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OPERATING & CAPITAL BUDGET FY 2018



DENTON COUNTY  
TRANSPORTATION AUTHORITY  
LEWISVILLE, TEXAS

2018

DENTON COUNTY  
TRANSPORTATION AUTHORITY  
OPERATING & CAPITAL BUDGET

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## DENTON COUNTY TRANSPORTATION AUTHORITY VISION, MISSION, CORE VALUES & GOALS

The Denton County Transportation Authority is guided by the vision, mission and core values set forth by the Board of Directors and staff. These serve as the foundation for defining the goals and objectives for the budget process.

### OUR VISION

Be a leader in advancing public transportation alternatives.

### OUR MISSION

As a regional partner, the Denton County Transportation Authority is committed to provide safe, customer focused, and efficient mobility solutions.

### OUR UNITY STATEMENT

All DCTA staff will work to maintain an office environment that fosters humility, enthusiasm, self-discipline, consistency, responsibility, leadership, commitment and unity.

### OUR VALUES

- **Safety**  
In accordance with our Service Plan, our most important commitment is passenger safety through the strict adherence to policies and procedures and ongoing employee training and professional development.
- **Accountability**  
As public servants, DCTA employees and Board of Directors hold themselves accountable to their constituents and are committed to being exemplary stewards of public resources.
- **Commitment**  
DCTA employees and Board of Directors are committed to working collaboratively to deliver the components of the Service Plan in a timely manner to serve the mobility needs of our passengers.
- **Excellence**  
Always in the pursuit of excellence, DCTA will consistently offer innovative, effective and quality public transportation alternatives that will exceed customer expectations.
- **Integrity**  
It is incumbent upon DCTA employees and Board of Directors to conduct themselves in a manner that upholds the highest moral, legal and ethical standards. We are uncompromising in our commitment to truth, honesty, and openness in all relationships and interactions.
- **Respect**  
We believe that all of our passengers are important and that all of our employees add value. We will treat passengers and employees with dignity and esteem.

DENTON COUNTY TRANSPORTATION AUTHORITY  
VISION, MISSION, CORE VALUES & GOALS

## OUR GOALS

- Safety – Passenger, Employee, Public
- Maximize service efficiency and reliability
- Maximize the effectiveness of service for DCTA's ridership markets
- Increase the visibility and elevate the image of DCTA
- Expand DCTA's services into areas where transit has a strong likelihood of success
- Coordinate regional services with other regional transportation providers
- Tie the provision of transit to land-use and the resulting demand levels
- Advocate sustainable development practices that support transit
- Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values
- Leverage state-of-the-art technology for the development of innovative transit solutions



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Denton County Transportation Authority  
Texas**

For the Fiscal Year Beginning

**October 1, 2016**

Executive Director

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The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Denton County Transportation Authority, Texas for its annual budget for the fiscal year beginning October 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

# AGENCY OVERVIEW



## BUDGET MESSAGE



September 28, 2017

Chairman and Members of the Board:

We are pleased to present to you the Fiscal Year 2018 Operating and Capital Budget for Denton County Transportation Authority (DCTA). The Texas Transportation Code Chapter 460 requires the preparation of an annual budget. This budget was created in accordance with State law and DCTA Board policy. The budget presented is a balanced budget with current revenues and fund balance/reserves covering operating and capital requirements for the fiscal year.

The FY2018 Budget reflects a full year of operations for DCTA that includes commuter rail service, fixed route bus services, vanpools, paratransit demand response, general demand response, and university shuttle services. The budget is developed within the context of the long range financial plan which outlines the long-term service and infrastructure needs of the agency. This approach helps provide a financially sustainable perspective of the impact of current year decisions on future years. As future forecasts are developed, staff will continue to evaluate the agency's ability to fund major service and infrastructure priorities while balancing revenues and expenditures consistent with Board-adopted financial policies and the Board's Strategic Plan which was adopted by Resolution on March 23, 2017. These can be found in the Appendix section of the document.

The Board plays a critical role in making decisions regarding the direction of the organization. The budget provides a framework for DCTA activities during the next year and serves as a source of information for the Board, staff, passengers, member cities and other stakeholders. The programs and services provided by this budget focus on attaining the vision and accomplishing the mission adopted by the Board of Directors:

*To be a leader in advancing public transportation alternatives by providing safe, customer-focused, and efficient mobility solutions.*

It also allows the agency to move toward achieving the Board-established goals that include a focus on excellence. These are to:

1. Safety – Passenger, Employee, Public
2. Maximize service efficiency and reliability
3. Maximize the effectiveness of service for DCTA's ridership markets
4. Increase the visibility and elevate the image of DCTA
5. Expand DCTA's services into areas where transit has a strong likelihood of success
6. Coordinate regional services with other regional transportation providers

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## BUDGET MESSAGE

7. Tie the provision of transit to land-use and the resulting demand levels
8. Advocate sustainable development practices that support transit
9. Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values
10. Leverage state-of-the-art technology for the development of innovative transit solutions

Since its creation in 2002, DCTA has been a goal driven agency. Each year has seen the completion of major initiatives and components of the Service Plan. Fiscal Year 2017 was no exception. Those accomplishments are detailed in the Operating Budget Summary section of this budget document.

The budget process is structured to allow staff, the Finance Committee, the Board of Directors and other stakeholder's adequate time for review and analysis of the key components of the budget. The initial budget process began in February with the Board Retreat. The Board outlined its priorities in the context of the long range financial plan. The financial plan is a best practice that provides policy makers with a framework for strategic decision making. This provided the template for the development of the FY2018 budget. In May, service delivery objectives and related performance measures were defined. In the June/July timeframe, staff and the Finance Committee developed and reviewed revenue projections, operating budget, 5-year capital budget requirements as well as the impact of the budget decisions on the long range financial plan with specific focus on the first five years. At a workshop in July, all components of the proposed budget, including the impact of the proposed operating and capital programs on the long-range financial plan were vetted by the Finance Committee. The Finance Committee forwarded the proposed budget to the full Board for review and public comment at the Board's August meeting. The Board adopted the FY2018 Operating and Capital Budget, the updated Cash Flow Model and Budget Contingency Plan at the September 2017 meeting.

## BUDGET SUMMARY

The development of any budget is always challenging because of the demand for more bus and rail service. Overall, the Metroplex Region continues signs of positive job growth coupled with strong salaries — factors that point to a robust future and continued demand for services. The economic climate in North Texas continues to show strong over-all growth in spite of the significant drop in oil prices and the impact of Hurricane Harvey in the southeast portion of the state.

The challenge for DCTA is to continue to respond to demands for service and maintain facilities and infrastructure in a state of good repair while at the same time balancing the need to ensure the financial resiliency and long-term sustainability of the agency. For FY2018, the Adopted Budget focuses on enhancing bus services and improving schedule reliability and connectivity to the A-train. It addresses essential capital maintenance and bus vehicle replacement via a comprehensive fleet replacement plan and infrastructure maintenance plan. It also incorporates funding for projects and services that enhance the customer experience with passenger amenities and comprehensive marketing campaigns. A detailed narrative of the assumptions that build this budget is provided on pages 39-43 of this document. Key elements of the budget include the following:

Approximately 84% of DCTA revenues come from two sources; sales tax revenue (56%) and federal grants (28%). Total revenues for FY2018 are projected at \$47.5 million, a decrease of 3.5% over FY2017 revised budget. This is due primarily to a decrease of just over \$2.6 million in federal grants. The FY2018 Budget includes both federal and state operating and capital grant revenues totaling just over \$15.2

## BUDGET MESSAGE

million of which \$10 million is to fund capital. Sales tax is budgeted at a 4% increase over FY17 revised budget for a total of \$26.6 million projected for sales tax revenue.

The expenditure portion of the budget includes operating and capital expenditures. Total expenditures (including approximately \$10.7 million in depreciation) are \$59.2 million for the FY2018 budget, with capital expenditures making up \$15.6 million. Total expenditures reflect a decrease of 6.2 million compared to FY2017 revised budget. The capital project activity in FY2018 is \$8.9 million less which is primarily related to positive train control (\$4.8M) which must be completed by the federally mandated deadline of December 2018. There is no new debt issuance anticipated in FY2018. Other operating expenditure elements include:

- \$9.7 million is budgeted for purchased transportation. This is a decrease of \$73k over revised FY2017. Rail purchased transportation decreased 3% based on the current contract rate. This decrease is due primarily to the cost savings resulting from the new contract awarded to First Transit for rail operations and maintenance and well as planned transition to single car operations in FY2017.
- Diesel fuel is budgeted at \$2.75 per gallon for rail operations and \$3.00 per gallon for bus operations. Although Materials & Supplies category reflects an increase of \$253k for Rail compared to revised FY2017, this variance is a result of approximately \$240 thousand in fuel savings that was transferred to Bus Parts for bus engine/transmission replacements that were not originally identified in the 2017 budget.
- 3.5% merit pay for DCTA employees is included in this budget. This is an increase of approximately \$76k budgeted to allow for merit pay based on employee performance. A 3% increase for TMDC administrative and maintenance staff is included as well and is projected to be an additional \$54,000.
- To address the growth of DCTA, Executive Staff have identified a staffing plan that will be incorporated over the next few years. In order to begin addressing the overall growth of the agency, \$700k was included in the 2018 budget. Core positions that have been identified for FY2018 include a Director of Strategic Partnerships (Planning), Network Administrator (Transit Operations), Operations Business Manager (Bus) and Director of Railway Systems (Rail). The Executive Staff will continue the detailed position analysis and timing of all additional staffing for long-range financial planning and budgeting for DCTA.
- Transit Management of Denton County (TMDC), which provides the bus operations for DCTA, includes an increase of \$649k due to the additional service hours that are included in the 2018 operating budget. The Highland Village Shuttle and Community On-Demand services account for an increase of \$284k. Planned service enhancements related to the Denton Comprehensive Operational Analysis completed in 2017 for Route 4 results in an additional \$298k for the year. Increased service hours for the contracted service for Frisco and the McKinney Transit District are also included.
- An increase of 10% and 8% in health care benefits is budgeted for DCTA and TMDC respectively. This increase over last year is primarily due to increases in staffing, current claims history and the impact of the Affordable Care Act.

Capital projects represent a significant investment to developing and maintaining the agency's equipment and infrastructure in a state of good repair. Preparing a five-year capital plan allows the agency to anticipate the major capital improvements that will be needed in subsequent years. It allows

## BUDGET MESSAGE

staff to identify alternative funding sources as well as anticipated on-going operating costs of new capital projects. DCTA anticipates spending just over \$15.6 million on current and new capital projects for FY2018. \$3 million of the total is appropriated for bus fleet replacement, just under \$3 million for rail capital maintenance, \$2.6 million for positive train control, \$2.6 for completion of the Eagle Point portion of the A-train hike and bike trail, with the remaining \$4.4 million for infrastructure acquisition, and agency wide safety & technology improvements.

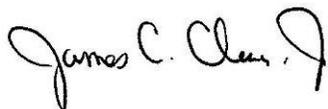
The North Central Texas Council of Governments (NCTCOG) serves as the Metropolitan Planning Organization (MPO) for the North Texas Region. In its Mobility 2040 Plan, it outlines the projected growth for the region and the implications for transportation systems. The Mobility 2040 Plan identifies investments in rail and bus as necessary to address the region's transportation needs. As the region grows, transit will play an increasingly important role in the way people travel. By 2040, the region will be home to almost 10.7 million people. In addition, current employment is expected to grow from 4.6 million to 6.7 million.

DCTA's FY2018 Budget, the long-range financial plan and the long-range service plan incorporate an approach that positions the agency to help meet the future needs of the region. The challenge for DCTA will be to prioritize projects and demands for service that outpace available funding. Sales tax, DCTA's primary revenue source, has seen strong, stable growth since 2008, and although the DCTA service area has not seen a major impact as a result of the drop in oil prices, the impact of this as well as the impact of Hurricane Harvey to the Texas economy cannot be discounted, even in the North Texas Region. As a result, sales tax growth is monitored closely and projected at a conservative 4% growth in the long-range financial plan, which is below the 10-year average of 5.3%.

DCTA's economic impact to the communities and the region it serves, has the potential to be significant. One of the challenges will be to thoughtfully and strategically address DCTA's role in transit-oriented development (TOD) around its rail stations.

This budget continues DCTA's commitment to stay the course to maintain long-term fiscally sustainable service delivery and, meet the transit needs of our rapidly growing region. Our thanks to the Finance Committee and the Board of Directors for their leadership during the entire process. We also want to recognize the outstanding work of staff as they continue their focus on Board and community priorities and providing outstanding, safe public transportation services.

Sincerely,



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



Anna Mosqueda  
Sr. V-P Finance/CFO

BOARD OF DIRECTORS

The Board of Directors is responsible for governance of the Authority. The Board is composed of fourteen members representing the county of Denton: one member from each municipality with a population of 17,000 or more (eight in total); three members appointed by the Denton County Commissioners Court; and three members designated by the remaining municipalities with a population of more than 500 and less than 17,000. Each member serves a term of two years, and may be reappointed. There are no term limits.



Board Chairman  
Charles Emery  
City of Lewisville



Board Secretary  
Richard Huckaby  
City of Denton



Board Treasurer  
Dave Kovatch  
Denton County At Large



Board Member  
Dianne Costa  
City of Highland Village



Board Member  
George A. Campbell  
Denton County Unincorporated



Board Member  
Don Hartman  
Denton County Unincorporated



Board Member  
Tom Winterburn  
City of Corinth



Board Member  
Connie White  
Small Cities



Board Member  
Allen Harris  
City of The Colony



Board Member  
Mark Miller  
City of Flower Mound



Board Member  
Carter Wilson  
City of Frisco

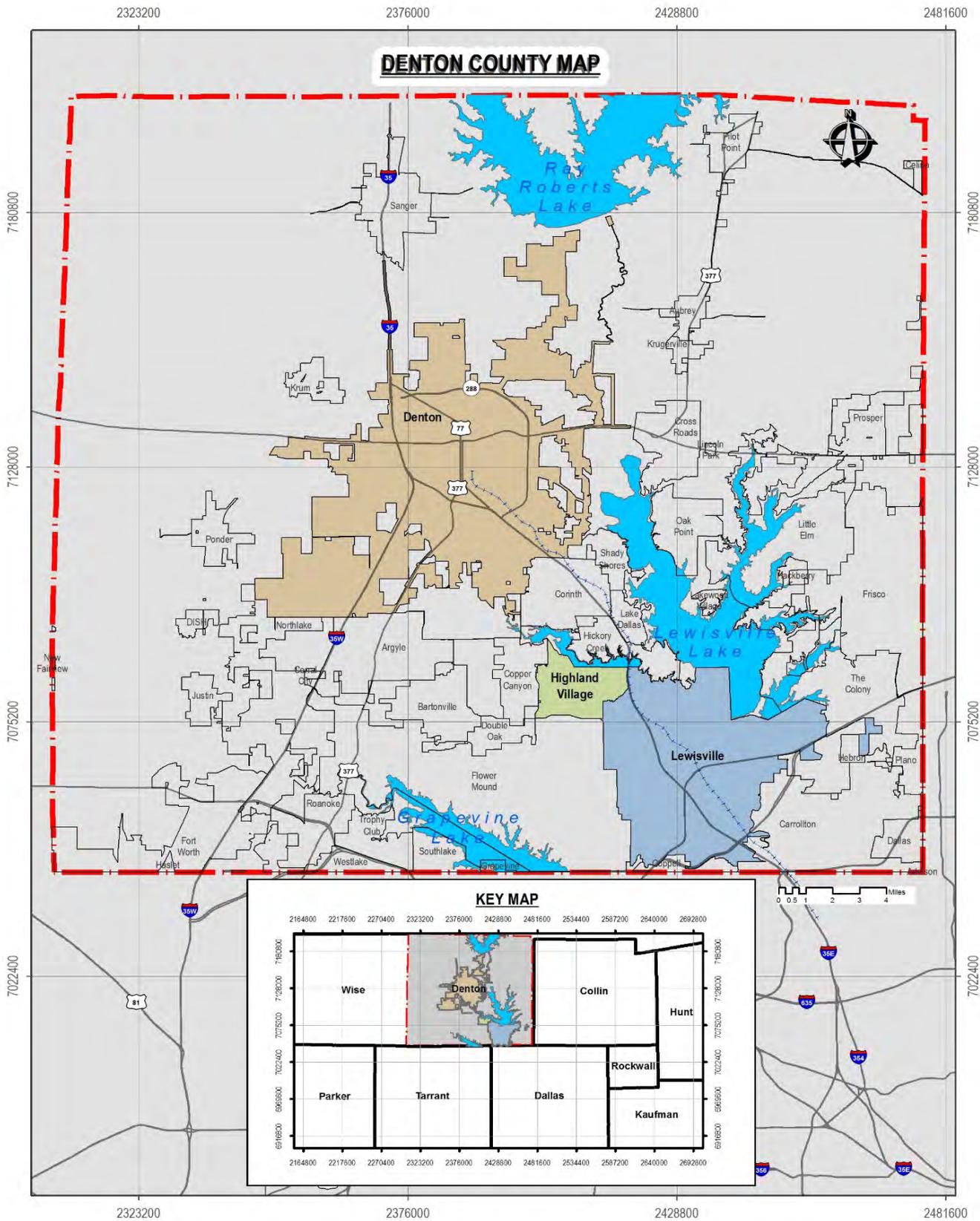


Board Member  
Skip Kalb  
Small Cities

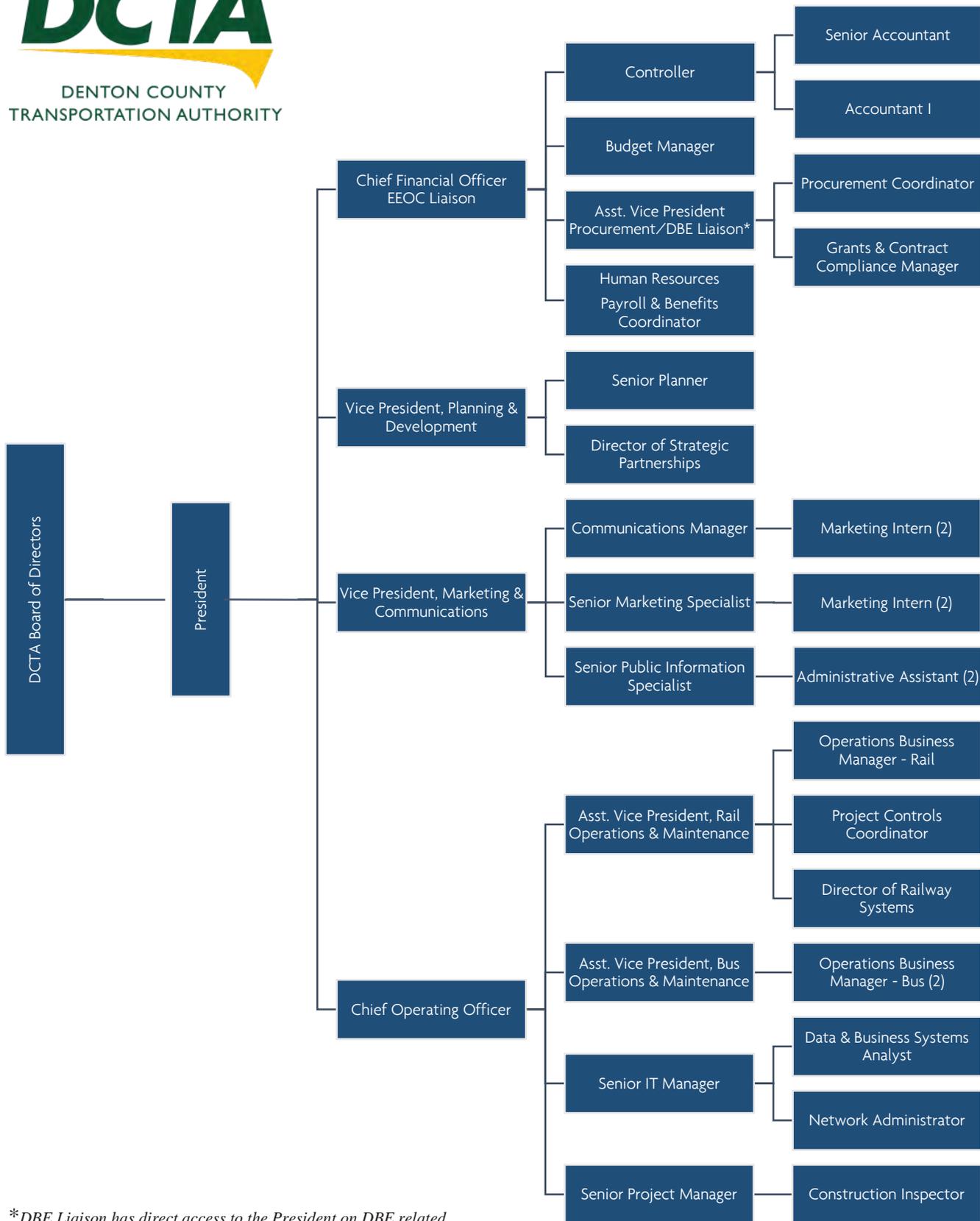
Board Member  
Vacant  
City of Little Elm

Board Member  
Vacant  
Small Cities

# DENTON COUNTY MAP



DCTA ORGANIZATION CHART



\*DBE Liaison has direct access to the President on DBE related

## SERVICES &amp; ACTIVITIES

**DCTA AT A GLANCE**

Denton County is the 25<sup>th</sup> fastest-growing county in United States with nearly 781,000 residents, according to the U.S. Census Bureau. On November 5, 2002 Denton County approved the creation of the Denton County Transportation Authority (DCTA). DCTA is the coordinated county transportation authority for Denton County created in 2002 to advance public transportation alternatives. The agency was funded in 2003 by a dedicated ½ cent sales tax from the cities of Denton, Lewisville and Highland Village and fulfilled its initial service plan in June of 2011 with the launch of commuter rail service. In December 2011, DCTA updated its service plan to include system-wide improvements to build on the initial investments and meet the public transit needs caused by the area’s dynamic growth.

As a regional partner, the Denton County Transportation Authority is committed to providing safe, customer focused, and efficient mobility solutions. For the past 14 years, DCTA has accelerated innovative transportation solutions which have been critical to reducing traffic congestion and enhancing air quality, while contributing to orderly growth and development and improving the quality of life for Denton County residents. DCTA has achieved many major milestones including:

- Launching the A-train 21-commuter rail service in June 2011
- Celebrating the grand opening of its new bus operations maintenance facility in February 2014
- Partnering with the City of Frisco to launch new demand-response service in December 2015
- Implementing the first phase of the agency’s Comprehensive Operational Analysis (COA) study which provided for enhanced services in Lewisville in August 2016 and new Highland Village Connect Shuttle and Community On-Demand services in April 2016 and planned service improvements in Denton in 2017-2018 Signing a new long-term rail operations and maintenance contract with First Transit, Inc. in June 2016 -one of largest contract agreements in agency history
- Launching the North Texas Xpress commuter bus service in partnership with the Fort Worth Transportation Authority (FWTA) in September 2016
- Implementing a pilot program with Uber to provide “last mile” connection within a specific geocoded area for Highland Village and portions of Lewisville in October 2016
- Partnering with City of McKinney and the McKinney Urban Transit District (MUTD) to launch demand-response service in five cities on June 1, 2017

DCTA operates a 21-mile A-train commuter rail system, 10 fixed routes in Denton and Lewisville, Highland Village Connect Shuttle, Access service, campus shuttle service supporting the University of North Texas (UNT) campus and North Central Texas Community College (NCTC), vanpool services, demand response/paratransit services in Frisco and Highland Village, and Collin County. The agency’s 68 peak bus vehicles, four peak rail vehicles, 33 direct employees and 199 third party contract employees serve more than three million passengers annually. DCTA serves three higher-education institutions, connects with the regional transit network and serves key employment, healthcare, retail and government centers. The system also includes the A-train Rail Trail that parallels the A-train rail line. The A-train Rail Trail will connect all five of the DCTA rail stations and link with trail systems of cities along the A-train corridor once completed in 2018.

## SERVICES &amp; ACTIVITIES

**SAFETY**

DCTA's policies, procedures, services, employee training and professional development are focused on the goal of creating and maintaining a culture grounded in the principles of safety and security. The agency's commitment to safety includes investments in design, equipment, training, community and education. These investments have contributed to DCTA successfully and consistently meeting annual agency goals for safe operations. This resulted in zero reportable injuries during the construction phase of the A-train project, and as of August 2017 has led to 218 days to date without a reportable occupational injury in rail operations.

In 2011, DCTA completed construction of the A-train project, the 21-mile commuter rail line which in addition to the already existing bus service was the central element of the agency's initial service plan. Recognizing this was a major construction project that would initiate rail service in areas unfamiliar with commuter rail, DCTA and its contractors placed a strong emphasis on safety through design, occupational training, enforcement and community education. DCTA invested in programs that trained 1,000 first responders on rail vehicle critical response techniques and educated more than 12,000 citizens about rail safety with the agency's Rail Ready program, which is based on Operation Lifesaver's rail safety message.

DCTA's efforts, in partnership with the Federal Railroad Administration (FRA) and the vehicle manufacturer, to operate the nation's first alternative crashworthiness compliant DMU demonstrates not only the agency's commitment to increased safety for its passengers and operators, but also to improving safety for the commuter rail industry. DCTA's Stadler GTW combines modern European safety engineering measures such as enhanced braking systems and crash energy management with stringent U.S. federal regulatory standards.

In 2014, DCTA completed construction of its new bus operations and maintenance facility funded through FTA's State of Good Repair program. The new building replaced the agency's previously leased facility which consisted of temporary administrative offices, maintenance bays and a bus wash bay shared with local sanitation fleet. The new bus operations and maintenance facility decreases the risk posed by occupational safety hazards that existed in the leased facilities. Safety elements incorporated into the new facility include improved lighting, signage, fire protection, fencing, non-slip surfaces, and key-card access to secure facilities including vehicle parking.

The Rail Safety Improvement Act ("RSIA") of 2008 enacted by the United States Congress and implemented by the Federal Railroad Administration ("FRA") includes among its many provisions the requirement that Positive Train Control ("PTC") be implemented. In October of 2015 DCTA awarded a contract for the design, implementation, testing and commissioning of an Enhanced Automatic Train Control (E-ATC) rail safety enhancement system in order to meet RSIA safety requirements by the federally mandated deadline of December 2018. This will provide DCTA with an enhanced onboard equipment and wayside signal system to protect against over speed operation, switches improperly lined, train to train collision, and incursion into a work zone. DCTA is on track to meet the deadline.

In 2017, DCTA will begin the first phase of a comprehensive safety and risk assessment to continue to improve its focus on agency and system-wide safety and risk management.

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## SERVICES & ACTIVITIES

### OPERATIONS

Guided by the agency's mission to provide safe, customer focused, and efficient mobility solutions; DCTA has built ridership on the bus and rail services with the intent of maintaining and building a system that operates as safely and efficiently as possible.

DCTA closely monitors its system performance and provides statistical performance reports to its Board of Directors monthly. In FY17 A-train and Bus achieved 98% and 94% on-time performance respectively. DCTA monitors each route by reviewing passengers' per-mile, passengers' per-hour, total ridership per-month and numerous financial indicators to identify high and low performing areas. Those areas are then further reviewed every six months for adjustment or corrective action. DCTA also closely monitors street repairs and has developed alternative route options to minimize impacts to operations.

DCTA's selection of the Stadler GTW DMU over traditional commuter rail vehicles offers more efficient operations and smoother travel for passengers. Furthermore, GTWs have better braking and acceleration abilities allowing for shorter headways and improved travel time for DCTA passengers.

In June 2016, DCTA awarded a new rail and operations maintenance contract to First Transit to operate and maintain the agency's A-train commuter rail line. First Transit and DCTA's contract agreement, effective October 1, 2016, covers a period of nine years with an additional five-year option. In November 2016, First Transit received the International Standards Organization (ISO) 9001:2015 Quality Management System (QMS) certification for its first rail operation in North America for operation and maintenance of DCTA's A-train.

### CUSTOMER SERVICE

DCTA believes all customers are important. According to the agency's 2017 Passenger Survey, DCTA received a 91 percent good to excellent review on for employee service. To maintain service excellence, DCTA actively seeks better tools to engage customers, improve the passenger experience, foster a positive work environment and expand transit's influence throughout the region.

A key addition to DCTA customer service was the construction and opening of the Euline Brock Downtown Denton Transit Center (DDTC) in January of 2011. The facility is staffed by on-site customer service representatives assisting with ticket sales, train and bus schedules and general information requests. It includes an indoor passenger waiting area, public restrooms, bus platform, passenger shelter and windbreakers. The transit center also offers free Wi-Fi, conference and community rooms, climate controlled waiting area with cable TV, vending machines and a covered patio often used as a free entertainment venue.

Improved use of technology is key to customer communications. In 2012, DCTA implemented GORquest, a web-based and smartphone application that allows customers to communicate with DCTA offering suggestions, commendations and complaints. The comments are monitored by management, logged and tracked to completion with a required seven-day resolution time. 95 percent of issues are resolved within two days.

DCTA provides passengers with up-to-date service information in the form of Rider Alerts to help keep them informed of any detours, delays, etc. In October 2016, the agency launched GovDelivery, a new email Rider Alert email subscription service, with enhanced features that allows riders to customize the Rider Alerts they receive. The new system also features back-end reporting which identifies service data and trends that can help the agency improve services and enhance the passenger experience.

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## SERVICES & ACTIVITIES

In September 2017, DCTA replaced its *Where's My Ride* tracking tool with the new Transit Tracker system – a comprehensive vehicle tracking system that provides passengers with access to real-time information for the DCTA A-train, fixed-route bus and shuttle services. Passengers can track vehicles via phone, online, text and free mobile application. The new system includes enhanced functionality and real-time data from the previous *Where's My Ride* tracking tool.

### FINANCIAL MANAGEMENT

DCTA understands a strong financial management plan should focus on building financial integrity and a financially sustainable transit agency. DCTA's long-range financial planning process, initially adopted in 2009, is supported by Financial Management Policies, a Long Range Financial Plan and the Long-Range Service Plan. The Long Range Financial Plan sets the framework for the annual budget process and includes a five-year operating and capital plan and a forecasted 20-year planning horizon consistent with the Long-Range Service Plan. DCTA is committed to staying the course in its commitment to long-term fiscal stability and sustainability.

As part of the annual budget process and in collaboration with the management team and the Board Finance Committee, decisions are evaluated to determine the impact of service enhancements and changes on the 20-year financial plan. These decisions include impact of both the up-front and on-going operating cost of new or existing capital projects and the impact of any funding requirements, impact of new services or changes in service levels, changes in economic environment, increase in costs, and/or impacts to revenues. The Long Range Financial Plan incorporates the projected sources and uses of funds. Revenues include fare box revenues, grants, sales tax and anticipated debt issuance. Expenditures include current operating expenditures, capital projects and on-going operating expense associated with the project (if any), and debt service requirements.

DCTA has received the Distinguished Budget Award and the Certificate for Excellence in Financial Reporting from the Government Financial Officers of America (GFOA) as well as the Texas State Comptroller's Leadership Circle Silver and Platinum Award. The Leadership Circle award recognizes governmental entities across Texas striving to meet a high standard for financial transparency online. In 2015, DCTA was only one of two transit agencies in Texas to receive the Platinum Award.

In August 2017, DCTA was awarded the prestigious Annual Achievement of Excellence in Procurement® (AEP) award from the National Procurement Institute, Inc. (NPI) for the second year in a row. This award highlights the innovation, professionalism, e-procurement, productivity, and leadership in the DCTA procurement function.

DCTA's major revenue source, sales tax, continues to trend upward. Sales tax revenues were \$24.7 million in FY '16 compared to \$23.3 million in FY '15 and are currently trending 8.2% higher in FY17. Despite strong sales tax growth, DCTA faces challenges in healthcare costs, low interest rates impacting investment earnings, and funding for the increased demand for the expansion of services. In addition, the changing landscape with consumers migrating to on-line purchases from the traditional brick and mortar retail stores could impact local sales tax.

Population and job growth continue to drive the demand for a transit system that can provide residents with access to jobs, medical care, education and recreation activities, and DCTA must be positioned to address this demand.

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## SERVICES & ACTIVITIES

### ENVIRONMENTAL SUSTAINABILITY

As a transit provider in an ozone non-attainment area, DCTA is committed to smarter environmental practices that reduce emissions, lead to smarter land-use and provide a cleaner environment for residents. DCTA partners with the North Central Texas Council of Governments (NCTCOG) to encourage residents to improve air quality by utilizing alternate forms of transportation. In addition, the agency partnered with NCTCOG on the implementation of a Clean Fleet and Idling Reduction Program, which outlines DCTA's commitment to purchasing only newly manufactured vehicles and decreasing vehicle idling to the minimum necessary to operate service.

DCTA promotes ridesharing and use of other transportation alternatives. In July of 2011, DCTA began its first Commuter Vanpool program, which has now grown to 33 active vanpools. As part of the A-train project, DCTA constructed an eight-mile bicycle/pedestrian trail which connects residential properties and business to the A-train and the bus network. In 2016, DCTA completed construction of the first of two phases of the A-train Rail Trail that connects the train alignment with a complementary bike/pedestrian facility in Lewisville. Once completed, this trail will connect with planned and existing trails in five municipalities and complete a portion of the Regional Veloweb.

One of DCTA's biggest achievements for environmental sustainability was its partnership with the Federal Railroad Administration (FRA) in June 2012 to operate Swiss-made Stadler GTW vehicles. This allowed light-weight/fuel efficient, eco-friendly low-floor vehicles to operate in rail corridors concurrently with traditionally compliant vehicles. The Stadler GTW DMU vehicles have improved fuel efficiency over the previous RDC vehicles DCTA leased and have level boarding which greatly enhances passenger access and also minimizes the dwell time at stations.

### WORKFORCE DEVELOPMENT

DCTA recognizes that a key to maintaining a high-level of satisfaction with external customers is by addressing the needs of internal customers. Employee satisfaction has a direct correlation to employee costs and efficiencies. Continuous quality education and training as well as employee satisfaction are major factors for individual advancement and corporate success. DCTA offers development opportunities throughout all levels of the organization to provide a knowledgeable and well-trained workforce dedicated to meeting the growing needs of the community. DCTA encourages and funds participation in industry training, conferences, professional organizations and career advancement opportunities. The agency also provides flexible work hours for the employee to support training and career development. Bus operations staff is given class instruction quarterly on driving techniques and defensive driving. In addition, each bus and rail operator has a weekly "ride-along" review by management.

DCTA also focuses on career advancement for its current employees and workforce development for future public-sector employees. The majority of supervisors and administrative staff on the operations team began as bus and rail operators. All bus operations staff members meet with the General Manager monthly to review schedules and receive instructions in customer relations techniques and latest transit operational training aids. Staff is also encouraged to seek additional education opportunities and to interface with operators daily. Employees are made aware of attendance rules regularly and a "point" system is in place, to measure attendance records. DCTA Executive Management holds quarterly governance meetings with First Transit Management staff to communicate expectations and review performance metrics.

## SERVICES & ACTIVITIES

In 2016, DCTA completed a market study to review its compensation and benefits structure to ensure that its pay-scale system for employees was competitive with the market and peer agency benchmarks. The Board of Directors has established a policy that a comprehensive compensation and benefits study will be conducted every three years to maintain a competitive structure. This will allow any changes to be addressed as part of the budget process. A tuition reimbursement program was established in 2015 to assist employees interested in pursuing a higher education.

DCTA also teams with local graduate programs by providing paid internships for students interested in transportation, marketing, finance, planning and public administration.

### DIVERSITY

DCTA is committed to promoting diversity by developing policies and programs that support diversity and promote inclusiveness in both its hiring practices and delivery of transit services. DCTA works with the local community, social service agencies and workforce commissions to recruit minorities, women and veterans.

DCTA and its contractors have clear policies and practices to recruit, hire, train and promote employees without discrimination on the basis of race, religion, color, political affiliation, physical or mental disability, national origin, sex, marital status, age, sexual orientation, gender identification, or membership or non-membership in any employee association. DCTA abides by all state and federal regulations regarding employment discrimination.

The agency has also established a Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) program to encourage the use of small and disadvantaged business in contracting opportunities. DCTA works with contractors to identify DBE/SBE's available in the local area to perform as subcontractors and encourages the use of small firms in performance of the contracts. The \$193 million A-train track construction project exceeded the agency diversity goal which resulted in nearly \$40 million being awarded to disadvantaged businesses.

The Comprehensive Operational Analysis process demonstrates DCTA's commitment to engaging its diverse stakeholder base in discussions regarding schedules and service levels. To gather feedback on proposed bus service changes, a series of public meeting were held in April and October at various locations in each of the member cities. The communications campaign included online surveys, video, various printed communication pieces and a strong social media presence.

### MARKETING

Transit is still new to most Denton County residents who abide by the "car" culture that is prevalent throughout Texas. Marketing efforts by DCTA have focused on attracting and retaining riders and demonstrating the benefits of investing in a transit system. DCTA's marketing and communications department main objective is to promote and enhance the organization's brand identity through effective marketing, advertising, communications, and public relations efforts to help increase ridership.

DCTA's marketing and communications efforts have focused on implementing new marketing campaigns, increasing communications, expanding community outreach efforts, enhancing customer service requirements, and instituting cost-effective new technology. Below are specific campaigns and projects in FY '17 that have helped increase DCTA brand awareness and promote ridership:

## SERVICES & ACTIVITIES

- In partnership with the Fort Worth Transportation Authority (FWTA), launched the North Texas Xpress commuter bus service which has resulted in great ridership results – 10,097 total ridership since launch (September 26, 2016 to July 31, 2017). On average, more than 1,000 people boarded the North Texas Xpress service each month.
- Launched the Bike Everywhere Challenge which resulted in increased brand awareness and bike participation for the North Central Texas Council of Governments' (NCTCOG) Try Parking It program. NCTCOG is a key regional partner for DCTA.
- Replaced iContact email delivery system with new GovDelivery system, which resulted in more efficient Rider Alert communications to passengers and more strategic email marketing efforts for campaigns and programs.
- Enhanced content marketing strategy with video development, which resulted in various industry and marketing awards for the How to Load Your Bike and A-train vs. I-35E marketing videos.
- Successfully garnered 608 media articles in local, regional, state and national press coverage for DCTA through strategic media relations efforts.

In addition to its own marketing efforts, the agency's marketing and communications department collaborates with various community partners, stakeholders and higher-education institutions to further promote the DCTA brand and help increase ridership. DCTA's marketing and communications efforts have been recognized with Stevie Business Awards, Hermes Creative Awards, Marcom Awards, Videographer Awards, dotComm Awards, PR Daily Awards, Southwest Transit Association (SWTA) Spotlight Awards and American Public Transportation Association (APTA) AdWheel Awards, and featured in public transportation industry media outlets.

## POLICY AND ADMINISTRATION

DCTA's policies and administration, led by its Board of Directors and President, have created a safety-focused, efficient and financially stable transit operation. DCTA staff work under the direction of the President and executive management team representing operations, finance and administration, capital planning, marketing and planning and service development. Transit services for both bus and rail operations are provided through contracts with First Transit.

DCTA has adopted a set of policies to demonstrate accountability to the public and guide investments and service planning. The agency's financial policies safeguard the fiscal stability and resiliency required to achieve the agency's goals and objectives. The policies have established a fund balance reserve for unanticipated emergencies, a sales tax stabilization fund, fuel stabilization, and a capital/infrastructure reserve. In addition, the policies outline the process for evaluating revenue forecasts, contracts for service and the requirement for a budget contingency plan to provide a framework for decision making should an economic downturn occur. Other processes included are accounting and financial reporting, budget development, purchasing, cost allocation, debt management and investments.

In December 2011, the Board of Directors adopted an updated Long-Range Service Plan which outlined a series of recommendations for improvements to the existing system, opportunities for expansion of the existing system, and other corridors warranting transit service over the next 25 years. The plan will serve as a road map guiding DCTA's service planning, capital improvement program and financial planning through 2035. In February 2017, the Board developed a strategic plan to guide the planning for the next phase of DCTA's service delivery

## SERVICES &amp; ACTIVITIES

**COMMUNITY RELATIONS**

DCTA understands the importance of developing and maintaining strong relationships with its surrounding communities. From 2011 to present time, DCTA has participated in more than 400 community events, hosted more than 100 events and community meetings reaching nearly 875,000 individuals. To help promote positive relationships, DCTA has developed and participated in various efforts to improve the quality of life for Denton County residents and the North Texas Region, including:

- For the past four years, DCTA's organizational efforts to advance mobility and improve the quality of life for its communities have been recognized by the North Texas Commission Transportation Excellence Award, North Texas Clean Air Coalition, Lewisville Area Chamber of Commerce, North Central Texas Council of Governments and the Denton Economic Partnership.
- DCTA continues to educate the public on how to ride transit and to assist with transitioning eligible demand response users to fixed-route service through its travel training program.
- Established relationships with businesses to create leads for DCTA's Corporate Pass Program and In-transit Marketing Program with further execution efforts planned for Fiscal Year 2017.
- DCTA has been an advocate of regional partnerships since its inception. As a result of the agency's positive reputation and the advocacy efforts of its chairman, DCTA's chairman and president were tasked by the Regional Transportation Council to form and lead the North Texas Regional Rail Alliance to foster, coordinate and advance regional rail projects in North Texas.

**SERVICES****COMMUTER RAIL SERVICE: A-train**

The A-train is a 21-mile commuter rail system connecting Denton County and Dallas County. DCTA has five A-train stations; two in Denton, three in Lewisville and connects with the Dallas Area Rapid Transit (DART) Green Line at their Trinity Mills Station in Carrollton. DCTA's A-train connects Denton County residents with many destinations served by DART, Trinity Rail Express (TRE) and the Fort Worth Transportation Authority (FWTA).

