Board of Directors
Work Session
November 19, 2015
1:30 p.m.

1. Routine Briefing Items
   a. Financial Reports
      i. Financial Statements
      ii. Capital Projects Report
      iii. Sales Tax Report
      iv. Procurement Report
      v. FY16 Budget Document
   b. Strategic Planning / Development
      i. Priority Projects Update
      ii. Outreach Efforts
   c. Marketing and Communications
      i. Marketing and Communications Initiatives
      ii. Marketing and Communications Metrics
      iii. Customer Service Metrics
   d. Capital Projects Update
      i. Signal System Enhancements
      ii. Positive Train Control (PTC)
      iii. Flood Repairs/FEMA
      iv. Transit Enhancements
      v. Lewisville Bike Trail – Final Section
   e. Transit Operations
      i. Rail Operations
      ii. Bus Operations

2. Items for Discussion
   a. Capital Edge Review of Federal Legislative Initiatives
   b. Federal and State Funding Overview
3. Committee Chair Report  
a. Finance Committee (11/09/2015) Dave Kovatch, chair

4. Discussion of Regular Board Meeting Agenda Items (November 2015)

5. Convene 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.  
c. As Authorized by Texas Government Code Section 551.072 Deliberation regarding Real Property: Discuss acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, or Highland Village.

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

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**Board of Directors**  
**Regular Meeting**  
**November 19, 2015**  
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**

**AGENCY AWARDS AND RECOGNITIONS**  
Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the FY2014 CAFR

1. **CONSENT AGENDA**  
a. Approval of Minutes Board Meeting October 22, 2015  
b. Acceptance of Financial Reports – October  
c. Award of contract for Fleet Collision Repair and Painting Services
d. Authorize a Task Order for Debris inventory and inspection at Rail Facility

e. Authorize President to Enter Into an Agreement for Contracted
   On-Demand Bus Service Outside the Current Service Area to Include
   Frisco

2. CHAIR REPORT
   a. Discussion of Regional Transportation Issues
   b. Discussion Legislative Issues
      i. Regional
      ii. State
      iii. Federal

3. PRESIDENT’S REPORT
   a. Budget Transfers
   b. Regional Transportation Issues

4. 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.

5. ADJOURN

Chair – Charles Emery  Secretary – Richard Huckaby
Vice Chair – Paul Pomeroy  Treasurer – Dave Kovatch

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

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

This notice was posted on 11/16/2015 at 9:56 AM.

Rusty Comer, Public Information Coordinator
Board of Directors Memo
November 19, 2015

Subject: Monthly Financial Reports

Background
The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending October 31, 2015 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 $2k. YTD actual rail ridership is 1% above budgeted ridership of 65k, partially offset by lower than budgeted bus ridership. Actual fare per rail rider is 6% above budget, at $1.54 average fare per rider compared to $1.45 as budgeted.

- **Note B:** Contract Service Revenue – YTD favorable by $8k because revenue hours were 12% higher than budgeted for October.

- **Note C:** Sales Tax Revenue – October sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in October will be received in December. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY15 sales tax receipts collected through November.

- **Note D:** Federal/State Grants-Capital – YTD unfavorable by ($66k) because the expenses and corresponding reimbursement for PTC have been delayed from the timing anticipated in the budget.

- **Note E:** Federal/State Grants-Operating – YTD unfavorable by ($1.1 million) is attributable to a delay in grant funding for operating and ADA assistance ($913k) as anticipated in the budget. These reimbursements will be requested in coming months.

- **Note F:** Leases & Rentals – YTD unfavorable by ($9k) is caused by November rent being prepaid in October.

**Capital Projects Fund**

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

**Identified Need**
Provides the Board a review of DCTA’s financial position and performance to budget.
Recommendation
Staff recommends acceptance.

Submitted by:  Marisa Perry, CPA  
Controller

Final Review:  Anna Mosqueda,  
CFO

Approval:  James C. Cline, Jr., P.E.,  
President
<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
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<td><strong>Revenue and Other Income</strong></td>
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<td></td>
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<td>Passenger Revenues</td>
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<td>162,918</td>
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<td>373,797</td>
<td>8,485</td>
<td>3,263,687</td>
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<td>2,023,528</td>
<td>2,023,528</td>
<td>-</td>
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<td>232,333</td>
<td>(65,693)</td>
<td>166,640</td>
<td>232,333</td>
<td>(65,693)</td>
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<td>Federal/State Grants - Operating</td>
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<td>1,221,292</td>
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<td>76,187</td>
<td>1,221,292</td>
<td>(1,145,105)</td>
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<td><strong>Total Revenue and Other Income</strong></td>
<td>2,813,252</td>
<td>4,013,868</td>
<td>(1,200,616)</td>
<td>2,813,252</td>
<td>4,013,868</td>
<td>(1,200,616)</td>
<td>38,627,355</td>
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<td><strong>Operating Expenses</strong></td>
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<td>Salary, Wages and Benefits</td>
<td>697,589</td>
<td>862,459</td>
<td>164,869</td>
<td>697,589</td>
<td>862,459</td>
<td>164,869</td>
<td>9,394,250</td>
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<td>395,068</td>
<td>287,017</td>
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<td>395,068</td>
<td>287,017</td>
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<td>Materials and Supplies</td>
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<td>198,782</td>
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<td>43,213</td>
<td>31,755</td>
<td>11,458</td>
<td>43,213</td>
<td>31,755</td>
<td>511,361</td>
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<td>77,662</td>
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<td>Purchased Transportation Services</td>
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<td>967,031</td>
<td>276,780</td>
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<td>68,426</td>
<td>52,421</td>
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<td>52,421</td>
<td>281,346</td>
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<td>Depreciation</td>
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<td>826,039</td>
<td>33,710</td>
<td>792,329</td>
<td>826,039</td>
<td>33,710</td>
<td>9,981,205</td>
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<td><strong>Total Operating Expenses</strong></td>
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<td>3,628,608</td>
<td>1,031,824</td>
<td>2,596,784</td>
<td>3,628,608</td>
<td>1,031,824</td>
<td>38,111,851</td>
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<td><strong>Income Before Non-operating Revenue and Expense</strong></td>
<td>216,468</td>
<td>385,260</td>
<td>(168,792)</td>
<td>216,468</td>
<td>385,260</td>
<td>(168,792)</td>
<td>(484,496)</td>
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<td><strong>Non-Operating Revenues / (Expense)</strong></td>
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<td>Investment Income</td>
<td>4,102</td>
<td>1,667</td>
<td>2,435</td>
<td>4,102</td>
<td>1,667</td>
<td>2,435</td>
<td>20,000</td>
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<td>Gain (Loss) Disposal of Assets</td>
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<td>Fare Evasion Fee</td>
<td>75</td>
<td>125</td>
<td>(50)</td>
<td>75</td>
<td>125</td>
<td>(50)</td>
<td>1,500</td>
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<tr>
<td>Other Income - Miscellaneous</td>
<td>2,765</td>
<td>2,765</td>
<td>-</td>
<td>2,765</td>
<td>2,765</td>
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<td>2,765</td>
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<tr>
<td>Long Term Debt Interest/Expense</td>
<td>(96,369)</td>
<td>(96,369)</td>
<td>(1)</td>
<td>(96,369)</td>
<td>(96,369)</td>
<td>(1)</td>
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<td><strong>Total Non-Operating Revenue / (Expense)</strong></td>
<td>(89,426)</td>
<td>(94,576)</td>
<td>5,150</td>
<td>(89,426)</td>
<td>(94,576)</td>
<td>5,150</td>
<td>(1,134,922)</td>
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<td><strong>Change in Net Assets</strong></td>
<td>127,042</td>
<td>290,684</td>
<td>(163,642)</td>
<td>127,042</td>
<td>290,684</td>
<td>(163,642)</td>
<td>(1,619,418)</td>
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# Denton County Transportation Authority
## Statement of Net Assets
### As of October 31, 2015
**Unaudited**

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<tr>
<th></th>
<th>October 31, 2015</th>
<th>September 30, 2015</th>
<th>Change</th>
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<tbody>
<tr>
<td><strong>Current Assets</strong></td>
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<td></td>
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<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>10,131,413</td>
<td>8,351,759</td>
<td>1,779,654</td>
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<td>Investments</td>
<td>7,882,839</td>
<td>8,775,779</td>
<td>(892,939)</td>
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<td>Accounts &amp; Notes Receivable</td>
<td>6,421,428</td>
<td>6,387,416</td>
<td>34,011</td>
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<td>Prepaid Expenses</td>
<td>271,420</td>
<td>398,745</td>
<td>(127,325)</td>
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<td>Inventory</td>
<td>20,712</td>
<td>5,937</td>
<td>14,775</td>
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<td>Restricted Asset-Cash and Equivalents</td>
<td>3,650,799</td>
<td>3,650,196</td>
<td>603</td>
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<td><strong>Total Current Assets</strong></td>
<td>28,378,611</td>
<td>27,569,832</td>
<td>808,779</td>
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<td><strong>Property, Plant and Equipment</strong></td>
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<td></td>
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</tr>
<tr>
<td>Land</td>
<td>16,228,337</td>
<td>16,228,337</td>
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<tr>
<td>Land Improvements</td>
<td>6,458,821</td>
<td>6,458,821</td>
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<tr>
<td>Machinery &amp; Equipment</td>
<td>2,030,358</td>
<td>2,030,358</td>
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<td>Leasehold Improvements</td>
<td>55,506</td>
<td>55,506</td>
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<tr>
<td>Vehicles</td>
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<td>88,631,212</td>
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<td>Computers &amp; Software</td>
<td>1,180,676</td>
<td>1,180,676</td>
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<td>Accumulated Depreciation</td>
<td>(38,922,392)</td>
<td>(38,130,063)</td>
<td>(792,329)</td>
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<td><strong>Total Property, Plant and Equipment</strong></td>
<td>75,662,518</td>
<td>76,454,847</td>
<td>(792,329)</td>
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<tr>
<td><strong>Capital Assets</strong></td>
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</tr>
<tr>
<td>Intangible Assets</td>
<td>16,997,155</td>
<td>16,997,155</td>
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<tr>
<td>Other Capital Assets, Net</td>
<td>230,821,306</td>
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<tr>
<td>Construction in Progress</td>
<td>9,913,505</td>
<td>9,928,224</td>
<td>(14,718)</td>
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<td><strong>Total Capital Assets</strong></td>
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<td>257,746,684</td>
<td>(14,718)</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>361,773,095</td>
<td>361,771,364</td>
<td>1,732</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<td></td>
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<tr>
<td><strong>Current Liabilities</strong></td>
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</tr>
<tr>
<td>Accounts Payable</td>
<td>1,884,266</td>
<td>2,373,170</td>
<td>(488,905)</td>
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<td>Salary, Wages, and Benefits Payable</td>
<td>467,107</td>
<td>604,613</td>
<td>(137,506)</td>
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<td>Accrued Expenses Payable</td>
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<td>1,888,823</td>
<td>427,487</td>
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<td>Deferred Revenues</td>
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<td>88,983</td>
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<tr>
<td>Interest Payable</td>
<td>96,369</td>
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<td>96,369</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>4,830,279</td>
<td>4,955,589</td>
<td>(125,310)</td>
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<tr>
<td><strong>Non-Current Liabilities</strong></td>
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</tr>
<tr>
<td>Rail Easement Payable</td>
<td>1,400,000</td>
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<td>Retainage Payable</td>
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<tr>
<td>Bonds Payable</td>
<td>31,965,000</td>
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<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>34,925,124</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>39,880,713</td>
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<tr>
<td><strong>Net Assets</strong></td>
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<tr>
<td>Invested in Capital Assets</td>
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<td>Unrestricted Retained Earnings</td>
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<td>Change in Net Assets</td>
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<td>127,042</td>
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<td><strong>Total Equity</strong></td>
<td>322,017,692</td>
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<td><strong>Total Liabilities and Equity</strong></td>
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<td>361,771,364</td>
<td>1,732</td>
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### ASSETS

