurement Manager

Final Review: 
Anna Mosqueda, CFO

Approval: 
James C. Cline, Jr., President



Board of Directors Memo

September 25, 2014

Item: 1(b) Communications and Marketing Update

Marketing & Communications Initiatives

35Express Construction Campaign
 Where's My Ride Campaign Development
 Main & Mill District Event Partnership Development
 Community Events Calendar Coordination
 Agency Rebranding Development & Implementation
 2014 Mean Green Game Day Shuttle Partnership
 Agency General Brochure Development
 VP, Strategic Planning & Development Announcement
 Office Relocation Announcement
 Agency Fact Sheets Development
 EnRoute News Implementation

EnRoute News Scavenger Hunt Contest Promotion
 Lewisville Western Days Partnership
 Lewisville Holiday Stroll Partnership
 Denton Holiday Lighting Festival Partnership
 DDTC PowerPoint & Kiosks Rebranding
 GORquest Rebranding
 Event Banner Development
 Why I Ride DCTA Social Media Campaign Development
 Messaging Map Development & Implementation
 State Fair of Texas Campaign Development

Regional Initiatives

NCTCOG Air North Texas
 NCTCOG Regional Transit Survey
 Regional Marketing & Communications Committee
 Veteran's Transportation & Community Living Initiative

NCTCOG Casual Carpool App
 GoPass Passenger Tools Enhancement
 State Fair of Texas Planning
 DART-DFW Airport Opening

Recent Events

4-Sept	Denton Information Network Meeting	20 attendees
6-Sept	North Texas Game vs. SMU	23,000 attendees
11-Sept	North Texas Game vs. Louisiana Tech	16,000 attendees
12-Sept	Lewisville Flower Mound Roundtable	15 attendees
13-Sept	Denton Public Safety Day	150 attendees
20-Sept	North Texas Gave vs. Nicholls State	

Upcoming Events

26-27 Sept Lewisville Western Days Festival
 18-Oct North Texas Game vs. Southern Miss
 8-Nov North Texas Game vs. Florida Atlantic
 22-Nov North Texas Game vs. Florida International

General DCTA Related Media

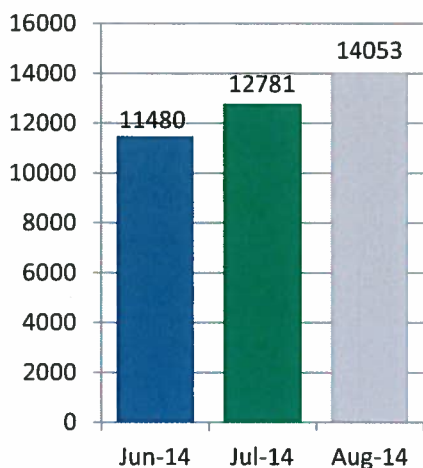
Articles Mentioning DCTA	46	Month Total Ad Value	\$29,729
Web Reach Per Million	3,449	YTD Total Ad Value	\$230,820
YTD Web Reach Per Million	460,970		

Topic Highlights

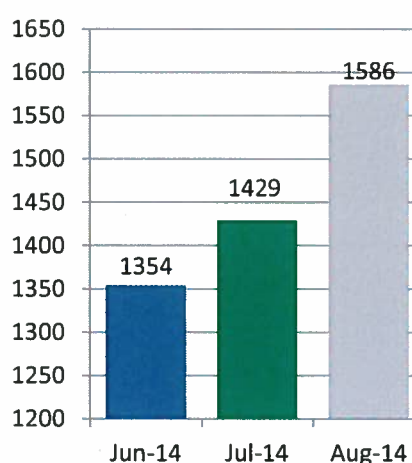
As business grows, so does Flower Mound's interest in public transportation
 Board to approve bus route study
 DCTA budget includes plans to provide bus service to Fort Worth
 DCTA to provide shuttle to balloon festival
 Denton County Transportation Authority Announces Kristina Brevard as New Vice President of Strategic Planning & Development
 Trains now roll to planes

GoPass Application

New Downloads



DCTA Tickets Sold

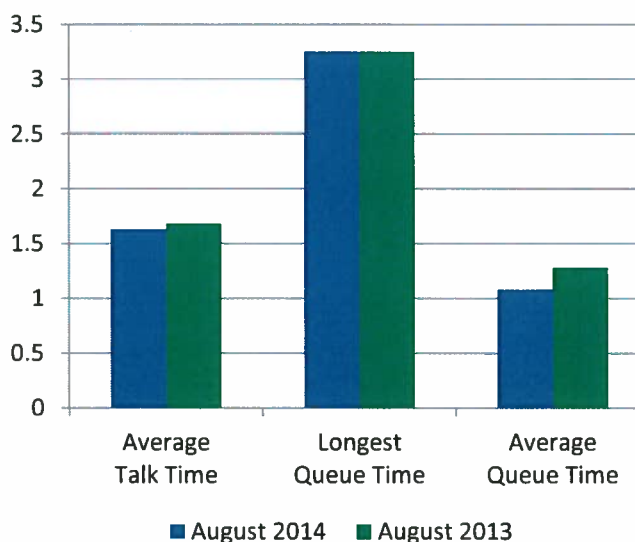
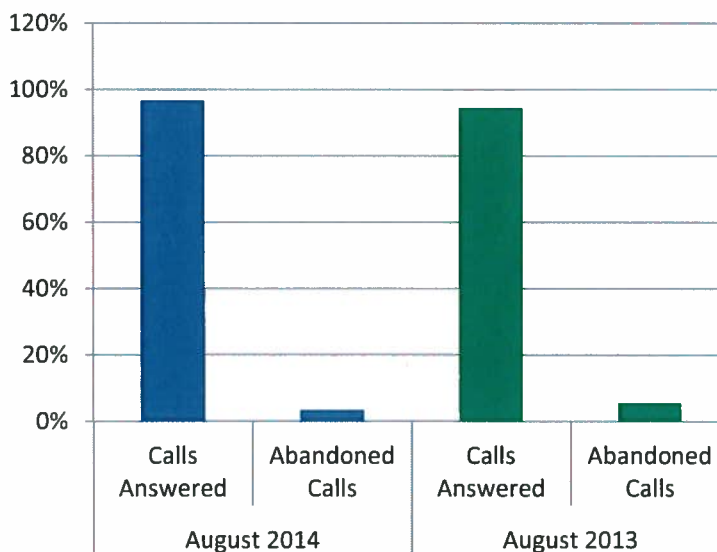


Call Center Statistics

In August, DCTA's call center received 5,809 calls compared to the 4,205 calls that were recorded in the month of July. This is a 38% increase in call volume from the previous month. 5,613 of the calls recorded in August were answered and 196 were abandoned.

The target for answered calls is 90%. With a 97% 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.

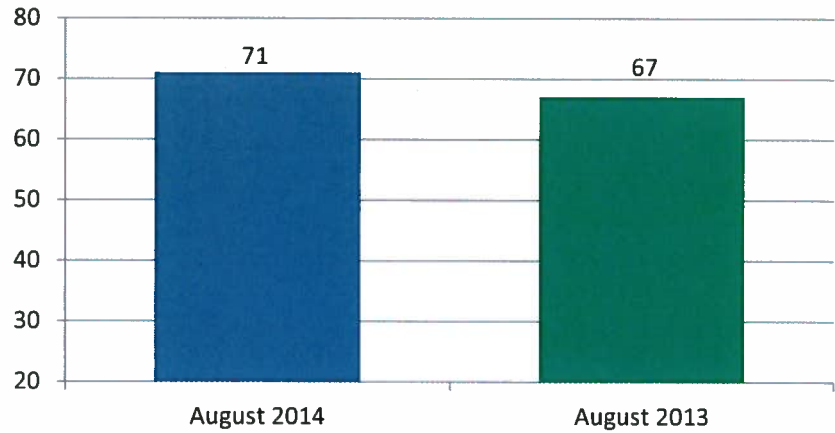


GoRequest Statistics

DCTA had a total of 71 submissions into GoRequest during the month of August. This is a 82% increase from the month of July.

Customer Service Information	6
Driver Conduct	12
Driving Skills	5
On Time Performance	9
Other	2
Route and Schedule Information	29
Stations / Shelters / Bus Stops	3
Ticket or Ticket Vending Machine Issue	4
UNT Shuttle	1

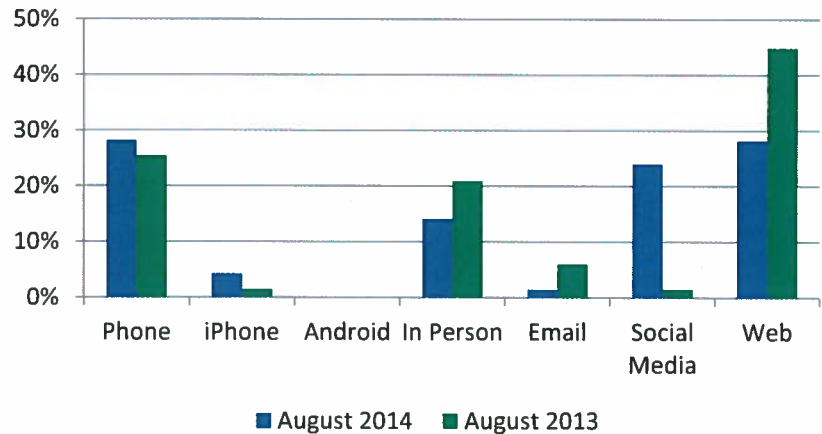
Number of Opened Requests



Types of Submittals Breakout

Complaint	54
Compliment	2
Problem	3
Question	9
Suggestion	3

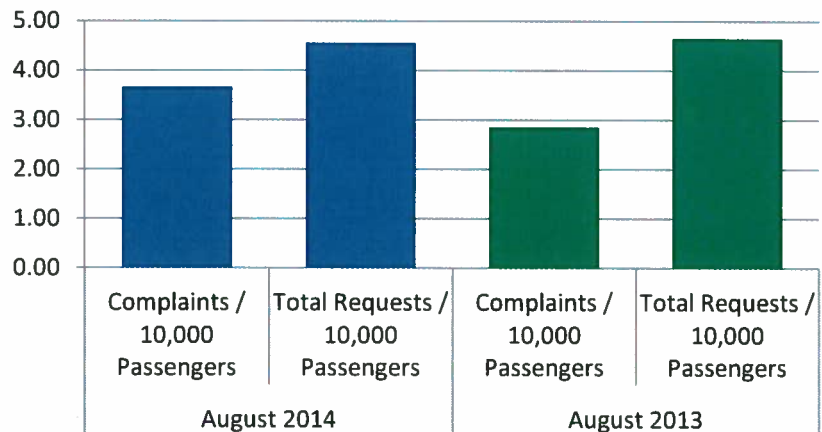
How Requests Are Reported



Complaints Per 10,000 Passengers

3.66	Complaints/10,000 Passengers
4.56	Total Requests / 10,000 Passengers

Requests Per 10,000 Passengers



Complaint Topic Breakout

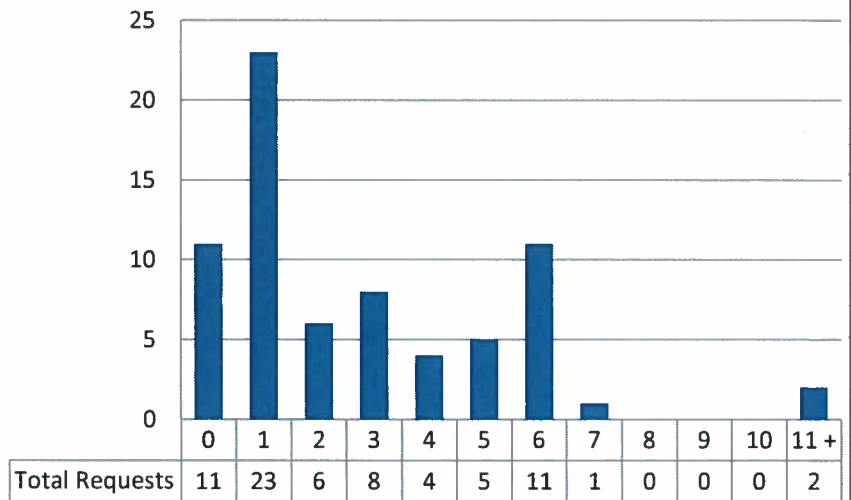
Customer Service Information	5
Driver Conduct	8
Driving Skills	4
On Time Performance	8
Other	2
Route and Schedule Information	26
Stations / Shelters / Bus Stops	1
Ticket or Ticket Vending Machine Issue	2
UNT Shuttle	1

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.

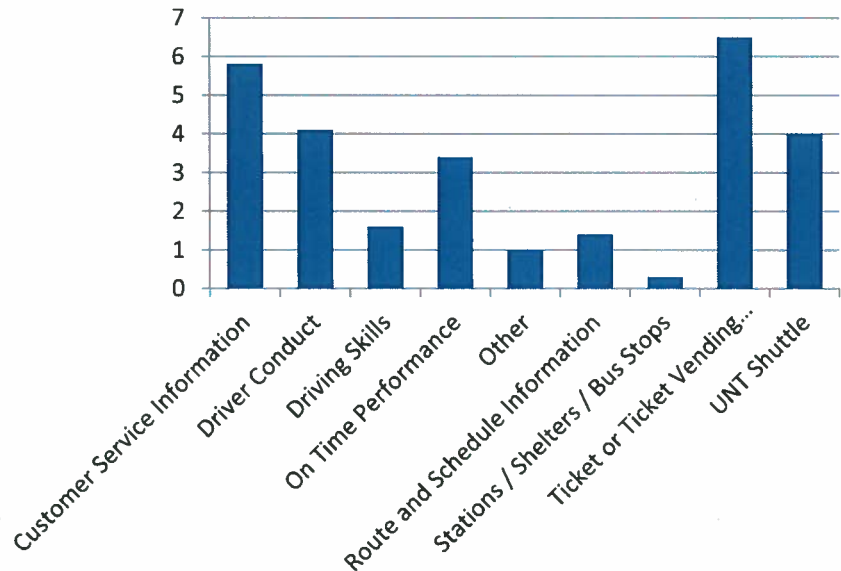
In this reporting period it took, on average, 2.77 days to close out a request.

There were two requests that exceeded the ten days for close out. Both requests required some research prior to being answered sufficiently.

Number of Days to Close a Request



Average Number of Days to Close a Request



Submitted by: *Rusty Comer*
 Rusty Comer, Marketing Coordinator

Approved by: *Kristina Brevard*
 Kristina Brevard, Vice President,
 Strategic Planning & Development

Board of Directors Memo

September 25, 2014

Item: 1(c) Capital Projects Update

GTW Implementation

A meeting is schedule with the FRA to review progress of the track circuit overlay technology installed on the A-train ROW and to obtain guidance on test requirements prior to proceeding with single car testing. The next phase of the Track circuit modification will be implemented on 8 miles of track from North Lake to South Med. to further reduce the potential for shunting related issues.

Where's My Ride (WMR)

Phase 2 of the project which includes the Passenger Prediction Portal and SMS/Smart Voice Integration is being tested internally and will be released for passenger beta testing in October 2014. Beta testing will allow passengers an opportunity to provide input and to help fine tune the application prior to finalizing the implementation.

A-train installation of WMR has been delayed due to contractor provided power supply design issues. A new power supply design has been developed and is being tested. It is likely that the A-train implementation will be delayed until October, 2014.

Bus Operations and Maintenance Facility

DCTA staff is processing the Ratcliff application for final payment. DCTA will pay retainage to all subcontractors upon receipt of final lien releases.

Community Enhancements

The new wood fence is complete. The vinyl coated chain link and mow strip are approximately 70% complete. Major landscaping will begin in September and complete in October to avoid heat stress on the new plants and trees.

Lewisville Hike/Bike Trail

DCTA has requested approval from TxDOT for contract award to Quality Excavation with an anticipated Notice to Proceed date in October, 2014.

Positive Train Control (PTC)

The evaluation process is continuing. DART purchasing staff is having discussions with bidders. DCTA is exploring options to meeting project requirements.

Highland Village/Lewisville Lake Recreational Parking

The parking lot and landscaping are complete. The power provider has replaced the transformer and pole, and the fixtures and light poles are on order. Final completion in expected in October, 2014.

Bus Radios

Coverage testing is complete with no issues identified. Multiple bids were received with anticipated contract award planned in September, 2014 and installation completion planned for completion by the end of October.


Rail Facility Drainage

A meeting was held with the City of Lewisville engineer to review the drainage issue and to obtain input on plans for the surrounding area. Land improvements are anticipated over the next few years which will affect the area but will likely not be addressed until mid to late 2016 at the earliest. DCTA has an immediate need to address hydrology issues on the adjacent property owners land. A meeting is being scheduled between the City, DCTA and the property owner to determine if right of entry can be obtained to perform necessary work to mitigate the issue.

Station Improvements

Site assessments have been completed along with a cost estimates. A draft plan is being developed which will be reviewed by management to determine funding and project phasing.

Submitted by: 
Raymond Suarez, Chief Operating Officer

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

Board of Directors Memo**September 25, 2014****Item: 1(d) Transit Operations Report****❖ RIDERSHIP**

- DCTA carried 169,373 passengers system wide (rail and bus) in the month of August. Overall ridership increased 17.3% compared to last August.
- The A-train carried 45,038 passengers during the month of August. This reflects an overall increase in ridership of 6.7% when compared to August 2013.
- A-train average Saturday ridership in August increased 8.43% compared to last year.
- DCTA's bus system carried 124,335 passengers in August, 2014 which is a 21.7% increase from the previous year.
- Connect ridership decreased 2.4% when compared to last August.
- NCTC ridership decreased 31.2% in August 2014 compared to August 2013. This maintains a downward trend since October 2013. Duplicative classes are offered at the Flower Mound campus, which has attributed to the decrease in students that take the bus at the Corinth campus.
- Ridership on Connect RSVP decreased by 32.9% (or 101 boardings) in August 2014 relative to that same period in 2013. In general, Connect RSVP ridership has increased over time.
- Access boardings in August decreased 1% in comparison to the previous year.
- UNT Shuttle ridership increased by 44.6% in August 2014 as compared to August 2013.

❖ SYSTEM ON-TIME PERFORMANCE

- August "On Time Performance" (OTP) for the A-train was 99.54%
- August "On Time Performance" (OTP) for Connect service was 100%.

❖ SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 850 days
- DCTA Bus Operations Injury-Free Workdays: 67

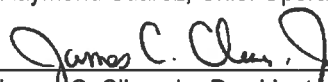
❖ PLANNING AND CUSTOMER SERVICE

- Hickory Street construction has caused a reroute of several bus routes in Denton.
- Implementation of the Where's My Ride Program continues.
-

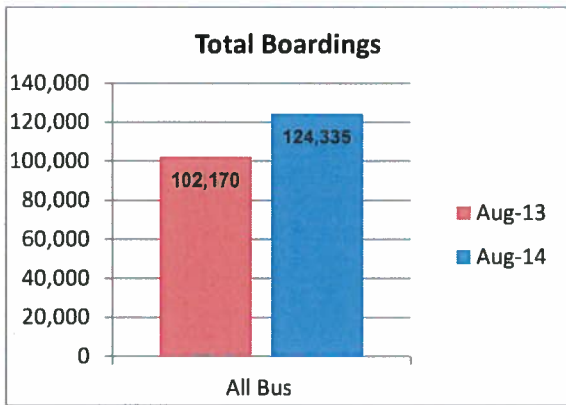
❖ MAINTENANCE

- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** There were no signal issues in August.
- **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.).
- **Rail Mechanical:** DCTA contract operations (HTSI) reported two minor mechanical issues in the month of August.

