



DENTON COUNTY  
TRANSPORTATION AUTHORITY

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

## **Board of Directors Regular Meeting** **September 27, 2018 | 3:00 p.m.\***

*\*or immediately following Board Work Session  
scheduled at 1:30 p.m. on September 27, 2018*

CALL TO ORDER

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS

INVOCATION

WELCOME AND INTRODUCTION OF VISITORS

AGENCY AWARDS AND RECOGNITIONS

### **1. PUBLIC COMMENT**

This agenda item provides an opportunity for citizens to address the Board of Directors on any agenda items or other matters relating to the DCTA. Anyone wishing to address the Board of Directors should complete a Citizen Comment Registration Card and submit it to the DCTA Administration prior to the start of the Board of Director meeting. There is a three (3) minute time limit for each citizen. Anyone wishing to speak shall be courteous and cordial. The Board of Directors is not permitted to take action on any subject raised by a speaker during Citizen Comments. However, the Board of Directors may have the item placed on a future agenda for action; refer the item to the DCTA Administration for further study or action; briefly state existing DCTA policy; or provide a brief statement of factual information in response to the inquiry.

### **2. CONSENT AGENDA**

- a. Approval of Minutes for the Board Work Session and Regular Meeting on August 23, 2018.
- b. Acceptance of Monthly Financial Statements – August 2018
- c. Approval and Authorization to execute interlocal contract with the Department of Information Services

### **3. REGULAR AGENDA**

- a. Approval of Resolution 18-06 adopting FY 2019 Operating and Capital Budget
- b. Approval of Resolution 18-07 designating Raymond Suarez as the Alternate Investment Officer
- c. Approval and Authorization to execute agreement with Texas Transportation Institute

4. Convene Executive Session. The Board may convene the Regular Board Meeting into Closed Executive Session for the following:
  - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Regular Board Meeting may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein.
  - b. As Authorized by Texas Government Code Section 551.072 Deliberation regarding Real Property: Discuss acquisition, sale or lease of real property related to long-range service plan within the cities of Denton, Lewisville, Highland Village, or the A-train corridor.
5. Reconvene Open Session
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session.
6. CHAIR REPORT
  - a. Discussion of Regional Transportation Issues
  - b. Discussion Legislative Issues
    - i. Regional
    - ii. State
    - iii. Federal
      1. Federal Platform
      2. Trump Admin Memorandum
7. PRESIDENT'S REPORT
  - a. Budget Transfers
  - b. Regional Transportation Issues
8. REPORT ON ITEMS OF COMMUNITY INTEREST
  - a. Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.
9. ADJOURN


**Chair – Charles Emery**  
**Vice Chair – Richard Huckaby**

**Secretary – Dianne Costa**  
**Treasurer – Dave Kovatch**

**Members – Skip Kalb, Tom Winterburn, Don Hartman,**  
**George A. Campbell, Allen Harris, Carter Wilson, Connie White, Mark Miller, Ron Trees**  
**President/CEO – Raymond Suarez**

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

This notice was posted on 9/21/2018 at 2:05 PM.

  
\_\_\_\_\_  
Brandy Pedron, Executive Assistant | Public Information Coordinator | Records Manager



Board of Directors

**Work Session Minutes**

The Board of Directors of the Denton County Transportation Authority convened the work session of the Board of Directors with Charles Emery, Chairman presiding at on August 23, 2018 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

**Attendance**

**Small Cities**

Connie White  
Skip Kalb, Small Cities

**Large Cities**

Charles Emery, Lewisville, Chairman  
Dianne Costa, Highland Village  
Richard Huckaby, Denton, Secretary  
Mark Miller, Flower Mound @ 2:00  
Carter Wilson, Frisco  
Joe Perez, 1<sup>st</sup> Alternate, The Colony  
Tom Winterburn, Corinth  
Ron Trees, Little Elm

**Denton County Unincorporated**

Don Hartman  
George Campbell

**Board Members Absent**

Allen Harris, The Colony  
Dave Kovatch, Denton County At Large,  
Treasurer

**Legal Counsel**

Joe Gorfida

**DCTA Staff**

Jim Cline, President  
Marisa Perry, Chief Financial Officer, VP of  
Finance  
Raymond Suarez, Chief Operating Officer  
Kristina Holcomb, VP Planning &  
Development  
Nicole Recker, VP Marketing &  
Communications

**Other Attendees**

Adrienne Hamilton, Communications  
Manager  
Amanda Riddle, Budget Manager  
Chrissy Nguyen, Senior Accountant  
Lindsay Baker, Director of Strategic  
Partnerships  
Michelle Bloomer, Assistant VP of Bus  
Operations & Maintenance  
Brandy Pedron, Executive Assistant  
Jim Owen, TMDC  
Dee Leggett, Bowman Engineering  
Pamela Richardson, TMDC

*Chairman, Charles Emery, called the meeting to order and announced the presence of a quorum at 1:34 p.m.*

1. Routine Briefing Items

- a. Staff Briefing on Monthly Financial Reports – *Marisa Perry, Chief Financial Officer, VP of Finance, reported on the following:*
  - i. Monthly Financial Statements for July 2018
  - ii. Capital Projects Budget Report for July 2018
  - iii. Monthly Sales Tax Receipts
  - iv. Current Procurement Activities
  
- b. Marketing and Communications – *Nicole Recker, VP Marketing and Communications, reported on the following:*
  - i. New Handouts
  - ii. New Website Recap
  - iii. September Public Meeting Overview
  - iv. August 2018 Service Change Marketing and Communications Overview
  - v. Local Fare Promotion Overview
  - vi. Monthly Media Report (July 2018)
  
- c. Strategic Planning and Development – *Kristina Holcomb, VP Planning and Development, reported on the following:*
  - i. Administrative Update – *update on 2019 Title VI Program, TTI and comprehensive review of agency policies*
  - ii. Regional Planning Initiatives Update - *update on NCTCOG initiative Regional Trail Veloweb*
  - iii. Local Planning Update – *federal engagement: FTA Policy discussion & APTA Mobility Summit; regional engagement: Mobility On-Demand Working Group, Statewide AV RFP; local initiatives: Shared Use Mobility Plan, Lyft Service Development, and Denton Bikeshare; Frisco Automated Vehicle Pilot Program; A-trail Extension Feasibility Exploration*
  - iv. Business Development and Partnerships Update – *Alliance Area Transit Coordination*
  - v. Funding Opportunities Update - *CMAQ Sustainable Development Phase 4 Funding, Bus & Bus Facilities Grant, NCTCOG Grant Review and Funding Cleanup*
  - vi. Land Use Planning & Development – *City of Denton Small Area Planning Steering Committee, Transit Oriented Development*
  
- d. Capital Projects – *Raymond Suarez, Chief Operating Officer, reported on the following projects:*
  - i. Positive Train Control
  - ii. Hike and Bike Trail – *Eagle Point Section*
  - iii. Lewisville Bus Fueling Facility – *we are in receipt of satisfactory compaction tests*
  - iv. Brownfield Investigation - *Terracon trenching and boring scheduled to begin August 20, 2018, final report in October*

- e. Transit Operations Reports – *Raymond Suarez, Chief Operating Officer, reported on the following and gave an update on ridership:*
  - i. Bus and Rail Operations – *System On-Time Performance, Ridership Performance, Boardings, Safety & Security, Maintenance*
2. Items for Discussion – *Marisa Perry, Chief Financial Officer, VP of Finance, briefly discussed the following:*
  - a. Budget Revision 2018-09 and Contract Change Order No.2 IOMG Fuel Tanks/Bus Fueling Facility
  - b. Budget Revision 2018-10 and Contract Change Order for Trinity Mills Crew Facility
3. Discussion of Regular Board Meeting Agenda Items (June 28, 2018) – *No discussion at this time*
4. Convene Executive Session – *The board did not meet in Executive Session*
5. Discussion of Future Agenda Items – *No discussion at this time*
6. ADJOURN *at 2:52 p.m.*

The minutes of the August 23, 2018 Work Session meeting of the Board of Directors were passed and approved by a vote on this 27<sup>th</sup> day of September 2018.

