



Denton County Transportation Authority

(972) 221-4600
dcta.net

**Board of Directors
Regular Meeting / Board Retreat**

*Lantana Lodge
Jordan Unit of Ray Roberts Lake State Park
2200 FM 1192, Pilot Point, TX 76258*

February 27, 2014
9:00 a.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

1. ROUTINE BRIEFING ITEMS *Briefing by request/exception only*
 - a. Financial Reports
 - i. Financial Statements
 - ii. Capital Projects Fund
 - iii. Sales Tax Report
 - iv. Procurement Report
 - b. Capital Projects Update
 - i. GTW Integration
 - ii. Bus Operations and Maintenance Facility (O&M)
 - iii. Community Enhancements
 - iv. Lewisville Bike Trail
 - v. Positive Train Control (PTC)
 - vi. Passenger Amenities
 - vii. Interstate Highway 35 East Impacts / Grade Crossing Agreement
 - c. Marketing and Communications
 - i. Marketing and Communications Initiatives
 - ii. Media Coverage
 - iii. Safety Campaign
 - iv. Customer Service
 - v. Advertising Update

- d. Transit Operations
 - i. Rail Operations
 - ii. Bus Operations
- 2. 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.
- 3. RECONVENE OPEN SESSION
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
- 4. CONSENT AGENDA
 - a. Approval of Minutes - Board Meeting January 24, 2013
 - b. Acceptance of Financial Reports
 - c. Approve Award of Contract for Fleet Collision Repair and Painting Services
- 5. REGULAR AGENDA
 - a. Presentation of Audit Report for Fiscal Year End 9/30/2013 by Weaver & Tidwell, LLP
 - b. Discussion/Action - Accept the 2013 Financial Statements and Supplementary Information
 - c. Authorize President to Execute Agreement for State Legislative Consulting Services
- 6. BOARD PLANNING RETREAT
 - a. Familiarization with Materials and Objectives
 - b. Board Chair Strategic Focus / Committee Roles / Assignments
 - c. Review of Long Range Service Plan
 - d. Progress with Long Range Service Plan since February 2012/Performance Metrics
 - e. Next Steps
 - i. Enhancement within A-train Corridor
 - ii. Service Area Expansion
 - f. Fiscal Year 2015 Budget Challenges / Constraints / Considerations
 - g. Cash Flow Model Development for Fiscal Year 2015
- 7. BOARD BRIEFING
 - a. Patient Protection and Affordable Care Act Update – Presentation by Den Bishop, President Holmes-Murphy

8. CHAIR REPORT

- a. Appointment of Board Committees
- b. Discussion of Regional Transportation Issues
- c. Discussion Legislative Issues
 - i. Regional
 - ii. State
 - iii. Federal

9. PRESIDENT'S REPORT

- a. American Public Transportation Association – Transit CEO Conference

10. 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.

11. DISCUSSION OF FUTURE AGENDA ITEMS

- a. Board Member Requests

12. LUNCH (fit into agenda as appropriate)

13. BOARD GUIDANCE

14. 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 1660 S. Stemmons, Lewisville, Texas 75067 at a place convenient and readily accessible to the public at all times. Said notice was posted on 2/21/14 at 3:54 PM.

Leslee Bachus, Executive Assistant



Board of Directors Memo

February 27, 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 January 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 \$27k reflecting GoPass deferred revenue being recognized in the current month.
- **Note B:** Contract Service Revenue – YTD unfavorable by (\$218k) because revenue hours were lower than budgeted in December, partially offset by higher revenue hours in October and January. Actual YTD revenue hours were 17,234 compared to budgeted 19,882. In addition, actual YTD fuel usage was 56,988 gallons compared to budget 65,370 gallons, down 13%. In FY14 fuel was budgeted at \$4.15/gallon. In January fuel was \$3.48/gallon.
- **Note C:** Sales Tax Revenue – January sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in January will be received in March. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of sales tax receipts for FY 14.
- **Note D:** Federal/State Grants – YTD unfavorable by (\$1.3 million) due to a delay in the timing of the Where's My Ride (\$147k), bus fleet replacement (\$644k), and TxDOT Hike and Bike (\$593k) projects anticipated in the budget. Capital project expenses for these projects have not yet been expended. As payments are made, reimbursement will be requested.
- **Note E:** Leases and Rentals – YTD unfavorable by (\$14k) because February rents were paid in January.

Statement of Net Assets

- **Note A:** Accrued Expenses Payable decreased (\$923k) due to the \$1 million payment for the MedPark extension.

Capital Projects Fund

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

Identified Need

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

Recommendation

Staff recommends acceptance.

Submitted by: Chrissy Nguyen *mb*
Senior Accountant

Final Review: *[Signature]*
Department Head

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

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

WS1ai

Description	Month Ended January 31, 2014			Year to Date January 31, 2014			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	154,133	109,722	44,411	486,808	459,898	26,910	1,375,663	Note A
Contract Service Revenue	233,938	220,096	13,842	1,017,844	1,235,723	(217,879)	3,298,781	Note B
Sales Tax Revenue	1,417,777	1,478,282	(60,505)	6,881,192	6,737,165	144,027	20,725,320	Note C
Federal/State Grants and Reimbursements	274,426	888,005	(613,579)	2,175,125	3,454,214	(1,279,089)	7,079,358	Note D
Total Revenue and Other Income	2,080,273	2,696,105	(615,832)	10,560,968	11,887,000	(1,326,032)	32,479,122	
Operating Expenses								
Salary, Wages and Benefits	641,611	675,307	33,695	2,635,575	2,804,184	168,609	8,279,130	
Services	169,142	293,735	124,592	491,567	1,355,714	864,147	2,511,948	
Materials and Supplies	227,423	315,664	88,240	833,800	1,304,356	470,556	3,829,224	
Utilities	25,179	37,318	12,139	97,593	149,272	51,679	447,815	
Insurance, Casualties and Losses	68,138	65,805	(2,333)	262,713	263,218	506	798,162	
Purchased Transportation Services	721,838	768,216	46,378	2,891,483	3,006,199	114,716	9,201,518	
Miscellaneous	7,497	20,096	12,599	26,085	103,635	77,550	233,085	
Leases and Rentals	13,279	16,304	3,025	95,188	81,265	(13,923)	284,615	Note E
Depreciation	711,998	750,049	38,051	2,895,537	3,001,310	105,774	8,997,293	
Total Operating Expenses	2,586,104	2,942,491	356,387	10,229,539	12,069,152	1,839,613	34,582,789	
Income Before Non-operating Revenue and Expense	(505,831)	(246,386)	(259,445)	331,430	(182,152)	513,581	(2,103,667)	
Non-Operating Revenues / (Expense)								
Investment Income	1,975	2,750	(775)	7,385	11,000	(3,615)	33,000	
Gain (Loss) Disposal of Assets	440	-	440	4,940	-	4,940	-	
Fare Evasion Fee	225	-	225	1,650	-	1,650	-	
Other Income - Miscellaneous	183	375	(192)	17,421	1,875	15,546	7,125	
Long Term Debt Interest/Expense	(105,069)	(201,987)	96,918	(420,275)	(807,947)	387,671	(2,423,840)	
Total Non-Operating Revenue / (Expense)	(102,245)	(198,862)	96,616	(388,879)	(795,072)	406,192	(2,383,715)	
Change in Net Assets	(608,077)	(445,248)	(162,829)	(57,450)	(977,223)	919,774	(4,487,382)	

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

	<u>January 31, 2014</u>	<u>December 31, 2013</u>	<u>Change</u>	
Current Assets				
Cash & Cash Equivalents	7,849,868	8,572,870	(723,002)	
Investments	7,281,994	6,749,407	532,587	
Accounts & Notes Receivable	4,362,577	5,425,211	(1,062,635)	
Prepaid Expenses	64,858	129,717	(64,858)	
Inventory	45,795	-	45,795	
Restricted Asset-Cash and Equivalents	4,792,542	4,251,741	540,801	
Total Current Assets	<u>24,397,634</u>	<u>25,128,946</u>	<u>(731,312)</u>	
Property, Plant and Equipment				
Land	16,228,337	16,228,337	-	
Land Improvements	5,386,734	5,386,734	-	
Machinery & Equipment	1,246,388	1,246,388	-	
Leasehold Improvements	55,506	55,506	-	
Vehicles	87,599,032	87,599,032	-	
Computers & Software	262,676	262,676	-	
Accumulated Depreciation	(23,755,842)	(23,043,845)	(711,998)	
Total Property, Plant and Equipment	<u>87,022,832</u>	<u>87,734,830</u>	<u>(711,998)</u>	
Other Non Current Assets				
Bond Fees	199,935	200,953	(1,018)	
Total Other Non Current Assets	<u>199,935</u>	<u>200,953</u>	<u>(1,018)</u>	
Capital Assets				
Intangible Assets	16,997,155	16,997,155	-	
Other Capital Assets, Net	216,211,406	216,211,207	199	
Construction in Progress	21,835,856	21,584,030	251,826	
Total Capital Assets	<u>255,044,417</u>	<u>254,792,392</u>	<u>252,025</u>	
Total Assets	<u><u>366,664,818</u></u>	<u><u>367,857,121</u></u>	<u><u>(1,192,303)</u></u>	
Liabilities				
Current Liabilities				
Accounts Payable	1,936,970	1,792,886	144,084	
Salary, Wages, and Benefits Payable	397,877	347,571	50,306	
Accrued Expenses Payable	2,909,196	3,831,855	(922,659)	Note A
Deferred Revenues	496,335	457,911	38,424	
Interest Payable	416,202	312,152	104,051	
Total Current Liabilities	<u>6,156,580</u>	<u>6,742,375</u>	<u>(585,796)</u>	
Non-Current Liabilities				
Rail Easement Payable	1,650,000	1,650,000	-	
Retainage Payable	1,874,596	1,873,027	1,568	
Bonds Payable	34,395,000	34,395,000	-	
Total Non-Current Liabilities	<u>37,919,596</u>	<u>37,918,027</u>	<u>1,568</u>	
Total Liabilities	<u>44,076,175</u>	<u>44,660,403</u>	<u>(584,227)</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	(57,450)	550,627	(608,077)	
Total Equity	<u>322,588,642</u>	<u>323,196,719</u>	<u>(608,077)</u>	
Total Liabilities and Equity	<u><u>366,664,818</u></u>	<u><u>367,857,121</u></u>	<u><u>(1,192,303)</u></u>	

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

Work Session 1a ii

	Original Budget	Revised Budget	January 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of January 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				2,600	(2,600)	
5020216 · Construction				73,453	(73,453)	
5020226 · Furniture Fixtures & Equipment				142	-	
5020229 · Project Management				5,288	(5,288)	
Total 50202 · Passenger Amenities (Phase 2)	174,011	229,326	-	220,546	8,922	96%
50301 · Bus O&M Facility						
5030113 · Design	590,000	1,294,280	58,050	1,161,885	132,395	90%
5030115 · Survey, Testing, Inspection		104,735		112,957	(8,222)	108%
5030114 · Land Acquisition	1,164,310	1,173,451		1,165,810	7,641	99%
5030116 · Building Construction	4,745,690	5,648,243		4,922,453	725,790	87%
5030118 · Canopy Construction				-	-	0%
5030120 · Landscaping		542,513		567,432	(24,919)	105%
5030121 · Systems		333,294	5,950	198,637	134,657	60%
5030125 · Utilities		1,362,500		1,530,197	(167,697)	112%
5030126 · Furniture, Fixtures & Equipment	1,642,667	517,865	126,910	253,490	264,375	49%
5030128 · Contingency		275,895		-	275,895	0%
5030129 · Project Management		205,000	4,020	38,578	166,422	19%
5030131 · Insurance/Bonds		105,521		105,521	-	100%
5030132 · Mobilization		157,060		146,421	10,639	93%
5030133 · Legal Fees		360		1,460	(1,100)	406%
Total 50301 · Bus O&M Facility	8,142,667	11,720,717	194,930	10,204,841	1,515,876	87%
50302 · Bus Maintenance Equipment						
5030226 · FF&E			13,219	13,219	(13,219)	
5030214 · Acquisition	500,000	500,000		331,272	168,728	66%
Total 50302 · Bus Maintenance Equipment	500,000	500,000	13,219	344,492	155,508	69%
50303 · DDTC						
5030314 · Acquisition	373,282	373,282		-	373,282	0%
Total 50303 · DDTC	373,282	373,282	-	-	373,282	0%
50406 · Where's My Ride						
5040614 · Acquisition	940,485	940,485		453,674	486,811	48%
5040629 · Project Management				6,420	(6,420)	
Total 50406 · Where's My Ride	940,485	940,485	-	460,094	480,392	49%
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		29,200	848,798	3%
Total 50504 · Fleet Replacement (2014)	877,998	877,998	-	29,200	848,798	3%
50408 · Bus Radios						
5040814 · Acquisition	137,457	137,457		-	137,457	0%
Total 50408 · Bus Radios	137,457	137,457	-	-	137,457	0%
Total 5 · Bus Capital Projects	13,114,400	18,190,857	208,149	14,241,499	3,949,500	78%

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

Work Session 1a ii

	Original Budget	Revised Budget	January 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of January 2014 Close)
6 - Rail Construction						
61103 - Rail Grinding (2014)						
6110317 - Track & Civil Construction	192,000	192,000	-	-	192,000	0%
Total 61103 - Rail Grinding (2014)	192,000	192,000	-	-	192,000	0%
61206 - MedPark Extension	1,000,000	1,000,000	-	1,000,000	-	100%
61208 - Rail Station Improvements						
6120812 - Preliminary Design				7,745	(7,745)	
6120815 - Installation		15,000		-	15,000	0%
6120816 - Construction				6,743	(6,743)	
6120829 - Project Management			360	699	(699)	
Total 61208 - Rail Station Improvements	-	15,000	360	15,187	(187)	101%
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	42	103,699	(21,928)	127%
Total 61401 - Fare Collection Systems	569,000	733,104	42	649,943	83,161	89%
61406 - Positive Train Control						
6140617 - Construction		19,397,536			19,397,536	0%
6140628 - Contingency		728,554			728,554	0%
6140629 - Project Management		2,097,992	31,367	702,816	1,395,176	33%
6140633 - Legal Fees		80,939			80,939	0%
6140636 - Vehicle Provisions		597,930		358,758	239,172	60%
6140621 - Systems	-	-		-	-	0%
Total 61406 - Positive Train Control	-	22,902,951	31,367	1,061,574	21,841,377	5%
61603 - Stadler Implementation						
6160332 - Mobilization	-	895,803		985,226	(89,423)	110%
Total 61603 - Stadler Implementation	-	895,803	-	985,226	(89,423)	110%
61707 - Community Enhancements						
6170711 - Engineering	-	22,000		-	22,000	0%
6170712 - Preliminary Design	-	12,500		55,737	(43,237)	446%
6170713 - Final Design	-	15,000		64,812	(49,812)	432%
6170715 - Survey, Inspection & Testing	-	6,000		-	6,000	0%
6170716 - Building Construction	-	545,000		-	545,000	0%
6170720 - Landscaping	-	25,000		2,500	22,500	10%
6170726 - FF&E	-	10,000		-	10,000	0%
6170727 - Environmental Mitigation	-	4,000		-	4,000	0%
6170728 - Contingency	-	15,029		-	15,029	0%
6170729 - Project Management	-	85,088		1,155	83,933	1%
6170733 - Administration Fees	-	13,091		19,637	(6,546)	150%
Total 61707 - Community Enhancements	-	752,708	-	143,841	608,867	19%

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

Work Session 1a ii

	Original Budget	Revised Budget	January 2014 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of January 2014 Close)
61708 · Lewisville Bike Trail						
6170811 · Engineering	-	75,000		-	75,000	0%
6170812 · Preliminary Design	-	75,000		35,057	39,943	47%
6170813 · Final Design	-	41,000		-	41,000	0%
6170816 · Building Construction	-	2,045,991		-	2,045,991	0%
6170820 · Landscaping	-	21,000		-	21,000	0%
6170822 · Bridges	-	55,355		-	55,355	0%
6170823 · Crossings/Traffic Signals	-	200,000		-	200,000	0%
6170825 · Utilities	-	75,000		-	75,000	0%
6170826 · FF&E	-	3,000		-	3,000	0%
6170827 · Environmental Mitigation	-	28,800		-	28,800	0%
6170828 · Contingency	-	50,000		-	50,000	0%
6170829 · Project Management	-	394,454	450	1,703	392,751	0%
6170833 · Administration Fees	-	60,685		60,685	-	100%
Total 61708 · Lewisville Bike Trail	-	3,125,285	450	97,445	3,027,840	3%
61710 · HV Parking Expansion						
6171011 · Engineering	-	-		28,947	(28,947)	
6171017 · Civil Construction	-	288,681		-	288,681	0%
Total 61710 · HV Parking Expansion	-	288,681	-	28,947	259,734	10%
60701 · Passenger Information						
6070114 · Acquisition	-	56,214		23,851	32,363	42%
Total 60701 · Passenger Information	-	56,214	-	23,851	32,363	42%
61711 · Rail Maintenance of Way (MOW)						
6171117 · Track & Civil Construction	150,000	150,000		-	150,000	0%
Total 61711 · Rail MOW	150,000	150,000	-	-	150,000	0%
61712 · Rail Maintenance of Equipment (MOE)						
6171217 · Track & Civil Construction	585,000	585,000		-	585,000	0%
Total 61712 · Rail MOE	585,000	585,000	-	-	585,000	0%
61503 · Rail Single Car Operations						
6150315 · Survey, Testing, Inspection	101,800	101,800	11,657	12,392	89,408	12%
Total 61503 · Rail Single Car Operations	101,800	101,800	11,657	12,392	89,408	12%
Total Rail Construction Projects	2,597,800	30,798,546	43,876	4,018,406	26,780,140	13%
61501 · Rail Cars						
6150114 · Acquisition	71,500,000	77,715,424		77,781,247	(65,823)	100%
6150128 · FRA Compliance Contingency	-	211,715		-	211,715	0%
6150133 · Legal Fees	-	15,005		15,005	-	100%
6150129 · Project Management	-	1,796,462		1,541,056	255,406	86%
Total 61501 · Rail Cars	71,500,000	79,738,606	-	79,337,308	401,298	99%
TOTAL RAIL CONSTRUCTION & CARS	74,097,800	110,537,152	43,876	83,355,714	27,181,438	75%
Total 1660 · Construction Work in Progress	87,212,200	128,728,009	252,025	97,597,213	31,130,939	76%

**Board of Directors Memo****February 27, 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 December and received in February was \$2,173,929.
- This represents a decrease of .40% or \$8,771 compared to budget for the month.
- Receipts are favorable 1.24% year-to-date compared to budget.
- Compared to the same month last year, sales tax receipts were \$45,600 or 2.14% more.

- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up .31%
 - City of Denton up 5.42%
 - Highland Village up .48%

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 Prev. Yr. 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	\$ 1,679,526.13	\$ 1,646,958.60	\$ (32,567.53)	-1.94%	\$ 1,637,689.04	\$ 9,269.56	0.57%
November	January	\$ 1,474,616.69	\$ 1,582,022.03	\$ 107,405.34	7.28%	\$ 1,437,883.91	\$ 144,138.12	10.02%
December	February	\$ 2,182,700.38	\$ 2,173,929.28	\$ (8,771.10)	-0.40%	\$ 2,128,329.19	\$ 45,600.09	2.14%
January	March	\$ 1,540,083.86				\$ 1,501,720.29		
February	April	\$ 1,532,846.76				\$ 1,494,663.46		
March	May	\$ 1,830,692.59				\$ 1,785,089.94		
April	June	\$ 1,628,435.45				\$ 1,587,871.03		
May	July	\$ 1,683,642.97				\$ 1,641,703.33		
June	August	\$ 1,870,662.18				\$ 1,824,063.88		
July	September	\$ 1,633,118.63				\$ 1,592,437.56		
August	October	\$ 1,735,511.69				\$ 1,692,280.00		
September	November	\$ 1,933,482.67				\$ 1,885,319.51		
Y.T.D Total		\$ 20,725,320.00	\$ 5,402,909.91	\$ 66,066.71	1.24%	\$ 20,209,051.14	\$ 199,007.77	3.82%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 February 13, 2014

**Denton County Transportation Authority (DCTA)
Member Cities Sales Tax Report
Month Allocation is Received from Comptroller
Prev. Yr. 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	\$ 2,371,149.84	\$ 2,412,800.40	\$ 41,650.56	1.76%
November	January	\$ 1,965,351.05	\$ 2,283,269.38	\$ 317,918.33	16.18%
December	February	\$ 3,085,264.25	\$ 3,094,979.88	\$ 9,715.63	0.31%
January	March	\$ 2,041,609.97			
February	April	\$ 2,102,744.48			
March	May	\$ 2,507,337.55			
April	June	\$ 2,214,494.00			
May	July	\$ 2,350,979.01			
June	August	\$ 2,611,642.19			
July	September	\$ 2,256,112.78			
August	October	\$ 2,407,745.59			
September	November	\$ 2,649,873.79			
Y.T.D Total		\$ 28,564,304.50	\$ 7,791,049.66	\$ 369,284.52	4.98%

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	\$ 250,035.98	\$ 242,975.39	\$ (7,060.59)	-2.82%
November	January	\$ 246,297.20	\$ 271,909.15	\$ 25,611.95	10.40%
December	February	\$ 413,313.51	\$ 415,311.54	\$ 1,998.03	0.48%
January	March	\$ 239,867.34			
February	April	\$ 215,912.22			
March	May	\$ 310,470.19			
April	June	\$ 240,403.26			
May	July	\$ 240,733.53			
June	August	\$ 318,279.61			
July	September	\$ 244,567.16			
August	October	\$ 244,338.67			
September	November	\$ 280,725.39			
Y.T.D Total		\$ 3,244,944.06	\$ 930,196.08	\$ 20,549.39	2.26%

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	\$ 1,947,109.61	\$ 1,858,282.99	\$ (88,826.62)	-4.56%
November	January	\$ 1,729,577.71	\$ 1,802,475.71	\$ 72,898.00	4.21%
December	February	\$ 2,521,245.16	\$ 2,657,998.86	\$ 136,753.70	5.42%
January	March	\$ 1,929,589.80			
February	April	\$ 1,843,926.56			
March	May	\$ 2,297,124.75			
April	June	\$ 1,940,931.42			
May	July	\$ 1,950,563.66			
June	August	\$ 2,236,264.05			
July	September	\$ 1,936,814.25			
August	October	\$ 2,091,400.26			
September	November	\$ 2,529,583.83			
Y.T.D Total		\$ 24,954,131.06	\$ 6,318,757.56	\$ 120,825.08	1.95%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
February 13, 2014

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

Transit	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2013 Payments To Date	2012 Payments To Date	% Change
Houston MTA	1.00%	\$ 72,637,000.64	\$ 66,295,020.26	9.57%	\$ 124,318,641.33	\$ 114,043,478.75	9.01%
Dallas MTA	1.00%	\$ 50,201,621.54	\$ 47,823,266.09	4.97%	\$ 86,510,130.76	\$ 79,904,418.47	8.27%
Austin MTA	1.00%	\$ 19,521,751.89	\$ 18,399,240.23	6.10%	\$ 34,978,495.18	\$ 31,837,435.26	9.87%
San Antonio MTA	0.50%	\$ 13,785,278.49	\$ 12,439,111.65	10.82%	\$ 23,605,237.13	\$ 21,185,441.83	11.42%
San Antonio ATD	0.25%	\$ 6,360,582.61	\$ 5,643,116.70	12.71%	\$ 10,854,698.92	\$ 9,589,963.52	13.19%
Fort Worth MTA	0.50%	\$ 6,474,378.17	\$ 6,059,892.43	6.84%	\$ 11,096,368.13	\$ 10,327,240.96	7.45%
El Paso CTD	0.50%	\$ 4,313,229.82	\$ 4,210,011.24	2.45%	\$ 7,465,003.57	\$ 7,209,964.79	3.54%
Corpus Christi MTA	0.50%	\$ 3,425,615.70	\$ 3,896,289.06	-12.08%	\$ 6,001,051.01	\$ 6,841,087.53	-12.28%
Denton CTA	0.50%	\$ 2,173,929.28	\$ 2,128,329.19	2.14%	\$ 3,755,951.31	\$ 3,566,213.10	5.32%
Laredo CTD	0.25%	\$ 873,839.00	\$ 844,882.34	3.43%	\$ 1,527,430.31	\$ 1,454,450.28	5.02%
TOTALS		\$ 179,767,227.14	\$ 167,739,159.19	7.17%	\$ 310,113,007.65	\$ 285,959,694.49	8.45%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 February 13, 2014



Board of Directors Memo

February 20, 2014

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

Bus Shelters in Denton

A procurement was released January 28th with bids due on February 26, 2014. Three shelters will be placed within the city of Denton. The anticipated expenditure will be below the threshold level required for Board approval and will be awarded by staff.

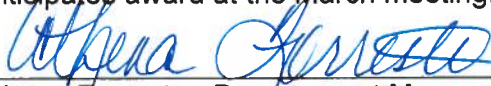
Transportation Management Services

The request for proposal was released on February 12, 2014. A pre-proposal and facility tour will occur on February 25, 2014, to allow prospective proposers an opportunity to visit with staff and tour the facility. Proposals are due on Monday, March 17th. Staff anticipates award at the April meeting.


Construction of Community Enhancements

Approval to release the procurement was received from TxDOT on February 19th. The solicitation documents will be released on Monday, February 24th with the due date for bids on March 20th. Staff anticipates award at the March meeting.

Submitted by:


Athena Forrester, Procurement Manager

Final Review:


Anna Mosqueda, CFO

Approval:


James C. Cline, Jr., President



Board of Directors Memo

February 27, 2014

Item: 1(b) Capital Projects Update

GTW Implementation

Staff continues to work with Herzog, Stadler and the FRA to test GTWs with the intent of eventually operating single units. Herzog, DCTA and the FRA conducted two rounds of single car testing along the entire corridor, neither of which was successful. The loss of shunt experienced by a single GTW is a complex issue that will likely require a multi-disciplined approach to solve.

DCTA, Stadler and Herzog are currently working on a rail brush that would attach to the rear truck of the vehicle and “brush” the rail which may help in the shunting of a single car and minimize the need for other routine scrubbing/polishing. The manual prototype was tested the week of July 15th in the yard to insure that it does not get caught on switches and rail guides. This test was successful and FRA was present. The manufacturer’s prototype was installed and tested on the line in December. No issues were reported but further testing is warranted with additional testing scheduled for the spring.

DCTA and Herzog are developing a plan to test a section of track north of Hebron utilizing the fiber in the corridor as a supplement to the existing communications system. This plan will need to be reviewed and approved by the FRA prior to installation. DCTA is 90 days out from installation and testing.

Where’s My Ride

The Where’s My Ride project schedule has been updated to reflect a phased release of major software components. DCTA’s contract with Strategic Mapping will be amended to include the finalized project schedule. Highlights of the phased release are outlined in the table below. The current schedule for implementation reflects full project implementation by November 11, 2014. This change is due to a variety of factors, including hardware and software advancements by Strategic Mapping to their internal platform of products and services. With the amended project schedule, DCTA will receive the benefits of all upgrades through the Where’s My Ride project at no additional cost to the agency. The advancements include newer, “best in class” hardware solutions, greater equipment reliability, improved system scalability (providing for future system expansions), 4G LTE communication, higher processing speeds, lower power consumption, redundant on-board memory storage, and integrated uninterruptable power supply. The timing of these updates to Strategic Mapping’s products and services ensures DCTA will receive and deploy the most up-to-date and powerful system in compliance with the specifications and budget for this project.

<i>Task</i>	<i>Delivery Date</i>
Base CAD/AVL software	May 12, 2014
Commence hardware installation	May 12, 2014
Complete hardware installation – all vehicles	June 2, 2014
Complete Base CAD/AVL software site testing (In-house dispatch system)	June 10, 2014
Passenger Prediction System (Portal, SMS, and Smart Voice)	August 18, 2014
Passenger Subscription System (Rider Alerts)	October 27, 2014
Go-live, full system functionality (DCTA acceptance testing)	November 11, 2014

The next milestone in the Where's My Ride project is delivery of "Bus-in-a-Box". This is essentially the system of hardware that will be installed on Connect buses, packaged in a portable unit for testing purposes. Bus-in-a-Box will allow a support vehicle to be driven along all Connect routes to test stop placements imported from the GTFS feed and the timing of announcements along the routes. Delivery of Bus-in-a-Box is expected in late February/early March.

Bus Operations and Maintenance Facility

The building is fully operational and the contractor is working the final punch list. Furniture was delivered and installed in January. All internal data systems are working but staff continues to utilize wireless broadband for internet access and is communicating via cellphone. The installation of fiber to the site for voice and data is now being completed and should be finalized by early March. The General Contractor expects to be complete by the end of February.

Community Enhancements

Jacobs Engineering has resubmitted the project package to TxDOT for approval. We anticipate a new award and start of construction no later than March, 2014.

Lewisville Hike/Bike Trail

The engineer has met with the Corps of Engineers to discuss small sections of the trail that will be constructed on Corps property. Jacobs has submitted the 60% review set to the City of Lewisville for review. We anticipate TxDOT approval of the plans by late April so that the contract can be awarded in July, according to the grant requirements.

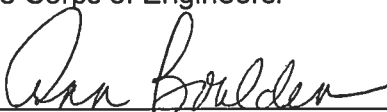
Positive Train Control (PTC)

The RFP was released for bid by DART on January 31, 2014. Bids are due April 11, 2014. The pre-bid meeting was held on February 20th with site visits to follow on the 21st. Staff continues to work on the PTC 220 lease documents, the Interlocal Agreement and funding issues. We are on schedule for contract award by summer, 2014.

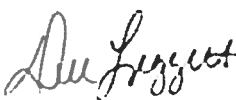
Highland Village/Lewisville Lake Recreational Parking

Bids were received and the contract awarded in January. Implementation is waiting on final approval from the Corps of Engineers.

Submitted by: _____


Ann Boulden, Project Manager

Approved by: _____


Dee Leggett, COO



Board of Directors Memo

February 27, 2014

Item: 1(c) Communications and Marketing Update

Marketing & Communications Initiatives

35Express Construction Campaign & Initiatives
International Bus Driver Appreciation Day Campaign
Bus Operations & Maintenance Facility Ribbon-Cutting
WMR Software Design & Implementation
Internal Brand Communications
Public Meeting Coordination

Passenger Satisfaction Surveys
Main & Mill District Event Partnership Development
Community Events Calendar Coordination
Hickory Street Construction Marketing Campaign
Arts & Jazz Festival Partnership Development
Internship Recruitment

Regional Initiatives

NCTCOG Air North Texas
NCTCOG Regional Transit Survey Regional
GoPass Promotion & Passenger Tools Enhancement
Regional Marketing & Communications Committee
Regional Transportation Education Campaign
NCTCOG Casual Carpool App

Fort Worth Arts & Jazz Promotion
North Texas Travels Travel Training
Regional "North Texas Travels" Planning

Recent Events

22-Jan	Denton "Mouthwatering Wednesdays" Food Truck Event	100 attendees
29-Jan	Denton "Mouthwatering Wednesdays" Food Truck Event	60 attendees
5-Feb	Denton "Mouthwatering Wednesdays" Food Truck Event	48 attendees
12-Feb	Denton "Mouthwatering Wednesdays" Food Truck Event	61 attendees
19-Feb	Denton "Mouthwatering Wednesdays" Food Truck Event	125 attendees
20-Feb	Bus Operations & Maintenance Facility Opening Celebration	

Upcoming Events

26-Feb	North Texas Area Aging
5-Mar	Calhoun Middle School Field Trip to Perot Museum
18-Mar	DDTC Naming Ceremony
18-Mar	International Bus Driver Appreciation Day
24-Mar	35Express Community Meeting (Denton)
25-Mar	35Express Community Meeting (Lewisville)
26-Mar	Denton Breakfast Kiwanis Club
10-Apr	Citizen's Advisory Team
17-Apr	Citizen's Advisory Team
29-Apr	Mayor's Day of Concern for the Hungry
25-27 Apr	Denton Arts & Jazz Festival
1-May	Lewisville High School Harmon Campus Rail Safety Presentations
9-May	Shady Shores Elementary Career Day
17-May	Lewisville's Chalk this Way
28-May	Strickland Middle School Field Trip
21-June	Lewisville's Little Brewfest of Texas

General DCTA Related Media

Articles Mentioning DCTA	29
Web Reach Per Million	222
YTD Web Reach Per Million	7,564
Month Total Ad Value	\$14,170
YTD Total Ad Value	\$73,917
Social Media Posts Mentioning DCTA	3

Topic Highlights

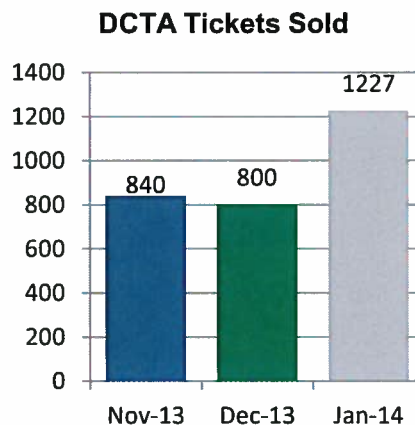
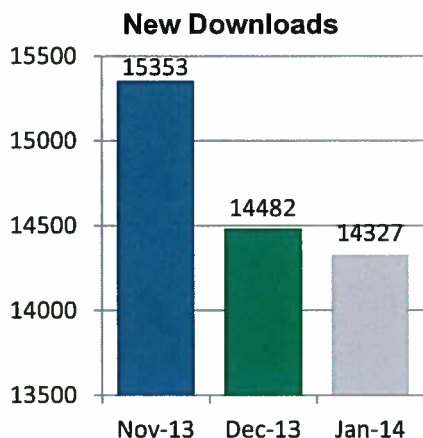
DCTA plans five food truck lunchtime events

Dallas/Fort Worth transit agencies to survey riders

DCTA begins new I-35E construction marketing campaign

DCTA board keeps officers in place

GoPass Application



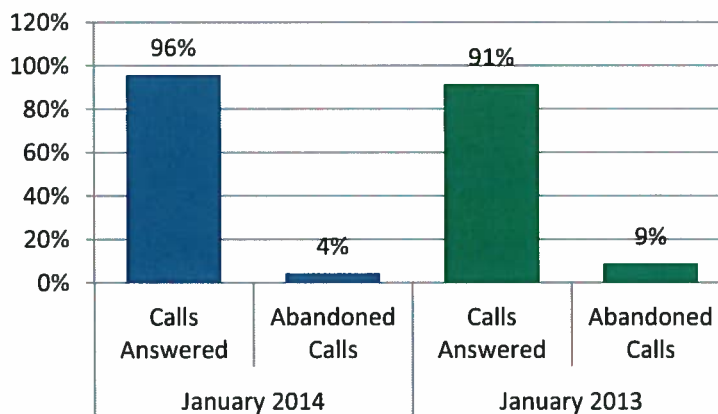
Call Center Statistics

In January, DCTA's call center received 5,140 calls compared to the 5,191 calls that were recorded in the month of December. This is a 1% decrease in call volume from the previous month. 4,919 of the calls recorded in January were answered and 221 were abandoned.

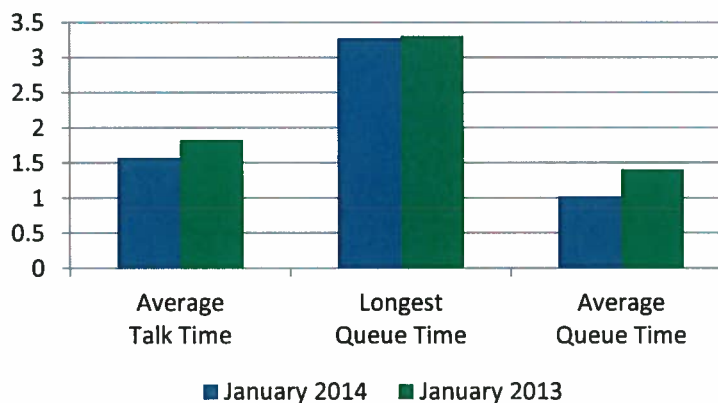
The target for answered calls is 90%. With a 96% rate of calls answered, this target was met this month.

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

Incoming Calls



Call Center Performance



GoRequest Statistics

DCTA had a total of 51 submissions into GoRequest during the month of January. This is an 8% decrease from the month of December.

Customer Service Information	2
Driver Conduct	8
Driving Skills	1
Lost and Found	2
On Time Performance	5
Other	13
Route and Schedule Information	11
Service Request	1
Stations / Shelters / Bus Stops	3
Ticket or Ticket Vending Machine Issue	1
UNT Shuttle	1

Types of Submittals Breakout

Complaint	22
Compliment	6
Problem	1
Question	9
Suggestion	10

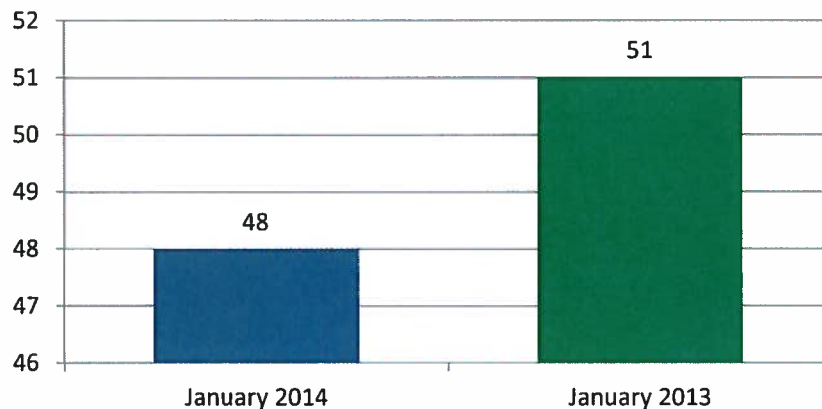
Complaints Per 10,000 Passengers

0.26	Complaints/10,000 Passengers
0.54	Total Requests / 10,000 Passengers

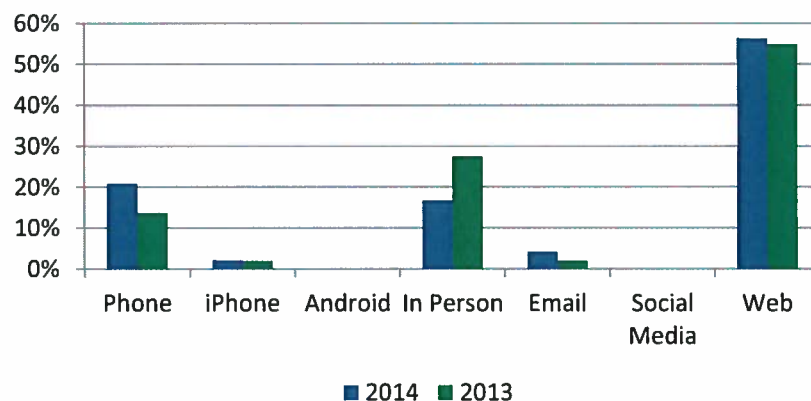
Complaint Topic Breakout

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

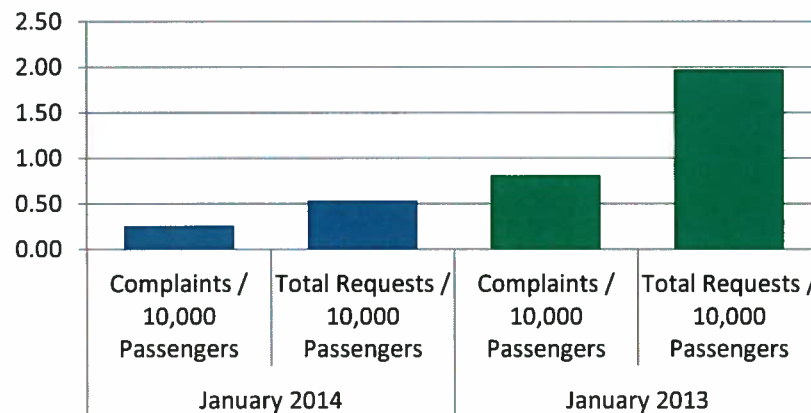
Number of Opened Requests



How Requests Are Reported



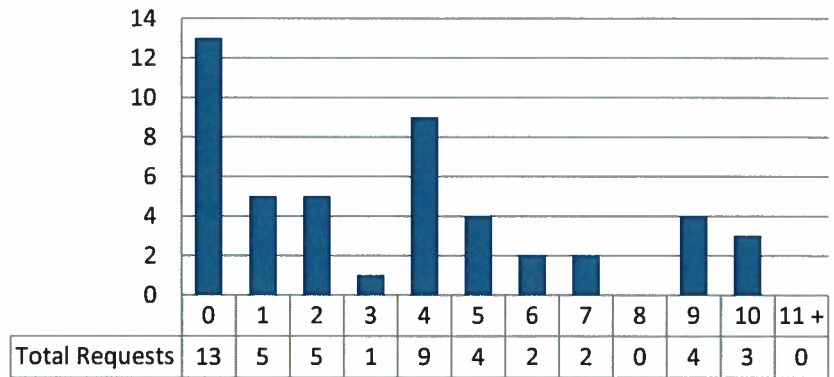
Requests Per 10,000 Passengers



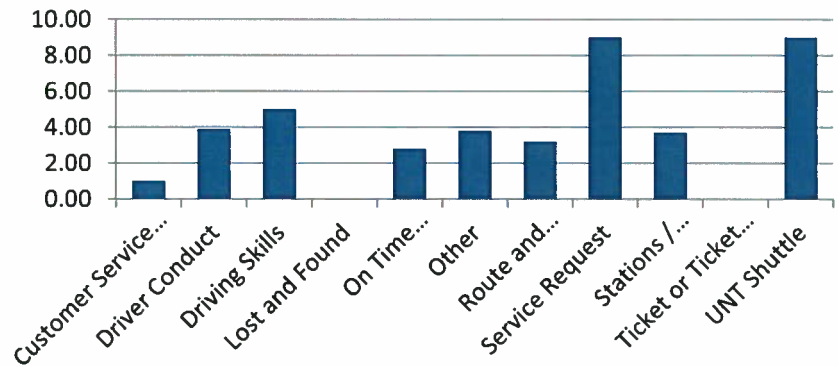
DCTA has a goal to close all requests within seven days. Ten days is the maximum number of days a request is allowed to remain unresolved.


