



*Denton County Transportation Authority  
1660 S. Stemmons., Suite 250  
Lewisville, Texas 75067  
(972) 221-4600  
dcta.net*

**Board of Directors  
Work Session  
September 26, 2013  
1:30 p.m.**

1. Presentation
  - a. Update from First Southwest Asset Management
  
2. Routine Briefing Items
  - a. Financial Reports
    - i. Financial Statements
    - ii. Capital Projects Fund
    - iii. Sales Tax Report
    - iv. Procurement Report
  
  - b. Communications and Marketing
    - i. Marketing and Communications Initiatives
    - ii. Media Coverage
    - iii. Customer Service
  
  - c. Capital Projects Update
    - i. GTW Integration
    - ii. Where's My Ride
    - iii. Bus Radio System
    - iv. Bus Operations and Maintenance Facility (O&M)
    - v. Community Enhancements
    - vi. Lewisville Bike Trail
    - vii. Positive Train Control (PTC)
    - viii. Passenger Amenities
    - ix. Station Improvements
  
  - d. Transit Operations
    - i. Rail Operations
    - ii. Bus Operations
  
3. Items for Discussion
  - a. GoPass Mobile Ticketing Presentation
  - b. Public Meetings Results
  - c. Station Landscape Maintenance

4. Discussion of Regular Board Meeting Agenda Items (September 26, 2013)
5. Executive Session
  - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
  - b. As authorized by Texas Government Code section 551.071 consultation with General Counsel regarding pending litigation Cause No 2011-30066-211; URS Corporation v. Denton County Transportation Authority; 211th District Court, Denton County, Texas.
6. Reconvene Open Session
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
7. Discussion of Future Agenda Items
  - a. Board Member Requests
8. Presentations
  - a. Introduction of new staff members
  - b. Employee Service Awards
  - c. Presentation of South West Transit Association Spotlight Awards

**Board of Directors  
Regular Meeting  
September 26, 2013  
3:00 p.m.\***

*\*or immediately following Board Work Session*

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

1. CONSENT AGENDA
  - a. Approval of Minutes
    - i. Board Meeting August 22, 2013
  - b. Acceptance of Financial Reports
  - c. Authorize President to execute a Letter of Engagement with Weaver & Tidwell LLP for Annual Audit Services for Fiscal Year ended Sept. 30, 2013.
  - d. Approval of Resolution 13-03 Annual Investment Policy FY 14

## 2. REGULAR AGENDA

- a. Authorize the President to execute a Third Amendment to Right of Entry and Possession, by and between the City of Denton ("City") and the Denton County Transportation Authority ("DCTA"), dated April 17, 2012, granting DCTA access to the Downtown Denton Transit Center ("DDTC") and certain lands surrounding the DDTC, located in the Hiram Sisco Survey, Abstract Number 1184, to conduct public transportation related operations.
- b. Authorize the President to execute a contract for Community Enhancements
- c. Discussion / Approval of Amendments to the DCTA Bylaws to Comply with Texas Transportation Code Chapter 460 Changes by the 83rd Legislature
- d. Discussion / Approval of Resolution 13-02 Adopting:
  - i. FY14 Operating & Capital Budget
  - ii. Budget Contingency Plan
  - iii. Cash Flow Model

## 3. CHAIR REPORT

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

## 4. PRESIDENT'S REPORT

- a. 2013 Board Calendar – update
- b. 2014 Board Calendar

## 5. REPORT ON ITEMS OF COMMUNITY INTEREST

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

## 6. CONVENE EXECUTIVE SESSION

- a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.

## 7. RECONVENE OPEN SESSION

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

## 8. ADJOURN REGULAR MEETING

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

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

**Members – Skip Kalb, Doug Peach, Jim Robertson, Bill Walker, Daniel Peugh,  
Don Hartman, George A. Campbell, Allen Harris, Carter Wilson  
President – Jim Cline**

The Denton County Transportation Authority meeting rooms are wheelchair accessible. Access to the building and special parking are available at the east entrance. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling Leslee Bachus at 972-221-4600 or e.mail [lbachus@dcta.net](mailto:lbachus@dcta.net)

This notice was posted at 1660 S. Stemmons, Lewisville, Texas 75067 at a place convenient and readily accessible to the public at all times. Said notice was posted on 9/19/2013 at 2:39 PM.

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Leslee Bachus, Executive Assistant

**Board of Directors Memo****September 26, 2013**

Item: WS 1 a

**Background**

DCTA contracts with First Southwest Asset Management (FSAM) for Investment Advisory Services. Scott McIntyre with First Southwest Asset Management will provide information regarding their review of DCTA's Investment Policy which is on the Regular Board agenda for annual update. He will also present information regarding the current economic climate and its impact on investments and investment strategy.

Mr. McIntyre is Senior V-P and Senior Portfolio Manager for FSAM and has over 24 year' s experience in the investment of public funds. His experience includes 5 years as Senior Investment Officer for the Texas State Treasury and the last 15 years as Senior Portfolio Manager for FSAM.

**Need**

Provide the Board of Directors an economic review and forecast and impact of current economic climate as it relates to investment strategy.

**Recommendation**

For information only. No action required.



Anna Mosqueda  
VP Finance/ CFO

# Denton County Transportation Authority

Economic Review and Forecast

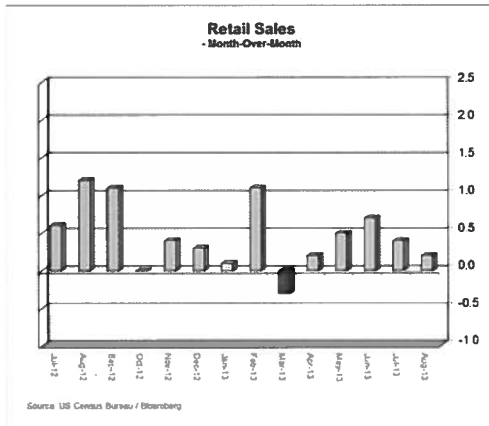
September 26, 2013



## Significant Q3 2013 Events

- Fixed income yields (intermediate and long end) rise to their highest levels in two years
- Mortgage rates jump
- The markets grapple with the issue of Bernanke's possible replacement.
- The Syrian conflict adds a dose of uncertainty
- The FOMC postpones tapering

## Consumer Spending

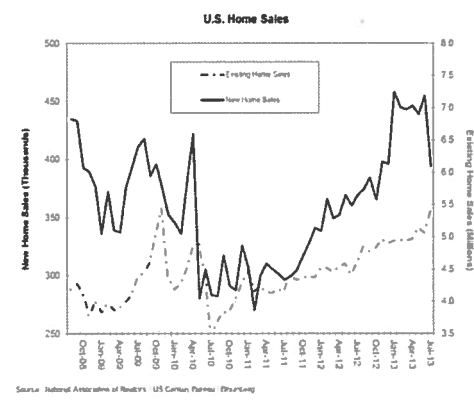


- **Key:** Historically, the consumer accounts for 2/3rds of economic growth in the U.S. and retail sales are *half* of all consumer spending.
- Consumers may be feeling the pinch of higher taxes, lower wages and higher borrowing costs as retail sales increased by just 0.2% in August, the smallest gain in four months.
- The University of Michigan consumer sentiment index fell from 82.1 to a four-month low of 76.8 in the initial September reading.
- Auto sales were very strong in August, with total vehicle sales rising above the 16 million unit annual pace for the first time since November 2007, *before the recession began*. Part of the reason for this is the 11-year average age of the vehicles on the road.

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## Home Sales

- Sales have been surging over the past 30 months due to high affordability and low lending rates, but *higher rates may curtail future sales*.
- The National Association of Home Builders (NAHB) market index rose to 59 in August, the highest level since November 2005.
- After reaching a 5-year high of 1,005 million units in March, housing starts have gradually retreated below the 900k mark.
- Existing home sales climbed to an annual rate of 5.39 million in August, the highest since November 2009 and 17% above the same period last year.
- By contrast, new home sales fell by 13.4% in July, to a 394k unit annual pace.
- The S&P/Case-Shiller home price index reported U.S. home prices are up 12.2% year-over-year in May, the biggest annual increase in 7+ years.
- The Mortgage Bankers Association 30-yr mortgage index rose to 4.80% in early September, up from 3.59 in early May.



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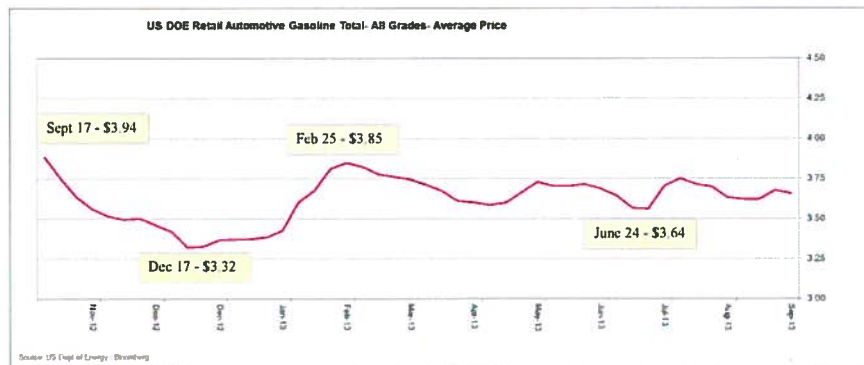
## Inflation



- For the Fed to maintain its super accommodative stance, inflation must remain tame (approx 2.0-2.5%). Volatile energy prices have heavily influenced the overall Consumer Price Index (CPI) over the past several years.
- On a year-over-year basis through August, overall CPI is up 2.0%, while core CPI is up 1.7%.
- Overall PPI is up 1.4% through August, while core PPI is up 1.1%.
- The Fed's preferred inflation measure, the PCE deflator, is rising at a 1.4% annual rate.
- **Core CPI History**
  - rose 2.6% in 2006
  - rose 2.4% in 2007
  - rose 1.8% in 2008
  - rose 1.8% in 2009
  - rose 0.8% in 2010
  - rose 2.2% in 2011
  - rose 1.9% in 2012

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## Gasoline Prices



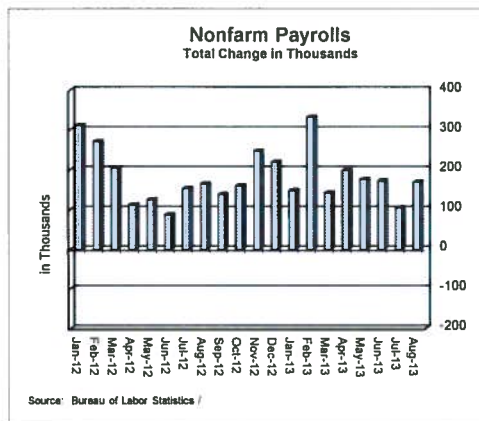
Gas prices have continued to trade in the volatile pattern that asserted itself in 2012. The average nationwide price for unleaded gasoline is now in the midst of a slight retreat. Recall that a general rule of thumb among economists is that every \$0.01 decline in gasoline price adds a billion dollars to consumer wallets on an annual basis.

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## Employment

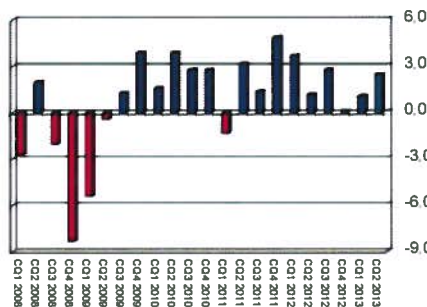
- The primary reason why the markets began anticipating a near-term tapering of QE3 in May was the unexpected strength of the April employment report. At that time, nonfarm payrolls were growing at a relatively healthy three-month average of 212k.
- The August payroll report, with payroll gains of 169k and downward revisions to prior months dropped the three-month average to 148k.
- The official unemployment rate declined to 7.3% in August, the lowest level since December 2008. Unfortunately, this upbeat number is misleading as the unemployment rate only counts those actively seeking employment.
- The labor force participation rate fell to a 35-year low of 63.2% in August. If the participation rate had simply remained at the same level as the beginning of 2008, unemployment would be a staggering 11.5%.



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## Economic Growth

**Gross Domestic Product**  
Quarterly Annualized Percentage Change



- GDP is the most common measure of economic growth. This measure averaged +3.2% from 1947 to 2012.
- The (revised) *contraction rate* of -5.1% experienced during "the Great Recession" was the worst in seven decades.
- Since then, the economy has grown at a sub-par rate, despite massive stimulus.
- For all of 2011, GDP grew by just +1.8%.
- In 2012, GDP grew by an improved +2.2%.
- In the final first quarter 2013 reading, GDP was revised downward to a lackluster +1.1%.
- The first revision increased second quarter 2013 GDP from +1.8% to +2.5%, but the positive revision was entirely expected and due to a change in the trade deficit data, which is not likely to carry into the third quarter.

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## Bond Market Movement

- Yields began moving sharply higher after May 3<sup>rd</sup>.
- During the quarter, the 3-month Treasury-bill yield ranged from a high of 0.06% on August 27<sup>th</sup> to a low of 0.00% on September 19<sup>th</sup>. **The average yield for Q3 2013\* was 0.03%, down** from 0.05% in Q2.
- The 2-year Treasury-note yield moved from a low of 0.29% on August 21<sup>st</sup>, to a high of 0.52% on September 5<sup>th</sup>. **The average yield for Q3 2013\* was 0.36%, up** from 0.26% in Q2.
- The 10-year Treasury note yield moved from a low of 2.47% on July 2<sup>nd</sup>, to a high of 3.00% on September 5<sup>th</sup>. **The average yield for Q3 2013\* was 2.70%, up** from 1.97% in Q2.

\* Through September 19, 2013

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## Economic Forecast (September 19, 2013)

- The budget deficit has gradually dropped from \$1.4 trillion in 2009 to \$642 billion (CBO projection) for FY 2013.
- Most labor market indicators suggest that payroll employment could pick up slightly in the final quarter of the year, although the expected 200k pace would still fall short of the amount needed to make a significant dent in the huge pool of unemployed and underemployed workers.
- Manufacturing has already shown signs of slowing as export growth diminishes.
- Refinancing activity through early September is down 64% from a year ago. Housing and autos are both interest sensitive sectors that will experience some degree of negative effect from the recent yield spike.
- Inflation is generally below Fed comfort levels, and with anemic global growth forecasts in place, price pressures could fall further.
- Second half GDP is expected around 2.5%. If the rise in yields holds steady, or continues the upward trek, future economic growth could fall well short.
- The economy is still quite fragile. Removing a portion of the stimulus will present additional challenges.

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## Interest Rate Forecast (September 19, 2013)

- The interest rate landscape was altered dramatically as a result of comments made by Ben Bernanke in May, and the inability to "put the genie back in the bottle" a month later.
- *At some point*, the Fed will have to curtail ... and eventually halt QE3, but the Fed didn't intend for the entire easing benefit to disappear six months prematurely.
- The sharp back-up in yields has the same effect as a de facto tightening, which in theory should slow economic growth ... which might normally prompt the Fed to ease.
- The overnight funds target isn't likely to move higher before QE has been completely extinguished.
- Fannie and Freddie continue to reduce retained portfolios of mortgage loans, meaning agency supply will shrink. Discussions have begun in the debate over a new secondary mortgage market facilitator.
- Fed tapering will keep some upward pressure on market yields, but overnight rates are expected to remain near record lows until at least 2015.
- This means there will be incentive to extend portfolio maturities to capture yield.

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## The Most Recent *Bloomberg* Economist Survey

80 respondents surveyed September 6 -12, 2013

- The median fed funds forecast for the next five quarters are 0.25%, 0.25%, 0.25%, 0.25% and 0.25%. Currently 0.00% to 0.25%.
- The average 2-year T-note yield forecast for the next five quarters are 0.41% (previous 0.36%), 0.47% (0.44%), 0.56% (0.53%), 0.67% (0.64%) and 0.81% (0.73%). Currently 0.35%.
- The average 10-year T-note yield forecast for the next five quarters are 2.74% (previous 2.62%), 2.84% (2.73%), 2.96% (2.87%), 3.09% (3.00%) and 3.24% (3.14%). Currently 2.72%.

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## Relative Value Report

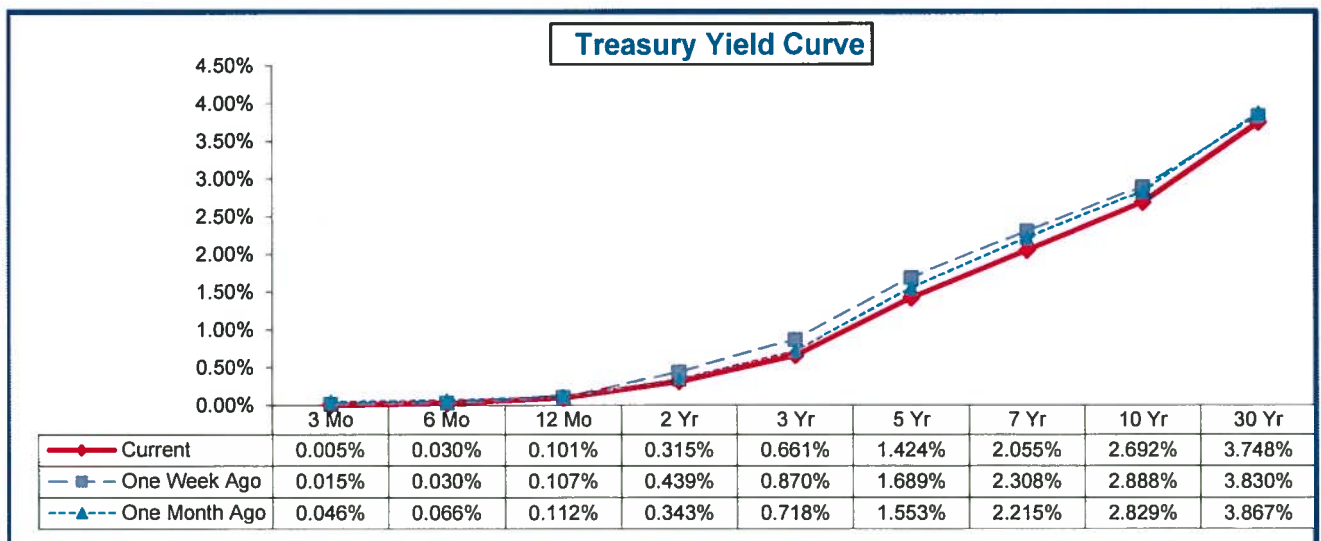
Today's Date: 19-Sep-13  
Settlement Date: 20-Sep-13

**DISCLAIMER:** Securities listed here represent the best market offers as of early morning on this date. All information is subject to change at any time without notice. This report is intended for informational purposes only, and is in no way a solicitation or offer to sell any securities or services. This information has been obtained from sources believed to be reliable, but we do not warrant or guarantee the accuracy or timeliness of this information. There are no warranties, expressed or implied, as to accuracy, completeness, or results obtained from this information.

| MATURITY DATE                        | SECURITY TYPE       | DISCOUNT/SPREAD | YIELD  |
|--------------------------------------|---------------------|-----------------|--------|
| <b>Agency Discount Notes</b>         |                     |                 |        |
| 18-Oct-13                            | FHLB                | 0.005%          | 0.005% |
| 8-Nov-13                             | FHLB                | 0.010%          | 0.010% |
| 20-Dec-13                            | FHLB                | 0.020%          | 0.020% |
| 21-Jan-14                            | FHLB                | 0.015%          | 0.015% |
| 28-Feb-14                            | FHLB                | 0.040%          | 0.041% |
| 19-Mar-14                            | FHLB                | 0.055%          | 0.056% |
| 22-Apr-14                            | FHLMC               | 0.060%          | 0.061% |
| 22-May-14                            | FHLMC               | 0.080%          | 0.081% |
| 17-Jun-14                            | FHLMC               | 0.090%          | 0.092% |
| 15-Jul-14                            | FHLMC               | 0.110%          | 0.112% |
| 19-Aug-14                            | FHLMC               | 0.130%          | 0.132% |
| 17-Sep-14                            | FHLB                | 0.135%          | 0.137% |
| <b>Commercial Paper</b>              |                     |                 |        |
| 21-Oct-13                            | Toyota Motor Credit | 0.060%          | 0.061% |
| 19-Nov-13                            | Toyota Motor Credit | 0.100%          | 0.102% |
| 19-Dec-13                            | Toyota Motor Credit | 0.130%          | 0.132% |
| 17-Jan-14                            | Toyota Motor Credit | 0.160%          | 0.163% |
| 17-Feb-14                            | Toyota Motor Credit | 0.180%          | 0.183% |
| 19-Mar-14                            | Toyota Motor Credit | 0.210%          | 0.214% |
| 17-Jun-14                            | Toyota Motor Credit | 0.240%          | 0.244% |
| <b>Agency Bullets (Non-Callable)</b> |                     |                 |        |
| 18-Sep-14                            | FHLB 0.20           | -16.0           | 0.155% |
| 5-Dec-14                             | FHLMC 0.350         | -12.5           | 0.190% |
| 16-Mar-15                            | FNMA 0.375          | -11.5           | 0.200% |
| 12-Jun-15                            | FHLB 0.50           | -4.0            | 0.275% |
| 18-Sep-15                            | FHLB 0.48           | +6.0            | 0.375% |
| 19-Jan-16                            | FHLMC 4.75          | +15.5           | 0.470% |
| 28-Sep-16                            | FNMA 1.250 ***      | +11.5           | 0.776% |

\*\*\* Spread versus 3-Year Treasury (All others vs 2-Year)

| Investment Pool Yields:            | TexPool | TexSTAR  |           |
|------------------------------------|---------|----------|-----------|
| Previous Day:                      | 0.037%  | 0.033%   |           |
| 7 Day Moving Avg:                  | 0.041%  | 0.039%   |           |
| <b>Agency Discount Note Yields</b> |         |          |           |
|                                    | Current | Week Ago | Month Ago |
| 1 Mo                               | 0.005%  | 0.020%   | 0.041%    |
| 2 Mo                               | 0.010%  | 0.031%   | 0.066%    |
| 3 Mo                               | 0.020%  | 0.036%   | 0.071%    |
| 6 Mo                               | 0.056%  | 0.071%   | 0.102%    |
| 9 Mo                               | 0.092%  | 0.117%   | 0.122%    |
| 12 Mo                              | 0.137%  | 0.142%   | 0.158%    |
| <b>Commercial Paper Yields</b>     |         |          |           |
|                                    | Current | Week Ago | Month Ago |
| 1 Mo                               | 0.061%  | 0.061%   | 0.071%    |
| 2 Mo                               | 0.102%  | 0.102%   | 0.112%    |
| 3 Mo                               | 0.132%  | 0.132%   | 0.153%    |
| 4 Mo                               | 0.163%  | 0.173%   | 0.183%    |
| 5 Mo                               | 0.183%  | 0.193%   | 0.214%    |
| 6 Mo                               | 0.214%  | 0.224%   | 0.254%    |
| 9 Mo                               | 0.244%  | 0.265%   | 0.295%    |
| <b>Agency Bullet Yields</b>        |         |          |           |
|                                    | Current | Week Ago | Month Ago |
| 1 Yr                               | 0.155%  | 0.179%   | 0.183%    |
| 1.5 Yr                             | 0.200%  | 0.339%   | 0.293%    |
| 2 Yr                               | 0.375%  | 0.504%   | 0.403%    |
| 2.5 Yr                             | 0.470%  | 0.609%   | 0.543%    |
| 3 Yr                               | 0.776%  | 1.020%   | 0.868%    |





## Board of Directors Memo

September 26, 2013

### Subject: Work Session 2ai) Monthly Financial Reports

#### Background

The financial statements are presented to the Board of Directors on a monthly basis for acceptance. The reports presented for the period ending August 31, 2013 include the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund. These reports provide a comparison of budget vs. actual for the fiscal year as of the current month.

The following are major variances which are annotated on the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund:

#### Statement of Changes in Net Assets:

- **Note A:** Passenger Revenues – YTD Favorable by \$201k attributable to A-train ridership being higher than anticipated in the budget, offset by lower than anticipated bus ridership. Actual YTD ridership was 42,193 A-train riders compared to budget 32,450 riders, an increase of 102,138 in ridership.
- **Note B:** Contract Service Revenue – YTD Unfavorable by (\$119k) due to lower than anticipated revenue hours in December, June, July, and August offset by higher revenue hours in October, November and January thru May. Actual YTD revenue hours were 44,909 compared to budget 46,877. In addition, actual YTD fuel usage was 144,280 gallons compared to budget 150,069 gallons, down 4%. Fuel was budgeted at \$4.00/gallon. In August fuel was \$3.52/gallon.
- **Note C:** Sales Tax Revenue – YTD Favorable by \$755k. Sales tax generated in August has not yet been received and is accrued for the month based on budget. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of sales tax receipts for FY 13.
- **Note D:** Federal/State Grants – YTD Unfavorable by (\$3.9 million) due to timing of the Bus O&M project and corresponding delay in grant reimbursements as originally anticipated in the budget. These revenues should reflect a more favorable trend as the project continues to progress.

#### Statement of Net Assets

- **Note A:** Cash decreased (\$718k) and restricted cash increased \$551k due to a quarterly transfer to the Band Fund reserve & account to allocate funds our semi-annual debt service payments.
- **Note B:** Rail Easement Payable decreased (\$150k) due to the annual payment to Dart.
- **Note C:** Net Income for the month of August was (\$1,635,305).

**Capital Projects Fund**

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

**Identified Need**

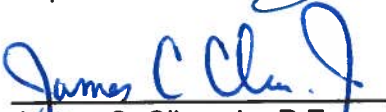
Provides the Board a monthly review of DCTA's financial position and performance to budget.

**Recommendation**

Staff recommends acceptance.