A regional rail system has been the overarching goal of DCTA since its inception. DCTA and Denton County leaders and residents recognized the need for such a system based upon projected population and employment growth; growing traffic congestion, air quality concerns and the need to improve access to Denton County's health care facilities, employment centers, retail and entertainment opportunities and higher education campuses.

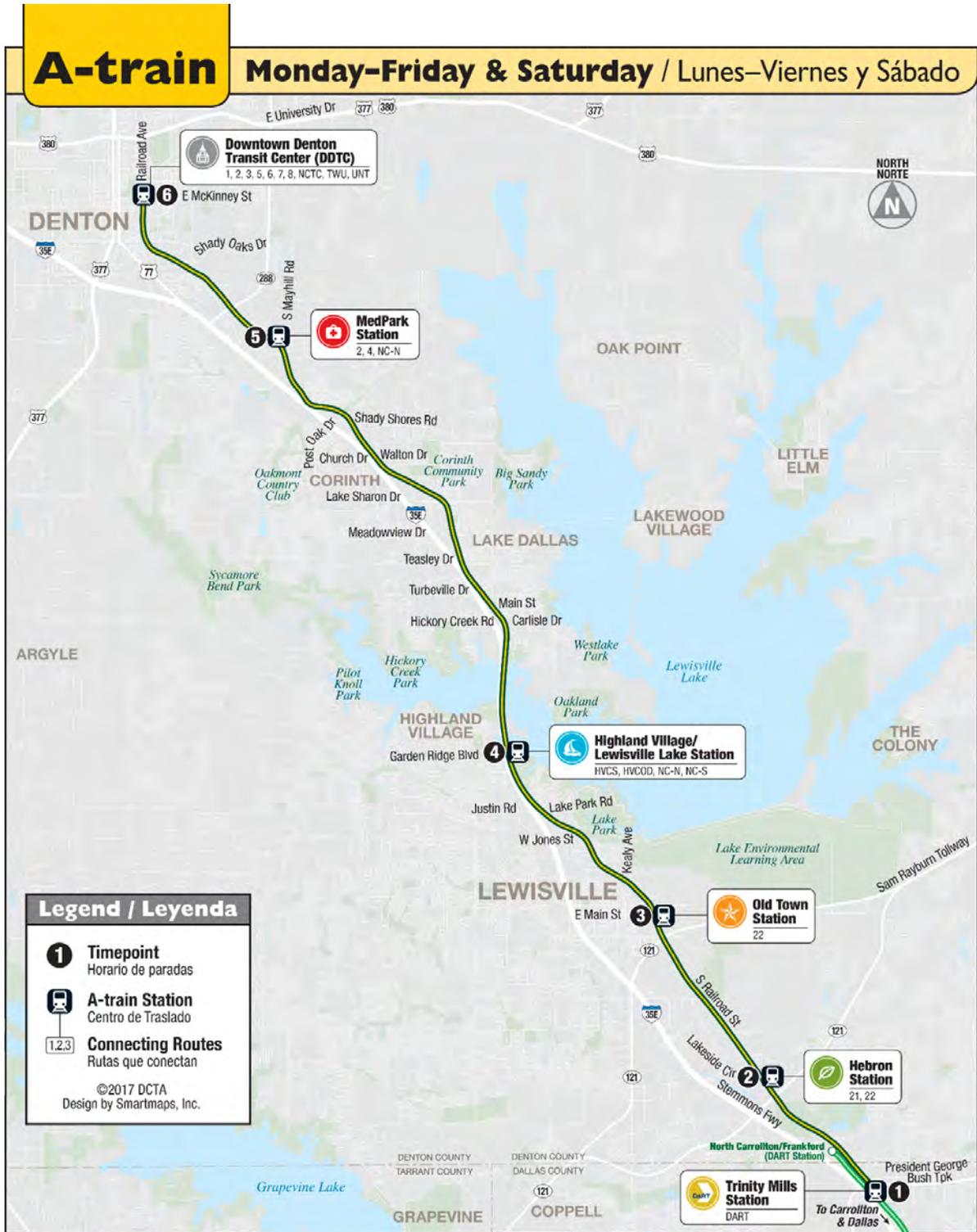
The A-train carried 8,300 passengers on its first day of service in June 2011. The A-train runs along the former Missouri-Kansas-Texas Railroad (MKT) line parallel to Interstate 35E. This regional rail line includes an adjacent bicycle and pedestrian path to provide further transportation options for the people of Denton County.

DCTA is committed to rail safety and is working diligently to implement positive train control (PTC) by the Federal Railroad Administration deadline of December 31, 2018. In November 2015, DCTA awarded a contract to the GE Transportation Systems/Alstom (GE/Alstom) for implementation of an Enhanced Automatic Train Control system (E-ATC) system. Implementation and full commissioning of the positive train control systems is expected in mid to late 2018. DCTA is managing the project with internal staff, an independent Chief Technical Architect and one project manager to oversee the Alstom implementation. The project is expected to be fully implemented by the 2018 deadline.

SERVICES & ACTIVITIES



SERVICES & ACTIVITIES



## SERVICES &amp; ACTIVITIES

**BUS OPERATIONS****LOCAL FIXED - ROUTE SERVICES:**

Passengers have connections to many destinations within Denton and Lewisville via DCTA Connect, the agency's local fixed-route bus service.

In Denton, passengers travel any of eight routes Monday through Saturday to reach stops such as City Hall, hospitals, retail and grocery stores, and educational institutions including the University of North Texas (UNT), Texas Woman's University (UNT), as well as schools within the Denton Independent School District (DISD).

In Lewisville, residents use two DCTA Connect routes Monday through Saturday to reach places such as City Hall, shopping centers, schools, and social service agencies.

**CONNECT SHUTTLE:**

DCTA provides peak-period bus service in Highland Village. The Connect Shuttle operates Monday through Friday from 5 a.m. to 10 a.m. and 3 p.m. to 9 p.m. Passengers who ride the Connect Shuttle can also connect to other DCTA services such as the A-train commuter rail, Lewisville Connect Bus service and North Central Texas College (NCTC) Campus Shuttle.

**CAMPUS SHUTTLES:**

DCTA offers low-cost, safe and reliable transportation services to the Denton County campuses of North Central Texas College (NCTC), University of North Texas (UNT) and Texas Woman's University (TWU).

- **NCTC:** The NCTC Campus Shuttle is a DCTA service offered in partnership with NCTC to provide shuttle service to the Corinth and Flower Mound campuses, as well as connectivity between Denton and Lewisville.
- **UNT:** The UNT Campus Shuttle is a DCTA service offered in partnership with UNT to provide direct shuttle service to the Denton campus and off campus student-oriented housing. Denton Connect Routes 7, 8, and 9 serve UNT from the Euline Brock Downtown Denton Transit Center (DDTC).
- **TWU:** Students may use DCTA Connect Bus service and are able to purchase discounted Connect passes exclusively at the TWU Student Union (room 209). Denton Connect Routes 4, 5 and 6 serve the



## SERVICES &amp; ACTIVITIES

area around TWU from the DDTC.

**PARATRANSIT & DEMAND-RESPONSE SERVICE:**

The DCTA Access service offers curb to curb ADA paratransit service in Denton and Lewisville and elderly and disabled demand-response (Non-ADA) service for the residents of Denton, Lewisville, and Highland Village. Access passengers can schedule trips to begin and end within one of the two Access services zones. ADA paratransit service is provided by DCTA for customers traveling within  $\frac{3}{4}$ -mile from the Connect local fixed-routes and is available to those with Americans with Disabilities Act eligibility. Reservations are accepted up to seven days in advance.

DCTA began curb-to-curb demand-response transit service in Frisco in 2016. This is for eligible passengers for trips originating within Frisco's incorporated limits to destinations located in Frisco, McKinney and Allen. The agency operates Frisco demand-response service Monday through Friday from 6 a.m. to 6 p.m.

The agency also operates Community On-Demand service in Highland Village for passengers traveling within the designated Community On-Demand Zone. The service is offered Monday through Friday, from 5:30 a.m. to 7 p.m.

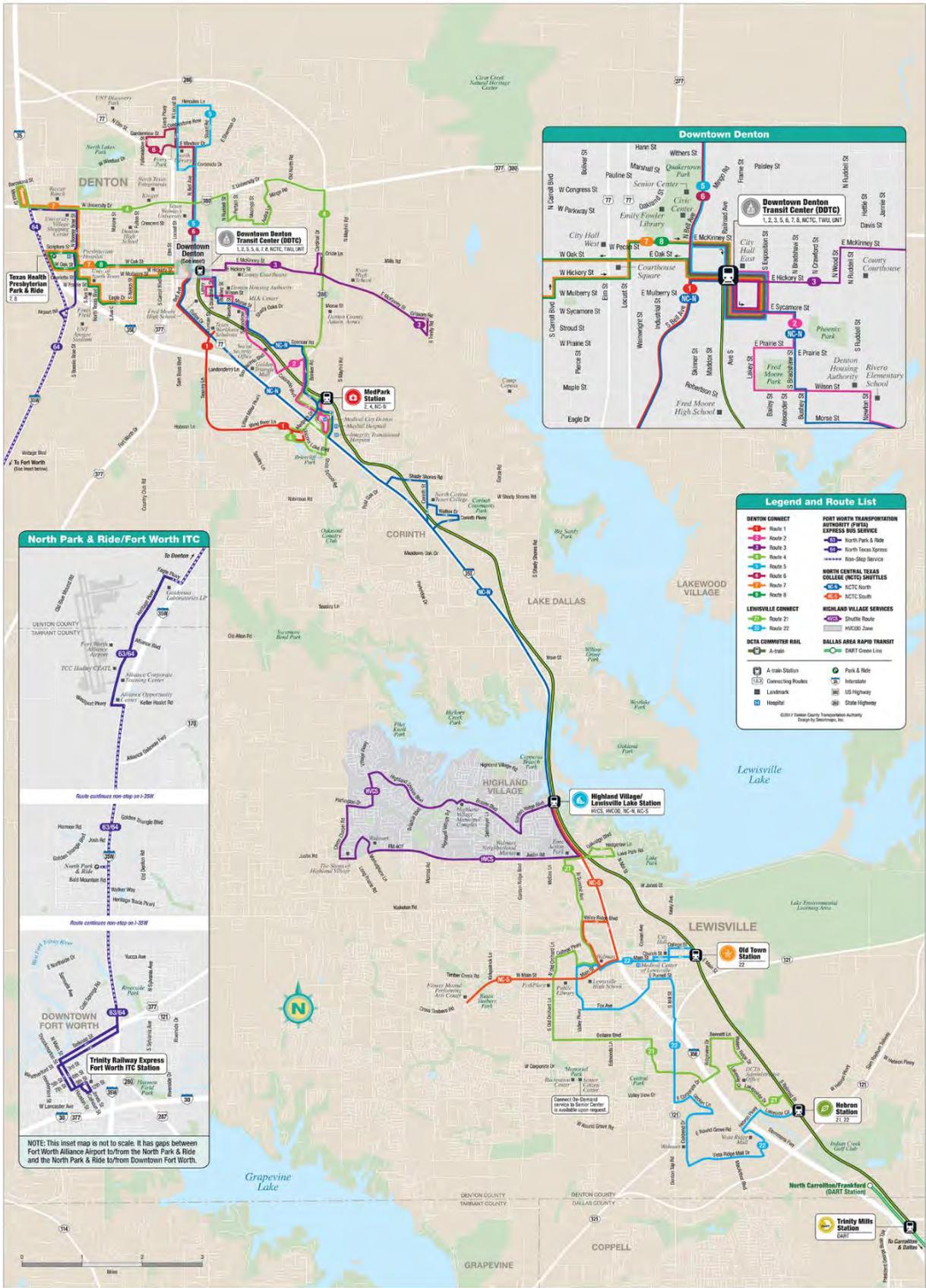
In June 2017, The City of McKinney, the McKinney Urban Transit District (MUTD) and the Denton County Transportation Authority (DCTA) partnered together to launch Collin County Transit. This service combines a subsidized taxi voucher program that provides efficient transit options for participating MUTD cities including McKinney, Lowry Crossing, Melissa and Princeton and DCTA paratransit bus service.

**VANPOOLS:**

Commuter Vanpools are an additional DCTA service which provides a comfortable, cost-effective and convenient way to get to work. Vanpools are ideal for groups of five to 15 people who live or work in Denton County. DCTA provides funding for half of all vanpool costs, providing a low-cost commuting alternative.



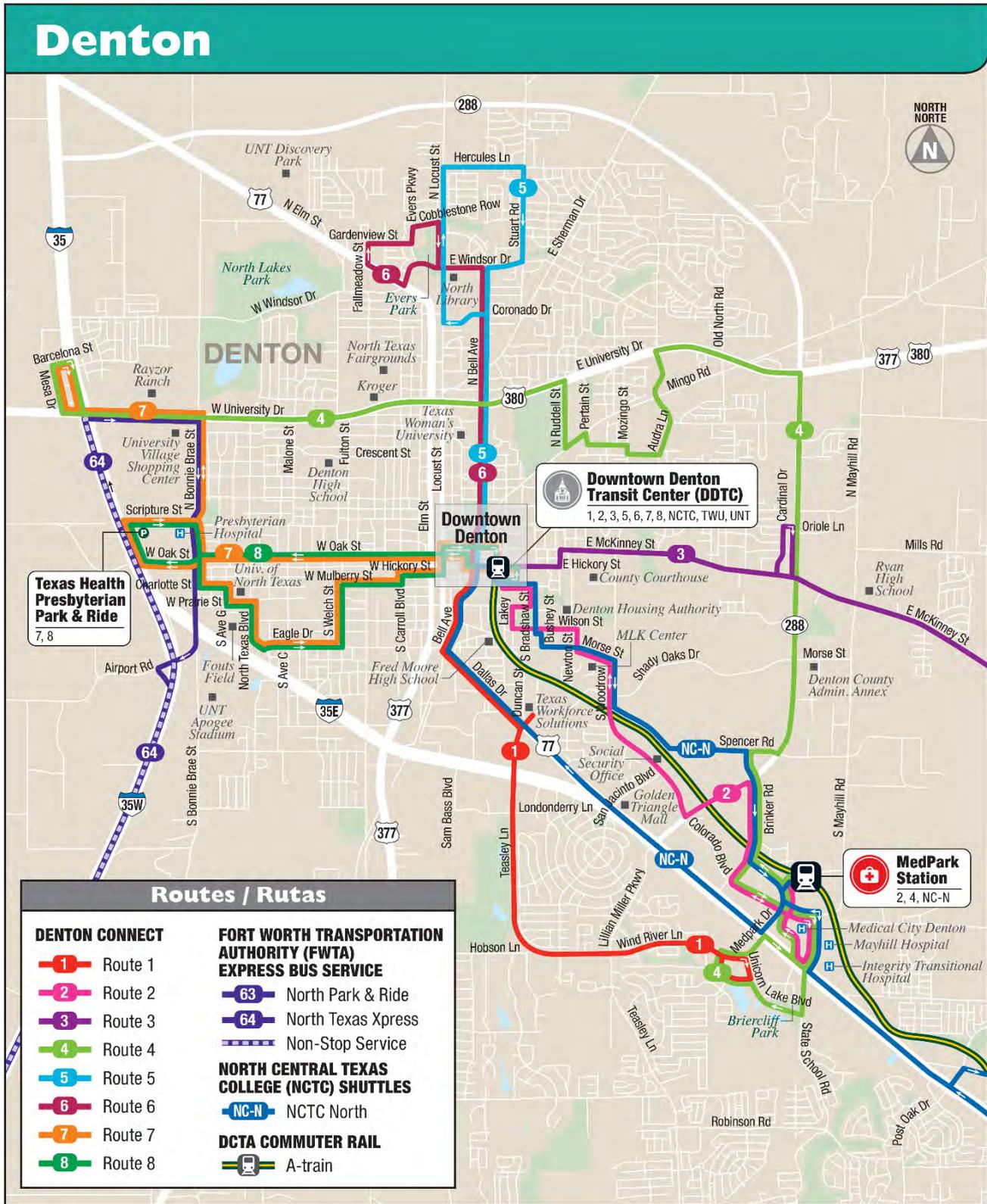
SERVICES & ACTIVITIES



SERVICES & ACTIVITIES



SERVICES & ACTIVITIES



# OPERATING BUDGET SUMMARY



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## BUDGET PROCESS

### BASIS OF BUDGETING

The Texas Transportation Code Chapter 460 requires DCTA to prepare an annual budget. The budget is a policy tool used by staff and the Board of Directors to establish goals and deliver the services defined in the Service Plan. The budget is the foundation for the long-range Service Plan goals and is a building block for the DCTA long range financial model. The long range financial model is an important planning tool used to evaluate DCTA's financial strengths and weaknesses, prioritize goals, and evaluate options. Staff presents the budget as a financial expression of current goals, objectives for the coming year, and a snapshot view of capital needs for the following four years. The fiscal year for DCTA begins October 1<sup>st</sup> and ends September 30<sup>th</sup>.

The budget is designed to communicate DCTA goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and revenue sources used to pay for the service. The budget communicates DCTA's commitment to a balanced budget, where expenses do not exceed current year revenues and reserve balances. The budget and strategic plan help to keep departments centered on the goals and plans to accomplish those goals.

The budget is a financial document. It identifies the source and use of the funds expended by DCTA. In preparing the budget, the Board and staff must ensure DCTA maintains a sound financial condition and recognize that the financial decisions made today will impact the ability to deliver future services. The budget communicates the priorities and informs Denton County citizens about the financial condition of DCTA.

The budget provides a tool for staff to monitor the financial performance of the Agency and provides a tool to measure that performance. DCTA staff also uses the adopted budget to maintain control over operating and capital expenditures by:

1. Developing and presenting a cost-effective budget geared to providing quality services for our customers as defined by our Board of Directors.
2. Complying with the Budget Amendment Procedures as approved by the Board of Directors to provide timely, useful information for the management of DCTA resources.
3. Reviewing all purchase requests and complying with the DCTA Procurement Policy as approved by the Board of Directors.
4. Reconciling all expenditures to budget and reporting material variances to the Board on a monthly basis.
5. Using standards and benchmarks established in the budget and comparing the results of operations.

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## BUDGET PROCESS

### BASIS OF ACCOUNTING AND FINANCIAL PRINCIPLES

DCTA is accounted for as a single entity enterprise fund and required to report financial results in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidance. Enterprise Funds account for operations that are financed and operated in a manner similar to private business. The intent of DCTA is that the costs (expenses, including depreciation) of providing transit services to the general public will be financed through a combination of farebox revenue, sales tax, and other grants. The governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. DCTA uses the accrual basis of accounting for the audited financial statements, external reporting, and internally for budgeting. Under this method, revenues are budgeted in the period that they are earned and expenses are budgeted in the period in which the liability or benefit is expected.

### BUDGET PREPARATION

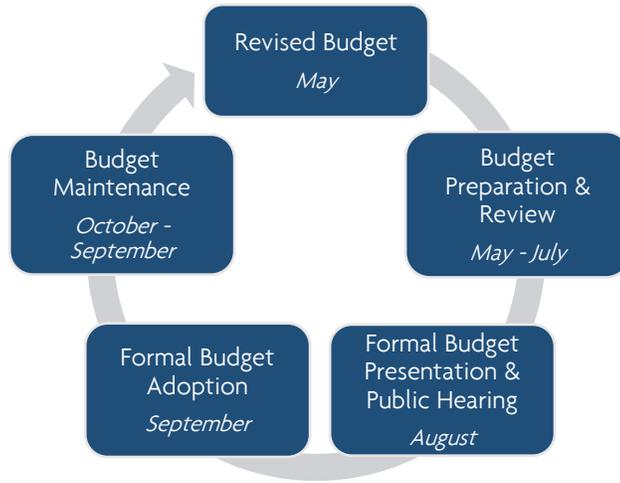
Development of a comprehensive operating and capital budget requires a very active and participative process between DCTA staff, Board and the public. The development process is outlined below:

1. Goals, Objectives and Performance Measures  
Development of overall agency goals and corresponding department objectives and performance measures for the upcoming fiscal year.
2. Cash Flow Model Adoption  
Board of Directors adopts a rolling five-year cash flow model that serves as the foundation of the budget.
3. Revenue Projections  
Staff identifies the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.
4. Operating Expenses and Expanded Level Projects  
The base operating budget which maintains the current service level is identified. Any new projects, plans for expansion, or increased service delivery that are above and beyond current service level are proposed as an Expanded Level Project. These are expenses that are generally classified as “one-time” or “out of the ordinary” expenses. Once all of the Expanded Level Projects are identified and ranked, executive staff reviews all requests and determines which projects would facilitate the agency’s needs and will be included in the operating budget.
5. Capital Budget and Five-Year Capital Plan  
The final step in completing the budget is determining the capital budget and Five-Year Capital Plan for the agency which is consistent with the previously established agency goals and community needs, both current and future.

BUDGET PROCESS

**BUDGET CALENDAR**

The budget calendar allows DCTA to develop and implement a set of processes that will facilitate the creation, review, modification and adoption of a proposed budget. The budget calendar identifies the various tasks involved in the budget process and ensures that the information provided will be properly integrated, the process will be kept on schedule, and all parties will be aware of their responsibility in advance.



**Revised Budget (Current Year)  
May**

- Revised Budget is Presented to the Finance Committee for Review & Comment and Forwarded to the Board for Formal Adoption

**Budget Preparation & Review  
May - July**

- May-June: Staff Prepares, Submits & Reviews Proposed Revenue Projections, Operating Expenses and Capital Budgets
- July: Operating & Capital Budget and Cash Flow Model are Presented to the Finance Committee for Review and Comment

**Formal Budget Presentation & Public Hearing  
August**

- Final Presentation of Fiscal Year Budget to Finance Committee
- Formal Presentation of FY Budget to Board & Public Hearing\*

**Formal Budget Adoption  
September**

- Adoption of FY Budget & Cash Flow Model by the Board of Directors

**Budget Maintenance  
October - September**

- October-November: Staff Completes the Budget Document and Presents It At the November Board Meeting
- October 1st: Fiscal Year Begins

*\*DCTA conducts a public hearing as part of the annual budget process that allows citizen input to the Board and staff. This public hearing is advertised in the local newspaper two weeks prior to the scheduled Board meeting*

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**FISCAL YEAR 2017 ACCOMPLISHMENTS**
**FISCAL YEAR 2017 ACCOMPLISHMENTS**

DCTA made significant strides in implementing components of the Service Plan, as well as creating the foundation for successfully achieving major milestones, these included:

**STRATEGIC PLANNING & DEVELOPMENT**

- Received Board approval of the agency’s Strategic Guidance Report affirming strategic direction for growth and expansion.
- Accomplished further service expansion within Collin County through MUTD contracted service implementation in McKinney, Melissa, Princeton, Celina and Lowry Crossing.
- Successfully developed a corridor congestion tracking database leveraging NCTCOG data for new transit corridor planning.
- Effectively identified and developed strategic partnerships with new municipalities and corporations along corridors of interest for future transit planning initiatives.
- Participated and supported member city planning initiatives through small area planning studies, complete street projects and development code modifications.
- Received Board support on the addition of a new position within the department to assist in strategic expansion activities.
- Successful NCTCOG Policy Bundle submittal resulting in the award of 5 million Transportation Development Credits to be used by DCTA in lieu of local match on future projects and initiatives.
- Procured and contracted Lyft and Irving Holdings for use in the implementation of customized innovative transit services within DCTA member cities, contracted cities and other contracted partners.
- Secured capital and operational dollars in excess of \$2M and additional fleet for agency use on current transit services and future agency initiatives.
- Received RTC approval for NCTCOG sub-award to DCTA for up to \$471,603 to assist in replacement of four transit buses through the EPA National Clean Diesel Funding Assistance Program.

**FINANCE**

- Received National Procurement Institute, Inc. (NPI) award:
  - Achievement for Excellence in Procurement
- Received Government Finance Officers of United States and Canada (GFOA) awards:
  - Certificate of Achievement for Excellence in Financial Reporting for the FY2016 Comprehensive Annual Financial Report (CAFR) for FYE 9/30/2016
  - Distinguished Budget Presentation Award for FY17 Budget
- Received unqualified “clean” audit opinion for FYE 9/30/2016 with no management comments
- Recovered \$310,000+ in sales tax as a result of audit of sales/use tax remittances and related information
- Selected by National Transit Institute (NTI) to host the Disadvantages Business Enterprise (DBE) training course. This is first NTI course DCTA has hosted. NTI was established in 1991 by the Transportation Act to delivery training and education programs for the public transit industry.
- Implemented the RFP Evaluation tool in BidSync, DCTA’s e-procurement platform
- Thirty-two procurement solicitation requests (RFP/RFB) completed including:
  - Bus vehicle purchases

## FISCAL YEAR 2017 ACCOMPLISHMENTS

- Flume Repair – Rail operations
- On-demand Rideshare Services
- Grant Consulting Services
- On Call Architectural and Engineering Services
- Various printing and map schedule printing contracts
- On-call Taxi and non-emergency transportation services
- In addition to the NCTCOG STIP/TIP Program of Projects and related Urbanized Areas formula grants and ongoing grant management and administration, the following grant activity was completed:
  - Received an EPA Brownfields Remediation grant award totaling \$178,200 to conduct a Phase II Environmental Site Assessment of undeveloped acreage at the Rail Maintenance Facility to support potential re-use and development of the area.
  - Submitted Application for Bus and Bus Facilities Grant Call for Projects for funding request totaling \$15 million for three projects in DCTA's long-range plan: Bus O &M Lewisville Satellite Facility, Bus Infrastructure for Intermodal Transportation Center (ITC) and SRT Express East-West Bus Service
  - Completed Comprehensive Grants Administration Procedures Guide to inform and provide guidance for staff regarding grants policies and procedures.
- Began to diversify DCTA's investment portfolio to increase investment yield
- Transitioned our benefit year to correspond with the fiscal year budget timeframe
- Updated and reorganized the Performance Evaluation process, in order to give a better value to Employees and the Agency
- Completed comprehensive review of required documentation to confirm compliance in HR/Payroll/Benefits area
- Recruited and hired nine (9) employees (4 regular full-time, 5 part-time interns) within the last fiscal year. Postings for 3 newly created regular full-time positions for FY18.
- Reorganized and updated HR/Payroll/Benefits processes
- Updated Employee Guidebook to incorporate new or updated processes/policies

## TRANSIT OPERATIONS

- Major progress was made in the implementation of Positive Train Control (PTC) reaching 100% installation and submitting test procedures to the FRA to start the testing phase of the project. Full implementation and project completion is expected by the December 2018 deadline.
- Single car operations was fully implemented across the entire A-train service line which will significantly reduce operating expenses and extend the useful life of the rail vehicles.
- DCTA established Transit Asset Management goals to ensure ongoing oversight, safety and a state of good repair of the agencies assets.
- Transit services were initiated and are in full operations for the McKinney Urban Transit District (MUTD) operated as Collin County Transit service which operates countywide.
- Taxi Cab services, managed by DCTA and operated by Irving Holdings, was successfully developed and implemented for the MUTD and the City of Frisco to augment DCTA's existing On Demand services.
- Major service changes to improve service frequency were implemented in the city of Denton affecting all connect routes provided by DCTA.

## FISCAL YEAR 2017 ACCOMPLISHMENTS

- Service enhancements were made in Highland Village to enable riders of the Community On Demand service to flag stop buses along designated areas along the route.
- Operations staff worked closely with the University of North Texas and implemented a comprehensive service change which has reduced operating expenses by 19% on an annual basis.
- Significant progress was made working with FEMA on repairs to the A-train system resulting from major flood damage in FY15.
- A new vehicle tracking system with predictive arrival times was implemented across all DCTA service vehicles including coverage of UNT services. The application is visible to riders through a mobile application.
- A comprehensive Cyber Security assessment & plan was developed which included input from Homeland Security, the TSA, and outside Cyber Security Experts.

## MARKETING & COMMUNICATIONS

- Successfully executed marketing and communications campaigns resulting in - 14.1M online confirmed impressions (up 1.9% YOY), .23% online/mobile click through rate (above industry standard), 11.8M print impressions (up 36.9% YOY), and 257,162 direct mail impressions
- Enhanced overall quantity and quality of social content; Facebook "Likes" are up 32.7% YOY and 187% compared to FY '15; Twitter "Followers" are up 24% YOY and 72% compared to FY '15
- Successfully implemented strategic and proactive media relations program resulting in - 604 media placements (up .67% YOY), 281M impressions (up 34.4% YOY), and \$1.2M in publicity value (up 53.6% YOY)
- Proudly received 24 marketing and communications awards recognizing the department's strategic marketing and communications efforts (up 60% YOY)
- Successfully executed bi-annual passenger satisfaction; increased participation by 41%
- Produced new, customer-friendly service maps, timetables and an overall system map/brochure; utilized new designs to update all external supporting signage
- Increased blog unique users by 112% YOY, return users by 67.6% YOY, total page views by 21.9% YOY, and subscribers by 54.3% YOY
- Increased community outreach efforts resulting in an increase in community brand impressions of 2.3% YOY and 677% compared to FY '15
- Successfully implemented digital email address collection process at all community events to further build DCTA's email database
- Successfully launched DCTA's first email marketing program through GovDelivery/Granicus; reported 7,668 subscribers to Rider Alert system
- Successfully completed first full year of Corporate Pass Program resulting in - \$83,288 in sales, a business database of 2,154, 184 targeted cold calls, 6,132 direct mail impressions, 193 mailed sales kits, and 688 website page views
- Successfully completed first full year of the Group Discount Program resulting in - \$22,477 in sales (up 85.4% YOY) and a 98.8% increase in website page views YOY
- Successfully completed first full year of the Non-Profit Discount Program resulting in - \$6,913 in sales (up 211% YOY) and a 107% increase in website page views YOY
- Managed the intake of more than 76K calls through the call center, which is up 42.6% YOY
- Decreased abandoned calls by 50% YOY even with the increase in call volume
- Increased GORquest participation by 3.5% YOY

## CHANGE IN NET POSITION - BUDGET BASIS

		FY 2016 Actual		FY 2017 Budget		FY 2017 Revised Budget		FY 2018 Budget
<b>OPERATING REVENUES</b>								
Passenger Fares	\$	1,406,470	\$	1,446,008	\$	1,446,008	\$	1,464,725
Contract Service Revenue		3,383,656		3,649,987		3,824,987		4,102,163
<b>Total Operating Revenues</b>	<b>\$</b>	<b>4,790,126</b>	<b>\$</b>	<b>5,095,995</b>	<b>\$</b>	<b>5,270,995</b>	<b>\$</b>	<b>5,566,888</b>
<b>OPERATING EXPENSES</b>								
Salaries, Wages & Fringe Benefits	\$	9,215,972	\$	11,032,926	\$	10,920,326	\$	12,338,449
Services		2,598,750		2,606,146		2,745,133		3,365,169
Materials & Supplies		2,036,382		3,399,374		3,303,013		3,601,940
Utilities		404,896		481,264		481,264		460,164
Insurance, Casualties & Losses		849,980		854,194		1,539,494		1,726,783
Purchased Transportation Services		10,666,292		9,563,354		9,786,734		9,713,343
Miscellaneous		184,510		385,405		381,655		423,326
Leases & Rentals		158,250		169,497		306,776		265,880
Depreciation		9,854,907		10,339,740		10,339,740		10,679,874
<b>Total Operating Expenses</b>	<b>\$</b>	<b>35,969,939</b>	<b>\$</b>	<b>38,831,900</b>	<b>\$</b>	<b>39,804,136</b>	<b>\$</b>	<b>42,574,928</b>
Operating Income / (Loss)	\$	(31,179,813)	\$	(33,735,905)	\$	(34,533,141)	\$	(37,008,040)
<b>NON-OPERATING REVENUES/(EXPENSES)</b>								
Sales Tax Revenue	\$	24,658,546	\$	24,624,601	\$	25,624,601	\$	26,649,585
Net Investment Income / (Expenses)		59,364		40,000		40,000		78,000
Long-Term Debt Interest / (Expense)		(1,156,229)		(1,098,412)		(1,098,412)		(1,008,084)
Non-Operating Revenues / (Expenses)		156,067		1,500		1,001,500		1,000
Federal Grants & Reimbursements		10,587,249		15,360,732		15,753,476		13,077,265
State Grants & Reimbursements		312,428		2,844,087		1,541,533		2,114,696
Debt Issuance		-		-		-		-
<b>Total Non-Operating Revenues</b>	<b>\$</b>	<b>34,617,424</b>	<b>\$</b>	<b>41,772,508</b>	<b>\$</b>	<b>42,862,698</b>	<b>\$</b>	<b>40,912,462</b>
<b>CHANGE IN NET POSITION</b>	<b>\$</b>	<b>3,437,611</b>	<b>\$</b>	<b>8,036,603</b>	<b>\$</b>	<b>8,329,557</b>	<b>\$</b>	<b>3,904,422</b>
<b>Net Position - Beginning of Year:</b>	<b>\$</b>	<b>321,918,784</b>	<b>\$</b>	<b>313,236,914</b>	<b>\$</b>	<b>313,236,914</b>	<b>\$</b>	<b>297,038,285</b>
<b>Net Position - End of Year:</b>	<b>\$</b>	<b>325,356,395</b>	<b>\$</b>	<b>321,273,517</b>	<b>\$</b>	<b>321,566,471</b>	<b>\$</b>	<b>300,942,707</b>
<i>Transfer to Capital Projects</i>	<i>\$</i>	<i>12,119,481</i>		<i>24,793,967</i>		<i>24,528,186</i>		<i>15,633,998</i>
<b>Net Position After Capital Project Transfer</b>	<b>\$</b>	<b>313,236,914</b>	<b>\$</b>	<b>296,479,550</b>	<b>\$</b>	<b>297,038,285</b>	<b>\$</b>	<b>285,308,709</b>

*Net Position reflects the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.*

## STATEMENT OF CASH FLOWS

	FY 2017	FY 2018
<b>Estimated Beginning Cash Balance</b>	<b>21,958,790</b>	<b>15,225,162</b>
<b>OPERATING ACTIVITIES</b>		
Operating Revenue	\$ 5,270,995	\$ 5,566,888
Sales Tax Revenue	25,624,601	26,649,585
G&A Operating Expenses*	(5,452,296)	(6,474,517)
Rail Operating Expenses*	(12,476,543)	(12,682,112)
Contract Bus (TMDC) Operating Expenses*	(11,535,556)	(12,738,424)
<b>Total Operating Activities</b>	<b>\$ 1,431,201</b>	<b>\$ 321,420</b>
<b>INVESTING ACTIVITIES</b>		
G&A Capital Expenditure	\$ (3,558,755)	\$ (1,350,000)
Rail Capital Expenditure	(13,160,404)	(9,201,342)
Bus Capital Expenditure	(2,052,718)	(5,082,656)
Non-Operating (Expense)/Income	1,001,500	1,000
Investment Income	40,000	78,000
Federal / State Grants & Reimbursements	12,308,960	15,191,961
State Grants & Reimbursements	-	-
<b>Total Investing Activities</b>	<b>\$ (5,421,417)</b>	<b>\$ (363,037)</b>
<b>FINANCING ACTIVITIES</b>		
Debt Issuance	\$ -	\$ -
Debt Payment	(2,743,412)	(2,728,084)
<b>Total Financing Activities</b>	<b>\$ (2,743,412)</b>	<b>\$ (2,728,084)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ (6,733,628)</b>	<b>\$ (2,769,701)</b>
<b>Estimated Ending Cash Balance</b>	<b>\$ 15,225,162</b>	<b>\$ 12,455,461</b>

\* Operating expenses net of depreciation expense

## STATEMENT OF CASH FLOWS

**LONG-RANGE FINANCIAL PLAN**

The long-range financial plan for the agency is an integral piece of the budget process each year and serves as the foundation to build the budget. After the agency service objectives are identified each year, the Executive Staff presents the Board of Directors a five-year forecast that includes proposed capital projects as well as service level increases that have been identified. The impact of the proposed budget is then incorporated into the long range financial plan. With Board approval, this cash flow model serves as the first building block of the budget.

The long-range financial model is a working document, evolving based on planned changes. The agency applies escalators to the current budget year to forecast future periods. These escalators are based on different resources including, but not limited to, the Employment Cost Index, CPI, and Energy Information Administration.