**Fixed Assets**

#### 1660 · Construction Work in Progress

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<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>October 2015 Expenses Booked</th>
<th>Life To Date</th>
<th>% of Budget (As of October 2015 Close)</th>
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<td>1 · G&amp;A Capital Projects</td>
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<tr>
<td>Total 10401 · Cloud Hybrid Backup Solution</td>
<td>35,000</td>
<td>35,000</td>
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<td>35,000</td>
<td>0%</td>
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<td>Total 10402 · Shortel Phone System</td>
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<td>85,000</td>
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<td>85,000</td>
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<td>Total 10601 · COGNOS Report Application</td>
<td>200,000</td>
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<td>-</td>
<td>200,000</td>
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<td>Total 10602 · Comprehensive Service Analysis</td>
<td>567,414</td>
<td>567,414</td>
<td>-</td>
<td>76,210</td>
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<td>Total 10603 · Legal Support</td>
<td>226,753</td>
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<td>10,916</td>
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<td><strong>Total 1 · G&amp;A Capital Projects</strong></td>
<td>1,074,167</td>
<td>1,114,167</td>
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<td>87,126</td>
<td>8%</td>
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<td>5 · Bus Capital Projects</td>
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<td>Total 50203 · Passenger Amenities (2015)</td>
<td>53,483</td>
<td>53,483</td>
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<td>53,483</td>
<td>100%</td>
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<td>Total 50204 · Transit Enhancements (2015-16)</td>
<td>165,000</td>
<td>165,000</td>
<td>2,835</td>
<td>7,436</td>
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<td><strong>Total 50301 · Bus O&amp;M Facility</strong></td>
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<td>11,497,555</td>
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<td>11,329,269</td>
<td>99%</td>
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<td>Total 50303 · DTC</td>
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<td>373,282</td>
<td>350,768</td>
<td>373,190</td>
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<td><strong>Total 50505 · Fleet Replacement (2015)</strong></td>
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<td>1,634,000</td>
<td>-</td>
<td>62,000</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total 50408 · Bus Radios</strong></td>
<td>137,457</td>
<td>120,870</td>
<td>-</td>
<td>106,754</td>
<td>14,116</td>
</tr>
<tr>
<td><strong>Total 50409 · Bus Fleet Cameras</strong></td>
<td>149,500</td>
<td>149,500</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total 50507 · Fleet (2016)</strong></td>
<td>1,250,000</td>
<td>1,250,000</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total 50601 · Scheduling Software (Bus)</strong></td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total 5 · Bus Capital Projects</strong></td>
<td>10,916,389</td>
<td>15,493,690</td>
<td>353,603</td>
<td>11,932,133</td>
<td>77%</td>
</tr>
<tr>
<td>6 · Rail Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total 61401 · Fare Collection Systems</td>
<td>569,000</td>
<td>733,104</td>
<td>-</td>
<td>663,943</td>
<td>69,161</td>
</tr>
<tr>
<td>Total 61406 · Positive Train Control</td>
<td>15,997,441</td>
<td>21,902,951</td>
<td>1,852</td>
<td>1,346,527</td>
<td>20,556,424</td>
</tr>
<tr>
<td>Total 61708 · Lewisville Bike Trail</td>
<td>3,095,856</td>
<td>3,095,856</td>
<td>1,947</td>
<td>1,980,369</td>
<td>1,119,487</td>
</tr>
<tr>
<td><strong>Total 60701 · Passenger Information</strong></td>
<td>56,214</td>
<td>96,821</td>
<td>-</td>
<td>61,411</td>
<td>35,410</td>
</tr>
<tr>
<td><strong>Total 61712 · Rail MOE</strong></td>
<td>585,000</td>
<td>1,302,627</td>
<td>(373,109)</td>
<td>964,255</td>
<td>338,372</td>
</tr>
<tr>
<td><strong>Total 61503 · Rail Single Car Operations</strong></td>
<td>101,800</td>
<td>101,800</td>
<td>-</td>
<td>26,221</td>
<td>75,579</td>
</tr>
<tr>
<td><strong>Total 61505 · GTW Wheel Work</strong></td>
<td>915,041</td>
<td>915,041</td>
<td>441,057</td>
<td>441,057</td>
<td>473,984</td>
</tr>
<tr>
<td><strong>Total 61604 · Rail Mobilization (2015)</strong></td>
<td>2,119,517</td>
<td>2,119,517</td>
<td>-</td>
<td>-</td>
<td>2,119,517</td>
</tr>
<tr>
<td><strong>Total 61209 · Trinity Mills Crew Facility</strong></td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
<td>32,528</td>
<td>217,472</td>
</tr>
<tr>
<td><strong>Total 61210 · Station Landscaping</strong></td>
<td>75,000</td>
<td>485,000</td>
<td>551</td>
<td>25,455</td>
<td>459,545</td>
</tr>
<tr>
<td><strong>Total 61407 · Shunt Enhancement</strong></td>
<td>141,000</td>
<td>141,000</td>
<td>96,546</td>
<td>96,546</td>
<td>44,454</td>
</tr>
<tr>
<td><strong>Total 61104 · Rail Drainage Improvement</strong></td>
<td>250,000</td>
<td>500,000</td>
<td>1,485</td>
<td>396,579</td>
<td>103,421</td>
</tr>
<tr>
<td><strong>Total 61713 · Disaster Recovery · 2015 Floods</strong></td>
<td>1,000,000</td>
<td>1,500,000</td>
<td>6,063</td>
<td>215,792</td>
<td>1,284,208</td>
</tr>
<tr>
<td><strong>Total 61714 · Rail Capital Maintenance</strong></td>
<td>745,000</td>
<td>745,000</td>
<td>-</td>
<td>-</td>
<td>745,000</td>
</tr>
<tr>
<td><strong>Total 61506 · Stadler Spare Parts</strong></td>
<td>150,000</td>
<td>150,000</td>
<td>-</td>
<td>-</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total 61507 · ABB Stadler Spare Parts</strong></td>
<td>276,000</td>
<td>276,000</td>
<td>-</td>
<td>-</td>
<td>276,000</td>
</tr>
<tr>
<td><strong>Total 61715 · Rail Safety Improvements</strong></td>
<td>139,657</td>
<td>139,657</td>
<td>-</td>
<td>-</td>
<td>139,657</td>
</tr>
<tr>
<td><strong>Total Rail Construction Projects</strong></td>
<td>26,470,526</td>
<td>34,458,374</td>
<td>176,392</td>
<td>6,250,683</td>
<td>28,207,691</td>
</tr>
</tbody>
</table>
| **Total 1660 · Construction Work in Progress**                 | 38,461,082      | 51,066,231     | 529,995                       | 18,269,941   | 32,796,290                            | 36%
Board of Directors Memo

Subject: Sales Tax Report

November 19, 2015

Background
As a reminder, the Board adopted FY 2015 Revised Budget in May and increased the revenue budget for sales tax revenues to recognize sales tax generated in the Month of February and received in April. The variance to budget on the DCTA sales tax schedule now reflects the adopted revised sales tax revenue budget.

Sales tax represents the single largest source of revenue for DCTA at 59.9% for FY15 budget. The annual Sales Tax budget for FY 2015 is $22,180,195. Because of its importance in funding of DCTA’s ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency’s response when declines in sales tax hit a specific target. This month, receipts were favorable compared to budget. The November allocation is for sales generated in the month of September and represents revenue for the twelfth month of FY 2015.

- Sales tax for sales generated at retail in the month of September and received in November was $2,159,149.72.
- This represents an increase of 8.10% or $161,761 compared to budget for the month.
- Receipts are favorable 4.88% year-to-date compared to revised budget.
- Compared to the same month last year, sales tax receipts were $100,768 or 4.90% more than budgeted.

- Member city collections for the month compared to prior year are as follows:
  - City of Lewisville up 4.91%
  - City of Denton up 3.50%
  - Highland Village up 0.09%

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

Recommendation
For information only. No action required.

Final Review: Anna Mosqueda, CFO
## Sales Tax Report

**Denton County Transportation Authority (DCTA)**

**Budget to Actual and Previous Year Comparison**

<table>
<thead>
<tr>
<th>Sales Generated in Month of:</th>
<th>Received in Month of:</th>
<th>2014-2015 Year Budget</th>
<th>2014-2015 Year Actual</th>
<th>Variance Actual to Budget</th>
<th>CY Actual to CY Budget % Variance</th>
<th>2013-2014 Year Actual</th>
<th>Variance Actual to Prior Year</th>
<th>CY Actual to PY Actual % Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>December</td>
<td>$1,945,700</td>
<td>$1,945,700</td>
<td>$0</td>
<td>0.00%</td>
<td>$1,646,959</td>
<td>$298,741</td>
<td>18.14%</td>
</tr>
<tr>
<td>November</td>
<td>January</td>
<td>$1,765,520</td>
<td>$1,765,520</td>
<td>$0</td>
<td>0.00%</td>
<td>$1,582,022</td>
<td>$183,498</td>
<td>11.60%</td>
</tr>
<tr>
<td>December</td>
<td>February</td>
<td>$2,433,456</td>
<td>$2,433,456</td>
<td>$0</td>
<td>0.00%</td>
<td>$2,173,929</td>
<td>$259,526</td>
<td>11.94%</td>
</tr>
<tr>
<td>January</td>
<td>March</td>
<td>$1,742,381</td>
<td>$1,742,381</td>
<td>$0</td>
<td>0.00%</td>
<td>$1,570,510</td>
<td>$271,871</td>
<td>10.94%</td>
</tr>
<tr>
<td>February</td>
<td>April</td>
<td>$1,566,805</td>
<td>$1,566,805</td>
<td>$0</td>
<td>0.00%</td>
<td>$1,278,211</td>
<td>$288,594</td>
<td>22.58%</td>
</tr>
<tr>
<td>March</td>
<td>May</td>
<td>$1,891,517</td>
<td>$2,074,176</td>
<td>$182,659</td>
<td>9.66%</td>
<td>$1,957,442</td>
<td>$96,724</td>
<td>5.69%</td>
</tr>
<tr>
<td>April</td>
<td>June</td>
<td>$1,683,191</td>
<td>$1,803,955</td>
<td>$120,764</td>
<td>7.17%</td>
<td>$1,777,141</td>
<td>$26,814</td>
<td>1.51%</td>
</tr>
<tr>
<td>May</td>
<td>July</td>
<td>$1,740,055</td>
<td>$1,757,537</td>
<td>$17,482</td>
<td>1.00%</td>
<td>$1,756,564</td>
<td>$973</td>
<td>0.06%</td>
</tr>
<tr>
<td>June</td>
<td>August</td>
<td>$1,932,685</td>
<td>$2,104,123</td>
<td>$171,438</td>
<td>8.87%</td>
<td>$2,008,175</td>
<td>$95,948</td>
<td>4.78%</td>
</tr>
<tr>
<td>July</td>
<td>September</td>
<td>$1,688,016</td>
<td>$1,825,970</td>
<td>$137,954</td>
<td>8.17%</td>
<td>$1,719,163</td>
<td>$106,087</td>
<td>6.21%</td>
</tr>
<tr>
<td>August</td>
<td>October</td>
<td>$1,793,480</td>
<td>$2,082,973</td>
<td>$289,493</td>
<td>16.14%</td>
<td>$1,838,588</td>
<td>$244,385</td>
<td>13.29%</td>
</tr>
<tr>
<td>September</td>
<td>November</td>
<td>$1,997,389</td>
<td>$2,159,150</td>
<td>$161,761</td>
<td>8.10%</td>
<td>$2,058,382</td>
<td>$100,768</td>
<td>4.90%</td>
</tr>
</tbody>
</table>

| **YTD Total**                |                      | **$22,180,195**       | **$23,261,746**       | **$1,081,551**             | **4.88%**                       | **$21,367,086**       | **$1,894,660**                | **8.87%**                       |

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

November 12, 2015
Denton County Transportation Authority (DCTA)  
Member Cities Sales Tax Report  
Month Allocation is Received from Comptroller  
Previous Year Comparison