Submitted By: 
Raymond Suarez, Chief Operating Officer

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

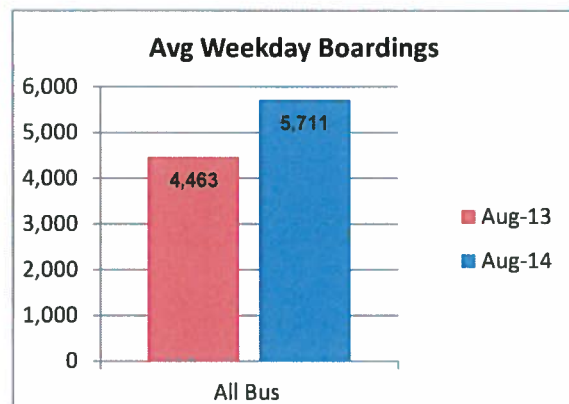
Total Bus



Total Bus: Total Boardings

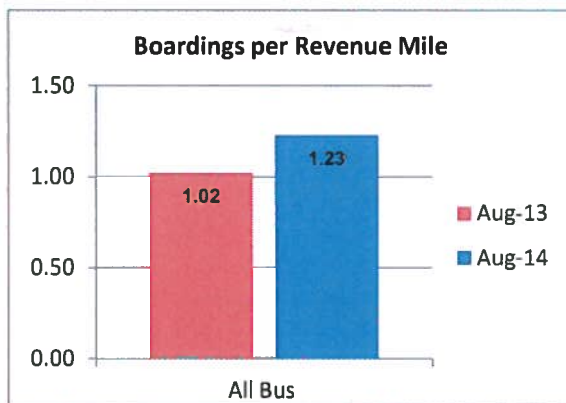
Total boardings for all bus service increased by 21% (or by 22,165 boardings) when comparing August 2013 to 2014. Most of the increase can be explained by increases in UNT ridership. The UNT routes with the largest increases were Benard Street, Mean Green, and Eagle Point.

During the transition from tallies completed by hand to Where's My Ride reporting, boardings on all Connect routes for the last week of August were lost. Averages from the last two years were used to approximate boardings. This may have resulted in under counting boardings.



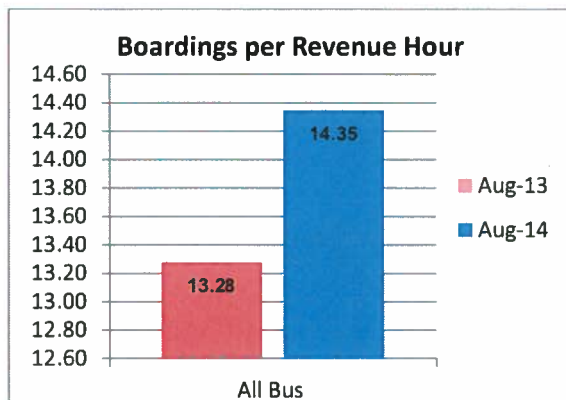
Total Bus: Average Weekday Boardings

Average weekday boardings increased by 28% (or by 1,249 boardings) per day when comparing August 2014 to the same period in 2013.



Total Bus: Boardings per Revenue Mile

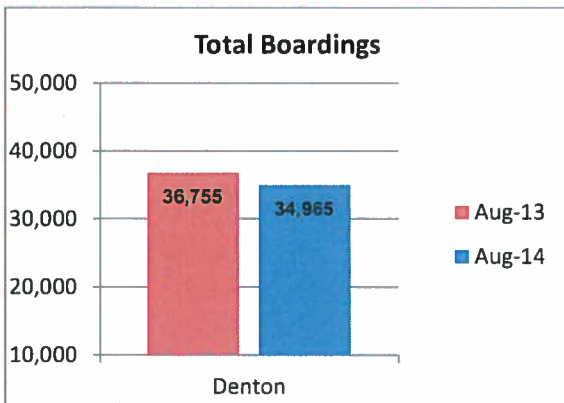
Overall in August, boardings per revenue mile increased by 20% when compared to the previous year. That is, buses carried more passengers per mile relative to last year.



Total Bus: Boardings per Revenue Hour

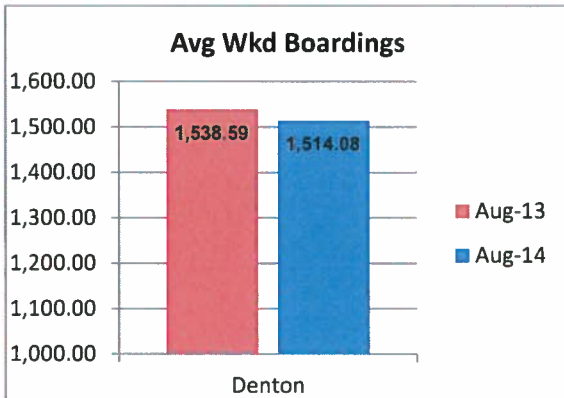
In August, boardings per revenue hour increased by 8%.

Denton Connect



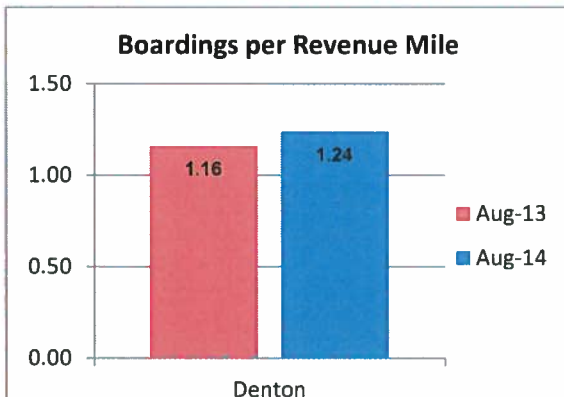
Denton Connect: Total Boardings

In August 2014, Denton routes decreased by 5% (or by 1,790) passengers compared to 2013.



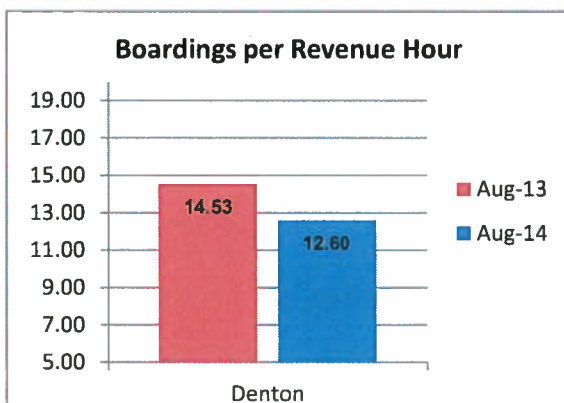
Denton Connect: Average Weekday Boardings

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



Denton Connect: Boardings per Revenue Mile

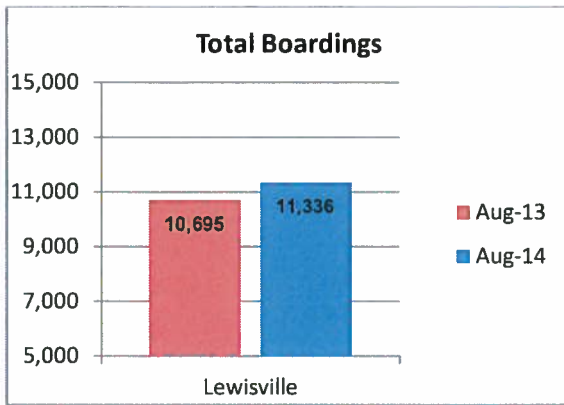
In August, boardings per revenue mile increased by 6% from the previous year. This may indicate that service improvements implemented in August 2013 and January 2014 are maturing.



Denton Connect: Boardings per Revenue Hour

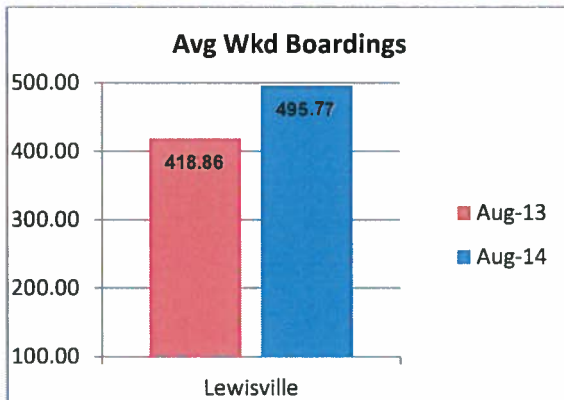
In August 2014, boardings per revenue hour decreased by 13% from the previous year.

Lewisville Connect



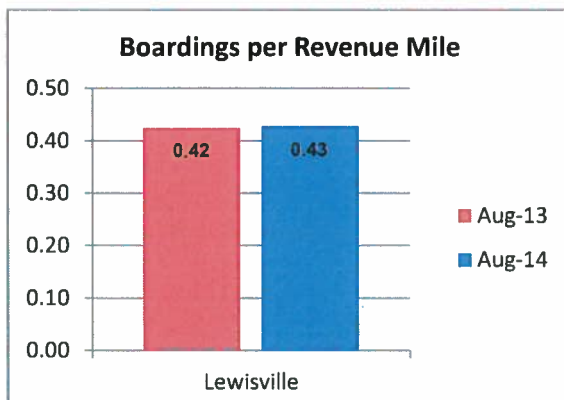
Lewisville Connect: Total Boardings

In August, boardings increased by 6% (or by 641 boardings) when compared to the previous year.



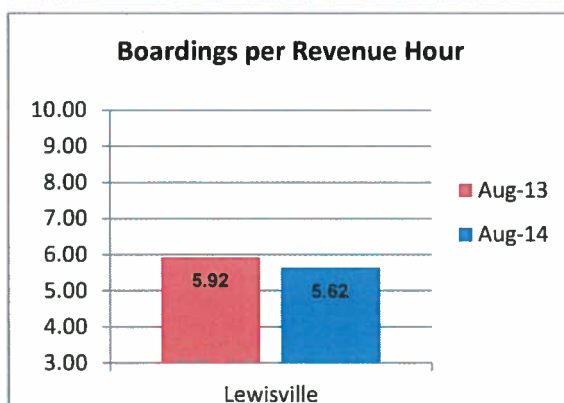
Lewisville Connect: Average Weekday Boardings

In August, average weekday boardings increased by 18% (or by 77 boardings per day) when compared to the previous year.



Lewisville Connect: Boardings per Revenue Mile

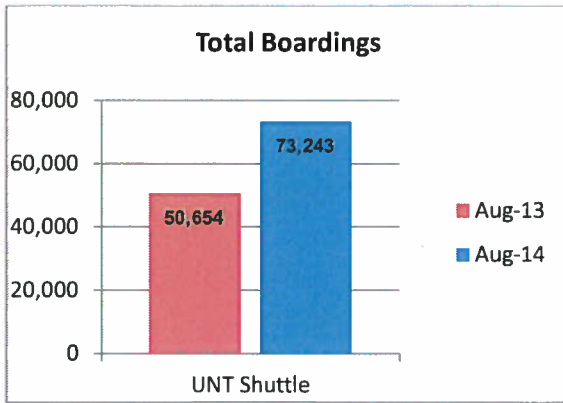
In August, boardings per revenue mile remained about the same when compared to 2013.



Lewisville Connect: Boardings per Revenue Hour

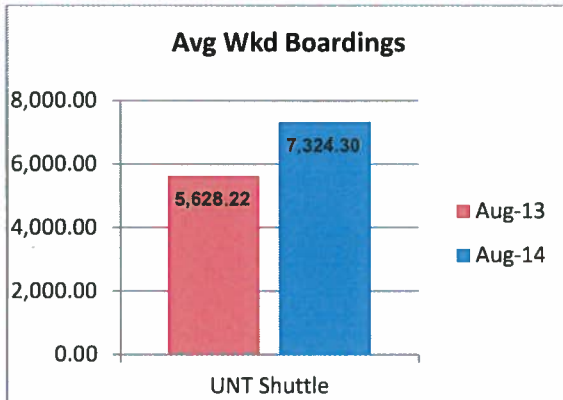
In August, boardings per revenue hour dropped by over 5% from the previous year. As part of the January 2014 service changes, service was added to routes 22 and 23. Because this is new service, ridership has not grown as fast as revenue hours.

UNT Shuttle



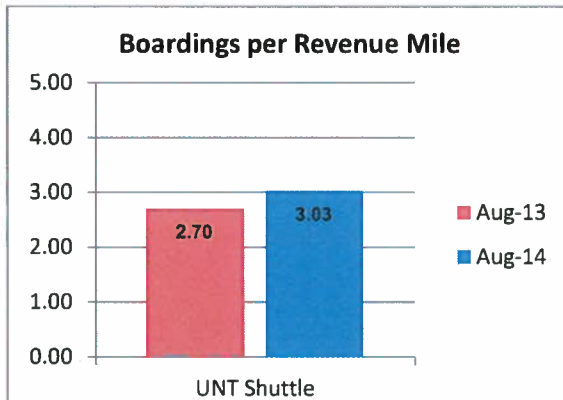
UNT Shuttle: Total Boardings

In August, UNT boardings increased by 44% (or by 22,589 boardings) relative to the previous year. Compared to the two previous years, there were three additional days of fall classes. This increase may not be sustained in future months.



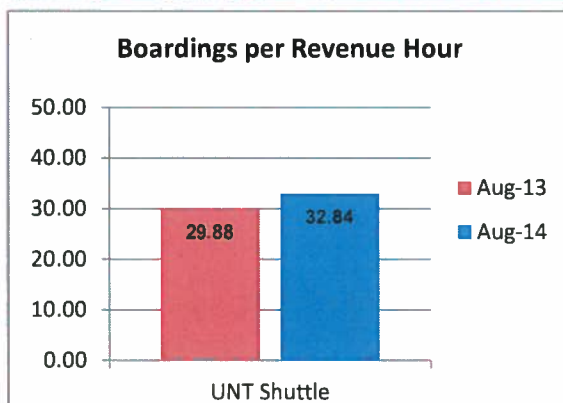
UNT Shuttle: Average Weekday Boardings

In August, UNT average weekday boardings increased by 30% (or by 1,696 boardings per day).



UNT Shuttle: Boardings per Revenue Mile

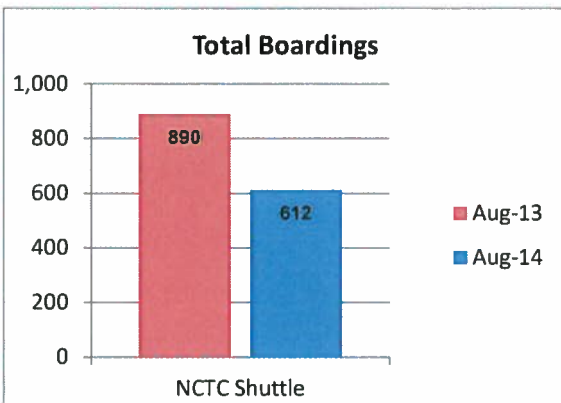
In August, boardings per revenue mile increased by 11%.



UNT Shuttle: Boardings per Revenue Hour

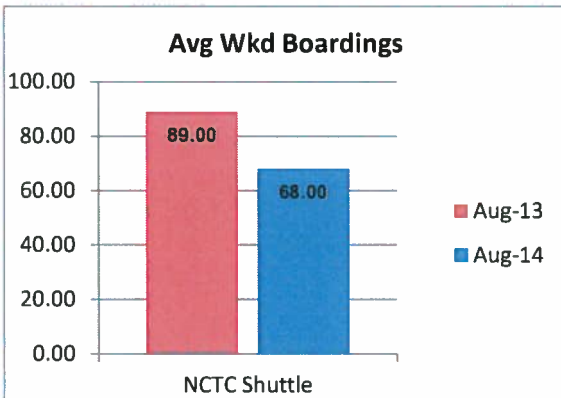
In August, boardings per revenue hour increased by 9%.

NCTC Shuttle



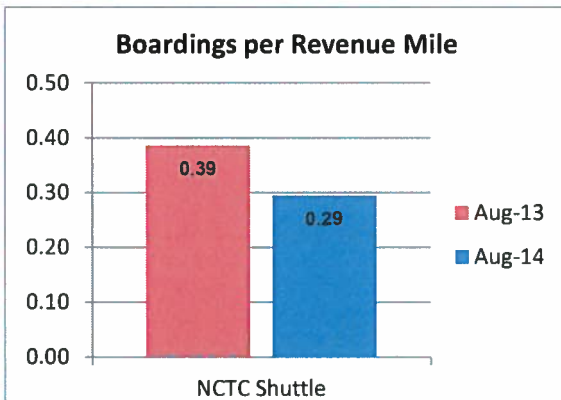
NCTC Shuttle: Total Boardings

In August, NCTC boardings dropped by over 31% (or by 278 boardings) when compared to 2013. Confusion over the August 2014 service change may have contributed to this drop.



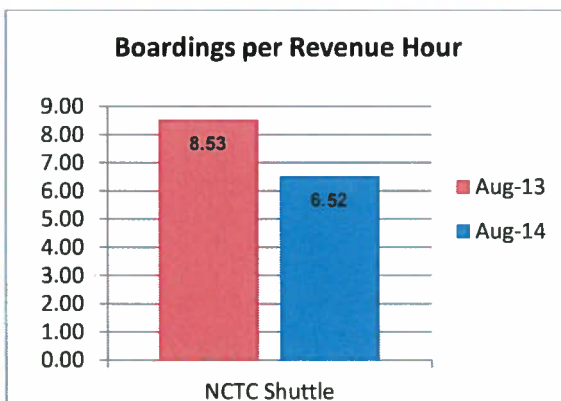
NCTC Shuttle: Average Weekday Boardings

In August, NCTC average weekday boardings dropped by over 23% (or by 21 boardings per day) when compared to 2013.



NCTC Shuttle: Boardings per Revenue Mile

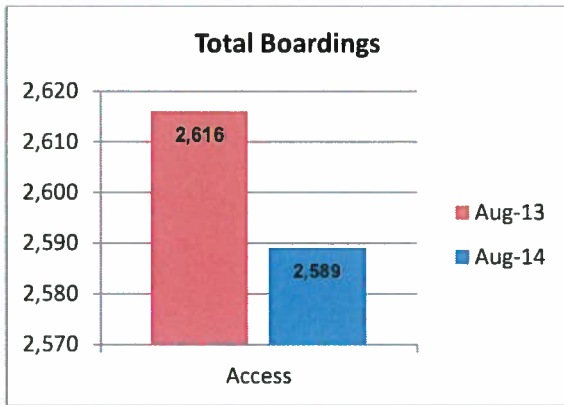
In August, boardings per revenue mile decreased by over 23% from the previous year.



NCTC Shuttle: Boardings per Revenue Hour

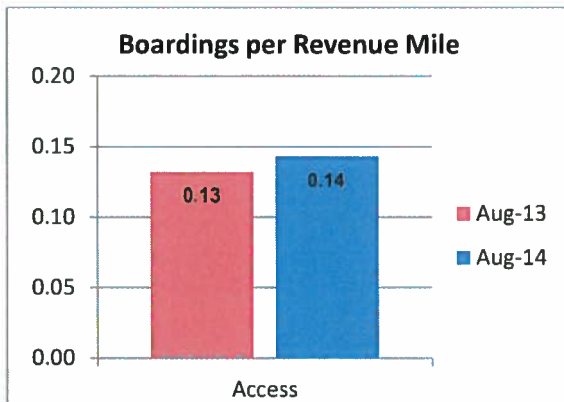
In August, boardings per revenue hour decreased by over 23% from the previous year.

Access



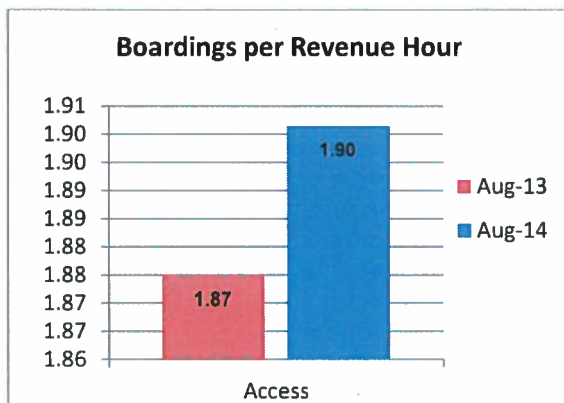
Access: Total Boardings

In August, boardings dropped slightly relative to the previous year. Average weekday boardings declined by almost 5% (or by 5 boardings per day).



