



DENTON COUNTY
TRANSPORTATION AUTHORITY

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

Board of Directors Work Session

October 25, 2018 | 1:30 p.m.

CALL TO ORDER

1. Routine Briefing Items
 - a. Monthly Financial Reports
 - i. Financial Statements for September 2018
 - ii. Capital Projects Budget Report for September 2018
 - iii. Monthly Sales Tax Receipts
 - iv. Quarterly Investment Report Q4 FY2018
 - v. Quarterly Grants Update Q4 FY2018
 - vi. Current Procurement Activities
 - vii. Potential revenue sharing and additional Finance Committee meeting discussion
 - b. Marketing and Communications
 - i. New Handouts
 - ii. Member City Activities
 - iii. Active Campaigns
 - iv. Monthly Media Report (September 2018)
 - v. Annual Marketing and Communications Metrics Highlights
 - c. Strategic Planning and Development
 - i. 2019 Title VI Program & Policy Updates
 - ii. Regional Planning Initiatives Update
 - iii. Local Planning Initiatives Update
 - iv. Business Development & Partnerships Update
 - v. Funding Opportunities Update
 - vi. Land Use Planning & Development
 - d. Capital Projects
 - i. Positive Train Control
 - ii. Hike and Bike Trail – Eagle Point
 - iii. Lewisville Bus Fueling Facility
 - iv. Brownfield Investigation
 - e. Transit Operations Reports
 - i. System On-Time Performance
 - ii. Ridership Performance
 - iii. Safety & Security
 - iv. Maintenance

2. Committee Chair Reports
 - a. Finance Committee report of items discussed at the October 15, 2018 meeting - Richard Huckaby, chair
3. Discussion of Regular Board Meeting Agenda Items (October 25, 2018)
4. Convene Executive Session. The Board may convene the Work Session into Closed Executive Session for the following:
 - a. As Authorized by Section 551.071(2) of the Texas Government Code, the Board of Directors Work Session 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 or the Regular Board Meeting Agenda.
 - 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. Discussion of Future Agenda Items
 - a. Board Member Requests
7. 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
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 10/19/2018 at 4:19 PM.



Brandy Pedron, Executive Administrator | Open Records



DENTON COUNTY
TRANSPORTATION AUTHORITY

1955 Lakeway Dr., # 260, Lewisville, Texas 75057
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Board of Directors Regular Meeting

October 25, 2018 | 3:00 p.m.

**or immediately following Board Work Session
scheduled at 1:30 p.m. on October 25, 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 September 27, 2018.
- b. Acceptance of Monthly Financial Statements – September 2018
- c. Acceptance of Quarterly Investment Report – Q4 FY2018

3. REGULAR AGENDA

- a. Approval of Resolution R18-09 adopting the updated Title VI Policy Statement
- b. Approval of Resolution 18-08 Approving Financial Management Policies and Annual Investment Policy for FY2019
- c. Approval to award for Construction of the Bike and Pedestrian Trail-Eagle Point Section to Northstar Construction, LLC
- d. Approval of Task Order to Jacobs Engineering Group for Bike and Pedestrian Trail-Eagle Point Section
- e. Discussion of Board Governance Training for DCTA Board Members

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
7. CEO'S REPORT
 - a. Budget Transfers
 - b. Regional Transportation Issues
 - c. Year of Change
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

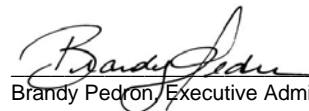
Chair – Charles Emery
Vice Chair – Richard Huckaby

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This notice was posted on 10/19/2018 at 4:20 PM.



Brandy Pedron / Executive Administrator | Open Records



Board of Directors Memo

October 25, 2018

Subject: Financial Statements for September 2018

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports presented for the period ending September 30, 2018 include the Statement of Change in Net Position, Statement of Net Position, and Capital Projects Fund. These reports provide a comparison of budget vs. actual for the fiscal year as of the current month. ***Amounts are preliminary and unaudited and may change as additional information is received that impacts fiscal year 2018.***

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

- **Note A:** Passenger Revenues – YTD favorable by \$40k mainly due to lowering budgeted ridership during the Revised Budget process. YTD FY18 rail ridership of 419k is 2% greater than revised budgeted ridership of 410k (\$15k increased revenue). YTD FY18 ridership for Connect, Access, Frisco, Collin County Transit, and North Texas Xpress of 519k is 6% greater than the revised budgeted ridership of 491k (\$25k increased revenue).

		YTD FY18 Actual Ridership	YTD FY18 Revised Budgeted Ridership	% Variance
Total Rail Ridership	(A)	419,335	409,524	2%
Connect, Access, Frisco, CCT, NTX	(A)	518,610	490,549	6%
UNT & NCTC	(B)	1,923,600	1,935,215	-1%
Total Bus Ridership		2,442,210	2,425,764	1%
Total Ridership		2,861,545	2,835,288	1%

(A) Passenger revenues are linked with these ridership statistics. Although Frisco & CCT service are contracted services, the passengers are responsible for a passenger fare as well.

(B) These ridership numbers are shown for information purposes only and are not linked to passenger revenues.

- **Note B:** Contract Service Revenue – YTD unfavorable by (\$85k). YTD FY18 fuel usage for contract services of 133k gallons is 14% lower than budgeted usage of 155k gallons (\$64k decreased revenue). Additionally, YTD average pass-through fuel cost is \$2.30/gallon compared to budgeted \$3.00/gallon (\$93k decreased revenue). These reductions are partially offset by greater than budgeted YTD revenue hours for contract service, resulting in a \$72k increase in revenue.
- **Note C:** Sales Tax Revenue – September sales tax revenue is not yet received and is accrued for the month based on budget. Sales tax generated in September will be received in November. The Sales Tax Report included in this agenda packet provides a more detailed Budget to Actual comparison of FY18 sales tax receipts collected through October.

- **Note D:** Federal/State Grants - Capital – YTD unfavorable by (\$2.2 million) due to delayed expenses and corresponding reimbursements for PTC, the Lewisville Hike & Bike Trail, and Brownfield work at the Rail O&M Facility. These grants are paid on a reimbursement basis and therefore DCTA will submit for reimbursement once additional payments have been made for these projects.

	YTD FY18 Actual Revenue	YTD FY18 Revised Budget	Variance
Data Analytics & Reporting	\$ 32,474	\$ 34,065	\$ (1,591)
EPA Brownfield at Rail O&M	-	178,200	(178,200)
Hike & Bike Trails	-	270,610	(270,610)
Positive Trail Control (PTC)	1,505,905	3,232,921	(1,727,016)
Rail Safety Improvements	54,142	54,208	(66)
Shared Use Mobility Study	-	48,000	(48,000)
Transit Enhancements	39,226	40,000	(774)
	\$ 1,631,747	\$ 3,858,004	\$(2,226,257)

- **Note E:** Federal/State Grants - Operating – YTD favorable by \$364k mainly due to greater than anticipated reimbursements for FEMA flood repair projects.

	YTD FY18 Actual Revenue	YTD FY18 Revised Budget	Variance
Bus PM	\$ 1,371,466	\$ 1,290,468	\$ 80,998
Rail PM	1,011,519	1,041,436	(29,917)
ADA Assistance	244,250	557,371	(313,121)
FEMA	2,608,194	2,101,477	506,717
Printing	12,598	-	12,598
Vanpool	106,671	129,876	(23,205)
Business Park Extension	47,611	-	47,611
35W NTX Operating Assistance	82,141	-	82,141
	\$ 5,484,450	\$ 5,120,628	\$ 363,822

Identified Need

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

Recommendation

Staff recommends acceptance.

Submitted by: Amber Karkauskas
Controller

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

Approval: Raymond Suarez
Raymond Suarez
CEO

DENTON COUNTY TRANSPORTATION AUTHORITY

CHANGE IN NET POSITION
MONTH AND YEAR TO DATE SEPTEMBER 30, 2018
(UNAUDITED)

Description	Month Ended September 30, 2018			Year to Date September 30, 2018			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenue and Other Income							
Passenger Revenues	\$ 115,818	\$ 137,113	\$ (21,295)	\$ 1,114,734	\$ 1,074,590	\$ 40,144	\$ 1,074,590 Note A
Contract Service Revenue	490,822	481,235	9,587	3,422,882	3,508,104	(85,222)	3,508,104 Note B
Sales Tax Revenue	2,533,225	2,492,251	40,974	27,958,935	26,649,585	1,309,350	26,649,585 Note C
Federal/State Grants - Capital	72,142	433,815	(361,673)	1,631,747	3,858,004	(2,226,257)	3,858,004 Note D
Federal/State Grants - Operating	918,857	326,153	592,704	5,484,450	5,120,628	363,822	5,120,628 Note E
Total Revenue and Other Income	<u>4,130,864</u>	<u>3,870,567</u>	<u>260,297</u>	<u>39,612,748</u>	<u>40,210,911</u>	<u>(598,163)</u>	<u>40,210,911</u>
Operating Expenses							
Salary, Wages and Benefits	1,013,856	1,035,531	21,675	10,970,549	11,881,666	911,117	11,881,666
Services	1,315,577	1,444,502	128,925	6,891,734	7,759,926	868,192	7,759,926
Materials and Supplies	241,198	257,003	15,805	2,388,183	3,028,375	640,192	3,028,375
Utilities	68,586	38,358	(30,228)	429,656	460,164	30,508	460,164
Insurance, Casualties and Losses	140,808	142,024	1,216	1,706,281	1,726,783	20,502	1,726,783
Purchased Transportation Services	695,088	885,998	190,910	8,970,713	9,628,343	657,630	9,628,343
Miscellaneous	23,120	22,113	(1,007)	264,295	423,326	159,031	423,326
Leases and Rentals	9,027	22,157	13,130	204,243	265,880	61,637	265,880
Depreciation	817,115	881,655	64,540	10,202,355	10,679,874	477,519	10,679,874
Total Operating Expenses	<u>4,324,376</u>	<u>4,729,341</u>	<u>404,965</u>	<u>42,028,010</u>	<u>45,854,337</u>	<u>3,826,327</u>	<u>45,854,337</u>
Income Before Non-Operating Revenue and Expense	(193,512)	(858,774)	665,262	(2,415,261)	(5,643,426)	3,228,165	(5,643,426)
Non-Operating Revenues / (Expense)							
Investment Income	47,590	6,500	41,090	350,924	78,000	272,924	78,000
Gain (Loss) Disposal of Assets	2,340	-	2,340	2,340	-	2,340	-
Fare Evasion Fee	-	87	(87)	1,425	1,000	425	1,000
Other Income - Miscellaneous	1,523	-	1,523	857,223	737,255	119,968	737,255
Long Term Debt Interest/Expense	(88,702)	(86,507)	(2,195)	(1,040,262)	(1,008,084)	(32,178)	(1,008,084)
Total Non-Operating Revenue / (Expense)	<u>(37,250)</u>	<u>(79,920)</u>	<u>42,670</u>	<u>171,650</u>	<u>(191,829)</u>	<u>363,479</u>	<u>(191,829)</u>
Change in Net Position	<u>\$ (230,762)</u>	<u>\$ (938,694)</u>	<u>\$ 707,932</u>	<u>\$ (2,243,611)</u>	<u>\$ (5,835,255)</u>	<u>\$ 3,591,644</u>	<u>\$ (5,835,255)</u>

DENTON COUNTY TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2018
(UNAUDITED)

	September 30, 2018	August 31, 2018	Change
Current Assets			
Operating Cash & Cash Equivalents	\$ 13,664,477	\$ 13,053,257	\$ 611,220
Reserves: Cash & Cash Equivalents	7,020,517	7,747,872	(727,356)
Reserves: Investments	3,961,125	3,215,591	745,534
Accounts & Notes Receivable	6,626,339	5,667,648	958,691
Prepaid Expenses	102,958	149,873	(46,915)
Inventory	36,426	37,066	(640)
Restricted Asset-Cash and Equivalents	1,237,844	3,538,933	(2,301,089)
Total Current Assets	32,649,686	33,410,240	(760,554)
Property, Plant and Equipment			
Land	17,394,147	17,394,147	-
Land Improvements	6,874,492	6,874,492	-
Machinery & Equipment	4,038,397	3,988,400	49,997
Vehicles	91,767,437	91,729,631	37,806
Computers & Software	1,387,627	1,387,627	-
Accumulated Depreciation	(67,890,843)	(67,073,728)	(817,115)
Total Property, Plant and Equipment	53,571,256	54,300,568	(729,312)
Capital Assets			
Intangible Assets	16,997,155	16,997,155	-
Other Capital Assets, Net	234,479,805	234,479,805	-
Construction in Progress	19,402,821	20,183,171	(780,350)
Total Capital Assets	270,879,781	271,660,131	(780,350)
Total Assets	\$ 357,100,724	\$ 359,370,939	\$ (2,270,216)
Liabilities			
Current Liabilities			
Accounts Payable	\$ 271,617	\$ -	\$ 271,617
Salary, Wages, and Benefits Payable	590,874	643,818	(52,944)
Accrued Expenses Payable	168,920	272,248	(103,328)
Deferred Revenues	54,200	68,415	(14,215)
Interest Payable	-	432,527	(432,527)
Total Current Liabilities	1,085,611	1,417,008	(331,397)
Non-Current Liabilities			
Rail Easement Payable	1,100,000	1,100,000	-
Retainage Payable	585,499	573,556	11,943
Bonds Payable	27,020,000	28,740,000	(1,720,000)
Total Non-Current Liabilities	28,705,499	30,413,556	(1,708,057)
Total Liabilities	\$ 29,791,110	\$ 31,830,564	\$ (2,039,454)
Net Position			
Net Investment in Capital Assets	305,367,228	305,367,228	-
Unrestricted	24,185,997	24,185,997	-
Change in Net Position	(2,243,611)	(2,012,849)	(230,762)
Total Equity	327,309,613	327,540,375	(230,762)
Total Liabilities and Equity	\$ 357,100,724	\$ 359,370,939	\$ (2,270,216)

DENTON COUNTY TRANSPORTATION AUTHORITY
CAPITAL PROJECT FUND
AS OF SEPTEMBER 30, 2018

Capital Project Number/Name	Original Budget	Revised Budget	September 2018 Actuals Booked	Actuals Life To Date	\$ Under/ (Over) Budget	% of Budget (As of September 2018 Close)	Project % Complete (Operations)
Construction Work in Progress							
G&A Capital Projects							
Total 10302 - Infrastructure Acquisition	\$ 1,900,000	\$ 3,900,000	\$ 15,871	\$ 168,295	\$ 3,731,705	4%	
Total 10601 - Data Analytics & Reporting	200,000	200,000	-	40,593	159,407	20%	
Total 10604 - Safety & Security Assessment	250,000	250,000	-	25,000	225,000	10%	
Total 10605 - Project Management/Document Control	150,000	150,000	6,381	50,649	99,351	34%	40%
Total 10606 - Shared Use Mobility Study	123,428	123,428	-	-	123,428	0%	
Total G&A Capital Projects	2,623,428	4,623,428	22,252	284,537	4,338,891	6%	
Bus Capital Projects							
Total 50206 - Passenger Amenities - Denton - CLOSED	50,000	50,000	-	49,997	3	100%	100%
Total 50305 - IOMF Fuel Tanks	250,000	987,000	227,121	422,632	564,368	43%	45%
Total 50409 - Bus Fleet Cameras	149,500	149,500	-	-	149,500	0%	
Total 50510 - Fleet (2017) - CLOSED	1,550,000	1,474,076	-	37,806	1,436,270	3%	
Total 50512 - Fleet (2018)	3,003,580	1,135,250	-	-	1,135,250	0%	
Total 50601 - Scheduling Software (Bus)	250,000	250,000	-	28,125	221,875	11%	
Total Bus Capital Projects	5,253,080	4,045,826	227,121	538,560	3,507,266	13%	
Rail Capital Projects							
Total 61209 - Trinity Mills Crew Facility - CLOSED	250,000	340,000	36,936	338,999	1,001	100%	100%
Total 61406.1 - Positive Train Control Implementation	-	16,720,141	28,412	13,943,625	2,776,516	83%	92%
Total 61605 - Brownfield Remediation	60,000	385,000	-	139,720	245,280	36%	90%
Total 61606 - Rail Crossing Study - CLOSED	73,000	73,000	-	73,000	-	100%	
Total 61708 - Lewisville Bike Trail	3,099,856	2,146,355	-	2,143,377	2,978	100%	95%
Total 61713.5 - Pockrus Page (2015 Flood) - CLOSED	623,000	773,000	-	764,534	8,467	99%	
Total 61714 - Rail Capital Maintenance (2018)	3,970,430	3,131,419	89,246	937,797	2,193,622	30%	31%
Total 61715 - Trail Safety Improvements	139,657	81,157	5,600	5,600	75,557	7%	40%
Total 61716 - Lewisville Bike Trail - Eagle Point Section	2,995,873	2,995,873	1,417	83,206	2,912,667	3%	5%
Total 61718 - Rail Safety Improvements	200,000	200,000	-	67,678	132,322	34%	34%
Total Rail Capital Projects	11,411,816	26,845,945	161,610	18,497,535	8,348,410	69%	
Total Construction Work in Progress	\$ 19,288,324	\$ 35,515,199	\$ 410,983	\$ 19,320,631	\$ 16,194,568	54%	



Board of Directors Memo

October 25, 2018

Subject: Monthly Sales Tax Receipts

Background

Sales tax represents the single largest source of revenue for DCTA at 56.12% for FY18 budget. The annual sales tax budget for FY 2018 is \$26,649,586. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target.

This month, receipts were favorable compared to budget by 1.85%. The October allocation is for sales generated in the month of August and represents revenue for the eleventh month of FY 2018.

- Sales tax for sales generated at retail in the month of August and received in October was \$2,343,951.
- This represents an increase of 1.85% or \$42,513 compared to budget for the month.
- Compared to the same month last year, sales tax receipts are \$83,383 or 3.69% higher.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 9.92%
 - City of Denton down 1.73%
 - Highland Village down 9.11%

Need

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

Recommendation

For information only. No action required.

