



DENTON COUNTY
TRANSPORTATION AUTHORITY

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

Board of Directors Work Session

May 25, 2017 | 1:30 p.m.

1. Routine Briefing Items
 - a. Staff Briefing on Monthly Financial Reports
 - i. Financial Statements for April 2017
 - ii. Capital Projects Budget Report for April 2017
 - iii. Monthly Sales Tax Receipts
 - iv. Current Procurement Activities
 - b. Marketing and Communications
 - i. New Collateral Overview
 - ii. Service Change Update
 - iii. Summer Campaign Preview
 - iv. Collin County Transit Update
 - v. Website Update
 - c. Strategic Planning and Development
 - i. Regional Planning Initiatives Update
 - ii. Local Planning Update
 - iii. Business Development & Partnerships Update
 - d. Capital Projects
 - i. Flood Damage Repairs Update
 - ii. Positive Train Control & Signal System Enhancements
 - e. Staff Briefing on Transit Operations Reports
 - i. Bus and Rail Operations
2. Committee Chair Report
 - a. Finance Committee (5/15/2017) Dave Kovatch, chair
3. Discussion of Regular Board Meeting Agenda Items (May 2017)

4. Convene Executive Session. The Board may convene the Work Session into Closed Executive Session for the following:
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board of Directors Work Session 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 or the Regular Board Meeting Agenda.
 - b. Texas Government Code Section 551.072 Deliberation regarding Real Property: Discuss acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, or Highland Village.
5. Reconvene Open Session
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
6. Discussion of Future Agenda Items
 - a. Board Member Requests
7. ADJOURN

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

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

**Members – Skip Kalb, Doug Peach, Jim Robertson, Tom Winterburn, Don Hartman,
George A. Campbell, Allen Harris, Carter Wilson, Connie White
President – Jim Cline**

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

This notice was posted on 5/19/2017 at 8:27 AM.

Brandy Pedron, Administrative Assistant



DENTON COUNTY
TRANSPORTATION AUTHORITY

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

Board of Directors Regular Meeting

May 25, 2017 | 3:00 p.m.*

**or immediately following Board Work Session
scheduled at 1:30 p.m. on May 25, 2017*

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

1. CONSENT AGENDA

- a. Approval of Minutes for the Board Work Session and Regular Meeting on March 23, 2017
- b. Acceptance of Financial Statements – April 2017
- c. Approval of Award and Contract for Mobile Video Surveillance System

2. REGULAR AGENDA

- a. Discussion/Approval of Resolution 17-02 adopting Revised Fiscal Year 2017 Operating & Capital Budget
- b. Approve Financial Policies
- c. Approval of agreement with Texoma Area Paratransit System (TAPS) for transfer of twelve vehicles.

3. Convene Executive Session. The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

- a. As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
- b. As Authorized by Texas Government Code Section 551.072 Deliberation regarding Real Property: Discuss acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, or Highland Village.

4. Reconvene Open Session

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

5. CHAIR REPORT

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

6. PRESIDENT'S REPORT

- a. Budget Transfers
- b. Regional Transportation Issues

7. REPORT ON ITEMS OF COMMUNITY INTEREST

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

8. ADJOURN

Chair – Charles Emery
Vice Chair – Paul Pomeroy

Secretary – Richard Huckaby
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Members – Skip Kalb, Doug Peach, Jim Robertson, Tom Winterburn, Don Hartman,
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This notice was posted on 5/19/2017 at 8:26 AM.

Brandy Pedron, Administrative Assistant



Board of Directors Memo

Subject: Monthly Financial Reports

May 25, 2017

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending April 30, 2017 include the Statement of Change in Net Position, Statement of Net Position, 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 between year-to-date budget and year-to-date actuals, which are annotated on the Statement of Change in Net Position.

- **Note A:** Passenger Revenues – YTD unfavorable by (\$30k), due to lower than budgeted ridership. YTD rail ridership of 315k is 6% less than budgeted YTD ridership of 336k (\$45k reduced revenue). YTD ridership for Connect, Access, Frisco, and North Texas Express of 330k is 10% less than budgeted YTD ridership of 368k (\$30k reduced revenue). Total YTD bus ridership including UNT and NCTC riders is 1.74 million, which is 7% higher than budgeted ridership of 1.62 million. This negative variance is partially offset by 742 service hours billed for special movements (\$45k additional revenue).

		YTD FY17 Actual Ridership	YTD FY17 Budgeted Ridership	% Variance
Total Rail Ridership	(A)	315,369	336,198	- 6%
Connect, Access, Frisco, North Texas Express	(A)	329,670	368,259	- 10%
UNT & NCTC	(B)	1,408,342	1,255,531	12%
Total Bus Ridership		1,738,012	1,623,790	7%
Total Ridership		2,053,381	1,959,988	5%

(A) Passenger revenues are linked with these ridership statistics. Although Frisco service is a contracted service, the passengers are responsible for a passenger fare as well.

(B) These ridership numbers are shown for information purposes only and are not linked to passenger revenues.

- **Note B:** Contract Service Revenue – YTD favorable by \$96k, due to higher than budgeted UNT revenue hours (\$206k). This favorable variance is partially offset by lower than budgeted NCTC revenue hours (\$4k) and reduced fuel pass-through costs for UNT and NCTC (reduction of \$94k). Average billed fuel price/gallon of \$1.95 is 35% lower than the budgeted \$3.00/gallon. Additionally, Frisco service for April had not yet been billed as of month-end close, resulting in a negative budget variance of (\$19k).
- **Note C:** Sales Tax Revenue – April sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in April will be received in June. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY17 sales tax receipts collected through May.

- **Note D: Federal/State Grants - Capital** – YTD unfavorable by (\$1.8 million) mainly because expenses and corresponding reimbursements for the Lewisville Hike & Bike Trail have been delayed from the timing anticipated in the budget. The budget for this project will be adjusted to reduce project costs and corresponding reimbursements. This negative variance is partially offset by reimbursements for the PTC project that are higher than anticipated in the budget.

	FY17 Budgeted Drawdowns	FY17 Actual Revenue	Variance
Bus O&M	\$ -	\$ 6,209	\$ 6,209
Bus Fleet Cameras	102,000	-	(102,000)
Bus Scheduling Software	138,000	-	(138,000)
COGNOS	80,000	-	(80,000)
Comp. Service Analysis	117,452	6,500	(110,952)
Lewisville Hike & Bike Trail	1,541,533	-	(1,541,533)
Positive Train Control (PTC)	3,493,688	3,774,796	281,108
Safety/Security	112,248	-	(112,248)
Transit Enhancements	51,426	7,893	(43,533)
	\$ 5,636,347	\$ 3,795,398	\$ (1,840,949)

- **Note E: Federal/State Grants - Operating** – YTD unfavorable by (\$1.3 million) mainly because expenses and corresponding reimbursements for FEMA projects have been delayed from the timing anticipated in the budget. These reimbursements will be requested in coming months as expenses are incurred. Additionally, operating assistance reimbursements have not yet been drawn down as the grant is pending final completion by FTA. This negative variance is partially offset by reimbursements for ADA assistance that are higher than anticipated in the budget.

	FY17 Budgeted Drawdowns	FY17 Actual Revenue	Variance
Bus PM	\$ 606,277	\$ 777,345	\$ 171,068
Rail PM	972,923	972,923	-
Operating Assistance	684,445	-	(684,445)
ADA Assistance	280,617	561,234	280,617
FEMA	1,245,230	-	(1,245,230)
VanPool	187,368	318,306	130,938
Printing	-	20,315	20,315
	\$ 3,976,860	\$ 2,650,123	\$ (1,326,737)

Identified Need

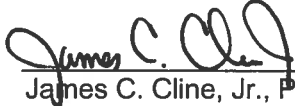
Provides the Board a review of DCTA's financial position and the agency's performance to budget.

Recommendation

Staff recommends acceptance.

Submitted by: Marisa Perry, CPA 
Controller

Final Review: 
Anna Mosqueda
CFO

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

Denton County Transportation Authority
Change in Net Position
Month and Year to Date April 30, 2017
(Unaudited)

WS 1(a)i

Description	Month Ended April 30, 2017			Year to Date April 30, 2017			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	\$ 104,884	\$ 123,026	\$ (18,142)	\$ 836,789	\$ 867,103	\$ (30,314)	\$ 1,446,008	Note A
Contract Service Revenue	374,402	404,750	(30,348)	2,426,075	2,330,529	95,546	3,649,987	Note B
Sales Tax Revenue	2,141,584	1,969,968	171,616	15,197,453	14,036,022	1,161,431	24,624,601	Note C
Federal/State Grants - Capital	216,259	845,609	(629,350)	3,795,398	5,636,347	(1,840,949)	11,940,392	Note D
Federal/State Grants - Operating	157,465	1,021,869	(864,404)	2,650,123	3,976,860	(1,326,737)	6,264,427	Note E
Total Revenue and Other Income	2,994,595	4,365,222	(1,370,627)	24,905,838	26,846,861	(1,941,023)	47,925,415	
Operating Expenses								
Salary, Wages and Benefits	823,814	937,204	113,390	6,031,246	6,400,022	368,776	10,893,651	
Services	154,626	225,293	70,667	1,094,997	1,719,985	624,988	2,733,382	
Materials and Supplies	160,824	319,181	158,357	1,347,716	1,944,810	597,093	3,296,374	
Utilities	31,206	40,505	9,299	202,336	278,343	76,007	481,264	
Insurance, Casualties and Losses	142,125	139,219	(2,906)	901,478	900,511	(967)	1,535,814	
Purchased Transportation Services	812,845	762,401	(50,444)	5,758,128	5,805,519	47,392	9,656,734	
Miscellaneous	11,003	27,448	16,445	112,507	266,146	153,639	385,405	
Leases and Rentals	21,342	26,599	5,257	154,226	177,490	23,263	306,776	
Depreciation	839,360	875,852	36,492	5,815,622	5,962,621	146,999	10,339,739	
Total Operating Expenses	2,997,144	3,353,702	356,558	21,418,256	23,455,446	2,037,190	39,629,139	
Income Before Non-Operating Revenue and Expense	(2,549)	1,011,520	(1,014,069)	3,487,582	3,391,415	96,167	8,296,276	
Non-Operating Revenues / (Expense)								
Investment Income	10,727	3,333	7,394	45,029	23,331	21,698	40,000	
Gain (Loss) Disposal of Assets	-	-	-	2,910	-	2,910	-	
Fare Evasion Fee	-	125	(125)	300	875	(575)	1,500	
Other Income - Miscellaneous	1,980	-	1,980	29,005	-	29,005	-	
Long Term Debt Interest/Expense	(91,534)	(91,534)	(0)	(640,435)	(640,738)	303	(1,098,412)	
Total Non-Operating Revenue / (Expense)	(78,828)	(88,076)	9,248	(563,191)	(616,532)	53,341	(1,056,912)	
Change in Net Position	\$ (81,376)	\$ 923,444	\$ (1,004,821)	\$ 2,924,391	\$ 2,774,883	\$ 149,508	\$ 7,239,364	

Denton County Transportation Authority
Statement of Net Position
As of April 30, 2017
(Unaudited)

	April 30, 2017	March 31, 2017	Change
Current Assets			
Cash & Cash Equivalents	\$ 10,368,778	\$ 11,638,963	\$ (1,270,185)
Investments	7,469,074	7,267,683	201,392
Accounts & Notes Receivable	5,809,951	5,423,282	386,670
Prepaid Expenses	1,032,734	1,163,109	(130,375)
Inventory	17,375	7,379	9,996
Restricted Asset-Cash and Equivalents	3,530,771	2,851,591	679,180
Total Current Assets	<u>28,228,683</u>	<u>28,352,006</u>	<u>(123,323)</u>
Property, Plant and Equipment			
Land	16,228,337	16,228,337	-
Land Improvements	6,458,821	6,458,821	-
Machinery & Equipment	3,771,330	3,722,202	49,128
Leasehold Improvements	55,506	55,506	-
Vehicles	90,298,496	90,298,496	-
Computers & Software	1,180,676	1,180,676	-
Accumulated Depreciation	(53,723,817)	(52,884,457)	(839,360)
Total Property, Plant and Equipment	<u>64,269,349</u>	<u>65,059,582</u>	<u>(790,232)</u>
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	234,822,652	234,822,652	-
Construction in Progress	17,056,538	16,532,815	523,723
Total Capital Assets	<u>268,876,345</u>	<u>268,352,622</u>	<u>523,723</u>
Total Assets	<u><u>\$ 361,374,377</u></u>	<u><u>\$ 361,764,209</u></u>	<u><u>\$ (389,832)</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ -	\$ 77,002	\$ (77,002)
Salary, Wages, and Benefits Payable	638,837	596,849	41,987
Accrued Expenses Payable	167,492	518,854	(351,362)
Deferred Revenues	70,944	87,079	(16,135)
Interest Payable	91,534	-	91,534
Total Current Liabilities	<u>968,807</u>	<u>1,279,784</u>	<u>(310,977)</u>
Non-Current Liabilities			
Rail Easement Payable	1,300,000	1,300,000	-
Retainage Payable	481,664	479,142	2,522
Bonds Payable	30,385,000	30,385,000	-
Total Non-Current Liabilities	<u>32,166,664</u>	<u>32,164,142</u>	<u>2,522</u>
Total Liabilities	<u>33,135,471</u>	<u>33,443,926</u>	<u>(308,455)</u>
Net Position			
Net Investment in Capital Assets	305,686,488	305,686,488	-
Unrestricted	19,628,028	19,628,028	-
Change in Net Position	2,924,391	3,005,767	(81,376)
Total Equity	<u>328,238,907</u>	<u>328,320,283</u>	<u>(81,376)</u>
Total Liabilities and Equity	<u><u>\$ 361,374,377</u></u>	<u><u>\$ 361,764,209</u></u>	<u><u>\$ (389,832)</u></u>

Capital Projects Fund - DCTA

Work Session 1a ii

Budget vs. Actual

As of April 30, 2017
(Cash Basis)

ASSETS

Fixed Assets

1660 - Construction Work in Progress

	Original Budget	Revised Budget	April 2017 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of April 2017 Close)	Project % Complete (Operations)
1 - G&A Capital Projects							
Total 10402 - Shoretel Phone System	45,000	88,610	-	79,900	8,710	90%	
Total 10601 - Data Analytics & Reporting	200,000	200,000	-	-	200,000	0%	
Total 10602 - Comprehensive Service Analysis	567,414	420,222	-	200,737	219,485	48%	
Total 10301 - Lewisville Facilities Study	-	100,000	-	87,858	12,142	88%	
Total 10302 - Infrastructure Acquisition	1,900,000	1,900,000	-	45,076	1,854,924	2%	
Total 10604 - Safety & Security Assessment	250,000	250,000	-	-	250,000	0%	
Total 10605 - Project Management/Document Control	150,000	150,000	-	-	150,000	0%	
Total 1 - G&A Capital Projects	3,112,414	3,108,832	-	413,571	2,695,261	13%	
5 - Bus Capital Projects							
Total 50204 - Transit Enhancements (2015-16) - CLOSED	165,000	165,000	-	162,111	2,889	98%	
Total 50205 - Denton COA Transit Enhancements	58,500	58,500	16,119	30,663	27,837	52%	25%
Total 50305 - IOMF Fuel Tanks	250,000	250,000	-	19,590	230,410	8%	10%
Total 50409 - Bus Fleet Cameras	149,500	149,500	-	-	149,500	0%	
Total 50410 - AVL Systems	200,000	200,000	-	-	200,000	0%	
Total 50507 - Fleet {2016}	1,250,000	1,250,000	-	-	1,250,000	0%	
Total 50510 - Fleet {2017}	1,550,000	1,885,000	-	-	1,885,000	0%	
Total 50601 - Scheduling Software (Bus)	250,000	250,000	8,125	28,125	221,875	11%	
Total 5 - Bus Capital Projects	3,873,000	4,208,000	24,244	240,489	3,967,511	6%	
6 - Rail Construction							
Total 61406 - Positive Train Control Preparation - CLOSED	15,997,441	1,346,527	-	1,346,527	-	100%	
Total 61406.1 - Positive Train Control Implementation	-	16,720,141	61,743	10,113,447	6,606,694	60%	60%
Total 61708 - Lewisville Bike Trail	3,099,856	3,099,856	-	2,087,514	1,012,342	67%	100%
Total 61604 - Rail Mobilization (2015)	2,119,517	1,369,517	-	1,187,165	182,352	87%	100%
Total 61209 - Trinity Mills Crew Facility	250,000	310,000	-	71,369	238,631	23%	22%
Total 61210 - Station Landscaping	75,000	485,000	-	392,702	92,298	81%	
Total 61713 - Disaster Recovery - 2015 Floods - CLOSED	1,000,000	300,000	-	216,457	83,543	72%	
61713-1 - Rail Facility Flume Repair {2015 Flood}							
61713-1.01 - Operating Revenue	-	-		(87,059)	87,059	0%	
Total 61713-1 - Rail Facility Flume Repair {2015 Flood}	325,482	325,482	194	57,651	267,831	18%	16%
Total 61713-2 - Grade Crossing Replacements {2015 Flood}	2,157,760	2,157,760	-	63,460	2,094,300	3%	20%
61713-3 - Hebron Signal House {2015 Flood}							
61713-3.01 - Operating Revenue	-	-		(116,060)	116,060	0%	
Total 61713-3 - Hebron Signal House {2015 Flood}	122,000	122,000	1,220	99,846	22,154	82%	97%
Total 61713-4 - Ballast Undercutting {2015 Flood}	761,600	761,600	473,000	494,292	267,308	65%	100%
Total 61713-5 - Pockrus Page {2015 Flood}	623,000	623,000	12,450	81,563	541,437	13%	10%
Total 61714 - Rail Capital Maintenance	3,970,430	3,575,430	-	150,000	3,425,430	4%	4%
Total 61715 - Trail Safety Improvements	139,657	81,157	-	-	81,157	0%	
Total 61716 - Lewisville Bike Trail - Eagle Point Section	2,995,873	2,995,873	-	40,491	2,955,382	1%	
Total 61717 - Valley Ridge Crossing	1,000,000	1,000,000	-	-	1,000,000	0%	
Total Rail Construction Projects	34,637,616	35,273,343	548,607	16,402,485	18,870,859	47%	
Total 1660 - Construction Work in Progress	41,623,030	42,590,175	572,851	17,056,545	25,533,630	40%	



Board of Directors Memo

May 25, 2017

Subject: Sales Tax Report

Background

Sales tax represents the single largest source of revenue for DCTA at 51.34% for FY17 budget. The annual Sales Tax budget for FY 2017 is \$24,624,601. 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 by 8.69%. The May allocation is for sales generated in the month of March and represents revenue for the sixth month of FY 2017.