<table>
<thead>
<tr>
<th>Sales Generated in Month of:</th>
<th>Received in Month of:</th>
<th>2013-2014 Year Actual</th>
<th>2014-2015 Year Actual</th>
<th>Variance Actual to Prior Year</th>
<th>CY Actual to PY Actual % Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>December</td>
<td>$2,412,800</td>
<td>$2,522,839</td>
<td>$120,038</td>
<td>4.98%</td>
</tr>
<tr>
<td>November</td>
<td>January</td>
<td>$2,283,269</td>
<td>$2,404,460</td>
<td>$121,191</td>
<td>5.31%</td>
</tr>
<tr>
<td>December</td>
<td>February</td>
<td>$3,094,980</td>
<td>$3,407,084</td>
<td>$312,104</td>
<td>10.08%</td>
</tr>
<tr>
<td>January</td>
<td>March</td>
<td>$2,250,821</td>
<td>$2,479,995</td>
<td>$229,174</td>
<td>10.18%</td>
</tr>
<tr>
<td>February</td>
<td>April</td>
<td>$1,476,738</td>
<td>$2,194,340</td>
<td>$717,603</td>
<td>48.59%</td>
</tr>
<tr>
<td>March</td>
<td>May</td>
<td>$2,828,191</td>
<td>$2,920,317</td>
<td>$92,126</td>
<td>3.26%</td>
</tr>
<tr>
<td>April</td>
<td>June</td>
<td>$2,569,274</td>
<td>$2,570,323</td>
<td>$1,049</td>
<td>0.04%</td>
</tr>
<tr>
<td>May</td>
<td>July</td>
<td>$2,570,909</td>
<td>$2,441,318</td>
<td>$(129,590)</td>
<td>-5.04%</td>
</tr>
<tr>
<td>June</td>
<td>August</td>
<td>$2,797,425</td>
<td>$2,867,226</td>
<td>$69,800</td>
<td>2.50%</td>
</tr>
<tr>
<td>July</td>
<td>September</td>
<td>$2,472,024</td>
<td>$2,531,076</td>
<td>$59,052</td>
<td>2.39%</td>
</tr>
<tr>
<td>August</td>
<td>October</td>
<td>$2,546,174</td>
<td>$2,996,730</td>
<td>$450,556</td>
<td>17.70%</td>
</tr>
<tr>
<td>September</td>
<td>November</td>
<td>$2,872,745</td>
<td>$3,013,889</td>
<td>$141,144</td>
<td>4.91%</td>
</tr>
<tr>
<td><strong>YTD Total</strong></td>
<td></td>
<td>$30,175,351</td>
<td>$32,359,597</td>
<td>$2,184,246</td>
<td>7.24%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales Generated in Month of:</th>
<th>Received in Month of:</th>
<th>2013-2014 Year Actual</th>
<th>2014-2015 Year Actual</th>
<th>Variance Actual to Prior Year</th>
<th>CY Actual to PY Actual % Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>December</td>
<td>$242,975</td>
<td>$268,275</td>
<td>$25,299</td>
<td>10.41%</td>
</tr>
<tr>
<td>November</td>
<td>January</td>
<td>$271,909</td>
<td>$283,432</td>
<td>$11,523</td>
<td>4.24%</td>
</tr>
<tr>
<td>December</td>
<td>February</td>
<td>$415,312</td>
<td>$441,441</td>
<td>$26,130</td>
<td>6.29%</td>
</tr>
<tr>
<td>January</td>
<td>March</td>
<td>$240,189</td>
<td>$249,723</td>
<td>$9,534</td>
<td>3.97%</td>
</tr>
<tr>
<td>February</td>
<td>April</td>
<td>$231,225</td>
<td>$220,832</td>
<td>$(10,393)</td>
<td>-4.49%</td>
</tr>
<tr>
<td>March</td>
<td>May</td>
<td>$323,839</td>
<td>$319,961</td>
<td>$(3,879)</td>
<td>-1.20%</td>
</tr>
<tr>
<td>April</td>
<td>June</td>
<td>$269,705</td>
<td>$275,169</td>
<td>$5,464</td>
<td>2.03%</td>
</tr>
<tr>
<td>May</td>
<td>July</td>
<td>$288,253</td>
<td>$317,874</td>
<td>$29,621</td>
<td>10.28%</td>
</tr>
<tr>
<td>June</td>
<td>August</td>
<td>$356,088</td>
<td>$330,952</td>
<td>$(25,136)</td>
<td>-7.06%</td>
</tr>
<tr>
<td>July</td>
<td>September</td>
<td>$271,361</td>
<td>$276,336</td>
<td>$4,975</td>
<td>1.83%</td>
</tr>
<tr>
<td>August</td>
<td>October</td>
<td>$261,084</td>
<td>$264,926</td>
<td>$3,843</td>
<td>1.47%</td>
</tr>
<tr>
<td>September</td>
<td>November</td>
<td>$342,547</td>
<td>$342,868</td>
<td>$321</td>
<td>0.09%</td>
</tr>
<tr>
<td><strong>YTD Total</strong></td>
<td></td>
<td>$3,514,486</td>
<td>$3,591,789</td>
<td>$77,303</td>
<td>2.20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales Generated in Month of:</th>
<th>Received in Month of:</th>
<th>2013-2014 Year Actual</th>
<th>2014-2015 Year Actual</th>
<th>Variance Actual to Prior Year</th>
<th>CY Actual to PY Actual % Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>December</td>
<td>$1,858,283</td>
<td>$2,345,573</td>
<td>$487,290</td>
<td>26.22%</td>
</tr>
<tr>
<td>November</td>
<td>January</td>
<td>$1,802,476</td>
<td>$2,197,657</td>
<td>$395,181</td>
<td>21.92%</td>
</tr>
<tr>
<td>December</td>
<td>February</td>
<td>$2,657,999</td>
<td>$3,020,338</td>
<td>$362,339</td>
<td>13.63%</td>
</tr>
<tr>
<td>January</td>
<td>March</td>
<td>$1,877,525</td>
<td>$2,109,216</td>
<td>$231,691</td>
<td>12.34%</td>
</tr>
<tr>
<td>February</td>
<td>April</td>
<td>$1,940,004</td>
<td>$2,182,968</td>
<td>$(87,036)</td>
<td>-4.49%</td>
</tr>
<tr>
<td>March</td>
<td>May</td>
<td>$2,488,428</td>
<td>$2,678,550</td>
<td>$190,122</td>
<td>7.64%</td>
</tr>
<tr>
<td>April</td>
<td>June</td>
<td>$2,077,345</td>
<td>$2,152,181</td>
<td>$74,836</td>
<td>3.60%</td>
</tr>
<tr>
<td>May</td>
<td>July</td>
<td>$2,003,488</td>
<td>$2,107,901</td>
<td>$104,413</td>
<td>5.21%</td>
</tr>
<tr>
<td>June</td>
<td>August</td>
<td>$2,482,262</td>
<td>$2,682,604</td>
<td>$200,342</td>
<td>8.07%</td>
</tr>
<tr>
<td>July</td>
<td>September</td>
<td>$1,922,509</td>
<td>$2,259,012</td>
<td>$336,503</td>
<td>17.50%</td>
</tr>
<tr>
<td>August</td>
<td>October</td>
<td>$2,317,928</td>
<td>$2,584,144</td>
<td>$266,216</td>
<td>11.49%</td>
</tr>
<tr>
<td>September</td>
<td>November</td>
<td>$2,634,728</td>
<td>$2,727,016</td>
<td>$92,288</td>
<td>3.50%</td>
</tr>
<tr>
<td><strong>YTD Total</strong></td>
<td></td>
<td>$26,062,974</td>
<td>$28,717,159</td>
<td>$2,654,185</td>
<td>10.18%</td>
</tr>
</tbody>
</table>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
November 12, 2015
### All Transit Agencies

#### Monthly Sales and Use Tax Comparison Summary

<table>
<thead>
<tr>
<th>Transit</th>
<th>Current Rate</th>
<th>Net Payment This Period</th>
<th>Comparable Payment Prior Year</th>
<th>% Change</th>
<th>2015 Payments To Date</th>
<th>2014 Payments To Date</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston MTA</td>
<td>1.00%</td>
<td>$63,680,618.73</td>
<td>$64,941,387.50</td>
<td>-1.94%</td>
<td>$659,437,443.09</td>
<td>$637,594,885.40</td>
<td>3.43%</td>
</tr>
<tr>
<td>Dallas MTA</td>
<td>1.00%</td>
<td>$47,907,575.33</td>
<td>$45,182,481.99</td>
<td>6.03%</td>
<td>$477,372,822.72</td>
<td>$447,693,930.76</td>
<td>6.63%</td>
</tr>
<tr>
<td>Austin MTA</td>
<td>1.00%</td>
<td>$19,366,967.59</td>
<td>$17,985,701.70</td>
<td>7.68%</td>
<td>$194,018,761.26</td>
<td>$179,379,597.17</td>
<td>8.16%</td>
</tr>
<tr>
<td>San Antonio MTA</td>
<td>0.50%</td>
<td>$12,403,152.16</td>
<td>$12,057,554.07</td>
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<td>$5,461,743.74</td>
<td>$5,389,293.25</td>
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<td>$56,467,878.30</td>
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<td>$5,857,090.16</td>
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<td>$3,369,777.50</td>
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<td>Denton CTA</td>
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<td>$2,058,381.82</td>
<td>4.90%</td>
<td>$21,316,045.89</td>
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<td>Laredo CTD</td>
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<td>$642,378.52</td>
<td>$659,308.91</td>
<td>-2.57%</td>
<td>$7,247,641.28</td>
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<td>TOTALS</td>
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<td>$163,881,076.10</td>
<td>$160,630,843.62</td>
<td>2.02%</td>
<td>$1,670,431,348.71</td>
<td>$1,593,167,064.86</td>
<td>4.85%</td>
</tr>
</tbody>
</table>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
November 12, 2015
Board of Directors Memo

November 19, 2015

Subject: Procurement Status Report

Brand Ambassador Services
A request for proposals was released on November 10\textsuperscript{th} and is due on December 1\textsuperscript{st} for Brand Ambassador Services. The selected agency will assist in the execution of critical marketing and communications campaigns. Award is anticipated at the December meeting.

Procurement Training
Two staff training sessions were conducted during November to refresh staff on the requirements for federal procurements and introduce a systemic approach to contract administration. During the latest Triennial Review a finding was issued related to the lack of sufficient contract administration documentation. This training addressed contract administration and the requirements for each project owner. This training should satisfy the finding and will be submitted to FTA by the due date in December.

DBE Reporting
The semi-annual reporting for the period of April 1, 2015 to September 30, 2015, was submitted to FTA in early November. During fiscal year 2015 DCTA achieved 4.36\% DBE participation on federal funded projects.

Submitted by: 
Athena Forrester, Senior Procurement Manager

Final Review: 
Anna Mosqueda, CFO
Board of Directors Memo

November 19, 2015

Subject: Strategic Planning & Development Update

PRIORITY PROJECTS

SERVICE PLANNING: “Shaping Our Future”

Lewisville & Highland Village Service Review & Analysis

- A Comprehensive Operational Analysis (COA) has been conducted for the Lewisville and Highland Village service area.
- A Draft Report has been submitted to DCTA and staff is working with Nelson Nygaard to finalize the recommendations.
- The COA Final Report will include service recommendations which may recommend; route realignments, interlinings and extensions, revised service hours and frequency, reduction of non-productive service, new routes, innovative last-mile connections, as well as passenger amenity and bus stop improvements.

Denton Service Review & Analysis

- A Comprehensive Operational Analysis (COA) is being conducted is currently underway in Denton.
- Nelson-Nygaaard will leverage data from UNT’s Parking & Transportation Master Plan during this process
- Market analysis and on-board surveys were conducted by Nelson-Nygaaard earlier this month.
- Community meetings are scheduled for mid-November.
- Preliminary results are expected to DCTA in March.

Regional Express Corridor Preliminary Planning

- Staff has received support from NCTCOG and DCTA Board of Directors to move forward with the continued development of the Regional Express Corridors
- The Regional Express Corridor Service Preliminary Plan is being shared with partners and potential partners through a series of meetings with member and non-member cities as well as potential private sector partners

DEVELOPMENT

New Service Delivery Model: On-Demand/Flex Service

- Staff continues discussions regarding the new on-demand/flex service with non-member cities.
- As interest continues to grow, staff continues to further develop the service in preparation for implementation in existing member cities and future contracting non-member cities

Downtown Denton Parking

- In coordination with the Union Pacific Railroad, DCTA is partnering with city staff to implement solutions to address potential parking shortage, downtown aesthetics, noise mitigation and enhance safety measures.
- The Union Pacific Railroad is currently assembling a team to work with the City and DCTA on this project.