Final Review:



Marisa Perry, CPA
Chief Financial Officer/VP of Finance

DENTON COUNTY TRANSPORTATION AUTHORITY

SALES TAX REPORT
BUDGET TO ACTUAL AND PREVIOUS YEAR COMPARISON

Sales Generated in Month of:	Received in Month of:	2017-2018 Year Budget	2017-2018 Year Actual	Variance Actual to Budget	CY Actual to CY Budget % Variance	2016-2017 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,096,191	\$ 2,150,455	\$ 54,264	2.59%	\$ 1,978,638	\$ 171,816	8.68%
November	January	\$ 2,004,798	\$ 2,216,616	\$ 211,818	10.57%	\$ 2,170,262	\$ 46,354	2.14%
December	February	\$ 2,795,466	\$ 2,801,274	\$ 5,808	0.21%	\$ 2,793,331	\$ 7,943	0.28%
January	March	\$ 1,917,819	\$ 1,975,813	\$ 57,994	3.02%	\$ 1,908,263	\$ 67,550	3.54%
February	April	\$ 1,818,015	\$ 2,012,714	\$ 194,699	10.71%	\$ 2,006,450	\$ 6,265	0.31%
March	May	\$ 2,424,593	\$ 2,593,861	\$ 169,268	6.98%	\$ 2,408,823	\$ 185,038	7.68%
April	June	\$ 2,117,555	\$ 2,130,060	\$ 12,505	0.59%	\$ 1,987,159	\$ 142,900	7.19%
May	July	\$ 2,106,721	\$ 2,375,417	\$ 268,696	12.75%	\$ 2,219,119	\$ 156,298	7.04%
June	August	\$ 2,477,248	\$ 2,604,185	\$ 126,937	5.12%	\$ 2,588,897	\$ 15,288	0.59%
July	September	\$ 2,097,490	\$ 2,269,235	\$ 171,745	8.19%	\$ 2,063,481	\$ 205,753	9.97%
August	October	\$ 2,301,438	\$ 2,343,951	\$ 42,513	1.85%	\$ 2,260,569	\$ 83,383	3.69%
September	November	\$ 2,492,252				\$ 2,482,741		
YTD Total		\$ 26,649,586	\$ 25,473,580	\$ 1,316,246	5.45%	\$ 26,867,734	\$ 1,088,588	4.46%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

October 17, 2018

DENTON COUNTY TRANSPORTATION AUTHORITY

MEMBER CITIES SALES TAX REPORT
 MONTH ALLOCATION IS RECEIVED FROM COMPTROLLER
 PREVIOUS YEAR COMPARISON

CITY OF LEWISVILLE						CITY OF HIGHLAND VILLAGE					
Sales Generated in Month of:	Received in Month of:	2016-2017 Year Actual	2017-2018 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	Sales Generated in Month of:	Received in Month of:	2016-2017 Year Actual	2017-2018 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,795,751	\$ 3,009,098	\$ 213,347	7.63%	October	December	\$ 298,777	\$ 265,631	\$ (33,146)	-11.09%
November	January	\$ 2,867,155	\$ 2,973,704	\$ 106,549	3.72%	November	January	\$ 313,524	\$ 328,316	\$ 14,792	4.72%
December	February	\$ 3,849,204	\$ 3,924,399	\$ 75,196	1.95%	December	February	\$ 411,143	\$ 451,331	\$ 40,188	9.77%
January	March	\$ 2,709,531	\$ 2,767,715	\$ 58,184	2.15%	January	March	\$ 255,642	\$ 287,500	\$ 31,858	12.46%
February	April	\$ 2,892,939	\$ 2,864,356	\$ (28,583)	-0.99%	February	April	\$ 253,856	\$ 250,707	\$ (3,149)	-1.24%
March	May	\$ 3,480,828	\$ 3,540,108	\$ 59,280	1.70%	March	May	\$ 328,214	\$ 341,604	\$ 13,390	4.08%
April	June	\$ 2,722,621	\$ 2,950,115	\$ 227,493	8.36%	April	June	\$ 268,006	\$ 285,066	\$ 17,060	6.37%
May	July	\$ 3,113,597	\$ 3,386,756	\$ 273,159	8.77%	May	July	\$ 307,851	\$ 325,073	\$ 17,222	5.59%
June	August	\$ 3,568,239	\$ 3,759,539	\$ 191,299	5.36%	June	August	\$ 373,101	\$ 356,643	\$ (16,458)	-4.41%
July	September	\$ 2,800,265	\$ 3,055,068	\$ 254,803	9.10%	July	September	\$ 273,047	\$ 301,133	\$ 28,086	10.29%
August	October	\$ 3,034,967	\$ 3,336,162	\$ 301,195	9.92%	August	October	\$ 313,211	\$ 284,692	\$ (28,519)	-9.11%
September	November	\$ 3,265,668				September	November	\$ 331,426			
YTD Total		\$ 37,100,766	\$ 35,567,019	\$ 1,731,922	5.12%	YTD Total		\$ 3,727,797	\$ 3,477,695	\$ 81,324	2.39%

CITY OF DENTON					
Sales Generated in Month of:	Received in Month of:	2016-2017 Year Actual	2017-2018 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 2,451,245	\$ 2,718,499	\$ 267,254	10.90%
November	January	\$ 2,918,947	\$ 2,945,336	\$ 26,389	0.90%
December	February	\$ 3,727,632	\$ 3,598,809	\$ (128,822)	-3.46%
January	March	\$ 2,397,941	\$ 2,568,686	\$ 170,745	7.12%
February	April	\$ 2,442,743	\$ 2,526,113	\$ 83,369	3.41%
March	May	\$ 3,099,631	\$ 3,661,913	\$ 562,282	18.14%
April	June	\$ 2,602,704	\$ 2,787,702	\$ 184,998	7.11%
May	July	\$ 2,729,539	\$ 2,936,759	\$ 207,220	7.59%
June	August	\$ 3,351,192	\$ 3,348,805	\$ (2,387)	-0.07%
July	September	\$ 2,734,634	\$ 3,095,938	\$ 361,304	13.21%
August	October	\$ 2,906,837	\$ 2,856,408	\$ (50,430)	-1.73%
September	November	\$ 3,593,467			
YTD Total		\$ 34,956,511	\$ 33,044,967	\$ 1,681,923	5.36%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 October 17, 2018

ALL TRANSIT AGENCIES
MONTHLY SALES AND USE TAX COMPARISON SUMMARY

Transit Agency	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	Payments YTD (Calendar)	Prior Year Payments YTD (Calendar)	% Change
Austin MTA	1.00%	\$ 20,316,706.72	\$ 18,588,273.44	9.29%	\$ 203,895,034.03	\$ 190,899,055.38	6.80%
Corpus Christi MTA	0.50%	\$ 2,834,233.42	\$ 2,394,858.51	18.34%	\$ 27,912,249.62	\$ 26,188,657.24	6.58%
Dallas MTA	1.00%	\$ 46,543,708.69	\$ 45,133,198.10	3.12%	\$ 497,453,548.52	\$ 473,069,713.03	5.15%
Denton CTA	0.50%	\$ 2,343,951.02	\$ 2,260,568.52	3.68%	\$ 23,323,125.70	\$ 22,406,353.97	4.09%
El Paso CTD	0.50%	\$ 3,530,487.41	\$ 3,415,153.26	3.37%	\$ 37,190,602.35	\$ 35,403,587.50	5.04%
Fort Worth MTA	0.50%	\$ 6,419,038.52	\$ 5,992,175.48	7.12%	\$ 65,082,467.61	\$ 61,497,291.12	5.82%
Houston MTA	1.00%	\$ 59,513,043.75	\$ 50,331,328.21	18.24%	\$ 634,144,493.21	\$ 578,677,056.41	9.58%
Laredo CTD	0.25%	\$ 600,168.86	\$ 627,818.78	-4.40%	\$ 6,709,569.92	\$ 6,414,633.36	4.59%
San Antonio ATD	0.25%	\$ 5,457,695.74	\$ 5,070,821.36	7.62%	\$ 57,472,794.65	\$ 53,868,876.20	6.69%
San Antonio MTA	0.50%	\$ 12,182,846.39	\$ 11,203,569.66	8.74%	\$ 126,963,596.70	\$ 118,857,263.26	6.82%
TOTALS		\$ 159,741,880.52	\$ 145,017,765.32	10.15%	\$ 1,680,147,482.31	\$ 1,567,282,487.47	7.20%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 October 17, 2018



Investment Portfolio Summary

Denton County Transportation Authority



For the Quarter Ended

September 30, 2018

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MARKET RECAP - SEPTEMBER 2018:

As September began, the yield on the two-year Treasury note sat at 2.63%, right in the middle of a narrow range that had prevailed since mid-July. The 10-year T-note, meanwhile, was just 23 basis points higher at 2.86%. Within a few days, a string of strong data would spark a bond sell-off that would send yields sharply higher throughout the month. The ISM manufacturing index topped the most optimistic of forecasts, climbing above 61 for the first time since 2004 to 61.3. The prices paid index logged a second straight month in the stratosphere, dipping from 73.2 to 72.1. The ISM non-manufacturing index, which covers the much larger service sector that accounts for roughly 88% of the economy, surged from an 11-month low of 55.7 to 58.5 in August. While the ISM surveys are booming, the real fireworks came with the August employment report. Although the increase in non-farm payrolls was close to expectations at +201k and the unemployment rate held steady at 3.9%, average hourly earnings doubled forecasts with a +0.4% gain that took the year-over-year increase to +2.9% and the three month annualized pace above +3.0%. Taken together, the jobs data indicates a tight labor market where difficulty finding workers is restraining job growth and leading employers to respond with higher wages, stoking wage inflation fears. The overall strength seen in the early month indicators sent bond prices tumbling and would quickly push yields on the two-year and 10-year Treasury notes north of 2.80% and 3.00% respectively.

Contrary to the wage data, the producer and consumer price indexes both moderated in August. The headline producer price index fell -0.1% for the month and the year-over-year pace dropped from +3.2% to +2.8%, while core PPI retreated from +2.7% to +2.3% y-o-y. Consumer prices also eased as headline CPI was below forecast at +0.2%, taking the y-o-y rate down a tenth to +2.7%. Core CPI was even lower, up just +0.1% on the month with the y-o-y sliding from +2.4% to +2.2%. Consumer spending was weaker than expected in August but upward revisions to July kept the annual rate above 6% for a fourth straight month. Consumer confidence measures hover at or near recovery highs with Bloomberg's Consumer Comfort Index topping 60 for the first time since 2001, and the Conference Board's Consumer Confidence Index reaching a new 18-year high. Housing seems to be the one area exhibiting signs of weakness as higher prices and higher mortgage rates crimp affordability. Existing home sales were unchanged in August and are hovering at the lowest levels since early 2016.

By the time the Fed's FOMC met on September 26th, the third 25 basis point rate hike of 2018 was a foregone conclusion and the Fed obliged. Market fears of an overtly hawkish statement and more aggressive dot plot were not realized as the committee struck a balanced tone. The dot plot still indicates a hike in December, followed by three more in 2019 and one in 2020. Bond yields, having spent the month of September moving higher, were largely unchanged following the announcement. The two-year T-note closed the month at 2.82% while the 10-year settled at 3.06%. Stocks continued their trek higher with the Dow and the S&P 500 trading to record highs during the month.

For the Quarter Ended
September 30, 2018

This report is prepared for the **Denton County Transportation Authority** (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Officer Names and Titles:

 Name: Marisa Perry, CPA	 Title: Chief Financial Officer/VP of Finance
 Name: Raymond Suarez	 Title: Chief Executive Officer

Account Summary

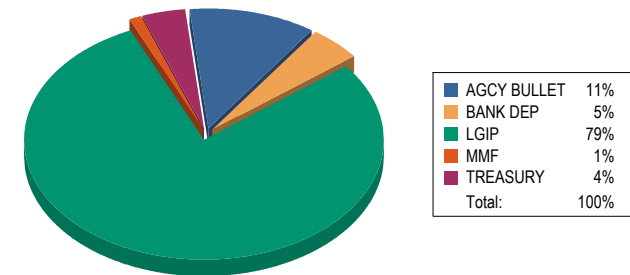
Allocation by Security Type

Beginning Values as of 06/30/18

Ending Values as of 09/30/18

Par Value	25,101,486.77	26,033,777.35
Market Value	25,069,077.97	25,994,902.35
Book Value	25,070,533.16	25,997,930.75
Unrealized Gain/(Loss)	(1,455.19)	(3,028.40)
Market Value %	99.99%	99.99%

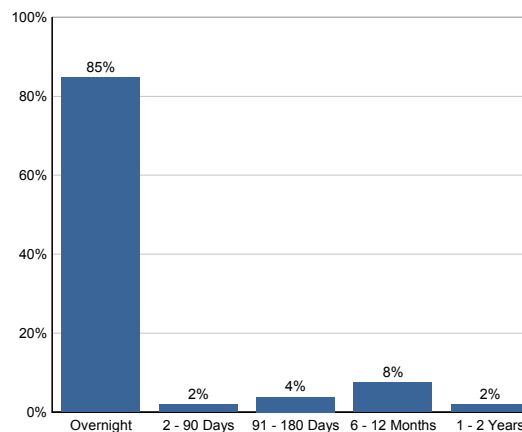
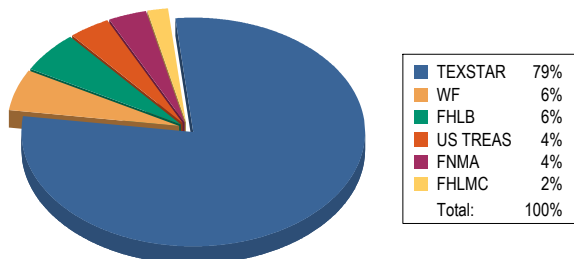
Weighted Avg. YTW	1.686%	1.940%
Weighted Avg. YTM	1.686%	1.940%



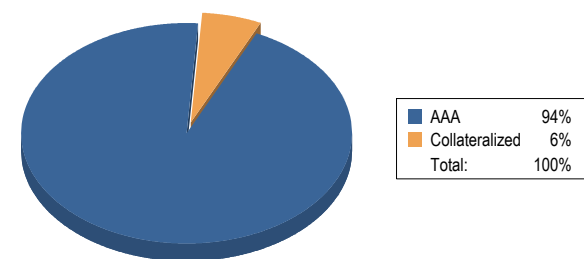
Allocation by Issuer

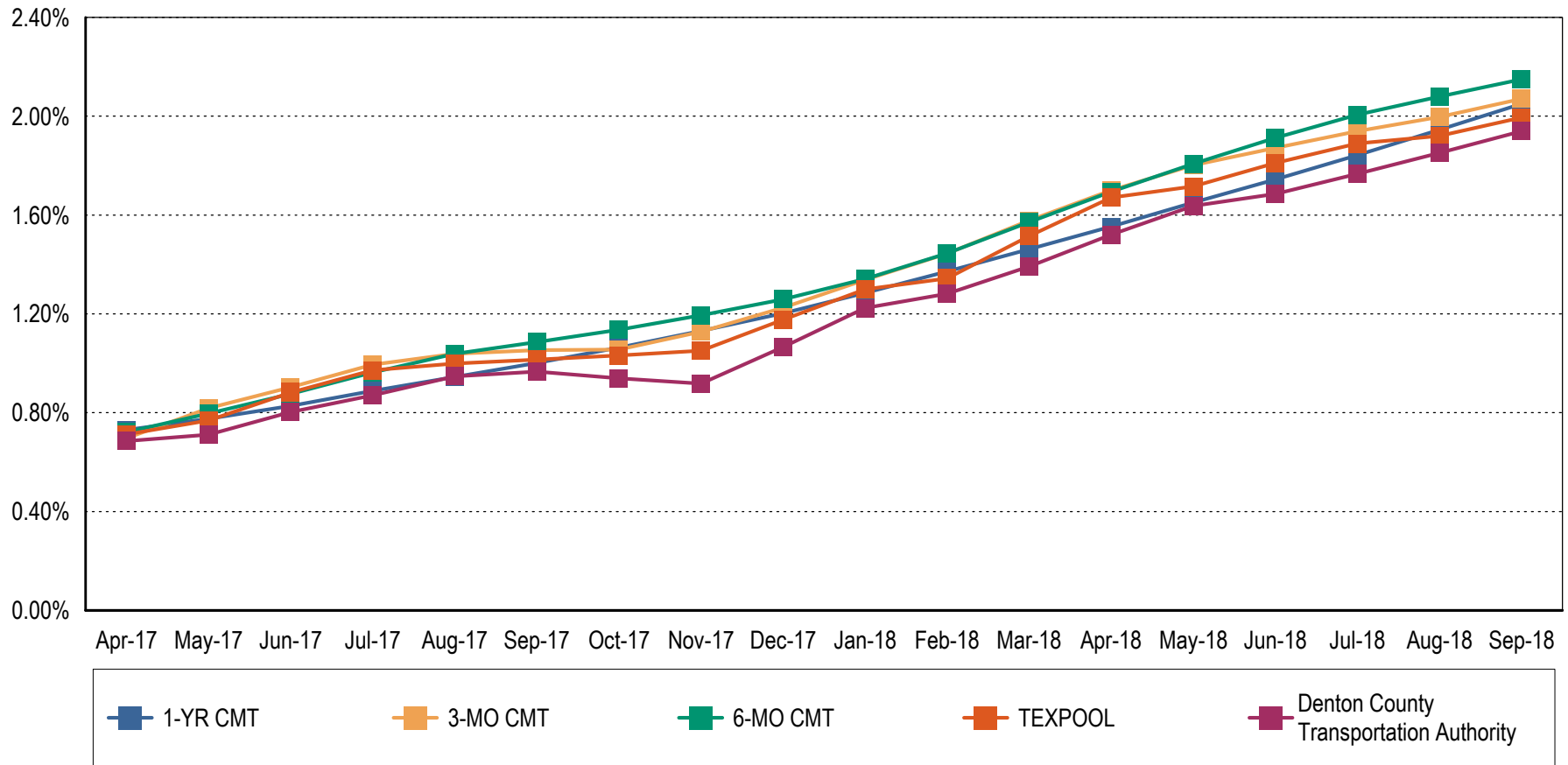
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 37





Note 1: CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

Note 2: Benchmark data for TexPool is the monthly average yield.