- Sales tax for sales generated at retail in the month of March and received in May was \$2,408,823.
- This represents an increase of 8.69% or \$192,609 compared to budget for the month.
- Compared to the same month last year, sales tax receipts are \$68,486 or 2.93% higher.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 3.19%
 - City of Denton up 9.03%
 - Highland Village down 0.62%

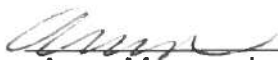
Need

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

Recommendation

For information only. No action required.

Final Review:


Anna Mosqueda,
CFO

Denton County Transportation Authority (DCTA)

Sales Tax Report

Budget to Actual and Previous Year Comparison

Sales Generated in Month of:	Received in Month of:	2016-2017 Year Budget	2016-2017 Year Actual	Variance Actual to Budget	CY Actual to CY Budget % Variance	2015-2016 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 1,969,968	\$ 1,978,638	\$ 8,670	0.44%	\$ 1,821,854	\$ 156,784	8.61%
November	January	\$ 1,969,968	\$ 2,170,262	\$ 200,294	10.17%	\$ 1,959,303	\$ 210,959	10.77%
December	February	\$ 2,462,460	\$ 2,793,331	\$ 330,871	13.44%	\$ 2,669,055	\$ 124,276	4.66%
January	March	\$ 1,723,722	\$ 1,908,263	\$ 184,541	10.71%	\$ 1,637,497	\$ 270,767	16.54%
February	April	\$ 1,723,722	\$ 2,006,450	\$ 282,728	16.40%	\$ 1,776,656	\$ 229,793	12.93%
March	May	\$ 2,216,214	\$ 2,408,823	\$ 192,609	8.69%	\$ 2,340,336	\$ 68,486	2.93%
April	June	\$ 1,969,968				\$ 1,955,110		
May	July	\$ 1,969,968				\$ 1,931,826		
June	August	\$ 2,216,214				\$ 2,397,828		
July	September	\$ 1,969,968				\$ 1,919,001		
August	October	\$ 2,216,214				\$ 2,128,874		
September	November	\$ 2,216,214				\$ 2,281,816		
YTD Total		\$ 24,624,601	\$ 13,265,768	\$ 1,199,713	9.94%	\$ 24,819,156	\$ 1,061,067	8.69%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

May 17, 2017

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

City of Lewisville												City of Highland Village											
Sales Generated in Month of:	Received in Month of:	2015-2016 Year Actual	2016-2017 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	Sales Generated in Month of:	Received in Month of:	2015-2016 Year Actual	2016-2017 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance												
October	December	\$ 2,537,910	\$ 2,795,751	\$ 257,840	10.16%	October	December	\$ 290,956	\$ 298,777	\$ 7,820	2.69%												
November	January	\$ 2,541,494	\$ 2,867,155	\$ 325,661	12.81%	November	January	\$ 301,727	\$ 313,524	\$ 11,796	3.91%												
December	February	\$ 3,661,985	\$ 3,849,204	\$ 187,218	5.11%	December	February	\$ 469,889	\$ 411,143	\$ (58,746)	-12.50%												
January	March	\$ 2,441,184	\$ 2,709,531	\$ 268,347	10.99%	January	March	\$ 264,553	\$ 255,642	\$ (8,910)	-3.37%												
February	April	\$ 2,533,341	\$ 2,892,939	\$ 359,598	14.19%	February	April	\$ 233,938	\$ 253,856	\$ 19,918	8.51%												
March	May	\$ 3,373,295	\$ 3,480,828	\$ 107,533	3.19%	March	May	\$ 330,255	\$ 328,214	\$ (2,041)	-0.62%												
April	June	\$ 2,982,209				April	June	\$ 265,293															
May	July	\$ 2,781,814				May	July	\$ 288,202															
June	August	\$ 3,395,384				June	August	\$ 369,689															
July	September	\$ 2,802,579				July	September	\$ 271,812															
August	October	\$ 2,907,256				August	October	\$ 279,518															
September	November	\$ 3,105,183				September	November	\$ 329,430															
YTD Total		\$ 35,063,635	\$ 18,595,408	\$ 1,506,198	8.81%	YTD Total		\$ 3,695,262	\$ 1,861,155	\$ (30,163)	-1.59%												

City of Denton				
Sales Generated in Month of:	Received in Month of:	2015-2016 Year Actual	2016-2017 Year Actual	CY Actual to PY Actual % Variance
October	December	\$ 2,246,579	\$ 2,451,245	9.11%
November	January	\$ 2,342,199	\$ 2,918,947	24.62%
December	February	\$ 3,372,458	\$ 3,727,632	10.53%
January	March	\$ 1,869,754	\$ 2,397,941	28.25%
February	April	\$ 2,128,444	\$ 2,442,743	14.77%
March	May	\$ 2,842,993	\$ 3,099,631	9.03%
April	June	\$ 2,317,882		
May	July	\$ 2,405,495		
June	August	\$ 3,157,640		
July	September	\$ 2,260,102		
August	October	\$ 2,775,088		
September	November	\$ 3,026,800		
YTD Total				
		\$ 30,745,434	\$ 17,038,138	15.10%

All Transit Agencies
Monthly Sales and Use Tax Comparison Summary

Transit	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	Payments YTD (Calendar)	Prior Year Payments YTD (Calendar)	% Change
Austin MTA	1.00%	\$20,098,637.70	\$20,198,022.82	-0.49%	\$96,854,643.01	\$92,085,119.75	5.17%
Corpus Christi MTA	0.50%	\$2,968,716.39	\$2,956,951.88	0.39%	\$13,001,236.03	\$13,542,316.08	-3.99%
Dallas MTA	1.00%	\$53,684,460.69	\$51,773,274.15	3.69%	\$242,198,777.70	\$229,734,491.19	5.42%
Denton CTA	0.50%	\$2,408,822.74	\$2,340,336.26	2.92%	\$11,287,129.36	\$10,382,846.90	8.70%
El Paso CTD	0.50%	\$3,902,908.25	\$4,014,552.17	-2.78%	\$18,133,207.87	\$18,004,823.85	0.71%
Fort Worth MTA	0.50%	\$6,719,394.67	\$6,415,390.88	4.73%	\$30,995,565.50	\$28,638,495.89	8.23%
Houston MTA	1.00%	\$64,900,969.42	\$64,392,210.55	0.79%	\$299,407,278.55	\$296,087,103.32	1.12%
Laredo CTD	0.25%	\$691,762.79	\$710,463.42	-2.63%	\$3,247,045.00	\$3,301,765.00	-1.65%
San Antonio ATD	0.25%	\$6,241,019.64	\$6,045,549.46	3.23%	\$27,536,961.59	\$26,734,247.49	3.00%
San Antonio MTA	0.50%	\$13,719,820.40	\$13,534,183.69	1.37%	\$60,623,403.70	\$58,945,153.23	2.84%
TOTALS		\$175,336,512.69	\$172,380,935.28	1.71%	\$803,285,248.31	\$777,456,362.70	3.32%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
May 10, 2017



Board of Directors Memo

May 25, 2017

Subject: Item WS 1 (a)iv: Procurement Activities

On Call Architectural & Engineering Services

Staff is developing the procurement solicitation documents for a six (6) year contract for on-call architectural and engineering services. It is anticipated that the procurement will be released this month.

Fleet Repair and Painting Services

Staff is developing the procurement solicitation documents for a two (2) year contract for as needed repair and painting services. It is anticipated that the procurement will be released in early June.

Printing Services

Proposals have been received for on-call printing services. This will include all digital, offset, and signage printing on an on-going, as needed basis. The proposals are being evaluated and award is anticipated at the June board meeting

Drainage Flume Repair and Strengthening at Pockrus Page

Staff is developing the procurement solicitation documents for the repair work south of Pockrus Page road. FEMA has identified the damage as associated with the 2015 flood event. HNTB has completed the technical specifications for this repair work. It is anticipated that the procurement will be released in June.

Submitted
by:


Athena Forrester, CPPO, CPPB
AVP of Procurement

Final
Review:


Anna Mosqueda, CFO

Board of Directors Memo

May 25, 2017

Subject: Marketing & Communications Update

NEW COLLATERAL OVERVIEW

- Updated Regional Leave Behind
- Updated Legislative Leave Behind
- Lewisville Utility Bill Insert – April 2017
- New Customer Service/Rider Alert Cards

SERVICE CHANGE UPDATE

- **Collateral Goals:**
 - Updated Maps
 - Updated Timetables
 - Interim Layout
 - New System Map
- **Campaign Goals:**
 - Notify existing customers of new and improved routes/schedules
 - Encourage those who do not ride to check out the upgraded bus service in Denton
- **Campaign Elements:**
 - Targeted Online Ads: May 15 – June 30
 - Denton Record-Chronicle Website Page Takeover: May 15 – May 26
 - Billboards: May 15 – June 30
 - Mingo/288
 - Dallas/Teasley
 - Rail Cards/DDTC Hot Items Poster/DDTC Kiosk Poster/DDTC System Signage/Flier
 - Windscreen Poster/Vehicle Decals/Shelter Signage/Station Signage
 - Blog Posts/Websplash/Webpage/FAQs
 - Email Blasts – Promotional and Rider Alerts
 - Social Media
 - Press Release
 - Community Outreach/Events/Brand Ambassador Deployments



SUMMER CAMPAIGN PREVIEW

- **Goals:**
 - Drive awareness of transit services
 - Increase summer ridership while university/college students are out for the summer
 - Identify member cities as “destinations”
 - Promote the Summer Youth Pass

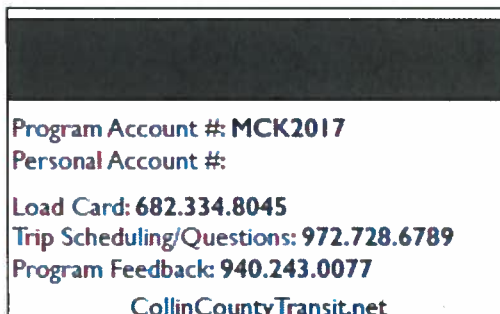
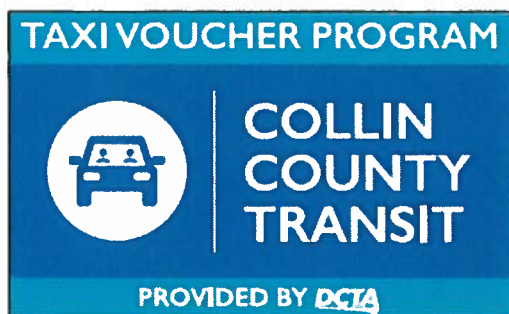
- **Campaign Elements:**

- Direct Mailer: Week of May 15
 - 40K Households
 - Geo-targeted – Denton, Highland Village, Lewisville, Flower Mound, and Corinth
- Targeted Online Ads: May 22 – August 31
- Online Family E-Guide: May 8 – June 24
- We Denton Do It Online Ads: May 8 – August 31
- Suburban Parent Online Ads: June 1 – June 30
- Billboards: June 5 – July 31
 - Lewisville – 35E/FM 3040 (left side read/NB traffic)
 - Denton – 35E/Mayhill Road (left side read/SB traffic)



COLLIN COUNTY TRANSIT UPDATE

- Website:
 - CollinCountyTransit.net (redirects to specific page on RideDCTA.net)
 - Content live on May 16
- On-Site Qualification Events: Weeks of May 22 and May 29
- Applications – Qualification and Appeals
- Instructional Collateral
- Joint Press Release



WEBSITE UPDATE

- Currently making slight modifications to Batch #2 of creative
- Next step is to develop and review Batch #3 of creative (ticket store/shopping cart)
- Approved creative is being developed simultaneously with the above efforts
- Website slated to go live November 2017

Approved by:

Nicole M. Recker
 Nicole M. Recker
 Vice President of Marketing & Communications



Board of Directors Memo

May 25, 2017

Subject: Strategic Planning & Development Update

REGIONAL TRANSPORTATION PLANNING

NCTCOG Mobility Transportation Plan 2045

- NCTCOG has concluded their 2017 Population Estimates as part of the MTP 2045 (attached)
- NCTCOG staff expects to have modeling substantially completed by early Fall and the MTP 2045 complete later this year
- A coordination meeting will be held in early June to discuss the transit portion of the MTP 2045

High Intensity Bus Corridors (Regional Express Bus Service)

- DCTA has identified four corridors throughout Denton County that could benefit from High Intensity Bus service; 35W, US 380, FM 1171/SRT 121, and service to the DFW Airport
- These high intensity bus corridors have been incorporated as “under consideration” corridors into the 2040 Regional Mobility Transportation Plan (MTP) which was approved by the RTC in March 2016
- It is the intention of DCTA staff to work with the NCTCOG to have the 35W corridor “under consideration” status changed to “proposed” in the Mobility 2045 MTP
- DCTA, FWTa and DART attended a NCTCOG hosted Peer Review meeting on March 10 to discuss the conceptual development and ideas for High Intensity Bus service at a high level which included; Station/Stop Design Features, On-Board features, Branding & Marketing, Service Scheduling, Fare Development, etc.
- DCTA held an internal workshop to outline the ideal elements to include in High Intensity Bus service and is hosting a joint workshop with the FWTa staff prior to submitting a joint concept to the NCTCOG
- After NCTCOG receives conceptual ideas from the transit agencies, they will host an Industry Peer Review to obtain feedback from others in the industry

35W Corridor (North Texas Xpress)

- A joint funding request with the FWTa for the ultimate High Intensity Bus Corridor Service has been submitted to the NCTCOG
- The North Texas Xpress was successfully launched in partnership with the FWTa along the 35W corridor
- New Park & Ride opened at Presbyterian Hospital of Denton on Monday, March 6

US 380 Transit Corridor

- As mentioned above, the US 380 corridor has been identified as a potential corridor for High Intensity Bus Service, but it could also be a candidate for Bus Rapid Transit (BRT) and eventually Commuter Rail
- DCTA has submitted a Feasibility Study request as a UPWP project to NCTCOG for FY18-19

Corridor Improvements By Denton County

- Any bus service implemented on this corridor could truly benefit from planned improvements being planned by Denton County. These improvements include; five interchanges and widening of the roadway.
- Interchange improvements include grade separation construction at Legacy, Teal, Navo, FM 423 and FM 720
- The roadway will be expanded to six lanes allowing additional capacity
- Environmental Clearance is expected by June 2018 and the project will let as soon as utilities are relocated and additional ROW is acquired

A-train Extension SB

- The SB extension of the A-train corridor is in the NCTCOG 2040 Mobility Transportation Plan
- This corridor extension will make the most sense to do in conjunction with the buildout of the Cottonbelt Corridor which is in DART's plan for 2022
- DCTA has submitted a Feasibility Study request for the A-train NB & SB extension as a UPWP project to NCTCOG for FY18-19

BNSF Rail Corridor

- The BNSF rail corridor has been identified as a corridor of interest in the DCTA Long Range Service Plan and is also included in the NCTCOG 2040 Mobility Transportation Plan
- DCTA has begun preliminary planning of this corridor and has been meeting with stakeholders, private sector partners and NCTCOG
- DCTA has submitted a request to NCTCOG to assist with updating and segmented ridership projections as well as conducting a land use study along the corridor using existing funding allocated to DCTA for the FY 2016-2017 UPWP

DCTA Long Range Service Plan Update

- Our agency updates our Long Range Service Plan every five years.
- DCTA has submitted a request to NCTCOG to assist with updating forecasted numbers of our Long Range Service Plan as a UPWP project to NCTCOG for FY18-19

LOCAL TRANSPORTATION PLANNINGInnovative Transit Solutions

- Irving Holdings and Lyft were selected through a recent RFP process to provide customized cost-effective transportation solutions for member and non-member cities in situations where fixed route traditional transportation service is not feasible. The board authorized the President to enter into a contract with these companies at the March board meeting
- Staff is staying engaged in conversations within the industry regarding other technology-driven transit solutions as well as discussions regarding the utilization of automated vehicles in transit
- DCTA has been named a "Friend of the FTA MOD Sandbox Program" and is participating in regular discussion and recently participated in the FTA's two day workshop in D.C. regarding transit agency partnerships with TNCs
- DCTA staff will be presenting information regarding the Agency's new initiatives at the NCTCOG Mobility On Demand Committee meeting this month
- Staff is developing a Shared Use Mobility Action Plan scope of work in an effort to deploy innovative transit solutions while leveraging existing transit assets and producing a fully integrated system plan

Highland Village Uber Zone Expansion

- The existing Uber program in Highland Village has been successful, but still has the potential for growth
- In May, DCTA will be expanding the "Uber" zone to include a section North of Old Town Lewisville and an area around the Medical City – Lewisville
- The expanded zone will provide additional trip opportunities to medical facilities, office complexes and industrial areas which mostly is not currently served by transit
- Uber has estimated this zone expansion could increase the monthly ridership by 30 trips

