



**OPERATING &  
CAPITAL BUDGET**

**2022**

**DENTON COUNTY  
TRANSPORTATION  
AUTHORITY**

**LEWISVILLE, TX**

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**WHO WE ARE, WHAT WE DO**

# OUR MISSION

WE ARE COMMITTED TO IMPROVING MOBILITY, AIR QUALITY, ECONOMIC DEVELOPMENT AND LIVABILITY IN THE AREAS WE SERVE.

**WHAT DRIVES US**

# OUR VISION

TO BE A LEADER IN ADVANCING PUBLIC TRANSPORTATION ALTERNATIVES.

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# CORE VALUES

## **SAFETY**

IN ACCORDANCE WITH OUR SERVICE PLAN, OUR MOST IMPORTANT COMMITMENT IS PASSENGER SAFETY THROUGH THE STRICT ADHERENCE TO POLICIES AND PROCEDURES AND ONGOING EMPLOYEE TRAINING AND PROFESSIONAL DEVELOPMENT.

## **ACCOUNTABILITY**

AS PUBLIC SERVANTS, DCTA EMPLOYEES AND BOARD OF DIRECTORS HOLD THEMSELVES ACCOUNTABLE TO THEIR CONSTITUENTS AND ARE COMMITTED TO BEING EXEMPLARY STEWARDS OF PUBLIC RESOURCES.

## **COMMITMENT**

DCTA EMPLOYEES AND BOARD OF DIRECTORS ARE COMMITTED TO WORKING COLLABORATIVELY TO DELIVER THE COMPONENTS OF THE SERVICE PLAN IN A TIMELY MANNER TO SERVE THE MOBILITY NEEDS OF OUR PASSENGERS.

## **EXCELLENCE**

ALWAYS IN THE PURSUIT OF EXCELLENCE, DCTA WILL CONSISTENTLY OFFER INNOVATIVE, EFFECTIVE AND QUALITY PUBLIC TRANSPORTATION ALTERNATIVES THAT WILL EXCEED CUSTOMER EXPECTATIONS.

## **INTEGRITY**

IT IS INCUMBENT UPON DCTA EMPLOYEES AND BOARD OF DIRECTORS TO CONDUCT THEMSELVES IN A MANNER THAT UPHOLDS THE HIGHEST MORAL, LEGAL AND ETHICAL STANDARDS. WE ARE UNCOMPROMISING IN OUR COMMITMENT TO TRUTH, HONESTY, AND OPENNESS IN ALL RELATIONSHIPS AND INTERACTIONS.

## **RESPECT**

WE BELIEVE THAT ALL OF OUR PASSENGERS ARE IMPORTANT AND THAT ALL OF OUR EMPLOYEES ADD VALUE. WE WILL TREAT PASSENGERS AND EMPLOYEES WITH DIGNITY AND ESTEEM.

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## OUR FOCUS

# FY22 STRATEGIC GOALS

- ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES
  - ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES
  - IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT
  - WORK WITH CORRIDOR CITIES TO IMPLEMENT TRANSIT ORIENTED DEVELOPMENT (TOD), COORDINATING PLANNING AND DESIGN TO INCREASE MOBILITY, AIR QUALITY AND LIVABILITY
  - FOSTER A POSITIVE IMAGE AND BUILD A STRONG AGENCY BRAND AND A GREAT CULTURE ACROSS THE ORGANIZATION
  - ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES
-





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Denton County Transportation Authority  
Texas**

For the Fiscal Year Beginning

**October 1, 2020**

A black and white cursive signature of Christopher P. Morrell.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Denton County Transportation Authority, Texas for its annual budget for the fiscal year beginning October 1, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

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# AGENCY OVERVIEW





September 23, 2021

Board Chair and Members of the Board:

We are pleased to present to you the Fiscal Year 2022 Operating and Capital Budget for Denton County Transportation Authority (DCTA). Chapter 460 of the Texas Transportation Code requires the preparation of an annual budget. This budget was created in accordance with State law and DCTA Board policy. The budget presented is a balanced budget, where current year revenues and reserve balances cover operating expenses and capital requirements for the fiscal year.

The FY22 budget reflects a varied service mix of DCTA operations that includes commuter rail service, fixed route bus services, on-demand micro-transit services, paratransit demand response, general demand response, commuter vanpools, and university shuttle services. The budget is developed within the context of the Long Range Financial Plan which outlines the long-term service and infrastructure needs of the agency over the next fifteen years.

This approach helps provide a financially sustainable perspective of the impact of current year decisions on future years. As future forecasts are developed, staff will continue to evaluate the agency's ability to fund major service and infrastructure priorities while balancing revenues and expenses consistent with Board-adopted financial management policies.

The Board plays a critical role in making decisions regarding the direction of the organization. The budget provides a framework for DCTA activities during the next year and serves as a source of information for the Board, staff, passengers, member cities, Denton County, and other stakeholders. The programs and services included in this budget focus on attaining DCTA's mission of improving mobility, air quality, economic development and livability in the areas served. The Board of Directors conducts an annual strategic workshop to discuss both short-term and long-term priorities. Agency goals are reviewed annually and are revised as needed based on guidance from the Board. The budget process includes development of department objectives and performance measures that are linked to overall agency goals. These objectives and performance measures are detailed in the Division Budgets section of this budget document.

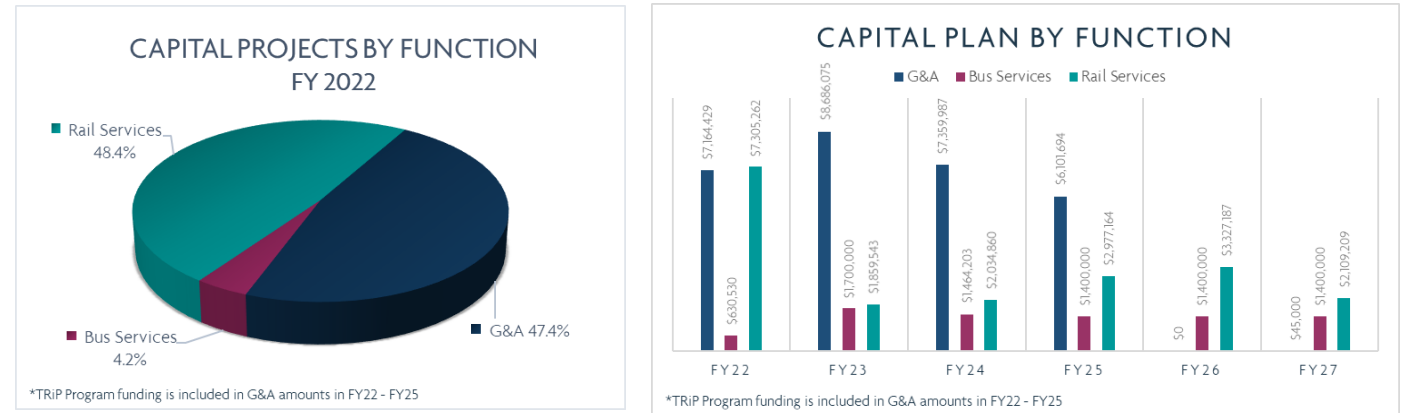
The budget process is structured to allow staff, the Board of Directors, the public, and other stakeholders adequate time for review and analysis of the key components of the budget. In June through August, staff and the Board of Directors reviewed reserve fund policies and escalation assumptions used in the development of the Long Range Financial Plan as well as developed and reviewed revenue projections, operating expenses, and capital requirements. A key component of the budget workshops is a review of the impact of current year budget decisions on the Long Range Financial Plan.

The proposed budget was presented for review and public comment at the Board's August meeting. The Board adopted the FY22 Operating and Capital Budget, the updated Long Range Financial Plan, and the Budget Contingency Plan at the September 2021 meeting.

BUDGET MESSAGE

Development of the budget must balance the demand for more bus and rail service and continued maintenance of facilities and infrastructure with the financial constraint of limited funding. A detailed narrative of the assumptions that build this budget is provided on pages 50-55 of this document.

Capital projects represent a significant investment in developing and maintaining the agency's equipment and infrastructure in a state of good repair. Preparing a capital improvement plan allows the agency to anticipate and plan for the major capital improvements that will be needed in subsequent years. It allows staff to identify alternative funding sources as well as anticipated on-going operating costs of new capital projects. DCTA anticipates spending roughly \$15.1 million on current and new capital projects for FY22.



DCTA is committed to rail safety and worked diligently to implement Positive Train Control (PTC) by the Federal Railroad Administration (FRA) deadline of December 31, 2020. PTC was designed to prevent collisions and other incidents by automatically detecting and controlling the movement of trains. DCTA started Revenue Service Demonstration (RSD) on limited trains with identified service modifications during the testing phase in January 2019. DCTA completed RSD in September 2019 and submitted its PTC Safety Plan for FRA review in April 2020. On December 8, 2020, DCTA received PTC certification from the FRA. The agency is the first commuter railroad in Texas to have PTC implemented and certified on its entire rail alignment.

The FY22 budget includes completion of PTC implementation and enhancements to the PTC system, scheduled facility maintenance and repairs, maintenance required for rail vehicles as well as the rail line, and the second year of the Transportation Reinvestment Program (TRiP).

The Transportation Reinvestment Program (TRiP) will enable partnerships between the agency and its member cities on mutually beneficial investments in transit-supportive projects by allowing DCTA to distribute funds to member cities for eligible projects consistent with DCTA's Long Range Service Plan and the agency's enabling legislation, Chapters 431 and 460 of the Texas Transportation Code. TRiP was approved by the Board as a five-year program with its first funding cycle in FY21. The anticipated annual TRiP budget will be set at 15 percent of DCTA's net available fund balance from the previous fiscal year. For the initial program year and in addition to the set 15 percent, a one-time program startup amount of \$2,000,000 was dedicated to the TRiP project line item within the FY21 budget.

In February 2019, the DCTA Board of Directors approved the North Texas Mobility Corporation (NTMC) Certificate of Formation and associated Bylaws. As a fully functional Local Government Corporation (LGC), NTMC now operates with a Board of Directors appointed by the DCTA Board of Directors, and Board officers. It also has its own budget and contracting authority.

DCTA executed an Interlocal Agreement (ILA) with NTMC to provide mobility services and management of ongoing operations, including fixed-route, demand-response, ADA/paratransit, fare collection and enforcement



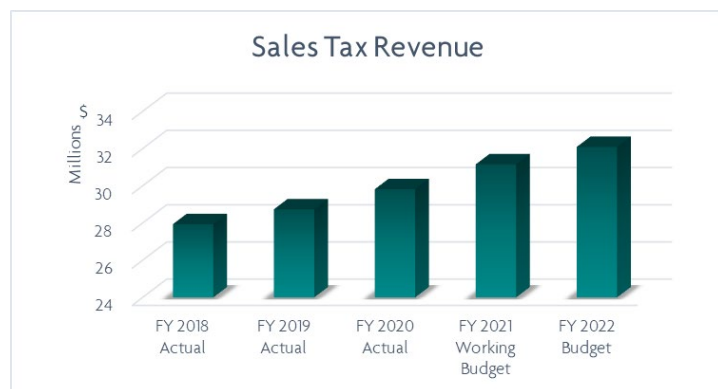
## BUDGET MESSAGE

services, maintenance, service operation, and DCTA's customer service/call center. In conjunction with the ILA for service provision, NTMC has contracted with DCTA to provide administrative support services including information technology and help desk services, internal and external marketing and communications, transit planning, data analytics, contracts and procurements, accounts payable/accounts receivable, accounting, budget preparation, legal services, and oversight of payroll processing.

The Board of Directors recognizes that employee satisfaction, recruitment, and retention are key to the success of the agency and the provision of high quality of service for our customers and stakeholders. A wage rate increase for bus operators, in accordance with the collective bargaining agreement, is included in the FY22 operating budget, along with planned merit increases for DCTA employees and NTMC non-operators. The number of full-time equivalents approved in the FY22 budget decreased by 20% compared to the FY21 adopted budget, with a total of 120 FTEs between DCTA and NTMC employees, due to decreased service levels provided by NTMC as a result of DCTA's planned shift to on-demand micro-transit.

During FY21, the Board of Directors evaluated options for replacing a portion of fixed route service with an on-demand micro-transit service. In January 2021, the Board of Directors awarded an on-demand service delivery contract to Via which allowed the agency to work with Via to develop a proposed service plan that was presented to the public for review and input. In July, a service plan with Via was approved for GoZone on-demand service including base service and add-on services for a maximum 129,941 vehicle hours for the first year of service commencing September 7, 2021. The Board also approved an overlap of existing Connect fixed route service in Denton and Lewisville for 90 days, operating concurrently with GoZone from September 7 – December 6, 2021. The adopted FY22 budget includes service through December 6 for Lewisville Connect routes 21 and 22 and Denton Connect routes 1, 2, 4, and 6; service through March 2022 for Denton Connect routes 3 and 7; and service through December 31, 2021 for Collin County Transit in addition to a full year of GoZone service, A-train rail service, Access service, North Texas Xpress, North Texas Xpress, Vanpool, and contracted services for University of North Texas, Frisco demand response, the Coppell Lyft program, and the Alliance Lyft program. The FY22 budget also includes \$390k of one-time expenses related to the mobilization of GoZone service.

The ongoing COVID-19 pandemic continues to impact the agency including increased operating expenses related to safety measures that were put in place as well as changes in ridership. DCTA is a designated recipient for the Denton-Lewisville urbanized area (UZA), which received an apportionment of \$23.5 million in Coronavirus Aid, Relief, and Economic Security Act (CARES) funds as well as \$14.1 million from the American Rescue Plan (ARP) Act of 2021. The FY22 budget includes \$13.3 million of ARP funding to be received on a reimbursement basis, with the remainder of the CARES Act and ARP funding anticipated to be received in FY21. In FY20 and FY21 the agency incurred roughly \$700k in expenses as a result of COVID-19. Examples of COVID-19 expenses are additional enhanced cleaning of vehicles and facilities and additional PPE (masks, hand sanitizer) available for employees and passengers. The FY22 operating budget includes \$183k for anticipated COVID-19 related expenses.



Sales tax represents the single largest source of revenue for DCTA and is monitored closely. DCTA was originally funded with a dedicated ½ cent sales tax by voters in the cities of Denton, Highland Village and Lewisville. Sales tax revenue generated in FY21 was roughly 18.6% higher than FY20 revenue due to one-time adjustments as well as increased taxable sales over prior year. The FY22 sales tax projection was conservatively estimated at a 3% escalation of the mid-year FY21 projection and is a

## BUDGET MESSAGE

Sales Generated in Month of:	Received in Month of:	2020-2021 Adopted Budget	2020-2021 Revised Budget	2020-2021 Year Actual	Variance Actual to Original Budget	CY Actual to CY Original Budget % Variance <sup>(A)</sup>	Variance Actual to Revised Budget	CY Actual to CY Revised Budget % Variance <sup>(B)</sup>	2019-2020 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 1,723,266	\$ 2,944,573	\$ 2,944,573	\$ 1,221,267	70.87%	\$ -	0.00%	\$ 2,329,419	\$ 615,154	26.41%
November	January	\$ 1,712,290	\$ 2,617,051	\$ 2,617,051	\$ 905,601	52.89%	\$ -	0.00%	\$ 2,150,220	\$ 439,661	19.64%
December	February	\$ 2,124,605	\$ 3,356,939	\$ 3,356,939	\$ 1,232,334	58.00%	\$ -	0.00%	\$ 3,191,714	\$ 165,225	5.10%
January	March	\$ 2,069,351	\$ 2,296,659	\$ 2,296,659	\$ 227,308	10.96%	\$ -	0.00%	\$ 2,260,362	\$ 20,297	1.25%
February	April	\$ 2,022,097	\$ 2,090,957	\$ 2,090,957	\$ 58,060	2.87%	\$ -	0.00%	\$ 2,184,443	\$ (33,491)	-1.50%
March	May	\$ 2,493,676	\$ 3,369,140	\$ 3,369,140	\$ 805,464	35.65%	\$ -	0.00%	\$ 2,503,274	\$ 865,066	34.59%
April	June	\$ 2,492,462	\$ 2,492,462	\$ 2,039,395	\$ 346,933	13.92%	\$ 346,933	13.92%	\$ 2,105,555	\$ 653,040	29.92%
May	July	\$ 2,193,143	\$ 2,193,143	\$ 3,171,719	\$ 970,576	44.62%	\$ 970,576	44.62%	\$ 2,400,743	\$ 770,976	32.11%
June	August	\$ 2,506,190	\$ 2,506,190	\$ 3,503,000	\$ 996,002	30.55%	\$ 996,002	30.55%	\$ 2,019,430	\$ 763,650	27.09%
July	September	\$ 2,103,351	\$ 2,103,351	\$ 2,903,336	\$ 719,905	32.90%	\$ 719,905	32.90%	\$ 2,412,772	\$ 490,564	20.33%
August	October	\$ 2,399,699	\$ 2,399,699	\$ 2,070,254	\$ 470,555	19.94%	\$ 470,555	19.94%	\$ 2,511,707	\$ 366,547	14.59%
September	November	\$ 2,633,176	\$ 2,633,176	\$ 3,346,913	\$ 713,737	27.11%	\$ 713,737	27.11%	\$ 2,910,752	\$ 436,161	14.90%
YTD TOTAL		\$ 26,624,124	\$ 30,154,170	\$ 35,300,947	\$ 8,764,723	32.92%	\$ 4,234,660	13.59%	\$ 29,036,396	\$ 5,552,451	10.61%
FISCAL YEAR TOTAL		\$ 26,624,124	\$ 30,154,170						\$ 29,036,396		

<sup>(A)</sup> Formula: YTD Variance Actual to Original Budget / YTD Original Budget

<sup>(B)</sup> Formula: YTD Variance Actual to Revised Budget / YTD Revised Budget

9.3% decrease from FY21 actual sales tax receipts.