New Funding Mechanisms: Transportation Investment Generating Economic Recovery (TIGER)

- The project submitted for funding is the regional express corridor between Highland Village and The Colony and includes on-call software, fleet, an intermodal transit center and a light duty bus maintenance facility.
- The grant awards were announced and DCTA was not a recipient. The only Texas award was to TxDOT for rural transit in excess of $20 Million.
New Funding Mechanisms: Congestion Mitigation Air Quality (CMAQ)
- DCTA staff has identified available CMAQ funding for new service areas
- Projects have been submitted to NCTCOG requesting CMAQ funds for capital initiatives currently under development by DCTA staff; 35W Regional Express Service, East/West Bus Rail Connector Service, and On-Demand/Flex Fleet Service in Non-Member Cities

UNT Parking & Transportation Master Plan
- UNT is conducting their planning study to identify campus parking and transportation needs and solutions
- DCTA is playing an active role in this effort through participation in stakeholder meetings and through active engagement on the planning committee
- The study is expected to be completed in December 2015 with a final report provided in January 2016
- DCTA staff will incorporating feedback and findings from this study into the Comprehensive Operational Analysis for the Denton service area planned for later this year

LEGISLATIVE AFFAIRS

Federal Legislation
- Chris Giglio with Capital Edge will provide a federal legislative update at the November board meeting.

ADDITIONAL PROJECTS
- NCTCOG Mobility 2040 Plan
- Transit Oriented Development Coordination
- New City Service Proposals
- NCTCOG Fleet Asset Transfer
- Grant Strategy Development
- UNT Contract Preparation & Development
- TxDOT 35W Expansion Preparation
- Technology Application Research for Flex Service
- Regional and Flex Fleet Purchase Research
- TWU Comprehensive Master Plan
- Title VI Analysis
- Update DCTA's Long Range Service Plan

OUTREACH EFFORTS

Recent Activities
10/23 Surface Transportation Technical Committee (STTC)
10/27 35W Coalition
11/17 COA Community Open House, TWU
11/17 COA Stakeholder Luncheon, Denton
11/18 COA Community Open House, DDTC

Submitted by: Kristina Brevard, VP, Planning & Development
Main Messages:

State Fair of Texas Campaign Recap Report
- Campaign Timeline
  - September 15 through October 25, 2015
- Target Audience
  - Senior Citizens
  - Students (TWU, UNT, NCTC)
  - Families
  - Those within proximity to stations or bus stops (Denton, Lewisville, Highland Village)
- Key Messages
  - DCTA will get you from “Point A to Point Play”
  - Avoid the congestion and parking hassles by riding DCTA
    - Ease, convenience, reliability, safety, quality
    - Adventure, journey, fun
- Website Page Views (YOY)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Main Campaign Page</td>
<td>6,827</td>
<td>11,371</td>
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<tr>
<td>Schedule Pages</td>
<td>3,140</td>
<td>67,584</td>
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</table>
- Social Media Messaging
  - Total Twitter Posts – 8
    - Twitter Impressions – 8,427
    - Twitter Engagements (retweets, link clicks, etc.) – 96
  - Total Facebook Posts – 2 campaign flights
    - Facebook Impressions – 38,633
    - Facebook CTR to Website – 1,218
- Online Banner Campaign
  - Total Impressions – 2,231,327
  - Total CTR to Website – 2,002
  - Click Rate – .115% (above average)
- Print Campaign
  - Total Impressions – 807,865
- Media Coverage
  - Total Internet Reach – 12,278,179
  - Total Print Reach – 834,226
  - Total Publicity Value – $8,672.10
- Ridership Results
  - 7.6% increase in ridership YOY
Corporate Pass Program Update
- Development of Program: 10.12.15 – 11.30.15
- Creative Development of Brochure/Website Content Development: 11.23.15 – 12.15.15
- Employer Packet Development: 11.23.15 – 12.15.15
- Business/Sales Lead Research: 12.1.15 – 12.31.15
- Additional Creative/Collateral Development: 12.1.15 – 12.31.15
- Hiring of Community Relations Assistant (to help with sales outreach): Starting 1.1.16
- Materials in Hand: 1.1.16 – 1.8.16
- Sales Strategy: 1.1.16 – 1.22.16
- Program Launch: 2.1.16

Marcomm Awards
- Platinum Award Winner for Where’s My Ride marketing product launch campaign
- Gold Award Winner for Valentine’s Day #BeMine social media campaign

Media Coverage Reports
- October 2015 Media Coverage Report (Addendum 1)
- Positive Train Control Media Coverage Report (Addendum 2)
- New Board Members Media Coverage Report (Addendum 3)

MARKETING & COMMUNICATIONS INITIATIVES

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<tr>
<th>Category</th>
<th>Initiative</th>
<th>Important Dates</th>
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<tbody>
<tr>
<td>Brand Planning</td>
<td>Comprehensive Brand Study</td>
<td>Planning Phase/On Hold</td>
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<td></td>
<td>Video Production (4 Videos)</td>
<td>Development Phase</td>
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<td>FY ’16 Agency Performance Report Redesign</td>
<td>Execution Phase</td>
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<td>Brand Standards Manual</td>
<td>Execution Phase</td>
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<td>Marketing</td>
<td>Commuter Marketing Campaign</td>
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<td>GO Request Marketing Campaign</td>
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<td>Brand Marketing Campaign</td>
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<td>Expansion Marketing Campaign</td>
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<td>Collateral Development</td>
<td>Media Kit Redevelopment</td>
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<td>How to Ride Rack Card</td>
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<td>January 2016 Go Guide Revisions</td>
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<td>Corporate Pass Program Collateral</td>
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<td>Digital</td>
<td>DCTA Website Reskin</td>
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<td>DCTA Website Content Development (revision)</td>
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<td>Board Meeting Video Footage Postings</td>
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<td>Transit Talk Blog Redesign</td>
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<td>Public/Media Relations</td>
<td>Photo and Film Guidelines</td>
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<td>Media Relations/Crisis Communications Procedures Revamp</td>
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<td>Award Nominations: Marcom Award Nominations</td>
<td>Won – Platinum and Gold</td>
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<td>Proactive Pitching</td>
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<td>Media Meet and Greet Activities</td>
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<td>2016 Social Media Editorial Calendar Preparation</td>
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<td>Social Media Practices Guidelines</td>
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<td>Social Media Policies and Procedures</td>
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<td>Campaign Development</td>
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<td>Executive Social Media Plan (Jim Cline Posts)</td>
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<td>Editorial Calendar Execution (Social and Video)</td>
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<td>Internal Communications</td>
<td>Comprehensive Internal Newsletter Project (Wheels &amp; Rails)</td>
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<td>Dispatch Rider Alert Manual</td>
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<td>Monthly Messaging Map</td>
<td>Ongoing – Until 1/1</td>
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<td>Monthly Staff Meeting Presentation</td>
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<td>Member City Involvement</td>
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<td>Events</td>
<td>Denton Holiday Lighting Festival</td>
<td>Execution Phase</td>
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<td>Denton Oktoberfest</td>
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<td>Public Involvement</td>
<td>COA Public and Stakeholder Meetings:</td>
<td>Execution Phase</td>
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<td>Tuesday, November 17</td>
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<td>12 p.m. – 1 p.m. / TWU</td>
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<td>6 p.m. – 7 p.m. / DDTC</td>
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<td>Public Meeting Standard Operating Procedures</td>
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<td>MySidewalk.com</td>
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<td>Customer Service</td>
<td>Review of Customer Service Initiatives</td>
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<td>Customer Service/Dispatch Rider Alert Manual</td>
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<td>Greater Lewisville Newcomer’s Club</td>
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<td>Lewisville Water Bill Insert Program</td>
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<td>Bulk Pass Program</td>
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<td>Regional Initiatives</td>
<td>Go Pass 2.0</td>
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<td>NCTCOG Casual Carpool Application</td>
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<td>NCTCOG Air North Texas</td>
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<td>NCTCOG MyRideNCT</td>
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<td>Administrative</td>
<td>Community Relations Assistant Position</td>
<td>Hiring Phase</td>
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<td>Administrative Assistant Positions</td>
<td>Hiring Phase</td>
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### MARKETING & COMMUNICATIONS METRICS

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<tr>
<th>Activity</th>
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<th>Annual Goal</th>
<th>Monthly</th>
<th>YTD</th>
<th>Goal Met</th>
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<tr>
<td><strong>Brand Impressions</strong></td>
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<tr>
<td>Community Brand Impressions*</td>
<td>Global Impressions</td>
<td>260,000</td>
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<td>Confirmed Impressions</td>
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<td>Media Buy Impressions**</td>
<td>Online/Confirmed Impressions</td>
<td>5M</td>
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<td><strong>Media Relations</strong></td>
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<td>Press Coverage</td>
<td>Articles About DCTA</td>
<td>300 Placements</td>
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<td>Media Relations Impressions^</td>
<td>Articles About DCTA</td>
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<td><strong>Publicity Value^^</strong></td>
<td>Articles About DCTA</td>
<td>$1M</td>
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<td><strong>Headline Highlights</strong></td>
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<td>Safety rule threatens North Texas commuter, freight train service</td>
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<td>DCTA Welcomes Two New Board Members</td>
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<td>The American Public Transportation Association Honors Creative Excellence in Public Transportation</td>
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<tr>
<td>DCTA selects CTC for signal enhancement project</td>
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<td><strong>Major Media Outlets</strong></td>
<td>Dallas Morning News; KRLD-AM; KKAS-TV (NBC 5); Denton Record-Chronicle; Mass Transit; Progressive Railroading</td>
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<tr>
<td><strong>Social Media</strong></td>
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<tr>
<td>Facebook Likes</td>
<td>Increase in Likes</td>
<td>3,000</td>
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<td>Twitter Followers</td>
<td>Increase in Followers</td>
<td>1,000</td>
<td>35</td>
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<td><strong>Digital</strong></td>
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<td>Website</td>
<td>Pageviews</td>
<td>1.5M</td>
<td>154,739</td>
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<td>Top 5 Referring Sites</td>
<td>bigtex.com, Online Ads (State Fair), UNT, DART, Mobile Facebook</td>
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<tr>
<td>DCTA Blog</td>
<td>Confirmed Impressions</td>
<td>3,000</td>
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<td>Top 3 Referring Sites</td>
<td>Google, Facebook, Twitter</td>
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<td><strong>Go Pass</strong></td>
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<td>New Downloads</td>
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<table>
<thead>
<tr>
<th>Activity</th>
<th>Metric</th>
<th>Annual Goal</th>
<th>Monthly</th>
<th>YTD</th>
<th>Goal Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide Excellent Customer</td>
<td>Calls Answered</td>
<td>&gt;95%</td>
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<tr>
<td>Service</td>
<td>Abandoned Calls</td>
<td>&lt;3%</td>
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<td>Where’s My Ride</td>
<td>Total Hits***</td>
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<td>SMS (Texts)</td>
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<td>Calls</td>
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<td>GORequest</td>
<td>Avg. Days/Closeout</td>
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<tr>
<td></td>
<td>Total Entries/10K</td>
<td>&gt;3</td>
<td>.94</td>
<td>.94</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Complaints/10K</td>
<td>&lt;5</td>
<td>1.59</td>
<td>1.59</td>
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<tr>
<td></td>
<td>Types of Submittals</td>
<td></td>
<td></td>
<td></td>
<td>Complaint - 30, Compliment - 1, Problem - 7, Question - 22, Suggestion - 3</td>
</tr>
</tbody>
</table>

**Footnote:**

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

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

***Where’s My Ride “hits” track all visits to the site. Total hits reported are not unique visitors.

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

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

Approved by: _____________________________________________
Nicole M. Recker
Vice President of Marketing & Communications
TOTAL MENTIONS: 52

TOTAL REACH: 22,992,694

TOTAL PUBLICITY VALUE: $64,766.15
TOTAL INTERNET REACH: 19,433,962

TOP STORIES: INTERNET

1. Sounding Off: Readers discuss possible suspension of TRE, A-Train services
   **OUTLET**: Dallas Morning News Online  **REACH**: 3,847,525

2. Safety rule threatens North Texas commuter, freight train service
   **OUTLET**: Dallas Morning News Online  **REACH**: 3,847,525

3. Editorial: Transportation officials put North Texas drivers at risk with careless vetting of contractor
   **OUTLET**: Dallas Morning News Online  **REACH**: 3,847,525

4. DART paid millions to engineering firm involved in several suits
   **OUTLET**: Dallas Morning News Online  **REACH**: 3,847,525

5. Safety rule threatens North Texas commuter, freight train service
   **OUTLET**: Oklahoman Online  **REACH**: 1,305,683
TOTAL BROADCAST REACH: 105,507