In this reporting period it took, on average, 3.46 days to close out a request.

Number of Days to Close a Request



Average Number of Days to Close a Request



Submitted by: 
 Rusty Comer, Management Specialist

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

Board of Directors Memo**February 27, 2014****Item: 1(d) Transit Operations Report****❖ RIDERSHIP**

- DCTA carried 248,206 passengers system wide in the month of January. This is a 4% decrease from overall ridership last year. The decline is due to a reduction in revenue hours on the UNT Shuttle system.
- The A-train carried 47,183 passengers during the month of January. This reflects an overall increase in ridership of 16% for the month of January 2014, when compared to January 2013.
- A-train Saturday ridership in January remained the same compared to last year.
- DCTA's bus system carried 201,023 passengers in January which is a decrease 7.8% from January 2013.
- Connect ridership experienced an 18% increase versus this same time period last year.
- NCTC ridership decreased 7.2% in January 2014 compared to January 2013.
- Ridership on Connect RSVP decreased by 18% (or 44 boardings) in January 2014 relative to that same period in 2013.
- Access boardings in January increased 3.5% when compared to the previous year.
- UNT Shuttle continues to experience declines in ridership. Ridership decreased by 14% in January 2014 as compared to January 2013.

❖ SYSTEM ON-TIME PERFORMANCE

- January "On Time Performance" (OTP) for the A-train was 99.4%.
- January "On Time Performance" (OTP) for the bus system was above 96.9%.

❖ SAFETY/SECURITY

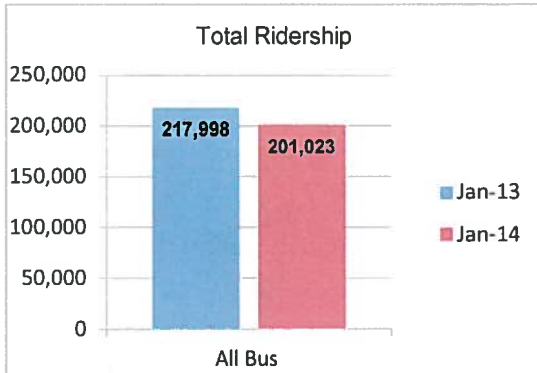
- DCTA Rail Operations Injury-Free Workdays: 630 days
- DCTA Bus Operations Injury-Free Workdays: 3 days
- There were no vehicle issues at the Eagle Point Road in the month of January.
- There were two reportable bus incidents in January.
- The new security contractor is servicing the rail and bus facilities.

❖ PLANNING AND CUSTOMER SERVICE

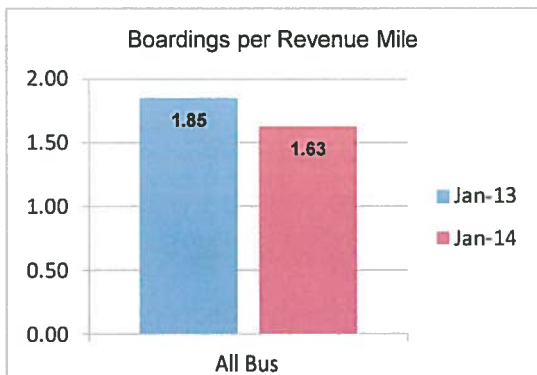
- The January service changes were effective on January 13, 2014. Slight adjustments were made to Route 9 to better align with new a.m. A-train trips. Staff will begin to examine future schedule changes.
- Hickory Street construction has caused a reroute of several bus routes in Denton.
- Construction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

❖ MAINTENANCE

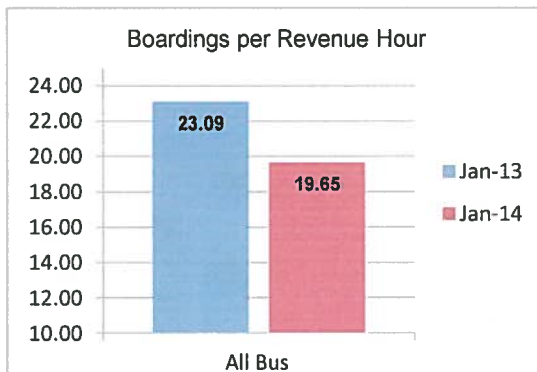
- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** There were no signal or communications issues in January.
- **Stations:** DCTA contract operations (HTSI) continues to perform weekly safety inspections, which have not identified any major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



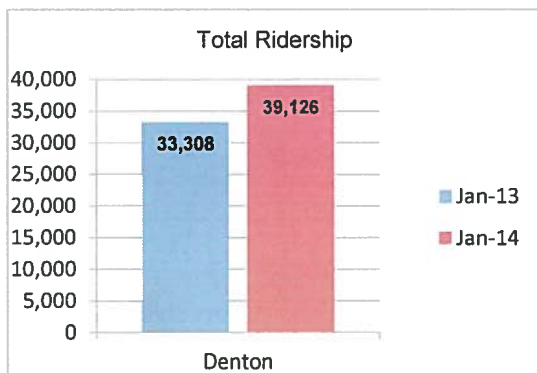
Overall boardings for all bus service decreased by 7.8% (or by almost 17,000 boardings) when comparing January 2014 to the previous year. This drop can in part be explained by decreases in UNT ridership which represents approximately 73% of total ridership.



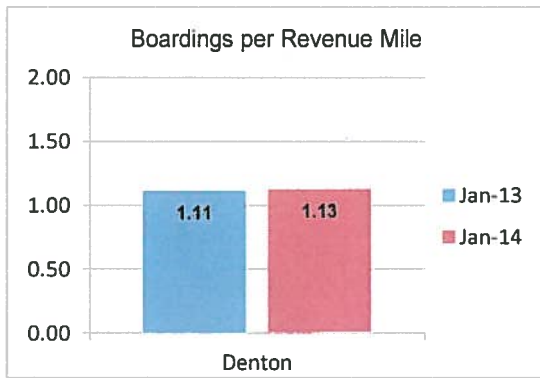
Overall, in January boardings per revenue mile dropped by 12% when compared to the previous year. As part of the January 2014 service changes, revenue miles were increased (by over 5,700 miles) for Connect Routes however, increases in Connect Service ridership were drawfed by drops in UNT ridership.



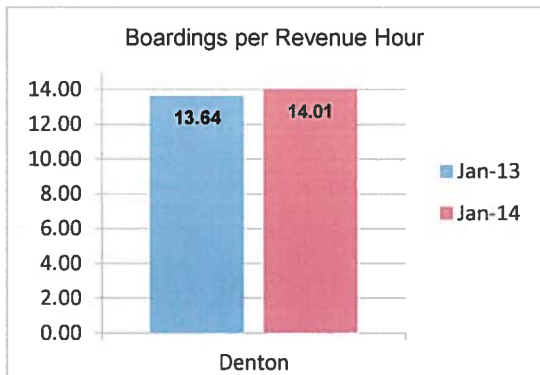
In January boardings per revenue hour decreased by almost 15% from the previous year.



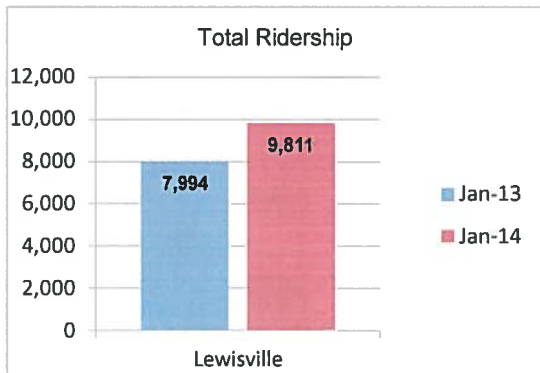
In January Denton Routes carried 17.47% more (or almost 5,800 boardings) when comparing 2014 to 2013. As part of the January 13, 2014 Service Changes, Route 6 was extended and frequency added.



In January boardings per revenue mile increased slightly by 1.32% from the previous year. That is, boardings increased slightly faster than revenue miles were added.



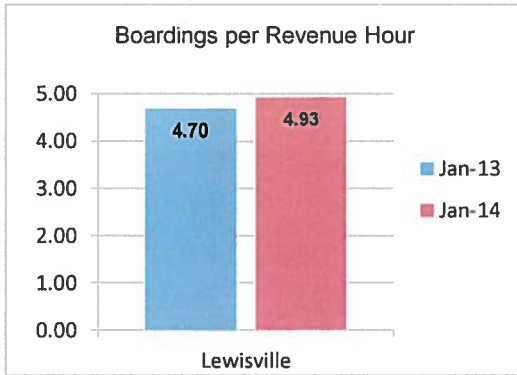
In January boardings per revenue hour increased by almost 3% from the previous year.



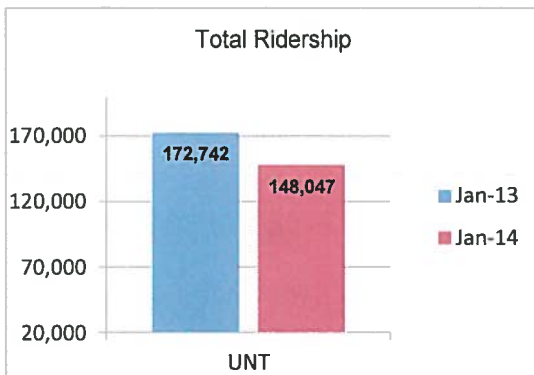
In January boardings increased by almost 23% (or 1,817 boardings) when compared to the previous year. As part of the January 13, 2014 Service Changes, mid-day service was added to Routes 21, 22, and 23.



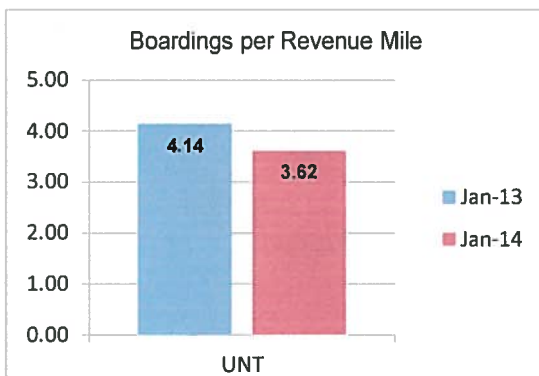
In January, boardings per revenue mile increased by 19.5% from the previous year. The January 2014 Service Changes, resulted in larger increases in boardings while modest increases in revenue miles.



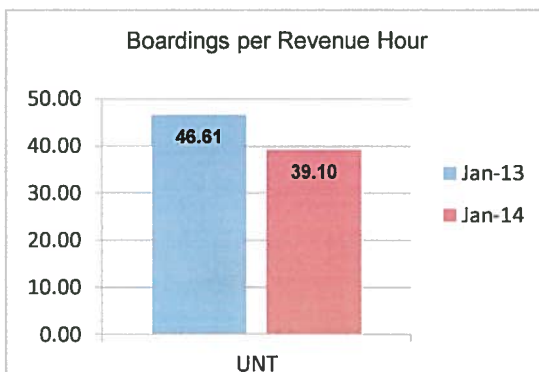
In January boardings per revenue hour increased by almost 5% from the previous year.



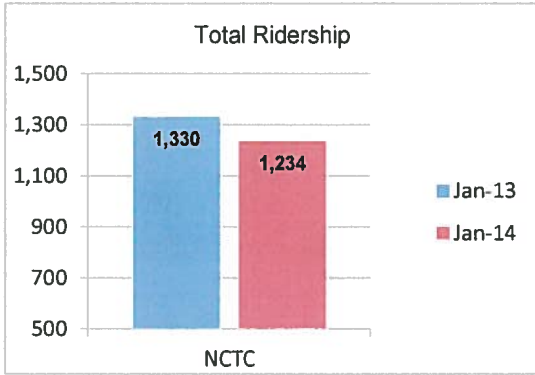
In January, UNT boardings decreased by over 14% (or 24,695 boardings) relative to the previous year.



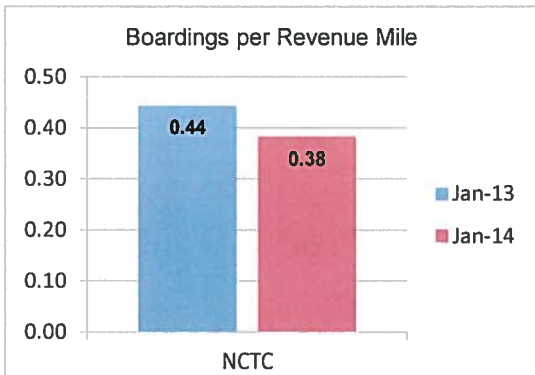
In January boardings per revenue mile decreased by almost 13% from the previous year.



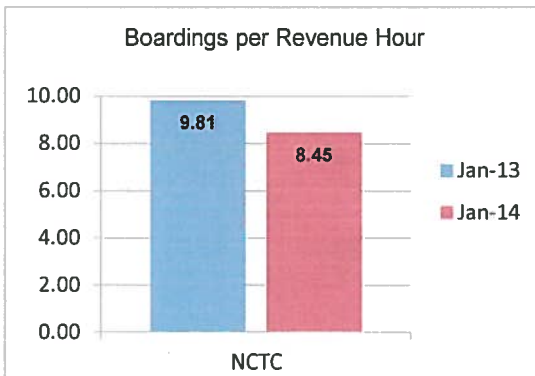
In January, boardings per revenue hour decreased by over 16% from the the previous year.



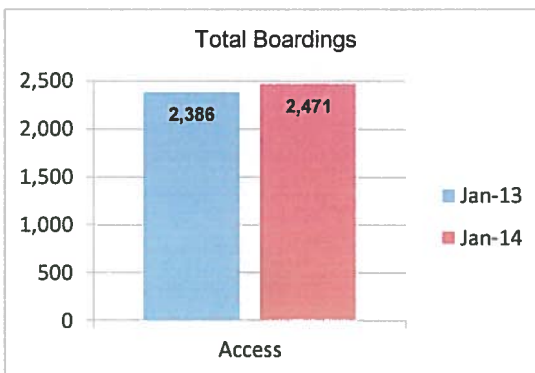
In January, NCTC boardings dropped by 7.22% less (or by 96 boardings) when compared 2013.



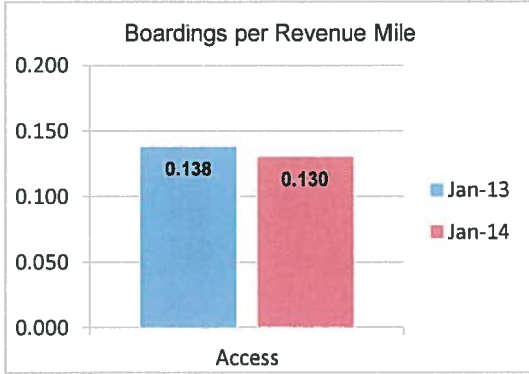
In January boardings per revenue mile decreased by almost 14% from the previous year



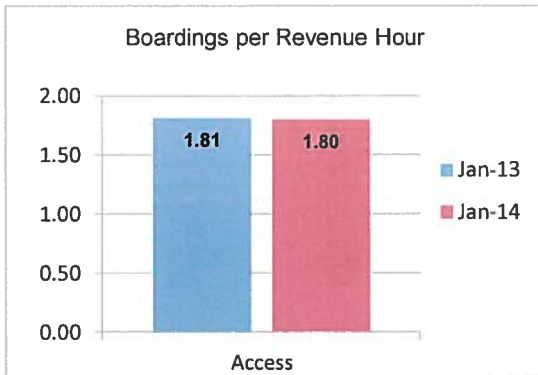
In January boardings per revenue hour decreased by almost 14% from the previous year.



In January boardings increased by 3.5% (or by 85 boardings) when compared to the previous year.



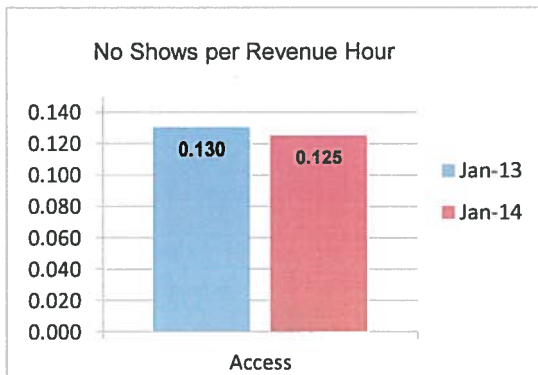
In January, boardings per revenue mile dropped by 5.6%



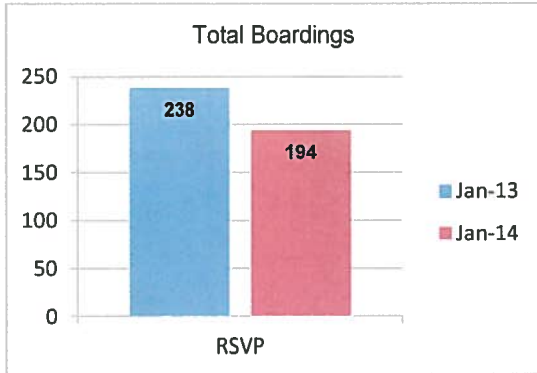
In January, boardings per revenue hour remained about the same compared the previous year.



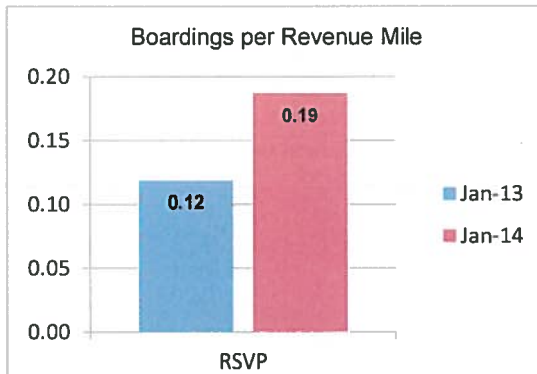
In January, trip denials increased by over 71% (or by 20 denials) when compared to 2013. Increased demand for services while vehicles and other resources remained the same may explain this increase in denials.



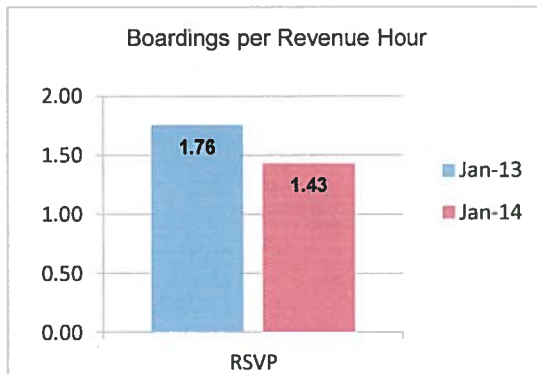
In January no shows per revenue hour decreased by over 4% from previous year.



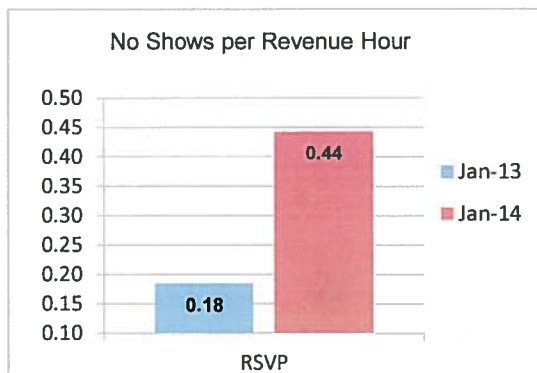
In January, boardings dropped by over 18% (or 44 boardings) when compared to 2013 .