BUSINESS DEVELOPMENT & PARTNERSHIPS

Toyota

- DCTA has engaged in conversations with various Toyota HQ departments at the regarding potential partnership opportunities between DCTA and Toyota
- Toyota has requested additional information from DCTA regarding current programs which will help define next steps for developing the new partnership

City of Frisco

- Staff has incorporated taxi service into the currently provided service to assist in service area expansion, increased capacity capabilities and improved operational efficiencies
- Staff level discussions have begun to gauge interest in exploring future transit solutions

City of McKinney

- In April, the City of McKinney City Council and the DCTA board of directors approved the entities to enter into a contract for the provision of contracted transit service within cities of the McKinney Urban Transit District (MUTD)
- DCTA staff is finalizing program details for a June service deployment

Service Expansion within New Service Areas

- Staff is being responsive to requests from non-member cities interested in exploring transit solutions to meet the demands within their communities

LAND USE PLANNING & DEVELOPMENT

Downtown Denton Parking

- In coordination with the Union Pacific Railroad and the NCTCOG, DCTA is working with City of Denton staff to identify solutions addressing downtown parking shortages, aesthetics, noise mitigation and safety enhancements.
- Conversations continue with City staff to develop the best plan of action to address all of these issues
- Staff level discussions have begun regarding a potential partnership to assist in the resurfacing of the existing public lot at Exposition & Hickory and to construct additional surface parking

Additional Land Use Planning

- DCTA continues conversations with member cities in an effort to support respective city strategic plans which include historical neighborhood revitalization, transit oriented development, transportation thoroughfare planning, transit service enhancements and trail planning initiatives

ADDITIONAL PROJECTS

- | | |
|---|---|
| • Title VI Plan Development | • Regional Trail Expansion |
| • Departmental Budget Development | • Huffines-Hebron Joint Development Project |
| • NTI Risk Assessments for Transit Capital Projects (Attending) | • Infrastructure Development Planning |
| • UNT Contract Development | • Innovative Transit Service Development |
| • NCTC Contract & Fleet Replacement Program Development | • Long-Range Agency Planning Efforts |
| • Federal Legislative RFP Development | • State and Federal Legislative Initiatives |
| | • Grant Funding Opportunities |
| | • TxDOT 35W Expansion Coordination |

Submitted by: _____


Kristina Brevard, VP, Planning & Development

2017 Population Estimates

North Central Texas Council of Governments | April 2017



Dallas skyline photo courtesy of Scott Rae

Population Estimates

Population estimates are based on current housing inventories for cities in the NCTCOG Region with populations of 1,000 or more. Cities are listed in the county that contains the majority of the city's population.

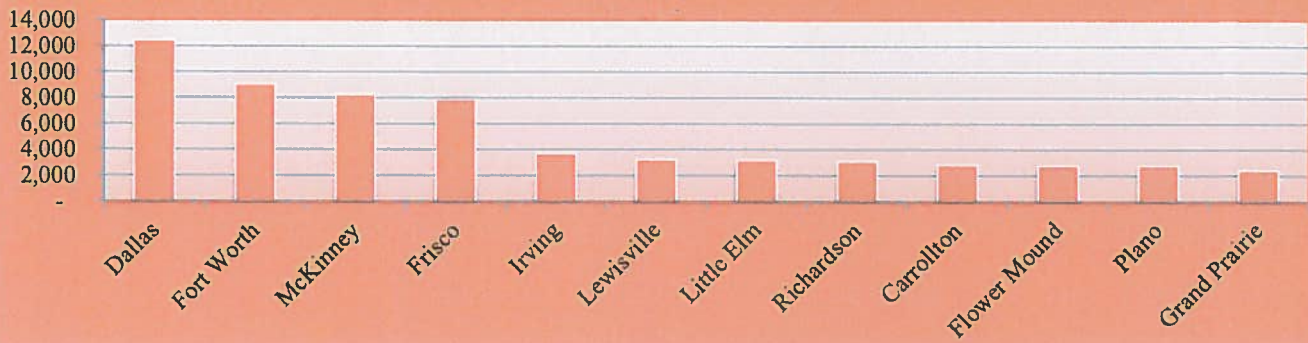
Executive Summary

The estimated January 1, 2017 population for the NCTCOG region is 7,246,350. Last year, the region added 123,000 people. In 2016, 25 cities grew by more than 5%. The city of Dallas led the region in growth, adding more than 12,000 people last year while Fort Worth added 9,000, followed by McKinney with 8,200. Collin, Denton, Dallas, and Tarrant counties each added more than 20,000 people last year, accounting for 85% of the regional growth.

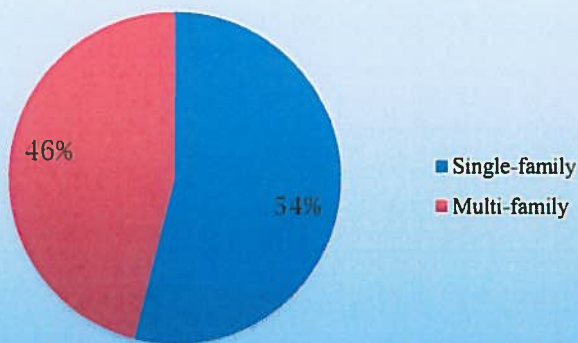
Residential construction continued to trend upward as low interest rates and corporate relocations solidified the north central Texas region as one of the most desirable locations to live. A friendly business environment, mild weather, and the variety of industries have made the area a popular destination for years. Since 2000, the region has grown by 36%. Nearly 45,000 new residential units were completed in 2016—24,400 single-family and 20,500 multi-family. The city of Dallas led the way in residential units with more than 8,000 completions in the past year. More than 80% of these new units were multi-family. Dallas accounted for one third of all new multi-family units added to the region in 2016. Fort Worth had more than 4,000 residential completions. The top 10 cities in new construction accounted for 60% of all units built last year. With 50,000 multi-family units currently under construction and no apparent slowdown in single-family construction, the region is poised to continue an upsurge in residential completions in 2017.

Highlights

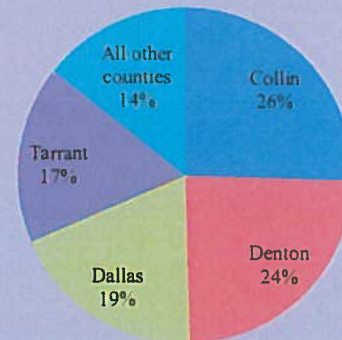
**Top 12 Cities
Highest Absolute Population Growth
2016 - 2017**



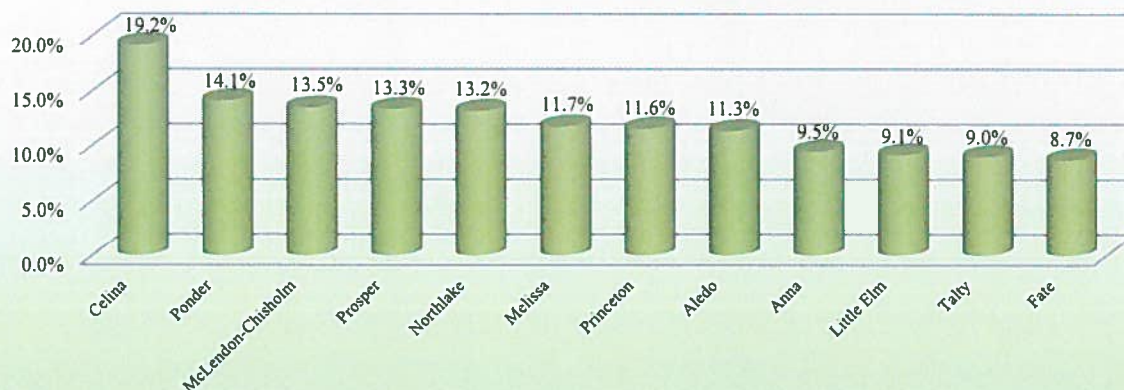
Housing Units Added in 2016



**County Percent Share of Regional
Population Growth 2016 - 2017**



Top 12 Cities for Estimated Percent Population Growth 2016 - 2017



2017 Population Estimates, City by County

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Collin County	782,341	901,170	932,530	31,360	3.5%
Allen	84,246	94,060	95,350	1,290	1.4%
Anna	8,249	11,320	12,390	1,070	9.5%
Celina	6,028	8,650	10,310	1,660	19.2%
Fairview	7,248	8,490	9,110	620	7.3%
Farmersville	3,301	3,330	3,330	0	0.0%
Frisco	116,989	153,520	161,400	7,880	5.1%
Josephine	812	1,100	1,160	60	5.5%
Lavon	2,219	3,080	3,220	140	4.5%
Lowry Crossing	1,711	1,710	1,710	0	0.0%
Lucas	5,166	6,680	7,030	350	5.2%
McKinney	131,117	161,470	169,710	8,240	5.1%
Melissa	4,695	7,920	8,850	930	11.7%
Murphy	17,708	19,710	19,980	270	1.4%
Parker	3,811	4,290	4,440	150	3.5%
Plano	259,841	274,960	277,720	2,760	1.0%
Princeton	6,807	8,480	9,460	980	11.6%
Prosper	9,423	17,790	20,160	2,370	13.3%
St. Paul	1,066	1,080	1,090	10	0.9%
Wylie	41,427	46,100	48,140	2,040	4.4%
Split Cities Adjustment	31,426	16,900	15,580		
Remainder of County	39,051	50,530	52,390	1,860	3.7%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Dallas County	2,368,139	2,478,970	2,502,270	23,300	0.9%
Addison	13,056	15,600	15,730	130	0.8%
Balch Springs	23,728	24,310	24,480	170	0.7%
Cedar Hill	45,028	47,090	47,320	230	0.5%
Cockrell Hill	4,193	4,160	4,160	0	0.0%
Coppell	38,659	40,310	40,820	510	1.3%
Dallas	1,197,816	1,257,730	1,270,170	12,440	1.0%
DeSoto	49,047	51,770	52,120	350	0.7%
Duncanville	38,524	39,230	39,240	10	0.0%
Farmers Branch	28,616	30,480	31,560	1,080	3.5%
Garland	226,876	234,310	234,710	400	0.2%
Glenn Heights	11,278	11,680	11,680	0	0.0%
Grand Prairie	175,396	184,620	187,050	2,430	1.3%
Highland Park	8,564	8,430	8,510	80	0.9%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Hutchins	5,338	5,350	5,350	0	0.0%
Irving	216,290	231,040	234,710	3,670	1.6%
Lancaster	36,361	37,550	37,730	180	0.5%
Mesquite	139,824	142,950	143,060	110	0.1%
Richardson	99,223	104,300	107,400	3,100	3.0%
Rowlett	56,199	57,220	57,840	620	1.1%
Sachse	20,329	23,130	23,950	820	3.5%
Seagoville	14,835	15,580	15,900	320	2.1%
Sunnyvale	5,130	5,410	5,440	30	0.6%
University Park	23,068	22,720	22,820	100	0.4%
Wilmer	3,682	4,190	4,210	20	0.5%
Split Cities Adjustment	(120,096)	(127,770)	(131,450)		
Remainder of County	7,175	7,580	7,760	180	2.4%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Denton County	662,614	784,840	814,560	29,720	3.8%
Argyle	3,282	3,820	3,920	100	2.6%
Aubrey	2,595	3,100	3,110	10	0.3%
Bartonville	1,469	1,650	1,670	20	1.2%
Carrollton	119,097	127,980	130,820	2,840	2.2%
Copper Canyon	1,334	1,380	1,390	10	0.7%
Corinth	19,935	20,740	20,800	60	0.3%
Cross Roads	1,563	1,910	1,950	40	2.1%
Denton	113,383	125,980	128,160	2,180	1.7%
Double Oak	2,867	2,950	2,970	20	0.7%
Flower Mound	64,669	69,070	71,850	2,780	4.0%
Hickory Creek	3,247	3,730	3,870	140	3.8%
Highland Village	15,056	15,370	15,380	10	0.1%
Justin	3,246	3,370	3,640	270	8.0%
Krugerville	1,662	1,680	1,690	10	0.6%
Krum	4,157	4,880	4,890	10	0.2%
Lake Dallas	7,105	7,250	7,260	10	0.1%
Lewisville	95,290	100,400	103,640	3,240	3.2%
Little Elm	25,898	35,050	38,250	3,200	9.1%
Northlake	1,724	2,660	3,010	350	13.2%
Oak Point	2,786	3,080	3,210	130	4.2%
Pilot Point	3,856	4,050	4,130	80	2.0%
Ponder	1,395	1,560	1,780	220	14.1%
Providence	4,786	6,170	6,310	140	2.3%
Roanoke	5,962	7,650	8,040	390	5.1%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Sanger	6,916	7,820	8,100	280	3.6%
Shady Shores	2,612	2,660	2,660	0	0.0%
The Colony	36,328	39,810	41,160	1,350	3.4%
Trophy Club	8,024	10,860	11,250	390	3.6%
Split Cities Adjustment	35,292	55,330	59,910		
Remainder of County	67,078	112,880	119,740	6,860	6.1%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Ellis County	149,610	168,690	173,410	4,720	2.8%
Ennis	18,513	18,590	18,660	70	0.4%
Ferris	2,436	2,450	2,480	30	1.2%
Italy	1,863	1,850	1,850	0	0.0%
Midlothian	18,037	22,620	24,450	1,830	8.1%
Oak Leaf	1,298	1,350	1,370	20	1.5%
Ovilla	3,492	3,820	3,920	100	2.6%
Palmer	2,000	2,030	2,070	40	2.0%
Red Oak	10,769	12,260	12,600	340	2.8%
Waxahachie	29,621	33,480	34,410	930	2.8%
Split Cities Adjustment	3,154	3,250	3,290		
Remainder of County	58,427	66,990	68,310	1,320	2.0%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Erath County	37,890	43,540	43,850	310	0.7%
Dublin	3,654	3,770	3,770	0	0.0%
Stephenville	17,123	21,640	21,950	310	1.4%
Remainder of County	17,113	18,130	18,130	0	0.0%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Hood County	51,182	64,620	64,840	220	0.3%
DeCordova	2,683	2,750	2,790	40	1.5%
Granbury	7,978	9,140	9,310	170	1.9%
Split Cities Adjustment	(18)	(20)	(20)		
Remainder of County	40,539	52,750	52,760	10	0.0%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Hunt County	86,129	93,110	94,350	1,240	1.3%
Caddo Mills	1,338	1,460	1,460	0	0.0%
Commerce	8,078	8,230	8,240	10	0.1%
Greenville	25,557	26,430	26,800	370	1.4%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Quinlan	1,394	1,410	1,430	20	1.4%
West Tawakoni	1,576	1,600	1,610	10	0.6%
Wolfe City	1,412	1,420	1,420	0	0.0%
Split Cities Adjustment	356	1,090	1,200		
Remainder of County	46,418	51,470	52,190	720	1.4%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Johnson County	150,934	161,670	164,970	3,300	2.0%
Alvarado	3,785	4,170	4,210	40	1.0%
Burleson	36,690	42,560	43,960	1,400	3.3%
Cleburne	29,337	29,690	29,780	90	0.3%
Godley	1,009	1,040	1,060	20	1.9%
Grandview	1,561	1,610	1,620	10	0.6%
Joshua	5,910	6,350	6,680	330	5.2%
Keene	6,106	6,230	6,280	50	0.8%
Venus	2,960	3,220	3,370	150	4.7%
Split Cities Adjustment	(5,608)	(6,290)	(6,380)		
Remainder of County	69,184	73,090	74,390	1,300	1.8%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Kaufman County	103,350	113,530	116,140	2,610	2.3%
Combine	1,942	1,970	2,010	40	2.0%
Crandall	2,858	3,100	3,170	70	2.3%
Forney	14,661	17,990	18,590	600	3.3%
Kaufman	6,703	6,620	6,670	50	0.8%
Kemp	1,154	1,170	1,170	0	0.0%
Mabank	3,035	3,180	3,230	50	1.6%
Talty	1,535	2,120	2,310	190	9.0%
Terrell	15,816	16,320	16,570	250	1.5%
Split Cities Adjustment	(1,281)	(1,310)	(1,340)		
Remainder of County	56,927	62,370	63,760	1,390	2.2%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Navarro County	47,735	49,030	49,170	140	0.3%
Corsicana	23,770	23,970	24,040	70	0.3%
Kerens	1,573	1,700	1,700	0	0.0%
Rice	923	940	1,000	60	6.4%
Remainder of County	21,469	22,420	22,430	10	0.0%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Palo Pinto County	28,111	28,660	28,660	0	0.0%
Mineral Wells	16,788	16,740	16,740	0	0.0%
Split Cities Adjustment	(2,144)	(2,140)	(2,140)		
Remainder of County	13,467	14,060	14,060	0	0.0%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Parker County	116,927	127,980	130,150	2,170	1.7%
Aledo	2,716	3,530	3,930	400	11.3%
Annetta	1,288	2,720	2,740	20	0.7%
Hudson Oaks	1,662	2,050	2,110	60	2.9%
Reno	2,494	2,590	2,610	20	0.8%
Springtown	2,658	2,670	2,670	0	0.0%
Weatherford	25,250	27,080	27,660	580	2.1%
Willow Park	3,982	4,640	4,780	140	3.0%
Split Cities Adjustment	4,339	4,380	4,670		
Remainder of County	72,538	78,320	78,980	660	0.8%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Rockwall County	78,337	90,570	93,130	2,560	2.8%
Fate	6,434	10,470	11,380	910	8.7%
Heath	6,921	7,690	7,820	130	1.7%
McLendon-Chisholm	1,373	2,450	2,780	330	13.5%
Rockwall	37,490	41,370	42,120	750	1.8%
Royse City	9,349	11,010	11,540	530	4.8%
Split Cities Adjustment	6,775	5,620	5,140		
Remainder of County	9,995	11,960	12,350	390	3.3%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Somervell County	8,490	9,230	9,420	190	2.1%
Glen Rose	2,444	2,490	2,490	0	0.0%
Remainder of County	6,046	6,740	6,930	190	2.8%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016-2017 Absolute Change	2016-2017 Percent Change
Tarrant County	1,809,034	1,945,320	1,966,440	21,120	1.1%
Arlington	365,438	380,740	382,230	1,490	0.4%
Azle	10,947	11,410	11,800	390	3.4%
Bedford	46,979	48,550	48,560	10	0.0%
Benbrook	21,234	22,040	22,260	220	1.0%
Blue Mound	2,394	2,390	2,390	0	0.0%
Colleyville	22,807	24,230	24,630	400	1.7%

