



DENTON COUNTY
TRANSPORTATION AUTHORITY

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

Board of Directors Work Session

September 22, 2016 | 1:30 p.m.

1. Routine Briefing Items
 - a. Staff Briefing on Monthly Financial Reports
 - i. Financial Statements for August 2016
 - ii. Capital Projects Budget Report for August 2016
 - iii. Monthly Sales Tax Receipts
 - iv. Current Procurement Activities
 - v. Investment Policy
 - b. Marketing and Communications
 - i. Collateral Material Overview
 - ii. Summer Youth Pass Campaign Recap
 - iii. Community Survey Update
 - iv. New Website Status
 - c. Strategic Planning and Development
 - i. Transit Solution Alternatives Briefing
 - ii. Business Development & Partnerships Update
 - iii. Land Use Planning & Development Update
 - iv. Additional Project Updates
 - d. Capital Projects
 - i. Flood Damage Repairs Update
 - ii. ShoreTel Phone System Expansion Update
 - e. Staff Briefing on Transit Operations Reports
 - i. Bus and Rail Operations
2. Discussion of Regular Board Meeting Agenda Items (September 2016)
3. 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.
- 4. Reconvene Open Session
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
- 5. Discussion of Future Agenda Items
 - a. Board Member Requests
- 6. 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 thenderson@dcta.net or calling Troy Henderson at 972-221-4600.

This notice was posted on 9/16/2016 at 2:24 PM.

Troy Henderson, Administrative Assistant



Board of Directors Memo

September 22, 2016

Subject: Monthly Financial Reports

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending August 31, 2016 include the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund. These reports provide a comparison of budget vs. actual for the fiscal year as of the current month.

The following are major variances between year-to-date budget and year-to-date actuals, which are annotated on the Statement of Changes in Net Assets.

Statement of Changes in Net Assets:

- **Note A:** Passenger Revenues – YTD unfavorable by (\$104k), primarily due to lower than budgeted rail ridership. While rail ridership has slightly decreased compared to the prior year, and it is 9% below budget at 494k riders compared to 544k budgeted. Prior year rail ridership through August 2015 was 501k.
- **Note B:** Contract Service Revenue – YTD unfavorable by (\$111k), due to reduced fuel pass-through costs for UNT and NCTC (reduction of \$285k). Average billed fuel price/gallon of \$1.56 is 55% lower than the budgeted \$3.50/gallon. Fuel cost is a direct pass-through to UNT and NCTC. This unfavorable variance is partially offset by increased revenue hours (\$172k); YTD revenue hours of 56,276 are 6% higher than budgeted 56,014 revenue hours.
- **Note C:** Sales Tax Revenue – August sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in August will be received in October. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY16 sales tax receipts collected through September.
- **Note D:** Federal/State Grants-Capital – YTD favorable by \$1.2 million because YTD expenses and corresponding reimbursements for the PTC (\$650k) projects are higher than anticipated due to progress on the projects. Additionally, the expenses and corresponding reimbursement for purchase of bus fleet (\$1.3 million) that were anticipated in a prior year but occurred in FY2016. This favorable variance is partially offset by the expenses and corresponding reimbursements for Trinity Mills (\$200k), COGNOS reporting software (\$160k), scheduling software (\$184k), bus fleet cameras (\$120k), and transit enhancements (\$82k) that have been delayed from the scheduled anticipated in the budget. In addition, due to project scope changes, the Trinity Mills crew facility (\$200) will not be grant funded as previously anticipated in the budget. These funds were re-allocated to other eligible budgeted expenses.
- **Note E:** Federal/State Grants-Operating – YTD unfavorable by (\$2.6 million) is attributable primarily to delay in FTA grant funding draw down's planned for rail preventive maintenance (\$2 million), ADA assistance (\$218k) and VanPool (\$240k) as anticipated in the budget. Approximately \$2.1 million is anticipated to be drawn down in September. The September grant draw down will bring operating grant reimbursements within budget, with the exception of the VanPool grant. TxDOT has confirmed the transfer of vanpool funds to FTA.

The delays that resulted from the transition to the new FTA TrAMS grant system have for the most part been addressed. There remain more manageable learning curve issues for both DCTA staff and FTA Region VI

- **Note F:** Insurance – YTD unfavorable by (\$45k), mainly attributable to Frisco insurance costs (\$8k) and insurance deductible payments for vehicle accidents (\$9k) that were not anticipated in the budget. In addition, there were an adjustment (24k) for TML Workers Compensation insurance for FY14/15 and FY2016 that were paid in July.
- **Note G:** Leases and Rentals - YTD unfavorable by (\$20k) is due to September rent (10k) and bus leases (6k) being prepaid in August.
- **Note H:** Other Income - YTD favorable by (\$123k) primarily due to
- insurance reimbursement.

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: Chrissy Nguyen
Senior Accountant

Final Review: 
Anna Mosqueda,
CFO

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

Denton County Transportation Authority
Change in Net Assets
Month and Year to Date August 31, 2016
(Unaudited)

Item 1(a)i

Description	Month Ended August 31, 2016			Year to Date August 31, 2016			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	117,858	126,357	(8,499)	1,285,668	1,389,707	(104,039)	1,542,909	Note A
Contract Service Revenue	198,335	221,480	(23,145)	2,990,826	3,101,912	(111,086)	3,534,517	Note B
Sales Tax Revenue	2,028,683	1,865,219	163,464	22,131,755	20,990,118	1,141,637	23,067,403	Note C
Federal/State Grants - Capital	30,505	290,153	(259,648)	4,846,152	3,648,090	1,198,062	6,350,215	Note D
Federal/State Grants - Operating	2,091,466	684,675	1,406,791	3,167,781	5,817,335	(2,649,554)	6,502,465	Note E
Total Revenue and Other Income	4,466,848	3,187,883	1,278,964	34,422,183	34,947,163	(524,980)	40,997,509	
Operating Expenses								
Salary, Wages and Benefits	771,263	760,068	(11,195)	8,330,973	8,604,444	273,471	9,418,015	
Services	195,399	187,309	(8,090)	2,019,427	2,425,095	405,668	2,624,383	
Materials and Supplies	195,526	186,809	(8,717)	1,792,693	2,202,774	410,081	2,413,022	
Utilities	36,554	42,413	5,859	335,145	468,943	133,798	511,361	
Insurance, Casualties and Losses	69,044	66,655	(2,389)	778,369	733,553	(44,816)	800,215	Note F
Purchased Transportation Services	842,178	888,123	45,945	9,726,038	9,745,049	19,011	10,633,624	
Miscellaneous	7,544	8,342	798	156,591	250,831	94,239	260,431	
Leases and Rentals	13,470	9,682	(3,788)	154,088	134,502	(19,586)	144,183	Note G
Depreciation	799,393	845,710	46,317	9,037,780	9,171,484	133,704	10,017,196	
Total Operating Expenses	2,930,372	2,995,111	64,739	32,331,103	33,736,674	1,405,571	36,822,430	
Income Before Non-operating Revenue and Expense	1,536,476	192,772	1,343,703	2,091,080	1,210,488	880,591	4,175,079	
Non-Operating Revenues / (Expense)								
Investment Income	6,049	1,667	4,382	54,085	18,337	35,748	20,000	
Gain (Loss) Disposal of Assets	-	-	-	(14,675)	-	(14,675)	-	
Fare Evasion Fee	75	125	(50)	2,025	1,375	650	1,500	
Other Income - Miscellaneous	220	-	220	122,920	-	122,920	-	Note H
Long Term Debt Interest/Expense	(96,369)	(96,368)	(1)	(1,059,861)	(1,060,048)	187	(1,156,422)	
Total Non-Operating Revenue / (Expense)	(90,024)	(94,576)	4,552	(895,506)	(1,040,336)	144,830	(1,134,922)	
Change in Net Assets	1,446,452	98,196	1,348,255	1,195,573	170,152	1,025,421	3,040,157	

Denton County Transportation Authority
Statement of Net Assets
As of August 31, 2016
(Unaudited)