Submitted by: Chrissy Nguyen  
Senior Accountant

Final Review:   
Department Head

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

**Denton County Transportation Authority**  
**Change in Net Assets**  
**Month and Year to Date August 31, 2013**  
**(Unaudited)**

WS2ai

| Description                                            | Month Ended August 31, 2013 |                  |                    | Year to Date August 31, 2013 |                    |                    | Annual Budget      |        |
|--------------------------------------------------------|-----------------------------|------------------|--------------------|------------------------------|--------------------|--------------------|--------------------|--------|
|                                                        | Actual                      | Budget           | Variance           | Actual                       | Budget             | Variance           |                    |        |
| <b>Revenue and Other Income</b>                        |                             |                  |                    |                              |                    |                    |                    |        |
| Passenger Revenues                                     | 116,101                     | 84,010           | 32,091             | 1,138,165                    | 937,133            | 201,032            | 1,030,940          | Note A |
| Contract Service Revenue                               | 149,023                     | 167,289          | (18,266)           | 2,571,270                    | 2,690,301          | (119,030)          | 3,001,040          | Note B |
| Sales Tax Revenue                                      | 1,593,581                   | 1,350,488        | 243,093            | 17,981,940                   | 17,227,011         | 754,929            | 18,775,391         | Note C |
| Federal/State Grants and Reimbursements                | 175,073                     | 1,467,555        | (1,292,482)        | 6,560,020                    | 10,157,572         | (3,597,552)        | 10,981,537         | Note D |
| <b>Total Revenue and Other Income</b>                  | <b>2,033,778</b>            | <b>3,069,342</b> | <b>(1,035,564)</b> | <b>28,251,395</b>            | <b>31,012,017</b>  | <b>(2,760,622)</b> | <b>33,788,908</b>  |        |
| <b>Operating Expenses</b>                              |                             |                  |                    |                              |                    |                    |                    |        |
| Salary, Wages and Benefits                             | 449,018                     | 580,726          | 131,708            | 6,115,210                    | 6,594,846          | 479,636            | 7,211,225          |        |
| Services                                               | 111,902                     | 286,793          | 174,891            | 1,375,186                    | 1,861,889          | 486,703            | 2,118,582          |        |
| Materials and Supplies                                 | 137,451                     | 293,034          | 155,583            | 2,461,877                    | 3,376,729          | 914,851            | 3,698,665          |        |
| Utilities                                              | 30,036                      | 34,200           | 4,164              | 347,410                      | 376,198            | 28,788             | 410,398            |        |
| Insurance, Casualties and Losses                       | 64,858                      | 64,956           | 98                 | 560,930                      | 560,833            | (97)               | 625,791            |        |
| Purchased Transportation Services                      | 792,844                     | 702,515          | (90,329)           | 7,857,958                    | 7,727,670          | (130,287)          | 8,430,186          |        |
| Miscellaneous                                          | 5,904                       | 7,274            | 1,370              | 120,110                      | 137,030            | 16,920             | 148,976            |        |
| Leases and Rentals                                     | 21,477                      | 32,286           | 10,809             | 331,090                      | 505,144            | 174,054            | 537,430            |        |
| Depreciation                                           | 1,939,964                   | 775,162          | (1,164,802)        | 7,919,682                    | 8,545,281          | 625,598            | 9,320,443          |        |
| <b>Total Operating Expenses</b>                        | <b>3,553,455</b>            | <b>2,776,946</b> | <b>(776,509)</b>   | <b>27,089,453</b>            | <b>29,685,620</b>  | <b>2,596,168</b>   | <b>32,501,696</b>  |        |
| <b>Income Before Non-operating Revenue and Expense</b> | <b>(1,519,677)</b>          | <b>292,396</b>   | <b>(1,812,073)</b> | <b>1,161,942</b>             | <b>1,326,397</b>   | <b>(164,455)</b>   | <b>1,287,212</b>   |        |
| <b>Non-Operating Revenues / (Expense)</b>              |                             |                  |                    |                              |                    |                    |                    |        |
| Investment Income                                      | 1,905                       | 3,000            | (1,095)            | 30,409                       | 33,000             | (2,591)            | 36,000             |        |
| Gain (Loss) Disposal of Assets                         | 40                          | -                | 40                 | 40                           | -                  | 40                 | -                  |        |
| Fare Evasion Fee                                       | 375                         | -                | 375                | 1,200                        | -                  | 1,200              | -                  |        |
| Other Income - Miscellaneous                           | 6,769                       | -                | 6,769              | 56,490                       | -                  | 56,490             | -                  |        |
| Long Term Debt Interest/Expense                        | (124,717)                   | (194,301)        | 69,584             | (1,349,544)                  | (2,137,307)        | 787,764            | (2,331,608)        |        |
| <b>Total Non-Operating Revenue / (Expense)</b>         | <b>(115,628)</b>            | <b>(191,301)</b> | <b>75,673</b>      | <b>(1,261,404)</b>           | <b>(2,104,307)</b> | <b>842,903</b>     | <b>(2,295,608)</b> |        |
| <b>Change in Net Assets</b>                            | <b>(1,635,305)</b>          | <b>101,095</b>   | <b>(1,736,400)</b> | <b>(99,462)</b>              | <b>(777,911)</b>   | <b>678,448</b>     | <b>(1,008,396)</b> |        |

**Denton County Transportation Authority**  
**Statement of Net Assets**  
**As of August 31, 2013**  
**(Unaudited)**

|                                            | <u>August 31, 2013</u>    | <u>July 31, 2013</u>      | <u>Change</u>             |        |
|--------------------------------------------|---------------------------|---------------------------|---------------------------|--------|
| <b>Current Assets</b>                      |                           |                           |                           |        |
| Cash & Cash Equivalents                    | 7,631,099                 | 8,348,620                 | (717,520)                 | Note A |
| Investments                                | 6,710,625                 | 6,655,977                 | 54,648                    |        |
| Accounts & Notes Receivable                | 4,688,874                 | 5,045,328                 | (356,454)                 |        |
| Prepaid Expenses                           | 515,035                   | 579,893                   | (64,858)                  |        |
| Restricted Asset-Cash and Equivalents      | 5,326,120                 | 4,775,373                 | 550,747                   | Note A |
| <b>Total Current Assets</b>                | <u>24,871,753</u>         | <u>25,405,190</u>         | <u>(533,437)</u>          |        |
| <b>Property, Plant and Equipment</b>       |                           |                           |                           |        |
| Land                                       | 16,228,337                | 16,228,337                | -                         |        |
| Land Improvements                          | 5,386,734                 | 5,386,734                 | -                         |        |
| Machinery & Equipment                      | 1,116,610                 | 1,028,055                 | 88,555                    |        |
| Leasehold Improvements                     | 55,506                    | 55,506                    | -                         |        |
| Vehicles                                   | 8,261,725                 | 8,261,725                 | -                         |        |
| Computers & Software                       | 262,676                   | 262,676                   | -                         |        |
| Accumulated Depreciation                   | (20,166,678)              | (18,226,714)              | (1,939,964)               |        |
| <b>Total Property, Plant and Equipment</b> | <u>11,144,911</u>         | <u>12,996,320</u>         | <u>(1,851,409)</u>        |        |
| <b>Other Non Current Assets</b>            |                           |                           |                           |        |
| Bond Fees                                  | 205,026                   | 222,750                   | (17,724)                  |        |
| <b>Total Other Non Current Assets</b>      | <u>205,026</u>            | <u>222,750</u>            | <u>(17,724)</u>           |        |
| <b>Capital Assets</b>                      |                           |                           |                           |        |
| Intangible Assets                          | 16,997,155                | 16,997,155                | -                         |        |
| Other Capital Assets, Net                  | 240,316,116               | 240,143,361               | 172,755                   |        |
| Construction in Progress                   | 72,022,604                | 72,140,489                | (117,885)                 |        |
| <b>Total Capital Assets</b>                | <u>329,335,875</u>        | <u>329,281,004</u>        | <u>54,870</u>             |        |
| <b>Total Assets</b>                        | <u><u>365,557,565</u></u> | <u><u>367,905,265</u></u> | <u><u>(2,347,699)</u></u> |        |
| <b>Liabilities</b>                         |                           |                           |                           |        |
| <b>Current Liabilities</b>                 |                           |                           |                           |        |
| Accounts Payable                           | 930,709                   | 1,691,389                 | (760,680)                 |        |
| Salary, Wages, and Benefits Payable        | 335,946                   | 365,073                   | (29,128)                  |        |
| Accrued Expenses Payable                   | 3,834,083                 | 3,748,338                 | 85,745                    |        |
| Deferred Revenues                          | 343,943                   | 310,814                   | 33,129                    |        |
| Interest Payable                           | 534,966                   | 427,973                   | 106,993                   |        |
| <b>Total Current Liabilities</b>           | <u>5,979,647</u>          | <u>6,543,587</u>          | <u>(563,940)</u>          |        |
| <b>Non-Current Liabilities</b>             |                           |                           |                           |        |
| Rail Easement Payable                      | 1,650,000                 | 1,800,000                 | (150,000)                 | Note B |
| Retainage Payable                          | 1,779,645                 | 1,778,099                 | 1,546                     |        |
| Bonds Payable                              | 35,280,000                | 35,280,000                | -                         |        |
| <b>Total Non-Current Liabilities</b>       | <u>38,709,645</u>         | <u>38,858,099</u>         | <u>(148,454)</u>          |        |
| <b>Total Liabilities</b>                   | <u>44,689,292</u>         | <u>45,401,686</u>         | <u>(712,394)</u>          |        |
| <b>Net Assets</b>                          |                           |                           |                           |        |
| Invested in Capital Assets                 | 302,097,018               | 302,097,018               | -                         |        |
| Unrestricted Retained Earnings             | 18,870,718                | 18,870,718                | -                         |        |
| Change in Net Assets                       | (99,462)                  | 1,535,843                 | <b>(1,635,305)</b>        | Note C |
| <b>Total Equity</b>                        | <u>320,868,273</u>        | <u>322,503,579</u>        | <u>(1,635,305)</u>        |        |
| <b>Total Liabilities and Equity</b>        | <u><u>365,557,565</u></u> | <u><u>367,905,265</u></u> | <u><u>(2,347,699)</u></u> |        |



## Capital Projects Fund - DCTA

Work Session 2a

## Budget vs. Actual

As of August 31, 2013

(Cash Basis)

|                                                                 | Original Budget   | Revised Budget    | August 2013 Expenses Booked | Life To Date     | \$ Under/(Over) Budget | % of Budget (As of August 2013 Close) |
|-----------------------------------------------------------------|-------------------|-------------------|-----------------------------|------------------|------------------------|---------------------------------------|
| <b>ASSETS</b>                                                   |                   |                   |                             |                  |                        |                                       |
| <b>Fixed Assets</b>                                             |                   |                   |                             |                  |                        |                                       |
| <b>1660 · Construction Work in Progress</b>                     |                   |                   |                             |                  |                        |                                       |
| <b>5 · Bus Capital Projects</b>                                 |                   |                   |                             |                  |                        |                                       |
| <b>50202 · Passenger Amenities (Phase 2)</b>                    |                   |                   |                             |                  |                        |                                       |
| 5020214 · Acquisition                                           | 174,011           | 229,326           |                             | 139,205          | 90,121                 | 61%                                   |
| 5020215 · Survey, Testing & Inspection                          |                   |                   | 300                         | 2,600            | (2,600)                |                                       |
| 5020216 · Construction                                          |                   |                   | 18,303                      | 73,453           | (73,453)               |                                       |
| 5020229 · Project Management                                    |                   |                   | 765                         | 5,093            | (5,093)                |                                       |
| <b>Total 50202 · Passenger Amenities (Phase 2)</b>              | <b>174,011</b>    | <b>229,326</b>    | <b>19,368</b>               | <b>220,351</b>   | <b>8,975</b>           | <b>96%</b>                            |
| <b>50301 · Bus O&amp;M Facility</b>                             |                   |                   |                             |                  |                        |                                       |
| 5030113 · Design                                                | 590,000           | 1,294,280         | 9,633                       | 997,538          | 296,742                | 77%                                   |
| 5030115 · Survey, Testing, Inspection                           |                   | 104,735           |                             | 110,285          | (5,550)                | 105%                                  |
| 5030114 · Land Acquisition                                      | 1,164,310         | 1,173,451         |                             | 1,173,451        | -                      | 100%                                  |
| 5030116 · Building Construction                                 | 4,745,690         | 5,648,243         |                             | 2,356,236        | 3,292,007              | 42%                                   |
| 5030118 · Canopy Construction                                   |                   | -                 |                             | -                | -                      | 0%                                    |
| 5030120 · Landscaping                                           |                   | 542,513           |                             | 142,316          | 400,197                | 26%                                   |
| 5030121 · Systems                                               |                   | 333,294           | 24,379                      | 66,664           | 266,630                | 20%                                   |
| 5030125 · Utilities                                             |                   | 1,382,500         |                             | 856,264          | 506,236                | 63%                                   |
| 5030126 · Furniture, Fixtures & Equipment                       | 1,642,667         | 517,865           |                             | 4,423            | 513,442                | 1%                                    |
| 5030128 · Contingency                                           |                   | 275,895           |                             | -                | 275,895                | 0%                                    |
| 5030129 · Project Management                                    | -                 | 205,000           | 2,138                       | 20,570           | 184,431                | 10%                                   |
| 5030131 · Insurance/Bonds                                       |                   | 105,521           |                             | 105,521          | -                      | 100%                                  |
| 5030132 · Mobilization                                          |                   | 157,060           |                             | 88,066           | 68,994                 | 56%                                   |
| 5030133 · Legal Fees                                            |                   | 360               |                             | -                | 360                    | 0%                                    |
| <b>Total 50301 · Bus O&amp;M Facility</b>                       | <b>8,142,667</b>  | <b>11,720,717</b> | <b>36,149</b>               | <b>5,921,333</b> | <b>5,799,384</b>       | <b>51%</b>                            |
| <b>50302 · Bus Maintenance Equipment</b>                        |                   |                   |                             |                  |                        |                                       |
| 5030214 · Acquisition                                           | 500,000           | 500,000           | 63,340                      | 240,660          | 259,340                | 48%                                   |
| <b>Total 50302 · Bus Maintenance Equipment</b>                  | <b>500,000</b>    | <b>500,000</b>    | <b>63,340</b>               | <b>240,660</b>   | <b>259,340</b>         | <b>48%</b>                            |
| <b>50303 · DDTC</b>                                             |                   |                   |                             |                  |                        |                                       |
| 5030314 · Acquisition                                           | 373,282           | 373,282           |                             | -                | 373,282                | 0%                                    |
| <b>Total 50303 · DDTC</b>                                       | <b>373,282</b>    | <b>373,282</b>    | <b>-</b>                    | <b>-</b>         | <b>373,282</b>         | <b>0%</b>                             |
| <b>50406 · Where's My Ride</b>                                  |                   |                   |                             |                  |                        |                                       |
| 5040614 · Acquisition                                           | 940,485           | 940,485           |                             | 234,229          | 706,256                | 25%                                   |
| <b>Total 50406 · Where's My Ride</b>                            | <b>940,485</b>    | <b>940,485</b>    | <b>-</b>                    | <b>234,229</b>   | <b>706,256</b>         | <b>25%</b>                            |
| <b>50407 · Bus Ops Safety &amp; Security Equipment - CLOSED</b> |                   |                   |                             |                  |                        |                                       |
| 5040714 · Acquisition                                           | 88,555            | 88,555            |                             | -                | 88,555                 | 0%                                    |
| 5040721 · Systems                                               | -                 | -                 | (24,379)                    | 88,555           | (88,555)               |                                       |
| <b>Total 50407 · Bus Ops Safety &amp; Security Equipment</b>    | <b>88,555</b>     | <b>88,555</b>     | <b>(24,379)</b>             | <b>88,555</b>    | <b>-</b>               | <b>100%</b>                           |
| <b>50502 · Fleet Replacement</b>                                |                   |                   |                             |                  |                        |                                       |
| 5050214 · Acquisition                                           | 1,968,500         | 3,411,592         |                             | 2,871,592        | 540,000                | 84%                                   |
| <b>Total 50502 · Fleet Replacement</b>                          | <b>1,968,500</b>  | <b>3,411,592</b>  | <b>-</b>                    | <b>2,871,592</b> | <b>540,000</b>         | <b>84%</b>                            |
| <b>Total 5 · Bus Capital Projects</b>                           | <b>12,187,500</b> | <b>17,263,957</b> | <b>94,478</b>               | <b>9,576,720</b> | <b>7,687,237</b>       | <b>55%</b>                            |

**Capital Projects Fund - DCTA**  
**Budget vs. Actual**  
As of August 31, 2013  
(Cash Basis)

Work Session 2aii

|                                                | Original Budget  | Revised Budget    | August 2013 Expenses Booked | Life To Date     | \$ Under/(Over) Budget | % of Budget (As of August 2013 Close) |
|------------------------------------------------|------------------|-------------------|-----------------------------|------------------|------------------------|---------------------------------------|
| <b>6 - Rail Construction (RTRFI Funded)</b>    |                  |                   |                             |                  |                        |                                       |
| <b>61102 - Rail Grinding - CLOSED</b>          |                  |                   |                             |                  |                        |                                       |
| 6110217 - Track & Civil Work Construction      | 204,000          | 204,000           |                             | 191,609          | 12,391                 | 94%                                   |
| <b>Total 61102 - Rail Grinding</b>             | <b>204,000</b>   | <b>204,000</b>    | <b>-</b>                    | <b>191,609</b>   | <b>12,391</b>          | <b>94%</b>                            |
| <b>61206 - MedPark Extension</b>               | <b>1,000,000</b> | <b>1,000,000</b>  | <b>-</b>                    | <b>1,000,000</b> | <b>-</b>               | <b>100%</b>                           |
| <b>61208 - Rail Station Improvements</b>       |                  |                   |                             |                  |                        |                                       |
| 6120812 - Preliminary Design                   |                  |                   |                             | 7,745            | (7,745)                |                                       |
| 6120815 - Installation                         |                  | 15,000            |                             | -                | 15,000                 | 0%                                    |
| 6120816 - Construction                         |                  |                   |                             | 3,154            | (3,154)                |                                       |
| 6120829 - Project Management                   |                  |                   |                             | 233              | (233)                  |                                       |
| <b>Total 61208 - Rail Station Improvements</b> | <b>-</b>         | <b>15,000</b>     | <b>-</b>                    | <b>11,132</b>    | <b>3,868</b>           | <b>74%</b>                            |
| <b>61401 - Fare Collection Systems</b>         |                  |                   |                             |                  |                        |                                       |
| 6140111 - Engineering                          | -                | 68,962            |                             | 68,963           | (1)                    | 100%                                  |
| 6140114 - Acquisition                          | 489,000          | 582,371           |                             | 477,281          | 105,090                | 82%                                   |
| 6140115 - Installation                         | 80,000           | 81,771            | 42                          | 101,554          | (19,783)               | 124%                                  |
| <b>Total 61401 - Fare Collection Systems</b>   | <b>569,000</b>   | <b>733,104</b>    | <b>42</b>                   | <b>647,798</b>   | <b>85,306</b>          | <b>88%</b>                            |
| <b>61403 - Traffic Signals - CLOSED</b>        |                  |                   |                             |                  |                        |                                       |
| 6140323 - Crossings/Traffic Signals            | 2,480,000        | 3,046,178         |                             | 2,750,398        | 295,780                | 90%                                   |
| <b>Total 61403 - Traffic Signals</b>           | <b>2,480,000</b> | <b>3,046,178</b>  | <b>-</b>                    | <b>2,750,398</b> | <b>295,780</b>         | <b>90%</b>                            |
| <b>61406 - Positive Train Control</b>          |                  |                   |                             |                  |                        |                                       |
| 6140617 - Construction                         |                  | 13,492,026        |                             |                  | 13,492,026             | 0%                                    |
| 6140628 - Contingency                          |                  | 728,554           |                             |                  | 728,554                | 0%                                    |
| 6140629 - Project Management                   |                  | 2,097,992         | 30,916                      | 563,412          | 1,534,580              | 27%                                   |
| 6140633 - Legal Fees                           |                  | 80,939            |                             |                  | 80,939                 | 0%                                    |
| 6140636 - Vehicle Provisions                   |                  | 597,930           |                             | 358,758          | 239,172                | 60%                                   |
| 6140621 - Systems                              | -                | -                 |                             | -                | -                      | 0%                                    |
| <b>Total 61406 - Positive Train Control</b>    | <b>-</b>         | <b>16,997,441</b> | <b>30,916</b>               | <b>922,170</b>   | <b>16,075,271</b>      | <b>5%</b>                             |
| <b>61603 - Stadler Implementation</b>          |                  |                   |                             |                  |                        |                                       |
| 6160332 - Mobilization                         | -                | 895,803           | 2,013                       | 653,665          | 242,138                | 73%                                   |
| <b>Total 61603 - Stadler Implementation</b>    | <b>-</b>         | <b>895,803</b>    | <b>2,013</b>                | <b>653,665</b>   | <b>242,138</b>         | <b>73%</b>                            |
| <b>61707 - Community Enhancements</b>          |                  |                   |                             |                  |                        |                                       |
| 6170711 - Engineering                          | -                | 22,000            |                             | -                | 22,000                 | 0%                                    |
| 6170712 - Preliminary Design                   | -                | 12,500            |                             | 55,737           | (43,237)               | 446%                                  |
| 6170713 - Final Design                         | -                | 15,000            | 6,166                       | 64,812           | (49,812)               | 432%                                  |
| 6170715 - Survey, Inspection & Testing         | -                | 6,000             |                             | -                | 6,000                  | 0%                                    |
| 6170716 - Building Construction                | -                | 545,000           |                             | -                | 545,000                | 0%                                    |
| 6170720 - Landscaping                          | -                | 25,000            |                             | 2,500            | 22,500                 | 10%                                   |
| 6170726 - FF&E                                 | -                | 10,000            |                             | -                | 10,000                 | 0%                                    |
| 6170727 - Environmental Mitigation             | -                | 4,000             |                             | -                | 4,000                  | 0%                                    |
| 6170728 - Contingency                          | -                | 15,029            |                             | -                | 15,029                 | 0%                                    |
| 6170729 - Project Management                   | -                | 85,088            |                             | -                | 85,088                 | 0%                                    |
| 6170733 - Administration Fees                  | -                | 13,091            |                             | 19,637           | (6,546)                | 150%                                  |
| <b>Total 61707 - Community Enhancements</b>    | <b>-</b>         | <b>752,708</b>    | <b>6,166</b>                | <b>142,686</b>   | <b>610,022</b>         | <b>19%</b>                            |

**Capital Projects Fund - DCTA**  
**Budget vs. Actual**  
As of August 31, 2013  
(Cash Basis)

Work Session 2aii

|                                                   | Original Budget   | Revised Budget     | August 2013 Expenses Booked | Life To Date      | \$ Under/(Over) Budget | % of Budget (As of August 2013 Close) |
|---------------------------------------------------|-------------------|--------------------|-----------------------------|-------------------|------------------------|---------------------------------------|
| <b>61708 · Lewisville Bike Trail</b>              |                   |                    |                             |                   |                        |                                       |
| 6170811 · Engineering                             | -                 | 75,000             | -                           | -                 | 75,000                 | 0%                                    |
| 6170812 · Preliminary Design                      | -                 | 75,000             | 6,318                       | 35,057            | 39,943                 | 47%                                   |
| 6170813 · Final Design                            | -                 | 41,000             | -                           | -                 | 41,000                 | 0%                                    |
| 6170816 · Building Construction                   | -                 | 2,410,102          | -                           | -                 | 2,410,102              | 0%                                    |
| 6170820 · Landscaping                             | -                 | 21,000             | -                           | -                 | 21,000                 | 0%                                    |
| 6170822 · Bridges                                 | -                 | 55,355             | -                           | -                 | 55,355                 | 0%                                    |
| 6170823 · Crossings/Traffic Signals               | -                 | 200,000            | -                           | -                 | 200,000                | 0%                                    |
| 6170825 · Utilities                               | -                 | 75,000             | -                           | -                 | 75,000                 | 0%                                    |
| 6170826 · FF&E                                    | -                 | 3,000              | -                           | -                 | 3,000                  | 0%                                    |
| 6170827 · Environmental Mitigation                | -                 | 28,800             | -                           | -                 | 28,800                 | 0%                                    |
| 6170828 · Contingency                             | -                 | 50,000             | -                           | -                 | 50,000                 | 0%                                    |
| 6170829 · Project Management                      | -                 | 394,454            | 53                          | 203               | 394,252                | 0%                                    |
| 6170833 · Administration Fees                     | -                 | 60,685             | -                           | 60,685            | -                      | 100%                                  |
| <b>Total 61708 · Lewisville Bike Trail</b>        | -                 | <b>3,489,396</b>   | <b>6,370</b>                | <b>95,944</b>     | <b>3,393,452</b>       | <b>3%</b>                             |
| <b>61709 · ROW Fencing</b>                        |                   |                    |                             |                   |                        |                                       |
| 6170914 · Acquisition                             | 25,000            | 25,000             | -                           | -                 | 25,000                 | 0%                                    |
| <b>Total 61709 · ROW Fencing</b>                  | <b>25,000</b>     | <b>25,000</b>      | <b>-</b>                    | <b>-</b>          | <b>25,000</b>          | <b>0%</b>                             |
| <b>61710 · HV Parking Expansion</b>               |                   |                    |                             |                   |                        |                                       |
| 6171017 · Civil Construction                      | -                 | 250,000            | -                           | -                 | 250,000                | 0%                                    |
| <b>Total 61710 · HV Parking Expansion</b>         | <b>-</b>          | <b>250,000</b>     | <b>-</b>                    | <b>-</b>          | <b>250,000</b>         | <b>0%</b>                             |
| <b>60701 · Passenger Information</b>              |                   |                    |                             |                   |                        |                                       |
| 6070114 · Acquisition                             | -                 | 56,214             | -                           | 23,851            | 32,363                 | 42%                                   |
| <b>Total 60701 · Passenger Information</b>        | <b>-</b>          | <b>56,214</b>      | <b>-</b>                    | <b>23,851</b>     | <b>32,363</b>          | <b>42%</b>                            |
| <b>Total Rail Construction Projects</b>           | <b>4,278,000</b>  | <b>27,464,844</b>  | <b>45,509</b>               | <b>6,439,254</b>  | <b>21,025,590</b>      | <b>23%</b>                            |
| <b>61501 · Rail Cars</b>                          |                   |                    |                             |                   |                        |                                       |
| 6150114 · Acquisition                             | 71,500,000        | 77,715,424         | -                           | 77,881,249        | (165,825)              | 100%                                  |
| 6150128 · FRA Compliance Contingency              | -                 | 250,396            | -                           | -                 | 250,396                | 0%                                    |
| 6150133 · Legal Fees                              | -                 | 15,005             | -                           | 15,005            | -                      | 100%                                  |
| 6150129 · Project Management                      | -                 | 1,814,699          | 3,439                       | 1,539,917         | 274,782                | 85%                                   |
| <b>Total 61501 · Rail Cars</b>                    | <b>71,500,000</b> | <b>79,795,524</b>  | <b>3,439</b>                | <b>79,436,172</b> | <b>359,352</b>         | <b>100%</b>                           |
| <b>TOTAL RAIL CONSTRUCTION &amp; CARS</b>         | <b>75,778,000</b> | <b>107,260,368</b> | <b>48,947</b>               | <b>85,875,426</b> | <b>21,384,942</b>      | <b>80%</b>                            |
| <b>Total 1660 · Construction Work in Progress</b> | <b>87,965,500</b> | <b>124,524,325</b> | <b>143,425</b>              | <b>95,452,146</b> | <b>29,072,179</b>      | <b>77%</b>                            |

**Board of Directors Memo****September 26, 2013****Item: WS 2(a)iii Sales Tax Report****Background**

Sales tax represents the single largest source of revenue for DCTA, at 56.7% for FY13 budget. The annual Sales Tax budget is \$18,775,391. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target. This month, receipts were favorable compared to budget.

- Sales tax for sales generated at retail in the month of July and received in September was \$1,592,438.
- This represents an increase of 18.02% or \$243,093 compared to budget for the month.
- Receipts are favorable 4.76% year-to-date compared to budget.
- Compared to the same month last year, sales tax receipts were \$52,399 or 3.4% more.
  
- Member city collections for the month compared to prior year are as follows:
  - City of Lewisville up 5.92%
  - City of Denton up .88%
  - Highland Village down 1.2%

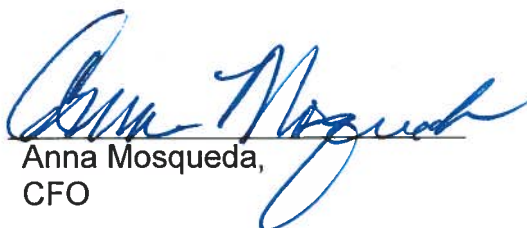
**Need**

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

**Recommendation**

For information only. No action required.

Final Review:

A handwritten signature in blue ink, appearing to read "Anna Mosqueda". The signature is written over a horizontal line.

Anna Mosqueda,  
CFO

**Denton County Transportation Authority (DCTA)  
Sales Tax Report  
Budget to Actual and Prev. Yr. Comparison**

| Sales Generated in Month of: | Received in month of: | 2012-2013 Year Budget   | 2012-2013 Year Actual   | Variance Actual to Budget | CY Actual to CY Budget % Variance | 2011-2012 Year Actual   | Variance Actual to Prior Year | CY Actual to PY Actual Variance |
|------------------------------|-----------------------|-------------------------|-------------------------|---------------------------|-----------------------------------|-------------------------|-------------------------------|---------------------------------|
|                              |                       |                         |                         |                           |                                   |                         |                               |                                 |
|                              |                       |                         |                         |                           |                                   |                         |                               |                                 |
|                              |                       |                         |                         |                           |                                   |                         |                               |                                 |
|                              |                       |                         |                         |                           |                                   |                         |                               |                                 |
| October                      | December              | \$ 1,385,756.30         | \$ 1,637,689.04         | \$ 251,932.74             | 18.18%                            | \$ 1,345,394.47         | \$ 292,294.57                 | 21.73%                          |
| November                     | January               | \$ 1,467,497.19         | \$ 1,437,883.91         | \$ (29,613.28)            | -2.02%                            | \$ 1,424,754.55         | \$ 13,129.36                  | 0.92%                           |
| December                     | February              | \$ 2,107,957.25         | \$ 2,128,329.19         | \$ 20,371.94              | 0.97%                             | \$ 2,046,560.44         | \$ 81,768.75                  | 4.00%                           |
| January                      | March                 | \$ 1,394,605.60         | \$ 1,501,720.29         | \$ 107,114.69             | 7.68%                             | \$ 1,353,986.02         | \$ 147,734.27                 | 10.91%                          |
| February                     | April                 | \$ 1,421,825.33         | \$ 1,494,663.46         | \$ 72,838.13              | 5.12%                             | \$ 1,353,986.02         | \$ 140,677.44                 | 10.39%                          |
| March                        | May                   | \$ 1,922,042.18         | \$ 1,785,089.94         | \$ (136,952.24)           | -7.13%                            | \$ 1,866,060.37         | \$ (80,970.43)                | -4.34%                          |
| April                        | June                  | \$ 1,526,010.87         | \$ 1,587,871.03         | \$ 61,860.16              | 4.05%                             | \$ 1,481,563.95         | \$ 106,307.08                 | 7.18%                           |
| May                          | July                  | \$ 1,613,898.76         | \$ 1,641,703.33         | \$ 27,804.57              | 1.72%                             | \$ 1,566,892.01         | \$ 74,811.32                  | 4.77%                           |
| June                         | August                | \$ 1,687,584.24         | \$ 1,824,063.88         | \$ 136,479.64             | 8.09%                             | \$ 1,762,132.21         | \$ 61,931.67                  | 3.51%                           |
| July                         | September             | \$ 1,349,344.92         | \$ 1,592,437.56         | \$ 243,092.64             | 18.02%                            | \$ 1,540,038.75         | \$ 52,398.81                  | 3.40%                           |
| August                       | October               | \$ 1,350,487.51         |                         |                           |                                   | \$ 1,533,237.85         |                               |                                 |
| September                    | November              | \$ 1,548,380.37         |                         |                           |                                   | \$ 1,708,102.34         |                               |                                 |
|                              |                       |                         |                         |                           |                                   |                         |                               |                                 |
|                              |                       |                         |                         |                           |                                   |                         |                               |                                 |
|                              |                       |                         |                         |                           |                                   |                         |                               |                                 |
| <b>Y.T.D Total</b>           |                       | <b>\$ 18,775,390.51</b> | <b>\$ 16,631,451.63</b> | <b>\$ 754,928.99</b>      | <b>4.76%</b>                      | <b>\$ 18,982,708.98</b> | <b>\$ 890,082.84</b>          | <b>5.65%</b>                    |

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
 Prepared By: Denton County Transportation Authority Finance Department  
 September 19, 2013