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
2011 Bond Fund																	
WF-MANA		BANK DEP	Wells Fargo Managed Rate					1,223,048.42	100.000	1,223,048.42	1,223,048.42	100.000	1,223,048.42	1		0.200	0.200
Total for 2011 Bond Fund								1,223,048.42	100.000	1,223,048.42	1,223,048.42	100.000	1,223,048.42	1		0.200	0.200
Bond Fund																	
TEXSTAR		LGIP	TexSTAR					14,795.48	100.000	14,795.48	14,795.48	100.000	14,795.48	1		1.999	1.999
Total for Bond Fund								14,795.48	100.000	14,795.48	14,795.48	100.000	14,795.48	1		1.999	1.999
Operating Fund																	
WF-SWEEP		MMF	Wells Fargo Sweep					306,101.61	100.000	306,101.61	306,101.61	100.000	306,101.61	1		0.000	0.000
Total for Operating Fund								306,101.61	100.000	306,101.61	306,101.61	100.000	306,101.61	1		0.000	0.000
Reserve Fund																	
TEXSTAR		LGIP	TexSTAR					7,020,516.52	100.000	7,020,516.52	7,020,516.52	100.000	7,020,516.52	1		1.999	1.999
912828T83	01/24/18	TREAS NOTE	U.S. Treasury	0.750	10/31/18			500,000.00	99.215	496,074.22	499,581.00	99.894	499,470.00	31		1.787	1.787
3130AAXX1	04/05/18	AGCY BULET	FHLB	1.375	03/18/19			1,000,000.00	99.259	992,590.00	996,376.18	99.544	995,440.00	169		2.165	2.165
912828R85	06/12/18	TREAS NOTE	U.S. Treasury	0.875	06/15/19			500,000.00	98.535	492,675.78	494,866.35	98.867	494,335.00	258		2.354	2.354
3135G0N33	05/22/18	AGCY BULET	FNMA	0.875	08/02/19			1,000,000.00	98.161	981,610.00	987,085.74	98.597	985,970.00	306		2.446	2.446
3130A8Y72	09/10/18	AGCY BULET	FHLB	0.875	08/05/19			500,000.00	98.529	492,645.00	493,117.43	98.564	492,820.00	309		2.533	2.533
3137EADM8	09/28/18	AGCY BULET	FHLMC	1.250	10/02/19			500,000.00	98.614	493,070.00	493,126.70	98.618	493,090.00	367		2.648	2.648
Total for Reserve Fund								11,020,516.52	99.538	10,969,181.52	10,984,669.92	99.650	10,981,641.52	87		2.114	2.114
Sales Tax Fund																	
TEXSTAR		LGIP	TexSTAR					13,469,315.32	100.000	13,469,315.32	13,469,315.32	100.000	13,469,315.32	1		1.999	1.999
Total for Sales Tax Fund								13,469,315.32	100.000	13,469,315.32	13,469,315.32	100.000	13,469,315.32	1		1.999	1.999

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
Total for Denton County Transportation Authority									26,033,777.35	99.805	25,982,442.35	25,997,930.75	99.852	25,994,902.35	37	1.940	1.940

CUSIP	Security Type	Security Description	06/30/18 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	09/30/18 Book Value	06/30/18 Market Value	09/30/18 Market Value	Change in Mkt Value
2011 Bond Fund											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	1,534,633.36	218.17	(311,803.11)	0.00	0.00	1,223,048.42	1,534,633.36	1,223,048.42	(311,584.94)
Total for 2011 Bond Fund			1,534,633.36	218.17	(311,803.11)	0.00	0.00	1,223,048.42	1,534,633.36	1,223,048.42	(311,584.94)
Bond Fund											
TEXSTAR	LGIP	TexSTAR	1,557,540.26	696,898.94	(2,239,643.72)	0.00	0.00	14,795.48	1,557,540.26	14,795.48	(1,542,744.78)
Total for Bond Fund			1,557,540.26	696,898.94	(2,239,643.72)	0.00	0.00	14,795.48	1,557,540.26	14,795.48	(1,542,744.78)
Operating Fund											
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WF-SWEEP	MMF	Wells Fargo Sweep	1,189,454.32	33,723.38	(917,076.09)	0.00	0.00	306,101.61	1,189,454.32	306,101.61	(883,352.71)
Total for Operating Fund			1,189,454.32	33,723.38	(917,076.09)	0.00	0.00	306,101.61	1,189,454.32	306,101.61	(883,352.71)
Reserve Fund											
TEXSTAR	LGIP	TexSTAR	7,722,803.40	25,068.66	(727,355.54)	0.00	0.00	7,020,516.52	7,722,803.40	7,020,516.52	(702,286.88)
WF-PREM	BANK DEP	Wells Fargo Premium Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
066519DA4	CD	BankUnited CD 1.400 09/28/18	248,000.00	0.00	(248,000.00)	0.00	0.00	0.00	247,634.20	0.00	(247,634.20)
912828T83	TREAS NOTE	U.S. Treasury 0.750 10/31/18	498,296.04	0.00	0.00	1,284.96	0.00	499,581.00	497,949.00	499,470.00	1,521.00
3130AAXX1	AGCY BULET	FHLB 1.375 03/18/19	994,438.78	0.00	0.00	1,937.40	0.00	996,376.18	993,582.00	995,440.00	1,858.00
912828R85	TREAS NOTE	U.S. Treasury 0.875 06/15/19	493,050.89	0.00	0.00	1,815.46	0.00	494,866.35	493,047.00	494,335.00	1,288.00
3135G0N33	AGCY BULET	FNMA 0.875 08/02/19	983,260.68	0.00	0.00	3,825.06	0.00	987,085.74	983,379.00	985,970.00	2,591.00
3130A8Y72	AGCY BULET	FHLB 0.875 08/05/19	0.00	492,645.00	0.00	472.43	0.00	493,117.43	0.00	492,820.00	492,820.00
3137EADM8	AGCY BULET	FHLMC 1.250 10/02/19	0.00	493,070.00	0.00	56.70	0.00	493,126.70	0.00	493,090.00	493,090.00
Total for Reserve Fund			10,939,849.79	1,010,783.66	(975,355.54)	9,392.01	0.00	10,984,669.92	10,938,394.60	10,981,641.52	43,246.92
Sales Tax Fund											
TEXSTAR	LGIP	TexSTAR	9,849,055.43	3,620,259.89	0.00	0.00	0.00	13,469,315.32	9,849,055.43	13,469,315.32	3,620,259.89
Total for Sales Tax Fund			9,849,055.43	3,620,259.89	0.00	0.00	0.00	13,469,315.32	9,849,055.43	13,469,315.32	3,620,259.89

CUSIP	Security Type	Security Description	06/30/18 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	09/30/18 Book Value	06/30/18 Market Value	09/30/18 Market Value	Change in Mkt Value
<hr/>											
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Total for Denton County Transportation Authority			25,070,533.16	5,361,884.04	(4,443,878.46)	9,392.01	0.00	25,997,930.75	25,069,077.97	25,994,902.35	925,824.38

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
2011 Bond Fund									
WF-MANA	BANK DEP	Wells Fargo Managed Rate	0.00	658.06	658.06	0.00	0.00	0.00	658.06
Total for 2011 Bond Fund			0.00	658.06	658.06	0.00	0.00	0.00	658.06
Bond Fund									
TEXSTAR	LGIP	TexSTAR	0.00	8,484.80	8,484.80	0.00	0.00	0.00	8,484.80
Total for Bond Fund			0.00	8,484.80	8,484.80	0.00	0.00	0.00	8,484.80
Operating Fund									
Total for Operating Fund			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Fund									
TEXSTAR	LGIP	TexSTAR	0.00	37,168.27	37,168.27	0.00	0.00	0.00	37,168.27
066519DA4	CD	BankUnited CD 1.400 09/28/18	894.16	846.60	1,740.76	0.00	0.00	0.00	846.60
912828T83	TREAS NOTE	U.S. Treasury 0.750 10/31/18	631.79	937.50	0.00	0.00	1,569.29	1,284.96	2,222.46
3130AAXX1	AGCY BULET	FHLB 1.375 03/18/19	3,934.03	3,437.50	6,875.00	0.00	496.53	1,937.40	5,374.90
912828R85	TREAS NOTE	U.S. Treasury 0.875 06/15/19	191.26	1,099.72	0.00	0.00	1,290.98	1,815.46	2,915.18
3135GON33	AGCY BULET	FNMA 0.875 08/02/19	3,621.53	2,187.50	4,375.00	0.00	1,434.03	3,825.06	6,012.56
3130A8Y72	AGCY BULET	FHLB 0.875 08/05/19	0.00	255.21	0.00	(425.35)	680.56	472.43	727.64
3137EADM8	AGCY BULET	FHLMC 1.250 10/02/19	0.00	52.08	0.00	(3,055.56)	3,107.64	56.70	108.78
Total for Reserve Fund			9,272.77	45,984.38	50,159.03	(3,480.91)	8,579.03	9,392.01	55,376.39
Sales Tax Fund									
TEXSTAR	LGIP	TexSTAR	0.00	60,483.89	60,483.89	0.00	0.00	0.00	60,483.89
Total for Sales Tax Fund			0.00	60,483.89	60,483.89	0.00	0.00	0.00	60,483.89
Total for Denton County Transportation Authority			9,272.77	115,611.13	119,785.78	(3,480.91)	8,579.03	9,392.01	125,003.14

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
Reserve Fund															
Maturities															
09/28/18	09/28/18	066519DA4	CD	BankUnited CD	1.400	09/28/18		248,000.00	100.000	248,000.00	0.00	248,000.00		1.400	
Total for: Maturities								248,000.00		248,000.00	0.00	248,000.00		1.400	
Purchases															
09/07/18	09/10/18	3130A8Y72	AGCY BULET	FHLB	0.875	08/05/19		500,000.00	98.529	492,645.00	425.35	493,070.35		2.533	2.533
09/27/18	09/28/18	3137EADM8	AGCY BULET	FHLMC	1.250	10/02/19		500,000.00	98.614	493,070.00	3,055.56	496,125.56		2.648	2.648
Total for: Purchases								1,000,000.00		985,715.00	3,480.91	989,195.91		2.591	2.591
Income Payments															
08/02/18	08/02/18	3135G0N33	AGCY BULET	FNMA	0.875	08/02/19				0.00	4,375.00	4,375.00			
09/18/18	09/18/18	3130AAXX1	AGCY BULET	FHLB	1.375	03/18/19				0.00	6,875.00	6,875.00			
09/28/18	09/28/18	066519DA4	CD	BankUnited CD	1.400	09/28/18				0.00	1,740.76	1,740.76			
09/28/18	09/28/18	066519DA4	CD	BankUnited CD	1.400	09/28/18				0.00	(1,740.76)	(1,740.76)			
09/28/18	09/28/18	066519DA4	CD	BankUnited CD	1.400	09/28/18				0.00	1,740.76	1,740.76			
Total for: Income Payments										0.00	12,990.76	12,990.76			

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
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Total for All Portfolios

Transaction Type	Quantity	Total Amount	Realized G/L	YTM	YTW
Total Maturities	248,000.00	248,000.00		1.400	
Total Purchases	1,000,000.00	989,195.91		2.591	2.591
Total Income Payments	0.00	12,990.76			

CUSIP	Settle Date	Security Type	Security Description	Next Call Date	Purchase Qty	Orig Price	Original Cost	Amrt/Accr for Period	Total Amrt/Accr Since Purch	Remaining Disc / Prem	Book Value
Reserve Fund											
066519DA4	03/29/17	CD	BankUnited CD 1.400 09/28/18		0.00	100.000	0.00	0.00	0.00	0.00	0.00
912828T83	01/24/18	TREAS NOTE	U.S. Treasury 0.750 10/31/18		500,000.00	99.215	496,074.22	1,284.96	3,506.78	419.00	499,581.00
3130AAXX1	04/05/18	AGCY BULET	FHLB 1.375 03/18/19		1,000,000.00	99.259	992,590.00	1,937.40	3,786.18	3,623.82	996,376.18
912828R85	06/12/18	TREAS NOTE	U.S. Treasury 0.875 06/15/19		500,000.00	98.535	492,675.78	1,815.46	2,190.57	5,133.65	494,866.35
3135G0N33	05/22/18	AGCY BULET	FNMA 0.875 08/02/19		1,000,000.00	98.161	981,610.00	3,825.06	5,475.74	12,914.26	987,085.74
3130A8Y72	09/10/18	AGCY BULET	FHLB 0.875 08/05/19		500,000.00	98.529	492,645.00	472.43	472.43	6,882.57	493,117.43
3137EADM8	09/28/18	AGCY BULET	FHLMC 1.250 10/02/19		500,000.00	98.614	493,070.00	56.70	56.70	6,873.30	493,126.70
Total for Reserve Fund					4,000,000.00		3,948,665.00	9,392.01	15,488.40	35,846.60	3,964,153.40
Total for Denton County Transportation Authority					4,000,000.00		3,948,665.00	9,392.01	15,488.40	35,846.60	3,964,153.40

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
Reserve Fund						
3137EADM8	AGCY BULET	FHLMC 1.250 10/02/19	10/02/18	3,125.00	0.00	3,125.00
912828T83	TREAS NOTE	U.S. Treasury 0.750 10/31/18	10/31/18	1,875.00	500,000.00	501,875.00
912828R85	TREAS NOTE	U.S. Treasury 0.875 06/15/19	12/15/18	2,187.50	0.00	2,187.50
3135G0N33	AGCY BULET	FNMA 0.875 08/02/19	02/02/19	4,375.00	0.00	4,375.00
3130A8Y72	AGCY BULET	FHLB 0.875 08/05/19	02/05/19	2,187.50	0.00	2,187.50
3130AAXX1	AGCY BULET	FHLB 1.375 03/18/19	03/18/19	6,875.00	1,000,000.00	1,006,875.00
Total for Reserve Fund				20,625.00	1,500,000.00	1,520,625.00

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
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Total for All Portfolios

October 2018	5,000.00	500,000.00	505,000.00
December 2018	2,187.50	0.00	2,187.50
February 2019	6,562.50	0.00	6,562.50
March 2019	6,875.00	1,000,000.00	1,006,875.00
Total Projected Cash Flows for Denton County Transportation Authorit	20,625.00	1,500,000.00	1,520,625.00

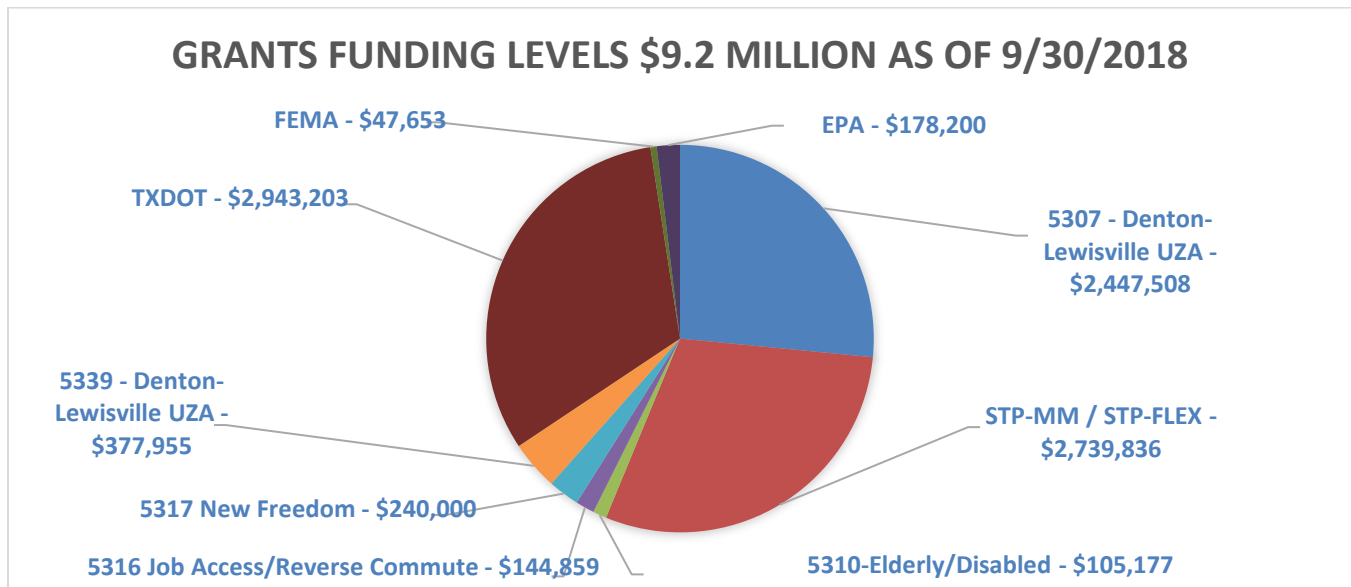
**Board of Directors Memo**

October 25, 2018

Subject: Quarterly Grant Update**Grant Activities This Period**

DCTA currently has 13 open grants that provide reimbursements for various capital projects, rail and bus preventive maintenance, operating assistance and ADA paratransit service. The grant funding sources include Federal Transit Administration (FTA), North Central Texas Council of Governments (NCTCOG), Texas Department of Transportation (TxDOT), Environmental Protection Agency (EPA) and Federal Emergency Management Agency (FEMA). Total grant balance was \$9.2 million as of 9/30/2018. Of this total, \$2.7 million is obligated for Positive Train Control, \$2.4 million is obligated for the FY14-16 Program of Projects, and \$2.9 million is obligated for the A-train Rail Trail.

This quarter there were no grant applications submitted to the Board for approval.