	<u>August 31, 2016</u>	<u>July 31, 2016</u>	<u>Change</u>
Current Assets			
Cash & Cash Equivalents	10,520,299	11,403,011	(882,712)
Investments	4,260,932	3,157,688	1,103,244
Accounts & Notes Receivable	6,667,584	5,111,289	1,556,295
Prepaid Expenses	417,401	485,445	(68,044)
Inventory	10,173	16,255	(6,083)
Restricted Asset-Cash and Equivalents	5,142,848	5,141,702	1,146
Total Current Assets	<u>27,019,237</u>	<u>25,315,390</u>	<u>1,703,846</u>
Property, Plant and Equipment			
Land	16,228,337	16,228,337	-
Land Improvements	6,458,821	6,458,821	-
Machinery & Equipment	2,289,309	2,289,309	-
Leasehold Improvements	55,506	55,506	-
Vehicles	88,753,500	88,753,500	-
Computers & Software	1,180,676	1,180,676	-
Accumulated Depreciation	(47,112,424)	(46,313,030)	(799,393)
Total Property, Plant and Equipment	<u>67,853,726</u>	<u>68,653,120</u>	<u>(799,393)</u>
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	234,739,641	234,739,641	-
Construction in Progress	12,146,315	11,300,562	845,753
Total Capital Assets	<u>263,883,111</u>	<u>263,037,358</u>	<u>845,753</u>
Total Assets	<u><u>358,756,074</u></u>	<u><u>357,005,868</u></u>	<u><u>1,750,206</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	1,486,835	-	1,486,835
Salary, Wages, and Benefits Payable	608,254	625,877	(17,623)
Accrued Expenses Payable	927,929	857,627	70,301
Deferred Revenues	79,513	55,465	24,048
Interest Payable	120,149	385,474	(265,325)
Total Current Liabilities	<u>3,222,680</u>	<u>1,924,443</u>	<u>1,298,237</u>
Non-Current Liabilities			
Rail Easement Payable	1,300,000	1,300,000	-
Retainage Payable	190,915	190,397	518
Bonds Payable	30,970,000	31,965,000	(995,000)
Total Non-Current Liabilities	<u>32,460,915</u>	<u>33,455,397</u>	<u>(994,482)</u>
Total Liabilities	<u><u>35,683,595</u></u>	<u><u>35,379,841</u></u>	<u><u>303,754</u></u>
Net Assets			
Invested in Capital Assets	301,021,097	301,021,097	-
Unrestricted Retained Earnings	20,855,808	20,855,808	-
Change in Net Assets	1,195,573	(250,878)	1,446,452
Total Equity	<u>323,072,478</u>	<u>321,626,027</u>	<u>1,446,452</u>
Total Liabilities and Equity	<u><u>358,756,074</u></u>	<u><u>357,005,868</u></u>	<u><u>1,750,206</u></u>

Capital Projects Fund - DCTA
Budget vs. Actual
As of August 30, 2016
(Cash Basis)

Work Session 1a

ASSETS

Fixed Assets

1660 - Construction Work in Progress

	Original Budget	Revised Budget	August 2016 Expenses Booked	Life To Date	\$ Under/(Over) Budget	% of Budget (As of August 2016 Close)	Project % Complete (Operations)
1 - G&A Capital Projects							
Total 10402 - Shortel Phone System	45,000	85,000	58,625	58,625	26,375	69%	
Total 10601 - COGNOS Report Application	200,000	200,000	-	-	200,000	0%	
Total 10602 - Comprehensive Service Analysis	567,414	420,222	3,309	192,611	227,611	46%	
Total 10603 - Legal Support	226,753	226,753	-	83,635	143,118	37%	
Total 10301 - Lewisville Facilities Study	-	100,000	2,385	74,797	25,203	75%	
Total 1 - G&A Capital Projects	1,039,167	1,031,975	64,319	409,668	622,307	40%	
5 - Bus Capital Projects							
Total 50204 - Transit Enhancements (2015-16)	165,000	165,000	35,097	121,464	43,536	74%	
Total 50301 - Bus O&M Facility	8,142,667	11,497,555	-	11,398,987	98,568	99%	
Total 50505 - Fleet Replacement (2015) - CLOSED	395,000	1,634,000	1,860	1,628,352	5,648	100%	
Total 50409 - Bus Fleet Cameras	149,500	149,500	-	-	149,500	0%	
Total 50507 - Fleet (2016)	1,250,000	1,250,000	-	-	1,250,000	0%	
Total 50601 - Scheduling Software (Bus)	250,000	250,000	-	20,000	230,000	8%	
Total 5 - Bus Capital Projects	10,352,167	14,946,055	36,957	13,168,804	1,777,251	88%	
6 - Rail Construction							
Total 61401 - Fare Collection Systems	569,000	733,104	-	682,258	50,846	93%	
Total 61406 - Positive Train Control Preparation	15,997,441	1,346,527	-	1,346,527	-	100%	100%
Total 61406.1 - Positive Train Control Implementation	-	16,720,141	30,999	3,976,630	12,743,511	24%	22%
Total 61708 - Lewisville Bike Trail	3,099,856	3,099,856	-	2,046,359	1,053,497	66%	95% *
Total 60701 - Passenger Information	56,214	96,821	-	61,411	35,410	63%	
Total 61712 - Rail MOE - CLOSED	585,000	1,302,627	-	980,793	321,834	75%	
Total 61505 - GTW Wheel Work	915,041	915,041	-	669,456	245,585	73%	
Total 61604 - Rail Mobilization (2015)	2,119,517	2,119,517	387,279	387,279	1,732,238	18%	75%
Total 61209 - Trinity Mills Crew Facility	250,000	250,000	639	69,610	180,390	28%	
Total 61210 - Station Landscaping	75,000	485,000	-	385,572	99,428	79%	
61713 - Disaster Recovery - 2015 Floods							
6171301 - Operating Revenue	-	-	-	(181,483)	181,483	0%	
Total 61713 - Disaster Recovery - 2015 Floods	1,000,000	300,000	-	216,457	83,543	72%	90%
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	220	32,311	293,171	10%	
Total 61713-2 - Grade Crossing Replacements (2015 Flood)	2,157,760	2,157,760	-	62,707	2,095,053	3%	5% **
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	7,547	98,627	23,373	81%	
Total 61713-4 - Ballast Undercutting (2015 Flood)	761,600	761,600	-	21,198	740,402	3%	
Total 61713-5 - Pockrus Page (2015 Flood)	623,000	623,000	2,371	23,858	599,142	4%	
Total 61714 - Rail Capital Maintenance	745,000	745,000	-	-	745,000	0%	
Total 61507 - ABB Stadler Spare Parts - CLOSED	276,000	276,000	276,000	276,000	-	100%	
Total 61715 - Trail Safety Improvements	139,657	139,657	-	-	139,657	0%	0%
Total 61508 - Stadler Fleet Emergency Lighting - CLOSED	-	190,000	-	189,556	444	100%	
Total 61716 - Lewisville Bike Trail - Eagle Point Section	-	2,995,873	39,422	40,176	2,955,697	1%	5% ***
Total Rail Construction Projects	29,817,568	35,705,006	744,477	11,566,786	24,138,221	32%	
Total 1660 - Construction Work in Progress	41,208,902	51,683,036	845,753	25,145,257	26,537,779	49%	

* Construction complete. Balance is for engineering on Eagle Point

** Specifications prepared for bid docs

*** Engineering @ 95%. August expenses are TxDOT fees

**Board of Directors Memo**

September 22, 2016

Subject: Sales Tax Report**Background**

Sales tax represents the single largest source of revenue for DCTA at 59.68% for FY16 budget. The annual Sales Tax budget for FY 2016 is \$23,067,403. 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. The September allocation is for sales generated in the month of July and represents revenue for the tenth month of FY 2016.

- Sales tax for sales generated at retail in the month of July and received in September was \$1,919,001.
- This represents an increase of 9.31% or \$163,464 compared to budget for the month.
- Receipts are favorable 6.71% year-to-date compared to budget.
- Compared to the same month last year, sales tax receipts were \$93,032 or 5.09% more.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 10.73%
 - City of Denton up 0.05%
 - Highland Village down 1.64%