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Charles Emery, Chairman

ATTEST

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Dianne Costa, Secretary



Board of Directors

**Board Meeting Minutes**

The Board of Directors of the Denton County Transportation Authority convened the regular meeting of the Board of Directors with Charles Emery, Chairman presiding at on July 26, 2018 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

**Attendance**

**Small Cities**

Connie White  
Skip Kalb, Small Cities

**Large Cities**

Charles Emery, Lewisville, Chairman  
Dianne Costa, Highland Village  
Richard Huckaby, Denton, Secretary  
Mark Miller, Flower Mound  
Carter Wilson, Frisco  
Joe Perez, 1<sup>st</sup> Alternate, The Colony  
Tom Winterburn, Corinth  
Ron Trees, Little Elm

**Denton County Unincorporated**

Don Hartman  
George Campbell

**Board Members Absent**

Allen Harris, The Colony  
Dave Kovatch, Denton County At Large,  
Treasurer

**Legal Counsel**

Joe Gorfida

**DCTA Staff**

Jim Cline, President  
Marisa Perry, Chief Financial Officer, VP of  
Finance  
Raymond Suarez, Chief Operating Officer  
Kristina Holcomb, VP Planning & Development  
Nicole Recker, VP Marketing & Communications

**Other Attendees**

Amanda Riddle, Budget Manager  
Brandy Pedron, Executive Assistant  
Jim Owen, TMDC  
Dee Leggett, Bowman Engineering  
Pamela Richardson, TMDC  
Diego Garcia, ATU 1338  
Russell Poma, II, ATU 1338  
DeBoss Christian, ATU 1338  
Kenneth Day, ATU 1338  
Calvin Banks, ATU 1338  
Sherlyn Samuel, ATU 1338  
Kristal Gay, ATU 1338  
Bryan Banks, ATU 1338  
Carla Swogger, ATU 1338  
Bernard Wade, ATU 1338  
Albert Dirla, ATU 1338  
Keith Todd, ATU 1338

**CALL TO ORDER** – *Chairman, Charles Emery, called the meeting to order and announced the presence of a quorum at 3:02 p.m.*

PLEDGE OF ALLEGIANCE TO US AND TEXAS FLAGS – *led by Carter Wilson, Frisco*

INVOCATION – *led by Charles Emery, Chairman*

WELCOME AND INTRODUCTION OF VISITORS – *No introductions at this time*

AGENCY AWARDS AND RECOGNITIONS – *None at this time*

## 1. PUBLIC COMMENT

This agenda item provides an opportunity for citizens to address the Board of Directors on any agenda items or other matters relating to the DCTA. Anyone wishing to address the Board of Directors should complete a Citizen Comment Registration Card and submit it to the DCTA Administration prior to the start of the Board of Director meeting. There is a three (3) minute time limit for each citizen. Anyone wishing to speak shall be courteous and cordial. The Board of Directors is not permitted to take action on any subject raised by a speaker during Citizen Comments. However, the Board of Directors may have the item placed on a future agenda for action; refer the item to the DCTA Administration for further study or action; briefly state existing DCTA policy; or provide a brief statement of factual information in response to the inquiry.

- *Kenneth Day – 1111 Empire Central, Dallas, Texas, made comment on a topic not on the agenda: General discussion [of ATU employees]*
- *Albert Dirla – 1111 Empire Central, Dallas, Texas, made comment on a topic not on the agenda: General discussion [of ATU employees]*
- *Bernard Wade – 8703 Barclay St., Dallas, Texas, made comment on a topic not on the agenda: General discussion [of ATU employees]*
- *Christian DeBoss – 1919 Morreth Avg., Dallas, Texas, made comment on a topic not on the agenda: General discussion [of ATU employees]*
- *Paula Richardson – 9613 Pepperwood Trl., Denon, Texas, made comment on a topic not on the agenda: General discussion [of ATU employees]*
- *Carla Swogger – 709 Linwood Dr., Denton, Texas, made comment on a topic not on the agenda: General discussion [of ATU employees]*
- *Samuel Sherlyn – 2225 Swansee, Dr., Dallas, Texas, made comment on a topic not on the agenda: General discussion [of ATU employees]*
- *Jim Owen – 2007 Teasley Lane, Apt. 109, Denton, Texas, chose not to comment or speak on a topic not on the agenda: Contract*

## 2. CONSENT AGENDA

- a. Approval of Minutes for the Board Work Session and Regular Meeting on July 26, 2018
- b. Acceptance of Monthly Financial Statements for July 2018
- c. Approve Budget Revision 2018-09 and Contract Change Order No.2 IOMG Fuel Tanks/Bus Fueling Facility
- d. Approve Budget Revision 2018-10 and Contract Change Order for Trinity Mills Crew Facility
  - *A Motion to approve the Consent Agenda items a - d was made by Dianne Costa, Board Secretary. The motion was seconded by Connie White. Motion passed unanimously by the Board.*

3. REGULAR AGENDA

- a. Presentation and Discussion of Proposed FY 2019 Capital and Operating Budget – *does not call for a motion. Marisa Perry, Chief Financial Officer, VP of Finance and Amanda Riddle, Budget Manager, provided a presentation to the Board*
- b. Conduct Public Hearing on Proposed FY 2019 Capital and Operating Budget *does not call for a motion. Nicole Recker, VP Marketing and Communication, gave a brief discuss*
- c. Authorize President to Negotiate and Execute Task Order 4 with Lyft for Late Night UNT Ride Service
  - *A Motion to approve the Regular Agenda items c was made by Connie White. The motion was seconded by George Campbell. Motion passed unanimously by the Board.*

4. CONVENE EXECUTIVE SESSION – *This agenda item will be substituted with a Special Called Session of the Executive Committee to be held on Monday, August 27, 2018.*

- a. As Authorized by Texas Government Code Section 551.074 Deliberation of Personnel Matters: Discussion regarding the President's Annual Performance Review.