The North Central Texas Council of Governments (NCTCOG) serves as the Metropolitan Planning Organization (MPO) for the North Texas region. The NCTCOG's Mobility 2045 Plan guides the implementation of multimodal transportation improvements, policies, and programs in the 12-county Metropolitan Planning Area through the year 2045 and outlines projected growth for the region and the implications for transportation systems. The Mobility 2045 Plan identifies investments in rail and bus as necessary to address the region's transportation needs. As the region grows, transit will play an increasingly important role in the way people travel. The region is expected to grow from 7.4 million residents to an estimated 11.2 million people by 2045. In addition, employment is expected to grow from 4.8 million to 7.0 million by 2045.

DCTA's FY22 Budget and Long Range Financial Plan incorporate an approach that positions the agency to meet the future needs of the region. The challenge for DCTA will be to prioritize projects and demands for service that outpace available funding.

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

Sincerely,



Raymond Suarez  
CEO



Marisa Perry, CPA  
Chief Financial Officer/VP of Finance



Amanda Riddle  
Senior Manager of Budget

## FOUNDATION



Three member cities:  
**Denton,  
Highland Village  
& Lewisville**

Highly engaged in two of the  
**fastest-growing  
counties in Texas**



Initiated contract service with  
**eight cities  
in the past four years:**  
Frisco, McKinney, Coppell, Prosper,  
Princeton, Melissa, Celina & Lowry Crossing



Consistent  
**financial  
stewardship  
& transparency**

### FINANCIAL STEWARDSHIP

DCTA understands a strong financial management plan should focus on building financial integrity and a financially sustainable transit agency. The agency's Long Range Financial Planning process, initially adopted in 2009, is supported by Financial Management Policies, a Long Range Financial Plan and the Long Range Service Plan. The Long Range Financial Plan sets the framework for the annual budget process and includes a five-year operating and capital plan and a forecasted 15-year planning horizon. DCTA is committed to staying the course in its commitment to long-term fiscal stability and sustainability.

As part of the annual budget process and in collaboration with the management team and the Board of Directors, decisions are evaluated to determine the impact of service enhancements and changes on the 15-year financial plan. These decisions include impact of both the up-front and ongoing operating cost of new or existing capital projects and the impact of any funding requirements, impact of new services or changes in service levels, changes in economic environment, increase in costs and/or impacts to revenues. The Long Range Financial Plan incorporates the projected sources and uses of funds. Revenues include passenger revenues, grants, sales tax and anticipated debt issuance proceeds. Expenditures include current operating expenses, capital projects and ongoing operating expense associated with the project (if any), and debt service requirements.

## LEADERSHIP



Led by an  
**innovative CEO**



Successfully updated  
**Chapter 460 in  
the 87<sup>th</sup> Legislature**

Modified agency  
**Board of Directors**  
to better inform  
vision & strategy



Modified  
**organizational structure**  
as part of the agency's  
strategic planning



## WORKFORCE DEVELOPMENT

DCTA recognizes that a key to maintaining a high-level of satisfaction with external customers is by addressing the needs of internal customers. Employee satisfaction has a direct correlation to employee costs and efficiencies. Continuous quality education and training as well as employee satisfaction are major factors for individual advancement and corporate success. DCTA offers development opportunities throughout all levels of the organization to provide a knowledgeable and well-trained workforce dedicated to meeting the growing needs of the community. The agency encourages and funds participation in industry training, conferences, professional organizations, and career advancement opportunities.

In 2019, DCTA completed a market study to review its compensation and benefits structure to ensure that its pay-scale system for employees was competitive with the market and peer agency benchmarks. The agency's Board of Directors has established a policy that a comprehensive compensation and benefits study will be conducted every three years to maintain a competitive structure. DCTA is currently working with a compensation study vendor to gather all information needed to perform this triennial market study in FY22 to evaluate where the agency stands in the competitive scale and adjust if needed. This allows for any changes to be addressed as part of the budget process. A tuition reimbursement program was established in 2015 to assist employees interested in pursuing a higher education.

## BOARD OF DIRECTORS

DCTA is governed by a five voting-member Board of Directors appointed by respective entities from Denton County and the cities of Denton, Highland Village, and Lewisville serving two-year terms. Large cities, small cities and other Denton County cities make up the remaining non-voting members. Board members must have professional experience in the field of transportation, business, government, engineering, or law. In accordance with DCTA bylaws, the Board adopts the annual operating budget and is responsible for setting policy. The CEO oversees the day-to-day operations of DCTA and implements policies set forth by the Board.



## POLICY AND ADMINISTRATION

DCTA's policies and administration, led by its Board of Directors and CEO, have created a safe, efficient and financially stable transit operation. DCTA staff work under the direction of the CEO and executive management team representing operations, finance and administration, capital planning, marketing and service development. Transit services for rail operations are provided through a contract with Rio Grande Pacific Corporation and Stadler. Bus services are provided through an interlocal agreement (ILA) with North Texas Mobility Corporation.

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

In December 2011, DCTA's Board of Directors adopted an updated Long Range Service Plan which outlined a series of recommendations for improvements to the existing system, opportunities for expansion of the existing system, and other corridors warranting transit service over the next 25 years. The plan has served as a road map guiding DCTA's service planning, capital improvement program and financial planning. In FY2021, DCTA completed its transformation initiative and identified Board priority projects on a five-year strategic roadmap.

## OUR TEAM

### Board of Directors

Cesar Molina, Chair | Denton County  
 TJ Gilmore, Vice-Chair | Lewisville  
 Sam Burke, Secretary | Denton County  
 Dianne Costa | Highland Village  
 Alison Maguire | City of Denton

### Board of Directors - Alternates

Pat Smith | City of Denton  
 Jody Gonzalez | Denton County  
 Paul Stevens | Highland Village  
 Kristin Green | Lewisville

### Non-Voting Board Members

Dennie Franklin | Frisco  
 Mark Miller | Flower Mound  
 Joe Perez | The Colony  
 Connie White | Small Cities  
 Tom Winterburn | Corinth

### Executive Staff

Raymond Suarez, CEO  
 Paul Cristina, Deputy CEO  
 Marisa Perry, CFO/VP of Finance

## SERVICES



Serving approximately  
**1,500 square miles**



Continue to advance  
**mobility, innovation &  
intermodal regional rail**

Provide  
Denton County's 19-mile  
**A-train Rail Trail**



Deliver  
**services in five counties:**  
Dallas, Denton, Collin, Tarrant & Wise



Offer a  
**nimble approach**  
to delivering service throughout  
**Denton & Collin Counties**



Received  
**Positive Train Control (PTC)**  
Certification for PTC system on the  
**21-mile A-train commuter rail line**

Launched new  
**GoZone On-Demand  
rideshare service**



Currently exploring  
adding an A-train station  
with the  
**City of Corinth**

## DIVERSITY

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

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

The agency has also established a Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) program to encourage the use of small and disadvantaged businesses in contracting opportunities. DCTA works with contractors to identify DBE/SBEs available in the local area to perform as subcontractors and encourages the use of small firms in performance of the contracts.

## INNOVATION

Launched  
**GoZone On-Demand**  
rideshare service to provide  
**convenient, accessible & affordable**  
rides with limited wait times in efforts to  
**improve mobility for our member cities**



Completed the  
**Transformation Initiative**  
and identification of Board  
priority projects on the  
**five-year strategic roadmap**



Board approved the  
**first round of projects requested**  
by member cities to be funded under DCTA's  
**Transportation Reinvestment Program (TRiP)**

### BUILDING PUBLIC TRANSIT FOR THE FUTURE

In FY2021, DCTA launched GoZone, a zone-based rideshare service powered by Via, in efforts to improve the rider experience from start to finish and offer a variety of benefits – like shorter wait times, bike racks on vehicles, 365-day service, wheelchair accessibility and convenient mobile app. Currently, the zones operate exclusive of one another – meaning that travel within the Denton GoZone stays in that zone, and travel within the Lewisville/Highland Village GoZone stays in that zone. However, there are certain circumstances that allow for travel between all zones and the DART Trinity Mills station such as during Sunday service and as part of our Guaranteed Ride Home service.

GoZone was launched in a phased approach, allowing staff the flexibility to launch additional modifications to the GoZone service throughout 2022 based on ridership data to solidify timing for new add-ons and service needs. Future add-ons to enhance the service area and increase days and hours include: the addition of a Castle Hills zone (which will operate as an extension of the Lewisville/Highland Village Zone where passengers could travel anywhere within the southern zones on a single trip), Access service – replacing DCTA's existing paratransit (or ADA) services, and increasing the late-night service hours for Monday-Thursday which is largely dependent on ridership within the first 6 months of service.

In October 2021, DCTA's Board of Directors approved the interlocal agreement (ILA) between DCTA and Dallas Area Rapid Transit (DART) for construction, operation and maintenance of a Joint Rail Operations Facility (JROF) and use of DCTA's yard and mainline track. With this agreement, DCTA and DART will work together to support the common goals of increasing service to their respective areas through expansion and capital improvements to the existing DCTA Operations Maintenance Facility (OMF) for the purpose of developing JROF that will provide service to both DART and DCTA. In addition, the two agencies will develop a plan to expand the existing OMF to accommodate the long-term operations and maintenance of both DCTA's A-train and DART's Silver Line DMU fleets, resulting in the JROF. Finally, this agreement also includes that at such time as DCTA is

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## ABOUT DCTA

ready to expand A-train service to Downtown Carrollton, DART and DCTA will negotiate trackage rights and an access agreement from Trinity Mills to Downtown Carrollton.

Operational statistics and additional pertinent information regarding the community that we serve are outlined in the Appendix section of the document on pages 124-129.





DENTON COUNTY  
TRANSPORTATION  
AUTHORITY

# 2021 MEDIA TOOLKIT

Last updated November 2021





## BACKGROUND AND PURPOSE

For 18 years, the Denton County Transportation Authority (DCTA) has accelerated innovative mobility solutions through efforts that strive to reduce traffic congestion and enhance air quality, while contributing to the growth, development and improvement of quality of life for all the communities we serve.

## SERVICE OVERVIEW

DCTA helps riders get where they need to go with a variety of services, including the 21-mile A-train commuter rail, Connect fixed-route buses, Collin County Transit, GoZone on-demand rideshare service, Frisco Demand Response, Access and more.

## VISION, MISSION AND CORE VALUES

DCTA is committed to improving mobility, air quality, economic development and livability in North Texas. With the implementation of core values that prioritize safety, accountability, commitment, excellence, integrity and respect, DCTA is determined to be a leader in advancing mobility alternatives in North Texas.



TRAIN



BUS



ON-DEMAND  
RIDESHARE



RAIL TRAIL



ACCESS



## MILESTONES

Formed in 2002, DCTA is Denton County's primary transportation agency, providing modern transportation solutions to residents and continuously striving to meet the growing need for transportation options.

Below are key milestones DCTA has achieved since inception.

- **2002:** Denton County voters approve the confirmation of DCTA by 73 percent
- **2003:** Denton, Highland Village and Lewisville join DCTA and levy a half cent sales tax to finance the system
- **2005:** The University of North Texas (UNT) and DCTA sign an agreement for a new shuttle system
- **2011:** DCTA's 21-mile A-train commuter rail line officially launches to the public
- **2012:** The Federal Railroad Administration (FRA) approves first integrated use of Stadler GTW Rail Vehicle for DCTA – the first of its kind in the U.S.
- **2013:** The A-train surpasses one million passengers
- **2016:** DCTA launches North Texas Xpress commuter bus service in partnership with Trinity Metro
- **2018:** DCTA becomes first transit agency in Texas to begin testing federally mandated Positive Train Control-PTC
- **2019:** DCTA expands transit offerings with the new Mobility as a Service (MaaS) contract model (one of the first of its kind in the U.S.)
- **2021:** DCTA launches GoZone, a new on-demand rideshare service powered by Via, that operates seven days a week, 365 days per year



## A-TRAIN SERVICE

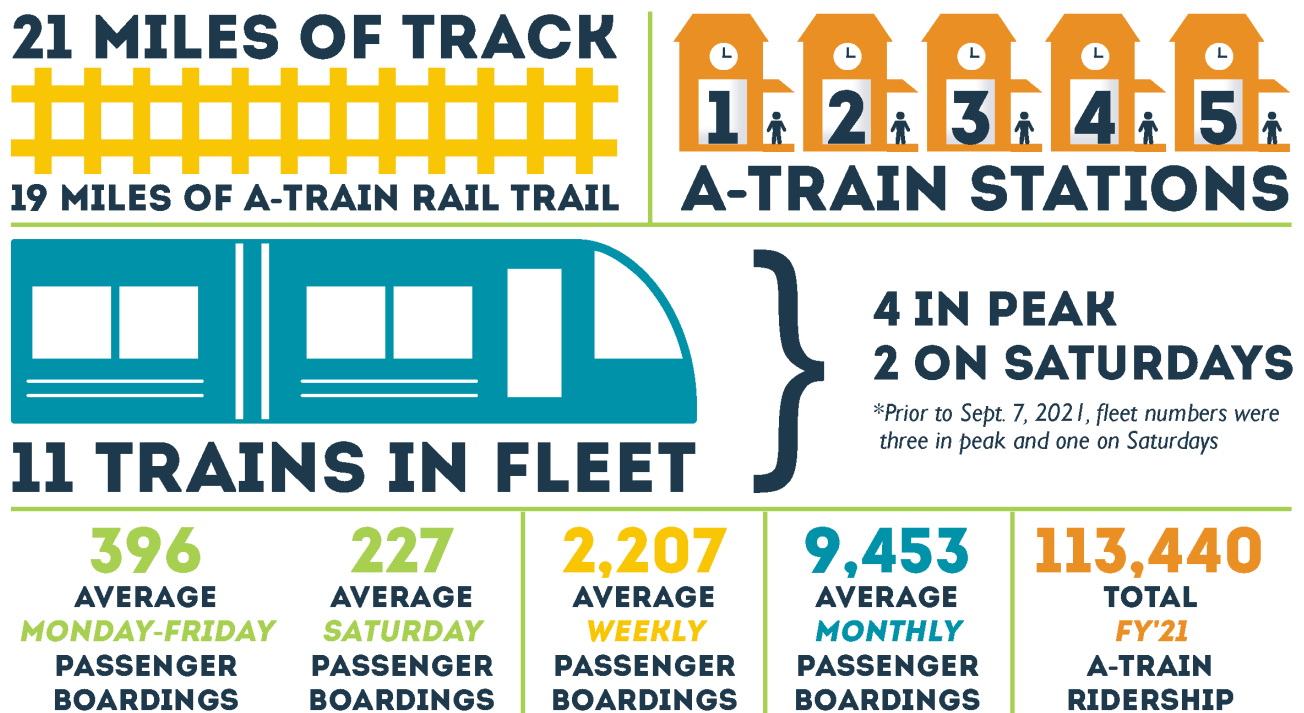
### A-train Service:

DCTA's A-train connects Denton and Dallas counties. At the Trinity Mills station, riders can gain access to Dallas Area Rapid Transit's (DART) Red, Orange, Green and Blue Lines and the Trinity Railway Express (TRE). A-train service is provided Monday through Saturday, excluding major holidays.

The A-train stops at each of our five stations - Downtown Denton Transit Center (DDTC), MedPark Station, Highland Village/Lewisville Lake station, Old Town station and Hebron station - before reaching the DART Trinity Mills station.

Passengers can ride the A-train free in the designated "free fare" zones between the DDTC and MedPark station, as well as between the Hebron and DART Trinity Mills stations.

The A-train Rail Trail, which is a part of DCTA's continuous efforts to provide riders with safe and efficient mobility solutions, runs alongside the agency's commuter rail line to complement surrounding facilities. It is approximately 19 miles and connects existing transit facilities with key destinations within DCTA's member cities – Denton, Lewisville and Highland Village - and surrounding areas.



*\*\*Ridership numbers were greatly affected by the COVID-19 crisis  
\*All stats are based off FY'21 data (Oct. 1, 2020 - Sept. 30, 2021)*

## MOBILITY SERVICE

**Bus Fixed Route Service:** Connect Bus is a local, fixed-route service that operates in the cities of Denton and Lewisville, providing easy access to popular destinations and connection to the A-train. The UNT Campus Shuttle is a service offered in partnership with University of North Texas (UNT) to provide direct shuttle service to the campus and off-campus student-oriented housing. The North Texas Xpress bus is a service offered to connect Denton to Fort Worth.