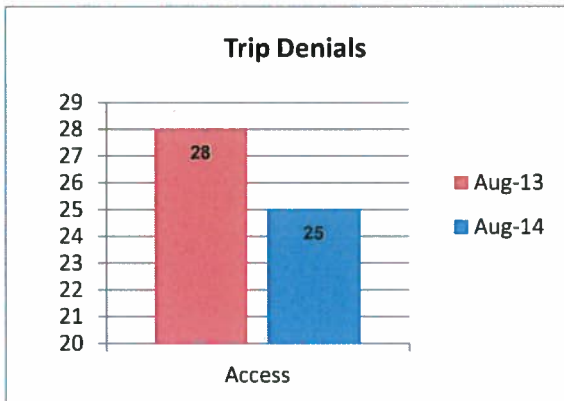
Access: Boardings per Revenue Mile

In August, boardings per revenue mile increased by 8% when compared to the previous year.



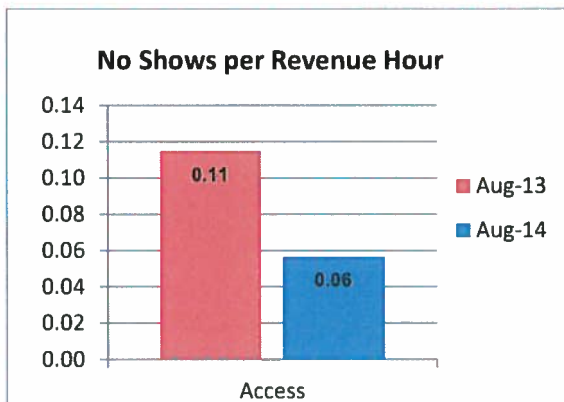
Access: Boardings per Revenue Hour

In August 2014, boardings per revenue hour remained about the same.



Access: Trip Denials

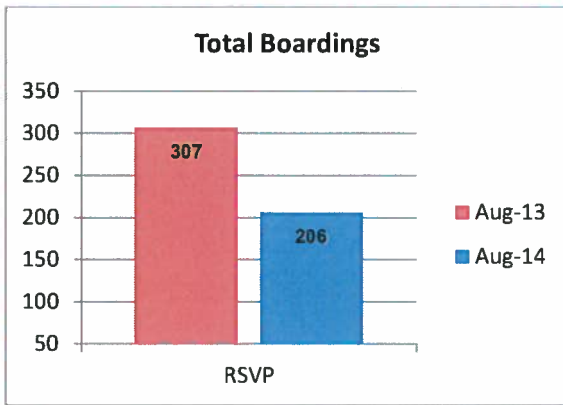
In August, non-ADA trip denials dropped by 10% (or by 3 denials) when compared to 2013.



Access: No-Shows per Revenue Hour

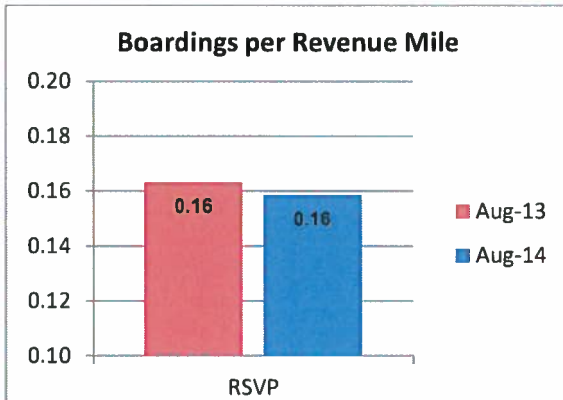
In August, the rate of no-shows per revenue hour decreased by 50% from the previous year.

Connect RSVP



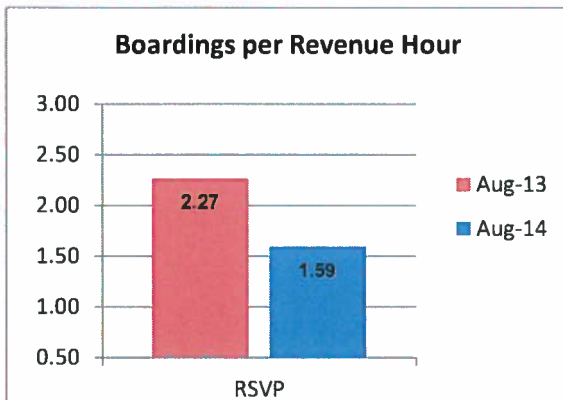
Connect RSVP : Total Boardings

In August, boardings dropped by 33% (or by 101 boardings) when compared to 2013.



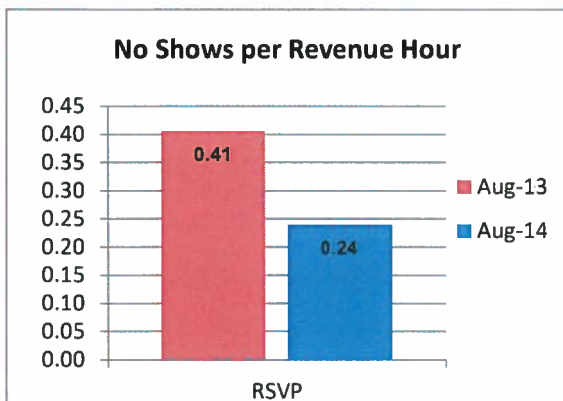
Connect RSVP : Boardings per Revenue Mile

Connect RSVP remained about the same when comparing August 2014 to 2013.



Connect RSVP: Boardings per Revenue Hour

In August, boardings per revenue hour dropped by 29% when compared to 2013.



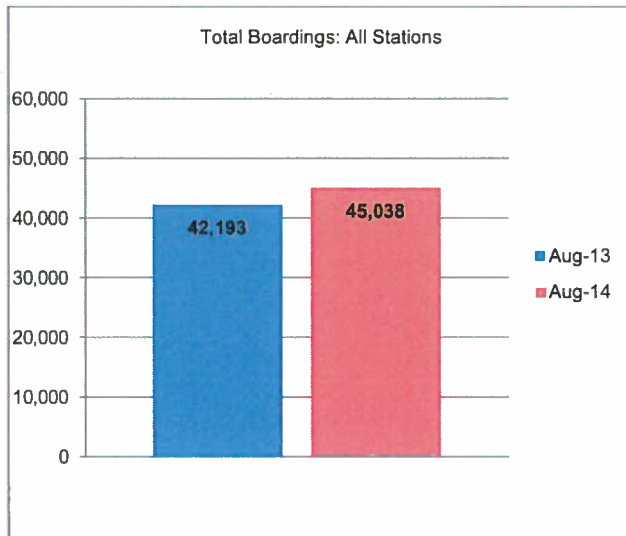
Connect RSVP: No-Shows per Revenue Hour

In August, No-shows per revenue hour dropped by 41% from previous year. No-shows dropped by 43% (or by 24 no-shows) while revenue hours dropped slightly.

All Stations

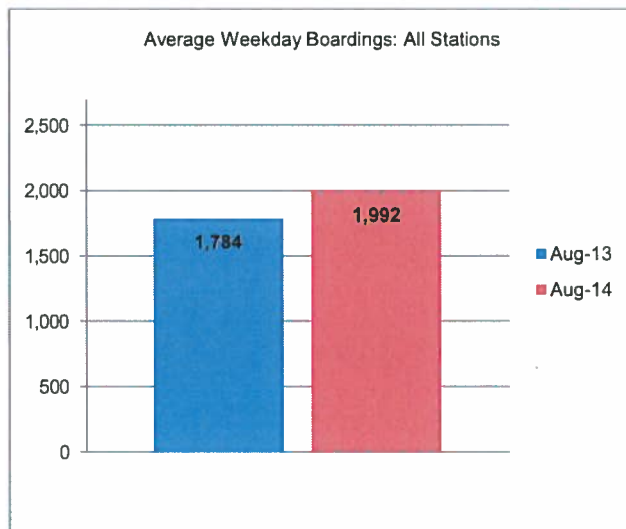
Total Boardings: All Stations

In August 2014, total boardings increased by 6% (or by 2,845 boardings) compared to 2013. Reasons for the continued rise in boardings include increasing UNT enrollment, construction on I-35, greater development, and additional mid-day A-train service.



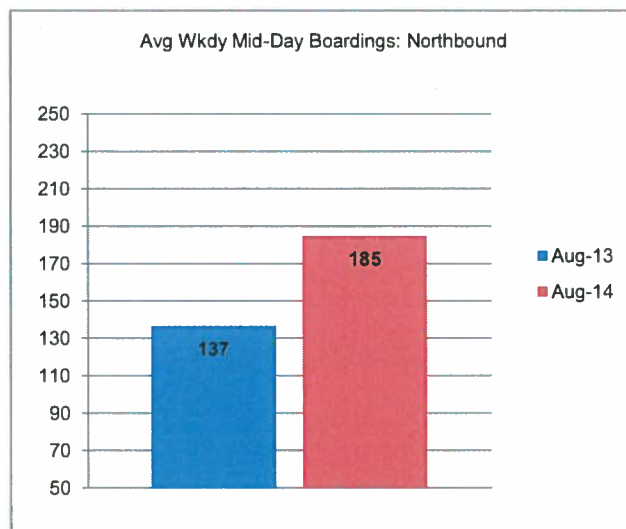
Average Weekday Boardings: All Stations

Average weekday boardings increased by 11% (or by 207 boardings per weekday) from the previous year. Significant growth in ridership (average daily boardings increased by 446 to 2,438 boardings) occurred during the last week of August when UNT regular Fall classes began.

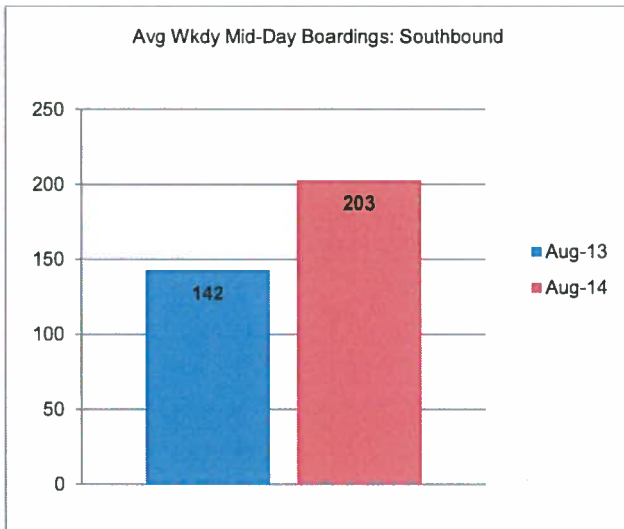


Average Weekday Mid-Day Boardings: Northbound

On an average weekday during the mid-day, boardings increased by 35% (or 48 boardings per day) on northbound trains from August 2013 to August 2014. From August 2013 to January 2014, one northbound train was added.



All Stations



Average Weekday Mid-Day Boardings: Southbound

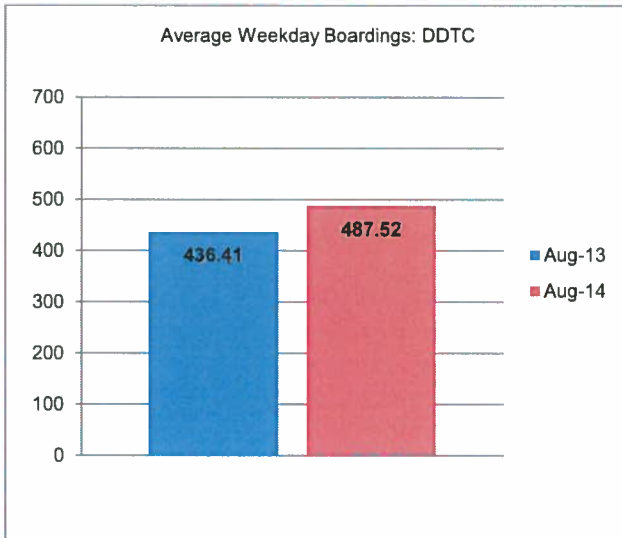
Average daily boardings during mid-day traveling southbound grew by 42% (or by 60 boardings per weekday). Between August 2013 and January 2014, two southbound trips were added during the mid-day.



Average Saturday Boardings: All Stations

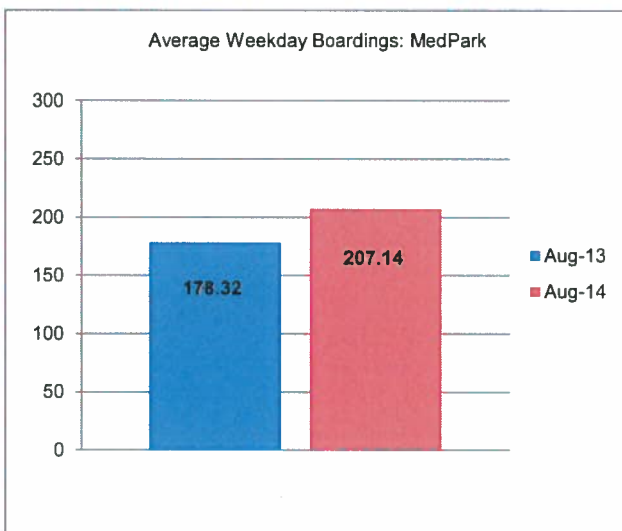
In August, average Saturday boardings increased by 8% (or by 50 boardings per Saturday) when compared to the previous year. Greater attendance at UNT Game Day on the first Saturday in August is one factor contributing to this increase. Another factor was shifting the A-train Saturday schedule to create earlier trips as part of the August 26, 2013 Service Change. This was done to accommodate more families traveling rather than those attending evening events.

Station by Station



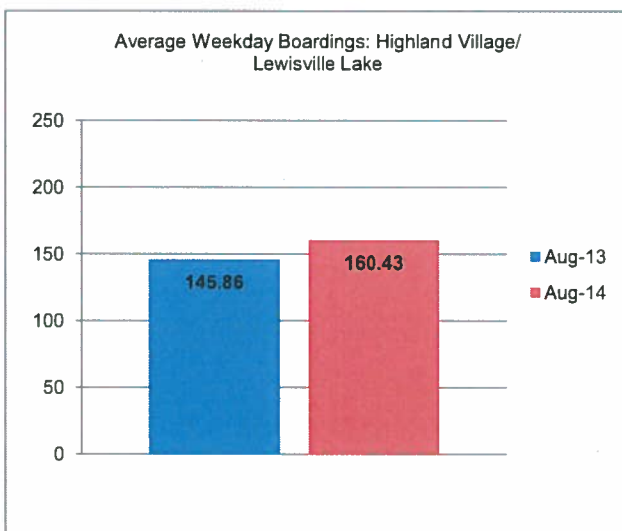
Average Weekday Boardings: DDTC

In August, average daily boardings at the DDTC increased by 11% (or by 51 boardings per weekday) when compared to the previous year. Continued increases in UNT Fall enrollment may contribute to this rise in boardings at the DDTC.



Average Weekday Boardings: MedPark

In August, average daily boardings at the MedPark Station increased by 16% (or by 29 boardings per day) when compared to the previous year. This may be explained by the expansion of the Colorado Express Shuttle from the Golden Triangle Mall to the MedPark Station.



Average Weekday Boardings: Highland Village/ Lewisville Lake

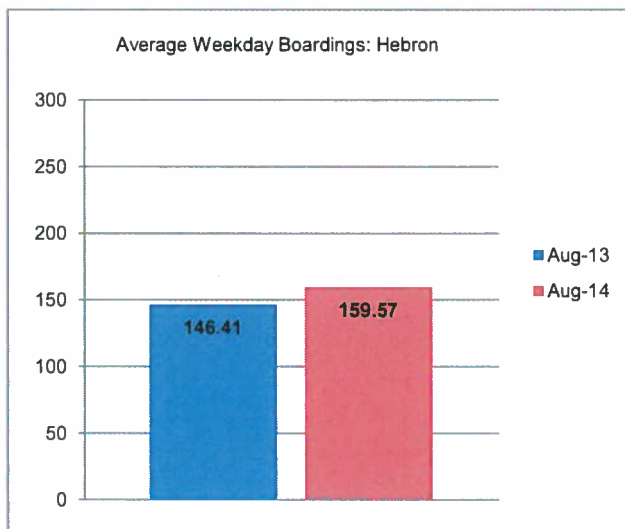
In August, average daily boardings at the Highland Village/Lewisville Lake Station increased by 10% (or by 14 boardings per day) when compared to last year. This may be explained by people avoiding I-35 construction by riding the A-train.

Station by Station



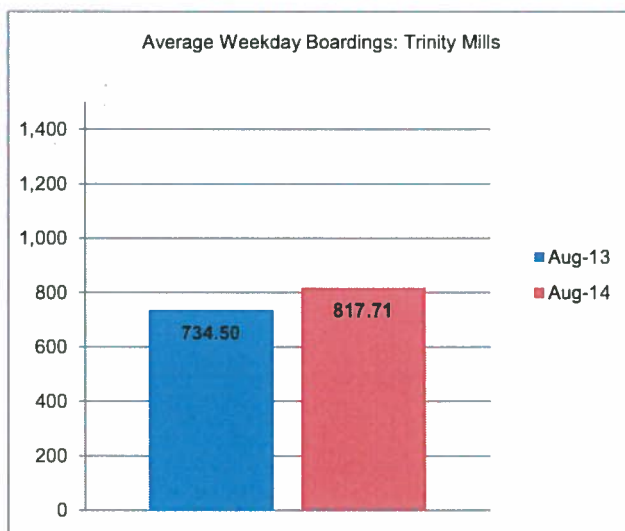
Average Weekday Boardings: Old Town

In August, average daily boardings at the Old Town Station increased by 11% (or by 16 boardings per weekday) compared to the previous year. Increased development around the Old Town Station and greater ridership on Lewisville Route 23 may have contributed to this increase.



Average Weekday Boardings: Hebron

In August, the average daily boardings at the Hebron Station increased by 9% (or by 13 boardings per weekday) relative to last year.



Average Weekday Boardings: Trinity Mills

In August, average daily boardings at the Trinity Mills Station increased by 11% (or by 83 boardings per weekday) compared to last year. In the past few months, growth in A-train ridership is occurring more evenly over DCTA stations instead of mostly at Trinity Mills.

Board of Directors Memo

September 25, 2014

Item: 1(e) Strategic Planning & Development Update**Comprehensive Service Analysis**Current Service Area

- A-train
- Connect Bus Service (Lewisville)
- Connect Bus Service (Denton)
- UNT Shuttle System
- **Highland Village Service**

Corridors of Interest

- **I-35W (Denton to Fort Worth)**
- DFW Airport Service/Addison
- Frisco
- Other Areas

Next Steps

- FY15 Budget Approval
- Priority Service Plan Development (I-35W & Highland Village)
- Scope of Work Development
- RFP Process
- Project Execution
- Board Input on Proposed Service Options
- Service Prioritization & Funding Options
- Phased Service Implementation

Recent Outreach Efforts

9/2	UNT Presidential Cabinet	9/10	TRTC Luncheon
9/2	City of Frisco City Council	9/11	Denton Plan 2030: Community Forum 3
9/3	TRTC Monthly Meeting	9/12	NTC Annual Membership Luncheon
9/3	Texas Health Presbyterian Hospital Denton	9/17	35W Coalition Quarterly Meeting
9/4	UNT New Faculty & Staff Reception	9/17	City of North Lake
9/6	SPAN Board Retreat	9/19	Rep. Ron Simmons
9/9	Huffines Developers	9/23	Lewisville Chamber Monthly Luncheon
9/9	Flower Mound Transportation Committee	9/25	Denton Plan 2030: P&Z Commission Workshop
9/10	Northwest Communities Partnership Board		

Scheduled Outreach Efforts

9/26	Denton Chamber Quarterly Luncheon
9/30	Denton Planning & Development
10/2	HVBA Community Coffee
10/8	Northwest Communities Partnership General Meeting Presentation
10/9	Denton Plan 2030: P&Z Commission Workshop
10/12-15	APTA Annual Meeting & Expo, Houston

Upcoming Outreach Efforts

Fort Worth "T" Planning Department
 TWU Chancellor/President, Carine Feyten
 UNT President, Neil Smatresk
 North Texas Commission

Lewisville Economic Development Corporation
 Denton Economic Development Corporation
 Frisco Economic Development Corporation
 Hillwood Developers/Alliance Development

Submitted by: 
 Kristina Brevard, VP, Strategic Planning & Development

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



Board of Directors Memo

September 25, 2014

Item: WS 2(a) Legislative Committee Chair Report

The Legislative Committee Meeting was held at 12:10pm, September 16, 2014 at DCTA Administrative Offices located at 1955 Lakeway Drive, Ste. 260 Board Room in Lewisville, Texas 75065.