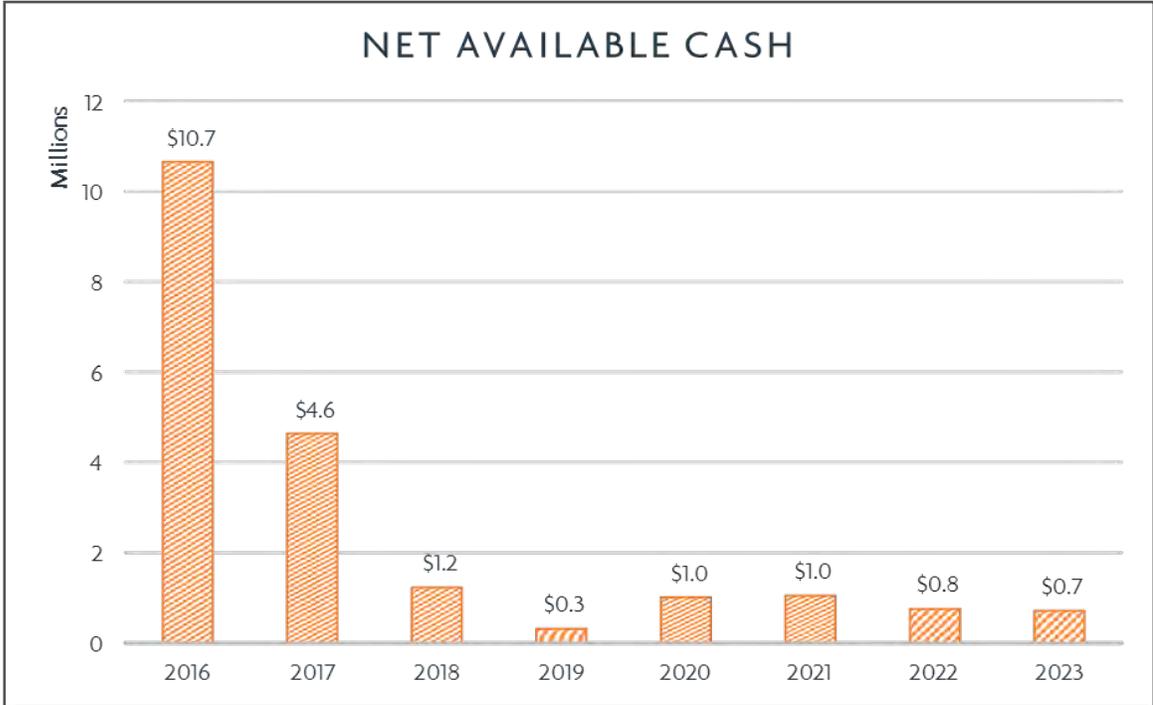
**RESERVE FUND POLICIES**

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 based on Board policy are in the order listed below:

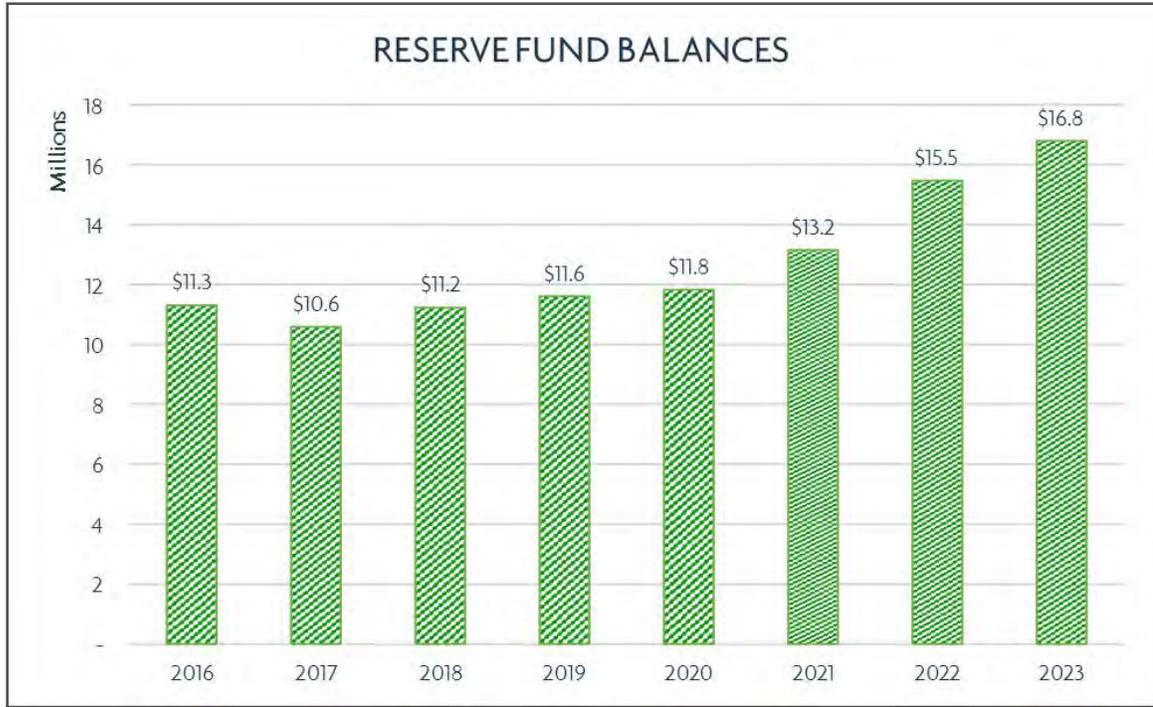
- a. It will be the policy of DCTA to maintain a Fund Balance Reserve that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval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

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

STATEMENT OF CASH FLOWS



*Net available cash is cash balance after annual operating and capital expenses as well as reserve funds have been removed.*



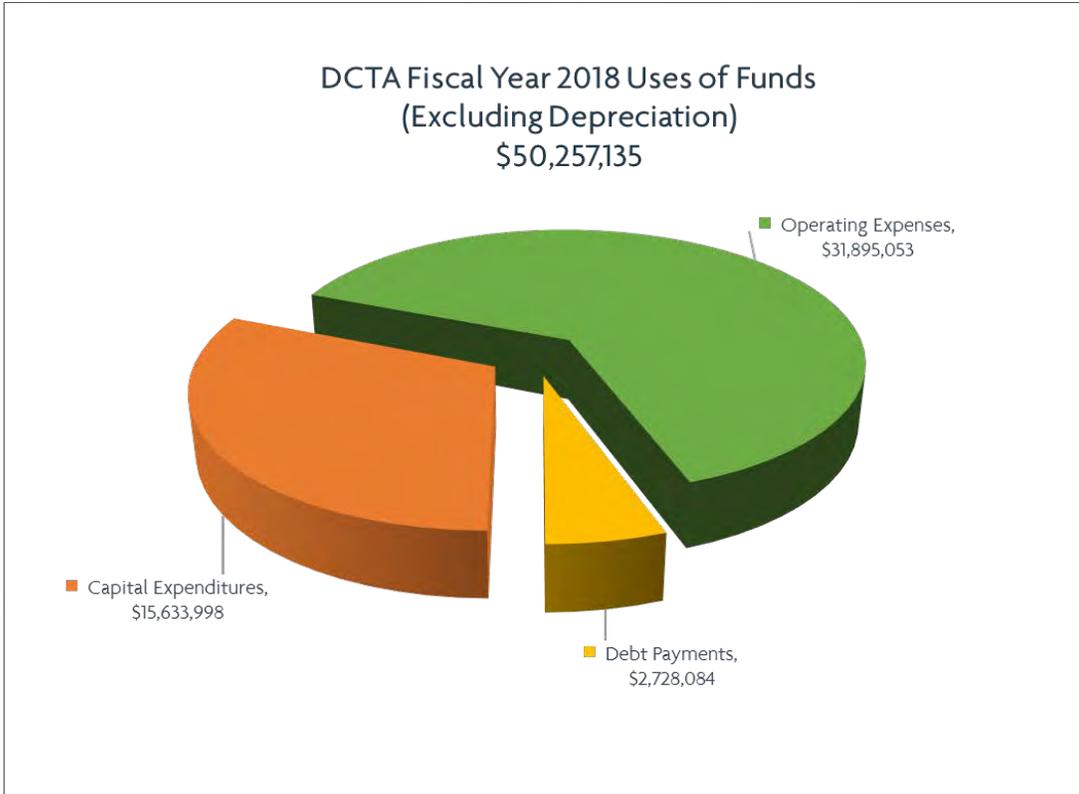
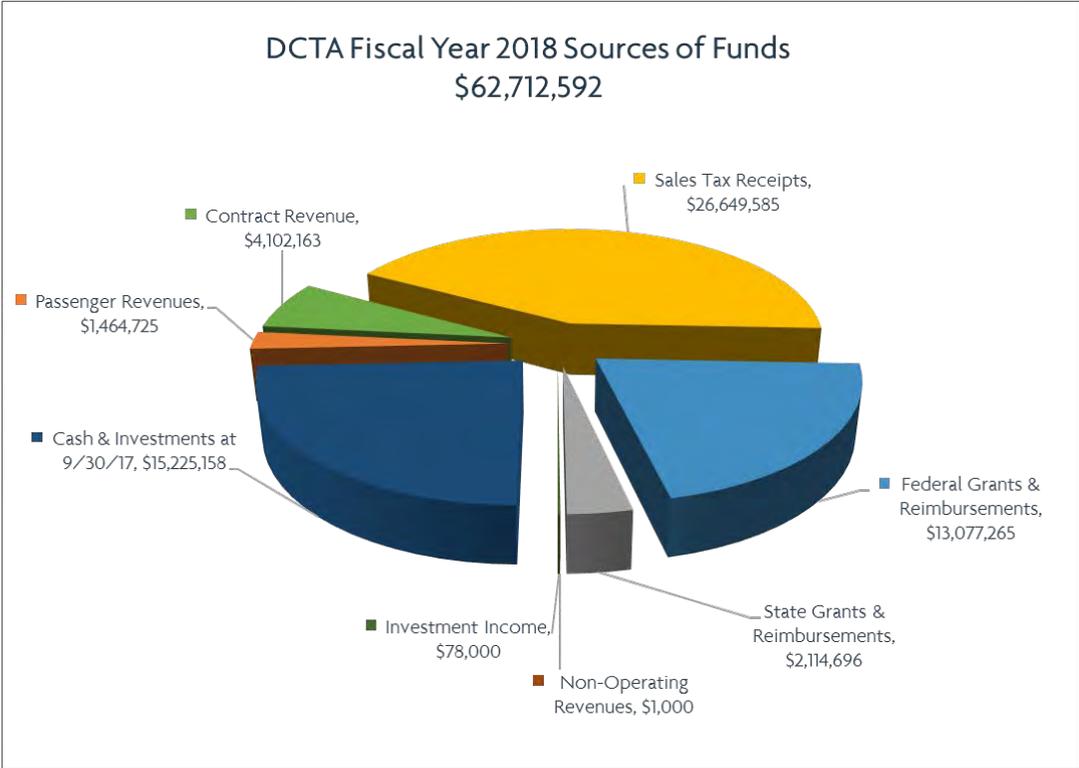
*Reserve fund balances include 3-month Operating Reserve, Sales Tax Stabilization, Fuel Stabilization and Capital Infrastructure Fund.*

STATEMENT OF CASH FLOWS

OPERATING REVENUES	Audited 2016*	Projected 2017	Proposed 2018	2019	2020	2021	2022	2023	TOTAL FY 2016 - FY 2023
<i>Beginning Fund Balance:</i>	\$ 25,789,446	\$ 21,958,790	\$ 15,225,158	\$ 12,455,457	\$ 11,920,278	\$ 12,840,648	\$ 14,200,308	\$ 16,222,538	
<b>Bus Operating Revenue</b>	\$ 4,019,030	\$ 4,461,858	\$ 4,828,378	\$ 4,958,705	\$ 5,166,144	\$ 5,304,846	\$ 5,447,545	\$ 5,594,361	\$ 39,780,866
<b>Rail Operating Revenue</b>	\$ 771,096	\$ 809,137	\$ 738,510	\$ 745,895	\$ 827,944	\$ 836,223	\$ 844,585	\$ 853,031	\$ 6,426,421
<b>NON-OPERATING REVENUES</b>									
Sales Tax Revenue	24,658,546	25,624,601	26,649,585	27,715,568	28,824,191	29,977,159	31,176,245	32,423,295	227,049,191
Formula Grants (Operating)	4,826,472	2,603,496	5,177,112	5,765,515	6,241,517	5,336,096	4,981,394	4,420,959	39,352,562
Interest Income-Non RTRFI Funds	59,364	40,000	78,000	37,366	35,761	38,522	42,601	48,668	380,282
Misc. Revenue	156,067	1,001,500	1,000	1,500	1,500	1,500	1,500	1,500	1,166,067
<b>TOTAL REVENUES</b>	<b>34,490,575</b>	<b>34,540,592</b>	<b>37,472,585</b>	<b>39,224,550</b>	<b>41,097,057</b>	<b>41,494,346</b>	<b>42,493,870</b>	<b>43,341,814</b>	<b>314,155,389</b>
<b>OPERATING EXPENSES</b>									
Bus Operating Expense	9,105,959	11,535,556	12,738,424	13,081,396	13,537,944	14,005,762	14,513,753	15,017,862	103,536,656
Rail Operating Expense	12,497,995	12,476,543	12,682,112	13,618,323	13,914,380	14,388,516	14,749,011	15,158,333	109,485,213
G&A Operating Expense	4,511,079	5,452,296	6,474,517	6,595,367	6,589,992	6,818,044	7,058,317	7,304,508	50,804,120
<b>NON-OPERATING EXPENSES</b>									
Non-Operating (Income) / Expense									
<b>TOTAL EXPENSES</b>	<b>26,115,033</b>	<b>29,464,395</b>	<b>31,895,053</b>	<b>33,295,086</b>	<b>34,042,316</b>	<b>35,212,322</b>	<b>36,321,081</b>	<b>37,480,703</b>	<b>263,825,990</b>
<b>NET INCOME</b>	<b>8,375,542</b>	<b>5,076,197</b>	<b>5,577,532</b>	<b>5,929,465</b>	<b>7,054,741</b>	<b>6,282,024</b>	<b>6,172,789</b>	<b>5,861,110</b>	<b>50,329,400</b>
<b>CAPITAL OUTLAY</b>									
Bus Capital Expenditure	582,161	487,718	250,000	-	-	-	-	-	1,319,879
Bus Fleet Replacement Expense	1,705,352	1,250,000	4,477,650	2,400,000	2,500,000	2,300,000	2,000,000	3,100,000	19,733,002
Professional Services / Technology Improvements	293,867	723,755	465,000	150,000	150,000	150,000	150,000	150,000	2,232,622
Stadler Fleet (Vehicles)	189,557	-	-	-	-	-	-	-	189,557
Right of Way	-	-	81,157	-	-	-	-	-	81,157
Rail Capital Expenditure (LV Hike & Bike)	108,112	356,155	2,693,960	-	-	-	-	-	3,158,226
Rail Station Improvements	421,237	334,095	-	-	-	-	-	-	755,332
Rail MOW	34,914	-	-	-	-	-	-	-	34,914
Rail MOE	464,869	-	-	-	-	-	-	-	464,869
Single Car Operations / Shunt Enhancement	(122,767)	-	-	-	-	-	-	-	(122,767)
Rail Capital Maintenance	371,714	378,492	2,967,927	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	16,218,133
Disaster Recovery - 2015 Floods	273,738	3,422,398	294,370	-	-	-	-	-	3,990,506
Rail Mobilization	1,201,987	122,792	-	-	-	-	-	-	1,324,779
Positive Train Control	6,594,741	7,486,472	2,638,928	-	-	-	-	-	16,720,141
Infrastructure Acquisition	-	2,900,000	1,000,000	-	-	-	-	-	3,900,000
Valley Ridge Crossing	-	1,000,000	-	-	-	-	-	-	1,000,000
Safety & Security	-	250,000	-	-	-	-	-	-	250,000
Rail Safety Improvements	-	-	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
<b>APPROVED CAPITAL REQUESTS</b>									
Fleet Farebox Replacement	-	-	-	600,000	-	-	-	-	600,000
Brownfield Remediation	-	60,000	325,000	-	-	-	-	-	385,000
TSA Security (Phase I)	-	-	-	200,000	-	-	-	-	200,000
OMF Fuel Tanks (Additional)	-	-	240,000	-	-	-	-	-	240,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>12,119,481</b>	<b>18,771,880</b>	<b>15,633,998</b>	<b>6,050,000</b>	<b>5,350,000</b>	<b>5,150,000</b>	<b>4,850,000</b>	<b>5,950,000</b>	<b>73,875,359</b>
<b>CAPITAL SOURCES</b>									
New Money (Debt Issuance)	-	-	-	-	-	-	-	-	-
RTRFI / RTC Funds	3,011,743	5,989,178	3,499,079	-	-	-	-	-	12,500,000
FEMA Reimbursements	303,574	2,293,801	233,625	-	-	-	-	-	2,831,000
Formula Grants (Capital)	2,757,887	1,422,485	6,282,145	2,350,341	1,994,998	3,023,498	3,503,748	4,192,248	25,527,350
<b>TOTAL CAPITAL SERVICES</b>	<b>6,073,204</b>	<b>9,705,464</b>	<b>10,014,849</b>	<b>2,350,341</b>	<b>1,994,998</b>	<b>3,023,498</b>	<b>3,503,748</b>	<b>4,192,248</b>	<b>40,858,350</b>
<b>DEBT SERVICE</b>									
2009 Refunding (ST) Debt Service	3,593,387	1,713,687	1,717,600	1,714,697	1,715,209	1,713,925	1,715,845	1,715,771	15,600,121
2011 Contractual Obligations	1,572,842	1,029,725	1,010,484	1,050,287	1,064,160	1,081,937	1,088,462	1,104,048	9,001,945
<b>TOTAL DEBT SERVICE</b>	<b>5,166,229</b>	<b>2,743,412</b>	<b>2,728,084</b>	<b>2,764,984</b>	<b>2,779,369</b>	<b>2,795,862</b>	<b>2,804,307</b>	<b>2,819,819</b>	<b>24,602,066</b>
Internal Debt Service Coverage:	1.62	1.85	2.04	2.14	2.54	2.25	2.20	2.08	
<i>Outstanding Bond Principal as of September 30th</i>	\$ 30,385,000	\$ 28,740,000	\$ 27,020,000	\$ 25,230,000	\$ 23,360,000	\$ 21,405,000	\$ 19,370,000	\$ 17,245,000	
Audit Adjustment	\$ (993,693)								
<b>ENDING FUND BALANCE</b>	<b>21,958,790</b>	<b>15,225,158</b>	<b>12,455,457</b>	<b>11,920,278</b>	<b>12,840,648</b>	<b>14,200,308</b>	<b>16,222,538</b>	<b>17,506,077</b>	
<i>Less Required Fund Balance (O&amp;M Reserve Policy):</i>	<i>6,528,758</i>	<i>7,366,099</i>	<i>7,973,763</i>	<i>8,323,771</i>	<i>8,510,579</i>	<i>8,803,080</i>	<i>9,080,270</i>	<i>9,370,176</i>	
<i>Less Sales Tax Stabilization Fund</i>	<i>739,756</i>	<i>768,738</i>	<i>799,488</i>	<i>831,467</i>	<i>864,726</i>	<i>899,315</i>	<i>935,287</i>	<i>972,699</i>	
<i>Less Fuel Stabilization Fund</i>	<i>72,582</i>	<i>450,000</i>							
<i>Less Capital/Infrastructure</i>	<i>3,961,050</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>3,000,000</i>	<i>5,000,000</i>	<i>6,000,000</i>	
<b>NET AVAILABLE FUND BALANCE</b>	<b>10,656,643</b>	<b>4,640,321</b>	<b>1,232,206</b>	<b>315,040</b>	<b>1,015,344</b>	<b>1,047,913</b>	<b>756,980</b>	<b>713,202</b>	

\* FY2016 reconciled to audited financials

SOURCES AND USES OF FUNDS

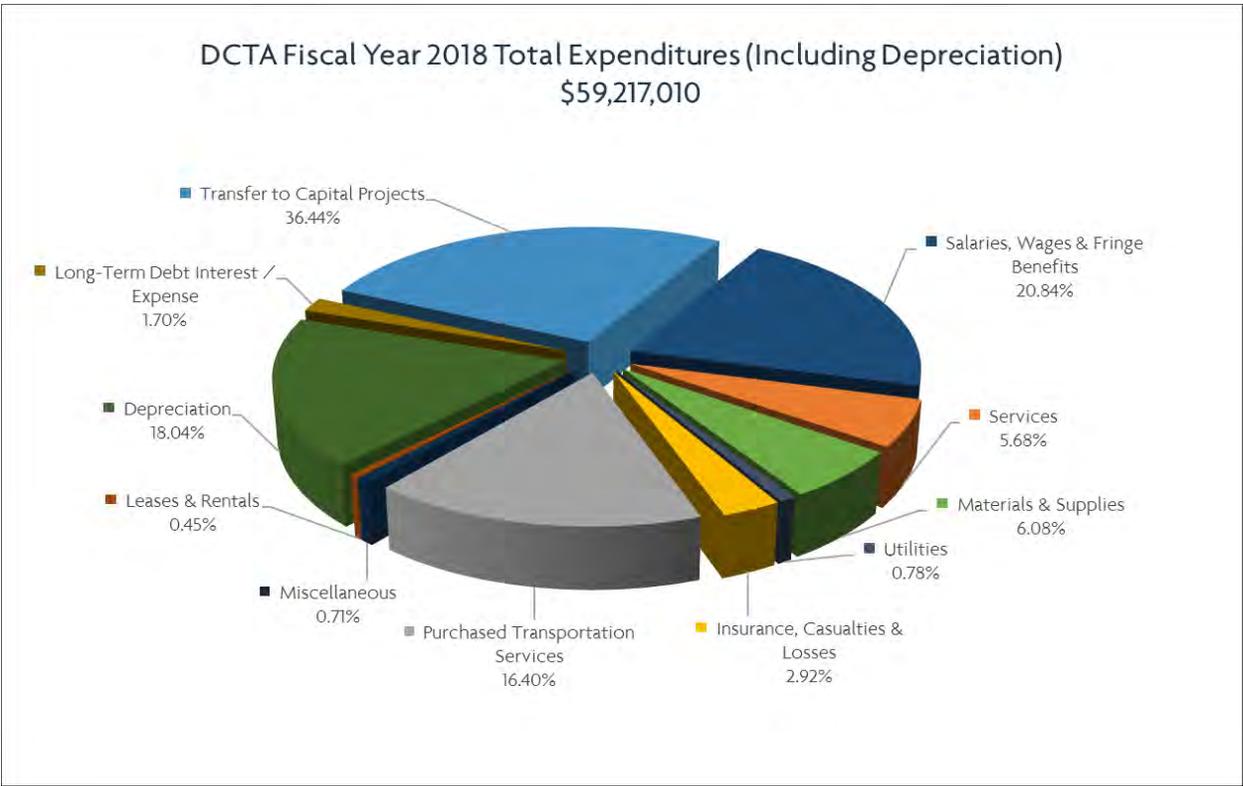
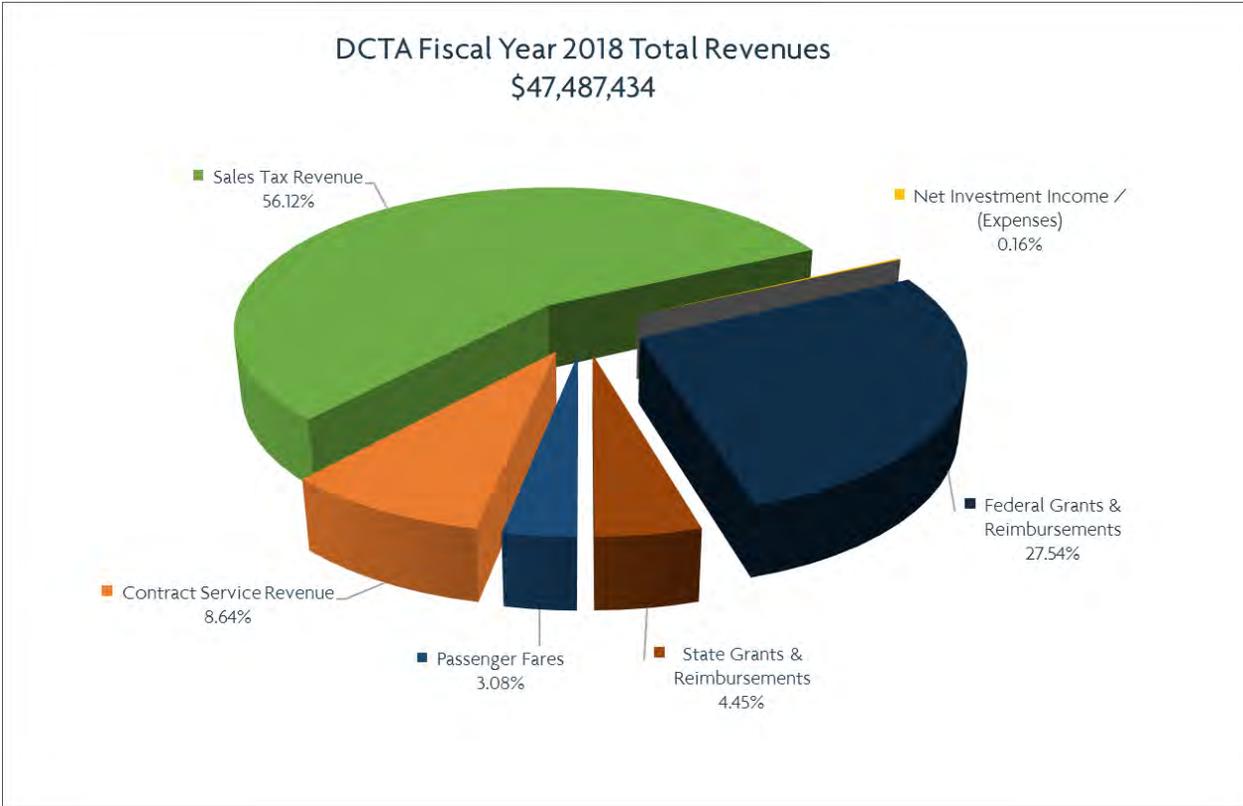


## OPERATING BUDGET BY CLASSIFICATION (INCLUDING DEPRECIATION)

SUMMARY (millions)						
		FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget	% CHANGE FY 18 to FY 17 Rev Budget
TOTAL REVENUES	\$	40.6	\$ 48.0	\$ 49.2	\$ 47.5	-3.5%
TOTAL EXPENSES	\$	49.2	64.7	65.4	59.2	-9.5%
ANNUAL SURPLUS (DEFICIT)	\$	(8.7)	\$ (16.8)	\$ (16.2)	\$ (11.7)	-27.6%

DETAIL						
		FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget	\$ CHANGE FY 18 to FY 17 Rev Budget
<b>REVENUES</b>						
Passenger Fares	\$	1,406,470	\$ 1,446,008	\$ 1,446,008	\$ 1,464,725	\$ 18,717
Contract Service Revenue		3,383,656	3,649,987	3,824,987	4,102,163	\$ 277,176
<b>Subtotal Operating Revenue</b>	<b>\$</b>	<b>4,790,126</b>	<b>\$ 5,095,995</b>	<b>\$ 5,270,995</b>	<b>\$ 5,566,888</b>	<b>\$ 295,893</b>
Sales Tax Revenue		24,658,546	24,624,601	25,624,601	26,649,585	1,024,984
Net Investment Income / (Expenses)		59,364	40,000	40,000	78,000	38,000
Debt Issuance		-	-	-	-	-
Non-Operating Revenues		156,067	1,500	1,001,500	1,000	(1,000,500)
Federal Grants & Reimbursements		10,587,249	15,360,732	15,753,476	13,077,265	(2,676,211)
State Grants & Reimbursements		312,428	2,844,087	1,541,533	2,114,696	573,163
<b>Subtotal Non-Operating Income</b>	<b>\$</b>	<b>35,773,654</b>	<b>\$ 42,870,920</b>	<b>\$ 43,961,110</b>	<b>\$ 41,920,546</b>	<b>\$ (2,040,564)</b>
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>40,563,780</b>	<b>\$ 47,966,915</b>	<b>\$ 49,232,105</b>	<b>\$ 47,487,434</b>	<b>\$ (1,744,671)</b>
<b>EXPENSES</b>						
Salaries, Wages & Fringe Benefits	\$	9,215,972	\$ 11,032,926	\$ 10,920,326	\$ 12,338,449	1,418,123
Services		2,598,750	2,606,146	2,745,133	3,365,169	620,036
Materials & Supplies		2,036,382	3,399,374	3,303,013	3,601,940	298,927
Utilities		404,896	481,264	481,264	460,164	(21,100)
Insurance, Casualties & Losses		849,980	854,194	1,539,494	1,726,783	187,289
Purchased Transportation Services		10,666,292	9,563,354	9,786,734	9,713,343	(73,391)
Miscellaneous		184,510	385,405	381,655	423,326	41,671
Leases & Rentals		158,250	169,497	306,776	265,880	(40,896)
Depreciation		9,854,907	10,339,740	10,339,740	10,679,874	340,134
<b>Subtotal Operating Expenses</b>	<b>\$</b>	<b>35,969,939</b>	<b>\$ 38,831,900</b>	<b>\$ 39,804,135</b>	<b>\$ 42,574,928</b>	<b>\$ 2,770,793</b>
Long-Term Debt Interest / Expense		1,156,229	1,098,412	1,098,412	1,008,084	(90,328)
Non-Operating Expenses		-	-	-	-	-
<b>Subtotal Non-Operating Expenses</b>	<b>\$</b>	<b>1,156,229</b>	<b>\$ 1,098,412</b>	<b>\$ 1,098,412</b>	<b>\$ 1,008,084</b>	<b>\$ (90,328)</b>
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>37,126,168</b>	<b>\$ 39,930,312</b>	<b>\$ 40,902,547</b>	<b>\$ 43,583,012</b>	<b>\$ 2,680,465</b>
<i>Transfer to Capital Projects</i>		<i>12,119,481</i>	<i>24,793,967</i>	<i>24,528,186</i>	<i>15,633,998</i>	<i>(8,894,188)</i>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$</b>	<b>(8,681,869)</b>	<b>\$ (16,757,364)</b>	<b>\$ (16,198,628)</b>	<b>\$ (11,729,576)</b>	<b>\$ 4,469,052</b>

REVENUE AND EXPENDITURE CHARTS



OPERATING EXPENSES BY DIVISION AND DEPARTMENT

**GENERAL AND ADMINISTRATIVE**

	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget
President	\$ 982,514	\$ 840,857	\$ 840,857	\$ 1,137,485
Finance	1,077,638	1,378,590	1,378,590	1,414,729
Board of Directors	23,645	31,736	31,736	41,736
Marketing & Communications	990,546	1,253,255	1,253,255	1,243,925
Transit Operations	1,126,725	1,391,033	1,391,033	1,755,905
Strategic Planning & Development	238,001	373,087	373,087	711,424
Human Resources	72,009	183,738	183,738	169,312
<b>TOTAL GENERAL &amp; ADMIN</b>	<b>\$ 4,511,078</b>	<b>\$ 5,452,296</b>	<b>\$ 5,452,296</b>	<b>\$ 6,474,516</b>

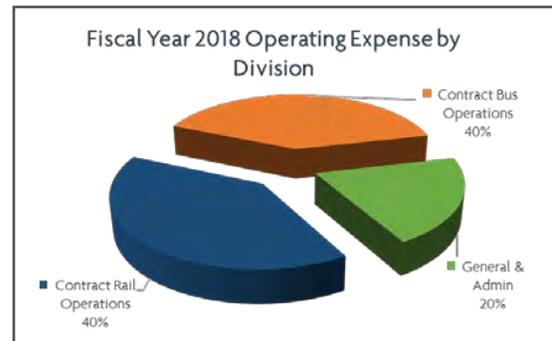
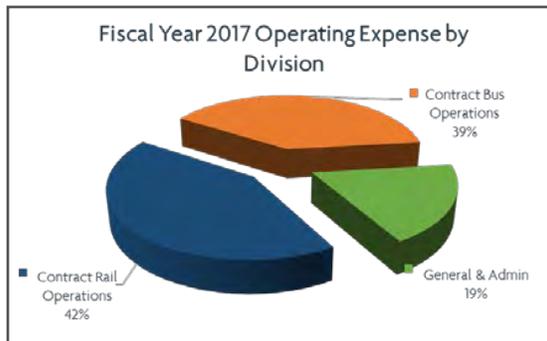
**RAIL SERVICES (THIRD PARTY CONTRACT)**

	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget
Rail Services	\$ 12,497,995	\$ 11,915,000	\$ 12,476,543	\$ 12,682,112
<b>TOTAL RAIL SERVICES</b>	<b>\$ 12,497,995</b>	<b>\$ 11,915,000</b>	<b>\$ 12,476,543</b>	<b>\$ 12,682,112</b>

**BUS SERVICES (THIRD PARTY CONTRACT)**

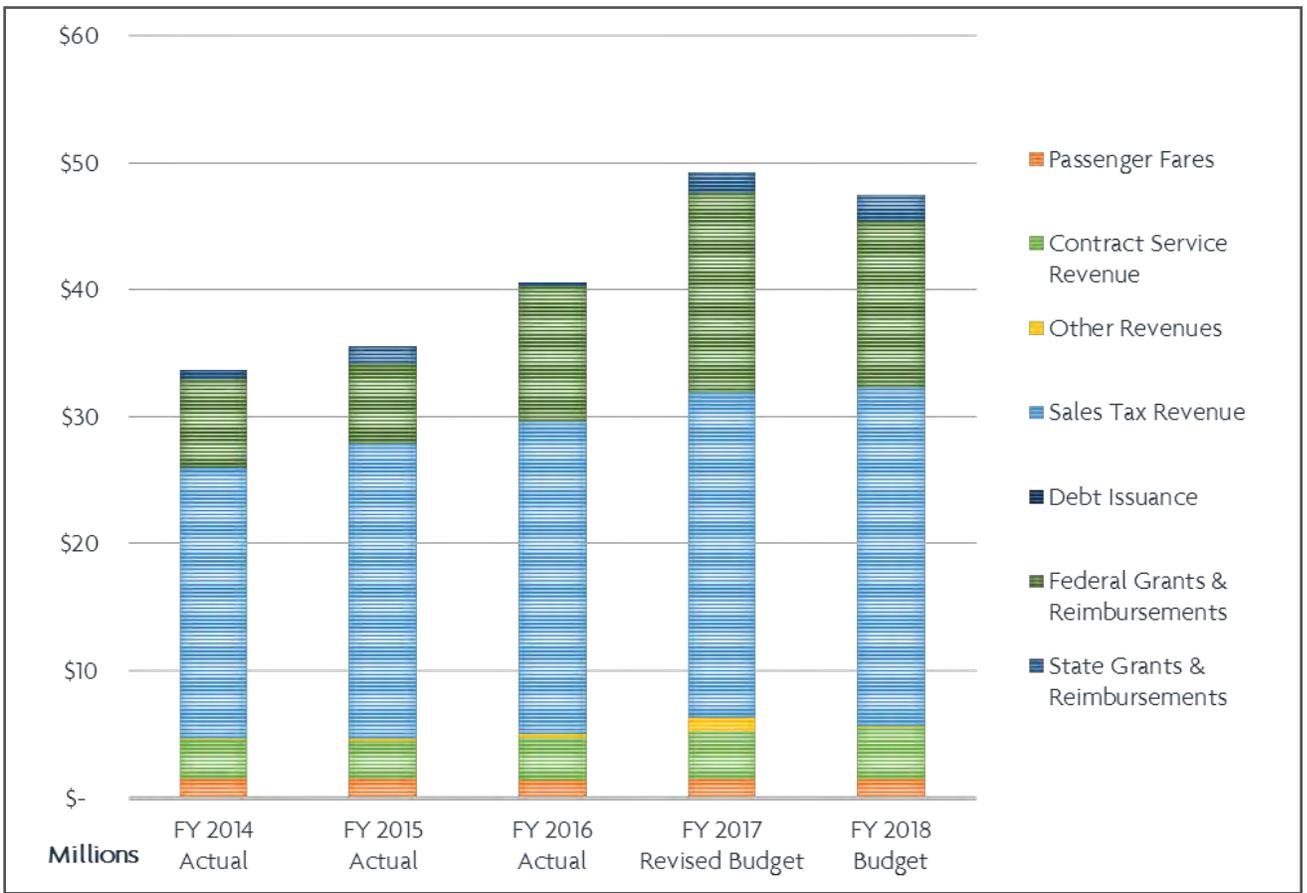
	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget
Administration	\$ 868,465	\$ 969,989	\$ 969,989	\$ 1,292,756
Connect Service	2,499,271	2,676,780	2,676,780	3,584,432
UNT Contract Service	1,791,155	2,141,843	2,141,843	2,073,216
Access Service	723,629	686,341	686,341	996,639
North Texas Express	2,342	450,000	450,000	450,000
Maintenance	1,633,037	2,008,745	2,248,748	1,974,414
Supervisors & Dispatch	728,518	949,601	949,601	947,252
NCTC Contract Service	142,674	225,057	225,057	222,196
Frisco Contract Service	133,297	251,238	251,238	219,513
McKinney Contract Service	-	-	175,000	300,686
Customer Service (DDTC)	583,570	764,573	760,963	677,320
<b>TOTAL BUS SERVICES</b>	<b>\$ 9,105,959</b>	<b>\$ 11,124,167</b>	<b>\$ 11,535,560</b>	<b>\$ 12,738,424</b>
<i>Total Depreciation</i>	<i>\$ 9,854,907</i>	<i>\$ 10,339,740</i>	<i>\$ 10,339,740</i>	<i>\$ 10,679,873</i>

<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 35,969,939</b>	<b>\$ 38,831,203</b>	<b>\$ 39,804,139</b>	<b>\$ 42,574,925</b>
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REVENUE SOURCES - FIVE YEAR TREND

REVENUE SOURCE	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Revised Budget	FY 2018 Budget
Passenger Fares	\$ 1,454,751	\$ 1,478,838	\$ 1,406,470	\$ 1,446,008	\$ 1,464,725
Contract Service Revenue	3,061,389	2,935,371	3,383,656	3,824,987	4,102,163
Sales Tax Revenue	21,367,086	23,261,746	24,658,546	25,624,601	26,649,585
Net Investment Income	21,100	24,772	59,364	40,000	78,000
Non-Operating Revenues	81,520	200,582	156,067	1,001,500	1,000
Federal Grants & Reimbursements	7,025,190	6,227,397	10,587,249	15,753,476	13,077,265
State Grants & Reimbursements	648,939	1,395,467	312,428	1,541,533	2,114,696
<b>TOTAL REVENUES</b>	<b>\$ 33,659,975</b>	<b>\$ 35,524,173</b>	<b>\$ 40,563,780</b>	<b>\$ 49,232,105</b>	<b>\$ 47,487,434</b>



## BUDGET ASSUMPTIONS

**REVENUE**

Department specific revenue budgets, such as Passenger Revenue are the responsibility of the particular department since the staff in the respective departments are the most knowledgeable source of information. Likewise, the Finance Department is responsible for Sales Tax Revenue estimates. Revenue forecasts are largely based on trend analysis, with an emphasis on current and expected future economic conditions within the national, state, and local economy. DCTA sales tax rate is one half a percent of taxable goods and services sold within the three member cities of Denton, Highland Village, and Lewisville. Local businesses within member cities collect the tax, remit it to the State Comptroller, and then it is disbursed to the state, cities, transit authorities, and other taxing jurisdictions.

**OPERATING REVENUE:****PASSENGER FARE REVENUE**

Passenger fare revenue consists of fare box collections and ticket sales for the DCTA bus and paratransit services as well as rail farebox revenue. Total fare revenue is projected at a 1% increase over the FY 2017 revised budget. This slight increase is based on current ridership trends for rail and bus service and is based on a 12-month rolling average.

**CONTRACT SERVICE REVENUE**

Contract service revenue consists of revenue or income related to providing transit services to UNT, NCTC, McKinney, and Frisco on a contract basis. The 2018 budget reflects a 7% increase (or \$277,176) over the 2017 revised budget and is based on current contract rates for each service. McKinney service began in spring 2017 so 2018 reflects a full year of contract service which accounts for \$170k of the projected increase.

**NON-OPERATING REVENUE:****SALES TAX REVENUE**

Sales Tax Revenue is a non-operating revenue source for DCTA. DCTA collects a one-half percent sales tax in member cities. Sales tax revenue for the 2018 budget year is a 4% increase over the revised budget for FY17.

**NET INVESTMENT INCOME**

Net investment income represents DCTA earnings from investments net of interest expense. In FY 2018 due to current market conditions, DCTA is anticipating a conservative return on investment.

**FEDERAL GRANTS & REIMBURSEMENTS**

Federal grant revenue consists of revenue or income from various grants available to DCTA and includes both operating and capital grants. In FY 2018, DCTA anticipates \$5.4 million in operating grants. Operating grants are used to fund projects such as preventative maintenance, eligible bus transit operations, and the vanpool program. DCTA anticipates \$7.7 million in federal capital grants, which reflects a decrease of \$1.4 million over the FY 2017 revised budget. This decrease is related to the remaining grant funds of \$3.5 million to be drawn down for the Positive Train Control capital project which is scheduled to be

## BUDGET ASSUMPTIONS

complete in 2018 which accounts for a \$2.5 million decrease. This is offset by an increase of \$1.4 million for fleet purchases in 2018.

### STATE GRANTS & REIMBURSEMENTS

State grant revenue includes funds from the Texas Department of Transportation (TxDOT) TAP grants. The agency received funds previously toward the Lewisville Hike and Bike Trail capital project and was awarded an additional \$2.1M in 2016 to fund the Eagle Point section of the trail along the rail corridor. This project is scheduled to be completed in 2018. State grants also include funds DCTA was awarded from the Federal Emergency Management Agency (FEMA) related to a flooding disaster in 2015 and account for \$234k in the 2018 budget.

### OPERATING EXPENSES

The Operating Expense Budget includes costs related to the day-to-day operations of DCTA at current service levels and any costs related to approved Expanded Level Projects. Expanded Level Projects include any new projects, plans for expansion, or increased service delivery that are above and beyond current service levels.

DCTA awarded a seven (7) year management services contract for bus operations on October 1, 2014 to First Transit, Inc. to provide a General Manager (GM) and an Assistant General Manager (AGM) and support to manage and oversee the bus operations and related support functions. First Transit, Inc. through its wholly owned subsidiary, Transit Management of Denton County (TMDC) provides the bus operations support for DCTA. DCTA approves the budget and provides contract management, accounting, and procurement and monitors the required controls over expenditures, for the cost of running the day-to-day operations. Under this type of management contract, the expenses are reported in the regular expense categories of Salary and Wages, Services, Materials and Supplies, etc.

DCTA also entered into a rail operations contract directly with First Transit beginning in FY17. This contract supports the train operations (service hours, fuel, maintenance, etc.) and is accounted for in the Purchased Transportation expense category.

### SALARY, WAGES AND FRINGE BENEFITS

This expense category includes DCTA and TMDC payroll, employer taxes, employer insurance, and employer contributions to the 401(a). The FY 2018 budget reflects a 13% increase in this category. Major components included in this category are the following: (1) planned merit and pay plan adjustments; (2) planned staffing increase to address core positions; (3); (4) 10% increase in health benefits for DCTA; 8% increase for TMDC; (5) TMDC bus operator's salary increases based on additional service included in the 2018 budget.

In response to the goal of creating an organization that encourages and promotes a high performing workforce, it is important to ensure that DCTA is competitive in recruiting skilled staff. FY2010 marked a philosophical change in DCTA's approach to maintaining a competitive market position. A pay plan market adjustment was included in the 2010 budget with guidance by the Board to conduct a market review bi-annually. Based on a review of competitive market ranges, it served as a first step to begin adjustments needed to maintain a competitive position. A compensation and benefits market study will

## BUDGET ASSUMPTIONS

be conducted every three years with a goal to stay within mid-point of the market range. In spring 2016, the agency conducted another market review and salary adjustments were made at revised budget to maintain that position. Funds are budgeted annually to maintain that position and the FY18 budget includes \$25k for this purpose. Merit pay has also been included at 3.50%, and accounts for \$75k (DCTA staff). To address the growth of DCTA, Executive Staff have identified a staffing plan that will be incorporated over the next few years. In order to begin addressing the overall growth of the agency, \$700k was included in the 2018 budget. Core positions that have identified include a Director of Strategic Partnerships (Planning), Network Administrator (Transit Operations), Operations Business Manager (Bus) and Director of Railway Systems (Rail). The Executive Staff will continue the detailed position analysis and timing of all additional staffing for long-range financial planning and budgeting for DCTA.

This budget incorporates an increase of 10% and 8% in health care benefits for DCTA and TMDC respectively based on the current plan design. This is based on analysis of employee health benefits and projections of anticipated increase in the cost of health care. Although health care increases have seen a slight leveling in recent years, increases in medical benefits are anticipated based on the impact of the Affordable Care Act.

Transit Management of Denton County (TMDC), which provides the bus operations for DCTA, includes a higher increase of \$649k due to the additional service hours that are included in the 2018 operating budget. The Highland Village Shuttle and Community On-Demand services account for an increase of \$284k. Planned service enhancements related to the Denton Comprehensive Operational Analysis completed in 2017 for Route 4 results in an additional \$298k for the year. The budget also includes a cost of living increase and merit increase for the administrative staff of TMDC.

## SERVICES

Service Expense consists of DCTA contracts and purchase of services from consultants and is higher than the FY 2017 revised budget by 23% (\$620k) mainly due to the following Expanded Level Projects that were included in 2018:

- Archives & Records Management Strategic Plan - \$25k
- Strategic Planning Initiatives & Consulting Services - \$200k
- Cybersecurity Phase I - \$100k: will address risks outlined by the cybersecurity assessment completed in FY17
- Updated Payroll System - \$31k
- ReMix Fixed-Route Scheduling Software - \$50k
- Swiftly & Route Match Software - \$71k

## MATERIALS AND SUPPLIES

This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2018 budget for this category is higher than 2017 revised budget by \$299 thousand (9%). At FY17 revised budget, the agency captured realized savings from rail fuel accounts and transferred these savings to cover bus engine/transmission replacements that were not originally identified in the 2017 budget. In FY18, the fuel is budgeted at \$2.75/gallon and \$3.00/gallon respectively for rail and bus operations.

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## BUDGET ASSUMPTIONS

### UTILITIES

This expense category includes gas, electric and communication expenses. The 2018 budget reflects a decrease of \$21 thousand compared to the FY 2017 revised budget and is based on current expenses incurred by the agency.

### INSURANCE

This expense category budget item reflects an increase of \$187 thousand and is based on current insurance rates of the agency. In 2017, DCTA increased the fleet to 117 which includes an additional twelve (12) buses received from TAPS as well as eight (8) small vehicles acquired in 2017. Workers Compensation insurance for TMDC also increased by 15% as a result of the FY17 re-rate based on the increased number of employees and claims history.

### PURCHASED TRANSPORTATION SERVICES

This expense category includes all rail purchased transportation services provided under a 3<sup>rd</sup> party contract.