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:	2015-2016 Year Budget	2015-2016 Year Actual	Variance Actual to Budget	CY Actual to CY Budget % Variance	2014-2015 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,023,528	\$ 1,821,854	\$ (201,674)	-9.97%	\$ 1,945,700	\$ (123,846)	-6.37%
November	January	\$ 1,836,141	\$ 1,959,303	\$ 123,162	6.71%	\$ 1,765,520	\$ 193,783	10.98%
December	February	\$ 2,530,794	\$ 2,669,055	\$ 138,261	5.46%	\$ 2,433,456	\$ 235,599	9.68%
January	March	\$ 1,812,076	\$ 1,637,497	\$ (174,579)	-9.63%	\$ 1,742,381	\$ (104,884)	-6.02%
February	April	\$ 1,629,477	\$ 1,776,656	\$ 147,179.13	9.03%	\$ 1,566,805	\$ 209,851	13.39%
March	May	\$ 1,967,178	\$ 2,340,336	\$ 373,158	18.97%	\$ 2,074,176	\$ 266,160	12.83%
April	June	\$ 1,750,519	\$ 1,955,110	\$ 204,591	11.69%	\$ 1,803,955	\$ 151,155	8.38%
May	July	\$ 1,809,657	\$ 1,931,826	\$ 122,169	6.75%	\$ 1,757,537	\$ 174,289	9.92%
June	August	\$ 2,009,992	\$ 2,397,828	\$ 387,836	19.30%	\$ 2,104,123	\$ 293,705	13.96%
July	September	\$ 1,755,537	\$ 1,919,001	\$ 163,464	9.31%	\$ 1,825,970	\$ 93,032	5.09%
August	October	\$ 1,865,219				\$ 2,082,973		
September	November	\$ 2,077,285				\$ 2,159,150		
YTD Total		\$ 23,067,403	\$ 20,408,466	\$ 1,283,567	6.71%	\$ 23,261,746	\$ 1,388,844	7.30%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

September 16, 2016

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:	2014-2015 Year Actual	2015-2016 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	Sales Generated in Month of:	Received in Month of:	2014-2015 Year Actual	2015-2016 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,532,839	\$ 2,537,910	\$ 5,072	0.20%	October	December	\$ 268,275	\$ 290,956	\$ 22,682	8.45%
November	January	\$ 2,404,460	\$ 2,541,494	\$ 137,034	5.70%	November	January	\$ 283,432	\$ 301,727	\$ 18,295	6.45%
December	February	\$ 3,407,084	\$ 3,661,985	\$ 254,902	7.48%	December	February	\$ 441,441	\$ 469,889	\$ 28,448	6.44%
January	March	\$ 2,479,995	\$ 2,441,184	\$ (38,811)	-1.56%	January	March	\$ 249,723	\$ 264,553	\$ 14,830	5.94%
February	April	\$ 2,194,340	\$ 2,533,341	\$ 339,001	15.45%	February	April	\$ 220,832	\$ 233,938	\$ 13,106	5.93%
March	May	\$ 2,920,317	\$ 3,373,295	\$ 452,978	15.51%	March	May	\$ 319,961	\$ 330,255	\$ 10,294	3.22%
April	June	\$ 2,570,323	\$ 2,982,209	\$ 411,886	16.02%	April	June	\$ 275,169	\$ 265,293	\$ (9,877)	-3.59%
May	July	\$ 2,441,318	\$ 2,781,814	\$ 340,496	13.95%	May	July	\$ 317,874	\$ 288,202	\$ (29,672)	-9.33%
June	August	\$ 2,867,226	\$ 3,395,384	\$ 528,158	18.42%	June	August	\$ 330,952	\$ 369,689	\$ 38,737	11.70%
July	September	\$ 2,531,076	\$ 2,802,579	\$ 271,503	10.73%	July	September	\$ 276,336	\$ 271,812	\$ (4,524)	-1.64%
August	October	\$ 2,996,730				August	October	\$ 264,926			
September	November	\$ 3,013,889				September	November	\$ 342,868			
YTD Total		\$ 32,359,597	\$ 29,051,196	\$ 2,702,218	10.26%	YTD Total		\$ 3,591,789	\$ 3,086,314	\$ 102,319	3.43%

City of Denton					
Sales Generated in Month of:	Received in Month of:	2014-2015 Year Actual	2015-2016 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,345,573	\$ 2,246,579	\$ (98,994)	-4.22%
November	January	\$ 2,197,657	\$ 2,342,199	\$ 144,542	6.58%
December	February	\$ 3,020,338	\$ 3,372,458	\$ 352,120	11.66%
January	March	\$ 2,109,216	\$ 1,869,754	\$ (239,463)	-11.35%
February	April	\$ 1,852,968	\$ 2,128,444	\$ 275,476	14.87%
March	May	\$ 2,678,550	\$ 2,842,993	\$ 164,443	6.14%
April	June	\$ 2,152,181	\$ 2,317,882	\$ 165,701	7.70%
May	July	\$ 2,107,901	\$ 2,405,495	\$ 297,594	14.12%
June	August	\$ 2,682,604	\$ 3,157,640	\$ 475,036	17.71%
July	September	\$ 2,259,012	\$ 2,260,102	\$ 1,091	0.05%
August	October	\$ 2,584,144			
September	November	\$ 2,727,016			
YTD Total		\$ 28,717,159	\$ 24,943,546	\$ 1,537,547	6.57%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
September 16, 2016

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

Transit	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2016 Payments (Calendar)	2015 Payments (Calendar)	% Change
Houston MTA	1.00%	\$ 54,213,524.46	\$ 56,803,035.99	-4.56%	\$ 519,184,663.23	\$ 542,224,771.84	-4.25%
Dallas MTA	1.00%	\$ 42,333,899.89	\$ 39,332,197.66	7.63%	\$ 408,599,331.66	\$ 389,685,898.85	4.85%
Austin MTA	1.00%	\$ 17,241,222.70	\$ 16,844,833.23	2.35%	\$ 167,044,205.22	\$ 157,826,394.07	5.84%
San Antonio MTA	0.50%	\$ 10,497,928.51	\$ 10,928,560.82	-3.94%	\$ 103,731,927.04	\$ 103,044,407.74	0.67%
San Antonio ATD	0.25%	\$ 4,800,872.83	\$ 4,937,766.05	-2.77%	\$ 47,169,356.02	\$ 46,424,699.91	1.60%
Fort Worth MTA	0.50%	\$ 5,426,567.08	\$ 5,437,384.64	-0.20%	\$ 51,548,912.57	\$ 48,740,350.36	5.76%
El Paso CTD	0.50%	\$ 3,296,847.80	\$ 3,258,842.59	1.17%	\$ 31,698,779.02	\$ 30,869,998.94	2.68%
Corpus Christi MTA	0.50%	\$ 2,599,475.90	\$ 3,017,547.98	-13.85%	\$ 23,905,561.94	\$ 26,377,991.52	-9.37%
Denton CTA	0.50%	\$ 1,919,001.38	\$ 1,825,969.63	5.09%	\$ 18,586,612.09	\$ 17,073,922.92	8.86%
Laredo CTD	0.25%	\$ 563,259.80	\$ 626,091.52	-10.04%	\$ 5,698,922.63	\$ 6,057,597.03	-5.92%
TOTALS		\$ 142,892,600.35	\$ 143,012,230.11	-0.08%	\$ 1,377,168,271.42	\$ 1,368,326,033.18	0.65%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
September 16, 2016



Board of Directors Memo

September 22, 2016

Subject: Procurement Activities

Crossing Replacement and Ballast Undercutting

Staff is developing the procurement solicitation documents and will release the procurement in September. This project has been approved and will be reimbursed with FEMA funds. Award is anticipated at the November meeting.

Purchase of Small and Medium Vehicles

Staff is developing the procurement solicitation documents for a five year contract to purchase small ADA compliant paratransit vans and low floor cutaway buses.

Transit Map and Timetable Creation

A request for proposals was issued in September for an agreement with a firm to provide design of bus schedules, system maps, and additional transit passenger information for DCTA's transit system. Award is anticipated at the October meeting.

Submitted by:


Athena Forrester, Senior Procurement Manager

Final Review:


Anna Mosqueda, CFO



Board of Directors Memo

September 22, 2016

Subject: Work Session 1(a)v Investment Policy Annual Review

Background

It is the intent of DCTA to be in compliance with state and federal law. The Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act") governs investment of public funds at the state level. The Act requires that the Board of Directors review and adopt the Investment Policy annually.

It is the policy of the Denton County Transportation Authority (DCTA) that the administration and investment of its funds shall be handled in a manner that maintains the highest public trust. Investments shall be made that provide the maximum security of principal invested while meeting the daily cash flow needs of DCTA and conforming to all applicable state statutes governing the investment of public funds. While DCTA staff strives to maximize the yield on our investments, increasing the market yield-to-maturity is secondary to the requirements for safety and liquidity.

The last adoption by the Board of the DCTA Investment Policy was on November 19, 2015. DCTA contracts with First Southwest Asset Management, Inc ("FSAM") for investment advisory services. The policy has been reviewed by FSAM to ensure that all the necessary language as required by the Act is present in the written DCTA Investment Policy document. Included for your reference is the letter from FSAM confirming their review of the investment policy. Only housekeeping changes are incorporated.