Committee Attendance

Committee Chair: Charles Emery

Committee Members: Paul Pomeroy, Daniel Peugh, Jim Robertson

Board Members: George Campbell

Absent: Richard Huckaby, Bill Walker

Staff: Kristina Brevard, Jim Cline, Anna Mosqueda, Leslee Bachus

A complete copy of the handouts from the Legislative Committee meeting is attached. The following agenda items were discussed:

Legislative Issues

The committee received a report from the Federal Legislative Consultant, Chris Giglio with Capital Edge. Giglio provided an overview of the services provided by Capital Edge, discussed federal legislative issues facing DCTA and also provided insight of what to expect during the 113th legislative session.

Federal Legislative Agenda

- Positive Train Control
- Passenger Rail Insurance Mandates
- Marketplace Fairness Act
- Bonds Tax Exempt Status
- FRA Grants & Loans for Passenger Rail
- STB Authority
- Reductions to Bus and Bus Facility Grants
- FTA Safety Regulations
- APTA Policies

The meeting adjourned at 1:13 pm.

Legislative Committee

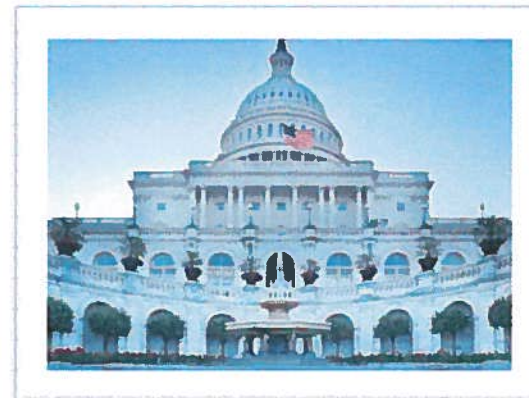
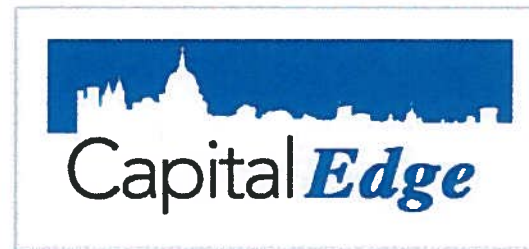
Chairman – Charles Emery

Members – Richard Huckaby, Daniel Peugh, Paul Pomeroy, Jim Robertson, Bill Walker

Staff Liaison – Kristina Brevard, VP of Strategic Planning & Development

Federal Update

Chris Giglio



CapitalEdge: What We Do

- Advocate for (or oppose) legislation that may impact DCTA
- Identify and promote pertinent federal grant opportunities
- Influence the regulatory activities of federal agencies
- Serve as a liaison between DCTA and the congressional delegation
- Promote DCTA priorities with national organizations
- Staff DCTA officials visiting Washington, DC
- Provide timely information on federal activities

Federal Issues Facing DCTA



- Positive Train Control
- Passenger rail insurance mandates
- STB Authority
- FRA Grants & Loans for passenger rail
- Reductions to Bus and Bus Facility Grants
- FTA Safety Regulations
- APTA Policies
- Marketplace Fairness Act *(added 9/16)*
- Bonds Tax Exempt Status *(added 9/16)*



The 113th Congress & Beyond

- Least productive Congress since 1947



- November elections will impact 2014/2015 activities
- Congress must address:
 - Highway Trust Fund
 - Rail Reauthorization
 - MAP-21 Reauthorization
 - FY 2015 Budget

**Regional Transportation Council Legislative Program
84th Texas Legislature**

LEGISLATION TO ACTIVELY PURSUE

1. Retain limited authority for TxDOT to enter into public-private partnerships on specific projects.

- IH 635 East Project
- North Tarrant Express Section 3C
- Trinity Parkway (if requested by NTTA)
- Any CDA project previously approved by the Texas Legislature needing an extension

CDA Projects Approved in 2013 - 83rd Texas Legislature
SH 183/Loop 12/SH 114
North Tarrant Express
IH 35E/US 67
Loop 9
CDA Projects Approved in 2011 - 82nd Texas Legislature
IH 35E Managed Lanes from IH 635 to US 380
North Tarrant Express
SH 183 Managed Lanes from SH 161 to IH 35E

2. Support full funding for the Low Income Repair and Replacement Assistance Program (LIRAP), also known as the AirCheckTexas Drive a Clean Machine Program, and Local Initiative Projects (LIP), the component of LIRAP which consists of an emissions enforcement program combating the exploitation of counterfeit, fictitious and improper state inspection certificates. Options to achieve this include:

- Appropriate all revenue generated through the LIRAP/LIP program
- Exchange the LIRAP fee for a county emissions fee so the funds are collected and administered locally
- Change the collection point of the current LIRAP fee to the county tax assessor/collector rather than the Comptroller
- Expand the eligibility of projects that can be funded through the LIRAP program

3. Identify additional transportation revenue to enhance statewide and regional ability to maintain and improve the multimodal transportation system. Provide metropolitan areas with flexible solutions to solve problems and ensure that areas contributing to transportation solutions will not be penalized with a loss of traditional transportation funding. Ensure a fair allocation of all funding categories across the State by either a direct formula or through partnerships with Districts/Commission. End diversions of transportation revenue to non-transportation purposes. Redirect a portion of the motor vehicle sales tax to fund transportation.

4. High-Speed Rail

Provide TxDOT with all the legal ability to implement high-speed rail as they have roadways such as oversight, procurement and funding.

(Pending TxDOT/DFW High-Speed Rail Commission)

LEGISLATION TO SUPPORT

Air Quality

- Require emissions testing on all On-Board Diagnostic (OBD) II compliant vehicles.
- Require dual-testing (OBD and acceleration simulation mode (ASM)) of model years 1996-2004 vehicles.
- Support full funding of the Texas Emissions Reduction Plan (TERP), fund the most cost-effective emissions reduction projects (need for real-world emissions reductions).
- Allow TERP funds to be used for staff time for third-party TERP grants.
- Reinstate the prohibition of idling near sensitive areas and remove 30 minute bus exemption in school zones.
- Establish a fuel-neutral tax stream to fund the transportation system in order to ensure revenue generation is not contradictory to efforts to increase energy independence through increased use of alternative fuel and advanced technology vehicles (VMT tax or equitable road use fee).
- Establish registration program for non-road equipment such as construction and agricultural machinery.
- Ensure that all state and local agencies have authority to charge roadway maintenance impact fees for natural gas drilling trucks, or any other major operation, that contribute to premature deterioration of roadways.
- Allow TCEQ the ability to contract directly with a council of governments or metropolitan planning organization (MPO) for regional administration of LIRAP and/or LIP if a participating county does not wish to administer the programs at the county-level.

Congestion Management & System Operations

- Recognize mobility assistance patrols as emergency responders as it relates to traffic incident response; comparable to the inclusion of tow-trucks and TxDOT vehicles in the Move Over law; support inclusion of NTTA vehicles in Move Over law.
- Ban the use of hand-held communications devices in work zones.
- Establish a standard minimum fine for traffic violations in work zones and allow signs to be posted in work zones displaying the minimum fine. Allow municipalities to retain the right to increase the fine amount.
- Support the adoption of a statewide three foot passing law requiring motorists to give cyclists at least three feet of clearance when passing from the rear and/or the expansion of the Move Over law to include bicycles.
- Support an education campaign to ensure that bicyclists understand correct and safe bicycle operations on public streets.
- Allow video archiving of Intelligent Transportation System closed-circuit television cameras for a 24-hour period for transportation safety training and transportation security purposes. Exempt archived video from the Public Information Act.
- Allow the use of technology to verify HOV/managed lane vehicle occupants.

Aviation

- Enhance opportunities to link transportation and land use surrounding military installations and public use airports:
 - Establish compatible land use regulations for public use airports to minimize the effects of urban encroachment.
 - Support legislation that promotes compatible growth that lessens the impact on military installations and provides options for cities and counties to manage growth.
 - Support legislation that provides tools that can be used at the local level to promote compatible growth around military installations and public use airports.

- Support legislation that establishes organizational structures to accomplish objectives that are voluntary collaborations of local entities rather than top-down mandated structures.
- Provide additional funding mechanisms to support airport development for public use airports to meet future demand.
- Support the safe, secure, and timely implementation of emerging technologies, such as NextGen and Unmanned Aircraft Systems (UAS), to enhance the regional air transportation system.
- Provide tools that support and promote Science, Technology, Engineering, and Mathematics (STEM) through aviation and aerospace careers.

Transportation-Land Use Connection

- Provide appropriate authority to counties based upon a request by the county commissioner's court, including limited land use authority, to ensure the provision of adequate infrastructure and protect the health, welfare and property values in rapidly growing unincorporated areas.
- Support the accommodation of integrated, multimodal travel on all roadway facilities on new and redevelopment projects, including vehicles, bicycles and pedestrians.
- Support existing funding programs/initiatives that maintain or increase current investments in bicycle and pedestrian infrastructure and non-infrastructure projects.

Planning

- Support additional legislative tools for NCTCOG and its regional partners to implement high-priority, multi-modal regional projects.
- Support legislation that would limit the imposition of damages against a Class I railroad that allows a public entity to use the railroad's property or tracks for the provision of public passenger rail service.
- Support the State planning process to improve the Statewide Freight Plan and multimodal system.
- Direct conservation planning agencies, collectively known as resource agencies, to participate in the transportation planning consultation process during long-range transportation planning in order to receive funding and expedite transportation projects.
- Allow for additional flexibility of the State Highway Fund to include transit projects as eligible to receive funds, in addition to current eligible projects.
- Require the Texas Transportation Institute to work with MPOs to develop criteria for Rider 42; allow criteria to be more system oriented rather than project specific.
- Require notification of natural gas well drilling when the action will occur within certain distance of Interstate Highways, State Highways or passenger rail facilities.

LEGISLATION TO MONITOR

- Maintain local authority to implement red-light cameras and maintain current revenue sharing with the State.
- Oppose legislation permitting triple-tandem trucks on state highway facilities.
- Protect all transportation resources and revenues and the authority and flexibility achieved since the 78th Texas Legislature.
- Protect local flexibility for membership of MPO policy boards with at least 75 percent elected officials.
- Provide local governments, transit entities, and the State a common base for taxable goods and services, including any goods and services newly taxed by the Legislature.

Board of Directors Memo**September 25, 2014****Item: 2(b) Program Services Report****Comprehensive Service Analysis**

- An overview was given regarding the project approach, funding availability, project elements, corridors of interest and next steps. Please see attached presentation for details.

Capital Projects Update

- An overview was given regarding capital programs, please see attached presentation for more details. A summary is provided as follows:
- Community Enhancements are approximately 70% complete, on target to complete by December, 2014.
- Highland Village /Lewisville Lake Recreational Parking is on target to complete by October, 2014.
- Lewisville Hike & Bike Trail is awaiting TxDOT approval. Anticipate issue NTP October, 2014 with contract completion by December, 2015.
- Bus radios, on target to complete by December, 2014.
- Rail facility drainage analysis is underway. Options have been reviewed and a go-forward plan is being proposed to remediate the issue. A meeting with the adjacent property owner and the City of Lewisville is planned to discuss the DCTA proposed remediation plan.
- Where's My Ride will launch beta testing with Connect Bus passengers by end of September, 2014 followed by A-train testing in October. For more details please see attached presentation.
- The Positive Train Control regional procurement is ongoing. DCTA is reviewing options to ensure there is a clear path for implementation. For more details please see attached presentation.

Submitted by: 
Raymond Suarez, Chief Operating Officer

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

Denton County Transportation Authority

DCTA

Your Future Is Riding On Us.

Program Services Committee
September 12, 2014

Agenda

- Comprehensive Service Analysis
 - Funding
 - Strategy
 - Elements
- Project Updates



Comprehensive Service Analysis Funding

- \$250,000 Original Route Study
 - Denton-Ft. Worth Connection
- \$242,414 Lewisville Work Connection
- \$ 75,000 H/Village Route Planning Study

\$567,414 Total



Comprehensive Service Analysis Overview

- Current Service Area
- Corridors of Interest
- Planning Resources
- Committee Discussion
- Next Steps



Current Service Area

- A-train
- Connect Bus Service (Lewisville)
- Connect Bus Service (Denton)
- UNT Shuttle System
- Highland Village Service



Corridors of Interest

- I-35W (Denton to Fort Worth)
- DFW Airport Service/Addison
- Frisco
- Other Areas



Planning Resources

- NCTCOG Mobility 2035 Plan
- Existing Master Plans
 - Member Cities
 - Non-Member City
 - Higher Education Institutions
- Economic Development Initiatives
- Land Use Development Plans
- Public & Passenger Involvement



Committee Discussion



Next Steps

- FY15 Budget Approval
- Scope of Work Development
- RFP Process
- Project Execution
- Board Input on Proposed Service Options
- Service Prioritization & Funding Options
- Phased Service Implementation



PROJECT UPDATES



DCTA

Project Updates

- Community Enhancements
- Highland Village / Lewisville Lake Recreational Parking
- Lewisville Hike & Bike Trail
- Bus Radios



Rail OMF Drainage

- Issue
 - Flooding has occurred at the south end of the DCTA Rail OMF facility resulting in washout of A-train embankment and supporting track ballast
 - Remediation options have been reviewed
 - Existing facility drainage and hydrology is adequate
 - Remediate of flooding, clearing and grading of the adjacent property is required
 - An initial meeting with City of Lewisville was held to discuss drainage issue, critical needs and to understand development plans for the area



DCTA Rail Facility



Approximate
Property Line



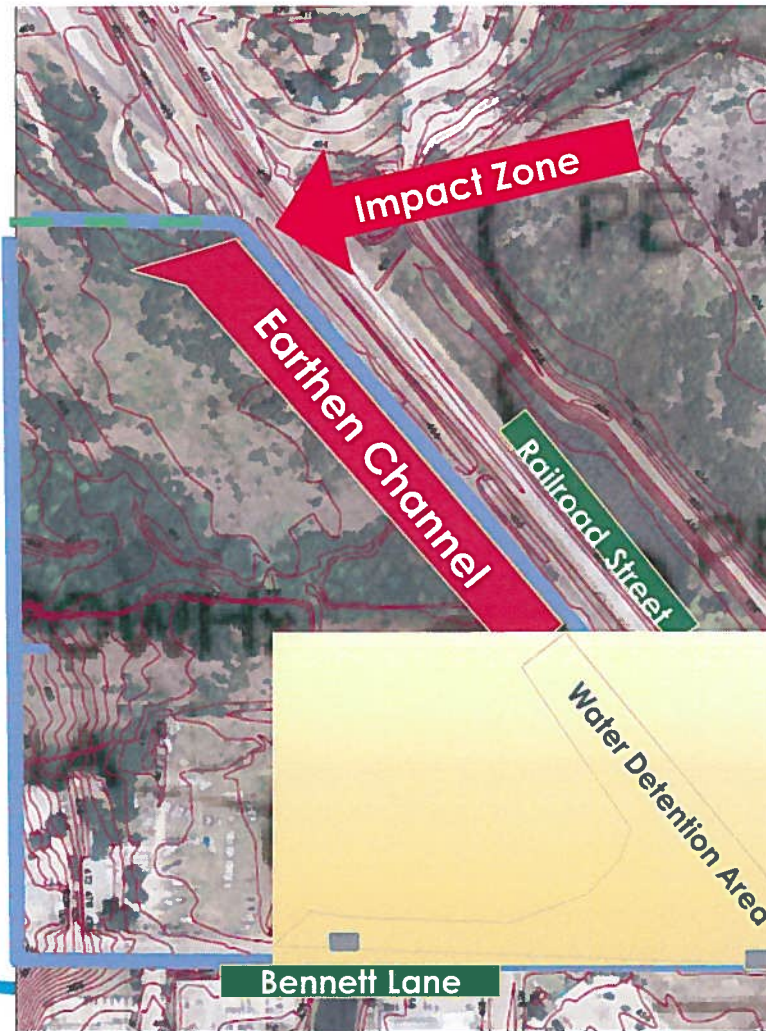
Flood Impact Zone



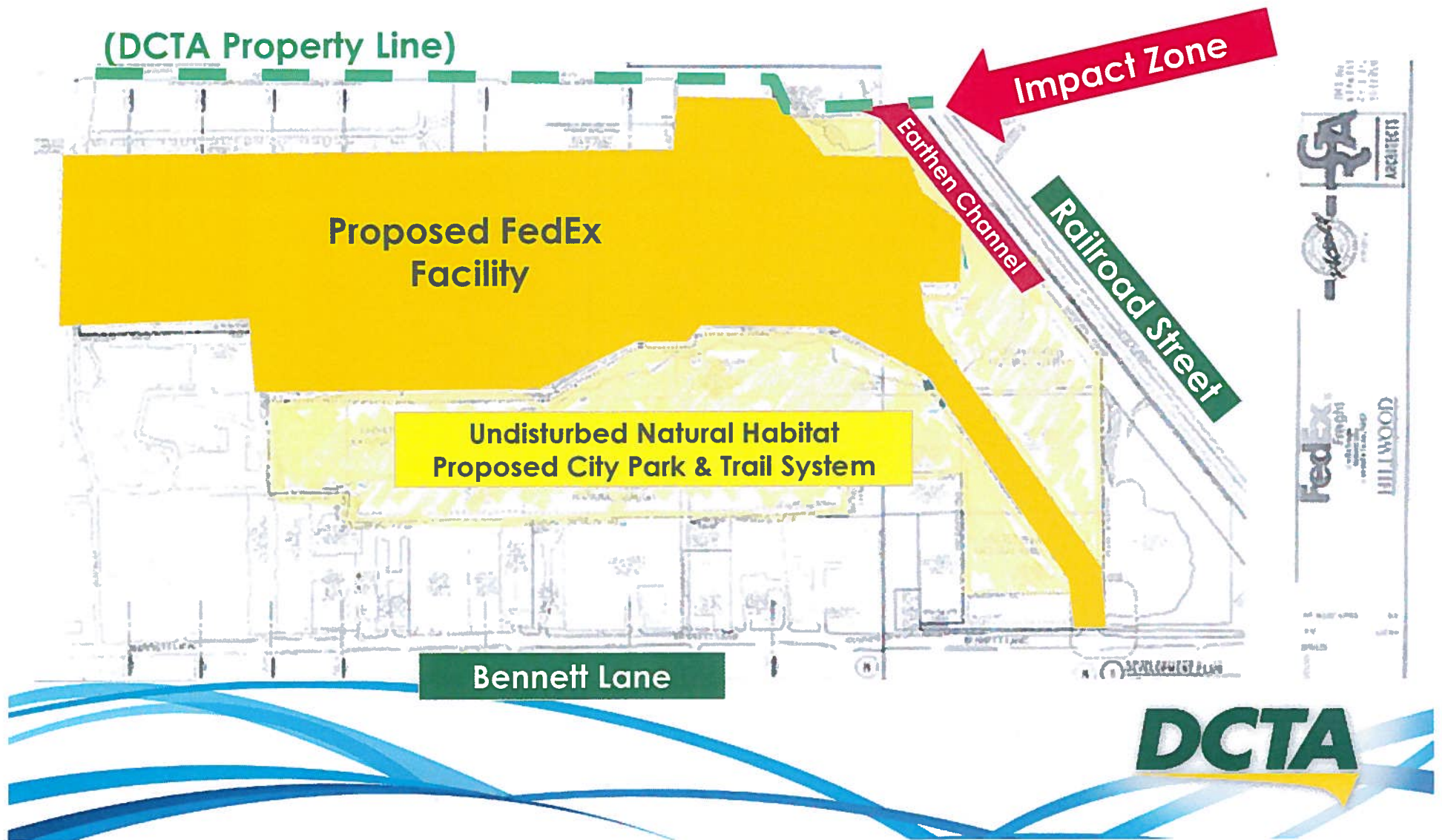
Proposed Earthen Channel

DCTA
Approximate
Property Line

Hillwood
property



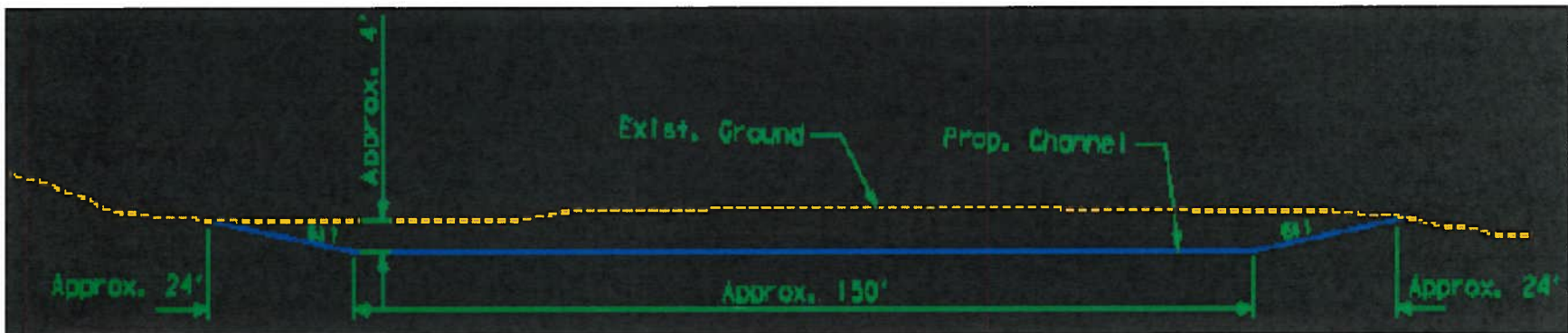
Proposed Future Development



Earthen Channel

- Proposed channel approximately 1,400ft x 200ft

X-section



Future Development Plans

- Earthen channel is least invasive and least costly option and allows for future area development
- Development contingent on Hillwood, FedEx and City of Lewisville
- Long term drainage will be addressed as part of development plans
- City development will likely not start until late 2016 at earliest. FedEx development is unknown at this time
- DCTA needs to address the drainage issue now