	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016-2017 Absolute Change	2016-2017 Percent Change
Crowley	12,838	14,140	14,440	300	2.1%
Dalworthington Gardens	2,259	2,320	2,330	10	0.4%
Edgecliff Village	2,776	3,030	3,220	190	6.3%
Eules	51,277	54,250	54,870	620	1.1%
Everman	6,108	6,110	6,110	0	0.0%
Forest Hill	12,355	12,390	12,500	110	0.9%
Fort Worth	741,206	806,380	815,430	9,050	1.1%
Grapevine	46,334	48,920	49,130	210	0.4%
Haltom City	42,409	42,730	42,740	10	0.0%
Haslet	1,517	1,710	1,720	10	0.6%
Hurst	37,337	38,380	38,410	30	0.1%
Keller	39,627	44,050	44,620	570	1.3%
Kennedale	6,763	7,290	7,420	130	1.8%
Lake Worth	4,584	4,710	4,710	0	0.0%
Lakeside	1,307	1,690	1,690	0	0.0%
Mansfield	56,368	61,460	63,670	2,210	3.6%
North Richland Hills	63,343	66,530	67,120	590	0.9%
Pantego	2,394	2,460	2,470	10	0.4%
Pelican Bay	1,547	1,620	1,650	30	1.9%
Richland Hills	7,801	7,920	7,920	0	0.0%
River Oaks	7,427	7,290	7,310	20	0.3%
Saginaw	19,806	20,740	21,320	580	2.8%
Sansom Park	4,686	4,670	4,680	10	0.2%
Southlake	26,575	28,290	28,880	590	2.1%
Watauga	23,497	23,600	23,600	0	0.0%
Westlake	992	1,230	1,310	80	6.5%
Westworth Village	2,472	2,630	2,620	(10)	(0.4%)
White Settlement	16,116	16,830	16,830	0	0.0%
Split Cities Adjustment	43,504	46,630	47,190		
Remainder of County	54,010	75,960	78,660	2,700	3.6%

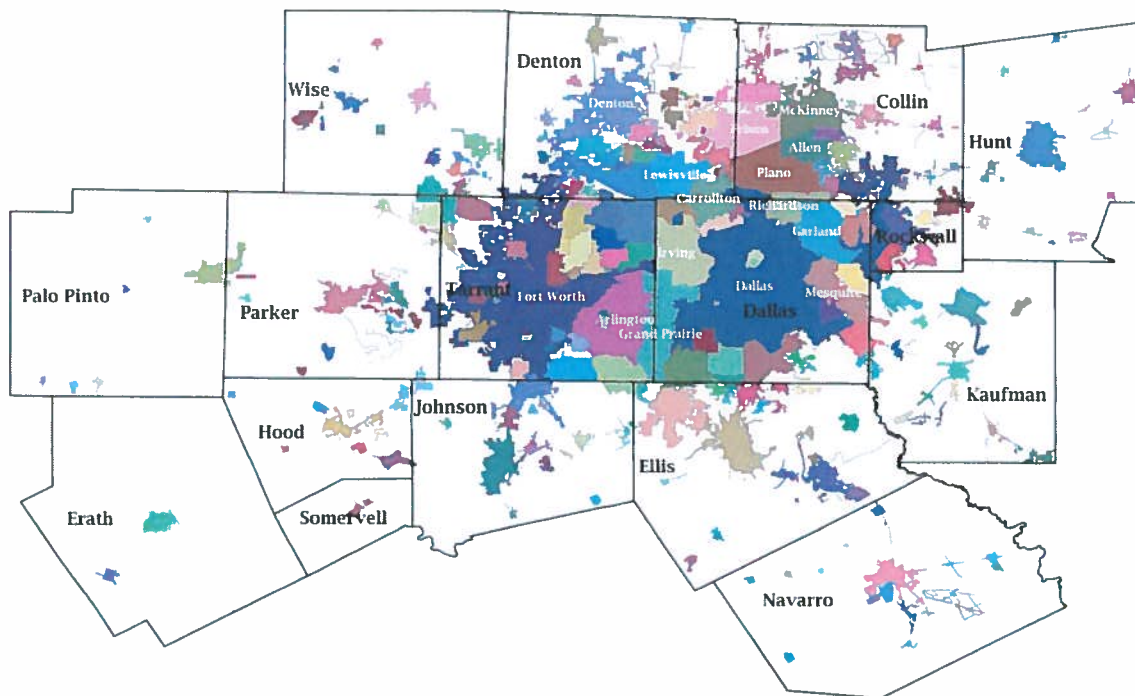
	2010 Census Population April 1	2016 Estimate January 1	2017 Estimate January 1	2016 - 2017 Absolute Change	2016 - 2017 Percent Change
Wise County	59,127	62,240	62,460	220	0.4%
Alvord	1,334	1,340	1,340	0	0.0%
Aurora	1,220	1,380	1,410	30	2.2%
Boyd	1,207	1,350	1,360	10	0.7%
Bridgeport	5,976	6,100	6,130	30	0.5%
Chico	1,002	1,010	1,010	0	0.0%
Decatur	6,042	6,490	6,530	40	0.6%
New Fairview	1,258	1,440	1,460	20	1.4%
Newark	1,005	1,020	1,080	60	5.9%
Rhome	1,522	1,590	1,610	20	1.3%
Runaway Bay	1,286	1,360	1,370	10	0.7%
Split Cities Adjustment	3,597	3,600	3,600		
Remainder of County	33,678	35,560	35,560	0	0.0%

Population by Planning Area

	2000 U.S. Census April 1	2010 U.S. Census April 1	2016 NCTCOG Estimate January 1	2017 NCTCOG Estimate January 1
12 County MPA*	5,197,317	6,417,724	6,992,710	7,115,250
16 County NCTCOG Region	5,309,277	6,539,950	7,123,170	7,246,350
*The 12 county Dallas-Fort Worth Metropolitan Planning Area (MPA) consists of the following counties:				
	Collin	Ellis	Johnson	Rockwall
	Dallas	Hood	Kaufman	Tarrant
	Denton	Hunt	Parker	Wise

Source: U.S. Census Bureau, NCTCOG Population Estimates

NCTCOG Region Map



This publication and other data produced by RIS can be found on the Regional Data Center website at <http://rdc.nctcog.org/>.

2017 Population Estimates Methodology

NCTCOG uses the housing unit method for estimating current year population:

Estimated household population = estimated units * estimated occupancy rate * estimated persons per occupied unit

The calculation is performed for each unit type (single family, multi-family, other). The results are summed along with an estimate of group quarters population to arrive at a total population estimate. Every year, cities are asked to provide information about changes in housing stock and population in group quarters housing. Cities are also given the opportunity to review figures prior to release. The 2016 population estimates for some cities have been revised. The estimates included herein supersede any prior estimates.

Split Cities

County population totals are adjusted for cities that have boundaries in more than one county. Cities that extend outside the NCTCOG Region show the city total. However, the portion of the city's population that is not in the region is not included in the county or regional totals. Cities whose boundaries extend into the NCTCOG Region, but do not have a majority of their population within the region are not included in the city listings.

Split Cities			
Azle	Flower Mound	Mabank	Rowlett
Burleson	Fort Worth	Mansfield	Royse City
Carrollton	Frisco	Mesquite	Sachse
Cedar Hill	Garland	Mineral Wells	Seagoville
Celina	Glenn Heights	Newark	Seven Points
Combine	Grand Prairie	Ovilla	Southlake
Coppell	Grapevine	Plano	Springtown
Cresson	Haslet	Prosper	Trophy Club
Crowley	Heath	Reno	Venus
Dallas	Josephine	Richardson	Westlake
Ferris	Lewisville	Roanoke	Wylie

Disclaimer: There are a variety of ways to estimate population for a given area. The North Central Texas Council of Governments has selected a method that accommodates the varying level of data available for local communities while focusing on consistency. These estimates were developed for regional planning activities and have not been evaluated for other uses. They are provided as an informational item and are likely to differ from estimates produced by others, including the cities and counties listed herein. The North Central Texas Council of Governments makes no warranty, express or implied, including warranties of merchantability and fitness for a particular purpose. Responsibility for the use of these data lies solely with the user.

Research and Information Services (RIS)

NCTCOG's Research & Information Services Department performs demographic research on such topics as population, housing, and employment estimates; population, household, and employment projections; development monitoring; major employers; land use; and tabulation/analysis of Census data. The department also provides support to a regional Geographic Information System (GIS) and NCTCOG's internal computer network. Custom maps, data analysis, and special products are provided on a fee-for-service basis. To learn more about RIS at NCTCOG, visit: www.nctcog.org/ris.

North Central Texas Council of Governments

The North Central Texas Council of Governments (NCTCOG) is a voluntary association of, by, and for local governments, and was established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. NCTCOG's purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions. To learn more about NCTCOG, please visit www.nctcog.org.

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North Central Texas COG
PO Box 5888
Arlington, TX 76005
www.nctcog.org



Board of Directors Memo
Subject: Capital Projects Update

May 25, 2017

Signal System Enhancements Phase II

- Construction and installation is underway and is coordinated with the PTC construction and installation to make the projects more efficient.
- Phase II is complete from Trinity Mills to Purnell and we are operating single cars. Installation north of Cowan Ave. is occurring in coordination with PTC until implementation is complete.

Positive Train Control (PTC)

- Wayside installation has commenced.
- The sixth vehicle install is underway.
- The FRA document approval process may delay the final acceptance date. We are actively working with the FRA and Alstom to minimize any delays associated with the FRA approval process.
- The project is expected to be complete before the federal deadline of December 2018.

Lewisville Hike and Bike Trail – Eagle Point Section

- Jacobs has completed revisions and returned the plans to TxDOT for final review in Austin.
- The anticipated RFP letting date is mid-August with an expected August 2018 completion.

Flood Damage Repairs

Issue	FEMA Claim	Estimated DCTA Cost	Status
DTA 003G Washout of RipRap and ballast (includes Herzog Emergency response)	\$280,411	\$70,103	Payment is being processed per Ernst and Young memo of 4/11/17. Payment is in the queue.
DTA 001G and DTA 004G Replace Crossings	\$2,036,198	\$509,050	Shady Oaks and Walton/Corinth crossings complete. Frankford Rd. and Brinker Rd. are complete. Kealy scheduled 5/21, Lake Park 6/4. Final completion by late June.
DTA 002E Bus O&M Electrical repairs*	\$14,616	\$3,654	Complete. Reimbursement received.

DTA 001E Signal & Comm. System	\$122,000	\$6,500	Repair is complete.
DTA006G Rail OMF drainage	\$116,079	\$29,019	Construction underway. Completion expected mid-June.
DTA 002G Undercut Ballast	\$657,652	\$164,413	Work is complete
Replace flume at Pockrus Page	\$623,000* \$161,338 **	\$155,750 \$461,662	Appeal tentatively approved. FEMA will revise the project worksheet. Engineers are finalizing repair recommendations. Surveying complete. 90% drawings received for review. Working on Procurement planning. Expect to issue for bid in June.

* Original claim 290'

** Approved claim

- Ballast undercutting work is complete without incident.
- Crossing replacements at Shady Oaks, Corinth/Walton, Frankford and Brinker are complete. Kealy Rd. scheduled for 5/20. Completion by late June. Schedule has been extended by a couple of weeks because of holidays when asphalt is not available.
- Total estimated cost of repairs is \$3,065,618. The current estimated DCTA cost is \$776,239.00. This number may vary depending on the Pokrus Paige appeal. FEMA is revising the PW to include all repairs, We have received additional paperwork from FEMA but have not yet received the revised PW.

IOMF – Bus Fueling at the Rail Facility

- The permit set has been submitted to the City for review.
- The construction plans and specifications are under development.

Trinity Mills Crew Room

- The full DART Board approved the project and DCTA has remitted the construction funds per our agreement.
- Construction is expected to start this summer.

Valley Ridge Crossing

- First Transit has been given approval to proceed.
- The long lead items are on order.
- First Transit is coordinating with the City of Lewisville on construction start.
- Completion is scheduled for July 2017.

Final Review: _____

Raymond Suarez

Board of Directors Memo**May 25, 2017****Subject: Transit Operations Report****SYSTEM ON-TIME PERFORMANCE**

- FY 2017 YTD “On Time Performance” (OTP) for the A-train is 98%
- FY 2017 YTD “On Time Performance” (OTP) system-wide for Bus is 92.4%.

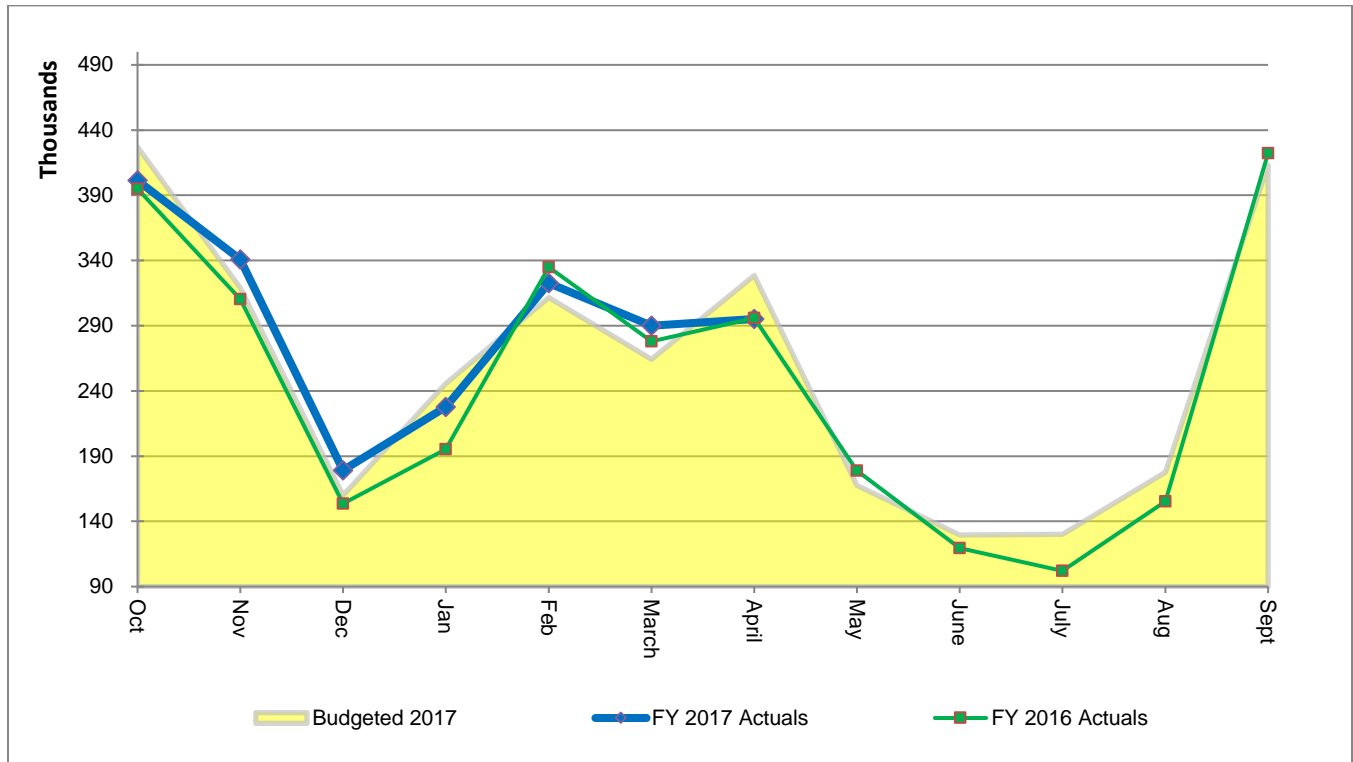
RIDERSHIP PERFORMANCE**Year to Date Change in Ridership by Service Type**

Service	% Change FY 2016 to FY 2017	Color Indicator	Notation No.
All Bus & Rail	4.77%	Green	1
Rail	-6.2%	Yellow	2
All Bus	7.04%	Green	
Connect	-13.83%	Yellow	2, 3
UNT	12.34%	Green	1
NCTC	-3.64%	Yellow	
Access	-2.89%	Yellow	
Frisco Demand Response	N/A	Green	

1. UNT ridership continues to exceed expectations and boost the overall system performance.
2. The YTD boardings decreased for Rail and Connect over the same period for the previous fiscal year. An APTA study states that for every 10% drop in gas prices there is a 1.8% drop in ridership. Over the past year there has been a 35% decrease in gas prices which equals a 6.3% drop in ridership. We are in the 2nd year of sustained low gas prices, which is making car ownership more competitive to mass transit, and it appears that consumer behavior is adjusting. This is consistent with national trends.
3. While Connect service continues to underperform compared to the previous year, the YTD percent of change only decrease by 0.03% from March to April 2017. This may be the result of one less weekday of service in April 2017 compared to April 2016.