In connection with investment transactions conducted between FSAM and DCTA, FSAM has provided as required under the Act a certification that they have reviewed the entity's investment policy. In addition, FSAM has provided to DCTA a copy of its current SEC Form ADV Part II, as required by Securities and Exchange Commission Regulation Section 275.204-3. These documents as well as the current FSAM approved broker/dealer list are available in the DCTA Finance Department.

Identified Need

This action is required to fulfill the legal requirements for an annual review and approval of the Investment Policy.

Recommendation

No action is required today. The policy is presented to the Board for review and discussion only. The Finance Committee as of the writing of this memo has a committee meeting schedule for Oct. 10. The policy will be further discussed at that meeting. It will be placed on the October, 2016 Board agenda along with the required Board Resolution for adoption.

Submitted by:


Anna Mosqueda, CFO

Approval:


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

DENTON COUNTY TRANSPORTATION AUTHORITY
INVESTMENT POLICY (As adopted 11/19/2015-Red lined)

I. POLICY STATEMENT

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

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

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

II. SCOPE

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

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

III. OBJECTIVES AND STRATEGY

DCTA's policy is that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety of principal, liquidity, diversification and yield. Investments are to be chosen in a manner which ~~promotes~~ 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.

DENTON COUNTY TRANSPORTATION AUTHORITY
INVESTMENT POLICY (As adopted 11/19/2015-Red lined)

Safety of Principal

Safety of principal is the foremost objective ~~of DCTA~~. 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

~~DCTA's investment portfolio~~ Investments will be based on a cash flow analysis of needs and will remain sufficiently liquid to ~~enable it to meet~~ 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, ~~a portion of the portfolio will include be invested in~~ investments that offer same-day liquidity for ~~those~~ unanticipated ~~situations-cash demands~~. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

Diversification

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

Yield

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

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

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

~~Direct s~~ 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

DENTON COUNTY TRANSPORTATION AUTHORITY

INVESTMENT POLICY (As adopted 11/19/2015-Red lined)

The Chief Financial Officer, acting on behalf of DCTA, is designated as the Investment Officer and the President of DCTA is designated as the Alternate Investment Officer ~~of DCTA~~. The Investment Officer is responsible for investment management decisions and activities 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 ~~operation~~activities of the investment program which are consistent with this Investment Policy. ~~The P~~rocedures 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 herin:-

Authorization Resolution

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

VI. PRUDENCE

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

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

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule in Section VI, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a

DENTON COUNTY TRANSPORTATION AUTHORITY

INVESTMENT POLICY (As adopted 11/19/2015-Red lined)

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 ~~B~~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;

DENTON COUNTY TRANSPORTATION AUTHORITY

INVESTMENT POLICY (As adopted 11/19/2015-Red lined)

- 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, ~~they none~~ will ~~not~~ be eligible for investment by DCTA until this policy has been amended and ~~the amended version~~ approved by the DCTA Board.

Competitive Bidding Requirements

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

Delivery versus Payment

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

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

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

Securities broker/dealers must meet and disclose certain criteria as determined by the Investment Officer including:. ~~r. The following criteria must be met by those firms on the list:~~

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

Every broker/dealer and bank with which DCTA transacts business will be provided a copy of this Investment Policy to assure ~~that~~ they are familiar with the goals and objectives of ~~the 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

DENTON COUNTY TRANSPORTATION AUTHORITY

INVESTMENT POLICY (As adopted 11/19/2015-Red lined)

Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an investment advisor. To be eligible for consideration, an investment advisor shall demonstrate knowledge of, and experience in, the management of public funds. An appointed investment advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy, and ~~without any~~ 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 ~~the~~ 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 ~~execute the aforementioned written instrument~~ return a signed certification stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures and controls ~~in an effort~~ to preclude imprudent investment activities. The advisor shall obtain and document competitive bids and offers on all transactions and present these to DCTA as part of its trade documentation.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is DCTA's policy to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss, ~~resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities.~~ Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

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

DENTON COUNTY TRANSPORTATION AUTHORITY

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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 ~~unless matched to a specific requirement,~~

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 ~~over exceeding~~ the FDIC insurance coverage of \$250,000, and on repurchase agreements.

~~In order to anticipate market changes and To~~ provide a level of additional security for all funds and to also anticipate any market changes, the collateralization level required will be 102% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

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

- A. describe in detail the investment position of DCTA on the date of the report;
- B. be signed by the Investment Officer(s)
- C. contain a summary statement that ~~states presents~~ :

DENTON COUNTY TRANSPORTATION AUTHORITY

INVESTMENT POLICY (As adopted 11/19/2015-Red lined)

- 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 ~~they provide~~ 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 their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which ~~personal they conduct~~ business is conducted. ~~They shall if~~ further disclosure shall also be made of any personal financial/investment positions that could be related to the performance of the

DENTON COUNTY TRANSPORTATION AUTHORITY

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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 ~~from the review;~~ will be ~~passed and recorded~~ approved by the Board.

Previous Action:

Adopted ~~October 23, 2014~~ November 19, 2015

DENTON COUNTY TRANSPORTATION AUTHORITY
INVESTMENT POLICY (As adopted 11/19/2015-Red lined)

Attachment 1

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



300 W. 6th Street
Suite 1940
Austin, Texas 78701

512-481-2009 Direct
800-575-3792 Toll Free
512-481-2020 Fax

Scott McIntyre
Managing Director

Scott.mcintyre@hilltopsecurities.com

POLICY REVIEW

September 8, 2016

Ms. Anna Mosqueda
Chief Financial Officer
Denton County Transportation Authority
1955 Lakeway Drive, Suite 260
Lewisville, TX 75057

Dear Anna:

As requested, FirstSouthwest Asset Management, Inc. has performed a review of the Denton County Transportation Authority ("DCTA") written investment policy to determine compliance with the Texas Public Funds Investment Act (the "Act"), Texas Government Code, Chapter 2256. Our review was limited in scope, with the primary purpose being to evaluate conformity with the Act. We did not seek to ensure that all funds and procedures are addressed in the policy, nor have we reviewed compliance with the policy or internal controls of DCTA. Based upon our review, we have reached the following conclusion:

The Texas Legislature did not meet in 2016, so there are no required changes. We believe all previously written requirements of the Act are included within current policy. As a result, we do not recommend any changes to the Denton County Transportation Authority investment policy this year.

If you have any questions regarding this policy, please contact me at 1-800-575-3792 or directly at (512) 481-2009.

Sincerely yours,

Scott McIntyre, CFA
Managing Director

Cc: Ms. Marisa Perry



Board of Directors Memo

September 22, 2016

Subject: Marketing & Communications Update

Collateral Overview

- Regional Leave-Behind (produced bi-monthly)
- State Fair of Texas Brochure
- Community Survey Direct Mailer
- EnRoute News (September/October 2016 Edition)
- Mass Transit Magazine (September/October 2016 Edition)

Summer Youth Pass Campaign Recap

- Campaign Dates: 5/15 – 8/31
- Tactics
 - Brochure, Hot Items Poster (DDTC), Bus Railcards, Direct Mailer, Utility Bill Inserts
 - Geo-targeted online and print advertising
 - Community outreach, event marketing, tabletop opportunities
 - Media relations and social media efforts
 - Dedicated webpage
 - Video
- Results
 - Online Advertising – 428,038 Impressions / 1,307 Clicks
 - Print Advertising – 502,066 Impressions
 - Direct Mail (2 Flights) – 9,300 Impressions
 - Seat Drops (2 Flights) – 5,200 Impressions
 - Lewisville Water Bill Insert – 35,000
 - Website – 4,199 Total Pageviews / 3,790 Unique Pageviews / 2:52 Average Time on Page
 - Media Relations – 8 Placements / 206,765 Online Impressions / 299,544 Print Impressions / \$4,546.67 Publicity Value
 - Social Media
 - Facebook/Video – 40,741 Impressions / 8,400 Single Views / 4,584 Engagements / 2,100 Clicks
 - Twitter/Video – 54,481 Impressions / 127 Engagements
 - Blog – 18 Pageviews
 - YouTube – 62 Views / 1 Share
- Total Passes Sold – 37 (riders) / 184.6% Increase YOY / \$1,110 Revenue

Community Survey Update

- Continued marketing, communications and community outreach
- Direct mail launch on 9/13 / 62,916 Delivered
- Online surveys completed (as of 9/15) – 776
- Print surveys completed (as of 9/15) – 173
- Results presented at the November 2016 Board of Directors meeting

