



DENTON COUNTY
TRANSPORTATION AUTHORITY

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

Board of Directors Work Session

May 26, 2016 | 1:30 p.m.

1. Routine Briefing Items

a. Financial Reports

- i. Staff briefing and discussion of April 2016 Financial Statements
- ii. Staff briefing and discussion of April 2016 Capital Projects Budget Report
- iii. Staff briefing on Monthly Sales Tax Receipts
- iv. Staff briefing on Procurement Activities

b. Marketing and Communications

- i. April Public Meeting Report
- ii. #GoGreenGoDCTA Campaign Recap
- iii. Corporate Pass Program Update
- iv. Commuter Campaign Update

c. Strategic Planning and Development

- i. Regional Transportation Planning Update
 1. High Intensity Bus Corridors
 2. 35W Corridor Commuter Service
- ii. Local Transportation Planning Update
 1. Lewisville and Highland Village Service Review
 2. Denton Service Review and Analysis
- iii. Business Development & Partnerships
 1. UNT & TWU Service Contracts
 2. City of Frisco Service Contract
- iv. Land Use Planning & Development
 1. A-train Station Density Improvements
 2. Intermodal Transit Center & Admin Complex
- v. Additional Projects
 1. Title VI Program Update
 2. Bus & Bus Facilities Grant Submission

d. Capital Projects Update

- i. Staff briefing on the status of the Signal System Enhancements Project
- ii. Staff briefing on the status of the Positive Train Control (PTC) Project

- iii. Staff Briefing on the Status of the Lewisville Bike Trail – Eagle Point Section Project
 - iv. Staff Update on the Progress of the Flood Damage Repairs and work with Federal Emergency Management Agency (FEMA)
 - v. Staff Briefing on the Status of Additional Shelters in Denton
 - vi. Staff Briefing on the Status of the Shoretel Phone System Expansion Project
 - vii. Staff Update on the Progress of the Landscape Project at the Highland Village/Lewisville Lake Station
- e. Transit Operations Update
 - i. Staff Briefing on Rail Operations
 - ii. Staff Briefing on Bus Operations
- 2. Items for Discussion
 - a. Discuss North Central Texas Council of Governments' Mobility 2040 Plan
- 3. Committee Chair Reports
 - a. Finance Committee (05/17/2016) Dave Kovatch, chair
- 4. Discussion of Regular Board Meeting Agenda Items (May 2016)
- 5. Convene Executive Session. The Board may convene the Work Session into Closed Executive Session for the following:
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the 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.
- 6. Reconvene Open Session
 - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
- 7. Discussion of Future Agenda Items
 - a. Board Member Requests
- 8. ADJOURN

Chair – Charles Emery
Vice Chair – Paul Pomeroy

Secretary – Richard Huckaby
Treasurer – Dave Kovatch

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

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

This notice was posted on 5/20/2016 at 1:38 PM.

Rusty Comer, Senior Public Information Specialist



Board of Directors Memo

Subject: Monthly Financial Reports

May 26, 2016

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending April 30, 2016 include the Statement of Change in Net Assets, Statement of Net Assets, and Capital Projects Fund. These reports provide a comparison of budget vs. actual for the fiscal year as of the current month.

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

Statement of Changes in Net Assets:

- **Note A:** Passenger Revenues – YTD unfavorable by (\$40k), primarily due to lower than budgeted rail ridership. While rail ridership has increased compared to the prior year, it is 6% below budget at 336k riders compared to 358k budgeted. Prior year rail ridership through April 2015 was 335k.
- **Note B:** Contract Service Revenue – YTD unfavorable by (\$103k), due to reduced fuel pass-through costs for UNT and NCTC (reduction of \$213k). Average billed fuel price/gallon of \$1.51 is 57% lower than the budgeted \$3.50/gallon. This unfavorable variance is partially offset by increased revenue hours (\$88k); YTD revenue hours of 41,447 are 6% higher than budgeted 39,080 revenue hours.
- **Note C:** Sales Tax Revenue – April sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in April will be received in June. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY16 sales tax receipts collected through May.
- **Note D:** Federal/State Grants-Capital – YTD unfavorable by (\$64k) because the expenses and corresponding reimbursements for transit enhancements (\$87k), scheduling software (\$140k), and bus fleet cameras (\$72k) have been delayed from the timing anticipated in the budget. This unfavorable variance is partially offset by the expenses and corresponding reimbursement for the Lewisville Hike & Bike Trail (\$176k) and the Bus O&M facility (\$68k) that were anticipated in the FY2015 budget rather than FY2016. These expenses were paid in FY16 and reimbursement was requested at that time.
- **Note E:** Federal/State Grants-Operating – YTD unfavorable by (\$2.4 million) is attributable to a delay in grant funding for rail preventive maintenance (\$1.2 million) and bus preventive maintenance (\$489k) as well as operating and ADA assistance (\$680k) as anticipated in the budget. These reimbursements will be requested in coming months. Two issues have delayed grant reimbursement drawdowns for federal operating grants:
 - 1) FTA experienced some delays in converting to its new reporting system – Transit Award Management System (TrAMS) and, due to timing of NCTCOG approvals for the 2015 Program of Projects, the grants were not executed prior to the switch over to the new FTA system. The 5307 grant projects and as well the allocation for vanpool have been

submitted and are in pending completion of FTA initial review and concurrence. Once this is complete DCTA will execute the grants so drawdowns for reimbursement can be completed. .

- 2) Rail preventive maintenance expenses for 2016 are not reimbursable under the current contract with Herzog Transit Services, as this one year contract had to be expedited and was not procured following federal requirements. The grant amount previously used for rail preventive maintenance has been reprogrammed for FY2016 and shifted to other eligible operating expenses. The reprogramming of the grants funds has been completed and staff will be able to catch up the drawdown of these funds in the next 60-90 days.

A new longer term Rail O&M RFP has been released and responses received. This solicitation included the required federal clauses so preventive maintenance expenditures under this contract award will be eligible for grant reimbursements.

- **Note F:** Purchased Transportation – YTD unfavorable by (\$32k), due to additional costs for rail AAR frequency coordination, radio reprogramming, and infrastructure upgrade not anticipated in the budget (\$20k) as well as four additional vanpools not anticipated in the budget (\$12k).
- **Note G:** Depreciation Expense – YTD unfavorable by (\$37k), primarily due to depreciation expense associated with the additional railway track project costs that were settled with the vendor and capitalized in March.


Identified Need

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

Recommendation

Staff recommends acceptance.

Submitted by: Marisa Perry, CPA
Controller

Final Review: 
Anna Mosqueda,
CFO

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

Denton County Transportation Authority
Statement of Net Assets
As of April 30, 2016
(Unaudited)

	<u>April 30, 2016</u>	<u>March 31, 2016</u>	<u>Change</u>
Current Assets			
Cash & Cash Equivalents	10,466,873	10,617,219	(150,346)
Investments	3,009,364	4,251,363	(1,241,998)
Accounts & Notes Receivable	6,228,333	5,858,139	370,194
Prepaid Expenses	688,809	724,830	(36,021)
Inventory	8,697	14,299	(5,603)
Restricted Asset-Cash and Equivalents	5,138,201	4,447,214	690,987
Total Current Assets	<u>25,540,277</u>	<u>25,913,064</u>	<u>(372,786)</u>
Property, Plant and Equipment			
Land	16,228,337	16,228,337	-
Land Improvements	6,458,821	6,458,821	-
Machinery & Equipment	2,083,842	2,083,842	-
Leasehold Improvements	55,506	55,506	-
Vehicles	88,617,500	88,617,500	-
Computers & Software	1,180,676	1,180,676	-
Accumulated Depreciation	(43,910,574)	(43,111,778)	(798,795)
Total Property, Plant and Equipment	<u>70,714,109</u>	<u>71,512,904</u>	<u>(798,795)</u>
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	234,308,257	234,308,257	-
Construction in Progress	8,147,806	7,346,414	801,392
Total Capital Assets	<u>259,453,218</u>	<u>258,651,826</u>	<u>801,392</u>
Total Assets	<u><u>355,707,604</u></u>	<u><u>356,077,794</u></u>	<u><u>(370,190)</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	-	206,291	(206,291)
Salary, Wages, and Benefits Payable	497,275	615,472	(118,197)
Accrued Expenses Payable	981,685	1,022,103	(40,418)
Deferred Revenues	78,885	96,301	(17,416)
Interest Payable	96,369	-	96,369
Total Current Liabilities	<u>1,654,213</u>	<u>1,940,167</u>	<u>(285,953)</u>
Non-Current Liabilities			
Rail Easement Payable	1,300,000	1,400,000	(100,000)
Retainage Payable	168,679	145,731	22,948
Bonds Payable	31,965,000	31,965,000	-
Total Non-Current Liabilities	<u>33,433,679</u>	<u>33,510,731</u>	<u>(77,052)</u>
Total Liabilities	<u><u>35,087,893</u></u>	<u><u>35,450,898</u></u>	<u><u>(363,005)</u></u>
Net Assets			
Invested in Capital Assets	301,021,097	301,021,097	-
Unrestricted Retained Earnings	20,855,808	20,855,808	-
Change in Net Assets	(1,257,194)	(1,250,009)	(7,184)
Total Equity	<u>320,619,711</u>	<u>320,626,896</u>	<u>(7,184)</u>
Total Liabilities and Equity	<u><u>355,707,604</u></u>	<u><u>356,077,794</u></u>	<u><u>(370,190)</u></u>

Denton County Transportation Authority
Change in Net Assets
Month and Year to Date April 30, 2016
(Unaudited)

WS 1(a)i

Description	Month Ended April 30, 2016			Year to Date April 30, 2016			Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	119,728	142,255	(22,527)	872,187	911,841	(39,654)	1,542,909	Note A
Contract Service Revenue	383,215	396,851	(13,637)	2,182,188	2,284,815	(102,627)	3,534,517	Note B
Sales Tax Revenue	2,092,131	1,750,519	341,612	13,847,594	13,549,713	297,881	23,067,403	Note C
Federal/State Grants - Capital	523,061	400,639	122,422	2,035,930	2,099,479	(63,549)	6,109,914	Note D
Federal/State Grants - Operating	15,010	311,095	(296,085)	710,017	3,081,287	(2,371,270)	4,643,442	Note E
Total Revenue and Other Income	3,133,145	3,001,359	131,786	19,647,916	21,927,135	(2,279,219)	38,898,185	
Operating Expenses								
Salary, Wages and Benefits	783,460	836,615	53,155	5,148,341	5,642,682	494,340	9,515,560	
Services	216,133	206,344	(9,790)	1,188,598	1,631,885	443,287	2,495,201	
Materials and Supplies	206,579	205,354	(1,224)	1,105,869	1,513,117	407,248	2,487,345	
Utilities	32,037	42,413	10,376	202,513	299,291	96,778	511,361	
Insurance, Casualties and Losses	67,974	66,655	(1,320)	470,856	466,934	(3,923)	800,215	
Purchased Transportation Services	947,186	886,348	(60,839)	6,227,066	6,195,209	(31,858)	10,633,624	Note F
Miscellaneous	12,813	198,987	186,174	90,152	1,241,816	1,151,664	2,242,446	
Leases and Rentals	14,748	9,682	(5,066)	96,557	195,774	99,217	244,183	
Depreciation	798,795	839,128	40,333	5,835,930	5,799,247	(36,683)	10,017,196	Note G
Total Operating Expenses	3,079,725	3,291,526	211,800	20,365,882	22,985,953	2,620,072	38,947,131	
Income Before Non-operating Revenue and Expense	53,420	(290,167)	343,586	(717,966)	(1,058,818)	340,852	(48,946)	
Non-Operating Revenues / (Expense)								
Investment Income	5,287	1,667	3,620	31,794	11,669	20,125	20,000	
Gain (Loss) Disposal of Assets	-	-	-	(15,065)	-	(15,065)	-	
Fare Evasion Fee	225	125	100	1,050	875	175	1,500	
Other Income - Miscellaneous	30,253	-	30,253	117,380	-	117,380	-	
Long Term Debt Interest/Expense	(96,369)	(96,368)	(1)	(674,387)	(674,576)	189	(1,156,422)	
Total Non-Operating Revenue / (Expense)	(60,604)	(94,576)	33,972	(539,228)	(662,032)	122,804	(1,134,922)	
Change in Net Assets	(7,184)	(384,743)	377,558	(1,257,194)	(1,720,850)	463,657	(1,183,868)	

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

Work Session 1a1i

ASSETS

Fixed Assets

1660 · Construction Work in Progress

1 · G&A Capital Projects

Total 10402 · Shortel Phone System	45,000	85,000	-	-	85,000	0%
Total 10601 · COGNOS Report Application	200,000	200,000	-	-	200,000	0%
Total 10602 · Comprehensive Service Analysis	567,414	420,222	9,087	175,127	245,095	42%
Total 10603 · Legal Support	226,753	226,753	43	77,123	149,630	34%
Total 10301 · Lewisville Facilities Study	-	100,000	-	-	100,000	0%

Total 1 · G&A Capital Projects	1,039,167	1,031,975	9,130	252,250	779,725	24%
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5 · Bus Capital Projects

Total 50204 · Transit Enhancements (2015-16)	165,000	165,000	2,039	78,816	86,184	48%
Total 50301 · Bus O&M Facility	8,142,667	11,497,555	13,013	11,397,060	100,495	99%
Total 50505 · Fleet Replacement (2015)	395,000	1,634,000	-	62,000	1,572,000	4%
Total 50408 · Bus Radios	137,457	120,870	-	106,754	14,116	88%
Total 50409 · Bus Fleet Cameras	149,500	149,500	-	-	149,500	0%
Total 50507 · Fleet (2016)	1,250,000	1,250,000	-	-	1,250,000	0%
Total 50508 · TAPS Bus Purchase	-	150,000	139,000	139,000	11,000	93%
Total 50601 · Scheduling Software (Bus)	250,000	250,000	-	-	250,000	0%

Total 5 · Bus Capital Projects	10,489,624	15,216,925	154,052	11,783,631	3,433,294	77%
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6 · Rail Construction

Total 61401 · Fare Collection Systems	569,000	733,104	-	682,258	50,846	93%
Total 61406 · Positive Train Control	15,997,441	21,902,951	591,929	3,518,848	18,384,103	16%
Total 61708 · Lewisville Bike Trail	3,099,856	3,099,856	1,298	2,017,787	1,082,069	65%
Total 60701 · Passenger Information	56,214	96,821	-	61,411	35,410	63%
Total 61712 · Rail MOE	585,000	1,302,627	-	964,255	338,372	74%
Total 61503 · Rail Single Car Operations	101,800	101,800	-	26,221	75,579	26%
Total 61505 · GTW Wheel Work	915,041	915,041	-	441,057	473,984	48%
Total 61604 · Rail Mobilization (2015)	2,119,517	2,119,517	-	-	2,119,517	0%
Total 61209 · Trinity Mills Crew Facility	250,000	250,000	541	33,162	216,838	13%
Total 61210 · Station Landscaping	75,000	485,000	2,316	327,135	157,865	67%
Total 61407 · Shunt Enhancement	141,000	141,000	-	96,546	44,454	68%
Total 61104 · Rail Drainage Improvement	250,000	500,000	278	424,890	75,110	85%
Total 61713 · Disaster Recovery - 2015 Floods	1,000,000	1,500,000	-	216,457	1,283,543	14%
Total 61713-1 · Rail Facility Flume Repair (2015 Flood)	325,482	325,482	-	18,221	307,261	6%
Total 61713-2 · Grade Crossing Replacements (2015 Flood)	2,157,760	2,157,760	41,848	57,638	2,100,122	3%
Total 61713-3 · Hebron Signal House (2015 Flood)	122,000	122,000	(26,226)	10,052	111,948	8%
Total 61713-4 · Ballast Undercutting (2015 Flood)	761,600	761,600	-	19,070	742,530	3%
Total 61713-5 · Pockrus Page (2015 Flood)	623,000	623,000	-	19,120	603,880	3%
Total 61714 · Rail Capital Maintenance	745,000	745,000	-	-	745,000	0%
Total 61506 · Stadler Spare Parts	150,000	96,000	-	95,714	286	100%
Total 61507 · ABB Stadler Spare Parts	276,000	276,000	-	-	276,000	0%
Total 61715 · Trail Safety Improvements	139,657	139,657	-	-	139,657	0%
Total 61508 · Stadler Fleet Emergency Lighting	-	190,000	-	-	190,000	0%
Total 61716 · Lewisville Bike Trail - Eagle Point Section	-	2,995,873	-	-	2,995,873	0%

Total Rail Construction Projects	30,460,368	41,580,089	611,985	9,029,842	32,550,247	22%
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Total 1660 · Construction Work in Progress	41,989,159	57,828,989	775,166	21,065,723	36,763,266	36%
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Board of Directors Memo

May 26, 2016

Subject: Sales Tax Report

Background

Sales tax represents the single largest source of revenue for DCTA at 59.68% for FY16 budget. The annual Sales Tax budget for FY 2016 is \$23,067,403. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target. This month, receipts were favorable compared to budget. The May allocation is for sales generated in the month of March and represents revenue for the sixth month of FY 2016.

- Sales tax for sales generated at retail in the month of March and received in May was \$2,340,336.
- This represents an increase of 18.97% or \$373,158 compared to budget for the month.
- Receipts are favorable 3.44% year-to-date compared to budget.
- Compared to the same month last year, sales tax receipts were \$266,160 or 12.83% more.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 15.51%
 - City of Denton up 6.14%
 - Highland Village up 3.22%

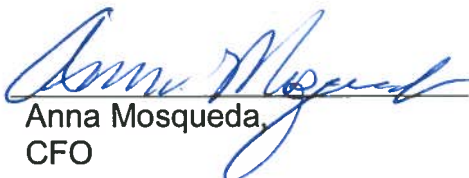
Need

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

Recommendation

For information only. No action required.

Final Review:


Anna Mosqueda,
CFO

Denton County Transportation Authority (DCTA)
Sales Tax Report
Budget to Actual and Previous Year Comparison

Sales Generated in Month of:	Received in Month of:	2015-2016 Year Budget	2015-2016 Year Actual	Variance Actual to Budget	CY Actual to CY Budget % Variance	2014-2015 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,023,528	\$ 1,821,854	\$ (201,674)	-9.97%	\$ 1,945,700	\$ (123,846)	-6.37%
November	January	\$ 1,836,141	\$ 1,959,303	\$ 123,162	6.71%	\$ 1,765,520	\$ 193,783	10.98%
December	February	\$ 2,530,794	\$ 2,669,055	\$ 138,261	5.46%	\$ 2,433,456	\$ 235,599	9.68%
January	March	\$ 1,812,076	\$ 1,637,497	\$ (174,579)	-9.63%	\$ 1,742,381	\$ (104,884)	-6.02%
February	April	\$ 1,629,477	\$ 1,776,656	\$ 147,179.13	9.03%	\$ 1,566,805	\$ 209,851	13.39%
March	May	\$ 1,967,178	\$ 2,340,336	\$ 373,158	18.97%	\$ 2,074,176	\$ 266,160	12.83%
April	June	\$ 1,750,519				\$ 1,803,955		
May	July	\$ 1,809,657				\$ 1,757,537		
June	August	\$ 2,009,992				\$ 2,104,123		
July	September	\$ 1,755,537				\$ 1,825,970		
August	October	\$ 1,865,219				\$ 2,082,973		
September	November	\$ 2,077,285				\$ 2,159,150		
YTD Total		\$ 23,067,403	\$ 12,204,701	\$ 405,507	3.44%	\$ 23,261,746	\$ 676,663	5.87%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

May 20, 2016

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

City of Lewisville					
Sales Generated in Month of:	Received in Month of:	2014-2015 Year Actual	2015-2016 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,532,839	\$ 2,537,910	\$ 5,072	0.20%
November	January	\$ 2,404,460	\$ 2,541,494	\$ 137,034	5.70%
December	February	\$ 3,407,084	\$ 3,661,985	\$ 254,902	7.48%
January	March	\$ 2,479,995	\$ 2,441,184	\$ (38,811)	-1.56%
February	April	\$ 2,194,340	\$ 2,533,341	\$ 339,001	15.45%
March	May	\$ 2,920,317	\$ 3,373,295	\$ 452,978	15.51%
April	June	\$ 2,570,323			
May	July	\$ 2,441,318			
June	August	\$ 2,867,226			
July	September	\$ 2,531,076			
August	October	\$ 2,996,730			
September	November	\$ 3,013,889			
YTD Total		\$ 32,359,597	\$ 17,089,210	\$ 1,150,175	7.22%

City of Highland Village					
Sales Generated in Month of:	Received in Month of:	2014-2015 Year Actual	2015-2016 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 268,275	\$ 290,956	\$ 22,682	8.45%
November	January	\$ 283,432	\$ 301,727	\$ 18,295	6.45%
December	February	\$ 441,441	\$ 469,889	\$ 28,448	6.44%
January	March	\$ 249,723	\$ 264,553	\$ 14,830	5.94%
February	April	\$ 220,832	\$ 233,938	\$ 13,106	5.93%
March	May	\$ 319,961	\$ 330,255	\$ 10,294	3.22%
April	June	\$ 275,169			
May	July	\$ 317,874			
June	August	\$ 330,952			
July	September	\$ 276,336			
August	October	\$ 264,926			
September	November	\$ 342,868			
YTD Total		\$ 3,591,789	\$ 1,891,318	\$ 107,654	6.04%

City of Denton					
Sales Generated in Month of:	Received in Month of:	2014-2015 Year Actual	2015-2016 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,345,573	\$ 2,246,579	\$ (98,994)	-4.22%
November	January	\$ 2,197,657	\$ 2,342,199	\$ 144,542	6.58%
December	February	\$ 3,020,338	\$ 3,372,458	\$ 352,120	11.66%
January	March	\$ 2,109,216	\$ 1,869,754	\$ (239,463)	-11.35%
February	April	\$ 1,852,968	\$ 2,128,444	\$ 275,476	14.87%
March	May	\$ 2,678,550	\$ 2,842,993	\$ 164,443	6.14%
April	June	\$ 2,152,181			
May	July	\$ 2,107,901			
June	August	\$ 2,682,604			
July	September	\$ 2,259,012			
August	October	\$ 2,584,144			
September	November	\$ 2,727,016			
YTD Total		\$ 28,717,159	\$ 14,802,427	\$ 598,125	4.21%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
May 20, 2016

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

Transit	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2016 Payments (Calendar)	2015 Payments (Calendar)	% Change
Houston MTA	1.00%	\$ 64,392,210.55	\$ 67,152,446.12	-4.11%	\$ 296,087,103.32	\$ 309,264,865.46	-4.26%
Dallas MTA	1.00%	\$ 51,773,274.15	\$ 49,524,827.03	4.54%	\$ 229,734,491.19	\$ 218,819,269.22	4.99%
Austin MTA	1.00%	\$ 20,198,022.82	\$ 19,940,425.02	1.29%	\$ 92,085,119.75	\$ 87,420,517.05	5.34%
San Antonio MTA	0.50%	\$ 13,534,183.69	\$ 12,883,531.34	5.05%	\$ 58,945,153.23	\$ 58,226,237.55	1.23%
San Antonio ATD	0.25%	\$ 6,045,549.46	\$ 5,869,812.17	2.99%	\$ 26,734,247.49	\$ 25,988,790.90	2.87%
Fort Worth MTA	0.50%	\$ 6,415,390.88	\$ 6,163,099.06	4.09%	\$ 28,638,495.89	\$ 26,961,666.63	6.22%
El Paso CTD	0.50%	\$ 4,014,552.17	\$ 3,894,170.63	3.09%	\$ 18,004,823.85	\$ 17,431,324.60	3.29%
Corpus Christi MTA	0.50%	\$ 2,956,951.88	\$ 3,137,209.06	-5.75%	\$ 13,542,316.08	\$ 14,737,234.93	-8.11%
Denton CTA	0.50%	\$ 2,340,336.26	\$ 2,074,176.28	12.83%	\$ 10,382,846.90	\$ 9,582,338.37	8.35%
Laredo CTD	0.25%	\$ 710,463.42	\$ 722,312.56	-1.64%	\$ 3,301,765.00	\$ 3,457,022.23	-4.49%
TOTALS		\$ 172,380,935.28	\$ 171,362,009.27	0.59%	\$ 777,456,362.70	\$ 771,889,266.94	0.72%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
May 20, 2016

**Board of Directors Memo**

May 26, 2016

Subject: Procurement Status Report**A-train Operations and Maintenance Proposals Received**

Four (4) proposals were received on May 18th. Staff is reviewing the proposals and will conduct oral presentation with the two (2) top ranked firms. A recommendation for award will be presented on the June Board agenda.