5. RECONVENE OPEN SESSION – N/A

6. CHAIR REPORT

- a. Discussion of Regional Transportation Issues – *Charles Emery, Chairman briefly stated that there was discussion at The North Texas Council of Governments' Regional Transportation Committee meeting regarding a Hyperloop and Highspeed Rail.*

7. PRESIDENT'S REPORT

- a. Budget Transfers – *Only those adopted within this meeting*
- b. Regional Transportation Issues – *James Cline, President briefly updated the Board on APTA and EATC User Group*

8. REPORT ON ITEMS OF COMMUNITY INTEREST – *None at this time*

9. ADJOURN – *Adjourned at 4:19 p.m.*

The minutes of the July 26, 2018 regular meeting of the Board of Directors were passed and approved by a vote on this 23<sup>rd</sup> day of August 2018.

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Charles Emery, Chairman

ATTEST

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Dianne Costa, Secretary





## Special Called Meeting of the DCTA Board of Directors Executive Committee

The Board of Directors of the Denton County Transportation Authority convened the Special Called Meeting of the Executive Committee of the Board of Directors with Charles Emery, Chairman presiding at on August 27, 2018 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

### Attendance

#### Small Cities

Skip Kalb

#### Large Cities

Charles Emery, Lewisville, Chairman  
Dianne Costa, Highland Village  
Richard Huckaby, Denton, Secretary  
Mark Miller, Flower Mound  
Carter Wilson, Frisco

#### Denton County Unincorporated

George Campbell  
Dave Kovatch, Denton County At Large,  
Treasurer

#### Legal Counsel

Joe Gorfida

#### Board Members Absent

Connie White, Small Cities  
Allen Harris, The Colony  
Tom Winterburn, Corinth  
Ron Trees, Little Elm  
Don Hartman, Denton Co. Unincorporated

#### Other Attendees

Ron Holifield, SGR  
Brandy Pedron, Executive Assistant  
Jim Owen, TMDC  
Peggy Heinkel-Wolfe, Denton Record Chronicle

CALL TO ORDER – *Chairman, Charles Emery, called the meeting to order and announced the presence of a quorum at 12:02 p.m.*

1. CONVENE EXECUTIVE SESSION – convened at 12:02 p.m.
  - a. As Authorized by Texas Government Code Section 551.074 Deliberation of Personnel of Discussion regarding the President’s Annual Performance Review.
2. RECONVENE OPEN SESSION – reconvened at 2:54 p.m.
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session
    - No action was taken
3. ADJOURN – *Adjourned at 2:55 p.m.*

The minutes of the August 27<sup>th</sup> Special Called Executive meeting of the Board of Directors were passed and approved by a vote on this 27<sup>th</sup> day of September 2018.

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

ATTEST

\_\_\_\_\_  
Dianne Costa, Secretary



## Special Called Meeting of the DCTA Board of Directors

The Board of Directors of the Denton County Transportation Authority convened the Special Called Meeting of the Board of Directors with Charles Emery, Chairman presiding at on September 4, 2018 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

### Attendance

#### Large Cities

Charles Emery, Lewisville, Chairman  
 Dianne Costa, Highland Village  
 Richard Huckaby, Denton, Secretary  
 Mark Miller, Flower Mound  
 Carter Wilson, Frisco  
 Tom Winterburn, Corinth  
 Allen Harris, The Colony  
 Ron Trees, Little Elm

#### Denton County Unincorporated

Don Hartman  
 George Campbell  
 Dave Kovatch, Denton County At Large,  
 Treasurer

#### Board Members Absent

Connie White, Small Cities  
 Skip Kalb, Small Cities

#### Legal Counsel

Joe Gorfida

#### Other Attendees

Brandy Pedron, Executive Assistant  
 Jim Owen, TMDC  
 Peggy Heinkel-Wolfe, Denton Record  
 Chronicle  
 Leopold Knopp, The Lewisville Texan  
 Journal

*CALL TO ORDER – Chairman, Charles Emery, called the meeting to order and announced the presence of a quorum at 3:01 p.m.*

1. CONVENE EXECUTIVE SESSION – convened at 3:02 p.m.
  - a. As Authorized by Texas Government Code Section 551.071 Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein. – James C. Cline, Jr. Severance Agreement, Waiver and Release
2. RECONVENE OPEN SESSION – reconvened at 4:16 p.m.
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session
    - Action taken: Accept resignation and severance benefits agreement, waiver, and release was motioned by Dave Kovatch and seconded by George Campbell. Motion passed unanimously.
3. CONVENE EXECUTIVE SESSION – convened at 4:20 p.m.

- a. As Authorized by Texas Government Code Section 551.074 Deliberation of Personnel Matters: Discussion regarding the dismissal, appointment, employment, and duties of the DCTA President – Appointment of Raymond Suarez as President
4. RECONVENE OPEN SESSION – reconvened at 5:00 p.m.
    - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session
      - Action taken: Appointment of President Raymond Suarez effective September 14, 2018 was motioned by Dianne Costa and seconded by Mark Miller. Motion passed unanimously.
5. ADJOURN – *Adjourned at 5:00 p.m.*

The minutes of the September 4, 2018 Special Called Meeting of the Board of Directors were passed and approved by a vote on this 27<sup>th</sup> day of September 2018.

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Charles Emery, Chairman

ATTEST

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Dianne Costa, Secretary



## Special Called Meeting of the DCTA Board of Directors

The Board of Directors of the Denton County Transportation Authority convened the Special Called Meeting of the Board of Directors with Charles Emery, Chairman presiding at on September 10, 2018 at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

### Attendance

#### Small Cities

Connie White

#### Large Cities

Charles Emery, Lewisville, Chairman  
 Dianne Costa, Highland Village  
 Richard Huckaby, Denton, Secretary  
 Carter Wilson, Frisco  
 Tom Winterburn, Corinth  
 Ron Trees, Little Elm

#### Denton County Unincorporated

Don Hartman  
 George Campbell

#### Board Members Absent

Dave Kovatch, Denton County At Large,  
 Treasurer  
 Skip Kalb, Small Cities  
 Allen Harris, The Colony  
 Mark Miller, Flower Mound

#### Legal Counsel

Joe Gorfida

#### Other Attendees

Brandy Pedron, Executive Assistant  
 Jim Owen, TMDC  
 Peggy Heinkel-Wolfe, Denton Record Chronicle

CALL TO ORDER – *Chairman, Charles Emery, called the meeting to order and announced the presence of a quorum at 2:35 p.m.*

1. CONVENE EXECUTIVE SESSION – convened at 3:02 p.m.
  - a. As Authorized by Texas Government Code Section 551.071 Seeking Confidential Legal Advice from the General Counsel on any Agenda Item Listed Herein. – Terms of Employment Agreement for President/CEO, Raymond Suarez
  - b. As Authorized by Texas Government Code Section 551.074 Deliberation of Personnel Matters: Discussion regarding the dismissal, appointment, employment, and duties of the DCTA President – Duties of President/CEO
  
2. RECONVENE OPEN SESSION – reconvened at 3:41 p.m.
  - a. Reconvene and Take Necessary Action on Items Discussed during Executive Session - Action taken: Approval of employment agreement with Joseph Raymond Suarez affective September 14, 2018 was motioned by Dianne Costa and seconded by Connie White. Motion passed unanimously.
  