Rail Facility Next Steps

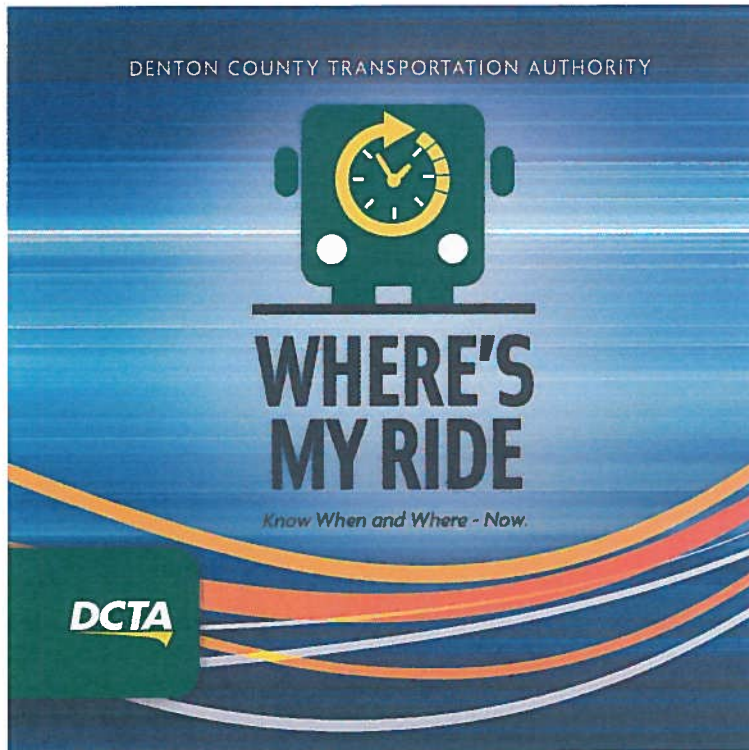
- Obtain permission from Hillwood to clear and grade
- Obtain DCTA board authorization not to exceed \$250K to proceed with procurement of contractor
- Prepare engineering work and cost estimate
- Obtain permitting
- Procure contractor to perform work
- Target is to complete work by December, 2014 contingent on permission from property owner & timely permit approvals



Project Updates (Continued)

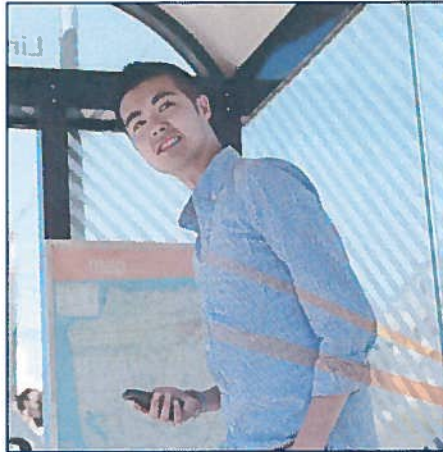
- WMR
 - Stadler DMUs
 - Signage
 - IVR, Predictive Arrivals
 - Operationalizing the technology and changing the culture
 - Becoming a data driven organization
 - Communications and Marketing Plan





- Digital & Traditional Media
- Public Relations
- Social Media
- Passenger Communications
- Internal Communications





Ever wondered “where’s my ride?”

With Denton County Transportation Authority’s (DCTA) new vehicle tracking tool, you can find your bus or train in no time. Where’s My Ride integrates location, route and bus/train information with schedules and maps to provide passengers with the most accurate arrival predictions possible.

Users can receive notifications of bus or train arrival time, call in to hear arrival times, track vehicles in real time and more.

Where’s My Ride uses accurate location data provided by a GPS device mounted inside each DCTA Connect bus and A-train railcar. Now you can always have the answer to “where’s my ride!”



TRAVEL ALERTS

The Where’s My Ride travel alerts system allows passengers to subscribe to a wide range of DCTA notifications in their preferred format of email or text. You can choose the days and times to receive alerts for specific Connect routes and the A-train. In addition, you can set up stop prediction email notifications that will alert you when the vehicle is due to arrive at your stop within your specified time window.

Know When and Where - Now



TEXT MESSAGES

Passengers can receive SMS text messages using the text stop prediction feature of Where’s My Ride. It’s simple - text your stop ID to 98458 to receive the estimated arrival time of your bus or train. Stop IDs can be found on bus stop signs and on the schedules at A-train stations. This convenient feature allows passengers to reduce their wait time for a vehicle, or simply find the next bus or train at their location.

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Know When and Where - Now



VOICE

Similar to text stop prediction, Where’s My Ride’s voice stop prediction feature allows passengers to dial in for an up to the minute prediction of a bus or train at a chosen stop.

Call 940-243-0077, enter your stop ID and receive real-time information on the next bus or train scheduled for that location and its expected arrival time.

Know When and Where - Now



ONLINE PORTAL

Where’s My Ride’s online portal enables passengers to access real-time bus and train location data from most web-enabled devices. You can select and watch your bus or train progress along its route. In addition, you can select specific stops, search by address or input your stop ID to find the nearest bus or train and its arrival time.

Know When and Where - Now



Project Updates (Continued)

- GTW Implementation & Single Car Operations
- Station Improvements (Landscaping)
- Operations & Maintenance contract
 - Anticipate NTP January, 2015
- Positive Train Control
 - ACSES vs I-ETMS



Positive Train Control



DCTA

ACSES Overview

September 11, 2014

An FRA Approved and Market
Tested PTC Solution



DCTA

What is ACSES?



- Advanced Civil Speed Enforcement System (ACSES)
 - Vehicle-centric PTC system that integrates an onboard systems, wayside transponders (for location detection) and data radios (for temporary speed restrictions).
- Service-proven, in operation since 1999
- MBTA, Metro-North, SEPTA, and NJ Transit are currently implementing. Some with shared corridors.
- A module currently under development which will facilitate ACSES/I-ETMS interoperation.

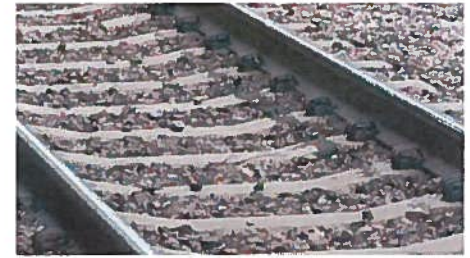


Why Choose ACSES?

- Meets the requirements of FRA PTC regulations
- Service-proven and reliable PTC solution
- Does not prevent future expansion
- Adequate spectrum is available in the market
- Lower capital costs and lower life cycle maintenance costs than other PTC solutions
- Scalable, without major re-investment in foundation equipment
- Other Benefits:
 - Commuter rail-centric, not developed by freight railroads
 - Can be implemented without major issues on Stadler DMUs
 - Can overlay on existing signal system without major issues
 - Back office can be integrated with existing CTC/CADD system



Future Expansion

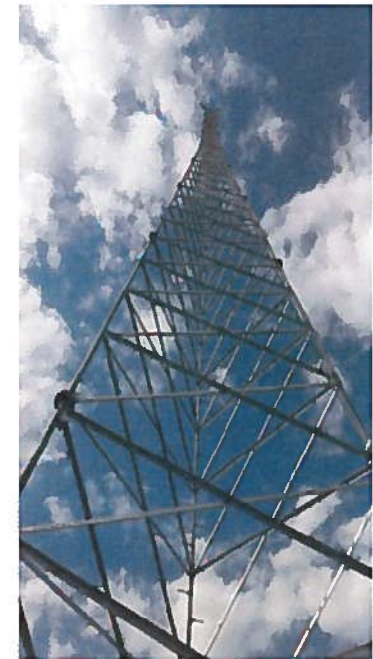


- Use of ACSES on existing A-train corridor does not isolate the agency from future expansion into I-ETMS territories
- Dual-mode operability can be achieved by dual equipping the wayside or the vehicle
- Industry is currently developing an on-board module that would operate with both ACSES and I-ETMS eliminating the need for dual equipment



Spectrum Availability

- ACSES requires narrower channels (12.5 kHz) and less power than I-ETMS
- Radios already have Part 95 FCC approval
 - Does not require FCC technical waivers (antenna height & power)
- Scalability and future needs can be accounted for in the current estimates
- Purchase of 10 channels appears affordable, lease option terms are negotiable



Why Now?

- Better understanding of I-ETMS issues –
 - market conditions, spectrum, available technology, pricing and contract terms
- Less volatile market conditions, readily available pricing, more stable and tested technology
- ACSES meets current financial plan allocations
- Enhanced ACSES technologies improve interoperability
- ACSES can now be implemented without cab signals



Regional PTC I-ETMS Project Status

- Proposals are still under evaluation
- DCTA notified DART we are looking at ACSES
 - DART wants DCTA to stay part of the regional solution
 - DART will evaluate ACSES as a potential alternative
- Regional ACSES solution should provide consideration for TexRail
- DCTA communicated intent to stay within current financial plan limits and may procure ACSES as an alternative



Next Steps

- Continue to work with regional partners on I-ETMS Procurement
- Work with partners to evaluate ACSES as an alternative regional solution
- Talk to FRA (Regional/Federal) regarding a potential switch from I-ETMS to ACSES
- Make a determination of I-ETMS/ACSES
- If ACSES: revise scope and issue an RFQ/RFP (DCTA only procurement)





Board of Directors Memo

September 25, 2014

Item: 1(c) Authorize the President to execute Letter of Engagement with Weaver & Tidwell, LLP for annual audit services for Fiscal Year ended 9/30/14

Background

The Texas Transportation Code Chapter 460 requires DCTA to have an annual audit prepared by independent certified public accountants. The external auditors are required to audit the basic financial statements and express an opinion on those statements. They will also perform the audit to satisfy the requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget OMB Circular No. A-133. In addition to the financial audit report, the auditors will issue a report on the expenditure of federal awards, internal control, and compliance with legal provisions of contracts and grant agreements. The FY14 audit will include tests and procedures to identify risk in the DCTA financials and plans. This Engagement Letter is for year four (4) of the five-year agreement.

After a competitive procurement process in August 2011, the Board of Directors authorized the President to execute an agreement with Weaver & Tidwell, LLP for external audit services. The agreement is for three (3) fiscal year periods ending 9/30/11, 9/30/12 and 9/30/13 with an option for two (2) additional annual renewals for fiscal year periods ending 9/30/14 and 9/30/15.

The Engagement Letter for audit services for FY14 is included as Exhibit A.

Identified Need

DCTA needs to fulfill the legal obligations of the entity and issue the required audit reports.

Financial Impact

This engagement with Weaver & Tidwell, LLP will be for a not-to-exceed price of \$52,270 as per the agreement unless the scope of the engagement is changed. Audit Services are included in the annual budget and the not-to-exceed amount is within budget. Staff does not anticipate a change in scope.


Recommendation

Staff recommends the Board of Directors authorize the President or his designee to sign the Letter of Engagement with Weaver & Tidwell, LLP for the 2014 fiscal year end audit.

Final Review:


 Department Head

Approval:


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



September 16, 2014

To the Finance Committee
Denton County Transportation Authority
1660 South Stemmons Freeway, Suite 250
Lewisville, Texas 75067

We are pleased to confirm our understanding of the services we are to provide Denton County Transportation Authority (the Authority) for the year ended September 30, 2013. We will audit statement of net position, the related statements of revenues, expenses and changes in net assets, and cash flows, collectively referred to as the basic financial statements, of the Authority as of and for the year ended September 30, 2013, and the related notes to the financial statements. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The MD&A is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal awards.
- 2) Schedule of revenues and expenses- budget and actual.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on-

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We cannot provide assurance that unmodified opinions will be expressed.

Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis of- matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded.

You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) that the methods of measurement or presentation have not changed from

those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

During the course of our engagement, we will request information and explanations from management regarding the Authority's operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The Authority agrees that as a condition of our engagement to perform an audit that management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the audit and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the audit; or, worse, could cause a material error or a fraud to go undetected by our procedures.

Thus, the Authority agrees that we will not be liable for any damages or otherwise responsible for any misstatements in the Authority's financial statements that we may fail to detect as a result of false or misleading representations that are made to us by management. Moreover, the Authority agrees to indemnify and hold us harmless from any claims and liabilities, including reasonable attorneys' fees, expert fees and costs of investigation and defense, arising out of or related to this engagement if false or misleading representations are made to us by any member of the Authority's management.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention.

We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements.

However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We understand that your employees will prepare schedules requests and locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Weaver and Tidwell, L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties.

These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a cognizant agency, oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Denton County Transportation Authority
September 16, 2014

Page 9

Mr. Jerry Gaither is the engagement partner and is responsible for supervising the engagement and signing the report on behalf of Weaver and Tidwell, L.L.P. We expect to begin our audit on approximately November 17, 2014.

The audit documentation for this engagement is the property of Weaver and Tidwell, L.L.P. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$52,270. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fee is based upon the complexity of the work to be performed and the tasks required. Fees for our services are due upon receipt of our invoice. For bills not paid within 60 days of the billing date, a late charge will be added to the outstanding balance. The late charge will be assessed at .5% on the unpaid balance per month.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2013 peer review accompanies this letter.

Denton County Transportation Authority
September 16, 2014

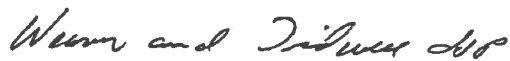
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We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the board of directors of the Authority. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm name, you agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Yours truly,



WEAVER AND TIDWELL, L.L.P.

JLG:res

RESPONSE:

This letter correctly sets forth the understanding of Denton County Transportation Authority

Officer signature _____

Title _____

Date _____



System Review Report

October 4, 2013

To the Partners of Weaver and Tidwell, L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. (the firm) applicable to non-SEC issuers in effect for the year ended May 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations (Service Organizations Control (SOC) 1 and 2 engagements).

In our opinion, the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. applicable to non-SEC issuers in effect for the year ended May 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Weaver and Tidwell, L.L.P. has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads 'Eide Bailly LLP'.

Eide Bailly LLP

www.eidebailly.com

800 Nicollet Mall, Ste. 1300 | Minneapolis, MN 55402-7033 | T 612.253.6500 | F 612.253.6600 | EOE



Board of Directors Memo **September 25, 2014**

Item: 1(d) Discussion/Approval of Award of Tractor, Trailer and Implements

Background

DCTA has received grant funds through the 5309 State of Good Repair Program.

The tractor will be used at the bus operations and maintenance facility to maintain the parking areas. The broom and salt spreader can be used in inclement weather to aid in the removal of snow and ice.

On August 10th a procurement was released, twenty firms reviewed the documents.

On September 10, 2014, DCTA received four (4) bids in response to our IFB:

1. Austin Turf and Tractor
2. Ag-Power Inc.
3. Landmark Equipment Company
4. Six & Mango Equipment LLC

Staff conducted a review and evaluation of the bids received and staff is recommending purchase of a tractor, trailer, salt spreader, and a sweeper broom from the lowest responsive bidder, Ag-Power Inc.

Identified Need

The tractor will be used to maintain the public and bus parking areas at the bus operations and maintenance facility.

Financial Impact

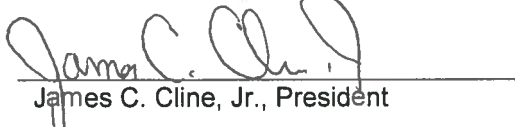
Staff anticipates the contract amount to not exceed \$198,680.00. \$158,944 in grant funds and \$39,736 in local funds are required.

Recommendation

Staff recommends the Board approve the acquisition of the tractor, trailer and implements.

Submitted by: 
 Athena Forrester, Purchasing Manager

Final Review: 
 Raymond Suarez, COO

Approval: 
 James C. Cline, Jr., President



Board of Directors Memo **September 25, 2014**

Item: 1(e) Discussion/Approval of Handheld Radios and Accessories

Background

DCTA has received grant funds through the 5307 formula funds to purchase the equipment.

DCTA is leveraging the existing two-way radio system to provide voice communication for the bus fleet. The addition of the radios will provide more safety and security for our drivers and passengers.

On August 20th a procurement was released, forty-seven firms reviewed the documents.

On September 16, 2014, DCTA received five (5) bids in response to our IFB:

- 1. Eagle Communications
- 2. Continental Wireless
- 3. Warner Radio and Communications, Inc.
- 4. Blair Communications Inc.
- 5. Stolz Telecom LLC

Staff conducted a review and evaluation of the bids received and staff is recommending purchase of the radios and accessories from the lowest responsive bidder, Continental Wireless, Inc., a certified woman owned DBE Firm.

Identified Need

Currently drivers use cell phones to communicate with dispatch and staff. Cell phone service is unreliable in some of the service area.


Financial Impact

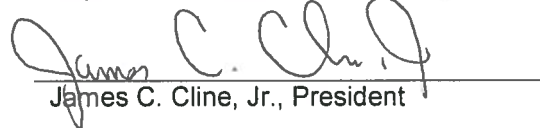
Staff anticipates the contract amount to not exceed \$45,530.38. Grant funds, \$36,424.38, will be expended and \$9106 in local funds are required.

Recommendation

Staff recommends the Board approve the acquisition of the radios and accessories.

Submitted by: 
 Athena Forrester, Purchasing Manager

Final Review: 
 Raymond Suarez, COO

Approval: 
 James C. Cline, Jr., President



Board of Directors Memo **September 25, 2014**

Item: 1(f) Approval of Amendment to President's Employment Agreement


Background

Annual review conducted and approved by Executive Committee.

Recommendation

Forwarded by the Executive Committee with recommendation for approval by the full Board of Directors.

Approval:



James C. Cline, Jr., President

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT is made and entered into by and between the Denton County Transportation Authority, a political subdivision of the State of Texas (the "DCTA") and James C. Cline, Jr. ("Cline") (each a "Party" or collectively the "Parties"), acting by and through their authorized representatives.