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

| <b>Transit</b>     | <b>Current Rate</b> | <b>Net Payment This Period</b> | <b>Comparable Payment Prior Year</b> | <b>% Change</b> | <b>2013 Payments To Date</b> | <b>2012 Payments To Date</b> | <b>% Change</b> |
|--------------------|---------------------|--------------------------------|--------------------------------------|-----------------|------------------------------|------------------------------|-----------------|
| Houston MTA        | 1.00%               | \$ 51,967,871.26               | \$ 49,652,234.86                     | 4.66%           | \$ 485,744,552.08            | \$ 451,050,903.29            | 7.69%           |
| Dallas MTA         | 1.00%               | \$ 36,496,219.94               | \$ 37,166,454.52                     | -1.80%          | \$ 342,590,255.15            | \$ 325,272,884.25            | 5.32%           |
| Austin MTA         | 1.00%               | \$ 14,243,099.79               | \$ 13,631,280.85                     | 4.49%           | \$ 133,468,198.52            | \$ 124,697,966.74            | 7.03%           |
| San Antonio MTA    | 0.50%               | \$ 9,762,902.98                | \$ 9,433,341.32                      | 3.49%           | \$ 89,906,054.68             | \$ 84,487,921.14             | 6.41%           |
| San Antonio ATD    | 0.25%               | \$ 4,454,123.27                | \$ 4,288,798.74                      | 3.85%           | \$ 40,828,482.80             | \$ 38,979,764.40             | 4.74%           |
| Fort Worth MTA     | 0.50%               | \$ 4,693,294.47                | \$ 4,524,014.27                      | 3.74%           | \$ 43,910,686.04             | \$ 41,133,796.14             | 6.75%           |
| El Paso CTD        | 0.50%               | \$ 2,831,290.61                | \$ 2,971,461.53                      | -4.72%          | \$ 28,368,912.20             | \$ 27,711,655.88             | 2.37%           |
| Corpus Christi MTA | 0.50%               | \$ 2,135,525.87                | \$ 2,545,256.79                      | -16.10%         | \$ 24,850,094.18             | \$ 22,246,537.73             | 11.70%          |
| Denton CTA         | 0.50%               | \$ 1,592,437.56                | \$ 1,540,038.75                      | 3.40%           | \$ 14,993,762.59             | \$ 14,422,401.24             | 3.96%           |
| Laredo CTD         | 0.25%               | \$ 625,917.64                  | \$ 613,178.58                        | 2.08%           | \$ 5,820,617.69              | \$ 5,430,257.33              | 7.19%           |
| <b>TOTALS</b>      |                     | <b>\$ 128,802,683.39</b>       | <b>\$ 126,366,060.21</b>             | <b>1.93%</b>    | <b>\$ 1,210,481,615.93</b>   | <b>\$ 1,135,434,088.14</b>   | <b>6.61%</b>    |

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
September 19, 2013

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

| City of Lewisville           |                       |                       |                       |                               |                                 |
|------------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|---------------------------------|
| Sales Generated in Month of: | Received in month of: | 2011-2012 Year Actual | 2012-2013 Year Actual | Variance Actual to Prior Year | CY Actual to PY Actual Variance |
| October                      | December              | \$ 1,732,551.04       | \$ 2,371,149.84       | \$ 638,598.80                 | 36.86%                          |
| November                     | January               | \$ 1,984,090.82       | \$ 1,965,351.05       | \$ (18,739.77)                | -0.94%                          |
| December                     | February              | \$ 2,874,196.38       | \$ 3,085,264.25       | \$ 211,067.87                 | 7.34%                           |
| January                      | March                 | \$ 1,797,507.20       | \$ 2,041,609.97       | \$ 244,102.77                 | 13.58%                          |
| February                     | April                 | \$ 1,501,720.29       | \$ 2,102,744.48       | \$ 601,024.19                 | 40.02%                          |
| March                        | May                   | \$ 2,521,189.10       | \$ 2,507,337.55       | \$ (13,851.55)                | -0.55%                          |
| April                        | June                  | \$ 1,785,089.94       | \$ 2,214,494.00       | \$ 429,404.06                 | 24.06%                          |
| May                          | July                  | \$ 2,146,891.75       | \$ 2,350,979.01       | \$ 204,087.26                 | 9.51%                           |
| June                         | August                | \$ 2,461,535.81       | \$ 2,611,642.19       | \$ 150,106.38                 | 6.10%                           |
| July                         | September             | \$ 2,130,071.15       | \$ 2,256,112.78       | \$ 126,041.63                 | 5.92%                           |
| August                       | October               | \$ 1,592,437.56       |                       |                               |                                 |
| September                    | November              | \$ 2,278,200.43       |                       |                               |                                 |
| Y.T.D Total                  |                       | \$ 24,805,481.47      | \$ 23,506,686.12      | \$ 2,571,841.64               | 12.28%                          |

| City of Highland Village     |                       |                       |                       |                               |                                 |
|------------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|---------------------------------|
| Sales Generated in Month of: | Received in month of: | 2011-2012 Year Actual | 2012-2013 Year Actual | Variance Actual to Prior Year | CY Actual to PY Actual Variance |
| October                      | December              | \$ 243,619.10         | \$ 250,035.98         | \$ 6,416.88                   | 2.63%                           |
| November                     | January               | \$ 243,165.41         | \$ 246,297.20         | \$ 3,131.79                   | 1.29%                           |
| December                     | February              | \$ 395,580.52         | \$ 413,313.51         | \$ 17,732.99                  | 4.48%                           |
| January                      | March                 | \$ 201,738.67         | \$ 239,867.34         | \$ 38,128.67                  | 18.90%                          |
| February                     | April                 | \$ 215,687.96         | \$ 215,912.22         | \$ 224.26                     | 0.10%                           |
| March                        | May                   | \$ 294,815.24         | \$ 310,470.19         | \$ 15,654.95                  | 5.31%                           |
| April                        | June                  | \$ 246,882.39         | \$ 240,403.26         | \$ (6,479.13)                 | -2.62%                          |
| May                          | July                  | \$ 280,774.11         | \$ 240,733.53         | \$ (40,040.58)                | -14.26%                         |
| June                         | August                | \$ 296,673.40         | \$ 318,279.61         | \$ 21,606.21                  | 7.28%                           |
| July                         | September             | \$ 247,525.92         | \$ 244,567.16         | \$ (2,958.76)                 | -1.20%                          |
| August                       | October               | \$ 240,564.70         |                       |                               |                                 |
| September                    | November              | \$ 289,237.15         |                       |                               |                                 |
| Y.T.D Total                  |                       | \$ 3,196,264.57       | \$ 2,719,880.00       | \$ 53,417.28                  | 2.00%                           |

| City of Denton               |                       |                       |                       |                               |                                 |
|------------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|---------------------------------|
| Sales Generated in Month of: | Received in month of: | 2011-2012 Year Actual | 2012-2013 Year Actual | Variance Actual to Prior Year | CY Actual to PY Actual Variance |
| October                      | December              | \$ 1,847,567.14       | \$ 1,947,109.61       | \$ 99,542.47                  | 5.39%                           |
| November                     | January               | \$ 1,765,223.00       | \$ 1,729,577.71       | \$ (35,645.29)                | -2.02%                          |
| December                     | February              | \$ 2,562,967.74       | \$ 2,521,245.16       | \$ (41,722.58)                | -1.63%                          |
| January                      | March                 | \$ 1,802,513.11       | \$ 1,929,589.80       | \$ 127,076.69                 | 7.05%                           |
| February                     | April                 | \$ 1,733,550.06       | \$ 1,843,926.56       | \$ 110,376.50                 | 6.37%                           |
| March                        | May                   | \$ 2,557,253.34       | \$ 2,297,124.75       | \$ (260,128.59)               | -10.17%                         |
| April                        | June                  | \$ 1,825,446.45       | \$ 1,940,931.42       | \$ 115,484.97                 | 6.33%                           |
| May                          | July                  | \$ 1,930,853.61       | \$ 1,950,563.66       | \$ 19,710.05                  | 1.02%                           |
| June                         | August                | \$ 2,214,480.34       | \$ 2,236,264.05       | \$ 21,783.71                  | 0.98%                           |
| July                         | September             | \$ 1,919,988.80       | \$ 1,936,814.25       | \$ 16,825.45                  | 0.88%                           |
| August                       | October               | \$ 1,874,046.32       |                       |                               |                                 |
| September                    | November              | \$ 2,333,782.27       |                       |                               |                                 |
| Y.T.D Total                  |                       | \$ 24,367,672.18      | \$ 20,333,146.97      | \$ 173,303.38                 | 0.86%                           |

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
September 19, 2013



## **Board of Directors Memo**

**September 26, 2013**

### **Item: 2(a)(iv) Procurement Status Report**

#### **Uniform Purchase**

Bids were received on September 12, 2013. Only one bid was received and was determined to be non-responsive to the requirements. A new procurement is posted on BidSync and bids are due on October 15, 2013, with award anticipated at the November meeting.

#### **Furniture for Bus Operations and Maintenance Facility**

A solicitation for the purchase of furniture is available on BidSync with award anticipated at the October meeting. Expenditures for the furniture will be reimbursed at 80% from FTA funds.

#### **Purchase of Gillig Bus**

Staff reviewed the City of Wichita Falls procurement contract documents to determine if DCTA could piggyback for the purchase of one (1) Gillig bus. The ability to piggyback the Wichita Falls contract is not an option. Staff is developing procurement documents to initiate a procurement which should be released in October with award anticipated at the December meeting. The estimated delivery is 18-24 months after receipt of order. The funds for the bus were approved during the amended budget in May and will be reimbursed at 80%.

#### **Tires: New and Recapped**

A procurement is available on BidSync for the purchase of new transit tires and recapped tires for the fleet. Bids are due on October 15<sup>th</sup> with award of a contract anticipated at the October meeting.

#### **Information Technology System Support Services**

Our current contract expires December 31, 2013, and will not be renewed. With the addition of a full time IT staff member the scope of work has been reduced. The selected firm will support staff on a task order basis and with special projects as needed. The procurement documents are available on BidSync with proposals due on October 2<sup>nd</sup> with award anticipated at the October meeting. The new contract will be effective December 1, 2013, for one (1) year with the option to renew for additional terms if services are required.

#### **Purchase of Low Floor Cutaways**

A procurement is available on BidSync for the purchase of five (5) low floor cutaways. Bids are due on October 3<sup>rd</sup> with award anticipated at the October meeting. These buses are replacements anticipated to be approved in the FY14 budget. Expenditures will be reimbursed at 80%.

#### **Purchase of ADA Compliant Minivans**

Procurement documents are in development for the purchase of five (5) ADA compliant minivans for fleet services. It is anticipated the procurement will be released in early October with award at the November meeting. These vans are replacements anticipated to be approved in the FY14 budget. Expenditures will be reimbursed at 80%.



**Fleet Repair and Painting**

Our current contract for body repair and painting services will expire in October. Staff is working to develop the procurement documents to be released soon with award anticipated at the October meeting.

**Moving Services**

The construction of the new facility is progressing and staff anticipates moving into the new facility in early 2014. Staff and equipment currently at the shop, solid waste location and DDTC will be moved to the new facility. Staff is developing procurement documents to be released in early October with costs anticipated to be less than the board approval threshold and will be awarded administratively by the President.

**Security Guard and Fare Enforcement Services**

We currently have security guard services at the rail facility when staff and the contractor are not on site. The contract will expire in January 2014. With the addition of the bus facility additional services will be required. The intent is to also utilize the services as fare enforcement officers on the train on an as needed basis. Staff is working to develop the procurement documents to be released in early October with award anticipated at the November meeting.

**IT Items and Phone System**

Staff is determining the IT needs for the new facility and is working to develop procurement documents to purchase the information technology and phone system needs. A procurement will be released in early October with award anticipated at the November meeting.

**Auction of Buses**

Staff is compiling a list of buses to auction. These buses have reached their useful life and have mechanical problems. These items should be posted in early October with Lone Star Auctioneers. The monies received will be used to pay our portion of new replacement units.

**FTA Procurement Systems Review**

FTA consultants were on site the week of June 10<sup>th</sup> to conduct a procurement systems review. The purpose of the review is to provide assurance to FTA that federal guidelines are being followed in the procurement process and contract administration of federally funded projects. The review examines 60 areas of procurement from micro purchases, small purchases, and formal procurements over \$100,000. DCTA had findings in nine (9) of the areas and responded to the findings. FTA has requested additional comments on two (2) areas to close the review. Staff has responded to their request and is awaiting a letter of approval of the two (2) additional comments and closure of the review. Staff has conducted training and is continuously working to implement new procedures to ensure these guidelines are adhered to. On-going training will continue with DCTA and TMDC staff.

Submitted by:   
Athena Forrester, Procurement Manager

Final Review:   
Anna Mosqueda, CFO

Approval:   
James C. Cline , Jr., President



## MARKETING & COMMUNICATIONS REPORT

September 26, 2013

### Marketing and Communications Initiatives

1 Millionth A-train Passenger Promotion  
20 Millionth DCTA Passenger Promotion  
January Service Changes Implementation  
Susan G. Komen Race for the Cure Communication  
UNT Athletics Shuttle Communication  
Denton Mayor's Mile Event Coordination  
Staffing Recruitment  
35Express Construction Campaign Development  
State Fair of Texas Communications

TX-OU Game Communications  
Columbus Day Communications  
Western Days Communications  
Holiday Events Coordination  
Website Redevelopment  
WMR Software Design  
Back to School Resource Fairs

### Regional Initiatives

Regional Events Promotion Coordination  
NTC Working for Clean Air Awards  
NCTCOG Air North Texas

SWTA Marketing Workshop  
Transit Advertising Program  
GoPass Launch & Promotion

### South West Transit Association (SWTA) Marketing Workshop (September 2013)

- DCTA Received three Spotlight awards for marketing initiatives
  - o Event Category 1st Place: Holiday Events – Wonderland Express
  - o Social Media Category 2nd Place: Family Fun Pass Promotion
  - o Print Media Category 3rd Place: University Pass Program
- Title VI Update
  - o Webinar will be scheduled in October
  - o Address key points relating to marketing & communications initiatives
- Tools for Communicating the Agency's Message More Effectively to the Public
  - o Infographics
  - o Online Dashboards
  - o Avoid Industry Jargon
  - o Style Guides
- SWTA Veteran's Initiatives
  - o Operation Veterans In Public Transportation (OVIPT)
  - o "Freedom to Find Your Own Way"
  - o VetConnect Online Tool
  - o Veteran Recruitment at Job Fairs
- University of Arizona
  - o Bike Share & Bike Valet Program
  - o Campus Shuttles
  - o \$15M Budget
  - o No Student Transportation Fee



# MARKETING & COMMUNICATIONS REPORT

September 26, 2013

## Recent Events

|           |                                                |                |
|-----------|------------------------------------------------|----------------|
| 8/21-8/22 | UNT Orientation                                | 300 attendees  |
| 8/26      | UNT TAMS Travel Training                       | 240 attendees  |
| 8/3       | UNT Orientation                                | 300 attendees  |
| 8/26      | August Service Changes Effective               |                |
| 8/27      | Welcome Back TWU Passengers                    | 300 attendees  |
| 8/28      | Welcome Back UNT Passengers                    | 500 attendees  |
| 8/28      | TWU Part Time Job Fair                         | 150 attendees  |
| 9/4       | Community Open House (TWU 12:30PM)             | 16 attendees   |
| 9/4       | Community Open House (Highland Village 6:30PM) | 5 attendees    |
| 9/5       | Community Open House (UNT 12:00PM)             | 2 attendees    |
| 9/5       | Community Open House (Lewisville 6:30PM)       | 1 attendees    |
| 9/6       | TWU Staff Travel Training                      | 12 attendees   |
| 9/7       | Community Open House (DDTC 10:30AM)            | 40 attendees   |
| 9/14      | UNT Game Day Promotion                         | 74 attendees   |
| 9/14      | Denton Public Safety Day                       | 1000 attendees |
| 9/20      | GoPass Promotion                               |                |

## Upcoming Events

|            |                                              |       |                                  |
|------------|----------------------------------------------|-------|----------------------------------|
| 9/25       | 1M A-train Passenger Promotion               | 10/14 | Columbus Day/Local ISD Fair Day  |
| 9/27-9/29  | Lewisville's Western Days Festival           | 10/26 | Lewisville Spooktakular          |
| 9/27-10/20 | State Fair of Texas                          | 11/9  | UNT Homecoming Game Promotion    |
| 10/5       | Denton Mayor's Mile (MedPark Station 8:30AM) | 12/6  | Denton Holiday Lighting Festival |
| 10/10      | TWU Commuter Appreciation Lunch              | 12/7  | Lewisville Holiday Stroll        |
| 10/12      | TX/OU Red River Rivalry Game                 |       |                                  |

## General DCTA Related Media

|                           |           |                                         |            |
|---------------------------|-----------|-----------------------------------------|------------|
| Articles Mentioning DCTA  | 101       | YTD Total Ad Value                      | \$ 276,650 |
| Web Reach Per Million     | 6,550     | Stories Related to Go Pass Launch       | 64         |
| YTD Web Reach Per Million | 23,979    | Stories Related to UNT Game Day Shuttle | 45         |
| Month Total Ad Value      | \$ 75,893 |                                         |            |

## Topic Highlights

- App offers paperless tickets for transit in Dallas, Fort Worth, and Denton
- A-train schedule changes coming Aug. 26
- DCTA gathers feedback on proposed changes
- DCTA plans hires
- DCTA to offer shuttle for balloon festival
- DCTA, UNT team up for game-day promotion



# MARKETING & COMMUNICATIONS REPORT

September 26, 2013

## Social Media

| Title                                                                                                                                                     | Source                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| @RideDCTA plans hires; 4 new positions in proposed #budget <a href="http://t.co/GJhLurkd7A">http://t.co/GJhLurkd7A</a> #dentonnews                        | Twitter               |
| @UNTnews students, faculty & staff, please join us at our open house, 12pm - 1:30pm TODAY in the Ga                                                       | Twitter               |
| @ereyna2013 as of 1:18 pm Bell opened and there were no more detours. Make sure to sign up for email                                                      | Twitter               |
| @KingPhelan will DCTA take us to university?                                                                                                              | Twitter               |
| @MeanGreenSports Wear GREEN, ride the A-train and shuttle to Apogee for FREE! <a href="http://t.co/jeFgNec5p">http://t.co/jeFgNec5p</a>                   | Twitter               |
| DART, The T, DCTA unveil the GoPass app today. Lets riders purchase passes w/ smartphone. Eliminates                                                      | Twitter               |
| DART's Mobile Ticketing App Is Rolling Out Next Week                                                                                                      | Dallas Observer Blogs |
| DCTA gathers feedback on proposed changes <a href="http://t.co/FtspaTCpPP">http://t.co/FtspaTCpPP</a> via @dentonrc @BjlewisDRC @Rid                      | Twitter               |
| DCTA To Provide Free Transport To Saturday's Football Game <a href="http://t.co/bPVxS1UVQy">http://t.co/bPVxS1UVQy</a>                                    | Twitter               |
| For all our out of town fans be sure to check out this GREAT offer from DCTA for free service to the                                                      | Twitter               |
| FREE Shuttle schedule for @UNTnews @MeanGreenFB game this Saturday. Wear green! <a href="http://t.co/ieTe">http://t.co/ieTe</a>                           | Twitter               |
| Get Your Green On  DCTA <a href="http://t.co/ES3Jq04ai6">http://t.co/ES3Jq04ai6</a>                                                                       | Twitter               |
| GO Pass is fantastic! Great job #DART #T #Denton <a href="http://t.co/06K1b6YM1f">http://t.co/06K1b6YM1f</a>                                              | Twitter               |
| GoPass                                                                                                                                                    | znet.com              |
| Headed to 1st MPA class @unt via @ridedcta. (@ DCTA Highland Village/Lewisville Lake Station (A-trai                                                      | Twitter               |
| Here is the UNT Game Day Shuttle schedule. Runs every 15 minutes from 11:30 a.m. to 7:30 p.m. <a href="http://t.co/8wiM7k6KEY">http://t.co/8wiM7k6KEY</a> | Twitter               |
| I'm at DCTA MedPark Station (A-train) - @ridedcta (Denton, TX) <a href="http://t.co/8wiM7k6KEY">http://t.co/8wiM7k6KEY</a>                                | Twitter               |
| It's here! Download the GoPass today to purchase, store and activate transit passes from your smartp                                                      | Twitter               |
| New app from our friends at DCTA! <a href="http://t.co/ZbejkrXVuf">http://t.co/ZbejkrXVuf</a>                                                             | Twitter               |
| Reminder: LAST opportunity to provide feedback on proposed Jan '14 changes is this Saturday @ the DD                                                      | Twitter               |
| Riding the @RideDCTA 0716 A-train to Denton.                                                                                                              | Twitter               |
| RT @dallasnews: Smartphone app for DART, DCTA and The T plots routes, checks schedules, even sells                                                        | Twitter               |
| RT @FOX4: Wear your Mean Green colors and ride the DCTA to Saturday's game for free.                                                                      | Twitter               |
| RT @MeanGreenClub: For all our out of town fans be sure to check out this GREAT offer from DCTA for                                                       | Twitter               |
| RT @RideDCTA: @MeanGreenSports Wear GREEN, ride the A-train and shuttle to Apogee for FREE!                                                               | Twitter               |
| RT @ridedcta: Wear GREEN, ride the A-train and shuttle to #AADenton and UNT vs Ball St. @ 3pm for F                                                       | Twitter               |
| RT @UNTsocial: Wear UNT green at 9/14 football game vs Ball State, have lots of fun fun and let DCTA                                                      | Twitter               |
| Schedules for the UNT Game Day Shuttle can be found here! <a href="http://t.co/jeFgNec5pK">http://t.co/jeFgNec5pK</a> #gomeangreen                        | Twitter               |
| Scrappy is ready to ride the A-train. Are you? Wear GREEN, ride to the game for FREE! <a href="http://t.co/je">http://t.co/je</a>                         | Twitter               |
| Smartphone app for DART, DCTA and The T plots routes, gives schedules, even sells tickets <a href="http://t.c">http://t.c</a>                             | Twitter               |
| So much to do on Saturday! So little time! We can help. The DCTA shuttle will also drop you at the A                                                      | Twitter               |
| The Dallas Morning News reports: smartphone app for the t, DART and DCTA plots routes, give schedule                                                      | Twitter               |
| The Denton ISD Game of the Week, R.L. Turner v Denton is posted here <a href="http://t.co/f3xSAwmZsO">http://t.co/f3xSAwmZsO</a> Made po                  | Twitter               |
| The GoPass app is here! Purchase, store and activate passes with our new mobile ticketing applicatio                                                      | Twitter               |
| The weekend is almost here! Any plans to ride DCTA? If so, share them with us.                                                                            | Twitter               |
| Wear GREEN, ride the A-train and shuttle to UNT vs Ball St. @ 3pm for FREE. <a href="http://t.co/zH2GsOeTHk">#"&gt;http://t.co/zH2GsOeTHk #</a>           | Twitter               |
| Wear UNT green at 9/14 football game vs Ball State, have lots of fun fun and let DCTA do the driving                                                      | Twitter               |
| Wear your Mean Green colors and ride the DCTA to Saturday's game for free.                                                                                | Twitter               |

# MARKETING & COMMUNICATIONS REPORT

September 26, 2013

## Customer Service Performance

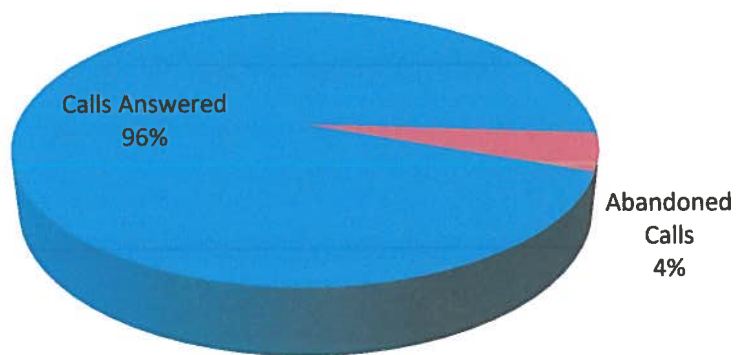
### Call Center Monthly Statistics

In August, DCTA's call center received 4,964 calls compared to the 4,354 calls that were recorded in the month of July. This is a 12% increase in call volume over the previous month. 4,743 of the calls recorded in July were answered and 221 were abandoned. It is of note that six days of calls were not recorded during this time period. The percent increase should be greater than what is recorded here.

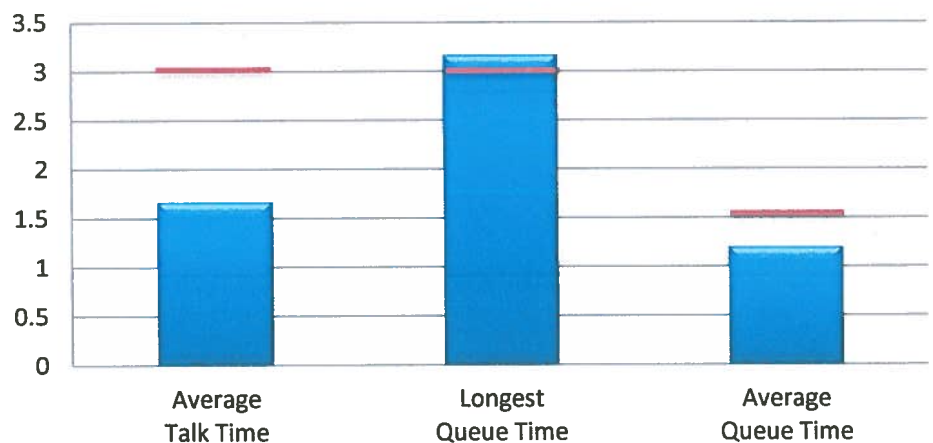
The target for answered calls is 90%. With a 96% rate of calls answered this target was met this month.

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

**Incoming Calls**  
8/1/13 - 8/31/13



**Call Center Performance**  
8/1/13 - 8/31/13



# MARKETING & COMMUNICATIONS REPORT

September 26, 2013

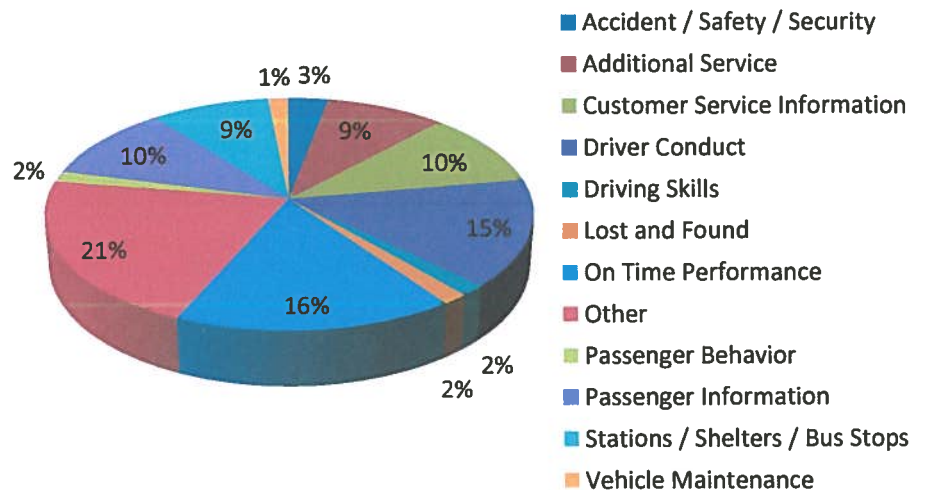
## GoRequest Monthly Statistics

DCTA had a total of 67 requests during the month of August. This is a 1% decrease from the month of July.

|                                 |    |
|---------------------------------|----|
| Accident / Safety / Security    | 2  |
| Additional Service              | 6  |
| Customer Service Information    | 7  |
| Driver Conduct                  | 10 |
| Driving Skills                  | 1  |
| Lost and Found                  | 1  |
| On Time Performance             | 11 |
| Other                           | 14 |
| Passenger Behavior              | 1  |
| Passenger Information           | 7  |
| Stations / Shelters / Bus Stops | 6  |
| Vehicle Maintenance             | 1  |

### Topic Counts of Opened Requests

8/1/13 - 8/31/13



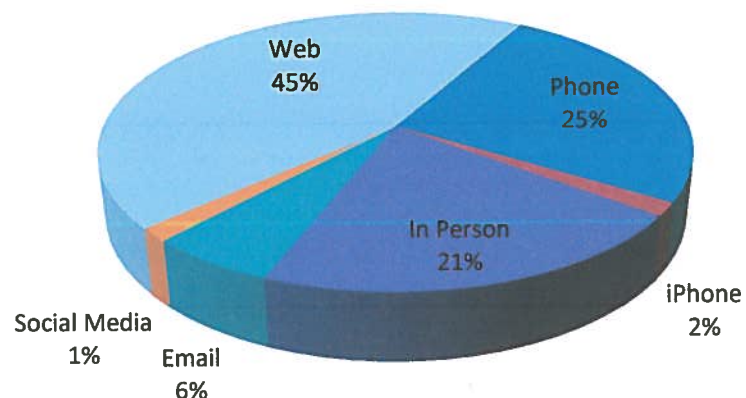
When a passenger enters a request they are asked to categorize it into a particular type. There are five request types to choose from complaint, compliment, problem, question and suggestion. Of the 67 requests received in August, the breakout looks like this:

|            |    |
|------------|----|
| Complaint  | 40 |
| Compliment | 1  |
| Problem    | 1  |
| Question   | 17 |
| Suggestion | 8  |

2.85 Complaints/10,000 Passengers  
 4.65 Total Requests / 10,000 Passengers

### How Requests Are Reported

8/1/13 - 8/31/13



# MARKETING & COMMUNICATIONS REPORT

September 26, 2013

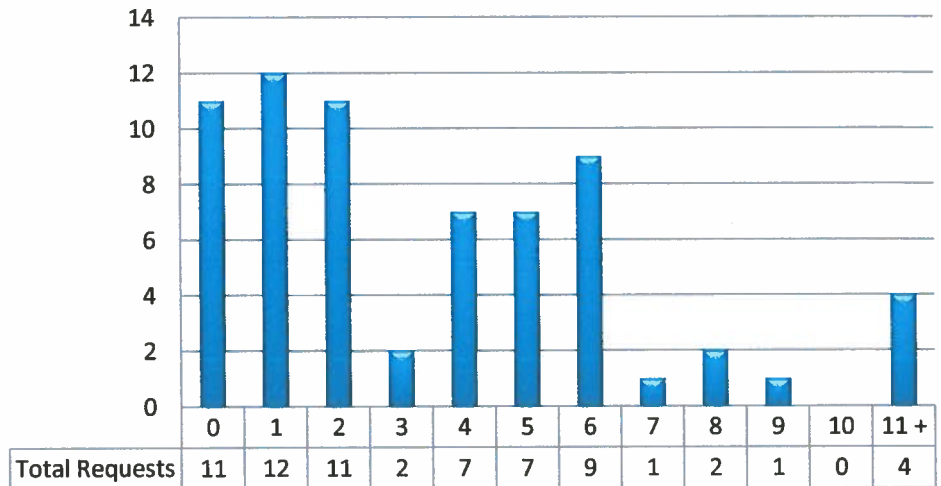
DCTA has set a goal to have all requests closed within seven days. Ten days is the maximum number of days that a request is allowed to remain unresolved.