3. ADJOURN – *Adjourned at 3:44 p.m.*

The minutes of the September 10, 2018 Special Called Meeting of the Board of Directors were passed and approved by a vote on this 27<sup>th</sup> day of September 2018.

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

ATTEST

\_\_\_\_\_  
 Dianne Costa, Secretary

**Board of Directors Memo****September 27, 2018****Subject: 2(c) Approval and Authorization to execute interlocal contract with the Department of Information Resources****Background**

DCTA is a member of the State of Texas Procurement program that allows us to purchase from contracts and agreements procured by the State. The Department of Information Resources (DIR), a division of the State, procures technology items such as hardware, software and Managed Services. The State publicly procures the goods and services in accordance with procurement statutes.

**Identified Need**

DCTA has a need for services offered through this program and a benefit of the program allows DCTA to utilize these contracts and agreements without the need to perform a procurement solicitation.

**Financial Impact**

No financial impact.

**Recommendation**

Staff recommends the Board authorize the CEO to execute the Interlocal contract with The Department of Information Resources (DIR).

Submitted by:

A handwritten signature in blue ink, appearing to read "A. Forrester", written over a horizontal line.

Athena Forrester  
AVP of Regulatory Compliance

Approval:

A handwritten signature in blue ink, appearing to read "Raymond Suarez", written over a horizontal line.

Raymond Suarez  
CEO



## Board of Directors Memo

September 27, 2018

**Subject:** 3(a) Approval of Resolution 18-06 adopting FY 2019 Operating and Capital Budget

### Background

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

The proposed FY 2019 Budget was presented to the Finance Committee at its July Budget Workshop and incorporates their feedback. DCTA staff has prepared a balanced budget, where operating expenses and capital expenditures do not exceed current year revenues and undesignated fund balance/reserves. The proposed FY 2019 budget was presented to the Board of Directors at the August Board meeting as well, in accordance with requirements under Chapter 460 of the Texas Transportation Code and DCTA Board policy and procedures, for Board review and comment as well as citizen input. Notice of the public hearing was published in the Denton Record Chronicle on August 10<sup>th</sup>, 2018. The proposed FY19 budget schedules are also available for viewing on the DCTA website.

The proposed Budget contains revenue and expenditure assumptions for FY19 operating and capital expenditures. Included as agenda back-up are the following exhibits:

- Exhibit A: FY19 Revenue Projections
- Exhibit B: Change in Net Position – Proposed FY19 Budget
  - Operating revenues and expenditures for proposed FY19 as compared to the FY18 revised budget
- Exhibit C: Capital Improvement Plan with proposed FY19 appropriation
- Exhibit D: Long Range Financial Plan – FY19 Proposed Budget
  - The model incorporates the FY19 budget as proposed and provides the Board a view of the impact of the adopted FY19 budget over a 5 year period
- Exhibit E: Fiscal Year 2019 Budget Contingency Plan

### Identified Need

Approval of Resolution #18-06, adopting the FY19 Operating & Capital Budget is required to establish a budget for the 2019 fiscal year which will begin October 1, 2018.

### Committee Review

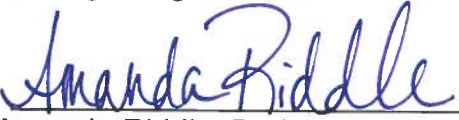
In addition to the budget workshop held in July, the Finance Committee reported its activities and discussions at the regular July Board meeting by way of the "Finance Committee Chair – Report to the Board". The Finance Committee included Board members Dianne Costa, Allen Harris, Connie White, Tom Winterburn, Ron Trees, and Richard Huckaby serving as Committee Chair.


### Financial Impact

This item will determine the budget for FY19 and will begin on October 1, 2018.

**Recommendation**

Staff recommends the approval of Resolution #18-06, adopting the FY2018-19 Operating & Capital Budget, Long Range Financial Plan and Budget Contingency Plan.

Submitted By:   
Amanda Riddle, Budget Manager

Final Review:   
Marisa Perry, CPA  
Chief Financial Officer/VP of Finance

Approval:   
Raymond Suarez, CEO

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 18-06**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2018-2019, BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE REVENUE PROJECTIONS, CHANGE IN NET POSITION, CAPITAL IMPROVEMENT PLAN, LONG RANGE FINANCIAL PLAN, AND BUDGET CONTINGENCY PLAN; 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, Revenue Projections, Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan have been presented to the public for review and comment; and

**WHEREAS**, the budget, Revenue Projections, Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan 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 2018–2019 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 2018-2019, along with the Revenue Projections, Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan, attached as Exhibits “A” through “E”, 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 2017-2018 are hereby ratified, and the budget for fiscal year 2017-2018, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.



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

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

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 27TH DAY OF SEPTEMBER, 2018.**

**APPROVED:**

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

**ATTEST:**

\_\_\_\_\_  
Dianne Costa, Secretary

**APPROVED AS TO FORM:**



\_\_\_\_\_  
Peter G. Smith, General Counsel  
(PGS: 9-11-18 TM 102551)

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY 19 Revenue Projections

Bus Operations					
		FY 2017 Actual	FY 2018 Revised Budget	YTD Actuals May 31, 2018	FY 2019 Budget
<b>PASSENGER REVENUES</b>					
Connect	\$	490,632	\$ 438,600	\$ 300,933	\$ 338,600
Frisco		4,763	4,831	3,705	5,819
Access		81,313	76,360	57,161	82,153
UNT		-	-	-	-
NCTC		-	-	-	-
McKinney		34	5,010	6	453
North Texas Express		3,624	2,589	3,801	6,223
<b>Total Passenger Revenues</b>	<b>\$</b>	<b>580,365</b>	<b>\$ 527,390</b>	<b>\$ 365,606</b>	<b>\$ 433,248</b>
<b>CONTRACT SERVICES</b>					
Connect	\$	57,000	\$ 57,000	\$ 8,000	\$ 57,000
Frisco		231,401	320,169	174,387	268,545
UNT		2,905,372	2,108,670	1,742,587	3,038,147
<i>UNT Fuel (Direct Pass Thru)</i>		<i>281,657</i>	<i>392,030</i>	<i>203,461</i>	<i>374,621</i>
NCTC		196,759	212,575	148,352	223,017
<i>NCTC Fuel (Direct Pass Thru)</i>		<i>21,782</i>	<i>72,670</i>	<i>16,150</i>	<i>46,506</i>
McKinney		22,510	344,990	56,555	124,547
<b>Total Contract Services</b>	<b>\$</b>	<b>3,716,481</b>	<b>\$ 3,508,104</b>	<b>\$ 2,349,492</b>	<b>\$ 4,132,383</b>
<b>Total Bus Operations Revenue</b>	<b>\$</b>	<b>4,296,846</b>	<b>\$ 4,035,494</b>	<b>\$ 2,715,098</b>	<b>\$ 4,565,631</b>
<b>Rail Operations</b>					
		FY 2017 Actual	FY 2018 Revised Budget	YTD Actuals May 31, 2018	FY 2019 Budget
Rail Passenger Revenue	\$	712,360	\$ 547,200	\$ 381,180	\$ 447,200
<b>Total Rail Operations Revenue</b>	<b>\$</b>	<b>712,360</b>	<b>\$ 547,200</b>	<b>\$ 381,180</b>	<b>\$ 447,200</b>
<b>Non-Operating Revenue</b>					
		FY 2017 Actual	FY 2018 Revised Budget	YTD Actuals May 31, 2018	FY 2019 Budget
Interest Income	\$	122,250	\$ 78,000	\$ 194,438	\$ 200,000
Misc. Income/Fare Evasion		408,658	738,255	797,288	1,000
Sales Tax		26,790,098	26,649,585	17,982,500	28,450,180
Federal Operating Grants		4,900,401	5,120,628	3,761,646	5,397,931
Federal Capital Grants		6,529,451	3,547,394	930,357	3,456,445
State Operating Grants		-	-	-	-
State Capital Grants		3,434	310,610	-	1,844,086
<b>Total Non-Operating Revenue</b>	<b>\$</b>	<b>38,754,292</b>	<b>\$ 36,444,472</b>	<b>\$ 23,666,229</b>	<b>\$ 39,349,642</b>