- This includes an Inter-Local Agreement for a contract with Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority (“The T”) for shared services for the maintenance of the Trinity Mills platform, Ticket Vending Machine (TVM) maintenance and revenue collection, and emergency dispatch.
- DCTA entered into a contract with First Transit for rail operations and maintenance in FY17. This contract includes management fees, maintenance of way, vehicle maintenance, train hours and car miles. Rail purchased transportation decreased 3% over FY17 revised budget based on the current contract rate.
- In June 2017, The City of McKinney, the McKinney Urban Transit District (MUTD) and the Denton County Transportation Authority (DCTA) partnered together proud to launch Collin County Transit. This service consists of a subsidized taxi voucher program that provides efficient transit options for participating MUTD cities including McKinney, Lowry Crossing, Melissa and Princeton. This additional service results in an increase of \$120k in 2018 to represent a full year of service.
- Frisco demand-response contract service has also been increased for 2018

### MISCELLANEOUS

This expense category includes travel and lodging, dues and memberships, seminars and conferences, staff training and development and other minor expenditures that do not fit into the categories above.

Examples of these items include:

- Training opportunities for additional administrative staff
- Training for operations staff
- Annual Tuition Reimbursement Program of \$20k
- Agency membership dues

### LEASES AND RENTALS

Leases and rental expense includes DCTA office leases at the Lewisville location as well as small printer/copier lease contract expenses. The 2018 budget is based on current contracted lease rates.

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**BUDGET ASSUMPTIONS****DEPRECIATION**

This expense category represents the expense of using capital assets over time.

**NON-OPERATING EXPENSES:****LONG-TERM DEBT INTEREST/EXPENSE**

This category accounts for the expenses related to long-term debt issuance and includes the interest payments. In FY 2010, DCTA refunded its existing 2008 debt and issued a Sales Tax Revenue Refunding; Series 2009 bond issue for \$20.9 million. In FY 2011, DCTA issued Sales Tax Contractual Obligations, Series 2011 for \$14.4 million. The FY 2018 budget reflects the interest payments for these outstanding debts. Please refer to the debt tables on pages 44-46 for additional information.

**NON-OPERATING (REVENUES) / EXPENSES**

This category accounts for incidental expenses and/or revenues that are not generated through or directly related to the regular operating activities of DCTA. In FY 2018, DCTA is expecting \$1,000 for fare citation fines.

## DEBT SCHEDULE

**SALES TAX REVENUE REFUNDING BONDS, SERIES 2009**  
**\$20,890,000**

**DATE** December 17, 2009

**INTEREST** Semi-annual each March and September, commencing March 2010. Interest accrues at a fixed rate of 3.99%.

**PURPOSE** The bonds were issued in order to refund the Sales Tax Revenue Bonds, Series 2008 dated June 24, 2008 and scheduled to mature on June 15, 2013. This allowed DCTA to remove restrictive bond covenants.

**SECURITY** The Bonds are secured by Pledged Revenues, including receipts from a 1/2 of 1% sales and use tax levied within the Authority.

<b>DEBT SERVICE</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	2010	\$ -	\$ 620,503	\$ 620,503
	2011	-	833,511	833,511
	2012	-	833,511	833,511
	2013	885,000	833,511	1,718,511
	2014	920,000	798,200	1,718,200
	2015	955,000	761,492	1,716,492
	2016	995,000	723,387	1,718,387
	2017	1,030,000	683,687	1,713,687
	2018	1,075,000	642,590	1,717,590
	2019	1,115,000	599,697	1,714,697
	2020	1,160,000	555,209	1,715,209
	2021	1,205,000	508,925	1,713,925
	2022	1,255,000	460,845	1,715,845
	2023	1,305,000	410,771	1,715,771
	2024	1,355,000	358,701	1,713,701
	2025	1,410,000	304,637	1,714,637
	2026	1,465,000	248,378	1,713,378
	2027	1,525,000	189,924	1,714,924
	2028	1,585,000	129,077	1,714,077
	2029	1,650,000	65,835	1,715,835
	<b>TOTAL</b>	<b>\$ 20,890,000</b>	<b>\$ 10,562,386</b>	<b>\$ 31,452,386</b>

## DEBT SCHEDULE

**SALES TAX CONTRACTUAL OBLIGATIONS, SERIES 2011**  
**\$14,390,000**

**DATE** September 15, 2011

**INTEREST** Semi-annual each March and September, commencing September 2011. Interest accrues at a fixed rate of 3.13%.

**PURPOSE** These Contractual Obligations are to fund transportation system improvements which will include the initial phase of the Positive Train Control project and a portion of DCTA's share of the new rail vehicles

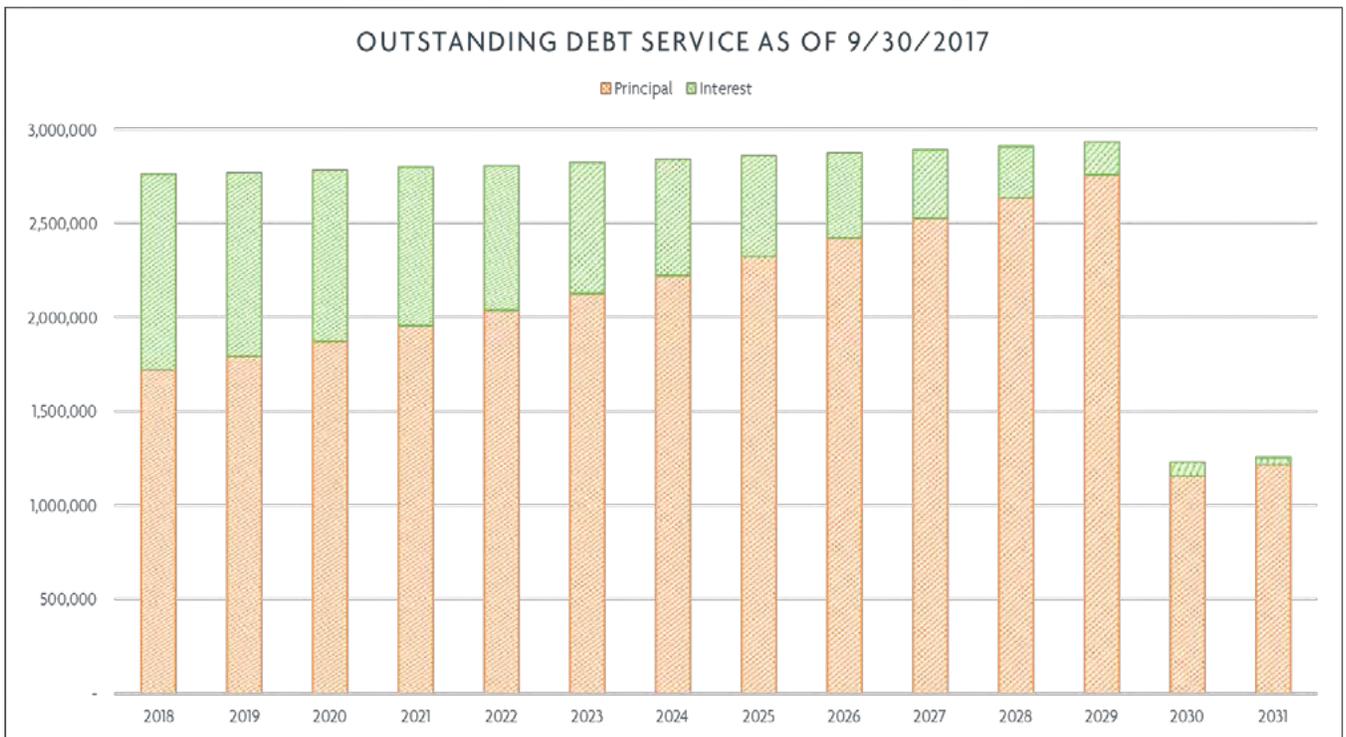
**SECURITY** The Bonds are secured by Pledged Revenues, including receipts from a 1/2 of 1% sales and use tax levied within the Authority.

<b>DEBT SERVICE</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	2011	-	-	-
	2012	-	452,909	452,909
	2013	-	449,156	449,156
	2014	-	449,156	449,156
	2015	555,000	450,407	1,005,407
	2016	585,000	432,842	1,017,842
	2017	615,000	414,420	1,029,420
	2018	645,000	395,475	1,040,475
	2019	675,000	375,287	1,050,287
	2020	710,000	354,159	1,064,159
	2021	750,000	331,937	1,081,937
	2022	780,000	308,462	1,088,462
	2023	820,000	284,048	1,104,048
	2024	865,000	258,381	1,123,381
	2025	910,000	231,307	1,141,307
	2026	955,000	202,824	1,157,824
	2027	1,000,000	172,932	1,172,932
	2028	1,050,000	141,633	1,191,633
	2029	1,105,000	108,768	1,213,768
	2030	1,155,000	74,181	1,229,181
	2031	1,215,000	38,030	1,253,030
	<b>TOTAL</b>	<b>\$ 14,390,000</b>	<b>\$ 5,926,314</b>	<b>\$ 20,316,314</b>

DEBT SCHEDULE

Outstanding Debt Schedule as of 9/30/2017

Fiscal Year	Principal	Interest	Total
2018	1,720,000	1,038,065	2,758,065
2019	1,790,000	974,984	2,764,984
2020	1,870,000	909,368	2,779,368
2021	1,955,000	840,861	2,795,861
2022	2,035,000	769,307	2,804,307
2023	2,125,000	694,818	2,819,818
2024	2,220,000	617,082	2,837,082
2025	2,320,000	535,943	2,855,943
2026	2,420,000	451,202	2,871,202
2027	2,525,000	362,856	2,887,856
2028	2,635,000	270,709	2,905,709
2029	2,755,000	174,603	2,929,603
2030	1,155,000	74,181	1,229,181
2031	1,215,000	38,030	1,253,030
<b>TOTAL</b>	<b>\$ 28,740,000</b>	<b>\$ 7,752,009</b>	<b>\$ 36,492,009</b>



## FULL-TIME EQUIVALENT (FTE) COMPARISON

DIVISION SUMMARY				
	FY 2016	FY 2017	FY 2018	Variance
<b>GENERAL &amp; ADMINISTRATIVE DIVISION</b>				
<b>President Department</b>				
<i>President</i>	1.00	1.00	1.00	-
<b>Finance Department</b>				
<i>Sr. VP Finance / Chief Financial Officer</i>	1.00	1.00	1.00	-
<i>Controller</i>	1.00	1.00	1.00	-
<i>Senior Accountant</i>	1.00	1.00	1.00	-
<i>Budget Manager</i>	1.00	1.00	1.00	-
<i>Accountant I</i>	1.00	1.00	1.00	-
<i>AVP of Procurement</i>	1.00	1.00	1.00	-
<i>Procurement Coordinator</i>	1.00	1.00	1.00	-
<i>Grants &amp; Contracts Compliance Manager</i>	1.00	1.00	1.00	-
<i>Data &amp; Business Analyst</i>	0.50	-	-	-
<b>Marketing &amp; Communications Department</b>				
<i>VP Marketing &amp; Communications</i>	1.00	1.00	1.00	-
<i>Senior Marketing Specialist</i>	1.00	1.00	1.00	-
<i>Senior Communications Specialist</i>	1.00	1.00	1.00	-
<i>Senior Public Information Specialist</i>	1.00	1.00	1.00	-
<i>Administrative Assistant</i>	1.00	1.00	1.00	-
<i>Administrative Assistant</i>	1.00	1.00	1.00	-
<i>Intern</i>	1.00	2.00	2.00	-
<b>Transit Operations Department</b>				
<i>Chief Operating Officer</i>	1.00	1.00	1.00	-
<i>Senior IT Manager</i>	1.00	1.00	1.00	-
<i>Senior Project Manager</i>	1.00	1.00	1.00	-
<i>Construction Inspector</i>	0.75	0.75	0.75	-
<i>AVP, Bus Operations &amp; Maintenance</i>	1.00	1.00	1.00	-
<i>Data &amp; Business Systems Analyst</i>	0.50	1.00	1.00	-
<i>Operations Business Manager - Bus</i>	-	1.00	2.00	1.00
<i>Network Administrator</i>	-	-	1.00	1.00
<b>Strategic Planning &amp; Development Department</b>				
<i>VP Planning &amp; Development</i>	1.00	1.00	1.00	-
<i>Senior Planner</i>	1.00	1.00	1.00	-
<i>Director of Strategic Partnerships</i>	-	-	1.00	1.00
<b>Human Resources Department</b>				
<i>Payroll &amp; Benefits Coordinator</i>	0.50	1.00	1.00	-
<b>RAIL OPERATIONS DIVISION</b>				
<b>Rail Development Department</b>				
<i>AVP, Rail Operations &amp; Maintenance</i>	1.00	1.00	1.00	-
<i>Operations Business Manager - Rail</i>	1.00	1.00	1.00	-
<i>Project Controls Coordinator</i>	1.00	1.00	1.00	-
<i>Director of Railway Systems</i>	-	-	1.00	1.00
<b>TOTAL DCTA FTE STAFF</b>	<b>27.25</b>	<b>29.75</b>	<b>33.75</b>	<b>4.00</b>
<b>THIRD PARTY CONTRACT OPERATIONS</b>				
<i>Contracted Rail Services (First Transit)</i>	50.00	50.75	60.00	9.25
<i>Contracted Bus Services (TMDC)</i>	152.00	179.00	141*	(38.00)
<b>TOTAL THIRD PARTY CONTRACT OPERATIONS</b>	<b>202.00</b>	<b>229.75</b>	<b>201.00</b>	<b>(28.75)</b>

\*Contracted Bus Services FY18 FTE methodology is based on operator hours. Previous number was based on headcount.

# DIVISION BUDGETS



## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**PRESIDENT / BOARD**

Provides professional leadership, guidance, and coordination in the implementation of the policies established by the Board of Directors. The President's department administers Board support, records management, and coordinates legislative liaisons and General Counsel. The President also oversees intergovernmental relations and communications with local, regional, state and federal agencies and organizations. The department is responsible for the overall direction, supervision, and coordination of DCTA's activities.

**COST CLASSIFICATION**

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget
<b>PRESIDENT</b>					
Salary, Wages & Benefits	\$ 400,504	\$ 268,265	\$ 306,207	\$ 306,207	\$ 564,234
Services	-	503,871	278,322	278,322	322,149
Materials & Supplies	-	37,690	25,632	25,632	27,804
Utilities	22,757	18,633	27,600	27,600	28,800
Insurance & Casualties	-	-	-	-	-
Miscellaneous	79,869	59,018	110,851	110,851	115,841
Leases & Rentals	116,104.01	118,682	123,981	123,981	120,393
Depreciation	-	-	28,333	28,333	112,870
<b>Total Operating Expense</b>	<b>\$ 619,234</b>	<b>\$ 1,006,159</b>	<b>\$ 900,926</b>	<b>\$ 900,926</b>	<b>\$ 1,292,091</b>
Full-Time Equivalents	5.0	1.50	1.50	1.50	1.50

**MATERIAL BUDGET ITEMS:**

- Pay plan adjustment of \$25 thousand included in 2018 budget
- Anticipated staffing plan to address core positions included for FY18 (\$175K)
- Increase in depreciation due to Shoretel phone system

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**President**  
**FY18 Objectives & Tasks / Performance Measures**  
**ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS**

**OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries**

**Tasks / Performance Measure:**

- Seek opportunities for increased efficiency and reduced cost

**OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners**

**Tasks / Performance Measure:**

- Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan
- Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps

**OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available**

**Tasks / Performance Measure:**

- Develop alternative delivery of demand responsive service
- Work closely with the NCTCOG, Fort Worth T, and local communities to implement commuter bus service on the 35W Corridor

**OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries**

**Tasks / Performance Measure:**

- Seek opportunities for increased efficiency and reduced cost

**FY17 Performance Measure Results/Status**  
**ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS**

**GOAL 4: Expand DCTA's services into areas where transit has a likelihood of success**

**OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries**

**Tasks / Performance Measure:**

- Seek opportunities for increased efficiency and reduced cost

**Results / Status:**

- Continued Frisco service; Initiation of MUTD service; Continued

**OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners**

**Tasks / Performance Measure:**

- Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan
- Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps

**Results / Status:**

- Ongoing
- Outreach efforts to The Colony, Flower Mound and Corinth

**OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not**

**Tasks / Performance Measure:**

- Develop alternative delivery of demand responsive service
- Work closely with the NCTCOG, Fort Worth T, and local communities to implement commuter bus service on the 35W Corridor

**Results / Status:**

- Contract complete with TNC (Lyft)
- Continued efforts to gain additional funding for NTX Express improvements

**GOAL 5: Coordinate regional services with other regional transit providers**

**OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries**

**Tasks / Performance Measure:**

- Seek opportunities for increased efficiency and reduced cost

**Results / Status:**

- Ongoing

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**FINANCE**

To provide the highest quality financial management, support, fiduciary oversight, and public accountability to the DCTA Board and stakeholders. The department, management, and staff are committed to the following principles:

- Provide timely and accurate financial information to the departments and the Board
- Comply with State and Federal regulations regarding financial management, procurement, accounting, and internal controls
- Surpass industry standards of financial management and reporting
- Be a resource for the President and Board on financial matters, economic issues, and operational performance
- Monitor and report DCTA's financial performance
- Recommend effective allocation of resources and safeguard assets

Departmental functions include responsibilities for the accounting and financial reporting functions, budget and long range financial planning, treasury and investing function, risk management, contracts, procurement human resources and grant compliance and reporting. The Human Resources budget is reported separately on pages 69-70.

**COST CLASSIFICATION**

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget
<b>FINANCE</b>					
Salary, Wages & Benefits	\$ 720,025	\$ 810,187	\$ 964,857	\$ 964,857	\$ 962,010
Services	208,541	237,837	330,188	330,188	365,619
Materials & Supplies	-	-	500	500	600
Utilities	-	-	-	-	-
Insurance & Casualties	11,139	12,665	13,598	13,598	13,938
Miscellaneous	13,003	16,949	69,447	69,447	72,562
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 952,707</b>	<b>\$ 1,077,638</b>	<b>\$ 1,378,590</b>	<b>\$ 1,378,590</b>	<b>\$ 1,414,729</b>
Full-Time Equivalents	7.00	8.50	8.00	8.00	8.00

**MATERIAL BUDGET ITEMS:**

- Merit Pay of 3.5% included in 2018

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Finance**  
**FY18 Objectives & Tasks / Performance Measures**

**GOAL 2: Maximize service efficiency and reliability**

**OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA**

**Tasks / Performance Measure:**

- Ensure fleet sustainability and timely vehicle procurements consistent with operating and funding requirements
- Manage procurement of goods and services to reduce impacts on operating costs.
- Develop and implement infrastructure for managing both procurement & non-procurement contracts that support adopted contract administration procedures

**OBJECTIVE: Support optimization of maintenance, preservation, and timely replacement of assets**

**Tasks / Performance Measure:**

- Provide accurate and timely financial data, which is used to evaluate services, by the 10th working day of each month
- Quarterly Review Meetings
  - 1) Operating Budget Review to monitor performance to budget and identify any outliers with appropriate time to address
  - 2) Capital projects meetings to review/close/capitalize completed projects in timely manner
  - 3) Procurement review to assist departments with timely planning and provide oversight of upcoming scheduled for agency procurements
- Continue to improve standard procedures and procurement processes to align with a customer focused procurement philosophy and be practices

**OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio**

**Tasks / Performance Measure:**

- Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%)

**GOAL 4: Increase the visibility and elevate the image of DCTA**

**OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities**

**Tasks / Performance Measure:**

- Submit application and meet criteria on on-going basis for the for TX State Comptrollers new Transparency Start Project (replaced the Leadership Circle Award). Target Stars for Traditional Finances, Contracts & Procurement & Debt Obligations
- Optimize visibility and access to procurement opportunities via e-procurement processes using BidSync
- Maintain well defined annual budget process that incorporates opportunity for public input
- Maintain clear well defined public meeting process for NCTCOG Transportation Improvement Program
- Monitor and provide feedback on website modification to insure ease of access to all DCTA Financial data and procurement opportunities

**OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts**

**Tasks / Performance Measure:**

- Support regional reciprocal fare agreement with DART and the "T"
- Participate in fare payment initiatives that promote regional cooperation
- Evaluate use of shared services agreement

**GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success**

**OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services**

**Tasks / Performance Measure:**

- Provide financial review and analysis of new services requests with review of current and long-term impact
- Provide financial review and analysis of proposed new corridors and long-term impact

**GOAL 6: Coordinate regional services with other regional transportation providers**

**OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities**

**Tasks / Performance Measure:**

- More frequent meetings to discuss and coordinate special projects, events or issues

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Finance**  
**FY18 Objectives & Tasks / Performance Measures**

**GOAL 6: Coordinate regional services with other regional transportation providers**

**OBJECTIVE: Support development grant applications identified in DCTA's Long-Range Service Plan, and identify where applicable opportunities for partnerships with regional agencies and planning entities**

**Tasks / Performance Measure:**

- Develop plan to identify and secure funding, in conjunction with regional transit agencies, for safety initiatives
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity
- Identify grant funding and other financing options for DCTA's proposed Lewisville Multi-Modal Facility
- Support regional initiatives with other transit agencies and NCTCOG

**OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries**

**Tasks / Performance Measure:**

- Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures
- Pursue options for shared excess rail liability and other insurance coverages as appropriate for the agency
- Develop public trust and confidence thru transparency, open communication and regional collaboration

**GOAL 7: Tie the provision of transit to land-use and the resulting demand levels**

**OBJECTIVE: Existing services that significantly exceed standards should be augmented**

**Tasks / Performance Measure:**

- Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level

**OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods**

**Tasks / Performance Measure:**

- Identify sustainable options for service enhancements during schedule update and annual budget process
- Facilitate TOD projects on properties adjacent to agency stations
- Support Transit Oriented Development (TOD) and real estate opportunities that further agency goal of increasing ridership

**GOAL 8: Advocate sustainable development practices that support transit**

**OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs**

**Tasks / Performance Measure:**

- Identify funding methods and sources for capital needs outlined in long-range service plan
- Establish method for prioritization of projects that will be supported

**GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values**

**OBJECTIVE: Establish a bond rating**

**Tasks / Performance Measure:**

- Prepare agency to obtain credit rating by making progress toward incorporating criteria for top management characteristics of highly rated municipal/governmental credits into DCTA operations
- Leverage agency assets by improving efficiencies through technology and enhancing fare structure
- Conduct scheduled review of fare structure as outlined in agency cash flow model (every 5 years)

**OBJECTIVE: Develop capital plans and funding strategies for critical infrastructure, replacement, maintenance and service enhancements and growth opportunities**

**Tasks / Performance Measure:**

- Align agency long range financial plan with Long Range Service Plan and Board Strategic Plan
- Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements
- Establish process for annual risk assessment to manage and mitigate property / liability and other potential risk areas
- Implement fully allocated cost model for evaluating performance of each service type

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Finance**  
**FY18 Objectives & Tasks / Performance Measures**

**GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values**

**OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services**

**Tasks / Performance Measure:**

- Monitor and respond to legislation that affects sales tax
- Increase and broaden grant funding resources
- Review and align risk insurance coverage with DCTA operational needs
- Strengthen current financial conditions by ensuring appropriate systems and controls are in place that improve financial health
- Develop comprehensive grants management framework
- Implement dash-board type reporting access for non-Finance Department users of financial software application
- Establish and maintain reserves per adopted Financial Policies
- Maintain internal debt coverage ratio at 1.25x and update financial model to incorporate debt service plan for the full issuance period
- Complete fare structure and revenue analysis for scheduled fare increases
- More effective utilization of sales tax audit, reporting and data collection information which is now available
- Find new innovative revenues and sources of funding to leverage local transportation dollars

**OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse**

**Tasks / Performance Measure:**

- Receive NPI Excellence in Procurement Award
- Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies
- Achieve unqualified audit opinion and completion of annual audit within 6 months of year end
- Receive Government Finance Officers Assoc. Distinguished Budget Award
- Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Reporting
- Maintain compliance and accountability of P-card program
- Review and update process/procedures annually
- Implement routine, scheduled review of agency-wide cash management, cash handling processes and key internal controls
- Maintain appropriately diversified investment portfolio

**FINANCE**  
**FY17 Performance Measure Results/Status**

**GOAL 1: Maximize service efficiency and reliability**

**OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA**

**Tasks / Performance Measure:**

- Ensure fleet sustainability and timely vehicle procurements consistent with operating and funding requirements
- Manage procurement of goods and services to reduce impacts on operating costs.
- Develop and implement infrastructure for managing both procurement & non-procurement contracts that support adopted contract administration procedures

**Results / Status:**

- Contract awarded for multi-year options for vehicle replacements
- Multi-year procurements in place for major maintenance goods & services
- On going. In FY18 will evaluate additional functionality of financial software system and review options for incorporating other relevant modules

**OBJECTIVE: Support optimization of maintenance, preservation, and timely replacement of assets**

**Tasks / Performance Measure:**

- Provide accurate and timely financial data, which is used to evaluate services, by the 10th working day of each month
- Quarterly Capital projects meetings to review/close/capitalize completed projects in timely manner
- Continue to improve standard procedures and procurement processes to align with a customer focused procurement philosophy and best practices

**Results / Status:**

- Achieved 100% on monthly close for delivery of departmental P&L's. Four of the twelve months P&L's delivered before 10th workday deadline.
- On-going
- On-going. Procurement Policies & Procedures updated and training scheduled. DCTA hosted NTI's DBE training. Annual training by legal on Ethics in Procurement and Fraud Prevention & Awareness

**OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio**

**Tasks / Performance Measure:**

- Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%)

**Results / Status:**

- On-going.

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**FINANCE**  
**FY17 Performance Measure Results/Status**

**GOAL 3: Increase the visibility and elevate the image of the Authority****OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities****Tasks / Performance Measure:**

- Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Platinum Award
- Optimize visibility and access to procurement opportunities via e-procurement processes using BidSync
- Maintain well defined annual budget process that incorporates opportunity for public input

**Results / Status:**

- Pending - State Comptrollers Office has replaced the Leadership Circle Award with Transparency Stars Award with 5 award areas. DCTA will focus on achieving Stars for 3 eligible areas: Traditional Finances, Debt Obligations, Contracts & Procurements by September 2018.
- Sixteen (16 ) of 32 RFP, RFB solicitations completed in FY17 were awarded via DCTA e-procurement platform totalling \$724,000. Implemented BidSync's RFP evaluation tool.
- Complete. Finance Committee Workshop, Board Meetings and Budget Public Hearing conducted according to budget calendar

**OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts****Tasks / Performance Measure:**

- Support regional reciprocal fare agreement with DART and the "T"
- Participate in fare payment initiatives that promote regional cooperation
- Evaluate use of shared services agreements

**Results / Status:**

- On-going. Regional Reciprocal Fare agreement is in place
- On-going. Discussion regarding amending Regional Fares underway for mid-FY18 implementation. Will pursue participation with DART on new fare payment card system. Participated in FTWA's joint farebox procurement.
- On-going. Current shared services agreements (ILA's) include: DENTON COUNTY - Law Enforcement/Patrol for A-train; DART - TVM & Platform maintenance, TRE communication-signals dispatch, GoPass mobile ticketing, Trinity Mills Station crew facility; FTWA - I-35 W North Texas Express Service.

**GOAL 4: Expand DCTA's services into areas where transit has a likelihood of success****OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services****Tasks / Performance Measure:**

- Provide financial review and analysis of new services requests with review of current and long-term impact

**Results / Status:**

- Underway. Assit with new UNT servcie model pro-forma for FY18 Contract negotiations

**GOAL 5: Coordinate regional services with other regional transit providers****OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities****Tasks / Performance Measure:**

- More frequent meetings to discuss and coordinate special projects, events or issues
- Quarterly meetings with DART and The T on regional services issues

**Results / Status:**

- On-going. Member Cities: met with 1 of 3 CFO's. Schedules pending for additional 2.
- On-going. Meetings with DART, FTWA on amendment of regional fares, new fare payment system, shared services agreements.

**OBJECTIVE: Co-author grant applications with regional agencies and planning entities****Tasks / Performance Measure:**

- Develop plan to identify and secure funding, in conjunction with regional transit agencies, for safety initiatives
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity
- Support regional initiatives with other transit agencies and NCTCOG

**Results / Status:**

- No Activity To Report
- No Activity To Report
- On-going. Meetings with DART, FTWA on amendment of regional fares, new fare payment system, shared services agreements.

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**FINANCE**  
**FY17 Performance Measure Results/Status**

**GOAL 5: Coordinate regional services with other regional transit providers****OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries****Tasks / Performance Measure:**

- Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures
- Pursue options for shared excess rail liability and other insurance coverages as appropriate for the agency
- Develop public trust and confidence thru transparency, open communication and regional collaboration

**Results / Status:**

- On-going. Some opportunities have been identified and implemented (see Goal 3.2, Goal 5.1 & 5.2)
- Shared participation on hold. DCTA has secured coverage individually as primary insured.
- Supported submittal of DCTA financial information for NCTCOG's 2045 Plan update; Public Meetings conducted for Annual Program of Projects; Public Hearing advertised and conducted for annual budget; Posted all Finance Committee meetings. Will begin application process for new Texas State Comptroller's Award Program-Transparency Stars

**GOAL 6: Tie the provision of transit to land-use and the resulting demand levels****OBJECTIVE: Existing services that significantly exceed standards should be augmented****Tasks / Performance Measure:**

- Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level

**Results / Status:**

- On-going. Impact of current services is included. Analysis for funding of future or proposed services not yet included.

**OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods****Tasks / Performance Measure:**

- Identify sustainable options for service enhancements during schedule update and annual budget process
- Select Development Partners for agency Lewisville Multi-Modal Transit Center
- Facilitate TOD projects on properties adjacent to agency stations
- Maximize Transit Oriented Development (TOD) and real estate opportunities that further agency goal of increasing ridership

**Results / Status:**

- On-going as part of annual budget process
- No Activity To Report
- No Activity To Report
- No Activity To Report

**GOAL 7: Advocate sustainable development practices that support transit****OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs****Tasks / Performance Measure:**

- Identify funding methods and sources for capital needs outlined in long-range service plan
- Establish method for prioritization of projects that will be supported

**Results / Status:**

- FTA Bus & Bus Facilities grant submitted for: East-West Bus Service on Sam Rayburn Tollway Corridor(SRT); Lewisville Bus O&M Satellite Facility, Lewisville Intermodal Transit Center Bus Infrastructure. Awarded EPA Brownfield Grant for environmental site assessment of undeveloped portion of Rail O&M Facility in Lewisville.
- No Activity To Report

**GOAL 8: Financial excellence by fiscally sound financial planning and sustainable budgets that reflects community priorities and values****OBJECTIVE: Establish bond rating****Tasks / Performance Measure:**

- Prepare agency to obtain credit rating by making progress toward incorporating criteria for top management characteristics of highly rated municipal/governmental credits into DCTA operations
- Complete an analysis of potential impact of I-35E construction to sales tax revenue and ridership
- Leverage agency assets by improving efficiencies through technology and enhancing fare structure

**Results / Status:**

- No Activity To Report
- Completed initial phase of Rail Corridor Geocode project for property tax and sales tax changes within specified of rail corridor
- Participated in joint procurement with FTWA for bus fare boxes. Will pursue participation with DART on new fare payment card system

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**FINANCE**  
**FY17 Performance Measure Results/Status**

**GOAL 8: Financial excellence by fiscally sound financial planning and sustainable budgets that reflects community priorities and values**

**OBJECTIVE: Develop capital plans and funding strategies for critical infrastructure, replacement, maintenance and service enhancements and growth opportunities**

**Tasks / Performance Measure:**

- Align agency long range financial plan with Strategic Plan
- Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements
- Establish process for annual risk assessment to manage and mitigate property / liability and other potential risk areas
- Utilize fully allocated cost model for evaluating performance of each service type

**Results / Status:**

- On-going. (See Goal 7.1)
- On-going. Incorporated as part of annual budget process
- No Activity To Report
- No Activity To Report

**OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services**

**Tasks / Performance Measure:**

- Monitor and respond to legislation that affects sales tax
- Increase and broaden grant funding resources
- Review and align risk insurance coverage with DCTA operational needs
- Strengthen current financial conditions by ensuring appropriate systems and controls are in place that improve financial health
- Develop comprehensive grants management framework
- Implement COGNOS reporting software
- Establish and maintain reserves per adopted Financial Policies
- Maintain internal debt coverage ratio at 1.25x and update financial model timeperiod to incorporate debt management plan for the full issuance period
- Complete fare structure and revenue analysis for scheduled fare increases
- Maximize utilization of sales tax audit, reporting and data collection contract
- Find new innovative revenues and sources of funding to leverage local transportation dollars

**Results / Status:**

- On-going.
- On-going . (See Goal.7.1 & Goal 8.3)
- On-going. Will re-evaluate needs as part of annual TML re-rate. Engaged Insurance Broker to assist with annual assessment
- On-going
- Complete. Engaged Consultant to develop active grant monitoring process and established meeting schedule with Project Mangers. Filled Grant & Contracts Manager position. Completed Comprehensive Grants Procedures Manual.
- Financial System dashboard reporting has been transferred to IT Department as part of their Data Warehouse Project
- Complete.
- Complete.
- Underway for implementation in mid FY18. Public meeting completed. Title VI analysis to be completed in early FY18
- Completed first phase of Rail Line Geocode Project
- Received Transportation Development Credits (TDC's) from NCTCOG - Utilized as local match for Bus & Bus Facilities FTA Grant application and FY18 Program of Projects

**OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse**

**Tasks / Performance Measure:**

- Receive NPI Excellence in Procurement Award
- Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies
- Achieve unqualified audit opinion and completion of annual audit within 6 months of year end
- Receive Government Finance Officers Assoc. Distinguished Budget Award
- Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Reporting
- Maintain compliance and accountability of P-card program
- Review annually and update process/procedures as needed
- Implement routine, scheduled review of agency-wide cash management, cash handling processes and investment process

**Results / Status:**

- Completed
- Quarterly Grants updated presented to Board, Grant reporting deadlines met. Grants Contracts & Compliance Manger hired
- Completed
- Completed
- Completed
- On-going
- On-going
- On-going

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**MARKETING AND COMMUNICATIONS**

To provide strategic marketing and communications efforts on behalf of the agency, Board of Directors, DCTA departments and consultants to promote the agency, key messages, brand identity, and build brand awareness. To direct critical internal and external communications via proactive and reactive media relations, public involvement, community outreach, and customer service.

<b>COST CLASSIFICATION</b>						
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Revised Budget</b>	<b>Budget</b>	
<b>MARKETING &amp; COMMUNICATIONS</b>						
Salary, Wages & Benefits	\$ 248,086	\$ 450,613	\$ 581,953	\$ 581,953	\$ 568,796	
Services	329,542	485,836	575,702	587,452	601,354	
Materials & Supplies	35,386	27,791	51,750	43,750	41,300	
Utilities	-	-	-	-	-	
Insurance & Casualties	500	-	-	-	-	
Miscellaneous	12,962	26,306	43,850	40,100	32,475	
Leases & Rentals	-	-	-	-	-	
Depreciation	-	-	-	-	-	
<b>Total Operating Expense</b>	<b>\$ 626,475</b>	<b>\$ 990,546</b>	<b>\$ 1,253,255</b>	<b>\$ 1,253,255</b>	<b>\$ 1,243,925</b>	
<b>Full-Time Equivalents</b>	<b>4.00</b>	<b>6.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	

**MATERIAL BUDGET ITEMS:**

- Merit pay of 3.5% included

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

## Marketing & Communications FY18 Objectives & Tasks / Performance Measures

### GOAL 2: Maximize service efficiency and reliability

**OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards**

**Tasks / Performance Measure:**

- Survey the community to obtain feedback of brand and service delivery satisfaction
- Actively promote GORrequest to encourage passenger feedback
- Utilize GORrequest inquiries to provide rider feedback to operations
- Proactively engage with passengers at events and community gatherings to solicit feedback
- Drive increased public involvement through regularly scheduled public meetings
- Streamline rider alerts by format and topic to enhance customer communications
- Monitor service change feedback and provide rider feedback to operations
- Monitor social media and report service feedback accordingly

**OBJECTIVE: Ensure routes are easy to understand**

**Tasks / Performance Measure:**

- Utilize new maps and timetables to communicate service offerings
- Develop and implement new route guides
- Create efficiencies across all departments in the development of routine service change collateral
- Continue to implement the Passenger Information Communication Architecture (revamp maps, at-stop signage and bus shelter vinyl)
- Develop and execute comprehensive marketing and communications plans to promote routine service changes
- Continue to audit passenger signage and communications to enhance the rider experience
- Continue to work with UNT to promote consistent messaging regarding service

### GOAL 3: Maximize the effectiveness of service for DCTA's ridership markets

**OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas**

**Tasks / Performance Measure:**

- Engage in partner discussions regarding customized service to major centers of demand
- Hold bi-annual public meetings to collect feedback regarding potential service modifications
- Continue to utilize GORrequest to collect feedback from passengers
- Engage in customer and community conversations via social media channels to encourage discussion about service
- Continually work with planning staff to support service initiatives in employment centers and high-density residential service areas
- Support contract service with required marketing and communications efforts

**OBJECTIVE: Increase incremental revenue service offerings for the Agency**

**Tasks / Performance Measure:**

- Actively promote and track sales for the Corporate Pass Program
- Actively promote and track sales for the Group Discount Program
- Actively promote and track sales for the Non-Profit Discount Program
- Increase website traffic for all discount pass programs to increase awareness and potential incremental revenue
- Update in-transit advertising program
- Execute ticket promotions to increase ridership and ticket revenue
- Continue to promote all DCTA services to build brand awareness and potential incremental revenue opportunities

### GOAL 4: Increase the visibility and elevate the image of DCTA

**OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority**

**Tasks / Performance Measure:**

- Develop annual strategic marketing and communications plan with detailed initiatives, metrics and goals
- Continue to update agency brand standards to enhance the brand
- Execute targeted marketing and communication efforts (online, print, social, etc.) to enhance brand awareness and drive ridership
- Maximize media exposure and increase earned media value in local, regional, national, and industry media outlets
- Launch new website to enhance the brand's communications efforts
- Continually update website content to increase pageviews, number of pages visited, and average time on site
- Increase social media impressions and engagement by implementing strategic campaigns
- Launch strategic email marketing program
- Enhance agency newsletter with new design and monthly execution
- Continue applying for local and industry awards to further elevate the agency image to external audiences

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Marketing & Communications**  
**FY18 Objectives & Tasks / Performance Measures**

**GOAL 4: Increase the visibility and elevate the image of DCTA**

**OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services**

**Tasks / Performance Measure:**

- Continue to elevate the content provided in the passenger newsletter
- Coordinate with Operations to effectively produce revised passenger information materials for schedule revision implementation in January and August
- Utilize updated maps and timetables in all signage and materials
- Distribute revised passenger information materials twice a year at least two weeks in advance of any service changes
- Develop comprehensive distribution plans to increase placement of passenger information throughout the community
- Continue implementing elements of the Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)
- Gather feedback regarding improvements to passenger information through surveys, community events and Citizen's Advisory Team

**OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities**

**Tasks / Performance Measure:**

- Provide updated information on the agency's website and blog
- Encourage public participation by conducting public meetings and community outreach in accordance with the agency's Public Involvement Plan
- Actively engage and inform the public through a variety of formats including traditional, online, print, social media, and video
- Provide regular communication with stakeholders
- Identify and coordinate presentation opportunities (rail safety, agency facts, new service, etc.) with civic groups, schools and neighborhood associations
- Coordinate with internal DCTA departments to upload pertinent content to the DCTA website

**Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach**

**OBJECTIVE: and information efforts**

**Tasks / Performance Measure:**

- Continue to enhance partnership with UNT to increase communications efforts
- Continue to partner with member cities to expand communication reach
- Continue to take part in job, apartment and student fairs
- Continue to engage in member city community events
- Engage in partnerships with chambers of commerce and CVBs to expand communications reach
- Explore and execute community events in adjacent cities and key cities along corridors of interest
- Develop community relationships to assist in the promotion of social content
- Develop relationships with community bloggers to take part in new programs and expand communications reach
- Continue to maximize community events and develop innovative methods to directly impact individuals in attendance

**GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success**

**OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners**

**Tasks / Performance Measure:**

- Assist with the launch of new and/or expanded services
- Assist with the launch of contract services
- Assist in cultivating and developing partnership opportunities of prospective new communities
- Engage chambers of commerce and CVBs in prospective new communities
- Develop and launch outreach campaigns targeted at prospective new communities
- Support DCTA Board of Directors and Executive Staff with preparation of marketing collateral and presentations
- Provide non-participating cities and other potential public or private partners with information as needed

**OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services**

**Tasks / Performance Measure:**

- Develop specialized passenger information to support the expansion and/or launch of new service
- Update specialized signage as part of the regularly schedule Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)
- Develop new and update existing collateral materials to promote DCTA services and programs
- Develop strategic editorial calendars to ensure proper signage coverage at facilities and in vehicles
- Continue to promote services, programs and news via signage at facilities and in vehicles
- Create new route guides to enhance map and timeline communications
- Continue to translate vital documents and create large-print materials as required

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

### Marketing & Communications FY18 Objectives & Tasks / Performance Measures

#### GOAL 6: Coordinate regional services with other regional transportation providers

**OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities**

**Tasks / Performance Measure:**

- Host regularly scheduled meetings with marketing and communications staff to discuss progress of strategic marketing and communications plan and other projects as necessary
- Engage in regular meetings with customer service staff to communicate effectively and monitor performance
- Attend monthly safety meetings hosted by First Transit to remain engaged with operational staff
- Meet with NCTCOG to discuss projects and programs as necessary
- Regular meetings with TxDOT communications team during 35Express project

**OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries**

**Tasks / Performance Measure:**

- Meet with regional transit partners quarterly to discuss initiatives and opportunities for collaboration
- Continue partnering with DART, FWTA and TRE on cross promotional opportunities including regional initiatives and special events
- Collaborate with DART, FWTA and NCTCOG on the development and execution of joint projects as necessary
- Collaborate with transit agencies across the US to research and receive feedback on projects and programs

**OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas**

**Tasks / Performance Measure:**

- Support operations as needed to promote the vanpool program
- Coordinate with the Planning department to assist with the communications of mobility options throughout North Texas
- Support partnerships with TNCs with strategic marketing and communications efforts
- Participate in regional events
- Target Denton County employers that have employees driving from outside of Denton County
- Promote ridesharing opportunities through use of DCTA's station parking lots

### Marketing & Communications FY17 Performance Measure Results/Status

#### GOAL 1: Maximize service efficiency and reliability

**OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards**

**Tasks / Performance Measure:**

- Survey passengers and the community to obtain feedback of service delivery satisfaction
- Actively promote GOResponse to encourage passenger feedback
- Proactively solicit passenger feedback at events and community gatherings
- Drive increased public involvement through regularly scheduled public meetings
- Develop streamlined rider alert program/process to improve customer communications

**Results / Status:**

- Successfully executed bi-annual passenger satisfaction; increased participation by 41%
- Streamlined dropdown options to improve passenger experience; identified new reporting functions to better analyze data
- Increased community outreach efforts resulting in an increase in community brand impressions of 2.3% YOY and 677% compared to FY '15
- Successfully executed April/September public meetings resulting in an increase in event footprint, attendance and feedback
- Launched GovDelivery/Granicus system to better brand all alert types and create DCTA's first email marketing program

**OBJECTIVE: Ensure routes are easy to understand**

**Tasks / Performance Measure:**

- Develop new maps and schedule files to be used in the Go Guide and on the agency website
- Improve the existing Go Guide development process across all departments
- Continue to implement the Passenger Information Communication Architecture (revamp maps, at-stop signage and bus shelter vinyl)
- Continue to audit passenger signage and communications to enhance the rider experience
- Actively promote comprehensive operational analysis changes and any potential expansion opportunities

**Results / Status:**

- Successfully developed new service maps, timetables and an overall system map/brochure
- Implemented comprehensive coordination plan to encourage support across all departments and streamline the review process
- Produced new, customer-friendly service maps, timetables and an overall system map/brochure; utilized new designs to update all external supporting signage
- All passenger signage was updated based on DCTA news and promotions; complete audit and editorial calendar development will occur in FY '18
- Successfully implemented service change marketing and communications campaigns for three service changes in FY '17

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Marketing & Communications  
FY17 Performance Measure Results/Status**

**GOAL 2: Maximize the effectiveness of service for DCTA's ridership markets****OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service area****Tasks / Performance Measure:**

- Increase community outreach with planning staff to employment centers and high density residential service areas
- Hold bi-annual meetings to collect feedback regarding potential service modifications
- Continue to utilize GORquest to collect feedback from passengers
- Engage audience through social media channels to encourage discussion about service

**Results / Status:**

- Increased community outreach efforts resulting in an increase in community brand impressions of 2.3% YOY and 677% compared to FY '15
- Successfully held public meetings in April and September 2017 to communicate service change and other DCTA information
- Continually utilize system to monitor passenger feedback; will complete a format revision of the program/customer interface in FY '18
- Continually improve overall quantity and quality of social content; Facebook "Likes" are up 32.7% YOY and 187% compared to FY '15; Twitter "Followers" are up 24% YOY and 72% compared to FY '15

**OBJECTIVE: Increase incremental revenue service offerings for the Agency****Tasks / Performance Measure:**

- Actively promote the Corporate Pass Program and the opportunities it offers major centers
- Monitor, optimize and promote the Vanpool Program
- Continue to promote and track sales for the Group Discount Program and Non-Profit Discount Program
- Develop and implement an in-transit advertising program

**Results / Status:**

- Successfully completed first full year of program resulting in - \$83,288 in sales, a business database of 2,154, 184 targeted cold calls, 6,132 direct mail impressions, 193 mailed sales kits, and 688 website pageviews
- Developed vanpool program SOPs and transitioned program to the operations department
- Successfully completed first full year of both the Group Discount Program and Non-Profit Discount Program resulting in - \$22,477 in sales (up 85.4% YOY) and a 98.8% increase in website pageviews compared to the prior year for the Group Discount Program and \$6,913 in sales (up 211% YOY) and a 107% increase in website pageviews compared to the prior year for the Non-Profit Discount Program
- Developed pricing structure, responded to requests throughout the year, and successfully landed a deal with UPS (executed in FY '18)

**GOAL 3: Increase the visibility and elevate the image of the Authority****OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority****Tasks / Performance Measure:**

- Develop annual strategic marketing and communications plan with detailed initiatives, metrics and goals
- Continue to update agency brand standards to enhance the brand
- Execute targeted marketing and communication efforts (online, print, social, etc.) to enhance brand awareness and drive ridership
- Maximize media exposure and increase earned media value in local, regional, national, and industry media outlets
- Continue to develop positive relationships with media personnel
- Implement innovative updates to enhance the customer experience and increase impressions in all digital forums (i.e. website, historical timeline)
- Utilize the identified social media strategy and guidelines to better engage our passengers and followers

**Results / Status:**

- Successfully developed and implemented plan
- Expanded details within the brand standards manually and conducted two scheduled updates throughout the year
- Successfully executed marketing and communications campaigns resulting in - 14.1M online confirmed impressions (up 1.9% YOY), .23% online/mobile click through rate (above industry standard), 11.8M print impressions (up 36.9% YOY), and 257,162 direct mail impressions
- Successfully implemented strategic and proactive media relations program resulting in - 604 media placements (up .67% YOY), 281M impressions (up 34.4% YOY), and \$1.2M in publicity value (up 53.6% YOY)
- Successfully met 1:1 with various media outlets within Denton, Collin and Tarrant Counties
- Maintained existing DCTA website and made significant strides on the development of a new website that will launch in FY '18
- Continually improve overall quantity and quality of social content; Facebook "Likes" are up 32.7% YOY and 187% compared to FY '15; Twitter "Followers" are up 24% YOY and 72% compared to FY '15

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Marketing & Communications  
FY17 Performance Measure Results/Status**

**GOAL 3: Increase the visibility and elevate the image of the Authority**

**OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority**

**Tasks / Performance Measure:**

- Identify new social media platforms to launch as a part of the agency's social platform suite
- Continue applying for local and industry awards to further elevate the agency image to external audiences

**Results / Status:**

- Conducted platform research and determined to focus staff efforts on existing platforms and conduct an in-depth audit in FY '18 to focus on improving overall strategy and content
- Proudly received 24 marketing and communications awards recognizing the department's strategic marketing and communications efforts (up 60% YOY)

**OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services**

**Tasks / Performance Measure:**

- Continue to elevate the content provided in the passenger newsletter
- Coordinate with Operations to effectively produce revised passenger information materials for schedule revision implementation in January and August
- Distribute revised passenger information materials twice a year at least two weeks in advance of any service changes
- Develop comprehensive distribution plans to increase placement of passenger information throughout the community
- Continue implementing elements of the Passenger Information Comm
- Gather feedback regarding improvements to passenger information through surveys, community events and Citizen's Advisory Team

**Results / Status:**

- Strategically transitioned the passenger newsletter to an online distribution which made information more accessible to passengers, saved significant budget allocated to printing, and minimized paper trash on vehicles
- Successfully developed new service maps, timetables and an overall system map/brochure
- Produced new, customer-friendly service maps, timetables and an overall system map/brochure; utilized new designs to update all external supporting signage
- Successfully utilized marketing and communications intern staff to distribute updated service change materials to local businesses, higher education institutions, employment centers, and apartment complexes
- Produced new, customer-friendly service maps, timetables and an overall system map/brochure; utilized new designs to update all external supporting signage
- Successfully executed a bi-annual passenger satisfaction survey (resulting in an increase in participation of 41% YOY), increased community outreach efforts resulting in an increase in community brand impressions of 2.3% YOY and 677% compared to FY '15, and conducted quarterly CAT meetings to garner stakeholder feedback

**OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities**

**Tasks / Performance Measure:**

- Provide updated information on the agency's website and blog
- Encourage public participation by conducting public meetings and community outreach in accordance with the agency's Public Involvement Plan
- Actively engage and inform the public through a variety of formats including traditional, online, print, social media, and video
- Provide regular communication with stakeholders
- Identify and coordinate presentation opportunities (rail safety, agency facts, new service, etc.) with civic groups, schools and neighborhood associations

**Results / Status:**

- Continually update DCTA's website to reflect agency information and promotion of marketing/communications campaigns; increased blog unique users by 112% YOY, return users by 67.6% YOY, total pageviews by 21.9% YOY, and subscribers by 54.3% YOY
- Successfully held public meetings in April and September 2017 to communicate service change and other DCTA information
- Successfully executed marketing and communications campaigns resulting in - 14.1M online confirmed impressions (up 1.9% YOY), .23% online/mobile click through rate (above industry standard), 11.8M print impressions (up 36.9% YOY), and 257,162 direct mail impressions
- Regularly communicate with DCTA stakeholders through public outreach (via GovDelivery/Granicus), coordinated meetings, and participation in special projects
- Regularly attend various community meetings/speaking opportunities to build brand awareness; continually work with schools and other groups to facilitate safety education, field trips, tours, and other special requests

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Marketing & Communications  
FY17 Performance Measure Results/Status**

**GOAL 3: Increase the visibility and elevate the image of the Authority**

**OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts**

**Tasks / Performance Measure:**

- Identify new community partnerships and untapped collaboration to increase the agency's exposure throughout Denton County
- Discover innovative methods to expand DCTA's reach within the community
- Develop community relationships to assist in the promotion of social content
- Make progress in promoting and selling the Corporate Pass Program
- Continue to maximize marketing partnerships
- Continue to maximize community events and develop innovative methods to directly impact individuals in attendance
- Continue to promote and track sales for the Group Discount Program and Non-Profit Discount Program
- Develop and implement an in-transit advertising program

**Results / Status:**

- Developed blogger influencer relationship with Dentonaut and WeDentonDolt to assist in the dissemination of DCTA information and to launch a State Fair of Texas rider group contest that resulted in new video and social content supporting DCTA services; continually work with community partners to identify collaboration opportunities and partnerships
- Successfully implemented digital email address collection process at all community events to further build DCTA's email database; identified key social media partnerships to multiply DCTA's existing engagement group
- Identified key social media partnerships to multiply DCTA's existing engagement group
- Successfully completed first full year of program resulting in - \$83,288 in sales, a business database of 2,154, 184 targeted cold calls, 6,132 direct mail impressions, 193 mailed sales kits, and 688 website pageviews
- Continually identify and collaborate with partners where it makes the most sense
- Increased community outreach efforts resulting in an increase in community brand impressions of 2.3% YOY and 677% compared to FY '15; successfully implemented digital email address collection process at all community events to further build DCTA's email database for future communications; implemented brand ambassador event roaming technique to increase 1:1 interactions at events
- Successfully completed first full year of both the Group Discount Program and Non-Profit Discount Program resulting in - \$22,477 in sales (up 85.4% YOY) and a 98.8% increase in website pageviews compared to the prior year for the Group Discount Program and \$6,913 in sales (up 211% YOY) and a 107% increase in website pageviews compared to the prior year for the Non-Profit Discount Program
- Developed pricing structure, responded to requests throughout the year, and successfully landed a deal with UPS (executed in FY '18)

**GOAL 4: Expand DCTA's services into areas where transit has a likelihood of success**

**OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners**

**Tasks / Performance Measure:**

- Assist with the launch of new and/or expanded services
- Assist in cultivating and developing partnership opportunities of prospective new communities
- Support DCTA Board of Directors and Executive Staff with preparation of marketing collateral and presentations
- Support Planning Team with execution of the Comprehensive Operational Analysis

**Results / Status:**

- Successfully supported the launch of Collin County Transit and three major service changes
- Actively participated in conversations with the City of McKinney regarding service within the McKinney Urban Transit District
- Developed layout and design for new Strategic Planning Guidance Report, Agency Performance Report, Regional Leave Behind and Legislative Leave Behind
- Successfully implemented service change marketing and communications campaigns for three service changes in FY '17

**OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services**

**Tasks / Performance Measure:**

- Develop specialized passenger information to support the expansion and/or launch of new service
- Update specialized signage as part of the regularly schedule Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)

**Results / Status:**

- Successfully assisted with the development of all processes, procedures and written materials for Collin County Transit Service; supported the launch of the service with required marketing and communications materials and key information
- Produced new, customer-friendly service maps, timetables and an overall system map/brochure; utilized new designs to update all external supporting signage

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Marketing & Communications  
FY17 Performance Measure Results/Status**

**GOAL 5: Coordinate regional services with other regional transit providers****OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities****Tasks / Performance Measure:**

- Host regularly scheduled meetings with marketing and communications staff to discuss progress of strategic marketing and communications plan and other projects as necessary
- Engage in regular meeting with customer service staff to communicate
- Attend monthly safety meetings hosted by First Transit to remain engaged
- Schedule quarterly, one-on-one meetings with staff to discuss performance
- Regular meetings with TxDOT communications team during 35Express project

**Results / Status:**

- Held monthly staff meetings (more often at times) to encourage discussion of key items; maintained strategy documents utilized as a resource for current and upcoming projects and priorities
- Held monthly meetings with customer service staff to maintain their awareness of DCTA news and marketing/communications initiatives; gather key metrics/data on a monthly basis to measure performance against annual goals
- Developed Passenger Communications Specialist position in conjunction with First Transit management to provide support across many areas, including engagement with operators at monthly safety meetings
- Conducted quarterly 1:1 discussions with each marketing and communications staff member to review areas of success and areas for development/improvement
- Maintain communications through email distribution; attend meetings as necessary; schedule conference calls to discuss pertinent issue as needed

**OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries****Tasks / Performance Measure:**

- Meet with regional transit partners quarterly to discuss initiatives and opportunities for collaboration
- Continue partnering with DART, the T and TRE on cross promotional opportunities including regional initiatives and special events
- Collaborate with DART, the T and NCTOG on the development and execution of joint projects as necessary

**Results / Status:**

- Meet with DART and FWTA marketing, communications and customer service staff on a quarterly basis to discuss individual agency updates and regional partnership opportunities
- Continually engage with regional partners where applicable
- Continually engage with regional partners where applicable

**OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas****Tasks / Performance Measure:**

- Increase the number of fleet in order to meet the current demand
- Participate in regional events
- Target Denton County employers that have employees driving from outside of Denton County
- Promote ridesharing opportunities through use of DCTA's station parking lots
- Continue leveraging vendor marketing resources through partnership opportunities

**Results / Status:**

- Increased fleet based on grant funding and vehicle demand; successfully transitioned program to the operations department for further management
- Participated in regional events as available
- Successfully completed first full year of program resulting in - \$83,288 in sales, a business database of 2,154, 184 targeted cold calls, 6,132 direct mail impressions, 193 mailed sales kits, and 688 website pageviews
- Developed park and ride relationships with UNT and Hebron 121 Station Apartments; developed and promoted Free Fare Zone promotion to impact ridership and rideshare opportunities at the Hebron and MedPark stations; continue to identify rideshare opportunities throughout the region  
Identified key partners in Denton County that we could leverage to expand our net of communications throughout the year

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**STRATEGIC PLANNING AND DEVELOPMENT**

To provide direction in all strategic planning and development functions for the organization. The department is responsible for establishing a framework for sound transit decision making and for the deployment system-wide planning in the context of regional metropolitan transportation planning and economic development. This department also supports legislative initiatives.

**COST CLASSIFICATION**

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget
<b>STRATEGIC PLANNING &amp; DEVELOPMENT</b>					
Salary, Wages & Benefits	\$ 142,325	\$ 174,216	\$ 293,637	\$ 293,637	\$ 427,924
Services	21,539	46,931	46,100	46,100	262,000
Materials & Supplies	66	-	200	200	-
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	10,738	16,853	33,150	33,150	21,500
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 174,669</b>	<b>\$ 238,001</b>	<b>\$ 373,087</b>	<b>\$ 373,087</b>	<b>\$ 711,424</b>
<b>Full-Time Equivalents</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>3.00</b>

**MATERIAL BUDGET ITEMS:**

- Increase in Salary & Benefits for the addition of the Director of Strategic Partnership position for FY18
- Merit Pay included at 3.5%
- Additional \$200k for professional services for Strategic Planning Initiatives that include the following:
  - Transit Advocacy & Research
  - Land Planning Services
  - Long Range Service Plan Update
  - Shared Mobility Pilot Projects

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Strategic Planning & Development  
FY18 Objectives & Tasks / Performance Measures**

**GOAL 4: Increase the visibility and elevate the image of DCTA**

**OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts**

**Tasks / Performance Measure:**

- Participate in planning initiatives, informational meetings and events, provide technical assistance when needed and support initiatives with transit, development and sustainability elements.
- Present information regarding agency expansion and improvement projects to the community, regional agencies and city officials

**GOAL 5: Expand DCTA's services into areas where transit has a strong likelihood of success**

**OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners**

**Tasks / Performance Measure:**

- Assist with identifying and prospecting new communities along key corridors where transit has a likelihood of success, assist leaders within those communities determine need, develop appropriate solutions and encourage participation.

**GOAL 6: Coordinate regional services with other regional transportation providers**

**OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities**

**Tasks / Performance Measure:**

- Quarterly meetings with planning staff to discuss potential project partnerships
- Regular meetings and engagement with NCTCOG staff to discuss projects and regional impact potential

**OBJECTIVE: Co-author grant applications with regional agencies and planning entities**

**Tasks / Performance Measure:**

- Support regional initiatives with other transit agencies and NCTCOG

**GOAL 8: Advocate sustainable development practices that support transit**

**OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria**

**Tasks / Performance Measure:**

- Participate in city and regional planning initiatives and provide support during development planning to ensure sustainable development and transit supportive design.

**OBJECTIVE: Work with Denton County and its jurisdictions to enact zoning regulations that facilitate dense transit-oriented development to be focused near A-train, future rail or express bus stations**

**Tasks / Performance Measure:**

- Provide technical assistance to local and regional officials

**OBJECTIVE: Support the establishment of building orientation and pedestrian accessibility recommendations for new development, so that the development that occurs is convenient to the transit rider**

**Tasks / Performance Measure:**

- Monitor new development activity in member cities and provide feedback

**OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs**

**Tasks / Performance Measure:**

- Monitor projects along the corridor. Support public and private development by serving as a technical resource for the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Strategic Planning & Development**  
**FY17 Performance Measure Results/Status**

**GOAL 3: Increase the visibility and elevate the image of the Authority**

**OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts**

**Tasks / Performance Measure:**

- Participate in planning initiatives, informational meetings and events, provide technical assistance when needed and support initiatives with transit, development and sustainability elements.
- Present information regarding agency expansion and improvement projects to the community, regional agencies and city officials

**Results / Status:**

- Regular meetings have been held with city staff, stakeholders, developers and agency partners to discuss new developments and any transit needs foreseen throughout Denton and Collin counties. This will be an ongoing effort by the agency.
- Regular meetings have been held with the community, regional agencies and local city officials. This will be an ongoing effort by the agency.

**GOAL 4: Expand DCTA's services into areas where transit has a likelihood of success**

**OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners**

**Tasks / Performance Measure:**

- Assist with identifying and prospecting new communities along key corridors where transit has a likelihood of success, assist leaders within those communities determine need, develop appropriate solutions and encourage participation.

**Results / Status:**

- Regular meetings have been held with city staff to discuss new developments and any transit needs foreseen. This will be an ongoing effort by the agency.

**GOAL 5: Coordinate regional services with other regional transit providers**

**OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities**

**Tasks / Performance Measure:**

- Quarterly meetings with planning staff to discuss potential project partnerships

**Results / Status:**

- Completed and will be an ongoing effort of the agency.

**OBJECTIVE: Co-author grant applications with regional agencies and planning entities**

**Tasks / Performance Measure:**

- Support regional initiatives with other transit agencies and NCTCOG

**Results / Status:**

- Engaged and participated in multiple NCTCOG initiatives; Provided Letters of Support for NCTCOG grant applications regarding regional initiatives; Will continue to be an ongoing effort of the agency.

**GOAL 7: Advocate sustainable development practices that support transit**

**OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria**

**Tasks / Performance Measure:**

- Participate in city and regional planning initiatives and provide support during development planning to ensure sustainable development and transit supportive design.

**Results / Status:**

- Working closely with member and non-member city planning and community development staff to provide assistance during their project and development planning processes. Will continue to be an ongoing effort of the agency.

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Strategic Planning & Development**  
**FY17 Performance Measure Results/Status**

**GOAL 7: Advocate sustainable development practices that support transit**

**OBJECTIVE: Work with Denton County and its jurisdictions to enact zoning regulations that facilitate dense transit-oriented development to be focused near A-train and future rail or express bus stations**

**Tasks / Performance Measure:**

- Provide technical assistance to local and regional officials

**Results / Status:**

- Partnering with member cities to ensure success of TOD projects. This will be an ongoing effort by the agency.

**OBJECTIVE: Support the establishment of building orientation and pedestrian accessibility recommendations for new development, so that the development that occurs is convenient to the transit rider**

**Tasks / Performance Measure:**

- Monitor new development activity in member cities and provide feedback

**Results / Status:**

- Meeting with member city staff to stay engaged with city economic development, community development activities. This will be an ongoing effort by the agency.

**OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors**

**Tasks / Performance Measure:**

- Provide technical assistance to developers as well as local and regional officials

**Results / Status:**

- Staying engaged in city development projects, meet with area developers regularly and ensuring DCTA activities are aligned with the City's efforts. This will be an ongoing effort by the agency.

**OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs**

**Tasks / Performance Measure:**

- Monitor projects along the corridor. Support public and private development by serving as a technical resource for the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans

**Results / Status:**

- Staying engaged in development projects along the major corridors, meeting with area developers regularly and offering assistance when appropriate. This will be an ongoing effort by the agency.

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**HUMAN RESOURCES**

To manage and direct the Authority's human resource and personnel functions. The department administers programs in recruiting, compensation, employee relations and communications, performance appraisal systems, and safety and training programs. Other key functions include the development and administration of the employee benefit programs and maintenance of all official personnel records and related record keeping.

**COST CLASSIFICATION**

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget
<b>HUMAN RESOURCES</b>					
Salary, Wages & Benefits	\$ 66,333	\$ 15,692	\$ 82,078	\$ 82,078	67,062
Services	14,130	44,154	62,300	62,300	61,900
Materials & Supplies	26	559	500	500	500
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	12,380	11,604	38,860	38,860	39,850
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 92,869</b>	<b>\$ 72,009</b>	<b>\$ 183,738</b>	<b>\$ 183,738</b>	<b>169,312</b>
<b>Full-Time Equivalents</b>	<b>1.00</b>	<b>0.50</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

**MATERIAL BUDGET ITEMS:**

- Merit Pay included at 3.5%

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Human Resources**  
**FY18 Objectives & Tasks / Performance Measures**

**GOAL 4: Increase the visibility and elevate the image of DCTA****OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities****Tasks / Performance Measure:**

- Maintain DCTA Employment website with current opportunities and provide timely, reliable information for those seeking employment
  - 1) Monitor and provide feedback on website modifications to Insure ease of access to all DCTA employment opportunities
- Identify opportunities for collaboration with local universities on internships and relevant research
- Establish a competitive total compensation package that aligns with and supports a culture of innovation and performance
- Assist the Management Team in creating a dynamic organization committed to innovation with a focus on productivity and cross-departmental collaboration
- Encourage staff empowerment by providing training and tools that promote initiative, career development and achievement of organizational goals
- Cultivate a skilled workforce that is recognized for its experts and leaders in the transportation field
- Foster an inclusive environment and implement strategies that increase employee job satisfaction and loyalty

**Human Resources**  
**FY17 Objectives & Tasks / Performance Measures**

**GOAL 3: Increase the visibility and elevate the image of the Authority****OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities****Tasks / Performance Measure:**

- Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment
- Identify opportunities for collaboration with local universities on internships and relevant research
- Establish a competitive total compensation package that aligns with and supports a culture of innovation and performance
- Create an organization committed to learning and innovation
- Encourage staff empowerment by providing training and tools that promote initiative, career development and success of organizational goals
- Cultivate a skilled workforce that are experts and leaders in the transportation field
- Foster an inclusive environment and implement strategies that increase employee job satisfaction and loyalty

**Results / Status:**

- On-going. Nine DCTA job opportunities (4 FT & 5 PT interns) posted on website and filled in FY17.
- On-going via DCTA intern program
- Market salary review results implemented in FY16. Next market review scheduled for 4Qtr 2018 for consideration for FY19 budget.
- On-going. One employee completed Associates Degree utilizing the Tuition Reimbursement Program
- On-going
- On-going
- On-going via DCTA intern program

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**TRANSIT OPERATIONS - ADMIN**

The Transit Operations department provides management and oversight efforts of the regional rail component, the A-train as well as the bus services component. In previous years, this division was separated into a Bus Admin and Rail Admin component but has now been combined. This department also includes Information Technology and capital projects management.

**COST CLASSIFICATION**

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised	FY 2018 Budget
<b>TRANSIT OPERATIONS - ADMIN</b>					
Salary, Wages & Benefits	\$ 526,361	\$ 640,082	\$ 865,025	\$ 865,025	1,113,609
Services	91,457	145,196	281,838	281,838	368,738
Materials & Supplies	106,590	122,097	40,400	40,400	69,200
Utilities	9,057	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Purchased Transportation Services	158,025	205,025	187,368	187,368	187,368
Miscellaneous	5,796	14,326	16,402	16,402	16,990
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 897,286</b>	<b>\$ 1,126,725</b>	<b>\$ 1,391,033</b>	<b>\$ 1,391,033</b>	<b>\$ 1,755,905</b>
Full-Time Equivalents	4.75	6.25	6.75	6.75	8.75

**MATERIAL BUDGET ITEMS:**

- FTE has been increased by 2 due to the addition of an Operations Manager (Bus) and a Network Administrator
- Merit included at 3.5%
- Increase in professional services of \$100k for Phase I of a CyberSecurity project to address the risks outlined by the cybersecurity assessment completed in FY17

## GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

### Transit Operations FY18 Objectives & Tasks / Performance Measures

#### GOAL 2: Maximize service efficiency and reliability

**OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA**

**Tasks / Performance Measure:**

- No more than 2 preventable accidents per 100,000 miles for DCTA Bus Operations
- Maintain zero FRA reportable worker injuries
- 90% of Bus preventative maintenance performed on-time
- Maintain appropriate level of revenue, contingency, and spare vehicles to meet service needs
- Ensure timely vehicle procurements consistent with all operating and funding requirements

**OBJECTIVE: Operate on-schedule within adopted on-time performance standards**

**Tasks / Performance Measure:**

- 90% on-time performance for bus services
- 98% on-time performance for rail services

**OBJECTIVE: Consistently monitor and evaluate service in accordance with adopted service standards**

**Tasks / Performance Measure:**

- Decrease cost per passenger system wide
- Minimize non-revenue hours system-wide, measured as number of Revenue Hours to Service Hours (+85%)

**OBJECTIVE: Ensure DCTA business systems, network infrastructure, business productive tools are reliable, cost effective and secure**

**Tasks / Performance Measure:**

- Implement and maintain an IT business continuity and sustainability plan to ensure high reliability and security of the agencies information and technology
- Coordinate with departments to determine annual business needs, develop and gain approval of expanded level projects and operating funds to implement approved projects

#### GOAL 3: Maximize the effectiveness of service for DCTA's ridership markets

**OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas**

**Tasks / Performance Measure:**

- Evaluate the existing route structure to identify areas to improve existing services, provide greater efficiencies, and recommend opportunities for expansion to better serve major employment and residential areas

#### GOAL 6: Coordinate regional services with other regional transportation providers

**OBJECTIVE: Co-author grant applications with regional agencies and planning entities**

**Tasks / Performance Measure:**

- Pursue joint funding for positive train control
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity

**OBJECTIVE: Pursue opportunities for coordinated procurement, joint operations, or shared funding that enhance regional services**

**Tasks / Performance Measure:**

- Participate in regional commuter rail & bus initiatives that support regional mobility and growth
- Review opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures

#### GOAL 7: Tie the provision of transit to land-use and the resulting demand levels

**OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action**

- Review service performance monthly and conduct bi-annual assessments to provide recommended enhancements

**OBJECTIVE: Existing services that significantly exceed standards should be augmented**

**Tasks / Performance Measure:**

- Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Transit Operations  
FY18 Objectives & Tasks / Performance Measures**

**GOAL 8: Advocate sustainable development practices that support transit**

**OBJECTIVE: Effectively and efficiently plan and implement capital programs that support transit oriented services and operational business needs.**

**Tasks / Performance Measure:**

- Continue the development of positive relationships with member city staffs in order to promote transit supportive development
- Identify, plan, and execute capital work programs that support bus, paratransit, rail, hike and bike trails and other innovative services programs
- Implement a passenger amenities program that supports expansion and maintenance of passenger amenities where ridership demand supports the need for shelters, benches, crew rooms, and other passenger amenities
- Work with planning and finance to explore transit service expansion and transit oriented development opportunities

**GOAL 9: Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values**

**OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability**

**Tasks / Performance Measure:**

- Manage Bus & Rail Operations and Maintenance activities within budget and work with finance to ensure consistent cash flow demand

**Transit Operations  
FY17 Performance Measure Results/Status**

**GOAL 1: Maximize service efficiency and reliability**

**OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pull-out requirements for DCTA**

**Tasks / Performance Measure:**

- No more than 2 accidents per 100,000 miles for DCTA Bus Operations
- Maintain zero FRA reportable worker injuries
- 90% of Bus preventative maintenance performed on-time
- Maintain appropriate level of revenue, contingency, and spare vehicles to meet service needs
- Ensure timely vehicle procurements consistent with all operating and funding requirements

**Results / Status:**

- Achieved (1.5)
- Not achieved - 1 minor FRA reportable injury January 2017 (rail contractor employee minor injury dismounting from rail vehicle); currently 248 days injury free from January to September 2017
- Achieved
- Achieved/Ongoing
- Ongoing

**OBJECTIVE: Operate on-schedule within adopted on-time performance standards**

**Tasks / Performance Measure:**

- 90% on-time performance for bus services
- 97% on-time performance for rail services

**Results / Status:**

- Achieved (92.82%)
- Achieved (98.12%)

**OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards**

**Tasks / Performance Measure:**

- Decrease cost per passenger system wide
- Minimize non-revenue hours system-wide, measured as number of Revenue Hours to Service Hours (+85%)

**Results / Status:**

- Not achieved. FY2017 cost per passenger increased from \$7.30 to \$7.93. This is the result of additional service hours resulting from implementation of the Denton COA service changes, with declining ridership.
- Achieved (91.85%)

**OBJECTIVE: Ensure DCTA business systems, network infrastructure, business productivity tools are reliable, cost effective and secure**

**Tasks / Performance Measure:**

- Implement and maintain an IT business continuity and sustainability plan to ensure high reliability and security of the agency's information and technology
- Coordinate with departments to determine annual business needs, develop and gain approval of expanded level projects and operating funds to implement approved projects

**Results / Status:**

- Achieved. DCTA's network infrastructure proved itself resilient with an extremely high percentage of uptime. A security roadmap was via a cybersecurity audit.
- Achieved. Multiple ELP's were developed including a data warehouse / analytics initiative, cybersecurity project funds were secured, and upgrades to DCTA's site wireless.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

**Transit Operations  
FY17 Performance Measure Results/Status**

**GOAL 2: Maximize the effectiveness of service for DCTA's ridership markets**

**OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas**

Tasks / Performance Measure:

- Improve the Denton and Lewisville Connect system through evaluation of existing route structure to identify areas to improve existing services, provide greater efficiencies and opportunities for expansions to better serve major employment and residential areas.

Results / Status:

- Achieved. Implemented Denton Connect service changes in May 2017, that included improving frequencies to 30 minutes during peak periods for 7 of 8 routes. Staff continues to monitor

**GOAL 3: Coordinate regional services with other regional transit providers**

**OBJECTIVE: Co-author grant applications with regional agencies and planning entities**

Tasks / Performance Measure:

- Pursue joint funding for positive train control
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity

Results / Status:

- Funding for PTC is within current budget and financial plan allocations
- Ongoing

**OBJECTIVE: Pursue opportunities for coordinated procurement, joint operations, or shared funding that enhance regional services**

Tasks / Performance Measure:

- Participate in regional commuter rail & bus initiatives that support regional mobility and growth
- Review opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures

Results / Status:

- Ongoing. Jointly operate the North Texas Xpress with the Fort Worth Transportation Authority.
- A short term interlocal agreement has been agreed to with DART.

**GOAL 4: Tie the provision of transit to land-use and the resulting demand levels**

**OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action**

Tasks / Performance Measure:

- Review service performance monthly and conduct bi-annuals assessments to provide recommendations enhancements

Results / Status:

- Ongoing

**OBJECTIVE: Existing services that significantly exceed standards should be augmented**

Tasks / Performance Measure:

- Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level

Results / Status:

- Ongoing

**GOAL 5: Advocate sustainable development practices that support transit**

**OBJECTIVE: Effectively and efficiently plan and implement capital programs that support transit oriented services support operational business needs.**

Tasks / Performance Measure:

- Continue the development of positive relationships with member city staffs in order to promote transit supportive development
- Identify, plan and execute capital work programs that support bus, paratransit, rail, hike and bike trails and other innovative services programs
- Implement a passenger amenities program that supports expansion and maintenance of passengers amenities where ridership demand supports the need for shelters, benches, crew rooms and other passenger amenities
- Work with Planning and Finance to explore transit service expansion and transit oriented development opportunities

Results / Status:

- Achieved
- Achieved
- Ongoing
- Ongoing

**GOAL 8: Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values**

**OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services**

Tasks / Performance Measure:

- Manage Bus & Rail Operations and Maintenance activities within budget and work with finance to ensure consistent cash flow demand

Results / Status:

- Achieved

## RAIL SERVICES DIVISION BUDGETS

## RAIL SERVICES

The Rail Services department provides management and operations efforts of the regional rail component, the A-train. Primary to the activities undertaken by this section of DCTA include internal and external agency coordination, transit oriented development (TOD), route planning, rail operations, rail maintenance, and safety/security. DCTA also entered into a joint rail operations contract with DART and The T in 2011. This contract supported the train operations (service hours, fuel, maintenance, etc.) and is accounted for under the Purchased Transportation Services category. In October 2016, DCTA entered into a new contract with First Transit for operations and maintenance of the A-train system, replacing the previous joint contract. Additionally, DCTA and DART entered into an interlocal shared services agreement for ticket vending machine maintenance and train platform maintenance. DCTA entered into an agreement with GE for the implementation of Enhanced Automatic Train Control technology that will move the agency towards compliance with Positive Train Control.

COST CLASSIFICATION						
	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018	
	Actual	Actual	Budget	Revised Budget	Budget	
<b>RAIL SERVICES</b>						
Salary, Wages & Benefits	\$ 277,509	\$ 295,641	\$ 315,252	\$ 315,252	\$ 473,889	
Services	1,206,941	400,496	276,155	327,001	353,450	
Materials & Supplies	906,439	584,921	1,118,667	878,667	1,131,967	
Utilities	290,734	237,063	289,044	289,044	289,044	
Insurance & Casualties	485,946	502,230	523,640	1,205,260	1,224,376	
Purchased Transportation Services	9,922,894	10,461,267	9,375,986	9,444,366	9,191,633	
Miscellaneous	20,996	14,170	14,745	14,745	15,545	
Leases & Rentals	2,099	2,207	2,208	2,208	2,208	
Depreciation	7,709,452	8,037,306	8,049,118	8,049,118	8,388,963	
<b>Total Operating Expense</b>	<b>\$ 20,823,009</b>	<b>\$ 20,535,301</b>	<b>\$ 19,964,815</b>	<b>\$ 20,525,661</b>	<b>\$ 21,071,075</b>	
<b>DCTA FTE's</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 3</b>	<b>\$ 4</b>	
<b>First Transit Contract FTE's</b>	<b>\$ 49</b>	<b>\$ 50</b>	<b>\$ 51</b>	<b>\$ 51</b>	<b>\$ 60</b>	

## MATERIAL BUDGET ITEMS:

- Purchased Transportation for FY18 is based on contract rates with First Transit plus single car operations
- Increase of DCTA FTE for the addition of a Director of Railway Systems in FY18
- Fuel budgeted at \$2.75 per gallon in FY18 @ 400,000 gallons
  - FY17 Revised Budget fuel was reduced by \$240k in order to transfer savings into Bus Parts for needed engines/transmission replacements

*\*The goals and objectives for rail services are addressed under Transit Operations\**

## BUS SERVICES DIVISION BUDGETS

## BUS SERVICES

In 2014, DCTA contracted with First Transit, Inc. to manage the bus operations. Under this Management Services Agreement contract, First Transit, Inc. provides a General Manager (GM) and an Assistant General Manager (AGM) to provide complete transportation management services for DCTA's on-going bus operations, fare enforcement services and DCTA's customer service/call center. The GM and AGM are employees of the contractor and is not included in the full time equivalent employees. DCTA staff provides the accounting and procurement as well as required controls over expenditures and makes payments for the cost of running the day to day bus operations. The expenses are reported in the normal expense categories of Salary and Wages, Services, Materials and Supplies, etc. The staff consists of drivers, maintenance, operations, and direct administration personnel.

## COST CLASSIFICATION

	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Revised Budget	FY 2018 Budget
<b>CONTRACT BUS SERVICES</b>					
Salary, Wages & Benefits	\$ 5,957,867	\$ 6,561,277	\$ 7,484,642	\$ 7,511,317	\$ 8,160,925
Services	566,898	734,429	785,874	831,931	1,029,958
Materials & Supplies	1,449,666	1,263,323	2,111,461	2,313,365	2,330,569
Utilities	149,843	149,200	164,620	164,620	142,320
Insurance & Casualties	282,526	335,085	316,956	320,636	488,468
Purchased Transportation Services	-	-	-	155,000	334,342
Miscellaneous	30,854	25,284	58,100	58,100	108,563
Leases & Rentals	6,443	37,361	202,518	180,587	143,279
Depreciation	1,628,053	1,817,601	2,262,288	2,262,289	2,178,040
<b>Total Operating Expense</b>	<b>\$ 10,072,150</b>	<b>\$ 10,923,560</b>	<b>\$ 13,386,459</b>	<b>\$ 13,797,845</b>	<b>\$ 14,916,464</b>
<b>Bus Contract FTE's</b>	<b>140.50</b>	<b>152.00</b>	<b>179.00</b>	<b>179.00</b>	<b>141.00</b>

\*Contracted Bus Services FY18 FTE methodology is based on operator hours. Previous number was based on headcount.

## MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$3.00 per gallon in FY18 @ 495,000 gallons
- Bus operator wage average \$16.61 based on Union contract
- Includes 3% merit pay for non-operators
- Assumes an 8% increase in health benefits along with higher participation
- Increased Highland Village Shuttle & Community On-Demand revenue hours in FY18
- Increase of 14,489 revenue hours anticipated from Denton Comprehensive Operational Analysis completed in FY17 with the final phase of service enhancement to be implemented in 2018
- Increase in insurance premiums due to increase in fleet to 117 as well as increase of workers compensation based on a re-rate based on increase number of employees and claims history
- Increase of Frisco and McKinney contract services (Purchased Transportation)

\*The goals and objectives for bus services are addressed under Transit Operations\*

# CAPITAL IMPROVEMENT PLAN



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## CAPITAL IMPROVEMENT PLAN OVERVIEW

### CAPITAL IMPROVEMENT PLAN OVERVIEW

The Capital Improvement Plan (CIP) is a five-year financial plan of anticipated capital project needs. The CIP is designed to meet the DCTA's ongoing operational and infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of the agency and is updated on an annual basis during the budget process.

Capital projects represent a significant investment by DCTA in developing and maintaining the agency's equipment and infrastructure. This level of investment requires a serious and intensive review of all project requests and any associated operating expenditures to ensure that they are consistent with the needs and goals of the community and adequate resources are available. The capital budget process is designed to enhance the review procedure and ensure this match between capital projects and community needs.

All capital projects should be based upon or be consistent with established agency goals and community needs, both current and future. Department heads should consider established plans such as Board goals, or established maintenance and replacement schedules in developing the CIP projects. Department heads should also consider the relationship between the requested projects and other approved or planned capital projects and any on-going operating costs that will be incurred.

A capital project is funded for one of the following purposes: land acquisition, new construction of buildings, remodeling of and/or additions to buildings, major equipment purchases or refurbishment, and other infrastructure or technology needs, service improvements, or major studies. The basic criteria for a capital project are any construction or purchase costing \$25,000 or more and which has a useful life of seven years or longer.

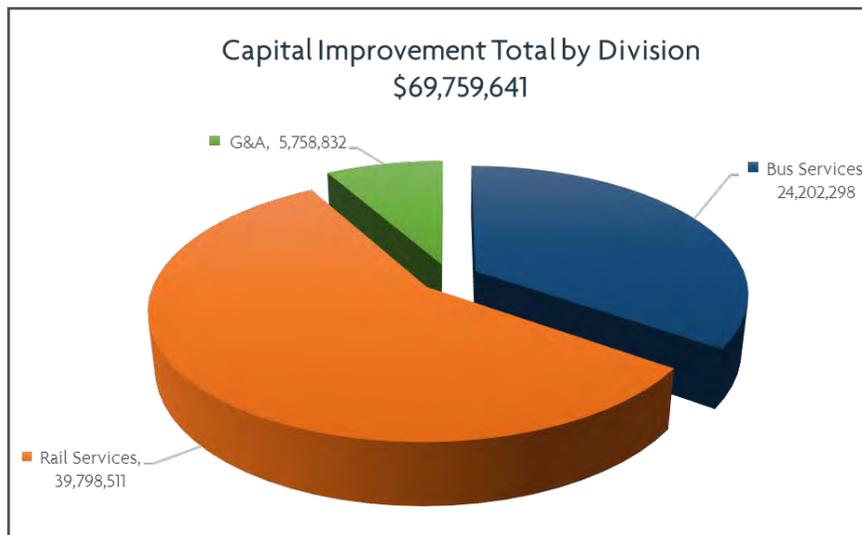
The current year of the CIP is adopted with the approval of the FY 2018 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY18 is \$15.6 million, and includes bus, rail and general administrative related projects. These projects are outlined in greater detail on subsequent pages in this section.