During this reporting period four requests took more than ten days to close out. These requests required investigation into the issues presented including the examination of video surveillance on the vehicles. Staff remained in contact with the customer throughout the process; however the request was not officially closed in the system until a satisfactory resolution could be achieved.

In this reporting period it took, on average, 3.54 days to close out a request.

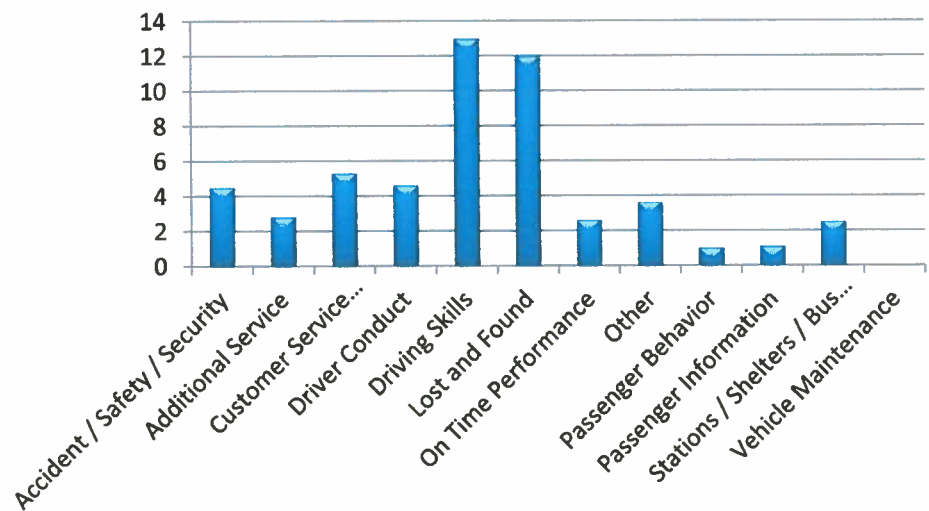
## Number of Days to Close a Request

8/1/2013 - 8/31/2013



## Average Number of Days to Close a Request by Topic

8/1/13 - 8/31/13



Kristina Brevard  
Vice President, Marketing & Communications





## Board of Directors Memo

September 26, 2013

### Item: 2(c) Capital Projects Update

#### **GTW Implementation**

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

Herzog Technologies has completed the installation of a wayside data transmitter which allows for remote monitoring of vehicle shunting. Additionally, Herzog Technologies has established regular testing protocols of the track circuitry to try and establish a better understanding of the environmental influences. Regular operational adjustments are made and reduced speed restrictions are being implemented when environmental conditions may have an impact on signal activity. This allows DCTA and Herzog a better understanding of the impact of reduced speeds in certain sections on schedule and signal behavior.

DCTA, Stadler and Herzog are currently working on a rail brush that would attach to the rear truck of the vehicle and "brush" the rail which may help in the shunting of a single car and minimize the need for other routine scrubbing/polishing. The manual prototype was tested the week of July 15th in the yard to insure that it does not get caught on switches and rail guides. This test was successful and FRA was present. Stadler has shipped the manufacturer's prototype for testing on the corridor. Testing will be conducted following FRA clearance.

Herzog Technologies did install an overlay in the Hebron area. Currently, no measurable benefits have been realized.

DCTA has met with a third party signal consultant to evaluate current actions and develop other potential alternatives.

#### **Where's My Ride**

The Final Design documents for the Connect, A-train, and Software elements of the Where's My Ride project have been submitted to DCTA. Staff expects to approve all documents by September 13, 2013. Work has begun on the preliminary elements of the DCTA Portal, with Connect and A-train route information already uploaded using General Transit Feed Specification (GTFS) data. Installation on all vehicles is anticipated to begin in January, to coincide with the Bus Operations move to the new facility.

#### **Bus Operations and Maintenance Facility**

The pedestrian and vehicle bridges have been placed. Partition wall framing is underway. The fuel management hardware and software, the vehicle lift, oil, coolant and fluid tanks have been received by the contractor and will be submitted for reimbursement under the ARRA grant. DCTA, DART and Atmos Energy have resolved the issues regarding the long-term liability for the gas line under the rail bridge. Atmos will own the line to the gas meter on DCTA property. Installation will be complete in October. The project is scheduled for completion in January 2014.

### Community Enhancements

Bids were received and publicly opened on August 29<sup>th</sup>. The apparent low bidder is JC Commercial. The bid tabulation has been approved by the Dallas TxDOT district and submitted to Austin for approval. The schedule reflects construction start during the fall planting season. Trees must be planted by the end of December. DCTA and the City of Denton are currently negotiating the tree mitigation ILA which would provide DCTA credit for the trees planted as part of the Community Enhancements Grant and minimize DCTA's payment into the city's tree fund.

### Lewisville Hike/Bike Trail

Jacobs Engineering and DCTA staffs are working with the City of Lewisville to select the most advantageous trail alignment north of the Old Towne Station. We expect to have a final decision by the third week in September so that surveying can begin. Final engineering is expected to be complete in late 2013 with construction start in the spring of 2014.

### Positive Train Control (PTC)

A meeting was held with the regional partners, PTC 220 and TICI to discuss the parameters of the frequency analysis and the lease documents. LTK has completed the first draft of the technical specifications and the regional partners have scheduled a series of meetings to review and edit the documents. We expect to be completed with review and editing of the technical specification and bid documents by the end of September at which time DART will begin the RFP process, including an industry peer review.

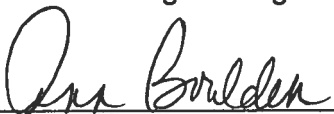
### Passenger Amenities

Nineteen shelters have been installed. DCTA staff is establishing three new locations for the remaining shelters. The original approved locations were found to be unsuitable due to right-of-way/property line and technical issues. We expect to present these to Denton City Council for approval in October. The contract was awarded to Boyd Construction, who began work the week of May 20<sup>th</sup>.


### Highland Village/Lewisville Lake Parking Lot Improvements

The new traffic signage, speed pads and striping at the Highland Village/Lewisville Lake station have been completed by the City of Lewisville through our Interlocal Agreement. Huitt-Zollars has begun work on engineering of the new recreational parking at the station.

Submitted by:

  
 \_\_\_\_\_  
 Ann Boulden, Project Manager

Approved by:

  
 \_\_\_\_\_  
 Dee Leggett, COO

**Board of Directors Memo****September 26, 2013****Item: 2(d) Transit Operations Report****❖ RIDERSHIP**

- DCTA carried 144,110 passengers system wide in the month of August. This is a 2% increase from overall ridership last year.
- The A-train carried 42,193 passengers during the month of August. This reflects an overall increase in ridership of 12% for the month of August 2013, when compared to August 2012.
- A-train Saturday ridership in August reflected a 24% decrease over the same period last year. This difference is related to the more than 2,000 passengers that participated in DCTA's Community Celebration event held on August 18, 2012 to highlight integration of the Stadler GTWs into revenue service and the start of mid-day service. Saturday ridership in August 2013 was consistent with the increases seen throughout July 2013.
- DCTA's bus system carried 101,917 passengers in August which is a 2% decrease from August 2012.
- Connect ridership continues to grow with a 4% increase over this same time period last year.
- UNT Shuttle continues to experience declines in ridership although not to the magnitude experienced in previous months. Ridership decreased by 5% in August 2013 as compared to August 2012 despite the same number of class days. Ridership reductions are largely attributed to a reduction in revenue hours. Revenue hours were reduced by 6% compared to 2012 and 33% in 2011. DCTA and UNT continue to review the data and performance characteristics of the system to try and determine trends or factors impacting ridership. In addition to changes in revenue hours, other factors being considered include fuel prices, parking permits, enrollment, Connect ridership, pedestrian connectivity, proximity of multi-family housing and bike usage.

**❖ SYSTEM ON-TIME PERFORMANCE**

- July "On Time Performance" (OTP) for the A-train was 99.31%.
- July "On Time Performance" (OTP) for the bus system was above 99%. When Where's My Ride is launched, DCTA will change how OTP is measured on the bus system. Staff anticipates a slight decline in this performance indicator.

**❖ SAFETY/SECURITY**

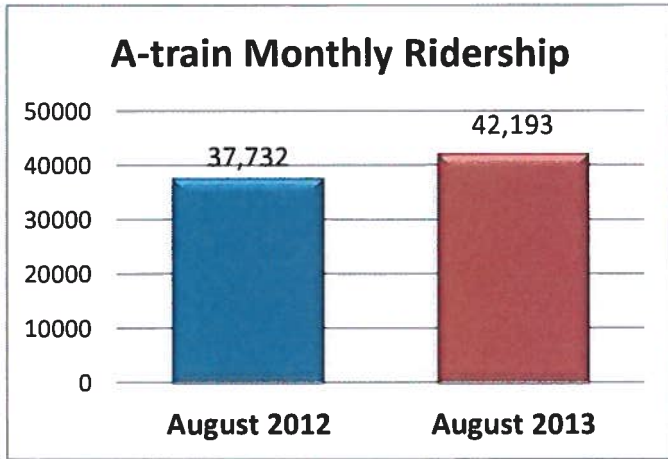
- DCTA Rail Operations Injury-Free Workdays: 471 days
- DCTA Bus Operations Injury-Free Workdays: 77 days
- There were zero vehicle issues at the Eagle Point road crossing during August.
- There were zero reportable bus incidents in August.

**❖ PLANNING AND CUSTOMER SERVICE**

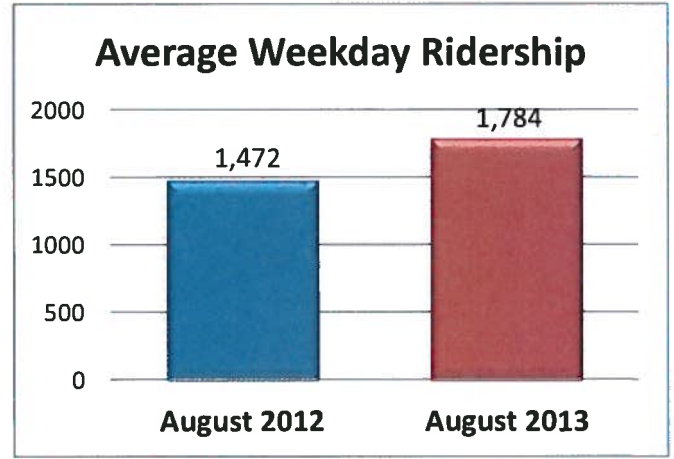
- DCTA implemented the new schedule with minor issues. A slight adjustment was made to Route 8 to better accommodate evening classes and Route 21 and 23 to improve A-train meets.
- Staff is already working to plan January service changes based on feedback from the public open houses and pending budget approval.
- DCTA is providing special event shuttles for Susan G. Komen Race for a Cure and Western Days in September and for UNT Homecoming in November. These shuttles are open to the public.
- Demand for Access services continue to increase. Since this system is capacity constrained and ADA trips are priority, DCTA continues to experience non-ADA trip denials. Staff is also working to better manage no-shows, better enforce policies, and review passengers for conditional eligibility to maximize Access service capacity.

**❖ MAINTENANCE**

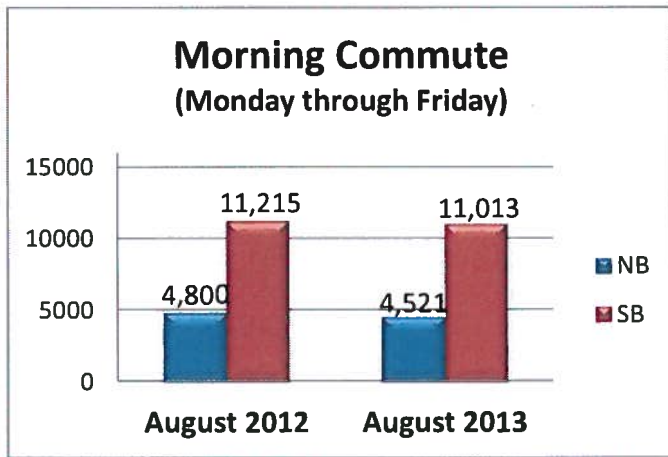
- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** On August 31, 2013 a TXU power outage between the North Hebron Control Point and South Lake Control Point. This resulted in restricted speeds in this area, causing 2 late trains.
- **Stations:** DCTA contract operations (HTSI) continues to perform weekly safety inspections, which have not identified any major issues, and any minor aesthetic issues have been resolved (i.e. landscape maintenance, etc.). DCTA staff is currently reviewing other options for landscape maintenance.
- **Rail Mechanical:** DCTA contract operations (HTSI) reported no mechanical issues in the month of August
- **Bus Mechanical:** TMDC maintenance staff has already begun the engine repowers. Staff will be able to repower one bus every week. There was a non-safety critical recall on the UNT Champions. Frieghtliner was onsite on 9/14 to make repairs.



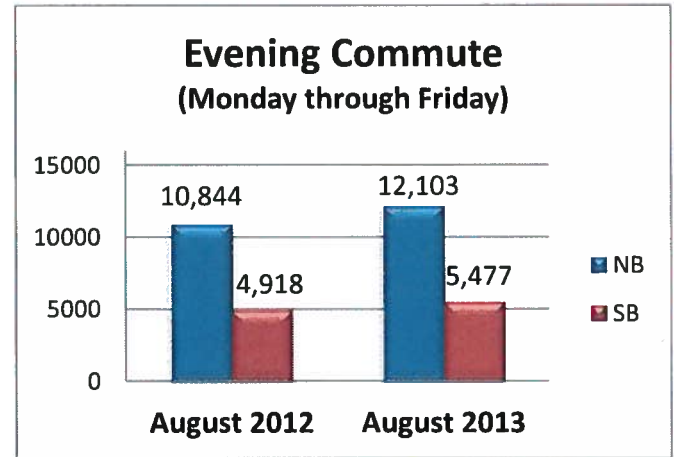
The A-train moved 42,193 passengers during the month of August, a 12% increase over August 2012.



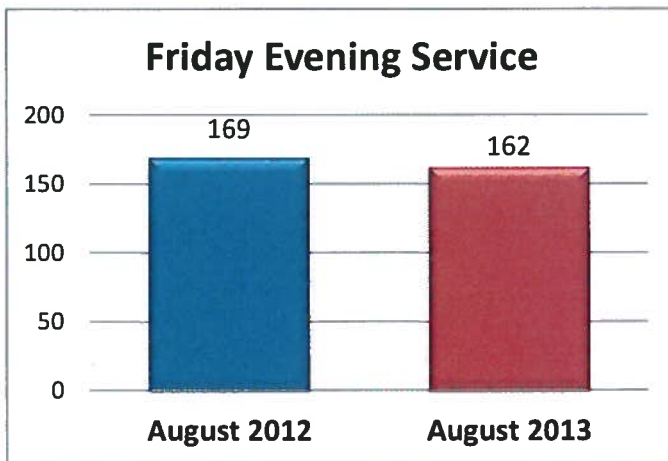
The daily average for A-train ridership during the month of August was 1,784 passengers, an increase of 21% over August 2012.



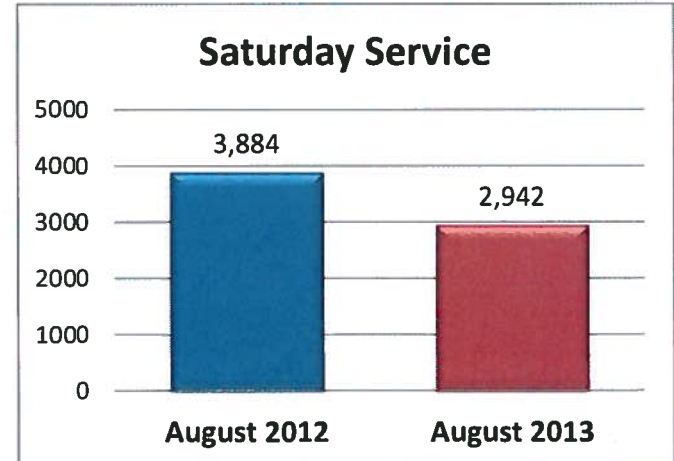
Morning commute ridership decreased by 6% for northbound and 2% for southbound, compared to August 2012.



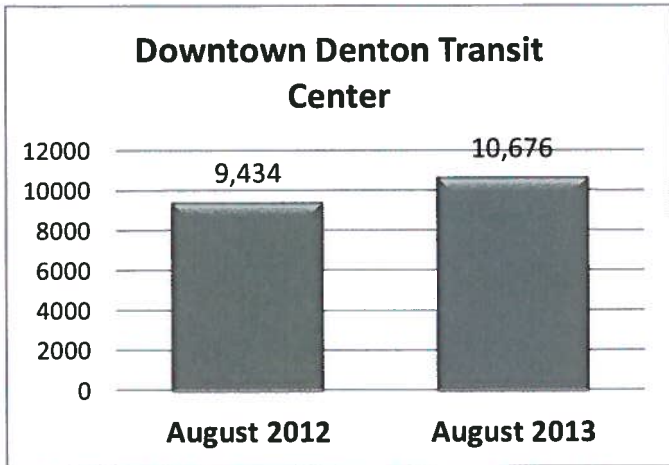
Evening commute ridership increased by 12% for northbound and 11% for southbound, compared to August 2012.



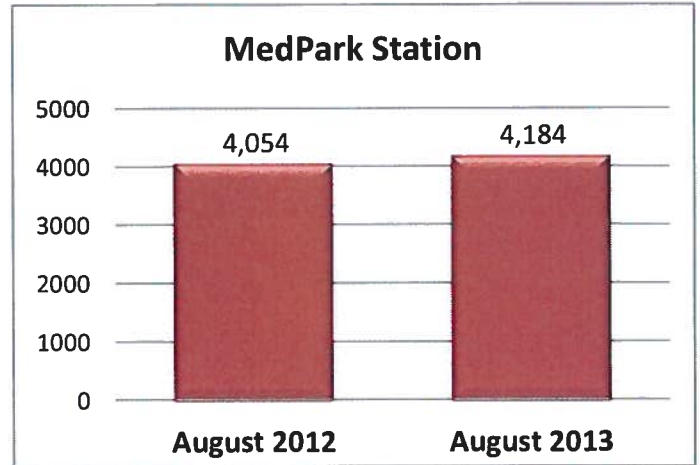
Friday evening service experienced a decrease of 4% in ridership for the month of August 2013, compared to August 2012.



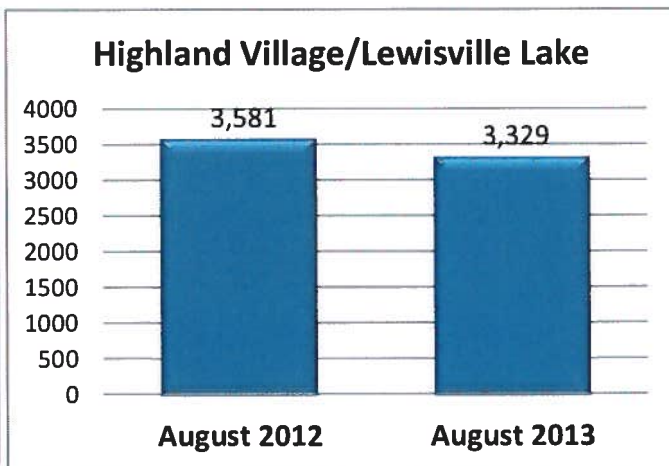
Saturday ridership decreased by 24% for the month of August 2013, compared to the August 2012.



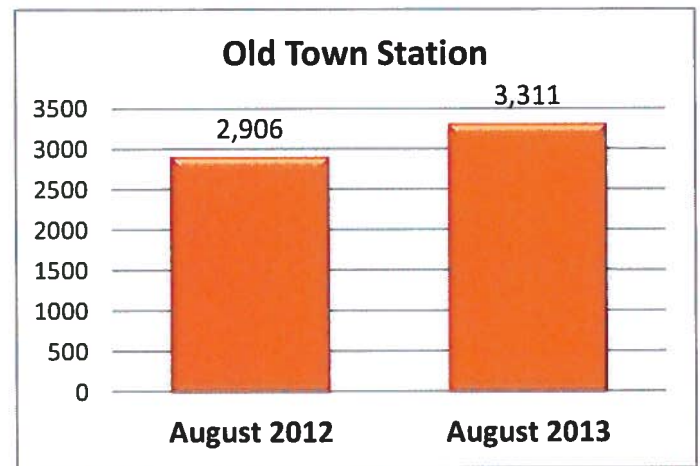
DDTC A-train ridership increased by 13%.



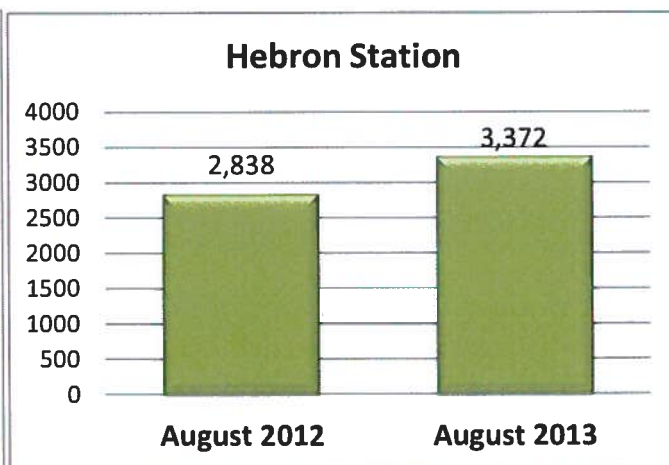
MedPark A-train ridership increased by 3%.



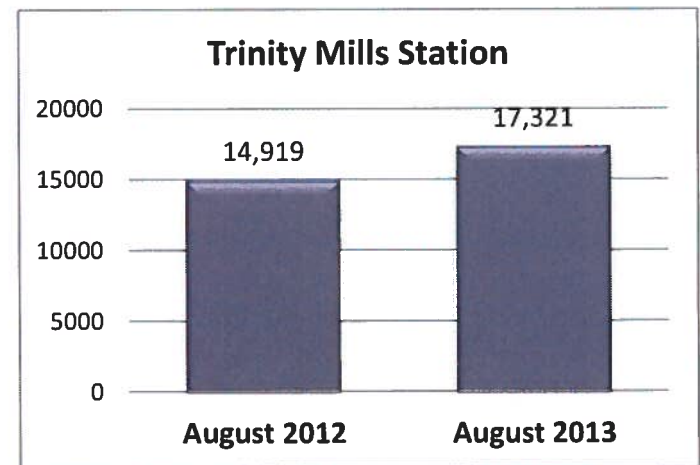
Highland Village/Lewisville Lake A-train ridership decreased by 7%.



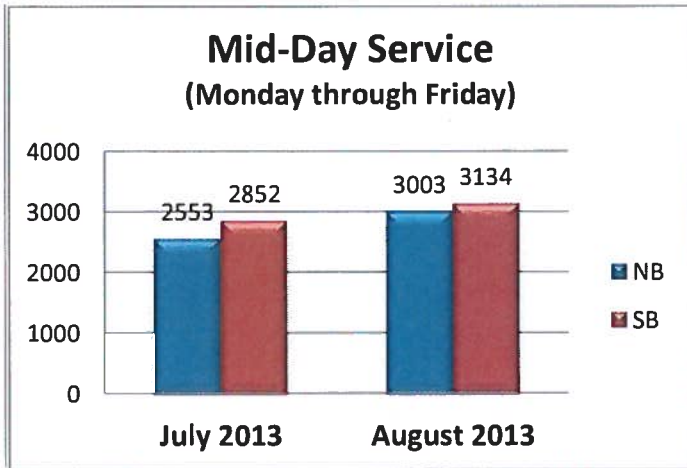
Old Town A-train ridership increased by 14%.



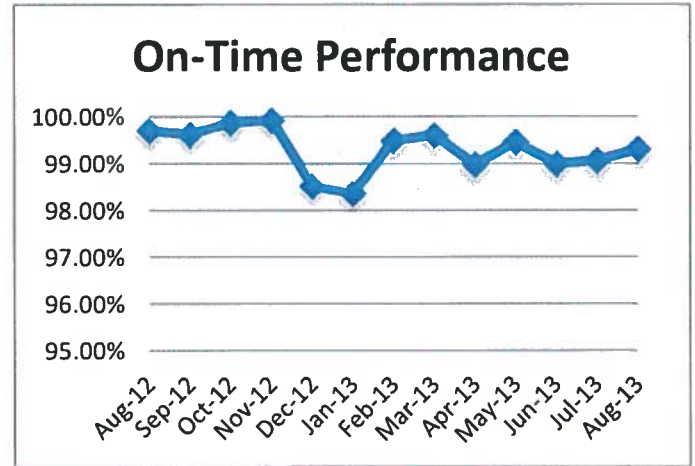
Hebron A-train ridership increased by 19%.



Trinity Mills A-train ridership increased by 16%.



Mid-Day Service ridership saw an increase of 18% for northbound and 10% for southbound in August 2013, compared to July 2013.



A-train On-Time Performance (OTP) is a direct reflection of service and equipment reliability.

# BUS OPERATIONS PERFORMANCE INDICATORS

## Ridership

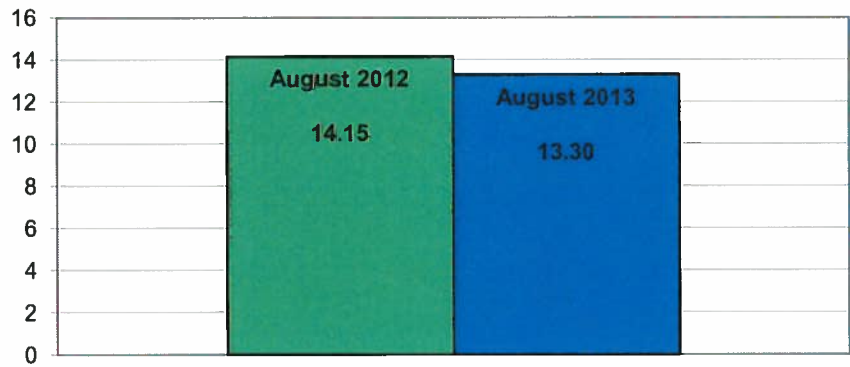
### Ridership

August 2012 & August 2013

### Performance Measures

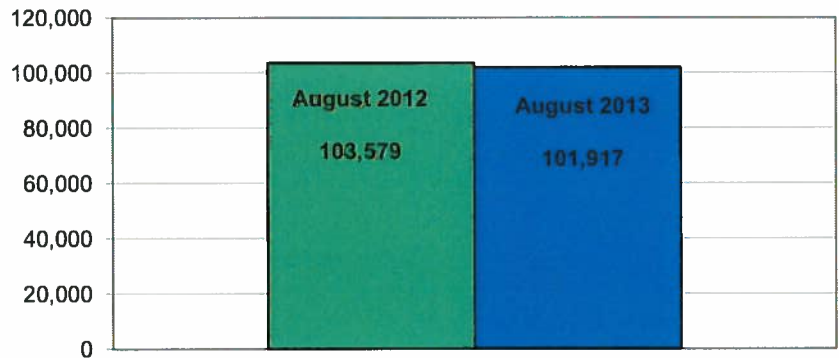
#### Passengers per Revenue Hour

Total passengers per revenue hour in August 2013 decreased 8 percent, in comparison to August 2012.



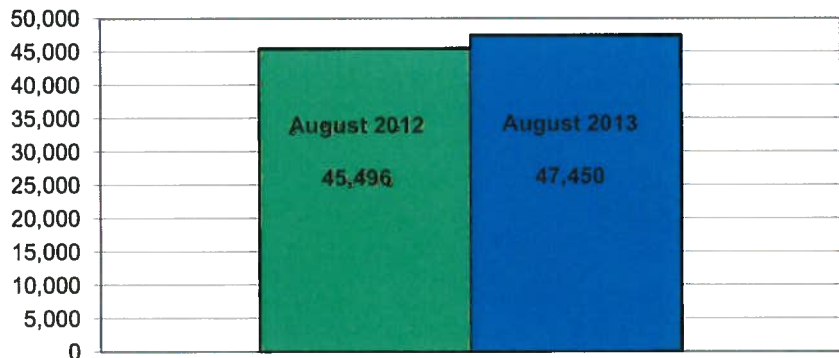
#### Bus System Ridership

Overall bus system ridership fell about 2 percent from August 2012 levels.



#### Connect Ridership

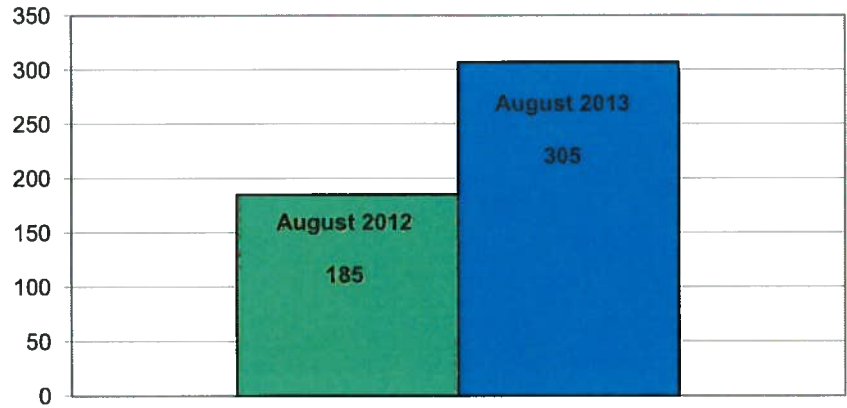
Connect ridership continues to go up, having improved by 4 percent in August of 2013.