DENTON COUNTY TRANSPORTATION AUTHORITY  
Change in Net Position - Proposed FY 19 Budget

Description	FY 2017 Actuals	FY 2018 Original Budget	FY 2018 Revised Budget	YTD Actuals May 31, 2018	FY 2019 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)	Notes
<b>REVENUE &amp; OTHER INCOME</b>								
<i>**Comparison is between the FY18 Revised Budget and the FY19 Proposed Budget**</i>								
Passenger Revenues (Bus Farebox)	580,365	726,215	527,390	365,606	433,248	(94,142)	-18%	Decrease due to current ridership trends & proposed new fare structure
Passenger Revenues (Rail Farebox)	712,360	738,510	547,200	381,180	447,200	(100,000)	-18%	
Contract Service Revenue	3,716,481	4,102,163	3,508,104	2,349,492	4,132,383	624,279	18%	Based on UNT contract
<b>Total Revenue &amp; Other Income</b>	<b>\$ 5,009,206</b>	<b>\$ 5,566,888</b>	<b>4,582,694</b>	<b>\$ 3,096,278</b>	<b>\$ 5,012,831</b>	<b>\$ 430,137</b>	<b>9%</b>	
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>								
Salary, Wages and Benefits	2,825,667	3,703,635	3,603,635	2,133,820	3,870,123	266,488	7%	Includes annual merit increase of 3.5%; pay plan adjustment of \$25k; & the following new positions: *Communications Coordinator \$74k *Regulatory Compliance Officer \$135k *Bus Operations Manager (MaaS) \$113k *Bus Operations Intern \$20k
Services	1,392,331	1,981,760	2,106,541	974,619	2,061,043	(45,498)	-2%	Reduction in Professional Services anticipated for FY19 in Planning and Marketing Dept.
Materials and Supplies	78,063	139,404	129,404	60,845	136,100	6,696	5%	
Utilities	21,233	28,800	28,800	13,333	29,400	600	2%	
Insurance, Casualties and Losses	13,591	13,938	13,938	8,399	12,706	(1,232)	-9%	Based on current rate
Purchased Transportation Services	125,967	187,368	187,368	74,000	158,778	(28,590)	-15%	Reduction in Vanpool expense based on current activity
Miscellaneous	168,437	299,218	299,218	141,954	352,330	53,112	18%	Increase in training, registration & travel expenses due to additional staffing
Leases and Rentals	117,722	120,393	120,393	83,756	144,481	24,088	20%	Increase due to the addition of a comprehensive lease for all copiers & maintenance in FY19; previously in multiple accounts across the agency
Depreciation	-	112,870	112,870	19,691	29,536	(83,334)	-74%	
<b>Total G&amp;A Operating Expenses</b>	<b>\$ 4,743,011</b>	<b>\$ 6,587,386</b>	<b>6,602,168</b>	<b>\$ 3,510,417</b>	<b>\$ 6,794,497</b>	<b>\$ 192,329</b>	<b>3%</b>	
<b>BUS OPERATIONS EXPENSES</b>								
Salary, Wages and Benefits	7,312,852	8,160,925	7,804,142	4,836,729	8,452,147	648,005	8%	FY18 Revised Budget we captured one-time savings of \$378k from Bus salary & benefits; Bus Operator average wage rate increased from \$16.61 to \$18.53; merit increase for non-operators @ 3%
Services	786,391	1,029,958	1,029,958	585,773	1,086,023	56,065	5%	Included \$75k for Bus Facilities Maintenance and \$18k for Transit Tracker services (Swiftly) - these will be on-going expenses
Materials and Supplies	1,590,825	2,330,569	2,017,004	1,095,480	2,293,561	276,557	14%	FY18 Revised Budget we captured one-time savings of \$304k from Bus fuel, FY19 fuel at \$3.00/gallon. Also includes \$230k for scheduled Engine Overhauls
Utilities	147,092	142,320	142,320	87,786	173,760	31,440	22%	Increase based on current trend; Includes \$12k for Transit Tracker text code usage (on-going expense)
Insurance, Casualties and Losses	394,098	488,468	488,468	268,475	461,622	(26,846)	-5%	Based on current rate
Purchased Transportation Services	38,400	334,341	334,342	80,232	343,118	8,776	3%	McKinney and Frisco Lyft & Irving Holding expense
Miscellaneous	18,803	108,563	108,563	21,980	241,058	132,495	122%	Increase in NTXpress contingency for anticipated service level changes
Leases and Rentals	128,198	143,279	143,279	58,416	99,981	(43,298)	-30%	Based on current contract rate with Trinity Metro for NTXpress service
Depreciation	1,848,231	2,178,040	2,178,041	1,364,607	1,598,170	(579,871)	-27%	
<b>Total Bus Operations Expenses</b>	<b>\$ 12,264,890</b>	<b>\$ 14,916,464</b>	<b>14,246,116</b>	<b>\$ 8,399,478</b>	<b>\$ 14,749,440</b>	<b>\$ 503,324</b>	<b>4%</b>	
<b>RAIL OPERATIONS EXPENSES</b>								
Salary, Wages and Benefits	317,366	473,889	473,889	257,665	495,307	21,418	5%	Includes 3.5% merit increase & 10% increase in benefits
Services	421,770	353,450	631,279	3,122,157	773,574	142,295	23%	The following Expanded Level Projects for rail have been included: *200k for a Southbound Rail Ext Study *185k for Rail OMF Modifications This increase of \$385k has been offset by the reduction of Third Party Maintenance due to the Rail Flume & Hebron Signal House (Flood) being expensed to operating upon completion in FY18
Materials and Supplies	648,283	1,131,967	881,967	342,167	1,118,667	236,700	27%	FY18 we captured \$250k in fuel savings for the Fuel Tank capital project which has been made whole in FY19
Utilities	258,687	289,044	289,044	147,085	300,563	11,519	4%	Based on current trends
Insurance, Casualties and Losses	1,193,243	1,224,376	1,224,376	831,083	1,334,003	109,627	9%	Based on current rate
Purchased Transportation Services	10,422,758	9,191,633	9,106,633	5,825,792	9,990,263	883,630	10%	FY18 we captured one-time savings of \$85k; FY19 includes an Expanded Level Project for PTC Operating cost estimated at \$250k annually; Based on FY19 contract amount with First Transit
Miscellaneous	16,223	15,545	15,545	10,264	16,628	1,083	7%	
Leases and Rentals	2,207	2,208	2,208	1,472	4,512	2,304	104%	Includes cost of an additional scanner/printer to accommodate Vault program and PTC
Depreciation	8,138,245	8,388,963	8,388,965	5,498,826	9,163,244	774,280	9%	
<b>Total Rail Operations Expenses</b>	<b>\$ 21,418,782</b>	<b>\$ 21,071,075</b>	<b>21,013,905</b>	<b>\$ 16,036,511</b>	<b>\$ 23,196,761</b>	<b>\$ 2,182,856</b>	<b>10%</b>	
<b>Total Operating Expenses</b>	<b>38,426,683</b>	<b>42,574,925</b>	<b>41,862,190</b>	<b>27,946,406</b>	<b>44,740,698</b>	<b>2,878,509</b>	<b>7%</b>	
<b>Operating Income / (Loss)</b>	<b>(33,417,477)</b>	<b>(37,008,037)</b>	<b>(37,279,496)</b>	<b>(24,850,128)</b>	<b>(39,727,867)</b>			
<b>NON-OPERATING REVENUE / (EXPENSE)</b>								
Investment Income	122,250	78,000	78,000	194,438	200,000	122,000	156%	Based on current rates
Non-Operating Revenues / (Expense)	408,658	1,000	738,255	797,288	1,000	(737,255)	-100%	FY18 included reimbursement received for the Valley Ridge Crossing project
Sales Tax Revenue	26,790,098	26,649,585	26,649,585	17,982,500	28,450,180	1,800,595	7%	Based on a 4% increase of FY18 projected sales tax; Oct-April actuals + May-Sept budgeted
Federal Grants & Reimbursements	11,429,852	13,077,265	8,668,022	4,692,003	8,854,376	186,354	2%	Based on current capital project timelines
State Grants & Reimbursements	3,434	2,114,696	310,610	-	1,844,086	1,533,476	494%	Grant funds related to the Hike & Bike Trail - Eagle Point project slated to be complete in FY19
Long Term Debt Interest / Expense	(1,098,106)	(1,008,084)	(1,008,084)	(692,043)	(974,984)	33,100	-3%	
<b>Total Non-Operating Revenue / (Expense)</b>	<b>37,656,186</b>	<b>40,912,462</b>	<b>35,436,388</b>	<b>22,974,186</b>	<b>38,374,658</b>	<b>2,938,270</b>	<b>8%</b>	
<b>CHANGE IN NET POSITION</b>	<b>4,238,709</b>	<b>3,904,425</b>	<b>(1,843,107)</b>	<b>(1,875,942)</b>	<b>(1,353,209)</b>	<b>2,938,270</b>		
Net Position - Beginning of Year:					20,662,410			
Net Position - End of Year:					19,309,201			
Transfer to Capital Projects					(12,693,128)			
Net Position After Capital Project Transfer					6,616,073			