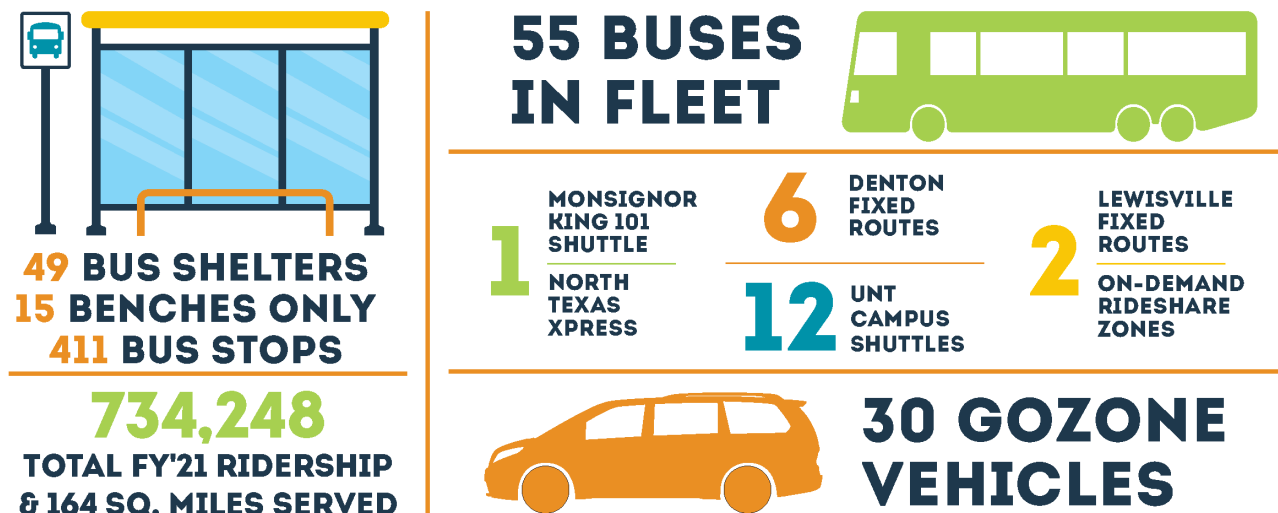
**On-Demand Rideshare Service:** GoZone is an on-demand rideshare service, powered by Via, that riders can utilize for trips within, and sometimes between, designated zones in Denton County. Passengers can book trips in real time using the DCTA GoZone app or by calling customer service, then a fleet of dedicated vans transport riders to virtual stops. GoZone provides safe, convenient, accessible, and affordable rides with a limited wait time and is available 365 days a year.

**Lyft Partnership:** In partnership with Lyft, DCTA provides sponsored discounts for the Coppell Program and free rides for the UNT Lyft Zone.

**Taxi Service:** Collin County Transit is a partnership between DCTA and the McKinney Urban Transit District (MUTD) to provide a subsidized taxi voucher for participating MUTD cities, including Celina, Lowry Crossing, McKinney, Melissa, Princeton and Prosper.

**Access Service:** Access is a shared-ride, origin-to-destination service that provides transportation for disabled residents, elderly residents (age 65 and older) and visitors in Denton, Highland Village and Lewisville.

**Demand Response Service:** On behalf of the City of Frisco, DCTA provides curb-to-curb demand response transit service to eligible Frisco residents for trips within the City of Frisco and designated portions of Plano.



## FLEET AT A GLANCE

### MOBILITY SERVICE

DCTA offers a growing network of mobility service from fixed-route bus to on-demand rideshare to connect riders to popular local destinations and regional connections to Dallas and Fort Worth.

#### Routes and Zones

- 6 Denton Connect Fixed Routes
- 12 University of North Texas Shuttles (Bernard Street, Centre Place, Colorado Express, Discovery Park, Eagle Point, Mean Green, Mean Green Night Rider, Mean Green Plus, North Texan, Parking Express A&B and Daugherty Street)
- 2 Lewisville Connect Fixed Routes
- 2 On-Demand Rideshare Zones (Lewisville/Highland Village GoZone and Denton GoZone)
- 1 North Texas Xpress



#### Number of Vehicles

- 55 Active DCTA Vehicles (38 vehicles at peak pull-out: 30 fixed route and 8 demand response)
- 30 GoZone Vehicles



#### Bus Shelters: 49

- 15 Benches Only
- 411 Bus Stops

**Total FY'21 Ridership:** 734,248

### A-TRAIN SERVICE

DCTA's A-train connects Denton County passengers to Dallas through Dallas Area Rapid Transit (DART) and to Fort Worth through transferring from DART to the Trinity Railway Express (TRE).

- 21 Miles of Track
- 5 A-train Stations
- 11 Vehicles



**Total FY'21 Ridership:** 113,440



## FARE AT A GLANCE

### FARE STRUCTURE

DCTA's simple local fare structure allows for a seamless integration within the regional fare system. Fares and passes may be purchased online, at ticket vending machines (TVM) on A-train station platforms or at one of the ticket outlets listed here. Not all fare types are available for purchase at all locations.

### DISCOUNTED AND FREE FARES

DCTA offers discount programs to meet the needs of the community at large. University students, large groups and nonprofits can purchase reduced fare packs.

Complimentary fare is also available to sworn peace officers in uniform or with a visible badge, children under five with a fare-paying adult and Denton County active jurors with a valid juror summons or current juror badge.

Passengers can always ride free within DCTA's A-train free fare zones between the Downtown Denton Transit Center (DDTC) and Medpark station, and Hebron and Trinity Mills station.

FARE TYPE	LOCAL PRICE	REGIONAL PRICE	LOCAL / REGIONAL REDUCED	WHERE TO BUY
Local AM	\$1.50	—	\$0.75 / —	TVM, GoPass®
Local PM	\$1.50	—	\$0.75 / —	TVM, GoPass®
Day Pass	\$3.00	\$12.00	\$1.50 / \$3.00	Ticket Outlets, TVM, GoZone App, GoPass®
7-Day Pass	\$15.00	—	—	Ticket Outlets, TVM, GoZone App, GoPass®
GoZone Single Ride	\$0.75	—	—	Cash (Exact Change) Payment on Board
10-Day Pass	\$20.00	\$84.00	—	Ticket Outlets, Online
Monthly Pass	\$48.00	\$192.00	\$24.00 / \$48.00	Ticket Outlets, TVM, GoZone App, GoPass®
Annual Pass	\$480.00	\$1,920.00	\$240.00 / \$576.00	Ticket Outlets, Online

## TRAVEL TOOLS

### TRANSIT TRACKER

DCTA's Transit Tracker is a vehicle tracking system that provides passengers with access to real-time information for the agency's A-train, fixed-route bus and shuttle services. Passengers can track vehicles via phone, online, text and free mobile application.

- **Phone:** Call 940.243.0077, select the transit tracker option from the phone menu, enter the stop ID and receive real-time information on that vehicle for that location
- **Web:** Visit [DCTAtracker.net](https://DCTAtracker.net) to search by address to find the nearest bus or train and its arrival time
- **Text:** Text the stop ID to 64255 to receive the estimated arrival time of your bus or train
- **App:** Download the Transit mobile app from Google Play or Apple store to see vehicle locations in real-time and get notifications for when it's time to leave for your trip

### DCTA GOZONE APP

Download the DCTA GoZone application, available on the Apple Store or Google Play, to book a ride and purchase your fare straight from your mobile phone.

### GOREQUEST

Have a question or comment? Download the GOREquest app available on the Apple Store or Google Play, or visit our [dcta.net/gorequest](https://dcta.net/gorequest) to send your feedback. A staff member will answer your question or address your comment in a timely manner.

### RIDER ALERTS

Sign up for DCTA Rider Alerts at [RideDCTA.net](https://RideDCTA.net) to receive customized email notifications regarding schedule delays, service changes and promotions.

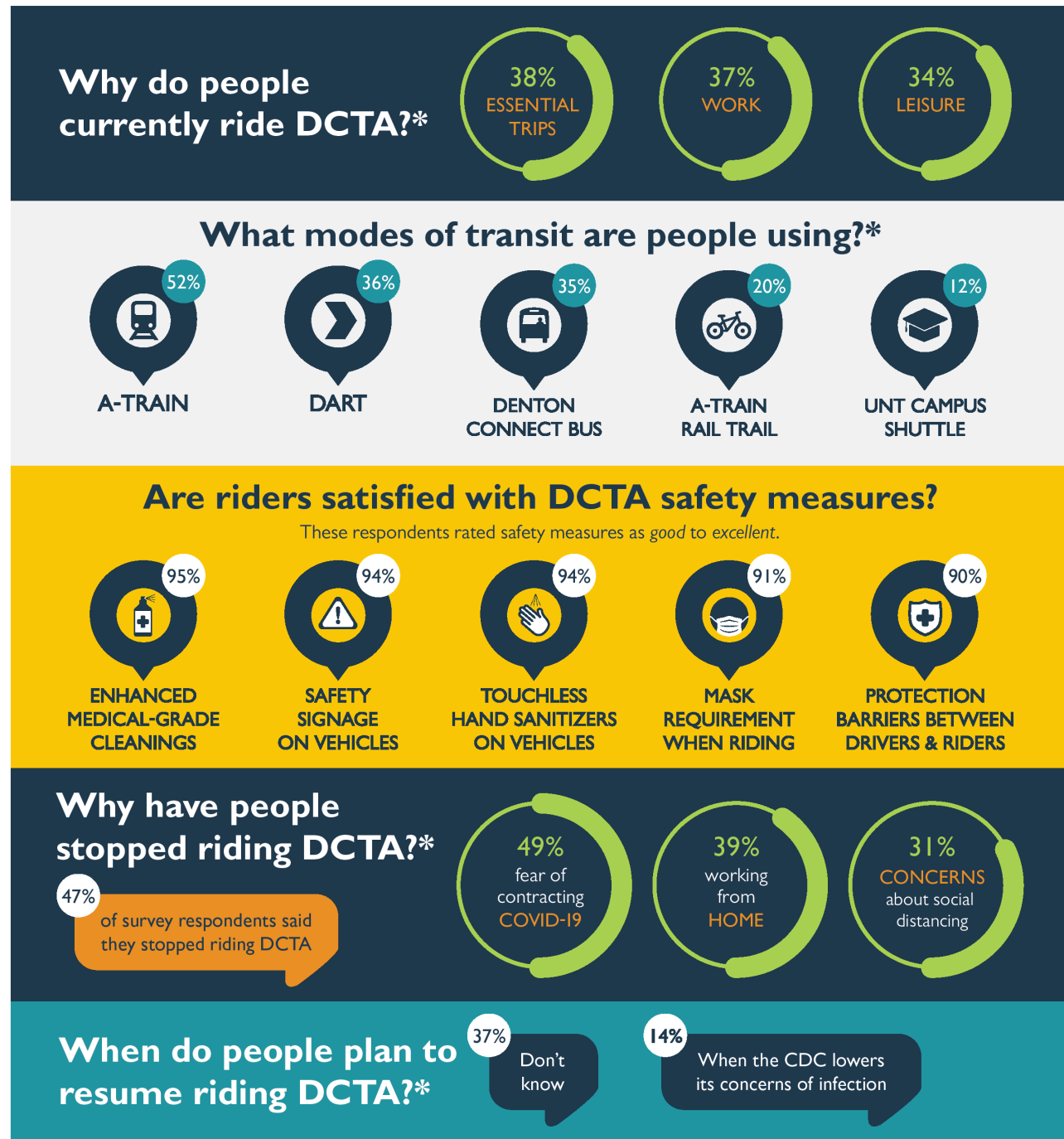
### GOPASS®

Download the GoPass® application, available on the Apple Store or Google Play, to purchase your ticket straight from your mobile phone. All tickets are delivered to your phone as "Not Yet Activated." You can purchase tickets up to 60 days in advance of using them. You must activate your ticket before boarding and show the ticket on your smartphone to the bus driver or fare enforcement officer when required.



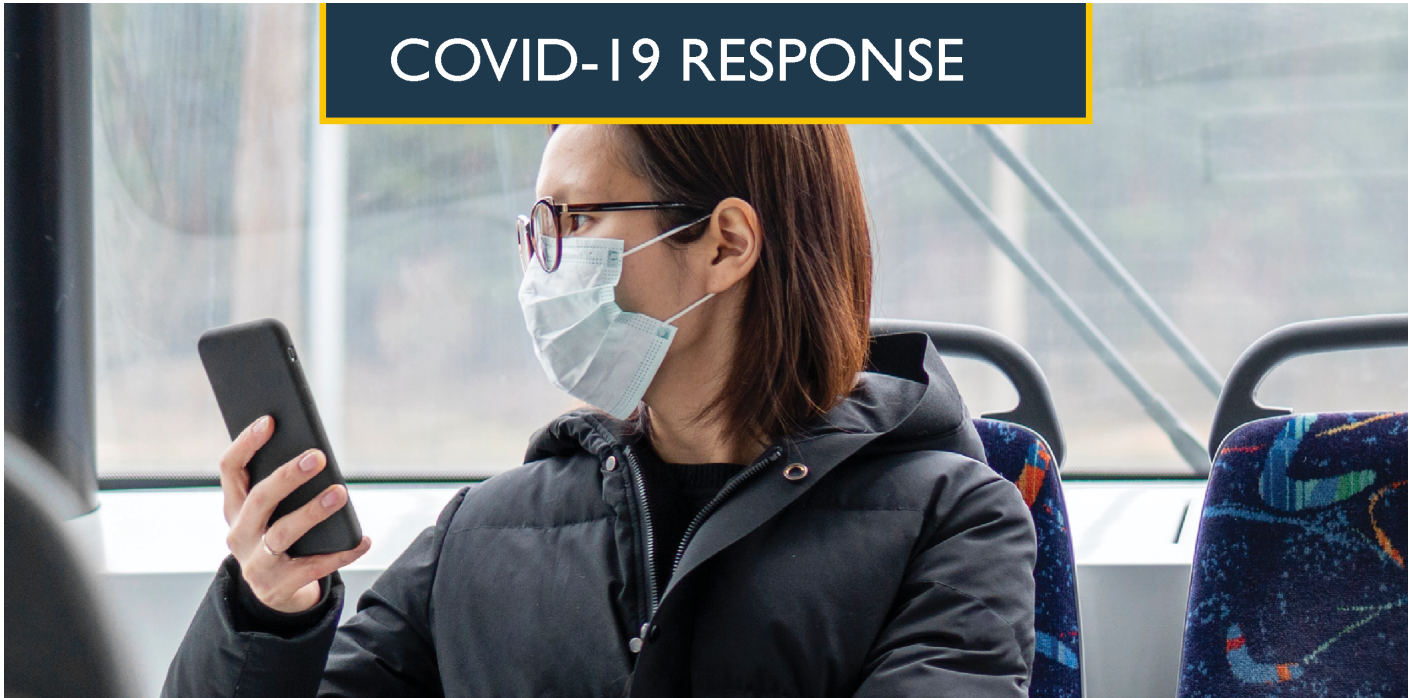
# COVID-19 RIDER SURVEY

DCTA's COVID-19 Rider Survey was conducted Oct. 5-25, 2020, with 211 respondents, which represents 10 percent of the average daily system ridership in September 2020.



\*For these questions, survey respondents could choose more than one option.

## COVID-19 RESPONSE



### HOW WE'RE KEEPING PASSENGERS AND EMPLOYEES SAFE

At DCTA, our top priorities are keeping our passengers and employees healthy. Due to ongoing COVID-19 risks, we continue to monitor and adjust our safety measures to ensure a safe commute for our riders. Learn below what we're doing to keep passengers and employees safe:



**Enhanced Cleanings** using a medical grade disinfectant and paying special attention to high touch areas.



**Face Masks** are required when onboard vehicles and in agency facilities. The mouth and nose should be covered.



**Social Distancing** six feet whenever possible while onboard DCTA vehicles, waiting for the bus or train and when visiting agency facilities.



**Facility Updates** include adjusted access and business hours at the Downtown Denton Transit Center (DDTC), along with a revised Lost and Found policy.



## COVID-19 RESPONSE



**Signage** on our vehicles and in our facilities to remind riders how to stay safe when they #RideDCTA.



**Safe Payment Methods** include contactless payment through the GoPass app to avoid touching ticket vending machines.



**Protected Workforce** means all nonessential staff operate under a hybrid work-from-home policy and follow best safety practices while in the office.

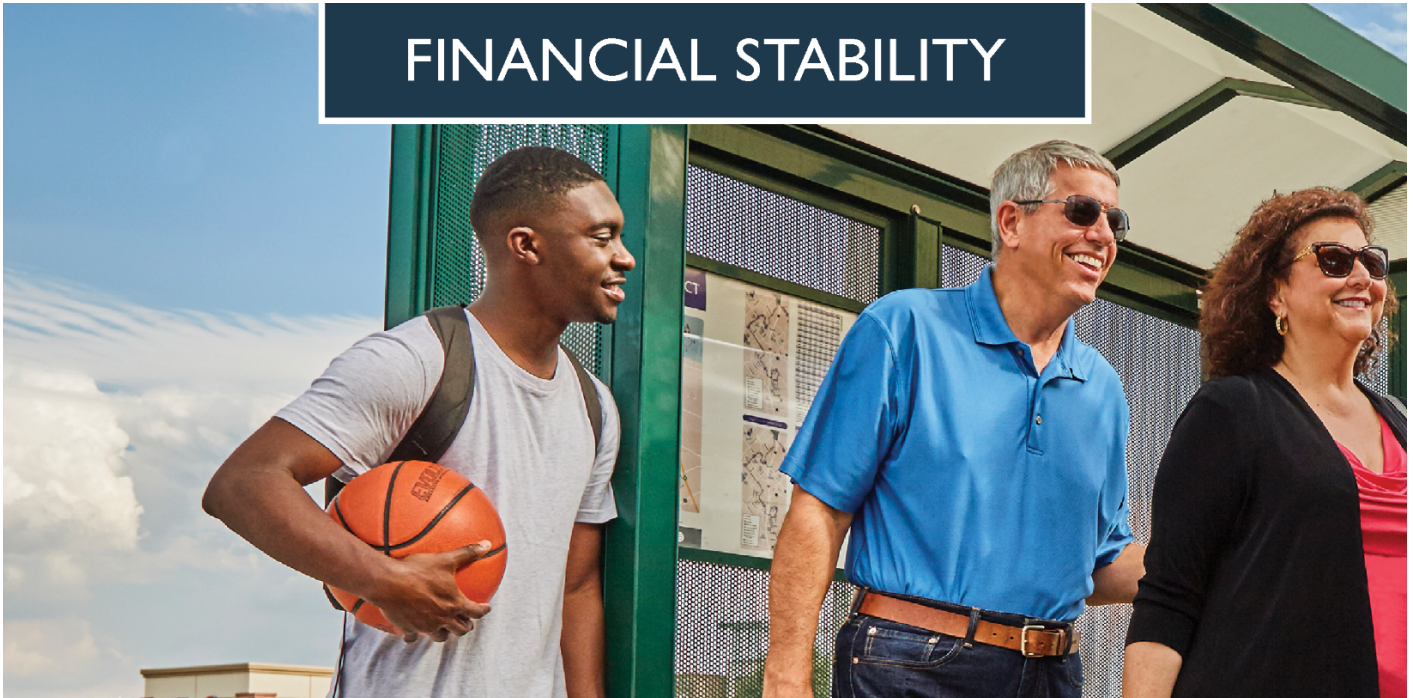


**Hand Sanitizer Stations** are installed on buses and at DCTA facilities. They're a touchless, safe way to keep hands clean.