CAPITAL IMPROVEMENT PLAN SUMMARY

PROJECT NAME	Project Number	Project Budget	Project LTD thru FY 2015	FY 2016 Actuals	FY 2017 Revised	FY 2018	FY 2019	FY 2020	ANTICIPATED PROJECT TOTAL (thru 2020)
<b>BUS SERVICES</b>									
Bus Operations & Maintenance Facility	50301	11,497,555	11,329,265	75,626	6,751				11,411,642
Scheduling Software	50601	250,000		20,000	115,000	115,000			250,000
Transit Enhancements (2015-2016)	50204	165,000	4,601	137,432	22,967				165,000
Bus Fleet Cameras	50409	149,500			149,500				149,500
Fleet (2016)	50507	1,250,000			1,250,000				1,250,000
Fleet (2017)	50510	1,885,000				1,474,076			1,474,076
AVL Systems	50410	200,000			200,000				200,000
IOMF Fuel Tanks - Lewisville	50305	740,000			250,000	490,000			740,000
Denton COA Transit Enhancements	50205	58,500			58,500				58,500
Fleet (2018)	50512	3,003,580				3,003,580			3,003,580
*Future Fleet							2,400,000	2,500,000	4,900,000
*Fleet Farebox							600,000		600,000
<b>RAIL SERVICES</b>									
Positive Train Control Preparation	61406	1,346,527	1,346,527						1,346,527
Positive Train Control Implementation	61406.1	16,720,141		6,594,741	7,486,472	2,638,928			16,720,141
Lewisville Bike Trail	61708	2,146,355	1,978,419	67,935	56,155	38,263			2,140,773
T. Mills Crew Facility	61209	310,000		32,528	37,176	240,296			310,000
Station Landscaping	61210	485,000	25,455	365,746	93,799				485,000
Rail Mobilization (2015)	61604	1,174,779		1,201,987	(27,208)				1,174,779
Rail Facility Flume Repair (2015 Flood)	61713.1	325,482		56,282	269,200				325,482
Grade Crossing Replacements (2015 Flood)	61713.2	2,157,760		62,706	2,095,054				2,157,760
Hebron Signal House (2015 Flood)	61713.3	122,000		98,627	23,373				122,000
Ballast Undercutting (2015 Flood)	61713.4	761,600		21,198	740,402				761,600
Pockrus Page (2015 Flood)	61713.5	623,000		34,260	294,370	294,370			623,000
Rail Capital Maintenance	61714	3,346,419			378,492	2,967,927	2,500,000	2,500,000	8,346,419
Trail Safety Improvements	61715	81,157				81,157			81,157
Lewisville Bike Trail - Eagle Point Section	61716	2,995,873		40,176	300,000	2,655,697			2,995,873
Valley Ridge Crossing	61717	1,000,000			1,000,000				1,000,000
Dispatch System	61408	150,000			150,000				150,000
Brownfield Remediation	61605	385,000			60,000	325,000			385,000
Rail Safety Improvements	61718	200,000				200,000	200,000	200,000	600,000
Rail Crossing Study	61606	73,000			73,000				73,000
<b>G&amp;A</b>									
Data Analytics & Reporting	10601	200,000				200,000			200,000
Comprehensive Service Analysis	10602	296,794	76,210	119,695	100,889				296,794
Shared Use Mobility Study	10606	123,428			123,428				123,428
Shortel Phone System	10402	88,610		75,107	13,503				88,610
Lewisville Facilities Study	10301	100,000		79,065	20,935				100,000
Safety & Security Assessment	10604	250,000			250,000		200,000		450,000
Infrastructure Acquisition	10302	3,900,000			2,900,000	1,000,000			3,900,000
Project Management / Document Control	10605	300,000			150,000	150,000	150,000	150,000	600,000
<b>TOTAL</b>		<b>\$ 58,862,060</b>	<b>\$ 14,793,006</b>	<b>\$ 9,087,760</b>	<b>\$ 18,844,877</b>	<b>\$ 15,633,998</b>	<b>\$ 6,050,000</b>	<b>\$ 5,350,000</b>	<b>\$ 69,759,641</b>

Sources of Funding (FY18)

Federal/State Grants	\$ 6,683,770
RTC Funds	\$ 3,499,079
DCTA Funding	\$ 5,451,149
<b>TOTAL</b>	<b>\$ 15,633,998</b>



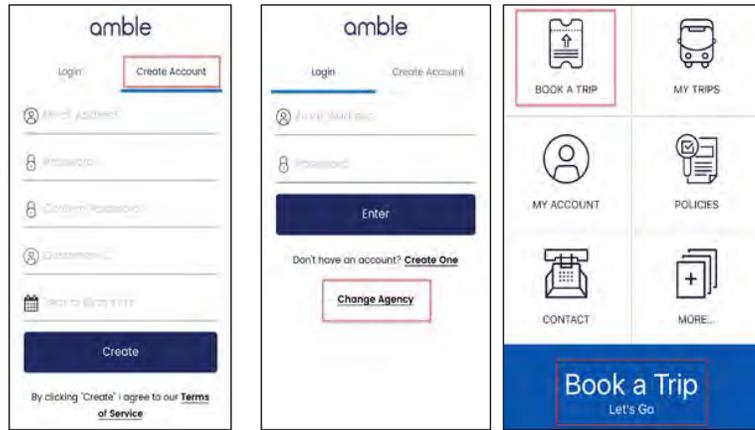
CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Mobility On-Demand Scheduling Software**

Project Number: 50601

**Statement of Need/Description**

Mobility On-Demand Scheduling Software will enhance the customer experience and allow for continuous optimization of the day's schedule to improve efficiencies. Customers will be able to request and pay for trips online or via an app up to 2 hours in advance. The software will be developed to be compatible with DCTA's vehicle tracking system and Google Transit. In addition, this software should track different schedule versions and maintain the integrity of the "master schedule." This project will be grant funded (80%).



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ 20,000	\$ -	\$ -	State Grants (RTRFI) \$ -
2016-17	\$ 115,000	\$ -	\$ -	Federal Grants \$ 200,000
2017-18	\$ 115,000	See Project Notes	\$ -	Operating Funds \$ 50,000
<b>Total</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 250,000</b>

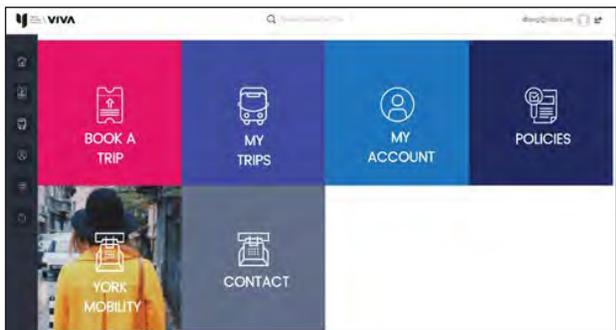
**Change from Previous CIP**

No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

**Project Notes**

**Coordinating Department: Transit Operations**  
 The agency reviews each capital project for associated operating impacts during the budget process. The first year of maintenance and support is included as part of the project implementation. Future operating cost impacts are estimated to be \$50k annually. These will include license renewals and software maintenance and will be included in the FY19 budget.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Fleet 2017**

**Project Number: 50510**

**Statement of Need/Description**

The fleet replacement scheduled for FY17 includes replacement of 8 small vehicles (vans) and 6 medium vehicles (LF Med Van) that will be used to meet service requirements. Staff is working to procure these vehicles consistent with the new Buy America requirements. Procurement is anticipated in the 1st Quarter of FY2018, with vehicle delivery anticipated in the 3rd Quarter of FY 2018. The additional buses will be grant funded at 85%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants (RTRFI) \$ -
2016-17	\$ -	\$ -	\$ -	Federal Grants \$ 1,252,965
2017-18	\$ 1,474,076	See Project Notes	\$ -	Operating Funds \$ 221,111
<b>Total</b>	<b>\$ 1,474,076</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 1,474,076</b>

**Change from Previous CIP**

- No Change
- Increase in Amount
- Decrease in Amount **X**
- New Project

**Project Notes**

**Coordinating Department: Transit Operations**

The agency reviews each capital project for associated operating impacts during the budget process. The operating cost related to the additional buses and non-service vehicle replacements will be minimal and include fuel and standard maintenance. These expenses are included in the cash flow model in future periods under service and materials category.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: IOMF Fuel Tank Installation**

**Project Number: 50305**

**Statement of Need/Description**

This project will provide for purchase and installation of an above ground fueling system to fuel the Lewisville buses currently parked at the Rail Operations and Maintenance Facility (ROMF). Additional funds will pave a large part of the remaining empty field at the ROMF and install the pad and piping for a 2nd tank.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants (RTRFI) \$ -
2016-17	\$ 250,000	\$ -	\$ -	Federal Grants \$ -
2017-18	\$ 490,000	See Project Notes	\$ -	Operating Funds \$ 740,000
<b>Total</b>	<b>\$ 740,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 740,000</b>

**Change from Previous CIP**

No Change	
Increase in Amount	X
Decrease in Amount	
New Project	

**Project Notes**

**Coordinating Department: Transit Operations**  
 The agency reviews each capital project for associated operating impacts during the budget process. This capital project will actually provide operational cost savings due to reduction in man hours to move the vehicles from the Rail Operations & Maintenance Facility in Lewisville to Bus Operations & Maintenance Facility in Denton to refuel and associated wear and tear on each vehicle for the additional road miles. The fuel will also be at a reduced rate for the agency if we are able to store on site.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Fleet 2018**

Project Number: 50512

**Statement of Need/Description**

The fleet replacement scheduled for FY18 includes replacement of 10 small vehicles (vans) that will be used to meet service requirements. These vehicles will be ordered in FY18 and are scheduled to arrive in late FY18 and FY19. The additional buses will be grant funded at 85%. This capital project also includes repowers of the 6 TAPS El Dorado buses that were received in 2017 and will be grant funded at 80%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants (RTRFI) \$ -
2016-17	\$ -	\$ -	\$ -	Federal Grants \$ 2,542,543
2017-18	\$ 3,003,580	See Project Notes	\$ -	Operating Funds \$ 461,037
<b>Total</b>	<b>\$ 3,003,580</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 3,003,580</b>

**Change from Previous CIP**

No Change	
Increase in Amount	
Decrease in Amount	
New Project	<b>X</b>

**Project Notes**

**Coordinating Department: Transit Operations**

The agency reviews each capital project for associated operating impacts during the budget process. The operating cost related to the additional buses and non-service vehicle replacements will be minimal and include fuel and standard maintenance. These expenses are included in the cash flow model in future periods under service and materials category.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Positive Train Control (Implementation)**

**Project Number: 61406.1**

**Statement of Need/Description**

The Positive Train Control (PTC) project is a function of the federally mandated Rail Safety Improvement Act of 2008 (RSIA) that mandates PTC be implemented across a significant portion of the Nation's rail industry. Lines requiring PTC include any railroad main lines over which regularly scheduled intercity passenger or commuter rail services are provided. PTC refers to a communication-based/processor-based train control technology that provides a system capable of reliability and functionality preventing train-to-train collisions, overspeed derailments, incursions into established work zone limits, and the movement of a train through a main line switch in the improper position. Project implementation began in FY2016 and is scheduled to be complete in 2018.



Year	Capital Cost	Operating Costs	Projected Fairbox Revenues	Source(s) of Capital Funding
				Debt Issuance \$ 3,344,028
2015-16	\$ 6,594,741	\$ 178,571	\$ -	State Grants (RTC) \$ 12,500,000
2016-17	\$ 7,486,472	\$ 178,571	\$ -	Federal Grants \$ 876,113
2017-18	\$ 2,638,928	\$ 178,571	\$ -	Operating Funds \$ -
<b>Total</b>	<b>\$ 16,720,141</b>	<b>\$ 535,714</b>	<b>\$ -</b>	<b>Total Funding \$ 16,720,141</b>

**Change from Previous CIP**

No Change	<b>X</b>
Increase in Amount	
Decrease in Amount	
New Project	

**Project Notes**

**Coordinating Department: Rail Services**  
 The agency has awarded this project to GE to implement E-ATC Rail Safety Enhancements.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Lewisville Bike Trail**

**Project Number: 61708**

**Statement of Need/Description**

Construction of Phase 1 of this project, from Hebron Station to just north of College Street, was completed in 2016. The balance of the funds in this project are earmarked for final Engineering and Engineering construction services associated with the Eagle Point project. We expect to begin construction of Eagle point during the 2nd quarter of FY 2018.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2012-15	\$ 1,978,419	\$ -	\$ -	
2015-16	\$ 67,935	\$ -	\$ -	State Grants \$ 1,712,618
2016-17	\$ 56,155	\$ -	\$ -	Federal Grants \$ -
2017-18	\$ 38,263	See Project Notes	\$ -	Operating Funds \$ 428,154
<b>Total</b>	<b>\$ 2,140,772</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 2,140,772</b>

**Change from Previous CIP**

- No Change
- Increase in Amount
- Decrease in Amount **X**
- New Project

**Project Notes**

**Coordinating Department: Rail Services**

DCTA will be responsible for the trail during the one year warranty period, including the bill for irrigation. After the warranty period, the City of Denton Parks Department will take over responsibility for the trail. The operating impact will be included in the FY19 budget.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Pockrus Page {2015 Flood}**

**Project Number: 61713.5**

**Statement of Need/Description**

This project will provide for repair of flood damage to the drainage flume adjacent to the railroad and south of Pokrus Page Road. The project was submitted to FEMA and was approved for reimbursement for the full project scope, following several appeals.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ 34,260	\$ -	\$ -	State Grants \$ -
2016-17	\$ 294,370	\$ -	\$ -	Federal Grants \$ 467,250
2017-18	\$ 294,370	See Project Notes	\$ -	Operating Funds \$ 155,750
<b>Total</b>	<b>\$ 623,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 623,000</b>

**Change from Previous CIP**

No Change X  
 Increase in Amount  
 Decrease in Amount  
 New Project

**Project Notes**

**Coordinating Department: Transit Operations**  
 The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project.

**Project Information/Status:**

Bids are due in October 2017. It is estimated that completion of the repairs will require 6 to 9 months.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Rail Capital Maintenance**

**Project Number: 61714**

**Statement of Need/Description**

The rail capital maintenance project is a reserve for the operations and maintenance contract that was awarded to First Transit in 2016. DCTA will work with the contractor to develop annual and multi-year capital project needs. Please refer to Project Notes section for a detailed breakout of current capital maintenance needs.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants \$ -
2016-17	\$ 378,492	\$ -	\$ -	Federal Grants \$ -
2017-18	\$ 2,967,927	See Project Notes	\$ -	Operating Funds \$ 3,346,419
<b>Total</b>	<b>\$ 3,346,419</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 3,346,419</b>

**Change from Previous CIP**

- No Change
- Increase in Amount **X**
- Decrease in Amount
- New Project

**Project Notes**

**Coordinating Department: Transit Operations**

**FY17:** Updated dispatch system and began DMU COT&S Brake Overhaul program.  
**FY18 Vehicle projected:** Continue DMU COT&S Brake Overhauls program; Begin DMU Engine Overhauls program; Upgrade DMU Fleet ABB Electronics; Begin DMU Air compressors replacement program; Begin DMU Suspension Elastomer Components replacement program; Begin DMU Generator Overhaul program.  
**FY18 MOW/Signals projected:** Lewisville Lake Bridge Fastener Replacement; Drainage improvement near North Mill Street Crossing (Lewisville); Begin annual program to replace 20% Signal System batteries; Replace Shady Shores Rd, Hickory Hills Rd, and W Hundley Dr crossings.  
**FY18 Rail Facility projected:** Convert Maintenance Shop lighting to LED; Upgrade Fall Arrest Protection to maintain regulatory compliance; Install Ratcheting Hydraulic System to increase safety during DMU wheel replacement.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Trail Safety Improvement**

Project Number: 61715

**Statement of Need/Description**

This project will include safety and security components along the hike and bike trail. Examples of these are fencing, the addition of standardized signage along the trail which can include mile markers as well as directional signage and solar lighting for the darkest areas of the trail.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants (RTRFI) \$ -
2016-17	\$ -	\$ -	\$ -	Federal Grants \$ -
2017-18	\$ 81,157	See Project Notes	\$ -	Operating Funds \$ 81,157
<b>Total</b>	<b>\$ 81,157</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 81,157</b>

**Change from Previous CIP**

- No Change
- Increase in Amount
- Decrease in Amount **X**
- New Project

**Project Notes**

**Coordinating Department: Planning / Transit Operations**

The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project. Inter-Local Agreements are in the process of being established with each city in which the trail is located for city to take over maintenance of the trail.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Lewisville Bike Trail - Eagle Point Section**

**Project Number: 61716**

**Statement of Need/Description**

This project will provide for construction of the remaining 3 miles of the Lewisville Hike and Bike Trail, from Mill and Jones Streets in Lewisville to the Highland Village/Lake Lewisville Station. The Agency has received grant funding thru TxDOT and the project will be funded at 80%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ 40,176	\$ -	\$ -	State Grants \$ -
2016-17	\$ 300,000	\$ -	\$ -	Federal Grants \$ 2,084,086
2017-18	\$ 2,655,697	See Project Notes	\$ -	Operating Funds \$ 911,787
<b>Total</b>	<b>\$ 2,995,873</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 2,995,873</b>

**Change from Previous CIP**

No Change  X  
 Increase in Amount  
 Decrease in Amount  
 New Project

**Project Notes**

**Coordinating Department: Transit Operations**  
 DCTA will be responsible for the trail during the one year warranty period. After the warranty period, the City of Lewisville Parks Department will take over responsibility for the trail. The operating impact will be included in the FY19 budget.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Brownfield Remediation**

**Project Number: 61605**

**Statement of Need/Description**

The Rail Operations and Maintenance Facility was built on the site of an abandoned/illegal dump. There are identified items (tires, barrels, etc.) that need to be removed and disposed of properly. This project will remove the above ground items and identify subsurface conditions for any remediation requirements.



DCTA was awarded an EPA grant in 2017 that will be used to conduct Phase II Environmental Site Assessment, which includes the testing for petroleum and hazardous materials. The target area is a total of 77.5 acres.

Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants \$ -
2016-17	\$ 60,000	\$ -	\$ -	Federal Grants \$ 178,200
2017-18	\$ 325,000	See Project Notes	\$ -	Operating Funds \$ 206,800
<b>Total</b>	<b>\$ 385,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 385,000</b>

**Change from Previous CIP**

- No Change
- Increase in Amount
- Decrease in Amount
- New Project X

**Project Notes**

**Coordinating Department: Transit Operations**

The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project.

**Project Information/Status:**



**Legend**

- Northern Section
- Southern Section
- DCTA Property Boundary

0 500 1 000 Feet

Denton County  
Denton County Transportation Authority  
Denton County, TX

**SITE LOCATION MAP**

Denton County  
Denton County Transportation Authority  
Denton County, TX

Projects will be issued for bid in October 2017

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Rail Safety Improvements**

**Project Number: 61718**

**Statement of Need/Description**

TSA conducted a security/threat evaluation of DCTA Rail. Areas were identified that will be addressed via a phased implementation. Phase 1 consists of procuring surveillance/security systems for Rail facilities and stations.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants \$ -
2016-17	\$ -	\$ -	\$ -	Federal Grants \$ -
2017-18	\$ 200,000	See Project Notes	\$ -	Operating Funds \$ 200,000
<b>Total</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 200,000</b>

**Change from Previous CIP**

- No Change
- Increase in Amount
- Decrease in Amount
- New Project X

**Project Notes**

**Coordinating Department: Transit Operations**

DCTA Staff will work with a consultant to coordinate procurement and installation that will enhance rail facility security within budget guidelines. Any operating impact will be included in the FY19 operating budget once the surveillance/security system has been installed.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Data Analytics & Reporting**

Project Number: 10601

**Statement of Need/Description**

The Data Analytics & Reporting project is a large scale project that involves loading DCTA's data inputs into a central warehouse, and analysis of that data with a business analytics software package. It will enhance utilization of operational, financial, and marketing data by providing routine and non-routine users real-time access to business data for planning, budgeting, forecasting and analysis needs. This provides improved reporting capabilities and and future dashboarding capabilities. This project is 80% grant funded.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants (RTRFI) \$ -
2016-17	\$ -	\$ -	\$ -	Federal Grants \$ 160,000
2017-18	\$ 200,000	See Project Notes	\$ -	Operating Funds \$ 40,000
<b>Total</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 200,000</b>

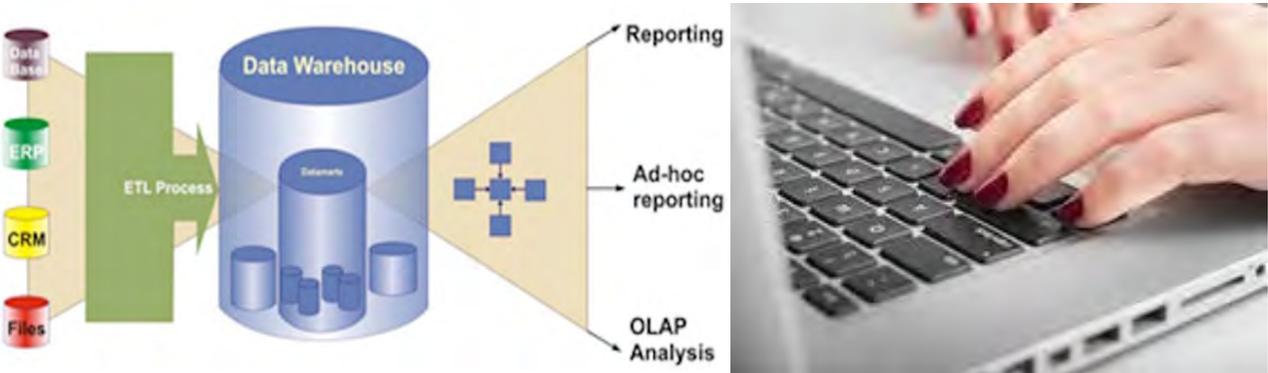
**Change from Previous CIP**

No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

**Project Notes**

**Coordinating Department: Finance / IT**  
 The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project in FY18.

**Project Information/Status:**



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Infrastructure Acquisition**

**Project Number: 10302**

**Statement of Need/Description**

The Infrastructure Acquisition capital project will assist the agency with the implementation of long-range planning efforts through the purchase of property and related engineering and design work associated with relevant projects. Some of the projects may include intermodal transit facilities, administrative offices, parking capacity improvements and rail corridor improvements.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16		\$ -	\$ -	
2016-17	\$ 2,900,000	\$ -	\$ -	Federal Grants \$ -
2017-18	\$ 1,000,000	See Project Notes	\$ -	Operating Funds \$ 3,900,000
<b>Total</b>	<b>\$ 3,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 3,900,000</b>

**Change from Previous CIP**

No Change	
Increase in Amount	X
Decrease in Amount	
New Project	

**Project Notes**

**Coordinating Department: Strategic Planning & Development**  
 The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project.

**Project Information/Status:**

**DCTA**  
 4-STORY OPTION: VIEW FROM MAIN STREET AT BALDWIN ST.

DCTA Inter-Modal Transportation Center  
 Charlotte Report



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

**Project Name: Project Management / Document Control**

**Project Number: 10605**

**Statement of Need/Description**

Document management system to track, manage and store project-related documents and reduce paper. The system will be capable of keeping a record of the various versions created and modified by different users (history tracking). The system will have the following characteristics: reviewing and approving documents prior to release, documents will be available at their "points of use", documents remain legible and identifiable, external documents are identified and controlled, prevention of the use of obsolete documents.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2015-16	\$ -	\$ -	\$ -	State Grants \$ -
2016-17	\$ 150,000	\$ -	\$ -	Federal Grants \$ -
2017-18	\$ 150,000	See Project Notes	\$ -	Operating Funds \$ 300,000
<b>Total</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 300,000</b>

**Change from Previous CIP**

- No Change
- Increase in Amount **X**
- Decrease in Amount
- New Project

**Project Notes**

**Coordinating Department: Rail Services**  
 DCTA has identified the system that best fits the needs and budget of the Authority and is working with the vendor to purchase the software and implement the change control system. Once the budget has been finalized, future operating costs will be assessed and incorporated into future budgets.

**Project Information/Status:**



APPENDIX



# DCTA

DENTON COUNTY  
TRANSPORTATION AUTHORITY



## STRATEGIC PLANNING GUIDANCE REPORT

RESOLUTION NO. 17-01  
March 23, 2017



RideDCTA.net • HopOnBoardBlog.com • #RideDCTA

## STRATEGIC PLANNING GUIDANCE REPORT



## MISSION, VISION & VALUES

### MISSION

As a regional partner, the Denton County Transportation Authority is committed to provide safe, customer-focused, and efficient mobility solutions.

### VISION

Be a leader in advancing public transportation alternatives.

### VALUES

- **Safety** – In accordance with our Service Plan, our most important commitment is passenger safety through the strict adherence to policies and procedures and ongoing employee training and professional development.
- **Accountability** – As public servants, DCTA employees and Board of Directors hold themselves accountable to their constituents and are committed to being exemplary stewards of public resources.
- **Commitment** – DCTA employees and Board of Directors are committed to working collaboratively to deliver the components of the Service Plan in a timely manner to serve the mobility needs of our passengers.
- **Excellence** - Always in the pursuit of excellence, DCTA will consistently offer innovative, effective and quality public transportation alternatives that will exceed passenger expectations.
- **Integrity** - It is incumbent upon DCTA employees and Board of Directors to conduct themselves in a manner that upholds the highest moral, legal and ethical standards. We are uncompromising in our commitment to truth, honesty and openness in all relationships and interactions.
- **Respect** - We believe that all of our passengers are important and that all of our employees add value. We will treat passengers and employees with dignity and esteem.

## DCTA GOALS & OBJECTIVES

1. Safety – Passenger, Employee, Public
2. Maximize service efficiency and reliability
3. Maximize the effectiveness of service for DCTA's ridership markets
4. Increase the visibility and elevate the image of DCTA
5. Expand DCTA's services into areas where transit has a strong likelihood of success
6. Coordinate regional services with other regional transportation providers
7. Tie the provision of transit to land-use and the resulting demand levels
8. Advocate sustainable development practices that support transit
9. Maintain fiscally sound and sustainable financial plans and budgets that reflect community priorities and values
10. Leverage state-of-the-art technology for the development of innovative transit solutions

V1/3.23.17

**ABOUT DCTA**

Agency Background

Established Under Texas Transportation Code Chapter 460 (2001)



Supported by 1/2¢ Sales Tax from Denton, Highland Village and Lewisville (2002)



DCTA Began Bus Service (October 2005)  
A-train Began Revenue Service (June 2011)



14-Member Board of Directors (Appointed)



Agency Facts

**SERVICES**

24 Bus Routes  
A-TRAIN Commuter Rail  
Demand-Response Services  
Paratransit Services  
Commuter Vanpools

**RIDERSHIP**

Carried Over 2.9 Million Passengers in FY '16

**INNOVATION**

Integrated Ride Share Services  
Taxi Partnership  
Real-Time Travel Tools

**LEADERSHIP**

Financial and Transparency Awards  
12 Marketing and Communications Awards in FY '16  
Regional Involvement (RTC/STTC)



DENTON COUNTY  
TRANSPORTATION AUTHORITY

ABOUT DCTA (CONTINUED)

DCTA Value Proposition



DCTA is a well-established, efficiently-operated, and fiscally-responsible transit authority.



DCTA understands suburban communities and high-growth areas.



DCTA is leading the country with innovative on-demand transit solutions.



DCTA offers flexible and customizable approaches to transit.



STRATEGIC PLANNING GUIDANCE REPORT

V1/3.23.17

**BOARD OF DIRECTORS**

**Small Cities (500 – 17,000)**



Eric Jensen



Skip Kalb



Connie White

**Large Cities (>17,000)**



Richard Huckaby  
Denton/Secretary



Paul Pomeroy  
Highland Village/Vice-Chairman



Charles Emery  
Lewisville/Chairman



Tom Winterburn  
Corinth



Doug Peach  
Little Elm



Carter Wilson  
Frisco



Allen Harris  
The Colony



Jim Robertson  
Flower Mound

**Denton County Unincorporated**



George A. Campbell



Don Hartman

**Denton County at Large**



Dave Kovatch  
Treasurer

## STRATEGIC PLANNING GUIDANCE REPORT



## DCTA OPERATING PHILOSOPHY

- Maintain our commitment to safety
- Meet the interests of our financially contributing member cities
- Protect what makes us unique – innovative, nimble and responsive
- Consistently provide excellent customer service
- Sustainable funding for services – provide optimum balance between demand and resources
- Leverage multiple funding sources
- Bring solutions to current and anticipated problems
- Honor all statutory requirements
- Maintain an attitude of transparency

## KEY RELATIONSHIPS

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Denton, Highland Village and Lewisville</li> <li>• Denton County/Collin County</li> <li>• NCTCOG/RTC</li> <li>• DART/FWTA/SPAN</li> <li>• UNT/TWU/NCTC</li> <li>• Transportation Coalitions (DRMC/TRTC)</li> <li>• Corridor Groups (35W/NCP)</li> <li>• Trade Organizations (APTA/SWTA, TTA)</li> <li>• Texas Department of Transportation (TxDOT)</li> <li>• Federal and State Regulatory Agencies</li> </ul> | <ul style="list-style-type: none"> <li>• Texas Legislature/US Congress</li> <li>• Contract Communities (Frisco)</li> <li>• Federal Transit Administration</li> <li>• Federal Railroad Administration</li> <li>• McKinney Urban Transit District</li> </ul> |
|---|--|



V1/3.23.17

## CURRENT FOCUS AREAS

### Service/Operations

- **Single Car Operations** – Complete signal upgrade and commence single car operations on trips where demands can be met, no later than March 31, 2017. Focus on decreasing operating costs and vehicle wear and tear.
- **Positive Train Control** – Complete federally mandated safety system in advance of the December 31, 2018 deadline.
- **Bus Service Improvements** – Complete enhancements in multiple phases in Denton starting in May 2017. Lewisville and Highland Village improvements are complete.
- **Infrastructure Development** – Complete improvements at Lewisville Rail OMF to allow utilization of space to domicile buses for Lewisville and Frisco operations and to complete fueling and light maintenance efforts. Pursuing options for a Lewisville Multi-Modal Facility and permanent office space.
- **Building Ridership** – Continue seeking improvements to service on bus and rail to increase ridership and scope of service.
- **Safety/Security** – Complete overall assessment.

### Technology

- **Network Improvements** – Complete installation of network improvements to improve resiliency and optimize utilization of fiberoptic cable in rail right-of-way.
- **Security** – Complete cyber security assessment.
- **Real-Time Ridership Tools** – Improve customer experience with demand-responsive services and coordination of various service modes.





## CURRENT FOCUS AREAS (CONTINUED)

### Marketing & Communications

- **Build Ridership** – Continue to execute strategic marketing and communications efforts to drive new ridership and retain existing ridership. Leverage resources to better tie ridership peaks and valleys to marketing and communications efforts.
- **Brand Awareness** – Continue to promote services and programs through community outreach activities in order to build brand awareness. Monitor non-passenger awareness and sentiment through bi-annual community survey. Launch new agency website no later than December 31, 2017.
- **Passenger Communication** – Continue to promote routine and specialized messages in order to keep passengers up to date and well informed. Leverage capabilities of passenger information systems to increase and better customize passenger communications.

### Financial

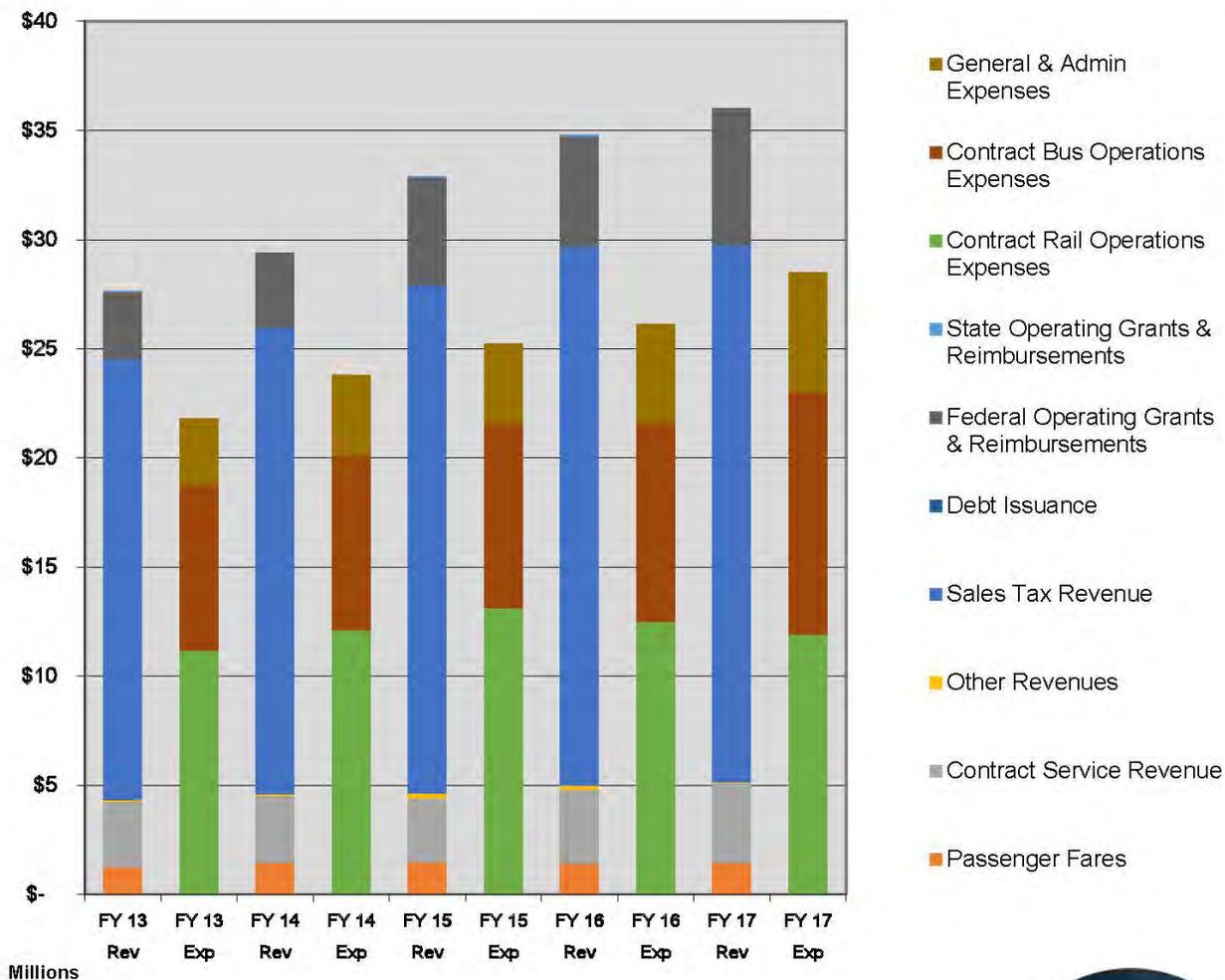
- **Ensure Compliance** – Monitor activities to ensure DCTA meets State and Federal regulations.
- **Sustain Policies** – Sustain adherence to DCTA Finance Policies.
- **Strong Audit Results** – Sustain efforts to continue positive audit results.
- **Maintain Transparency** – Sustain Platinum Transparency Award from State Comptrollers Office.
- **Develop Viable Financing Strategies** – Provide options for new projects and build a sustainable budget.
- **Enhance Workforce Recruitment and Retention** – Sustain strong staffing levels.

### Planning & Development

- **Property Acquisition** – Pursue property purchase or use rights to enable service expansion, enhance service, promote ridership and transit-oriented development, and support member city long-term planning.
- **Innovative Services** – Pursue non-traditional transit solutions.
- **Partnerships** – Pursue partnerships and joint efforts with industry, communities, TxDOT, and NCTCOG.
- **New Service Opportunities** – Work with unserved areas to develop service options that meet community needs.

V1/3.23.17

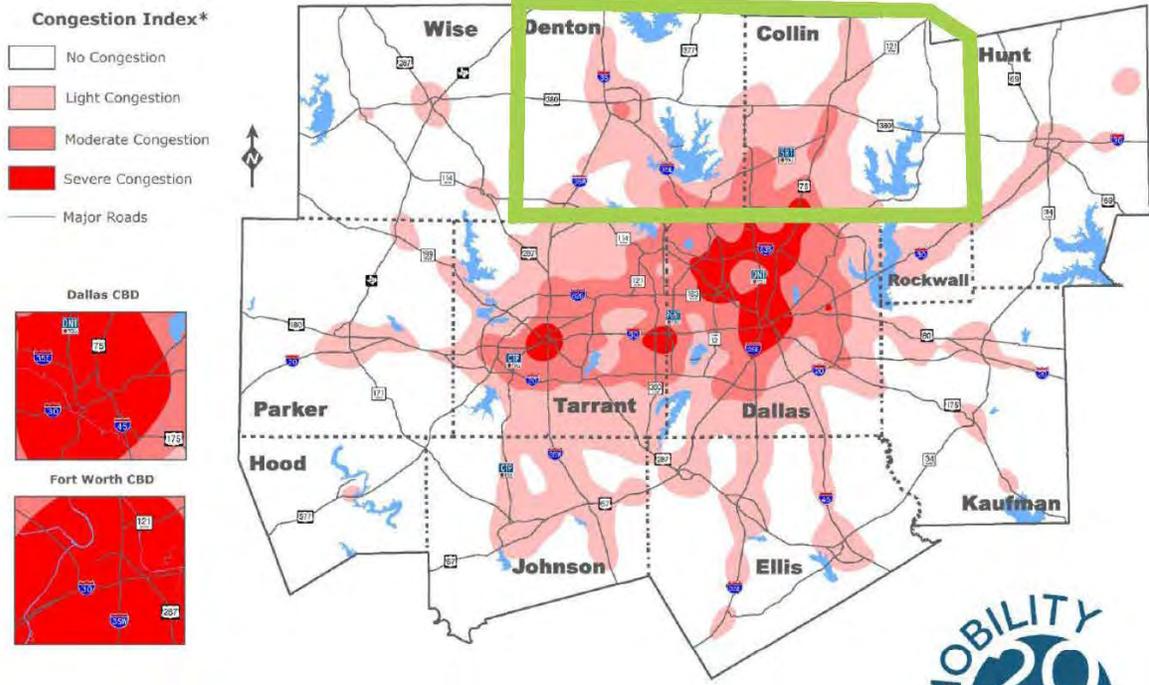
**DCTA SOURCES AND USES OF FUNDS (5-YEAR HISTORY)**





**CONGESTION MAPS**

**2017 Levels of Congestion/Delay**



North Central Texas Council of Governments  
March 2016

Cost of Congestion/Delay: \$10.7 billion  
\*Congestion Index is based on a percent increase in travel time.

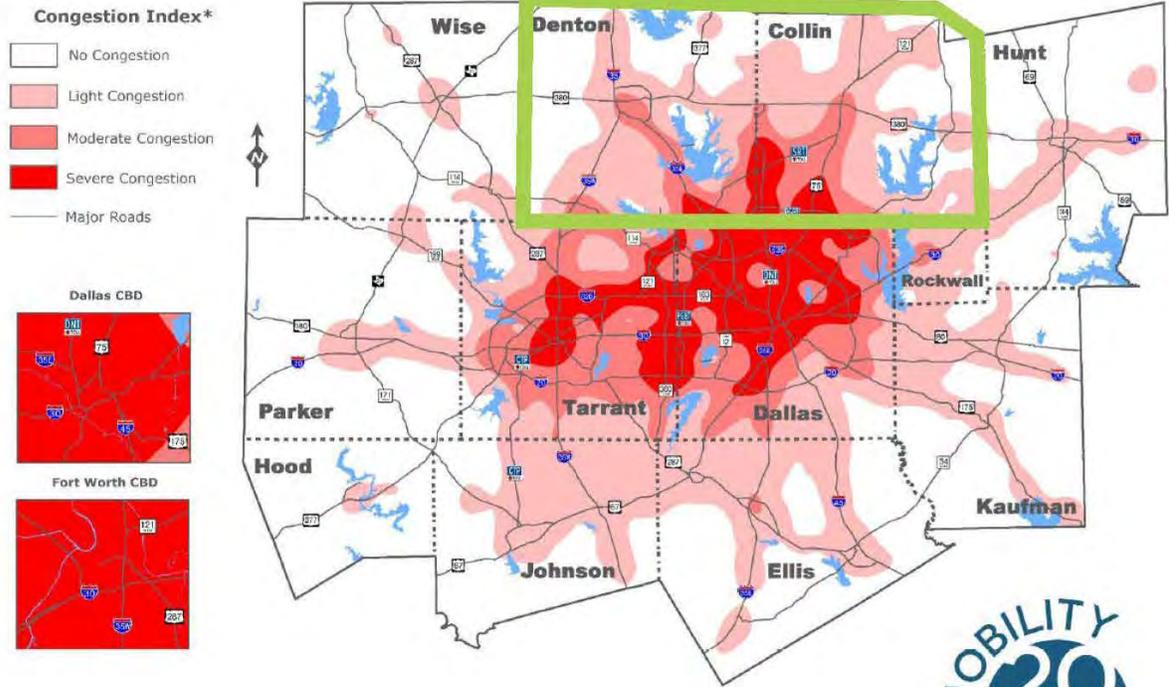


- Denton and Collin Counties have experienced rapid growth prior to 2017, and that growth will continue well into the future.



V1/3.23.17

### 2040 Levels of Congestion/Delay No-Build Scenario



North Central Texas Council of Governments  
March 2016

Cost of Congestion/Delay: \$43.9 billion  
\*Congestion Index is based on a percent increase in travel time.