DENTON COUNTY TRANSPORTATION AUTHORITY  
Capital Improvement Plan

Project Name	Project Number	Project Budget	Project LTD thru FY 2017	Revised FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Project Total (Thru 2024)
<b>BUS OPERATIONS</b>											
Scheduling Software	50601	\$ 250,000	\$ 28,125	\$ 25,000	\$ 196,875						\$ 250,000
Bus Fleet Cameras	50409	149,500			149,500						149,500
Fleet (2017)	50510	37,806		37,806							37,806
<i>AVL Systems (Closed)</i>	<i>50410</i>	<i>103,141</i>	<i>100,647</i>	<i>2,494</i>							<i>103,141</i>
IOMF Fuel Tanks - Lewisville	50305	902,000	53,380	686,620	162,000						902,000
Fleet (2018)	50512	1,356,000			1,356,000						1,356,000
Fleet (2019)	NEW	1,481,000			1,481,000						1,481,000
Passenger Amenities - Denton	50206	50,000		50,000							50,000
Fleet Farebox Replacement	NEW	600,000			600,000						600,000
Future Fleet						2,162,600	2,161,183	1,606,067	2,358,069	2,974,896	11,262,815
<b>RAIL OPERATIONS</b>											
Positive Train Control Implementation	61406.1	16,720,141	12,046,307	4,041,153	632,681						16,720,141
Lewisville Bike Trail	61708	2,146,355	2,087,510	53,895	4,950						2,146,355
T. Mills Crew Facility	61209	310,000	302,062	7,938							310,000
<i>Station Landscaping (Closed)</i>	<i>61210</i>	<i>415,671</i>	<i>403,166</i>	<i>12,505</i>							<i>415,671</i>
<i>Grade Crossing Replacements (Closed)</i>	<i>61713.2</i>	<i>2,048,377</i>	<i>1,916,218</i>	<i>132,159</i>							<i>2,048,377</i>
<i>Hebron Signal House (Closed)</i>	<i>61713.3</i>	<i>123,848</i>	<i>109,700</i>	<i>14,148</i>							<i>123,848</i>
<i>Ballast Undercutting (Closed)</i>	<i>61713.4</i>	<i>592,847</i>	<i>581,548</i>	<i>11,299</i>							<i>592,847</i>
Pockrus Page (2015 Flood)	61713.5	773,000	126,792	646,208							773,000
Rail Capital Maintenance (2018)	61714	1,386,643	89,246	1,297,397							1,386,643
Rail Capital Maintenance (2019)	NEW	2,500,000			2,500,000						2,500,000
Trail Safety Improvements	61715	181,157		45,000	136,157						181,157
Lewisville Bike Trail - Eagle Point	61716	2,995,873	42,011	300,000	2,653,862						2,995,873
<i>Valley Ridge Crossing (Closed)</i>	<i>61717</i>	<i>997,356</i>	<i>737,862</i>	<i>259,494</i>							<i>997,356</i>
Brownfield Remediation	61605	385,000	22,596	252,328	110,076						385,000
Rail Safety Improvements	61718	400,000		67,760	332,240						400,000
Rail Crossing Study	61606	73,000		73,000							73,000
Future Rail Capital Maintenance						2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
Future Rail Safety Improvements						200,000	200,000	200,000	200,000	200,000	1,000,000
<b>GENERAL &amp; ADMINISTRATIVE</b>											
Data Analytics & Reporting	10601	200,000		42,580	157,420						200,000
Safety & Security Assessment	10604	250,000	25,000	25,000	200,000						250,000
Infrastructure Acquisition	10302	3,900,000	128,936	3,164,125	606,939						3,900,000
Project Mgmt / Document Control	10605	150,000		150,000							150,000
Shared Use Mobility Study	10606	123,428		60,000	63,428						123,428
Server & Network Infrastructure	NEW	350,000			350,000					350,000	700,000
2019 One-Time Transit Improvements	NEW	1,000,000			1,000,000						1,000,000
<b>TOTAL CAPITAL BUDGET</b>		<b>\$ 42,952,143</b>	<b>\$ 18,801,107</b>	<b>\$ 11,457,909</b>	<b>\$ 12,693,128</b>	<b>\$ 4,862,600</b>	<b>\$ 4,861,183</b>	<b>\$ 4,306,067</b>	<b>\$ 5,058,069</b>	<b>\$ 6,024,896</b>	<b>\$ 68,064,959</b>