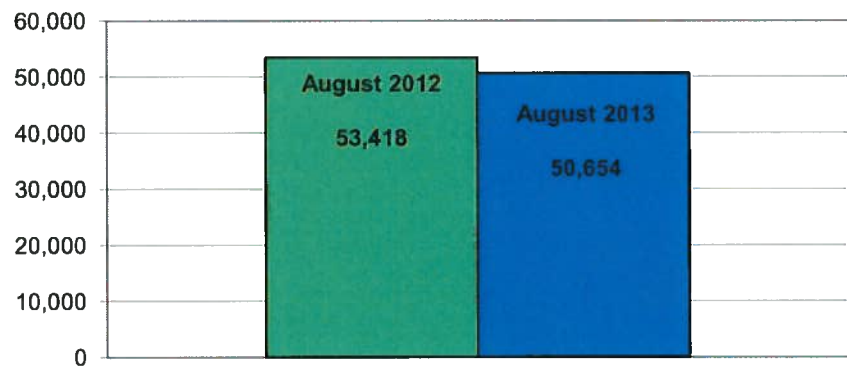
**RSVP Ridership**

RSVP ridership grew dramatically in comparison to August 2012.



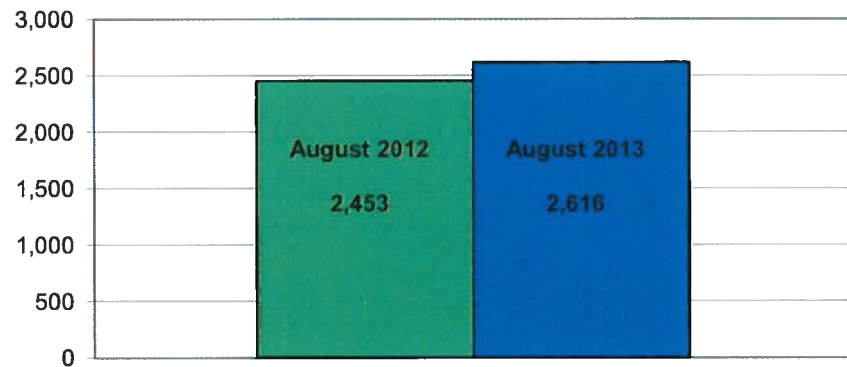
**UNT Ridership**

August UNT ridership declined roughly 5 percent from August 2012.



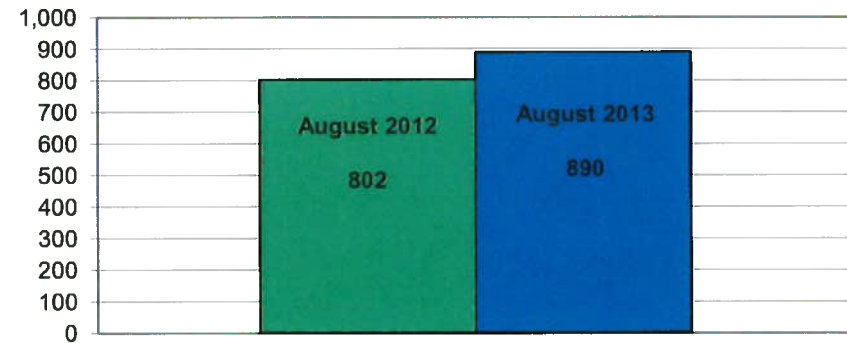
**Access Ridership**

Access ridership went up about 7 percent in August 2013.



**NCTC Ridership**

Ridership for NCTC continues to improve. There were 11 percent more passengers in August 2013 than the previous year.



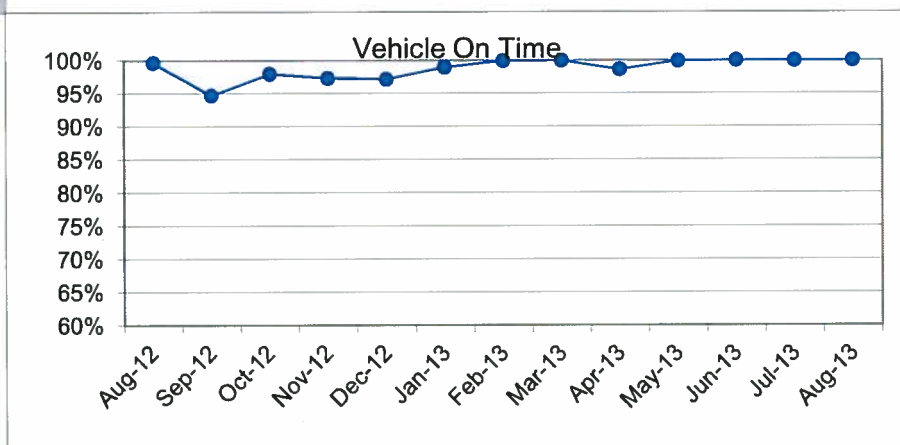
# Customer Satisfaction

## Systemwide Performance August 2012 & August 2013

### Performance Measures

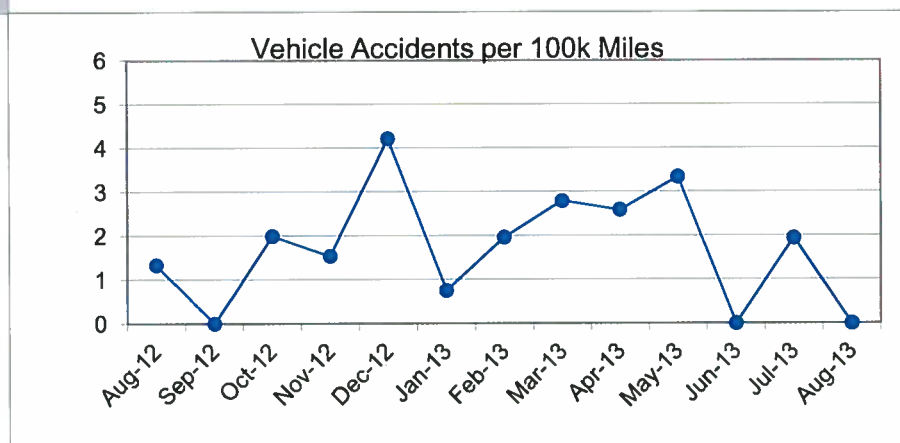
#### Systemwide On-Time Performance

Systemwide on-time performance continues to stay well above the 95% metric.



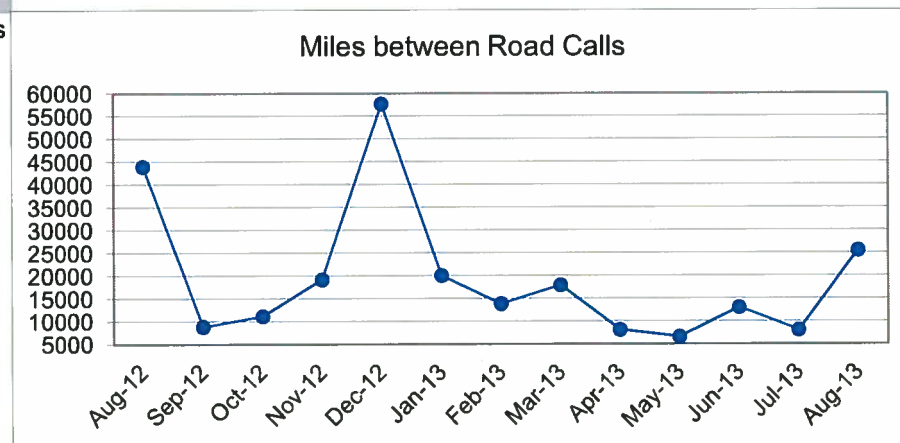
#### Systemwide Accidents per 100k Miles

There were zero reportable accidents in August.



#### Miles Between Road Calls

Miles between road calls decreased as the number of road calls grew to 16.

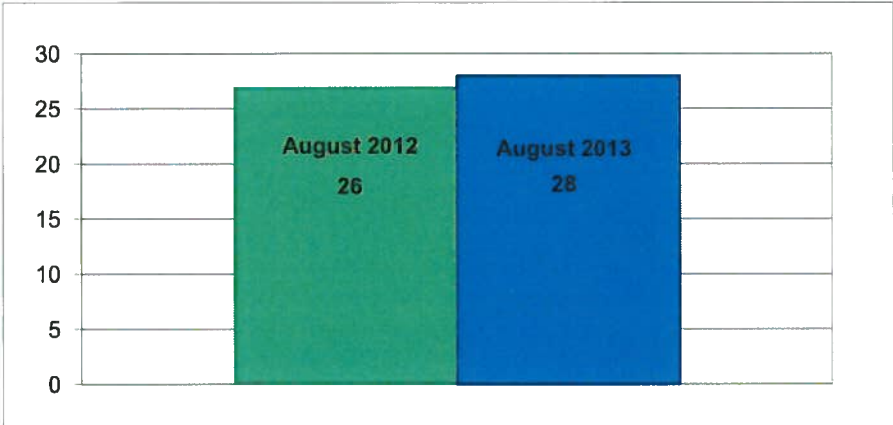


**Access**  
August 2012 & August 2013

**Performance Measures**

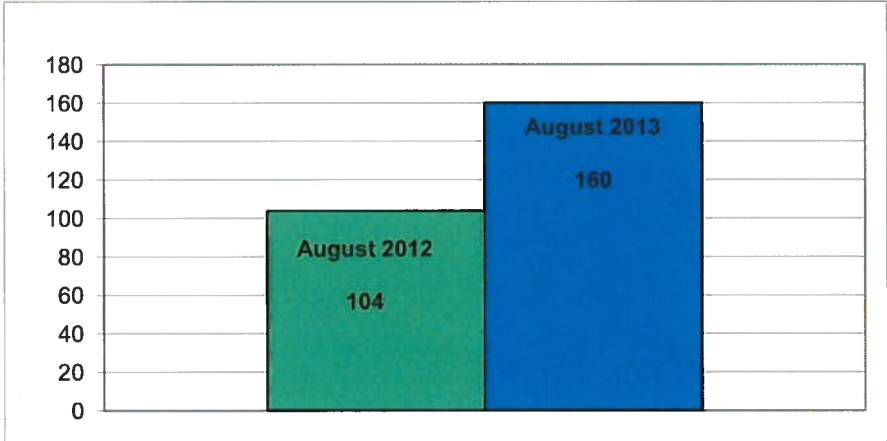
**Trip Denials**

There was an 8% increase in trip denials.



**No-Shows**

No-shows increased by about 54% as TMDC staff continue to work with Access customers in scheduling and cancelling appointments to avoid no-shows.





## Board of Directors Memo

September 26, 2013

### Item: 3(a) GoPass Mobile Ticketing Project Update

#### **Background:**

Over the past several months, staff has provided the Board updates regarding the regional Mobile Ticketing Application for which DART has been the lead agency. As you may recall DART issued a Request for Proposal and subsequently selected and awarded a contract in September 2012. The contract was awarded to Unwire a Denmark based firm for the design, development and implementation of a mobile ticketing application. Design documents were and Unwire completed initial testing of the application in mid June 2013. Beta testing was conducted in July/August of 2013. At its Board meeting in May of 2013 the Board approved the Interlocal Agreement and related documents which outlined the business arrangements for participation in the GoPass regional project.

DCTA and TMDC staff (Customer Service and Bus Operations) has over the past several months received training on the use of the application in preparation for the public launch.

The public launch date of the GoPass App was Monday, September 16, 2013. By the close of the launch day just over 9,200 applications had been downloaded. The application is available on the Apple App Store, the Google Play store or by texting the keyword GoPass to 41411. Following the public launch promotional events at each of the three agencies are officially kicking off the project. On Friday September 20, DCTA Marketing/Communications coordinated Street Teams to distribute promotional information to DCTA system riders.

#### **Identified Need:**

Utilization of this technology provides a significant improvement to the customer experience and provides an alternative to paper-based fare media. As utilization of the app increases it will reduce the need for purchase of paper-based fare media and possibly transactions at ticket-vending machines.

The predictive arrival information for DCTA bus and rail which is a component of DCTA's "Where's My Rider" software application project is scheduled for completion in early 2014. Once that project is completed and predictive arrival information is available from DCTA, it will be incorporated in the GoPass Mobile app. This will further improve ease of use of the DCTA system by allowing customers to know the arrival time for their specific bus stop or rail station.

This is the first multi-agency mobile ticketing application in the nation and has received very positive feedback both from the beta test users and those early downloaders of the app.

**Financial Impact:**

Not known at this time, but anticipate over-all cost benefit in the long-term.

**Marketing and Promotion Status:**

DART contracted with Slingshot, a design firm, to assist in the digital marketing efforts for the mobile application. The graphic design for the GoPass logo and its treatment on various surfaces was completed. Slingshot also coordinated the beta test process which included riders of all three transit agencies.

In addition, DART has engaged the services of a consultant to meet with businesses to gauge their interest in partnering on events or promotions on the mobile application. The marketing and customer service groups of the DCTA, DART and the Fort Worth "T" agencies addressed other marketing initiatives..

**Committee Review:**


Updates have been presented to the Board over the past year regarding progress on the Mobile Ticketing application.

**Recommendation**

For information purposes only



Anna Mosqueda  
VP of Finance / CFO



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

# GoPass<sup>SM</sup> Mobile Ticketing

## A Three-Agency Mobile Ticketing Initiative

The image displays three promotional posters for the GoPass mobile ticketing initiative, arranged horizontally. Each poster features a smartphone displaying an active adult ticket with the text "ACTIVE", "05:44:30", and "ADULT". The posters are color-coded by agency: blue for DART, red for TIR, and green for DCTA. Each poster includes the agency logo at the top, a call to action banner, and a small GoPass logo at the bottom with the text "BUY MOBILE TICKETS, VIEW SCHEDULES AND MORE." and icons for the App Store and Google Play.

**DART:** PAPER PASSES ARE SO YESTERDAY. DOWNLOAD THE NEW GOPASS<sup>SM</sup> MOBILE APP.

**TIR:** PAPER PASSES ARE SO YESTERDAY. DOWNLOAD THE NEW GOPASS<sup>SM</sup> MOBILE APP.











**DCTA:** PAPER PASSES ARE SO YESTERDAY. DOWNLOAD THE NEW GOPASS<sup>SM</sup> MOBILE APP.

# Objectives

1. Improve Customer Experience
2. Improve Value Proposition
3. Achieve Cost Benefit



# Participants

|                        |                                                                                                                                                                                                                                                                                                                                                 |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agencies               |                                                                                        |
| Software Vendor        |  unwire                                                                                                                                                                                                                                                      |
| Gateway                | CyberSource®                                                                                                                                                                                                                                                                                                                                    |
| Payment Issuers        |     |
| Future Payment Issuers |                                                                                                                                                                         |





# Project Plan

| Event                                 | Date                       |
|---------------------------------------|----------------------------|
| RFP Issued                            | April 9, 2012              |
| Proposals due (14 received)           | May 14, 2012               |
| Procurement award process             | May – September 2012       |
| DART Board Approval - Unwire          | September 25, 2012         |
| Design Workshops                      | October - November 2012    |
| Phase 1 Development Work              | December 2012 – April 2013 |
| Phase 1 Functional Acceptance Testing | April – June 2013          |
| Phase 1 Beta Test                     | June 17 – July 17, 2013    |
| Phase 2 Development Work              | July 17 – August 2, 2013   |
| Phase 2 FAT & UAT Testing             | August 2 – August 29, 2013 |
| Official Launch Date                  | September 16, 2013         |



# Testing

- **Functional Acceptance Testing**
  - Hired third party vendor (uTest)
  - 20 testers on various Android and iPhone mobile phones
- **Beta test (June 17 – July 17)**
  - 692 testers selected
  - Facebook group used to collect comments
  - 93% of testers would rate GoPass<sup>SM</sup> 4 stars or higher and are “likely” or “very likely” to use the app going forward



# Testing Feedback

- “Unbelievable convenience. On so many levels. Want to plan a trip to an event? Check. Want to go straight to the platform with no waiting at a kiosk? Check. Need a ticket, but not traveling until later? Check. And the list goes on...” – *Justin W. from Richardson*
- “Money is tight for me, and I don't always have enough to purchase a ticket when I need it. Having the ability to purchase several at once , AND activate as needed is truly a blessing!” – *Cory C. from North Richland Hills*



# Rollout

- Official Launch Date – **September 16<sup>th</sup>**
- 9,200 app downloads

**LOSE THE WAIT**  
DOWNLOAD THE DART GOPASS APP

Get mobile tickets, schedules and more

Text GoPass to 41411 or visit

Available on the App Store and Google Play

DART

The banner features a large yellow and blue background. At the top, the text 'LOSE THE WAIT' is written in large, bold, yellow letters. Below it, 'DOWNLOAD THE DART GOPASS APP' is written in white. In the center, a smartphone displays the app interface with a green header, a clock showing '05:44:30', and the word 'ADULT' in large letters. To the right of the phone, the text 'Get mobile tickets, schedules and more' is written. At the bottom left, there is a GoPass logo and the text 'Text GoPass to 41411 or visit'. At the bottom right, there is a DART logo and icons for the App Store and Google Play.



The easy way to buy passes right on your phone!

- **Easy setup** – Just register with your cell phone number and add your credit card information.
- **Easy operation** – Buy passes for DART, The T and DCTA any time and hold tickets for up to 60 days.
- **Easy access** – Plan trips, find out next bus or train times and go anywhere you want in DFW.
- **Easy planning** – Find out what's happening in DFW and save big on select area events and activities.

GoPass App

Available on the App Store | Get it on Google Play

DART TRE DCTA

DART.org 214.979.1111

The promotional card has a yellow background. At the top, it says 'The easy way to buy passes right on your phone!'. Below this is a list of four bullet points describing the app's features. The text 'GoPass App' is centered below the list. Underneath are logos for 'Available on the App Store' and 'Get it on Google Play'. At the bottom, there are logos for DART, TRE, and DCTA, followed by the website 'DART.org' and the phone number '214.979.1111'. Social media icons for Facebook and Twitter are also present.



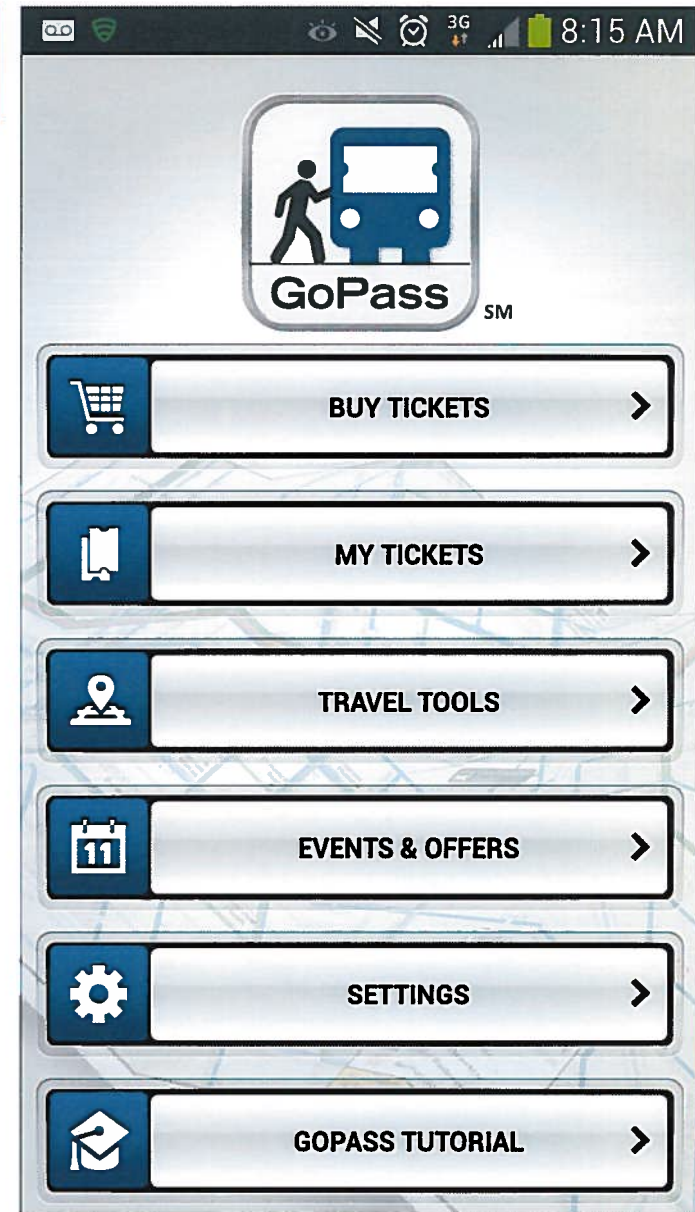
# Rollout

- Marketing Concepts



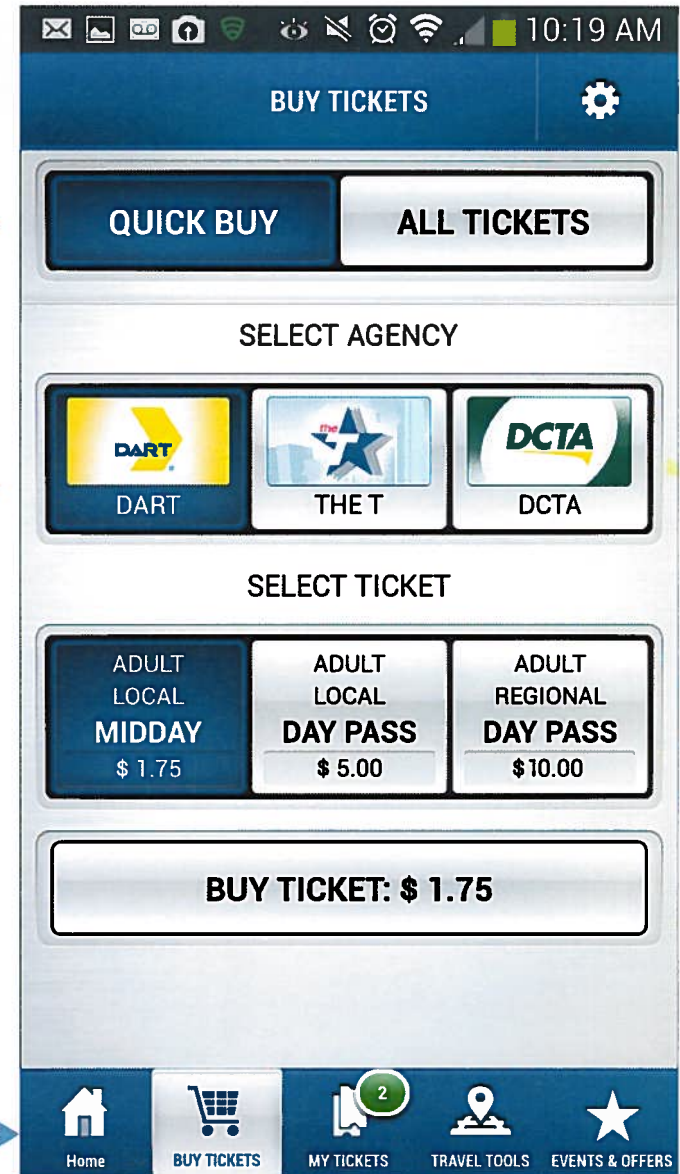
# Features – Home Page

- Home page is the landing page that allows you to navigate anywhere within the app with one button
  - Buy Tickets – Immediately buy tickets
  - My Tickets – Can store and view existing/prepaid tickets
  - Travel Tools – Allows you to plan your trips
  - Events & Offers – Provides information and deals to activities in and around DFW



# Features – Buy Tickets

- “Quick Buy” allows you to quickly buy tickets that are most often purchased
- Each of the transit companies is boldly represented
- The activity you select will display boldly
- You are always virtually one click away from anything you need within the app



# Features – View Tickets

## Non Activated Ticket

- Retain in your digital wallet

## Recently Activated

- Provides a 2 minute grace period

## Active Ticket

- Shows an actual ticket & QR code on the other side

## Expired Ticket





## Features – View Tickets

- The ticket can digitally be flipped over to reveal a bar code
  - Ticket bar code can be scanned by Motorola MC75 scanners
- Tickets can be purchased in advance or in bundles
  - Shelf life for a ticket is 60 days
- Can buy tickets and show proof of purchase for multiple tickets



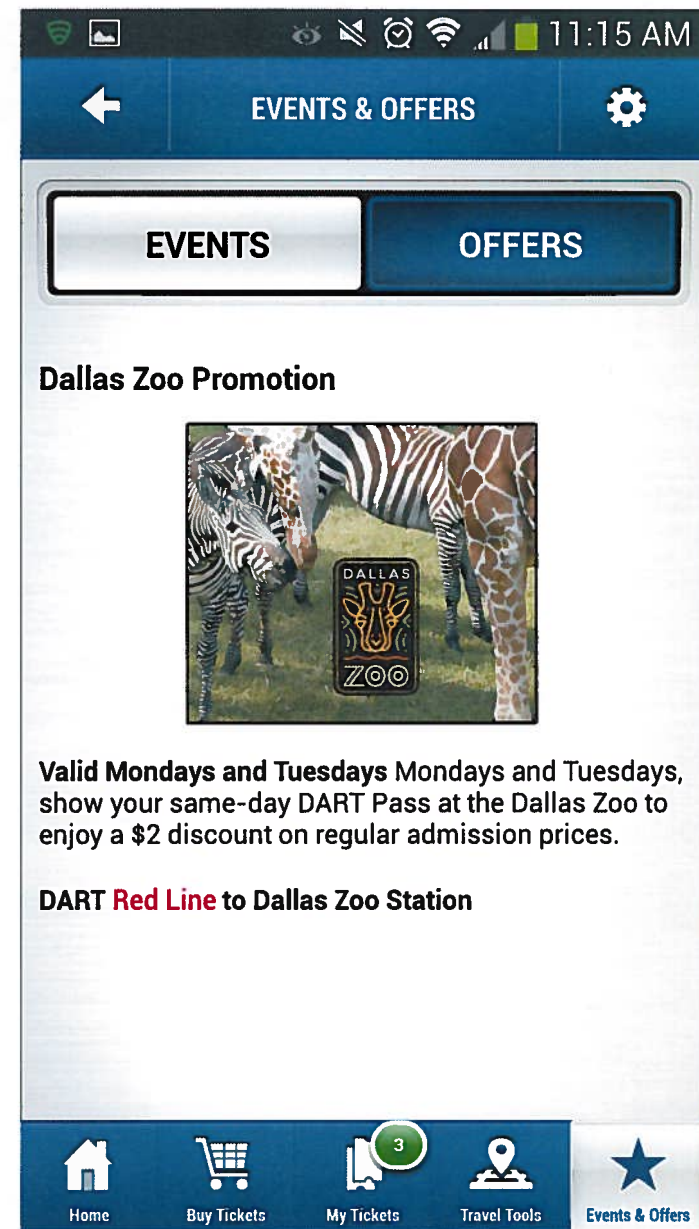
## Features – Travel Tools

- Trip Planning
  - Consistent with current trip planner
  - Provides the option to plan trip based on departure or arrival time
  - Informs riders of required ticket type
  - Provides link to ticket form to purchase ticket
- DCTA Where's My Ride? – March/April 2104
- Where's My Bus?® and Where's My Train?® (DART/Ft Worth "T")
  - Provides "real time" estimates for bus and train arrivals

A screenshot of a mobile application titled "TRIP PLANNER". The interface includes a top navigation bar with a back arrow, the title "TRIP PLANNER", and a settings gear icon. Below this are several input fields: "FROM: Current position" with a location icon, a vertical double-headed arrow icon, "TO: Address, City, State" with a location icon, and two radio buttons for "DEPARTURE" (checked) and "ARRIVAL". A date and time field shows "Today, 08:28 AM" with a calendar icon, and a transit mode field shows "Any transit mode" with bus and train icons. A large "SEARCH" button is at the bottom. The bottom navigation bar contains icons for "Home", "Buy Tickets", "My Tickets" (with a notification badge showing "2"), "Travel Tools", and "Events & Offers". The status bar at the top shows system icons and the time "8:28 AM".