WITNESSETH:

WHEREAS, the Parties previously entered into that certain Employment Agreement dated August 22, 2013 (the "Original Agreement"); and

WHEREAS, the Parties desire to amend the Original Agreement as set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section 3 of the Original Agreement is hereby amended to read as follows:

"Section 3. Salary and Compensation

- A. DCTA agrees to pay Cline for the services rendered pursuant to this Agreement an annual base salary of One Hundred Ninety Thousand Two Hundred Ninety Dollars (\$190,290.00) payable in installments on the fifteenth (15th) day or nearest work day and on the last work day of every month, at the same time as other employees of the DCTA are paid. The base salary is subject to all applicable local, state or federal taxes, including, but not limited to, withholding taxes such as FICA or similar charges including, if applicable, any required employee contributions to any type of retirement plan or accident, life and health plan then in effect for the benefit of DCTA employees, or as otherwise authorized by Cline. DCTA agrees to annually review the base salary as set forth in Section 5 below.
- B. DCTA agrees to provide Cline a car allowance of Five Hundred Twenty Dollars (\$520.00) per month, which allowance shall be annually adjusted on each anniversary date of this Agreement (October 1 of each calendar year) by the Consumer Price Index (CPI) at one percent (1%) for the Dallas/Fort Worth area.
- C. In lieu of providing Cline with the use of a cellular telephone DCTA agrees to provide Cline a cellular telephone allowance of One Hundred One Dollars (\$101.00) per month, which allowance shall be annually adjusted on each anniversary date of this Agreement (October 1 of each calendar year) by the Consumer Price Index (CPI) at one percent (1%) for the Dallas/Fort Worth area.
- D. DCTA encourages Cline to have annual health and physical checkups and accordingly agrees to reimburse Cline the costs of an annual physical not covered

by Cline's health insurance not to exceed Five Hundred Five Dollars (\$505.00) each year during the term of this Agreement. In lieu of providing Cline with health insurance as is provided other employees of DCTA, the DCTA shall have the option to reimburse Cline for the cost of his private health care insurance plan not to exceed the amount that would otherwise be paid under the then current DCTA plan of health insurance."

2. That the Original Agreement shall continue in full force and effect, except as amended herein.

[Signature Page to Follow]

EXECUTED this _____ day of _____, 2014.

James C. Cline, Jr.

Denton County Transportation Authority

By: _____
James C. Cline, Jr.

By: _____
Charles Emery
Chairman of the Board of Directors
Denton County Transportation
Authority
1660 South Stemmons
Lewisville, Texas 76067

Attest:

By: _____
Richard Huckaby, Secretary

Approved as to Form:

By: _____
Peter G. Smith, General Counsel



Board of Directors Memo

September 25, 2014

Subject: 2(a) Discussion / Approval of Resolution #14-06 Adopting the FY15 Operating & 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 2015 budget presented combines information and feedback from several months of review by the Finance Committee. DCTA staff has prepared a balanced budget, where operating expenses and capital expenditures do not exceed current year revenues and unrestricted, undesignated balances. It is submitted to the Board of Directors, in accordance with requirements under Chapter 460 of the Texas Transportation Code and DCTA 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 14th, 2014.

Staff has been working very closely over the past months with the Finance Committee in the preparation of the FY15 Budget and in detail review of the many components of the budget. Staff presented the FY2015 goals along with the FY14 Revised Budget at the Finance Committee meeting in May. Revenue projections and a benefits review were presented to the Finance Committee in June. In July the total operating and capital budgets were presented to the Finance Committee for review and comment. Finally, in August, the committee reviewed the impact of the proposed FY15 Budget adoption on the adopted cash flow model and final review of the capital projects budget.

There was a capital adjustment made as a result of the August Board meeting. The GTW Wheel Work project was originally budgeted for FY15 but due to long lead times, the project was moved into FY14 and approved in the August Board Meeting by budget transfer #2014-14. The total of \$915,041 has been removed from the FY15 capital budget schedules and is now reflected in FY14 on the Cash Flow Model, with the expense being offset by a reduction in the Capital Infrastructure Fund. The budget contingency plan that incorporates steps to address decreases and increases in sales tax revenue and federal grant funding is also included. It has been updated based on FY15 sales tax projections.

The proposed Budget contains revenue and expenditure assumptions for FY15, which include capital expenditures as well as increased bus and rail service effective January 2015. Included as agenda back-up are the following exhibits:

- Exhibit A: Operating Revenues and Expenditures for proposed FY15 as compared to the FY14 Revised Budget- excluding depreciation
- Exhibit B: Capital Improvement Plan
- Exhibit C: The 5-year cash flow model. It incorporates the FY15 budget as proposed and provides the Board a view of the impact of the proposed FY15 budget on the long range cash flow model.
- Exhibit D: Fiscal Year 2015 Budget Contingency Plan

Identified Need

Approval of Resolution 14-06, adopting the FY15 Operating and Capital Budget is required to establish budget for the 2015 fiscal year which will begin October 1, 2014.

Committee Review

In addition to meetings in May, June, July and August, the Finance Committee reported its activities and discussions at the regular Board meetings by way of the Finance Committee Chair – Report to the Board. The Finance Committee included Board members Richard Huckaby, George Campbell, Allan Harris, Jim Robertson and Dave Kovatch serving as Committee Chair.

Financial Impact

This item will determine the budget for FY15 and will begin October 1, 2014.

Recommendation

Staff recommends the approval of Resolution 14-06, adopting the FY2014-15 Operating & Capital Budget, Budget Contingency Plan and Cash Flow Model.

Submitted by Amanda Riddle
Amanda Riddle, Budget Coordinator

Review: Anna Mosqueda
Anna Mosqueda, CFO

Approval: James C. Cline, Jr.
Jim Cline, President

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 14-06**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2014-2015, BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE BUDGET CONTINGENCY PLAN FOR FISCAL YEAR 2014-2015; ADOPTING THE DCTA CASH FLOW MODEL; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

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

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

WHEREAS, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2014–2015 budget as hereinafter set forth, meets the legal and practical requirements of the DCTA for the proper and sustained operation of DCTA services and capital expenditures and should be approved as presented;

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

SECTION 1. The DCTA Operating and Capital Budget for FY 2014-2015, the Budget Contingency Plan FY 2014-2014, and the DCTA Cash Flow Model, attached as Exhibits “A”-“D”, be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

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

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

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

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 25TH DAY OF SEPTEMBER, 2014.

APPROVED:

Charles Emery, Chairman

ATTEST:

Richard Huckaby, Secretary

APPROVED AS TO FORM:

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

**Denton County Transportation Authority
Proposed Fiscal Year 2015 Budget**

Description	FY13 Actuals	FY14 Original Budget	FY14 Revised Budget	Actuals as of June 30, 2014	FY15 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)
Revenue & Other Income							
Passenger Revenues (Bus Farebox)	536,291	560,461	560,461	453,742	635,517	75,056	13%
Passenger Revenues (Rail Farebox)	729,394	815,203	815,203	612,012	879,860	64,657	8%
Contract Service Revenue	2,980,804	3,298,781	3,298,781	2,096,234	3,259,635	(39,146)	-1%
Total Revenue & Other Income	4,246,489	4,674,445	4,674,445	3,161,988	4,775,012	100,567	2%
Operating Expenses							
GENERAL & ADMINISTRATIVE							
Salary, Wages and Benefits	1,575,138	1,959,712	1,998,525	1,427,629	2,197,088	198,563	10%
Services	1,098,119	1,318,407	1,955,175	968,744	1,497,029	(458,146)	-23%
Materials and Supplies	55,171	107,315	157,315	47,169	216,864	59,549	38%
Utilities	13,570	18,000	18,000	8,847	60,353	42,353	235%
Insurance, Casualties and Losses	9,035	11,420	11,420	8,467	11,309	(111)	-1%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	136,456	211,047	221,047	82,685	203,667	(17,380)	-8%
Leases and Rentals	155,058	155,025	155,025	128,868	102,777	(52,248)	-34%
Subtotal - G&A	3,042,547	3,780,925	4,516,506	2,672,409	4,289,087	(227,419)	-5%
BUS SERVICES							
Salary, Wages and Benefits	4,937,760	6,042,884	6,054,884	4,185,591	6,701,745	646,861	11%
Services	384,201	408,125	408,125	286,680	546,831	138,706	34%
Materials and Supplies	1,804,258	2,165,419	2,165,418	1,140,567	2,352,874	187,456	9%
Utilities	74,223	101,900	101,900	86,955	112,520	10,620	10%
Insurance, Casualties and Losses	289,586	272,265	272,265	200,475	272,618	353	0%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	4,475	10,050	10,050	5,061	35,370	25,320	252%
Leases and Rentals	101,654	29,590	29,590	32,166	2,220	(27,370)	-92%
Subtotal - Bus Services	7,596,157	9,030,233	9,042,232	5,937,495	10,024,178	981,946	11%
RAIL SERVICES							
Salary, Wages and Benefits	189,468	276,534	276,534	201,487	275,024	(1,510)	-1%
Services	145,796	139,252	361,336	178,878	145,391	(215,945)	-60%
Materials and Supplies	1,212,234	1,556,490	1,556,490	720,330	1,591,037	34,547	2%
Utilities	327,549	327,915	352,115	174,587	279,276	(72,839)	-21%
Insurance, Casualties and Losses	327,167	514,477	514,477	374,374	494,089	(20,388)	-4%
Purchased Transportation Services	8,874,900	9,331,365	9,300,701	6,816,739	9,853,076	552,375	6%
Miscellaneous	3,815	11,988	11,988	3,003	6,438	(5,550)	0%
Leases and Rentals	92,880	100,000	100,000	552	102,207	2,207	2%
Subtotal - Rail Services	11,173,809	12,258,021	12,473,641	8,469,950	12,746,538	272,897	2%
Total Operating Expenses	21,812,513	25,069,180	26,032,379	17,079,854	27,059,803	1,027,424	4%
Income Before Non-operating Revenue & Exp	(17,566,024)	(20,394,735)	(21,357,934)	(13,917,866)	(22,284,791)		
Non-Operating Revenues / (Expense)							
Investment Income	32,137	33,000	33,000	16,096	33,000	-	0%
Non-Operating Revenues / (Expense)	52,222	7,125	7,125	54,087	6,300	(825)	-12%
Sales Tax Revenue	20,209,051	20,725,320	20,725,320	13,862,608	21,347,080	621,760	3%
Federal Grants & Reimbursements	8,859,377	6,486,142	6,486,142	5,510,765	16,617,500	10,131,358	156%
State Grants & Reimbursements	163,710	593,216	593,216	284,910	2,358,300	1,765,084	298%
Debt Issuance	-	5,500,000	5,500,000	-	5,500,000	-	N/A
Long Term Debt Interest/Expense	(1,458,806)	(2,423,840)	(2,423,840)	(1,042,765)	(2,721,899)	(298,059)	12%
Total Non-Operating Revenue / (Expense)	27,857,691	30,920,963	30,920,963	18,685,701	43,140,281	12,219,318	40%
Net Available before Transfers	10,291,667	10,526,228	9,563,029	4,767,835	20,855,490		

9/17/2014

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

Ridership				
Bus	2,502,668	2,247,324	1,612,148	2,252,230
Rail	510,738	548,877	379,595	591,398

Capital Improvement Plan

Board of Directors RM 2ai - Exhibit B

Project Name	Project Number	Adopted Project Budget	Project LTD thru FY 2012	FY 2013 Actuals	FY 2014 Projection	FY 2015	FY 2016	FY 2017	FY 2018	Anticipated Project Total (Thru 2018)
Bus Services										
Bus Operations & Maintenance Facility	50301	11,720,717	2,073,478	7,028,293	2,618,946	-				11,720,717
Fleet Replacement	50502	3,411,592	2,871,592	110,735	-	429,265				3,411,592
Fleet Replacement (2014)	50504	877,998	-	-	877,998					877,998
DDTC	50303	373,282	-	-	13,282	380,000				373,282
Where's My Ride	50406	940,485	-	456,906	303,579	180,000				940,485
Bus Radios	50408	137,457	-	-	-	137,457				137,457
Bus Engines & Transmissions	NEW					150,000				150,000
Scheduling Software	NEW					250,000				250,000
Fleet (2015)	NEW					395,000	1,250,000	1,750,000	2,060,000	5,455,000
Rail Services										
Passenger Information	60701	56,214	4,807	19,044	32,363	40,607				96,821
Rail Grinding (2014)	61103	192,000	-	-	104,000	-	150,000		150,000	404,000
MedPark Extension	61206	1,000,000	-	-	1,000,000	-				1,000,000
Positive Train Control	61406	22,902,951	788,073	222,980	170,000	15,300,000	6,421,898			22,902,951
Community Enhancements	61707	752,708	13,091	129,940	409,677	200,000				752,708
Lewisville Bike Trail	61708	3,489,396	60,685	35,319	741,520	2,651,872				3,489,396
HV Parking Expansion	61710	288,681	-	6,900	281,781	-				288,681
Rail Maintenance of Way	61711	150,000	-	-	150,000	-	55,000	55,000	75,000	335,000
Rail Maintenance of Equipment	61712	585,000	-	-	235,000	1,067,627	342,800	1,252,400	1,812,800	4,710,627
Rail Single Car Operations	61503	101,800	-	-	101,800	-				101,800
Re-Railing Equipment	61504	121,000				121,000				121,000
Shunt Enhancement	NEW					141,000				141,000
T. Mills Crew Facility	NEW					250,000				250,000
Station Landscaping	NEW					75,000				75,000
Rail Facility Maintenance								35,000		35,000
Signals - Systems & Communications							10,000	10,000	20,000	40,000
GTW Wheel Work	61505				915,041					915,041
G&A										
COGNOS Report Writing Application	NEW					200,000				200,000
Comprehensive Service Analysis	NEW					567,414				567,414
TOTAL		\$ 47,101,281	\$ 5,811,726	\$ 8,010,117	\$ 7,954,987	\$ 22,516,242	\$ 8,229,898	\$ 3,102,400	\$ 4,117,800	\$ 59,742,970
Sources of Funding										
Federal / State Grants					\$ 4,893,877	\$ 5,031,121	\$ 1,000,000	\$ 1,400,000	\$ 1,648,000	
New Debt Issuance (PTC 2014)					\$ -	\$ 5,500,000	\$ -	\$ -	\$ -	
RTC Funds					\$ -	\$ 9,470,000	\$ 3,030,000	\$ -	\$ -	
DCTA Funding					\$ 3,061,110	\$ 2,515,121	\$ 4,199,898	\$ 1,702,400	\$ 2,469,800	
TOTAL					\$ 7,954,987	\$ 22,516,242	\$ 8,229,898	\$ 3,102,400	\$ 4,117,800	\$ -

OPERATING REVENUES	2014	2015	2016	2017	2018	2019
Beginning Fund Balance:	\$ 17,114,359	\$ 14,970,761	\$ 13,310,006	\$ 10,472,059	\$ 9,798,352	\$ 10,289,288
Bus Operating Revenue	\$ 3,859,241	\$ 3,895,151	\$ 3,999,295	\$ 4,106,437	\$ 4,216,664	\$ 4,330,068
Rail Operating Revenue	815,203	879,860	888,659	897,545	906,521	915,586
NON-OPERATING REVENUES						
Sales Tax Revenue	20,725,320	21,347,080	22,200,963	23,089,001	24,012,561	24,973,064
Formula Grants (Operating)	3,680,022	4,474,679	4,988,217	4,707,981	6,567,595	7,057,758
Interest Income-Non RTRFI Funds	33,000	33,000	39,930	31,416	29,395	30,868
Misc. Revenue	7,125	6,300	6,300	6,300	6,300	6,300
Restricted RTRFI Interest Income						
Total Revenues	29,119,911	30,636,070	32,123,364	32,838,681	35,739,036	37,313,644
OPERATING EXPENSES						
Bus Operating Expense	9,042,232	10,024,178	10,410,666	10,802,475	11,214,159	11,622,939
Rail Operating Expense	12,473,641	12,746,538	13,130,402	13,511,441	13,907,221	14,295,947
G&A Operating Expense	4,516,507	4,289,087	4,228,889	4,369,810	4,516,004	4,667,686
NON-OPERATING EXPENSES						
Non-Operating (Income) / Expense						
Total Expenses	26,032,380	27,059,803	27,769,956	28,683,726	29,637,384	30,586,572
NET INCOME	3,087,531	3,576,267	4,353,407	4,154,955	6,101,652	6,727,072
CAPITAL OUTLAY						
Bus Capital Expenditure	2,935,804	1,394,871				
Fleet Replacement Expense	877,998	824,265	1,250,000	1,750,000	2,060,000	1,603,050
Rail Capital / Construction						
Professional Services / Technology Improvements	32,363	490,607				
Stadler Fleet (Vehicles)						
Real Estate	1,000,000					
Right of Way						
Rail Capital Expenditure (LV Hike & Bike)	741,520	2,651,872				
Rail Capital Expenditure (Community Enhancements)	409,677	200,000				
Rail Capital Expenditure (Rail Grinding)			150,000		150,000	
HV Parking Expansion	281,781					
Rail Station Improvements		325,000				
Rail MOW	150,000		55,000	55,000	75,000	65,000
Rail MOE	1,150,041	1,067,627	342,800	1,252,400	1,812,800	1,450,400
Rail Facility Maintenance				35,000		
Signals - Systems & Communications			10,000	10,000	20,000	20,000
Single Car Operations / Shunt Enhancement	101,800	141,000				
Re-Railing Equipment		121,000				
Positive Train Control	170,000	15,300,000	6,421,898			
Total Capital Outlay	7,954,984	22,516,242	8,229,698	3,102,400	4,117,800	3,138,450
CAPITAL SOURCES						
New Money (Debt Issuance)		5,500,000				
RTRFI/RTC Funds		9,470,000	3,030,000			
Formula Grants (Capital)	4,892,463	5,031,121	1,000,000	1,400,000	1,648,000	1,282,440
Total Capital Sources	4,892,463	20,001,121	4,030,000	1,400,000	1,648,000	1,282,440
DEBT SERVICE						
2008 Issue (ST) Debt Service						
2009 Refunding (ST) Debt Service	1,718,200	1,716,492	1,718,387	1,713,687	1,717,590	1,714,697
2011 Contractual Obligations (Vehicles)	336,945	751,945	763,955	770,183	775,785	785,761
2011 Contractual Obligations (PTC)	113,463	253,463	254,081	259,542	264,691	264,526
2014 Contractual Obligations (PTC)			255,233	382,850	382,850	382,850
Total Debt Service	2,168,608	2,721,900	2,991,656	3,126,262	3,140,916	3,147,834
Gross Sales Tax Coverage:	9.56	7.84	7.42	7.39	7.65	7.93
Internal Debt Service Coverage:	1.42	1.31	1.46	1.33	1.94	2.14
Year End Audit Adjustment						
Ending Fund Balance:	14,970,761	13,310,006	10,472,059	9,798,352	10,289,288	12,012,516
Less Restricted RTRFI Interest Income						
Less Required Fund Balance (O&M Reserve Policy):	6,508,095	6,764,951	6,942,489	7,170,931	7,409,346	7,646,643
Less Sales Tax Stabilization Fund	621,760	640,412	666,029	692,670	720,377	749,192
Less Fuel Stabilization Fund	50,000	50,000	50,000	50,000	50,000	50,000
Less Capital/Infrastructure	1,084,959	2,000,000	1,000,000	1,000,000	1,000,000	2,000,000
Net Available Cash	6,705,947	3,854,643	1,813,541	884,750	1,109,565	1,566,681

DCTA Budget Contingency Plan FY2015

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

Section I: Sales Tax Revenue Shortfall

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

Initial Precautionary Action

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

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

2% Reduction (\$426,941)

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

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

3% Reduction (\$640,412)

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

4% Reduction (\$853,883)

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

Section II: Sales Tax Revenue Sustainable Increase

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

Service Level enhancement decisions will follow annual Decision Cycle framework

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

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

Section III: Federal Grant Funding Reduction

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

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

Operating Funds:

- Follow the Sales Tax Revenue Shortfall Procedure

**DENTON COUNTY TRANSPORTATION AUTHORITY
(DCTA)**

Proposed FY 2015 Budget

**Board of Directors Meeting
September 25, 2014**

ITEMS FOR TODAY

- FY15 Proposed Budget Presentation/Cash Flow Model
- Board Adoption

FY 2015 Budget Development

- **Board Finance Committee**
 - Dave Kovatch – Chair
 - Richard Huckaby
 - George Campbell
 - Allan Harris
 - Jim Robertson

FY 2015 Budget Development

- **Finance Committee Meetings**

- May
 - FY14 Revised Budget
- June
 - FY15 Projected Revenues & Benefits Discussion
- July
 - FY15 Projected Revenues, Operating & Capital Budget
- August
 - Cash Flow Model Impact of FY15 Budget

Program Services Committee Recommendations

- Included:
 - Supports Recommended Service Levels (Bus/Rail)
 - Sustain Vanpool beyond July 2015 with operating funds pending additional grant funding opportunities
 - Include I-35W to Fort Worth study and implementation plan
- Additional Considerations- ***not included***
 - FY16 Service recommendations – Advance to FY15
 - Total \$167,823 (Jan – Sept 2015)
 - Rail: 1 weekday evening train
 - Bus: Rt 4 & 7 weekday evening trips to serve UNT/TWU

AGENCY CORE VALUES

- **Accountability**: accountable to constituents and to being exemplary stewards of public resources.
- **Commitment**: working collaboratively to deliver the Service Plan in a timely manner to serve the mobility needs customers.
- **Excellence**: will consistently offer innovative, effective, and quality public transportation alternatives that exceed customer expectations.
- **Integrity**: conduct themselves in a manner that upholds the highest legal and ethical standards, uncompromising in commitment to truth, honesty, and openness in all relationships and interactions.
- **Respect**: all customers are important and all employees add value; and will treat all customers and employees with dignity and esteem.
- **Safety**: most important commitment is safety through the strict adherence to policies, procedures and ongoing employee training and professional development.