Color Key**Green** indicates positive performance**Yellow** indicates service that will be monitored by staff**Red** indicates poor performance and needs further research

Rail and All Bus: Total Boardings

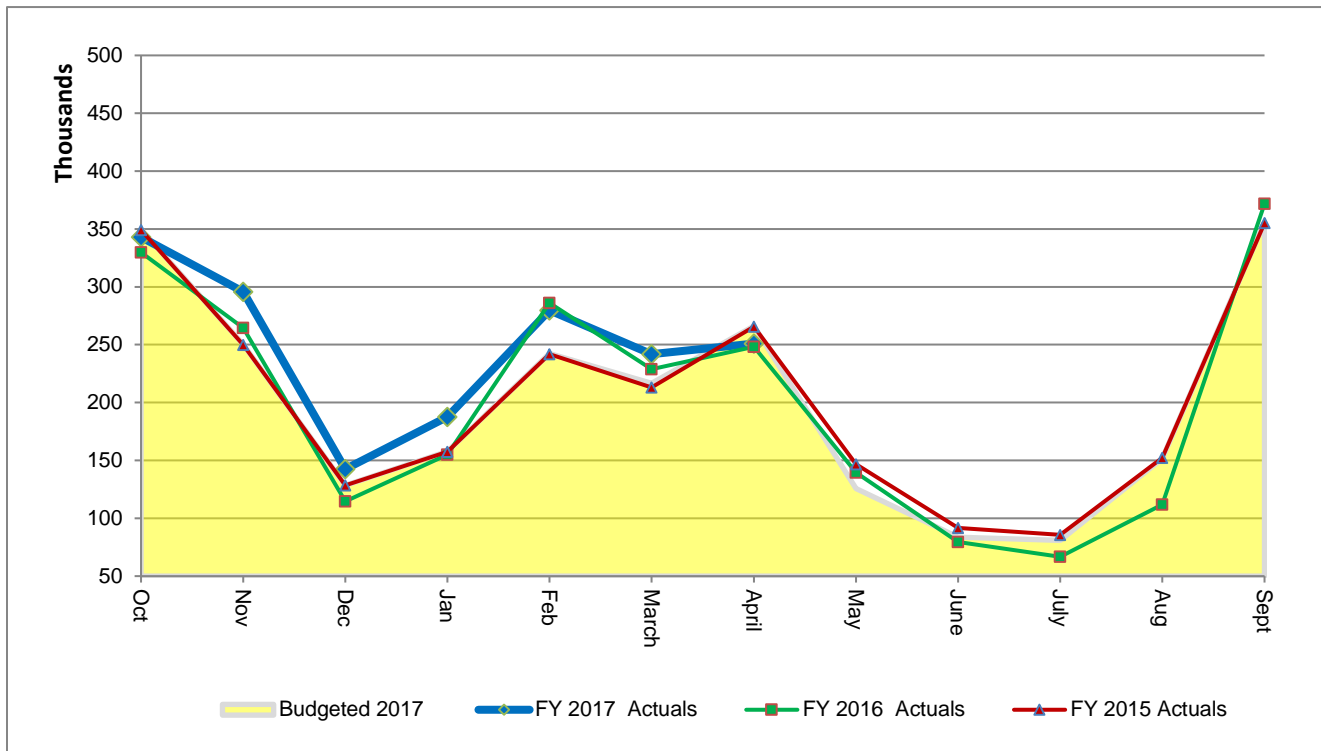


Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, Highland Village Connect Shuttle, Highland Village Community On-Demand, Frisco Demand Response Service, North Texas Xpress Commuter, and special movement services. For display purposes, the Y axis origin has been modified.

Rail and All Bus: Total Boardings

- Total boardings for Rail and All Bus decreased 781 boardings or 0.26% in April 2017 compared to April 2016. This slight decrease can most likely be explained by the one less weekday of service in April 2017 compared to April 2016.
- YTD boardings for Rail and All Bus increased by 93,633 boardings or 4.77% compared to the same period of the prior year. This increase is the result of UNT ridership.

All Bus: Total Boardings

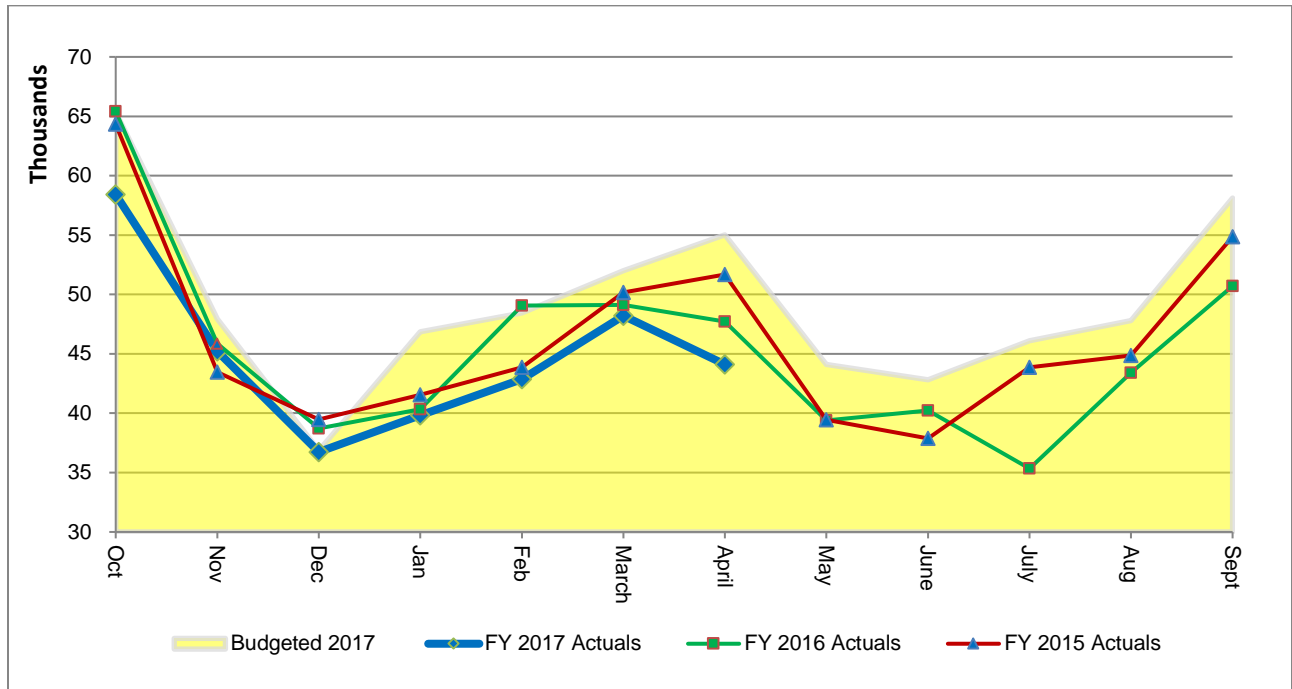


Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, Highland Village Connect Shuttle, Highland Village Community On-Demand, Frisco Demand Response Service, North Texas Xpress Commuter and special movement services. For display purposes, the Y axis origin has been modified.

All Bus: Total Boardings

- Modifications to UNT Student Parking has resulted in changes to student travel patterns that is having a significant impact on Denton Connect route performance. UNT boardings are up 12.34% while Connect is down 13.83%.
- Changes were made in FY15/FY16 to UNT shuttle service in an effort to reduce overcrowding on several routes. While the changes significantly improved UNT route performance, it had a corresponding adverse effect on the DCTA Denton Connect Routes that serve many of the same areas. This will continue until implementation of the Denton COA recommendations in May 2017.
- In April, total boardings increased by 2,838 or 1.14% compared to the same period last year.
- YTD boardings have increased by 114,638 or 7.04% compared to the same period last year.

Rail: Total Boardings

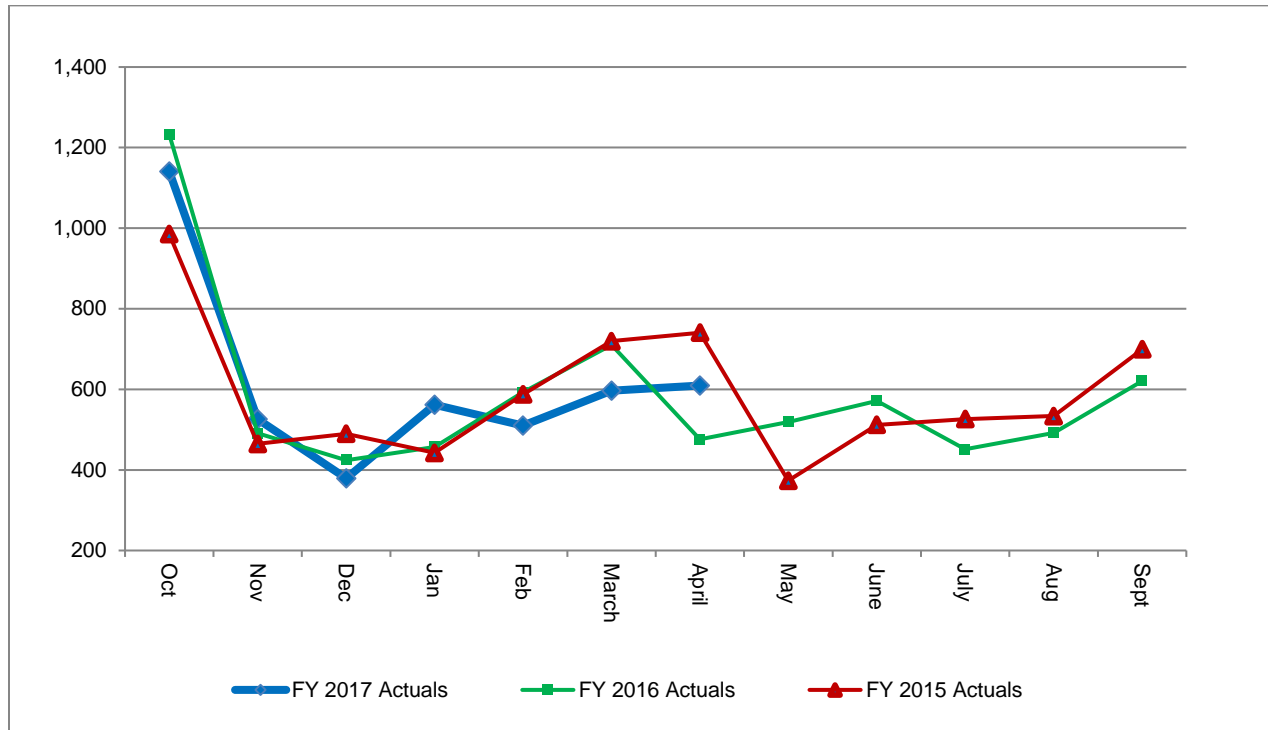


Note: For display purposes, the Y axis origin has been modified.

Rail: Total Boardings

- Total boardings for Rail decreased by 3,619 or 7.58% in April 2017 compared to April 2016. A large portion of this decrease is the result of one less weekday of service in April 2017 compared to April 2016. Additionally, single cars were operated at 50% during peak periods, which may have contributed to the decrease as well.
- YTD rail boardings decreased by 20,829 or 6.2% as compared to the same period the previous fiscal year. Ridership for TRE and DART rail are also down 7.1% and 4.4% respectively, compared to last year.

Rail: Saturday Average Boardings

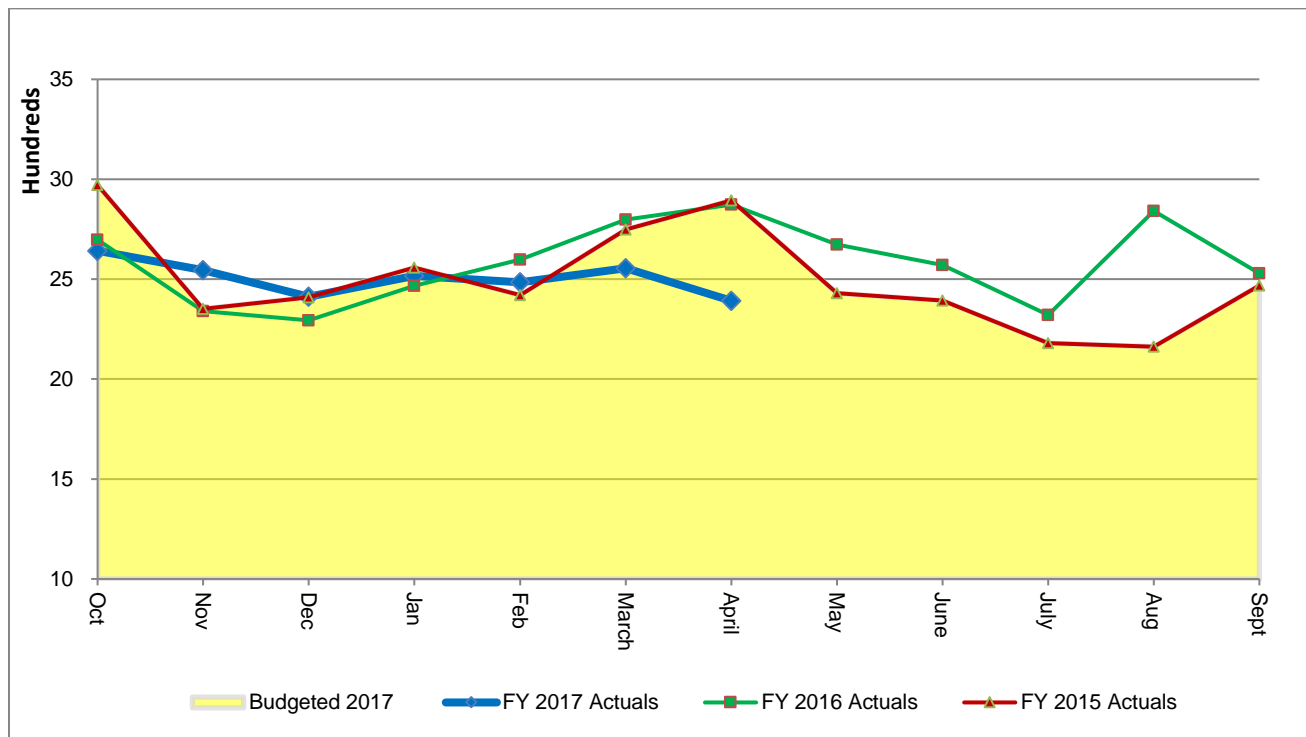


Note: For display purposes, the Y axis origin has been modified.

Rail: Saturday Average Boardings

- Average Saturday Boardings increased by 134 or 28.16% in April 2017 compared to April 2016. This increase is most likely the result of one additional Saturday of operation in April 2017 compared to April 2016.
- YTD Average Saturday Boardings decreased by 59 or 1.35% as compared to the same period last year.

Access: Total Boardings

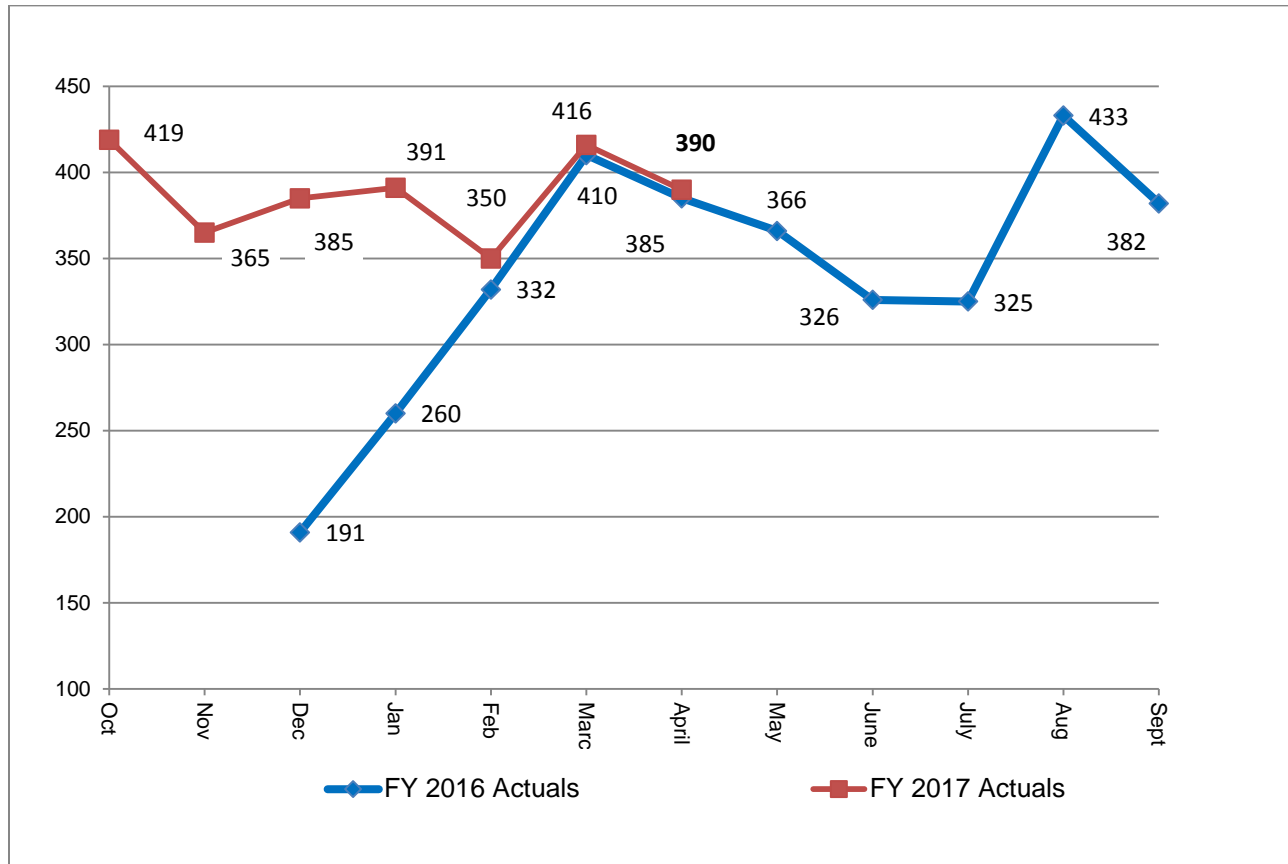


Note: For display purposes, the Y axis origin has been modified.