# Features – Events & Offers

- Provides riders with information on activities in cities in the DART, Ft. Worth and Denton Service Area
- Opportunity to promote "Bundled Events"
  - e.g., Transit and State Fair Bundle Pass

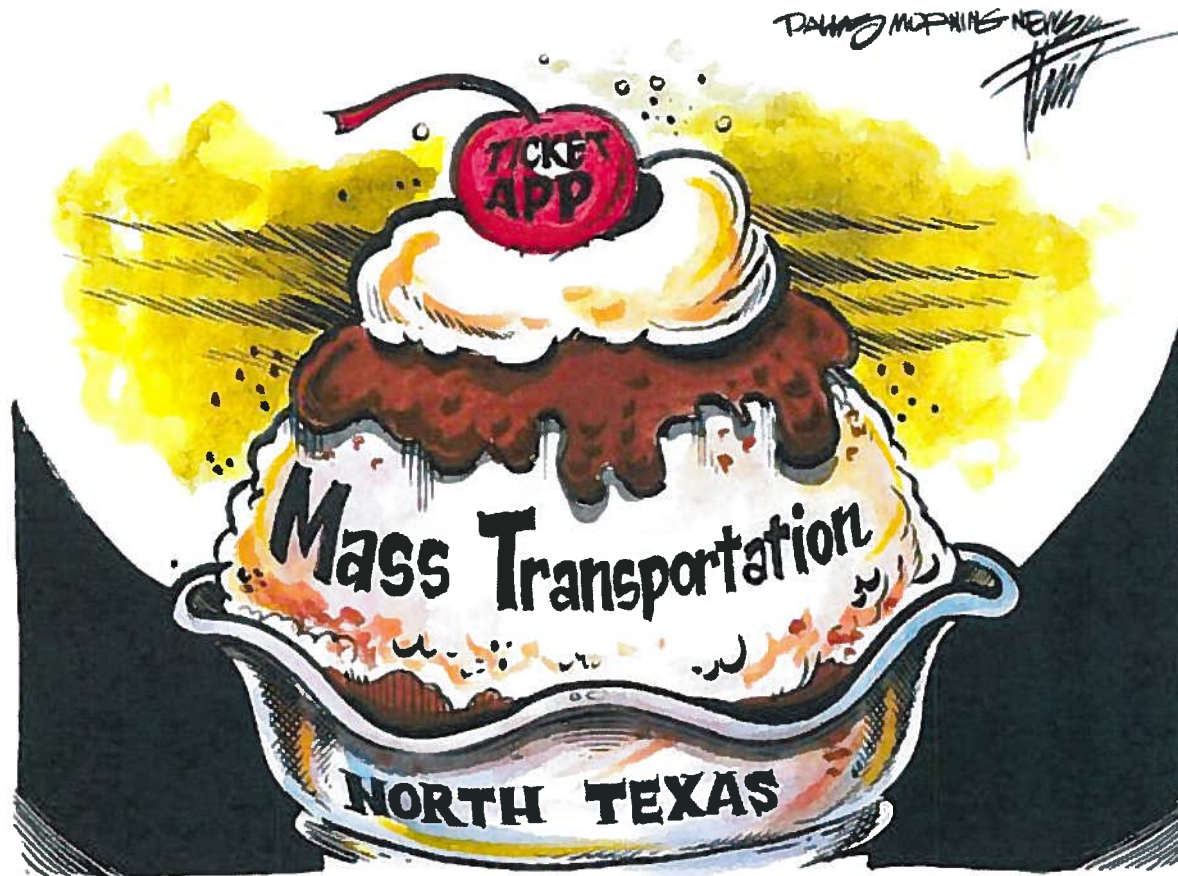


# Phases and Features

| Phase                          | Feature                                                                            |
|--------------------------------|------------------------------------------------------------------------------------|
| <b>Phase 1</b><br>June 2013    | Beta Test                                                                          |
| <b>Phase 2</b><br>Sept 2013    | Public Launch                                                                      |
| <b>Phase 3</b><br>January 2014 | Corporate/University passes                                                        |
| <b>Phase 4</b><br>March 2014   | Bundled ticket – Combined transit pass plus event ticket<br>DCTA – Where's My Ride |
| <b>Phase 5</b><br>Fall 2014    | CRM<br>Other agencies participation (NTTA Account, other transit agencies)         |
| <b>Phase 6</b><br>Spring 2015  | Validation on buses/platforms                                                      |



# Customer Perspective



# GoPass<sup>SM</sup> Mobile Ticketing

Available September 16th on Android and iPhones

**PAPER PASSES ARE SO YESTERDAY**

**DOWNLOAD THE NEW GOPASS MOBILE APP**

BUY MOBILE TICKETS, VIEW SCHEDULES AND MORE.

BUY MOBILE TICKETS, VIEW SCHEDULES AND MORE.

BUY MOBILE TICKETS, VIEW SCHEDULES AND MORE.





## **2014 Proposed January Service Changes & University Pass Program Structure Options Public Involvement Action Plan**

### **Study Area:**

Cities of Lewisville, Highland Village, Denton, University of North Texas and Texas Woman's University

### **Study Objective:**

Solicit public input on proposed service modifications and fare structure options for the University Pass Program.

### **Study Timeframe:**

August 14, 2013 – September 17, 2013

### **Public Meetings**

A series of public meetings were held in Lewisville, Highland Village and Denton, as well as on the campuses of the University of North Texas and Texas Woman's University during September 2013.

### **Paratransit Passengers**

DCTA did not propose any changes to the Access services or fare structure. No additional or special outreach was necessary.

### **Senior Citizens Groups**

DCTA did not propose any changes to the reduced (local and regional) fare structure, however DCTA distributed public meeting information to stakeholders that serve the elderly and disabled populations.

### **Business/Stakeholders**

DCTA placed print ads in all major print publications within each member city and used social media to complement this effort.

### **City Staff Briefings**

Notification of the public meetings was sent to city staff outlining proposed services modifications.

### **Environmental Justice Outreach**

Whenever possible, meetings were held in locations accessible by public transportation. Meeting notifications were provided to stakeholders and social service organizations that served low-income and minority populations.

### **Limited English Proficiency Plan**

The public meeting notification was disseminated in both English and Spanish consistent with the Authority's Limited English Proficiency Program.

## **Title VI Review**

A Title VI Review was conducted and no disparate impact was determined. The fare structure options to the University Pass Program being discussed have limited use or do not have heavy use by those with low-income or minority groups. Additionally, other fare type alternatives are made available.

## **Media/Community Relations**

Media Releases were sent out to area newspapers more than two weeks prior to the meeting dates.

Newspaper ads were purchased in the Lewisville Leader, Denton Record Chronicle, TWU Lasso and NT Daily and ran at least twice in each publication.

Meeting Notices were emailed to our key partners, posted on dcta.net, Facebook, Twitter and emailed to DCTA passengers. All public meetings notices were posted/distributed on DCTA fleet.

## **Public Meeting Feedback**

Five Meetings were held the week of September 2<sup>nd</sup>

Total of 42 Participants

## **University Pass Program**

Attendees were given two options for the University Pass Program and asked to give their feedback on the two.

Option #1 - Available by Semester or Annual, Obtain via RideDCTA.net or at the DDTC, Reduce Pricing for Regional Student Passes

- Three attendees liked this option
- I'm a commuter, so this fits better
- Add the UPP Annual or Midday Pass on Go Pass App
- Keep the University Pass
- Lower fares for UPP

Option #2 - DCTA issued ID + University ID + Daily Pass, Purchase \$2.50 Day Pass each day of travel, Obtain DCTA Issued ID at the DDTC

- Four attendees liked this option
- Only if it is available on GoPass
- I drive sometimes and commute sometimes via DCTA, I walk also
- I am a Non-Commuter
- This option is good for non-commuters

## **Service Changes/Scheduling**

Four attendees requested more frequent bus and train service, but especially on Connect routes: 2, 3, 4, 5, & 9

Route 3 is always early or late



More timely buses to TWU

Three attendees requested extended service hours (10pm-11pm)

Two attendees requested Sunday service

Two attendees requested more frequent Saturday service in general.

Two attendees requested later Connect bus service on weekends to accommodate late classes at TWU

Better connection after 5pm between route 5 and DDTC

DCTA to run 24 hours

Extend DDTC hours on Saturday

Extend accessibility to system after 7pm

Increase Fare Enforcement

Payroll deduction at UNT

Later Service on Saturday nights

No schedules at shelters, can't access schedule once DDTC is closed

Add outbound stop at Ryan High School

Get closer to stores at Razor Ranch-Wal-Mart etc. too long of walk

### **Passenger Amenities**

Two attendees requested improving passenger parking at DDTC

Two attendees requested a bathroom at train stops for long rides or elderly; especially at heavily populated stops i.e. Trinity Mills

Wi-Fi on the Buses

No sidewalks when I get off at HV/LL to Justin Rd. only gravel

Increase Signage at TVM stations for DCTA TVM locations

Electronic payment option on buses

TVM's are NOT reliable

Add TVM @ Trinity Mills at other end of platform

More shelters at stops

Glass shelters are too hot and no safe place to wait

### **A-train**

A-train announcements/volume & repetition: three attendees suggested fewer announcements and requested lower volume

Two attendees requested Wi-Fi on the Trains

Two attendees had midday service/frequency complaints

## Other

Concerns about the Affordable Care Act Regarding New Hires

Wants to purchase transfer pass from bus operators

Little to no communication regarding Holiday Closings, hot air Balloon Friday

Wrong maps at stops

DCTA enforcement making you exit the station to board non-existent bus, absolutely no knowledge of schedules

Pricing of union pass for family versus parking

A few drivers lack customers service skills; not sensitive to disabilities, caused a woman to fall by not waiting for her to sit down

## Feedback via Social Media

### Via Twitter

*How about you just extend bus and train service until at least 10pm. Then I would actually be able to use it.*

*I really wish @RideDCTA had like a 9:45/10pm departure time for the A-train as I don't get out of class until 9pm and there is no way...I could catch the bus in time to make it to the transit center so I'd have to walk there, which takes like half an hour.*

*@RideDCTA all of the shutdowns in the middle of the day make my day about 4 hours longer than it needs to be...*

### Via Facebook

*What about 110v outlets for computers?*

*I know you are a fairly new transit authority, but just wondering, are you equipped with WI-FI?*

*I really don't like your new schedule. Why can you not align the bus schedule with the train schedule? In the am & pm I now have to wait at least 20 minutes and it is way too hot for that. Not only that, but your change affected me being able to get to work on time, now I can be either very early or late. You are costing me thirty minutes of lost sleep in the morning and causing me to sweat way too much in the evening. Please try and fix this or at least go back to the way it was, it wasn't perfect but it was better than this. I am grateful to your organization for making me able to make it to work at all but this change makes my experience much less pleasant. I know I am not the only one who feels this way, everyone else who was out in the heat today waiting for the bus seemed to feel the same. Especially during rush hour/peak times 7 to 9 am and 5-7 pm you should really try to have the bus sync up better with the train.*



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

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

## Work Session Minutes

The Board of Directors of the Denton County Transportation Authority convened with Chairman Charles Emery presiding at 1:32 p.m. August 22, 2013 at 1660 S. Stemmons, Suite 250, Lewisville, TX 75067. A quorum was present.

### Attendance

#### Small Cities

Skip Kalb

#### Large Cities

Charles Emery, Lewisville, *Chairman*  
Paul Pomeroy, Highland Village, *Vice-Chair*  
Richard Huckaby, Denton, *Secretary*  
Carter Wilson, Frisco  
Jim Robertson, Flower Mound (arrived 2:40)  
Daniel Peugh, Corinth

#### Denton County at Large

Dave Kovatch, *Treasurer*

#### Denton County Unincorporated

George A. Campbell  
Don Hartman

#### Board Members Absent

Bill Walker  
Doug Peach, Little Elm  
Allen Harris, The Colony

#### DCTA Staff

James C. Cline, Jr., P.E.  
Anna Mosqueda, CFO / VP Finance  
Kristina Brevard, VP Marketing  
Communications  
Donna Bowers, Operations Manager

#### Legal Counsel

Pete Smith, General Counsel

#### Others in Attendance

Jim Owen – ATU 1338  
Mark Nelson – City of Denton  
Michael Chinn – Transit Management of  
Denton County

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

#### 1. Routine Briefing Items

- a. Financial Reports - Anna Mosqueda presented financial information
  - i. Financial Statements
  - ii. Capital Projects Fund
  - iii. Sales Tax Report
  - iv. Procurement Report

- v. Annual Audit
- b. Communications and Planning – Kristina Brevard reported on these items
  - i. Marketing and Communications Initiatives
  - ii. Media Coverage
  - iii. Customer Service
  - iv. Communications Architecture
- c. Capital Projects Update - Jim Cline presented information on the following topics
  - i. GTW Integration
  - ii. Where's My Ride
  - iii. Bus Radio System
  - iv. Bus Operations and Maintenance Facility (O&M)
  - v. Community Enhancements
  - vi. Lewisville Bike Trail
  - vii. Positive Train Control (PTC)
  - viii. Passenger Amenities
  - ix. Station Improvements
- d. Transit Operations – Donna Bowers provided an update
  - i. Rail Operations
  - ii. Bus Operations
- 2. Committee Reports
  - a. Finance Committee – Dave Kovatch reported information from the Finance Committee
- 3. Discussion of Regular Board Meeting Agenda Items (August 22, 2013) – no discussion
- 4. Executive Session - 2:50 p.m.
  - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Work Session or the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
  - b. As authorized by Texas Government Code section 551.071 consultation with General Counsel regarding pending litigation Cause No 2011-30066-211; URS Corporation v. Denton County Transportation Authority; 211th District Court, Denton County, Texas.
  - c. As Authorized by Texas Government Code Section 551.072 deliberate purchase, exchange, lease or value of real property owned by DCTA and described as Lot 2, Block A, DCTA Maintenance Facility Addition, an addition to the City of Lewisville, Denton County, Texas.
- 5. Reconvene Open Session 4:18 p.m.
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session. Motion made by Richard Huckaby that the compensation of the Denton County Transportation Authority President be changed effective October 1, 2013 and that the Chairman execute a new employment agreement for the President as follows:

- Annual Base Salary of \$183,855
  - Annual Vacation of 20 days per year
  - Auto allowance of \$515 per month
  - Cellular telephone allowance of \$100 per month
  - Reimbursement of up to \$500 per year for annual physical
  - Annual Performance review in August each year rather than March
- AND that the President be provided a one-time temporary additional salary amount of \$5,355.00 for one month to be paid during the pay period beginning September 1, 2013. Motion was seconded by Dave Kovatch. Motion carried unanimously.

6. Discussion of Future Agenda Items
  - a. Board Member Requests - none



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

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

## Board Meeting Minutes

The Board of Directors of the Denton County Transportation Authority convened with Chairman Charles Emery presiding at 4:26 p.m. August 22, 2013 at 1660 S. Stemmons, Suite 250, Lewisville, TX 75067. A quorum was present.

### Attendance

#### Small Cities

Skip Kalb

#### Large Cities

Charles Emery, Lewisville, *Chairman*  
Paul Pomeroy, Highland Village, *Vice-Chair*  
Richard Huckaby, Denton, *Secretary*  
Carter Wilson, Frisco  
Jim Robertson, Flower Mound  
Daniel Peugh, Corinth

#### Denton County at Large

Dave Kovatch, *Treasurer*

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George A. Campbell  
Don Hartman

#### Board Members Absent

Bill Walker  
Doug Peach, Little Elm  
Allen Harris, The Colony

#### DCTA Staff

James C. Cline, Jr., P.E.  
Anna Mosqueda, CFO / VP Finance  
Kristina Brevard, VP Marketing  
Communications  
Donna Bowers, Operations Manager

#### Legal Counsel

Pete Smith, General Counsel

#### Others in Attendance

Jim Owen – ATU 1338  
Mark Nelson – City of Denton  
Michael Chinn – Transit Management of  
Denton County

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

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS – Don Hartman

INVOCATION – Charles Emery

## WELCOME AND INTRODUCTION OF VISITORS:

- Jim Cline presented 5 year service award to Anna Mosqueda.
- Tim Schmidt presented 2013 ACEC Texas Engineering Excellence Silver Award received by Lockwood, Andrews, & Newnam, Inc. for their part in Denton County Transportation Authority A-train project.

### 1. CONSENT AGENDA

- a. Approval of Minutes
  - i. Board Meeting July 25, 2012
  - ii. Special Called Board Meeting / Finance Committee
  - iii. Special Called Board Meeting / Program Services Committee-Motion to approve Consent Agenda Item 1a made by Dave Kovatch, 2<sup>nd</sup> by Skip Kalb. Motion carried unanimously.
- b. Acceptance of Financial Reports
  - Motion to approve Consent Agenda Item 1b made by Richard Huckaby, 2<sup>nd</sup> by Dave Kovatch. -Motion carried unanimously.

### 2. REGULAR AGENDA

- a. Discussion / Authorize President to Execute an Agreement with Jacobs Engineering for Design and Engineering Lewisville Trail
  - Motion to Authorize President to Execute an Agreement with Jacobs Engineering for Design and Engineering Lewisville Trail made by Paul Pomeroy. 2<sup>nd</sup> by Dave Kovatch. Motion carried unanimously.
- b. Discussion / Authorize President to Execute an Agreement with Huitt Zollars for City of Lewisville Recreational Parking
  - Motion to Authorize President to Execute an Agreement with Huitt Zollars for City of Lewisville Recreational Parking made by Skip Kalb. 2<sup>nd</sup> by Paul Pomeroy. Motion carried unanimously.
- c. Discussion / Approval of Interlocal Agreement between Denton County Transportation Authority and City of Lewisville for Design and Construction of City of Lewisville Recreational Parking
  - Motion to approve Interlocal Agreement between Denton County Transportation Authority and City of Lewisville for Design and Construction of City of Lewisville Recreational Parking made by Paul Pomeroy. 2<sup>nd</sup> by Carter Wilson. Motion carried unanimously.
- d. Proposed FY2013 Operating and Capital Budget – Presented by Anna Mosqueda
  - i. Presentation and Discussion of Proposed FY2014 Budget
  - ii. Conduct Public Hearing on Proposed FY2014 Budget.
    - Public Hearing opened at 5:11 pm
    - Speaker Information: Jim Owen, 207 Teasley Lane, Denton, Tx 76205. No other speakers
    - Public Hearing closed at 5:14 p.m.

3. CHAIR REPORT – Charles Emery gave an update on these issues
  - a. Discussion of Regional Transportation Issues
  - b. Discussion Legislative Issues
    - i. Regional
    - ii. State
    - iii. Federal
  
4. PRESIDENT'S REPORT – Jim Cline provided information and announced that staff member Dee Leggett has been accepted into the Leadership APTA program of the American Public Transportation Association.
  - a. Community Meetings
  
5. REPORT ON ITEMS OF COMMUNITY INTEREST –
  - a. Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.
  
6. CONVENE EXECUTIVE SESSION - None
  - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
  
7. RECONVENE OPEN SESSION – n/a
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
  
8. ADJOURN 5:14 p.m.



**Board of Directors Memo**

September 26, 2013

**Item: 1 c Authorize President to enter into a Letter of Engagement with Weaver & Tidwell LLP for Annual Audit Services for Fiscal Year ended Sept. 30, 2013.****Background**

The Texas Transportation Code Chapter 460 requires DCTA to have an annual audit prepared by independent certified public accountants. The external auditors are required to audit the basic financial statements and express an opinion on those statements. They will also perform the audit to satisfy the requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget OMB Circular No. A-133. In addition to the financial audit report, the auditors will issue a report on the expenditure of federal awards, internal control, and compliance with legal provisions of contracts and grant agreements. The 2013 audit will include tests and procedures to identify risk in the DCTA financials and plans. This Engagement Letter is for year three (3) of the agreement.

The Engagement Letter for audit services for Fiscal year ended 9/30/2013 is included as Exhibit A.

**Identified Need**

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

**Committee Review**

In August of 2011, after a competitive procurement process the Board of Directors authorized the President to execute an agreement with Weaver & Tidwell, LLP for external audit services. The agreement is for three (3) fiscal year periods ending 9/30/2011, 9/30/2012 and 9/30/2013 with an option for two (2) additional annual renewals for fiscal year periods ending 9/30/2014 and 2015.


**Financial Impact**

This engagement with Weaver & Tidwell, LLP will be for a not-to-exceed price of \$48,810 as per the agreement unless, the scope of the engagement is changed. Audit Services are included in the annual budget and the not-to-exceed amount is within budget. Staff does not anticipate a change in scope.

**Recommendation**

This has been reviewed by Legal and staff recommends the Board of Directors authorize the CEO or his designee to sign the Letter of Engagement with Weaver & Tidwell, LLP for the 2013 fiscal year end audit.

Final Review:

  
Anna Mosqueda, CFO

Approval:

  
Jim Cline, President



July 29, 2013

Ms. Anna Mosqueda, CFO  
Denton County Transportation Authority  
1660 South Stemmons Freeway, Suite 250  
Lewisville, Texas 75067

Dear Ms. Mosqueda:

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

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

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

## **Audit Objectives**

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

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

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

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

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

### **Management Responsibilities**

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

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

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

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

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

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

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

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

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

During the course of our engagement, we will request information and explanations from management regarding the Authority's operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter.

The Authority agrees that as a condition of our engagement to perform an audit, that management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the audit and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the audit; or, worse, could cause a material error or a fraud to go undetected by our procedures. Thus, the Authority agrees that we will not be liable for any damages or otherwise responsible for any misstatements in the Authority's financial statements that we may fail to detect as a result of false or misleading representations that are made to us by management. Moreover, the Authority agrees to indemnify and hold us harmless from any claims and liabilities, including reasonable attorneys' fees, expert fees and costs of investigation and defense, arising out of or related to this engagement if false or misleading representations are made to us by any member of the Authority's management.

#### **Audit Procedures—General**

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

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

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

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

#### **Audit Procedures—Internal Control**

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

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

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



### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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

### **Engagement Administration, Fees, and Other**

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

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

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

Denton County Transportation Authority  
July 29, 2013

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We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Weaver and Tidwell, L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Mr. Jerry Gaither is the engagement partner and is responsible for supervising the engagement and signing the report on behalf of Weaver and Tidwell, L.L.P. We expect to begin our audit on approximately November 11, 2013.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$48,810. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

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

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our fee is based upon the complexity of the work to be performed and the tasks required. Fees for our services are due upon receipt of our invoice. For bills not paid within 60 days of the billing date, a late charge will be added to the outstanding balance. The late charge will be assessed at .5% on the unpaid balance per month.

Denton County Transportation Authority  
July 29, 2013

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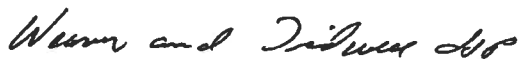
*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2010 peer review accompanies this letter.

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

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

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

Yours truly,



WEAVER AND TIDWELL, L.L.P.

JLG:pel

RESPONSE:

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

Officer signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



## Board of Directors Memo

September 26, 2013

### **Item: 1(d) Approve Resolution 13-03 Adopting Annual Investment Policy**

#### **Background:**

It is the policy of the Denton County Transportation Authority (DCTA) 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 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.

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.

The last adoption by the Board of the DCTA Investment Policy was on October 25, 2012. DCTA contracts with First Southwest Asset Management, Inc ("FSAM") for investment advisory services. The policy has been reviewed by FSAM to insure that all the necessary language as required by the Act is present in the written DCTA Investment Policy document. There are no changes recommended this year. Included for your reference is the letter from FSAM confirming their review of our investment policy.

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 and have implemented procedures to preclude unauthorized transactions. 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 on file and 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.

#### **Financial Impact:**

There is no financial impact. DCTA staff will continue to invest in a manner that will provide the maximum security of principal invested while meeting the daily cash flow needs within the guidelines of the policy.

**Committee Review:**

This item was briefed at July 25, 2013 Board meeting as part of discussion regarding award of contract for Investment Advisory Services.


**Recommendation:**

Staff recommends approval of Resolution 13-03 Adopting Annual Investment Policy. DCTA Investment Policy is included as an attachment to this memo.

Submitted by:

  
\_\_\_\_\_  
Anna Mosqueda, CFO

Approval:

  
\_\_\_\_\_  
James C. Cline, President



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

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

**Scott McIntyre**  
Senior Vice President

scott.mcintyre@firstsw.com

**POLICY REVIEW**

September 9, 2013

Ms. Anna Mosqueda  
Chief Financial Officer  
Denton County Transportation Authority  
1660 South Stemmons, Suite 250  
Lewisville, TX 75067

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 met in 2013, but did not pass any applicable amendments to the Act. All previously written requirements of the Act are included within the current policy. As a result, we do not recommend any changes to the Denton County Transportation Authority 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  
Senior Vice President

Cc: Ms. Marisa Perry

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 13-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) APPROVING INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT “A”; APPOINTING THE INVESTMENT OFFICERS AND AUTHORIZING INVESTMENT TRANSACTIONS ON BEHALF OF THE DCTA; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, it is the policy of the DCTA that the administration of its funds and the investment of those funds shall be handled as its highest public interest; and

**WHEREAS**, 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 the DCTA and conforming to all applicable state statutes governing the investment of public funds; and

**WHEREAS**, in accordance with the Public Funds Investment Act, Chapter 2256, TEXAS GOVERNMENT CODE, the Board of Directors by resolution adopted an investment policy; and

**WHEREAS**, Section 2256.005, Tex. Government Code requires the Board of Directors to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

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

**SECTION 1.** The DCTA Investment Policy attached hereto as Exhibit “A” be and the same is hereby adopted and shall govern the investment policies and investment strategies for the DCTA, and shall define the authority of the investment officials of the DCTA from and after the effective date of this resolution.

**SECTION 2.** The Board of Directors of the DCTA has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit “A” hereto.

**SECTION 3.** The DCTA Chief Financial Officer, Anna Mosqueda, is hereby designated the Investment Officer, and DCTA President, Jim Cline, is designated as the alternate investment officer.

**SECTION 4.** The Investment Officer and Alternate Investment Officer are hereby authorized to engage in investment transactions on behalf of DCTA.

**SECTION 5.** The Investment Officers authorized by this resolution shall also be authorized to approve wire transfers used in the process of investing.

**SECTION 6.** The Investment Officers shall designate a liaison/deputy in writing in the event circumstances require timely action and the Investment Officers are unavailable.

**SECTION 7.** That all provisions of the resolutions of the Board of Directors of the DCTA in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

**SECTION 8.** This resolution shall become effective immediately upon its passage and approval.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 26<sup>TH</sup> DAY OF SEPTEMBER, 2013.**

**APPROVED:**

---

Charles Emery, Chairman

**ATTEST:**

---

Richard Huckaby, Secretary

**APPROVED AS TO FORM:**

---

Peter G. Smith, General Counsel  
(PGS:9-20-13:TM 62476)



# EXHIBIT "A"

RM 1d

## DENTON COUNTY TRANSPORTATION AUTHORITY INVESTMENT POLICY

### I. POLICY STATEMENT

The Denton County Transportation Authority (DCTA) policy is 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 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, Board Policy, and the management of banking 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 diversity by market sector, credit, and maturity. 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 of DCTA. Investments of DCTA 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.

# EXHIBIT "A"

RM 1d

## Liquidity

DCTA's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated. 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 be invested in investments that offer same-day liquidity for unanticipated 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 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 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 of DCTA. The Investment Officer is responsible for investment management decisions and activities. 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 of the investment program which are consistent with this Investment Policy. 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.

## EXHIBIT "A"

RM 1d

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.

### 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, 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 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 the DCTA.

### 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.

## EXHIBIT "A"

**RM 1d**

- 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 principle 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;
- E. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act; and,

If additional types of securities are approved for investment by public funds by state statutes, they 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.

## EXHIBIT "A"

RM 1d

Securities broker/dealers must meet certain criteria as determined by the Investment Officer. 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 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 without any 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 Investment Officer for approval. The advisor shall annually present a list of its authorized broker/dealers to the DCTA for review and likewise shall execute the aforementioned written instrument 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%                       |

# EXHIBIT "A"

RM 1d

|                                   |                   |
|-----------------------------------|-------------------|
| 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 invest more than 20% of the portfolio for a period greater than one (1) year. Unless matched to a specific requirement, the Investment Officer may not 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 the FDIC insurance coverage of \$250,000, and repurchase agreements.

In order to anticipate market changes and provide a level of additional security for all funds, 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
- C. contain a summary statement that states:
  - a. beginning book and market value for the reporting period;
  - b. ending book and market value for the period; and
  - c. fully accrued interest for the reporting period;

## **EXHIBIT "A"**

**RM 1d**

- 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 their latest audited financial statements to DCTA.

### **XIV. TRAINING REQUIREMENT**

The DCTA Investment Officer 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 they conduct business. They shall further disclose 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**

## **EXHIBIT "A"**

**RM 1d**

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 changes to the policy from the review, will be passed and recorded by the Board.

Previous Action:

Adopted October 25, 2012



# **EXHIBIT "A"**

**RM 1d  
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



## Board of Directors Memo

August 26, 2010

**Subject:** Authorize the President to execute a Third Amendment to Right of Entry and Possession with City of Denton granting access to the Downtown Denton Transit Center (DDTC)

### Background

In May of 2008 DCTA and City of Denton entered into an agreement authorizing City of Denton to construct the DDTC and transfer the building and related property and assets to DCTA upon completion of the construction and FTA approval of the transfer of the assets. DCTA would reimburse City of Denton the local share in amount not to exceed \$777,423 (20%) of the federal grant awarded to City of Denton for the project. Half of the local share reimbursement was paid upon approval of the agreement and the balance was to be paid after completion of project and transfer of assets.

Construction was substantially complete in May 2011 and DCTA began occupying the DDTC under a Right of Entry (ROE) with the City of Denton in June of 2011 pending final close out of the grant and final conveyance of assets. The grant was closed out in mid-2013. The transfer of assets is the final step in this process.

City staff is in the process of finalizing the list of assets to be conveyed to DCTA. DCTA staff has been working with the City of Denton to facilitate the asset transfer process. Reimbursement for the balance of the local match will be made after the asset transfer has been completed and accepted by the DCTA Board. City of Denton staff anticipates having the completed asset list for DCTA final review within the next 90 days. The asset list will then be submitted to FTA for approval.

The current amendment to the Right of Entry Agreement expires September 30, 2013. Since the asset transfer is not yet completed, the Right of Entry agreement needs to be extended to allow time for completion of the asset transfer. This amendment extends Right of Entry to March 2014 to allow adequate time for FTA review and approval.

### Identified Need

Allow continuing access to the DDTC pending completion of transfer.

### Financial Impact

N/A

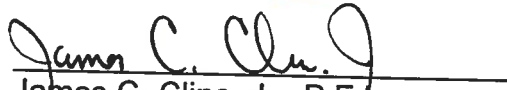
**Committee Review**

N/A.

**Recommendation**

Staff recommends the Board authorize the President to execute the agreement.

Final Review:   
Department Head

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



**Board of Directors Memo** **September 26, 2013**

**Item: 2(b) Discussion/Approval of Award of Contract for Construction of Community Enhancements**

**Background**

An RFB was released on August 5, 2013, for the construction of the community enhancements in Denton. The RFP was posted on BidSync and was viewed/downloaded by 56 potential prime contractors and subcontractors. Eight (8) bids were received on August 29, 2013, and were reviewed and evaluated by a panel of staff along with Jacobs Engineering Group. The bid tabulation was provided to TxDOT for their review and concurrence for award by DCTA. DCTA is awaiting final approval of the recommendation for award.

JC Commercial was the lowest responsive bidder with a total bid of \$597,777. References were verified with the City of Dallas and the City of Lewisville. Both entities provided good reference verifications.

The DBE goal for the project was set at 3% of the total contract value. JC has committed to meet and exceed this goal with a total commitment of 5%. This commitment is currently under review by TxDOT.