Achievement of Excellence in Procurement

Procurement staff is preparing to submit an application for the Achievement of Excellence in Procurement (AEP) Award. The AEP is awarded annually by the National Procurement Institute (NPI). This award is earned by those organizations that demonstrate excellence by obtaining a high score based on standardized criteria. The criteria are designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization. This is the national program to benchmark organizational excellence in procurement. If DCTA is successful this will be the first award for the authority. The notification, if successful, will be sent to the authority in late July.

Submitted by:

A blue ink signature of Athena Forrester, written in a cursive style, is positioned above a horizontal line. Below the line, the name and title are printed.

Athena Forrester, Senior Procurement Manager

Final Review:

A blue ink signature of Anna Mosqueda, written in a cursive style, is positioned above a horizontal line. Below the line, the name and title are printed.

Anna Mosqueda, CFO



Board of Directors Memo

May 26, 2016

Subject: Marketing & Communications Update

Project: Public Meeting Report	
Overview: Hosted our bi-annual public meetings in Lewisville, Highland Village, Denton and Frisco. <div>***Full Report Attached***</div>	
Results: <ul style="list-style-type: none">▪ Frisco Public Meeting<ul style="list-style-type: none">○ Tuesday, April 19, 2016○ 6 p.m. to 9 p.m.○ Frisco City Hall Atrium○ 17 individual interactions▪ Denton Public Meeting<ul style="list-style-type: none">○ Friday, April 22, 2016○ 6 p.m. to 7 p.m.○ Golden Triangle Mall○ 12 individual interactions▪ Lewisville Meeting<ul style="list-style-type: none">○ Saturday, April 23, 2016○ 1 p.m. to 2 p.m.○ Lewisville Public Library○ 30 individual interactions	<ul style="list-style-type: none">▪ Highland Village Meeting<ul style="list-style-type: none">○ Saturday, April 23, 2016○ 3 p.m. to 4 p.m.○ Shops at Highland Village○ 15 individual interactions▪ Online Videos<ul style="list-style-type: none">○ Monday, April 25 – Sunday, May 8○ Lewisville Video – 19 views○ Highland Village Video – 22 views○ Denton Video – 23 views○ Frisco Video – 21 views○ Comments – 4○ RideDCTA.net Public Meeting page – 200 pageviews○ RideDCTA.net video page – 92 pageviews
Project: #GoGreenGoDCTA Campaign	
Overview: DCTA celebrated Earth Day by hosting a #GoGreenGoDCTA campaign in order to bring awareness to public transportation's positive impact on the environment. The campaign included a photo contest of people showcasing their "green" DCTA experience and a downloadable complimentary-ride coupon that was valid for one free trip on Earth Day to encourage community members to go green via public transit. <div>***Creative Samples Attached***</div>	
Total Photo Contest Entries <ul style="list-style-type: none">• 29 contest entries and 472 votes Total Earth Day Free Ride Coupons Downloaded <ul style="list-style-type: none">• 142 coupon vouchers downloaded (eight redeemed on Earth Day) Total Facebook Marketing Results (Advertising & Organic Posts) <ul style="list-style-type: none">• 108,148 total people reached• 172 total engagements• 1,808 clicks to photo contest webpage (advertising only)• 1,162 clicks to coupon promotion webpage (advertising only) Twitter Marketing Results (All Organic Posts) <ul style="list-style-type: none">• 10,712 total organic impressions• 175 total organic engagements Campaign Blog Post <ul style="list-style-type: none">• 26 total views• 1,503 people reached on Facebook with seven total engagements	Media Outreach <ul style="list-style-type: none">• 12 total stories secured• Highlights include: Denton Record-Chronicle, Star Local Media, and My Dallas Mommy blog Campaign Rack Card <ul style="list-style-type: none">• Nearly 2,000 cards were distributed on DCTA's A-train and Connect buses Community Outreach <ul style="list-style-type: none">• 15 local organizations, bloggers and partners promoted the photo contest and free ride coupon promotion.• Highlights include: City of Lewisville, Keep Denton Beautiful, University of North Texas, Keep Lewisville Beautiful, Denton Convention & Visitors Bureau
Project: Corporate Pass Program	
Overview: Develop and implement a pass program directed at businesses within Denton County to drive incremental revenue and ridership	
Update: <ul style="list-style-type: none">• All collateral is in house• Actively developing a cold call database – 947 contacts as of 5/16• Actively making cold calls – goal of 25 calls per month• Direct mailer slated for week of May 23• Webpage active – 37 webpage hits in less than a month; Google acting as the main referring site (organic search)	

Project: Commuter Campaign
Overview: A new eight-month campaign to increase peak ridership and drive consideration among non-riders. ***Creative Samples Attached***
Q1 Results: <ul style="list-style-type: none"> Q1 Total Impressions: <ul style="list-style-type: none"> Online – 282,065 CTR – .43% Print – 93,551 Commuter Marketing online ads are on premium sites targeting commuters, working-age adults and college students in Denton County

MARKETING & COMMUNICATIONS METRICS					
Activity	Metric	Annual Goal	Monthly	YTD	Goal Met
Brand Impressions					
Community Brand Impressions*	Global Impressions	260,000	200,711	204,706	
	Confirmed Impressions	7,500	1,634	2,846	
Media Buy Impressions**	Online/Confirmed Impressions	5M	1,057,696	5,627,362	✓
	Online Click Through Rate	.06%	.29%	.17%	
	Print Impressions	2M	356,397	1,129,868	
Media Relations					
Press Coverage	Articles About DCTA	300 Placements	49	297	
Media Relations Impressions^	Articles About DCTA	165M	6,639,343	122,297,057	
Publicity Value^^	Articles About DCTA	\$1M	\$42,049	\$336,199	
Headline Highlights	DCTA Celebrates Launch of Pilot Services DCTA to Celebrate Earth Day DCTA to Host Public Meetings for Upcoming Projects DCTA Receives Distinguished Budget Presentation Award for Fiscal Year 2016 Budget				
Major Media Outlets	WFAA-TV; KXAS-TV (NBC 5); Denton Record-Chronicle; Dallas Morning News; Star Local Media; Mass Transit				
Social Media					
Facebook Likes	Increase in Likes	3,000	104	1,303	
Twitter Followers	Increase in Followers	1,000	45	434	
Digital					
Website	Pageviews	1.5M	92,437	705,000	
	Top 5 Referring Sites	DART, Online Advertisements, UNT, Twitter, TWU Portal			
DCTA Blog	Confirmed Impressions	3,000	646	5,407	✓
	Top 3 Referring Sites	Facebook, Twitter, Bit.ly			
Go Pass					
New Downloads	Total Count	170,000	13,241	116,448	
Tickets Sold	Total Count	20,000	2,314	15,962	

CUSTOMER SERVICE					
Activity	Metric	Annual Goal	Monthly	YTD	Goal Met
Provide Excellent Customer Service	Calls Answered	>95%	98%	99%	
	Abandoned Calls	<3%	2%	1%	
Where's My Ride	Total Hits†	400,000	43,578	304,983	
	SMS (Texts)	50,000	9,828	61,079	✓
	Calls	15,000	2,639	20,341	✓
GORequest	Avg. Days/Closeout	<3.2	2.94	2.75	
	Total Entries/10K	>3	1.76	1.63	
	Complaints/10K	<5	1.12	0.94	
	Types of Submittals	Complaint – 29; Compliment – 2; Problem – 4; Question – 14; Suggestion – 3			

DISCOUNT SALES PROGRAMS††					
Program	Metric	Annual Goal	Monthly	YTD	Goal Met
Corporate Pass Program	Ticket Sales	N/A	\$0	\$0	
	Business Database	1,000	602	947	
	Cold Calls	250	4	4	
	Website Pageviews	1,000	37	37	
	Direct Mail Distribution	1,000	0	0	
	Sales Kits Mailed	0			
	Top 3 Referring Sites	Google, cityoflewesville.com, Twitter			
Group Discount Program	Ticket Sales	N/A	\$2,620	\$2,620	
	Website Pageviews	N/A	12	12	
Non-Profit Discount Program	Ticket Sales	N/A	\$288.75	\$288.75	
	Website Pageviews	N/A	26	26	

Footnote:***Community Brand Impressions:**

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

****Media Buy Impressions:**

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

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

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

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

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



April 2016 Public Meeting Wrap Up

Study Area:

Cities of Lewisville, Highland Village, Denton, and Frisco

Study Objective:

Solicit public input on proposed FY16 program of projects, new services offered in Highland Village and Frisco, and comprehensive operational analysis recommended changes to Denton and Lewisville Connect service.

Study Timeframe:

April 19 – May 6, 2016

Open House Meetings

A series of public meetings were held in Lewisville, Highland Village, Denton, and Frisco during April 2016. The meetings were held in a variety of settings in an effort to bolster attendance and engagement. Videos showcasing the information presented at the four meetings were hosted on RideDCTA.net with an available comment form two weeks following the physical meetings.

Business/Stakeholders

DCTA worked with each city and local universities to promote the meetings through a variety of methods, including postings, social media, and etcetera.

Media/Community Relations

Press Releases were sent out to area newspapers two weeks prior to the meeting dates.

Newspaper ads were purchased in the Frisco Enterprise, Lewisville Leader, Denton Record Chronicle, and The Leader and ran at least twice in all publications.

Meeting notices were posted on RideDCTA.net, Facebook, Twitter, Hop on Board Blog, and emailed to DCTA riders via a Rider Alert. All public meetings notices were posted and distributed via seat drops and the bi-monthly newsletter (enRoute News) on DCTA fleet.

The City of Frisco helped to publicize the meetings in their newsletter and on their public access channel.

Meeting Statistics

- Frisco Public Meeting
 - Tuesday, April 19, 2016
 - 6 p.m. to 9 p.m.
 - Frisco City Hall Atrium
 - 17 individual interactions
- Denton Public Meeting
 - Friday, April 22, 2016
 - 6 p.m. to 7 p.m.
 - Golden Triangle Mall



- 12 individual interactions
- Lewisville Meeting
 - Saturday, April 23, 2016
 - 1 p.m. to 2 p.m.
 - Lewisville Public Library
 - 30 individual interactions
- Highland Village Meeting
 - Saturday, April 23, 2016
 - 3 p.m. to 4 p.m.
 - Shops at Highland Village
 - 15 individual interactions
- Online Videos
 - Monday, April 25 – Sunday, May 8
 - Lewisville Video – 19 views
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 - Frisco Video – 21 views
 - Comments – 4
 - RideDCTA.net Public Meeting page – 200 pageviews
 - RideDCTA.net video page – 92 pageviews



Project Details for Transit Modification 2015-4594
Denton County Transportation Authority/12018 Program of Projects / Transit Section 5307 Funds / Denton-Lewisville (DCL) / Denton Connect Route 4

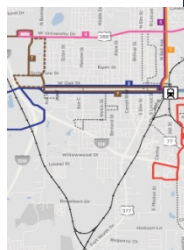
Current Request Refers F116 Program of Projects and Also Projects to the 2015-2018 Transportation Improvement Program (TIP) / Sustainable Transportation Improvement Program (STIP)

FISCAL YEAR	FUNDING SOURCE	PROJECT DESCRIPTION	PROJECT CAPITAL	FEDERAL CAPITAL	LOCAL CAPITAL	TOTAL
2016	5307	ASSOCIATED TRANSIT IMPROVEMENTS	CAPITAL	\$56,124	\$1,403	\$70,155
2016	5307	ACQUISITION OF SURVEILLANCE / SECURITY EQUIPMENT	CAPITAL	\$56,124	\$1,403	\$70,155
2016	5307	ADA PARATRANSIT SERVICE	CAPITAL	\$356,234	\$140,300	\$701,543
2016	5307	OPERATING ASSISTANCE	OPERATING	\$462,000	\$462,000	\$924,000
2016	5307	SYSTEM PREVENTIVE MAINTENANCE	CAPITAL	\$ -	\$ -	\$ -
2016	5307	BUS PREVENTIVE MAINTENANCE	CAPITAL	\$1,168,824	\$289,500	\$1,458,324
2016	5307	SYSTEM PREVENTIVE MAINTENANCE (RAL)	CAPITAL	\$7,350,000	\$967,500	\$8,317,500
				\$433,779	\$80,079	\$533,858
				\$5,508,095	\$1,488,159	\$7,188,254

There are no transportation (operation and maintenance) costs associated with this project.

Denton Connect Route 4
Recommendations for Denton Connect Route 4 provide service

DCTA
DENTON COUNTY TRANSIT AUTHORITY



Denton Connect Route 4
Recommendations for Denton Connect Route 4 provide service along University Drive and Loop 288 connecting Rayzor Ranch to Unicorn Lake, direct service between Unicorn Lake and the MedPark A-train Station as well as service to the Department of Public Safety office on Loop 288. This route would provide



Comments

- Frisco Public Meeting
 - My mother is a shut-in and often needs transportation to Plano Presbyterian hospital where many of her doctors are located.
 - Thank you for all your service. My mom and son are riders and are very appreciative for all your caring for us. Thank you.
 - Take people to Plano Medical Centers.
 - I live in Frisco Lakes, some there have asked about service to Plano as that is where many of the doctors are located.
 - Need another bus and need to go to Plano.
 - Dispatch needs to schedule better.

- Denton Public Meeting
 - Run buses later (2 a.m.) and run the train on Sundays maybe one an hour. I don't like that I cannot use my Connect one-way pass on the same route in the opposite direction. Your buses are clean and your drivers are nice. I wish you ran earlier on Saturdays.
 - Chad is a great driver and he needs a raise! You should run service on Saturdays later at night and add Sunday service.
 - I would like Sunday bus and train service.
 - You should run later and you should have a bus that connects you to DFW airport.
 - Bring back the stop at Loop 288 and Lillian Miller and you should look at service to the recycle center on Mayhill Road.

- Lewisville Public Meeting
 - Make the line on the schedules between weekday and weekend darker. Make better connections with the DART rail. Run later at night.

- Online Video
 - I commute via A-train to Dallas and consider the service vital. If a bus stop was near my house, it would allow me to use the bus service within Denton.
 - I think the proposed changes are really good, despite the fact that I live in an area which will actually have service removed (route 8 was closest, but still a hike from the Denia area). What I really want is the ability to ride a bike into downtown Denton, and then take transit (bus, rail) as needed to go other places.
 - Also, there are probably at least 8 times a year when my family and I would take the A-train on Sunday if it were offered or on Saturday if service was more frequent.
 - Earlier and later connect(ions) to Route 6 to and from DCTA (DDTC) using Routes 7 and 8. Also later hours from Denton on Routes 7 and 8 to enjoy activities on the Square. Extend service on Saturday.



April 2016 Public Meeting

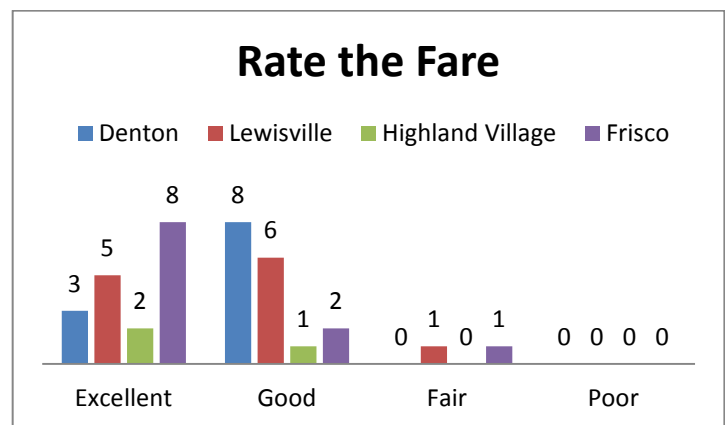
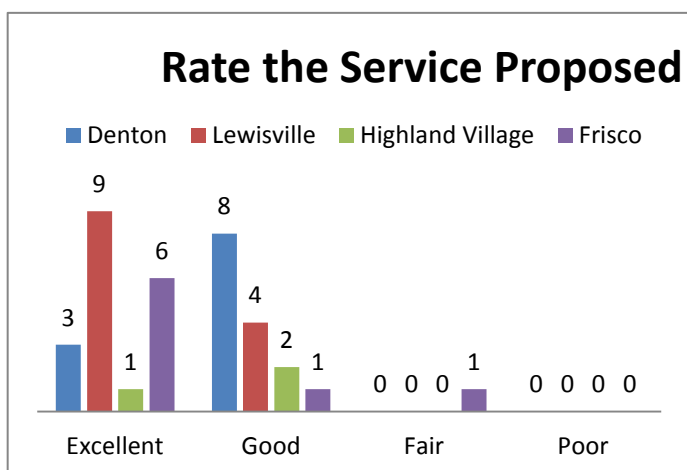
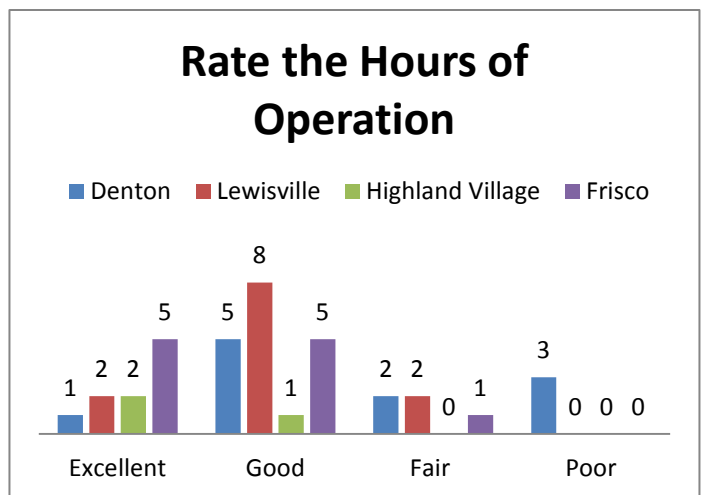
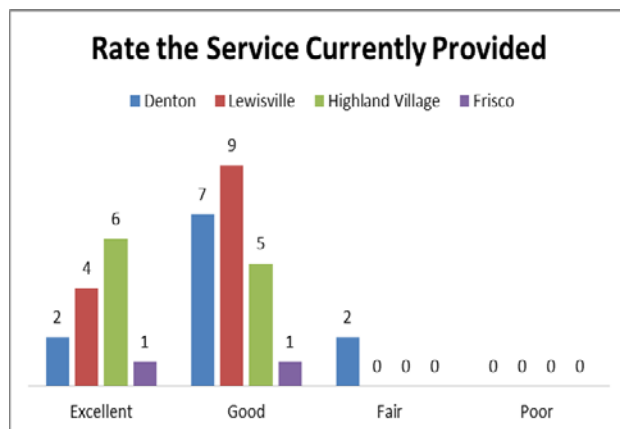
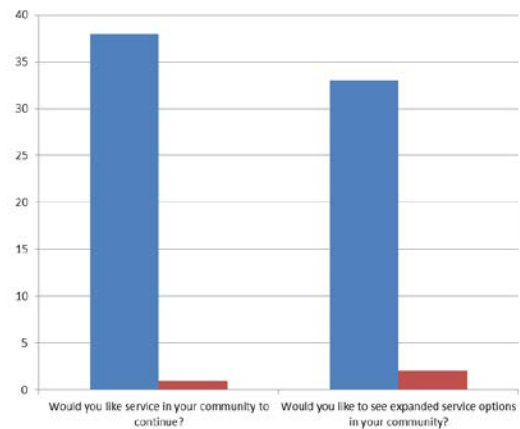
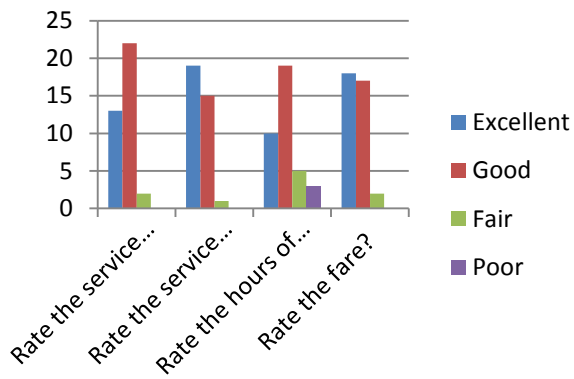
1 = Poor 2 = Fair 3 = Good 4 = Excellent

How would you rate the service currently provided?	1	2	3	4
How would you rate the service proposed? (if applicable)	1	2	3	4
How would you rate the hours of operation?	1	2	3	4
How would you rate the fare for the service?	1	2	3	4
Would you like service in your community to continue?				No Yes
Would you like to see expanded service options in your community?				No Yes

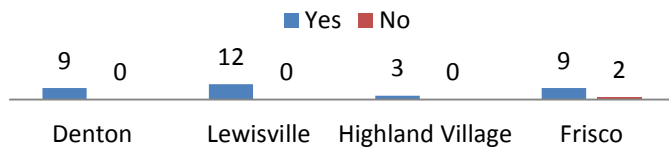
Name: _____

Email: _____

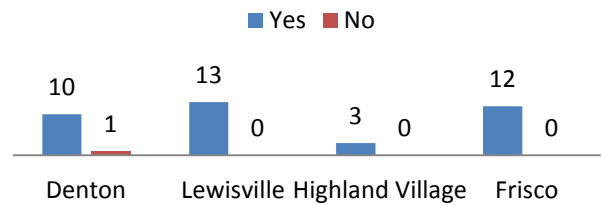
Survey Responses



**Would you like to see
expanded service options in
your community?**



**Would you like service in
your community to
continue?**



#GoGreenGoDCTA Snapshot:



Following

Take part in this fun, green contest hosted by @RideDCTA! Choosing public transit saves \$\$ and is sustainable!