VISION and MISSION

- **Vision:**

DCTA is a leader in advancing public transportation alternatives, helping to improve Denton County's economy and environment.

- **Mission Statement:**

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

AGENCY GOALS & OBJECTIVES

- **GOAL 1:** Maximize service efficiency and reliability
- **GOAL 2:** Maximize effectiveness of service for DCTA's ridership markets
- **GOAL 3:** Increase the visibility and elevate the image of DCTA
- **GOAL 4:** Expand DCTA's services into areas where transit has strong likelihood of success.
- **GOAL 5:** Coordinate regional services with other regional transportation providers.
- **GOAL 6:** Tie the provision of transit to land-use and the resulting demand levels
- **GOAL 7:** Advocate sustainable development practices that support transit.
- **GOAL 8:** Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

FY 2014 Key Accomplishments

- Launched a new customer focused design responsive website
- Launched a full-fledged I-35E Campaign to leverage the construction on 35E
- Revitalized DCTA's Social Media Platforms to further engage with passengers
- Overhauled the customer facing DCTA brand
- Received unqualified "clean" opinion on external audit with no comments on DCTA or Single Audit (Circular OMB A-133)
- Received Texas Comptrollers Leadership Circle Transparency Award – Silver
- Received Government Finance Officers of United States and Canada (GFOA) awards for:
 - Distinguished Budget Award FY14
 - Certificate of Excellence in Financial Reporting FYE 9/31/2013

FY 2014 Key Accomplishments

- Completed following major procurement:
 - Lewisville Hike & Bike Trail (south portion Hebron to Old Town)
 - Community Enhancement
 - Landscaping assessment for Rail Stations
 - Recreational Parking Lot – Lewisville Lake
 - Bus acquisitions
- In addition to STIP/TIP Program of Projects grants activity, the following grant applications were submitted in response to Calls for projects:
 - FRA/DOT FY14 NOFA - PTC (\$3 million)
 - TIGER6 (Regional focus) - PTC (\$20.9 million); Lewisville Hike & Bike trail (Old Town to HV/LL) (\$2.8 million)
 - TAP – Lewisville Hike & Bike (Old Town to HL/LL) (\$2.7 million)
 - Ladders of Opportunity – Lewisville Multi-Modal Facility (\$3 million); Fleet Replacement (\$9.8 million)

Budget Compliance

- Finance Committee Reviewed and Forwarded to the Board
- Published ad in Denton Record Chronicle advertising the public hearing
- Proposed budget meets Chapter 460 requirements
- Budget meets Board policy requirements
 - Current year operating supported by current year revenues
 - Maintain 1.25 coverage ratio
 - Maintain Reserves
 - Capital Projects budgets supported by identified revenue sources

Revenue

- **Sales Tax**
 - FY15 at \$21,347,080
 - 3% escalation over FY14 budget
- **Rail Revenues \$879,860**
 - Assumes annual ridership of 591,398
 - Average fare of \$1.49
 - Cost recovery of 6.9% (Target of 15%)
 - 7.9% increase in revenues over FY14
- **Contract Service Revenues (Bus)**
 - UNT contract rate - \$49/hr
 - NCTC Contract rate - \$37/hr
- **Federal / State Grants**
 - Operating \$4,474,679
 - Capital \$14,501,121
 - Includes NCTCOG Regional Transportation Committee (RTC) Funds

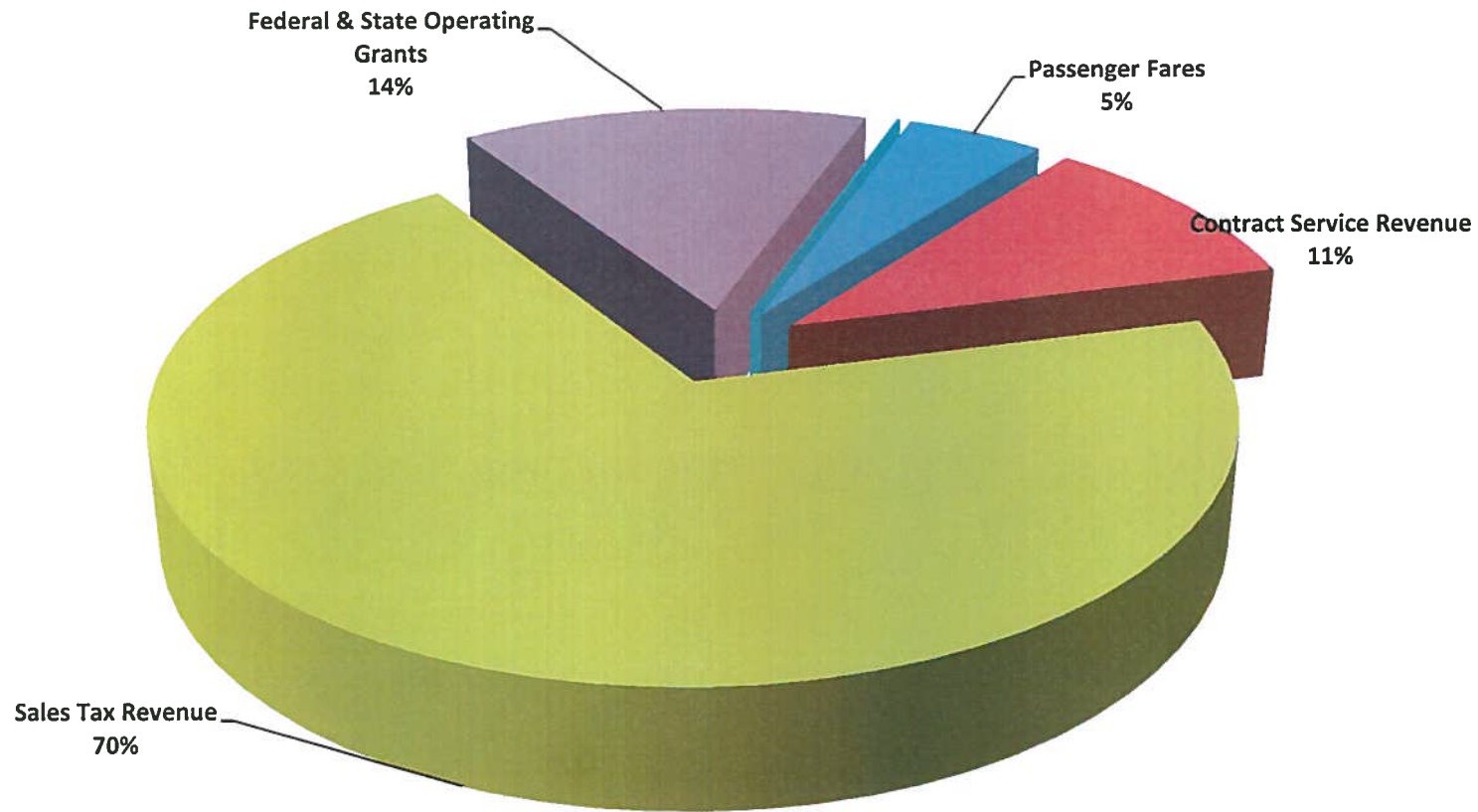
FY15 PROJECTED REVENUE

Sales Tax Revenues (Detail)

					Multiplier	102.000%	*CFM* 103.000%	104.000%
	FY2010-2011 Actuals	FY2011-2012 Actuals	FY2012-2013 Actuals	Original FY14 Budget	Projected FY2015 FCST @ 2% growth	Projected FY2015 FCST @ 3% growth	Projected FY2015 FCST @ 4% growth	
October	\$ 1,261,014	\$ 1,345,394	\$ 1,637,689	\$ 1,663,294	\$ 1,696,560	\$ 1,713,193	\$ 1,729,826	
November	\$ 1,289,592	\$ 1,424,755	\$ 1,437,884	\$ 1,460,365	\$ 1,489,572	\$ 1,504,176	\$ 1,518,780	
December	\$ 1,880,173	\$ 2,046,560	\$ 2,128,329	\$ 2,161,605	\$ 2,204,837	\$ 2,226,453	\$ 2,248,069	
January	\$ 1,232,517	\$ 1,353,986	\$ 1,501,720	\$ 1,545,815	\$ 1,576,731	\$ 1,592,189	\$ 1,607,648	
February	\$ 1,182,101	\$ 1,353,986	\$ 1,494,663	\$ 1,538,578	\$ 1,569,350	\$ 1,584,735	\$ 1,600,121	
March	\$ 1,650,410	\$ 1,866,060	\$ 1,785,090	\$ 1,836,424	\$ 1,873,152	\$ 1,891,517	\$ 1,909,881	
April	\$ 1,290,268	\$ 1,481,564	\$ 1,587,871	\$ 1,634,166	\$ 1,666,849	\$ 1,683,191	\$ 1,699,533	
May	\$ 1,361,535	\$ 1,566,892	\$ 1,641,703	\$ 1,689,374	\$ 1,723,161	\$ 1,740,055	\$ 1,756,949	
June	\$ 1,639,148	\$ 1,762,132	\$ 1,824,064	\$ 1,876,393	\$ 1,913,921	\$ 1,932,685	\$ 1,951,449	
July	\$ 1,229,556	\$ 1,540,039	\$ 1,592,438	\$ 1,638,850	\$ 1,671,627	\$ 1,688,016	\$ 1,704,404	
August	\$ 1,419,245	\$ 1,533,238	\$ 1,692,280	\$ 1,741,243	\$ 1,776,068	\$ 1,793,480	\$ 1,810,893	
September	\$ 1,699,799	\$ 1,708,102	\$ 1,885,320	\$ 1,939,213	\$ 1,977,997	\$ 1,997,389	\$ 2,016,782	
Total	\$ 17,135,359	\$ 18,982,709	\$ 20,209,051	\$ 20,725,320	\$ 21,139,826	\$ 21,347,080	\$ 21,554,333	
% Increase Compared to Orig FY14					102.000%	103.000%	104.000%	

Revenue

DCTA Fiscal Year 2015 Total Operating Revenues \$30,636,070



PROPOSED FY15 BUDGET:

Base-line Assumptions

- **DCTA**

- Merit Pay - 3.5% (\$40,748)
- Pay Plan Adjustment - \$25,000
- Full year of new V-P

- **TMDC**

- Non-union - 4% merit (\$59,427)
- Union (bus operators) – per union contract average \$15.36/hr

PROPOSED FY15 BUDGET:

Base-line Assumptions

- **Fuel**
 - Budget \$4.00/gallon compared to \$4.15/gallon in FY14
 - Estimated 777,000 gallons –Bus & Rail
- **Health Care Costs Increase**
 - DCTA - \$28k (10%)
 - TMDC - \$157k (15%)

PROPOSED FY15 BUDGET:

Base-line Assumptions

- Positive Train Control (PTC) project
 - Capital project budget remains same as FY14
 - No debt issuance in FY2014
 - Final cost still pending vendor responses
 - Currently Includes
 - FY15 - \$5.5 million debt issuance
 - FY15 & 16 - \$12.5 million RTC grant funding

PROPOSED FY15 BUDGET

Service Enhancements

- Increase Denton Connect Routes 2 & 6 - \$687,067
 - Increase weekday frequency of Denton Routes 2 & 6 to move closer to minimum service standards - \$257,067
 - Increased Revenue Hours by 47% or 3,781 (From 8,045 to 11,825)
 - Requires 1 additional bus - \$350k capital project
 - Add 1 weekday SB and NB mid-day A-train trip - \$80k
 - Assumes Jan – Sept 2015
 - Extends an existing short A-train trip into a full trip
- Increase Saturday frequency on Denton Connect - \$57,795
 - Routes 2, 4, 6 and 8
 - Increased Revenue Hours by 5% or 755 (From 16,223 to 16,978)

PROPOSED FY15 BUDGET

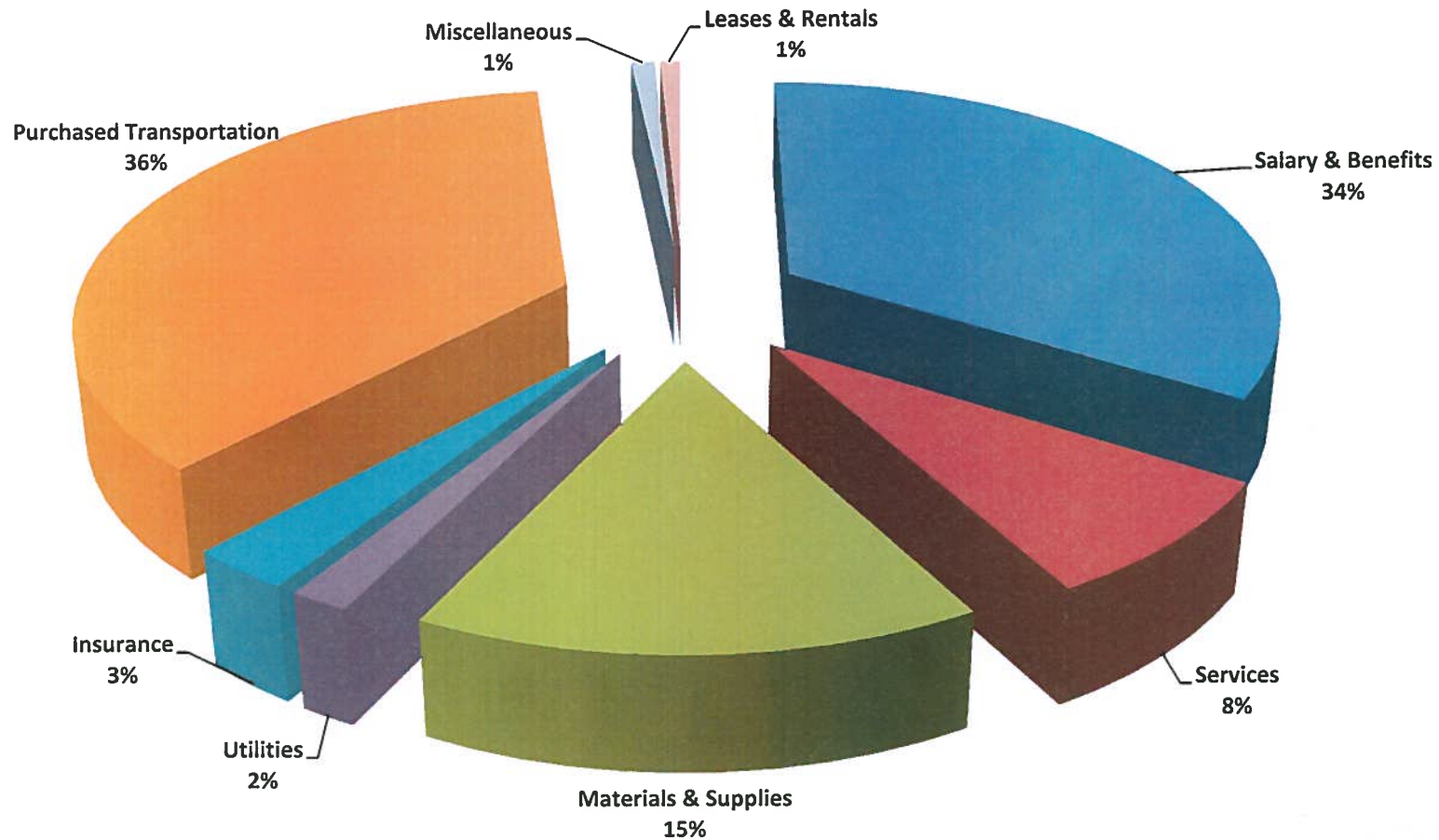
Expanded Level Projects - Operating

- Information Technology
 - Shortel Phone System (DDTC) - \$40,000
 - DCTA Bandwidth Upgrade - \$57,400
- Communication & Marketing Services
 - Passenger Information Communication Architecture - \$58,000
 - I35 E Construction Campaign - \$71,500
- Finance/President
 - Purchasing Specialist / Federal Contracts - \$72,500
 - Enterprise Content (Document) Management S/Ware- \$26,000
- Operations Staffing - \$50,000
 - Technician

Expenses

(Excludes Capital & Depreciation)

**DCTA Fiscal Year 2015 Total Operating Expenses
\$27,059,803**



Expanded Level Projects for Future Consideration

- **TCDRS 2:1 Match - \$25,178**
 - Bring back in October
- **Tuition Reimbursement - \$20,000**
 - Develop plan based on benefit survey results
- **Operating cost for Service to Fort Worth**
 - Have included funding in FY15 budget for initial study
 - Utilize available grant funds
- **1 CSR for additional late night support at DDTC**
 - Better match A-train hours – additional staff/hours

FY15 STMT OF CHANGES IN NET ASSETS
(Excluding Depreciation)

FY15 STMT OF CHANGES IN NET ASSETS

Bus / Rail Services Revenues

Description	FY13 Actuals	FY14 Original Budget	FY14 Revised Budget	Actuals as of June 30, 2014	FY15 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)
Revenue & Other Income							
Passenger Revenues (Bus Farebox)	536,291	560,461	560,461	453,742	635,517	75,056	13%
Passenger Revenues (Rail Farebox)	729,394	815,203	815,203	612,012	879,860	64,657	8%
Contract Service Revenue	2,980,804	3,298,781	3,298,781	2,096,234	3,259,635	(39,146)	-1%
Total Revenue & Other Income	4,246,489	4,674,445	4,674,445	3,161,988	4,775,012	100,567	2%

FY15 STMT OF CHANGES IN NET ASSETS

G & A Operating Expenses

Description	FY13 Actuals	FY14 Original Budget	FY14 Revised Budget	Actuals as of June 30, 2014	FY15 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)
Operating Expenses							
GENERAL & ADMINISTRATIVE							
Salary, Wages and Benefits	1,575,138	1,959,712	1,998,525	1,427,629	2,197,088	198,563	10%
Services	1,098,119	1,318,407	1,955,175	968,744	1,497,029	(458,146)	-23%
Materials and Supplies	55,171	107,315	157,315	47,169	216,864	59,549	38%
Utilities	13,570	18,000	18,000	8,847	60,353	42,353	235%
Insurance, Casualties and Losses	9,035	11,420	11,420	8,467	11,309	(111)	-1%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	136,456	211,047	221,047	82,685	203,667	(17,380)	-8%
Leases and Rentals	155,058	155,025	155,025	128,868	102,777	(52,248)	-34%
Subtotal - G&A	3,042,547	3,780,925	4,516,506	2,672,409	4,289,087	(227,419)	-5%