The health and safety of DCTA riders and employees continues to be a main priority, and the future success of the agency's recovery will require a shared approach among riders, stakeholders and community members. Visit [RideDCTA.net/health](https://rideDCTA.net/health) to learn more.



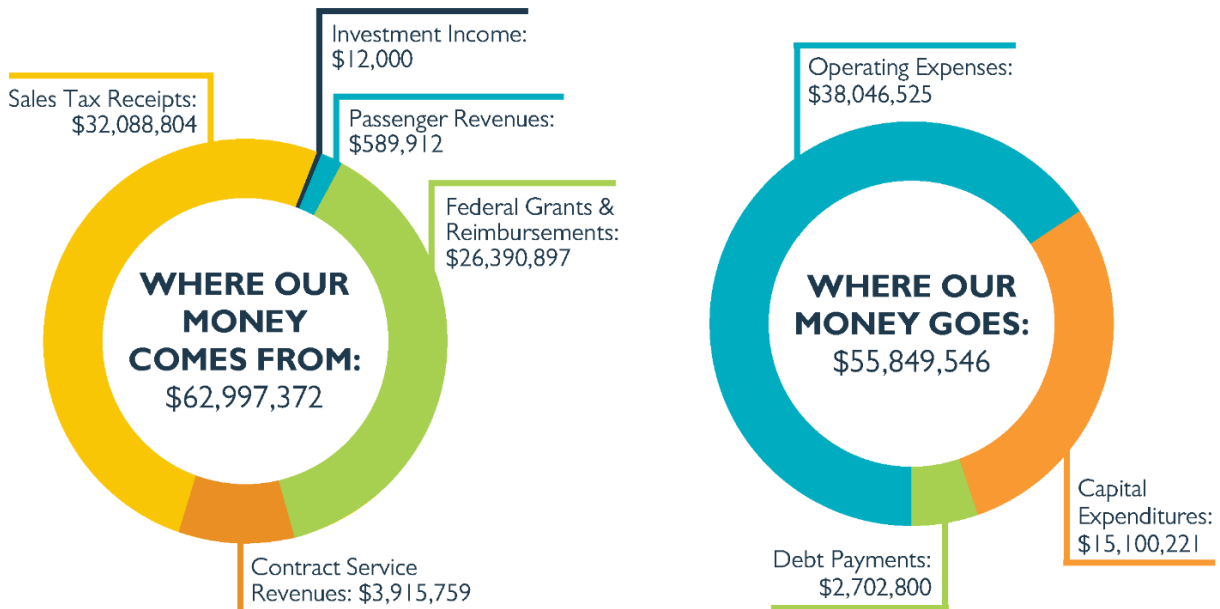
# FINANCIAL STABILITY



## GENERAL FINANCE SNAPSHOT

DCTA's consistent dedication to ensuring transparency of the agency's financial records has earned high marks at both the state and national level.

DCTA has also been recognized by the Government Finance Officer Association (GFOA) of the United States and Canada with a Certificate of Achievement for Excellence in Financial Reporting – the highest form of recognition in the area of governmental accounting and financial reporting.



*The finance records above come from DCTA's approved FY'22 fiscal year budget*



## YEAR AT A GLANCE

### MOVING YOU FORWARD

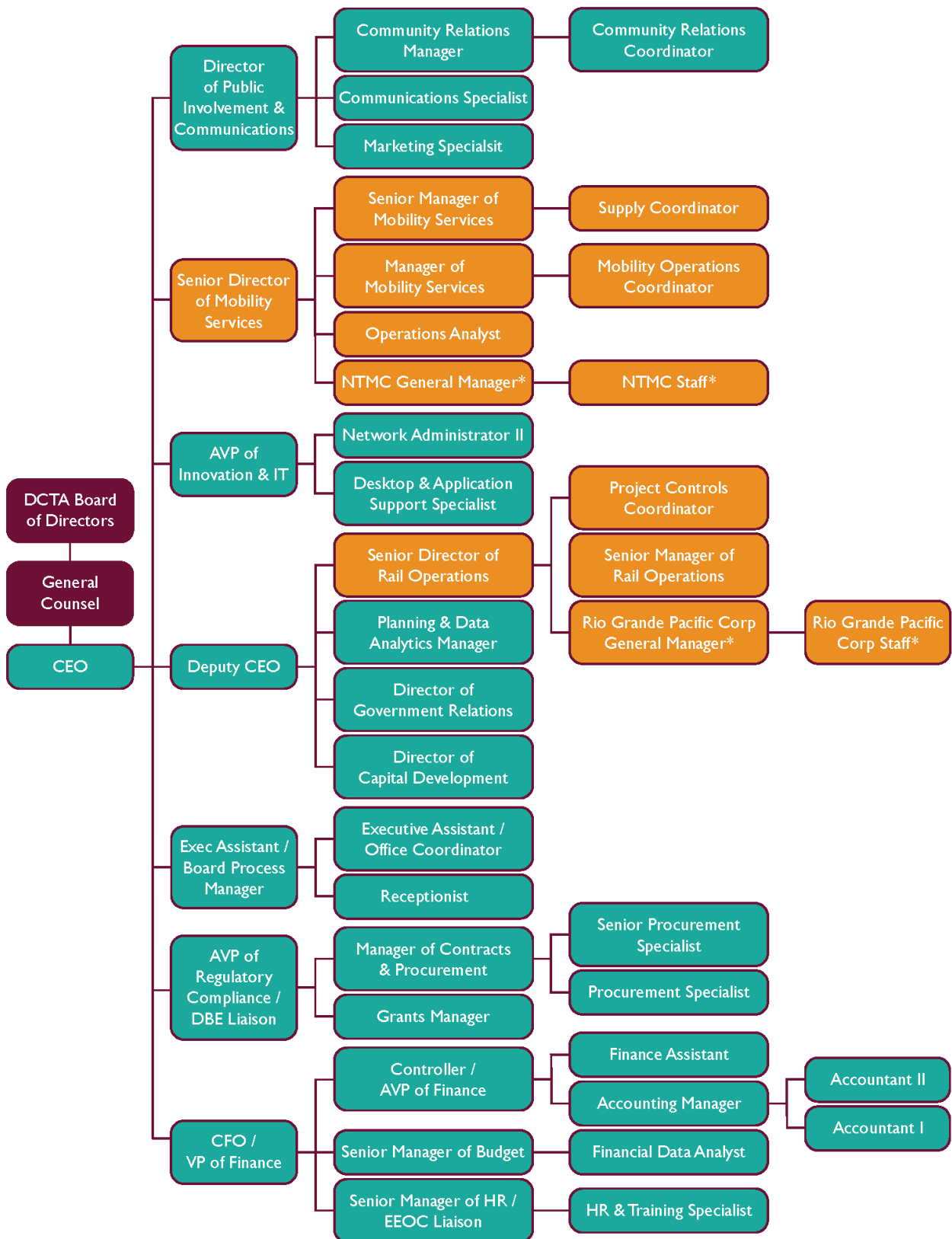
Denton and Collin counties are the state of Texas' seventh and sixth most populated counties, respectively. With this impending growth, it is our commitment to offer alternative mobility options to improve the quality of life where our residents live, work and play.

In FY'21\*, DCTA reached numerous milestones in relation to mobility, air quality, economic development and livability. Read more FY'21 milestones below:

- Received Positive Train Control (PTC) Certification for PTC System on the 21-mile A-train commuter rail line
- Launched GoZone On-Demand Rideshare Service to provide safe, convenient, accessible and affordable rides with limited wait times to improve mobility for Denton, Highland Village and Lewisville riders
- Board approval of first round of projects requested by member cities to be funded under DCTA's Transportation Reinvestment Program (TRiP)
- Apportioned \$14 million in federal grant funds under the American Rescue Plan (ARP) Act of 2021 signed by President Biden in March 2021
- Completed the Transformation Initiative and identification of Board priority projects on the five-year strategic roadmap
- Continued to act swiftly during the COVID-19 pandemic to implement and continue to enhance cleaning and safety precautions to keep employees and passengers safe

*\*DCTA's fiscal years start Oct. 1 and go through Sept. 30*

## DCTA ORGANIZATION CHART

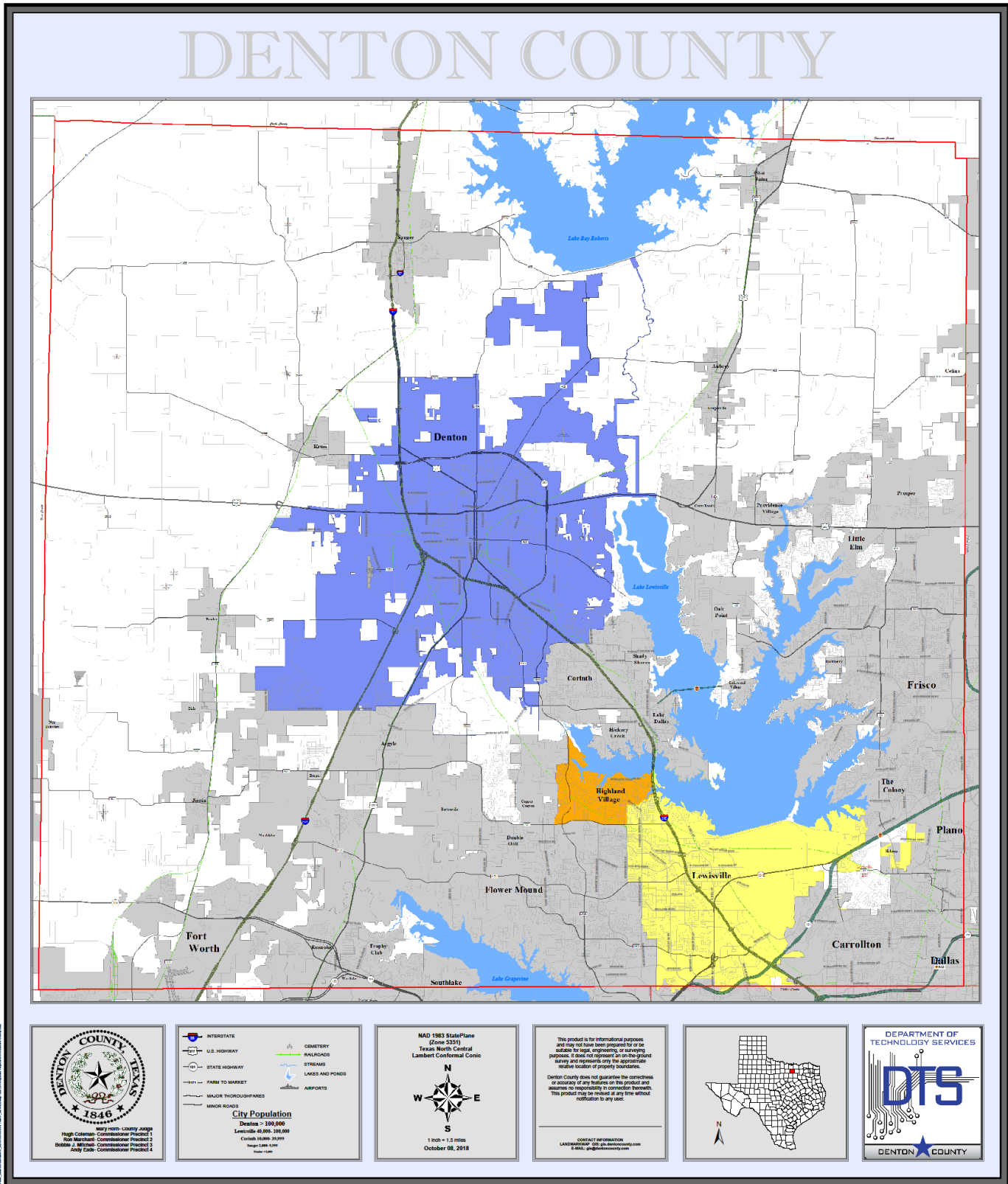


\*Contracted services

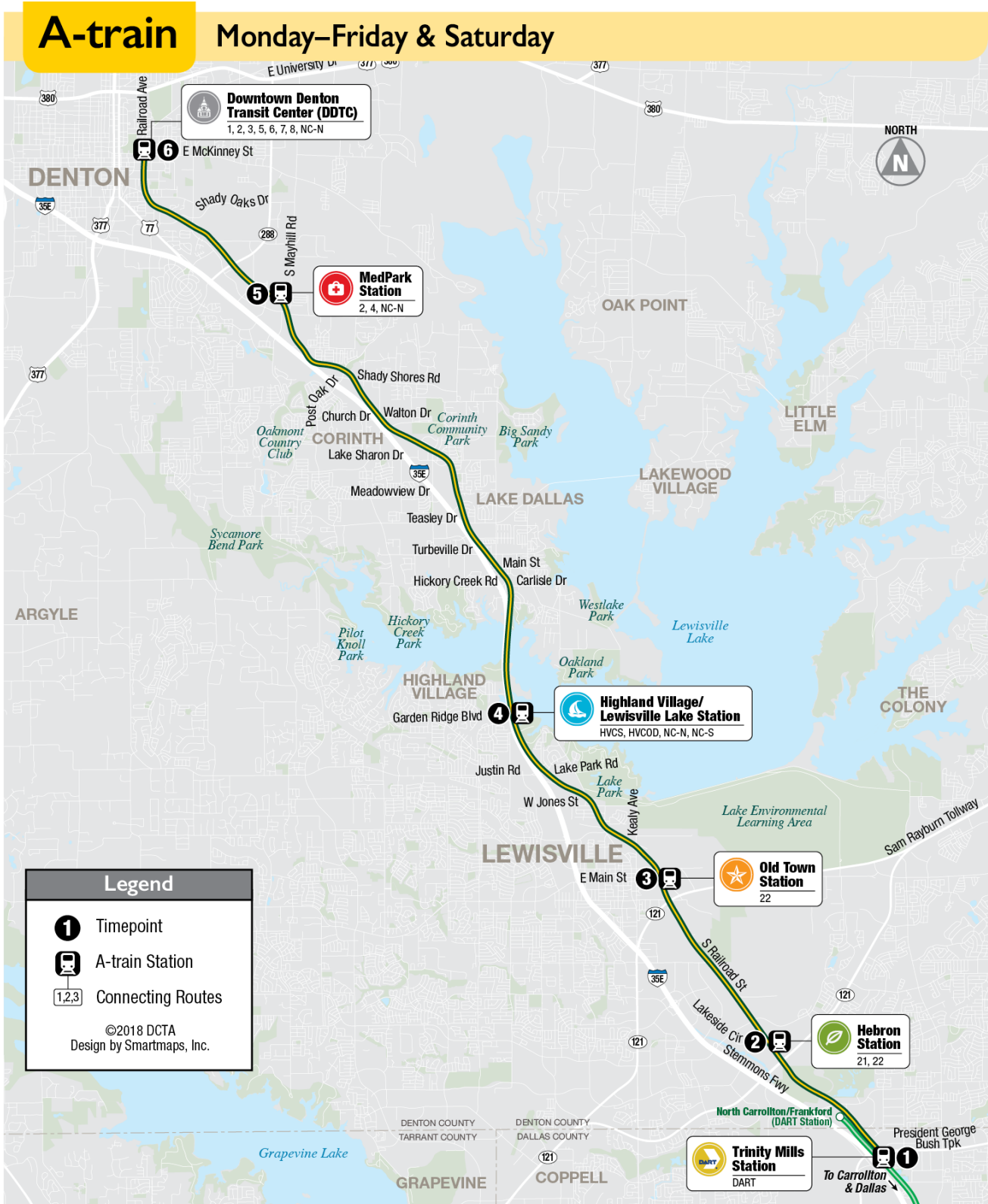
Chart reflects changes effective October 31, 2021.



DENTON COUNTY MAP



SERVICE AREA MAP - A-TRAIN





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# OPERATING BUDGET SUMMARY

## BUDGET PROCESS

### **BASIS OF BUDGETING**

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

The budget is designed to communicate DCTA goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds, and the revenue sources used to pay for the service. The budget communicates DCTA's commitment to a balanced budget, where expenses do not exceed current year revenues and reserve balances. DCTA uses the accrual basis of budgeting. Under this method, revenues are budgeted in the period that they are earned, and expenses are budgeted in the period in which the liability or benefit is expected. The budget and Long Range Financial Plan help to keep departments centered on the goals and plans to accomplish those goals.

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

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

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

### **BASIS OF ACCOUNTING AND FINANCIAL PRINCIPLES**

DCTA is accounted for as a single entity enterprise fund and is required to report financial results in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidance. Enterprise funds account for operations that are financed and operated in a manner similar to private business. The intent of DCTA is that the costs (expenses, including depreciation) of providing transit services to the general public will be financed through a combination of farebox revenue, sales tax, and grant revenue. The governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

### **FINANCIAL REPORTING AND FUND ACCOUNTING**

The North Texas Mobility Corporation is accounted for as a blended component unit of DCTA. Blended component units, although legally separate entities, are in substance, part of the Authority's operations. The Authority reports DCTA's and NTMC's financial condition and results of operations in a combined format.