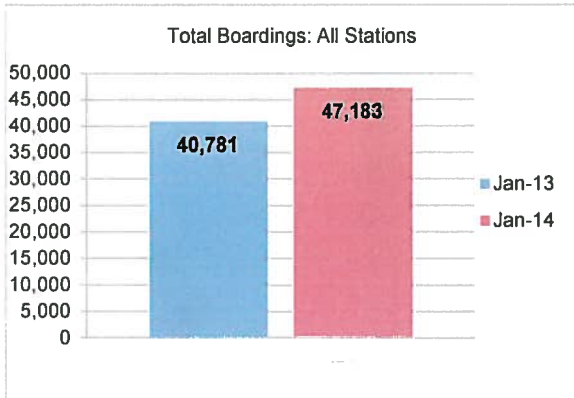
In January boardings per revenue mile increased by over 57% from the previous year. This was due to revenue miles dropping faster



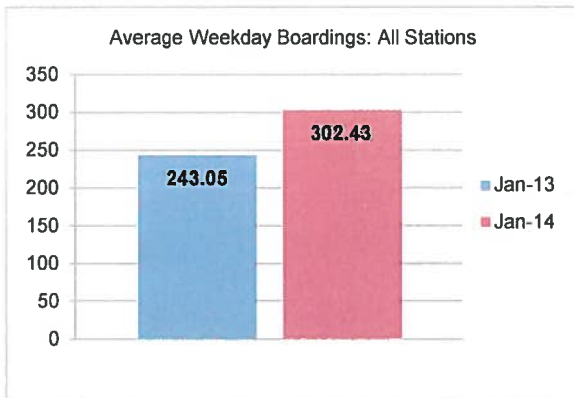
In January boardings per revenue hour dropped by 18.5% from the previous year. Usually revenue hours and miles follow the same trend. In January 2014 revenue miles dropped while revenue hours remained the same.



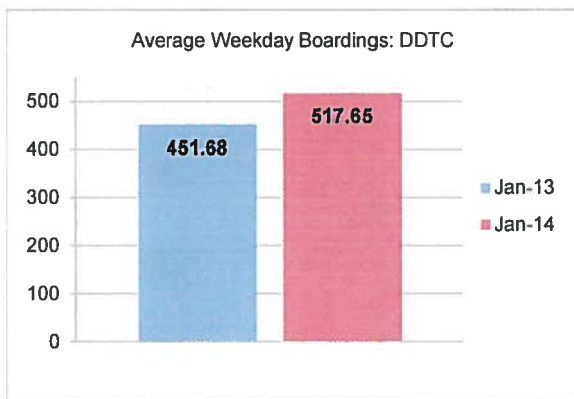
In January No Shows per revenue hour increased by over 140% from previous year. This is explained by the number of No Shows increasing by 35 when compared to January 2013.



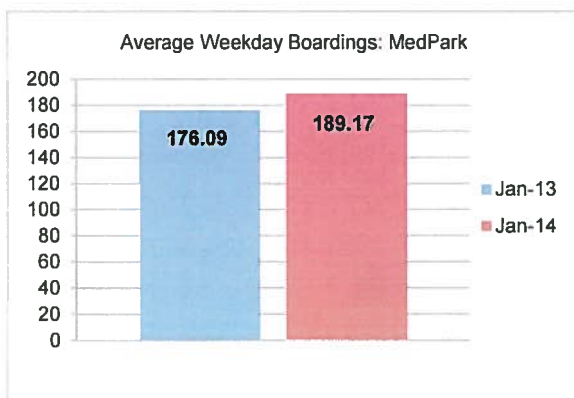
In January 2014, total boardings increased by almost 16% (or by 6,402 boardings) compared to 2013.



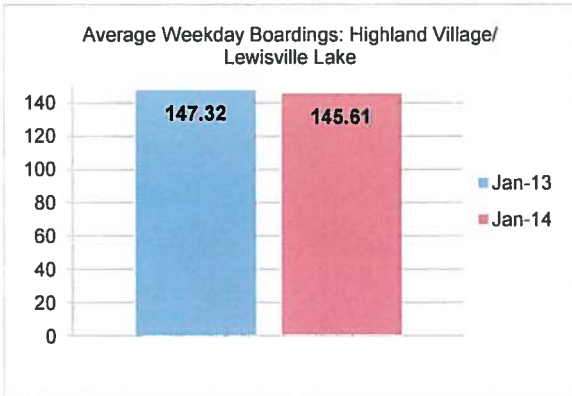
Average weekday boardings increased by over 11% (or by 202 boardings) from the previous year.



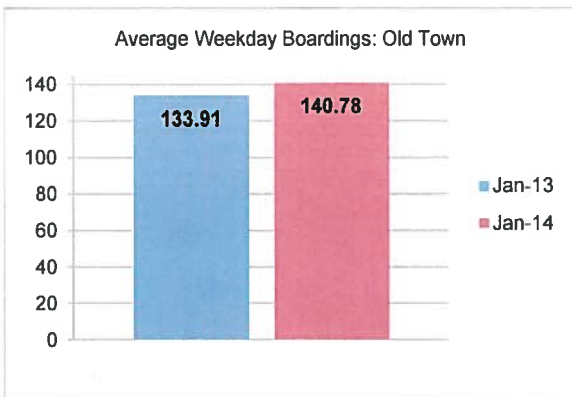
In January, average daily boardings at the DDTC increased by over 14% (or by 66 boardings) when compared to the previous year.



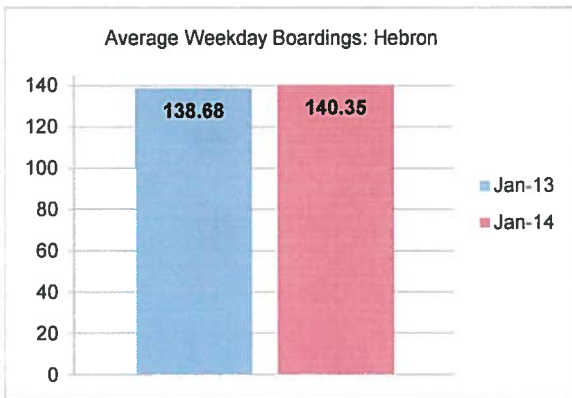
In January, average daily boardings at the MedPark Station increased by over 7% (or by 13 boardings) when compared to the



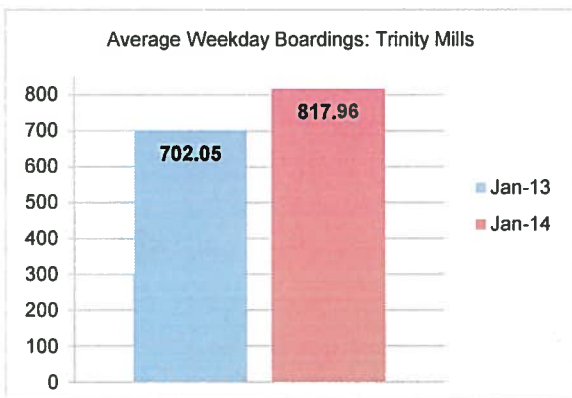
In January, average daily boardings at the Highland Village/Lewisville Lake Station decreased by 1.16% (or by 2 boardings) when compared to last year.



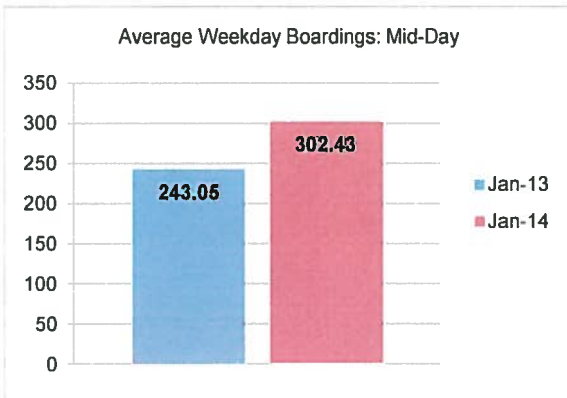
In January, average daily boardings at the Old Town Station increased by over 5% (or by 7 boardings) compared to the previous year.



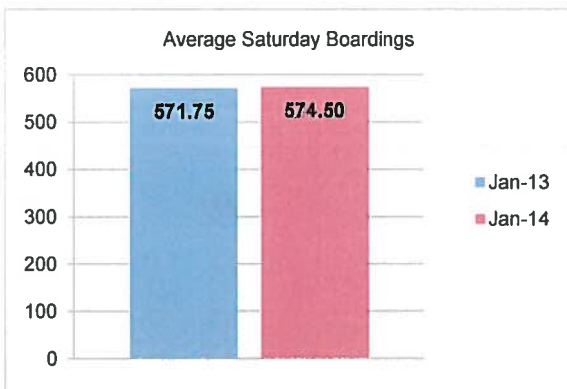
In January the average daily boardings at the Hebron Station increased slightly (or by 2 boardings) relative to last year.



In January, average daily boardings at the Trinity Mills Station increased by over 16 % (or by 116 boardings) compared to last year.



In January, average weekday boardings during the mid-day increased by over 24% (or by 59 boardings) compared to the previous year. As part of the January 13, 2014 Service Changes, two mid-day trips were added to each direction.



In January, average Saturday boardings increased slightly (or by 3 boardings) when compared to the previous year.



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

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

Work Session Minutes

The Board of Directors of the Denton County Transportation Authority convened with Chairman Charles Emery presiding at 1:35 p.m. January 23, 2014 at 1660 S. Stemmons, Suite 250, Lewisville, TX 75067. A quorum was present.

Attendance

Small Cities

Skip Kalb
Bill Walker

Large Cities

Charles Emery, Lewisville, *Chairman*
Paul Pomeroy, Highland Village, *Vice-Chair*
Richard Huckaby, Denton, *Secretary*
Jim Robertson, Flower Mound (arrived 1:40 p.m.)
Doug Peach, Little Elm

Denton County at Large

Dave Kovatch, *Treasurer*

Denton County Unincorporated

George A. Campbell
Don Hartman (arrived 1:45 p.m.)

Board Members Absent

Allen Harris, The Colony
Carter Wilson, Frisco
Daniel Peugh, Corinth

DCTA Staff

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

Legal Counsel

Pete Smith, General Counsel

Others in Attendance

Mike Leavitt – City of Highland Village
Michael Chinn – Transit Management of
Denton County
Brandi Bird

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

1. Routine Briefing Items
 - a. Financial Reports - Anna Mosqueda presented financial information
 - i. Financial Statements
 - ii. Capital Projects Report
 - iii. Quarterly Investment Report

- iv. Sales Tax Report
 - v. Procurement Report
 - b. Communications and Planning – Kristina Brevard reported on these items
 - i. Marketing and Communications Initiatives
 - ii. Media Coverage
 - iii. Customer Service
 - c. Capital Projects Update - Dee Leggett presented information on the following topics
 - i. GTW Integration
 - ii. Where's My Ride
 - iii. Bus Radio System
 - iv. Bus Operations and Maintenance Facility (O&M)
 - v. Community Enhancements
 - vi. Lewisville Bike Trail
 - vii. Positive Train Control (PTC)
 - viii. Passenger Amenities
 - ix. Station Improvements
 - d. Transit Operations – Dee Leggett provided an update
 - i. Rail Operations
 - ii. Bus Operations
2. Items for Discussion
 - a. Single Car Operation
 - b. Finance Committee Chair Report – Dave Kovatch, Committee Chair gave a report
 - c. Legislative Committee Chair Report – Charles Emery, reported to the Board
 3. Discussion of Regular Board Meeting Agenda Items (January 23, 2014) – no discussion
 4. Executive Session - none
 - 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 - n/a
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
 6. Discussion of Future Agenda Items
 - a. Board Member Requests – none

Break < 2:50 p.m. >



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

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

Board Meeting Minutes

The Board of Directors of the Denton County Transportation Authority convened with Chairman Charles Emery presiding at 3:02 p.m. January 23, 2014 at 1660 S. Stemmons, Suite 250, Lewisville, TX 75067. A quorum was present.

Attendance

Small Cities

Skip Kalb
Bill Walker

Large Cities

Charles Emery, Lewisville, *Chairman*
Paul Pomeroy, Highland Village, *Vice-Chair*
Richard Huckaby, Denton, *Secretary*
Jim Robertson, Flower Mound
Doug Peach, Little Elm
Daniel Peugh, Corinth (arrived 3:08)

Denton County at Large

Dave Kovatch, *Treasurer*

Denton County Unincorporated

George A. Campbell
Don Hartman

Board Members Absent

Allen Harris, The Colony
Carter Wilson, Frisco

DCTA Staff

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

Legal Counsel

Pete Smith, General Counsel

Others in Attendance

Michael Chinn – Transit Management of
Denton County

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

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS – Richard Huckaby

INVOCATION – Dave Kovatch

WELCOME AND INTRODUCTION OF VISITORS-

1. CONSENT AGENDA

- a. Approval of Minutes - Board Meeting December 10 , 2013
- b. Acceptance of Quarterly Investment Report
- c. Acceptance of Financial Reports
 - i. November 2013
 - ii. December 2013

-Motion to approve Consent Agenda Items 1a-c made by Richard Huckaby. 2nd by Jim Robertson. Motion carried unanimously.

2. REGULAR AGENDA

- a. Board Officer Elections
 - i. Chair
 - ii. Vice-Chair
 - iii. Secretary
 - iv. Treasurer

-Motion to elect the following slate of officers made by Bill Walker: Chair – Charles Emery, Vice-Chair – Paul Pomeroy, Secretary – Richard Huckaby, Treasurer – Dave Kovatch. 2nd by Jim Robertson. Motion carried unanimously.

- b. Approval of Award for Highland Village/Lewisville Lake Recreation Parking Capital Project and Amend Project Budget.

-Motion to Approve the Award for Highland Village/Lewisville Lake Recreation Parking Capital Project and Amend Project Budget made by Jim Robertson. 2nd by Dave Kovatch. Motion carried unanimously.

- b. Security Guard and Fare Enforcement Services Agreement
 - i. Rescind previous award of the Security Guard and Fare Enforcement Services agreement with Border Security and Investigations
 - ii. Approve award and Authorize President to execute contract of Security Guard and Fare Enforcement Services to Vets Securing America

- Motion to Rescind previous award of the Security Guard and Fare Enforcement Services agreement with Border Security and Investigations and approve award and authorize President to execute contract of Security Guard and Fare Enforcement Services to Vets Securing America made by Jim Robertson. 2nd by Dave Kovatch. Motion carried unanimously.

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

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

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

- a. 2014 Board Retreat
- b. 2014 Joint Board Dinner
- c. Regional Transportation Update

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 - None
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.

7. RECONVENE OPEN SESSION – n/a
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.

8. ADJOURN 3:28 p.m.

The minutes of the January 23, 2014 meeting of the Board of Directors were passed, and approved by a vote on this 27th day of February, 2014.

Charles Emery, Chairman

ATTEST

Richard Huckaby, Secretary



Board of Directors Memo

February 27, 2014

Subject: 4(c) Approve Award of Contract for Fleet Collision Repair and Painting Services

Background

DCTA issued an Invitation for Bid (IFB) for Fleet Collision Repair and Painting Services on January 27, 2014. Bids were received on February 13, 2014. One bid was received from our current vendor, All In One RV. The bid was reviewed based on responsiveness, repair schedules, cost for parts, hourly rates, etc.

Staff determined that All In One RV Center, LLC meets the bid requirements and is recommended to provide the services of fleet repair and painting services as needed.

Identified Need

DCTA has the need for a local repair company to provide services for damage repair to fleet in order to maintain the appearance and performance of its fleet and safety to passengers.

Financial Impact

The cost to cover repairs is allocated in the FY2014 Capital Budget.

Recommendation

Staff recommends that the Board authorize the President to enter into a contract for Fleet Collision Repair and Painting Services with All In One RV Center, LLC.

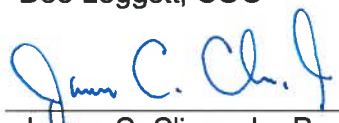
Submitted by:


Athena Forrester, Procurement Manager

Final Review:


Dee Leggett, COO

Approval:


James C. Cline, Jr., President



Letter of Transmittal

February 27, 2014

Chairman and Members of the Board
Denton County Transportation Authority
Lewisville, Texas

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Denton County Transportation Authority (DCTA) for the fiscal year ended September 30, 2013. This report is published to provide the DCTA Board of Directors, citizens of DCTA's service area and other interested parties information regarding the financial position and operating results of DCTA.

The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the DCTA management. Management is also responsible for establishing and maintaining effective internal control over financial reporting. Because the cost of internal controls should not outweigh their benefits, DCTA's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the DCTA as measured by the financial activity of the fund. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the DCTA's financial affairs have been included.

Pursuant to Chapter 460, Section 460.402 of the Texas Transportation Code, the financial statements and required supplementary information contained herein are required to be independently audited. Weaver and Tidwell, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the DCTA's financial statements for the year ended September 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

DCTA is also required by federal and state regulations to undergo an audit of federally and state funded programs administered by DCTA. The standards governing the Single Audit engagement require the independent auditor to report on the audited government's internal controls and compliance with laws, regulations, contracts and grants applicable to each major federal and state program. The reports related specifically to the Single Audit are issued under separate cover.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis of the basic financial statements in the form of a Management's discussion and analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. DCTA's MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements.

DCTA PROFILE

DCTA is a Coordinated County Transportation Authority as defined in Chapter 460 of the Texas Transportation Code. It is granted power under this Texas law to plan, develop, acquire, construct, own, operate, and maintain a public transportation system in Denton County. Numerous federal and state laws and regulations impact the powers and duties exercised by DCTA and the Board of Directors. DCTA provides bus and commuter rail service in Denton County.

In 2002 enabling legislation authorizing DCTA was passed. On September 13, 2003 the voters of Denton County created DCTA. It is funded primarily by ½ cent local sales tax within the 3 member cities of Denton, Highland Village, and Lewisville. These three cities account for approximately 80% of the sales tax revenue in the county. Imposition of the sales and use tax, dedicated to DCTA for implementation of its 2003 Long Range Service Plan, began January 1, 2004. The 2003 Long Range Service Plan included a rail component and a bus service component with interim regional commuter bus service, local fixed route bus service, university shuttle service and demand response service. In addition it outlined the plan for a network of Park-and-Rides and Rail and Bus Operations Facilities to be established to serve Denton County residents. These elements would provide services to help mitigate congestion and improve mobility as well as connect Denton County's larger cities to commuter rail.

A major component of the 2003 Long Range Service Plan was to implement rail service connecting Denton County with Dallas Area Rapid Transit (DART) light rail transit facilities. Planning for this began in 2004 with the development of the Alternatives Analysis. A Regional Toll Road Funding Initiative (RTRFI) grant was received in March of 2009, and a contract for construction of the 21-mile rail corridor was awarded in May of 2009. Construction of the rail corridor and rail stations linking riders from Denton County to Dallas Area Rapid Transit (DART) light rail was completed and passenger service began late June of 2011. With the completion of the rail corridor, over half the county's population now has access to regional rail service. A major milestone of DCTA's 2003 Long Range Service Plan was achieved with the start of A-train commuter rail service in 2011. After the RTRFI funding was received, DCTA completed construction of the rail corridor and began rail revenue service in just over two and one-half years.

In February 2012, the DCTA Board of Directors adopted the Long Range Service Plan-Update 2012 that provides the framework for DCTA service planning for the next 25 years. The DCTA Long-Range Service Plan supports the North Central Texas Council of Government's (NCTCOG) Mobility 2035 updated in 2012. NCTCOG is the organization charged with coordinating regional transportation planning efforts and Mobility 2035 serves as a blueprint for the region's transportation system planning. The goals defined in Mobility 2035 guide efforts to accommodate the multimodal mobility needs of the region. DCTA and other regional transit agencies, as well as local governments, use Mobility 2035 as a reference for their own planning efforts, which in turn are fed back to update the NCTCOG Mobility 2035 Plan.

Revenue from the ½ cent sales and use tax from the cities of Denton, Lewisville, and Highland Village along with federal and state grants, service contracts, operating fares investment income, long-term financing and other revenues fund the operations and ongoing development of DCTA's Long Range Service Plan.

GOVERNANCE

DCTA is governed by a 14-member Board. The members represent the county of Denton and are appointed by respective city councils or the County Commissioners Court as follows: one member from each municipality with population of 17,000 or more (8 total); three members appointed by the Denton County Commissioners Court; and three members designated by the remaining municipalities with a population of greater than 500 and less than 17,000. Each member serves a term of two years and may be reappointed. There are no term limits. Board officers are elected from the board membership and serve a one-year term with no term limits.