TOP STORIES: BROADCAST

1. NBC 5 Today at 11:00am
   OUTLET: KXAS-TV
   REACH: 58,572

2. NBC5 Today at 5:30am
   OUTLET: KXAS-TV
   REACH: 46,935
TOTAL PRINT REACH: 3,453,225

TOP STORIES: PRINT

1. High-speed rail designers chosen
   OUTLET: THE DALLAS MORNING NEWS
   REACH: 413,480

2. $130M worth of Texas high-speed rail design work will be done at selected firms' risk
   OUTLET: The Dallas Morning News: Blogs
   REACH: 413,480

3. Safety rule threatens N. Texas train service
   OUTLET: THE DALLAS MORNING NEWS
   REACH: 413,480

4. A Troubling Lack of Vetting
   OUTLET: THE DALLAS MORNING NEWS
   REACH: 413,480

5. Train service threatened by safety rule
   OUTLET: THE DALLAS MORNING NEWS
   REACH: 413,480
NUMBER OF MENTIONS BY MEDIA GROUP

- Internet: 29 mentions (56%)
- Broadcast: 6 mentions (12%)
- Print: 14 mentions (27%)
- Other: 3 mentions (6%)

REACH BY MEDIA GROUP

- Internet: 19,433,962 reach (85%)
- Broadcast: 105,507 reach (0%)
- Print: 3,453,225 reach (15%)
- Other: 0 reach (0%)
PUBLICITY VALUE BY MEDIA GROUP

- Internet: $23,123 (36%)
- Broadcast: $28,537 (44%)
- Print: $11,184 (17%)
- Other: $1,922 (3%)

FREQUENCY OF MENTIONS OVER TIME

5 OCT  | 12 OCT  | 19 OCT  | 26 OCT

Internet  | Broadcast  | Print  | Other
REACH OVER TIME

PUBLICITY VALUE OVER TIME
## SUMMARY FOR 10/2/2015 - 10/31/2015

<table>
<thead>
<tr>
<th>Source</th>
<th>Mentions</th>
<th>Reach</th>
<th>Publicity Value</th>
</tr>
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<tbody>
<tr>
<td><strong>INTERNET</strong></td>
<td></td>
<td></td>
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<tr>
<td>Online Print Version</td>
<td>29</td>
<td>19,433,962</td>
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<td>News Web Sites</td>
<td>23</td>
<td>18,446,738</td>
<td>$21,876.42</td>
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<tr>
<td>Blogs</td>
<td>4</td>
<td>814,836</td>
<td>$1,098.63</td>
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<tr>
<td><strong>BROADCAST</strong></td>
<td>6</td>
<td>105,507</td>
<td>$28,537.35</td>
</tr>
<tr>
<td>Television Station Show</td>
<td>2</td>
<td>105,507</td>
<td>$27,801.17</td>
</tr>
<tr>
<td>AM Radio Station Show</td>
<td>4</td>
<td></td>
<td>$736.18</td>
</tr>
<tr>
<td><strong>PRINT</strong></td>
<td>14</td>
<td>3,453,225</td>
<td>$11,183.79</td>
</tr>
<tr>
<td>Daily Newspaper</td>
<td>14</td>
<td>3,453,225</td>
<td>$11,183.79</td>
</tr>
<tr>
<td><strong>OTHER</strong></td>
<td>3</td>
<td></td>
<td>$1,922.06</td>
</tr>
<tr>
<td>News Service/Syndicate</td>
<td>3</td>
<td></td>
<td>$1,922.06</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>52</td>
<td>22,992,694</td>
<td>$64,766.15</td>
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</tbody>
</table>
TOTAL MENTIONS: 15

TOTAL REACH: 10,698,361

TOTAL PUBLICITY VALUE: $39,803.03
TOTAL INTERNET REACH: 9,352,414

TOP STORIES: INTERNET

1. Sounding Off: Readers discuss possible suspension of TRE, A-Train services
   OUTLET: Dallas Morning News Online
   REACH: 3,847,525

2. Safety rule threatens North Texas commuter, freight train service
   OUTLET: Dallas Morning News Online
   REACH: 3,847,525

3. Safety rule threatens North Texas commuter, freight train service
   OUTLET: Oklahoman Online
   REACH: 1,305,683

4. Safety rule threatens North Texas commuter, freight train service
   OUTLET: Topix.net
   REACH: 177,051

5. Rule imperils rail service
   OUTLET: Denton Record-Chronicle Online
   REACH: 174,630
TOTAL BROADCAST
REACH: 105,507

TOP STORIES: BROADCAST

1. NBC 5 Today at 11:00am
   **OUTLET:** KXAS-TV
   **REACH:** 58,572

2. NBC5 Today at 5:30am
   **OUTLET:** KXAS-TV
   **REACH:** 46,935
TOTAL PRINT REACH: 1,240,440

TOP STORIES: PRINT

1. Safety rule threatens N. Texas train service
   OUTLET: THE DALLAS MORNING NEWS
   REACH: 413,480

2. Train service threatened by safety rule
   OUTLET: THE DALLAS MORNING NEWS
   REACH: 413,480

3. Officials hoping to avoid suspension of TRE, A-train service next year
   OUTLET: The Dallas Morning News: Blogs
   REACH: 413,480
NUMBER OF MENTIONS BY MEDIA GROUP

- Internet: 5 mentions (33%)
- Broadcast: 6 mentions (40%)
- Print: 3 mentions (20%)
- Other: 1 mention (7%)

REACH BY MEDIA GROUP

- Internet: 9,352,414 (87%)
- Broadcast: 105,507 (1%)
- Print: 1,240,440 (12%)
- Other: 0 (0%)
PUBLICITY VALUE BY MEDIA GROUP

- Internet: $8,181 (21%)
- Broadcast: $28,537 (72%)
- Print: $2,175 (5%)
- Other: $911 (2%)

FREQUENCY OF MENTIONS OVER TIME
REACH OVER TIME

PUBLICITY VALUE OVER TIME
## SUMMARY FOR 10/12/2015 – 10/28/2015

<table>
<thead>
<tr>
<th></th>
<th>MENTIONS</th>
<th>REACH</th>
<th>PUBLICITY VALUE</th>
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</thead>
<tbody>
<tr>
<td><strong>INTERNET</strong></td>
<td>5</td>
<td>9,352,414</td>
<td>$8,180.54</td>
</tr>
<tr>
<td>Online Print Version</td>
<td>4</td>
<td>9,175,363</td>
<td>$8,165.41</td>
</tr>
<tr>
<td>News Web Sites</td>
<td>1</td>
<td>177,051</td>
<td>$15.13</td>
</tr>
<tr>
<td><strong>BROADCAST</strong></td>
<td>6</td>
<td>105,507</td>
<td>$28,537.35</td>
</tr>
<tr>
<td>Television Station Show</td>
<td>2</td>
<td>105,507</td>
<td>$27,801.17</td>
</tr>
<tr>
<td>AM Radio Station Show</td>
<td>4</td>
<td></td>
<td>$736.18</td>
</tr>
<tr>
<td><strong>PRINT</strong></td>
<td>3</td>
<td>1,240,440</td>
<td>$2,174.62</td>
</tr>
<tr>
<td>Daily Newspaper</td>
<td>3</td>
<td>1,240,440</td>
<td>$2,174.62</td>
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<tr>
<td><strong>OTHER</strong></td>
<td>1</td>
<td></td>
<td>$910.52</td>
</tr>
<tr>
<td>News Service/Syndicate</td>
<td>1</td>
<td></td>
<td>$910.52</td>
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<td><strong>TOTAL</strong></td>
<td>15</td>
<td>10,688,361</td>
<td>$39,803.03</td>
</tr>
</tbody>
</table>
TOTAL MENTIONS: 7

TOTAL REACH: 484,723

TOTAL PUBLICITY VALUE: $1,085.97
TOTAL INTERNET REACH: 446,857

TOP STORIES: INTERNET

1. Briefly in business
   OUTLET: Denton Record-Chronicle Online
   REACH: 174,630

2. DCTA Welcomes Two New Board Members
   OUTLET: Mass Transit Online
   REACH: 88,770

3. Railroading People Article Fort Worth's The T reappoints Mahaffey chair; DCTA adds two board members
   OUTLET: Progressive Railroading Online
   REACH: 81,846

4. Rail News - Fort Worth's The T reappoints Mahaffey chair; DCTA adds two board members. For Railroad Career Professionals
   OUTLET: Progressive Railroading Online
   REACH: 81,846

5. DCTA welcomes two new board members
   OUTLET: Plano Star-Courier Online
   REACH: 19,765
TOTAL PRINT REACH: 37,866

TOP STORIES: PRINT

1. DCTA welcomes two new board members
   OUTLET: Lewisville Leader (Texas)  REACH: 30,600

2. DCTA welcomes two new board members
   OUTLET: The Colony Courier-Leader (Texas)  REACH: 7,266
PUBLICITY VALUE BY MEDIA GROUP

- Internet: $124 (11%)
- Broadcast: $0 (0%)
- Print: $962 (89%)
- Other: $0 (0%)

FREQUENCY OF MENTIONS OVER TIME
NEW BOARD MEMBERS REPORT
DENTON COUNTY TRANSPORTATION AUTHORITY

REACH OVER TIME

PUBLICITY VALUE OVER TIME
### SUMMARY FOR 10/28/2015 – 11/1/2015

<table>
<thead>
<tr>
<th></th>
<th>MENTIONS</th>
<th>REACH</th>
<th>PUBLICITY VALUE</th>
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<tbody>
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<td><strong>INTERNET</strong></td>
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<td>446,857</td>
<td>$123.61</td>
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<tr>
<td>Online Print Version</td>
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<td>446,857</td>
<td>$123.61</td>
</tr>
<tr>
<td><strong>PRINT</strong></td>
<td>2</td>
<td>37,866</td>
<td>$962.36</td>
</tr>
<tr>
<td>Daily Newspaper</td>
<td>2</td>
<td>37,866</td>
<td>$962.36</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>7</td>
<td>484,723</td>
<td>$1,085.97</td>
</tr>
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</table>
Board of Directors Memo
November 19, 2015
Subject: Capital Projects Update

Signal System Enhancements
Project Budget: $868,558

Milestone Schedule:

<table>
<thead>
<tr>
<th>Signal System Enhancements</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice to Proceed</td>
<td>10/1/2015</td>
</tr>
<tr>
<td>Master Project Schedule</td>
<td>10/29/2015</td>
</tr>
<tr>
<td>Functional Design Document</td>
<td>10/31/2015</td>
</tr>
<tr>
<td>Safety Plan</td>
<td>11/12/2015</td>
</tr>
<tr>
<td>Test Plan</td>
<td>11/12/2015</td>
</tr>
<tr>
<td>Product Submittals</td>
<td>11/26/2015</td>
</tr>
<tr>
<td>60% Design Review</td>
<td>11/21/2015</td>
</tr>
<tr>
<td>90% Design Review</td>
<td>12/28/2015</td>
</tr>
<tr>
<td>100% Design Review</td>
<td>1/14/2016</td>
</tr>
<tr>
<td>Fiber Optic Construction</td>
<td>12/31/2015</td>
</tr>
<tr>
<td>Site Equipment Installation</td>
<td>2/20/2016</td>
</tr>
<tr>
<td>Back Office Integration</td>
<td>3/12/2016</td>
</tr>
</tbody>
</table>

Positive Train Control (PTC)
- A contract was awarded to GE Transportation Systems or Enhanced Automatic Train Control system.
- GE was acquired by Alstom in November, 2015. We are awaiting receipt of bonds so that we can issue NTP.
- The project is expected to complete by year end 2017.

Flood Damage repairs

<table>
<thead>
<tr>
<th>Issue</th>
<th>Initial Cost</th>
<th>Alternative</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Response</td>
<td>$191,500</td>
<td>PW in progress</td>
<td></td>
</tr>
<tr>
<td>Track wash-out repairs</td>
<td>$27,818</td>
<td>PW in progress</td>
<td></td>
</tr>
<tr>
<td>Replace crossings</td>
<td>$2,341,871*</td>
<td>In-depth analysis in progress</td>
<td>Alternative concrete injection has been rejected by DCTA &amp; Herzog. Awaiting results of GPR</td>
</tr>
<tr>
<td>Bus O&amp;M Electrical Repairs</td>
<td>$14,616</td>
<td>PW in progress</td>
<td></td>
</tr>
<tr>
<td>Signal &amp; Comm. System</td>
<td>$609,306*</td>
<td>In-depth analysis</td>
<td>Alternative possible mold mitigation in signal house. Insurance is pending</td>
</tr>
</tbody>
</table>
Scouring & Wash-outs $ 59,844* PW in progress
Rail OMF drainage $ 111,690* PW in progress
Replace flume at Pockrus Page $ 193,695* PW in progress
Undercut ballast $1,553,064* In-depth analysis. GPR survey scheduled 11/22.