RETWEET 1
LIKE 1



10:27 AM - 14 Apr 2016



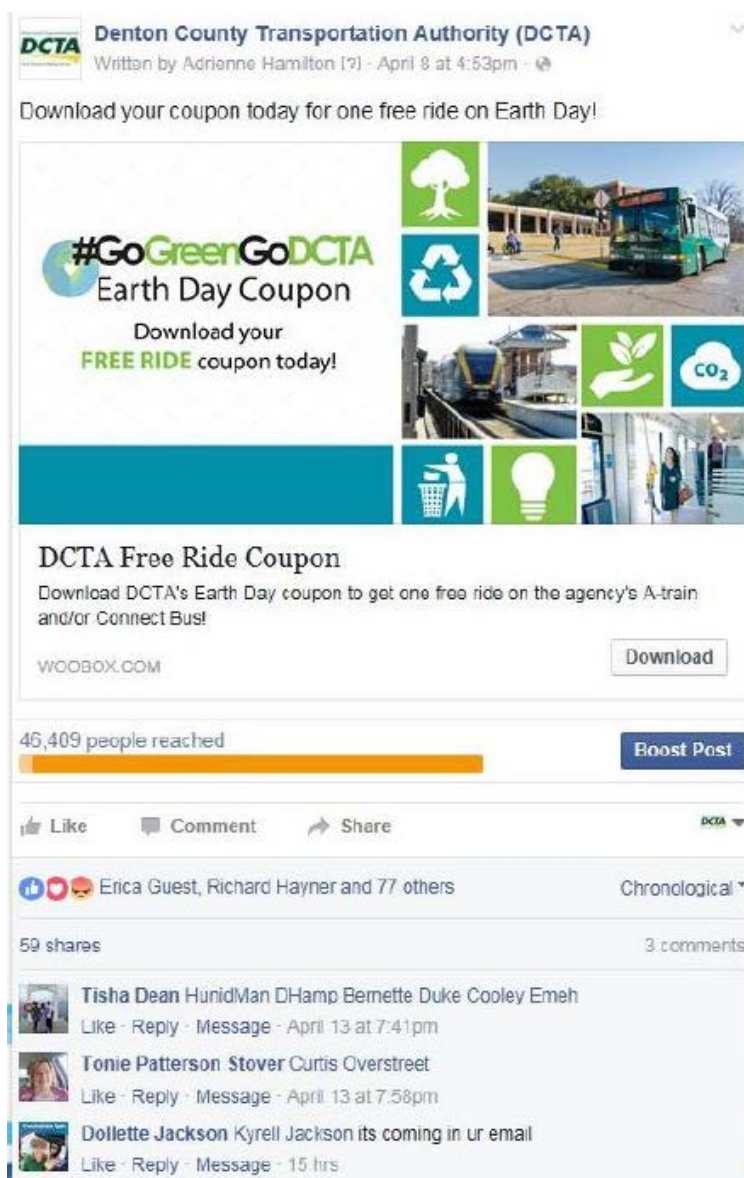
Kml Parajuli

April 14 at 9:46am · Photo Contest ·

vote for me please, click on the link and like the pic that i have posted there



16 0



John B. Denton @WeDentonDolt · Apr 14

Whoa! Check this out!

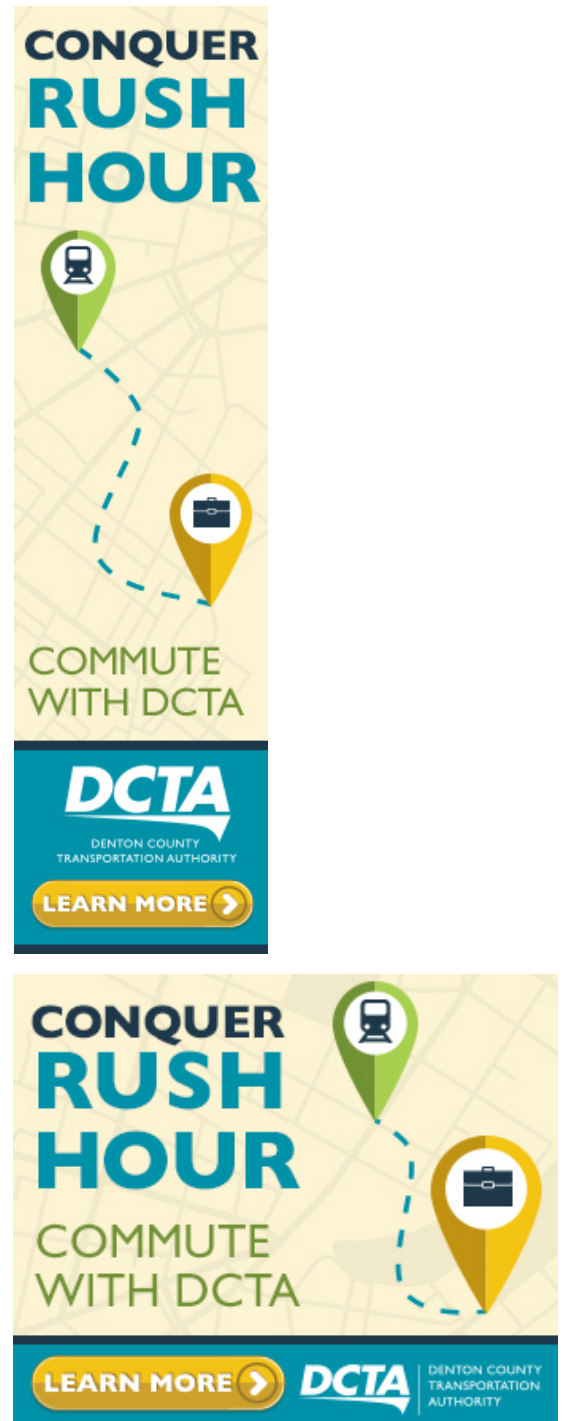


Commuter Campaign Snapshot:

Phase I:



Phase II:



Approved by:

Nicole M. Recker

Nicole M. Recker
Vice President of Marketing & Communications



Board of Directors Memo

May 26, 2016

Subject: Strategic Planning & Development Update

REGIONAL TRANSPORTATION PLANNING

High Intensity Bus Corridors (Regional Express Bus Service)

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

35W Corridor Commuter Service

- Supporting The T on the implementation of initial limited corridor service expected Fall 2016
- Identifying service stop location in Denton and solutions for connections to UNT and TWU
- A public meeting will be held in Denton to collect feedback regarding stop location
- Developing a joint capital and operating funding request for the ultimate High Intensity Bus Corridor Service being co-planned for implementation at a later date

LOCAL TRANSPORTATION PLANNING

Lewisville & Highland Village Service Review & Analysis

- Final recommendations were presented at the February Program Services Committee meeting
- A report outlining the COA process, key findings and recommendations has been finalized
- Highland Village pilot service was implemented on April 4, 2016
- Lewisville service recommendations are expected to be implemented in August 2016

Denton Service Review & Analysis

- Near final recommendations were presented at the February Program Services Committee meeting
- A report outlining the process, key findings and recommendations has been provided by Nelson Nygaard
- Denton service recommendations have an expected phased implementation beginning in 2017
- A proposed implementation plan outlining operating cost and capital needs will be presented at the June Program Services Committee meeting

BUSINESS DEVELOPMENT & PARTNERSHIPS

UNT Contract

- UNT's service contract expires August 31, 2016
- Staff is working with UNT to finalize minor modifications necessary for the two-year contract renewal
- Board approved the authorization for the President to execute the agreement with UNT at the March board meeting.
- Upon completion of UNT's Parking & Transportation Study, it is expected a new contract will be necessary outlining new terms and conditions as appropriate to respond to recommendations of that study

NCTC Contract

- NCTC's service contract expires August 31, 2016
- Staff is working with NCTC to finalize minor contract modifications necessary for the contract renewal
- Board approved the authorization for the President to execute the agreement with NCTC at the March board meeting

City of Frisco Contract

- The City of Frisco service contract expires November 30, 2016
- After initiating contracted On-Demand service in Frisco on December 1, 2015, staff has provided regular updates to City staff regarding ridership, cost control measures and operational data
- Staff has provide the City of Frisco options for increasing capacity within the existing service area, options for serving Plano and future potential transit solutions
- A meeting has been set for later this month to discuss service capacity, ridership and service options

Texas Woman's University

- Staff participated in the university's Strategic Planning initiative in late 2015
- Various TWU departments have engaged DCTA staff in their Strategic Initiatives Planning
- The entities are exploring potential partnership opportunities including addressing the university's parking challenges caused by construction projects on campus beginning in the Fall of 2016

Service Expansion within New Service Areas

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

Transportation Network Companies (TNCs)

- Companies like Uber, Lyft, Bridge and other ridesourcing companies have recently become members of the American Public Transportation Association (APTA), recognizing the opportunities that exist for TNCs to partner with transit properties
- DCTA is currently working with Uber to identify partnership opportunities where both entities can benefit while meeting the needs of communities within our service area, maximizing passenger travel convenience while increasing ridership and operational efficiencies and decreasing operational costs

LAND USE PLANNING & DEVELOPMENT

Downtown Denton Parking

- In coordination with the Union Pacific Railroad and the NCTCOG, DCTA is working with City of Denton staff to identify solutions addressing downtown parking shortages, aesthetics, noise mitigation and safety enhancements.

Hebron Station

- Staff and Huffines Developers have identified solutions for connecting the Hebron 121 Station development to the Hebron station via driveway as well as a bike and pedestrian trail for pedestrian access to the station platform.
- The appropriate agreements between both parties are being developed by our legal team to move this project forward
- Board approved the authorization for the President to execute the agreement with Huffines at the March board meeting

Old Town Station

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

Intermodal Transit Center & Administrative Office Complex

- Staff is working with Huitt-Zollars on preliminary planning for the design and construction of a new intermodal transit center anticipated to be located at a Lewisville A-train station.
- This facility will include administrative offices, passenger waiting area, customer service counter and community conference space.
- The preliminary planning will be coordinated closely with the City of Lewisville to ensure DCTA's plans are consistent and support the City's vision for the surrounding area.
- Preliminary recommendations and conceptual plans will be presented at the June Program Services Committee meeting.

ADDITIONAL PROJECTS

- FTA Title VI Compliance & Program Update
- Transit Oriented Development Coordination
- Regional Intelligent Transportation Planning
- Rail Trail Extension
- State and Federal Legislative Initiatives
- Grant Funding Opportunities
- A-train Extension
- 2040 Mobility Plan Engagement
- TxDOT 35W Expansion Coordination

Submitted by:



Kristina Brevard, VP, Planning & Development



Board of Directors Memo
Subject: Capital Projects Update

May 26, 2016

Signal System Enhancements

Project Budget: \$868,558

- Awaiting final as-built documentation from the contractor.

Positive Train Control (PTC)

- A project meeting was held May 4, 2016.
- A detailed walk through of the 90% Functional Design Document was performed.
- A detailed walk through of the TSR server and workstation functions include the HMI was performed. Additional reviews are scheduled and will include contractor and operations staff.
- Site visits were conducted with the signal design engineers to review equipment placements in the signal bungalows.
- An operations review of rail operations under the new PSR track speeds was performed.

Lewisville Hike and Bike Trail – Eagle Point Section

- Engineers have submitted plans to TxDOT for final review.
- Awaiting final permits from the USACOE for a section south of the Highland Village Station.

Flood Damage Repairs

Issue	FEMA Claim	Estimated DCTA Cost	Status
DTA 003G Washout of RipRap and ballast (includes Herzog Emergency response)	\$280,411	\$70,103	Award letter received.
DTA 001G and DTA 004G Replace Crossings	\$2,036,198	\$509,050	Form 90-91 received for first half. Awaiting clarification from TML for second PW.
DTA 002E Bus O&M Electrical repairs*	\$14,616	\$3,654	Complete. Reimbursement received.

DTA 001E Signal & Comm. System	\$122,000	\$6,500	Repair is complete. PW submitted for approval. Partial insurance reimbursement received. FEMA will cover deductible and mitigation.
DTA006G Rail OMF drainage	\$116,079	\$29,019	Revised PW received and signed. Awaiting award letter.
DTA 002G Undercut Ballast	\$657,652	\$164,413	PW signed. Awaiting award letter. Plans and specifications complete. Expect to release for bid in May.
Replace flume at Pockrus Page	\$623,000* \$161,338 **	\$155,750 \$461,662	FEMA has rejected 170' of the failed flume. Appeal in progress. Engineers are finalizing repair recommendations.

* Original claim 290'

** Approved claim

- Staff expects to release bid packages for ballast undercutting within the next 30 days.
- Ernst and Young has been notified that DCTA will request an extension for the crossing replacements. The appropriate forms are not yet available.
- Total estimated cost of repairs is \$3,065,618. Estimated DCTA cost is \$626,989.

Transit Enhancements

- Project consists of 5 shelters and one bench in the City of Denton.
- Contract awarded. Staff expects to begin construction on June 1, 2016.

Shoretel Phone System Expansion

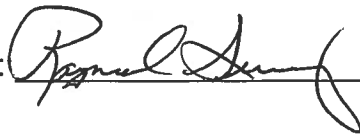
- RFP was released to the public on May 2nd.
- A pre-proposal meeting is to be held on May 11th.
- Proposals are due back to DCTA by May 25th.

Landscape Project

Highland Village/Lewisville Lake Station

- Landscape contractor (AALC) working with I-35 contractor (AGL) to locate station platform water supply that was capped during service road construction and re-connect to water meter.

- Majority of HV/LL station planting is complete. Small section at North end of station parking lot is pending AGL removal of construction debris and completion of parking lot. Planting at all other stations is complete.

Final Review: _____

Board of Directors Memo**May 26, 2016****Subject: Transit Operations Report****SYSTEM ON-TIME PERFORMANCE**

- FY 2016 YTD “On Time Performance” (OTP) for the A-train is 99.12%
- FY 2016 YTD “On Time Performance” (OTP) for Connect service is 82.45%. On-time performance has been adjusted to properly reflect departures from each bus stop as well as the final destination.

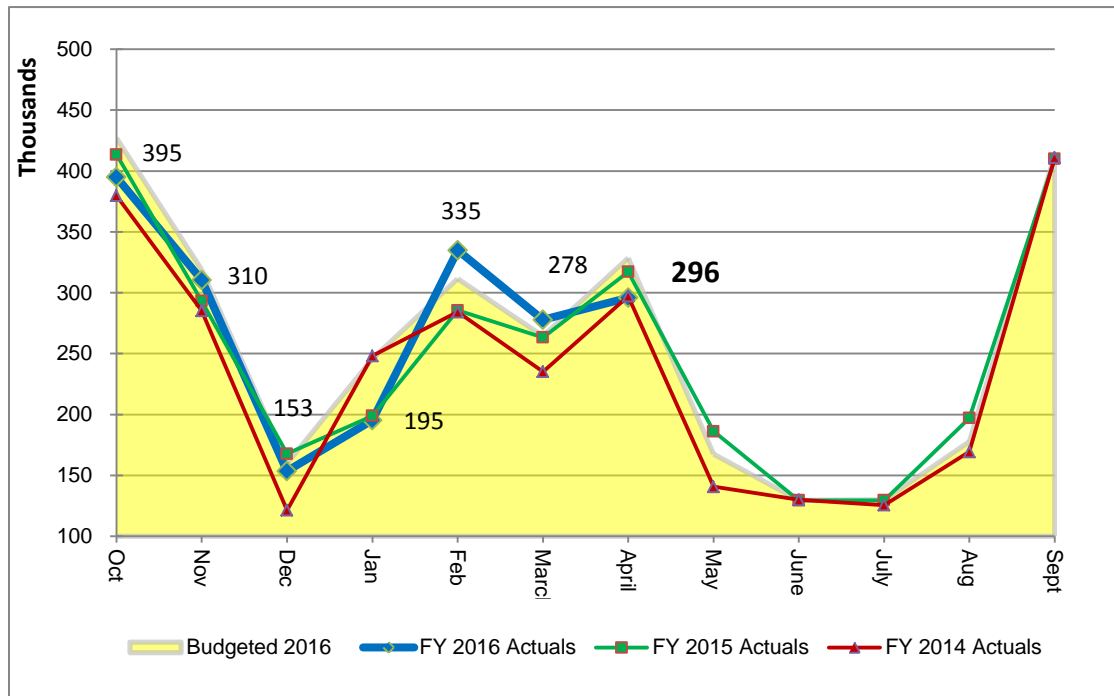
RIDERSHIP PERFORMANCE**Year to date change in ridership by service type**

Service	% Change FY 2015 to FY 2016	Color Indicator	Notation No.
All Bus & Rail	1.48%		1
Rail	0.50%		
All Bus	1.35%		
Connect	0.90%		
UNT	1.09%		
NCTC	13.69%		
Access	-1.60%		2
Frisco Demand Responsive	N/A		

1. April 2016, boardings for all Bus & Rail increased YTD compared to FY 2015.
2. While April 2016 boardings increased, YTD Access had less boardings compared to 2015

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

Rail and All Bus: Total Boardings



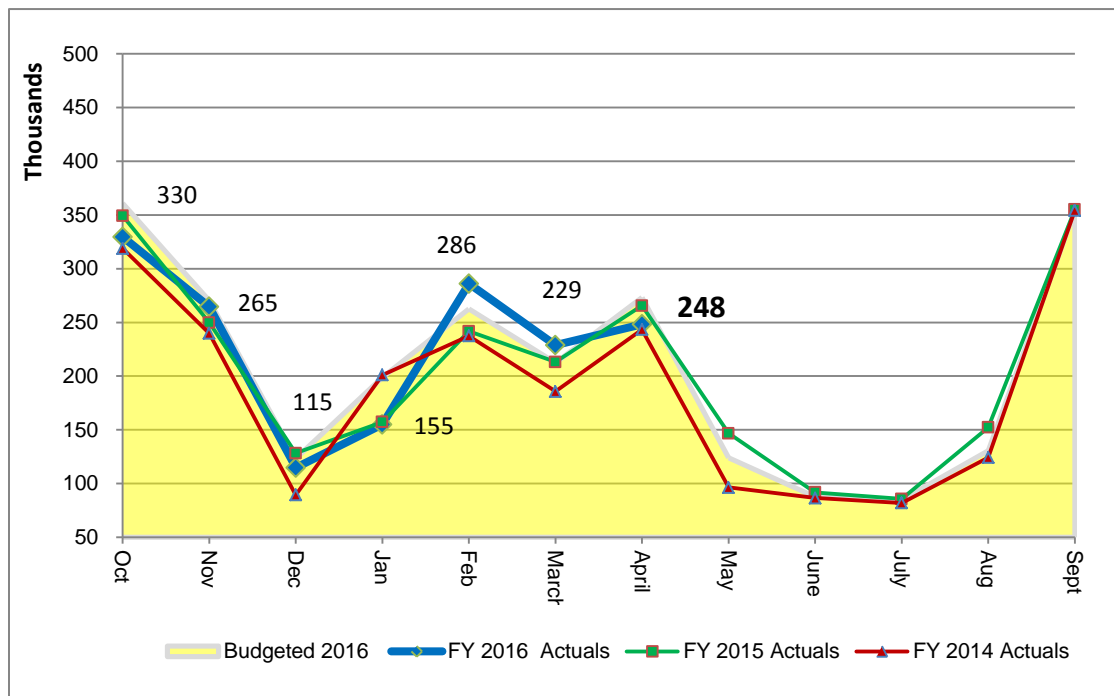
Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, Frisco Demand Response Service, Highland Village Service, and special movement services. For display purposes, the Y axis origin has been modified.

Rail and All Bus: Total Boardings

- YTD boardings for Rail and All Bus increased by 1.48% (or 28,546 boardings) compared to the same period in FY 2015 . While YTD FY 2016 had a net increase, only February and March experienced increases in ridership compared to February and March of 2015.
- A large percentage of this growth is attributed to increases in UNT boardings followed by Connect and Rail.
- YTD actual ridership is 4.52% (or 92,927 boardings) below budgeted ridership¹ (shown in yellow above). While ridership in February and March were greater than budgeted, those increases were not enough to compensate for the gap between budgeted and actual ridership. The largest drops occurred in January followed by April and October.

¹ Monthly budgeted ridership is calculated by multiplying the monthly average (based on FY 2013 – 2015 monthly actuals) by the total projected ridership for FY 2016.

All Bus: Total Boardings



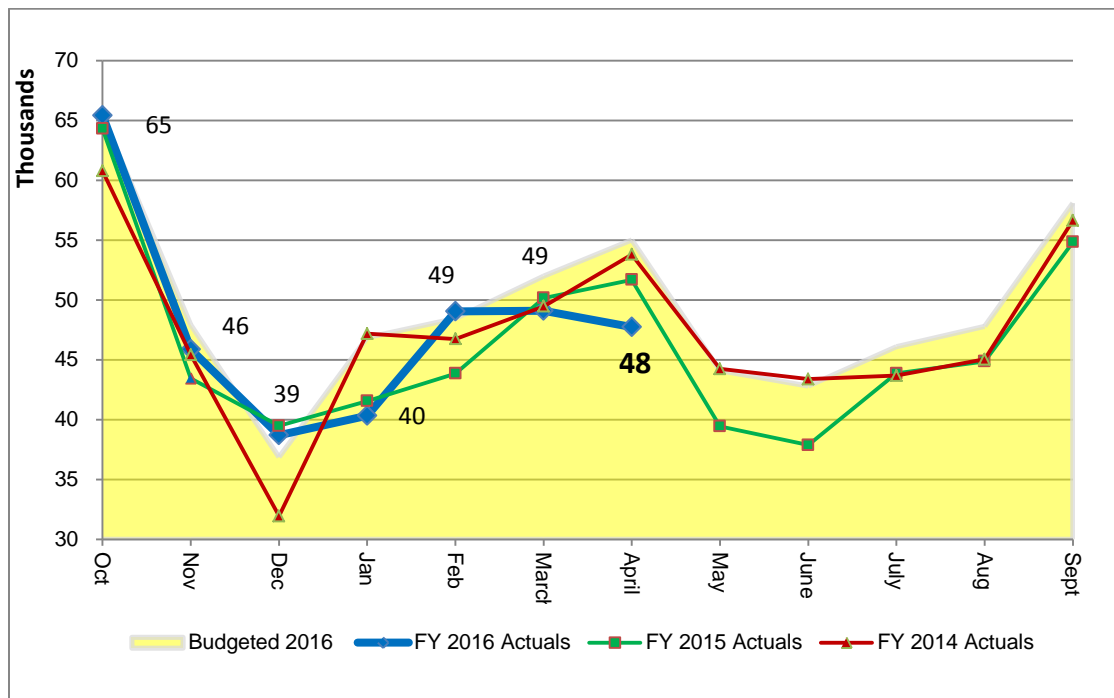
Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, Frisco Demand Response Service, Highland Village Service, and special movement services. For display purposes, the Y axis origin has been modified.