Access: Total Boardings

- In April, total boardings decreased by 481 or 16.74% compared to the same period last year.
- YTD boardings have decreased by 522 or 2.89% compared to the same period last year.
- We are seeing a trend of decreasing Access trips. In April 2017, the more significant decreases were seen in Lewisville and Saturday Access trips. Staff is continuing to research and monitor this trend.

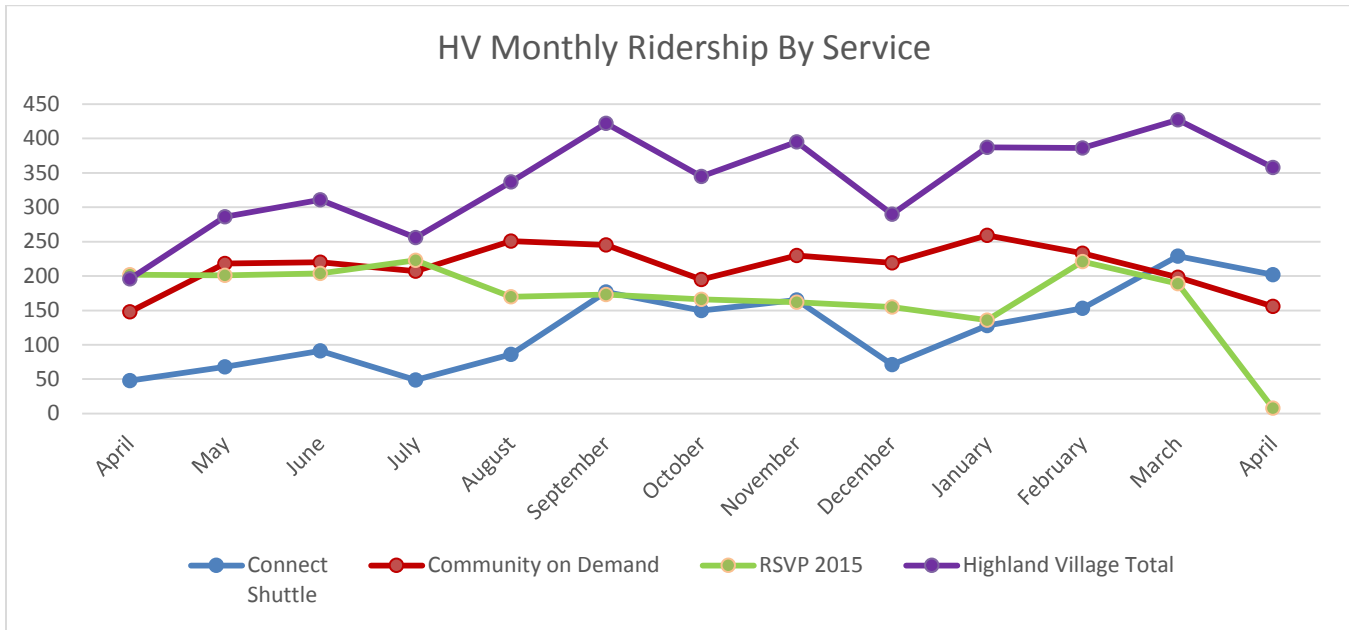
Frisko Demand Response Service: Total Boardings



Frisko Demand Response Service: Total Boardings

- In April, total boardings increased by 5 or 1.3% compared to the same period last year.
- Staff worked with the City of Frisko to implement a Taxi Pilot Project on March 20, to add capacity to the existing service and expand the service area to include portions of Plano for medical trips.
- In April, the first full month of service for the Taxi Pilot Project, a total of 82 one-way trips were provided, at an average cost per trip of \$20.13.

Highland Village Service: Total Boardings



Highland Village Service: Total Boardings

- In April 2016, RSVP was replaced with the Highland Village Connect Shuttle and Community On-Demand services.
- YTD total boardings for Highland Village Community On-Demand increased by 429 boardings or 43.68% over RSVP total boardings for the same period the prior year.
- With the addition of the Highland Village Connect Shuttle, YTD total boardings for all Highland Village services increased by 1,551 boardings or 149.57% over RSVP total boardings for the same period the prior year.

North Texas Xpress Commuter Services: Total Boardings

- Service was initiated on Monday, September 26, 2016.
- The North Texas Xpress is a joint service provided by DCTA and the Fort Worth Transportation Authority.
- Service is provided Monday through Friday from 6:15 am to 9:30 pm.
- North Texas Xpress ridership will be provided in table format (see below) until a full year of data is available for annual comparison purposes.

NORTH TEXAS XPRESS SUMMARY REPORT		
Month	Total	DCTA Apportionment
April	1148	574
March	1193	597
February	822	411
January	978	489
*December	861	430
November	985	492
October	948	474
September	72	36

*Boardings reflect revision from FWTA

SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 105
- DCTA Bus Operations Injury-Free Workdays: 80

MAINTENANCE

- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** DCTA contract operations (CTC) reported a dispatch outage on 4/10 that resulted in two train delays, and a wayside electronic board failure on 4/12 that resulted in fourteen train delays. The dispatch outage has not reoccurred and CTC continues to monitor. The electronic board was replaced and there have been no issues noted with the replacement board.
- **Stations:** DCTA contract operations (Rio Grande Pacific) continue to perform weekly safety inspections, which did not identify any major issues in April.
- **Rail Mechanical:** DCTA contract operations (First Transit) reported no mechanical failures in April.

Final Review:


Raymond Suarez, COO



Board of Directors Memo

May 25, 2017

Item: **WS 2(a) Finance Committee Chair Report**

The Finance Committee meeting and Special Called Board of Directors meeting was held at 2:00 p.m., Monday, May 15, 2017 at 1955 Lakeway Dr., Suite 260 Conference Room in Lewisville, Texas.

In attendance were:

Committee Members: Dave Kovatch, Richard Huckaby, Connie White, Tom Winterburn

Board Members: Charles Emery, Paul Pomeroy

DCTA Staff: Anna Mosqueda, Amanda Riddle, Jim Cline, Nicole Recker, Raymond Suarez, Brandy Pedron, Laura Mitchell

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

FY17 Revised Budget

- Anna Mosqueda presented the FY17 Revised Operating Budget:
 - Previously Approved Operating Budget Amendments:
 - Rail Liability Insurance - \$250k
 - Delayed Single Car Operations (Purchased Transportation) - \$500k
 - Currently running at 75/25 which was originally assumed in the FY17 budget. Agency is looking into 100% single car operations (SCO) for summer. Staff will continue to monitor realized savings for future needs.
 - Computer Software & Maintenance for GFI Updates - \$51k
 - Addition of McKinney Contract Service \$175k
 - Transfer of Rail fuel savings to Bus parts for 6 engines/transmissions - \$240k
- Anna Mosqueda presented the FY17 Revenue Budget Revisions:
 - Increase of \$175k for McKinney Contract Service
 - Increase of \$1M in sales tax revenue to capture realized YTD additional earnings
 - Increase of \$1M – Valley Ridge project reimbursement from City of Lewisville
 - Reduction of capital grants
 - Reduction of Hike & Bike capital project budget
 - Delay of Eagle Point Hike & Bike project (FY18 rollover)
 - Increase of FEMA funds based on project rollovers
- Anna Mosqueda presented the FY17 Capital Project Revisions:
 - Capital budget amendments previously approved by the Board:
 - Reduction of Rail Mobilization
 - 2017 Fleet Increase
 - Trinity Mills Increase
 - Denton COA Transit Enhancements (New project)

- Valley Ridge Crossing (New project)
 - Shoretel Phone System Increase
 - Fare Collection System decrease
- FY16 Rollovers
- Reduction in Hike & Bike Trail (\$3.09M to \$2.1M)
- Lewisville Bike Trail – Eagle Point delayed (\$2.6M moved to 2018)
- Infrastructure Acquisition Increase (\$1.9M to \$2.9M)
- Dispatch System \$150k (transfer from Rail Mobilization)
- Anna Mosqueda presented the Preliminary Revised CFM:
 - FY16 Audit Adjustment
 - Impact of changes of FY17 Revised Budget
 - Staff will continue to review and refine the CFM as part of the FY18 Budget process

Financial Policies

- The committee reviewed a red-lined version of the Financial Policies with changes that had been submitted. The red-lined changes incorporate two small additions outlined below along with slight formatting adjustments:
 - Page 3 “Review”: Discusses the annual Board review of the Financial Policies
 - Page 10 Budget and Operating Policies – Statement regarding DCTA’s commitment to a balanced budget.
- Committee recommended forwarding the Financial Policies to the Board for adoption

Follow-Up Items:

- For the FY18 Budget workshop, staff will provide a more detailed look at the impact of online sales to our sales tax collections.
 - Verify that Amazon sales are included in our sales tax collections

The meeting adjourned at 2:45pm.

Finance Committee

Chair – Dave Kovatch

Members – Richard Huckaby, Connie White, Tom Winterburn

Staff Liaison – Anna Mosqueda – CFO



DENTON COUNTY
TRANSPORTATION AUTHORITY

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

Special Called Meeting of the DCTA Board of Directors
and the **Finance Committee** of the DCTA Board of Directors
May 15, 2017 | 2:00 p.m.

AGENDA

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

Welcome and Introductions

- 1) ITEMS FOR DISCUSSION
 - a. FY17 Revised Budget
 - b. Financial Policies

2) ADJOURN

Finance Committee

Chair – Dave Kovatch

Members – Richard Huckaby, Connie White, Tom Winterburn

Staff Liaison – Anna Mosqueda – CFO

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

This notice was posted at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 at a place convenient and readily accessible to the public at all times. Said notice was posted on 5/11/2017 at 3:23 PM.

A handwritten signature in black ink, appearing to read "Brandy Pedron", is written over a horizontal line.

Brandy Pedron, Administrative Assistant

Denton County Transportation Authority

DCTA

The logo features the letters 'DCTA' in a bold, white, sans-serif font. Below the letters is a yellow graphic element that starts as a horizontal line and then curves downwards and to the right, ending in a sharp point.

Your Future Is Riding On Us.

FY17 Operating & Capital Revised Budget

FY17 Operating Expense Budget Revisions

- Previously Approved Operating Budget Amendments:
 - Rail Liability Insurance \$250k
 - Delayed Single Car Operations (Purchased Transportation) \$500k
 - Computer Software & Maintenance \$51k for GFI Update
- Addition of McKinney Contract Service \$175k
- Transfer \$240k from Rail fuel savings to Bus parts
 - 6 Engines/Transmissions

FY17 Revenue Budget Revisions

- Contract Service Revenue:
 - Increase of \$175k for McKinney Contract Service
- Sales Tax Revenue:
 - Increase of \$1M to capture realized YTD additional earnings
- Non-Operating Revenues:
 - \$1M -Valley Ridge project reimbursement from City of Lewisville
- Federal & State Grants:
 - Reduction of grants related to Hike & Bike Trail due to delay of Eagle Point and reduction of Lewisville Hike & Bike project
 - Increase of \$393k for FY17 related to FEMA funding anticipated due to project rollovers

FY17 Capital Budget Revisions

- Previously Approved Capital Budget Amendments:
 - Reduction of Rail Mobilization \$750k
 - Single car ops & Rail Ins
 - Increase of \$335k for 2017 Fleet
 - Reduction to Rail Capital Maintenance
 - Increase of \$60k – Trinity Mills
 - Reduction to Rail Capital Maintenance
 - Denton COA Transit Enhancements \$58,500
 - Transfer from Trail Safety Improvements
 - Valley Ridge Crossing \$1M (100% Reimbursed by city)
 - Shoretel Phone System – Increase of \$3,610
 - Reduction in Fare Collection System \$50,846

FY17 Capital Budget Revisions

- Reduction in Lewisville Hike & Bike Trail
 - From \$3.09M to \$2.1M
- Lewisville Bike Trail – Eagle Point
 - Schedule has been delayed; \$2.6M to 2018
- Infrastructure Acquisition increased by \$1M
 - Total project \$2.9M
 - Offset by realized sales tax increase YTD in FY17
- Dispatch System \$150k
 - Transfer from Rail Mobilization project
- FY16 Rollovers included

Revised FY17 Cash Flow Model

- FY16 Audit Adjustment
- FY17 Revised Budget

DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA)
BUDGET AMENDMENT

Number: 2017-15

	Original FY17 Budget	Amendment	Revised FY17 Budget
Operating Budget			
Total Operating Revenues	5,095,995	175,000	5,270,995
Total Operating Expenses	38,831,900	972,235	39,804,135
Total Non-Operating Revenue / (Expense)	41,772,508	1,090,190	42,862,698
Capital Budget			
Total Bus Operations Capital	3,689,317	363,400	4,052,717
Total Rail Operations Capital	18,457,835	(1,741,122)	16,716,713
Total G&A Capital	2,646,815	1,111,941	3,758,756

Explanation:

Please see attached Exhibit B and Exhibit C for detailed explanations.

Date: _____

Reviewed By _____

Date: _____

President _____

Denton County Transportation Authority
Fiscal Year 2017 Operating Budget
Statement of Changes in Net Assets - Budget Format
EXHIBIT "B"

Description	Original FY17 Budget	Approved Budget Amendments	Revised Budget Items	Revised FY17 Budget	Variance Analysis
Operating Revenues					
Passenger Revenues	\$ 1,446,008			\$ 1,446,008	
Contract Service Revenue	3,649,987		\$ 175,000	3,824,987	McKinney Contract Service revenue
Other Revenues	-			-	
Total Operating Revenues	\$ 5,095,995	\$ -	\$ 175,000	\$ 5,270,995	
Operating Expenses					
Salaries, Wages & Fringe Benefits	\$ 11,032,926		(112,600)	\$ 10,920,326	Re-allocation of North Texas Xpress expenses; Addition of \$27k for McKinney Contract service
Services	2,606,146	96,903	42,083	2,745,132	Re-allocation of North Texas Xpress expenses (\$30,333); \$11,750 Marketing transfers
					Re-allocation of North Texas Xpress expenses (\$50,264); \$8k Marketing transfer into services; Additional \$14,640 for McKinney Contract service fuel; Transfer of \$240k from Rail Fuel savings to Bus Parts for 6 engines/transmissions
Materials & Supplies	3,399,374	(52,736)	(43,624)	3,303,014	
Utilities	481,264			481,264	
Insurance, Casualties & Losses	854,194	681,620	3,680	1,539,494	Rail Liability Insurance added in FY17; Additional \$3,680 for McKinney insurance expense
Purchased Transportation Services	9,563,354	93,380	130,000	9,786,734	Additional \$130k for McKinney Contract service purchased transportation
Miscellaneous	385,405		(3,750)	381,655	Marketing transfer to services category
Leases & Rentals	169,497	(21,931)	159,210	306,776	Re-allocation of North Texas Xpress expenses
Depreciation	10,339,740			10,339,740	
Total Operating Expenses	\$ 38,831,900	\$ 797,236	\$ 174,999	\$ 39,804,135	
Operating Income / (Loss)	\$ (33,735,905)	\$ (797,236)	\$ (349,999)	\$ (34,533,140)	
Sales Tax Revenue	\$ 24,624,601		1,000,000	\$ 25,624,601	Realized sales tax increase YTD
Net Investment Income /(Expense)	40,000			40,000	
Long-Term Debt Interest /(Expense)	(1,098,412)			(1,098,412)	
Non-Operating Revenues /(Expenses)	1,500		1,000,000	1,001,500	Valley Ridge Crossing project reimbursement from City of Lewisville (100% covered)
Federal Grants & Reimbursements	15,360,732		392,744	15,753,476	Remaining FEMA funding anticipated
State Grants & Reimbursements	2,844,087		(1,302,554)	1,541,533	Reduction of Hike & Bike Trail based on reduced budget (61708) and delay in Eagle Point project
Debt Issuance	-			-	
Total Non-Operating Revenue/(Expenses)	\$ 41,772,508	\$ -	\$ 1,090,190	\$ 42,862,698	
Increase in Net Position	\$ 8,036,603			\$ 8,329,558	
Net Position - Beginning of Year:	\$ 304,566,263			\$ 304,566,263	
Net Position - End of Year:	\$ 312,602,866	\$ -	\$ -	\$ 312,895,821	
Transfer to Capital Projects	\$ 24,793,967	\$ 202,764	\$ (468,546)	\$ 24,528,186	See Exhibit C for details
Net Position After Capital Project Transfer	\$ 287,808,899			\$ 288,367,636	

Denton County Transportation Authority
Fiscal Year 2017 Capital Budget
EXHIBIT "C"