## BUDGET PROCESS

The Authority reports a single proprietary fund composed of DCTA and its component unit which, although combined for financial reporting purposes, are accounted for as two separate funds in the Authority's financial software. DCTA is the primary operating fund of the Authority. This fund is used to account for all financial resources of the government, except those required to be accounted for in NTMC. All tax revenues and other receipts are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through NTMC are paid from DCTA. NTMC is a blended component unit. This fund is used to account for all NTMC employee-related operations associated with transit services provided by NTMC.

The budget document includes a variety of schedules that display DCTA and NTMC financial information, both separately and combined with suitable footnotes. DCTA uses the accrual basis of accounting for the audited financial statements, external reporting, and internally for budgeting. Under this method, revenues are recognized in the period that they are earned, and expenses are recognized in the period in which the liability or benefit is expected.

### BUDGET PREPARATION

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

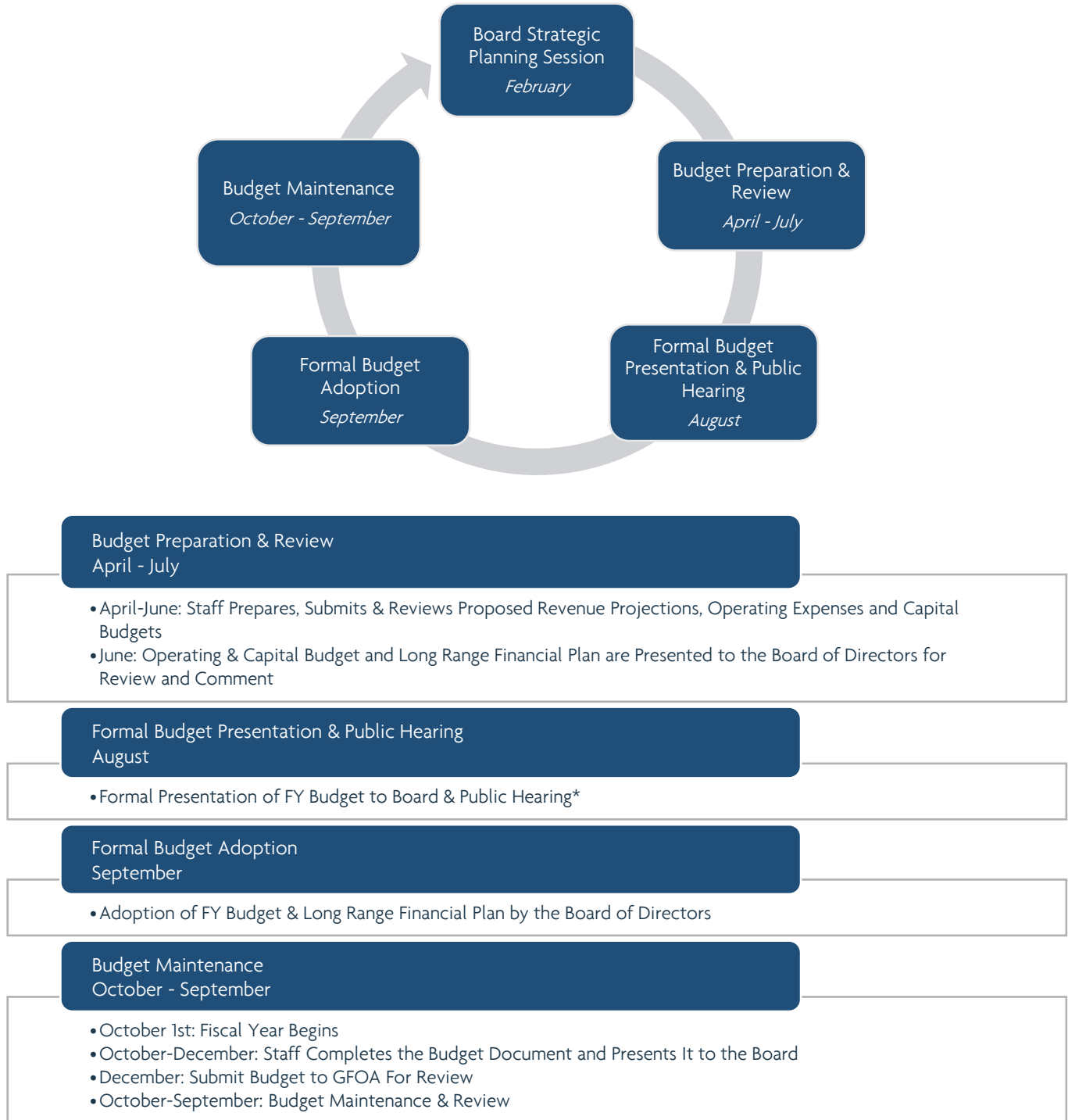
1. **Goals, Objectives, and Performance Measures**  
Overall agency goals as well as corresponding department objectives and performance measures are developed for the upcoming fiscal year.
2. **Revenue Projections**  
Staff identifies the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.
3. **Operating Expenses and Expanded Level Projects**  
The base operating budget which maintains the current service level is identified. Any new projects, plans for expansion, or increased service delivery that are above and beyond the current service level are proposed as an Expanded Level Project. These are expenses that are generally classified as "one-time" or "out of the ordinary" expenses. The executive staff reviews all requests and determines which projects would best address the agency's needs and should be included in the operating budget.
4. **Capital Budget and Five Year Capital Improvement & Major Maintenance Plan**  
The next step in completing the budget is determining the capital budget and Five Year Capital Improvement & Major Maintenance Plan for the agency which is consistent with the previously established agency goals and community needs, both current and future.
5. **Long Range Financial Plan**  
Once the operating & capital budget components have been identified, all aspects are incorporated into the Long Range Financial Plan. This allows staff to ensure that all programs are sustainable and within our financial limits.
6. **Staff then takes the comprehensive operating & capital budget, along with the Long Range Financial Plan, to the Board of Directors for a budget workshop for review and comment. Once staff incorporates any changes received, the proposed budget is then presented in August to the Board, and a public hearing is held to allow for public comment. In September, the proposed budget is then formally adopted by the Board.**
7. **The adopted budget is enacted with the beginning of the new fiscal year on October 1<sup>st</sup>.**



## BUDGET PROCESS

## BUDGET CALENDAR

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



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

## BUDGET SNAPSHOT

DENTON COUNTY  
TRANSPORTATION  
AUTHORITYFY22  
BUDGET SNAPSHOT

TOTAL OPERATING BUDGET

**\$48,845,990***\*FY22 starts October 1, 2021 and ends September 30, 2022.*

## FEDERAL GRANT REVENUE

Includes Operating &amp; Capital + FY22 ARP Funding

**\$26,390,897**INTERNAL DEBT  
COVERAGE  
RATIO**7.53**

Requirement is 1.25

## SALES TAX REVENUE

Accounts for 51% of total revenue

**\$32,088,804**

## AMERICAN RESCUE PLAN

Programmed into the FY21-FY22 Budgets

**\$14,073,192***\*DCTA is the designated Denton-Lewisville UZA recipient.*

## BUS OPERATIONS

**1,637,344**RIDERSHIP  
PROJECTIONS**\$615,532**

205,000 gallons

TOTAL  
SERVICE MILES**909,949**

## RAIL OPERATIONS

**175,278****\$1,101,600**

367,000 gallons

**403,971**TRANSPORTATION  
REINVESTMENT PROGRAM**\$7,119,429***\*TRIP enables partnerships between DCTA and its member cities on mutually beneficial investments in transit-supportive projects consistent with and beneficial to the agency's adopted Long-Range Service Plan. FY22 will be the second funding cycle for the program.*GOZONE ON-DEMAND  
RIDESHARE SERVICE*\*GoZone launched Sept. 7, 2021, and operates 365 days a year.***74,000**  
added service hours*\*Compared to FY21 budgeted service hours*

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## CHANGE IN NET POSITION - COMBINED STATEMENT

	FY 2020 Actuals	FY 2021 Adopted Budget	FY 2021 Working Budget	FY 2022 Adopted Budget
<b>OPERATING REVENUE</b>				
Passenger Revenues (Bus Farebox)	\$ 381,562	\$ 331,712	\$ 331,712	\$ 326,995
Passenger Revenues (Rail Farebox)	452,075	248,579	248,579	262,917
Contract Service Revenue	3,378,826	3,458,402	3,633,760	3,915,759
<b>Total Operating Revenue</b>	<b>4,212,463</b>	<b>4,038,693</b>	<b>4,214,051</b>	<b>4,505,671</b>
<b>OPERATING EXPENSES</b>				
Salary, Wages & Benefits	11,609,934	11,644,525	11,900,215	10,890,950
Outsourced Services & Charges	4,884,281	4,355,878	5,282,535	5,061,632
Materials & Supplies	1,922,266	2,921,028	2,887,288	2,652,030
Utilities	431,838	506,668	508,810	526,281
Insurance	1,783,994	1,800,214	1,835,514	1,701,654
Purchased Transportation Services	10,091,453	10,732,539	11,203,657	16,680,162
Employee Development	185,783	295,739	296,039	294,045
Leases & Rentals	226,632	238,468	238,468	139,772
Depreciation	9,558,814	10,489,375	10,489,375	10,899,464
<b>Total Operating Expenses</b>	<b>40,694,995</b>	<b>42,984,434</b>	<b>44,641,901</b>	<b>48,845,990</b>
Operating Income / (Loss)	(36,482,532)	(38,945,741)	(40,427,850)	(44,340,319)
<b>NON-OPERATING REVENUE / (EXPENSE)</b>				
Investment Income	320,793	100,000	100,000	12,000
Misc. Revenues	419,978	-	200,000	-
Sales Tax Revenue	29,817,365	26,624,124	31,154,178	32,088,804
Federal Grants & Reimbursements	19,877,331	22,601,232	20,699,387	26,390,897
State Grants & Reimbursements	438,548	-	-	-
Long Term Debt Interest/Expense	(909,134)	(841,080)	(684,330)	(237,800)
<b>Total Non-Operating Revenue / (Expense)</b>	<b>49,964,881</b>	<b>48,484,276</b>	<b>51,469,235</b>	<b>58,253,901</b>
Income (Loss) Before Transfers	13,482,349	9,538,535	11,041,385	13,913,582
Transfers Out	(7,555,427)	(8,027,839)	(8,214,303)	(6,364,715)
Transfers In	7,555,427	8,027,839	8,214,303	6,364,715
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 13,482,349</b>	<b>\$ 9,538,535</b>	<b>\$ 11,041,385</b>	<b>\$ 13,913,582</b>
<b>Net Position - Beginning of Year:</b>	<b>327,800,795</b>	<b>337,218,981</b>	<b>337,218,981</b>	<b>337,036,764</b>
<b>Net Position - End of Year:</b>	<b>\$ 341,283,144</b>	<b>\$ 346,757,516</b>	<b>\$ 348,260,366</b>	<b>\$ 350,950,346</b>

*\*Includes DCTA & NTMC operating budget and transfers combined*

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

## CHANGE IN NET POSITION - DENTON COUNTY TRANSPORTATION AUTHORITY

	FY 2020 Actuals	FY 2021 Adopted Budget	FY 2021 Working Budget	FY 2022 Adopted Budget
<b>OPERATING REVENUE</b>				
Passenger Revenues (Bus Farebox)	\$ 381,562	\$ 331,712	\$ 331,712	\$ 326,995
Passenger Revenues (Rail Farebox)	452,075	248,579	248,579	262,917
Contract Service Revenue	3,378,826	3,458,402	3,633,760	3,915,759
<b>Total Operating Revenue</b>	<b>4,212,463</b>	<b>4,038,693</b>	<b>4,214,051</b>	<b>4,505,671</b>
<b>OPERATING EXPENSES</b>				
Salary, Wages & Benefits	4,398,509	4,193,211	4,263,661	5,103,643
Outsourced Services & Charges	4,683,164	3,955,959	4,882,316	4,610,662
Materials & Supplies	1,922,266	2,917,735	2,883,995	2,650,094
Utilities	431,838	506,668	508,810	526,281
Insurance	1,656,122	1,681,336	1,715,712	1,635,812
Purchased Transportation Services	10,091,453	10,732,539	11,203,657	16,680,162
Employee Development	170,770	241,304	241,604	235,385
Leases & Rentals	226,632	238,468	238,468	139,772
Depreciation	9,558,814	10,489,375	10,489,375	10,899,464
<b>Total Operating Expenses</b>	<b>33,139,568</b>	<b>34,956,595</b>	<b>36,427,598</b>	<b>42,481,275</b>
Operating Income / (Loss)	(28,927,105)	(30,917,902)	(32,213,547)	(37,975,604)
<b>NON-OPERATING REVENUE / (EXPENSE)</b>				
Investment Income	320,793	100,000	100,000	12,000
Misc. Revenues	419,978	-	200,000	-
Sales Tax Revenue	29,817,365	26,624,124	31,154,178	32,088,804
Federal Grants & Reimbursements	19,877,331	22,601,232	20,699,387	26,390,897
State Grants & Reimbursements	438,548	-	-	-
Long Term Debt Interest/Expense	(909,134)	(841,080)	(684,330)	(237,800)
<b>Total Non-Operating Revenue / (Expense)</b>	<b>49,964,881</b>	<b>48,484,276</b>	<b>51,469,235</b>	<b>58,253,901</b>
Income (Loss) Before Transfers	21,037,776	17,566,374	19,255,688	20,278,297
Transfers Out	(7,555,427)	(8,027,839)	(8,214,303)	(6,364,715)
Transfers In	-	-	-	-
<b>Total Transfers</b>	<b>(7,555,427)</b>	<b>(8,027,839)</b>	<b>(8,214,303)</b>	<b>(6,364,715)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 13,482,349</b>	<b>\$ 9,538,535</b>	<b>\$ 11,041,385</b>	<b>\$ 13,913,582</b>

## CHANGE IN NET POSITION - NORTH TEXAS MOBILITY CORPORATION

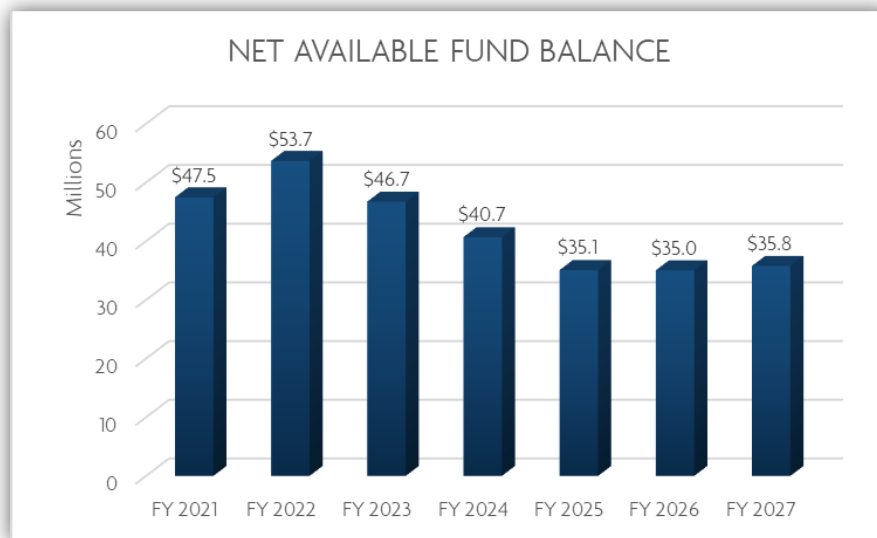
	FY 2020 Actuals	FY 2021 Adopted Budget	FY 2021 Working Budget	FY 2022 Adopted Budget
<b>OPERATING EXPENSES</b>				
Salary, Wages & Benefits	\$ 7,211,425	\$ 7,451,314	\$ 7,636,554	\$ 5,787,307
Outsourced Services & Charges	201,117	399,919	400,219	450,970
Materials & Supplies	-	3,293	3,293	1,936
Utilities	-	-	-	-
Insurance	127,872	118,878	119,802	65,842
Purchased Transportation Services	-	-	-	-
Employee Development	15,013	54,435	54,435	58,660
Leases & Rentals	-	-	-	-
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>7,555,427</b>	<b>8,027,839</b>	<b>8,214,303</b>	<b>6,364,715</b>
Income (Loss) Before Transfers	(7,555,427)	(8,027,839)	(8,214,303)	(6,364,715)
Transfers Out	-	-	-	-
Transfers In	7,555,427	8,027,839	8,214,303	6,364,715
<b>Total Transfers</b>	<b>7,555,427</b>	<b>8,027,839</b>	<b>8,214,303</b>	<b>6,364,715</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## LONG RANGE FINANCIAL PLAN

The Long Range Financial Plan for the agency is an integral piece of the budget process each year and serves as the foundation to build the budget. After the agency service objectives are identified each year, the executive staff presents to the Board of Directors a five year forecast that includes proposed capital projects as well as service level increases that have been identified. The impact of the proposed budget is then incorporated into the Long Range Financial Plan. With Board approval, this Long Range Financial Plan serves as the first building block of the budget.

The Long Range Financial Plan is a working document, evolving based on planned changes. The agency applies escalators to the current budget year to forecast future periods. These escalators are based on different resources including, but not limited to, the Employment Cost Index, Consumer Price Index, and data from the Energy Information Administration. All future periods are based on the current fiscal year budget and escalated based on the following major assumptions:

- Labor cost inflation is forecasted at a 3% increase for Administrative & Rail Operations and 4% for Bus Operations over prior year
- Health benefit cost inflation varies and is based on a historical average and current plans
- All contract rates for bus and rail service are based on current contracts and escalated per contract terms
- Escalation rates for fuel are based on the Energy Information Administration (EIA) forecasts
- Sales tax projections are increased at a rate of 2% for 2023 and 2024, 3% for 2025 forward.