All Bus: Total Boardings

- YTD All Bus increased by 1.35% (or 21,749 boardings) compared to the same period in FY 2015. While YTD FY 2016 had a net increase, only February and March experienced increases in ridership compared to February and March of 2015.
- YTD, Connect boardings increased by 0.90% (or 3,135 boardings),
- UNT boardings increased by 1.09% (or 13,397 boardings) YTD.
- Growth in UNT boardings may be attributed to four additional regular class days YTD compared to the same period in FY 2015. These additional regular weekdays may explain the increase in other modes.
- YTD, NCTC boardings grew by 13.69% (or 1,628 boardings).
- YTD actual ridership for All Bus is 4.39% (or 74,762 boardings) lower than budgeted ridership² (shown in yellow above). While ridership in February and March were greater than budgeted, those increases were not enough to compensate for the gap between budgeted and actual ridership. The largest drop occurred in January followed by April and October.

² Budgeted ridership is calculated by multiplying the weighted average (of FYs 2013, 2014, and 2015 for each month) by the projected total ridership for FY 2016.

Rail: Total Boardings



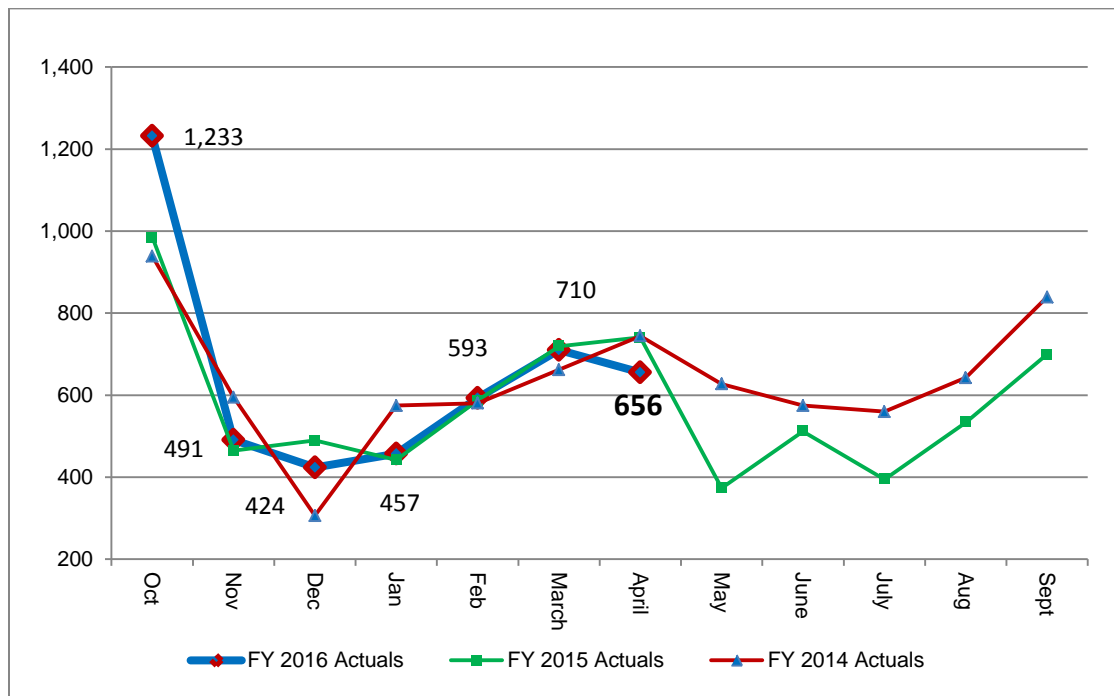
Note: For display purposes, the Y axis origin has been modified.

Rail: Total Boardings

- YTD, rail boardings increased by 0.50% (or 1,683 boardings) compared to the same period in FY 2015. While YTD FY 2016 had a net increase, only October, December and February experienced increases in ridership compared to those month in FY 2015.
- In April 2016, boardings continued to drop. This drop may be attributed to construction along I-35E and frontage roads blocking access to the rail stations.
- However, YTD average weekday boardings increased by 4.48% (or 83 boardings per weekday).
- YTD actual ridership for rail is 4.62% (or 16,269 boardings) lower than budgeted ridership³ (shown in yellow above). While ridership in October, December and February were greater than budgeted, those increases were not enough to compensate for the gap between budgeted and actual ridership. The largest drop occurred in April followed by January, March, and November.

³ Budgeted ridership is calculated by multiplying the weighted average (of FYs 2013, 2014, and 2015 for each month) by the projected total ridership for FY 2016.

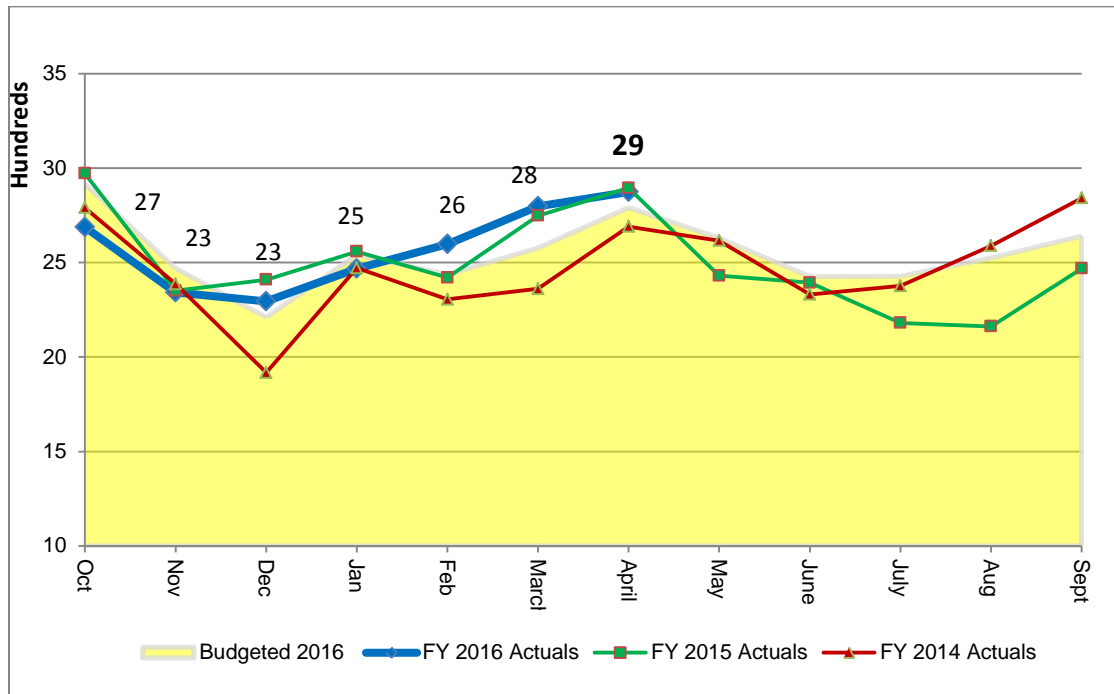
Rail: Saturday Average Boardings



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

- Despite a drop in April 2016 average Saturday boardings relative to April 2015, YTD average Saturday boardings increased by 3.03% (or 19 boardings per Saturday) compared to that same period in FY 2015

Access: Total Boardings

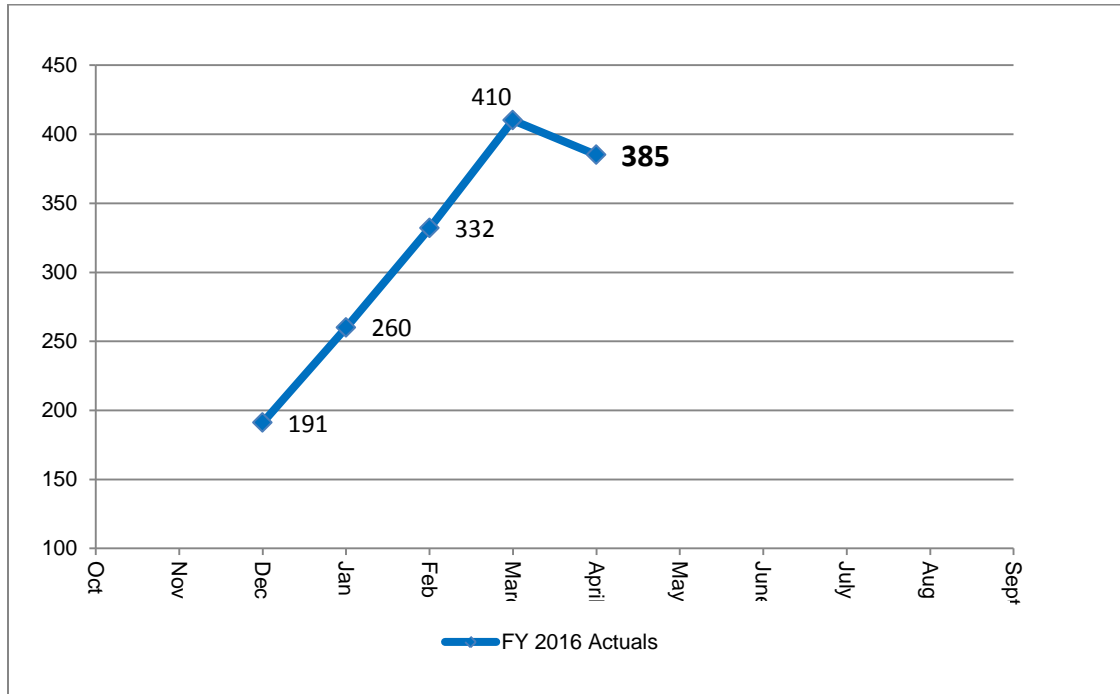


Note: For display purposes, the Y axis origin has been modified.

Access: Total Boardings

- YTD boardings decreased by 1.60% (or 293 boardings) compared to the same period in FY 2015.
- Growth in boardings during February and March were not enough to cover the declines from October 2015 to January 2016.

Frisco Demand Response Service: Total Boardings



Frisco Demand Response Service: Total Boardings

- In April, Frisco Demand Response Service had 385 boardings which is a drop of 6% (or 25 boardings) relative to March.

Highland Village Services: Total Boardings

- Service was initiated in Highland Village on Monday, April 4.
- Services provided include Access (Non-ADA), Community On-Demand Same Day, Community On-Demand Next Day, and Connect Shuttle.
- A total of 458 one-way trips were provided in April 2016.
- Highland Village ridership will be provided in table format (see below) until a full year of data is available for annual comparison purposes.

HIGHLAND VILLAGE SUMMARY REPORT			
<i>April 2016</i>			
Access Non-ADA	Community On-Demand		Connect Shuttle
	Same Day	Next Day	
262	10	138	48

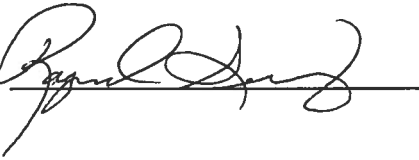
SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 1,455
- DCTA Bus Operations Injury-Free Workdays: 90

MAINTENANCE

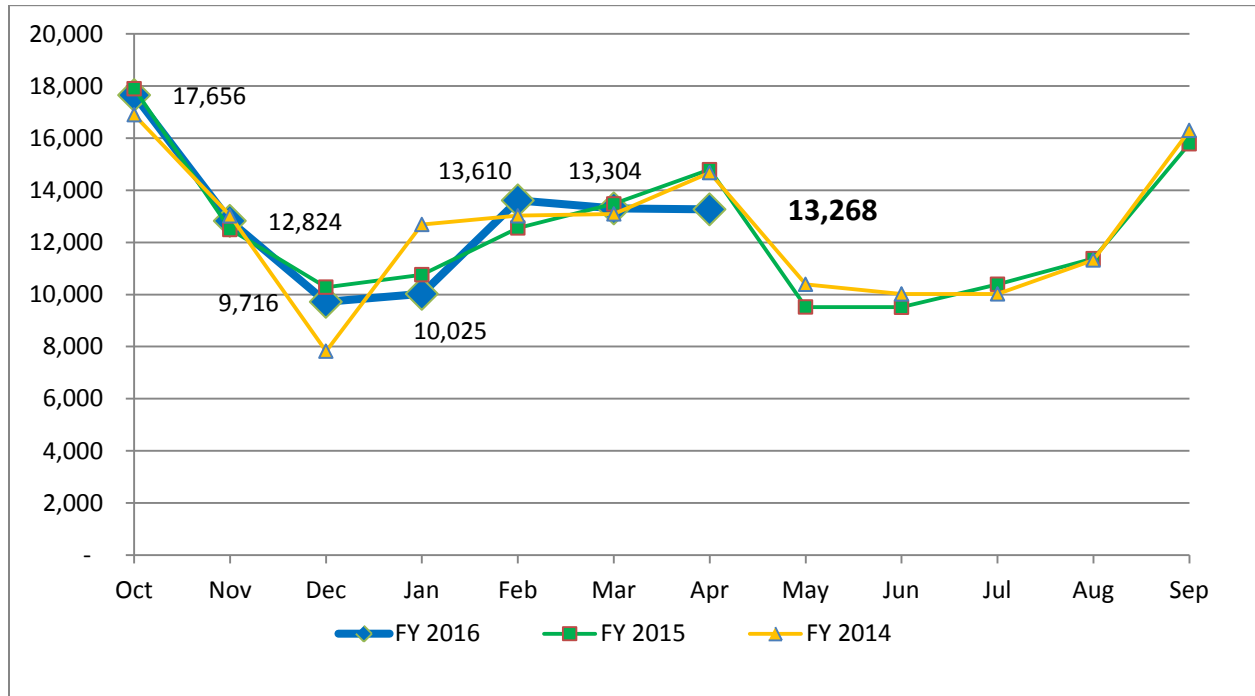
- **Right of Way:** Routine daily inspections are being performed by the contractor.
- **Signal/Communications:** There were no issues in the month of April.
- **Stations:** DCTA contract operations (HTSI) continues to perform weekly safety inspections, which have not identified any major issues.
- **Rail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

Final Review

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

Rail Boarding by Station

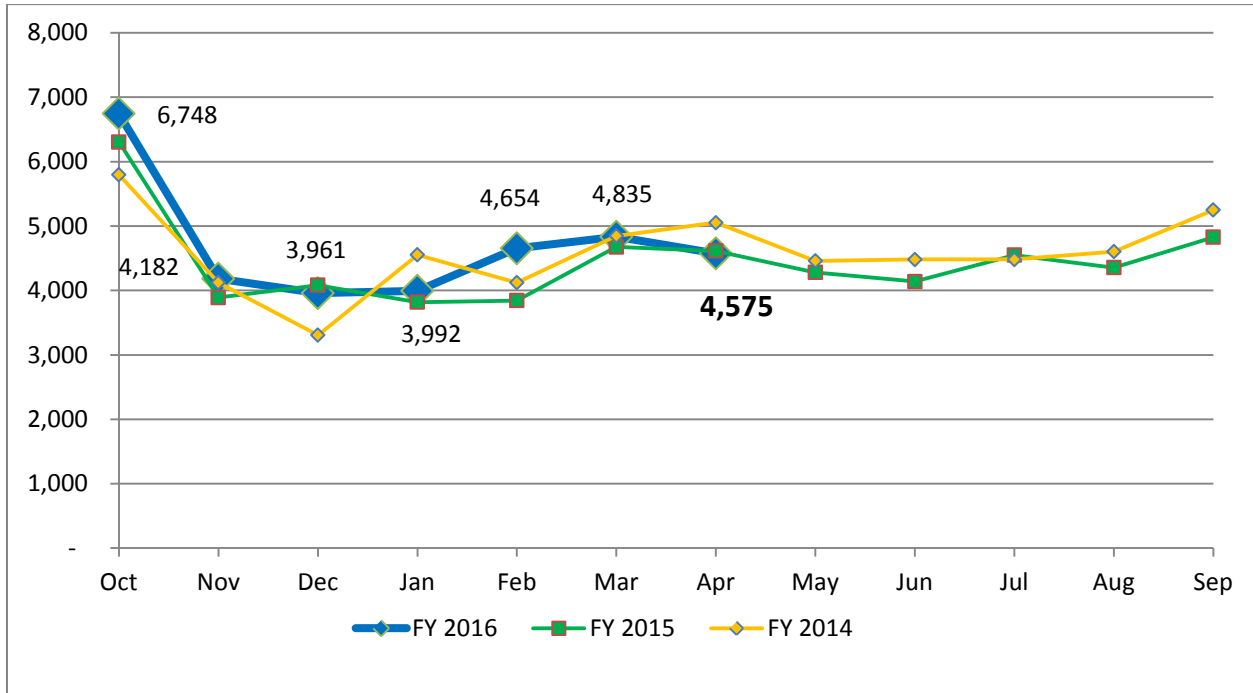
Downtown Denton Transit Center: Total Boardings



Downtown Denton Transit Center: Total Boardings

- YTD, total boardings at the Downtown Denton Transit Center is down 2.0% (or 1,855 boardings) compared to the same period in FY 2015.
- This decline may be attributed to TOD construction near the transit center and parking constraints at the Station.

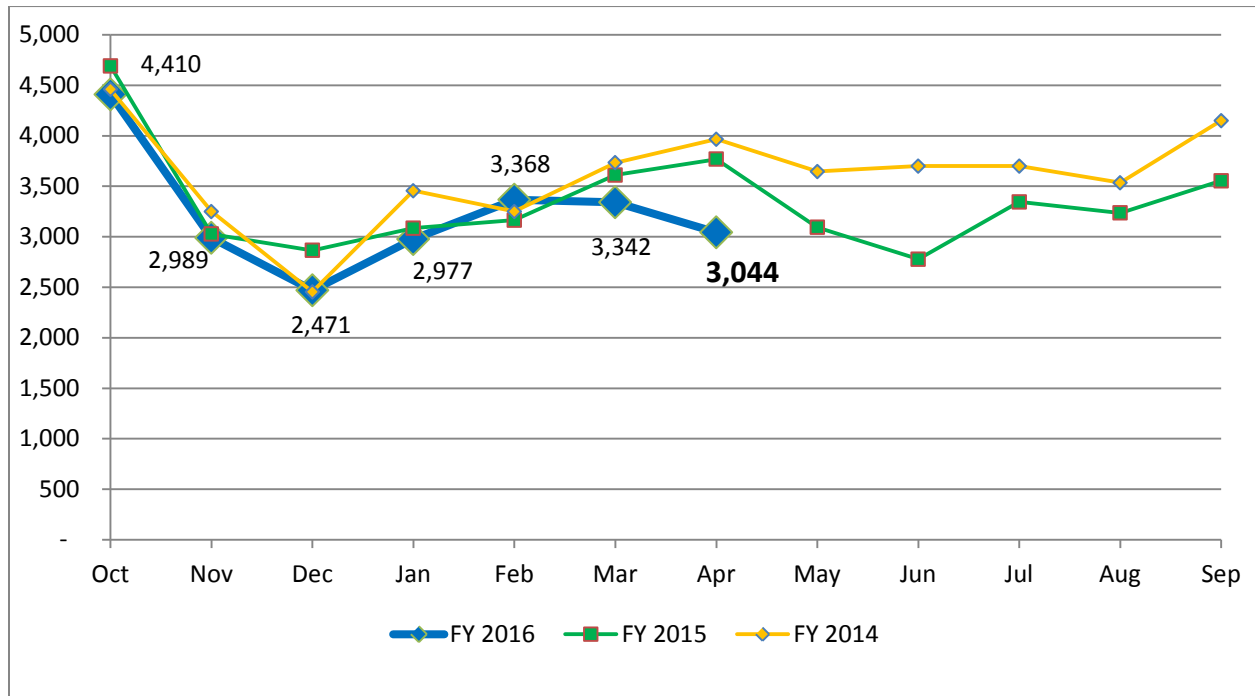
MedPark Station: Total Boardings



MedPark Station: Total Boardings

- YTD, boardings at MedPark Station have increased by 5.49% (or 1,714 boardings) compared to the same period in FY 2015.
- Available parking and lack of construction may help explain growth in boardings at this Station.

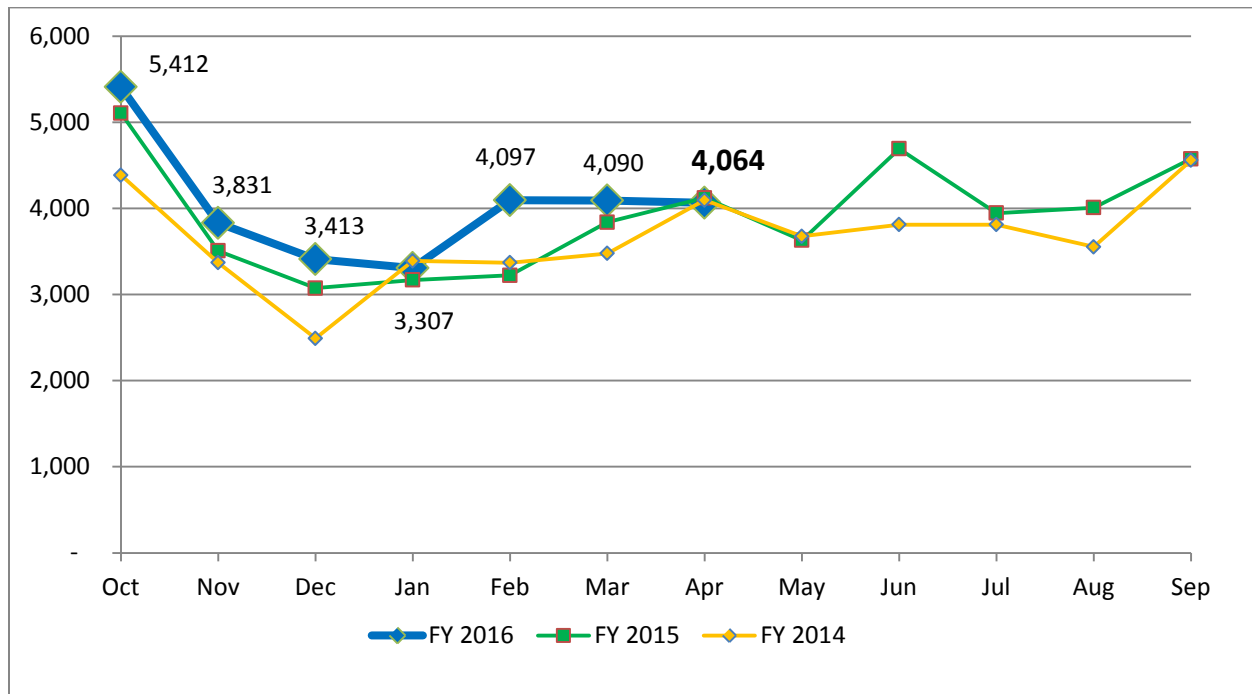
Highland Village/ Lewisville Lake Station: Total Boardings



Highland Village/Lewisville Lake Station: Total Boardings

- YTD, boardings dropped by 6.67% (or 1,616 boardings) relative to the same period in FY 2015.
- This decrease may be attributed to construction on I-35E, frontage roads, and the FM 407 Bridge which limit access to this Station.