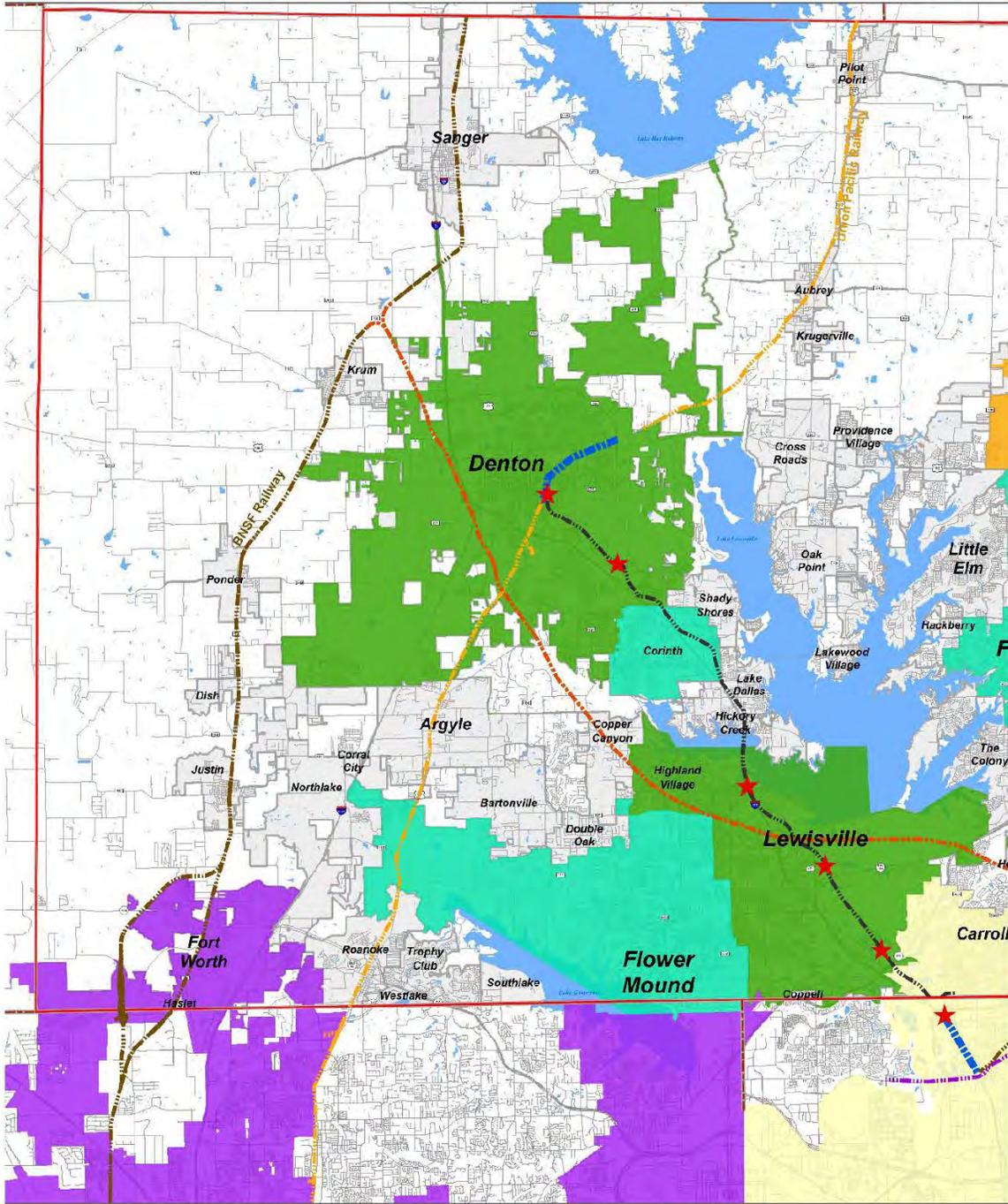
- While much of this growth has occurred without the support of public transportation, building road congestion and lack of space for expansion will limit potential growth.
- Clear need demonstrated for accessible transportation options.



STRATEGIC PLANNING GUIDANCE REPORT



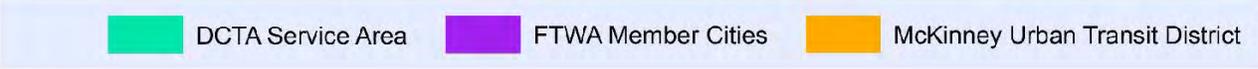
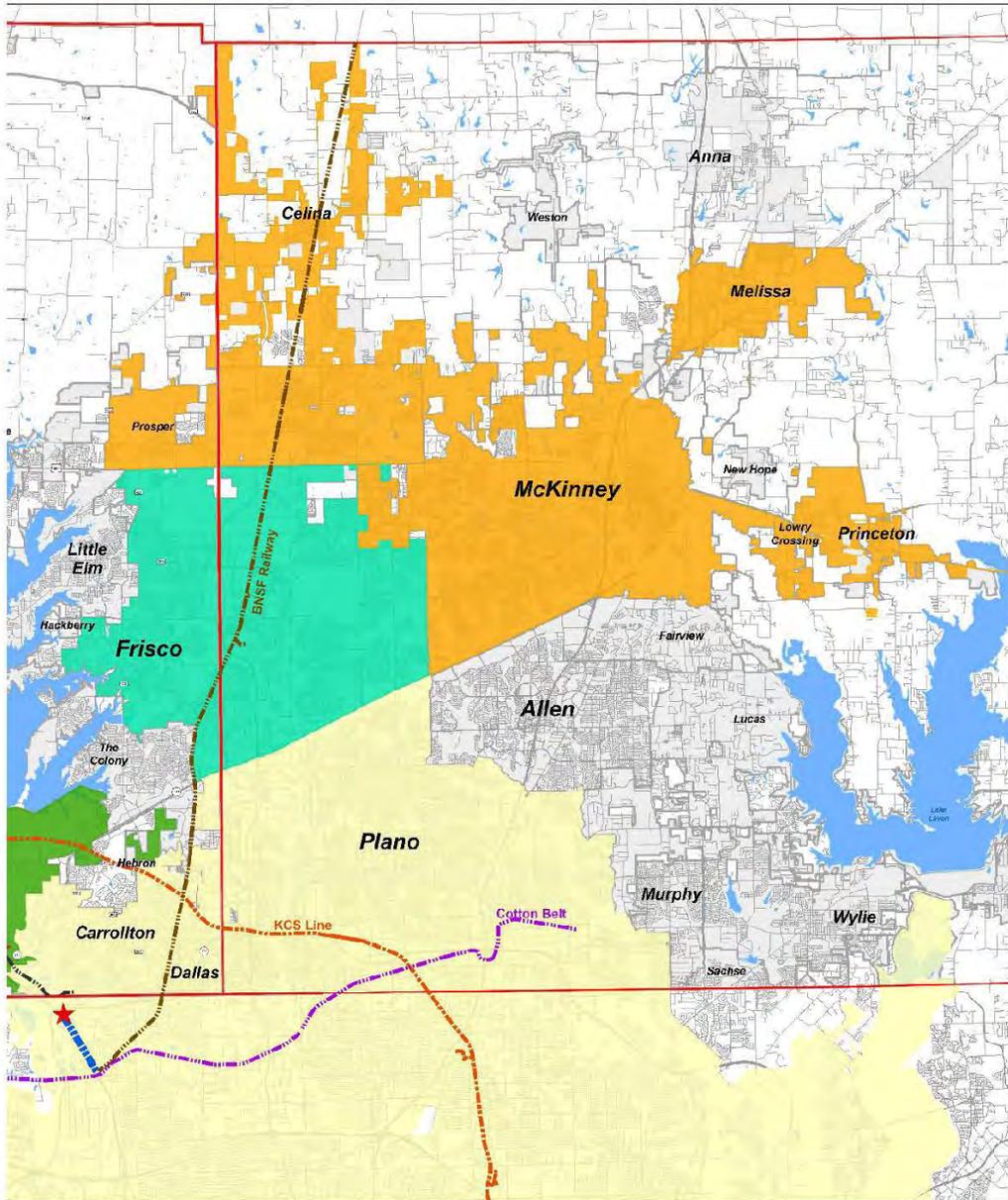
DENTON AND COLLIN COUNTY MAP



A-train Stations	A-train Line	DCTA Member Cities	DART Member Cities
	A-train Extension		

STRATEGIC PLANNING GUIDANCE REPORT

V1/3.23.17



STRATEGIC PLANNING GUIDANCE REPORT



**CRITERIA FOR PRIORITIZING ELEMENTS IN THE STRATEGIC PLAN**

- Ridership Potential
- Mobility and Air Quality
- Financing Potential/Cost
- Economic Development
- Added System Value

**STRATEGIC DRIVERS**

- Enhance service effectiveness, safety and security
- Expand within Denton County
- Expand within Collin County
- Sustain financial strength
- Support higher education
- Improve air quality
- Maintain and enhance relationships
- Seek opportunities with non-traditional partners
- Sustain the DCTA culture – keep what makes us successful
- Bring value beyond transit to the communities we serve
- Seek opportunities with technology

**PROJECTS FOR CONSIDERATION AND FURTHER ANALYSIS**

SERVICE IMPROVEMENT/EXPANSION INSIDE SERVICE AREA
Improved Bus Frequency
Additional Rail Service
Intermodal Center
A-train Extension to Belt Line
A-train Extension to SH 380
35W Service
TNC Service Improvement (2)

Cities w/ Limited Service or Unserved	Population + Employment (1)
Frisco	411,392
McKinney	314,390
Allen	144,018
Flower Mound	138,381
Wylie	123,512
The Colony	84,618
Little Elm	70,370
Corinth	58,284
Prosper	54,374
Parker	53,117

SERVICE EXPANSION – CORRIDOR PROJECTS
<b><u>HIGH-INTENSITY BUS</u></b>
35W
SH 380
SH 121
DNT/FM 423
FM 1171
FM 407
<b><u>COMMUTER RAIL</u></b>
BNSF Rail (35W & Frisco)
35W
KCS
SH 380

(1) Total of 2040 population and employment from NCTCOG  
 (2) Transportation Network Company

## DCTA BOARD OF DIRECTORS PRIORITIES

### 1. Operations

- Enhance service within member cities
  - Rail service
  - Bus Service
  - Innovative Services
  - Added value (Office/TOD/Trails)
- Growth within unserved areas of Denton County
  - Open dialogue with Flower Mound, Corinth, Little Elm, The Colony, 35W corridor
  - Regular outreach
  - Develop options
- Expansion into Collin County
  - Grow relationship with Frisco including development of BNSF rail
  - Establish relationship with McKinney Urban Transit District (UTD)
  - Growth within underserved areas
- Strategic acquisition of property, property use rights and right-of-way

### 2. Relationships

- Sustain and build key relationships
- Key themes and messages
  - Innovative partnerships
  - Willingness to take a leadership role
  - Communication with all stakeholders - always transparent
- Marketing/Communication actions to enhance these relationships

### 3. People

- Match personnel growth to agency needs
- Be scaleable and proactive
- Maintain the culture
- Build and sustain a place where people want to work
- Build a pipeline of talent for succession

### 4. Finance

- Sustain our solid position and practices
- Sustainable funding for improvements and expansion
- Retain fidelity with stakeholders
- Judicious use of agency debt



## STRATEGIC PLANNING GUIDANCE REPORT



### DCTA ACTION PLAN WITHIN FIVE YEARS

- Complete positive train control and single car operations
- Develop and implement a viable plan for BNSF rail service from Carrollton to Frisco/Proper
- Pursue McKinney Urban Transit District service
- Retain focus on utilization of Transportation Network Companies (TNCs) and prepare for automated vehicle technology
- Move into permanent office and facilitate TOD
- Explore A-train extensions – south in coordination with the Cotton Belt and north in response to needs in North Denton
- Complete analysis of potential for future rail and high-intensity bus expansion in all candidate corridors

### DCTA ACTION PLAN BEYOND FIVE YEARS

- Address east/west corridors (FM 1171/SH 121/SH 380)
- Pursue additional rail corridor development (35W/KCS/SH 380)
- Implement A-train extensions (as appropriate)





V1/3.23.17

**RESOLUTION**

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 17-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) PROVIDING FOR ADOPTION OF THE STRATEGIC PLANNING GUIDANCE REPORT; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the firm of Nelson/Nygaard Consulting Associates, Inc. was engaged to work with DCTA to prepare a Long Range Service Plan ("the Plan") which was adopted on December 15, 2011; and

**WHEREAS**, the Plan provides for a roadmap for DCTA to invest in future transit services to address the mix of priorities, funding sources, and transit needs; and

**WHEREAS**, the Plan is intended to articulate the Authority's service and planning goals and inform agency decisions and annual budget development; and

**WHEREAS**, the Board of Directors of the DCTA conducted a strategic planning retreat on February 23, 2017 to review steps toward the implementation of the Plan and provide guidance; and

**WHEREAS**, the Board of Directors of the DCTA finds it to be in the public interest to approve and adopt the Strategic Planning Guidance Report;

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

**SECTION 1.** The Strategic Planning Guidance Report dated March 23, 2017 attached hereto as Exhibit "A" is adopted as guidance on the implementation of the Long Range Service Plan adopted on December 15, 2011, and is hereby adopted and approved in all aspects.

**SECTION 2.** All provisions of the resolutions of the DCTA Board of Directors in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

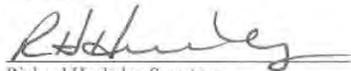
**SECTION 3.** This Resolution shall become effective immediately upon its passage and approval.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 23RD DAY OF MARCH, 2017.**

**APPROVED:**

  
Charles Emery, Chairman

**ATTEST:**

  
Richard Huckaby, Secretary

**APPROVED AS TO FORM:**

  
Peter G. Smith, General Counsel  
(PGS.3-16-17:TM 84589)



## GLOSSARY

- **APTA** – American Public Transportation Association
- **BNSF** – Burlington Northern Santa Fe Railway
- **DART** – Dallas Area Rapid Transit
- **DCTA** – Denton County Transportation Authority
- **DRMC** – Dallas Regional Mobility Coalition
- **FRA** – Federal Railroad Administration
- **FTA** – Federal Transit Administration
- **FWTA** – Fort Worth Transportation Authority
- **NCP** – Northwest Communities Partnership
- **NCTC** – North Central Texas College
- **NCTCOG** – North Central Texas Council of Governments
- **RTC** – Regional Transportation Council
- **SPAN** – Senior Programs for Aging Needs
- **SWTA** – South West Transit Association
- **TNC** – Transportation Network Company
- **TOD** – Transit Oriented Development
- **TRTC** – Tarrant Regional Transportation Coalition
- **TTA** – Texas Transit Association
- **TWU** – Texas Women’s University
- **TxDOT** – Texas Department of Transportation
- **UNT** – University of North Texas
- **UTD** – Urban Transit District

STRATEGIC PLANNING GUIDANCE REPORT

**DCTA**  
DENTON COUNTY  
TRANSPORTATION AUTHORITY

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# Denton County Transportation Authority Financial Management Policies

(Adopted May 25, 2017)



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## FINANCIAL POLICIES

### PURPOSE

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

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

### REVIEW

DCTA Financial Policies are presented to the Finance Committee for review after the start of each fiscal year but prior to the start of the next year's budget process. Any changes proposed by the Finance Committee will be forwarded to the Board for review and final action.

### OBJECTIVES

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

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

## FINANCIAL POLICIES

## RESERVE FUND POLICIES

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

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

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

- a. All transfers for expenditures from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board in the annual budget or amended budget.
- b. Capital Replacement Fund will at a minimum be an amount equivalent to twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the cost of one transit bus with a twelve (12) year useful life. (Example - FY16 Bus Fleet replacement: \$2.9 million X 20% = \$0.58 million; cost of transit bus = \$0.4 million. Minimum Capital Replacement Fund requirement: \$0.58 million + \$0.4 million = \$0.98 million)
- c. Infrastructure Maintenance – Available funds within limitations of current cash flow model, in accordance with assessed capital needs which shall be reviewed during the annual budget process.

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## FINANCIAL POLICIES

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

## REVENUE POLICIES

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

## FINANCIAL POLICIES

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

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

## EXPENDITURE POLICIES

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

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

## ACCOUNTING, AUDITING AND FINANCIAL REPORTING

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

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

## FINANCIAL POLICIES

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

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

## BUDGET AND OPERATING POLICIES

- a. Decisions of the Agency will be within the context of the cash flow model and the long-range service plan. Staff shall provide a review of the implications of budgetary proposals on the cash flow model.
- b. The budget is designed to communicate DCTA's financial goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and revenue sources used to pay for the service. DCTA is committed to a balanced budget, where current year expenses do not exceed current year revenues and applicable/specific reserve balances.
- c. Chapter 460.403 of the Texas Transportation Code requires the Board to prepare an annual budget. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and Finance Committee of the Board of Directors and the Board. A calendar of events related to budget development shall be presented to Finance Committee each year prior to the start of the annual budget process.
- d. The Finance Department will maintain a system for monitoring the DCTA's budget performance. The system will provide the DCTA Finance Committee and the Board with monthly and / or quarterly information in a timely manner on fund level resource collections and category level expenditures.
- e. Revised Budget Policy: The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. DCTA staff shall watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations as follows:
  - i. Operating Fund Expenditures
    - 1. DCTA is required to control operating costs and maintain the total expenditures incurred at or below the total annual adopted Operating Expenses budget or

## FINANCIAL POLICIES

- budget as amended.
2. The President may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.
  3. The Board may in the revised budget process, authorize a budget amendment for approval of new contracts and unbudgeted expenditures.
- ii. Capital Project Fund Expenditures
    1. Expenditures for capital projects must be approved with the fiscal year capital project budget; or
    2. By Board approval of a capital project budget amendment and approval of the purchase during the fiscal year. Capital project budget amendments will be incorporated in the revised budget process.
  - iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and cash flow model.
- f. Definitions:
- i. Budget Amendment – Shall mean a change in the fiscal year budget based on the following criteria:
    1. Operating – an increase to the total bottom line operating fund expenditure budget
    2. Capital – (a) addition of a new project; (b) change in Capital Projects Fund annual appropriation; (c) an increase to the total approved budget of a specific project.
    3. A resolution approved by the DCTA Board of Directors is required to authorize an amendment as specified in Section e (i).
  - ii. Budget Transfers – Shall mean transfer of funds between departments or specific operating expense line items that neither increase nor decrease the total adopted operating fund budget.
- g. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This allows DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to recover and/or adjust to serious downturns effectively.
- h. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken. A physical inventory will be conducted no less than every two (2) years.

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## FINANCIAL POLICIES

### PURCHASE AND DISPOSAL OF ASSETS

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

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

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

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

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

### COST ALLOCATION

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

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

### THE FEDERAL OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-87

OMB Circular A-87 establishes cost principals for State, local, and Indian Tribal Governments for determining costs for Federal Awards. Item 5 of the Circular states that, "The principals are for determining allowable costs only." In defining allowable costs, the Circular provides a definition of allocable costs on Attachment A, paragraph C.3.a, "A cost is allocable to a particular cost objective if the

## FINANCIAL POLICIES

goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.” The Circular further outlines costs that are allowable for charging the Federal government and distinguishes those that are specifically excluded from recovery.

### GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)

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

### DEBT MANAGEMENT POLICY

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

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

These will be accomplished by:

- a. Securing and maintaining a high credit rating
- b. Maintaining a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly.
- c. Selecting professional service providers (underwriters, financial advisors, bond insurer’s, etc. through negotiation, RFQ process or as defined for professional services under DCTA’s procurement procedures.
- d. Issuing debt on a competitive basis (except when conditions make a negotiated sale preferable) and awarding to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large; the project is speculative or complex; the issue is a refunding; or the market is unstable.
  - i. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
  - ii. Short-term borrowing will not be used for operating purposes.
- e. Complying with continuing disclosure reporting requirements and the obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. The DCTA’s annual audited financial report will be sent to EMMA as soon as the external auditor issues the report and it has been presented to the Board of Directors
- f. Ensuring no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.

## FINANCIAL POLICIES

- g. Limiting bonded indebtedness to a level that:
  - i. permits sufficient borrowing to support a reasonable level of capital programming,
  - ii. maintains a debt amortization schedule within DCTA's ability to pay
  - iii. supports DCTA's credit rating objectives.
  
- h. Considering credit enhancements only after a cost/benefit analysis has been completed for each bond issue.
  - i. Maintaining debt service reserve accounts as required by bond ordinances and where deemed advisable by the Board. DCTA shall structure such debt service reserves to avoid violation of IRS arbitrage regulations.
  - j. Maintaining debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

## FINANCIAL POLICIES

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

Investment Policy (As adopted 10/26/2017)

**I. POLICY STATEMENT**

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

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

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

**II. SCOPE**

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

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

**III. OBJECTIVES AND STRATEGY**

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

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**FINANCIAL POLICIES****SAFETY OF PRINCIPAL**

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

**LIQUIDITY**

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

**DIVERSIFICATION**

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

**YIELD**

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

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

**IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY**

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

**V. DELEGATION OF INVESTMENT AUTHORITY**

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

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## FINANCIAL POLICIES

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

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

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

### **AUTHORIZATION RESOLUTION**

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

## **VI. PRUDENCE**

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

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

### **LIMITATION OF PERSONAL LIABILITY**

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

## **VII. INTERNAL CONTROLS**

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

## FINANCIAL POLICIES

**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;
- e. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act.; and
- f. Interest bearing bank savings deposits issued by state and national banks or savings bank or a state or federal credit union (having their main or branch office in Texas) that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund (or their successor organizations).

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

## FINANCIAL POLICIES

**COMPETITIVE BIDDING REQUIREMENTS**

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

**DELIVERY VERSUS PAYMENT**

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

**IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

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

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

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

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

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

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

## FINANCIAL POLICIES

**X. DIVERSIFICATION AND MATURITY LIMITATIONS**

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

<b>Security Type</b>	<b>Max % of Portfolio</b>
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%
Interest Bearing Bank Savings Deposits	25%

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, or
- b. invest any portion of the portfolio for a period of greater than two (2) years.

**XI. SAFEKEEPING AND COLLATERALIZATION**

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

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

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

**COLLATERALIZATION**

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

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## FINANCIAL POLICIES

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

### XII. PERFORMANCE EVALUATION AND REPORTING

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

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

### XIII. DEPOSITORIES

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

### XIV. TRAINING REQUIREMENT

The DCTA Investment Officer(s) shall attend at least one investment training session consisting of no less than 10 hours of instruction relating to investment responsibilities within twelve months of taking office or assuming duties, and subsequently shall receive a minimum of 10 hours 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. 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.

## FINANCIAL POLICIES

Such training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

**XV. ETHICS AND CONFLICTS OF INTEREST**

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

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

**XVI. SUBJECT TO AUDIT**

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

**XVII. INVESTMENT POLICY ADOPTION BY DCTA BOARD**

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

Previous Action: Adopted: October 27, 2016

FINANCIAL POLICIES

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

## BUDGET CONTINGENCY PLAN

## DCTA BUDGET CONTINGENCY PLAN FY2018

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

### SECTION I: SALES TAX REVENUE SHORTFALL

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

#### Initial Precautionary Action

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

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

#### 2% REDUCTION (\$532,992)

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

#### 3% REDUCTION (\$799,488)

- Freeze all travel and training requests except with necessity review by the Budget Assessment Team.

## BUDGET CONTINGENCY PLAN

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

**4% REDUCTION (\$1,065,983)**

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

**SECTION II: SALES TAX REVENUE SUSTAINABLE INCREASE**

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

Service Level enhancement decisions will follow annual Decision Cycle framework

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

Implementation of Service Level Enhancements will require Board action and revision of annual budget

## BUDGET CONTINGENCY PLAN

**SECTION III: FEDERAL GRANT FUNDING REDUCTION**

The following precautionary actions will be initiated immediately if a federal grant reduction is anticipated:

## Capital Expenditures:

- Identify and evaluate other available funding sources
- Evaluate scaling back the scope of the project to the allocated funds, if feasible
- Freeze project pending review and discussion with Board of Directors.

## Operating Funds:

- Follow the Sales Tax Revenue Shortfall Procedure

## OPERATIONAL STATISTICS

## SYSTEM ON-TIME PERFORMANCE

- FY 2017 YTD “On Time Performance” (OTP) for the A-train is 98.12%
- FY 2017 YTD “On Time Performance” (OTP) system-wide for Bus is 93.79%

## RIDERSHIP PERFORMANCE

YEAR TO DATE CHANGE IN RIDESHIP BY SERVICE TYPE			
Service	% Change FY 2016 to FY2017	Color Indicator	Notation No.
All Bus & Rail	1.74%	Green	1
Rail	-7.39%	Red	2
All Bus	3.82%	Green	
Connect	-11.64%	Red	2, 3
UNT	8.81%	Green	1
NCTC	-10.39%	Red	
Access	-4.51%	Green	
Frisco Demand Response	64.31%	Green	
Highland Village	60.56%	Green	

1. UNT ridership continues to exceed expectations and boost the overall system performance. UNT ridership YTD has increased 154,560 or 8.81%.
2. The YTD boardings decreased for Rail and Connect over the same period for the previous fiscal year. An APTA study states that for every 10% drop in gas prices there is a 1.8% drop in ridership. Over the past year there has been a 35% decrease in gas prices which equals a 6.3% drop in ridership. We are in the 2nd year of sustained low gas prices, which is making car ownership more competitive to mass transit, and it appears that consumer behavior is adjusting. This is consistent with national trends.
3. While Connect service continues to underperform from the previous year. During September, the YTD percent of change had gains reducing the overall decrease from 11.85% in August to 11.64% in September.

## Color Key

**Green** indicates positive performance

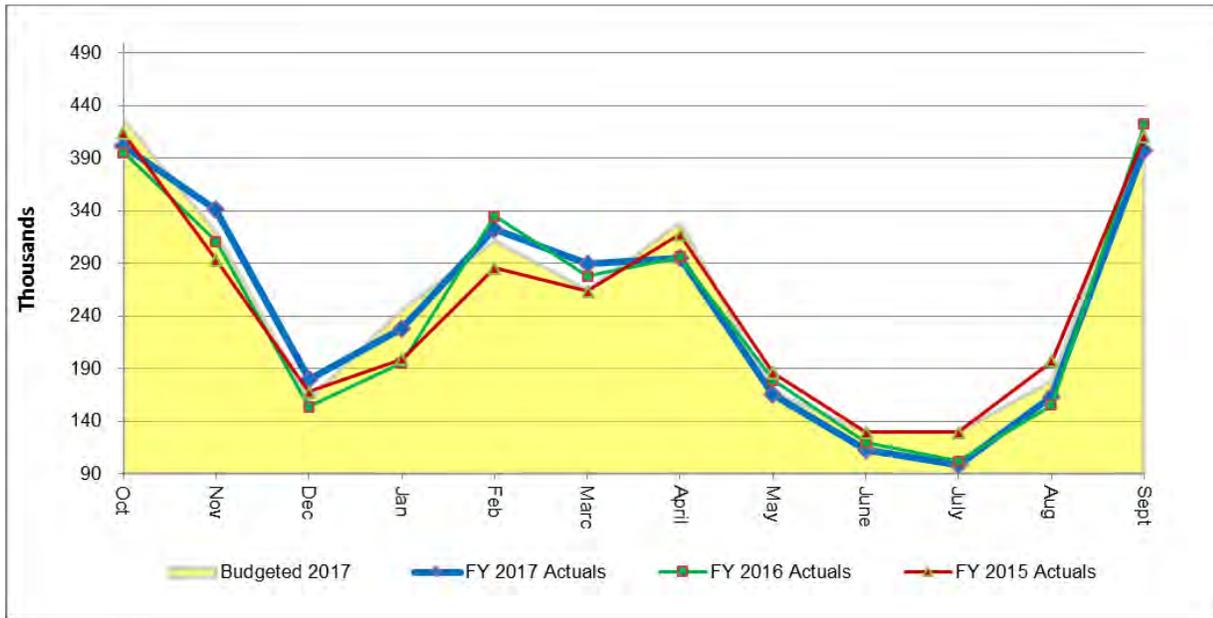
**Yellow** indicates service that will be monitored by staff

**Red** indicates poor performance and needs further research

OPERATIONAL STATISTICS

**RAIL AND ALL BUS: TOTAL BOARDINGS**

- Total boardings for Rail and All Bus decreased 25,323 boardings or 6% in September 2017 compared to September 2016.
- YTD boardings for Rail and All Bus increased by 51,193 boardings or 1.74% compared to the same period the prior year.

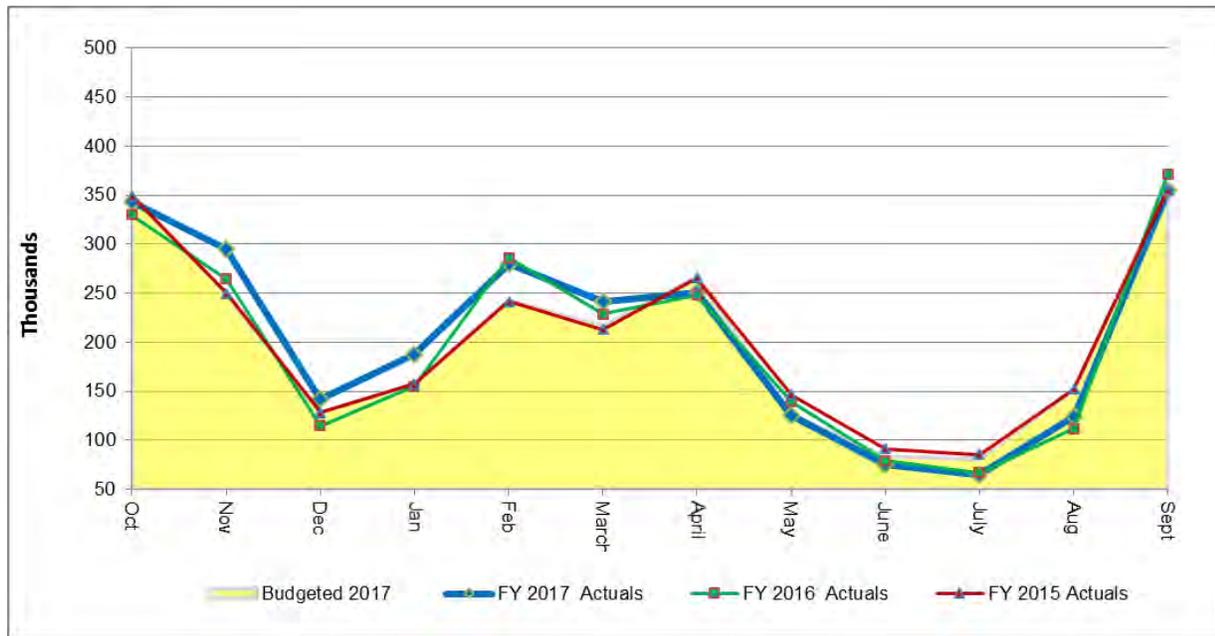


Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, Highland Village Connect Shuttle, Highland Village Community On-Demand, Frisco Demand Response Service, North Texas Xpress Commuter, and special movement services. For display purposes, the Y axis origin has been modified.

OPERATIONAL STATISTICS

ALL BUS: TOTAL BOARDINGS

- Modifications to UNT Student Parking has resulted in changes to student travel patterns that is having a significant impact on Denton Connect route performance. UNT YTD boardings are up 154,560 or 8.81% while Connect is down 63,987 or 11.64%.
- In September, total boardings decreased by 16,727 or 4.5% compared to the same period last year. It should be noted that during this period 709 or 4.95% less revenue hours of service were provided than the previous year.
- YTD total for total bus, the increase in UNT boardings were offset by decrease in connect and other services for a total increase overall for the year of 91,544 or 3.82% compared to last year.

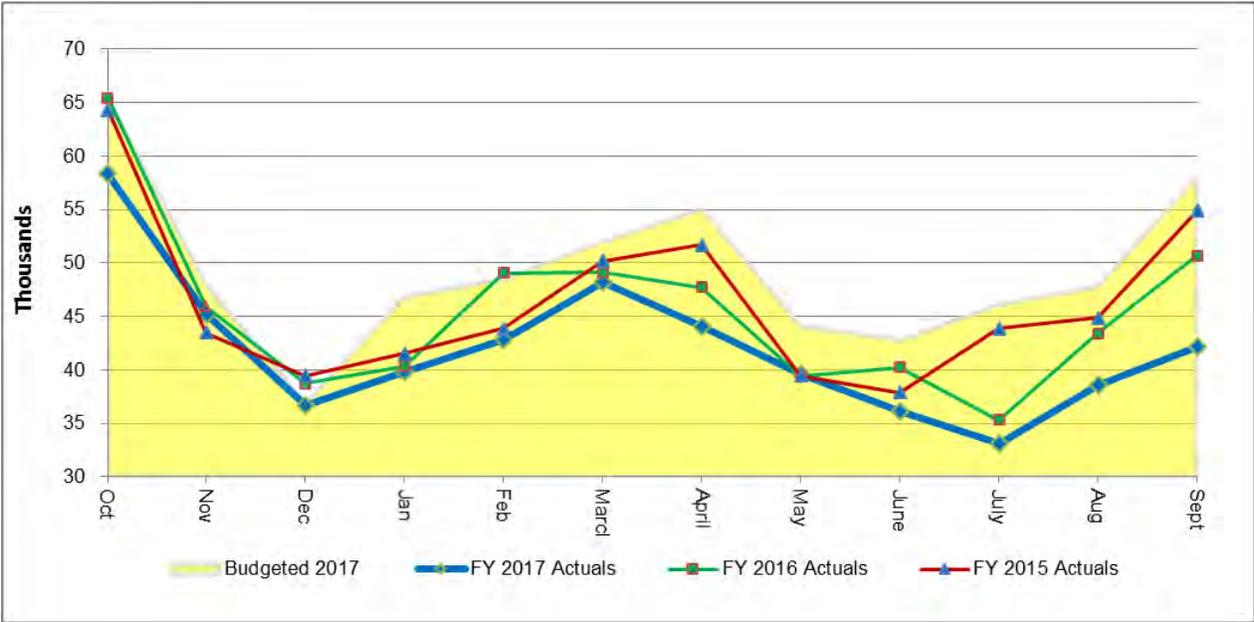


Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, Highland Village Connect Shuttle, Highland Village Community On-Demand, Frisco Demand Response Service, North Texas Xpress Commuter and special movement services. For display purposes, the Y axis origin has been modified.

OPERATIONAL STATISTICS

RAIL: TOTAL BOARDINGS

- Total boardings for Rail decreased by 8,596 or 16.95% in September 2017 compared to September 2016. However, boardings decreased by 40,292 or 7.39% overall for the year as compared to the previous fiscal year. Ridership for TRE and DART rail are also down as compared to last year.

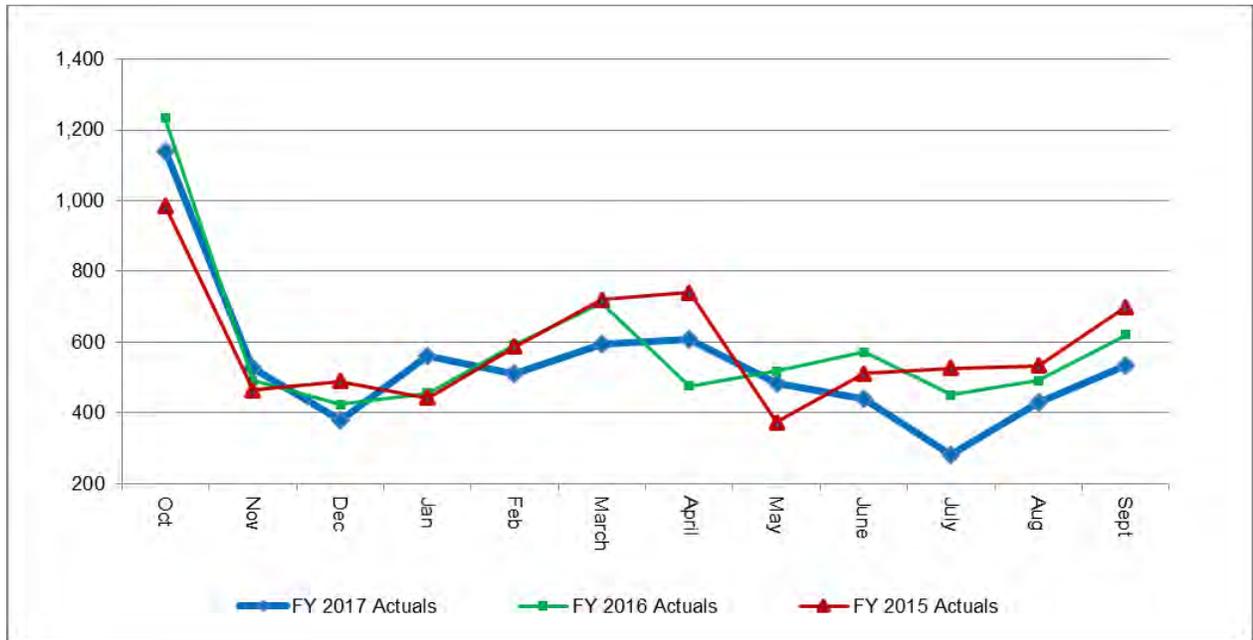


Note: For display purposes, the Y axis origin has been modified.

OPERATIONAL STATISTICS

**RAIL: SATURDAY AVERAGE BOARDINGS**

- Average Saturday Boardings decreased by 86 or 13.84% in September 2017 compared to September 2016.
- For the year, Average Saturday Boardings decreased by 538 or 7.65% as compared to last year.

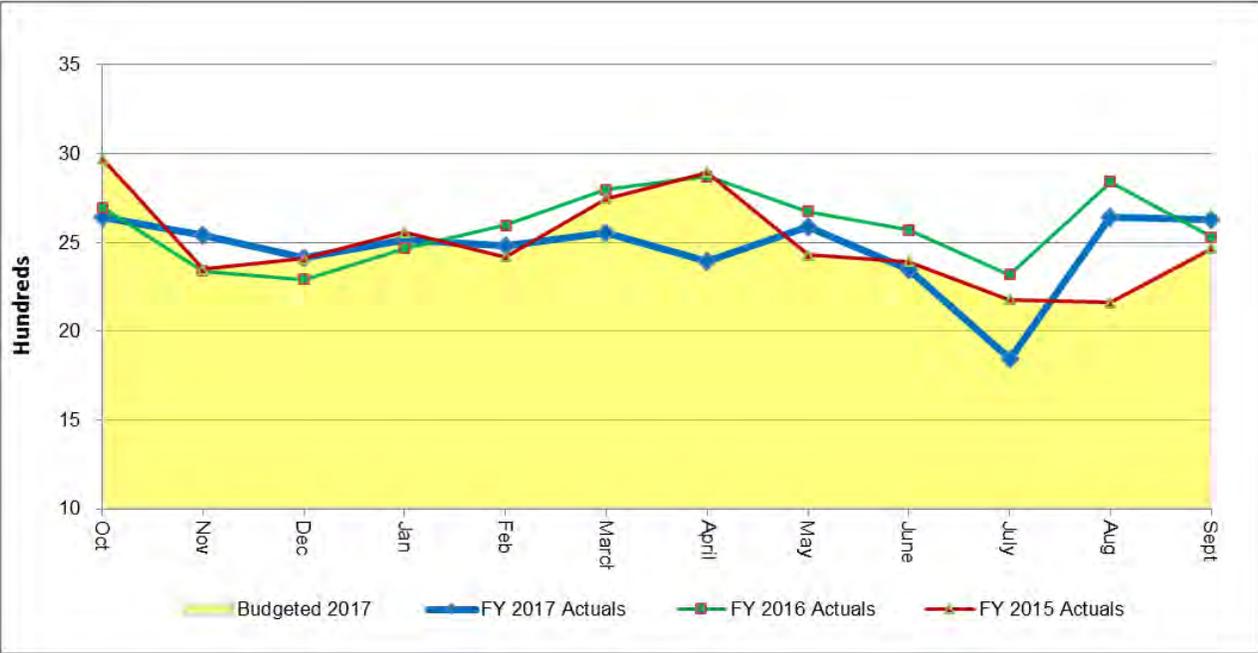


Note: For display purposes, the Y axis origin has been modified.

OPERATIONAL STATISTICS

ACCESS: TOTAL BOARDINGS

- In September, total boardings increased by 103 or 4.07% compared to the same period last year.
- YTD boardings have decreased by 1,398 or 4.51% compared to the same period last year.

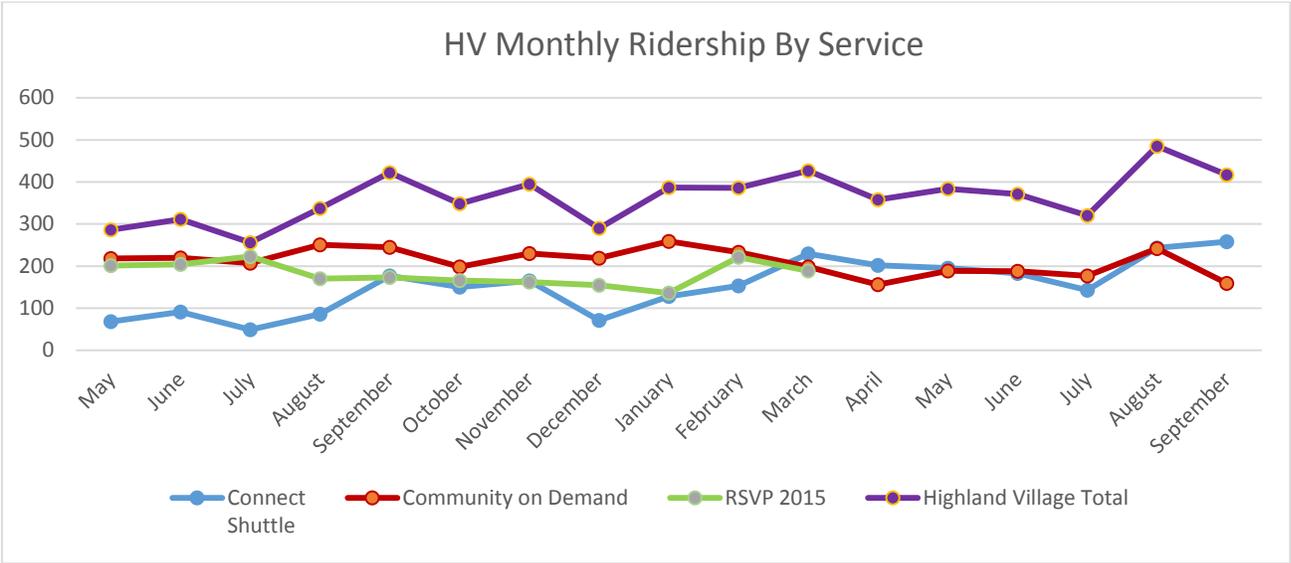


Note: For display purposes, the Y axis origin has been modified.