*Includes estimated engineering and project management

NOTES:
FEMA will have PW ready for submission to Austin in mid to late November for the following:

Emergency response
Track wash-out repairs
Bus O&M electrical repairs
Scouring and wash-out repairs
Flume at Pockrus Page
Rail OMF drainage
Crossing replacement Awaiting GPR results
Signal House replacement Awaiting insurance carrier decision
Ballast Undercutting Awaiting GPR results

Transit Enhancements

- Materials are on-hand and the City of Denton has issued 8 permits. DCTA is in the process of contracting for installation services.

Lewisville Hike and Bike Trail – Eagle Point Section
- DCTA was awarded the Transportation Alternatives Program (TAP) grant for completion of the Hike and Bike Trail from downtown Lewisville to the Highland Village/Lewisville Lake station. We are awaiting receipt of the Advanced Funding Agreement (AFA) from TxDOT. Construction plans are 95% complete. Permits for the section immediately south of the station are being finalized, but cannot be completed until we receive the AFA.

Network Infrastructure Upgrade
- Install of equipment and connections are underway to leverage DCTA’s fiber for connectivity of the DDCT, Bus O&M, Rail O&M and the Administrative Offices.
- A microwave backhaul connection is being implemented for business continuity.
- The upgrade will greatly enhance DCTA’s network performance and resiliency with lower total cost of ownership as monthly fees will be eliminated.
- Once the network upgrade is complete it will enable the upgrade of the phone system which will connect all locations with an integrated solution for enhanced call services.
- The network upgrade is expected to be completed by end of November, 2015.

Final Review:  
Raymond Suarez, COO
SYSTEM ON-TIME PERFORMANCE

- FY 2016 YTD, “On Time Performance” (OTP) for the A-train is 99%
- FY 2016 YTD “On Time Performance” (OTP) for Connect service is 87.94%. On-time performance has been adjusted to properly reflect departures from each bus stop as well as the final destination. This new data has shown a decrease in on-time performance primarily due to traffic delays (35%) and fleet mechanical issues (38%).

RIDERSHIP PERFORMANCE

<table>
<thead>
<tr>
<th>Service</th>
<th>% Change FY 2015 to FY 2016</th>
<th>Color</th>
<th>Notation No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Bus &amp; Rail</td>
<td>-3.28%</td>
<td>Green</td>
<td>1</td>
</tr>
<tr>
<td>Rail</td>
<td>1.69%</td>
<td>Green</td>
<td></td>
</tr>
<tr>
<td>All Bus</td>
<td>-5.61%</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>Connect</td>
<td>-0.09%</td>
<td>Green</td>
<td></td>
</tr>
<tr>
<td>UNT</td>
<td>-6.45%</td>
<td>Yellow</td>
<td>1</td>
</tr>
<tr>
<td>NCTC</td>
<td>-0.64%</td>
<td>Green</td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>-9.56%</td>
<td>Green</td>
<td></td>
</tr>
<tr>
<td>Connect RSVP</td>
<td>-18.23%</td>
<td>Red</td>
<td>2</td>
</tr>
</tbody>
</table>

1. UNT boardings dropped which negatively impacted the entire system.
2. Connect RSVP continues to decline which is likely due to significant construction associated with the I35 E corridor and construction in close proximity to the station.
3. Staff recommends adding an additional peak vehicles to improve the RSVP service. The plan is to put this service in place prior to the January service change.

Color Key
- **Green** indicates positive performance
- **Yellow** indicates service that will be monitored by staff
- **Red** indicates poor performance and needs further research
Rail and All Bus: Total Boardings

- Annual ridership for bus and rail combined decreased by 3.28% (or 13,379 boardings) compared to October 2014.
- This drop is explained by the decrease in UNT ridership.

Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, and special movement services.
A decrease in UNT ridership is the primary driver of total bus decline which makes up a significant percentage of total bus ridership.

Annual UNT ridership decreased by 6.45% (or 18,136 boardings) when compared to October 2014. Last month was the first time UNT ridership declined since August 2014.

This decline may be explained by sharp increase in missed UNT revenue miles and hours from October 2015 to 2014. Last month, UNT service missed 178.8 revenue miles and 19.10 revenue hours compared to October 2014 where only 54.40 revenue miles and 5.02 revenue hours were missed.

Of all UNT routes, Centre Place (East and West), Sam Bass, and Mean Green experienced the largest declines in ridership.
Rail: Total Boardings

- October 2015 rail boardings increased by 1.69% (or 1,085 boardings).
Average Saturday boardings for October 2015 increased by 25.11% (or 247 boardings per Saturday) compared to October 2014. This is primarily due to record State Fair attendance.

Rail: FY 2015 Modified Total Boardings
Note: Boardings in February, May, and June were replaced with those months in FY 2014 to approximate annual ridership without inclement weather or restricted service.

- Total FY 2015 boardings without substitutes was 555,423 which is a 1.46% decrease (or 8,219 boardings) compared to FY 2014.
- When February, May, and June 2015 were substituted with those months in FY 2014, total boardings were 567,906 which is an increase of 0.89% (or 4,964 boardings).

Access: Total Boardings

Access: Total Boardings
- October 2015 boardings decreased by 9.56% (or 284 boardings) compared to October 2014.
Connect RSVP: Total Boardings

- Connect RSVP continues to underperform, 18.23% YTD, likely due to heavy construction around the HV/LL station, the demolition of bridge access and offramp access to and from Highland Village which is making meeting on time performance very difficult. Staff is recommending the addition of 1 vehicle to augment service until a new service strategy is implemented.

SAFETY/SECURITY
- DCTA Rail Operations Injury-Free Workdays: 1,262
- DCTA Bus Operations Injury-Free Workdays: 15

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

Final Review: Raymond Suarez, COO
Board of Directors Memo                                          November 19, 2015
Item: WS 3(a) Finance Committee Chair Report

The Finance Committee meeting and Special called Board of Directors meeting was held at 2:00 p.m.,
Monday, November 9, 2015 at 1955 Lakeway Dr., Suite 260 Conference Room in Lewisville, TX.

In attendance were:

Committee Chair: Dave Kovatch
Committee Members: Richard Huckaby, Connie White, Tom Winterburn
Board Members: Paul Pomeroy, Charles Emery
Absent: Allen Harris

DCTA Staff: Anna Mosqueda, Amanda Riddle, Jim Cline, Kristina Brevard, Nicole Recker, Raymond
Suarez, Ann Boulden, Chrissy Nguyen, Rusty Comer

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

**Presentation of Sales Tax Discovery Services**
- Brenda Anderson with MuniServices presented the sales tax discovery process, noting that the
current review has discovered $243,000 for DCTA to date.

**Review Investment Policy**
- The Finance Committee will review the red-lined investment policy and will submit revisions for
discussion and consideration. A special called Finance Committee meeting will be held prior to the
November Board meeting to discuss any revisions to the investment policy in preparation for
forwarding to the Board for action at its December meeting.

**Review Financial Policies**
- The Finance Committee will review the current financial policies and will submit revisions for
discussion and consideration. Any recommendations for revisions to the current financial policies
will be discussed at the January Finance Committee meeting.
- Anna provided an update and discussed the timeline of the current Compensation Study. She also
announced that the Downtown Denton Transit Center has officially been transferred to DCTA from
the City of Denton.

**Update on Flood Damage Costs**
- Ann Boulden presented an update on current project costs. FEMA is reviewing all costs for potential
reimbursement. Current project costs are estimated at $5.2 million.

**Update on Single Car Operations**
- Raymond Suarez presented a status update to the Signal Enhancements/Single Car Operations
project. The project is expected to be completed in March 2016 with single car operations to
commence in mid-FY2016. Any estimated operating cost savings will be incorporated into the FY16
revised budget in May.
Finance Committee Calendar

- A calendar for FY16 Finance Committee meetings was distributed. The FY17 budget calendar will be set and distributed in May 2016.

The following follow-up items were identified:

- Distribute red-lined investment policy to Finance Committee and incorporate any edits from C. Emery - A. Mosqueda

- Distribute word document of Financial Policies for Finance Committee review & comment for January committee meeting – A. Mosqueda

- Analysis of “Lessons Learned” from TAPS circumstances – J. Cline

- Update Finance Committee meeting dates in Board Master Calendar – R. Comer/A. Riddle

- Update from legal on Board liability limits – P. Smith/J. Cline

- Update on NCTCOG PTC grant draw-down – A. Mosqueda/A. Riddle

- Review Revolving Door Policy – A. Mosqueda

- Review scope of Compensation Study for next year’s update – A. Mosqueda

- Incorporate impact of single car operations implementation for FY16 revised budget – A. Mosqueda/R. Suarez

The meeting adjourned at 3:32pm.

Finance Committee
Chair – Dave Kovatch
Members – Richard Huckaby, Connie White, Allen Harris, Tom Winterburn
Staff Liaison – Anna Mosqueda – CFO
Special Called Meeting of the DCTA Board of Directors
and the Finance Committee
of the DCTA Board of Directors
2:00 p.m., November 9, 2015
1955 Lakeway Drive, Suite 260 Conference Room
Lewisville, TX 75067

AGENDA

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

Welcome and Introductions

1) Presentation of Sales Tax Audit Services

2) Investment Policy

3) Review Financial Policies
   a. Update on Compensation Study

4) Update on flood damage costs

5) Single Car Operations –Timeline & Costs

6) Finance Committee Calendar – FY2017 Meetings

7) ADJOURN

Finance Committee
Chair – Dave Kovatch
Members – Richard Huckaby, Connie White, Allen Harris, Tom Winterburn
Staff Liaison – Anna Mosqueda – CFO

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

This notice was posted on 11/6/2015 at 12:31 PM.

Rusty Comer, Public Information Coordinator
Presentation of Sales Tax Audit Services  
Representatives from MuniServices will present information regarding the sales tax audit services they will be performing for the agency.

Investment Policy  
The Investment Policy will be presented to the Board for adoption in November. Our investment advisors, First Southwest Asset Management, have recommended no changes and their review letter is attached. Only housekeeping changes are incorporated (see attached).

Review Financial Policies  
The Financial Policies are reviewed annually by the Finance Committee. Staff is not recommending any changes to the current financial policies (see attached).

Submitted by:  
Amanda Riddle, Budget Manager

Final Review:  
Anna Mosqueda, CFO
POLICY REVIEW

September 11, 2015

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

Dear Anna:

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

Although the Texas Legislature did meet in 2015, none of the few amendments made to the Act this year were applicable to DCTA. We believe 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 investment policy this year.

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

Sincerely yours,

Scott McIntyre, CFA
Senior Vice President

Cc: Ms. Marisa Perry
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.
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.

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.

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

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

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

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

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

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

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:

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

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(s);
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 reporting period; and
   c. fully accrued interest for the reporting period;
D. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
E. state the maturity date of each separately invested asset that has a maturity date;
F. state the account or fund for which each investment security was purchased;
G. compare the portfolio’s performance to other benchmarks of performance; and
H. state the compliance of the investment portfolio with DCTA Investment Policy, Investment Strategy, and the Public Funds Investment Act.
XIII. DEPOSITORIES
DCTA will designate one banking institution through a competitive process as its central banking services provider at least every five years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. Other banking institutions from which DCTA may purchase certificates of deposit will also be designated as a depository after they provide their latest audited financial statements to DCTA.

XIV. TRAINING REQUIREMENT
The DCTA Investment Officer(s) shall attend at least one investment training session within twelve months of taking office or assuming duties, and not less often than once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive years after that date, and shall receive not less than ten hours of instruction relating to investment responsibilities. The investment training session shall be provided by an independent source approved by the Board of Directors. See Attachment I for a list of Board approved independent investment training sources. Contingent upon Board approval, additional “independent sources” from which investment training may be obtained shall include a professional organization, an institute of higher learning, or any sponsor other than a business organization with whom DCTA may engage in an investment transaction. Such training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

XV. ETHICS AND CONFLICTS OF INTEREST
Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which 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
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 September 26, 2013 October 23, 2014
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
Denton County Transportation Authority
Financial Management Policies
(Adopted May, 2014)
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OPERATING POLICIES

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Purpose

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

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

Objectives

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

A. To guide DCTA Board of Directors (the Board) and management policy decisions that have significant impact.

B. To set forth operating principles that minimize the cost of government and financial risk.

C. To employ balanced and fair revenue policies that provide adequate funding for desired services and programs.

D. To maintain appropriate financial capacity for present and future needs.

E. To promote sound financial management by providing accurate and timely information on DCTA’s financial condition.

F. To protect DCTA’s credit rating and provide for adequate resources to meet the provision of DCTA’s debt obligations on all its debt.