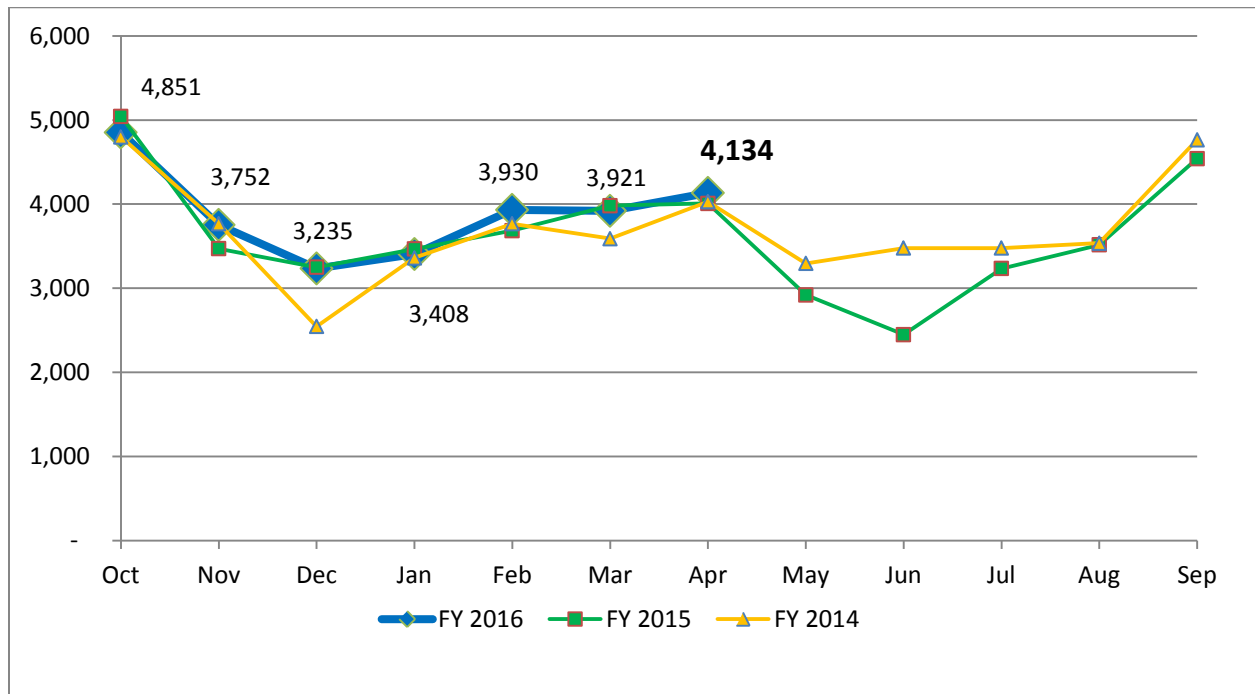
Old Town Station: Total Boardings



Old Town Station: Total Boardings

- YTD, boardings increased by 8.33% (or 2,170 boardings) compared to the same period in FY 2015.
- This increase may be attributed to new residential development nearby.

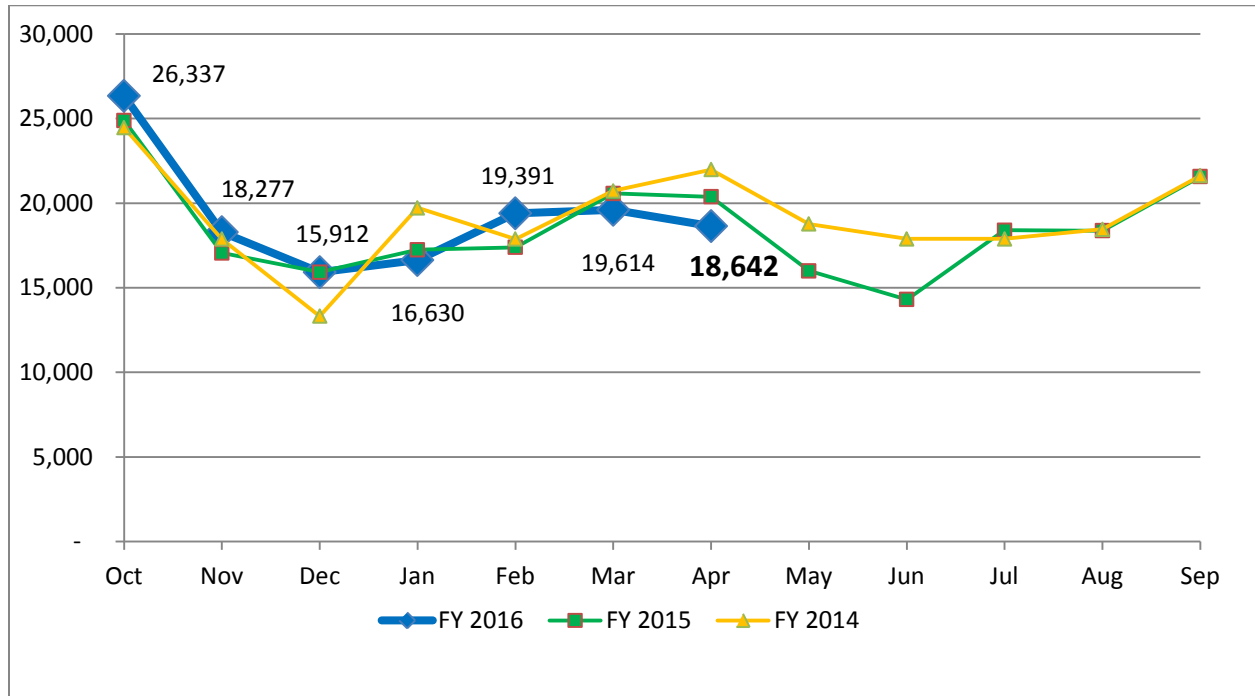
Hebron Station: Total Boardings



Hebron Station: Total Boardings

- YTD, boardings increased 1.21% (or 326 boardings) compared to the same period in FY 2015.

Trinity Mills Station: Total Boardings



Trinity Mills Station: Total Boardings

- YTD, boardings increased 1% (or 1,335 boardings) relative to the same period in FY 2015.



Board of Directors Memo

May 26, 2016

Item: WS 3(a) Finance Committee Chair Report

The Finance Committee meeting and Special called Board of Directors meeting was held at 12:00 p.m., Tuesday, May 17, 2016 at 1955 Lakeway Dr., Suite 260 Conference Room in Lewisville, TX.

In attendance were:

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

Board Members: Charles Emery, George Campbell, Paul Pomeroy

Absent:

DCTA Staff: Anna Mosqueda, Amanda Riddle, Jim Cline, Nicole Recker, Raymond Suarez, Marisa Perry, Rusty Comer, Kristina Brevard

A complete copy of the Finance Committee agenda packet and handouts is included as "Attachment A" to this report. The following agenda items were presented by staff for Finance committee review and discussion:

FY16 Revised Budget

- Jim Cline provided an update on "big ticket items"
 - Pending litigation
 - Release of retainage
 - Final legal bill pending – remaining budget of \$143k
 - Operations contingencies available
 - Fuel savings captured from bus & rail
 - Anticipated \$1M in savings in Rail Operations Purchased Transportation budget
 - Capital
 - Addition of Hike & Bike Trail Eagle Point
 - Addition of FEMA 2015 flood related projects
 - Rail O&M Contract – RFP responses due May 18th
 - PTC update
 - Bond sale of \$5.5M removed from CFM in FY18
- Anna Mosqueda presented the FY16 Revised Operating Budget / Change in Net Assets:
 - Salary & Benefits: Adjustments related to DCTA Comp Plan and impact of Frisco & H/Village service changes
 - Contingency budget
 - Staff captured savings from fuel (bus & rail) and Rail PT and transferred those funds to a Contingency account code under Miscellaneous Category level of accounts in order to maintain visibility and a higher level of control over the expenditure of any realized or projected fuel savings in FY16. These saving were realized due to the cost of fuel being significantly lower than budgeted for both rail and bus operations. Any transfers to fund other capital needs from this contingency account have been presented at the monthly Board meeting either in the President's "Budget transfers" report to Board or for Board approval if expenditure exceeded \$25,000 threshold.
 - Finance Committee requested additional detail for the contingency account line item. Staff will break this account line out separately for future presentation purposes.
 - A contingency line item budget was established for FY16 to capture the significant fuel savings and operating contract savings. Going forward the Finance Committee has requested review of transfer options for any future contingency line item to

include consideration of increase to capital reserve fund or funding of one time capital needs.

- Amanda Riddle presented the FY16 Revised Capital:
 - FY15 Rollovers = increase of \$5.35M due to projects not being completed in FY15 as originally planned
 - Capital budget amendments previously approved by the Board:
 - TAPS Bus Purchase
 - 2015 flood related projects (FEMA funded)
 - Stadler Fleet Emergency Lighting
 - Lewisville Bike Trail – Eagle Point Section
 - Shortel Phone System
 - Lewisville Facilities Study
 - Reduction in Positive Train Control (PTC) to \$18M
 - PTC Preparation = \$1,346,527
 - PTC Implementation = \$16,720,141

Revised CFM

- Anna Mosqueda presented the revised CFM
 - FY15 Audit Adjustment
 - Adjustment for retainage of rail construction project as result of settlement
 - Removal of \$5.5M in debt issue in 2018
 - Impact of changes of FY16 Revised Budget

Requests for Proposals

- Marisa Perry presented status of two Finance RFP's and results of Audit Services RFP review and evaluation:

External Audit Services

DCTA received three proposals from qualified firms for Annual Audit Services, Solicitation #16-12. Staff discussed the results of the evaluation and reference checks with the Finance Committee and recommended Weaver LLP as the firm offering the best value. The Finance Committee is forwarding this recommendation to the Board for approval.

Depository Services

DCTA has issued Solicitation #16-18, Application for Depository Services. Applications are due May 27, 2016 with award anticipated in July. Since the solicitation will close after the July Finance Committee meeting, Finance Committee directed staff to move forward with taking the recommendation for award for depository services directly to the Board for approval after completion of the evaluation process.

Legal Fees Summary

- Finance Committee reviewed the Litigation Fees Summary (LTD) provided
 - LTD expenses = \$545,315
 - Balance remaining in budget of \$143,089
 - Final Invoice for legal services related to the litigation has been requested from QSLWM, LLP (T. Salazar) to close out this project

Revolving Door Policy

- Finance Committee reviewed the proposed Revolving Door Policy.
 - Committee requested “at or above Assistant Vice President job grade or equivalent” reference be removed from policy

- Staff will make the change and incorporate the Revolving Door Policy into the Employee Handbook and include effective date. This does not require Board action.

Financial Policies

- The committee reviewed a red-lined version of the Financial Policies with all changes that had been submitted. The red lined changes primarily address syntax and formatting in the document.
- Only material change included:
 - Page 7- Expenditure Policies: Discussed timeframe for compensation review. Policy currently provides for total compensation review every two years. Based on feedback from the Segal Waters Compensation Study, staff recommended a total compensation study-- to include benefits—every three years. Finance Committee recommended revising to every 3 years.
- Committee recommended forwarding the Financial Policies to the Board for adoption

2017 Budget Calendar

- Finance Committee reviewed and approved the 2017 Budget Calendar.
- The Budget Workshop was confirmed for Monday, July 25 from 10 a.m. – 2 p.m.
- The Finance Committee calendar will be incorporated into the master Board calendar and sent to the all Board members and made available on the DCTA website

GFOA Budget Award

- DCTA has been awarded the GFOA Distinguished Budget Award for the FY16 Operating & Capital Budget.
- Details of the review criteria and results were presented to the Committee

Follow-Up Items:

- Staff will include more detail including dollar impact of “Big Ticket Items” schedule
- Provide revenue hour assumptions included in the CFM for future years for bus & rail
- The Revised FY16 operating budget will be reduced by \$1.96 million (the contingency account line amount that is attributable to bus and rail fuel savings and the savings projected as a result the FY16 rail purchased transportation agreement). This amount will be moved into the Capital/Infrastructure Reserve Fund in FY16. This change will be reflected in the cash flow model for Revised FY16 Budget.
- Make adjustment to Revolving Door Policy and include in Employee Handbook with effective date
- Look at options for CFM format that provides one schedule which allows for easier comparison of FY15 & FY16 years in FY16 Adopted CFM vs. FY16 Revised CFM rather than just presenting the two separate CFM models for future discussions

The meeting adjourned at 1:57pm.

Finance Committee

Chair – Dave Kovatch

Members – Richard Huckaby, Connie White, Tom Winterburn

Staff Liaison – Anna Mosqueda – CFO



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

**Special Called Meeting of the DCTA Board of Directors
and the Finance Committee of the DCTA Board of Directors
12N, May 17, 2016**

AGENDA

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

Welcome and Introductions

1) ITEMS FOR DISCUSSION

- a. FY16 Revised Budget
- b. Revised CFM
- c. REQUESTS FOR PROPOSAL (RFP)
 - i. External Audit Services
 - ii. Depository Services
- d. Legal Fees Summary
- e. Revolving Door Policy
- f. Financial Policies
- g. 2017 Budget Calendar
- h. GFOA Budget Award

2) Future Agenda Items

ADJOURN

Finance Committee

Chair – Dave Kovatch

Members – Richard Huckaby, Connie White, Tom Winterburn

Staff Liaison – Anna Mosqueda – CFO

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

This notice was posted at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 at a place convenient and readily accessible to the public at all times. Said notice was posted on 5/19/2016 at 11:44 AM.

Rusty Comer, Senior Public Information Specialist

**DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA)
BUDGET AMENDMENT****Number:** 2016-19

	Original FY16 Budget	Amendment	Revised FY16 Budget
Operating Budget			
Total Operating Revenues	4,806,596	270,830	5,077,426
Total Operating Expenses	39,026,253	(242,772)	38,783,481
Total Non-Operating Revenue / (Expense)	32,685,839	2,099,324	34,785,163
Capital Budget			
Total Bus Operations Capital	3,448,500	240,689	3,689,189
Total Rail Operations Capital	5,210,445	6,815,903	12,026,348
Total G&A Capital	612,414	132,236	744,650

Explanation:

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

Date: _____

Reviewed By _____

Date: _____

President _____

Denton County Transportation Authority
Fiscal Year 2016 Operating Budget
Statement of Changes in Net Assets - Budget Format
EXHIBIT "B"

Description	Original FY16 Budget	Approved Budget Amendments	Revised Budget Items	Revised FY16 Budget	Variance Analysis
Operating Revenues					
Passenger Revenues	\$ 1,542,909			\$ 1,542,909	
Contract Service Revenue	3,263,687	270,830		3,534,517	
Other Revenues	-			-	
Total Operating Revenues	\$ 4,806,596	\$ 270,830	\$ -	\$ 5,077,426	
Operating Expenses					
Salaries, Wages & Fringe Benefits	\$ 9,394,250	121,310	(97,545)	\$ 9,418,015	DCTA Orig Budget: Sal \$2,144,675 Ben: \$786,414 Total: \$2,931,089 DCTA Amended Budget Sal : \$2,079,755 Bens: \$677,784 Total: \$2,757,539 Increase due primarily for addition of Frisco Svc and HV service increase
Services	2,424,784	70,417	36,682	2,531,883	
Materials & Supplies	3,783,284	(1,295,938)	176	2,487,522	Transfer of fuel savings to Contingency Acct under Miscellaneous
Utilities	511,361			511,361	
Insurance, Casualties & Losses	800,215			800,215	
Purchased Transportation Services	11,633,624	(1,000,000)		10,633,624	Transfer of Rail O&M Contract Savings to Contingency Acct under Miscellaneous
Miscellaneous	270,847	50	(2,965)	267,932	
Contingency	10,500	1,961,050	-	1,971,550	Total fuel/PT savings transferred \$2,372,000 less budget amendments of \$410,950
Leases & Rentals	216,183	28,000	(100,000)	144,183	\$100,000 DART Lease ROW payment carried on Balance Sheet
Depreciation	9,981,205	35,991		10,017,196	
Total Operating Expenses	\$ 39,026,253	\$ (79,120)	\$ (163,652)	\$ 38,783,481	
Operating Income / (Loss)	\$ (34,219,657)	\$ 349,950	\$ 163,652	\$ (33,706,055)	
Sales Tax Revenue	\$ 23,067,404			\$ 23,067,404	
Net Investment Income /(Expense)	20,000			20,000	
Long-Term Debt Interest /(Expense)	(1,156,422)			(1,156,422)	
Non-Operating Revenues /(Expenses)	1,500			1,500	
Federal Grants & Reimbursements	10,753,357		1,872,295	12,625,652	FEMA reimbursements
State Grants & Reimbursements	-		227,029	227,029	Hike & Bike Trail FY15 Rollover
Debt Issuance	-			-	
Total Non-Operating Revenue/(Expenses)	\$ 32,685,839	\$ -	\$ 2,099,324	\$ 34,785,163	
Increase in Net Position	\$ (1,533,818)			\$ 1,079,108	
Net Position - Beginning of Year:	\$ 321,918,784			\$ 321,918,784	
Net Position - End of Year:	\$ 320,384,966	\$ -	\$ -	\$ 322,997,892	
Transfer to Capital Projects	\$ 9,271,359	\$ 7,264,523	\$ (75,696)	\$ 16,460,187	See Exhibit C for details
Net Position After Capital Project Transfer	\$ 311,113,607			\$ 306,537,706	

**Denton County Transportation Authority
Fiscal Year 2016 Capital Budget
EXHIBIT "C"**

Project Description	Original FY16 Capital Budget	Approved Budget Amendments	Revised Budget Items	Revised FY16 Capital Budget	Variance Analysis
Bus Operations					
Bus Operations & Maintenance Facility	\$ -		168,290	\$ 168,290	FY15 Rollover
Fleet Replacement	1,634,000		(62,000)	1,572,000	\$62k spent in FY15
Scheduling Software	250,000			250,000	
Transit Enhancements	165,000		(4,601)	160,399	Reduce for amount spent in FY15
Bus Fleet Cameras	149,500			149,500	
Fleet {2016}	1,250,000			1,250,000	
TAPS Bus Purchase	-	150,000	(11,000)	139,000	Project approved in FY16 (2016-14), reduce for actual cost
Total Bus Operations	\$ 3,448,500	\$ 150,000	\$ 90,689	\$ 3,689,189	
Rail Operations					
Passenger Information	\$ -		35,410	\$ 35,410	FY15 Rollover
Positive Train Control Preparation	3,208,488		(3,208,488)	-	Move to new implementation project
Positive Train Control Implementation	-		3,374,992	3,374,992	Remainder of \$3,208,488 from PTC Preparation project; \$166,504 FY15 Rollover
Lewisville Bike Trail	-		1,121,437	1,121,437	FY15 Rollover
Rail Maintenance of Equipment	-		338,371	338,371	FY15 Rollover
Rail Single Car Operations	-			-	
GTW Wheel Work	-		473,984	473,984	FY15 Rollover
T. Mills Crew Facility	191,300		26,172	217,472	FY15 Rollover
Station Landscaping	-		459,545	459,545	FY15 Rollover
Rail Drainage Improvement	-		33,510	33,510	FY15 Rollover
Rail Mobilization	-		2,119,517	2,119,517	FY15 Rollover
Disaster Recovery	500,000		(415,791)	84,209	Reduction of project - FEMA projects approved in FY16
Rail Facility Flume Repair {2015 Flood}	-	325,482	(35,000)	290,482	Project approved in FY16 (2016-04); \$35k anticipated in FY17
Grade Crossing Replacements {2015 Flood}	-	2,157,760	(1,740,760)	417,000	Project approved in FY16 (2016-06); \$1.7M anticipated in FY17
Hebron Signal House {2015 Flood}	-	122,000		122,000	Project approved in FY16 (2016-09)
Ballast Undercutting {2015 Flood}	-	761,600		761,600	Project approved in FY16 (2016-10)
Pockrus Page {2015 Flood}	-	623,000	(62,000)	561,000	Project approved in FY16 (2016-13); \$62k anticipated in FY17
Rail Capital Maintenance	745,000			745,000	
Stadler Spare Parts	150,000	(54,000)		96,000	Project reduction approved in FY16 (2016-15)
ABB Stadler Spare Parts	276,000			276,000	
Trail Safety Improvements	139,657			139,657	
Fare Collection Systems	-		69,161	69,161	Remainder of unspent project budget
Stadler Fleet Emergency Lighting	-	190,000		190,000	Project approved in FY16 (2016-15)
Lewisville Bike Trail - Eagle Point Section	-	2,995,873	(2,895,873)	100,000	Project approved in FY16 (April BOD Mtg); Majority of project will occur in FY17
Total Rail Operations	\$ 5,210,445	\$ 7,121,715	\$ (305,812)	\$ 12,026,348	
General & Administrative					
COGNOS Report Writing Application	\$ 200,000		(200,000)	\$ -	Project moved to FY2017
Comprehensive Service Analysis	367,414	(147,192)	123,790	344,012	Project reduction of \$147,192 approved in FY16 (2016-12); FY15 Rollover of \$123,790
Legal Support	-		215,638	215,638	FY15 Rollover
Shortel Phone System	45,000	40,000		85,000	Project increase approved in FY16 (2016-02)
Lewisville Facilities Study	-	100,000		100,000	Project approved in FY16 (2016-16)
Total General & Administrative	\$ 612,414	\$ (7,192)	\$ 139,427	\$ 744,649	
Total Capital Expenditures	\$ 9,271,359	\$ 7,264,523	\$ (75,695)	\$ 16,460,187	