Eight bids were received from the following:

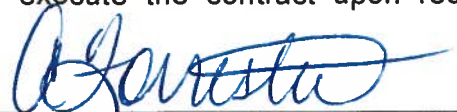
- |                        |                                 |
|------------------------|---------------------------------|
| JC Commercial Inc      | 2CMD                            |
| Nash CM Inc            | Xtreme Boyd Construction        |
| HCIC Enterprises       | AUI Special Projects Group, Inc |
| Roesch Co Construction | Fain                            |


**Financial Impact**


DCTA executed an advance funding agreement with TxDOT for total project cost including design and other fees in the amount of \$752,733, of which \$594,050 is allocated for construction costs. DCTA will receive a reimbursement of eighty percent (80%) from TxDOT for construction of this project.

**Recommendation**

Staff requests the Board approve the award of the contract to JC Commercial and authorize the President to execute the contract upon receipt of approval and concurrence from TxDOT.

Submitted by:   
Athena Forrester, Purchasing Manager

Final Review:   
Dee Leggett, VP of Program Development

Approval:   
James C. Cline, Jr., President



**Board of Directors Memo** **September 26, 2013**

**Subject: RM 2c Amendments to the Denton County Transportation Authority Bylaws to Comply with Texas Transportation Code Chapter 460 Changes by the 83rd Legislature**

Amendments to the Denton County Transportation Authority Bylaws are required in order to reflect the changes to Texas Transportation Code Chapter 460 made by the 83<sup>rd</sup> legislature. Board Members discussed and finalized changes in the August 22, 2013 Board Meeting. These changes were distributed to Board Members during the meeting, thus satisfying the minimum two week review period required for changes to the Bylaws.

A handwritten signature in blue ink, reading "James C. Cline, Jr.", is written over a horizontal line. The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

James C. Cline, Jr.

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**DENTON COUNTY TRANSPORTATION**

**AUTHORITY BYLAWS**

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Adopted January 3, 2002  
(rev. February 13, 2004, October 26, 2006, September 27, 2007, December 17, 2009, November 17, 2011, April 25,  
2013 and September 26, 2013)

# DENTON COUNTY TRANSPORTATION AUTHORITY BYLAWS

## ARTICLE I NAME

**Section 1. Name.** The name of the authority shall be the Denton County Transportation Authority ("Authority").

**Section 2. Authorization.** These Bylaws are adopted pursuant to authority granted in Section 460.204(c)(2) of the Texas Transportation Code ("Code"). In the event of any conflict between these Bylaws and the Code or other applicable laws of the State of Texas, such laws shall be controlling. In the event any provision of these Bylaws shall be determined to be invalid, the remainder of these Bylaws shall nevertheless remain in force and effect.

### Section 3. Definitions.

- (a) **Alternate Member.** Alternate Board Member shall mean a person appointed to serve in the absence of the regular appointed member of the Board of Directors representing such city.
- (b) **Board Member.** Board Member means and includes appointed or elected members of the Board of Directors, as well as alternate board members serving in the absence of appointed board members.
- (c) **Capital Asset.** Land, a fixture attached to land, or an item of personal property that meets all of the following criteria: (1) the cost of acquisition or the cost of improvement of such property exceeds \$5,000; (2) the expected useful life of the property when acquired is more than 1 year or the extension of the useful life of the property as a result of the improvement is more than 1 year; (3) the property retains its original shape and appearance with use; and (4) the property is nonexpendable (meaning that if the property is damaged or some of its constituent parts are lost or worn out, it is usually more economical to repair the property than to replace it with an entirely new unit).
- (d) **Capital Expenditure.** Expenditure made to acquire or improve one or more Capital Assets and includes the acquisition and/or improvement of real property.
- (e) **Executive Committee.** Executive Committee shall mean the committee appointed by the DCTA Chair consisting of the Directors as set forth in Article III, Section 9 (c).
- (f) **Financial Participating Member.** A Financial Participating Member shall mean a municipality that has imposed the transit sales and use tax authorized by Chapter 460 of the Transportation Code or which has contracted with DCTA for financial participation through tax increment payments as provided by Subchapter I,

Chapter 460 of the Transportation Code, and which is entitled to have a Director on the DCTA Board of Directors.

## ARTICLE II OFFICES

**Section 1. Principal Office.** The principal office of the Authority shall be in Denton County, Texas.

**Section 2. Additional Offices.** Authority also may have offices at such other places as the Authority from time to time may determine or as the activities of Authority may require.

## ARTICLE III BOARD OF DIRECTORS

**Section 1. General Powers.** The responsibility for the management operation and control of the Authority and its properties is vested in the Board of Directors. [Section 460.401].

**Section 2. Number and Composition.** The Board of Directors is composed of:

- (a) One member appointed by the governing body of each municipality with a population of 17,000 or more that is located in the county;
- (b) Three members appointed by the Commissioner's Court of Denton County, two of whom must reside in the unincorporated area of the county; and
- (c) Three members to be designated by the remaining municipalities with a population of more than 500 but less than 17,000 located in the Denton County. These three members will be selected according to provisions of the Code. [Section 460.054(c)].
- ~~(e)~~(d) One member appointed by the governing body of each municipality in the county with a population of more than 500 but less than 17,000 that:
  - (i) designates a public transportation financing area under Section 460.603;
  - (ii) enters into an agreement with the Authority to provide public transportation services in the public financing area under Subchapter I, Chapter 460; and
  - (iii) did not approve the designation of any member designated under Section 2 (c) above.



(d)(e) Member appointed by the governing body of a municipality that was entitled to appoint a member under Section 460.054 (b)(1) of the Code before the effective date of an increase in the population threshold. (Section 460.2015) The Board of Directors may increase the population threshold amounts stated in Section 460.054(b)(1) in increments up to 5,000 each year. A municipality that appointed a member to the Board of Directors according to the provisions of Section 460.054(b)(1) of the Code prior to any increase in population threshold is grandfathered and may continue to appoint a member to the Board of Directors.

(e)(f) Appointing entities may appoint a member to the Board of Directors and may also provide for the appointment of one alternate to serve in the absence of the appointed member. An Alternate Member may attend Board and committee meetings but shall not vote on any matter before the Board or committee or participate in any discussion in matters before the Board or a committee except when serving in place of the regular Board of Directors member [Section 460.054(b)(1)]. Appointing entities shall notify the Authority in writing of the appointment, reappointment, resignation or removal of an Alternate Member.

### **Section 3. Eligibility.**

- (a) To be eligible for appointment to the Board of Directors, a person must: (i) have professional experience in the field of transportation, business, government, engineering or law; and (ii) reside: (A) within the territory of the Authority; or (B) outside the territory of the authority in a municipality that is located partly in the territory of the Authority. [Section 460.202].
- (b) Three consecutive unexcused absences of a Director at a noticed Board of Directors meeting or the death, resignation or inability to serve shall create a vacancy.

**Section 4. Vacancy.** A vacancy on the Board of Directors is filled in the same manner as the original appointment to the Board of Directors. [Section 460.201(c)].

**Section 5. Terms.** The term of office for a member of the Board of Directors is two years. A vacancy on the Board of Directors is filled in the same manner as the original appointment to the Board of Directors to fill the unexpired portion of such term of office, except as provided by Section 460.2015 of the Code for grandfathered municipalities.

**Section 6. Meetings.** The Board of Directors shall hold at least one regular meeting each month. [Section 460.055(c)]. Special meetings of the Authority may be called by the Chair or Vice-Chair as necessary. [Section 460.204(b)].

**Section 7. Quorum.** Five members constitute a quorum for purpose of conducting business. [Section 460.205(a)].

**Section 8. Notice.** All meetings of the Authority and its committees shall be in compliance with Texas Open Meetings Act. [Section 460.102(a)(1)].

## **Section 9. Committees**

- (a) The Chair of the Board may appoint such committees as from time to time may be deemed necessary and appropriate. The committee shall not have any power or authority to act on behalf of the Denton County Transportation Authority. The Chair will designate the chair of each committee, which will be comprised of at least three Board of Directors members, and will serve as an ex officio member of each committee.
- (b) The committee shall report its discussions or recommendations, subsequent to its meeting, to the next Board of Directors meeting. [Section 460.401].
- (c) The Executive Committee shall consist of the four (4) officers of the Board of Directors, and the Chair may appoint one additional eligible Director of the Board of Directors to the Executive Committee. Notwithstanding the foregoing, no member of the Board of Directors, who is an employee of the governmental unit appointing such a person to the Board of Directors, may serve on the Executive Committee.

## **Section 10. Voting.**

- (a) An action of the Board of Directors requires an affirmative vote of a majority of the Directors, but not less than five (5) Directors present and voting, except for a vote pursuant to paragraph (b) of this section. [Section 460.205(b)].
- (b) An affirmative vote of the majority of the entire Board of Directors, including two-thirds (2/3) vote of Directors representing Financial Participating Members is required for:
  - (1) a capital expenditure;
  - (2) operating or maintenance expenditure for a capital asset;
  - (3) material change of the service plan;
  - (4) amendment of the bylaws;
  - (5) the approval of a comprehensive development agreement (“CDA”) or similar financial contractual obligation for a purpose not an express commitment of the DCTA Service Plan;
  - (6) the approval of a contract or other agreement between the DCTA and a municipality or other governmental authority located within the A-train Corridor for participation in DCTA; or
  - (7) the formation of a local government corporation, contracting with, joining or becoming a member or owner of a local government corporation.
- (c) Alternate Members. An alternate Board Member may only serve in the absence of the regular board member. An alternate Board Member may vote in place of the regular Board Member when the regular Board Member is absent.

**Section 11. Procedure of Meetings.** Notice of all meetings and hearings of Authority shall be given, and such meetings and hearings shall be held and conducted in accordance with the following order: applicable law, these Bylaws, the Board of Directors Rules of Procedure and Robert's Rules of Order, newly revised, to the extent not in conflict. The General Counsel of the Authority shall serve as parliamentarian to the Authority.

**Section 12. Conflicts of Interest.** Members of the Board of Directors and officers are subject to Chapter 171 Local Government Code. [Section 460.203].

**Section 13. Population Changes.**

- (a) At least annually but before any vote authorizing confirmation of the Authority or imposition of a sales and use tax, the Authority shall determine if any municipality located in the county that has not appointed a member to the Board of Directors as provided by Section 460.054(b)(1) of the Code, has grown to a population of 17,000 or more.
- (b) A determination of population growth to 17,000 or more will be documented by "Annual Population Estimates" for municipalities located in Denton County published by North Central Texas Council of Governments. The population of the municipality submitted to the Authority for approval may be challenged by a member of the Board of Directors.
- (c) The Board of Directors may certify: (i) that a municipality has a current population of 17,000 or more; and (ii) does not have a member appointed to the governing body as provided by Section 460.054(b)(1). Subsequent to the certification vote, a municipality so certified may forthwith appoint one member to the Board of Directors as provided by the Code.

**ARTICLE IV  
OFFICERS**

**Section 1. Election.** The Board of Directors shall elect four (4) of its members to serve as the Chair, Vice-Chair, Treasurer, and Secretary. [Section 460.055(a)]. The Chair or Vice Chair shall be a Director representing a Financial Participating Member.

**Section 2. Chair.** The Chair shall preside at all regular and special meetings of the Authority. Effective January 1, 2012, a member of the Board of Directors may not serve more than four (4) consecutive terms as Chair.

**Section 3. Vice-Chair.** The Vice-Chair shall preside at any meeting of the Authority on the request of the Chair, or at which the Authority Chair is absent.

**Section 4. Treasurer.** The Treasurer shall work with the Chief Financial Officer in preparing the budget and supervising the annual audit.

**Section 5. Secretary.** The Secretary shall review the minutes of all Board proceedings, make any necessary revisions, and attest to the accuracy of the minutes.

**Section 6. Term.** The officers of the Authority shall be elected from among the members of the Board of Directors and shall hold office for one (1) year. The term of office for each officer shall be for a period of one year and shall run from January 1 through and including December 31 of the calendar year.

## **ARTICLE V BUDGET AND FINANCE**

**Section 1. Fiscal Year.** The Fiscal Year of the Authority shall end on September 30 of each year.

**Section 2. Annual Budget.** The Authority shall prepare an Annual Budget. [Section 460.403].

**Section 3. Audit.** The Authority shall have an annual audit of the affairs of the Authority prepared by an independent certified public accountant. Any deficiencies noted in the audit report shall be addressed at a regular meeting of the Authority and addressed on the record [Section 460.402].

## **ARTICLE VI RULES, POLICIES AND PROCEDURES**

The Board of Directors is responsible for the management, operation, and control of the authority and its properties. [Section 460.401].

## **ARTICLE VII INDEMNIFICATION**

The Denton County Transportation Authority shall indemnify any member of the Board of Directors involved in any litigation including any civil, criminal or administrative action suit or proceeding, for reason of such member's alleged negligence or misconduct in the performance of his or her duties as a Board of Directors Member to the extent funds are lawfully available and subject to any other limitations that exist by law against liability, and reasonable expenses, including attorneys' fees, actually and necessarily incurred, except where it is adjudged that such Board of Directors member acted with gross negligence or willful misconduct in the performance of their duties.

## **ARTICLE VIII**

## **AMENDMENT TO BYLAWS**

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted pursuant to Article III, § 10(b) at any regular, properly posted meeting of the Authority, or any properly posted special meeting of the Authority, at which a quorum is present; provided that prior to consideration and vote by the Authority, any proposed revisions to the Bylaws may be reviewed and commented on by the Board of Directors and shall be provided in writing to all Authority Board of Directors members at least two weeks prior to action on the amendments.

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# **DENTON COUNTY TRANSPORTATION**

## **AUTHORITY BYLAWS**

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Adopted January 3, 2002  
(rev. February 13, 2004, October 26, 2006, September 27, 2007, December 17, 2009, November 17, 2011, April 25,  
2013 and September 26, 2013)

# DENTON COUNTY TRANSPORTATION AUTHORITY BYLAWS

## ARTICLE I NAME

**Section 1. Name.** The name of the authority shall be the Denton County Transportation Authority ("Authority").

**Section 2. Authorization.** These Bylaws are adopted pursuant to authority granted in Section 460.204(c)(2) of the Texas Transportation Code ("Code"). In the event of any conflict between these Bylaws and the Code or other applicable laws of the State of Texas, such laws shall be controlling. In the event any provision of these Bylaws shall be determined to be invalid, the remainder of these Bylaws shall nevertheless remain in force and effect.

### **Section 3. Definitions.**

- (a) **Alternate Member.** Alternate Board Member shall mean a person appointed to serve in the absence of the regular appointed member of the Board of Directors representing such city.
- (b) **Board Member.** Board Member means and includes appointed or elected members of the Board of Directors, as well as alternate board members serving in the absence of appointed board members.
- (c) **Capital Asset.** Land, a fixture attached to land, or an item of personal property that meets all of the following criteria: (1) the cost of acquisition or the cost of improvement of such property exceeds \$5,000; (2) the expected useful life of the property when acquired is more than 1 year or the extension of the useful life of the property as a result of the improvement is more than 1 year; (3) the property retains its original shape and appearance with use; and (4) the property is nonexpendable (meaning that if the property is damaged or some of its constituent parts are lost or worn out, it is usually more economical to repair the property than to replace it with an entirely new unit).
- (d) **Capital Expenditure.** Expenditure made to acquire or improve one or more Capital Assets and includes the acquisition and/or improvement of real property.
- (e) **Executive Committee.** Executive Committee shall mean the committee appointed by the DCTA Chair consisting of the Directors as set forth in Article III, Section 9 (c).
- (f) **Financial Participating Member.** A Financial Participating Member shall mean a municipality that has imposed the transit sales and use tax authorized by Chapter 460 of the Transportation Code or which has contracted with DCTA for financial participation through tax increment payments as provided by Subchapter I,

Chapter 460 of the Transportation Code, and which is entitled to have a Director on the DCTA Board of Directors.

## **ARTICLE II OFFICES**

**Section 1. Principal Office.** The principal office of the Authority shall be in Denton County, Texas.

**Section 2. Additional Offices.** Authority also may have offices at such other places as the Authority from time to time may determine or as the activities of Authority may require.

## **ARTICLE III BOARD OF DIRECTORS**

**Section 1. General Powers.** The responsibility for the management operation and control of the Authority and its properties is vested in the Board of Directors. [Section 460.401].

**Section 2. Number and Composition.** The Board of Directors is composed of:

- (a) One member appointed by the governing body of each municipality with a population of 17,000 or more that is located in the county.
- (b) Three members appointed by the Commissioner's Court of Denton County, two of whom must reside in the unincorporated area of the county.
- (c) Three members to be designated by the remaining municipalities with a population of more than 500 but less than 17,000 located in the Denton County. These three members will be selected according to provisions of the Code. [Section 460.054(c)].
- (d) One member appointed by the governing body of each municipality in the county with a population of more than 500 but less than 17,000 that:
  - (i) designates a public transportation financing area under Section 460.603;
  - (ii) enters into an agreement with the Authority to provide public transportation services in the public financing area under Subchapter I, Chapter 460; and
  - (iii) did not approve the designation of any member designated under Section 2 (c) above.



- (e) Member appointed by the governing body of a municipality that was entitled to appoint a member under Section 460.054 (b)(1) of the Code before the effective date of an increase in the population threshold. (Section 460.2015) The Board of Directors may increase the population threshold amounts stated in Section 460.054(b)(1) in increments up to 5,000 each year. A municipality that appointed a member to the Board of Directors according to the provisions of Section 460.054(b)(1) of the Code prior to any increase in population threshold is grandfathered and may continue to appoint a member to the Board of Directors.
- (f) Appointing entities may appoint a member to the Board of Directors and may also provide for the appointment of one alternate to serve in the absence of the appointed member. An Alternate Member may attend Board and committee meetings but shall not vote on any matter before the Board or committee or participate in any discussion in matters before the Board or a committee except when serving in place of the regular Board of Directors member [Section 460.054(b)(1)]. Appointing entities shall notify the Authority in writing of the appointment, reappointment, resignation or removal of an Alternate Member.

**Section 3. Eligibility.**

- (a) To be eligible for appointment to the Board of Directors, a person must: (i) have professional experience in the field of transportation, business, government, engineering or law; and (ii) reside: (A) within the territory of the Authority; or (B) outside the territory of the authority in a municipality that is located partly in the territory of the Authority. [Section 460.202].
- (b) Three consecutive unexcused absences of a Director at a noticed Board of Directors meeting or the death, resignation or inability to serve shall create a vacancy.

**Section 4. Vacancy.** A vacancy on the Board of Directors is filled in the same manner as the original appointment to the Board of Directors. [Section 460.201(c)].

**Section 5. Terms.** The term of office for a member of the Board of Directors is two years. A vacancy on the Board of Directors is filled in the same manner as the original appointment to the Board of Directors to fill the unexpired portion of such term of office, except as provided by Section 460.2015 of the Code for grandfathered municipalities.

**Section 6. Meetings.** The Board of Directors shall hold at least one regular meeting each month. [Section 460.055(c)]. Special meetings of the Authority may be called by the Chair or Vice-Chair as necessary. [Section 460.204(b)].

**Section 7. Quorum.** Five members constitute a quorum for purpose of conducting business. [Section 460.205(a)].

**Section 8. Notice.** All meetings of the Authority and its committees shall be in compliance with Texas Open Meetings Act. [Section 460.102(a)(1)].

## **Section 9. Committees**

- (a) The Chair of the Board may appoint such committees as from time to time may be deemed necessary and appropriate. The committee shall not have any power or authority to act on behalf of the Denton County Transportation Authority. The Chair will designate the chair of each committee, which will be comprised of at least three Board of Directors members, and will serve as an ex officio member of each committee.
- (b) The committee shall report its discussions or recommendations, subsequent to its meeting, to the next Board of Directors meeting. [Section 460.401].
- (c) The Executive Committee shall consist of the four (4) officers of the Board of Directors, and the Chair may appoint one additional eligible Director of the Board of Directors to the Executive Committee. Notwithstanding the foregoing, no member of the Board of Directors, who is an employee of the governmental unit appointing such a person to the Board of Directors, may serve on the Executive Committee.

## **Section 10. Voting.**

- (a) An action of the Board of Directors requires an affirmative vote of a majority of the Directors, but not less than five (5) Directors present and voting, except for a vote pursuant to paragraph (b) of this section. [Section 460.205(b)].
- (b) An affirmative vote of the majority of the entire Board of Directors, including two-thirds (2/3) vote of Directors representing Financial Participating Members is required for:
  - (1) a capital expenditure;
  - (2) operating or maintenance expenditure for a capital asset;
  - (3) material change of the service plan;
  - (4) amendment of the bylaws;
  - (5) the approval of a comprehensive development agreement (“CDA”) or similar financial contractual obligation for a purpose not an express commitment of the DCTA Service Plan;
  - (6) the approval of a contract or other agreement between the DCTA and a municipality or other governmental authority located within the A-train Corridor for participation in DCTA; or
  - (7) the formation of a local government corporation, contracting with, joining or becoming a member or owner of a local government corporation.
- (c) **Alternate Members.** An alternate Board Member may only serve in the absence of the regular board member. An alternate Board Member may vote in place of the regular Board Member when the regular Board Member is absent.

**Section 11. Procedure of Meetings.** Notice of all meetings and hearings of Authority shall be given, and such meetings and hearings shall be held and conducted in accordance with the following order: applicable law, these Bylaws, the Board of Directors Rules of Procedure and Robert's Rules of Order, newly revised, to the extent not in conflict. The General Counsel of the Authority shall serve as parliamentarian to the Authority.

**Section 12. Conflicts of Interest.** Members of the Board of Directors and officers are subject to Chapter 171 Local Government Code. [Section 460.203].

**Section 13. Population Changes.**

- (a) At least annually but before any vote authorizing confirmation of the Authority or imposition of a sales and use tax, the Authority shall determine if any municipality located in the county that has not appointed a member to the Board of Directors as provided by Section 460.054(b)(1) of the Code, has grown to a population of 17,000 or more.
- (b) A determination of population growth to 17,000 or more will be documented by "Annual Population Estimates" for municipalities located in Denton County published by North Central Texas Council of Governments. The population of the municipality submitted to the Authority for approval may be challenged by a member of the Board of Directors.
- (c) The Board of Directors may certify: (i) that a municipality has a current population of 17,000 or more; and (ii) does not have a member appointed to the governing body as provided by Section 460.054(b)(1). Subsequent to the certification vote, a municipality so certified may forthwith appoint one member to the Board of Directors as provided by the Code.

**ARTICLE IV  
OFFICERS**

**Section 1. Election.** The Board of Directors shall elect four (4) of its members to serve as the Chair, Vice-Chair, Treasurer, and Secretary. [Section 460.055(a)]. The Chair or Vice Chair shall be a Director representing a Financial Participating Member.

**Section 2. Chair.** The Chair shall preside at all regular and special meetings of the Authority. Effective January 1, 2012, a member of the Board of Directors may not serve more than four (4) consecutive terms as Chair.

**Section 3. Vice-Chair.** The Vice-Chair shall preside at any meeting of the Authority on the request of the Chair, or at which the Authority Chair is absent.

**Section 4. Treasurer.** The Treasurer shall work with the Chief Financial Officer in preparing the budget and supervising the annual audit.

**Section 5. Secretary.** The Secretary shall review the minutes of all Board proceedings, make any necessary revisions, and attest to the accuracy of the minutes.

**Section 6. Term.** The officers of the Authority shall be elected from among the members of the Board of Directors and shall hold office for one (1) year. The term of office for each officer shall be for a period of one year and shall run from January 1 through and including December 31 of the calendar year.

## **ARTICLE V BUDGET AND FINANCE**

**Section 1. Fiscal Year.** The Fiscal Year of the Authority shall end on September 30 of each year.

**Section 2. Annual Budget.** The Authority shall prepare an Annual Budget. [Section 460.403].

**Section 3. Audit.** The Authority shall have an annual audit of the affairs of the Authority prepared by an independent certified public accountant. Any deficiencies noted in the audit report shall be addressed at a regular meeting of the Authority and addressed on the record [Section 460.402].

## **ARTICLE VI RULES, POLICIES AND PROCEDURES**

The Board of Directors is responsible for the management, operation, and control of the authority and its properties. [Section 460.401].

## **ARTICLE VII INDEMNIFICATION**

The Denton County Transportation Authority shall indemnify any member of the Board of Directors involved in any litigation including any civil, criminal or administrative action suit or proceeding, for reason of such member's alleged negligence or misconduct in the performance of his or her duties as a Board of Directors Member to the extent funds are lawfully available and subject to any other limitations that exist by law against liability, and reasonable expenses, including attorneys' fees, actually and necessarily incurred, except where it is adjudged that such Board of Directors member acted with gross negligence or willful misconduct in the performance of their duties.

**ARTICLE VIII  
AMENDMENT TO BYLAWS**

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted pursuant to Article III, § 10(b) at any regular, properly posted meeting of the Authority, or any properly posted special meeting of the Authority, at which a quorum is present; provided that prior to consideration and vote by the Authority, any proposed revisions to the Bylaws may be reviewed and commented on by the Board of Directors and shall be provided in writing to all Authority Board of Directors members at least two weeks prior to action on the amendments.



## Board of Directors Memo

September 26, 2013

**Subject:** RM 2(d) Discussion / Approval of Resolution 13-02 Adopting the Fiscal Year 2014 Operating & Capital Budget

### Background

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

The proposed FY 2014 budget presented combines information and feedback from several months of review by the Finance Committee. DCTA staff has prepared a balanced budget, where operating expenses and capital expenditures do not exceed current year revenues and reserve balances. It is submitted to the Board of Directors, in accordance with requirements under Chapter 460 of the Texas Transportation Code and DCTA policy and procedures, for Board review and comment as well as citizen input.

Staff has been working very closely over the past months with the Finance Committee in the preparation of the FY14 Budget and in detailed review of the many components of the budget. Staff presented the FY2014 goals along with the FY13 Revised Budget at the Finance Committee meeting in May. Bus and rail operations budgets, revenue projections and associated capital projects were presented to the Finance Committee in June. In July the total operating and capital budgets were presented to the Finance Committee for review and comment along with a benefits overview. In addition, the review of the proposed FY14 Budget included the impact adoption of the budget as proposed will have on the adopted cash flow model. The Finance Committee also reviewed the budget contingency plan that incorporates steps to address not only decreases in sales tax revenue but increases as well.

The Budget Committee forwarded the proposed FY14 Budget to the Board of Directors for review and comment. The Board also held a public hearing on the budget to allow for citizen input. Staff presents the FY 14 Budget for final review and adoption by the Board. One adjustment has been made to the cash flow model in FY13 budget column for consistency with the FY13 budget. Professional services for legal are now reflected in operating rather than the capital budget.

The proposed Budget contains revenue and expenditure assumptions for FY14, which include capital expenditures as well as increased bus and rail service effective January 2014. Included as agenda back-up are the following exhibits:

- Exhibit A: Operating Revenues and Expenditures for proposed FY14 as compared to the FY13 Revised Budget.
- Exhibit B: Capital Improvement Plan
- Exhibit C: The 5-year cash flow model. It incorporates the FY14 budget as proposed and provides the Board a view of the impact of the proposed FY14 budget on the long range cash flow model.
- Exhibit D: Fiscal Year 2014 Budget Contingency Plan

### Identified Need

Approval of Resolution 13-02, adopting the FY14 Operating and Capital Budget which will begin October 1, 2013.

**Committee Review**

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

**Financial Impact**

This item will determine the budget for FY14 and will begin October 1, 2013.

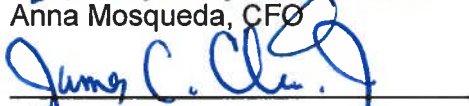
**Recommendation**

Staff recommends the approval of Resolution 13-02, adopting the FY2013-14 Operating & Capital Budget, Budget Contingency Plan and Cash Flow Model.

Final Review:

  
\_\_\_\_\_  
Anna Mosqueda, CFO

Approval:

  
\_\_\_\_\_  
Jim Cline, President

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 13-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2013 - 2014, BEGINNING OCTOBER 1, 2013 AND ENDING SEPTEMBER 30, 2014; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE BUDGET CONTINGENCY PLAN FOR FISCAL YEAR 2013 - 2014; ADOPTING THE DCTA CASH FLOW MODEL; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

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

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

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

**WHEREAS**, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2013 – 2014 budget as hereinafter set forth, meets the legal and practical requirements of the DCTA for the proper and sustained operation of DCTA services and capital expenditures and should be approved as presented;

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

**SECTION 1.** The DCTA Operating and Capital Budget for FY 2013 - 2014, the Budget Contingency Plan FY 2013 - 2014, and the DCTA Cash Flow Model, attached as Exhibits “A”-“D”, be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

**SECTION 2.** That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2012-2013 are hereby ratified, and the budget for fiscal year 2012-2013, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.