*Net available fund balance is the balance after annual operating and capital expenses and after reserve funds have been removed.*

### Reserve Fund Policies

Adequate reserve levels are a necessary component of DCTA's overall financial management strategy and a key factor in external agencies' measurement of DCTA's financial strength. Funding priorities based on Board policy are in the order listed below:

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



## LONG RANGE FINANCIAL PLAN

- 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 Replacement/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 \$.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.



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

Contributions to the Capital Replacement/Infrastructure Maintenance, Sales Tax Stabilization and Fuel Stabilization Funds will be made from available funds as identified in the annual budget or amended budget. The 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 deemed appropriate at the time.

## LONG RANGE FINANCIAL PLAN

DENTON COUNTY TRANSPORTATION AUTHORITY LONG RANGE FINANCIAL PLAN FISCAL YEAR 2022 ADOPTED BUDGET									
	FY 2021 Working Budget	Adopted FY 2022	Proposed FY 2023	Proposed FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	FY2021-FY2027	
<i>Beginning Fund Balance:</i>	\$ 51,434,459	\$ 59,286,617	\$ 66,434,443	\$ 59,787,848	\$ 53,963,835	\$ 48,641,850	\$ 48,953,487	\$ 51,434,459	
<b>OPERATING REVENUES</b>									
Bus Operating Revenue	3,965,472	4,242,754	4,345,396	4,496,865	4,634,774	4,785,326	4,940,522	31,411,110	
Rail Operating Revenue	248,579	262,917	265,546	281,612	284,428	287,272	304,652	1,935,006	
Misc. Revenue	200,000	-	-	-	-	-	-	200,000	
<b>NON-OPERATING REVENUES</b>									
Sales Tax Revenue	31,154,178	32,088,804	32,730,580	33,385,192	34,386,747	35,418,350	36,480,900	235,644,751	
Operating Grants	19,143,234	21,781,841	7,873,101	7,873,101	7,873,101	7,873,101	7,873,101	80,290,581	
Investment Income	100,000	12,000	66,434	59,788	53,964	48,642	48,953	389,781	
<b>TOTAL REVENUES</b>	<b>54,811,463</b>	<b>58,388,316</b>	<b>45,281,058</b>	<b>46,096,558</b>	<b>47,233,015</b>	<b>48,412,691</b>	<b>49,648,129</b>	<b>349,871,230</b>	
<b>OPERATING EXPENSES</b>									
Bus Operating Expense	13,237,395	16,136,775	16,968,627	17,455,426	17,805,800	18,385,551	19,208,730	119,198,304	
Rail Operating Expense	13,891,495	15,149,321	15,236,232	15,675,160	16,112,864	16,587,455	17,057,216	109,709,742	
G&A Operating Expense	7,123,636	6,760,429	7,037,838	6,958,636	7,190,667	7,434,759	7,691,818	50,197,784	
<b>TOTAL OPERATING EXPENSES</b>	<b>34,252,526</b>	<b>38,046,525</b>	<b>39,242,697</b>	<b>40,089,223</b>	<b>41,109,330</b>	<b>42,407,765</b>	<b>43,957,764</b>	<b>279,105,830</b>	
<b>NET INCOME</b>	<b>20,558,937</b>	<b>20,341,791</b>	<b>6,038,361</b>	<b>6,007,335</b>	<b>6,123,684</b>	<b>6,004,926</b>	<b>5,690,365</b>	<b>70,765,400</b>	
<b>CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>									
Bus Fleet Replacement	1,062,600	-	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	7,062,600	
Professional Services / Technology Improvements	-	496,000	300,000	350,000	80,000	-	45,000	1,271,000	
Transit Safety Improvements	10,650	-	-	-	-	-	-	10,650	
Major Maintenance Items - Rail	2,124,693	1,836,442	1,859,543	2,034,860	2,897,164	3,327,187	2,109,209	16,189,098	
Major Maintenance Items - Bus	15,530	179,530	200,000	264,203	200,000	200,000	200,000	1,259,263	
Positive Train Control	209,655	5,448,820	-	-	-	-	-	5,658,475	
Infrastructure Acquisition - Old Town	11,745	-	634,981	-	-	-	-	646,726	
Brownfield Remediation	46,595	20,000	-	-	-	-	-	66,595	
Transportation Reinvestment Program (TRIP)	7,742,134	7,119,429	8,051,094	7,009,987	6,101,694	-	-	36,024,338	
<b>TOTAL CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>	<b>11,223,602</b>	<b>15,100,221</b>	<b>12,245,618</b>	<b>10,859,050</b>	<b>10,478,858</b>	<b>4,727,187</b>	<b>3,554,209</b>	<b>68,188,746</b>	
<b>TOTAL CAPITAL, MAINTENANCE &amp; OPERATING EXPENSES</b>	<b>45,476,128</b>	<b>53,146,746</b>	<b>51,488,315</b>	<b>50,948,273</b>	<b>51,588,189</b>	<b>47,134,952</b>	<b>47,511,973</b>	<b>347,294,576</b>	
<b>CAPITAL SOURCES</b>									
Capital Grants	1,556,153	4,609,056	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	11,265,209	
Capital Grants - Old Town	-	-	528,100	-	-	-	-	528,100	
<b>TOTAL CAPITAL SOURCES</b>	<b>1,556,153</b>	<b>4,609,056</b>	<b>1,548,100</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>11,793,309</b>	
<b>DEBT SERVICE</b>									
2009 Series Refunding Bonds	90,480	-	-	-	-	-	-	90,480	
2011 Series Contractual Obligations	1,082,040	-	-	-	-	-	-	1,082,040	
2020 Series Refunding Bonds	1,794,810	1,712,800	986,278	967,467	948,755	930,142	916,628	8,256,878	
2021 Series Refunding Bonds	72,000	990,000	1,001,160	1,024,832	1,038,056	1,055,960	1,073,480	6,255,488	
<b>TOTAL DEBT SERVICE</b>	<b>3,039,330</b>	<b>2,702,800</b>	<b>1,987,438</b>	<b>1,992,299</b>	<b>1,986,811</b>	<b>1,986,102</b>	<b>1,990,108</b>	<b>15,684,886</b>	
Internal Debt Service Coverage:	6.76	7.53	3.04	3.02	3.08	3.02	2.86		
<i>Outstanding Bond Principal as of September 30th</i>	<i>21,180,000</i>	<i>18,800,000</i>	<i>17,025,000</i>	<i>15,225,000</i>	<i>13,410,000</i>	<i>11,575,000</i>	<i>9,715,000</i>		
<b>ENDING FUND BALANCE</b>	<b>59,286,617</b>	<b>66,434,443</b>	<b>59,787,848</b>	<b>53,963,835</b>	<b>48,641,850</b>	<b>48,953,487</b>	<b>50,119,536</b>	<b>50,119,536</b>	
<i>Less Required Fund Balance (O&amp;M Reserve Policy)</i>	<i>8,563,132</i>	<i>9,511,631</i>	<i>9,810,674</i>	<i>10,022,306</i>	<i>10,277,333</i>	<i>10,601,941</i>	<i>10,989,441</i>		
<i>Less Sales Tax Stabilization Fund</i>	<i>934,625</i>	<i>962,664</i>	<i>981,917</i>	<i>1,001,556</i>	<i>1,031,602</i>	<i>1,062,550</i>	<i>1,094,427</i>		
<i>Less Fuel Stabilization Fund</i>	<i>326,000</i>	<i>286,189</i>	<i>262,009</i>	<i>262,009</i>	<i>262,009</i>	<i>262,009</i>	<i>262,009</i>		
<i>Less Capital/Infrastructure Fund</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>		
<b>NET AVAILABLE FUND BALANCE</b>	<b>\$ 47,462,860</b>	<b>\$ 53,673,959</b>	<b>\$ 46,733,248</b>	<b>\$ 40,677,965</b>	<b>\$ 35,070,906</b>	<b>\$ 35,026,987</b>	<b>\$ 35,773,660</b>		

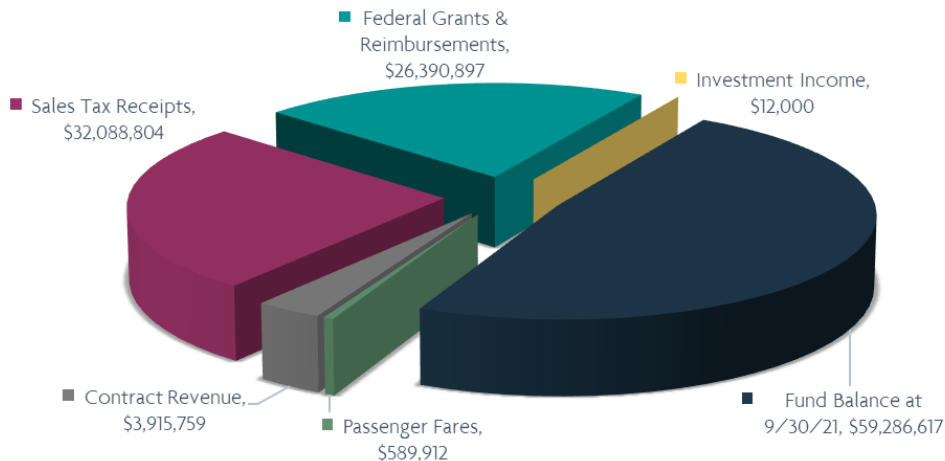
The Long Range Financial Plan reflects the projection for FY21 as well as the FY22 adopted operating and capital budget. Even with the impacts of COVID-19, the financial plan of the agency remains stable and is conservative. Passenger revenues reflect an increase of 5% every three years. DCTA staff and Board of Directors have developed strategies to successfully respond to uncertainties and risks of the economic environment that could arise and will continue to be diligent in maintaining the financial health of the agency.

The FY22 budget anticipates an increase in fund balance of \$7.1 million or 12% due to the one-time influx of American Rescue Plan (ARP) Act Funding. Of the \$14.1M in award, the FY22 budget anticipates \$13.3M in reimbursements.

SOURCES AND USES OF FUNDS

### DCTA Fiscal Year 2022 Sources of Funds

\$122,283,989



### DCTA Fiscal Year 2022 Uses of Funds

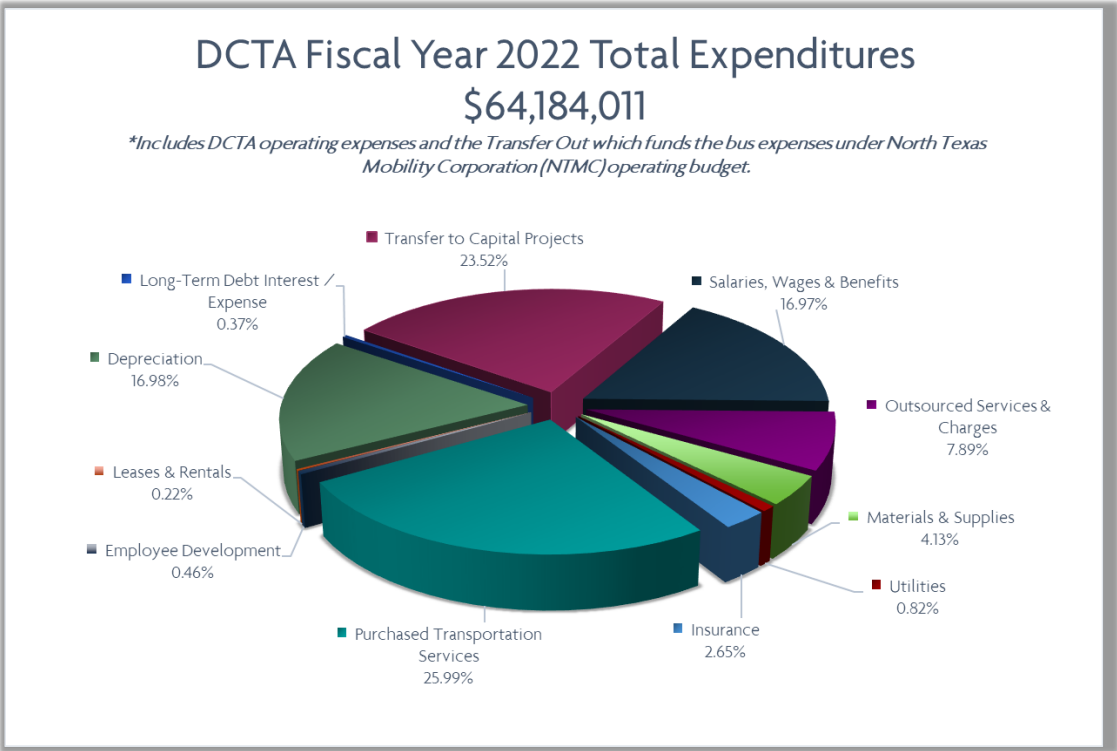
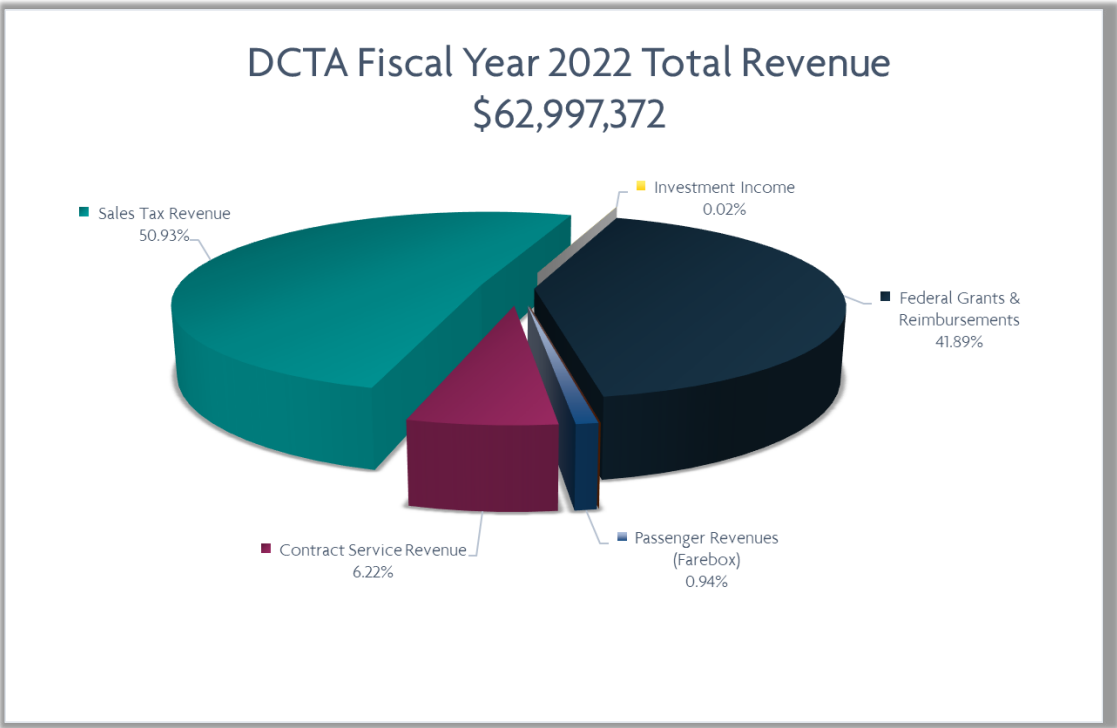
(Excluding Depreciation)

\$55,849,546<sup>1</sup>



<sup>1</sup> Includes DCTA operating expenses and the Transfer Out which funds the bus expenses under North Texas Mobility Corporation (NTMC) operating budget.