DENTON COUNTY TRANSPORTATION AUTHORITY								
LONG RANGE FINANCIAL PLAN								
FY19 PROPOSED BUDGET								
	Revised 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Proposed 2024	
<i>Beginning Fund Balance:</i>	25,033,551	\$ 20,662,410	\$ 15,617,023	\$ 16,588,498	\$ 17,516,815	\$ 19,075,018	\$ 20,145,381	
<b>OPERATING REVENUES</b>								
Bus Operating Revenue	4,035,494	4,565,631	4,677,105	4,665,162	4,784,335	4,884,935	5,008,973	
Rail Operating Revenue	547,200	447,200	451,672	456,189	460,751	465,358	470,012	
<b>NON-OPERATING REVENUES</b>								
Sales Tax Revenue	26,649,585	28,450,180	29,588,187	30,771,715	32,002,583	33,282,687	34,281,167	
Formula Grants (Operating)	3,019,151	5,397,931	6,125,183	6,126,387	6,598,236	5,959,034	5,434,731	
Interest Income	78,000	200,000	156,170	165,885	175,168	190,750	201,454	
Misc. Revenue	738,255	1,000	1,000	1,000	1,000	1,000	1,000	
<b>TOTAL REVENUES</b>	<b>35,067,685</b>	<b>39,061,942</b>	<b>40,999,317</b>	<b>42,186,337</b>	<b>44,022,073</b>	<b>44,783,764</b>	<b>45,397,337</b>	
<b>OPERATING EXPENSES</b>								
Bus Operating Expense	12,068,075	13,151,270	13,311,327	13,816,761	14,493,594	14,952,756	15,494,383	
Rail Operating Expense	12,624,941	14,033,517	14,191,278	14,666,017	15,027,130	15,437,084	15,806,332	
G&A Operating Expense	6,489,298	6,764,961	6,780,049	7,013,775	7,256,501	7,508,603	7,770,474	
<b>TOTAL EXPENSES</b>	<b>31,182,314</b>	<b>33,949,748</b>	<b>34,282,655</b>	<b>35,496,554</b>	<b>36,777,225</b>	<b>37,898,443</b>	<b>39,071,189</b>	
<b>NET INCOME</b>	<b>3,885,371</b>	<b>5,112,194</b>	<b>6,716,662</b>	<b>6,689,784</b>	<b>7,244,848</b>	<b>6,885,321</b>	<b>6,326,147</b>	
<b>CAPITAL OUTLAY</b>								
Bus Capital Expenditure	736,620	311,500	-	-	-	-	-	
Bus Fleet Replacement Expense	37,806	2,837,000	2,162,600	2,161,183	1,606,067	2,358,069	2,974,896	
Professional Services / Technology Improvements	280,074	417,723	-	-	-	-	-	
Trail Safety Improvements	45,000	36,157	-	-	-	-	-	
Hike & Bike Trails	353,895	2,658,812	-	-	-	-	-	
Rail Station Improvements	20,443	-	-	-	-	-	-	
Rail Capital Maintenance	1,297,397	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	
Disaster Recovery - 2015 Floods	803,814	-	-	-	-	-	-	
Positive Train Control	4,041,153	632,681	-	-	-	-	-	
Infrastructure Acquisition	3,164,125	606,939	-	-	-	-	-	
Valley Ridge Crossing	259,494	-	-	-	-	-	-	
Safety & Security	25,000	200,000	-	-	-	-	-	
Rail Safety Improvements	140,760	332,240	200,000	200,000	200,000	200,000	200,000	
Brownfield Remediation	252,328	110,076	-	-	-	-	-	
<b>CAPITAL PROJECT REQUESTS</b>								
Server & Network Infrastructure	-	350,000	-	-	-	-	350,000	
Trail Safety Improvements Increase	-	100,000	-	-	-	-	-	
Fleet Farebox Replacement	-	600,000	-	-	-	-	-	
2019 One-Time Transit Improvements	-	1,000,000	-	-	-	-	-	
<b>TOTAL CAPITAL OUTLAY</b>	<b>11,457,909</b>	<b>12,693,128</b>	<b>4,862,600</b>	<b>4,861,183</b>	<b>4,306,067</b>	<b>5,058,069</b>	<b>6,024,896</b>	
<b>CAPITAL SOURCES</b>								
New Money (Debt Issuance)								
RTRFI/RTC Funds	3,232,922	506,145	-	-	-	-	-	
FEMA Reimbursements	2,101,477	-	-	-	-	-	-	
Formula Grants (Capital)	625,082	4,794,386	1,896,782	1,895,578	1,423,729	2,062,931	2,587,234	
<b>TOTAL CAPITAL SOURCES</b>	<b>5,959,481</b>	<b>5,300,531</b>	<b>1,896,782</b>	<b>1,895,578</b>	<b>1,423,729</b>	<b>2,062,931</b>	<b>2,587,234</b>	
<b>DEBT SERVICE</b>								
2009 Refunding (ST) Debt Service	1,717,600	1,714,697	1,715,209	1,713,925	1,715,845	1,715,771	1,713,701	
2011 Contractual Obligations	1,040,484	1,050,287	1,064,160	1,081,937	1,088,462	1,104,048	1,123,382	
<b>TOTAL DEBT SERVICE</b>	<b>2,758,084</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>2,837,083</b>	
Internal Debt Service Coverage:	1.41	1.85	2.42	2.39	2.58	2.44	2.23	
<i>Outstanding Bond Principal as of September 30th</i>	<i>27,020,000</i>	<i>25,230,000</i>	<i>23,360,000</i>	<i>21,405,000</i>	<i>19,370,000</i>	<i>17,245,000</i>	<i>15,025,000</i>	
<b>ENDING FUND BALANCE</b>	<b>20,662,410</b>	<b>15,617,023</b>	<b>16,588,498</b>	<b>17,516,815</b>	<b>19,075,018</b>	<b>20,145,381</b>	<b>20,196,783</b>	
<i>Less Required Fund Balance (O&amp;M Reserve Policy):</i>	<i>7,795,579</i>	<i>8,487,437</i>	<i>8,570,664</i>	<i>8,874,138</i>	<i>9,194,306</i>	<i>9,474,611</i>	<i>9,767,797</i>	
<i>Less Sales Tax Stabilization Fund</i>	<i>799,488</i>	<i>853,505</i>	<i>887,646</i>	<i>923,151</i>	<i>960,077</i>	<i>998,481</i>	<i>1,028,435</i>	
<i>Less Fuel Stabilization Fund</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	
<i>Less Capital/Infrastructure</i>	<i>2,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	<i>4,000,000</i>	
<b>NET AVAILABLE FUND BALANCE</b>	<b>9,617,344</b>	<b>\$ 1,826,081</b>	<b>\$ 2,680,189</b>	<b>\$ 3,269,525</b>	<b>\$ 4,470,634</b>	<b>\$ 5,222,290</b>	<b>\$ 4,950,551</b>	

## DCTA Budget Contingency Plan Fiscal Year 2019

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 (\$569,004)

- 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 (\$853,505)

- 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 (\$1,138,007)

- 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.