Capital Improvement Plan

Project Name	Project Number	Project Budget	Project LTD thru FY 2014	FY 2015 Projection	FY 2016	FY 2015 Actuals	FY 2016 Revised	FY 2017	FY 2018	FY 2019	FY 2020	Anticipated Project Total (Thru 2020)
Bus Services												
Bus Operations & Maintenance Facility	50301	11,497,555	11,328,630	167,825		635	168,290					11,497,555
Fleet Replacement {2015}	50505	1,634,000			1,634,000	62,000	1,572,000					1,634,000
Bus Radios	50408	106,753	2,332	118,538		104,422						106,753
Scheduling Software	50601	250,000			250,000		250,000					250,000
Transit Enhancements {2015-2016}	50204	165,000			165,000	4,601	160,399					165,000
Bus Fleet Cameras	50409	149,500			149,500		149,500					149,500
Fleet {2016}	50507	1,250,000			1,250,000		1,250,000	1,750,000	1,030,000	2,633,050	1,215,000	7,878,050
TAPS Bus Purchase	50508	139,000					139,000					139,000
Rail Services												
Passenger Information	60701	96,821	57,670	39,150		3,740	35,410					96,821
Positive Train Control Preparation	61406	1,346,527	1,170,664	347,878	3,208,488	175,863						1,346,527
Positive Train Control Implementation	61406.1	16,720,141					3,374,992	7,486,472	5,858,677			16,720,141
Lewisville Bike Trail	61708	3,099,856	649,338	2,450,518		1,329,081	1,121,437					3,099,856
Rail Maintenance of Equipment	61712	1,302,627	137,849	1,164,778		826,407	338,371					1,302,627
Rail Single Car Operations	61503	26,221	22,169	79,631		4,052						26,221
GTW Wheel Work	61505	915,041		915,041		441,057	473,984					915,041
Shunt Enhancement	61407	96,546		141,000		96,546						96,546
T. Mills Crew Facility	61209	250,000		58,700	191,300	32,528	217,472					250,000
Station Landscaping	61210	485,000		485,000		25,455	459,545					485,000
Rail Drainage Improvement	61104	429,980		500,000		396,470	33,510					429,980
Rail Mobilization {2015}	61604	2,119,517		2,119,517			2,119,517					2,119,517
Disaster Recovery	61713	300,000		1,000,000	500,000	215,791	84,209					300,000
Rail Facility Flume Repair {2015 Flood}	61713.1	325,482					290,482	35,000				325,482
Grade Crossing Replacements {2015 Flood}	61713.2	2,157,760					417,000	1,740,760				2,157,760
Hebron Signal House {2015 Flood}	61713.3	122,000					122,000					122,000
Ballast Undercutting {2015 Flood}	61713.4	761,600					761,600					761,600
Pockrus Page {2015 Flood}	61713.5	623,000					561,000	62,000				623,000
Rail Capital Maintenance	61714	745,000			745,000		745,000	3,970,430	4,330,999	745,000	2,293,971	12,085,400
Stadler Spare Parts	61506	96,000			150,000		96,000					96,000
ABB Stadler Spare Parts	61507	276,000			276,000		276,000					276,000
Trail Safety Improvements	61715	139,657			139,657		139,657					139,657
Fare Collection Systems	61401	733,104	649,943			14,000	69,161					733,104
Stadler Fleet Emergency Lighting	61508	190,000					190,000					190,000
Lewisville Bike Trail - Eagle Point Section	61716	2,995,873					100,000	2,895,873				2,995,873
G&A												
COGNOS Report Writing Application	10601	200,000			200,000			200,000				200,000
Comprehensive Service Analysis	10602	420,222		200,000	367,414	76,210	344,012					420,222
Legal Support	10603	226,553		226,753		10,915	215,638					226,553
Shortel Phone System	10402	85,000			45,000		85,000					85,000
Lewisville Facilities Study	10301	100,000					100,000					100,000
TOTAL		\$ 52,577,336	\$ 14,018,595	\$ 10,014,329	\$ 9,271,359	\$ 3,819,773	\$ 16,460,187	\$ 18,140,535	\$ 11,219,676	\$ 3,378,050	\$ 3,508,971	\$ 70,545,786

	Audited 2015*	Revised 2016	2017	2018	2019	2020	2021
OPERATING REVENUES							
Beginning Fund Balance:	\$ 20,655,595	\$ 25,789,446	\$ 18,845,560	\$ 13,562,047	\$ 12,177,923	\$ 15,798,766	\$ 17,440,897
Bus Operating Revenue	\$ 3,608,166	\$ 4,202,748	\$ 4,315,466	\$ 4,431,432	\$ 4,550,741	\$ 4,742,342	\$ 4,869,328
Rail Operating Revenue	806,043	874,678	883,425	892,259	901,182	1,000,312	1,010,315
NON-OPERATING REVENUES							
Sales Tax Revenue	23,261,746	23,067,404	23,990,100	24,949,704	25,947,692	26,985,600	28,065,024
Formula Grants (Operating)	4,985,908	4,717,038	4,620,481	7,340,095	6,102,105	7,434,543	8,235,679
Interest Income-Non RTRFI Funds	24,772	20,000	56,537	40,686	36,534	47,396	52,323
Misc. Revenue	199,175	1,500	1,500	1,500	1,500	1,500	1,500
Restricted RTRFI Interest Income							
Total Revenues	32,885,811	32,883,368	33,867,509	37,655,676	37,539,754	40,211,692	42,234,169
OPERATING EXPENSES							
Bus Operating Expense	8,444,097	10,148,147	10,360,755	10,743,093	11,131,764	11,533,456	11,947,723
Rail Operating Expense	13,113,557	13,748,690	13,948,161	14,334,262	13,152,550	15,861,854	15,493,256
G&A Operating Expense	3,676,937	4,869,450	5,369,854	5,547,144	5,729,656	5,918,662	6,114,261
NON-OPERATING EXPENSES							
Non-Operating (Income) / Expense	51,815						
Total Expenses	25,286,406	28,766,287	29,678,770	30,624,500	30,013,970	33,313,972	33,555,239
NET INCOME	7,599,405	4,117,081	4,188,739	7,031,176	7,525,784	6,897,721	8,678,929
CAPITAL OUTLAY							
Bus Capital Expenditure	657,064	478,189					
Fleet Replacement Expense	198,955	2,961,000	1,750,000	1,030,000	2,633,050	1,215,000	425,000
Rail Capital / Construction		-	-	-	-	-	-
Professional Services / Technology Improvements	79,950	1,030,060	200,000				
Stadler Fleet (Vehicles)	-	190,000	-	-	-	-	-
Real Estate	-	-	-	-	-	-	-
Right of Way	-	139,657	-	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	1,329,081	1,221,437	2,895,873				
Rail Capital Expenditure (Community Enhancements)	268,779						
G&A Capital Expenditure	-	-	-	-	-	-	-
Project Cuts							
Rail Capital Expenditure (Rail Grinding)							
HV Parking Expansion	31,073						
Rail Station Improvements	71,983	746,178					
Rail MOW	337,265	33,510					
Rail MOE	303,208	812,356					
Rail Facility Maintenance							
Signals - Systems & Communications							
Single Car Operations / Shunt Enhancement	100,598						
Re-Railing Equipment	121,000						
Rail Capital Maintenance		1,117,000	3,970,430	4,330,999	745,000	2,293,971	745,000
Disaster Recovery - 2015 Floods	215,791	2,236,291	1,837,760				
Rail Mobilization	-	2,119,517					
Positive Train Control	175,863	3,374,992	7,486,472	5,858,677			
Total Capital Outlay	3,890,611	16,460,187	18,140,535	11,219,676	3,378,050	3,508,971	1,170,000
CAPITAL SOURCES							
New Money (Debt Issuance)							
RTRFI/RTC Funds		1,823,881	5,989,178	4,686,942			
FEMA/Insurance Reimbursements		1,785,427	1,378,320				
Formula Grants (Capital)	2,636,956	4,526,336	4,044,198	875,500	2,238,093	1,032,750	361,250
Total Capital Sources	2,636,956	8,135,643	11,411,696	5,562,442	2,238,093	1,032,750	361,250
DEBT SERVICE							
2008 Issue (ST) Debt Service							
2009 Refunding (ST) Debt Service	761,492	1,718,387	1,713,687	1,717,590	1,714,697	1,715,209	1,713,925
2011 Contractual Obligations (Vehicles)	336,945	763,955	770,183	775,785	785,761	794,955	808,366
2011 Contractual Obligations (PTC)	113,463	254,081	259,542	264,691	264,526	269,205	273,571
2018 Contractual Obligations (PTC)	-	-	-	-	-	-	-
Total Debt Service	1,211,900	2,736,423	2,743,412	2,758,066	2,764,984	2,779,369	2,795,862
Internal Debt Service Coverage:	6.27	1.50	1.53	2.55	2.72	2.48	3.10
Year End Audit Adjustment							
Ending Fund Balance:	25,789,446	18,845,560	13,562,047	12,177,923	15,798,766	17,440,897	22,515,214
Less Restricted RTRFI Interest Income	-	-	-	-	-	-	-
Less Required Fund Balance (O&M Reserve Policy):	6,321,601	7,191,572	7,419,692	7,656,125	7,503,493	8,328,493	8,388,810
Less Sales Tax Stabilization Fund	697,852	692,022	719,703	748,491	778,431	809,568	841,951
Less Fuel Stabilization Fund	50,000	72,582	72,582	72,582	72,582	72,582	72,582
Less Capital/Infrastructure	638,664	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net Available Cash	18,081,328	8,889,384	3,350,070	1,700,725	5,444,261	6,230,254	11,211,871

* FY2015 reconciled to audited financials

	Projected 2015	Adopted 2016	2017	2018	2019	2020	2021
OPERATING REVENUES							
<i>Beginning Fund Balance:</i>	\$ 20,655,595	\$ 16,505,972	\$ 14,101,996	\$ 9,824,951	\$ 9,987,725	\$ 11,986,973	\$ 13,389,853
Bus Operating Revenue	\$ 3,895,151	\$ 3,931,918	\$ 4,036,511	\$ 4,144,108	\$ 4,254,798	\$ 4,437,520	\$ 4,555,362
Rail Operating Revenue	879,860	874,678	883,425	892,259	901,182	1,000,312	1,010,315
NON-OPERATING REVENUES							
Sales Tax Revenue	22,180,196	23,067,404	23,990,100	24,949,704	25,947,692	26,985,600	28,065,024
Formula Grants (Operating)	4,653,518	4,643,442	4,620,481	7,340,095	6,102,105	7,434,543	8,235,679
Interest Income-Non RTRFI Funds	33,000	20,000	42,306	29,475	29,963	35,961	40,170
Misc. Revenue	6,300	1,500	1,500	1,500	1,500	1,500	1,500
Total Revenues	31,648,025	32,538,942	33,574,323	37,357,141	37,237,240	39,895,435	41,908,049
OPERATING EXPENSES							
Bus Operating Expense	10,024,178	9,939,842	10,243,828	10,623,884	11,002,203	11,390,742	11,788,045
Rail Operating Expense	12,452,741	14,209,448	14,093,212	14,483,589	14,698,234	15,909,192	15,542,278
G&A Operating Expense	4,376,567	4,895,760	5,040,692	5,206,636	5,377,380	5,554,181	5,737,121
NON-OPERATING EXPENSES							
Non-Operating (Income) / Expense							
Total Expenses	26,853,486	29,045,050	29,377,732	30,314,108	31,077,817	32,854,116	33,067,444
NET INCOME	4,794,539	3,493,892	4,196,591	7,043,033	6,159,423	7,041,320	8,840,606
CAPITAL OUTLAY							
Bus Capital Expenditure	1,419,600	681,914					
Fleet Replacement Expense		2,884,000	1,750,000	1,030,000	2,633,050	1,215,000	425,000
Professional Services / Technology Improvements	300,903	495,000	-	-	-	-	-
Right of Way	-	139,657	-	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	2,450,518	-	-	-	-	-	-
Rail Capital Expenditure (Community Enhancements)	268,780						
HV Parking Expansion	31,073						
Rail Station Improvements	626,861	191,300					
Rail MOW	590,795						
Rail MOE	2,079,819						
Single Car Operations / Shunt Enhancement	220,631						
Re-Railing Equipment	121,000						
Rail Capital Maintenance		1,171,000	3,970,430	4,330,999	745,000	2,293,971	745,000
Disaster Recovery - 2015 Floods	1,000,000	500,000					
Rail Mobilization	2,119,517						
Positive Train Control	347,878	3,208,488	7,486,472	9,694,960			
Total Capital Outlay	11,577,375	9,271,359	13,206,902	15,055,959	3,378,050	3,508,971	1,170,000
CAPITAL SOURCES							
New Money (Debt Issuance)				5,500,000			
RTRFI/RTC Funds		1,952,557	5,989,177	4,558,265			
Formula Grants (Capital)	5,355,112	4,157,358	1,487,500	875,500	2,238,093	1,032,750	361,250
Total Capital Sources	5,355,112	6,109,915	7,476,677	10,933,765	2,238,093	1,032,750	361,250
DEBT SERVICE							
2008 Issue (ST) Debt Service							
2009 Refunding (ST) Debt Service	1,716,492	1,718,387	1,713,687	1,717,590	1,714,697	1,715,209	1,713,925
2011 Contractual Obligations (Vehicles)	751,945	763,955	770,183	775,785	785,761	794,955	808,366
2011 Contractual Obligations (PTC)	253,463	254,081	259,542	264,691	264,526	269,205	273,571
2018 Contractual Obligations (PTC)	-	-	-	-	255,233	382,850	382,850
Total Debt Service	2,721,900	2,736,423	2,743,412	2,758,066	3,020,217	3,162,219	3,178,712
Gross Sales Tax Coverage:	8.15	8.43	8.74	9.05	8.59	8.53	8.83
Internal Debt Service Coverage:	1.76	1.28	1.53	2.55	2.04	2.23	2.78
Year End Audit Adjustment							
Ending Fund Balance:	16,505,972	14,101,996	9,824,951	9,987,725	11,986,973	13,389,853	18,242,996
Less Restricted RTRFI Interest Income	-	-	-	-	-	-	-
Less Required Fund Balance (O&M Reserve Policy):	6,713,372	7,261,263	7,344,433	7,578,527	7,769,454	8,213,529	8,266,861
Less Sales Tax Stabilization Fund	665,406	692,022	719,703	748,491	778,431	809,568	841,951
Less Fuel Stabilization Fund	50,000	72,582	72,582	72,582	72,582	72,582	72,582
Less Capital/Infrastructure	638,664	2,000,000	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000
Net Available Cash	8,438,530	4,076,130	688,233	588,125	1,366,506	2,294,174	7,061,603

Denton County Transportation Authority

DCTA

Your Future Is Riding On Us.

FY16 Operating & Capital Revised Budget

BIG TICKET ITEMS

FY 16 Budget

Pending Litigation

- Retainage to Cash - \$1.4M
- Final Legal Bill Pending – (\$143K remaining)

Operations Contingencies

- \$800k – Fuel
- \$1M – Rail Operations

Capital

- Hike/Bike Trail Match - \$600K
- FEMA – Full cost, not just match

CASH FLOW MODEL - LT

- **Rail O&M Contract** – RFP responses due May 18, 2016
- **PTC** – 90% Design complete in June 2016; Change order expected
- **Fleet Replacement**
- **Property Acquisition**
- **ROMF Remediation**
- **2018 Bond sale for PTC** deleted from CFM



FY16 Operating Expense Budget Revisions

- Salaries/Wages/Fringe Benefits:
 - Comp Plan Adjustments (DCTA)

	Salaries	Benefits	Total
FY16 Adopted	\$ 2,144,675	\$ 786,414	\$ 2,931,089
FY16 Revised	\$ 2,079,755	\$ 677,784	\$ 2,757,539
Variance	\$ 64,920	\$ 108,630	\$ 173,550

- Addition of Frisco Service
- DART ROW payment \$100k removed – carried as liability on Statement of Net Position



FY16 Revenue Budget Revisions

- Federal & State Grants:
 - Rollover of grant funds for Lewisville Hike & Bike Trail capital project not completed in FY15 as planned – \$227,029
 - Addition of FEMA reimbursement total related to 2015 Flood projects \$1,785,427



FY16 Capital Budget Revisions

- Previously Approved Capital Budget Amendments:
 - TAPS Bus Purchase
 - 2015 flood related projects (FEMA funded)
 - Budget allocations revised ; spreading expense between 2016-2017
 - Reduction of Stadler Spare Parts
 - Stadler Fleet Emergency Lighting
 - Lewisville Bike Trail – Eagle Point Section
 - Reduction of Comp Service Analysis project
 - Shortel Phone System
 - Lewisville Facilities Study



FY16 Capital Budget Revisions

- Reduction in PTC to \$18.0M
 - From \$21.9 to \$18.0M = \$3.8M reduction
 - Includes Prep & Implementation Phases
 - PTC Preparation Phase includes expenses incurred thru October 2015
- FY15 Rollovers included = \$5,351,329
- Following capital projects moved to FY17:
 - COGNOS Report Writing Application



Revised FY16 Cash Flow Model

- FY15 Audit Adjustment
- Reduction of \$1.4 million of retainage obligation carried in CFM
- Removal of \$5.5M in debt issue in 2018
- FY16 Revised Budget





Finance Committee Memo
Subject: Requests for Proposal

May 17, 2016

External Audit Services

The Texas Transportation Code Chapter 460 and DCTA bylaws require an annual audit of the affairs of the authority prepared by an independent certified public accountant. In addition to this requirement, FTA requires a single audit to be performed on all grantees.

On April 12, 2016, DCTA issued Solicitation #16-12 for Annual Audit Services. DCTA received three proposals from qualified firms:

- BKD CPA & Advisors
- Crowe Horwath
- Weaver

Proposals were reviewed and evaluated based on Qualification of Firm & Staff, Record of Performance, Project Understanding, Project Management Experience, and Fee Schedule. Two firms were selected for follow up conference call interviews based on the evaluation results. Staff will discuss the results of the evaluation and conference calls with the Finance Committee and present recommendation for Finance committee consideration. Finance Committee recommendation will be forwarded to Board for approval.

Depository Services

Chapter 105 of the Local Government Code outlines the requirements for the selection and award of contracts for depository services. Applications must be requested from financial institutions and contract awarded for a term that does not exceed 5 years.

The current contract for depository services was awarded in 2011 to Wells Fargo and expires in 2016. On May 2, 2016, DCTA issued Solicitation #16-18, Application for Depository Services. Applications are due May 27, 2016 with award anticipated in July.

Litigation Fees Summary (LTD)

TOTAL ORIGINAL LITIGATION BUDGET (FY12-13): \$ 250,000.00

Total Expenditures (Aug 12 - April 13): \$ (188,404)

\$ 61,596

***Budget Adjustment - FY13 Revised:** \$ 500,000.00

Total Expenditures (May 13 - Sept 13): \$ (1,920)

Total Expenditures FY14: \$ (271,527)

Total Expenditures FY15: \$ (10,915)

Total Expenditures FY16: \$ (72,549)

\$ 143,089 *Remaining budget

Total LTD Expenditures: \$ (545,315)



Finance Committee Memo

May 17, 2016

Subject: Revolving Door Provision

Background

It is not uncommon for public officials and employees, when moving from their public sector positions, to consider employment with agencies, organization or companies with relationships to their former public agency. DCTA's awareness of the importance of conducting agency business in a transparent, open and ethical manner is reflected not only by the mission and values adopted by the Board, but is also documented in the DCTA Purchasing Procedures Manual, Article 8- Ethics in Public Contracting and the DCTA Employee Handbook contains provisions on employee conduct which include among them Section 7 which addresses employee conduct including – Conflict of Interest

The Purchasing Procedures and Employee Handbook provisions referenced above document and emphasize to staff, and those who do business with DCTA the importance of and expectations regarding ethical conduct and conflict of interest.

An item not currently addressed in the Employee Handbook and previously identified as a missing element is a revolving door provision. Attachment A is a draft Revolving Door Provision to be included in the employee conduct section of the employee handbook. Responsibility for changes to the Employee Handbook lies with the President. This is presented to the Finance Committee and part of its oversight responsibility for general financial matters.

Recommendation

Staff recommends inclusion of revolving door provision in DCTA Employee Handbook

ATTACHMENT A
Addition to DCTA Employee Handbook

Chapter 7 – Employee Conduct

Revolving Door Provision

Employees of DCTA, ~~at or above Assistant Vice President job grade or equivalent, and~~ who subsequently leave employment with DCTA may not represent or receive compensation for services rendered on behalf of any “person” regarding a “particular matter” in which he or she “participated” while serving with the agency, either through personal involvement, or because the matter was within his or her official responsibility. “Participated” means to have taken action as an officer or employee through decision, approval, disapproval, recommendation, giving advice, investigation or similar action. “Particular matter” is defined narrowly to mean something specific such as an investigation, application, project scope of work or contract.

A former employee subject to the revolving door prohibition may work on matters similar to matters he or she worked on as a DCTA employee, but not on exactly the same matters. For example, if a former employee developed scope of work for and recommended and/or executed Contract X for planning services for the agency he or she could not leave the agency and work on Contract X on behalf of the vendor awarded the contract. The former employee could however, work on Contract Z on behalf of the vendor, even if the scope of work or issues related to Contract Z are similar to those of Contract X. Factors differentiating the two Contracts would include that the former employee did not develop the scope of work or recommend and/or execute Contract Z.

A “person” under this provision is an individual or business entity. It does not include a nonprofit organization or other governmental or quasi-governmental entity.

This prohibition is for a period of one year after date of termination of employment with DCTA.



Finance Committee Memo

March 14, 2016

Item: Financial Policies

BACKGROUND:

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

The Financial Policies document has been provided in previous meetings for comment. The attached red-lined document incorporates all the changes received by staff. The red-lined changes primarily address syntax and formatting in the document.

One recommended change by the Finance Committee at its last meeting is highlighted in yellow under the Expenditure Policies section:

- Page 7- Expenditure Policies: Discuss timeframe for compensation review. Policy provides for review every two years. Change to 3 year review for a total compensation study to include benefits.

The Investment Policy is included in the Financial Policies document. The Investment Policy is approved by the Board annually in separate action but is included in the Financial Policies document for reference and ease of access. Although the Investment Policy was approved by the Board at its November 2015 meeting, changes were submitted for the Investment Policy which address syntax and formatting in the document. These red-lines are included as well.

RECOMMENDATION:

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

Denton County Transportation Authority Financial Management Policies

(Adopted May, 2014)



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Purpose

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

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

Objectives

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

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

Reserve Fund Policies

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

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve Fund that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unreserved/undesignated retained earnings. An annual contribution will be budgeted from general operating resources, as available, to maintain the target reserve level.
- b. It will be the policy of DCTA to ~~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 Sales Tax Stabilization, Capital Replacement/Infrastructure Maintenance, and Fuel Stabilization Funds will be made from available funds as identified in the annual budget, or amended budget. The Chief Financial (CFO) shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as the Board shall determine to be appropriate at the time. Guidelines for ~~their transfers and~~ contributions s are as follows:

- a. All ~~expenditures drawn transfers for expenditures~~ 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 Capital~~ Replacement Fund will at a minimum be an amount equivalent to twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the cost of one ~~twelve (12)-year life transit bus with a twelve (12) year useful life~~. (Example - FY16 Bus Fleet replacement : \$2.9 million X 20% = \$0.58 million; cost of transit bus = \$0.4 million. Minimum Capital Replacement Fund requirement: \$0.58 million + \$0.4 million = \$0.98 million)

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

If after procedures as outlined in the adopted budget contingency plan have been met, and a severe economic downturn or other emergency requires draw down of Fund Balance Reserve or Sales Tax Stabilization funds, it will be a ~~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 cash flow model~~ and annual budget will ~~reflect~~ specifically outline the timeframe and plan for fund balance replenishment.