SERVICES PROVIDED

DCTA is the primary public transportation operator in Denton County. It operates a range of services including regional commuter rail, fixed route bus services in the cities of Denton, Lewisville, and Highland Village, student shuttle transportation operated under contract with the University of North Texas (UNT) and North Central Texas College (NCTC), paratransit services and vanpools.

Regional Commuter Rail Service:

The A-train is a 21-mile regional rail system connecting Denton and Dallas Counties. The 21 mile rail corridor follows the east side of I-35 E and connects Denton to Carrollton. DCTA has five A-train stations: two in Denton and three in the greater Highland Village-Lewisville area, with a transfer station at the Trinity Mills Station in Carrollton which connects with the Dallas Area Rapid Transit (DART) Green Line and bus service. DCTA's five rail stations are served by fixed route bus service.

DCTA operates 11 low-floor diesel-electric articulated GTW passenger rail vehicles designed to comfortably accommodate wheelchairs and bikes with room for 104 seated and 96 standing passengers in each vehicle. In FY13 rail ridership totaled just over 500,000.

Bus Operations:

Connect and Connect RSVP

Connect offers local fixed-route bus service in the cities of Denton and Lewisville, with nine bus routes in Denton and three in Lewisville. In fiscal year 2013, the combined Denton and Lewisville routes totaled 550,000 boarding's. Denton routes run on average headways of about 40 minutes during peak hours and midday, while Lewisville services operate approximately every 35 minutes during the peak and 70 minutes midday. Key trip generators in Denton include UNT and TWU.

Connect RSVP provides peak-hour service on demand in Highland Village and north Lewisville. Ridership on Connect RSVP totaled 3,000 up from FY2012.

University Shuttle Service

UNT services are operated by DCTA in Denton, which include an eight-route weekday shuttle service and one weekend-only route for UNT through a contractual agreement. The UNT Shuttle service provides transportation from nearby apartment complexes to the campus as well as circulation throughout the campus. The UNT services experience the highest ridership of

any bus operations in the DCTA system. After several years of increases in ridership, the UNT service experienced about a 5% drop in ridership compared to FY12. Total passengers for FY13 were just over 1.9 million.

NCTC services provided by DCTA operate between Denton and Corinth as well as Lewisville and Flower Mound. Ridership for the NCTC service continues to increase with 18,000 riders in FY13.

Demand Response Service

Access, DCTA's demand response service, offers curb-to-curb ADA paratransit service in Denton and Lewisville. It also provides service for senior and disabled (non-ADA) residents of Denton, Lewisville, and Highland Village. Any person who wishes to use Access must complete an application, and non-seniors or non-Medicare-eligible individuals must submit a physician's affidavit of eligibility. DCTA carried 30,000 Access passengers in FY13.

Vanpools

The Vanpool service provides a low cost commuting alternative for residents to get to work. Vanpools are ideal for groups of six (6) to fifteen (15) people. Individuals who live or work in Denton County can start a vanpool through their employer or create one with others who have similar commute origins and destinations. In 2013 there were 25 active Vanpools in operation compared to five (5) the year before.

Accounting System and Budgetary Control

DCTA is accounted for as a single entity enterprise fund and reports financial results in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidance. The accrual basis of accounting is used for the audited financial statements, external reporting, and internally for budgeting, with revenues recorded in the period that they are earned and expenses recorded in the period in which the liability or benefit is expected.

On an annual basis, DCTA develops and adopts an operating and capital budget as well as the long-range financial plan. As part of the budget process, a long range financial forecast and cash flow model is presented to the Board. This document forecasts the operating and debt service costs and Capital Improvement Plan requirements and serves as the foundation for the development of the annual operating and capital budget. The cash flow model helps provide a long-term look at the impact of annual budgetary decisions. As part of the annual budget process, the Board also adopts a Budget Contingency Plan which allows DCTA to be positioned to respond quickly to economic or market fluctuations or downturns.

The Finance Committee, comprised of members of the Board, reviews the budget and makes recommendations to the Board. The Board conducts a public hearing to receive citizen input and provides final review with formal adoption in September of each year. The fiscal year for DCTA is October 1 – September 30. The President is authorized to transfer budgeted amounts between lines items and departments. The Board must approve any revision that increases the overall amount of the adopted budget.

Budget control has been established at the department level. Financial reports showing budget to actual expenditures by line item are distributed monthly for review by management. Financial

reports are presented to the Board monthly for their review and acceptance. Quarterly budget reviews of both the operating budgets and capital project budgets are conducted with the DCTA Executive Team comprised of the President and Vice-Presidents. Individual line items are reviewed and analyzed for budgetary compliance. Revenue budgets are reviewed monthly.

The Board has also adopted a series of financial standards and policies for the operating and debt management of the Agency. In addition, operating procedures have been established in accordance with state and federal requirements to ensure that DCTA is a fiscally sound authority operating an efficient and effective transportation system.

DCTA PROGRESS

The focus in 2013 continued to be on safety, service delivery and maintaining the agency's investments in equipment and infrastructure. In FY2013 DCTA carried just over 3 million passengers system-wide. This included just over 500,000 rail passengers and 2.5 million on the bus system. This was a slight increase in system-wide ridership over FY2012

The final components of the A-train construction project were the completion of the Rail Operations and Maintenance Facility in Lewisville in December 2012 and the acceptance of the last DMU rail vehicle in 2013. The last of leased rail diesel cars were returned to DART. The next major rail related milestone for the agency is the implementation of federally mandated Positive Train Control (PTC) by late 2016. DCTA has partnered with DART/Trinity Rail Express (TRE) and the Fort Worth "T" to form the North Texas Commuter Rail Alliance (NTCRA) to implement PTC. Procurement documents for a regional PTC system were released in January 2014 with contract award anticipated in July 2014 and final implementation by December 2016.

In 2013, the second year of operation, the A-train carried just over 500,000 passengers an increase of just over 35% compared to 2012. Ridership during the first quarter of FY 2014 was 138,159 almost 7% higher than the first quarter of 2013. With the planned expansion of Interstate 35E between Denton and Dallas County, which began in late 2013, we anticipate continued growth in ridership. DCTA will continue to focus on education, customer service, and passenger amenities to promote ridership of the DCTA system.

The Bus system as a whole has experienced continued ridership growth since DCTA assumed existing bus service in 2005. The number of total annual passenger bus-system trips has increased from 1.3 million in 2005 to over 2.5 million in 2013. Connect fixed-route service in Denton & Lewisville saw a 7% increase in the first quarter of 2014 with ridership of 147,000 compared to 137,000 for the same period last year. UNT service experienced a 5% drop in ridership from FY2012 to 2013, and the first quarter of 2014 also reflects a decline compared to the first quarter of 2013. Although inclement weather caused several days of class cancellations and construction of streets on the UNT campus impacted ridership during first quarter of 2014, DCTA is working with UNT to evaluation options and route schedules to help address ridership decline.

In November of 2012 DCTA awarded a contract for construction of a new full-service Bus Operations and Maintenance facility in Denton. Construction was completed in January of 2014. The facility provides four (4) maintenance bays, fueling island, wash facilities, and bus operations administrative offices.

In 2013, DCTA implemented a number of initiatives to improve the passenger experience. These initiatives included expanded hours for rail mid-day service and improvements to passenger information systems. Development was begun for a real-time passenger information system - "Where's My Ride" - which will provide predictive arrival by stop for both bus and train via mobile phone app, SMS text alerts, telephone Interactive Phone Response or through the DCTA website. It also transmits data from GPS devices on the vehicles to provide CAD/AVL capabilities to dispatch and the customer call center. The GoPass, another regional project, with DART, the Fort Worth "T" and DCTA, was implemented in 2013. This regional mobile ticketing application allows customers to utilize the application from a smart phone to purchase tickets and download them to their phones. The GoPass mobile phone app went live August 2013 and has been very well received and utilized by riders of the system. The design and regional development of the plan for implementation of Positive Train Control is also key project expected to be complete in December 2016 to meet federal safety regulatory requirements.

FUTURE OUTLOOK

DCTA's major revenue source, sales tax continues to trend upward. Sales tax revenues were \$20.2 million in FY13 compared to \$19.0 million in FY12. Total revenues were \$27.6 million. Despite strong sales tax growth and improving economy, DCTA faces challenges in anticipated changes and increases in healthcare costs; low interest rates impacting investment earnings and demand for increase and expansion of services.

The local North Texas economy continues to improve. According to the Federal Reserve Bank of Dallas, the outlook for 2014 is for moderate job growth of about 2.5% with Texas still remaining one of the fastest-growing areas in the nation.

Population growth is projected to be significant. The Dallas-Fort Worth Metroplex is now the fourth-largest metropolitan area in the country. The City of Denton's population is expected to increase in size by nearly 150% by 2040. Significant growth is anticipated in other cities as well, notably Frisco, with high population growth projected in the smaller cities of Sanger and Pilot Point.

The North Central Texas Council of Governments (NCTCOG) Travel Demand Model estimates that most individuals who live in Denton County work outside of the county, with only 37% of Denton County residents working in the county. This highlights the importance of providing transportation links from Denton County to major employment destinations, not only in Dallas County but in Tarrant County as well.

About 2.8 million trips are made each day in Denton County. Of these, about one-quarter are home-based work trips. By 2030, NCTCOG estimates that total trips will increase to more than 4.7 million. Based on the travel demand data, the highest growth in trip generation is expected to come from the area in southeast Denton County. Areas in and around the Alliance development are also expected to see large increases in travel demand.

For the past several years, DCTA has focused on implementing the first phase of regional rail service as well as improving local bus routes in Denton and Lewisville and RSVP service in Highland Village.

Having attained the milestone of delivering the first phase of regional rail service, DCTA is now looking beyond the A-train implementation and preparing for the future needs of Denton County. The Long Range Service Plan update, adopted by the Board in February 2012, provides a roadmap for decision making about transit investments in Denton County over the next 25 years. Nelson-Nygaard developed the Plan with input from the DCTA Board, staff, and users of DCTA services, the general public and other stakeholders. The Long Range Service Plan provide recommendations regarding how transit can help to support Denton County's health, economy, environment and established performance measures.

The plan provides the framework for future decisions, but more detailed planning by the DCTA Board and staff will still be required to carry out the recommendations of the plan. As with any long-range plan, it includes assumptions about, but cannot predict changes in the environment, funding, community support and local priorities for investment. The Long Range Service Plan reaffirms DCTA's goals and performance standards that will be used to help officials make decisions about future investments and the implementation of new services. It will help ensure that transit services mature and develop to better meet the needs of Denton County. The DCTA Plan supports the Mobility 2035 plan developed by the NCTCOG.

OTHER INFORMATION

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the DCTA for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the third year for the DCTA to receive the Certificate of Achievement.

In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire DCTA Finance Department staff. We also express our appreciation to all the DCTA staff members who assisted and contributed to the successful completion of this report.

We would like to thank the members of the DCTA Board of Directors and the Finance Committee and for their interest and support in planning and conducting the financial operations of the Denton County Transportation Authority in a responsible and progressive manner.

Sincerely,

Handwritten signature of James C. Cline, Jr. in blue ink.

James C. Cline, Jr.
President

Handwritten signature of Anna M. Mosqueda in blue ink, positioned above a horizontal line.

Anna M. Mosqueda
V-P Finance/Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Denton County Transportation Authority

Report on the Financial Statements

We have audited the accompanying statements of net position of Denton County Transportation Authority (the Authority) as of and for the year ended September 30, 2013 and 2012, the related statements of revenues, expenses, and changes in net position and the cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2013 and 2012, and the results of its operations and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4-11) and the schedule of funding progress for the Texas County District Retirement System (on page 33) be presented to supplement the 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. We have applied limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries. We do 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, the schedule of revenue and expenses – budget and actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of revenues and expenses - budget and actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Denton County Transportation Authority

Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 27, 2014

**Denton County Transportation Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2013
(Unaudited)**

The management of the Denton County Transportation Authority (DCTA) offers readers of the DCTA's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2013. This discussion and analysis is designed to provide an objective and easily readable analysis of DCTA financial activities based on currently known facts, decisions, or conditions.

We encourage the readers to consider the information presented here in conjunction with accompanying financial statements, notes thereto and additional information that is furnished in our letter of transmittal and the statistical section of this report. In addition, readers are encouraged to review information on the annual budget and other agency information found on the DCTA website at www.dcta.net. It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of the report and that all of the additional information from the website and other DCTA sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

In Brief

- As of September 30, 2013 and 2012, total assets of DCTA exceeded total liabilities by \$322,646,092 and \$320,967,732 respectively. The amount of unrestricted net position as of September 30, 2013 was \$17,339,546 compared to \$18,870,718 in 2012. Unrestricted net position is the amount which may be used to meet DCTA's ongoing obligations in accordance with the fiscal policies.
- Net position increased \$1,678,360 during the current fiscal year compared to an increase of \$4,836,295 in the prior year. The change compared to the prior year is attributable to increased expenses for the rail operations contract and depreciation charges. The \$79.3 million rail line was capitalized in September 2012; therefore a full year of depreciation was expensed in fiscal year 2013 compared to one month in fiscal year 2012.
- Net capital assets were \$343.7 million as of September 30, 2013 compared to \$341.5 million as of September 30, 2012. The increase of \$2.2 million was due to the construction of the bus operations and maintenance facility as well as additional professional services related to the rail capital project.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to DCTA's accompanying financial statements and notes. The basic financial statements consist of four components:

- 1) statements of net position, 2) statements of revenues, expenses, and changes in net position, 3) statements of cash flows, and 4) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves as well as a statistical section (unaudited) to provide the reader additional information relative to DCTA.

**Denton County Transportation Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2013
(Unaudited)**

DCTA activities are accounted for in a single entity enterprise fund; therefore, government-wide financial statements are not presented. Enterprise funds are generally used to report business-type activities of governmental entities. The financial statements are prepared on the accrual basis of accounting meaning that all expenses are recorded when incurred and all revenues are recognized when earned in accordance with accounting principles generally accepted in the United States of America. Certain statements in the report are, or will be, forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Statement of Net Position – The statement of net position reports all of the financial and capital resources of DCTA. The statement is presented in the format where total assets equal total liabilities plus net position. Assets and liabilities are presented in order of liquidity and are classified as current (convertible into cash within one year) and noncurrent. The focus of the statement of net position is to show a picture of the liquidity and health of the organization as of the end of the reporting period. Changes in net position may serve as an indication of whether the financial position of DCTA is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position – The statement of revenues, expenses, and changes in net position is similar to an income statement. This statement includes operating revenues, such as bus passenger fares and contracts to provide transit related service to third parties; operating expenses, such as costs of operating the transit system, administrative expenses, and depreciation on capital assets; and non-operating revenue and expenses, such as sales tax revenue, grant revenue, and interest income. The focus of the statement of revenues, expenses, and changes in net position is to present the change in net position during the two most recent fiscal years. The increase or decrease in net position will show the effect of DCTA's current year operations on its financial position.

Statement of Cash Flows – The statement of cash flows discloses net cash provided by or used for operating activities, non-capital financing activities, capital and related financing activities, and from investing activities. The statement of cash flows, related notes, and other financial statements can be used to assess DCTA's ability to provide adequate cash flow to support current operations and plans for future expansion.

The activities of DCTA are supported by a one-half percent sales and use tax collected in its three member cities: Denton, Highland Village and Lewisville; passenger fares, contract services, and state/federal grants.

Notes to Financial Statements – The notes to the financial statements are an integral part of the basic financial statements that describe the significant accounting policies and provide additional information that is essential to understanding the data provided in the financial statements.

**Denton County Transportation Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2013
(Unaudited)**

Financial Analysis

Statement of Net Position - As noted earlier, net position and especially net position by category, may serve over time as a useful indicator of DCTA's financial position. Total assets exceeded total liabilities by \$322,646,092 and \$320,967,732 as of September 30, 2013 and 2012 respectively. The largest portion, 95% in 2013 is net investment in capital assets primarily as a result of the rail line construction and acquisition of rail vehicles. The remaining 5% is in unrestricted net position which represents assets with no external restriction as to the use or purpose. The unrestricted net position can be employed for any lawful purpose designated by the governing board. In 2012, 6% of the excess was in unrestricted net position.

Net position of DCTA increased 1% or \$1,678,360 during the current fiscal year compared to an increase of 2% or \$4,836,295 in the prior year. The increase in net position in the current fiscal year is related to a \$2.2 million increase in outstanding grant receivables and a \$1.2 million increase in construction in progress primarily for the bus operations and maintenance facility construction, offset by a \$1.7 million increase in accrued liabilities for construction contracts and the rail operating contract.

Comparative Condensed Statement of Net Position

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets			
Current and other assets	\$ 25,283,714	\$ 24,484,588	\$ 59,503,879
Capital assets	<u>343,710,308</u>	<u>341,528,188</u>	<u>321,057,513</u>
Total Assets	<u>\$ 368,994,022</u>	<u>\$ 366,012,776</u>	<u>\$ 380,561,392</u>
Liabilities and Net Position			
Current liabilities	\$ 11,372,930	\$ 9,000,044	\$ 27,349,955
Non-current liabilities	<u>34,975,000</u>	<u>36,045,000</u>	<u>37,080,000</u>
Total Liabilities	46,347,930	45,045,044	64,429,955
Net Position			
Net investment in capital assets	305,306,546	302,097,014	281,258,854
Unrestricted	<u>17,339,546</u>	<u>18,870,718</u>	<u>34,872,583</u>
Total Net Position	<u>322,646,092</u>	<u>320,967,732</u>	<u>316,131,437</u>
Total Liabilities and Net Position	<u>\$ 368,994,022</u>	<u>\$ 366,012,776</u>	<u>\$ 380,561,392</u>

**Denton County Transportation Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2013
(Unaudited)**

Assets – During fiscal year 2013, DCTA's total assets increased 1% or \$2,981,246 over fiscal year 2012. The net increase is primarily due to a \$2.2 million increase in outstanding grant receivables and a \$2.2 million increase in capital assets for the bus operations and maintenance facility construction and acquisition costs for the rail vehicles offset by the net decrease of \$1.3 million in cash and other current assets required to fund operations and asset acquisitions.

Capital Assets, net of depreciation, increased \$2.2 million due to construction work in progress for the bus operations and maintenance facility, acquisition costs for rail vehicles, and purchases of operating equipment; less depreciation and amortization. The capital assets activity for the year is captured in Note 6 (pages 24 and 25).

Liabilities – Current liabilities increased \$2,372,886 primarily due to vendor invoices for the rail operations contract and construction of the bus operations and maintenance facility that were outstanding at year-end as well as an increase in retainage payable associated with the facility.

DCTA's current ratio, current assets of \$25,283,714 and current liabilities of \$11,372,930, was 2:2:1 as of September 30, 2013 compared to 2:7:1 as of September 30, 2012. DCTA has restricted current assets (cash and cash equivalents) and recognized deferred revenue as a current liability related to the implementation of positive train control.

There was a \$1,070,000 decrease in non-current liabilities in 2013 due primarily to bonds payable and the remaining principal amount payable for the rail operating easement agreement with DART. The bond payable activity for the year and rail operating easement obligation are captured in Note 8 and Note 9 (pages 27 through 29).

Statement of Revenues, Expenses, and Changes in Net position – During the 2013 fiscal year DCTA's activities resulted in an increase in net position of \$1,678,360 compared to an increase of \$4,836,295 in 2012. The increase in the current fiscal year net position is attributable to \$20.2 million in sales tax revenue and \$4.3 million in operating revenue, which offset increases in operating expenses. The changes in net position for the fiscal years ended September 30, 2013 and 2012 are shown in the following table.