Program	Q3 FY18 Balance	Q4 FY18 Balance	Grant Activity
Denton-Lewisville UZA (5307)	\$3,181,141	\$2,447,508	Fleet Replacement, Bus Shelters, Bus Radios, Signage, Preventive Maintenance
STP-MM / STP-FLEX	\$3,355,254	\$2,739,836	Positive Train Control Implementation & Vanpool
Elderly Persons and Persons with Disabilities (5310)	\$144,435	\$105,177	Transit Capital Accessibility (Fleet)
Job Access, Reverse Commute (JA/RC) (5316)	\$0	\$144,859	35W North Texas Xpress (NTX) Operating Assistance
Bus and Bus Facilities (5339)	\$377,955	\$377,955	Fleet Replacement
TXDOT (FHWA)	\$2,943,203	\$2,943,203	A-train Rail Trail (Eagle Point Section & Phase I Close-Out)
FEMA	\$546,951	\$47,653	2015 Flood Remediation Projects
EPA	\$178,200	\$178,200	Brownfields Assessment
New Freedom (NF) Funding (5317)	\$0	\$240,000	Mobility Management
Total	\$10,727,139	\$9,224,390	

Pending Funding and Other Grant Activity

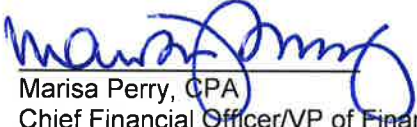
Staff received the signed funding agreements for the FY09 JARC and FY12 NF funding in July 2018 from NCTCOG's unspent grant funds. The Congestion Mitigation & Air Quality (CMAQ) funding for bus purchases for 35W NTX services will be de-obligated from NCTCOG and re-obligated to DCTA through FTA, with an anticipated execution in Q1 of FY19. All three agreements will utilize Transportation Development Credits (TDCs) in lieu of the local match. DCTA will receive \$10.4 million in CMAQ funding from NCTCOG for land acquisition purchases. The funding was added to the 2019-2022 Transportation Improvement Program (TIP) and the transfer of funds from FHWA to FTA will be initiated in Q1 of FY19. Anticipated grant execution is Q3 of FY19.

DCTA was awarded \$4 million for the Positive Train Control (PTC) Enhancements proposal submitted in June 2018 to Federal Railroad Administration's (FRA) Consolidated Rail Infrastructure & Safety Improvements (CRISI) Grants Program. Staff is working with FRA execute the grant by Q2 of FY19. DCTA submitted another proposal in September 2018 for the second round of funding available under the CRISI program for a Dispatch Workload Safety Program. Additionally, staff worked with Blais & Associates to submit two proposals: the first, an At-Grade Rail Crossing Safety Project for the FY18 Better Utilizing Investments to Leverage Development (BUILD) Grant Program through FTA with a July 2018 deadline and notice of award in December 2018; and the second, a proposal requesting funding for the Express Bus Service: 121 Corridor from FTA's FY18 Bus & Bus Facilities Infrastructure Grant Program with an August 2018 deadline. The latter was not chosen for funding from FTA.

The 2017 Annual Program of Projects (POP) was submitted for FTA review in December 2017. The project funding is: \$224,651 (Bus and Bus Facilities-5339) and \$5.7 million (Denton-Lewisville UZA-5307). The 2018 Annual POP was submitted for FTA Review in June 2018. The project funding is \$6.2 million (Denton-Lewisville UZA-5307) and \$572,056 (Bus and Bus Facilities- 5339).

DCTA finished out the grant TX-2017-007-00 for the Vanpool Program in September 2018.

Submitted by: Laura Mitchell
Grants & Contract Compliance Manager

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

Approval: 
Raymond Suarez
Chief Executive Officer

**Board of Directors Memo**

October 25, 2018

Subject: Current Procurement Activities**Tires**

Our current contract for purchase of vehicle tires will expire on November 8, 2018. Staff released a solicitation on Tuesday, September 11, 2018. Bids were received on October 10, 2018. Staff anticipates a recommendation for award on the November Board meeting agenda.

Uniform Rental Services

Currently, our contract for a uniform rental program for mechanics will expire on January 31, 2019. Staff released a solicitation for uniform rental services on August 31, 2018, with bids due on October 10, 2018. Staff anticipates a recommendation for award on the November Board meeting agenda.

Mobility as a Service

Staff is developing a solicitation for various modes of mobility services as a supplement to our existing services. Staff anticipates releasing the RFP in January with responses due sixty days from RFP issuance. Award is anticipated at the April staff meeting.

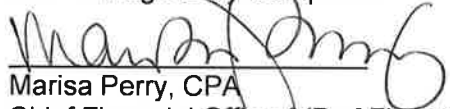
Law Enforcement Services

Our current contract for law enforcement services for the A-train expired 9/30/18. The new contract has been signed and sent to the Denton County Sheriff Office's Commissioners Court for review and signature. Staff anticipates receiving the fully executed contract by October 31, 2018.

Submitted by:


Athena Forrester, CPPO, CPPB
AVP of Regulatory Compliance

Final Review:


Marisa Perry, CPA
Chief Financial Officer/VP of Finance



Board of Directors Memo

October 25, 2018

Subject: Marketing & Communications Update

NEW HANDOUTS

- Wheels & Rails (September 2018)
- State Fair of Texas Brochure
- Denton Enterprise Airport Zone Route Guide
- Alliance Link Informational Guide

MEMBER CITY ACTIVITIES

- **Denton**
 - 9/7 – Meeting with Denton ADA Passenger
 - 9/11 – Route Guide Distribution to City Partners/Stakeholders
 - 9/13 – Transportation Resources of Denton County Event
 - 9/14 – Denton Chamber of Commerce Luncheon
 - 9/19 – Public Meeting at DDTC
 - 9/26 – Salvation Army Advisory Council Meeting
- **Highland Village**
 - 9/11 – Route Guide Distribution to City Partners/Stakeholders
 - 9/25 – Public Meeting at City Council Meeting
 - 9/26 – Resources for Caregivers and Older Adults with Disabilities Event
- **Lewisville**
 - 9/11 – Route Guide Distribution to City Partners/Stakeholders
 - 9/12 – Meeting with Lewisville CVB Re: Promotional Opportunities
 - 9/20 – Public Meeting at City Council Meeting
 - 9/20 – Disability Caucus Meeting
 - 9/25 – Lewisville Chamber of Commerce Luncheon
 - 9/28 – 9/29 – Lewisville Western Days

OTHER ACTIVITIES

- **UNT**
 - 9/13 – Meeting with Transportation Department Re: Outreach Opportunities
 - 9/26 – Apartment Source Advertising Meeting
- **Lake Cities**
 - 9/15 – Lake Cities Rail Trail Ribbon Cutting
- **Alliance Link**
 - 9/5 – Weekly Marketing and Communications Call
 - 9/11 – Weekly Marketing and Communications Call
 - 9/24 – Alliance Link Focus Group Attendance
- **Denton Enterprise Airport Zone**
 - 9/5 – On-Demand Planning Call
 - 9/6 – On-Demand Marketing and Communications Call
 - 9/19 – Weekly Project Sync Call
 - 9/21 – Weekly Project Sync Call
 - 9/26 – Weekly Project Sync Call
- **Lakeview Zone**
 - 9/25 – Spare Labs Kick-Off Planning Call
- **Lyft**
 - 9/17 – Ditch Your Car Campaign Call
- **Other**
 - 9/5 – Tarrant Regional Transportation Coalition
 - 9/20 – Air North Texas Monthly Call

ACTIVE CAMPAIGNS

- **Unique Campaigns**
 - State Fair of Texas
 - Open House Meetings
 - Lewisville Western Days Shuttle
 - PTC Testing/Service Modifications
 - Holiday Schedule
 - University A-train Promotion
 - Local Fare Promotion
 - Denton Enterprise Airport
 - PTC Progress Report
- **Evergreen Campaigns**
 - #AskDCTA
 - #TransitTipTuesday
 - #WhyIRideDCTA
 - A-train Free Fare Zones
 - Flashback Friday
 - GovDelivery
 - Hop on Board Blog
 - North Texas Xpress
 - Discount Pass Programs
 - Travel Tools
 - Transit and Regional Connections
 - Employment Opportunities

MONTHLY MEDIA REPORT (SEPTEMBER 2018)

- **Metrics**
 - Total Stories – 80
 - Total Reach – 34.3M
 - Total Publicity Value - \$61.8K
- **Top Media Outlets**
 - Denton Record-Chronicle
 - Plano Star-Courier Online
 - Mass Transit Online
 - Progressive Railroading
 - Lewisville Leader
 - Flower Mound Leader
 - CultureMap Dallas (lifestyle news)
 - Informed Infrastructure (construction engineer's magazine)
 - Metro Magazine Online

ANNUAL M&C METRICS HIGHLIGHTS

- **Community Impressions**
 - Globally reached more than 310,000 community members
 - Directly reached more than 12,500 community members with one-on-one interactions
- **Media Buy Impressions**
 - More than 4M impressions through online paid media placements
 - More than 8M impressions through print paid and unpaid media placements
 - More than 85,000 direct mailers sent to member cities
- **Media Relations**
 - A total of 836 stories mentioning DCTA – up 38.4% compared to FY '17
 - More than 220M impressions based on the 836 stories placed
 - A total of \$945,100 in publicity value

- **Social Media**
 - Increased Facebook followers by 1,347
 - Increased Twitter followers by 301
 - Increased YouTube subscribers by 14
 - Increased LinkedIn followers by 67
 - Increased in Hop On Board Blog subscribers by 25
- **Rider Alerts/Email Marketing**
 - Increased email marketing database by 19% compared to FY '17
 - Sent out 83 marketing email blasts, which was a new tactic for DCTA, resulting in more than 586,000 emails delivered with a 17% open rate and a 1.09% click through rate (both metrics are well above industry average)
- **Website**
 - On average, 61% of users were new to the site
 - Once the new site launched, we saw a 15% increase in site visits
- **Hop on Board Blog**
 - More than 5,000 unique users with 15% of the users returning on a regular basis
 - A total of 8,757 pageviews
- **Customer Service**
 - Received more than 45,000 calls during the fiscal year, which is 40.8% decrease in call volume – likely related to the addition of Transit Tracker, GovDelivery enhancements (customized rider alerts) and new staff to respond to GOREquest entries
 - Reported a 1% drop rate in received calls
- **Transit Tracker**
 - A total of 2,192 mobile app downloads
 - More than 39,000 mobile app users
 - More than 76,000 text messages
 - More than 28,000 phone calls
- **Discount Pass Programs**
 - Non-Profit Pass Program
 - Total Sales – \$14,684.59
 - Total Webpage Hits – 807
 - Group Pass Program
 - Total Sales – \$20,883
 - Total Webpage Hits – 514
 - Corporate Pass Program
 - Total Sales – \$68,720
 - Total Webpage Hits – 646

Approved by:



Nicole Recker Crim
VP, Marketing & Communications

Board of Directors Memo

October 18, 2018

Subject: Strategic Planning & Development Update

ADMINISTRATIVE UPDATE

Title VI Program Update & Process Development

- As a federal requirement, DCTA submits an updated Title VI Program every three years with the next Title VI program submittal in June 2019. As part of the program update process, staff will be incorporating necessary modifications to some of the agency policies contained in the document. As part of the public involvement process, staff will be taking three proposed policy changes to the public for feedback; Major Service Change Policy, Disparate Impact Policy and Disproportionate Burden Policy. These three policy updates will be presented to the board for approval at the October board meeting.

REGIONAL TRANSPORTATION PLANNING

Regional High Intensity Bus Coordination

- In early October, DCTA, DART, and Trinity Metro met with NCTCOG staff to discuss advancing implementation of guaranteed premium bus service on two proposed high-intensity bus corridors. IH 30 Express and IH 35W Express are the proposed corridors identified in Mobility 2045 and may serve as an opportunity to implement innovative transit services regionwide. Currently, the NCTCOG has a goal of expediting these pilots by 2020.

SRT 121 Commuter Corridor Development

- DCTA staff has identified a proposed commuter bus service that would run along the Sam Rayburn Tollway (SRT), from the Old Town Station in Lewisville to downtown McKinney. The proposed Route 70 would stop at high-density locations along the SRT in Lewisville, The Colony, Frisco, north Plano, and McKinney. The service may also travel north to the Frisco North Platinum Corridor to capture the high-density developments of Hall Park, the Star, and others. Staff is currently planning a November transportation forum with public and private stakeholders to assess needs and identify potential stops/transit hubs.

LOCAL TRANSPORTATION PLANNING

Innovative Transit Solutions

Federal / National Engagement

- APTA Mobility Summit: Staff attended the APTA 2018 Annual Meeting in Nashville, TN, and participated on a panel addressing "The Future Is Now: Innovative Mobility Practices." The session focused on how transit agencies are embracing and adapting to a shift in meeting the needs of customers through technology and partnerships with new mobility providers.

Regional Engagement

- Mobility On-Demand Working Group: DCTA staff participates in the quarterly NCTCOG Mobility On-Demand Working Group to discuss best practices on implementing mobility on-demand programs with private sector partners. Staff recently presented, with Toyota, on the Alliance Link Shuttle, plans to improve connectivity to the service, and access to jobs. The next meeting is scheduled for November 5.
- Urban Land Institute: Staff was invited to participate in the Urban Land Institute's Leadership Panel on October 18. The discussion entailed transit-oriented development opportunities, successes, and challenges, as well as new vehicle/system technology and system coordination. DART and Trinity Metro also participated on the panel.
- Texas Mobility Summit: DCTA has been involved in the steering committee activities for the upcoming Texas Mobility Summit, Oct. 28-30. In addition, staff is on the summit agenda to provide a presentation on Oct. 29, regarding public-private partnerships and "seamless mobility" in the region.

Local Initiatives

- Mobility as a Service (MaaS) / Mobility as a Platform (MaaP): DCTA will issue a Request for Proposals (RFP) for Mobility Services in January 2019. The RFP is intended to qualify vendors to enter into service contracts with DCTA to provide customized service proposals to meet the mobility needs of our regional clients and member cities. DCTA will solicit proposals from a wide range of vendors, including shared mobility companies, software developers, and third-party mobility providers. This approach will leverage the most innovative technologies and transportation service models under a DCTA service contract and will be regularly reissued to maintain relevance and ensure the contract stays up-to-date on the mobility tools that are constantly evolving. This approach to contracting mobility services is highly unique to the transit industry, and DCTA hopes to establish this process as a national model for other industry partners to follow.
- Shared-Use Mobility Plan: Staff has engaged the Texas A&M Transportation Institute (TTI) to develop a Shared Use Mobility Action Plan to strategically deploy innovative transit solutions while leveraging existing transit assets and producing a fully integrated system plan. Phase 1 of the report addresses current service and existing conditions; the Phase 2 report documents current industry conditions and trends related to planning for new and emerging shared mobility modes and service models; and Phase 3 of the report provides proposed Conceptual Service Scenarios for shared mobility providers at each A-train station area. The final reviews of each phase of the Shared Mobility Plan document have been completed and the final report is available to guide DCTA in developing programs utilizing shared mobility to supplement existing services. This final report will be shared at a future Program Services meeting.
- Lyft Service Development: DCTA has leveraged the existing contract with Lyft in the development of new partnership programs involving subsidized discounts for selected trips in Highland Village and at UNT. The UNT contract, which includes night-time and evening Lyft service, has been signed, and has launched for the Fall 2018, providing free rides to a limited campus area. Since the beginning of the program to September 10, Lyft has reported a total of 61 rides.

On August 27, the Lyft discount program was expanded to provide a larger subsidy of up to \$10 for Lyft rides taken on weekdays within the Highland Village Lyft zone. This program also replaces the Highland Village Community-on-Demand service. Since January 2018, Lyft has reported 40 total rides; with a total of six in August, including one ride taken with the larger subsidy after the August 27th service changes. Full ridership data for September will be available later this month.

Staff continues to engage Lyft in developing new programs for Denton, Lewisville, Frisco, and McKinney for near future implementation.

- Frisco Automated Vehicle Pilot Program: DCTA continues to administer the contract for a public-private partnership, which led to one of the first automated vehicle programs in the nation. Drive.ai's self-driving, on-demand service is operated in conjunction with the Frisco TMA, a group focused on innovative last-mile transportation options to address the rapid residential and commercial growth in the North Platinum Corridor. The Frisco TMA includes the City of Frisco, HALL Group, Frisco Station Partners, The Star, and DCTA. The pilot program officially launched July 30. The service currently operates Monday through Friday, 10am to 7pm.

As of September 18, Drive.ai has reported 429 registered and unique app users in the geofenced area; 441 scheduled and completed trips; and a total of 732 passengers carried on the completed trips. There have been zero safety incidents to-date. Staff will continue to update the board on future ridership numbers.

A-train Extension Feasibility Exploration

- Through DCTA's On-call A&E Railroad Services contract with Lockwood, Andrews & Newnam (LAN), staff is exploring the feasibility to extend the A-train corridor North to US 380 and South to Belt Line.
- LAN's professional services on this project include expansion concept development, fatal flaw analysis and operational evaluation for expansion.
- In mid-June, LAN began work relating to the Southbound extension and will review DART's Cotton Belt DEIS to ensure the new rail corridor and the A-train extension meet effectively at Belt Line.
- An update of the A-train extension feasibility exploration will be provided at the anticipated October Program Services meeting.

BUSINESS DEVELOPMENT & PARTNERSHIPS

Alliance Area Transit Coordination

- The Alliance Link Shuttle continues to operate in partnership with DCTA, Hillwood, Trinity Metro, Alliance Opportunity Center, Tarrant County, and Toyota.
- Reports have continued to show week over week increases in ridership and app downloads. As reported by SpareLabs, the platform technology provider, the service is seeing an increasing diversification of pickup/dropoff locations outside the core Amazon facility and fixed-route bus stops. There are now 38 dedicated stops, up from the original 7. The service launched in April with just 10 passengers the first week. Since then, data show between 60 to 80+ passengers ride the service weekly.
- As the current service is set to expire in January 2019, DCTA, through partnership with the original stakeholders, is considering implementing a Lyft program to replace the current Alliance Link as a more efficient and cost-effective solution for first/last mile connections between businesses and Route 63/64 stops.

City of Frisco

- Staff has incorporated agency-dispatched taxi service into the current On-Demand service to assist in service area expansion, increased capacity capabilities and to improve operational efficiencies.
- A pilot program integrating Lyft service into existing On-Demand service is planned for an October 2018 launch. Current elderly and disabled Frisco service customers will be invited to participate in the program, which will offer a \$7 discount for Lyft trips within the same service area as the program currently served by fleet and taxi vehicles. This will allow for the option of real-time, demand-response service in the area. Letters were sent out to Frisco residents who currently participate in the existing On-Demand service, inviting them to participate in this pilot. Several customers from this initial customer outreach have already contacted DCTA with interest in participation.
- Strategic outreach within Frisco continues, which has resulted in speaking invitations to various HR, business, and community groups. DCTA is now a member of the Frisco Chamber of Commerce and has been leveraging this new relationship for further engagement opportunities

McKinney Urban Transit District (MUTD)

- DCTA continues to provide planning support to the City of McKinney staff in exploring near-term and long-term mobility options including the potential of incorporating Lyft into existing service levels.
- To better understand community needs and to provide community education as it relates to transit, there was discussion and interest in partnering to hold transportation forums within the community. DCTA is currently developing a plan for these forums for further discussion with McKinney staff and other stakeholders within the SRT/121 corridor.