Revenue Policies

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

Expenditure Policies

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

- a. Department heads are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expenditure categories to help assure the most efficient use of resources
- b. DCTA will maintain expenditure categories according to state statute and administrative regulation.
- c. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. DCTA will consider investing in technology and other efficiency tools to maximize productivity. DCTA will hire additional staff only after the need for such positions has been demonstrated and documented.
- d. All compensation planning will focus on the total cost of compensation, which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to DCTA. A compensation study shall be conducted ~~bi-annually~~ every three (3) 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 cash flow model~~ and the long range service plan. Staff shall provide a review of the implications of budgetary proposals on-
~~long-range plans~~ the cash flow model.
- 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 Expenses budget or budget as amended.
 2. The President may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.
 3. The Board may during-in the revised budget process, authorize a budget amendment for approval of new contracts and unbudgeted expenditures.
 - ii. Capital Project Fund Expenditures
 1. Expenditures for capital projects must be approved with the fiscal year capital project budget; or
 2. By Board approval of a capital project budget amendment and approval of the purchase during the fiscal year. Capital project budget amendments will be incorporated during-in 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 cash flow model~~.
- e. Definitions:
 - i. Budget Amendment – Shall mean a change in the fiscal year budget based on the following criteria:
 1. Operating – an increase to the total bottom line operating fund expenditure budget
 2. Capital – (a) addition of a new project; (b) change in Capital Projects Fund

annual appropriation; (c) an increase to the total approved budget of a specific project.

3. A resolution approved by the DCTA Board of Directors ~~in the form of a resolution~~ is required to authorize an amendment as specified in ~~this section~~ Section e (i).

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

- f. 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.
- g. ~~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. A physical inventory will be conducted no less than every two (2) years.

Purchasing and Disposal of Assets

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

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

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

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

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

Cost Allocation

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

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

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

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

Governmental Accounting Standards Board (GASB)

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

Debt Management Policy

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

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

These will be accomplished by:

- a. Securing and maintaining a high credit rating (~~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. Issuing debt on a competitive basis (except when conditions make a negotiated sale preferable) and awarding to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large; the project is speculative or complex; the issue is a refunding; or the market is unstable.
 - i. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
 - ii. Short-term borrowing will not be used for operating purposes.
- e. Complying with continuing disclosure reporting requirements and ~~its the~~ the obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. ~~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
- f. Ensuring 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.
- g. Limiting bonded indebtedness to a level that:
 - i. permits sufficient borrowing to support a reasonable level of capital programming,
 - ii. maintains a debt amortization schedule within DCTA's ability to pay
 - iii. supports DCTA's credit rating objectives.
- h. Considering credit enhancements ~~shall be considered with only after a~~ a cost/benefit analysis has been completed for each ~~long-term~~ bond issue.

g.i. Maintaining debt service 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.

h.j. Maintaining debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

THE INVESTMENT POLICY IS ADOPTED ANNUALLY BY SEPARATE ACTION OF THE BOARD OF DIRECTORS AND IS INCLUDED HERE FOR REFERENCE.

Investment Policy (As adopted 11/19/2015)

I. POLICY STATEMENT

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

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

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

II. SCOPE

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

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

III. OBJECTIVES AND STRATEGY

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

Safety of Principal

Safety of principal is the foremost objective ~~of DCTA~~. Investments of DCTA's cash shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The safety of principal is best achieved by limiting maximum maturities to two years or no further than expected project cashflow forecasts; limiting investment types to those specifically authorized by this policy; diversifying investments; and monitoring credit ratings on selected investment types.

Liquidity

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

Diversification

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

Yield

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

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

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

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

V. DELEGATION OF INVESTMENT AUTHORITY

The Chief Financial Officer, acting on behalf of DCTA, is designated as the Investment Officer and the President of DCTA is designated as the Alternate Investment Officer ~~of DCTA~~. The Investment Officer is responsible for investment management decisions and activities according to this Investment Policy. The Investment Officer is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved

in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the ~~operation~~activities of the investment program which are consistent with this Investment Policy. ~~The P~~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 ~~herin~~:-

Authorization Resolution

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

VI. PRUDENCE

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

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

Limitation of Personal Liability

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

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of DCTA. The controls shall be designed to prevent loss of public funds due to fraud,

employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions by employees of DCTA. Results of review of internal controls by the independent auditor shall be included in the annual audit.

Cash Flow Forecasting

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

VIII. AUTHORIZED INVESTMENTS

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

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

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

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

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

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

If additional types of securities are approved for investment by public funds by state statutes, ~~they none~~ will ~~not~~ be eligible for investment by DCTA until this policy has been amended and ~~the amended version~~ approved by the DCTA Board.

Competitive Bidding Requirements

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

Delivery versus Payment

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

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

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

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

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

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

DCTA may appoint one or more investment advisors to assist the financial staff in the management of DCTA funds. The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an investment advisor. To be eligible for consideration, an investment advisor shall demonstrate knowledge of, and experience in, the management of public funds. An appointed investment advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy, and ~~without any~~ shall not have discretionary authority to transact business on behalf of DCTA.

If DCTA has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of DCTA. The advisor shall recommend broker selection criteria to ~~the DCTA's~~ Investment Officer for approval. The advisor shall annually present a list of its authorized broker/dealers to DCTA for review and likewise shall ~~execute the aforementioned written instrument~~ return a signed certification stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures

and controls ~~in an effort~~ to preclude imprudent investment activities. The advisor shall obtain and document competitive bids and offers on all transactions and present these to DCTA as part of its trade documentation.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

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

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

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

A. invest more than 20% of the portfolio for a period greater than one (1) year ~~unless matched to a specific requirement,~~

B. invest any portion of the portfolio for a period of greater than two (2) years.

XI. SAFEKEEPING AND COLLATERALIZATION

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

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

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

Collateralization

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

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

XII. PERFORMANCE EVALUATION AND REPORTING

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

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

XIII. DEPOSITORIES

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

XIV. TRAINING REQUIREMENT

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

XV. ETHICS AND CONFLICTS OF INTEREST

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

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

XVI. SUBJECT TO AUDIT

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

XVII. INVESTMENT POLICY ADOPTION BY DCTA BOARD

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

Previous Action:

Adopted 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



FY 16-17 Finance Committee Calendar

 Budget Kick-Off Meeting

 **FC** Finance Committee Meetings

 Budget Reviews {Staff}

 Department Goals Due

 **B** Board of Director Meetings

 Budget Projections Due {Staff}

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

May '16						
Su	M	Tu	W	Th	F	Sa
1	2	B	4	5	6	7
8	9	10	11	12	13	14
15	16	FC	18	19	20	21
22	23	24	25	B	26	27
28	29	30	31			

May 3: FY16 Q2 Budget Reviews (Staff)
 May 17: Finance Committee (12-2 pm)
 FY16 Revised Budget
 May 26: BOD FY16 Revised Budget Adoption
 May 30: FY17 Department Goals Due

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

June 20: FY17 Budget Projections Due (Staff)
 Revenues, Operating & Capital
 June 27-29: FY17 Budget Reviews {Staff}

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

July 25: Finance Committee (10am-2pm)
 FY17 Budget Workshop

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

August 8: Finance Committee (2-4 pm) *if needed
 August 25: BOD FY17 Budget Presentation & Public Hearing

September '16						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	FC	12	13	14	15	16
17	18	19	20	21	B	22
23	24	25	26	27	28	29
30						

September 12: Finance Committee (2-4pm) *if needed
 September 22: BOD FY17 Budget Adoption



FY 16-17 Finance Committee Calendar

 Budget Kick-Off Meeting

 **FC** Finance Committee Meetings

 Budget Reviews {Staff}

 Department Goals Due

 **B** Board of Director Meetings

 Budget Projections Due {Staff}

October '16						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10 FC	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27 B	28	29
30	31					

October 10: Quarterly Finance Committee (2-4pm)

October 27: Board of Directors Meeting

November '16						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17 B	18	19
20	21	22	23	24	25	26
27	28	29	30			

November 17: Board of Directors Meeting

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

December 15: Board of Directors Meeting

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

January 16: Quarterly Finance Committee (2-4pm)

January 26: Board of Directors Meeting

Flood Damage repairs

Issue		FEMA Claim	Estimated DCTA Cost	Status
DTA 003G Washout of RipRap and ballast (includes Herzog Emergency response)		\$280,411	\$70,103	Award letter received.
DTA 001G and DTA 004G Replace Crossings		\$2,036,198	\$509,050	Form 90-91 received for first half. Awaiting clarification from TML for second PW.
DTA 002E	Bus O&M Electrical repairs*	\$14,616	\$3,654	Complete. Reimbursement received.
DTA 001E Signal & Comm. System		\$122,000	\$6,500	Repair is complete. PW submitted for approval. Partial insurance reimbursement received. FEMA will cover deductible and mitigation.
DTA006G Rail OMF drainage		\$116,079	\$29,019	Revised PW received and signed. Awaiting award letter.
DTA 002G Undercut Ballast		\$657,652	\$164,413	PW signed. Awaiting award letter. Plans and specifications complete. Expect to release for bid in May.
Replace flume at Pockrus Page		\$623,000* \$161,338 **	\$155,750 \$461,662	FEMA has rejected 170' of the failed flume. Appeal in progress. Engineers are finalizing repair recommendations.

* Original claim 290'

** Approved claim

- Staff expects to release bid packages for ballast undercutting within the next 30 days.
- Ernst and Young has been notified that DCTA will request an extension for the crossing replacements. The appropriate forms are not yet available.
- Total estimated cost of repairs is \$3,065,618. Estimated DCTA cost is \$626,989.

Fuel Comparison Summary - FY16

FY16 Adopted Fuel Budget

	Gallons	Rate	Total	
Bus	400,000	\$ 3.50	\$ 1,400,000	<i>*\$28k transferred for Connect leases from "T"</i>
Rail	400,000	\$ 3.25	\$ 1,300,000	

FY16 Revised Fuel Budget & Actuals

	Gallons	Rate	Annual Budget	YTD Budget (thru April)	YTD Expense (thru April)	Avg. Rate (thru April)
Bus	400,000	\$ 1.75	\$ 700,000	\$ 458,990	\$ 369,188	\$ 1.52
Rail	400,000	\$ 1.50	\$ 600,000	\$ 349,998	\$ 282,027	\$ 1.30

FY16 Revised Contingency (Fuel)

Bus	\$ 672,000
Rail	\$ 700,000



The Metropolitan Transportation Plan for North Central Texas

What is the Metropolitan Transportation Plan?



Represents a blueprint for the region's multimodal transportation system



Covers at least a 20-year timeframe



Responds to Regional Transportation Council goals



Identifies policies, programs, and projects for continued development



Guides the expenditure of federal and state transportation funds

Mobility 2040 Goals

Mobility

- Improve the availability of transportation options for people and goods.
- Support travel efficiency measures and system enhancements targeted at congestion reduction and management.
- Ensure all communities are provided access to the regional transportation system and planning process.

Quality of Life

- Preserve and enhance the natural environment, improve air quality, and promote active lifestyles.
- Encourage livable communities that support sustainability and economic vitality.

System Sustainability

- Ensure adequate maintenance and enhance the safety and reliability of the existing transportation system.
- Pursue long-term, sustainable revenue sources to address regional transportation system needs.

Implementation

- Provide for timely project planning and implementation.
- Develop cost-effective projects and programs aimed at reducing the costs associated with constructing, operating, and maintaining the regional transportation system.

What's New for Mobility 2040?

Planning Horizon

2040
(24 years)

Demographics

Population by 2040:
10.7 million
Employment by 2040:
6.7 million

Financial Assumptions

Legislative action and
RTC direction

Planning Requirements

Legislative action
and/or pending official
guidance on MAP-21

Policy Considerations

Focus on balance and
integrated system
connectivity
More transportation
options and choice

Recommendations

Responsive to
demographics,
financial assumptions,
planning requirements,
and policy
considerations

Mobility 2040 Prioritization and Expenditures

Maximize Existing System	Infrastructure Maintenance <ul style="list-style-type: none">• Maintain & Operate Existing Facilities• Bridge Replacements	\$37.4
	Management and Operations <ul style="list-style-type: none">• Improve Efficiency & Remove Trips from System• Traffic Signals and Bicycle & Pedestrian Improvements	\$7.2
	Growth, Development, and Land Use Strategies More Efficient Land Use & Transportation Balance	\$3.6
Strategic Infrastructure Investment	Rail and Bus Induce Switch to Transit	\$27.2
	HOV/Managed Lanes Increase Auto Occupancy	\$43.4
	Freeways/Tollways and Arterials Additional Vehicle Capacity	
Mobility 2040 Expenditures		\$118.9*

*Actual dollars, in billions. Values may not sum due to independent rounding.

Mobility 2040 Summary

Financial Reality

Reduces use of toll in proportion to new revenue made available from recent state legislative sessions

Social Considerations

Emphasizes transportation choice for a diverse and growing region

Environmental Considerations

Strengthens connection between environmental and transportation planning

Operational Efficiency

Continues programs aimed at reducing travel and creating an efficient transportation system

Mobility 2040 Summary

Mobility Options





- Supports on- and off-street bicycle and pedestrian facilities
- Recommends over 6,350 new lane miles on the region's roadway network
- Calls for more than 380 miles of passenger rail by 2040
- Introduces “high intensity bus” service to the region
- Accommodates high speed rail service to and within the region
- Recognizes the important roles freight and aviation play in our region's economy

Regional Performance

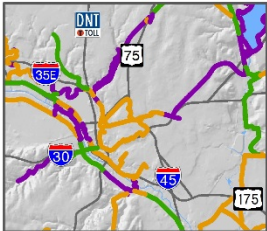
Documents significant performance measures to track system performance over time

Regional Veloweb

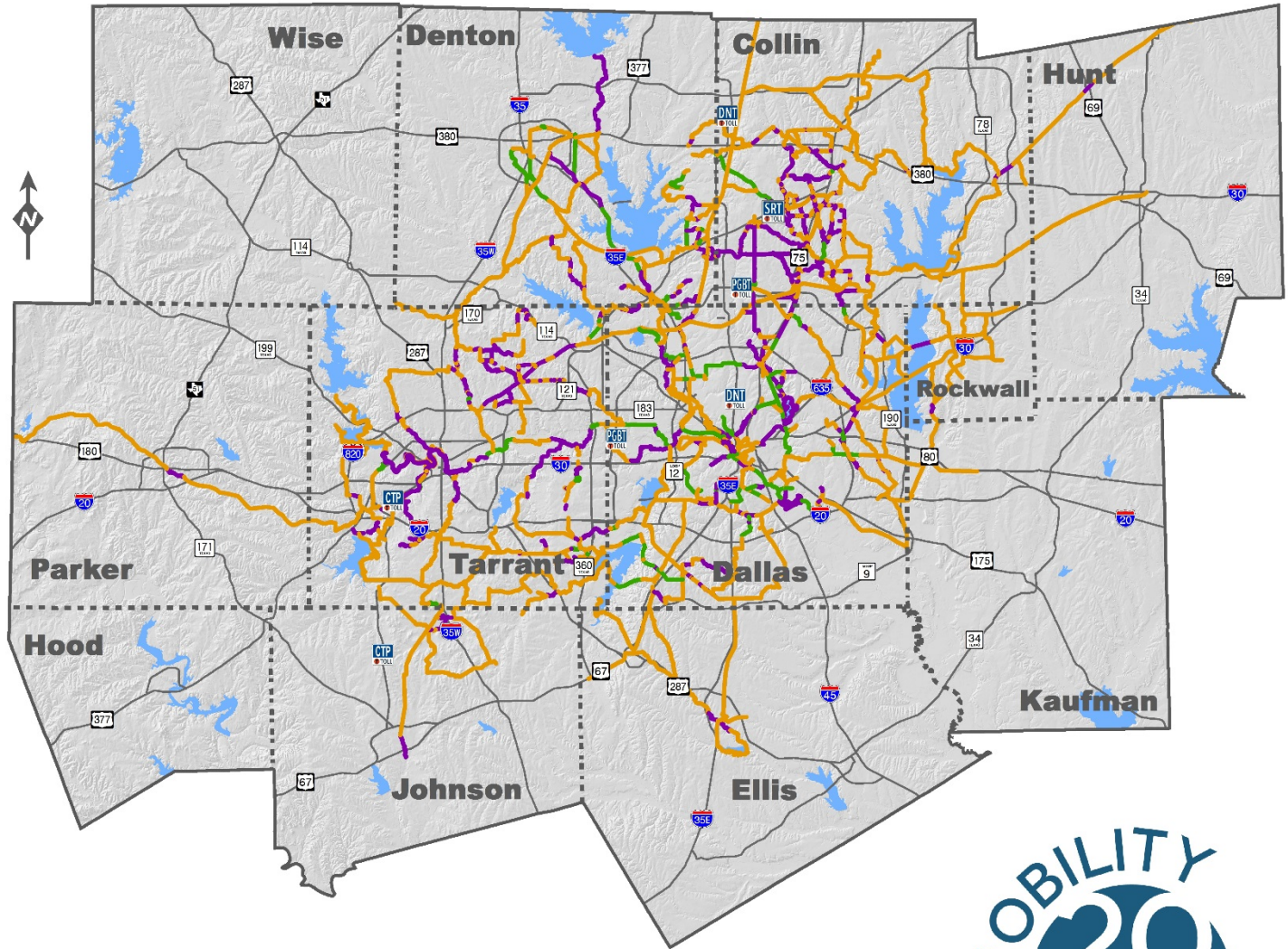
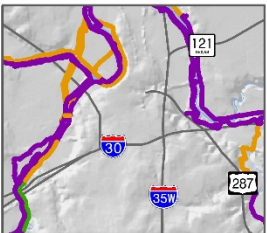
Facility Status

	Existing	442 Miles
	Funded	146 Miles
	Planned	1,288 Miles
Total		1,876 Miles
	Major Roads	

Dallas CBD



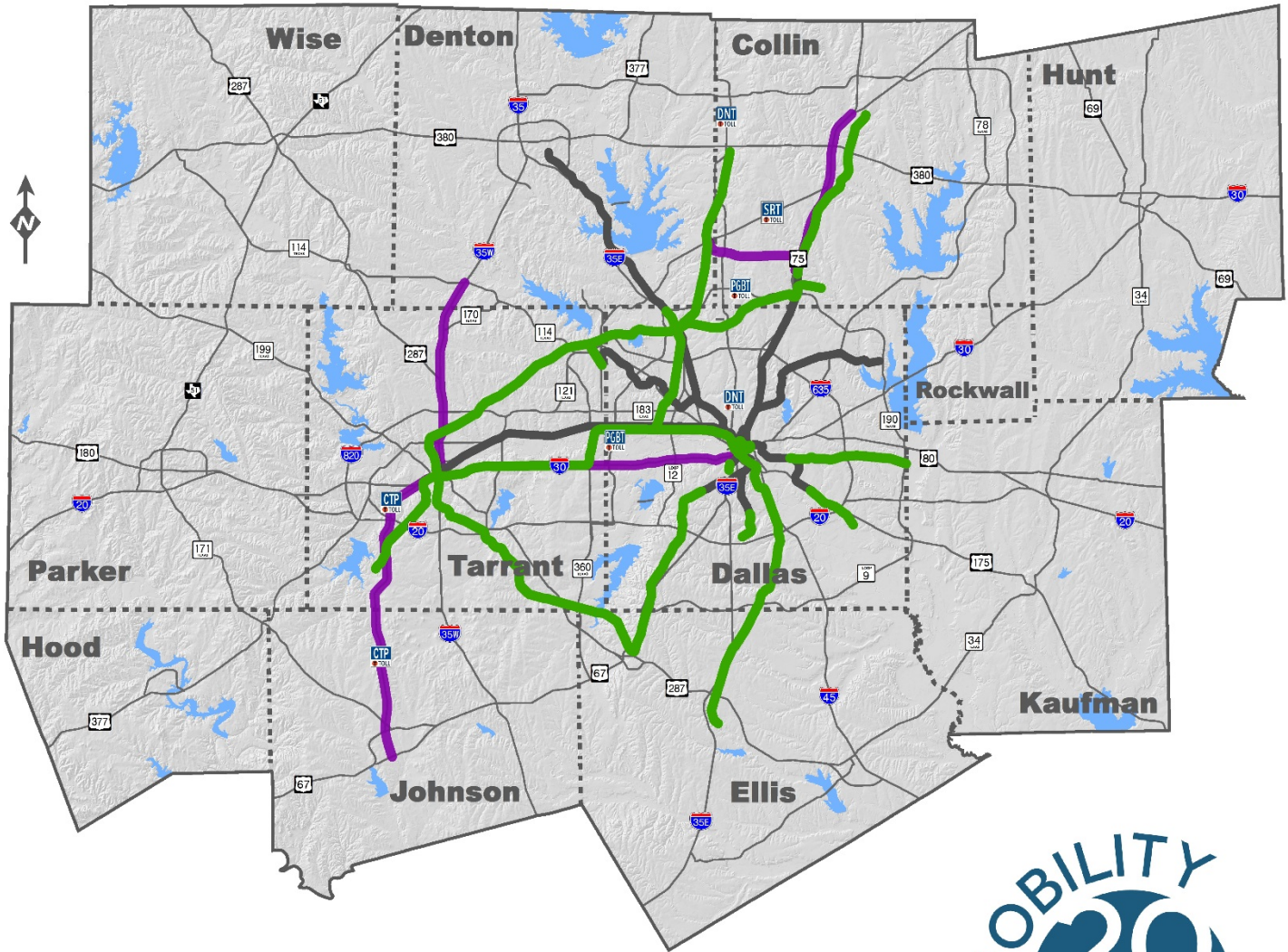
Fort Worth CBD



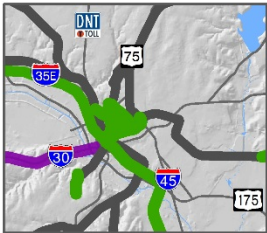
Facility recommendations indicate transportation need. Corridors specific alignment, design, and operational characteristics for the Regional Veloweb system will be determined through ongoing project development.