FY15 STMT OF CHANGES IN NET ASSETS

Bus / Rail Services Operating Expenses

Description	FY13 Actuals	FY14 Original Budget	FY14 Revised Budget	Actuals as of June 30, 2014	FY15 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)
BUS SERVICES							
Salary, Wages and Benefits	4,937,760	6,042,884	6,054,884	4,185,591	6,701,745	646,861	11%
Services	384,201	408,125	408,125	286,680	546,831	138,706	34%
Materials and Supplies	1,804,258	2,165,419	2,165,418	1,140,567	2,352,874	187,456	9%
Utilities	74,223	101,900	101,900	86,955	112,520	10,620	10%
Insurance, Casualties and Losses	289,586	272,265	272,265	200,475	272,618	353	0%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	4,475	10,050	10,050	5,061	35,370	25,320	252%
Leases and Rentals	101,654	29,590	29,590	32,166	2,220	(27,370)	-92%
						-	
Subtotal - Bus Services	7,596,157	9,030,233	9,042,232	5,937,495	10,024,178	981,946	11%
RAIL SERVICES							
Salary, Wages and Benefits	189,468	276,534	276,534	201,487	275,024	(1,510)	-1%
Services	145,796	139,252	361,336	178,878	145,391	(215,945)	-60%
Materials and Supplies	1,212,234	1,556,490	1,556,490	720,330	1,591,037	34,547	2%
Utilities	327,549	327,915	352,115	174,587	279,276	(72,839)	-21%
Insurance, Casualties and Losses	327,167	514,477	514,477	374,374	494,089	(20,388)	-4%
Purchased Transportation Services	8,874,900	9,331,365	9,300,701	6,816,739	9,853,076	552,375	6%
Miscellaneous	3,815	11,988	11,988	3,003	6,438	(5,550)	0%
Leases and Rentals	92,880	100,000	100,000	552	102,207	2,207	2%
						-	
Subtotal - Rail Services	11,173,809	12,258,021	12,473,641	8,469,950	12,746,538	272,897	2%

FY15 STMT OF CHANGES IN NET ASSETS

Non-Operating Revenues (Expenses)

Description	FY13 Actuals	FY14 Original Budget	FY14 Revised Budget	Actuals as of June 30, 2014	FY15 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)
Total Operating Expenses	21,812,513	25,069,180	26,032,379	17,079,854	27,059,803	1,027,424	4%
Income Before Non-operating Revenue & Exp	(17,566,024)	(20,394,735)	(21,357,934)	(13,917,866)	(22,284,791)		
Non-Operating Revenues / (Expense)							
Investment Income	32,137	33,000	33,000	16,096	33,000	-	0%
Non-Operating Revenues / (Expense)	52,222	7,125	7,125	54,087	6,300	(825)	-12%
Sales Tax Revenue	20,209,051	20,725,320	20,725,320	13,862,608	21,347,080	621,760	3%
Federal Grants & Reimbursements	8,859,377	6,486,142	6,486,142	5,510,765	16,617,500	10,131,358	156%
State Grants & Reimbursements	163,710	593,216	593,216	284,910	2,358,300	1,765,084	298%
Debt Issuance	-	5,500,000	5,500,000	-	5,500,000	-	N/A
Long Term Debt Interest/Expense	(1,458,806)	(2,423,840)	(2,423,840)	(1,042,765)	(2,721,899)	(298,059)	12%
Total Non-Operating Revenue / (Expense)	27,857,691	30,920,963	30,920,963	18,685,701	43,140,281	12,219,318	40%
Net Available before Transfers	10,291,667	10,526,228	9,563,029	4,767,835	20,855,490		

PROPOSED FY15 BUDGET

Capital Projects (*New*)

- **Required Maintenance & Infrastructure: \$1,008,627**
 - **Board action on 8/28 moved \$915,046 for Wheel Replacement project (11 vehicles) to FY14**
- Service Improvements: \$1,367,414
- Enhanced Passenger Experience: \$410,607
- **TOTAL *New* Capital Requests \$2,786,648**

CAPITAL PROJECTS

Required Maintenance & Infrastructure

Project Name	Department	Total Project Expense	Grant Funded	Expense Classification
<u>Required Maintenance & Infrastructure</u>				
COT&S Overhaul Valves (4 cars)	Rail Operations	\$ 717,627		Capital
Bus Engines & Transmissions	Bus Operations	\$ 150,000		Capital
Signal System Shunting Enhancement - Infrastructure/Testing	Rail Operations	<u>\$ 141,000</u>		Capital
	<i>Subtotal</i>	\$ 1,008,627		

CAPITAL PROJECTS

Service Improvements

Project Name	Department	Total Project Expense	Grant Funded	Expense Classification
<u>Service Improvements to Address Long-Range Service Plan Standards</u>				
Comprehensive Bus Route Service Analysis	Planning / Operations	\$ 567,414	Yes (80/20)	Capital
Bus Route Scheduling Software	Planning / Operations	\$ 250,000	Yes (80/20)	Capital
Additional Bus (Package 1 - Rte 2 & 6 Improved Frequency)	Operations	\$ 350,000		Capital
COGNOS Report Writing/Asset Management Software	IT / Finance	\$ 200,000	Yes (80/20)	Capital
	Subtotal	\$ 1,367,414		

PROPOSED FY15 BUDGET

Service Improvements

- Comprehensive Bus Route Study
 - Initial proposal incorporated bus route review (\$250K)
 - Need to add I-35 W to Fort Worth
 - Review of current grant funding
 - to best leverage various bus route studies
 - to support goal of comprehensive system review
 - Packaged existing H/Village route study and Lewisville work connections grants with proposed Bus Route study
 - Will develop scope of work to address bus system and rail connections more comprehensively

CAPITAL PROJECTS

Enhanced Passenger Experience & Operations

Project Name	Department	Total Project Expense	Grant Funded	Expense Classification
<u>Enhanced Passenger Experience and Operations</u>				
Non-Revenue Service Vehicles (3)	Bus Operations	\$ 45,000		Capital
T. Mills Restroom	Operations	\$ 250,000	Yes (80/20)	Capital
Landscaping	Rail Operations	\$ 75,000		Capital
Passenger Information (Includes PICA)	Marketing	\$ 40,607	Yes (80/20)	Capital
	<i>Subtotal</i>	<i>\$ 410,607</i>		

Cash Flow Model

(Proposed FY15 Budget)

OPERATING REVENUES	2014	2015	2016	2017	2018	2019
Beginning Fund Balance:	\$ 17,114,359	\$ 14,970,781	\$ 13,310,006	\$ 10,472,059	\$ 9,798,362	\$ 10,289,288
Bus Operating Revenue	\$ 3,859,241	\$ 3,895,151	\$ 3,999,295	\$ 4,106,437	\$ 4,216,664	\$ 4,330,068
Rail Operating Revenue	815,203	879,860	888,859	897,545	908,521	915,588
NON-OPERATING REVENUES						
Sales Tax Revenue	20,725,320	21,347,080	22,200,963	23,089,001	24,012,561	24,973,064
Formula Grants (Operating)	3,680,022	4,474,679	4,988,217	4,707,981	6,567,595	7,057,758
Interest Income-Non RTRFI Funds	33,000	33,000	39,930	31,416	29,395	30,868
Misc. Revenue	7,125	6,300	6,300	6,300	6,300	6,300
Restricted RTRFI Interest Income	-	-	-	-	-	-
Total Revenues	29,119,911	30,636,070	32,123,364	32,838,681	36,739,036	37,313,644
OPERATING EXPENSES						
Bus Operating Expense	9,042,232	10,024,178	10,410,668	10,802,475	11,214,159	11,822,939
Rail Operating Expense	12,473,641	12,749,538	13,130,402	13,511,441	13,907,221	14,295,947
G&A Operating Expense	4,516,507	4,289,087	4,228,889	4,369,810	4,516,004	4,887,686
NON-OPERATING EXPENSES						
Non-Operating (Income) / Expense						
Total Expenses	26,032,380	27,069,803	27,769,968	28,683,726	29,637,384	30,686,672
NET INCOME	3,087,531	3,576,267	4,353,407	4,154,955	6,101,652	6,727,072
CAPITAL OUTLAY						
Bus Capital Expenditure	2,935,804	1,394,871	-	-	-	-
Fleet Replacement Expense	877,998	824,265	1,250,000	1,750,000	2,080,000	1,603,050
Rail Capital / Construction	-	-	-	-	-	-
Professional Services / Technology Improvements	32,363	490,607	-	-	-	-
Stadler Fleet (Vehicles)	-	-	-	-	-	-
Real Estate	1,000,000	-	-	-	-	-
Right of Way	-	-	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	741,520	2,651,872	-	-	-	-
Rail Capital Expenditure (Community Enhancements)	409,877	200,000	-	-	-	-
Rail Capital Expenditure (Rail Grinding)	104,000	-	150,000	-	150,000	-
HV Parking Expansion	281,781	-	-	-	-	-
Rail Station Improvements	-	325,000	-	-	-	-
Rail MOW	150,000	-	55,000	55,000	75,000	65,000
Rail MOE	1,150,041	1,067,627	342,800	1,252,400	1,812,800	1,450,400
Rail Facility Maintenance	-	-	-	35,000	-	-
Signals - Systems & Communications	-	-	10,000	10,000	20,000	20,000
Single Car Operations / Shunt Enhancement	101,800	141,000	-	-	-	-
Re-Railing Equipment	-	121,000	-	-	-	-
Positive Train Control	170,000	15,300,000	6,421,898	-	-	-
Total Capital Outlay	7,964,984	22,616,242	8,229,698	3,102,400	4,117,800	3,138,450
CAPITAL SOURCES						
New Money (Debt Issuance)	-	5,500,000	-	-	-	-
RTRFI/RTC Funds	-	9,470,000	3,030,000	-	-	-
Formula Grants (Capital)	4,892,463	5,031,121	1,000,000	1,400,000	1,648,000	1,282,440
Total Capital Sources	4,892,463	20,001,121	4,030,000	1,400,000	1,648,000	1,282,440
DEBT SERVICE						
2008 Issue (ST) Debt Service	-	-	-	-	-	-
2009 Refunding (ST) Debt Service	1,718,200	1,716,492	1,716,387	1,713,687	1,717,500	1,714,697
2011 Contractual Obligations (Vehicles)	336,945	751,945	783,955	770,183	775,785	785,761
2011 Contractual Obligations (PTC)	113,463	253,483	254,081	259,542	264,691	264,526
2014 Contractual Obligations (PTC)	-	-	255,233	382,850	382,850	382,850
Total Debt Service	2,168,608	2,721,900	2,991,666	3,126,262	3,140,916	3,147,834
Gross Sales Tax Coverage:	9.56	7.84	7.42	7.39	7.65	7.93
Internal Debt Service Coverage:	1.42	1.31	1.46	1.33	1.94	2.14
Year End Audit Adjustment						
Ending Fund Balance:	14,970,761	13,310,008	10,472,069	9,798,362	10,289,288	12,012,616
Less Restricted RTRFI Interest Income	-	-	-	-	-	-
Less Required Fund Balance (O&M Reserve Policy):	6,508,095	6,764,951	6,942,489	7,170,931	7,409,346	7,646,643
Less Sales Tax Stabilization Fund	621,760	640,412	666,029	692,670	720,377	749,192
Less Fuel Stabilization Fund	50,000	50,000	50,000	50,000	50,000	50,000
Less Capital/Infrastructure	1,084,959	2,000,000	1,000,000	1,000,000	1,000,000	2,000,000
Net Available Cash	6,706,947	3,864,643	1,813,641	884,760	1,109,666	1,666,681

FY2015 BUDGET CALENDAR

- May 2014
 - FY14 Revised Budget



- June 2014
 - Agency Goals
 - FY15 Revenue Assumptions & Projections
 - Benefits Presentation – Holmes Murphy



- July 2014
 - FY15 Operating Assumptions & Expenditures
 - Expanded Level Requests
 - Capital Requests



FY2015 BUDGET CALENDAR

- August

- Proposed FY15 Operating and Capital Budget
 - Accompanying Cash Flow Model Impact
- Public Hearing



- September

- Incorporate Public Hearing Feedback
- Incorporate Budget Contingency Plan
- Formal adoption of FY15 Operating and Capital Budget
 - Accompanying Cash Flow Model



QUESTIONS?

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Board of Directors Memo **September 25, 2014**
Subject: Regular Meeting 2(c) Discussion/Approval of 2015 Annual Program of Projects

Background

The Program of Projects identifies how DCTA will use federal funds which have been appropriated to DCTA as the designated recipient of Federal Transit Administration (FTA) Section 5307-Urbanized Area Formula Program (UZA) and Section 5339 – Bus and Bus Facilities funds.

The North Central Texas Council of Governments (NCTCOG) serves as the regional Metropolitan Planning Organization. NCTCOG staff has outlined a revised plan for annual Program of Projects submittal to help streamline the federal funding process for Fiscal Year 2015. The NCTCOG has advised its public transit providers, sub-recipients and regional partners to submit its agency's proposed Fiscal Year 2015 Program of Projects (POP) by October 1, 2014 based on a funding estimate provided by NCTCOG. . The Fiscal Year 2015 Program of Projects (POP) proposals is based on estimated \$4.9 million (5307 UZA) and \$430,000 (5339 Bus/Bus Facilities). Adjustments (increase or decreases) will be determined once the final federal apportionment is released in the Federal Register around April 2015.

A copy the FY15 DCTA POP is included for reference.

The general schedule for the Fiscal Year 2015 Program of Projects (POP)

Action	Date
Providers submit proposed Program of Projects (POP) to NCTCOG	October 1, 2014
NCTCOG review POP and ass POPs to the Transportation Improvement Program (TIP)	November 28, 2014
POP Presented to public for comments	December 8-10,2014
Regional Transportation Council (RTC) award funds	January 8, 2014
DCTA staff submits the grant application	February – April 2015

Identified Need

The DCTA Board of Directors needs to approve the annual expenditure of federal funds so these funds can be programmed for the identified projects. The DCTA staff has identified I capital and operating needs which are eligible for funding. These include operations & preventative maintenance, bus fleet replacement, passenger amenities and rail facility security cameras and access enhancements.


Financial Impact

The total revenue from federal 5307 and 5339 formula funds in the current year is anticipated to be \$5.33 million. If awarded funding, DCTA would be required to secure funding to cover the local match costs.

Recommendation


Staff recommends Board approval of the FY 2015 Program of Projects modifications.

Submitted by:



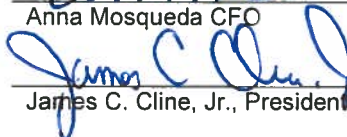
Shanna O'Gilvie , Program Manager
HR/Grants

Final Review:



Anna Mosqueda CFO

Approval:



James C. Cline, Jr., President

Urbanized Area Apportionment over the 200,000 in population (Denton-Lewisville)
Total Funds Estimated for FY 2015 Program Projects Section 5307 and 5339: \$5,330,000.00

FUNDING PROGRAM	FP CODE	Activity	FEDERAL SHARE	LOCAL SHARE	TOTAL COST
5339	Capital	Fleet Replacement	\$430,000	\$107,500	\$537,500
Total			\$430,000	\$107,500	\$537,500

FUNDING PROGRAM	FP CODE	Activity	FEDERAL SHARE	LOCAL SHARE / TDC Requests	TOTAL COST
5307	Capital	Rail System Preventive Maintenance	\$2,750,000.00	\$687,500.00	\$3,437,500.00
5307	Capital	Bus: Other Capital Program Items	\$1,100,000.00	\$275,000.00	\$1,375,000.00
5307	Operating	Operating Assistance	\$462,000.00	\$462,000.00	\$924,000.00
5307	Operating	ADA Paratransit Service	\$490,000.00	\$122,500.00	\$612,500.00
5307	Capital	Acquire - Security equipment	\$49,000.00	\$12,250.00	\$61,250.00
5307	Capital	Bus: Transit Enhancements	\$49,000.00	\$12,250.00	\$61,250.00
Total			\$4,900,000	\$1,571,500	\$6,471,500

Notice to the public: This Program of Projects for FY 2014 will be available to the public and will serve as the final, unless amended.



Board of Directors Memo **September 25, 2014**
Item: 2(d) Discussion/Approval Denton County Transportation Authority's State & Federal Legislative Agendas

Background

At the August Legislative Committee meeting, the Capitol Insights team provided a proposed state legislative agenda the committee which was reviewed and later discussed at the August 28 Board of Director's meeting.

On September 16, the Legislative Committee received a report from DCTA's Federal Legislative Consultant, Chris Giglio with Capital Edge. Giglio provided an overview of the services provided by Capital Edge, discussed federal legislative issues facing DCTA and also provided insight of what to expect during the 113th legislative session.


This information was covered in the Legislative Committee Chair Report during the September Board of Director's Work Session (Item WS 2a).

Financial Impact


All activities are covered under current contracts with both legislative consultants. There is no additional financial impact.

Recommendation

Staff requests Board approval of the State and Federal Legislative Agendas as covered during the Legislative Committee Chair Report during the September Board of Director's Work Session (Item WS 2a).

Submitted by: 

Kristina Brevard, VP
Strategic Planning & Development

Approval: 

James C. Cline, Jr., President



Recommended Legislative Agendas: September 25, 2014

State Legislative Agenda

Focus on Chapter 460 for DCTA Initiatives

- Class I Rail Liability
- Sales Tax in Member City ETJ
- Cleanup: Procurement and Property Acquisition

Federal Legislative Agenda

- Positive Train Control (funding and timeline)
- Passenger Rail Insurance Mandates
- Marketplace Fairness Act
- Bonds Tax Exempt Status
- FRA Grants & Loans for Passenger Rail
- STB Authority
- Reductions to Bus and Bus Facility Grants
- FTA Safety Regulations
- APTA Policies



Board of Directors Memo

September 25, 2014

Subject: Regular Meeting 2(e) Discussion/Approval of Rail Drainage Improvements:

Background:

Recent significant rain events have identified the need to address drainage improvements adjacent to the DCTA rail line along Railroad Street between Business 121 and Bennett Street in Lewisville. DCTA staff engaged the services of HNTB Engineering to assess and outline plan needed to correct the problem. Staff has also held several discussions with City of Lewisville engineers to help determine best approach to insure long-term correction of the drainage issues. Discussions with the Board as well as Program Services Committee have occurred over the past several months and it was determined that that it was in the best interest to move forward with this work as quickly as possible in order to insure uninterrupted delivery of rail service. Staff is working with City of Lewisville and adjacent property owner to obtain approval and right-of-entry to perform the required work. A complete scope of work is being developed and an RFP will be issued for the services and work. Since RFP will need to be issued and contracts awarded prior to next Board meeting, it is necessary for the President will be authorized to move forward with executing needed contracts.

Identified Need

This project is required to insure uninterrupted and safe train service.

Financial Impact

Staff estimates the cost will be approximately \$250,000. A capital project for this work was not included in the FY15 budget. A new project will be established and funded for FY15 from net available cash.


Recommendation

Program Services Committee recommends authorizing the President to execute required contracts to move this project forward as soon as possible. Budget Transfer request creating the capital project and identifying funding source

Submitted by:


 Raymond Suarez, COO

Approval:


 James C. Cline, Jr., President

**DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA)
BUDGET TRANSFER REQUEST**

Number: 2015-01

Type: Transfer
Revision x

	Current Budget Amount	Budget Transfer Amount	Adjusted Budget Amount
Additional Capital Project:			
61104 - Rail Drainage Improvement	-	250,000	250,000
Total	-	250,000	250,000

Explanation:

The Rail Drainage Improvement project will include engineering, excavation and site work as required. This project will address and correct the current drainage issues the agency has been experiencing and will be funded out of net available cash.

Date: Sept 19, 2014
Date _____
Date _____

Requested By Raymond Seaway
Reviewed By [Signature]
President James C. [Signature]