Service Expansion within New Service Areas

- Staff continues to be responsive to requests from new developments and large employers within member cities, as well as inquiries from non-member cities in Denton and Collin counties interested in exploring transit solutions to meet the current and future demands within their communities.

FUNDING OPPORTUNITIES

- Staff continues seeking new funding opportunities for DCTA programs and projects.

LAND USE PLANNING & DEVELOPMENT

Transit-Oriented Development

- DCTA continues conversations with member cities in an effort to support respective city land use plans through ongoing conversations with city staff, land developers and other strategic partners.
- A more thorough report can be provided in closed executive session.

ADDITIONAL PROJECTS

- | | |
|--|--|
| • NCTC Multi-Year Contract Development | • Project Funding Opportunities |
| • Lewisville Small Area Planning Studies | • TxDOT 35W Expansion Coordination |
| • Collin County Commuter Vanpool Program Development | • US 380 Expansion Coordination |
| • Huffines-Hebron Joint Development Project | • Collin/Denton Outer Loop Coordination |
| • Infrastructure Development Planning | • Collin County Transit Study Coordination |
| • Regional Workforce Mobility Solutions | • Long-Range Agency Planning Efforts |
| • State and Federal Legislative Initiatives | • Regional Trail Expansion |

Submitted by:



Lindsey Baker, Director, Strategic Partnerships

Approved by:



Kristina Holcomb, Deputy CEO

Board of Directors Memo

October 25, 2018

Subject: WS 1 (d) Capital Projects Update**Positive Train Control (PTC)**

- Dynamic Testing will be complete by October 19, 2018.
- CRISI Grant of \$4 Million dollars will be utilized to improve existing PTC system.
- Discussions with NCTCOG regarding additional \$2 million funding continues.

Lewisville Hike and Bike Trail – Eagle Point Section

- Staff has reviewed all bids and has made a recommendation to TxDOT.
- A pre-construction meeting will be scheduled following TxDOT approval and Board action.
- Construction is expected to begin by late December.

Lewisville Bus Fueling Facility

- The contractor has poured 80% of the parking lot and is currently drilling piers for the fuel tank with completion expected by the end of calendar year 2018.

Brownfield Investigation

- Preliminary results of the Brownfield investigation indicate that no remediation will be required.
- The site will be registered with the State and DCTA will obtain a Municipal Setting Designation from the City of Lewisville.
- The final Terracon report will be submitted by the end of October.

Final Review: 
Raymond Suarez

Board of Directors Memo

October 25, 2018

Subject: Transit Operations Report**SYSTEM ON-TIME PERFORMANCE**

- FY 2018 YTD “On Time Performance” (OTP) for the A-train is 99.07%
- FY 2018 YTD “On Time Performance” (OTP) system-wide for Bus is 93.06%.

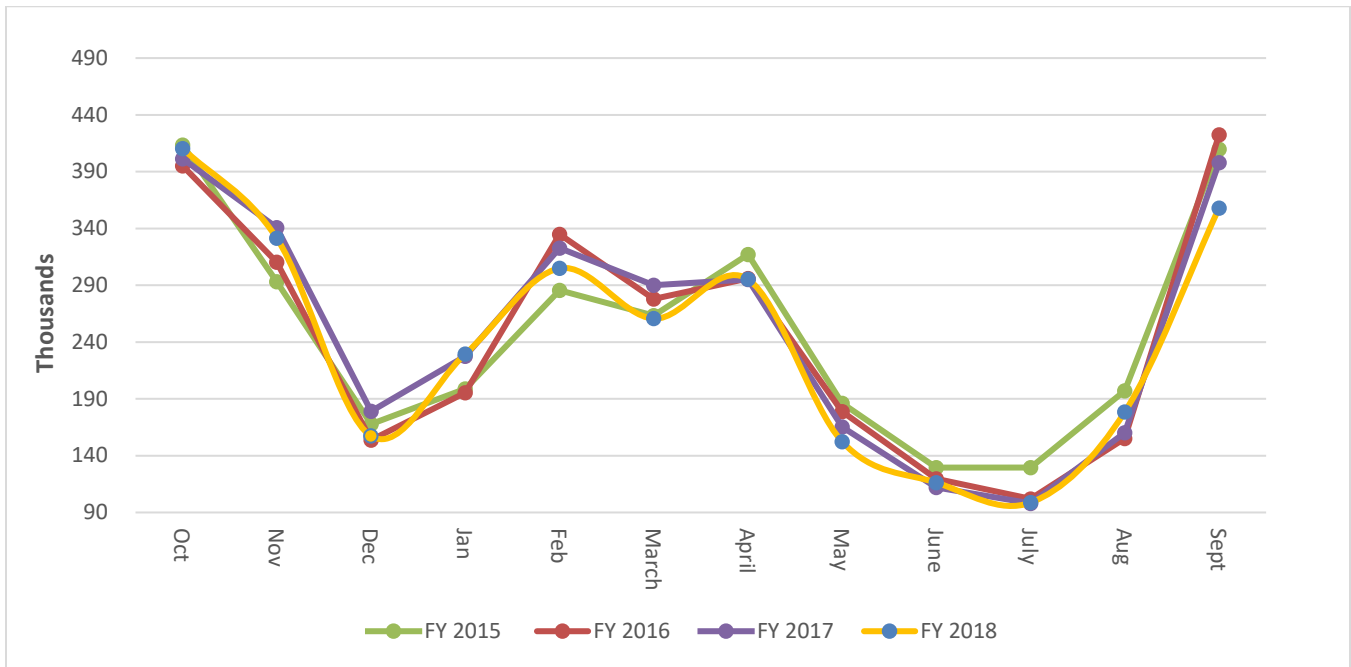
RIDERSHIP PERFORMANCE**Year to Date Change in Ridership by Service Type**

Service	% Change FY 2017 to FY 2018	Color Indicator	Notation No.
All Bus & Rail	-3.24%	Red	1
Rail	-16.96%	Red	2
All Bus	-0.45 %	Green	
Connect	-3.24%	Red	2
UNT	-0.75%	Green	
NCTC	-25.12%	Red	
Highland Village	-2.41%	Yellow	
North Texas Express	31.93%	Green	1
Access	2.24%	Green	1
Frisco Demand Response	57.75%	Green	1
Collin County Transit	119.67%	Green	1

1. While All Bus & Rail ridership is down, the decrease is lessened by increases in Access, North Texas Xpress, Frisco, and Collin County Transit ridership.
2. The YTD boardings decreased for Rail and Connect over the same period for the previous fiscal year. We are in the 3rd 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. NCTC ridership continues to trend downward. Staff continues to work with NCTC to explore options to reverse this trend.

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

Rail and All Bus: Total Boardings

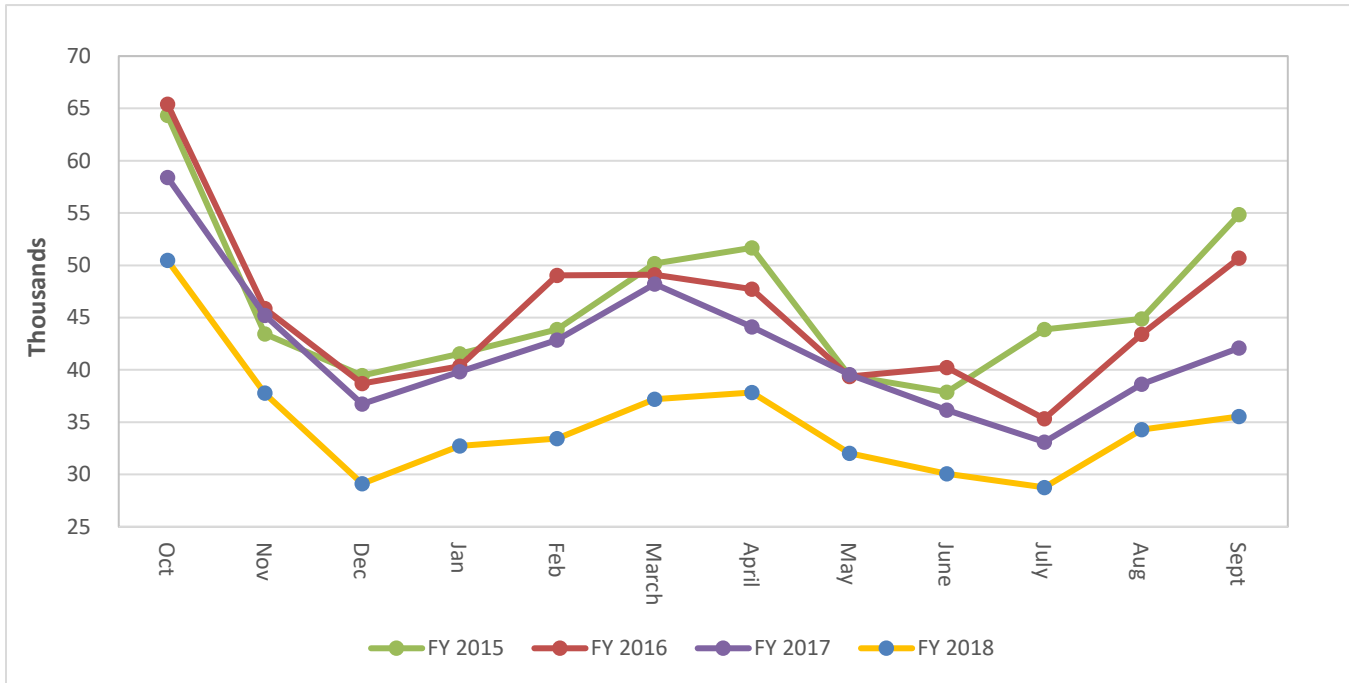


Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, Highland Village Connect Shuttle, Highland Village Community On-Demand, Frisco Demand Response Service, North Texas Xpress Commuter, and special movement services. For display purposes, the Y axis origin has been modified.

Rail and All Bus: Total Boardings

- Total boardings for Rail and All Bus decreased by 39,634 boardings or 9.96% in September 2018 compared to September 2017.
- The YTD boardings for Rail and All Bus decreased by 96,834 boardings or 3.24% in September.

Rail: Total Boardings

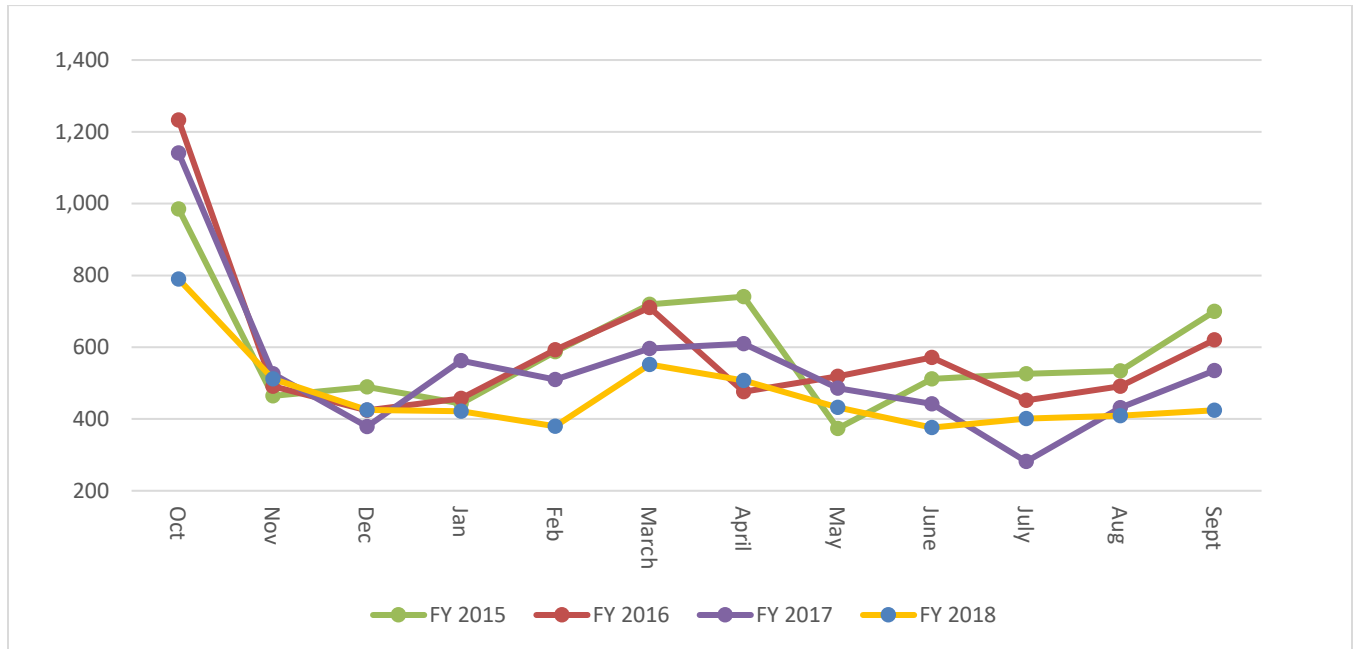


Note: For display purposes, the Y axis origin has been modified.

Rail: Total Boardings

- Total boardings for Rail decreased by 6,560 or 15.58% in September 2018 compared to September 2017.
- The YTD Total boardings for Rail decreased by 85,623 or 16.96% in September 2018 compared to the same period last year. Ridership for TRE and DART rail are also down as compared to last year.
- The decrease is primarily attributable to completion of construction on IH35E, resulting in decreased boardings predominately from the Downtown Denton Transit Center and MedPark southbound in the morning and northbound in the afternoon/evening. Limited parking and low gas prices also contribute to the decrease in rail ridership.
- Additional information is included as Attachment 1, which includes a summary graph reflecting A-train Monthly Boardings by Station for January 2015 through September 2018, as well as individual graphs for each station for the same period.

Rail: Saturday Average Boardings

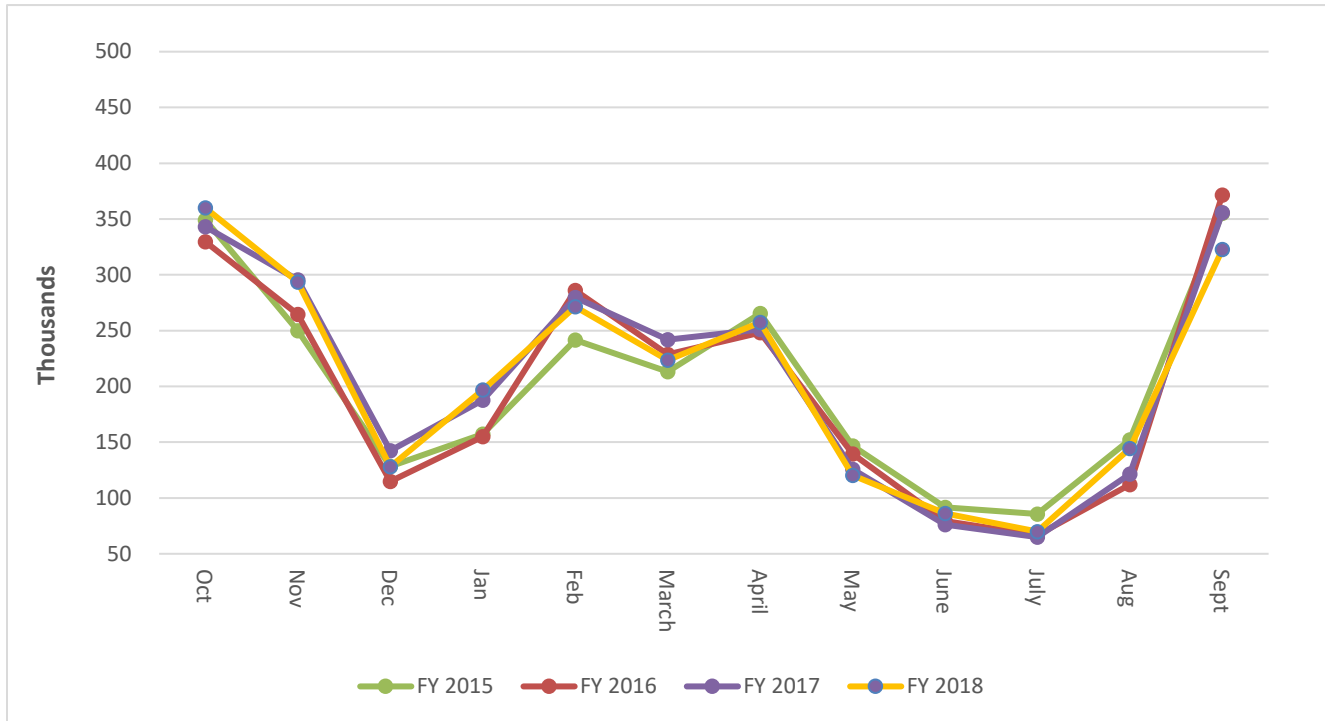


Note: For display purposes, the Y axis origin has been modified.

Rail: Saturday Average Boardings

- Average Saturday Boardings decreased by 109 or 20.55% in September 2018 compared to September 2017.
- The YTD Average Saturday Boardings decreased by 1,008 or 15.18% in September 2018 compared to the same period last year.