#### 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



Board of Directors Memo

September 27, 2018

**Subject: 3(b) Approval of Resolution 18-07 Designating Raymond Suarez as the Alternate Investment Officer**

Jim Cline resigned from DCTA on September 13, 2018, and Raymond Suarez is the current President/CEO. Resolution 18-07 Designating Raymond Suarez as the Alternate Investment Officer for DCTA is presented to the Board of Directors for approval.

Submitted by:

  
Marisa Perry, CPA  
Chief Financial Officer/VP of Finance



**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 18-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (“DCTA”) APPOINTING RAYMOND SUAREZ, DCTA PRESIDENT/CHIEF EXECUTIVE OFFICER, AS THE ALTERNATE INVESTMENT OFFICER FOR DCTA; PROVIDING A REPEALING CLAUSE AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Board of Directors of DCTA previously adopted a resolution designating VP-Finance/Chief Financial Officer Marisa Perry as the Investment Officer and then DCTA President James C. Cline, Jr. as the Alternate Investment Officer; and

**WHEREAS**, James C. Cline, Jr. has resigned and is no longer employed by DCTA and Raymond Suarez is the current President/Chief Executive Officer; and

**WHEREAS**, the Board of Directors desires to designate Raymond Suarez as the Alternate Investment Officer and Marisa Perry shall remain the Investment Officer.

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

**SECTION 1.** The DCTA President/CEO Raymond Suarez is hereby designated as the Alternate Investment Officer and Marisa Perry shall remain the Investment Officer.

**SECTION 2.** The Investment Officer and Alternate Investment Officer are hereby authorized to engage in investment transactions on behalf of DCTA.

**SECTION 3.** The Investment Officers authorized by this resolution shall also be authorized to approve wire transfers used in the process of investing.

**SECTION 4.** The Investment Officers shall designate a liaison/deputy in writing in the event circumstances require timely action and the Investment Officers are unavailable.

**SECTION 5.** That all provisions of the resolutions of the Board of Directors of the DCTA, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

**SECTION 6.** 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 ON THIS \_\_\_\_\_ DAY OF SEPTEMBER, 2018.**

**APPROVED:**

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Charles Emery, Chairman

**ATTEST:**

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Dianne Costa, Secretary

**APPROVED AS TO FORM:**



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Peter G. Smith, General Counsel  
(09-14-2018:TM102674)



**Board of Directors Memo**

September 27, 2018

**Subject: 3(c) – Approval and Authorization to execute agreement with Texas Transportation Institute**

**Background**

The Texas Transportation Institute (TTI), a member of The Texas A&M University System, assists public transportation providers in Texas, as well as nationwide, by providing multi-modal transportation research and technology expertise in the areas of public transportation planning, management, and operations.

Staff desires to enter into a three-year Master Research Agreement with TTI to provide technical assistance in an amount not to exceed \$250,000, per budget year. In the past, TTI has provided technical assistance to DCTA related to drafting of the bus operations request for proposals, development of DCTA’s updated Title VI Plan, and conducted the Title VI analysis for proposed service changes.

**Identified Need**

Research and technical assistance related to opportunities and challenges of enhancing bus operations efficiency and effectiveness, development and implementation of innovative services while leveraging technology, updating the agency’s long-range service plan as well as providing assistance with Title VI analysis and program updates. Task orders will be executed as needed.


**Financial Impact**

Staff anticipates the work being performed within current budget limits. Expenditures will not exceed \$250,000 per budget year, for a total of \$750,000.

**Recommendation**

Staff recommends the Board authorize the CEO to execute a Master Research Agreement with Texas A&M Transportation Institute.

Submitted by:   
Athena Forrester  
AVP of Regulatory Compliance

Approval:   
Raymond Suarez  
CEO

## MEMORANDUM

**TO:** Kristina Holcomb  
**FROM:** Chris Giglio, CapitalEdge  
**DATE:** September 18, 2018  
**SUBJECT:** Transit and the Current Administration

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Since taking office in January 2017, the Trump Administration has had a “complicated” relationship with public transportation.

On one hand, the President early in his term nominated Elaine Chao as Transportation Secretary. Chao, who served as Deputy Secretary of DOT under the George W. Bush Administration, has a deep knowledge of transportation programs and is well-liked on both sides of the aisle. This personnel decision, combined with the President’s frequent campaign refrain of wanting to enact a \$1 trillion infrastructure package, provided some hope that transportation (including public transit) would be a priority.

However, the message from the President’s first two budget proposals (FY 2018 and FY 2019) has been more troubling. In those proposals, the President has proposed eliminating funding for popular programs such as the TIGER discretionary grant program (now known as BUILD), the transit Capital Investments Grant program (formerly known as New Starts), and Amtrak. The White House budget office argues that the goals of those programs are better met with investment on the state and local level.

It should be noted that Congress has largely rejected the White House recommendations for those transportation programs and, as opposed to deep cuts, has actually added an additional \$10 billion in additional infrastructure funding in the FY 2018 and FY 2019 budgets. The TIGER/BUILD program, rail infrastructure grants, and bus formula and competitive grants have all seen increases in the last two federal budgets.

Also, the guidelines for an infrastructure plan that the White House unveiled earlier this year proposed using \$200 million in federal funds to leverage at least \$800 million in private and/or state or local funds to get to that \$1 trillion figure. Unfortunately, the \$200 million federal investment would not be “new” funding but would be derived from cuts to other programs, and the document has very little to say about public transit. As with the budget proposals, Congress has not embraced the infrastructure plan.

On the other hand, DCTA has been successful at securing federal grants during the Trump Administration, with recent awards from the Federal Transit Administration Bus and Bus Facility program for an operations and maintenance facility and from the Federal Railroad Administration for Positive Train Control implementation.

Given that Congress has been supportive of public transit, combined with our recent success with grants, our suggestion would be for DCTA to keep doing what we are doing!

- Educating the congressional delegation on the importance of public transportation to Denton County and the Metroplex so that Congress continues to provide sufficient funds.
- Encouraging Congress to enact an infrastructure plan that includes provisions relating specifically to transit and provides sufficient federal funds to meet the needs of areas such as Denton County.
- Submitting strong applications to the Department of Transportation discretionary programs and seeking congressional support for those submittals.
- Partner with DOT on implementation of innovative projects on the local level such as mobility-on-demand, autonomous vehicles, and other emerging technologies.
- Working with partners such as APTA and other entities to extend the message outside of Texas.