Finance Committee 1(a) Exhibit C

Project Description	Original FY17 Capital Budget	Approved Budget Amendments	Revised Budget Items	Revised FY17 Capital Budget	Variance Analysis
Bus Operations					
Scheduling Software	\$ 230,000	\$ -	\$ -	\$ 230,000	
Transit Enhancements	59,817	-	(36,851)	22,966	FY16 Rollover
Bus Fleet Cameras	149,500	-	-	149,500	
Fleet {2016}	1,250,000	-	-	1,250,000	
Fleet {2017}	1,550,000	335,000	-	1,885,000	Approved Transfer 2017-14
AVL & Farebox Systems	200,000	-	-	200,000	
IOMF Fuel Tanks - Lewisville	250,000	-	-	250,000	
Bus O&M Facility	-	-	6,751	6,751	FY16 Rollover (Actuals)
Denton COA Transit Enhancements	-	58,500	-	58,500	Approved Transfer 2017-04
Total Bus Operations	\$ 3,689,317	\$ 393,500	\$ (30,101)	\$ 4,052,717	
Rail Operations					
Positive Train Control Implementation	\$ 7,486,472	\$ -		\$ 7,486,472	
Lewisville Bike Trail	950,000	-	(850,000)	100,000	Reducing project budget based on actuals
T. Mills Crew Facility	100,000	60,000	80,296	240,296	Approved Transfer 2017-13; FY16 Rollover
Station Landscaping	-	-	93,798	93,798	FY16 Rollover
Rail Mobilization	-	(750,000)	722,792	(27,208)	Approved Transfers 2017-06 (PT-Single Car) & 2017-07 Rail Ins); FY16 Rollover; Project to be closed New capital project: savings from Rail Mobilization have been transferred to cover the dispatch system that was not included in the original mobilization contract and was to be approved as a stand-alone innovation
Dispatch System	-	-	150,000	150,000	
Rail Facility Flume Repair {2015 Flood}	240,482	-	28,717	269,199	FY16 Rollover
Grade Crossing Replacements {2015 Flood}	2,057,760	-	37,293	2,095,053	FY16 Rollover
Hebron Signal House {2015 Flood}	-	-	23,374	23,374	FY16 Rollover
Ballast Undercutting {2015 Flood}	-	-	740,402	740,402	FY16 Rollover
Pockrus Page {2015 Flood}	548,000	-	40,740	588,740	FY16 Rollover
Rail Capital Maintenance	3,970,430	(395,000)		3,575,430	Approved Transfer 2017-14 & 2017-13
Trail Safety Improvements	139,657	(58,500)		81,157	Approved Transfer 2017-04
Fare Collection Systems	69,161	(50,846)	(18,315)	-	Approved Transfer 2017-05; Project Closed
Lewisville Bike Trail - Eagle Point Section	2,895,873	-	(2,595,873)	300,000	FY18 Rollover based on project status
Valley Ridge Crossing	-	1,000,000		1,000,000	Approved Revision 2017-12
Total Rail Operations	\$ 18,457,835	\$ (194,346)	\$ (1,546,776)	\$ 16,716,713	
General & Administrative					
Data Analytics & Reporting	\$ 200,000	\$ -	\$ -	\$ 200,000	
Comprehensive Service Analysis	146,815	-	77,502	224,317	FY16 Rollover
Shortel Phone System	-	3,610	9,893	13,503	Approved Transfer 2017-11; FY16 Rollover
Safety & Security {Agency-Wide}	250,000	-		250,000	
Infrastructure Acquisition	1,900,000	-	1,000,000	2,900,000	Increased demand for property acquisition; offset by increase in sales taxes YTD
Project Management / Document Control	150,000	-		150,000	
Lewisville Facilities Study	-	-	20,936	20,936	FY16 Rollover
Total General & Administrative	\$ 2,646,815	\$ 3,610	\$ 1,108,331	\$ 3,758,756	
Total Capital Expenditures	\$ 24,793,967	\$ 202,764	\$ (468,546)	\$ 24,528,186	

	Audited 2015*	Audited 2016*	Adopted 2017	Revised 2017	2018	2019	2020	2021	2022
OPERATING REVENUES									
Beginning Fund Balance:	\$ 20,655,595	\$ 25,789,446	\$ 26,962,483	\$ 26,962,483	\$ 19,458,591	\$ 16,473,263	\$ 16,497,410	\$ 16,849,085	\$ 18,920,891
Bus Operating Revenue	\$ 3,608,166	\$ 4,019,030	\$ 4,286,858	\$ 4,461,858	\$ 4,582,976	\$ 4,707,601	\$ 4,900,803	\$ 5,033,404	\$ 5,169,839
Rail Operating Revenue	806,043	771,096	809,137	809,137	817,228	825,401	916,195	925,357	934,610
NON-OPERATING REVENUES									
Sales Tax Revenue	23,261,746	24,658,546	24,624,601	25,624,601	25,609,585	26,633,968	27,699,327	28,807,300	29,959,592
Formula Grants (Operating)	4,985,908	4,826,472	3,492,246	4,129,746	5,703,755	5,765,515	6,241,517	5,336,096	4,981,394
Interest Income-Non RTRFI Funds	24,772	59,364	40,000	40,000	58,376	49,420	49,492	50,547	56,763
Misc. Revenue	199,175	156,067	1,500	1,001,500	1,500	1,500	1,500	1,500	1,500
Restricted RTRFI Interest Income									
Total Revenues	32,885,811	34,490,575	33,254,342	36,066,842	36,773,420	37,983,405	39,808,834	40,154,205	41,103,698
OPERATING EXPENSES									
Bus Operating Expense	8,444,097	9,105,959	11,124,167	11,535,556	12,082,714	12,623,867	13,072,932	13,533,719	14,021,105
Rail Operating Expense	13,113,557	12,497,995	12,015,697	12,476,543	12,942,272	13,447,846	13,736,960	14,203,856	14,556,803
G&A Operating Expense	3,676,937	4,511,079	5,452,296	5,452,296	5,534,087	5,722,901	5,918,925	6,122,459	6,333,816
NON-OPERATING EXPENSES									
Non-Operating (Income) / Expense	51,815								
Total Expenses	25,286,406	26,115,033	28,592,160	29,464,395	30,559,073	31,794,614	32,728,817	33,860,034	34,911,725
NET INCOME	7,599,405	8,375,542	4,662,182	6,602,447	6,214,348	6,188,791	7,080,017	6,294,170	6,191,973
CAPITAL OUTLAY									
Bus Capital Expenditure	657,064	582,161	659,317	487,718	250,000	-	-		
Bus Fleet Replacement Expense	198,955	1,705,352	2,800,000	3,135,000	3,300,000	2,400,000	2,500,000	2,300,000	2,000,000
Professional Services / Technology Improvements	79,950	293,867	976,815	1,288,755	150,000	150,000	150,000	150,000	150,000
Stadler Fleet (Vehicles)	-	189,557		-	-	-	-	-	-
Right of Way	-	-	139,657	81,157	-	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	1,329,081	108,112	3,845,873	400,000	2,655,697	-	-	-	-
Rail Capital Expenditure (Community Enhancements)	268,779								
HV Parking Expansion	31,073								
Rail Station Improvements	71,983	421,237	169,161	334,095	-	-	-		
Rail MOW	337,265	34,914		-	-				
Rail MOE	303,208	464,869		-	-				
Single Car Operations / Shunt Enhancement	100,598	(122,767)							
Re-Railing Equipment	121,000								
Rail Capital Maintenance		371,714	3,970,430	3,575,430	3,330,999	2,000,000	3,293,971	2,000,000	2,646,388
Disaster Recovery - 2015 Floods	215,791	273,738	2,846,242	3,716,768	-	-	-		
Rail Mobilization	-	1,201,987	-	122,792	-	-	-		
Positive Train Control	175,863	6,594,741	7,486,472	7,486,472	2,638,928				
Infrastructure Acquisition			1,900,000	2,900,000					
Valley Ridge Crossing				1,000,000					
TIER 2 - Capital Requests									
Fleet Farebox Replacement						1,200,000			
Total Capital Outlay	3,890,611	12,119,481	24,793,967	24,528,190	12,325,630	5,750,000	5,943,971	4,450,000	4,796,388
CAPITAL SOURCES									
New Money (Debt Issuance)									
RTRFI/RTC Funds		3,011,743	5,989,178	5,989,178	3,499,079				
FEMA Reimbursements		303,574	2,134,682	2,527,426					
Formula Grants (Capital)	2,636,956	2,757,887	6,588,713	4,648,659	2,384,941	2,350,341	1,994,998	3,023,498	3,503,748
Total Capital Sources	2,636,956	6,073,204	14,712,573	13,165,263	5,884,020	2,350,341	1,994,998	3,023,498	3,503,748
DEBT SERVICE									
2008 Issue (ST) Debt Service									
2009 Refunding (ST) Debt Service	761,492	723,387	1,713,687	1,713,687	1,717,590	1,714,697	1,715,209	1,713,925	1,715,845
2011 Contractual Obligations (Vehicles)	336,945	323,810	770,183	770,183	775,785	785,761	794,955	808,366	815,838
2011 Contractual Obligations (PTC)	113,463	109,032	259,542	259,542	264,691	264,526	269,205	273,571	272,624
2018 Contractual Obligations (PTC)	-	-		-	-	-	-	-	
Total Debt Service	1,211,900	1,156,229	2,743,412	2,743,412	2,758,066	2,764,984	2,779,369	2,795,862	2,804,307
Internal Debt Service Coverage:	6.27	7.24	1.70	2.41	2.25	2.24	2.55	2.25	2.21
Outstanding Bond Principal as of September 30th (End of Fiscal Year)		\$ 30,385,000	\$ 28,740,000	\$ 28,740,000	\$ 27,020,000	\$ 25,230,000	\$ 23,360,000	\$ 21,405,000	\$ 19,370,000
Ending Fund Balance:	25,789,446	26,962,483	18,799,859	19,458,591	16,473,263	16,497,410	16,849,085	18,920,891	21,015,918
Less Restricted RTRFI Interest Income	-	-		-	-	-	-	-	-
Less Required Fund Balance (O&M Reserve Policy):	6,321,601	6,528,758	7,148,040	7,366,099	7,639,768	7,948,654	8,182,204	8,465,009	8,727,931
Less Sales Tax Stabilization Fund	697,852	739,756	738,738	768,738	768,288	799,019	830,980	864,219	898,788
Less Fuel Stabilization Fund	50,000	72,582	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Less Capital/Infrastructure	638,664	3,961,050	2,000,000	2,000,000	2,000,000	2,000,000	2,500,000	5,000,000	5,000,000
Net Available Cash	18,081,328	15,660,336	8,463,081	8,873,754	5,615,207	5,299,738	4,885,901	4,141,664	5,939,199

* FY2016 reconciled to audited financials



Finance Committee Memo

May 15, 2017

Item: Financial Policies

Background

DCTA Financial Policies are presented to the Finance Committee for review each year prior to the start of the budget process. If any changes are recommended by the Finance Committee these are forwarded to the Board for review and final action. Otherwise, no action is required by the Board.

The attached red-lined document incorporates two small additions outlined below to the Financial Policies (both in red) along with slight formatting adjustments.

- Page 3 “Review”: Discusses the annual Board review of the Financial Policies
- Page 10 Budget and Operating Policies – Statement regarding DCTA’s commitment to a balanced budget.

The Investment Policy is included the Financial Policies document. The Investment Policy is approved by the Board annually in separate action but is included in the Financial Policies document for reference and ease of access. The current Investment Policy was approved by the Board at its October 2016 meeting and will be presented to the Board in Sept/October 2017 for their annual approval.

Recommendation:

Staff recommends Finance Committee forward the Financial Policies to the Board for approval

Denton County Transportation Authority Financial Management Policies

(Adopted May, 2014)
(Revised May 27, 2016)



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OPERATING POLICIES

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Purpose

The Comprehensive Financial Management Policy assembles the Denton County Transportation Authority's (DCTA) financial policies in one document. They are the tools to ensure that DCTA is financially able to meet its immediate and long-term service objectives. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of DCTA consistent with provisions of Chapter 460 of the Texas Transportation Code and adopted DCTA Bylaws.

DCTA is accountable to its constituents for the use of public dollars. Resources must be wisely used to ensure adequate funding for the operations, services, facilities, and infrastructure necessary to meet present and future needs. These policies help safeguard the fiscal stability required to achieve DCTA's goals and objectives.

Review

DCTA Financial Policies are presented to the Finance Committee for review after the start of each fiscal year but prior to the start of the next year's budget process. If there are any changes the Finance Committee feels should be incorporated, these will be forwarded to the Board for review and final action. Otherwise no Board action is required on an annual basis.

Objectives

In order to achieve its purpose, the Financial Management Policies have the following objectives for DCTA's fiscal performance:

- A. To guide DCTA Board of Directors (the Board) and management policy decisions that have significant impact on the agency.
- B. To set forth operating principles that minimize the cost of government and financial risk.
- C. To employ balanced and fair revenue policies that provide adequate funding for desired services and programs.
- D. To maintain appropriate financial capacity for present and future needs.
- E. To promote sound financial management by providing accurate and timely information on DCTA's financial condition.
- F. To protect DCTA's credit rating and provide for adequate resources to meet the provision of DCTA's obligations on all its debt.
- G. To ensure the appropriate use of financial resources through an effective system of written and audited internal controls.
- H. To promote cooperation and coordination with other governments, agencies and the private sector in the financing and delivery of services.
- I. To establish long-term objectives for the financial operations of DCTA
- J. To insure an optimum balance between demand for service and resources to provide

Reserve Fund Policies

Adequate reserve levels are a necessary component of DCTA's overall financial management strategy and a key factor in external agencies' measurement of DCTA's financial strength. Funding priorities will be in the order listed and be reflected in the agency's cashflow model.

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve Fund that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unreserved/undesignated retained earnings. An annual contribution will be budgeted from general operating resources, as available, to maintain the target reserve level.
- b. It will be the policy of DCTA to maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual sales tax.
- c. It will be the policy of DCTA to maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA's investment and maintain appropriate service levels. The use of any funds within the Capital Facilities/Infrastructure Maintenance Fund will be approved by the Board within the resources available each fiscal year.
- d. It will be the policy of DCTA to maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$.05 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year. The use of any funds within the Fuel Stabilization Fund shall be approved by the Board.

Contributions to the Sales Tax Stabilization, Capital Replacement/Infrastructure Maintenance, and Fuel Stabilization Funds will be made from available funds as identified in the annual budget, or amended budget. The Chief Financial (CFO) shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as the Board shall determine to be appropriate at the time. Guidelines for transfers and contributions are as follows:

- a. All transfers for expenditures from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board in the annual budget or amended budget.
- b. Capital Replacement Fund will at a minimum be an amount equivalent to twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the cost of one transit bus with a twelve (12) year useful life. (Example - FY16 Bus Fleet replacement: \$2.9 million X 20% = \$0.58 million; cost of transit bus = \$0.4 million. Minimum Capital Replacement Fund requirement: \$0.58 million + \$0.4 million = \$0.98 million)

- c. Infrastructure Maintenance – Available funds within limitations of current cash flow model, in accordance with assessed capital needs which shall be reviewed during the annual budget process.

If after procedures as outlined in the adopted budget contingency plan have been met, and a severe economic downturn or other emergency requires draw down of Fund Balance Reserve or Sales Tax Stabilization funds, it will be a priority to replenish fund balances. Funds balances will be replenished within three (3) years, from any year-end budget surpluses. These surpluses may be achieved through expenditure reductions or through higher than anticipated revenues. The cash flow model and annual budget will specifically outline the timeframe and plan for fund balance replenishment.

Revenue Policies

- a. To the extent possible, a diversified and stable revenue system will be maintained to shelter service delivery from short-run fluctuations in any one revenue source due to changes in economic conditions. Trends analyzing the dependence on distinct revenue sources shall be included in the budget documents for consideration by the Board.
- b. Revenue forecasts will assess the full spectrum of resources that can be allocated for service delivery. Each year the Board shall review potential sources of revenue as part of the annual budget process.
- c. Revenue forecasts shall be realistically estimated and based on the best information available. DCTA shall use a conservative, objective and analytical approach when preparing revenue estimates and follow a vigorous policy of collecting revenues. Shortfalls anticipated based on this forecast will be addressed as follows:
 - i. Short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow: Expenditure reductions or restrictions may be imposed as outlined in the Budget Contingency Plan adopted as part of the annual budget by the Board. The Board may approve a contribution from the Sales Tax Stabilization Fund or Fund Balance Reserve Fund to address temporary downturns in revenues.
 - ii. Long-term (greater than one year) revenue downturns: Deficit financing and borrowing to support on-going operations is not the policy of DCTA. Revenue forecasts will be revised. Expenses will be reduced to conform to the revised long-term revenue forecast and fare increases will be considered.
- d. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.
- e. DCTA shall develop and maintain fair and equitable fares for all public transportation services which it operates. A fare structure establishing a base fare, categories of prepaid fares and special fare programs shall be adopted by the Board and reviewed no less than every two years. The fare structure should be competitive and offer seamless integration for passengers within the regional transportation system.
- f. Services provided on a contract basis may be set at levels sufficient to cover the entire cost of service delivery, or the service may be subsidized, as the Board deems appropriate. DCTA will systematically review fees and consider adjustments as necessary to take into account the effects of additional service costs and inflation. Studies shall be conducted to ensure that the fees will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation of capital assets, and moderate system expansion. Based on a market analysis, fees for similar services in other communities may also be considered. The criteria used to evaluate recommended target rates (equity, cost recovery policy, market demand, etc.) shall be included in the review. Such review should be scheduled periodically and be incorporated into the budget process for possible action by the Board.
- g. DCTA will review contracts and leases, which result in revenues to DCTA on a timely basis for careful consideration by the Board.

Expenditure Policies

DCTA will only propose operating expenditures which can be supported from on-going revenues. Before undertaking any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years. Capital expenditures may be funded from one-time revenues, but the operating budget expenditure impacts of capital expenditures will be reviewed for compliance with this policy provision.

- a. Department heads are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expenditure categories to help assure the most efficient use of resources
- b. DCTA will maintain expenditure categories according to state statute and administrative regulation.
- c. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. DCTA will consider investing in technology and other efficiency tools to maximize productivity. DCTA will hire additional staff only after the need for such positions has been demonstrated and documented.
- d. All compensation planning will focus on the total cost of compensation, which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to DCTA. A compensation study shall be conducted every three (3) years to ensure that DCTA maintains a competitive position in the market, with a goal to stay at the mid-point of the market range.