All Bus: Total Boardings

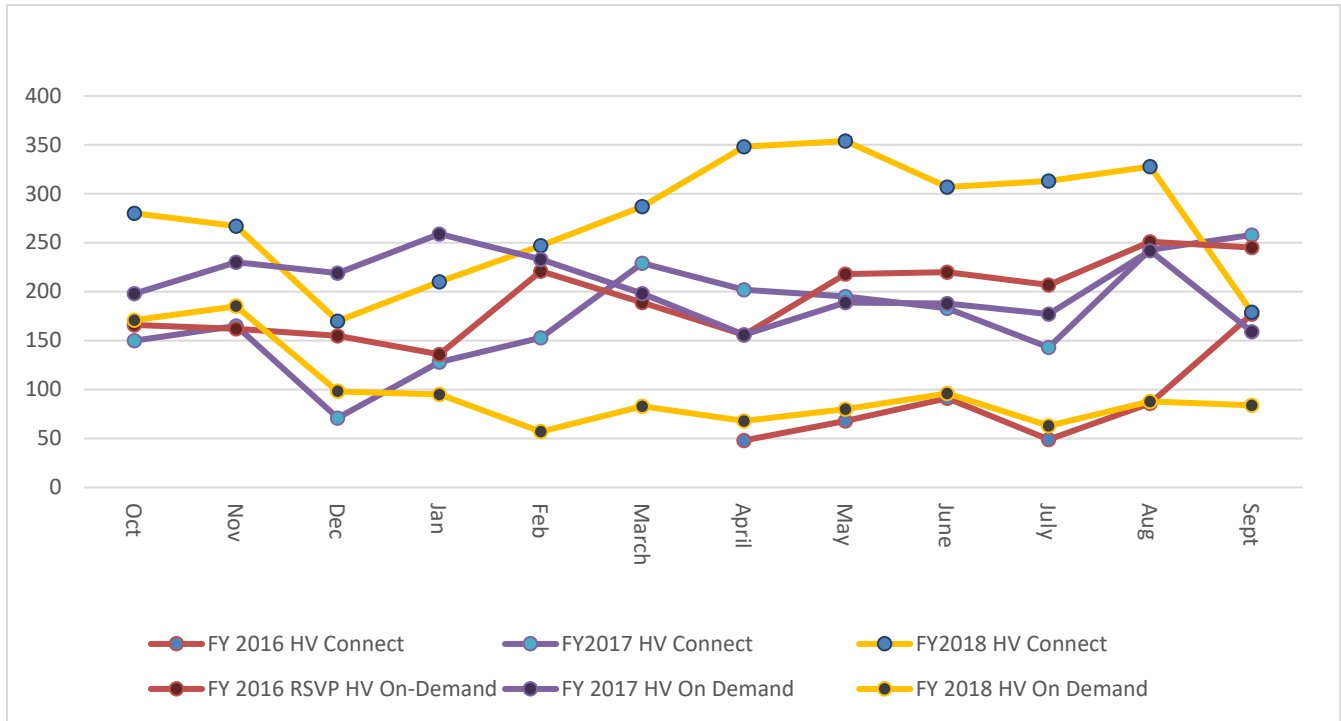


Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, Highland Village Connect Shuttle, Highland Village Community On-Demand, Frisco Demand Response Service, North Texas Xpress Commuter and special movement services. For display purposes, the Y axis origin has been modified.

All Bus: Total Boardings

- In September 2018, total boardings decreased by 33,074 or 9.30% compared to the same period last year.
- The YTD total boardings in September decreased by 11,200 or 0.45% compared to the same period last year.
- Ridership for Denton Connect overall decreased by 3,596 or 9.43% for September 2018 when compared to the same period last year. The largest increase was for Route 4 that had a 14.48% increase in September from the previous year. The largest decrease was for Route 7 that decreased 26.07% from the previous year.
- Ridership for Lewisville Connect overall increased by 1,367 or 19.65% for September 2018 when compared to the same period last year. The largest increase was for Route 21 that increased 43.53% from the previous year.

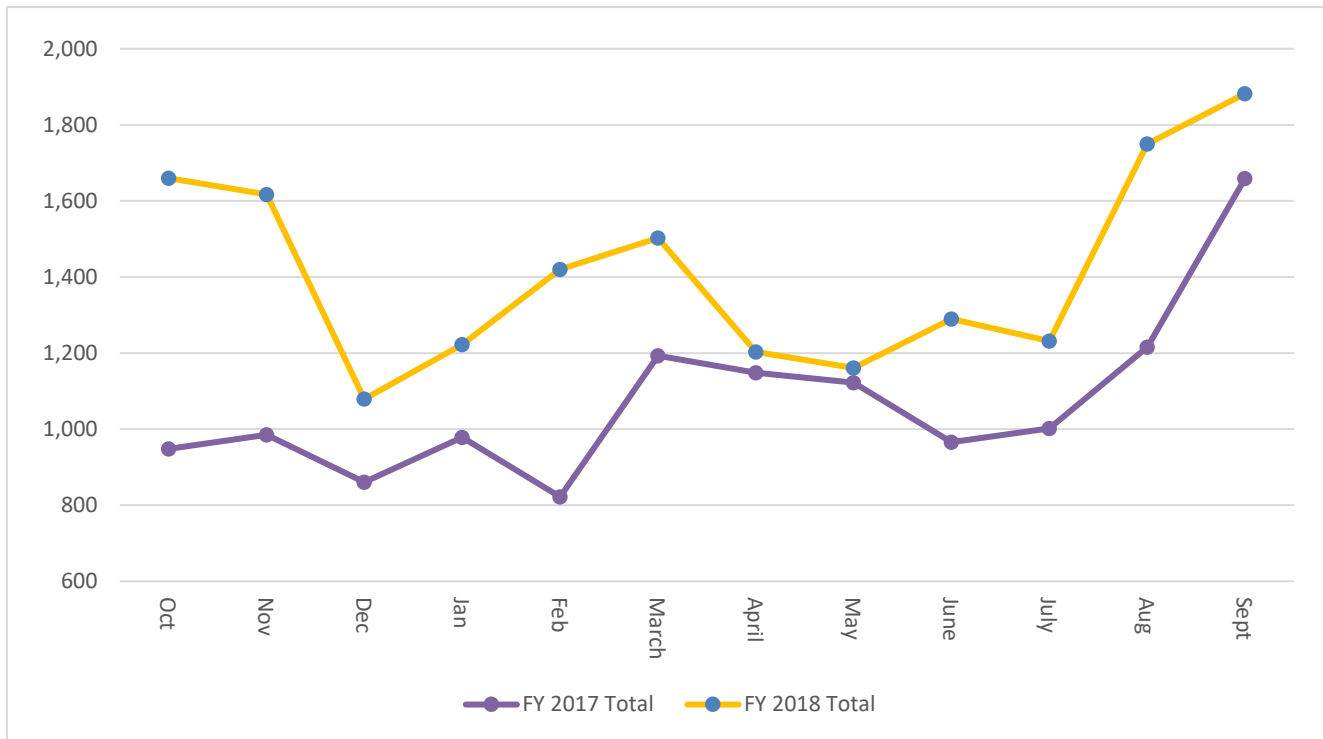
Highland Village Service: Total Boardings



Highland Village Service: Total Boardings

- Highland Village Connect Shuttle total boardings decreased by 79 or 30.62% from September 2017 to September 2018. YTD boardings increased by 1,170 or 55.19% over the same period last year.
- On August 27, 2018 Highland Village Community On-Demand service was transitioned to a Lyft Zone. A total of 84 Lyft trips were provided in September 2018.
- YTD total boardings for all Highland Village services decreased by 110 or 2.41% compared to the same period the prior year.

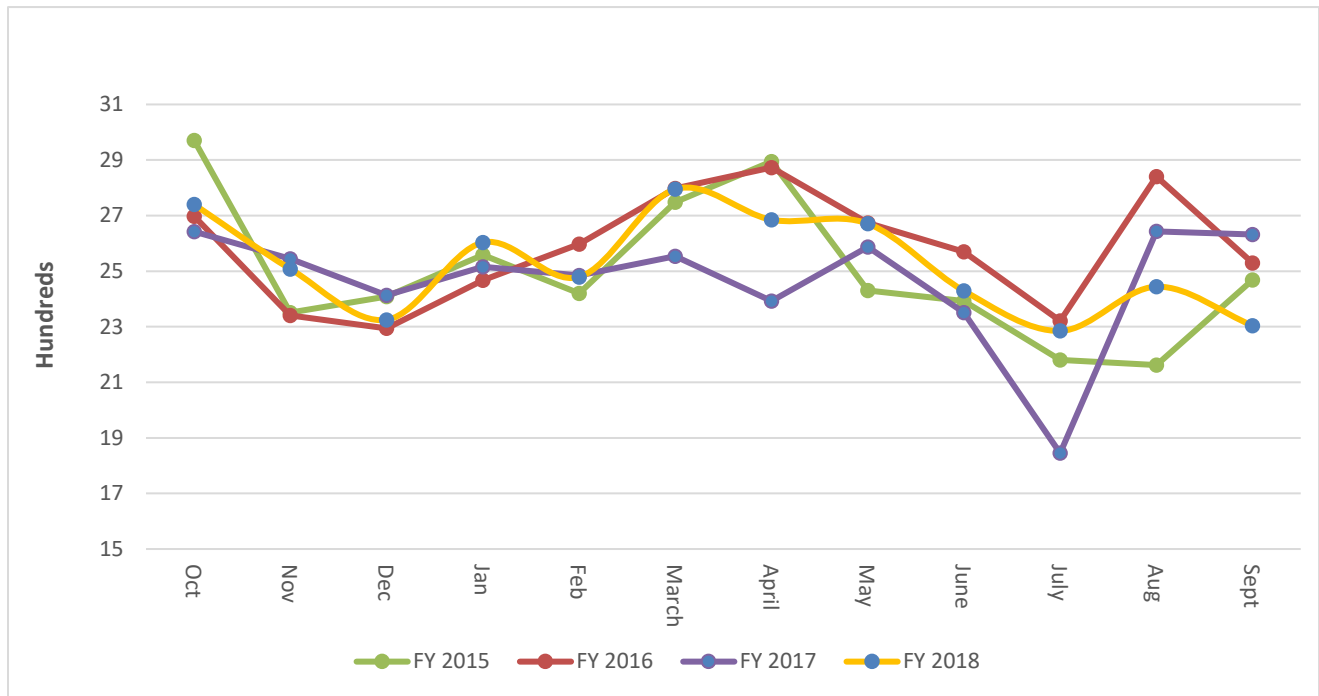
North Texas Xpress Commuter Services: Total Boardings



North Texas Xpress: Total Boardings

- Service was initiated in September 2016 in coordination with the Fort Worth Transportation Authority and operates Monday through Friday from 6:15 am to 9:30 pm.
- Total boardings increased by 223 or 13.37% in September 2018 compared to September 2017.
- In September 2018, the YTD total boardings increased 4,119 or 31.93% over the same period the prior year.

Access: Total Boardings

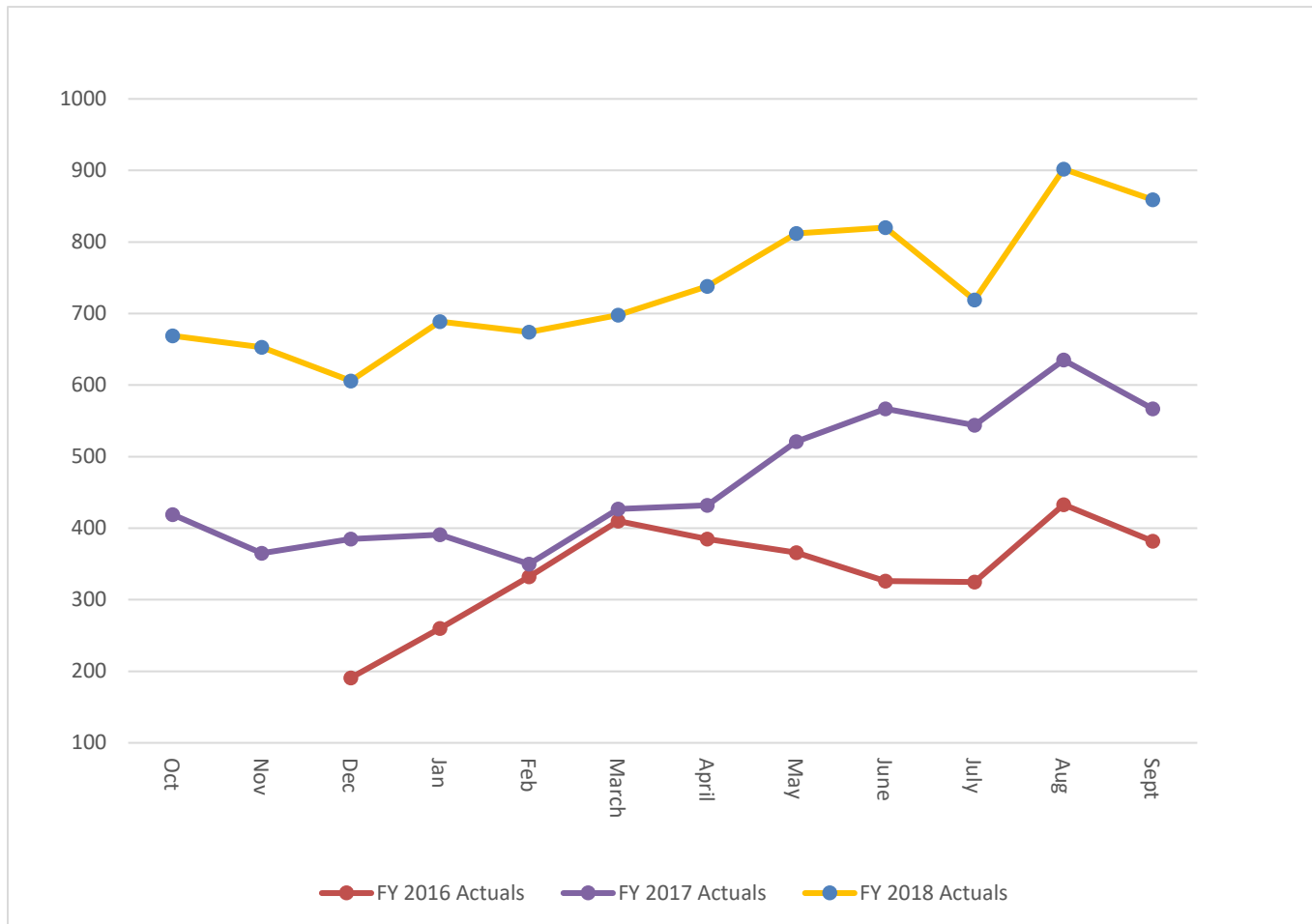


Note: For display purposes, the Y axis origin has been modified.

Access: Total Boardings

- Total boardings decreased by 328 or 12.46% in September 2018 compared to September 2017.
- In September, the YTD total boardings increased by 663 or 2.24% compared to the same period last year.

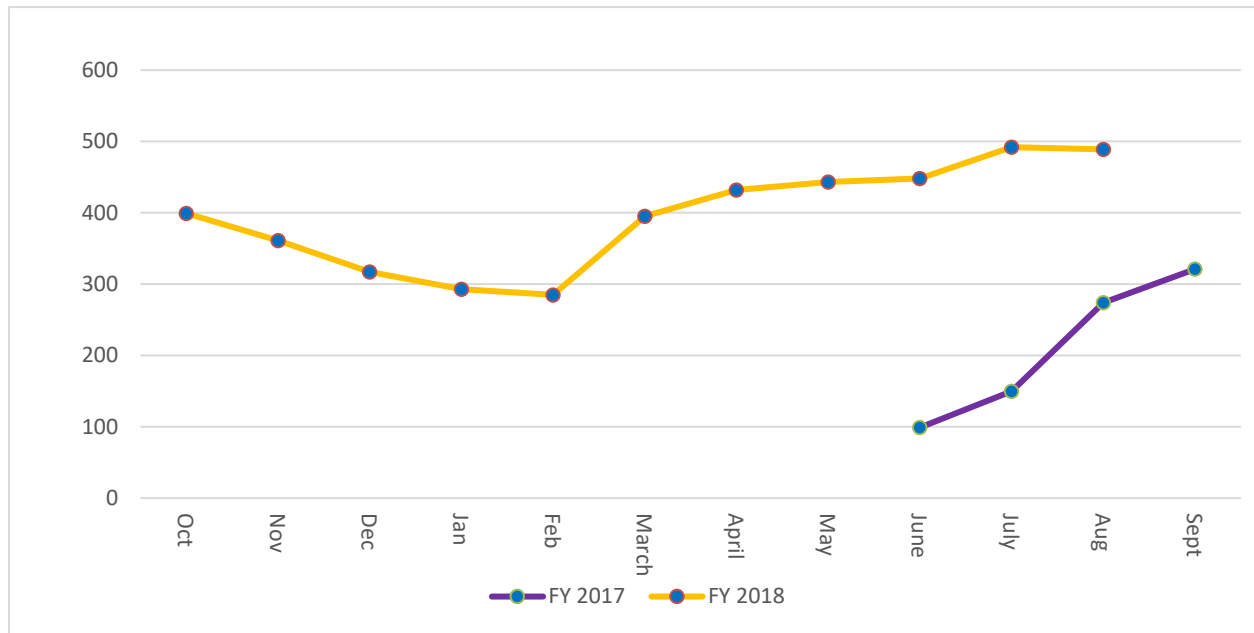
Frisco Demand Response Service: Total Boardings



Frisco Demand Response Service: Total Boardings

- In September, total boardings increased by 292 or 51.5% compared to September 2017.
- Total boardings YTD increased by 3,236 or 57.75% compared to the same period last year.
- These increases can be attributed to the implementation of the Taxi Pilot Project, which was implemented on March 20, 2017.
- Since inception, the Taxi Pilot Project has provided an additional 3,683 trips.

Collin County Transit



Collin County Transit Service: Total Boardings

- Collin County Transit is a hybrid service provided on behalf of the McKinney Urban Transit District, which consists of 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 was initiated in June 2017 and is provided Monday through Friday from 6:00 am to 6:00 pm and Saturday 8:00 am to 6:00 pm in the cities of McKinney, Celina, Melissa, Princeton, and Lowry Crossing.
- Total boardings increased by 104 or 32.40% in September 2018 compared to September 2017.
- Total boardings YTD increased by 1,010 or 119.67% compared to the same period last year.

SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 613
- DCTA Bus Operations Injury-Free Workdays: 29

MAINTENANCE

- **Right of Way:** DCTA contract operations (Rio Grande Pacific) reported flooding due to heavy rain storms in the Lewisville area during the morning of 9/8. For safety reasons, the track was taken out of service from Old Town Station to Hebron Station. A bus bridge was implemented for two hours during morning service until the water subsided. Track inspectors then checked for damage and declared the track safe to resume service by 10 am on the 8th. Additional drainage repair work has been approved to mitigate any future flooding near Old Town Station and areas along Railroad Street in Lewisville. The contractor continues to perform weekly safety inspections, which have not identified any major issues.
- **Signal/Communications:** DCTA contract operations (CTC) reported one signal system battery failure on 9/27 that resulted in 12 delayed trains and 2 cancelled trains. Repairs have been made and the contractor continues to perform weekly safety inspections, which have not identified any major issues.
- **Stations:** DCTA contract operations (Rio Grande Pacific) continues to perform weekly safety inspections, which have not identified any major issues.
- **Rail Mechanical:** DCTA contract operations (First Transit) reported Stadler vehicle mechanical failures on 9/13 and 9/24. The failure on the 13th was traced to a faulty engine hose. This resulted in 7 trains delayed and 1 train cancelled. The failure on the 24th was related to a faulty vehicle safety bell. The vehicle was switched with another vehicle, but this resulted in two trains delayed. Repairs have been made and the contractor continues to perform weekly safety inspections, which have not identified any major issues.

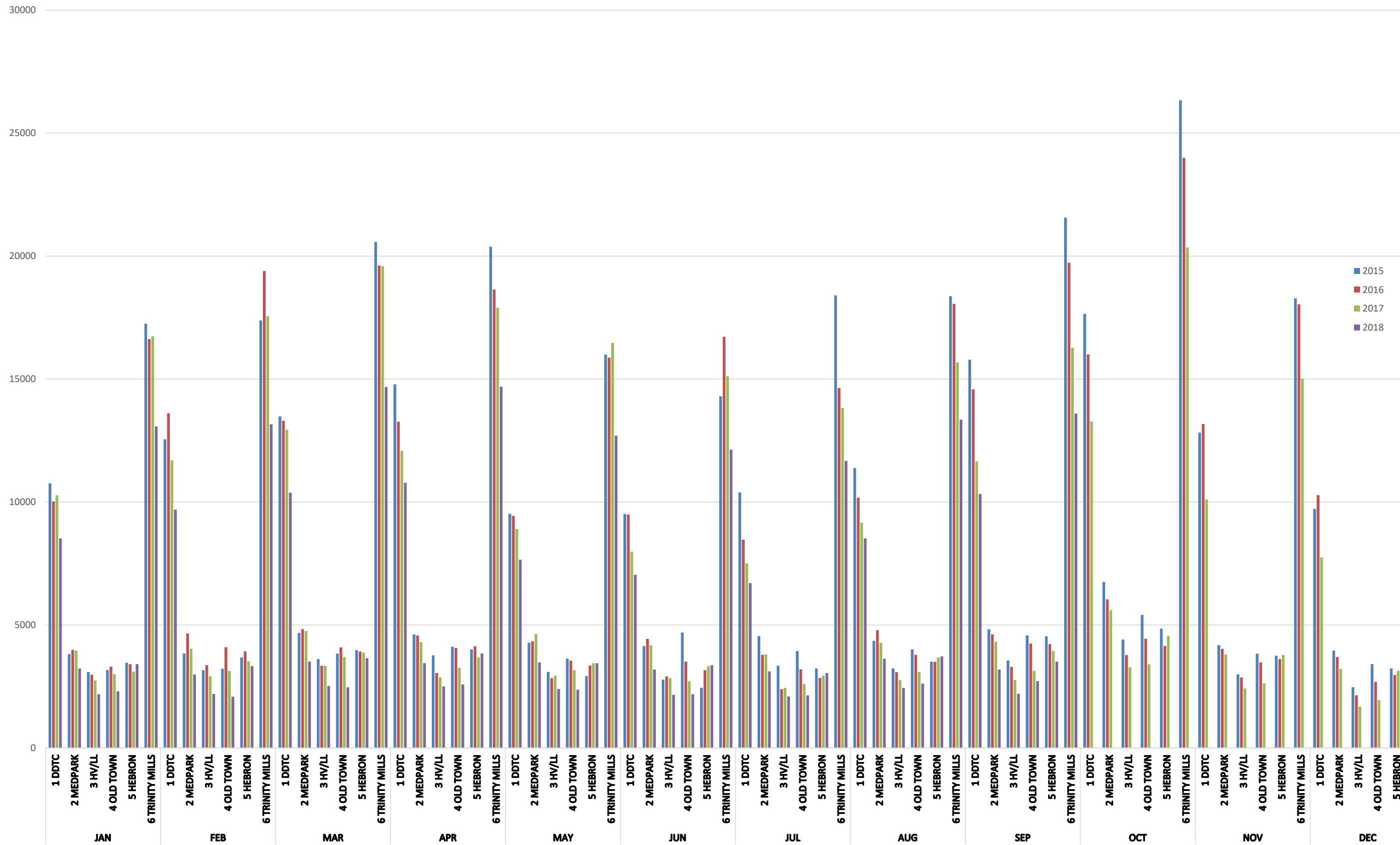
Final Review: Michelle Bloomer

Michelle Bloomer

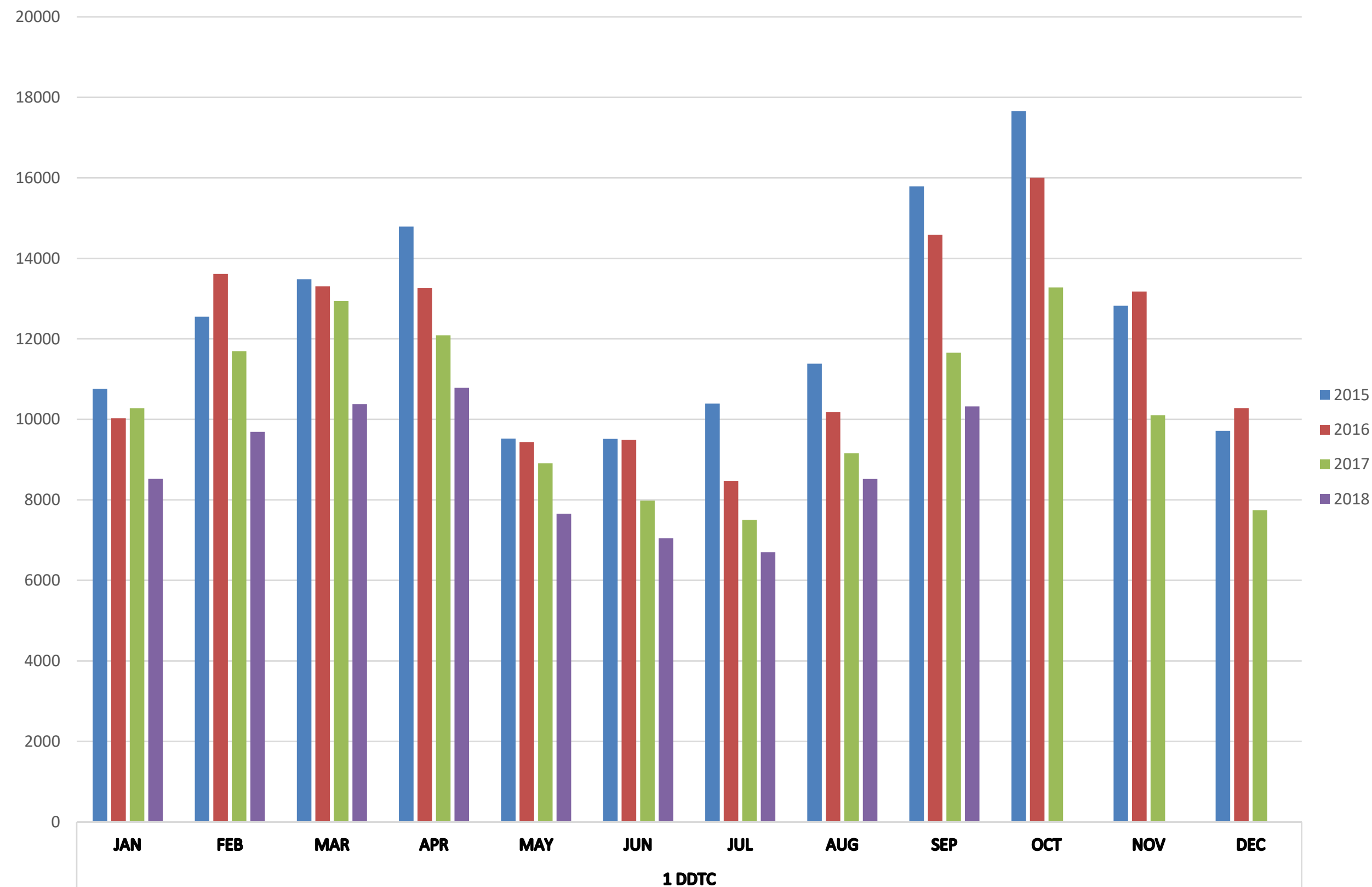
AVP Bus Operations and Maintenance

ATTACHMENT: Monthly A-Train Boardings by Station

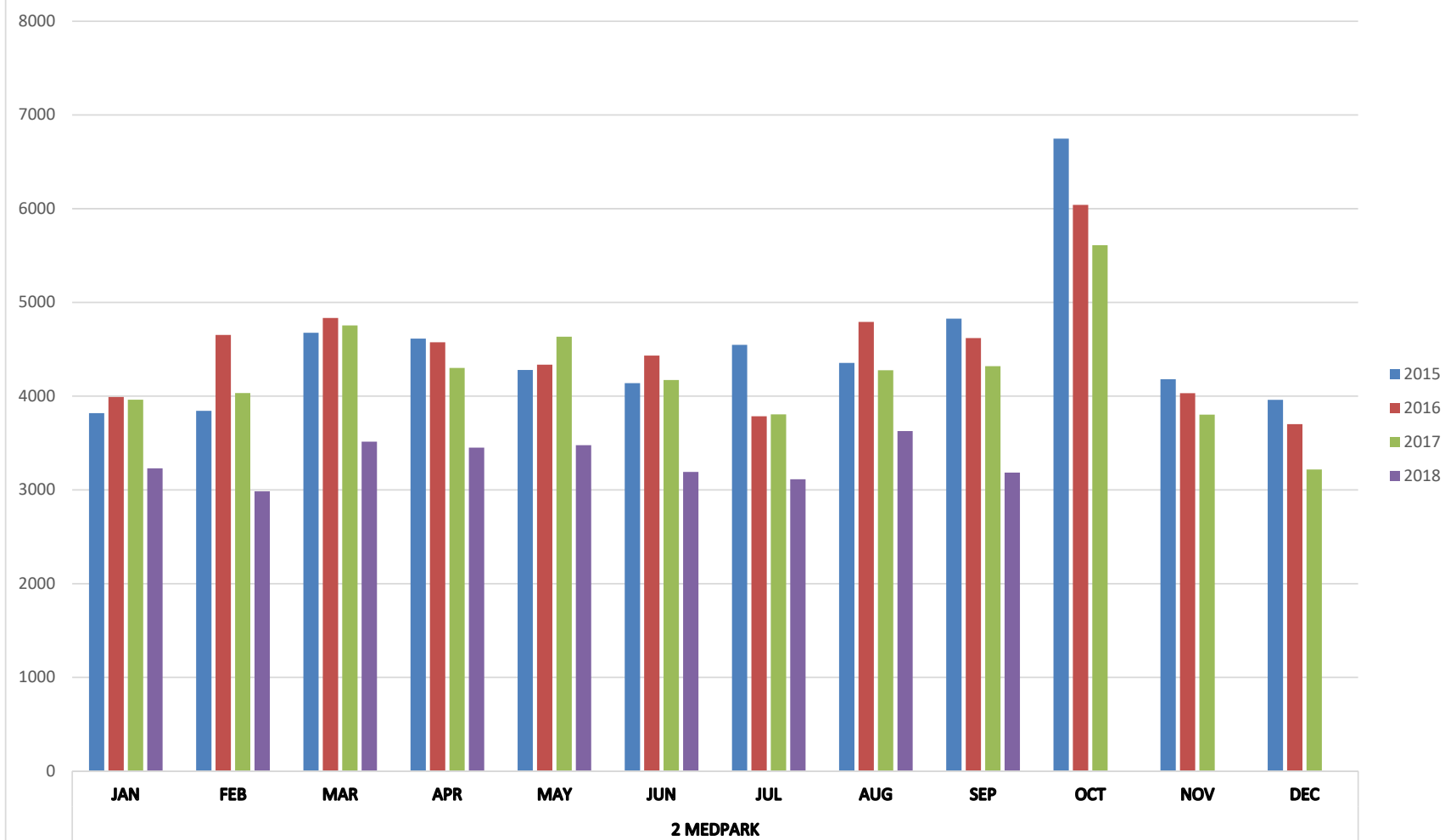
A-train Monthly Boardings By Station January 2015 - September 2018



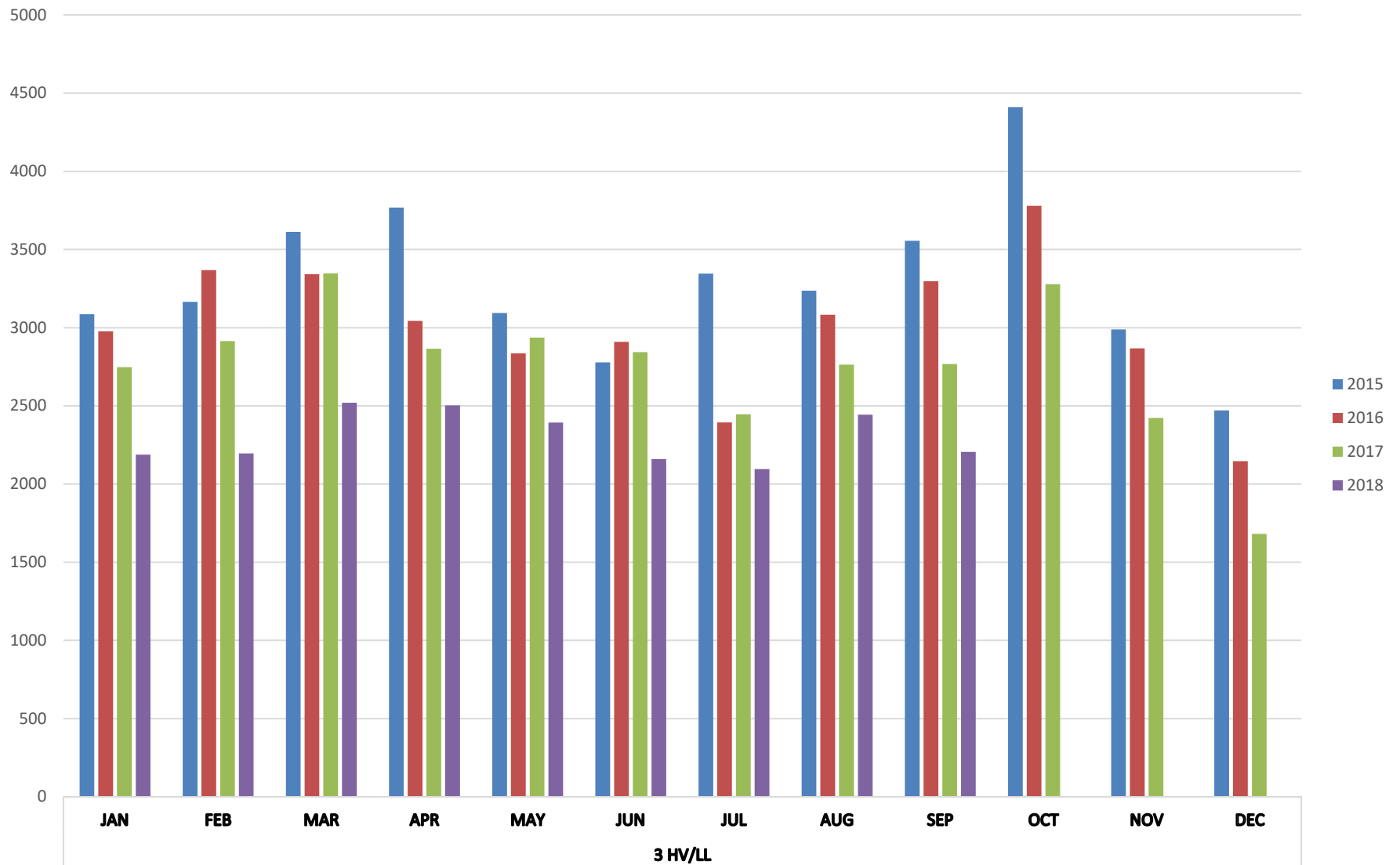
A-train DDTC Boardings By Month
January 2015 - September 2018