G. To ensure the appropriate use of financial resources through an effective system of internal controls.

H. To promote cooperation and coordination with other governments, agencies and the private sector in the financing and delivery of services.

I. To establish long-term objectives for the financial operations of DCTA
Reserve Fund Policies

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

a. It will be the policy of DCTA to maintain a Fund Balance Reserve that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unreserved/undesignated retained earnings. An annual contribution will be budgeted from general operating resources as available to maintain the target reserve level.

b. It will be the policy of DCTA to establish and maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual sales tax.

c. It will be the policy of DCTA to establish and maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA’s investment and maintain appropriate service levels. The use of any funds within the Capital Facilities/Infrastructure Maintenance Fund will be approved by the Board within the resources available each fiscal year.

d. It will be the policy of DCTA to establish and maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to $.05 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year. The use of any funds within the Fuel Stabilization Fund shall be approved by the Board.

Contributions to the Capital Replacement/Infrastructure Maintenance, Sales Tax Stabilization and Fuel Stabilization Funds will be made from available funds as identified in the annual budget, or amended budget. The V-P of Finance/CFO shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as the Board shall determine to be appropriate at that time.

Guidelines for their contribution are as follows:

a. All expenditures drawn from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board for expenditure in the annual budget or amended budget.

b. Equipment Replacement – Twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the full cost of one twelve (12) year life bus.

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

If after procedures as outlined in the adopted budget contingency plan have been met, and a severe economic downturn or emergency requires draw down of fund balance reserve or sales tax stabilization fund the priority
will be to replenish fund balances. Funds balances will be replenished within three (3) years, from any year-end budget surpluses. These surpluses may be achieved through expenditure reductions or through higher than anticipated revenues. The long range financial plan and annual budget will reflect the timeframe and plan for fund balance replenishment.
Revenue Policies

a. To the extent possible, a diversified and stable revenue system will be maintained to shelter service delivery from short-run fluctuations in any one revenue source due to changes in economic conditions. Trends analyzing the dependence on distinct revenue sources shall be included in the budget documents for consideration by the Board.

b. Revenue forecasts will assess the full spectrum of resources that can be allocated for service delivery. Each year the Board shall review potential sources of revenue as part of the annual budget process.

c. Revenue forecasts shall be realistically estimated and based on the best information available. DCTA shall use a conservative, objective and analytical approach when preparing revenue estimates and follow a vigorous policy of collecting revenues. Shortfalls anticipated based on this forecast will be addressed as follows:

i. Short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow: Expenditure reductions or restrictions may be imposed as outlined in the Budget Contingency Plan adopted as part of the annual budget by the Board. The Board may approve a contribution from the Sales Tax Stabilization Fund or Fund Balance Reserve Fund to address temporary downturns in revenues.

ii. Long-term (greater than one year) revenue downturns: Deficit financing and borrowing to support on-going operations is not the policy of DCTA. Revenue forecasts will be revised. Expenses will be reduced to conform to the revised long-term revenue forecast and fare increases will be considered.

d. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.

e. DCTA shall develop and maintain fair and equitable fares for all public transportation services which it operates. A fare structure establishing a base fare, categories of prepaid fares and special fare programs shall be adopted by the Board and reviewed no less than every two years. The fare structure should be competitive and offer seamless integration for passengers within the regional transportation system.

f. Services provided on a contract basis may be set at levels sufficient to cover the entire cost of service delivery, or the service may be subsidized, as the Board deems appropriate. DCTA will systematically review fees and consider adjustments as necessary to take into account the effects of additional service costs and inflation. Studies shall be conducted to ensure that the fees will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation of capital assets, and moderate system expansion. Based on a market analysis, fees for similar services in other communities may also be considered. The criteria used to evaluate recommended target rates (equity, cost recovery policy, market demand, etc.) shall be included in the review. Such review should be scheduled periodically and be incorporated into the budget process for possible action by the Board.

g. DCTA will review contracts and leases, which result in revenues to DCTA on a timely basis for careful consideration by the Board.
Expenditure Policies

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

a. Department heads are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expenditure categories to help assure the most efficient use of resources.

b. DCTA will maintain expenditure categories according to state statute and administrative regulation.

c. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. DCTA will consider investing in technology and other efficiency tools to maximize productivity. DCTA will hire additional staff only after the need for such positions has been demonstrated and documented.

d. All compensation planning will focus on the total cost of compensation, which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to DCTA. A compensation study shall be conducted bi-annually to insure that DCTA maintains a competitive position in the market, with a goal to stay at the mid-point of the market range.
Accounting, Auditing and Financial Reporting

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

a. Accounting Records and Reporting. DCTA will maintain its accounting records in accordance with state and federal regulations. Financial statements will conform to generally accepted accounting principles (GAAP) of the Governmental Accounting Standards Board (GASB).

b. Auditing. As required under Chapter 460.402 of the Texas Transportation Code, an outside independent CPA firm will annually perform the DCTA’s financial Audit. Results of the annual audit will be provided to the Board in a timely manner. The external audit firm is accountable to the Board of Directors and will have access and direct communication with the Board. The Single Audit Report will be prepared and presented to the Board by the external auditors along with the audited financial statements. The Single Audit Report shall list the status and current operations of all federal, state and local grant funds awarded and received.

c. Simplified Fund Structure. To the extent possible, DCTA will minimize the number of Funds.

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

a. Decisions of the Agency will be within the context of the long-range financial plan and the service plan. Staff shall provide a review of the implications of budgetary proposals on long-range plans.

b. Chapter 460.403 of the Texas Transportation Code requires the Board to prepare an annual budget. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and Finance Committee of the Board of Directors and the Board. A calendar of events related to budget development shall be presented to Finance Committee each year prior to the start of the annual budget process.

c. The Finance Department will maintain a system for monitoring the DCTA’s budget performance. The system will provide the DCTA Finance Committee and the Board with monthly and/or quarterly information in a timely manner on fund level resource collections and category level expenditures.

d. Revised Budget Policy: The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. DCTA staff shall watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations as follows:

i. Operating Fund Expenditures
   1. DCTA is required to control operating costs and maintain the total expenditures incurred at or below the total annual adopted operating expense budget or budget as amended.
   2. The President may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.
   3. The Board may during the revised budget process, authorize a budget amendment for approval of new contracts and unbudgeted expenditures.

ii. Capital Project Fund Expenditures
   1. Expenditures for capital projects must be approved with the fiscal year capital project budget; or
   2. By Board approval of a capital project budget amendment and approval of the purchase during the fiscal year. Capital project budget amendments will be incorporated during the revised budget process.

iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and long range financial plan.

iv. Definitions:
   1. Budget Amendment – Shall mean a change in the fiscal year budget based on the following criteria:
      a. Operating – an increase to the total bottom line operating fund expenditure budget
      b. Capital – (a) addition of a new project; (b) change in Capital Projects Fund annual appropriation; (c) an increase to the total approved budget of
2. Approval by the DCTA Board of Directors in the form of a resolution is required to authorize an amendment as specified in this section.

v. **Budget Transfers** – Shall mean transfer of funds between departments or specific operating expense line items that neither increase nor decrease the total adopted operating fund budget authorization.

e. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This allows DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to recover and/or adjust to serious downturns effectively.

f. Fixed asset inventories. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The V-P of Finance/CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken.
Purchasing

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

a. Provide equal access to all vendors participating through competitive acquisition of goods and services.

b. Conduct the procurement process and disposal of property in a manner that promotes and fosters public confidence in the integrity of DCTA’s procurement procedures.

c. Protect the interest of taxpayers without regard to any undue influence or political pressure.

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

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

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

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

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

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

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

Governmental Accounting Standards Board (GASB)

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

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

A. To reduce the use of debt so that debt service payments will be a predictable and manageable part of the operating budget.

B. To raise capital at the lowest cost, consistent with the need to borrow.

These will be accomplished by:

a. Securing and maintaining a high credit rating (while making attempts to strengthen credit rating) (Long Term goal)

b. Maintaining a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly.

c. Selecting professional service providers (underwriters, financial advisors, bond insurer’s, etc. through negotiation, RFQ process or as defined for professional services under DCTA’s procurement procedures.

d. Issuance of debt on a competitive basis (except when conditions make a negotiated sale preferable) and award to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project is speculative or complex, the issue is a refunding, or the market is unstable.

e. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.

f. Short-term borrowing will not be used for operating purposes.

g. Compliance with continuing disclosure reporting requirements and its obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. This site is used by the ratings agencies and investors. The DCTA’s annual audited financial report will be sent to EMMA as soon as the external auditor issues the report and it has been presented to the Board of Directors

h. Ensure no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The V-P of Finance/CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.

i. Limit bonded indebtedness to levels that permit sufficient borrowing to support a reasonable rate of capital programming, permits a level and pace of debt amortization within the DCTA’s ability to pay, and supports the DCTA’s credit rating objectives. Credit enhancements shall be considered with a cost/benefit analysis for each long-term bond issue.

j. Reserve accounts shall be maintained as required by bond ordinances and where deemed advisable by the Board. DCTA shall structure such debt service reserves to avoid violation of IRS arbitrage regulations.

k. DCTA will maintain debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.
Investment Policy (As adopted 9/26/2013)

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.

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.

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.

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.

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:

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

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;
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
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.

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
Finance Committee Memo

November 6, 2015

Signal Enhancements/Single Car Operations Status Report

Project Budget: $868,558

Milestone Schedule:

<table>
<thead>
<tr>
<th>Signal System Enhancements</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice to Proceed</td>
<td>10/1/2015</td>
</tr>
<tr>
<td>Master Project Schedule</td>
<td>10/29/2015</td>
</tr>
<tr>
<td>Functional Design Document</td>
<td>10/31/2015</td>
</tr>
<tr>
<td>Safety Plan</td>
<td>11/12/2015</td>
</tr>
<tr>
<td>Test Plan</td>
<td>11/12/2015</td>
</tr>
<tr>
<td>Product Submittals</td>
<td>11/26/2015</td>
</tr>
<tr>
<td>60% Design Review</td>
<td>11/21/2015</td>
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<tr>
<td>90% Design Review</td>
<td>12/28/2015</td>
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<tr>
<td>100% Design Review</td>
<td>1/14/2016</td>
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<tr>
<td>Fiber Optic Construction</td>
<td>12/31/2015</td>
</tr>
<tr>
<td>Site Equipment Installation</td>
<td>2/20/2016</td>
</tr>
<tr>
<td>Back Office Integration</td>
<td>3/12/2016</td>
</tr>
</tbody>
</table>

Flood Recovery Status

August 20, 2015       FEMA kick-off meeting
September 2, 2015     First field review of damage
September 11, 2015    Second field review of damage
September 22, 2015    Third field review of damage
October 26, 2015      Received informal proposal for concrete injections at crossings
October 27, 2015      FEMA inspection of Trinity Mills Crossing
October 30, 2015      Received bids for GPR
November 3, 2015      Received mold mitigation proposal

<table>
<thead>
<tr>
<th>Issue</th>
<th>Initial Cost</th>
<th>Alternative</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Response</td>
<td>$ 191,500</td>
<td>PW in progress</td>
<td>In-depth analysis in progress</td>
</tr>
<tr>
<td>Track wash-out repairs</td>
<td>$ 27,818</td>
<td>PW in progress</td>
<td>Alternative concrete injection has been rejected by DCTA &amp; Herzog.</td>
</tr>
<tr>
<td>Replace crossings</td>
<td>$2,341,871*</td>
<td>Awaiting results of GPR</td>
<td></td>
</tr>
</tbody>
</table>
Bus O&M Electrical Repairs $14,616 PW in progress
Signal & Comm. System $609,306* $150,000 In-depth analysis
Alternative possible mold mitigation in signal house. Insurance is pending
Scouring & Wash-outs $59,844* PW in progress
Rail OMF drainage $111,690* PW in progress
Replace flume at Pockrus Page $193,695* PW in progress
Undercut ballast $1,553,064* In-depth analysis. GPR survey scheduled