New Website Status

- Survey Completion
 - Board – 4
 - DCTA Employees – 20
 - Community Partners – 4
- New Sitemap Approved – 9/13
- Timeline Milestones
 - Wireframe Development: 9/9 – 10/13
 - Design: 10/14 – 12/14
 - Development (Phase I): 11/22 – 2/7
 - Development (Phase II): 2/7 – 4/4
 - Development (Phase III): 4/4 – 5/9
 - Development (Phase IV): 5/9 – 7/18
 - Testing: 7/18 – 8/15
 - Live: 8/21

MARKETING & COMMUNICATIONS METRICS					
Activity	Metric	Annual Goal	Monthly	YTD	Goal Met
Brand Impressions					
Community Brand Impressions*	Global Impressions	260,000	130,644	364,324	✓
	Confirmed Impressions	7,500	216	3,901	NOTE 1
Media Buy Impressions**	Online/Confirmed Impressions	5M	2,231,636	12,522,939	✓
	Online Click Through Rate	.06%	.37%	.27%	
	Print Impressions	2M	37,500	1,929,410	
Media Relations					
Press Coverage	Articles About DCTA	300 Placements	57	555	✓
Media Relations Impressions^	Articles About DCTA	165M	9,105,902	199,084,574	✓
Publicity Value^^	Articles About DCTA	\$1M	\$119,866	\$725,652	NOTE 2
Headline Highlights	DCTA Contracts with UNT to Release Community Survey DCTA Receives 2016 Achievement of Excellence in Procurement Award DCTA to Implement Service Changes in Lewisville				
Major Media Outlets	KXAS-TV (NBC 5); Community Impact; Dallas Morning News; Mass Transit; Denton Record-Chronicle				
Social Media					
Facebook Likes	Increase in Likes	3,000	78	3,047	✓
Twitter Followers	Increase in Followers	1,000	185	999	
Digital					
Website	Pageviews	1.5M	122,405	1,086,481	NOTE 3
	Top 5 Referring Sites	UNT Transportation, TWU Portal, UNT Portal, TWU, DART			
DCTA Blog	Confirmed Impressions	3,000	603	8,254	✓
	Top 3 Referring Sites	Facebook, Twitter, Denton Record-Chronicle			
Go Pass					
New Downloads	Total Count	170,000	14,661	169,586	
Tickets Sold	Total Count	20,000	2,554	24,964	✓

CUSTOMER SERVICE					
Activity	Metric	Annual Goal	Monthly	YTD	Goal Met
Provide Excellent Customer Service	Calls Answered	>95%	98%	98%	
	Abandoned Calls	<3%	2%	2%	
Where's My Ride	Total Hits†	400,000	58,005	494,561	✓
	SMS (Texts)	50,000	6,485	84,926	✓
	Calls	15,000	1,695	27,532	✓
GORequest	Avg. Days/Closeout	<3.2	2.38	2.46	
	Total Entries/10K	>3	4.96	1.96	
	Complaints/10K	<5	2.77	1.13	
	Types of Submittals	Complaint – 40; Compliment – 4; Problem – 3; Question – 26; Suggestion – 4			

DISCOUNT SALES PROGRAMS††					
Program	Metric	Annual Goal	Monthly	YTD	Goal Met
Corporate Pass Program	Ticket Sales	N/A	\$0	\$0	N/A
	Business Database	1,000	121	1,885	✓
	Cold Calls	250	22	192	
	Website Pageviews	1,000	78	288	NOTE 4
	Direct Mail Distribution	1,000	0	972	
	Sales Kits Mailed	9			
	Top 3 Referring Sites	Google, Bing, UNT Transportation Portal			
Group Discount Program	Ticket Sales	N/A	\$3,600	\$8,774	N/A
	Website Pageviews	N/A	71	196	N/A
Non-Profit Discount Program	Ticket Sales	N/A	\$484	\$1,123	N/A
	Website Pageviews	N/A	94	271	N/A

Footnote:

***Community Brand Impressions:**

- *Global Impressions are the total number of individuals impacted through events, fairs and sponsorships.*
- *Confirmed Impressions are the total number of one-on-one interactions experienced through events, fairs and sponsorships.*

****Media Buy Impressions:**

- *Online/Confirmed Impressions are the number of individuals who were delivered an online advertisement through marketing campaign efforts.*
- *Online Click Through Rates are the number of individuals who were delivered an online advertisement, clicked on the advertisements, and visited a directed URL through marketing campaign efforts.*

^Media Relations Impressions are the total number of individuals impacted through media relations efforts throughout all communications mediums (i.e. broadcast, print, online, radio, etc.).

^^Publicity Value identifies the financial investment that would be required to receive identical coverage through advertising efforts.

†Where's My Ride "hits" track all visits to the site. Total hits reported are not unique visitors.

††Discount Pass Program Metrics – Annual goals are set based on research and potential program growth. FY '16 marks the first year of tracking metrics of success and will only include partial-year results. Complete goal-setting and metrics tracking will occur in FY '17. Individual web pages live on April 11, 2016.

NOTE 1: Two out of three of our primary event sponsorships were rained out in FY '16. We were unable to gather any confirmed impressions at the Denton Arts & Jazz Festival (April 2016) or the Highland Village Balloon Festival (August 2016).

NOTE 2: FY '16 is the first year where publicity value has been tracked. DCTA's media coverage has skewed toward print and online, which carries a lower publicity value than broadcast placements. The reported publicity value supports the increasing placement trend that was an overall departmental goal. This annual goal will be reassessed for FY '17 reporting based on FY '16 results.

NOTE 3: As part of DCTA's website exploration, coding was put in place to remove robotic impressions from website metrics. The removal of bot clicks resulted in a decreased monthly pageview rate. However, with the removal of bot clicks we are now able to see true user activity and modify strategy based on real-time results.

NOTE 4: We have been unsuccessful in driving desired traffic to the Corporate Pass Program webpage. We continually optimize our strategy but are not seeing direct hit traffic resulting more than 100 hits per month.

Approved by:



Nicole M. Recker
Vice President of Marketing & Communications



Board of Directors Memo

September 22, 2016

Subject: Strategic Planning & Development Update

REGIONAL TRANSPORTATION PLANNING

High Intensity Bus Corridors (Regional Express Bus Service)

- These high intensity bus corridors have been incorporated as “proposed” corridors into the 2040 Regional Mobility Transportation Plan which was approved by the RTC in March 2016
- Staff is moving forward on the planning and implementation of commuter service along the 35W corridor

35W Corridor Commuter Service

- Partnering with the FWTa on the implementation of initial limited commuter service
- Service includes Denton stops with transfer opportunities for continued service to UNT and TWU
- Currently finalizing Denton Park & Ride agreement
- A joint funding request with the FWTa for the ultimate High Intensity Bus Corridor Service has been submitted to the NCTCOG

LOCAL TRANSPORTATION PLANNING

Lewisville & Highland Village Service

- Highland Village pilot service was implemented on April 4, 2016
- COA service recommendations were implemented in Lewisville in August 2016
- Staff has finalized the agreement with Uber for the implementation of a pilot program in Highland Village
- Service is expected to launch in October 2016

Denton Service

- Denton service recommendations will be implemented utilizing a phased approach beginning in FY 2017; upon approval of the FY 17 budget

Transit Solution Alternatives

- Staff is currently developing RFPs for taxi service providers and Transportation Network Company (TNC) services. Companies selected through this RFP process will be available on call to provide customized cost-effective transportation solutions for member and non-member cities in situations where fixed route traditional transportation service is not feasible.
- Staff will attend the National Shared Mobility Summit in Chicago in October. This event will bring public and private sector leaders together to cover the latest developments in bikesharing, carsharing, ridesourcing, etc.
- Staff will be seeking opportunities to explore potential partnerships with innovative transportation alternative providers.

BUSINESS DEVELOPMENT & PARTNERSHIPS

UNT Contract

- UNT's service contract has been renewed and the new term expires August 31, 2018

NCTC Contract

- NCTC's service contract expired August 31, 2016 and a new contract has been executed.

City of Frisco Contract

- The City of Frisco service contract expires November 30, 2016 a renewal and amendment are being presented to the City of Frisco's City Council and to the DCTA Board of Director's for approval in September
- After initiating contracted On-Demand service in Frisco on December 1, 2015, staff has provided regular updates to City staff regarding ridership, cost control measures and operational data
- The city is interested in having DCTA incorporate taxi service into their transit solution options allowing them to expand their service area, increase capacity capabilities and improve operational efficiencies

Texas Woman's University

- Staff participated in the university's Strategic Planning initiative in late 2015
- Various TWU departments have engaged DCTA staff in their Strategic Initiatives Planning
- A meeting has been requested by TWU to discuss potential contract opportunities

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 & DEVELOPMENTDowntown 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.