**Denton County Transportation Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2013
(Unaudited)**

Comparative Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2013</u>	<u>2012</u>	<u>2011</u>
OPERATING REVENUES			
Passenger revenue	\$ 1,265,685	\$ 1,015,813	\$ 706,497
Contract services	2,980,804	2,927,341	2,520,036
Other	44,072	38,032	183,575
Total operating revenues	<u>4,290,561</u>	<u>3,981,186</u>	<u>3,410,108</u>
OPERATING EXPENSES			
Salaries, wages and fringe benefits	6,702,365	6,293,238	5,737,446
Services	1,628,119	1,431,693	1,676,866
Materials and supplies	3,071,662	3,010,582	2,308,815
Purchased transportation services	8,874,900	7,605,436	5,537,663
Utilities	415,341	396,248	180,953
Casualty and liability insurance	625,788	362,960	297,994
Facility and equipment rents	349,592	943,160	596,236
Other - miscellaneous	144,743	126,190	168,023
Depreciation	8,613,310	6,901,760	3,141,330
Total operating expenses	<u>30,425,820</u>	<u>27,071,267</u>	<u>19,645,326</u>
Operating loss	<u>(26,135,259)</u>	<u>(23,090,081)</u>	<u>(16,235,218)</u>
NON-OPERATING REVENUES (EXPENSES)			
Sales tax revenue	20,209,051	19,009,135	17,135,359
Transit system operating assistance grants	3,100,729	3,183,057	5,511,543
Investment income	32,137	53,927	287,615
Interest expense	(1,449,718)	(1,486,881)	-
Amortization of bond issuance costs	(9,088)	(12,219)	(208,430)
Design costs and construction	-	-	184,095
Gain (loss) on disposal of assets	8,150	52,269	-
Total non-operating revenue (expenses)	<u>21,891,261</u>	<u>20,799,288</u>	<u>22,910,182</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS	<u>(4,243,998)</u>	<u>(2,290,793)</u>	<u>6,674,964</u>
GRANTS FOR CAPITAL IMPROVEMENTS	<u>5,922,358</u>	<u>7,127,088</u>	<u>77,661,499</u>
Change in net position	<u>1,678,360</u>	<u>4,836,295</u>	<u>84,336,463</u>
NET POSITION, beginning of year	<u>320,967,732</u>	<u>316,131,437</u>	<u>231,794,974</u>
NET POSITION, end of year	<u>\$ 322,646,092</u>	<u>\$ 320,967,732</u>	<u>\$ 316,131,437</u>

Operating Revenues

Passenger Revenue - The 2013 passenger revenues increased 25% or \$249,872 over the prior year. The increase is related to a 32% increase in A-train ridership. Rail ridership in fiscal year 2013 was 510,738 compared to prior year ridership of 386,032.

Contract Service - The 2013 contract service revenues increased 2% or \$53,463 over the prior year. The increase is due to an increase in service hours for the contract with University of North Texas (UNT).

**Denton County Transportation Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2013
(Unaudited)**

Fuel prices are a pass-through on the contract; the increase in fuel prices over 2012 as well as a 4% increase in gallons used also impacted the increase in contract revenues. The contract provides bus service for students and faculty of UNT and North Central Texas College.

Operating Expenses

Operating Expense - The 2013 operating expenses increased 12% or \$3,354,553 over the prior year. The increased operating expense is primarily due to an additional \$1.7 million in depreciation expense and the \$1.3 million increase in purchased transportation for the operating costs for the commuter rail service.

The 2013 depreciation expense increased 25% or \$1,711,550 over the prior year. This increase is primarily due to the rail vehicles that were capitalized in September 2012; a full year of depreciation was expensed in 2013 compared to one month in 2012.

Non-operating Revenue and Expenses

Sales Tax Revenue - The 2013 sales tax revenue increased 6%, or \$1,199,916 over 2012. DCTA collects one-half percent sales and use tax in the member cities of Denton, Highland Village, and Lewisville. 2013 represents the fourth consecutive year of growth in sales tax revenue for DCTA.

Capital Grants - Capital grants revenue decreased 17%, or \$1,204,730 primarily as a result of prior year revenue recognition of rail capital project expenditures reimbursed from RTRFI funds.

Transit System Operating Assistance Grants - The 2013 federal and state grant revenue decreased 3% or \$82,328 over 2012. The decrease is attributable to the discontinuation of the Commuter Express service and therefore no grant reimbursements were requested for this service in 2013.

Investment Income - The 2013 investment income decreased 40% or \$21,790 over 2012 due to lower interest rates and a decrease in cash available for investments due to the completion of the rail project during 2012.

Debt Administration

In June of 2008, DCTA completed its first debt issuance. DCTA issued \$20,000,000 in tax-exempt Sales Tax Revenue Bonds. The bonds were issued through a private placement with a maximum 5 year term to fund the DCTA A-train regional passenger rail project. This rail project provides passenger rail service connecting Denton and Dallas counties. The principal payment was due in one lump sum in June 2013 with interest due semi-annually. The Series 2008 Sales Tax Revenue bonds were refunded through a private placement to long-term debt on December 17, 2009. These bonds will be repaid over 20 years at an interest rate of 3.99%. The first principal payment of \$885,000 was paid during FY 2013.

In September of 2011, DCTA issued \$14,390,000 in Contractual Obligations for a portion of its share of the cost for new rail vehicles and for the first phase of a new Federal requirement - Positive Train Control – a system which is currently mandated to be implemented by 2015.

**Denton County Transportation Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2013
(Unaudited)**

These Obligations were issued through a private placement to be repaid over 20 years at an interest rate of 3.13% with the first principal payment due in 2015.

DCTA Fiscal Year 2013 Budget

The 2012-2013 budget was adopted September 27, 2012. Amendments to the original budget included a decrease in capital projects as the timing of certain projects was delayed and additions to operating expenses for additional legal services and engine replacement for older buses.

Condensed Statements of Revenues, Expenses, and Changes in Net Position, Budget Year Ending September 30, 2014 and Financial Year Ending 2013 and 2012

	2014 Budget	2013 Actual	2012 Actual	Increase (Decrease) from 2013	Percent Increase (Decrease) from 2013
Operating revenues	\$ 4,674,444	\$ 4,290,561	\$ 3,981,186	\$ 383,883	9%
Operating expenses	34,066,473	30,425,820	27,071,267	3,640,653	12%
Operating loss	(29,392,029)	(26,135,259)	(23,090,081)	(3,256,770)	12%
Non-operating revenues	27,521,627	21,891,261	20,799,288	5,630,366	26%
Income before capital grants	(1,870,402)	(4,243,998)	(2,290,793)	2,373,596	-56%
Grants for capital improvements	3,399,336	5,922,358	7,127,088	(2,523,022)	-43%
Change in net position	1,528,934	1,678,360	4,836,295	(149,426)	-9%
Net position, beginning of year	322,646,092	320,967,732	316,131,437	1,678,360	1%
Net position, end of year	<u>\$ 324,175,026</u>	<u>\$ 322,646,092</u>	<u>\$ 320,967,732</u>	<u>\$ 1,528,934</u>	<u>0%</u>

DCTA Fiscal Year 2014 Budget

Operating revenues in 2014 show an increase of 9% or \$383,883 over 2013 actual results. Operating revenue includes passenger fare revenue and contract service revenue. Passenger farebox revenue is expected to increase due to additional hours of Connect bus service for Lewisville and Denton as well as increased mid-day rail service. Contract service revenue is also expected to increase due to an increase in the rate per service hour for the UNT contract. The UNT contract, as well as the NCTC contract, provides bus service for students, staff, and faculty.

The fiscal year 2014 operating expenses are projected to increase \$3,640,653 over 2013 actual results. Major changes include an increase of \$456,465 in purchased transportation for additional mid-day A-train service and a 3% contract increase; and a \$383,983 increase in depreciation due to final acquisition costs for the rail vehicles and the anticipated completion of the bus operations and maintenance facility. In addition, salaries/wages/benefits increased by \$1.6 million as a result of merit plan adjustments and increased health care benefits.

**Denton County Transportation Authority
Management's Discussion and Analysis
For the Year Ended September 30, 2013
(Unaudited)**

The fiscal year 2014 budget also anticipates increases in fuel costs. Diesel fuel is budgeted at \$4.15 per gallon in fiscal year 2014, compared to \$4.00 per gallon in fiscal year 2013.

Non-operating revenue, net of expenses, is projected to increase 26% or \$5,630,366 over 2013 actual results. The increase in non-operating revenue is due to the planned issuance of \$5.5 million in debt for the federally mandated Positive Train Control project.

Requests for Information

The financial report is designed to provide the citizens of our member cities, customers and other interested parties with a general overview of DCTA finances. If you have any questions regarding this report or need any additional information, contact DCTA at 1660 S. Stemmons Freeway, Suite 250, Lewisville, Texas 75067, by phone at (972) 221-4600, or by electronic mail at info@dcta.net.

BASIC FINANCIAL STATEMENTS

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2013 AND 2012**

	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,721,952	\$ 15,688,516
Restricted cash and cash equivalents	5,326,810	3,653,091
Receivables	6,679,353	4,468,964
Prepaid expenses	351,591	293,869
Total current assets	25,079,706	24,104,440
Noncurrent assets:		
Deferred charges	204,008	380,148
Land and construction in progress	36,941,693	35,732,907
Other capital assets, net of accumulated depreciation/amortization	306,768,615	305,795,281
Total noncurrent assets	343,914,316	341,908,336
TOTAL ASSETS	\$ 368,994,022	\$ 366,012,776
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,273,683	\$ 1,964,936
Construction contracts payable	3,853,106	4,026,504
Retainage payable	1,839,745	1,650,088
Deferred revenue	336,396	323,516
Easement obligation- current portion	150,000	150,000
Bonds payable-current portion	920,000	885,000
Total current liabilities	11,372,930	9,000,044
Noncurrent liabilities:		
Easement obligation	1,500,000	1,650,000
Bonds payable	33,475,000	34,395,000
Total noncurrent liabilities	34,975,000	36,045,000
Total liabilities	46,347,930	45,045,044
NET POSITION		
Net investment in capital assets	305,306,546	302,097,014
Unrestricted	17,339,546	18,870,718
Total net position	322,646,092	320,967,732
TOTAL LIABILITIES AND NET POSITION	\$ 368,994,022	\$ 366,012,776

The Notes to Financial Statements are an integral part of these statements.

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
Passenger revenue	\$ 1,265,685	\$ 1,015,813
Contract services	2,980,804	2,927,341
Other	44,072	38,032
Total operating revenues	<u>4,290,561</u>	<u>3,981,186</u>
OPERATING EXPENSES		
Salaries, wages and fringe benefits	6,702,365	6,293,238
Services	1,628,119	1,431,693
Materials and supplies	3,071,662	3,010,582
Purchased transportation services	8,874,900	7,605,436
Utilities	415,341	396,248
Insurance	625,788	362,960
Facility and equipment rents	349,592	943,160
Other - miscellaneous	144,743	126,190
	<u>21,812,510</u>	<u>20,169,507</u>
Depreciation and amortization	8,613,310	6,901,760
Total operating expenses	<u>30,425,820</u>	<u>27,071,267</u>
NET OPERATING LOSS	<u>(26,135,259)</u>	<u>(23,090,081)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales tax revenue	20,209,051	19,009,135
Transit system operating assistance grants	3,100,729	3,183,057
Investment income	32,137	53,927
Interest expense	(1,449,718)	(1,486,881)
Amortization of bond issuance costs	(9,088)	(12,219)
Gain on disposal of assets	8,150	52,269
Total non-operating revenue (expenses)	<u>21,891,261</u>	<u>20,799,288</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS	(4,243,998)	(2,290,793)
GRANTS FOR CAPITAL IMPROVEMENTS	<u>5,922,358</u>	<u>7,127,088</u>
Change in net position	1,678,360	4,836,295
NET POSITION, beginning of year	<u>320,967,732</u>	<u>316,131,437</u>
NET POSITION, end of year	<u><u>\$ 322,646,092</u></u>	<u><u>\$ 320,967,732</u></u>

The Notes to Financial Statements are an integral part of these statements.

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2013 AND 2012**

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 4,635,369	\$ 3,525,462
Payments to suppliers	(12,910,192)	(14,882,601)
Payments to employees	(6,651,293)	(6,502,702)
Net cash used by operating activities	(14,926,116)	(17,859,841)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Sales tax received	19,872,791	18,886,839
Operating grant reimbursements	3,180,404	4,185,406
Net cash provided by non-capital financing activities	23,053,195	23,072,245
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions and grants for capital improvements	3,636,626	9,129
Principal paid on bonds	(885,000)	-
Acquisition and construction of capital assets	(10,921,021)	(38,702,964)
Proceeds from sale of capital improvements	-	332,005
Interest paid on bonds	(1,282,666)	(1,317,543)
Net cash used by capital and related financing activities	(9,452,061)	(39,679,373)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	32,137	53,927
Net cash provided by investing activities	32,137	53,927
Net decrease in cash and cash equivalents	(1,292,845)	(34,413,042)
CASH AND CASH EQUIVALENTS, beginning of year	19,341,607	53,754,649
CASH AND CASH EQUIVALENTS, end of year	\$ 18,048,762	\$ 19,341,607

The Notes to Financial Statements are an integral part of these statements.

**DENTON COUNTY TRANSPORTATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2013 AND 2012
(CONTINUED)**

	2013	2012
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (26,135,259)	\$ (23,090,081)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation and amortization expense	8,613,310	6,901,760
Change in operating assets and liabilities		
Operating accounts receivable	351,808	(444,036)
Prepaid expenses	(57,722)	(45,579)
Operating accounts payable	2,257,675	(960,753)
Accrued payroll and payroll related taxes	51,072	(209,464)
Deferred revenue	(7,000)	(11,688)
	\$ (14,926,116)	\$ (17,859,841)
NONCASH CAPITAL AND RELATED FINANCING		
Grants for capital improvements	\$ -	\$ 7,127,088
Gain on sale of capital assets	\$ 8,150	\$ 52,269
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET ASSETS		
Cash and cash equivalents	\$ 12,721,952	\$ 15,688,516
Restricted cash	5,326,810	3,653,091
	\$ 18,048,762	\$ 19,341,607

The Notes to Financial Statements are an integral part of these statements.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Denton County Transportation Authority (the Authority), as reflected in the accompanying financial statements for the fiscal years ended September 30, 2013 and 2012, conform to accounting principles generally accepted in the United States of America (GAAP) for local governmental units, as prescribed by the Governmental Accounting Standards Board, and include applicable standards of the Financial Accounting Standards Board.

Financial Reporting Entity

The financial statements of the Authority include all governmental activities, organizations, and functions as required by accounting principles generally accepted in the United States of America. The Authority does not have any component units and does not meet the requirements to be included as a component unit in other governmental entities. Accordingly, the Authority does not have any related parties or related party transactions in the accompanying financial statements.

The Authority is a coordinated county transportation authority of the State of Texas, created pursuant to Chapter 460 of the Texas Transportation Code. This legislation requires that a Service Plan, an outline of the services that could be provided by an authority confirmed by the voters, be developed by the transit authority. A Service Plan was developed and the Authority was confirmed by a public referendum held November 5, 2002. A second election was held in eight municipalities on September 13, 2003 for consideration and approval of a one-half percent sales and use tax. The sales and use tax and associated Service Plan passed in three cities: Denton, Highland Village, and Lewisville. Collection of the sales tax began on January 1, 2004.

The Board of Directors, which governs the Authority, currently consists of 14 authorized positions. The Board is composed of:

1. One member appointed by the governing body of each municipality with a population of 17,000 or more located in Denton County;
2. Three members appointed by the Commissioner's Court, two of whom must reside in the unincorporated area of Denton County;
3. Three members to be designated by the remaining municipalities with a population of more than 500 but less than 17,000 located in Denton County.

Basis of Accounting

The activities of the Authority are similar to those of proprietary funds of local jurisdictions and are therefore reported as an enterprise fund. The activities are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Basis of Accounting – Continued

Revenues are recognized in the accounting period in which they are earned, and expenses are recorded at the time liabilities are incurred. Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The Authority's principal operating revenues are derived from charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All dollar amounts, unless otherwise noted, are in whole dollars. References to years 2013 and 2012 are for fiscal years ended September 30, 2013 and 2012.

When both restricted and unrestricted resources are available and permissible for use, it is the Authority's policy to use restricted resources first. The unrestricted resources are used as they are needed.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with maturities of three months or less when purchased. Cash and cash equivalents are valued at cost which is substantially equal to the fair value.

Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, and customer billings. Management does not believe any credit risk exists related to these receivables. Management evaluates the receivables to determine if an allowance for doubtful accounts should be established and considers the collection history, the aging of the accounts, and other specific information known to management that may affect collectability. Based upon this assessment, management has determined that an allowance is not necessary.

Prepaid Expenses

Prepaid expenses consist primarily of insurance payments, which are amortized over the policy period, and prepaid rents.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Restricted Assets

Restricted assets consist of unspent proceeds from capital grants and bonds and are held as cash and cash equivalents.

Investments

The investment policies of the Authority are governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Authority's funds are managed and invested based on safety, liquidity, diversification, and yield. Investments are stated at fair value. Realized and unrealized gains and losses are reflected in the statement of revenues, expenses, and changes in net position.

Capital Assets

All capital assets are stated at historical cost. Capital assets are defined as assets which:

1. Have a useful life of more than one year and a unit cost greater than \$5,000;
2. Have a unit cost of \$5,000 or less, but are part of a network or combined unit of property; or
3. Were purchased with grant money.

Maintenance and repair expenditures which substantially improve or extend the useful life of property are capitalized. The cost of routine maintenance and repairs is expensed as incurred. Interest incurred as a result of construction in progress and contracts with durations over one year are capitalized.

The provision for depreciation of transportation property and equipment is calculated under the straight-line method using the respective estimated useful lives of major asset classifications, as follows:

Rail system	20-50 years
Land improvements	25 years
Transportation vehicles:	
Bus	7-12 years
Paratransit	4-5 years
Rail	50 years
Transportation equipment	3-5 years
Office equipment	3 years

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Capital Assets – Continued

Except for sales of assets in which the unit fair value is less than \$5,000, proceeds from the sale of property, facilities, and equipment purchased with funds provided by federal grants for capital expenditures are remitted to the Federal Transit Administration (FTA) on the same percentage basis that such funds were provided by grant contracts with the FTA.

The transit system operated by the Authority includes certain facilities owned by others. The Authority has contractual rights to operate these facilities under the terms of the authorizing legislation and other agreements.

Intangible assets are stated at historical cost net of accumulated amortization. The intangible asset consists of a rail operating easement for the purpose of constructing, installing, maintaining, and operating a modern rail passenger system.

Current Liabilities

The Authority has not formally restricted cash funds to pay current operating liabilities, but has adequate cash and investments to satisfy these obligations. Construction contracts payable will be satisfied with unrestricted cash and restricted assets received from the Texas Department of Transportation for the use of the passenger rail system.

Compensated Absences

Employees receive compensation for vacations, holidays, illness, personal days, and certain other qualifying absences. The number of days compensated for the various categories of absence is based on length of service. Sick days and vacation days that have been earned, but not paid, have been accrued in the accompanying financial statements. Compensation for holidays and other qualifying absences are not accrued in the accompanying financial statements as rights to such compensation do not accumulate or vest.

Deferred Revenue

The University of North Texas (UNT) and North Central Texas College (NCTC) have contracted with the Authority to provide transportation for faculty, staff, and students in Denton, Texas through the Connect service. The universities have paid for this service in advance and, in addition, the Authority sells semester and annual passes. The Authority recognizes the revenue through straight-line amortization over the respective period. At September 30, 2013 and 2012, the Authority has received \$77,588 and \$64,912 in advance payments respectively.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Deferred Revenue – Continued

In addition, during 2010, the Authority received an advanced funding in the amount of \$250,360,000 from the Texas Department of Transportation for the development of the passenger rail system and to purchase rail vehicles. The Authority recognizes revenue as the funds are spent. At September 30, 2013 and 2012, unspent grant funds plus interest amounted to \$258,808 and \$258,604, respectively, and are reflected as part of deferred revenue and restricted cash and cash equivalents in the statement of net position.

Net Position

Equity is displayed in two components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation and related debt.

Unrestricted – This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Operating Revenues

Passenger revenue consists of fare box collections, the sale of passes, and amortization of deferred revenue. Farebox revenue is recorded at the time service is performed. Revenue from the sale of passes is recorded at the time of the sale. Deferred revenue from advance payments on contracts is amortized straight-line over the respective period.

Contract service revenue is related to providing transit services to third parties on a contractual basis. Contract revenue is recorded in the period earned. The Authority provides contract services for UNT and NCTC.

Classification of Revenues and Expenses

The Authority classifies its revenues as either operating or non-operating. Operating revenues include activities from the sale of transit services. Non-operating revenue is revenue not associated with the operations of the Authority transit service and includes grant income, investment income, and income from sales and use tax collections.

Operating expenses will be incurred for activities related to providing public transportation services. Such activities include transportation, maintenance, depreciation on capital assets, and general and administrative functions. Non-operating expenses include bad debt expense, interest expense, and amortization of bond fees.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Financial Instruments and Credit Risk

In accordance with the Texas Public Funds Investment Act and the Authority's investment policy, the Authority invests in obligations of the United States or its agencies and instrumentalities. These financial instruments subject the Authority to limited credit risk.

Credit risk with respect to trade and other receivables is limited as they are primarily due from the State of Texas for sales tax collections and other city and state governmental units in the State of Texas.

NOTE 2. BUDGETARY DATA

Section 460 of the Texas Transportation Code requires the Authority to create an annual budget. The Authority maintains control over operating expenditures by the establishment of the annual operating budget. Budgets are prepared on the accrual basis consistent with accounting principles generally accepted in the United States of America. Annual proposed operating and capital budgets are prepared by management, presented to Denton County residents at public meetings, reviewed by the Budget Committee, and reviewed by the Board of Directors prior to adoption of the final budget in September. The operating and capital budgets follow the same preparation and review cycle.