*Includes estimated engineering and project management

NOTES:

FEMA will have PW ready for submission to Austin in mid to late November for the following:

Emergency response
Track wash-out repairs
Bus O&M electrical repairs
Scouring and wash-out repairs
Flume at Pockrus Page
Rail OMF drainage
Crossing replacement Awaiting GPR results
Signal House replacement Awaiting insurance carrier decision
Ballast Undercutting Awaiting GPR results

Submitted by: ______________________________________________

Raymond Suarez, COO
<table>
<thead>
<tr>
<th>Month</th>
<th>Calendar</th>
</tr>
</thead>
<tbody>
<tr>
<td>October '15</td>
<td>Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7</td>
</tr>
<tr>
<td></td>
<td>8 9 10 11 12 13 14 15 16 17</td>
</tr>
<tr>
<td></td>
<td>18 19 20 21 22 23 24 25 26 27 28</td>
</tr>
<tr>
<td></td>
<td>29 30 31</td>
</tr>
<tr>
<td>October 22: Board of Directors Meeting</td>
<td></td>
</tr>
</tbody>
</table>

| November '15 | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|             | 8 9 10 11 12 13 14 15 16 17 18 |
|             | 19 20 21 22 23 24 25 26 27 28 |
| November 9: Finance Committee @ 2pm |

| December '15 | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|             | 8 9 10 11 12 13 14 15 16 17 18 |
|             | 20 21 22 23 24 25 26 27 28 |
| December 17: Board of Directors Meeting |

| January '16 | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|            | 8 9 10 11 12 13 14 15 16 17 |
|            | 18 19 20 21 22 23 24 25 26 27 |
|            | 28 29 30 31 |
| January 18: Finance Committee @ 2pm |

| February '16 | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|             | 8 9 10 11 12 13 14 15 16 17 |
|             | 18 19 20 21 22 23 24 25 26 27 |
|             | 28 29 |
| February 25: Board of Directors Meeting |

| March '16 | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|          | 8 9 10 11 12 13 14 15 16 17 |
|          | 18 19 20 21 22 23 24 25 26 27 |
|          | 28 29 30 31 |
| March 24: Board of Directors Meeting |

| April '16 | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|          | 8 9 10 11 12 13 14 15 16 17 |
|          | 18 19 20 21 22 23 24 25 26 27 |
|          | 28 29 30 31 |
| April 28: Board of Directors Meeting |

| May '16 | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|         | 8 9 10 11 12 13 14 15 16 17 |
|         | 18 19 20 21 22 23 24 25 26 27 |
|         | 28 29 30 31 |
| May 16: Finance Committee @ 2pm |

| **June '16** | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|             | 8 9 10 11 12 13 14 15 16 17 |
|             | 18 19 20 21 22 23 24 25 26 27 |
|             | 28 29 30 31 |
| June 23: Board of Directors Meeting |

| **July '16** | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|             | 8 9 10 11 12 13 14 15 16 17 |
|             | 18 19 20 21 22 23 24 25 26 27 |
|             | 28 29 30 31 |
| July 18: Finance Committee @ 2pm |

| **August '16** | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|               | 8 9 10 11 12 13 14 15 16 17 |
|               | 18 19 20 21 22 23 24 25 26 27 |
|               | 28 29 30 31 |
| August 25: Board of Directors Meeting |

| **September '16** | Su 1 M 2 Tu 3 W 4 Th 5 F 6 Sa 7 |
|                  | 8 9 10 11 12 13 14 15 16 17 |
|                  | 18 19 20 21 22 23 24 25 26 27 |
|                  | 28 29 30 31 |
| September 22: Board of Directors Meeting |

**Calendar for FY17 budget meetings will be set in May 2016**
Work Session Minutes

The Board of Directors of the Denton County Transportation Authority convened the work session of the Board of Directors with Chairman Charles Emery presiding at 1:32 p.m. October 22, 2015 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057. A quorum was present.

Attendance

**Small Cities**
Skip Kalb

**Denton County at Large**
Dave Kovatch

**Large Cities**  
Charles Emery, Lewisville, Chairman  
Paul Pomeroy, Highland Village, Vice-Chair  
Richard Huckaby, Denton, Secretary  
Carter Wilson, Frisco  
Tom Winterburn, Corinth  
Doug Peach, Little Elm

**Denton County Unincorporated**  
Don Hartman  
George A. Campbell (arrived 1:54 p.m.)

**Board Members Absent**  
Connie White – Small Cities  
Allen Harris, The Colony  
Jim Robertson, Flower Mound

Legal Counsel  
Joe Gorfida, General Counsel

DCTA Staff  
Jim Cline, President  
Raymond Suarez, Chief Operating Officer  
Nicole Recker, Vice President of Marketing and Communications  
Kristina Brevard, Vice President Planning and Development  
Anna Mosqueda, Chief Financial Officer

Others in Attendance  
Marisa Perry – Controller  
Allison Meshnick – Transit Management of Denton County  
Michael Chinn – Transit Management of Denton County  
Jim Owen – Transit Management of Denton County  
Alan Hendrix – Freese Nichols

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

1. Routine Briefing Items
   a. Financial Reports – Anna Mosqueda reported on items 1(a)i-v, item 1(a)vi will be held until the Finance Committee has met to discuss.
      i. Financial Statements  
      ii. Capital Projects Report  
      iii. Sales Tax Report  
      iv. Procurement Report
v. 4th Quarter Investment Report
vi. Investment Policy Annual Review

b. Strategic Planning / Development – Kristina Brevard reported on these items
   i. Priority Projects Update
   ii. Outreach Efforts

c. Marketing and Communications – Nicole Recker reported on these items and also distributed an updated timeline on for Interstate 35E construction.
   i. Marketing and Communications Initiatives
   ii. Marketing and Communications Metrics
   iii. Customer Service Metrics

d. Capital Projects Update – Raymond Suarez reported on these items
   i. Signal System Enhancements
   ii. Positive Train Control (PTC)
   iii. Flood Repairs/FEMA
   iv. Transit Enhancements
   v. Lewisville Bike Trail - Complete
   vi. Rail Facility Drainage – Complete

e. Transit Operations – Raymond Suarez reported on these items
   i. Rail Operations
   ii. Bus Operations

2. Items for Discussion
   a. Rail Operations and Maintenance Agreement
   b. Federal and State Funding Overview
      - Jim Cline gave an updated overview of the status of the rail operations and maintenance agreements for insurance and dispatch
      - Item 2b was postponed until after the Finance Committee has been able to discuss in depth

3. Discussion of Regular Board Meeting Agenda Items (October 2015)
   - There were no comments on this item

4. Discussion of Future Agenda Items
   a. Board Member Requests – none

Work session was adjourned at 2:55 p.m.

<Break 2:55 p.m. – 3:07 p.m.>
Board Meeting Minutes

The regular meeting of the Board of Directors of the Denton County Transportation Authority was convened with Chairman Charles Emery presiding at 3:07 p.m. October 22, 2015 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057. A quorum was present.

Attendance

Small Cities
Skip Kalb

Denton County at Large
Dave Kovatch

Large Cities
Charles Emery, Lewisville, Chairman
Paul Pomeroy, Highland Village, Vice-Chair
Richard Huckaby, Denton, Secretary
Carter Wilson, Frisco
Tom Winterburn, Corinth
Doug Peach, Little Elm

Denton County Unincorporated
Don Hartman
George A. Campbell

Board Members Absent
Connie White – Small Cities
Allen Harris, The Colony
Jim Robertson, Flower Mound

Legal Counsel
Joe Gorfida, General Counsel

DCTA Staff
Jim Cline, President
Raymond Suarez, Chief Operating Officer
Nicole Recker, Vice President of Marketing and Communications
Kristina Brevard, Vice President Planning and Development
Anna Mosqueda, Chief Financial Officer

Others in Attendance
Allison Meshnick – Transit Management of Denton County
Michael Chinn – Transit Management of Denton County
Jim Owen – 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 – Carter Wilson

INVOCATION – Skip Kalb

WELCOME AND INTRODUCTION OF VISITORS – Jim Cline introduced Jim Owen with Transit Management of Denton County

1. CONSENT AGENDA
   a. Approval of Minutes Board Meeting September 24, 2015
   b. Acceptance of Financial Reports – September
c. Acceptance of 4\textsuperscript{th} Quarter Investment Report

d. Approval of Resolution 15-12 adopting the Annual Investment Policy for FY2016

e. Approval of Award of New and Remanufactured Automotive Parts

f. FY16 Operating and Capital Budget Revisions

g. Authorize the purchase of Heavy Duty Buses
   - Motion to approve Consent Agenda Items a-c and e-g made by Doug Peach. 2\textsuperscript{nd} by George A. Campbell. Motion carried unanimously.
   - Item 1d was postponed until next board meeting after the Finance Committee has been able to discuss in depth

2. REGULAR AGENDA
   a. Award of contract for Legal Services
      - Motion to approve the award of contract for Legal Services made by Richard Huckaby. 2\textsuperscript{nd} by George A. Campbell. Motion carried unanimously.

3. CHAIR REPORT – Charles Emery gave an update on these issues
   a. Discussion of Regional Transportation Issues
   b. Discussion Legislative Issues
      i. Regional
      ii. State
      iii. Federal

4. PRESIDENT’S REPORT – Jim Cline provided information on the following items
   a. Budget Transfers – none were required
   b. Regional Transportation Issues

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.
      - Jim Cline reminded the board of the Salute to Veterans luncheon in Highland Village.

6. Convene Executive Session – at 3:26 p.m.- 4:24 p.m. Moved from work session
   Item 4b&c
   a. 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.
   b. As Authorized by Texas Government Code Section 551.072 Deliberation regarding Real Property: Discuss acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, or Highland Village.
7. Reconvene Open Session – at 4:24 p.m.
   a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
      - No action was taken as result of executive session.

8. ADJOURN 4:24 p.m.
   - Motion to adjourn made by Dave Kovatch. 2nd by George A. Campbell. Motion carried unanimously.

The minutes of the October 22, 2015 meeting of the Board of Directors were passed, and approved by a vote on this 19th day of November, 2015.

_____________________________________
Charles Emery, Chairman

ATTEST

_____________________________________
Richard Huckaby, Secretary
Board of Directors Memo  November 19, 2015
Subject: Award of Contract for Fleet Collision Repair and Painting Services

Background
A request for bids was released on October 12, 2015 on BidSync for Fleet Collision Repair and Painting Services. Bids were received on October 28, 2015. The bids were reviewed based on responsiveness, repair schedules, hourly rates, etc.

On October 28, 2015 DCTA received two (2) bids in response to our RFB:
1. Keith’s Collision Center
2. North Texas RV Repair

Staff conducted a review and evaluation of the bids received and is recommending award to Keith’s Collision.

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

Financial Impact
Expenditures for fleet repair and painting services are reimbursed by FTA funds at 80% from preventative maintenance grant funds. Repairs and painting services will be performed on an as needed basis for a two (2) year term.

Recommendation
Staff recommends the Board approve the award to Keith’s Collision Center.

Submitted by:  
Athena Forrester, Senior Procurement Manager

Approval:  
Raymond Suarez, COO
Board of Directors Memo

November 19, 2015

Subject: 1(e) Approve Task Order No. 9 to HNTB for Debris Inventory and Inspection at Rail Facility

Background
The purpose of the requested services is to survey the vacant property northwest of the Rail O&M facility and identify the location of drums, tires and other undesirable debris, and determine the contents of the drums. Large articles or large piles of other debris that are observed will be photographed, described and noted for a technical memorandum. A contractor specializing in waste handling and disposal will be retained by the DCTA to remove drums, tires, and other debris identified during the site reconnaissance.

Identified Need
A scope of services and fees has been negotiated with HNTB to provide visual inventory of debris and inspection at the Rail Facility. Upon completion of the inspection a waste management contractor will be procured to remove and dispose of the debris.

Financial Impact
The fee for the services is $36,000 and will be paid for with operating funds.

Recommendation
Staff recommends the Board of Directors authorize the President to execute the task order with HNTB in the amount not-to-exceed $36,000

Submitted by:  
Athena Forrester  
Senior Procurement Manager

Approval:  
Raymond Suarez, COO