Hebron Station

- Staff and Huffines Developers have identified solutions for connecting the Hebron 121 Station development to the Hebron station via driveway as well as a bike and pedestrian trail for pedestrian access to the station platform.
- Board approved the authorization for the President to execute the agreement with Huffines at the March board meeting and the necessary documents have been executed
- Staff has received final approval from the FTA for this Joint Development project
- Huffines Developers plans have been approved and released by the City of Lewisville
- Contractor is expected to begin construction on the driveway access later this month

Old Town Station

- Staff continues to stay engaged in the City's Main & Mill project to increase pedestrian access to the Old Town Station
- DCTA and the City of Lewisville continue to coordinate efforts in the Old Town area to ensure projects are aligned with the City's vision and priorities

ADDITIONAL PROJECTS

- | | |
|-----------------------------------|---|
| • Mobility On Demand Partnerships | • State and Federal Legislative Initiatives |
| • Long-Range Planning Efforts | • Grant Funding Opportunities |
| • Regional Trail Initiative | • TxDOT 35W Expansion Coordination |

Submitted by:



Kristina Brevard, VP, Planning & Development

Board of Directors Memo

Subject: Capital Projects Update

September 22, 2016

Signal System Enhancements

- Equipment modifications are underway to correct a communications problem.
- After months of system monitoring, it has been determined that additional signal enhancements are necessary.
- Funding for the additional enhancements is included in the PTC project budget
- A detailed schedule will be provided once materials have been ordered.

Positive Train Control (PTC)

- Engineering and design continues to progress
- Wayside equipment is on order
- The project remains on schedule at this time.

Lewisville Hike and Bike Trail – Eagle Point Section

- TxDOT is reviewing the submittals.

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	Award letter received. Initial invoice sent to TDEM.
DTA 001G and DTA 004G Replace Crossings	\$2,036,198	\$509,050	Award letters received. Specs. are complete. Expect to issue RFP in September with ballast.
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	Small project reimbursement received. Plans are complete. Awaiting final specifications. Expect to release RFP in late September
DTA 002G Undercut Ballast	\$657,652	\$164,413	Will be re-bid in September with crossings.

Replace flume at Pockrus	\$623,000*	\$155,750	Appeal filed. Engineers are
Page	\$161,338 **	\$461,662	finalizing repair
			recommendations. Surveying
			complete

* Original claim 290'

** Approved claim

- Staff is preparing to issue the ballast undercutting with crossing replacements solicitation in late September. Bids will be due 11/1/16 for November Board award.
- Extension forms must be filed no later than 11/29/16. DCTA will submit the forms when schedules have been received from the contractors.
- 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 results of the appeals and actual cost.

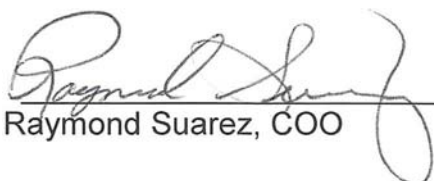
Shoretel Phone System Expansion

- Admin and Rail offices are completed, tested, and live.
- First Transit to utilize DCTA phone system at Rail Offices.
- DDTC installation and training slated for week of 9/19

Safety and Security Assessment

- As phase I of the Safety and Security Assessment, Staff is working with Homeland Security and TSA to conduct a comprehensive evaluation which will result in a final report and recommendations
- Phase II will use the results of Phase I and will provide additional elements not addressed by the Homeland and TSA report.
- A comprehensive plan will be created to provide a risk register with recommended projects, timelines and associated cost that can be used to establish budget guidance.

Final Review:


Raymond Suarez, COO

Board of Directors Memo

September 22, 2016

Subject: Transit Operations Report**SYSTEM ON-TIME PERFORMANCE**

- FY 2016 YTD “On Time Performance” (OTP) for the A-train is 98.91%
- FY 2016 YTD “On Time Performance” (OTP) for Connect service is 86.76%. On-time performance has been adjusted to properly reflect departures from each bus stop as well as the final destination.

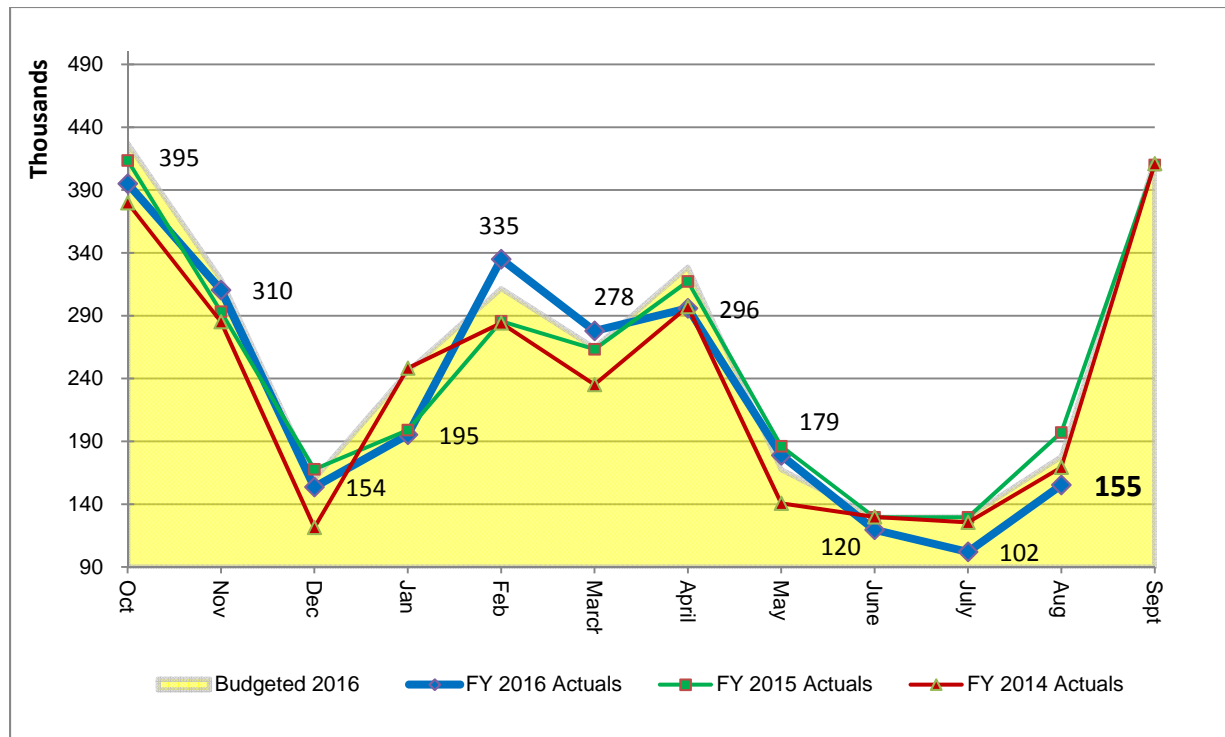
RIDERSHIP PERFORMANCE**Year to Date Change in Ridership by Service Type**

Service	% Change FY 2015 to FY 2016	Color Indicator	Notation No.
All Bus & Rail	-2.45	Yellow	1
Rail	-1.20%	Yellow	2
All Bus	-2.75%	Yellow	3
Connect	-5.47%	Yellow	3
UNT	-2.60%	Yellow	4
NCTC	15.10%	Green	
Access	3.44%	Green	
Frisco Demand Responsive	N/A		

1. July 2016, boardings for All Bus & Rail decreased YTD compared to FY 2015 due to a combination of fewer weekdays and declining gasoline prices relative to the same period in FY 2015.
2. Rail Ridership YTD declined relative to YTD 15.
3. Connect ridership continues to decline YTD compared to the same period in FY 2015.
4. YTD, UNT ridership also declined due to falling gasoline prices.