REVENUE AND EXPENDITURE CHARTS





## OPERATING EXPENSES BY DIVISION AND DEPARTMENT

## GENERAL AND ADMINISTRATIVE

		FY 2020 Actual		FY 2021 Adopted Budget		FY 2021 Working Budget		FY 2022 Budget
President/CEO	\$	697,919	\$	824,012	\$	741,152	\$	720,773
Administration		348,310		368,298		370,535		396,756
Board of Directors		383,061		94,585		1,011,418		352,726
Finance		1,464,457		1,750,971		1,893,150		2,221,284
Strategic Planning & Development		862,438		1,113,199		780,816		650,356
Marketing & Communications		855,364		759,809		958,434		1,214,706
Transit Management		107,331		550,412		559,768		-
Human Resources		190,252		202,367		205,656		423,097
Information Technology		553,383		537,476		602,707		780,731
<b>Total General &amp; Administrative</b>		<b>5,462,516</b>		<b>6,201,129</b>		<b>7,123,636</b>		<b>6,760,429</b>

## RAIL OPERATIONS

		FY 2020 Actual		FY 2021 Adopted Budget		FY 2021 Working Budget		FY 2022 Budget
Rail Services		13,741,361		13,486,327		13,791,495		15,049,321
<b>Total Rail Operations</b>		<b>13,741,361</b>		<b>13,486,327</b>		<b>13,791,495</b>		<b>15,049,321</b>

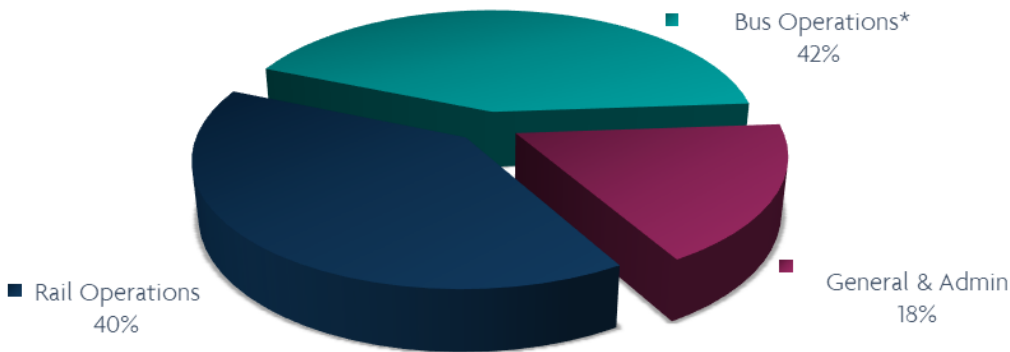
## BUS OPERATIONS

*Includes DCTA operating expenses & the Transfer Out which funds the bus expenses under North Texas Mobility Corporation (NTMC) operating budget.*

		FY 2020 Actual		FY 2021 Adopted Budget		FY 2021 Working Budget		FY 2022 Budget
Bus Services Administration		1,537,548		1,586,399		1,554,757		1,569,733
Mobility Services		544,546		385,550		394,558		685,972
Fixed Route Service		2,947,015		2,969,029		3,007,637		916,384
UNT Contract Service		1,581,838		1,772,046		1,697,046		2,399,377
Demand Response Service		991,579		970,631		1,082,716		723,560
GoZone		-		-		-		5,335,368
North Texas Xpress		373,610		368,023		368,023		61,247
Maintenance		1,943,206		2,276,307		2,451,671		2,217,823
Supervisors & Dispatch		769,824		1,059,199		1,067,591		885,445
NCTC Contract Service		87,396		-		-		-
Frisco Contract Service		180,960		307,934		307,934		160,334
Collin County Transit Contract Service (CCT-McKinney)		187,085		50,567		220,145		60,488
Mobility as a Service (MaaS)		254,484		348,980		348,980		340,266
Customer Service (DDTC)		527,143		712,938		736,337		780,779
<b>Total Bus Operations</b>		<b>11,926,234</b>		<b>12,807,603</b>		<b>13,237,395</b>		<b>16,136,776</b>
<i>Total Depreciation</i>		<i>9,558,813</i>		<i>10,489,375</i>		<i>10,489,375</i>		<i>10,899,464</i>
<b>TOTAL OPERATING EXPENSES + TRANSFERS OUT</b>	<b>\$</b>	<b>40,688,924</b>	<b>\$</b>	<b>42,984,434</b>	<b>\$</b>	<b>44,641,901</b>	<b>\$</b>	<b>48,845,990</b>

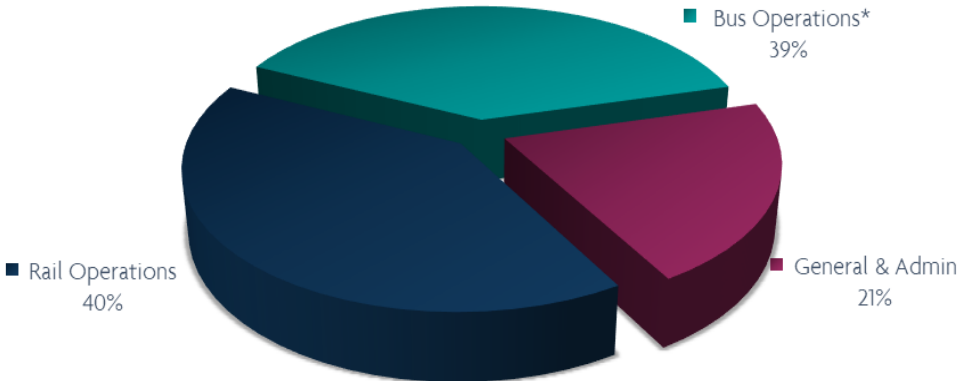
OPERATING EXPENSES BY DIVISION AND DEPARTMENT

### Fiscal Year 2022 Operating Expense by Division



\*Bus Operations includes DCTA operating expenses and the Transfer Out which funds the bus expenses under North Texas Mobility Corporation (NTMC) operating budget.

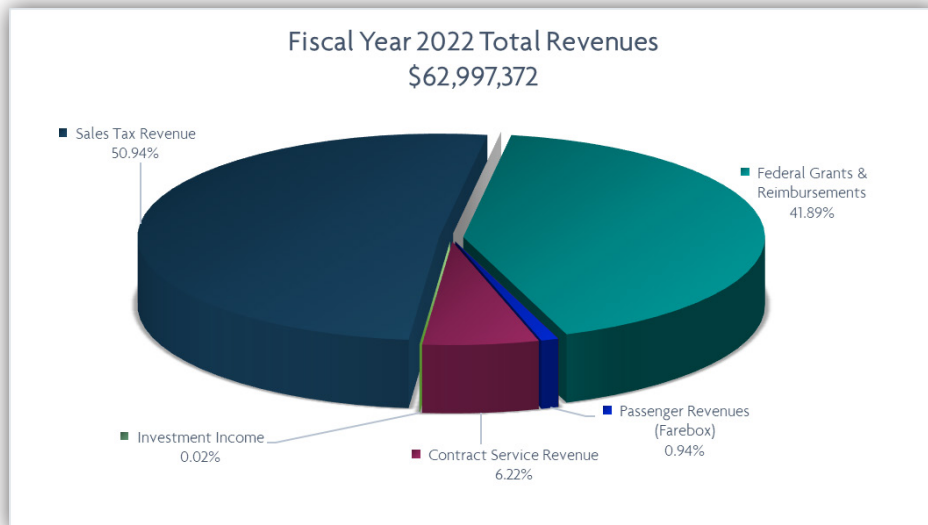
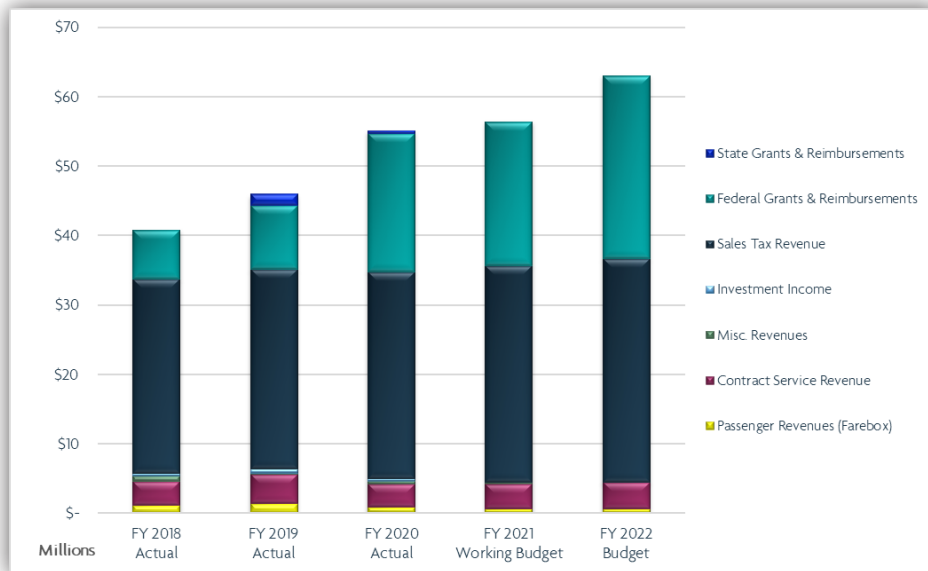
### Fiscal Year 2021 Operating Expense by Division



\*Bus Operations includes DCTA operating expenses and the Transfer Out which funds the bus expenses under North Texas Mobility Corporation (NTMC) operating budget.

## REVENUE SOURCES - FIVE YEAR TREND

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Actual	Actual	Actual	Working Budget	Budget
<b>REVENUE SOURCE</b>					
Passenger Revenues (Farebox)	\$ 1,114,733	\$ 1,357,691	\$ 833,637	\$ 580,291	\$ 589,912
Contract Service Revenue	3,416,001	4,201,278	3,378,826	3,633,760	3,915,759
Sales Tax Revenue	27,937,707	28,735,383	29,817,364	31,154,178	32,088,804
Investment Income	350,924	597,793	320,793	100,000	12,000
Misc. Revenues	860,988	228,499	419,977	200,000	-
Federal Grants & Reimbursements	7,116,198	9,146,240	19,877,331	20,699,387	26,390,897
State Grants & Reimbursements	-	1,706,197	438,548	-	-
<b>TOTAL REVENUES</b>	<b>\$ 40,796,551</b>	<b>\$ 45,973,081</b>	<b>\$ 55,086,477</b>	<b>\$ 56,367,616</b>	<b>\$ 62,997,372</b>



## BUDGET ASSUMPTIONS

Due to the ongoing COVID-19 pandemic and the substantial change in fixed route and on-demand service levels beginning in September 2021, the budget process for FY22 proved to be difficult. Typically, staff would be able to rely on trend analysis in order to build budget assumptions, both for revenues and expenses. With the impact that COVID-19 has had on service levels & ridership since FY20 and the newly implemented GoZone on-demand service, trend analysis could not be relied upon.

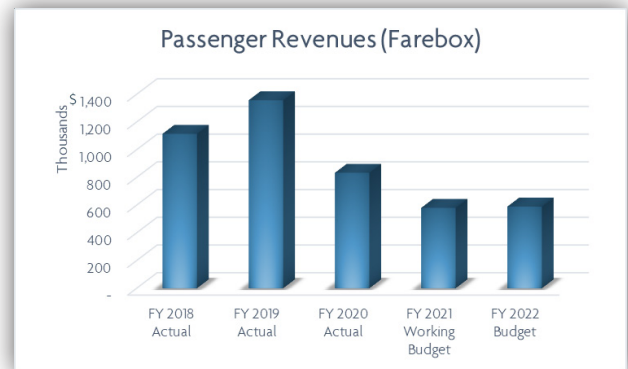
The following factors served as the building blocks for the fiscal year 2022 budget and are outlined in more detail in the following pages:

- Increase in sales tax revenue
- Decrease in passenger revenues
- Fixed route service level reductions
- Introduction of GoZone on-demand service
- Additional federal grant funding

**REVENUE & OTHER INCOME**

Department specific revenue budgets, such as Passenger Revenues (Farebox), are the responsibility of the department since the staff in each department is the most knowledgeable source of information. Likewise, the Finance Department is responsible for Sales Tax Revenue estimates. Revenue forecasts are largely based on trend analysis, with an emphasis on current and expected future economic conditions in the national, state, and local economy.

The DCTA sales tax rate is one half of a percent of taxable goods and services sold within the three member cities of Denton, Highland Village, and Lewisville. Local businesses within member cities collect the tax, remit it to the State Comptroller, and then it is disbursed to the state, cities, transit authorities, and other taxing jurisdictions.

**PASSENGER REVENUES (FAREBOX)**

Passenger revenues consist of farebox collections and ticket sales for the DCTA bus and paratransit services as well as rail farebox revenue. The budget is calculated using projected ridership and average fare per rider. Total passenger revenue is projected at an increase of 1.66% from the FY21 working budget. Bus passenger fares are assumed at a decrease of 1.42% based on current ridership trends. For rail passenger fares, we are estimating a 5.77% increase. The current forecast is conservative, with ridership increasing annually by 1% in the following years and passenger revenues increasing by 5% every 3 years.

**CONTRACT SERVICE REVENUE**

Contract service revenue consists of revenue or income related to providing transit services to UNT, McKinney Urban Transit District (Collin County Transit), Frisco and Coppell. Contract revenues are specific to each service and the respective contract terms. Service hours, contract rates and fuel expense are all components to be reviewed. The FY22 budget reflects a 7.76% increase (or \$281,999) over the 2021 working budget and is based on current contract rates for each service.

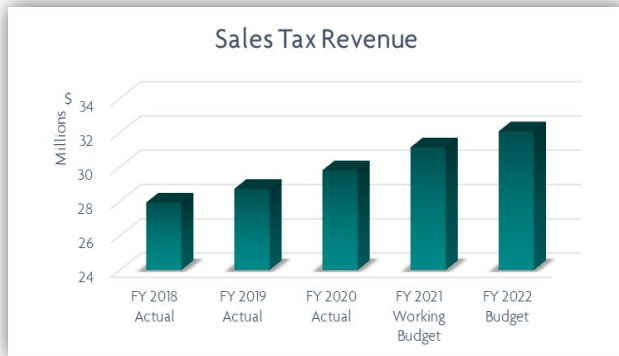
DCTA will no longer provide service to Collin



## BUDGET ASSUMPTIONS

County Transit after December 2021, as the service will be managed by DART going forward. This change results in a decrease in contract revenues of \$203k, which is offset by an increase of \$356k for UNT contract service revenue due to the return to a full bus schedule and return of all students to on campus classes for FY22 causing anticipated ridership to increase from 671k in the FY21 budget to 1.2M in the FY22 budget projections.

## SALES TAX REVENUE



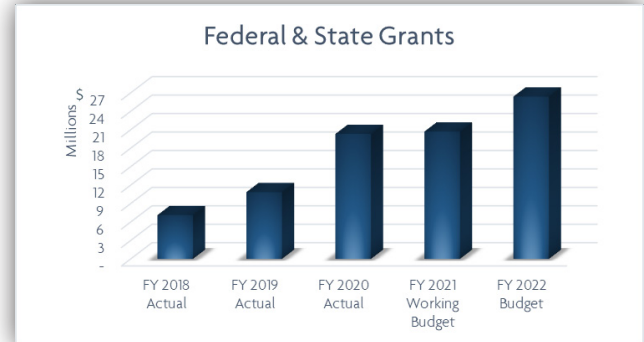
Sales tax represents the single largest source of revenue for DCTA at 50.94% for the Fiscal Year 2022 budget. With the ever-changing economy, it has always been the philosophy of staff and the Board to budget sales tax conservatively. In addition, the changing landscape with consumers migrating to on-line purchases from the traditional brick and mortar retail stores could impact local sales tax.

Sales Tax Revenue is a non-operating revenue source for DCTA. DCTA collects a one-half percent sales tax in member cities. Sales tax revenue for the 2022 budget year is a 3% escalation over the projected sales tax budget for FY21. 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 level.

## GRANTS &amp; REIMBURSEMENTS

Grant revenue consists of revenue or income from various grants available to DCTA from the federal or state government. Typically, the majority of

grant funding that the agency receives is 5307 federal formula funds through the Federal Transit Administration from the annual Program of Projects. The average apportionment for DCTA of 5307 funds is \$6.7 million. In FY22, DCTA anticipates \$26.4 million in federal grants. All grant funds are received on a reimbursement basis where all drawdown requests occur after the expense has been paid.



Operating grants are used to fund projects such as preventive maintenance, eligible bus transit operations, and the vanpool program. In FY22, DCTA has assumed \$21.8M in federal operating grants. The majority of these grant funds, \$13.3 million are attributed to American Rescue Plan (ARP) funds that DCTA was the designated recipient for the Denton-Lewisville UZA, which received a total of \$14.1M. The ARP funds have been programmed in FY21 – FY22 and will be used for operating assistance, preventive maintenance, and payroll expenses.

OPERATING EXPENSES & ASSOCIATED GRANTS	FY 2022 OPERATING EXPENSE	FEDERAL REIMBURSEMENT PERCENTAGE	TOTAL FY 2022 OPERATING GRANTS
<b>BUS PREVENTIVE MAINTENANCE</b>			
TX-2019-071-00 (FY18 5307 funds)	\$ 353,699	80%	\$ 282,959
TBD (FY20 5307 funds)	\$ 866,774	100%	\$ 866,774
<b>OPERATING ASSISTANCE</b>			
TX-2020-124-00 (FY19 5307 funds)	\$ 1,421,416	50%	\$ 710,708
TBD (FY20 5307 funds)	\$ 3,703,949	50%	\$ 1,851,974
<b>ADA OPERATING ASSISTANCE</b>			
TX-2020-124-00 (FY19 5307 funds)	\$ 300,000	100%	\$ 300,000
<b>VANPOOL</b>			
TX-2020-048-00 (FY18 Funds)	\$ 77,000	100%	\$ 77,000
TX-2021-012-00 (FY19 Funds)	\$ 143,784	100%	\$ 143,784
<b>RAIL FIXED GUIDEWAY</b>			
FY20 5337 Funds	\$ 1,972,516	100%	\$ 1,972,516
FY21 5337 Funds	\$ 2,232,774	100%	\$ 2,232,774
AMERICAN RESCUE PLAN (ARP) - BUS OPERATING ASSISTANCE	\$ 2,509,567	100%	\$ 2,509,567
AMERICAN RESCUE PLAN (ARP) - RAIL OPERATING ASSISTANCE	\$ 7,526,627	100%	\$ 7,526,627
AMERICAN RESCUE PLAN - G&A OPERATING ASSISTANCE	\$ 3,307,158	100%	\$ 3,307,158
<b>TOTAL OPERATING GRANTS</b>	<b>\$ 24,415,264</b>		<b>\$ 21,781,841</b>

## BUDGET ASSUMPTIONS

Capital grants are used to fund capital projects such as fleet replacement, construction, hike & bike trails, and Positive Train Control. In FY22, capital grants are budgeted at \$4.6 million.

CAPITAL PROJECTS & ASSOCIATED GRANTS	FY 2022 CAPITAL PROJECT EXPENDITURE	FEDERAL REIMBURSEMENT PERCENTAGE	TOTAL FY 2022 CAPITAL GRANTS
POSITIVE TRAIN CONTROL ENHANCEMENTS	\$ 4,851,820	80%	\$ 3,881,456
POSITIVE TRAIN CONTROL IMPLEMENTATION	\$ 597,000	80%	\$ 477,600
INTEGRATED FARE PAYMENT	\$ 300,000	100%	\$ 250,000
<b>TOTAL CAPITAL PROJECTS &amp; ASSOCIATED GRANTS</b>	<b>\$ 5,748,820</b>		<b>\$ 4,609,056</b>

**INVESTMENT INCOME**

Investment income has shown a decrease in FY21. DCTA's portfolio average yield was .043% as of September 2021 due to sustained low interest rates as a result of economic impacts of COVID-19. DCTA utilizes different investment vehicles such as Local Government Investment Pool, US Treasury Notes and US Agency Securities.