OPERATIONAL STATISTICS

HIGHLAND VILLAGE SERVICE: TOTAL BOARDINGS

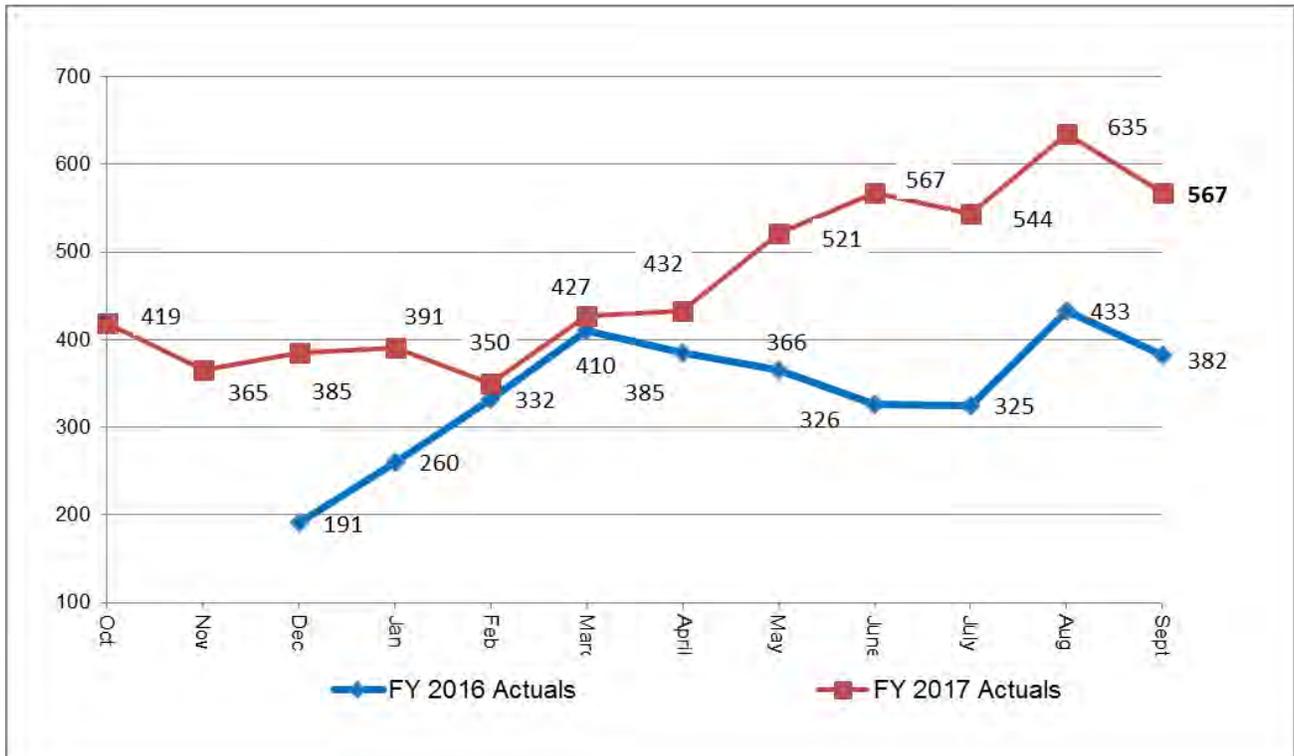
- In April 2016, RSVP was replaced with the Highland Village Connect Shuttle and Community On-Demand services.
- YTD total boardings for Highland Village Community On-Demand increased by 122 boardings or 5.25% over total boardings for the same period the prior year.
- With the addition of the Highland Village Connect Shuttle, total boardings for Highland Village services increased by 2,242 or 96.39% compared to the same period the prior year.
- YTD total boardings for all Highland Village services increased 1,723 or 60.56% compared to the same period the prior year.



OPERATIONAL STATISTICS

**FRISCO DEMAND RESPONSE SERVICE: TOTAL BOARDINGS**

- In September, total boardings increased by 185 or 48.4% compared to the same period last year.
- Total boardings have increased by 1,409 or 41.32% compared to the same period last year.
- Boardings for FY2017 increased 2,193 or 64.31% compared to FY2016.
- Staff worked with the City of Frisco to implement a Taxi Pilot Project, to add capacity to the existing service and expand the service area to include portions of Plano for medical trips.
- The Taxi Pilot Project was implemented on Monday, March 20. Since inception of the pilot, a total of 883 taxi trips have been provided.



## OPERATIONAL STATISTICS

## NORTH TEXAS XPRESS COMMUTER SERVICES: TOTAL BOARDINGS

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

## NORTH TEXAS XPRESS SUMMARY REPORT

Month	Total	DCTA Apportionment
September	1659	830
August	1216	608
July	1002	501
June	966	483
May	1122	561
April	1148	574
March	1193	597
February	822	411
January	978	489
*December	861	430
November	985	492
October	948	474
September	72	36

*\*Boardings reflect revision from FWTA*

## OPERATIONAL STATISTICS

## COLLIN COUNTY TRANSIT

- Service was initiated on June 1, 2017.
- Collin County Transit is a hybrid service provided on behalf of the McKinney Urban Transit District. Service is currently provided in the cities of McKinney, Melissa, Princeton, and Lowry Crossing.
- The service consists of primarily a taxi voucher program, with supplemental demand response service for those customers who are not able to utilize a taxi due to their mobility device.
- Service is provided Monday through Friday from 6:00 am to 6:00 pm.
- Collin County Transit ridership will be provided in table format (see below) until a full year of data is available for annual comparison purposes.

## COLLIN COUNTY TRANSIT SUMMARY REPORT

Month	Total	Taxi	Demand Response
September	321	320	1
August	274	272	2
July	150	150	0
June	97	91	6

## OPERATIONAL STATISTICS

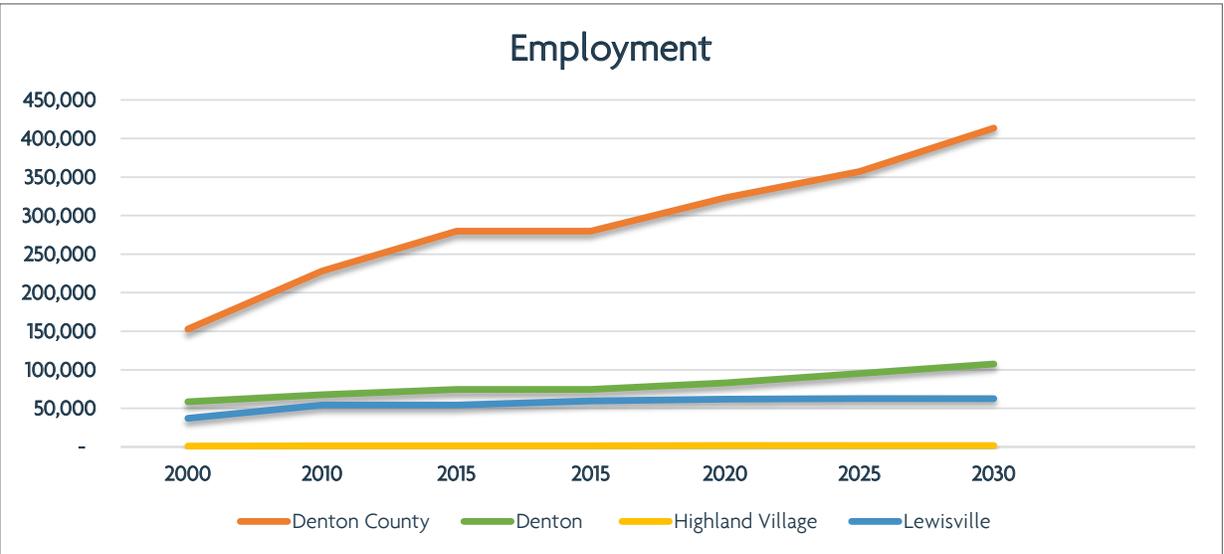
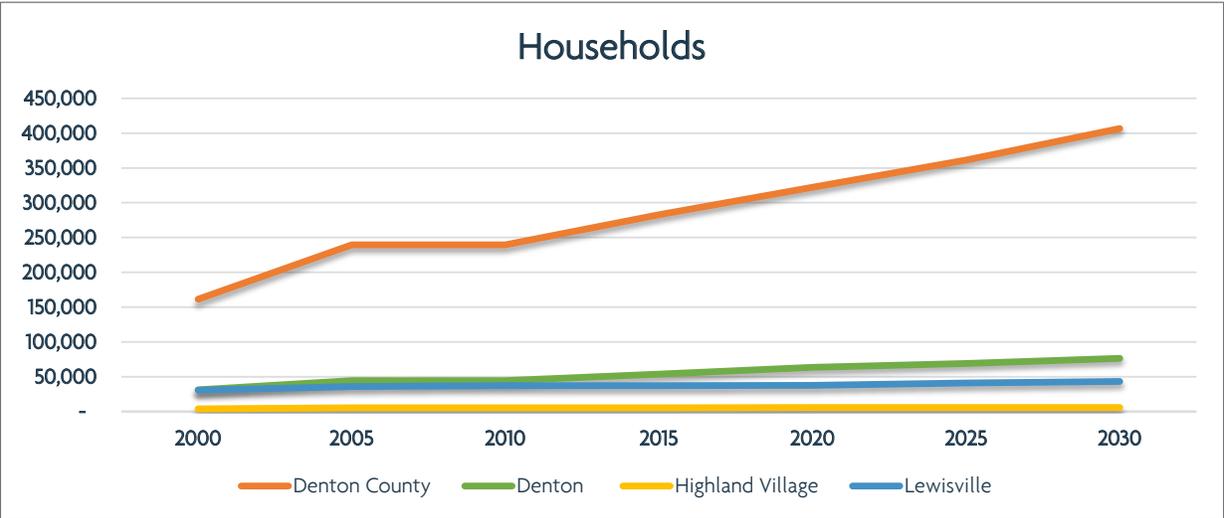
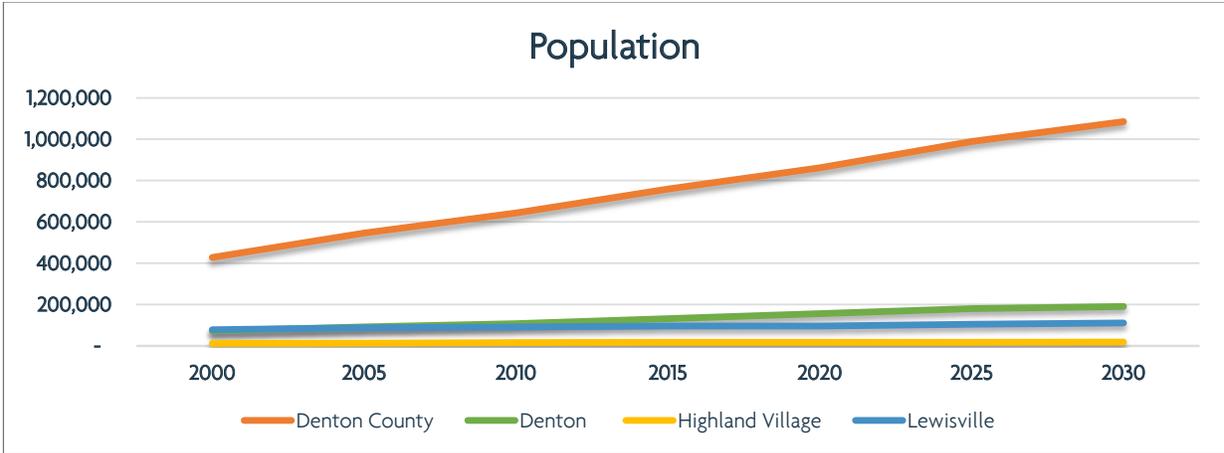
Operational Statistics							% CHANGE
	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY17 Actual v. FY18 Budget	
<b>PASSENGERS</b>							
A-train	568,338	555,423	545,250	504,952	520,273	3.03%	
Access	29,673	29,984	31,003	29,605	30,395	2.67%	
Connect	595,390	589,404	549,531	488,319	499,398	2.27%	
RSVP/ Highland Village	2,872	2,162	2,845	4,568	4,301	-5.85%	
North Texas Xpress				6,449	6,040	-6.34%	
UNT	1,617,002	1,800,332	1,788,877	1,925,549	1,915,742	-0.51%	
NCTC	14,264	17,489	20,250	18,147	19,473	7.31%	
Frisco			3,537	5,603	5,142	-8.23%	
<b>TOTAL PASSENGERS</b>	<b>2,827,539</b>	<b>2,994,794</b>	<b>2,941,293</b>	<b>2,983,192</b>	<b>3,000,764</b>	<b>0.59%</b>	
<b>REVENUE VEHICLE MILES</b>							
A-train	313,062	326,217	334,468	338,750	391,642	15.61%	
Access	221,328	209,445	219,186	204,750	223,843	9.32%	
Connect	675,754	745,349	766,111	772,224	917,093	18.76%	
RSVP/ Highland Village	14,875	16,620	64,523	106,289	113,582	6.86%	
North Texas Xpress				100,216	104,580	4.35%	
UNT	496,709	572,469	584,348	577,498	593,688	2.80%	
NCTC	51,274	80,565	90,295	91,015	94,188	3.49%	
Frisco			34,819	39,188	42,686	8.93%	
<b>TOTAL REVENUE MILES</b>	<b>1,773,001</b>	<b>1,950,665</b>	<b>2,093,750</b>	<b>2,229,928</b>	<b>2,481,302</b>	<b>11.27%</b>	
<b>REVENUE HOURS</b>							
A-train	12,215	13,149	13,580	13,510	13,436	-0.55%	
Access	16,042	16,050	17,948	18,512	18,328	-1.00%	
Connect	56,313	61,728	63,554	65,262	78,572	20.39%	
RSVP/ Highland Village	1,565	1,565	7,195	11,068	12,195	10.19%	
North Texas Xpress				3,912	3,880	-0.81%	
UNT	46,263	51,370	54,784	54,332	55,878	2.85%	
NCTC	2,360	4,156	4,790	4,576	4,731	3.39%	
Frisco			2,469	2,899	2,908	0.30%	
<b>TOTAL REVENUE HOURS</b>	<b>134,758</b>	<b>148,017</b>	<b>164,320</b>	<b>174,071</b>	<b>189,928</b>	<b>9.11%</b>	
<b>PASSENGERS PER REVENUE HOUR</b>							
A-train	46.53	42.24	40.15	37.38	38.72	3.60%	
Access	1.85	1.87	1.73	1.60	1.66	3.70%	
Connect	10.57	9.55	8.65	7.48	6.36	-15.05%	
RSVP/ Highland Village	1.84	1.38	0.40	0.41	0.35	-14.55%	
North Texas Xpress				1.65	1.56	-5.58%	
UNT	34.95	35.05	32.65	35.44	34.28	-3.26%	
NCTC	6.04	4.21	4.23	3.97	4.12	3.79%	
Frisco			1.43	1.93	1.77	-8.50%	
<b>AVERAGE</b>	<b>21</b>	<b>20</b>	<b>18</b>	<b>17</b>	<b>16</b>	<b>-7.81%</b>	

## DENTON COUNTY COMMUNITY PROFILE

DENTON COUNTY COMMUNITY PROFILE							
	2000	2005	2010	2015	2020	2025	2030
<b>Denton County</b>							
Population	428,080	545,987	643,572	758,897	862,332	989,320	1,085,343
Households	161,390	204,732	239,712	282,658	322,158	361,061	406,614
Employment	152,818	193,627	228,191	279,702	323,082	357,239	413,453
<b>Denton</b>							
Population	73,225	92,375	108,042	132,579	155,700	181,015	190,719
Households	31,174	38,624	44,380	53,930	63,617	68,882	76,397
Employment	58,581	63,470	67,857	74,521	83,082	95,384	107,572
<b>Highland Village</b>							
Population	12,144	13,558	16,554	17,412	18,051	18,194	18,624
Households	3,874	4,295	5,163	5,428	5,617	5,661	5,795
Employment	1,065	1,219	1,346	1,573	1,795	1,796	1,796
<b>Lewisville</b>							
Population	78,360	87,841	92,437	95,554	96,844	105,444	111,168
Households	30,689	34,294	35,982	37,269	37,748	41,076	43,232
Employment	37,145	46,893	54,284	59,803	62,067	62,538	62,603

\*Source: North Central Texas Council of Governments – North Central Texas 2030 Demographic Forecast

DENTON COUNTY COMMUNITY PROFILE



## DENTON COUNTY COMMUNITY PROFILE

**DENTON COUNTY TRANSPORTATION AUTHORITY  
PRINCIPAL EMPLOYERS IN DENTON COUNTY  
September 30, 2016**

		2016	
10 LARGEST EMPLOYERS	INDUSTRY	RANK	ESTIMATED NUMBER OF EMPLOYEES
University of North Texas	Education	1	8,887
Denton Independent School District	Education	2	3,800
Wal-Mart (Distribution Center & Stores)	Retail	3	3,722
Peterbilt Motors	Manufacturing	4	2,100
Lewisville Independent School District	Education	5	2,061
Northwest Independent School District	Education	6	2,000
Nebraska Furniture Mart	Retail	7	2,000
Texas Woman's University	Education	8	1,787
Denton County	County Government	9	1,625
Denton State School	State Government	10	1,500
City of Denton	Local Government	11	1,300
Texas Health Presbyterian Hospital	Hospital	12	1,074
Denton Regional Medical Center	Hospital	13	1,000
			<b>32,856</b>

Sources: Denton County Budget Department

## RESOLUTION ADOPTING FY 2018 OPERATING AND CAPITAL BUDGET

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 17-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2017-2018, BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE BUDGET CONTINGENCY PLAN FOR FISCAL YEAR 2017-2018; ADOPTING THE DCTA CASH FLOW MODEL; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

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

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

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

**WHEREAS**, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2017–2018 budget as hereinafter set forth, meets the legal and practical requirements of the DCTA for the proper and sustained operation of DCTA services and capital expenditures and should be approved as presented;

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

**SECTION 1.** The DCTA Operating and Capital Budgets for FY 2017-2018, the Budget Contingency Plan FY 2017-2018, and the DCTA Cash Flow Model, attached as Exhibits “A” through “D”, be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

**SECTION 2.** That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2016-2017 are hereby ratified, and the budget for fiscal year 2016-2017, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

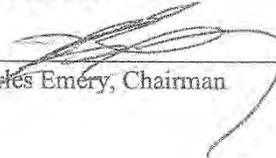
**SECTION 3.** That all provisions of the resolutions of the DCTA Board of Directors in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

RESOLUTION ADOPTING FY 2018 OPERATING AND CAPITAL BUDGET

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

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 28TH DAY OF SEPTEMBER, 2017.**

**APPROVED:**

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

**ATTEST:**

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

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Peter G. Smith, General Counsel  
(PGS: 9-13-17:95.90185)

## RESOLUTION ADOPTING FY 2018 OPERATING AND CAPITAL BUDGET

## FY18 Budget Revenue

RM 2(a) Exhibit A-1

<i>Bus Operations</i>				
Revenue Source	FY16 Actuals	FY17 Revised Budget	Actuals as of May 31, 2017	Proposed FY18 Budget
<b>Passenger Revenues</b>				
Connect	\$ 545,526	\$ 560,511	\$ 336,929	\$ 560,511
Frisco	6,051	-	3,183	4,831
Access	83,798	76,360	55,537	76,360
UNT	-	-	50,582	76,914
NCTC	-	-	-	-
McKinney	-	-	-	5,010
North Texas Express	-	-	1,824	2,589
<b>Total Passenger Revenues</b>	<b>635,375</b>	<b>636,871</b>	<b>448,056</b>	<b>726,215</b>
<b>Contract Services</b>				
Connect	\$ 57,000	\$ 49,000	\$ 8,000	\$ 57,000
Frisco	226,472	242,084	120,041	320,169
UNT	2,643,389	2,686,482	2,213,797	2,636,704
<i>UNT Fuel (Direct Pass Thru)</i>	<i>240,603</i>	<i>406,203</i>	<i>219,404</i>	<i>458,055</i>
NCTC	196,110	198,790	131,994	212,575
<i>NCTC Fuel (Direct Pass Thru)</i>	<i>20,082</i>	<i>67,428</i>	<i>14,015</i>	<i>72,670</i>
McKinney	-	175,000	-	344,990
<b>Total Contract Services</b>	<b>3,383,656</b>	<b>3,824,987</b>	<b>2,707,251</b>	<b>4,102,163</b>
<b>Total</b>	<b>\$ 4,019,030</b>	<b>\$ 4,461,858</b>	<b>\$ 3,155,307</b>	<b>\$ 4,828,378</b>
<b>Rail Operations</b>				
Revenue Source	FY16 Actuals	FY17 Revised Budget	Actuals as of May 31, 2017	Proposed FY18 Budget
Rail Farebox	\$ 771,096	\$ 809,137	\$ 498,170	\$ 738,510
<b>Total</b>	<b>\$ 771,096</b>	<b>\$ 809,137</b>	<b>\$ 498,170</b>	<b>\$ 738,510</b>
<b>G&amp;A</b>				
Revenue Source	FY16 Actuals	FY17 Revised Budget	Actuals as of May 31, 2017	Proposed FY18 Budget
Interest Income	\$ 59,364	\$ 40,000	\$ 59,122	\$ 78,000
Misc. Income/Fare Evasion	156,067	1,001,500	83,947	1,000
Sales Tax	24,658,546	25,624,601	17,384,613	26,649,585
Federal Operating Grants	5,056,450	6,657,172	2,652,011	5,410,737
Federal Capital Grants	5,530,798	9,096,305	3,814,900	7,666,528
State Operating Grants	73,596	-	-	-
State Capital Grants	238,832	1,541,533	-	2,114,696
Debt Issuance	-	-	-	-
<b>Total</b>	<b>\$ 35,773,853</b>	<b>\$ 43,961,111</b>	<b>\$ 23,994,593</b>	<b>\$ 41,920,546</b>
<b>TOTAL REVENUES</b>	<b>\$ 40,563,780</b>	<b>\$ 49,232,106</b>	<b>\$ 27,648,070</b>	<b>\$ 47,487,434</b>



RESOLUTION ADOPTING FY 2018 OPERATING AND CAPITAL BUDGET

RM 2(a) Exhibit B

Capital Improvement Plan

Project Name	Project Number	Project Budget	Project LTD thru FY 2015	FY 2016 Actuals	FY 2017 Revised	FY 2018	FY 2019	FY 2020	Anticipated Project Total (Thru 2020)
<b>Bus Services</b>									
Bus Operations & Maintenance Facility	50301	11,497,555	11,329,265	75,626	6,751				11,411,642
Scheduling Software	50601	250,000		20,000	115,000	115,000			250,000
Transit Enhancements (2015-2016)	50204	165,000	4,601	137,432	22,967				165,000
Bus Fleet Cameras	50409	149,500			149,500				149,500
Fleet (2016)	50607	1,250,000			1,250,000				1,250,000
Fleet (2017)	50510	1,885,000				1,474,076			1,474,076
AVL Systems	50410	200,000			200,000				200,000
ICOMF Fuel Tanks - Lewisville	50305	740,000			250,000	480,000			740,000
Denton COA Transit Enhancements	50205	58,500			58,500				58,500
Fleet (2018)	NEW	3,003,580				3,003,580	2,400,000	2,500,000	3,003,580
Future Fleet							500,000		500,000
Fleet Farebox									
<b>Rail Services</b>									
Positive Train Control Preparation	61406	1,346,527	1,346,527		7,486,472	2,638,928			1,346,527
Positive Train Control Implementation	61406.1	16,720,141		6,594,747					16,720,141
Lewisville Bike Trail	61708	2,148,955	1,978,419	67,935	56,155	38,263			2,140,773
T. Mills Crew Facility	61209	310,000	32,528	37,176	240,296				310,000
Station Landscaping	61210	485,000	25,455	365,746	93,799				485,000
Rail Mobilization (2015)	61604	1,174,779		1,201,987	(27,208)				1,174,779
Rail Facility Flume Repair (2015 Flood)	61713.1	325,482		56,282	289,200				325,482
Grade Crossing Replacements (2015 Flood)	61713.2	2,157,780		62,706	2,095,054				2,157,780
Hebron Signal House (2015 Flood)	61713.3	122,000		98,627	23,373				122,000
Ballast Undercutting (2015 Flood)	61713.4	761,600		21,198	740,402				761,600
Pocknus Page (2015 Flood)	61713.5	623,000		34,260	294,370	284,370			623,000
Rail Capital Maintenance	61714	3,575,430			378,492	2,987,927	2,500,000	2,500,000	8,346,419
Trail Safety Improvements	61715	81,157			300,000	81,157			81,157
Lewisville Bike Trail - Eagle Point Section	61716	2,995,873		40,176		2,855,697			2,995,873
Valley Ridge Crossing	61717	1,000,000			1,000,000				1,000,000
Dispatch System	61408	150,000			150,000				150,000
Brownfield Remediation	NEW	325,000			60,000	325,000	200,000	200,000	385,000
Rail Safety Improvements	NEW	200,000				200,000			600,000
<b>G&amp;A</b>									
Data Analytics & Reporting	10601	200,000				200,000			200,000
Comprehensive Service Analysis	10602	420,222	76,210	118,695	224,317				420,222
Shortel Phone System	10402	88,610		75,107	13,503				88,610
Lewisville Facilities Study	10301	100,000		79,065	20,935				100,000
Safety & Security Assessment	10804	250,000			250,000		200,000		450,000
Infrastructure Acquisition	10302	3,900,000			2,900,000	1,000,000			3,900,000
Project Management / Document Control	10605	150,000			150,000		150,000	150,000	600,000
<b>TOTAL</b>		<b>\$ 58,808,071</b>	<b>\$ 14,793,006</b>	<b>\$ 9,087,760</b>	<b>\$ 18,771,877</b>	<b>\$ 15,633,998</b>	<b>\$ 6,050,000</b>	<b>\$ 5,350,000</b>	<b>\$ 69,686,641</b>

RESOLUTION ADOPTING FY 2018 OPERATING AND CAPITAL BUDGET

RM 2(a) Exhibit C

FY18 Proposed Budget

	Audited 2016*	Revised 2017	Proposed 2018	2019	2020	2021	2022	2023	TOTAL FY 2016 - FY 2023
<b>OPERATING REVENUES</b>									
Beginning Fund Balance:									
Bus Operating Revenue	\$ 25,789,446	\$ 21,989,790	\$ 15,225,128	\$ 12,465,457	\$ 11,920,278	\$ 12,840,648	\$ 14,200,308	\$ 16,222,538	39,780,666
Non-Operating Revenue	\$ 4,019,030	\$ 4,461,653	\$ 4,928,378	\$ 4,968,705	\$ 5,126,144	\$ 5,304,846	\$ 5,447,545	\$ 5,584,351	5,428,421
<b>NON-OPERATING REVENUES</b>	771,089	808,137	730,310	743,983	821,944	830,223	844,353	853,031	8,428,421
Sales Tax Revenue	24,638,546	25,624,601	28,946,585	27,715,683	28,824,181	29,577,159	31,176,245	32,423,295	227,049,191
Formula Grants (Operating)	4,826,472	2,803,699	5,177,112	5,765,515	6,241,517	6,336,096	4,951,394	4,420,959	39,352,952
Interest Income-Non RTRFI Funds	59,364	40,000	78,000	37,398	35,721	38,522	42,601	48,668	380,292
Misc. Revenue	156,067	1,001,500	1,000	1,500	1,500	1,500	1,500	1,500	1,166,067
Restricted RTRFI Interest Income									
<b>Total Revenues</b>	<b>34,490,575</b>	<b>34,540,592</b>	<b>37,472,585</b>	<b>39,224,550</b>	<b>41,097,057</b>	<b>47,494,346</b>	<b>47,493,870</b>	<b>43,341,874</b>	<b>314,155,389</b>
<b>OPERATING EXPENSES</b>									
Bus Operating Expense	9,105,959	11,535,556	12,736,424	13,081,396	13,537,944	14,005,762	14,513,753	15,017,862	103,536,656
Rail Operating Expense	12,497,995	12,476,543	12,682,112	13,618,323	13,914,380	14,388,516	14,749,011	15,150,333	109,486,213
G&A Operating Expense	4,517,079	5,452,598	6,474,517	6,595,387	6,589,952	6,818,044	7,058,317	7,304,508	50,804,120
<b>NON-OPERATING EXPENSES</b>									
Non-Operating Income/Expense	28,715,032	29,464,305	31,905,053	32,795,088	34,042,316	35,742,322	38,321,081	37,480,703	263,825,990
<b>NET REVENUES</b>	<b>8,373,542</b>	<b>3,076,197</b>	<b>3,577,532</b>	<b>3,929,462</b>	<b>7,054,741</b>	<b>6,752,024</b>	<b>9,172,789</b>	<b>8,861,170</b>	<b>50,329,483</b>
<b>CAPITAL OUTLAY</b>									
Bus Capital Expenditure	582,161	457,718	295,000	2,400,000	2,400,000	2,400,000	2,000,000	3,100,000	1,319,876
Bus Fleet Replacement Expense	1,705,332	1,250,000	4,477,850	150,000	150,000	150,000	150,000	150,000	19,733,002
Professional Services / Technology Improvements	293,867	723,755	465,000	150,000	150,000	150,000	150,000	150,000	2,232,822
Stadler Fleet (Vehicles)	189,557	-	-	-	-	-	-	-	189,557
Right of Way	106,112	396,155	81,157	-	-	-	-	-	81,157
Rail Capital Expenditure (LV Hike & Bike)	-	-	2,693,960	-	-	-	-	-	3,156,226
Rail Capital Expenditure (Community Enhancements)	-	-	-	-	-	-	-	-	-
HV Parking Expansion	-	-	-	-	-	-	-	-	-
Rail Station Improvements	-	-	-	-	-	-	-	-	-
Rail MOU	421,237	334,095	-	-	-	-	-	-	755,332
Rail MOE	34,914	-	-	-	-	-	-	-	34,914
Single Car Operations / Shunt Enhancement	464,889	-	-	-	-	-	-	-	464,889
Re-Rolling Equipment	(122,767)	-	-	-	-	-	-	-	(122,767)
Bus Replacements	371,714	378,462	2,987,937	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	16,218,133
Disaster Recovery - 2015 Floods	273,738	3,422,938	294,370	-	-	-	-	-	3,990,506
Rail Mobilization	1,201,997	122,762	7,466,472	2,638,828	-	-	-	-	1,324,779
Positive Train Control	6,584,741	2,900,000	1,000,000	-	-	-	-	-	16,720,141
Infrastructure Acquisition	-	290,000	200,000	200,000	200,000	200,000	200,000	200,000	3,900,000
Valley Ridge Crossing	-	-	-	-	-	-	-	-	1,000,000
Safety & Security	-	-	-	-	-	-	-	-	250,000
Rail Safety Improvements	-	-	-	-	-	-	-	-	1,200,000
<b>Approved Capital Requests</b>									
Fleet Farebox Replacement	-	60,000	925,000	600,000	-	-	-	-	600,000
Brownfield Remediation	-	-	240,000	200,000	-	-	-	-	385,000
TS&A Security (Phase I)	-	-	-	-	-	-	-	-	200,000
On/Off Fuel Tanks (Additions)	-	-	-	-	-	-	-	-	240,000
<b>Total Capital Outlay</b>	<b>12,119,461</b>	<b>18,771,880</b>	<b>15,633,988</b>	<b>6,050,000</b>	<b>5,350,000</b>	<b>5,150,000</b>	<b>4,850,000</b>	<b>5,950,000</b>	<b>73,875,350</b>
<b>CAPITAL SOURCES</b>									
New Money (Debt Issuance)	-	-	-	-	-	-	-	-	-
RTRFI/RTC Funds	3,071,743	5,958,178	3,160,079	-	-	-	-	-	12,500,000
FEWA Reimbursements	2,303,574	2,263,501	2,333,625	-	-	-	-	-	2,831,000
Formula Grants (Capital)	2,757,857	1,422,485	6,282,145	2,350,341	1,994,968	3,023,498	3,503,748	4,182,248	25,527,350
Total Capital Sources	6,073,204	9,705,464	10,014,849	2,350,341	1,994,968	3,023,498	3,503,748	4,182,248	40,858,350
<b>DEBT SERVICE</b>									
2008 Issue (ST) Debt Service	3,595,387	1,719,897	1,717,600	1,714,867	1,715,208	1,713,925	1,715,845	1,715,771	15,600,121
2009 Refunding (ST) Debt Service	1,572,842	1,029,725	1,010,484	1,050,297	1,054,160	1,081,937	1,088,462	1,104,048	9,001,945
2011 Contractual Obligations	-	-	-	-	-	-	-	-	-
<b>Total Debt Service</b>	<b>5,168,229</b>	<b>2,749,622</b>	<b>2,728,084</b>	<b>2,765,164</b>	<b>2,769,368</b>	<b>2,795,862</b>	<b>2,804,307</b>	<b>2,819,819</b>	<b>24,602,066</b>
Internal Debt Service Coverage:	1.62	1.85	2.04	2.14	2.54	2.35	2.20	2.08	
Outstanding Bond Principal as of September 30th (End of Fiscal Year)	\$ 30,395,000	\$ 29,740,000	\$ 27,020,000	\$ 25,230,000	\$ 23,360,000	\$ 21,405,000	\$ 19,370,000	\$ 17,245,000	
<b>Audit Adjustment</b>	<b>(993,693)</b>								
<b>Ending Fund Balance:</b>	<b>21,958,790</b>	<b>15,225,128</b>	<b>12,465,457</b>	<b>11,920,278</b>	<b>12,840,648</b>	<b>14,200,308</b>	<b>16,222,538</b>	<b>17,506,077</b>	
Less Restricted RTRFI Interest Income	6,528,758	7,366,099	7,973,763	8,323,771	8,510,579	8,503,080	9,080,270	9,370,176	
Less Required Fund Balance (O&M Reserve Policy):	739,756	798,739	799,468	831,467	864,726	899,315	935,287	972,699	
Less Sales Tax Stabilization Fund	72,562	400,000	450,000	450,000	450,000	450,000	450,000	450,000	
Less Fuel Stabilization Fund	3,951,050	2,000,000	2,000,000	2,000,000	2,000,000	3,000,000	5,000,000	6,000,000	
Less Capital Infrastructure	-	-	-	-	-	-	-	-	
<b>Net Available Fund Balance</b>	<b>10,656,643</b>	<b>4,640,321</b>	<b>1,232,206</b>	<b>315,040</b>	<b>1,015,344</b>	<b>1,047,913</b>	<b>756,980</b>	<b>713,202</b>	

## RESOLUTION ADOPTING FY 2018 OPERATING AND CAPITAL BUDGET

DCTA Budget Contingency Plan  
FY2018

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

**Section I: Sales Tax Revenue Shortfall**

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

**Initial Precautionary Action**

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

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

**2% Reduction (\$532,992)**

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

## RESOLUTION ADOPTING FY 2018 OPERATING AND CAPITAL BUDGET

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

**3% Reduction (\$799,488)**

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

**4% Reduction (\$1,065,983)**

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

## RESOLUTION ADOPTING FY 2018 OPERATING AND CAPITAL BUDGET

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

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

Service Level enhancement decisions will follow annual Decision Cycle framework

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

Implementation of Service Level Enhancements will require Board action and revision of annual budget

**Section III: Federal Grant Funding Reduction**

**The following precautionary actions will be initiated immediately if a federal grant reduction is anticipated:**

**Capital Expenditures:**

- Identify and evaluate other available funding sources
- Evaluate scaling back the scope of the project to the allocated funds, if feasible
- Freeze project pending review and discussion with Board of Directors.

**Operating Funds:**

- Follow the Sales Tax Revenue Shortfall Procedure

## GLOSSARY

**Accrual Basis** – The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

**Accrued Expenses** – Expenses incurred but not due until a later date.

**Budget** – A plan of financial operation consisting of an estimate of proposed expenditures for a given period and the proposed means of financing them. The budget is proposed until it has been adopted by the board.

**Budget Amendment** – A procedure utilized by staff and the board to revise the budget.

**Budget Calendar** – A schedule of milestones which DCTA follows in the preparation, adoption, and administration of the budget.

**Grants and Reimbursements** are sources of financing for the transportation operations and DCTA.

**Capital Improvements** – An addition to the DCTA assets, including the design, construction or purchase of land, buildings or facilities, or major renovations.

**Change in Net Assets** – The change in equity resulting from the current year activities.

**Cost** – The amount of money of other consideration exchanged for property of services.

**Diesel Multiple Unit (DMU)** - A diesel multiple unit or DMU is a multiple unit train consisting of multiple carriages powered by one or more on-board diesel engines. They may also be referred to as a railcar or rail motor, depending on country.

**Division** – An organizational unit, which has the responsibility of providing programs, activities, and functions in a related field.

**Depreciation Expense** – The amortization of the cost of capital assets over their useful life. Capital assets have a useful life of more than one accounting period and the expense is viewed as the use of capital required to generate the revenues in the accounting period.

**Enhanced Local Assistance Program (ELAP)** – An expense incurred through a financial improvement program for DCTA participating cities. This expense is generally 25% of the DCTA sales tax collections and can be used to provide transportation related improvements within the participating cities.

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## GLOSSARY

**Enterprise Fund** – Enterprise Funds account for operations that are financed and operated in a manner similar to private business. The intent of DCTA is that the costs (expenses, including depreciation) of providing transit services to the general public will be financed through a combination of farebox revenue, sales tax, and other grants.

**Expanded Level Project** – any new project, plans for expansion or increased service delivery that is above and beyond the current service level. These are expenses that could be classified as “one-time” and “out of the ordinary” expenses.

**Expenditure** – The actual spending of funds to acquire assets or services.

**Fiscal Year** – The time period designated by the board signifying the beginning and ending period for recording financial transactions. DCTA’s fiscal year begins October 1 and ends September 30.

**Fixed Assets** – Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, autos and machinery.

**Full-Time Equivalent** – A unit of measure based on the number of hours that an employee works during the fiscal year. One FTE is equivalent to 2,080 hours.

**Fund** – An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

**Generally Accepted Accounting Principles (GAAP)** – Standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of the entity.

**Governmental Accounting Standards Board (GASB)** - An organization whose main purpose is to improve and create accounting reporting standards or generally accepted accounting principles (GAAP). These standards make it easier for users to understand and use the financial records of both state and local governments. The Government Accounting Standards Board (GASB) is funded and monitored by the Financial Accounting Foundation (FAF).

**Grants** – Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.

**GTW Vehicle** - The GTW articulated railcar is based on a modular vehicle concept to optimally meet the various requirements in terms of track gauge, structural clearance and transport capacity. Thanks to its modular design,

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## GLOSSARY

the GTW articulated railcar available in electric versions for all common voltages as well as in diesel-electric versions. Its' typical feature is its Power Module which is located in the center of the vehicle and which houses the entire power plant.

**Income** – A term used in proprietary fund type accounting to represent revenues or the excess of revenues over expenditures.

**Insurance, Casualties and Loss** – Costs for protection from loss through insurance, uninsured loss, and compensation to others for their losses.

**Leases and Rentals** – Expense consisting of payments made for the use of capital assets not owned by DCTA.

**Materials and supplies** – Expense consisting of products purchased from outside suppliers or internally produced and consumed in the accounting period.

**Miscellaneous** – Expense consisting of expenses that cannot be attributed to any of the other major expense categories.

**Net Investment Income** – Consists of interest income from authorized investments, net of interest expense related to debt financing.

**Non-Operating Revenue / (Expense)** – The revenue or expense generated from items other than operating activities.

**Operating Budget** – Plans for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law.

**Operating Expenses** – Expenses or cost incurred to provide the operating revenue earned in the accounting period.

**Operating Income / (Loss)** – The net income or loss from operating activities for providing transportation services.

**Performance Measures** – Specific qualitative and quantitative measures of work performed as on objective of the department.

## GLOSSARY

**Purchased Transportation** – Expense consisting of cost incurred for materials, services, fuel and maintenance consumed in providing transportation services.

**Regional Toll Revenue Funding Initiative (RTRFI)** – The Texas Legislature enabled the Texas Department of Transportation to consider public and private-sector partnerships to finance roadways. The result is a completed project with a toll component and revenue for transportation projects. DCTA was awarded \$250,360,000 from the RTRFI in order to build the A-train regional rail project.

**Reserves** – Funds set aside for economic uncertainties.

**Salary, Wages and Fringe Benefits** – Expense including pay to employees for services provided, employer related taxes, employer portion of insurance benefits, employer 401 (a) contributions, sick time, and other miscellaneous pay as established by the board.

**Sales Tax** – A general “sales tax” is levied on persons and businesses selling merchandise or services in the city limits on a retail basis. The categories for taxation are defined by state law. Monies collected under authorization of this tax are for the use and benefit of the taxing authority.

**Services** – Expense consisting of labor and other work provided by outside organizations for a fee. These services could include legal expense, accounting services, management consulting, etc.

**Utilities** – Expense consisting of the use or consumption of electricity, gas, and communication services.

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