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

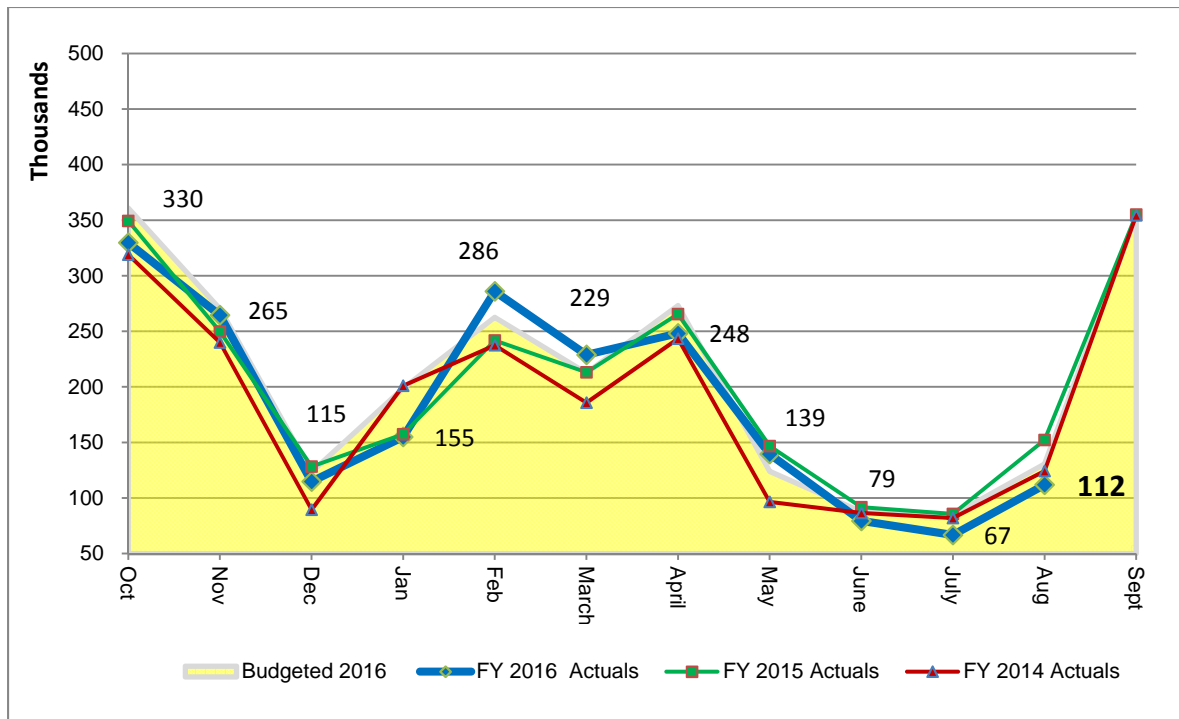


Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, Frisco Demand Response Service, Highland Village Service, and special movement services. For display purposes, the Y axis origin has been modified.

Rail and All Bus: Total Boardings

- YTD boardings for Rail and All Bus decreased by 2.45% (or 63,163 boardings) compared to the same period in FY 2015.
- Declining gasoline prices contributed to this overall decrease in boardings.

All Bus: Total Boardings

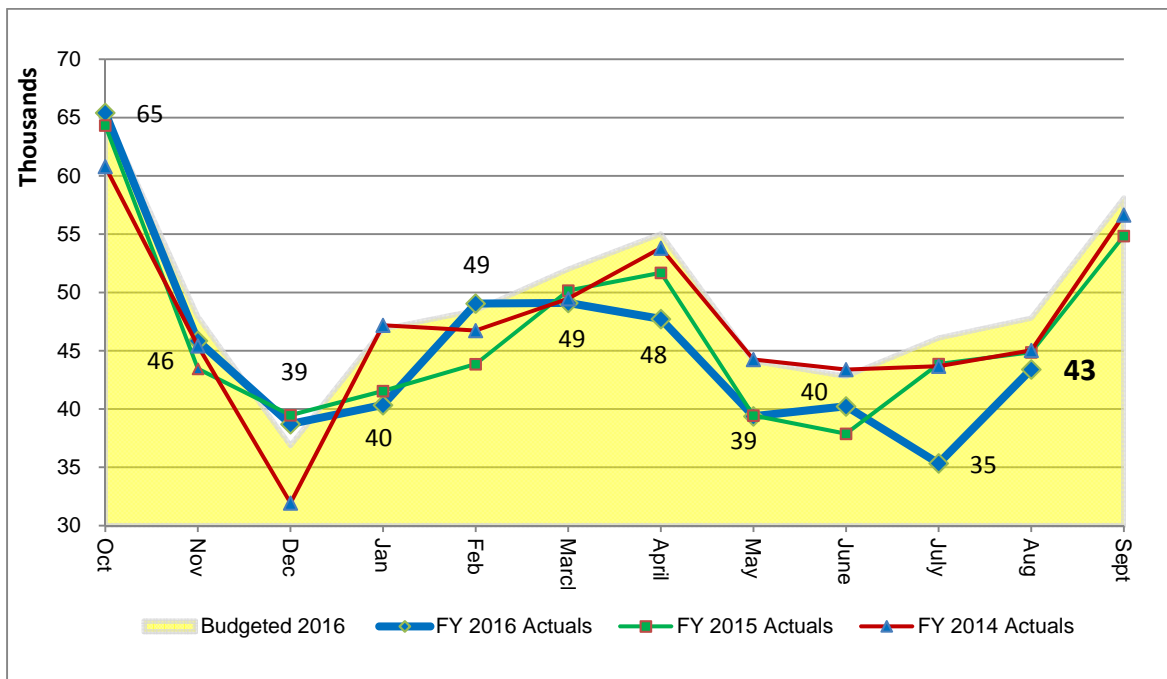


Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, Frisco Demand Response Service, Highland Village Service, and special movement services. For display purposes, the Y axis origin has been modified.

All Bus: Total Boardings

- YTD All Bus boardings decreased by 2.75% (or 57,136 boardings) compared to the same period in FY 2015.
- YTD Connect boardings decreased by 5.47% (or 28,891 boardings) which may be attributed to falling gasoline prices relative to the same period in FY 2015.
- UNT boardings decreased by 2.60% (or 38,479 boardings) YTD. The decline in UNT ridership YTD may be attributed to significant changes in on-campus housing and availability of parking, resulting in changes in student travel patterns, as well as reduced fule prices.
- Special Movements in July included transportation for UNT orientation sessions which accounts for 1,280 additional boardings.
- YTD NCTC boardings grew by 15.10% (or 2,255 boardings). This increase may be attributed to higher enrollment compared to the same period in FY 2015.

Rail: Total Boardings

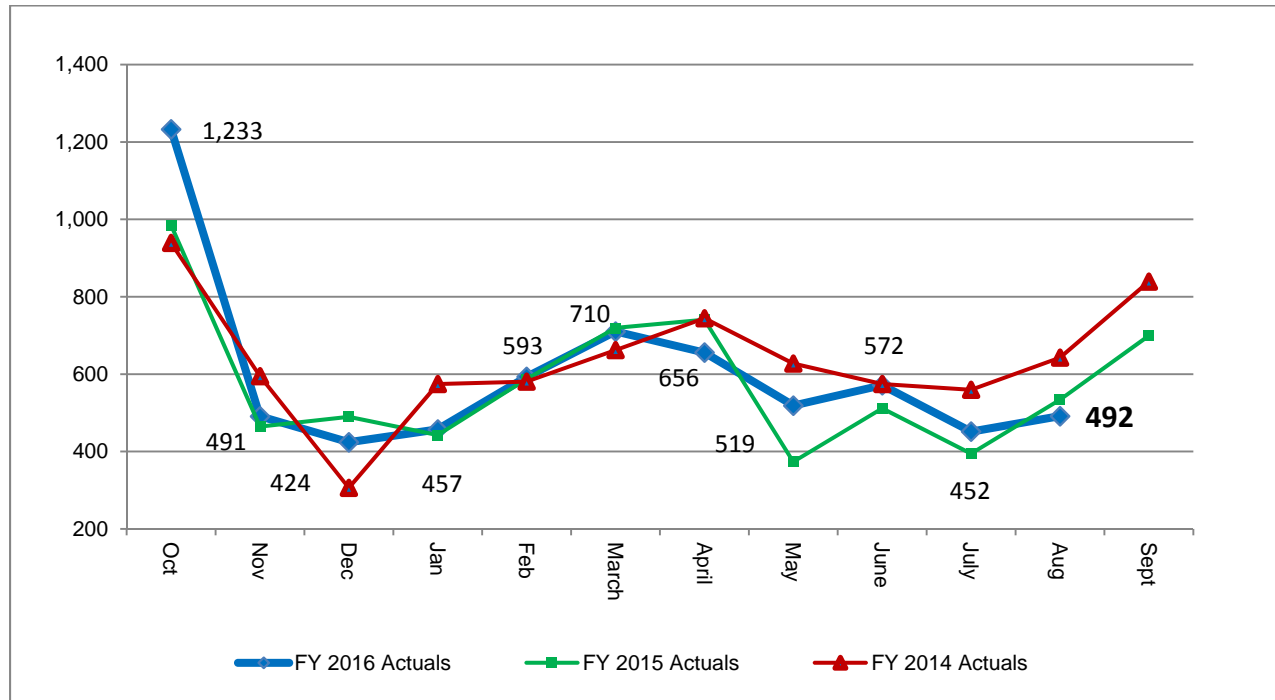


Note: For display purposes, the Y axis origin has been modified.