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

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

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 26<sup>TH</sup> DAY OF SEPTEMBER, 2013.**

**APPROVED:**

\_\_\_\_\_  
Charles Emery, Chairman

**ATTEST:**

\_\_\_\_\_  
Richard Huckaby, Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Peter G. Smith, General Counsel  
(PGS:09-11-13:TM 62265)

**Denton County Transportation Authority**  
**Proposed Fiscal Year 2014 Budget**

| Description                                          | FY12 Actuals        | FY13 Original Budget | FY13 Revised Budget | Actuals as of June 30, 2013 | FY14 Proposed Budget | \$ Increase / (Decrease) | % Increase / (Decrease) |
|------------------------------------------------------|---------------------|----------------------|---------------------|-----------------------------|----------------------|--------------------------|-------------------------|
| <b>Revenue &amp; Other Income</b>                    |                     |                      |                     |                             |                      |                          |                         |
| Passenger Revenues (Bus Farebox)                     | 451,186             | 421,157              | 421,157             | 388,301                     | 560,460              | 139,303                  | 33%                     |
| Passenger Revenues (Rail Farebox)                    | 564,628             | 609,783              | 609,783             | 536,234                     | 815,203              | 205,420                  | 34%                     |
| Contract Service Revenue                             | 2,927,341           | 3,001,040            | 3,001,040           | 2,300,937                   | 3,298,781            | 297,741                  | 10%                     |
| <b>Total Revenue &amp; Other Income</b>              | <b>3,943,154</b>    | <b>4,031,980</b>     | <b>4,031,980</b>    | <b>3,225,472</b>            | <b>4,674,444</b>     | <b>642,464</b>           | <b>16%</b>              |
| <b>Operating Expenses</b>                            |                     |                      |                     |                             |                      |                          |                         |
| <b>GENERAL &amp; ADMINISTRATIVE</b>                  |                     |                      |                     |                             |                      |                          |                         |
| Salary, Wages and Benefits                           | 1,757,403           | 1,735,489            | 1,725,689           | 1,175,850                   | 1,959,712            | 234,023                  | 14%                     |
| Services                                             | 982,524             | 936,632              | 1,645,422           | 785,784                     | 1,318,407            | (327,016)                | -20%                    |
| Materials and Supplies                               | 116,684             | 74,960               | 79,285              | 39,644                      | 107,315              | 28,030                   | 35%                     |
| Utilities                                            | 15,268              | 14,400               | 14,400              | 9,436                       | 18,000               | 3,600                    | 25%                     |
| Insurance, Casualties and Losses                     | 6,705               | 9,588                | 9,035               | 6,180                       | 11,420               | 2,385                    | 26%                     |
| Purchased Transportation Services                    | -                   | -                    | -                   | -                           | -                    | -                        | 0%                      |
| Miscellaneous                                        | 124,610             | 152,490              | 144,626             | 99,537                      | 211,047              | 66,421                   | 46%                     |
| Leases and Rentals                                   | 168,465             | 152,229              | 152,229             | 128,754                     | 155,025              | 2,796                    | 2%                      |
| Depreciation                                         | (2,352,523)         | -                    | -                   | (614)                       | 680                  | 680                      | 680%                    |
| Subtotal - G&A                                       | 819,135             | 3,075,788            | 3,770,686           | 2,244,570                   | 3,781,605            | 10,919                   | 0%                      |
| <b>BUS SERVICES</b>                                  |                     |                      |                     |                             |                      |                          |                         |
| Salary, Wages and Benefits                           | 4,535,797           | 5,292,312            | 5,292,312           | 3,681,247                   | 6,042,884            | 750,572                  | 14%                     |
| Services                                             | 321,194             | 310,820              | 332,160             | 275,519                     | 408,125              | 75,965                   | 23%                     |
| Materials and Supplies                               | 1,703,703           | 1,819,380            | 2,019,380           | 1,249,122                   | 2,165,419            | 146,039                  | 7%                      |
| Utilities                                            | 80,384              | 87,940               | 87,940              | 43,456                      | 101,900              | 13,960                   | 16%                     |
| Insurance, Casualties and Losses                     | 314,824             | 301,144              | 289,588             | 225,074                     | 272,265              | (17,324)                 | -6%                     |
| Purchased Transportation Services                    | -                   | -                    | -                   | -                           | -                    | -                        | 0%                      |
| Miscellaneous                                        | 1,577               | 3,000                | 4,350               | 3,693                       | 10,050               | 5,700                    | 131%                    |
| Leases and Rentals                                   | 120,880             | 119,101              | 119,101             | 84,072                      | 29,590               | (89,511)                 | -75%                    |
| Depreciation                                         | 938,263             | 939,143              | 939,143             | 651,507                     | 896,341              | (42,802)                 | -5%                     |
| Subtotal - Bus Services                              | 8,016,622           | 8,872,840            | 9,083,975           | 6,213,688                   | 9,926,574            | 842,599                  | 9%                      |
| <b>RAIL SERVICES</b>                                 |                     |                      |                     |                             |                      |                          |                         |
| Salary, Wages and Benefits                           | 39                  | 183,424              | 193,224             | 155,275                     | 276,534              | 83,310                   | 43%                     |
| Services                                             | 127,974             | 141,000              | 141,000             | 81,201                      | 139,252              | (1,748)                  | -1%                     |
| Materials and Supplies                               | 1,190,195           | 1,600,000            | 1,600,000           | 703,219                     | 1,556,490            | (43,510)                 | -3%                     |
| Utilities                                            | 300,596             | 270,400              | 308,058             | 219,935                     | 327,915              | 19,857                   | 6%                      |
| Insurance, Casualties and Losses                     | 41,429              | 234,000              | 327,167             | 199,960                     | 514,477              | 187,310                  | 57%                     |
| Purchased Transportation Services                    | 7,605,437           | 8,430,186            | 8,430,186           | 5,562,065                   | 9,331,365            | 901,179                  | 11%                     |
| Miscellaneous                                        | -                   | -                    | -                   | 2,811                       | 11,988               | 11,988                   | 0%                      |
| Leases and Rentals                                   | 653,815             | 150,000              | 266,100             | 92,880                      | 100,000              | (166,100)                | -62%                    |
| Depreciation                                         | 8,316,019           | 8,381,300            | 8,381,300           | 4,711,107                   | 8,100,273            | (281,027)                | -3%                     |
| Subtotal - Rail Services                             | 18,235,505          | 19,390,310           | 19,647,035          | 11,728,452                  | 20,358,294           | 711,259                  | 4%                      |
| <b>Total Operating Expenses</b>                      | <b>27,071,262</b>   | <b>31,338,938</b>    | <b>32,501,696</b>   | <b>20,186,711</b>           | <b>34,066,474</b>    | <b>1,564,778</b>         | <b>5%</b>               |
| <b>Income Before Non-operating Revenue &amp; Exp</b> | <b>(23,128,108)</b> | <b>(27,306,958)</b>  | <b>(28,469,716)</b> | <b>(16,961,239)</b>         | <b>(29,392,030)</b>  |                          |                         |
| <b>Non-Operating Revenues / (Expense)</b>            |                     |                      |                     |                             |                      |                          |                         |
| Investment Income                                    | 53,927              | 36,000               | 36,000              | 26,512                      | 33,000               | (3,000)                  | -8%                     |
| Non-Operating Revenues / (Expense)                   | 90,301              | -                    | -                   | 35,818                      | 7,125                | 7,125                    | 7125%                   |
| Sales Tax Revenue                                    | 19,009,136          | 18,775,391           | 18,775,391          | 13,260,831                  | 20,725,320           | 1,949,929                | 10%                     |
| Federal Grants & Reimbursements                      | 3,095,510           | 9,556,174            | 10,177,611          | 4,263,646                   | 6,486,142            | (3,691,469)              | -36%                    |
| State Grants & Reimbursements                        | 7,214,635           | 691,926              | 803,926             | 125,539                     | 593,216              | (210,710)                | -26%                    |
| Debt Issuance                                        | -                   | 13,400,000           | 13,400,000          | -                           | 5,500,000            | (7,900,000)              | -59%                    |
| Long Term Debt Interest/Expense                      | (1,499,100)         | (2,168,920)          | (2,331,608)         | (1,116,815)                 | (2,423,840)          | (92,232)                 | 4%                      |
| <b>Total Non-Operating Revenue / (Expense)</b>       | <b>27,964,409</b>   | <b>40,290,571</b>    | <b>40,861,320</b>   | <b>16,595,530</b>           | <b>30,920,963</b>    | <b>(9,940,357)</b>       | <b>-24%</b>             |
| <b>Net Available before Transfers</b>                | <b>4,836,301</b>    | <b>12,983,613</b>    | <b>12,391,604</b>   | <b>(365,708)</b>            | <b>1,528,933</b>     |                          |                         |

FY14 Revenue Projections

2di - Exhibit A-1

| <b>Bus Operations</b>    |                                            |                                            |                                        |                                           |
|--------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------|-------------------------------------------|
| <b>Revenue Source</b>    | <b>Actual FY 2012<br/>Oct 11 - Sept 12</b> | <b>Budget FY 2013<br/>Oct 12 - Sept 13</b> | <b>Actuals as of<br/>June 30, 2013</b> | <b>Proposed FY14<br/>Oct 13 - Sept 14</b> |
| Passenger Revenues       |                                            |                                            |                                        |                                           |
| Connect                  | 372,368                                    | 338,681                                    | 323,543                                | 477,985                                   |
| Access                   | 81,497                                     | 82,476                                     | 64,748                                 | 82,475                                    |
| Commuter Express         | (2,701)                                    | -                                          | -                                      | -                                         |
| NCTC                     | 21                                         | -                                          | 10                                     | -                                         |
| Total Passenger Revenues | 451,186                                    | 421,157                                    | 388,301                                | 560,460                                   |
| Contract Services        |                                            |                                            |                                        |                                           |
| Connect                  | 19,167                                     | 57,000                                     | -                                      | 52,420                                    |
| UNT                      | 2,801,769                                  | 2,809,084                                  | 2,231,713                              | 3,101,788                                 |
| Access                   | -                                          | -                                          | -                                      | -                                         |
| NCTC                     | 106,405                                    | 134,956                                    | 69,224                                 | 144,573                                   |
| Total Contract Services  | 2,927,341                                  | 3,001,040                                  | 2,300,937                              | 3,298,781                                 |
| <b>Total</b>             | <b>\$ 3,378,526</b>                        | <b>\$ 3,422,197</b>                        | <b>\$ 2,689,239</b>                    | <b>\$ 3,859,241</b>                       |
| <b>Rail Operations</b>   |                                            |                                            |                                        |                                           |
| <b>Revenue Source</b>    | <b>Actual FY 2012<br/>Oct 11 - Sept 12</b> | <b>Budget FY 2013<br/>Oct 12 - Sept 13</b> | <b>Actuals as of<br/>June 30, 2013</b> | <b>Proposed FY14<br/>Oct 13 - Sept 14</b> |
| Rail Farebox             | \$ 564,628                                 | \$ 609,783                                 | \$ 536,234                             | \$ 815,203                                |
| <b>Total</b>             | <b>\$ 564,628</b>                          | <b>\$ 609,783</b>                          | <b>\$ 536,234</b>                      | <b>\$ 815,203</b>                         |
| <b>G&amp;A</b>           |                                            |                                            |                                        |                                           |
| <b>Revenue Source</b>    | <b>Actual FY 2012<br/>Oct 11 - Sept 12</b> | <b>Budget FY 2013<br/>Oct 12 - Sept 13</b> | <b>Actuals as of<br/>June 30, 2013</b> | <b>Proposed FY14<br/>Oct 13 - Sept 14</b> |
| Interest Income          | \$ 53,927                                  | \$ 36,000                                  | \$ 26,512                              | \$ 33,000                                 |
| Misc Income              | \$ 90,301                                  | \$ -                                       | \$ 35,818                              | \$ 7,125                                  |
| Sales Tax                | \$ 19,009,136                              | \$ 18,775,391                              | \$ 13,260,831                          | \$ 20,725,320                             |
| Federal Operating Grants | \$ 2,560,578                               | \$ 2,665,503                               | \$ 2,303,248                           | \$ 3,680,022                              |
| Federal Capital Grants   | \$ 534,932                                 | \$ 7,512,108                               | \$ 1,960,398                           | \$ 2,806,120                              |
| State Operating Grants   | \$ 87,547                                  | \$ 114,732                                 | \$ 34,032                              |                                           |
| State Capital Grants     | \$ 7,127,089                               | \$ 689,194                                 | \$ 91,507                              | \$ 593,216                                |
| Debt Issuance            | \$ -                                       | \$ 13,400,000                              | \$ -                                   | \$ 5,500,000                              |
| <b>Total</b>             | <b>\$ 29,463,509</b>                       | <b>\$ 43,192,928</b>                       | <b>\$ 17,712,345</b>                   | <b>\$ 33,344,803</b>                      |
| <b>TOTAL REVENUES</b>    | <b>\$ 33,406,663</b>                       | <b>\$ 47,224,908</b>                       | <b>\$ 20,937,818</b>                   | <b>\$ 38,019,247</b>                      |

| <b>Ridership</b> |           |           |           |           |
|------------------|-----------|-----------|-----------|-----------|
| Bus              | 2,564,852 | 2,292,665 | 1,928,762 | 2,633,123 |
| Rail             | 387,478   | 398,550   | 342,529   | 586,477   |

9/13/2013

Capital Improvement Plan

| Project Name                               | Project Number | Adopted Project Budget | Project LTD thru FY 2012 | FY 2013              | FY 2014              | FY 2015              | FY 2016             | FY 2017           | FY 2018             | Anticipated Project Total (Thru 2018) | Total Proposed Project Budget |
|--------------------------------------------|----------------|------------------------|--------------------------|----------------------|----------------------|----------------------|---------------------|-------------------|---------------------|---------------------------------------|-------------------------------|
| <b>Bus Services</b>                        |                |                        |                          |                      |                      |                      |                     |                   |                     |                                       |                               |
| Passenger Amenities-Phase 2                | 50202          | 229,326                | 138,223                  | 91,103               | -                    | -                    | -                   | -                 | -                   | 229,326                               | 229,326                       |
| Bus Operations & Maintenance Facility      | 50301          | 11,720,717             | 2,073,478                | 8,269,062            | 1,378,177            | -                    | -                   | -                 | -                   | 11,720,717                            | 11,720,717                    |
| Bus Maintenance Equipment                  | 50302          | 500,000                | 78,777                   | 421,223              | -                    | -                    | -                   | -                 | -                   | 500,000                               | 500,000                       |
| Fleet Replacement                          | 50502          | 3,411,592              | 2,871,592                | 540,000              | 877,998              | 776,901              | 258,300             | 457,500           | -                   | 5,782,291                             | 4,289,590                     |
| DDTC                                       | 50303          | 373,282                | -                        | 373,282              | -                    | -                    | -                   | -                 | -                   | 373,282                               | 373,282                       |
| Where's My Ride                            | 50406          | 940,485                | -                        | 940,485              | -                    | -                    | -                   | -                 | -                   | 940,485                               | 940,485                       |
| Bus Operations Safety & Security Equipment | 50407          | 88,555                 | -                        | 88,555               | -                    | -                    | -                   | -                 | -                   | 88,555                                | 88,555                        |
| Bus Radios                                 | NEW            | -                      | -                        | -                    | 137,457              | -                    | -                   | -                 | -                   | 137,457                               | 137,457                       |
| <b>Rail Services</b>                       |                |                        |                          |                      |                      |                      |                     |                   |                     |                                       |                               |
| Passenger Information                      | 60701          | 56,214                 | 4,807                    | 51,407               | -                    | -                    | -                   | -                 | -                   | 56,214                                | 56,214                        |
| Rail Grinding                              | 61102          | 204,000                | -                        | 204,000              | 192,000              | -                    | 192,000             | -                 | 192,000             | 780,000                               | 396,000                       |
| MedPark Extension                          | 61206          | 1,000,000              | -                        | 1,000,000            | -                    | -                    | -                   | -                 | -                   | 1,000,000                             | 1,000,000                     |
| Fare Collection Systems                    | 61401          | 733,104                | 633,129                  | 14,405               | -                    | -                    | -                   | -                 | -                   | 647,534                               | 733,104                       |
| Traffic Signals                            | 61403          | 3,046,178              | 2,654,554                | 141,623              | -                    | -                    | -                   | -                 | -                   | 2,796,177                             | 2,796,177                     |
| Positive Train Control                     | 61406          | 16,997,441             | 788,073                  | 750,000              | 6,000,000            | 9,470,000            | 5,894,878           | -                 | -                   | 22,902,951                            | 22,902,951                    |
| Rail Cars                                  | 61501          | 79,795,524             | 77,755,654               | 2,039,870            | -                    | -                    | -                   | -                 | -                   | 79,795,524                            | 79,795,524                    |
| Stadler Cars Implementation                | 61502          | 895,803                | 478,319                  | 417,484              | -                    | -                    | -                   | -                 | -                   | 895,803                               | 895,803                       |
| Community Enhancements                     | 61707          | 752,708                | 13,091                   | 739,617              | -                    | -                    | -                   | -                 | -                   | 752,708                               | 752,708                       |
| Lewisville Bike Trail                      | 61708          | 3,489,396              | 60,685                   | 86,250               | 741,520              | 2,600,941            | -                   | -                 | -                   | 3,489,396                             | 3,489,396                     |
| ROW Fencing                                | 61709          | 25,000                 | -                        | 25,000               | -                    | -                    | -                   | -                 | -                   | 25,000                                | 25,000                        |
| Rail Station Improvements                  | 61208          | 15,000                 | -                        | 15,000               | -                    | -                    | -                   | -                 | -                   | 15,000                                | 15,000                        |
| HV Parking Expansion                       | 61710          | 250,000                | -                        | 250,000              | -                    | -                    | -                   | -                 | -                   | 250,000                               | 250,000                       |
| Rail Maintenance of Way                    | NEW            | -                      | -                        | -                    | 150,000              | -                    | -                   | -                 | -                   | 150,000                               | 150,000                       |
| Rail Maintenance of Equipment              | NEW            | -                      | -                        | -                    | 585,000              | 1,623,000            | 260,000             | 345,000           | 5,040,000           | 7,853,000                             | 585,000                       |
| Rail Single Car Operations                 | NEW            | -                      | -                        | -                    | 101,800              | -                    | -                   | -                 | -                   | 101,800                               | 101,800                       |
| <b>TOTAL</b>                               |                | <b>\$ 124,524,325</b>  | <b>\$ 87,550,382</b>     | <b>\$ 16,458,366</b> | <b>\$ 10,163,952</b> | <b>\$ 14,470,842</b> | <b>\$ 6,605,178</b> | <b>\$ 802,500</b> | <b>\$ 5,232,000</b> | <b>\$ 141,283,220</b>                 | <b>\$ 132,224,089</b>         |
| <b>Sources of Funding</b>                  |                |                        |                          |                      |                      |                      |                     |                   |                     |                                       |                               |
| Federal / State Grants                     |                |                        |                          |                      | \$ 3,399,336         | \$ 3,131,413         | \$ 206,640          | \$ 366,000        | \$ -                |                                       |                               |
| New Debt Issuance (PTC 2014)               |                |                        |                          |                      | \$ 5,500,000         | \$ -                 | \$ -                | \$ -              | \$ -                |                                       |                               |
| RTC Funds                                  |                |                        |                          |                      | \$ -                 | \$ 9,470,000         | \$ 3,030,000        | \$ -              | \$ -                |                                       |                               |
| DCTA Funding                               |                |                        |                          |                      | \$ 1,264,616         | \$ 1,869,429         | \$ 3,368,538        | \$ 436,500        | \$ 5,232,000        |                                       |                               |
| <b>TOTAL</b>                               |                |                        |                          |                      | <b>\$ 10,163,952</b> | <b>\$ 14,470,842</b> | <b>\$ 6,605,178</b> | <b>\$ 802,500</b> | <b>\$ 5,232,000</b> |                                       |                               |

## DCTA Budget Contingency Plan FY2014

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

### **Section I: Sales Tax Revenue Shortfall**

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

#### **Initial Precautionary Action**

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

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

#### **2% Reduction (\$414,506)**

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

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

**3% Reduction (\$621,760)**

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

**4% Reduction (\$829,013)**

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

## **Section II: Sales Tax Revenue Sustainable Increase**

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

Service Level enhancement decisions will follow annual Decision Cycle framework

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

Implementation of Service Level Enhancements Contingency Budget item will require Board action and revision of annual budget.

| OPERATING REVENUES                                | 2013              | 2014              | 2015              | 2016              | 2017              | 2018              |
|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Beginning Fund Balance:</b>                    | \$ 18,326,983     | \$ 11,526,943     | \$ 11,889,217     | \$ 12,849,755     | \$ 11,657,490     | \$ 13,753,906     |
| Bus Operating Revenue                             | \$ 3,422,197      | \$ 3,859,241      | \$ 4,019,855      | \$ 4,128,008      | \$ 4,239,282      | \$ 4,353,768      |
| Rail Operating Revenue                            | 609,783           | 815,203           | 904,875           | 913,924           | 923,063           | 932,294           |
| <b>NON-OPERATING REVENUES</b>                     |                   |                   |                   |                   |                   |                   |
| Sales Tax Revenue                                 | 20,121,670        | 20,725,320        | 21,347,080        | 22,200,963        | 23,089,001        | 24,012,561        |
| Formula Grants (Operating)                        | 2,780,235         | 3,680,022         | 5,230,167         | 4,627,575         | 4,601,870         | 6,058,756         |
| Interest Income-Non RTRFI Funds                   | 36,000            | 33,000            | 35,668            | 38,549            | 34,972            | 41,262            |
| Misc. Revenue                                     | -                 | 7,125             | 152,680           | 152,680           | 152,680           | 152,680           |
| Restricted RTRFI Interest Income                  | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Total Revenues</b>                             | <b>26,969,885</b> | <b>29,119,911</b> | <b>31,690,325</b> | <b>32,061,700</b> | <b>33,040,870</b> | <b>35,551,321</b> |
| <b>OPERATING EXPENSES</b>                         |                   |                   |                   |                   |                   |                   |
| Bus Operating Expense                             | 8,144,832         | 9,030,233         | 9,468,216         | 9,832,250         | 10,198,207        | 10,582,745        |
| Rail Operating Expense                            | 11,265,735        | 12,258,021        | 12,612,467        | 12,990,144        | 13,366,266        | 13,757,152        |
| G&A Operating Expense                             | 3,770,686         | 3,780,925         | 3,668,925         | 3,940,160         | 3,813,618         | 3,941,714         |
| <b>NON-OPERATING EXPENSES</b>                     |                   |                   |                   |                   |                   |                   |
| Non-Operating (Income) / Expense                  |                   |                   |                   |                   |                   |                   |
| <b>Total Expenses</b>                             | <b>23,181,253</b> | <b>25,069,179</b> | <b>25,749,608</b> | <b>26,762,554</b> | <b>27,378,091</b> | <b>28,281,611</b> |
| <b>NET INCOME</b>                                 | <b>3,788,632</b>  | <b>4,050,731</b>  | <b>5,940,717</b>  | <b>5,299,146</b>  | <b>5,662,778</b>  | <b>7,269,710</b>  |
| <b>CAPITAL OUTLAY</b>                             |                   |                   |                   |                   |                   |                   |
| Bus Capital Expenditure                           | 9,243,225         | 1,515,634         | 30,000            | 18,000            | 18,000            | 18,000            |
| Bus Replacement Expense                           | 540,000           | 877,998           | 776,901           | 258,300           | 457,500           | -                 |
| Rail Capital / Construction                       | 156,028           | -                 | -                 | -                 | -                 | -                 |
| Professional Services                             | 991,892           | -                 | -                 | -                 | -                 | -                 |
| Stadler Fleet (Vehicles)                          | 2,457,354         | -                 | -                 | -                 | -                 | -                 |
| Real Estate                                       | 1,000,000         | -                 | -                 | -                 | -                 | -                 |
| Right of Way                                      | 25,000            | -                 | -                 | -                 | -                 | -                 |
| Rail Capital Expenditure (LV Hike & Bike)         | 86,250            | 741,520           | 2,600,941         | -                 | -                 | -                 |
| Rail Capital Expenditure (Community Enhancements) | 739,617           | -                 | -                 | -                 | -                 | -                 |
| Rail Capital Expenditure (Rail Grinding)          | 204,000           | 192,000           | -                 | 192,000           | -                 | 192,000           |
| HV Parking Expansion                              | 250,000           | -                 | -                 | -                 | -                 | -                 |
| Rail Station Improvements                         | 15,000            | -                 | -                 | -                 | -                 | -                 |
| Rail Maintenance-of-Way                           | -                 | 150,000           | -                 | -                 | -                 | -                 |
| Rail Maintenance-of-Equipment                     | -                 | 585,000           | 1,623,000         | 260,000           | 345,000           | 5,040,000         |
| Rail Stadler Single Car Operations                | -                 | 101,800           | -                 | -                 | -                 | -                 |
| Positive Train Control                            | 750,000           | 6,000,000         | 9,470,000         | 5,894,878         | -                 | -                 |
| <b>Total Capital Outlay</b>                       | <b>16,458,366</b> | <b>10,163,952</b> | <b>14,500,842</b> | <b>6,623,178</b>  | <b>820,500</b>    | <b>5,250,000</b>  |
| <b>CAPITAL SOURCES</b>                            |                   |                   |                   |                   |                   |                   |
| New Money (Debt Issuance)                         | -                 | 5,500,000         | -                 | -                 | -                 | -                 |
| RTRFI/RTC Funds                                   | -                 | -                 | 9,470,000         | 3,030,000         | -                 | -                 |
| Formula Grants (Capital)                          | 8,201,302         | 3,399,336         | 3,155,413         | 221,040           | 380,400           | 14,400            |
| <b>Total Capital Sources</b>                      | <b>8,201,302</b>  | <b>8,899,336</b>  | <b>12,925,413</b> | <b>3,251,040</b>  | <b>380,400</b>    | <b>14,400</b>     |
| <b>DEBT SERVICE</b>                               |                   |                   |                   |                   |                   |                   |
| 2008 Issue (ST) Debt Service                      | -                 | -                 | -                 | -                 | -                 | -                 |
| 2009 Refunding (ST) Debt Service                  | 1,876,857         | 1,718,200         | 1,716,492         | 1,718,387         | 1,713,687         | 1,717,590         |
| 2011 Contractual Obligations (Vehicles)           | 341,287           | 336,945           | 751,945           | 763,955           | 770,183           | 775,785           |
| 2011 Contractual Obligations (PTC)                | 113,463           | 113,463           | 253,463           | 254,081           | 259,542           | 264,691           |
| 2014 Contractual Obligations (PTC)                | -                 | 255,233           | 382,850           | 382,850           | 382,850           | 602,850           |
| <b>Total Debt Service</b>                         | <b>2,331,607</b>  | <b>2,423,841</b>  | <b>3,104,750</b>  | <b>3,119,273</b>  | <b>3,126,262</b>  | <b>3,360,916</b>  |
| Gross Sales Tax Coverage:                         | 8.63              | 8.55              | 6.88              | 7.12              | 7.39              | 7.14              |
| Internal Debt Service Coverage:                   | 1.62              | 1.67              | 1.91              | 1.70              | 1.81              | 2.16              |
| Year End Audit Adjustment                         | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Ending Fund Balance:</b>                       | <b>11,526,943</b> | <b>11,889,217</b> | <b>12,849,755</b> | <b>11,657,490</b> | <b>13,753,906</b> | <b>12,427,101</b> |
| Less Restricted RTRFI Interest Income             | -                 | -                 | -                 | -                 | -                 | -                 |
| Less Required Fund Balance (O&M Reserve Policy):  | 5,795,313         | 6,267,295         | 6,437,402         | 6,690,639         | 6,844,523         | 7,070,403         |
| Less Sales Tax Stabilization Fund                 | 550,000           | 621,760           | 640,412           | 666,029           | 692,670           | 720,377           |
| Less Fuel Stabilization Fund                      | 100,000           | 50,000            | 50,000            | 50,000            | 50,000            | 50,000            |
| Less Capital/Infrastructure                       | 1,296,000         | 2,000,000         | 2,000,000         | 2,000,000         | 2,000,000         | 2,000,000         |
| <b>Net Available Cash</b>                         | <b>3,785,630</b>  | <b>2,950,163</b>  | <b>3,721,941</b>  | <b>2,250,822</b>  | <b>4,166,713</b>  | <b>2,586,321</b>  |



**DENTON COUNTY TRANSPORTATION AUTHORITY  
BOARD MEETING DATES  
2013**

| COMMITTEE                                                          | JAN | FEB                    | MAR | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV** | DEC**            |
|--------------------------------------------------------------------|-----|------------------------|-----|-----|-----|-----|-----|-----|------|-----|-------|------------------|
| <b>Executive Committee</b>                                         | 16  | 20                     | 20  | 17  | 15  | 19  | 17  | 14  | 18   | 16  | 13    | 44               |
| <b>Board Work Session</b><br>1:30 p.m.<br>4 <sup>th</sup> Thursday | 24  | 28<br>Board<br>Retreat | 28  | 25  | 23  | 27  | 25  | 22  | 26   | 24  | 21    | <del>19</del> 10 |
| <b>Board Meeting</b><br>†3:00 p.m.<br>4 <sup>th</sup> Thursday     | 24  | 28<br>*9:00 am         | 28  | 25  | 23  | 27  | 25  | 22  | 26   | 24  | 21    | <del>19</del> 10 |

**\*3:00 p.m. or immediately following the conclusion of the Board Work Session (see February change note)**

**\*\*November & December meeting dates differ from the normal schedule due to holidays.**

***Above dates, times, and locations are subject to change.***

**DENTON COUNTY TRANSPORTATION AUTHORITY  
2014 BOARD MEETING DATES  
and STAFF DEADLINES**

| <b>COMMITTEE</b>                                                    | <b>JAN</b> | <b>FEB</b> | <b>MAR</b> | <b>APR</b> | <b>MAY</b> | <b>JUN</b> | <b>JUL</b> | <b>AUG</b> | <b>SEPT</b> | <b>OCT</b> | <b>NOV**</b> | <b>DEC**</b> |
|---------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|------------|--------------|--------------|
| <b>Executive Committee</b>                                          | 15         | 19         | 19         | 16         | 14         | 18         | 16         | 20         | 17          | 15         | 12           | 10           |
| <b>Board Work Session<br/>1:30 p.m.<br/>4<sup>th</sup> Thursday</b> | 23         | 27         | 27         | 24         | 22         | 26         | 24         | 28         | 25          | 23         | 20           | 18           |
| <b>Board Meeting<br/>*3:00 p.m.<br/>4<sup>th</sup> Thursday</b>     | 23         | 27         | 27         | 24         | 22         | 26         | 24         | 28         | 25          | 23         | 20           | 18           |

\* 3:00 p.m. or immediately following the conclusion of the Board Work Session

\*\* November & December meeting dates differ from the normal schedule due to holidays.

*Above dates, times, and locations are subject to change.*