Operating budget appropriations terminate at the end of the fiscal year. Capital budget amounts are not included in the accompanying financial statements. Capital budget amounts are budgeted over the life of the respective project, not on an annual basis.

During the course of the annual budget cycle, it may be necessary to modify the budget by a process of amendment or transfer. For example, modifications may be required because of changes in the purpose, description, terms and conditions, or changes in the cost of an approved service or item. All budget amendments require approval by the Board of Directors. Budget transfers within a department may be authorized by the Authority President and reported to the Board. The Board of Directors monitors, reviews, and accepts the monthly and year to date financial statements with budget comparisons and explanations of material variances.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3. SERVICE AGREEMENTS

On October 1, 2006, the Authority entered into a management contract with First Transit, Inc. as an independent contractor to manage the operation of the Authority's public transit system in the Denton County urban area. Under the direction of the Authority's staff and guidance of its policy, First Transit, Inc. provides a qualified and experienced General Manager and home office support personnel to perform all services and functions necessary to ensure effective and efficient management and administration of the transit system including new and expanded services.

DCTA entered into a joint rail operations contract with DART and the "T" of Fort Worth. The contract provides passenger rail service coordination and allows DCTA to participate in services provided by HTSI under the TRE/DART operating contract. The contract supports the train operations and is accounted for under Purchased Transportation. The contract provides for maintenance services for stations, corridor, track signal and communication systems, engineers and conductors to operate the DCTA service, dispatching, management support, ticket vending machine service, and DART funded insurance for Commercial General Liability that provides DCTA with a minimum of \$125 million worth of primary and non-contributory commercial liability that is a combination of insurance and self-insurance.

NOTE 4. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents

The Authority's cash and cash equivalents are deposited in various accounts as allowed by the Texas Public Funds Investment Act and the Authority's investment policy. The custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority deposits may not be recovered. Balances for these accounts are insured by the Federal Depository Insurance Corporation, and the deposits in excess of the insured amount are collateralized by pledged book entry securities held in a securities account at a Federal Reserve Bank in the Authority's name by a third party or were invested in U.S. Government Securities as allowed by the Texas Public Funds Investment Act.

The Board adopted a policy to designate three months' operating expenses as a reserve to address unanticipated emergencies which may be allocated by the approval of the Board. At September 30, 2013, the reserve is \$5,504,624.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4. CASH, CASH EQUIVALENTS, AND INVESTMENTS – CONTINUED

Cash and Cash Equivalents – Continued

At year-end, cash, cash equivalents and investments consist of the following:

	September 30, 2013	September 30, 2012
Cash and cash equivalents		
Demand deposits	\$ 22,062	\$ 57,855
Sweep repurchase agreements	170,099	1,019,455
Money market account	12,891,376	12,459,341
TexSTAR	4,965,225	5,804,956
	\$ 18,048,762	\$ 19,341,607
Reconciliation		
Cash and cash equivalents	\$ 12,721,952	\$ 15,688,516
Restricted cash and cash equivalents	5,326,810	3,653,091
	\$ 18,048,762	\$ 19,341,607

Investments

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Authority's investment policy limits investment maturities to two years as a means of managing its exposure to fair value losses arising from increasing interest rates. In addition, the policy limits weighted average maturity of the overall portfolio to twelve months.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority does not contain in its investment policy a formal policy regarding credit risk.

As authorized by the Authority's investment policy and in accordance with the Texas Public Funds Investment Act, cash equivalents and investments were invested in U.S. Government Agency Securities, U.S. Treasury Notes and TexSTAR. TexSTAR is administered by First Southwest Asset Management, Inc. and JP Morgan Fleming Asset Management. TexSTAR is a local government investment pool created under the Inter-local Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. The fund is rated AAAM by Standard and Poor's and maintains a weighted average maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all of the requirements of the Texas Public Funds Investment Act for local government investment pools.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5. RECEIVABLES

Receivables at September 30, 2013 and 2012 consisted of the following:

	2013	2012
Operating		
Ticket, token and other receivables	\$ 776,742	\$ 982,232
Sales tax	3,577,600	3,241,340
Grants receivable	2,325,011	245,392
Total	<u>\$ 6,679,353</u>	<u>\$ 4,468,964</u>

NOTE 6. CAPITAL ASSETS

Changes in capital assets for the fiscal years ended September 30, 2013 and 2012 are:

	Balance September 30, 2012	Increases	Transfers/ Decreases	Balance September 30, 2013
Capital assets, not being depreciated:				
Land	\$ 16,228,337	\$ -	\$ -	\$ 16,228,337
Construction in progress	19,504,570	10,821,554	(9,612,768)	20,713,356
Total capital assets not being depreciated	35,732,907	10,821,554	(9,612,768)	36,941,693
Capital assets, being depreciated/amortized				
Rail system	286,261,767	-	9,286,747	295,548,514
Land improvements	5,386,734	-	-	5,386,734
Vehicles and operating equipment	8,261,725	-	-	8,261,725
Leasehold improvements	55,506	-	-	55,506
Office furniture and equipment	1,077,612	-	301,674	1,379,286
Easement	16,997,155	-	-	16,997,155
Total capital assets being depreciated/amortized	318,040,499	-	9,588,421	327,628,920
Less accumulated depreciation/amortization for				
Rail system	4,840,193	6,375,562	1,465,601	12,681,356
Land improvements	284,202	381,077	-	665,279
Vehicles and operating equipment	4,738,045	744,235	(1,311,877)	4,170,403
Leasehold improvements	55,506	-	-	55,506
Office furniture and equipment	349,772	103,966	1,164	454,902
Easement	1,977,500	1,120,541	(265,182)	2,832,859
Total accumulated depreciation	12,245,218	8,725,381	(110,294)	20,860,305
Total capital assets, being depreciated, net	305,795,281	(8,725,381)	9,698,715	306,768,615
Total capital assets, net	<u>\$ 341,528,188</u>	<u>\$ 2,096,173</u>	<u>\$ 85,947</u>	<u>\$ 343,710,308</u>

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. CAPITAL ASSETS – CONTINUED

	Balance September 30, 2011	Increases	Decreases	Balance September 30, 2012
Capital assets, not being depreciated:				
Land	\$ 17,831,105	\$ -	\$ (1,602,768)	\$ 16,228,337
Construction in progress	83,131,319	27,373,737	(91,000,486)	19,504,570
Total capital assets not being depreciated	100,962,424	27,373,737	(92,603,254)	35,732,907
Capital assets, being depreciated/amortized				
Rail system	198,027,776	-	88,233,991	286,261,767
Land improvements	2,035,505	-	3,351,229	5,386,734
Vehicles and operating equipment	11,217,776	284,460	(3,240,511)	8,261,725
Leasehold improvements	55,506	-	-	55,506
Office furniture and equipment	236,446	-	841,166	1,077,612
Easement	16,950,000	-	47,155	16,997,155
Total capital assets being depreciated/amortized	228,523,009	284,460	89,233,030	318,040,499
Less accumulated depreciation/amortization for				
Rail system	1,179,481	4,946,565	(1,285,853)	4,840,193
Land improvements	65,092	219,110	-	284,202
Vehicles and operating equipment	5,843,729	683,757	(1,789,441)	4,738,045
Leasehold improvements	55,506	-	-	55,506
Office furniture and equipment	154,112	204,828	(9,168)	349,772
Easement	1,130,000	847,500	-	1,977,500
Total accumulated depreciation	8,427,920	6,901,760	(3,084,462)	12,245,218
Total capital assets, being depreciated, net	220,095,089	(6,617,300)	92,317,492	305,795,281
Total capital assets, net	<u>\$ 321,057,513</u>	<u>\$ 20,756,437</u>	<u>\$ (285,762)</u>	<u>\$ 341,528,188</u>

Primary capital asset expenditures in 2013 and 2012 relate to the bus operations & maintenance facility and the design of the 21-mile rail corridor and the purchase of rail vehicles, respectively. See related commitment disclosure in Note 10.

In June 2010, the Authority acquired a rail operating easement for the purpose of constructing, installing, maintaining, and operating a modern passenger rail system for payments totaling \$16,950,000. As of September 30, 2013, \$15,300,000 had been paid to the Dallas Area Rapid Transit (DART). The remaining payments of \$1,650,000 will be paid in annual payments until the contract expires (See Note 9). The Authority's right under the contract will expire in June 2030, which is 20 years after the execution of the contract. Amortization of this asset is being recognized over the 20 year useful life on a straight-line basis and was \$847,500 for each of the years ended September 30, 2013 and 2012.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 7. PENSION, RETIREMENT, AND DEFERRED COMPENSATION PLANS

The Authority has a qualified deferred compensation defined contribution plan under the Internal Revenue Code Section 457 for full-time employees. AIG Valic is the administrator of the plan. Employees can make voluntary contributions in the plan through pretax payroll deductions up to the limits allowed by the Internal Revenue Code Section 457.

As of January 2012, the Authority became a member of Texas County District Retirement System (TCDRS) and no longer contributes to the qualified deferred compensation defined contribution plan.

Plan Description: The Authority provides retirement, disability and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the TCERS. The Board of Directors is responsible for the administration of the statewide agent multi-employer public employee defined benefit pension retirement system consisting of 624 public employee defined benefit pension plans. TCERS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the board of trustees at P. O. Box 2034, Austin, Texas 78768-2034 or can be viewed at www.tcdrs.org.

The Authority adopted an annually determined contribution rate plan, for which the employer contribution rate is actuarially determined. The rate, applicable for two calendar years, consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the remainder of the plan's 20-year amortization period which began January 1, 2012 using the entry age actuarial cost method. Monthly contributions by the Authority are based on the covered payroll and the employer contribution rate in effect. The contribution rate for calendar year 2013 is 5.28%.

During fiscal year 2013, employee contributions for all retirement plans totaled \$112,473. The Authority's contributions were \$84,613 for all retirement plans.

Annual pension cost and related information for the first and second year of TCERS is as follows:

	FY 2012-13	FY2011-12
	1/1/2012	1/1/2012
Actuarial valuation date		
Actuarial Assumptions		
Actuarial Cost Method	Entry Age	Entry Age
	Level Percent of	Level Percent of
	Payroll	Payroll
Amortization Method	20 Yrs-Closed	20 Yrs-Closed
Remaining Amortization Period	10-Yr Smoothed	10-Yr Smoothed
Asset Valuation Method	Value	Value
Investment Rate of Return	8.0%	8.0%
Inflation	3.5%	3.5%
Projected Salary Increases	1.9%	1.9%
Cost-of-Living Adjustments	0.0%	0.0%

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7. PENSION, RETIREMENT, AND DEFERRED COMPENSATION PLANS –
CONTINUED**

The Authority's net pension obligation (NPO) at September 30, 2013 and 2012 is calculated as follows:

	Fiscal Year Ending September 30,	
	2013	2012
Annual Pension Cost	\$ 69,429	\$ 52,280
Contributions Made	(69,429)	(52,280)
Net Pension Obligation (NPO) at Year End	\$ -	\$ -
Contributions as a % of Annual Pension Cost	100%	100%

As of December 31, 2012, the most recent actuarial valuation date, the plan was 56.8% funded. The actuarial accrued liability for benefits was \$235,785, and the actuarial value of assets was \$133,929, resulting in an unfunded actuarial accrued liability (UAAL) of \$101,856. The covered payroll (annual payroll of active employees covered by the plan as of the valuation date) was \$1,328,117, and the ratio of the UAAL to the covered payroll was 7.67%.

NOTE 8. BONDS PAYABLE

In December 2009, the Authority issued Sales Tax Revenue Refunding Bonds for \$20,890,000. This bond issuance refunds the \$20 million privately held bonds that were issued in 2008 and will allow the Authority to repay the bonds over 20 years versus a five-year repayment under the original issuance. Because of the early repayment, a \$727,000 interest penalty was incurred. The penalty was being amortized over the remaining life of the 2008 issuance and was paid in full as of September 30, 2013. This amount was financed through the refunding bonds. The Authority has pledged the sales tax revenues towards the repayment of the bonds. The first principal payment was made in September 2013 and annual installments continue through September 2029.

In September 2011, the Authority issued Sales Tax Contractual Obligations for \$14,390,000. This issuance funds the acquisition of personal property related to the rail project, rail vehicles, and the first phase of the new federal mandate for Positive Train Control.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 8. BONDS PAYABLE – CONTINUED

Principal payments are due in annual installments and continue through September 2031. The annual debt service requirements are:

Fiscal Year Ending September 30,	Principal	Interest	Total
2014	\$ 920,000	\$ 1,248,607	\$ 2,168,607
2015	1,510,000	1,211,898	2,721,898
2016	1,580,000	1,156,423	2,736,423
2017	1,645,000	1,098,412	2,743,412
2018	1,720,000	1,038,065	2,758,065
2019 - 2023	9,775,000	4,189,338	13,964,338
2024 - 2028	12,120,000	2,237,793	14,357,793
2029 - 2031	5,125,000	286,813	5,411,813
Total requirements	<u>\$ 34,395,000</u>	<u>\$ 12,467,349</u>	<u>\$ 46,862,349</u>

The following is a summary of changes in bonds payable of the Authority for the year ended September 30, 2013:

Balance at October 1, 2012	\$ 35,280,000
Additions	-
Reductions	<u>(885,000)</u>
Balance at September 30, 2013	<u>\$ 34,395,000</u>

Interest is due semi-annually in March and September with the first payment paid on March 15, 2010. The bonds bear interest of 3.14%.

No interest was capitalized during the years ended September 30, 2013 and 2012.

Amortization of bond issuance costs in the amount of \$9,088 and \$12,219 was recognized for the years ended September 30, 2013 and 2012, respectively. Amortization expense relating to the early repayment penalty was \$167,051 and \$200,461 for the years ended September 30, 2013 and 2012, respectively.

The bond agreements require the Authority to establish and maintain a pledged revenue account and a bond fund account at a depository institution and segregate these accounts in the general ledger for the purpose of accumulating principal and interest when it becomes due and payable. At September 30, 2013 and 2012, the Authority was in compliance with this requirement.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 9. EASEMENT OBLIGATION

In June 2010, the Authority entered into a rail operating easement agreement with DART. The easement obligation represents the remaining principal amounts payable under the agreement. Remaining requirements are as follows:

Fiscal Year Ending September 30,	Principal
2014	\$ 150,000
2015	100,000
2016	100,000
2017	100,000
2018	100,000
2019 - 2023	500,000
2024 - 2028	500,000
2029	100,000
Total requirements	<u>\$ 1,650,000</u>

NOTE 10. COMMITMENTS AND CONTINGENCIES

Risk Management

The Authority is exposed to various types of risk of loss including torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; natural disasters; and environmental occurrences.

The Authority is a participant in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide insurance for errors and omission, general liability, workers' compensation, automobile liability, and physical damage coverage. TML was self-sustaining in 2013 based on premiums charged so that total contributions plus earnings on the contributions will be sufficient to satisfy claims and liabilities.

Premiums are assessed based on the rates set by the Texas State Board of Insurance for each participating political subdivision's experience. The Authority has a \$10,000 deductible for errors and omissions liability with limits of \$3,000,000 per wrongful act and an annual aggregate of \$6,000,000. General liability coverage has no deductible with limits of \$1,000,000 per occurrence, \$1,000,000 per occurrence for sudden events involving pollution, and an annual aggregate of \$2,000,000. Worker's compensation coverage has no deductible. Automobile liability has a limit of \$5,000,000 per occurrence. The Authority's vehicles are insured for physical damage for collision and comprehensive coverage after a \$10,000 deductible.

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 10. COMMITMENTS AND CONTINGENCIES – CONTINUED

Risk Management – Continued

The Authority has a government crime policy with TML insuring against employee theft up to \$1,000,000 per loss. For the year ended September 30, 2013, the Authority has not incurred any losses under these plans.

Litigation

The Authority has one pending lawsuit. In the opinion of management, after consultation with legal counsel, potential losses will not materially affect financial position, operations or cash flows.

State and Federal Grants

The Authority participates in several State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to these grant programs are subject to audit, approval, and adjustment by the grantor agencies, which could result in refunds to the grantor. It is management's opinion that the Authority has complied with substantially all of the requirements under the respective grants, and therefore, no provision has been recorded in the accompanying financial statements for such liabilities.

Commitments

At September 30, 2013, the Authority has the following outstanding commitments:

Right of Way agreement with DART	\$ 1,650,000
Predictive Arrival Software	437,036
Operations and Maintenance Agreement with DART	18,495,284
Management agreement for bus transit operations	<u>156,140</u>
	<u>\$ 20,738,460</u>

**DENTON COUNTY TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 10. COMMITMENTS AND CONTINGENCIES – CONTINUED

Operating Lease Agreements

The Authority has entered into certain operating lease agreements. All operating leases to which the Authority is currently a party will expire in fiscal year 2015. The total lease expense was \$499,592 for 2013 and \$1,093,160 for 2012. The lease payments by year are as follows:

	2014	2015	Total
Lease commitments			
Transit Management of Denton County operations	\$ 26,374	\$ -	\$ 26,374
Denton bus operating facility	152,229	12,686	164,915
Total lease commitments	\$ 178,603	\$ 12,686	\$ 191,289

Funding

These current expenditures, current contract commitments, and any future commitments will be funded by the Authority out of available cash and investments, future sales tax collections, federal grants, and debt financing.

NOTE 11. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 63 *“Financial Report of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* – This statement will standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government’s net position. The Authority implemented this statement in fiscal year 2013. The only impact of the implementation of this standard was changing financial statement items previously titled “net assets” to “net position”. The Authority has no items that are required by this statement to be presented as deferred outflows of resources or deferred inflows of resources.

REQUIRED SUPPLEMENTARY INFORMATION

**DENTON COUNTY TRANSPORTATION AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS COUNTY DISTRICT RETIREMENT SYSTEM
 ANALYSIS OF FUNDING PROGRESS
 (UNAUDITED)**

Fiscal Year	Actuarial Valuation Date	A	B	C = A/B	D = B-A	E	F = D/E	Annual Required Contributions	Actual Contributions
		Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll		
2012	01/01/12	\$ -	\$ 170,028	0%	\$ 170,028	\$ 1,177,573	14.44%	\$ 52,280	\$ 52,280
2013	01/01/12	-	170,028	0%	170,028	1,177,573	14.44%	69,429	69,429

Note: The Authority became a member of Texas County District Retirement System (TCDRS) in January 2012.

SUPPLEMENTARY INFORMATION

**DENTON COUNTY TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES – BUDGET TO ACTUAL
YEAR ENDED SEPTEMBER 30, 2013 WITH COMPARATIVE ACTUAL FOR 2012**

	2013				2012
	Original Budget	Final Budget	Actual	Variance	Actual
OPERATING REVENUES					
Passenger revenue	\$ 1,030,940	\$ 1,030,940	\$ 1,265,685	\$ 234,745	\$ 1,015,813
Contract services	3,001,040	3,001,040	2,980,804	(20,236)	2,927,341
Other	-	-	44,072	44,072	38,032
	<u>4,031,980</u>	<u>4,031,980</u>	<u>4,290,561</u>	<u>258,581</u>	<u>3,981,186</u>
OPERATING EXPENSES					
Salaries, wages and fringe benefits	7,211,225	7,211,225	6,702,365	508,860	6,293,238
Services	1,388,452	2,118,582	1,628,119	490,463	1,431,693
Materials and supplies	3,494,340	3,698,665	3,071,662	627,003	3,010,582
Purchased transportation services	8,430,186	8,430,186	8,874,900	(444,714)	7,605,436
Utilities	372,740	410,398	415,341	(4,943)	396,248
Insurance	544,732	625,791	625,788	3	362,960
Facility and equipment rents	421,330	537,430	349,592	187,838	943,160
Other - miscellaneous	155,491	148,976	144,743	4,233	126,190
Depreciation and amortization	9,320,443	9,320,443	8,613,310	707,133	6,901,760
Total operating expenses	<u>31,338,939</u>	<u>32,501,696</u>	<u>30,425,820</u>	<u>2,075,876</u>	<u>27,071,267</u>
Operating loss	<u>(27,306,959)</u>	<u>(28,469,716)</u>	<u>(26,135,259)</u>	<u>2,334,457</u>	<u>(23,090,081)</u>
NON-OPERATING REVENUES (EXPENSES)					
Sales tax revenue	18,775,391	18,775,391	20,209,051	1,433,660	19,009,135
Transit system operating assistance grants	2,780,235	2,780,235	3,100,729	320,494	3,183,057
Investment income	36,000	36,000	32,137	(3,863)	53,927
Interest expense	(2,168,920)	(2,331,608)	(1,449,718)	881,890	(1,486,881)
Amortization of bond issuance costs	-	-	(9,088)	(9,088)	(12,219)
Gain (loss) on disposal of assets	-	-	8,150	8,150	52,269
Total non-operating revenue (expenses)	<u>19,422,706</u>	<u>19,260,018</u>	<u>21,891,261</u>	<u>2,631,243</u>	<u>20,799,288</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS	<u>(7,884,253)</u>	<u>(9,209,698)</u>	<u>(4,243,998)</u>	<u>4,965,700</u>	<u>(2,290,793)</u>
GRANTS FOR CAPITAL IMPROVEMENTS	<u>7,467,865</u>	<u>8,201,301</u>	<u>5,922,358</u>	<u>(2,278,943)</u>	<u>7,127,088</u>
Change in net position	<u>\$ (416,388)</u>	<u>\$ (1,008,397)</u>	<u>\$ 1,678,360</u>	<u>\$ 2,686,757</u>	<u>\$ 4,836,295</u>



Board of Directors Memo

February 27, 2014

Subject: 5(c) Approval of Award of State Legislative Services Consulting Contract**Background**

A request for proposal was released on October 28, 2013, with proposals due on December 4, 2013. Five (5) proposals were received. Staff reviewed the proposals from all five (5) firms and three (3) firms were recommended to make presentations to the Legislative Committee on January 15, 2014. The Legislative Committee ranked the three (3) firms and recommending awarding the contract to Capitol Insights Team which consists of Capitol Insights and Bird Advocacy & Consulting.