Accounting, Auditing and Financial Reporting

DCTA will maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall DCTA goals and objectives are met.

- a. Accounting Records and Reporting. DCTA will maintain its accounting records in accordance with state and federal regulations. Financial statements will conform to generally accepted accounting principles (GAAP) of the Governmental Accounting Standards Board (GASB).
- b. Auditing. As required under Chapter 460.402 of the Texas Transportation Code, an outside independent CPA firm will annually perform the DCTA's financial Audit. Results of the annual audit will be provided to the Board in a timely manner. The external audit firm is accountable to the Board of Directors and will have access and direct communication with the Board. The Single Audit Report will be prepared and presented to the Board by the external auditors along with the audited financial statements. The Single Audit Report shall list the status and current operations of all federal, state and local grant funds awarded and received.
- c. Simplified Fund Structure. To the extent possible, DCTA will minimize the number of Funds.

The Finance Department will develop, maintain, and consistently seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets.

Budget and Operating Policies

- a. Decisions of the Agency will be within the context of the cash flow model and the long range service plan. Staff shall provide a review of the implications of budgetary proposals on the cash flow model.
- b. The budget is designed to communicate DCTA goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and revenue sources used to pay for the service. The budget communicates DCTA's commitment to a balanced budget, where expenses do not exceed current year revenues and reserve balances.
- c. Chapter 460.403 of the Texas Transportation Code requires the Board to prepare an annual budget. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and Finance Committee of the Board of Directors and the Board. A calendar of events related to budget development shall be presented to Finance Committee each year prior to the start of the annual budget process.
- d. The Finance Department will maintain a system for monitoring the DCTA's budget performance. The system will provide the DCTA Finance Committee and the Board with monthly and / or quarterly information in a timely manner on fund level resource collections and category level expenditures.
- e. Revised Budget Policy: The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. DCTA staff shall watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations as follows:
 - i. Operating Fund Expenditures
 - 1. DCTA is required to control operating costs and maintain the total expenditures incurred at or below the total annual adopted Operating Expenses budget or budget as amended.
 - 2. The President may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.
 - 3. The Board may in the revised budget process, authorize a budget amendment for approval of new contracts and unbudgeted expenditures.
 - ii. Capital Project Fund Expenditures
 - 1. Expenditures for capital projects must be approved with the fiscal year capital project budget; or
 - 2. By Board approval of a capital project budget amendment and approval of the purchase during the fiscal year. Capital project budget amendments will be incorporated in the revised budget process.
 - iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and cash flow model.

- f. Definitions:
- i. Budget Amendment – Shall mean a change in the fiscal year budget based on the following criteria:
 - 1. Operating – an increase to the total bottom line operating fund expenditure budget
 - 2. Capital – (a) addition of a new project; (b) change in Capital Projects Fund annual appropriation; (c) an increase to the total approved budget of a specific project.
 - 3. A resolution approved by the DCTA Board of Directors is required to authorize an amendment as specified in Section e (i).
 - ii. Budget Transfers – Shall mean transfer of funds between departments or specific operating expense line items that neither increase nor decrease the total adopted operating fund budget.
- g. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This allows DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to recover and/or adjust to serious downturns effectively.
- h. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken. A physical inventory will be conducted no less than every two (2) years.

Purchase and Disposal of Assets

DCTA will follow and maintain purchasing procedures that comply with applicable State and Federal Laws and Board resolutions and policies regarding procurement. The policy of the Board of Directors is to:

- a. Provide equal access to all vendors participating through competitive acquisition of goods and services.
- b. Conduct the procurement process and disposal of property in a manner that promotes and fosters public confidence in the integrity of DCTA's procurement procedures.
- c. Protect the interest of entities providing financial support without regard to any undue influence or political pressure.

Federal Funds: When procurement involves the expenditure of federal funds, purchasing shall be conducted in accordance with all applicable federal laws or regulations.

Grant Funds: When procurement involves the expenditure of grant funds, purchasing shall be conducted in accordance with all applicable grant laws or regulations.

Emergency procurement: The DCTA President or his/her designated agent may make or authorize others to make emergency procurements of materials, supplies, equipment or services when there exists a threat to public health, welfare, or safety. The Executive Committee of the Board will be notified immediately of such action. State laws relating to emergency purchases shall be followed.

Cost Allocation

DCTA desires to comply with all laws and recommendations in calculating and receiving full cost recovery for services rendered and for allocating appropriate indirect costs related to grant funded projects.

Cost allocation is a method to identify and distribute indirect costs. Direct costs are costs assignable to a specific objective, whereas indirect costs are costs incurred for multiple cost objectives or not assignable to a specific cost objective without effort disproportionate to the benefit received. DCTA will prepare or have prepared an annual cost allocation plan to identify direct and indirect costs to use for recovering allowable costs under OMB Circular A-87 and in the development of cost of services as applicable for use in contracts for service delivery with outside entities. The plan will be prepared consistent with guidelines established by:

The Federal Office of Management and Budget (OMB) Circular A-87

OMB Circular A-87 establishes cost principals for State, local, and Indian Tribal Governments for determining costs for Federal Awards. Item 5 of the Circular states that, “The principals are for determining allowable costs only.” In defining allowable costs, the Circular provides a definition of allocable costs on Attachment A, paragraph C.3.a, “A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.” The Circular further outlines costs that are allowable for charging the Federal government and distinguishes those that are specifically excluded from recovery.

Governmental Accounting Standards Board (GASB)

GASB is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. While GASB is not a governmental agency and does not have enforcement authority, compliance with GASB is tested by the external auditor in the annual audit of DCTA.

Debt Management Policy

The objectives of the DCTA's Debt Management Policy will be:

- A. To minimize the use of debt to the effect that debt service payments will be a predictable and manageable part of the operating budget.
- B. Utilize debt as the last resort, to raise capital at the lowest cost, consistent with the need to borrow.

These will be accomplished by:

- a. Securing and maintaining a high credit rating
- b. Maintaining a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly.
- c. Selecting professional service providers (underwriters, financial advisors, bond insurer's, etc. through negotiation, RFQ process or as defined for professional services under DCTA's procurement procedures.
- d. Issuing debt on a competitive basis (except when conditions make a negotiated sale preferable) and awarding to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large; the project is speculative or complex; the issue is a refunding; or the market is unstable.
 - i. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
 - ii. Short-term borrowing will not be used for operating purposes.
- e. Complying with continuing disclosure reporting requirements and the obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. The DCTA's annual audited financial report will be sent to EMMA as soon as the external auditor issues the report and it has been presented to the Board of Directors
- f. Ensuring no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.
- g. Limiting bonded indebtedness to a level that:
 - i. permits sufficient borrowing to support a reasonable level of capital programming,
 - ii. maintains a debt amortization schedule within DCTA's ability to pay
 - iii. supports DCTA's credit rating objectives.
- h. Considering credit enhancements only after a cost/benefit analysis has been completed for each bond issue.
- i. Maintaining debt service reserve accounts as required by bond ordinances and where deemed advisable by the Board. DCTA shall structure such debt service reserves to avoid violation of IRS arbitrage regulations.
- j. Maintaining debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

THE INVESTMENT POLICY IS ADOPTED ANNUALLY BY SEPARATE ACTION OF THE BOARD OF DIRECTORS AND IS INCLUDED HERE FOR REFERENCE.
Investment Policy (As adopted 10/27/2016)

I. POLICY STATEMENT

The Denton County Transportation Authority (DCTA) policy stipulates that the administration of its funds and the investment of those funds shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of DCTA. DCTA's investments will conform to all applicable state statutes governing the investment of public funds.

Effective cash management is essential to good fiscal management. Cash management is defined as the process of managing monies to ensure maximum cash availability. DCTA shall maintain a comprehensive cash management program which includes collection of accounts receivable; prudent investment of its available cash; disbursement of payments in accordance with invoice terms, compliance with Board Policy, and the management of bank depository services.

Receiving a market rate of interest will be secondary to the requirements for safety and liquidity. DCTA intends to be in compliance with local law and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). Investment earnings will be used in a manner that best serves the interests of DCTA.

II. SCOPE

This investment policy applies to all the financial assets and funds of DCTA. However, this policy does not apply to the assets administered for the benefit of DCTA by outside agencies under deferred compensation programs.

DCTA may commingle its funds into one pooled investment fund for investment purposes for efficiency and maximum investment opportunity.

III. OBJECTIVES AND STRATEGY

DCTA's policy is that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety of principal, liquidity, diversification and yield. Investments are to be chosen in a manner which reflects diversity by market sector, type of credit, and length of maturity as best meets DCTA's requirements. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise. To best meet anticipated cash flow requirements, the weighted average maturity (WAM) of the overall portfolio may not exceed 18 months.

Safety of Principal

Safety of principal is the foremost objective. Investments of DCTA's cash shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The safety of principal is best achieved by limiting maximum maturities to two years or no further than expected project cashflow forecasts; limiting

investment types to those specifically authorized by this policy; diversifying investments; and, monitoring credit ratings on selected investment types.

Liquidity

Investments will be based on a cash flow analysis of needs and will remain sufficiently liquid to satisfy all operating requirements which might be reasonably anticipated by the agency's cash flow model. The portfolio will be structured so that investments mature concurrent with cash needs. Because all possible cash demands cannot be anticipated, the portfolio will include investments that offer same-day liquidity for those unanticipated situations. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

Diversification

The portfolio will be diversified by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding as defined in Section VIII of this policy will be used on each sale and purchase.

Yield

DCTA's investment portfolio shall be designed with the objective of attaining a market yield-to-maturity taking into account DCTA's risk constraints and the cash flow needs. Market yield-to-maturity may be defined as the rolling average yield of the current six-month Constant Maturity Treasury (CMT).

DCTA has selected the weighted-average yield-to-maturity as its preferred measure of investment performance. The weighted-average yield-to-maturity shall be calculated on a monthly basis by multiplying each individual security's yield-to-maturity at time of purchase by its book value, totaling the product of these calculations, and dividing by the total book value of the portfolio.

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public fund deposits. All investments will be made in accordance with these statutes.

V. DELEGATION OF INVESTMENT AUTHORITY

The Chief Financial Officer, acting on behalf of DCTA, is designated as the Investment Officer and the President of DCTA is designated as the Alternate Investment Officer. The Investment Officer is responsible for investment management decisions and activities according to this Investment Policy. The Investment Officer is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the activities of the investment program which are consistent with this Investment Policy. The procedures will include reference to safekeeping; require and include Master Repurchase Agreements (as applicable); wire transfer agreements; banking services contracts; and other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials and staff. The Investment Officer shall designate in writing a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer and Alternate Investment Officer are not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established herein.

Authorization Resolution

A Resolution is established with this investment policy and attached hereto authorizing the Investment Officer to engage in investment transactions on behalf of DCTA. The persons authorized by the Resolution to transact business for DCTA are also authorized to approve wire transfers used in the process of investing.

VI. PRUDENCE

The standard of prudence to be used in the investment function shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. This standard states that:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived.”

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule in Section VI, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner to the Board of Directors and that appropriate actions are taken to control adverse market effects.

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of DCTA. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions by employees of DCTA. Results of review of internal controls by the independent auditor shall be included in the annual audit.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of DCTA. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

VIII. AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below and as further described by the Public Funds Investment Act:

A. Obligations of the United States Government, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), agencies and instrumentalities and government sponsored enterprises, excluding collateralized mortgage obligations (CMO's), not to exceed two years to stated maturity with the exception of project funds which may be invested in longer maturities but not to exceed forecasted expenditure dates;

B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed two years to stated maturity. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD insured by the Federal Deposit Insurance Corporation (FDIC) may be purchased through a broker that has its main office in Texas and is selected from a list adopted by the DCTA Board or a selected depository institution with its main office or branch office in Texas. This broker or depository shall act as the custodian for the various certificates on behalf of DCTA.

C. Repurchase agreements and reverse repurchase agreements as defined by the Act, not to exceed 180 days to stated maturity, provided an executed Master Repurchase Agreement is on file with DCTA and the counterparty bank or primary dealer. Flexible repurchase agreements used specifically for capital projects may extend beyond the 180 day stated limitation, but shall not exceed the expenditure plan of the projects;

D. No-load SEC-registered money market funds, each approved specifically before use by DCTA; and

E. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act.

If additional types of securities are approved for investment by public funds by state statutes, none will be eligible for investment by DCTA until this policy has been amended and approved by the DCTA Board.

Competitive Bidding Requirements

All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that DCTA is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by DCTA, shall be conducted on a delivery versus payment (DVP) basis.

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments will be made through either DCTA's banking services bank or a primary dealer. DCTA will review the list of authorized broker/dealers annually. A list of at least three broker/dealers will be maintained in order to assure competitive bidding.

Securities broker/dealers must meet and disclose certain criteria as determined by the Investment Officer including:

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

Every broker/dealer and bank with which DCTA transacts business will be provided a copy of this Investment Policy to assure they are familiar with the goals and objectives of DCTA's investment program. A representative of the firm will be required to return a signed certification stating that the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to DCTA.

DCTA may appoint one or more investment advisors to assist the financial staff in the management of DCTA funds. The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an investment advisor. To be eligible for consideration, an investment advisor shall demonstrate knowledge of, and experience in, the management of public funds. An appointed investment advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy, and shall not have discretionary authority to transact business on behalf of DCTA.

If DCTA has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of DCTA. The advisor shall recommend broker selection criteria to DCTA's Investment Officer for approval. The advisor shall annually present a list of its authorized broker/dealers to DCTA for review and likewise shall return a signed certification stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures and controls to preclude imprudent investment activities. The advisor shall obtain and document competitive bids and offers on all transactions and present these to DCTA as part of its trade documentation.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is DCTA's policy to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

Security Type	Max % of Portfolio
U.S. Treasury obligations	100%
U.S. Government agencies and instrumentalities	Not to exceed 75%
Fully insured or collateralized CDs	Not to exceed 30%
Repurchase agreements	100%
Money Market Funds	50%
Local Government Investment Pools	
Liquidity Pools	100%
Maximum percent ownership of pool	Not to exceed 10%

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not:

A. invest more than 20% of the portfolio for a period greater than one (1) year B. invest any portion of the portfolio for a period of greater than two (2) years.

XI. SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery-versus-payment (DVP) basis and be held in safekeeping by either DCTA; an independent third party financial institution; or DCTA's designated banking services depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third-party custodian shall be required to issue safekeeping receipts to DCTA listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for DCTA or pledged to DCTA.

All securities pledged to DCTA for certificates of deposit or demand deposits shall be held by an independent third-party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

Collateralization

Collateralization is required on time and demand deposits exceeding the FDIC insurance coverage of \$250,000, and on repurchase agreements.

To provide a level of additional security for all funds and to also anticipate any market changes, the collateralization level required will be 105% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

A comprehensive quarterly investment report shall be prepared by the Investment Officer or Investment Advisor within ten (10) days following the fiscal quarter end and be presented to the DCTA Board the month following the fiscal quarter end. As required by the Texas Public Funds Investment Act, the report will:

- A. describe in detail the investment position of DCTA on the date of the report;
- B. be signed by the Investment Officer(s)
- C. contain a summary statement that presents :
 - a. beginning book and market value for the reporting period;
 - b. ending book and market value for the reporting period; and
 - c. fully accrued interest for the reporting period;
- D. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- E. state the maturity date of each separately invested asset that has a maturity date;
- F. state the account or fund for which each investment security was purchased;
- G. compare the portfolio's performance to other benchmarks of performance; and
- H. state the compliance of the investment portfolio with DCTA Investment Policy, Investment Strategy, and the Public Funds Investment Act.

XIII. DEPOSITORIES

DCTA will designate one banking institution through a competitive process as its central banking services provider at least every five years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. Other banking institutions from which DCTA may purchase certificates of deposit will also be designated as a depository after providing their latest audited financial statements to DCTA.

XIV. TRAINING REQUIREMENT

The DCTA Investment Officer(s) shall attend at least one investment training session within twelve months of taking office or assuming duties, and not less often than once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive years after that date, and shall receive not less than ten hours of

instruction relating to investment responsibilities. The investment training session shall be provided by an independent source approved by the Board of Directors. See Attachment I for a list of Board approved independent investment training sources. Contingent upon Board approval, additional independent sources from which investment training may be obtained shall include a professional organization, an institute of higher learning, or any sponsor other than a business organization with whom DCTA may engage in an investment transaction. Such training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

XV. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair the ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which personal business is conducted. Further disclosure shall also be made of any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of DCTA.

An Investment Officer of DCTA who has a personal business relationship with an organization seeking to sell an investment to DCTA shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to DCTA shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the DCTA Board of Directors.

XVI. SUBJECT TO AUDIT

A formal annual review of the investment reports will be performed by an independent auditor with the results reported to the Board. All collateral shall be subject to inspection and audit by the DCTA Treasurer or DCTA's independent auditors.

XVII. INVESTMENT POLICY ADOPTION BY DCTA BOARD

DCTA's Investment Policy shall be adopted annually by the Board of Directors. The policy and strategies shall be reviewed on an annual basis by the Board or a designated Committee of the Board. A written resolution approving that review, and suggested changes to the policy will be approved by the Board.

Previous Action:

Adopted: November 19, 2015

Board Approved Independent Investment Training Sources

1. Texas Municipal League (TML)
2. Government Finance Officers Association (GFOA)
3. Government Finance Officers Association of Texas (GFOAT)
4. North Central Texas Council of Governments
5. Texas Higher Education Coordinating Board