Rail: Total Boardings

- YTD, rail boardings decreased by 1.20% (or 6,027 boardings) compared to the same period in FY 2015. This decline may be attributed to a decline in gasoline prices.
- On average the number of weekday passengers decreased by 1.36% (or 27 boardings per weekday).

Rail: Saturday Average Boardings

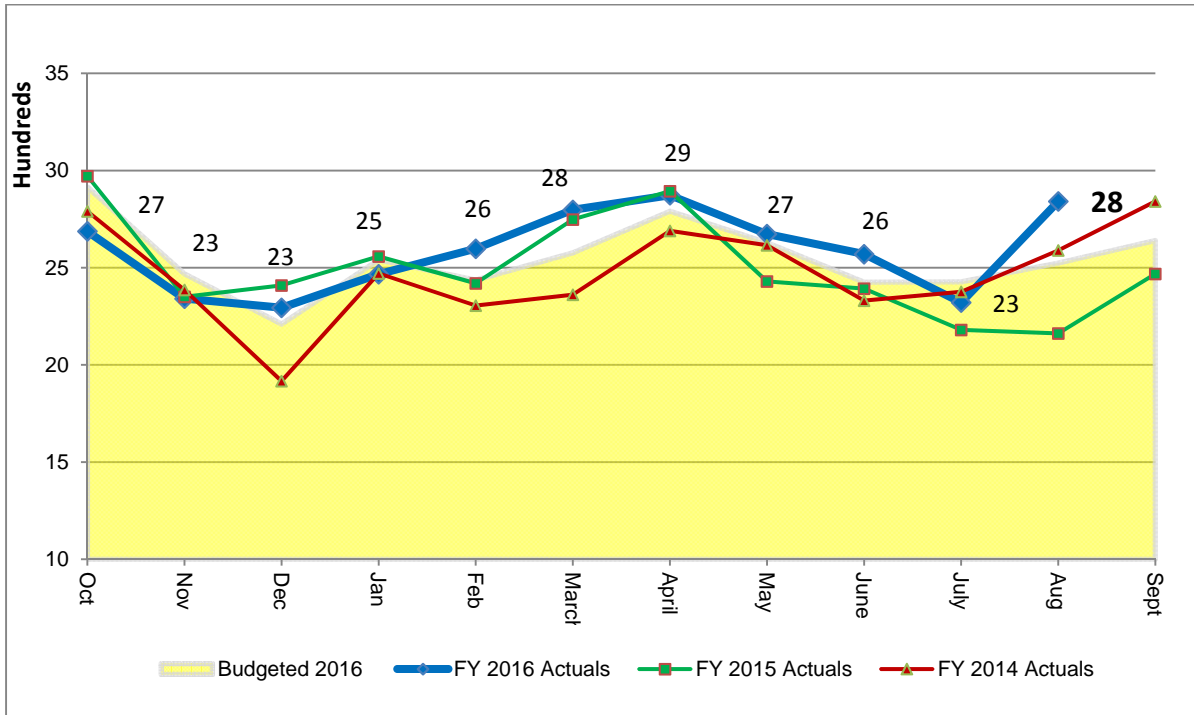


Note: For display purposes, the Y axis origin has been modified.

Rail: Saturday Average Boardings

- YTD average Saturday boardings increased by 3.39% (or 19 boardings per Saturday) compared to that same period in FY2015.

Access: Total Boardings

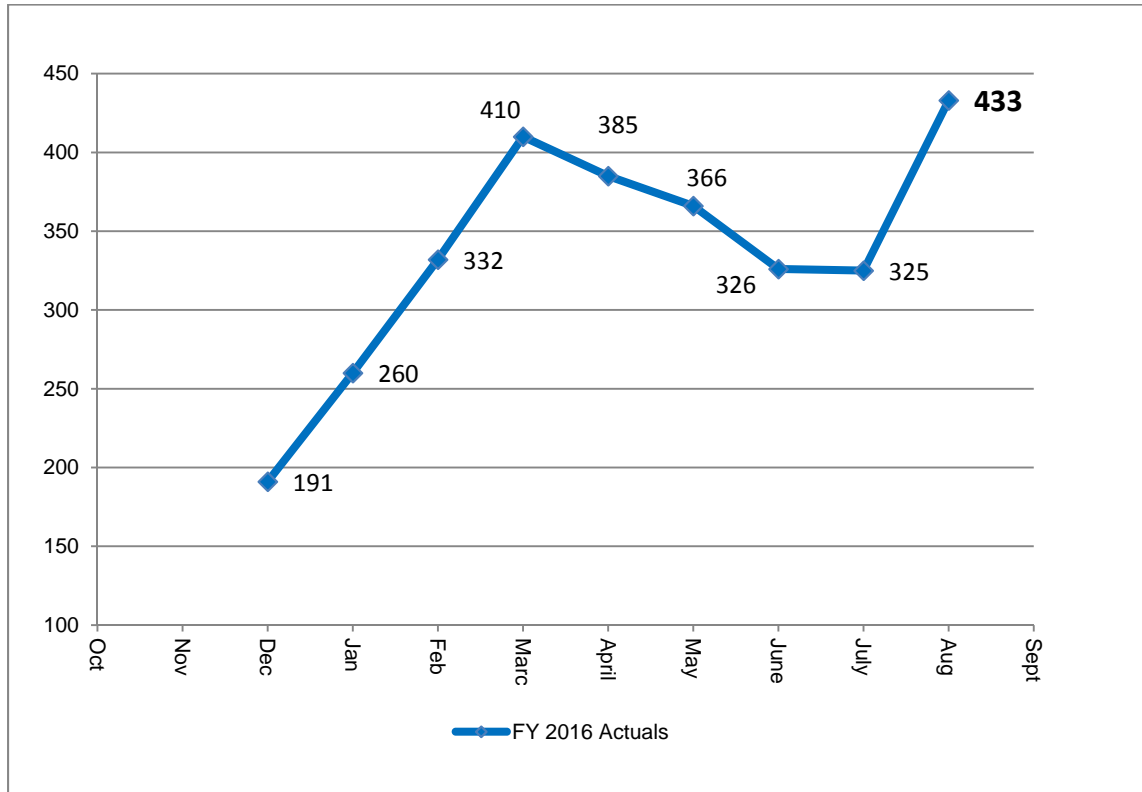


Note: For display purposes, the Y axis origin has been modified.

Access: Total Boardings

- YTD, boardings have increased 3.44% (or 974 boardings) compared to the same period in 2015.

Frisko Demand Response Service: Total Boardings



Frisko Demand Response Service: Total Boardings

- In August, Frisko Demand Response Service had 433 boardings which is an increase of 33.23% relative to July.
- The average daily boardings increased from 16.25 in July to 18.83 in August.

Highland Village Services: Total Boardings

- Service was initiated in Highland Village on Monday, April 4.
- Services provided includes Community On-Demand Same Day, Community On-Demand Next Day, and Connect Shuttle.
- A total of 337 one-way trips were provided in August 2016.
- Highland Village ridership will be provided in table format (see below) until a full year of data is available for annual comparison purposes.

HIGHLAND VILLAGE SUMMARY REPORT			
August 2016			
Total	Community On-Demand		Connect Shuttle
	Same Day	Next Day	
337	75	176	86
July 2016			
Total	Community On-Demand		Connect Shuttle
	Same Day	Next Day	
256	31	176	49
June 2016			
Total	Community On-Demand		Connect Shuttle
	Same Day	Next Day	
310	31	189	91
May 2016			
Total	Community On-Demand		Connect Shuttle
	Same Day	Next Day	
286	24	194	68
April 2016			
Total	Community On-Demand		Connect Shuttle
	Same Day	Next Day	
196	10	138	48

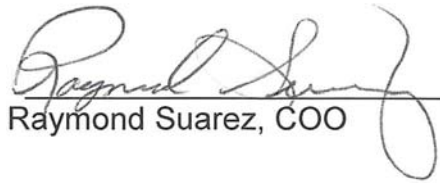
SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 1,580
- DCTA Bus Operations Injury-Free Workdays: 49

MAINTENANCE

- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** There were no issues in the month of August.
- **Stations:** DCTA contract operations (HTSI) continues to perform weekly safety inspections, which have not identified any major issues.
- **Rail Mechanical:** DCTA contract operations (HTSI) reported no mechanical failure in August.

Final Review:


Raymond Suarez, COO