Identified Need

The DCTA Representative shall advise and assist DCTA in the development of a State/Regional Legislative Strategy. Specific focus will initially be on the 84th Legislature and increased funding opportunities. This strategy will be the basis of the actions to be completed in the time period from the execution of the contract until the closure of the 84th Legislature. Revision to this strategy will occur as conditions change and upon renewal of the contract.

The DCTA Representative shall be responsible for providing ongoing communications with the Delegation, advising the Members and staff of DCTA's activities, and in turn advising DCTA of the interests and needs of the Delegation. Such activities shall include the solicitation of Delegation support for project funding, transportation-related legislative initiatives, the Authority's legislative platform and other required concurrences as submitted by DCTA to the agencies of the state of Texas.

Financial Impact

Staff negotiated the monthly fee for services of \$7,250.00, for a term of two (2) years with the option to extend for three (3) additional one (1) year renewals. The \$7,250.00 monthly fee will be for both legislative and non-legislative years. Adjustment will be made at revised budget.

Recommendation

DCTA staff recommends the Board of Directors authorize the President to negotiate and execute a contract with Capitol Insights Team.

Submitted by:


Athena Forrester, Procurement Manager

Final Review:


Anna Mosqueda, CFO

Approval:


James C. Cline, Jr., President



Board of Directors Memo

February 27, 2014

Subject: 6 Board Planning Retreat

The Board Planning Retreat is an annual day-long meeting that sets the stage for the establishment of guidance for future growth/expansion and the development of the next year's budget. This meeting has proven to be very beneficial to both Staff and Board members for the communication of the Board's intent.

In order to facilitate the discussion during the meeting, Staff has included several attachments as a part of this agenda item. These include an overall Retreat Handout, a copy of the Long Range Service Plan (LRSP) Executive Report, and a presentation made to the Program Services Committee on Operations Performance. A few notes about the Retreat handout as it is different from last year. I have focused the document for use as a guide to the discussion rather than a stand-alone document to be distributed and used outside the meeting. We will be developing such a document when we update the performance metrics at the end of 2QFY14. The page labelled as "Planning Challenges" lays out many of the paradoxes or areas in which we must balance our resources (time and financial) as an agency to succeed. My intent is for this to be the incubator for discussion amongst the Board and Senior Staff on the issues before us. It is seeking the balance between these opposing directions where we focus our decision-making efforts. This handout will also include a report on the 1QFY14 performance metrics and a projected cash flow model for the development of the FY15 budget. This model is not intended to change or replace the adopted model, but will demonstrate the feasibility of the direction DCTA is taking into the future.

I have included some rough time slots for the meeting elements to make sure we stay on track as much as possible. You will note that Den Bishop, President of Holmes Murphy (our benefits consultant) is scheduled to brief us on the Patient Protection and Affordable Care Act and its implications for DCTA. We distributed copies of his book last year for your review. I think you will find it interesting, informative, and relevant to the development of guidance and policies as we go forward. Mr. Bishop was not available until 1:00pm, so we will likely need to cover some items in the planning retreat after his discussion.

I very much look forward to the meeting. Please let us know if you cannot attend, and we will ensure that you are brought up to date. We will provide hard copies of the retreat handout and the LRSP Executive Report at your seats.

Approval:


James C. Cline, Jr., President

Quarter 1 Ridership Results



Q1 System Ridership

System Total (Bus Only)	Q1 FY 2013	Q1 FY 2014	% FY 13 vs FY 14
Total Boardings	814,561	656,479	-19%
Boardings per Revenue Mile	2.13	1.67	-22%
Boardings per Revenue Hour	26.13	20.30	-22%

Notes: Ridership continues to be impacted by reductions in service for the UNT Shuttle.



Quarter 1 A-train Ridership

A-train	Q1 FY 2013	Q1 FY 2014	% FY 13 vs FY 14	Service Standard
Total Boardings	129,595	138,159	6.6%	Increase 10%
Boardings per Revenue Mile	1.74	1.87	7.5%	1.25
Boardings per Revenue Hour	47.73	50.67	6.2%	35

Notes: Weather in October and December slowed ridership gains. Boardings per revenue mile and revenue hour exceed service standards.



Quarter 1 Denton Connect Ridership

Denton Connect	Q1 FY 2013	Q1 FY 2014	% FY 13 vs FY 14	Service Standard
Total Boardings	107,052	116,8125	9%	Increase 10%
Boardings per Revenue Mile	1.34	1.31	-2%	0.7
Boardings per Revenue Hour	16.00	16.08	0.5%	10
Vehicle Miles between Road Calls	11,971	3,569	-70%	7,000
% of Missed Trips per 1, 000 Trips	0.29	0.93		0 missed trips

Notes: Ridership continues to grow on Denton Connect. Gilligs experienced fuel filter malfunctions due to biodiesel clogging. DCTA will not use biodiesel at new fueling facility. Missed trips were a result of aforementioned service calls and increased congestion in Denton.



Quarter 1 Lewisville Connect Ridership

Lewisville Connect	Q1 FY 2013	Q1 FY 2014	% FY 13 vs FY 14	Service Standard
Total Boardings	30,025	30,081	0.2%	Increase 10%
Boardings per Revenue Mile	0.46	0.44	-4%	0.7
Boardings per Revenue Hour	6.58	6.05	-8%	10
Vehicle Miles between Road Calls	13,843	17,028	23%	7,000
% of Missed Trips per 1, 000 Trips	0.50	1.34		0 missed trips

Notes: Lewisville decrease is a result of added service miles and hours to Route 21. Missed trips increased because of early closure of service on 12/5.



Quarter 1 UNT Ridership

UNT	Q1 FY 2013	Q1 FY 2014	% FY 13 vs FY 14	Service Standard
Total Boardings	662,060	490,384	-26%	-----
Boardings per Revenue Mile	4.19	3.58	-15%	2.2
Boardings per Revenue Hour	45.80	38.46	-16%	25
Vehicle Miles between Road Calls	6,691	6,313	-6%	7,000
% of Missed Trips per 1, 000 Trips	2.30	1.29		0 missed trips

Notes: UNT reduced its revenue hours compared to last year. Additionally, Highland Street and the Union are under construction impacting vehicular and pedestrian traffic patterns. Inclement weather in December also impacted ridership.



Quarter 1 NCTC Ridership

NCTC	Q1 FY 2013	Q1 FY 2014	% FY 13 vs FY 14	Service Standard
Total Boardings	7,145	6,603	-7.59%	-----
Boardings per Revenue Mile	0.43	0.39	-8.85%	2.2
Boardings per Revenue Hour	9.51	8.67	-8.85%	25
% of Missed Trips per 1, 000 Trips	0	0		0 missed trips

Notes: Inclement weather impacted ridership in December.
NCTC campus was closed for 3 days.



Quarter 1 RSVP & Access Ridership

RSVP Connect	Q1 FY 2013	Q1 FY 2014	% FY 12 vs FY 13	Service Standard
Total Access Boardings	7,341	9,883	34.63%	-----
Total RSVP Boardings	938	1,149	22.49%	-----
RSVP Boardings per Revenue Hour	1.83	2.17	18.22%	2.5
Access Boardings per Revenue Hour	1.75	1.72	-1.41%	2.5
Vehicle Miles between Road Calls	15,392	45,700		7,000

Notes: Implemented changes to trips for Connect RSVP and Access which impacted Boardings Per Revenue Hour calculations.



Project Updates

DCTA

9

Project Updates

Access:

- Continue to monitor closely
- Adjustments made seem to have mitigated the issues
- No significant issues remaining at this time

UNT Shuttle:

- Continue to see decline
- Discussing options with the University
- Will include in proposed FY15 assessments

2014 Service Changes

- Successful implementation
- Only minor adjustments for bus and train connections in the mid-morning

Stadler Vehicle Maintenance:

- FY14 activities underway

Landscape:

- Landscape Architect identified. Task order is in process.



Positive Train Control

The logo for DCTA (District of Columbia Transit Authority) is displayed in white, bold, italicized capital letters on a dark green rectangular background. A yellow graphic element, resembling a stylized arrow or a drop, is positioned below the letters 'A' and 'T'.

11

Positive Train Control

- Procurement released: January 31, 2014
- Contract award: July 2014
- Anticipated completion: December 2016
- Major issues remaining:
 - Spectrum
 - PTC 220 agreement
 - Meteorcom agreement
 - Regional ILA
 - Project Management structure
 - Funding

The logo for DCTA (District of Columbia Transit Authority) is displayed in white, bold, sans-serif capital letters on a dark green rectangular background. A yellow graphic element, resembling a stylized arrow or a speech bubble tail, points upwards from the bottom right corner of the green bar.

12

Operations Agreement(s)

DCTA

13

Operations & Maintenance Agreements

Rail Scope of Services – Contract Operations:

- TRE, A-train and TexRail (priced as an option)
- 10 year with one 10 year option
- Commuter Rail Operations, Management and Regulatory Compliance
- Train Dispatching
- Maintenance of Way, Comms/PTC, Equipment and Facility

Bus Scope of Services – Management Contract:

- Management Contract - Oversight and management of bus operations and maintenance employees (TMDC)
- 7 years with three one-year options
- Assist with regulatory compliance, service planning and administrative functions of transit operations
- Recognize current collective bargaining agreement



Long- Range Service Plan

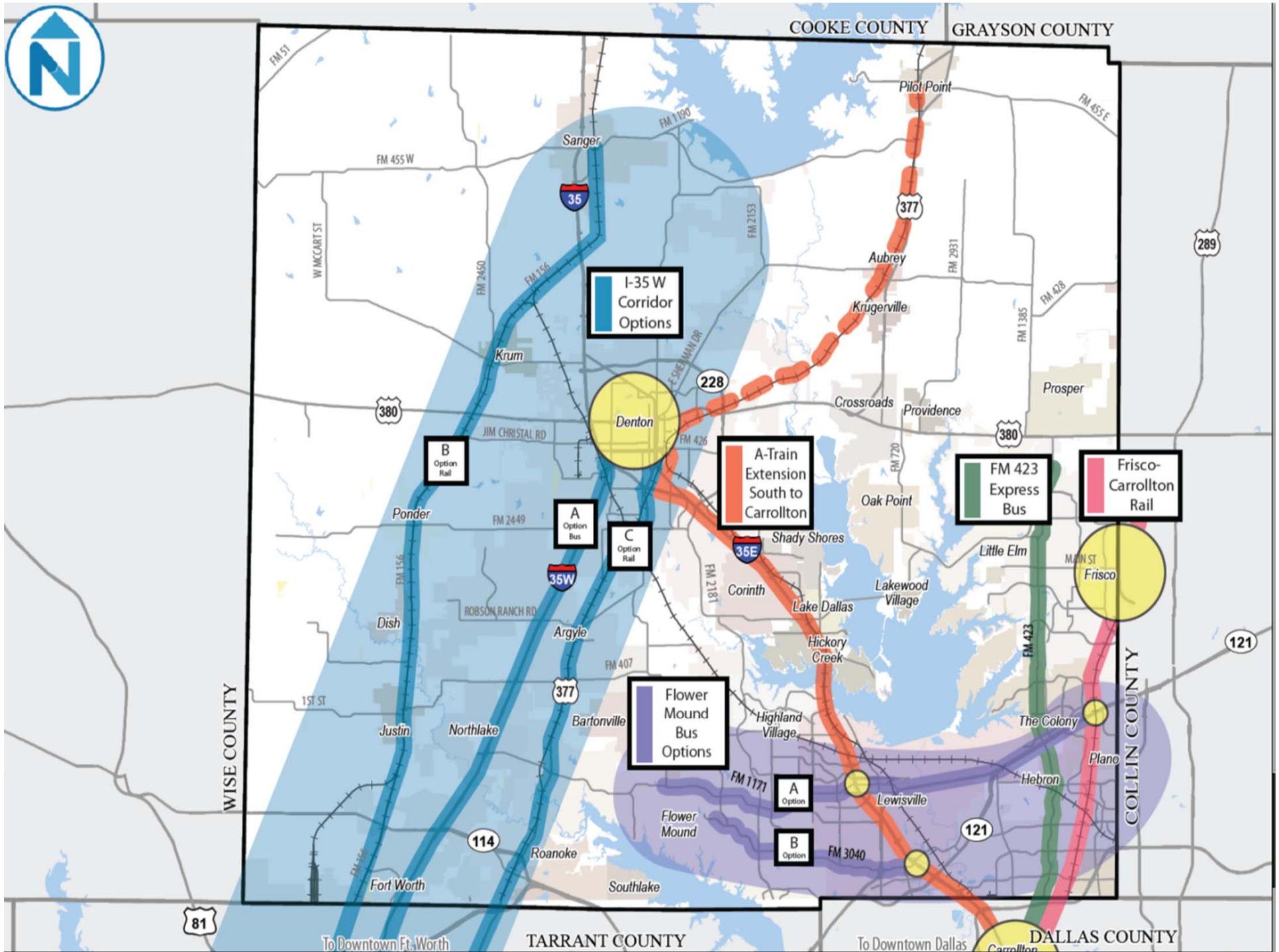
DCTA

15

Future Corridors

- Extension of A-Train to Downtown Carrollton
 - Provides direct access to future rail lines (i.e. – Cotton-Belt)
- Commuter bus service from Denton to Fort Worth
- Frisco-The Colony-Carrollton Rail Corridor
- East-West Bus Service in Lewisville
 - Would run along FM 1171 or Hebron/FM 3040
 - East from The Colony through Lewisville to Flower Mound
- Bus Service along FM 423 from Little Elm through The Colony to Carrollton.
- Northern extension of existing A-Train
- Denton-Fort Worth Rail Corridor





Near Term Service Recommendations	Status
Improve A-train frequencies and hours	Added mid-day service, extended evening weekday hours.
Better schedule integration of bus and rail	Current focus on university routes and Route 21.
Build high frequency spines in Denton	No action yet
Additional service frequency in Denton	Routes 1 & 6 in FY14
Airport Road in Denton	No action yet
Consider expansions in Lewisville and Highland Village	Expanded Route 21 and Connect RSVP service hours.



Near Term Service Recommendations	Status
Limit non-ADA Access Service	No action yet
Expand use of conditional eligibility for Access	Currently working through recertification process
Encourage use of fixed route buses	Continue travel training program
Reduce advance booking option for non-subscription trips	No action yet
Leverage Connect RSVP for non-ADA Access trips	Current practice
Ensure ADA compliance	Retrained employees in FY13



Near Term Service Recommendations	Status
Enhance transit traveler information through improved technologies	Where's My Ride, Go Pass, Go Request, website
Enhance operations data reporting and system management	Where's My Ride
Participate in regional fare solutions	Go Pass
Implement on-board stop announcements on buses	Where's My Ride
Improve marketing and passenger information	Passenger Information and Communication Architecture Study. Implementation in process.

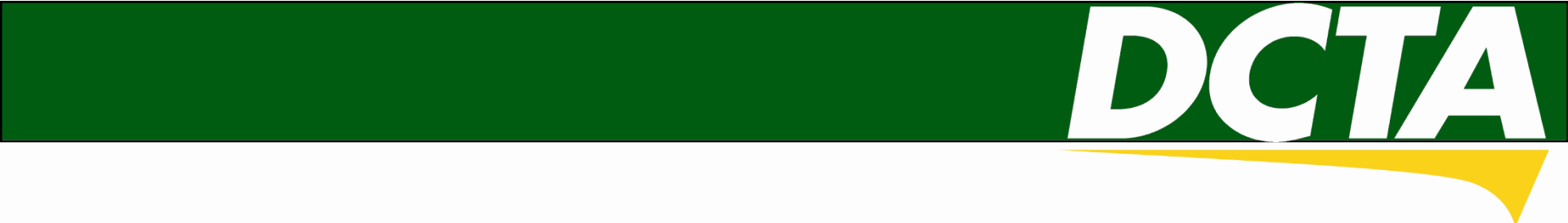


System Design Standards

- Route Classification System
- Minimum Service Span and Frequency
- System-Wide Performance Standards
- Route-Level Performance Standards
- Service Design Standards
- Demand Response Performance Standards
- Passenger Amenities

The logo for DCTA (Dallas County Transportation Authority) is displayed in white, bold, sans-serif capital letters on a dark green rectangular background. A yellow graphic element, resembling a stylized arrow or a speech bubble tail, points upwards from the bottom right corner of the green bar.

Desired Minimum Service Span			
Route Type	Weekday	Saturday	Sun.
Commuter Rail	5am - 9pm	10am - 11pm	N/A
Regional Express Bus	5am - 7pm	N/A	N/A
Regional Arterial Bus	5am - 9pm	N/A	N/A
Urban Area Trunk Routes	5am - 9pm	9am - 6pm	N/A
Community Circulators	5am - 9pm	9am - 6pm	N/A
On-Call	6am - 9am, 3pm - 7pm	N/A	N/A



Desired Minimum Service Frequency

Route Type	Weekday		Saturday	Current
	Peak	Midday		
Commuter Rail	25	105	105	22/95/120
Regional Express Bus	20	60	N/A	N/A
Regional Arterial Bus	30	60	60	N/A
Urban Area Trunk Routes	30	30	60	N/A
Community Circulators	30	30	60	45/45/80



Route	FY13	FY14	FY15
1	85/80	40/80	40/80
2	58/90	58/90	30/60
3	38/80	38/80	38/80
4	35/85	40/85	40/85
5	42/75	44/75	44/75
6	85/85	45/85	45/60
7	35/75	35/75	35/75
8	40/90	44/90	44/90
9	30	30	30
21	Lowest = 25 Longest = 73	40 (avg)/85	30/85
22	30-60/85	30/60	30/60
23	40-80/85	30/80	30/80



FY15 Service Recommendations

The logo for DCTA (Delaware County Transit Authority) is displayed in white, bold, italicized capital letters on a dark green rectangular background. A yellow graphic element, resembling a stylized arrow or a speech bubble tail, points upwards from the bottom right corner of the green bar.

25

FY15 Service Considerations

Bus Enhancements

- Additional frequency on Route 2 during weekday
- Additional frequency on Route 2 & 4 on Saturdays
- Extension of operating hours for university routes (7, 8, 5, 6) to 10:15 p.m. during weekdays.

Rail Enhancements

- One additional evening NB trips during weekday
- One additional evening SB trip after 10 p.m. during weekday

Planning

- Comprehensive Bus and Paratransit Study to include UNT
- Planning, scheduling and run-cutting software



Board Committees 2013

Executive Committee

Chair: Charles Emery

Committee Members: Paul Pomeroy, Dave Kovatch, Richard Huckaby

Staff Liaison: Jim Cline, President

Program Services Committee

Chair: Paul Pomeroy

Committee Members: Bill Walker, Skip Kalb, Doug Peach, Don Hartman, Carter Wilson

Staff Liaison: Dee Leggett, Chief Operating Officer

Finance Committee

Chair: Dave Kovatch

Committee Members: Jim Robertson, Richard Huckaby, George Campbell, Allen Harris

Staff Liaison: Anna Mosqueda, CFO / Vice President Finance

Legislative Committee

Chair: Charles Emery

Committee Members: Paul Pomeroy, Bill Walker, Daniel Peugh, Richard Huckaby

Staff Liaison: Jim Cline, President