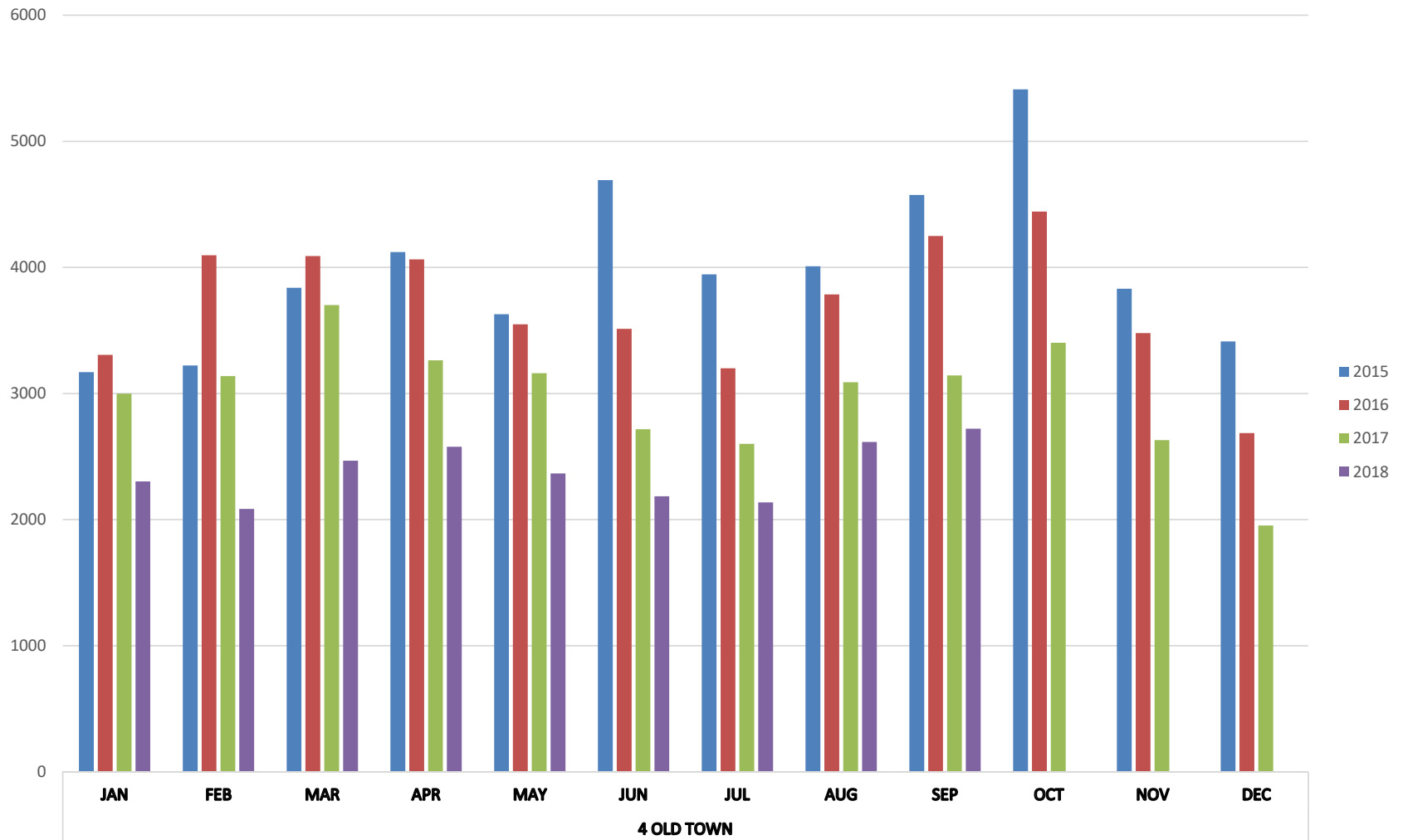
A-train MedPark Boardings By Month
January 2015 - September 2018



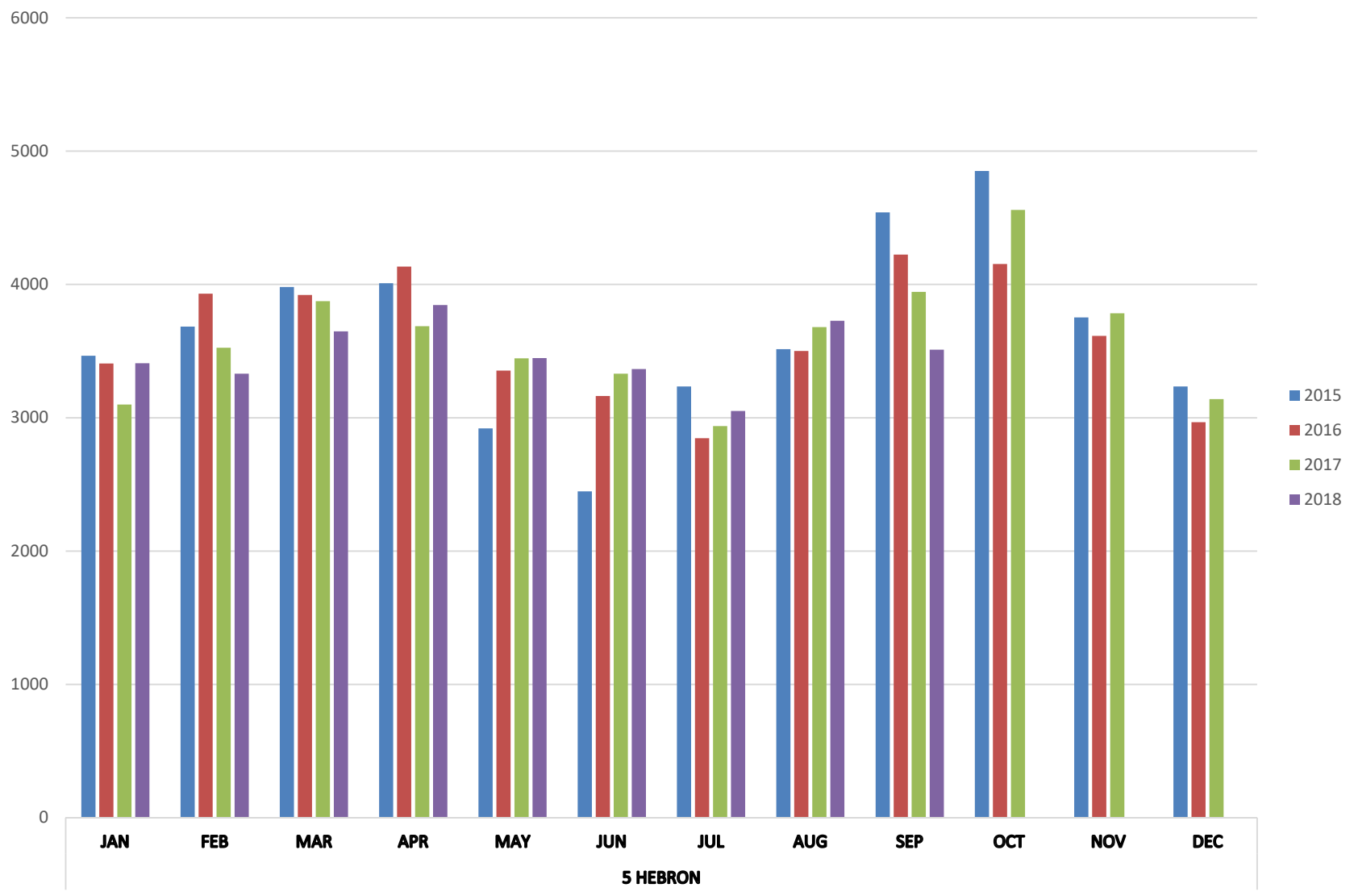
A-train Highland Village/Lewisville Lake Boardings By Month
January 2015 - September 2018



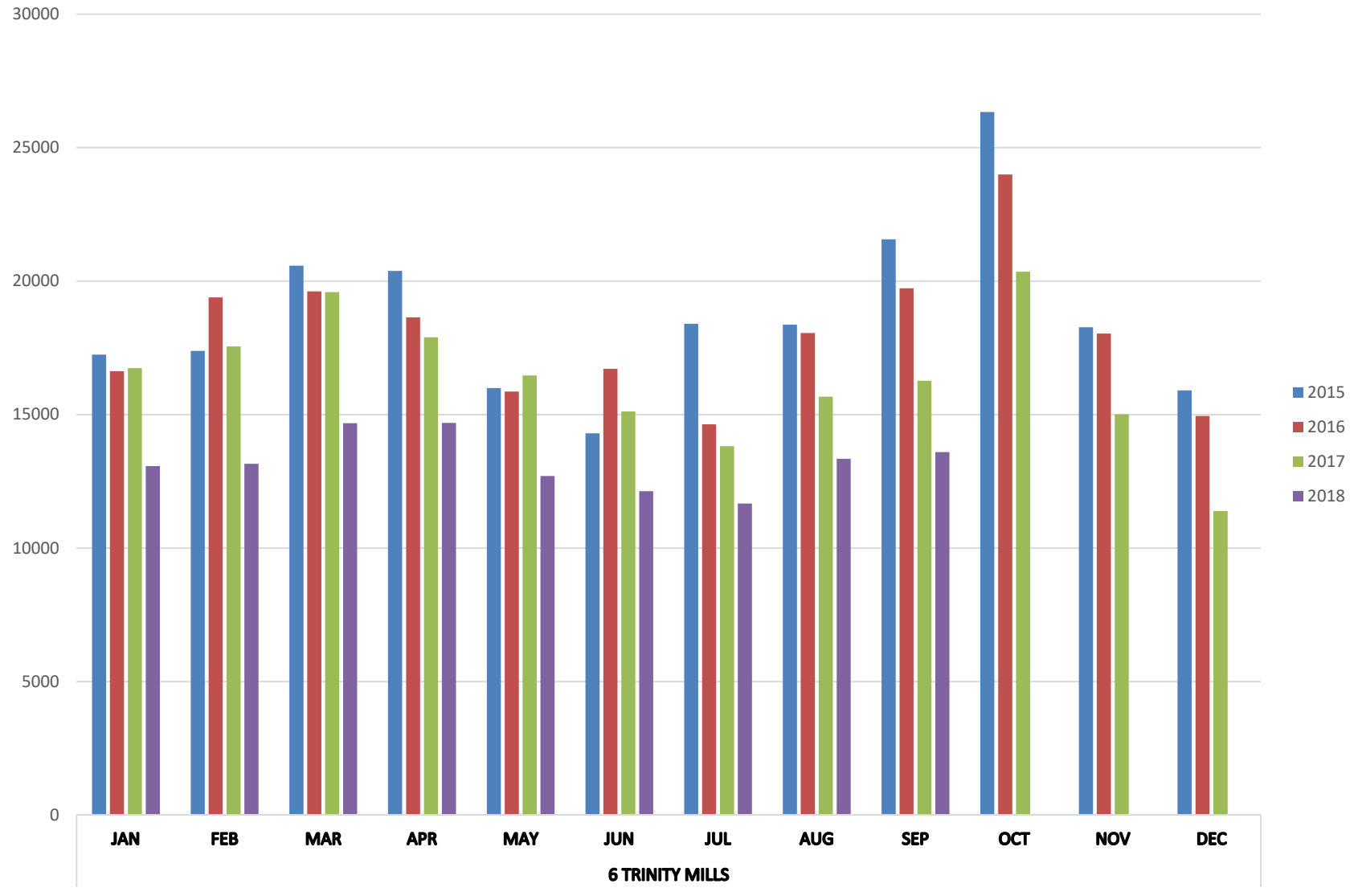
**A-train Old Town Boardings By Month
January 2015 - September 2018**



A-train Hebron Boardings By Month
January 2015 - September 2018



A-train Trinity Mills Boardings By Month January 2015 - September 2018





Board of Directors Memo

October 25, 2018

Subject: Finance Committee Chair Report

The Finance Committee meeting and Special Called Board of Directors meeting was held at 2:00 p.m., on Monday, October 15, 2018 at 1955 Lakeway Dr., Suite 260 Conference Room in Lewisville, Texas. The Finance Committee meeting was convened but the joint Special Called Board of Directors was not convened as there was not a quorum of the Board in attendance.

In attendance were:

Committee Members: Ron Trees, Connie White, Tom Winterburn

Board Members: Charles Emery

Absent: Richard Huckaby, Dianne Costa, Allen Harris

DCTA Staff: Raymond Suarez, Kristina Holcomb, Nicole Recker, Marisa Perry, Amber Karkauskas, Brandy Pedron

A copy of the Finance Committee packet is included as "Attachment A" to this report. The following agenda items were discussed:

Financial Management Policies

- Marisa Perry reviewed the Financial Policies with the Finance Committee.
- Included within the Financial Management Policies is the DCTA Investment Policy. DCTA contracts with First Southwest Asset Management, Inc. ("FSAM") for investment advisory services. The policy has been reviewed by FSAM to ensure that all the necessary language as required by the Act is present in the written DCTA Investment Policy document. The Finance Committee reviewed the recommended changes and has forwarded this item to the Board for adoption in October.

The meeting adjourned at 2:24pm.

Finance Committee

Chair – Richard Huckaby

Members – Dianne Costa, Tom Winterburn, Allen Harris, Connie White, Ron Trees

Staff Liaison – Marisa Perry, Chief Financial Officer / Vice President, Finance



Special Called Meeting of the DCTA Board of Directors
and the **Finance Committee**
of the DCTA Board of Directors
2:00 p.m., October 15, 2018
1955 Lakeway Drive, Suite 260 Conference Room
Lewisville, TX 75067

AGENDA

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

Welcome and Introductions

- 1) DISCUSS AND TAKE ACTION ON RECOMMENDATION TO THE BOARD
 - a. Financial Management Policies including FY2019 Investment Policy
- 2) ADJOURN

Finance Committee

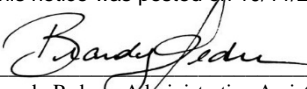
Chair – Richard Huckaby

Members – Dianne Costa, Tom Winterburn, Allen Harris, Connie White, Ron Trees

Staff Liaison – Marisa Perry, Chief Financial Officer / Vice President, Finance

The Denton County Transportation Authority meeting rooms are wheelchair accessible. Access to the building and special parking are available at the east entrance. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by emailing bpedron@dcta.net or calling Brandy Pedron at 972-316-6032.

This notice was posted on 10/11/2018 at 4:19 PM.



Brandy Pedron, Administrative Assistant



Finance Committee Memo

October 15, 2018

Subject: Financial Management Policies including FY2019 Investment Policy

Background

DCTA Financial Management 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.

The Investment Policy is included in the Financial Management Policies document. It is the intent of DCTA to be in compliance with state and federal law. The Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act") governs investment of public funds at the state level. The Act requires that the Board of Directors review and adopt the Investment Policy annually.

It is the policy of the Denton County Transportation Authority (DCTA) that the administration and investment of its funds shall be handled in a manner that maintains the highest public trust. Investments shall be made that provide the maximum security of principal invested while meeting the daily cash flow needs of DCTA and conforming to all applicable state statutes governing the investment of public funds. While DCTA staff strives to maximize the yield on our investments, increasing the market yield-to-maturity is secondary to the requirements for safety and liquidity.

The last adoption by the Board of the DCTA Investment Policy was on October 26, 2017. DCTA contracts with First Southwest Asset Management, Inc. ("FSAM") for investment advisory services. The policy has been reviewed by FSAM to ensure that all the necessary language as required by the Act is present in the written DCTA Investment Policy document. Included for your reference is the letter from FSAM confirming their review of the investment policy and outlining the recommended changes. The attached red-lined document incorporates these changes as well as minor adjustments for clarification and ease of reading. No other changes are recommended.

In connection with investment transactions conducted between FSAM and DCTA, FSAM has provided as required under the Act a certification that they have reviewed the entity's investment policy. In addition, FSAM has provided to DCTA a copy of its current SEC Form ADV Part II, as required by Securities and Exchange Commission Regulation Section 275.204-3. These documents are available in the DCTA Finance Department.


Identified Need

This action is required to fulfill the legal requirements for an annual review and approval of the Investment Policy.

Recommendation

The policy is presented to the Finance Committee for review and discussion. Staff recommends the Finance Committee forward the Financial Management Policies including the Investment Policy to the Board to be placed on the October 2018 Board agenda along with the required Board Resolution for adoption.

Submitted by:


Marisa Perry, CPA
Chief Financial Officer/VP of Finance



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

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

Scott McIntyre
Managing Director

Scott.mcintyre@hilltopsecurities.com

POLICY REVIEW

October 10, 2018

Ms. Marisa Perry, CPA
Chief Financial Officer/VP of Finance
Denton County Transportation Authority
1955 Lakeway Drive, Suite 260
Lewisville, TX 75057

Dear Marisa:

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

The Texas Legislature *did not meet* in 2018, so there are no required changes. In order to bring the DCTA investment policy in full compliance with the Texas Public Funds Investment Act, we recommend the following minor change:

Amend Section VIII. AUTHORIZED INVESTMENTS

C. Repurchase agreements and reverse repurchase agreements as defined by the Act, not to exceed ~~180~~ 90 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.

Rationale: There is actually no stated maturity limit in the Act for Repurchase Agreements, but the statutory limit on Reverse Repurchase Agreements is 90 days. The proposed 90-day limit on repurchase agreements makes the two sides consistent.

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

Sincerely yours,

Scott McIntyre, CFA
Managing Director

Denton County Transportation Authority Financial Management Policies

(Previously Adopted May 2018)

Operating 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 **Management** 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 ensure an optimum balance between demand for service and resources to provide.

Reserve Fund Policies

Adequate reserve levels are a necessary component of DCTA's overall financial management strategy and a key factor in external agencies' measurement of DCTA's financial strength. Funding priorities will be in the order listed and be reflected in the agency's cash flow 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~~unrestricted net position. 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 budgeted 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 \$0.50 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 Officer (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 deemed~~ 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.

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. Fund 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 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).
- 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 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 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 any increase to 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 total adopted 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-increase~~ 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~~expenditure 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 effectively 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.

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

Governmental Accounting Standards Board (GASB)

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

Debt Management Policy

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

- a. To 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 insurers, 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.
- 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; and
 - 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.

INVESTMENT POLICY (As adopted 10/26/2017 with redlined changes)

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.

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.

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.

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. See Attachment II for a list of Board approved broker/dealers. 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~~90 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.

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~~the transacting organization 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.

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:

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

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:
 - a. beginning book and market value for the reporting period;
 - b. ending book and market value for the reporting period; and
 - c. fully accrued interest for the reporting period;
- d. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- e. state the maturity date of each separately invested asset that has a maturity date;
- f. state the account or fund for which each investment security was purchased;
- g. compare the portfolio's performance to other benchmarks of performance; and
- h. state the compliance of the investment portfolio with DCTA Investment Policy, Investment Strategy, and the Public Funds Investment Act.

XIII. DEPOSITORIES

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

Attachment I

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

Attachment II

Board Approved Broker/Dealers List



Approved Broker/Dealers
March 2018

Bank of America Merrill Lynch

BOK Financial

Cantor Fitzgerald & Co

Citigroup Global Markets

D.A. Davidson

Daiwa Capital Markets

FTN Financial

Goldman, Sachs & Co

INTL FCStone

JP Morgan Securities

KeyBanc Capital Markets

*Loop Capital Markets ***

Mesirow Financial

Mizuho Securities

Morgan Stanley & Co

Piper Jaffray & Co.

Raymond James

RBC Capital Markets

*Rice Financial ***

SunTrust Robinson Humphrey

Stifel, Nicolaus & Co.

TD Securities

UBS Securities

Vining Sparks

Wells Fargo Securities

*Williams Capital Group ***

*** Bold face font indicates firm is a Primary Dealer.**

**** Dark blue italics font indicates firm is an Historically Underutilized Business (HUB) or Minority/Women Owned Business (MWOB).**