Major Transit Corridor Recommendations

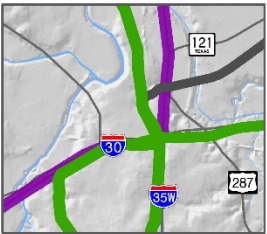
- Recommended Rail
- Existing Rail
- Recommended High-Intensity Bus
- Major Roadways



Dallas CBD

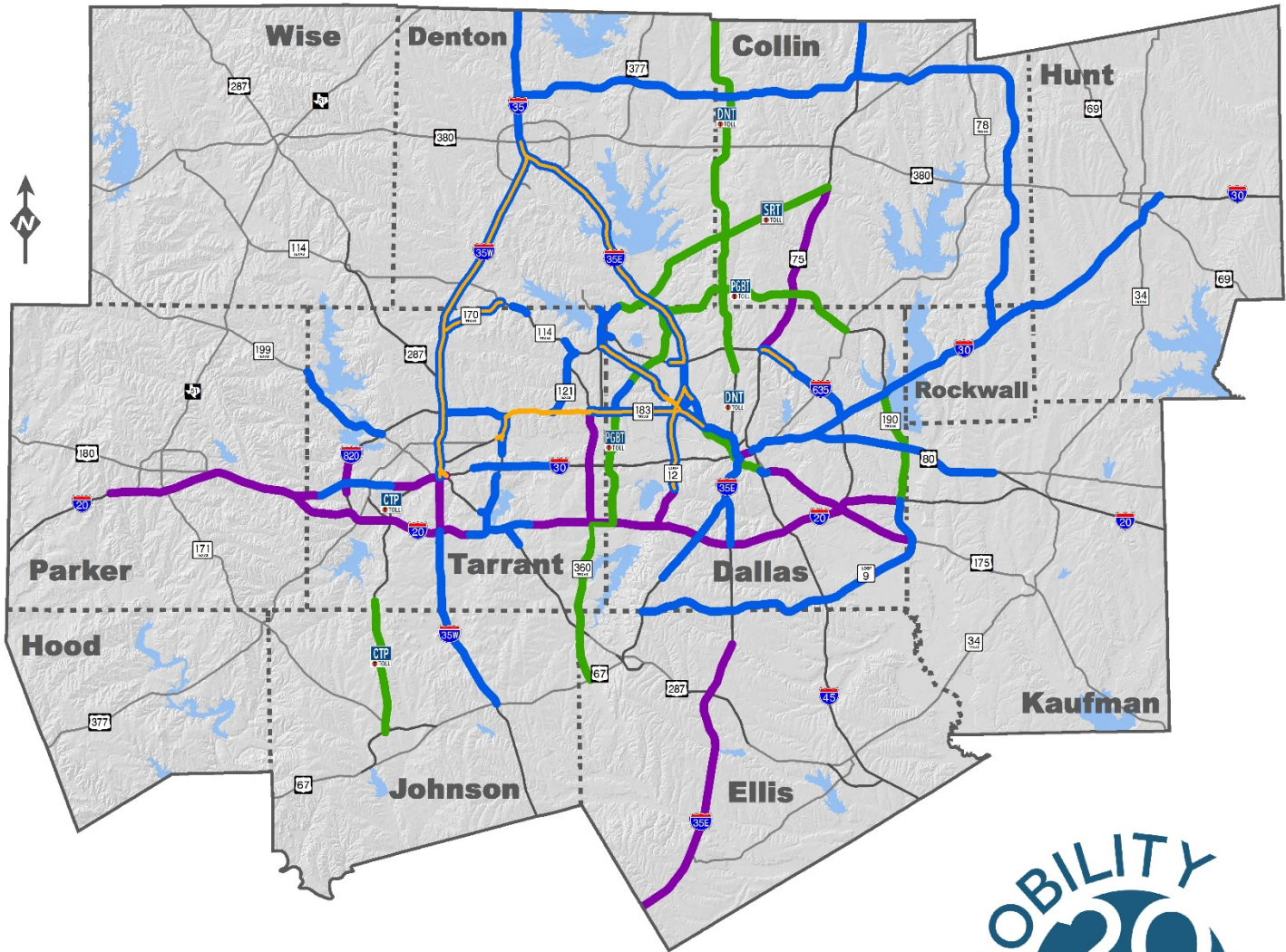


Fort Worth CBD

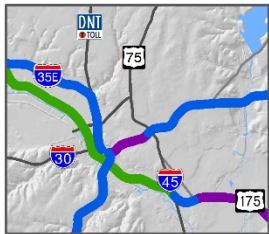


Major Roadway Recommendations

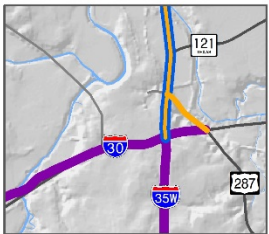
- New or Additional Freeway Capacity
- Additional Freeway Capacity and New Tolled Managed Lanes
- New or Additional Tolled Managed Capacity
- New or Additional Toll Road Capacity
- Capacity Maintenance
- Freeways/Tollways
- Other Major Roadways



Dallas CBD

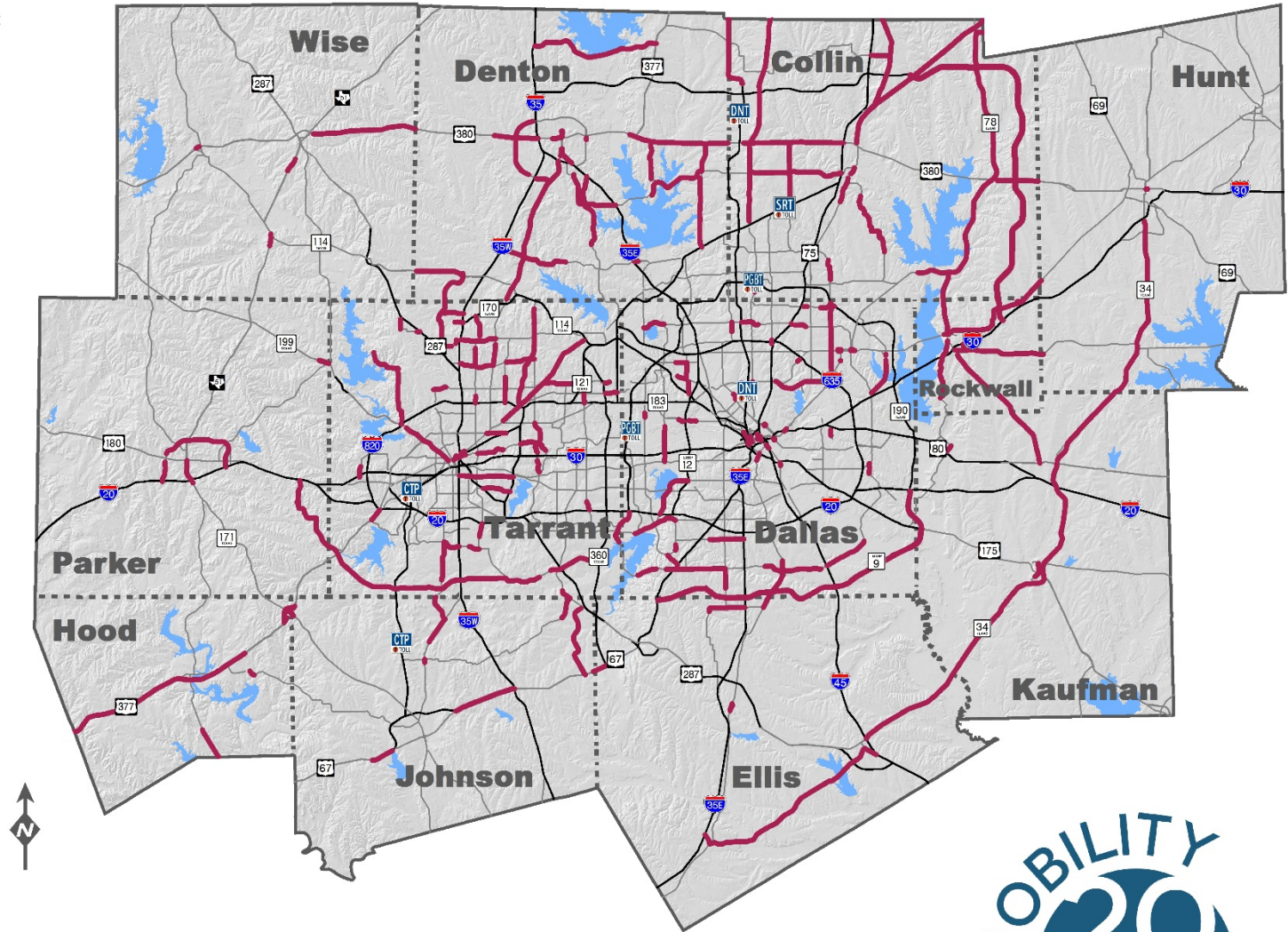
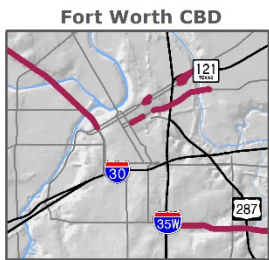
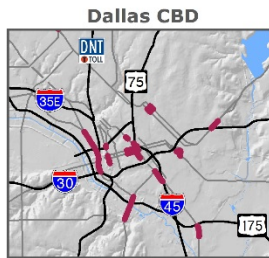


Fort Worth CBD







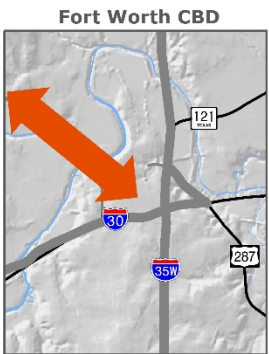
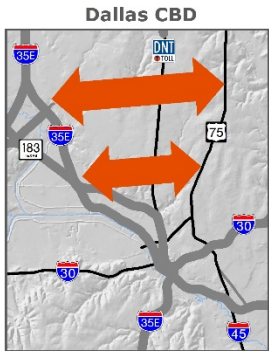
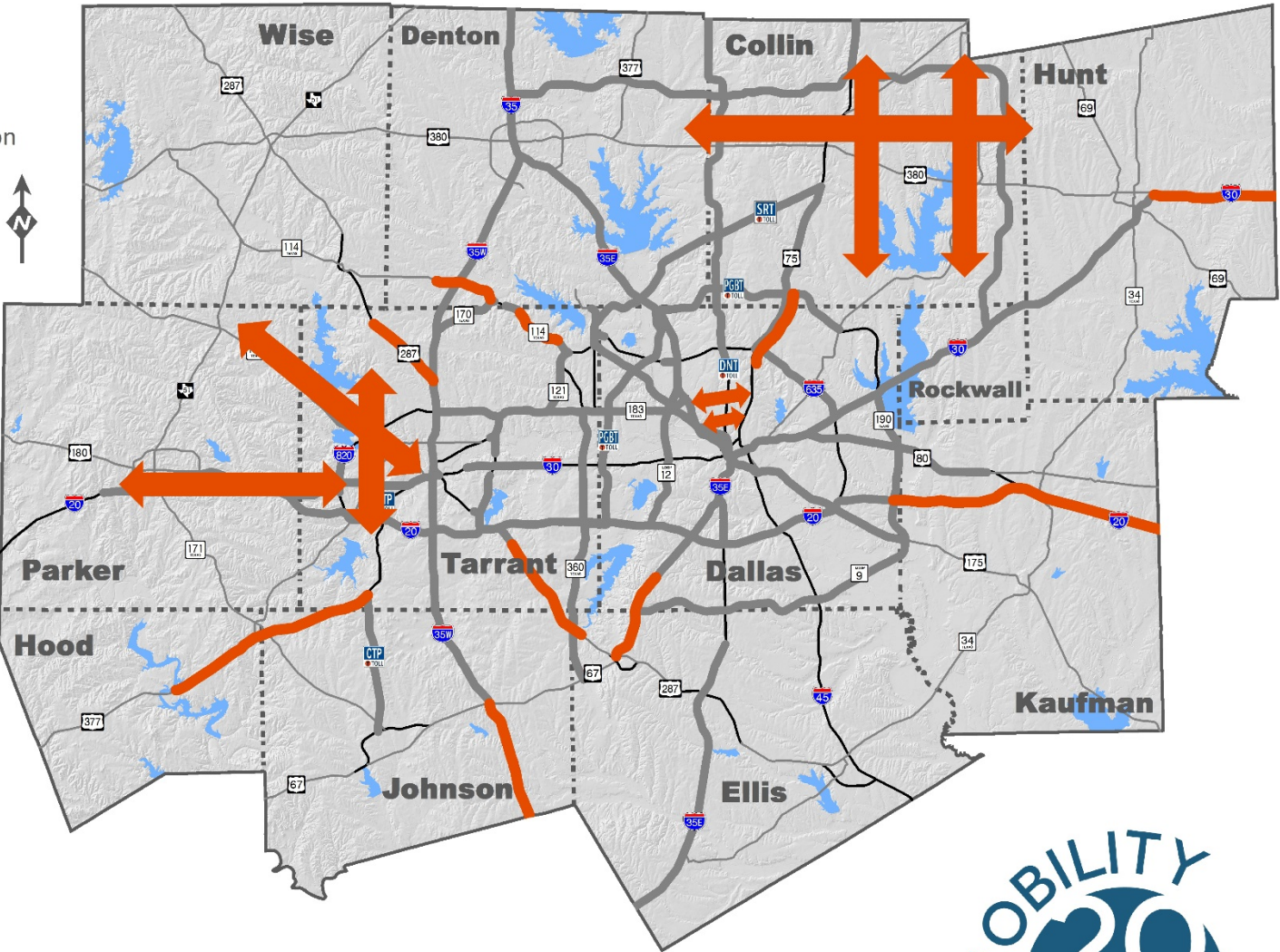
Funded Major Arterial Improvements

- Capacity Improvement
- Freeways/Tollways
- Other Major Roadways



Illustrative Major Roadway Corridors for Future Evaluation

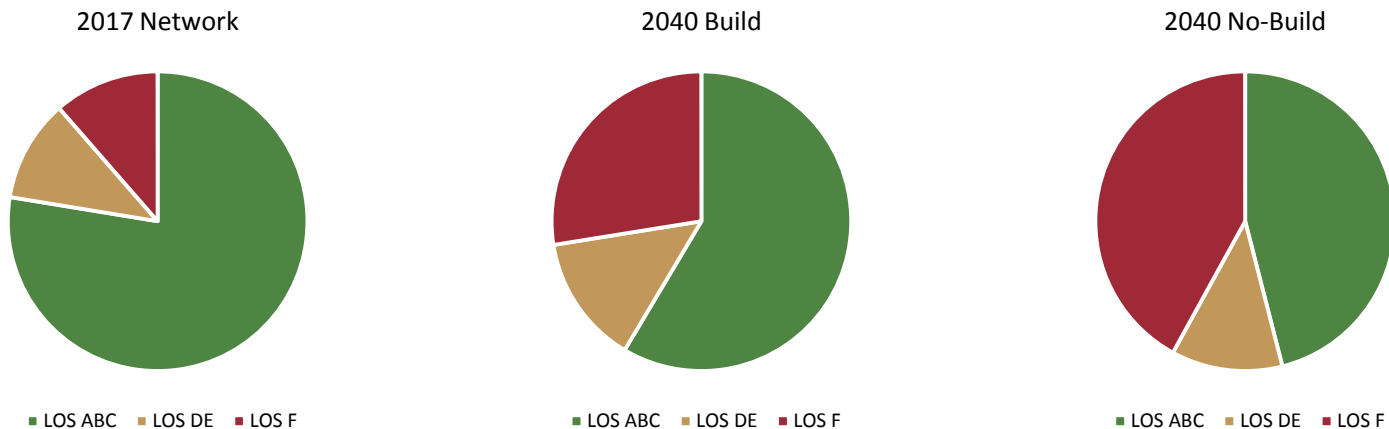
-  Corridors for Future Evaluation
-  Mobility 2040 Corridor Recommendation
-  Freeways/Tollways
-  Other Major Roadways



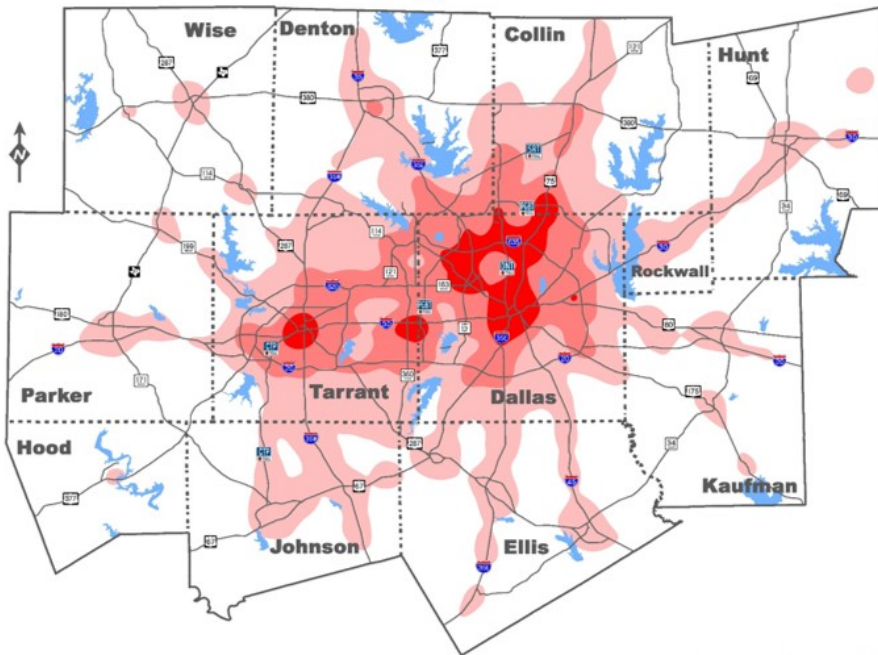
Regional Performance Measures

Regional Performance Measures	2017	2040	No-Build
Population	7,235,508	10,676,844	10,676,844
Employment	4,584,235	6,691,449	6,691,449
Vehicle Miles of Travel (Daily)	206,241,991	319,727,680	320,496,648
Hourly Capacity (Miles)	44,122,996	52,476,266	43,662,756
Vehicle Hours Spent in Delay (Daily)	1,520,582	3,588,740	6,230,414
Increase in Travel Time Due to Congestion	38.1%	58.2%	98.5%
Annual Cost of Congestion (Billions)	\$10.7	\$25.3	\$43.9

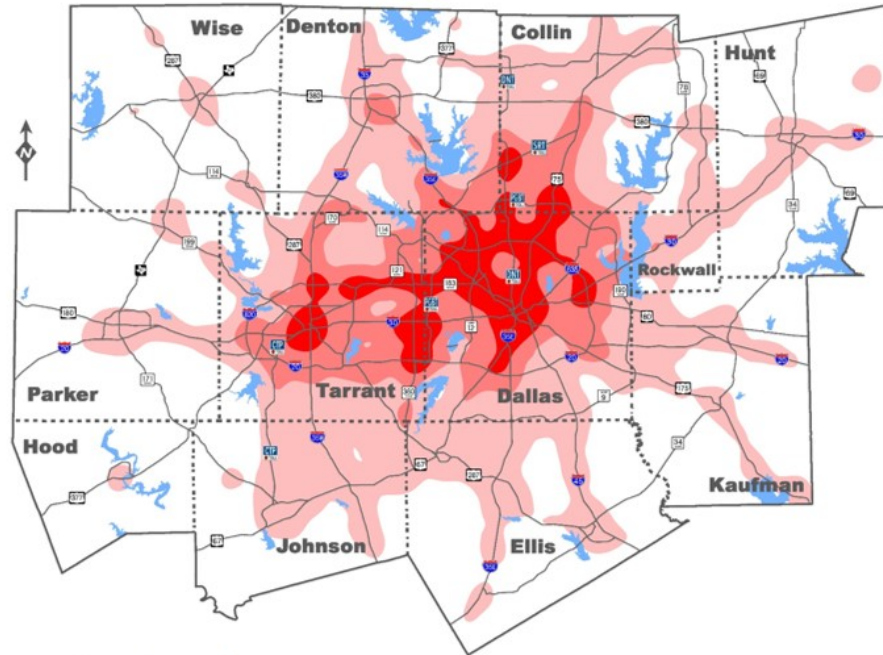
Lane Miles at Level of Service ABC, DE, and F



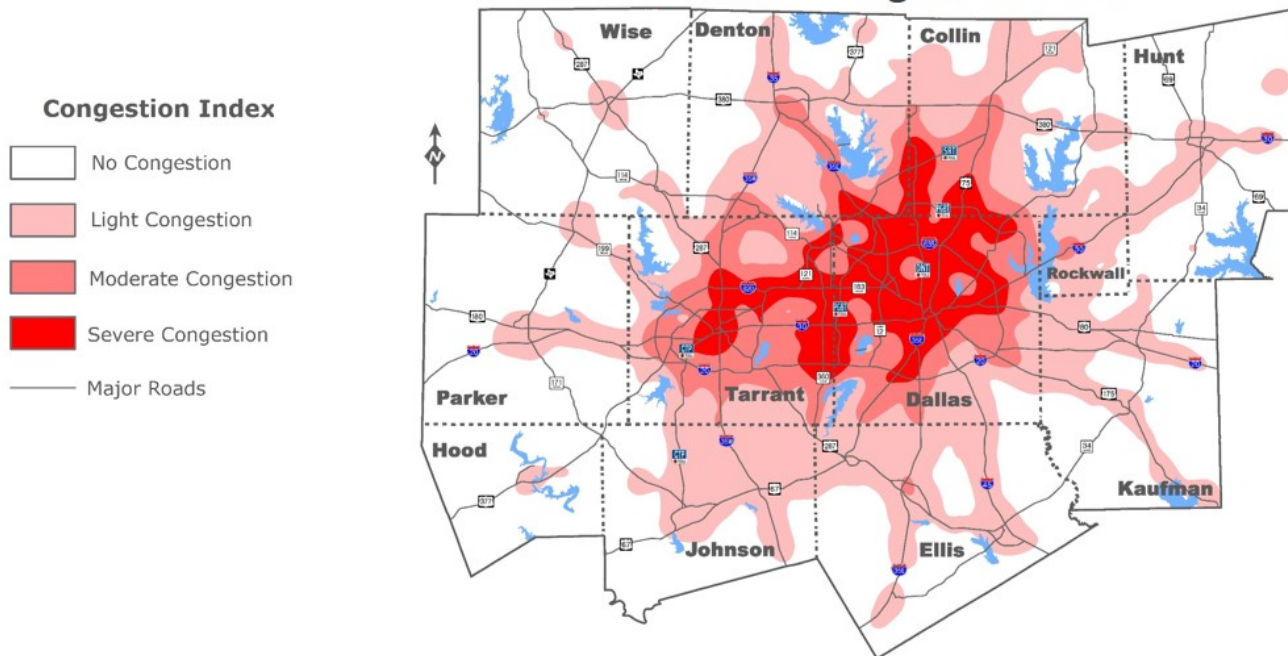
Current Congestion Levels






2040 Congestion Levels



2040 No-build Congestion Levels



Congestion Index

-  No Congestion
-  Light Congestion
-  Moderate Congestion
-  Severe Congestion
-  Major Roads



Contact Information

To find out more about Mobility 2040:

www.nctcog.org/mobility2040

Email questions or comments to:

mobilityplan@nctcog.org