**OPERATING EXPENSES**

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

In FY19, DCTA created a Local Government Corporation (LGC) called North Texas Mobility Corporation (NTMC). NTMC is a subsidiary of DCTA and acts on behalf of its creating authority, governed by Chapter 431 of the Texas Transportation Code. DCTA has entered into an Interlocal Agreement (ILA) with NTMC to provide mobility services and management of ongoing operations, including fixed-route, demand-response, ADA/paratransit, fare collection and enforcement services, maintenance, service operation, and DCTA's customer service/call center. The purpose of creating NTMC was to elevate overall performance and enhance customer service. By creating the LGC, DCTA has greater ability to monitor and hold accountable the bus operations contractor, ultimately ensuring passengers have the best possible experience using the transit system.

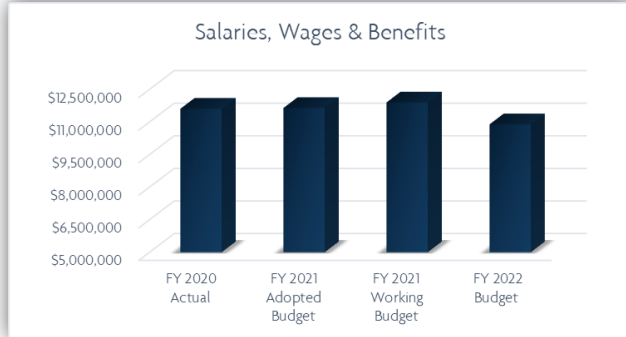
In addition to the Interlocal Agreement for service provision, NTMC has contracted with DCTA to provide administrative support services including information technology and help desk services, internal and external marketing and communications, transit planning, data analytics, contracts and procurements, accounts payable/accounts receivable, accounting, budget preparation, legal services, and oversight of payroll processing.

Finally, the agreement with NTMC is intended to decrease bus operations costs while increasing operational efficiencies and improving the quality of service provided. NTMC allows DCTA to provide consistent employee benefits, improve service strategy, operations, communications, increase employee support, improve employee morale, reduce employee turnover, improve the quality of service, and enhance the overall passenger experience.

The NTMC operating budget includes Salaries & Wages, Benefits and other expenses directly related to the employees under bus operations. These include advertising related to job postings, drug/background screenings, payroll fees, workers compensation insurance and employee training. All other operating expenses for bus operations are included in the DCTA operating budget. The NTMC budget is funded by DCTA.

DCTA entered into a rail operations contract directly with Rio Grande Pacific Corporation in October 2020. This contract supports the train operations (service hours, fuel, maintenance, etc.) and is accounted for in the Purchased Transportation expense category.

## BUDGET ASSUMPTIONS

**SALARY, WAGES AND BENEFITS**

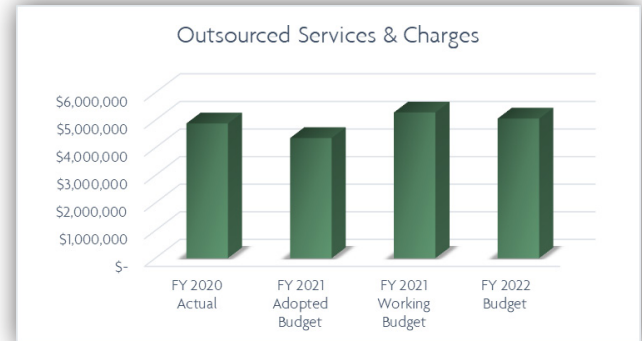
This expense category includes DCTA and NTMC payroll, employer taxes, health insurance premiums, and related benefits. The FY22 budget reflects a 8.48% decrease compared to the FY21 working budget for this category.

With the transition of fixed route service provided by NTMC to an on-demand service model with GoZone, this results in an overall reduction of 66k service hours. Due to the large reduction in fixed route service hours anticipated, NTMC bus operations staff budgeted assumes a reduction of 38 FTEs or a 33% decrease.

The FY22 budget includes five additional FTEs in the administrative division to address the overall staffing needs of the agency. These include an Accounting Manager, Finance Assistant, Director of Public Involvement & Communications, Supply Coordinator and Mobility Services Coordinator. Total DCTA staff increased by a total of four FTEs due to the elimination of the VP of Mobility Services & Administration position previously budgeted. Please refer to page 59 for the Full-Time Equivalent Comparison Schedule for a more detailed breakdown.

This budget incorporates an increase of 10% in health care benefits for DCTA and NTMC based on the current plan design. This is based on analysis of employee health benefits and projections of anticipated increases in the cost of health care. All final benefit rates are not yet received or negotiated for the upcoming year before the budget is finalized, so estimates are required.

NTMC, which provides the bus operations for DCTA, includes an average rate increase from \$18.81/hour in FY21 to \$19.51 for the months of October and November, \$20.86 for December through March and \$21.55 for April through September 2022 for operators. Operator rates are outlined by the Union CBA currently in place.

**OUTSOURCED SERVICES AND CHARGES**

The outsourced services & charges category consists of DCTA contracts and purchase of services from consultants and is lower than the FY21 working budget by 4% due to a reduction in professional services. Legal fees, contracted work such as engineering and architectural services, and maintenance of DCTA's assets and facilities are reflected in this category.

**MATERIALS AND SUPPLIES**

This expense category includes office supplies, non-capital expense for furniture and computers, fuel, parts, and lubricants for operations, etc. The FY22 budget for this category is lower than FY21 working budget by 8% due to a reduction in fuel expense for bus operations resulting from the reduction in fixed route service hours. In FY22 the fuel is budgeted at \$3.00/gallon for rail and bus operations.

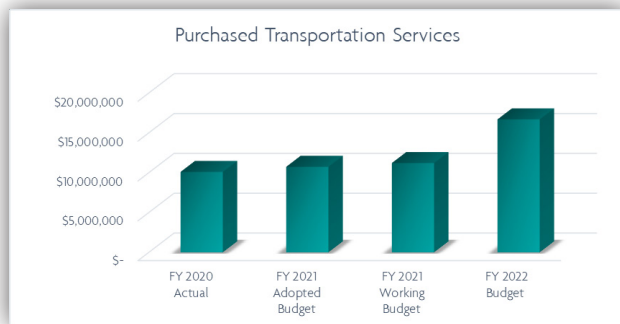
## BUDGET ASSUMPTIONS

**UTILITIES**

This expense category includes gas, electric and communication expenses. The FY22 budget reflects an increase of \$17k compared to the FY21 working budget and is based on current expenses incurred by the agency.

**INSURANCE**

This expense category includes liability and property coverage as well as workers compensation insurance. The budget item reflects a decrease of 7% and is based on current insurance rates of the agency.

**PURCHASED TRANSPORTATION SERVICES**

This expense category includes all purchased transportation services provided under a third party contract.

- This includes an Interlocal Agreement with DART and Trinity Metro for shared services for the maintenance of the Trinity Mills platform, Ticket Vending Machine (TVM) maintenance and revenue collection, and emergency dispatch.
- DCTA entered into a contract with Rio Grande Pacific Corporation for rail operations and maintenance in October 2020. This contract includes management fees, maintenance of way, vehicle maintenance, train hours and car miles. Rail purchased transportation is \$10.6M in FY22 and is based on the current contract rate. It also assumes \$200k for the Positive Train Control (PTC) operational cost estimate that will begin in FY22.
- In June 2017, the City of McKinney, the McKinney Urban Transit District (MUTD) and DCTA partnered to launch Collin County Transit

(CCT). This service consists of a subsidized taxi voucher program that provides efficient transit options for participating MUTD cities including McKinney, Lowry Crossing, Melissa, Princeton, Celina and Prosper. This service is included in the first quarter of FY22, at which point the service will be managed by DART.

- The Frisco demand response contract service is also included under Purchased Transportation and is based on the current contract.
- In FY19, Trinity Metro and DCTA partnered to develop the on-demand Alliance service and deployed a simplified service by leveraging DCTA's existing contract with Lyft. Alliance Link was developed to fill the transportation gap between the North Texas Xpress bus stops and the passengers' places of employment, which could be roughly a mile.
- In January 2019, DCTA issued a Request for Proposals (RFP) to solicit innovative proposals to implement flexible, efficient, and effective mobility services to enhance and/or supplement DCTA's existing transit offerings as well as provide service to areas where traditional transportation options are less effective.

In 2019, DCTA expanded its transit offerings with its new Mobility-as-a-Service (MaaS) contract model becoming a "broker of services" to provide customized mobility solutions for various communities. The contract model provides DCTA with an innovative toolbox of mobility solutions that include any combination of options from car, scooter and bike sharing, taxis, driverless vehicles to integrated travel planning and fare payment. The move is part of the agency's focus on providing more options as the face of mobility in cities and regions continues to evolve.

In September 2021, DCTA launched GoZone, a new on-demand rideshare service powered by Via that operates seven days a week, 365 days a year. Via acts as a third-party provider and under this new contract service, DCTA is billed an hourly rate based on the contract terms. In FY22,



## BUDGET ASSUMPTIONS

this contract increased purchased transportation by \$5.3 million.

- Vanpool service has decreased by \$100k in FY22. DCTA's portion of the expense is 100% grant funded.

**EMPLOYEE DEVELOPMENT**

This expense category includes travel and lodging, dues and memberships, seminars and conferences, staff training and development and other minor expenses that do not fit into the categories above. Examples of these items include:

- Training opportunities for DCTA staff
- Training for NTMC staff
- Annual Tuition Reimbursement Program
- Agency membership dues

**LEASES AND RENTALS**

Leases and rental expense include DCTA office leases at the Lewisville location as well as small printer/copier lease contract expenses. The FY22 budget is based on current contracted lease rates.

**DEPRECIATION**

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

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

This category accounts for the expenses related to long-term debt issuance and includes the interest payments. In FY21, DCTA refunded its existing 2009 debt and issued a Sales Tax Revenue Refunding Series 2020 bond issue for \$12.93 million and refunded its existing 2011 debt and issued a Sales Tax Refunding Series 2021 bond issue for \$9.94 million. The FY22 budget reflects the interest payments for these outstanding debts. Please refer to the debt tables on pages 56-58 for additional information.

## DEBT SCHEDULE

**SALES TAX REVENUE REFUNDING BONDS, SERIES 2020**  
**\$12,930,000**

**DATE** November 19, 2020

**INTEREST** Semi-annual each March and September, commencing November 2020. Interest accrues at a fixed rate of 0.99%.

**PURPOSE** The bonds were issued in order to refund the Sales Tax Revenue Bonds, Series 2009 dated December 17, 2009 and scheduled to mature on September 15, 2029. This allowed DCTA to take advantage of lower interest rates.

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

<b>DEBT SERVICE</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	2021 \$	1,605,000 \$	105,250 \$	1,710,250
	2022	1,600,000	112,118	1,712,118
	2023	890,000	96,278	986,278
	2024	880,000	87,467	967,467
	2025	870,000	78,755	948,755
	2026	860,000	70,142	930,142
	2027	855,000	61,628	916,628
	2028	845,000	53,163	898,163
	2029	830,000	44,798	874,798
	2030	825,000	36,581	861,581
	2031	805,000	28,413	833,413
	2032	2,065,000	20,444	2,085,444
	<b>TOTAL</b>	<b>\$ 12,930,000</b>	<b>\$ 795,033</b>	<b>\$ 13,725,033</b>

## DEBT SCHEDULE

**SALES TAX REVENUE REFUNDING BONDS, SERIES 2021**  
**\$9,940,000**

**DATE** September 30, 2021

**INTEREST** Semi-annual each March and September, commencing September 2021. Interest accrues at a fixed rate of 1.28%.

**PURPOSE** The bonds were issued in order to refund the Sales Tax Revenue Bonds, Series 2011 dated September 15, 2011 and scheduled to mature on September 15, 2031. This allowed DCTA to take advantage of lower interest rates.

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

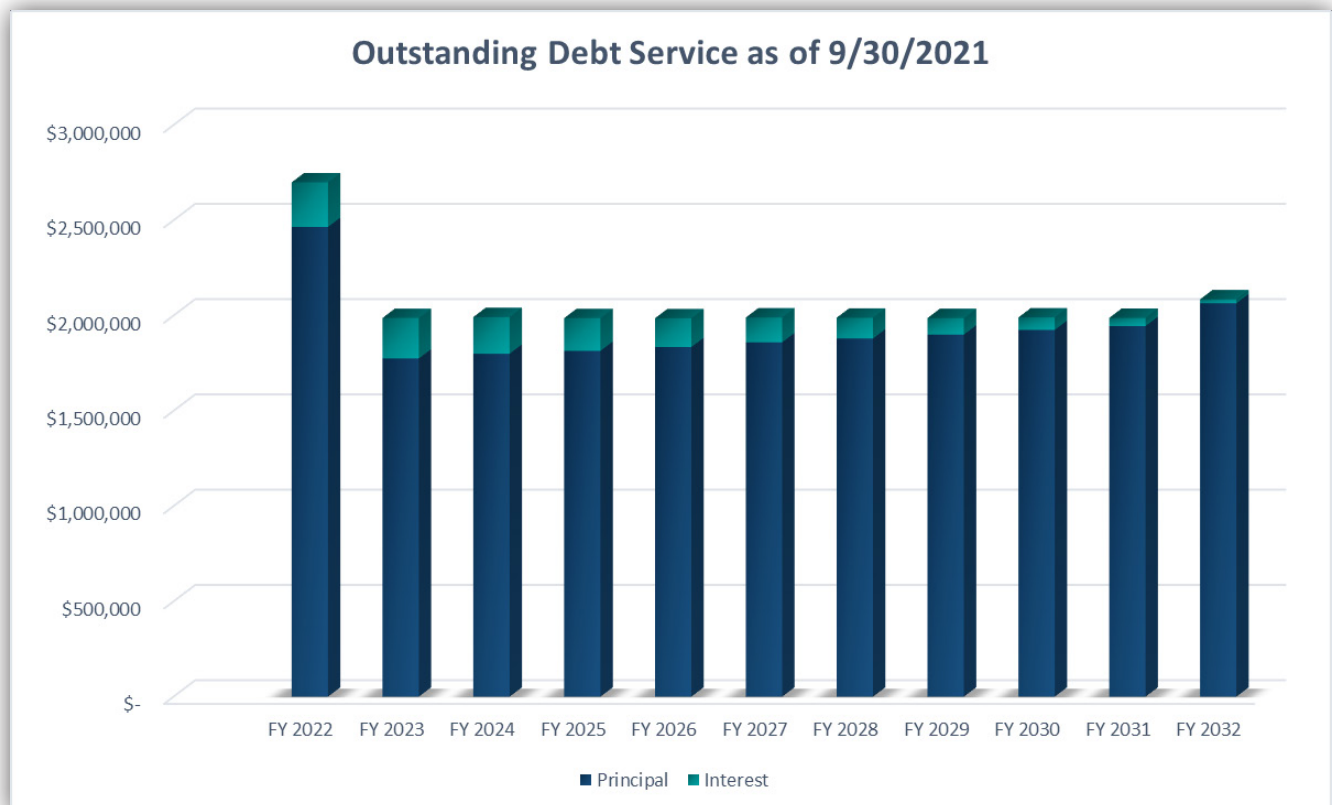
<b>DEBT SERVICE</b>	<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	2022 \$	865,000 \$	121,931 \$	986,931
	2023	885,000	116,160	1,001,160
	2024	920,000	104,832	1,024,832
	2025	945,000	93,056	1,038,056
	2026	975,000	80,960	1,055,960
	2027	1,005,000	68,480	1,073,480
	2028	1,035,000	55,616	1,090,616
	2029	1,070,000	42,368	1,112,368
	2030	1,100,000	28,672	1,128,672
	2031	1,140,000	14,592	1,154,592
	<b>TOTAL \$</b>	<b>9,940,000 \$</b>	<b>726,667 \$</b>	<b>10,666,667</b>

## DEBT SCHEDULE

## OUTSTANDING DEBT SCHEDULE AS OF 9/30/2021

Fiscal Year	Principal	Interest	Total
FY 2022	\$ 2,465,000	\$ 234,048	\$ 2,699,048
FY 2023	1,775,000	212,438	1,987,438
FY 2024	1,800,000	192,299	1,992,299
FY 2025	1,815,000	171,811	1,986,811
FY 2026	1,835,000	151,102	1,986,102
FY 2027	1,860,000	130,108	1,990,108
FY 2028	1,880,000	108,779	1,988,779
FY 2029	1,900,000	87,166	1,987,166
FY 2030	1,925,000	65,253	1,990,253
FY 2031	1,945,000	43,005	1,988,005
FY 2032	2,065,000	20,444	2,085,444
<b>TOTAL</b>	<b>\$ 21,265,000</b>	<b>\$ 1,416,449</b>	<b>\$ 22,681,449</b>

The existing debt levels are in line with DCTA's internal debt coverage ratio requirement of 1.25X and the debt has a minimal impact on current operations of the agency at 4.89% of total annual budget (operating + capital). The agency does not have a legal debt limit. Detailed information regarding the Debt Policy can be found in the Financial Management Policies located in the Appendix.





## FULL-TIME EQUIVALENT (FTE) COMPARISON

DIVISION SUMMARY				
	FY 2020	FY 2021 Working Budget	FY 2022 Proposed Budget	Variance
<b>GENERAL &amp; ADMINISTRATIVE DIVISION</b>				
President/CEO Department	1.00	1.00	1.00	-
Administration Department	2.00	2.00	2.00	-
Finance Department	11.00	11.00	13.00	2.00 (A)
Strategic Planning & Development Department	5.00	4.00	3.60	(0.40) (B), (C)
Marketing & Communications Department	5.00	4.00	5.00	1.00 (D)
Transit Management Department	-	3.00	-	(3.00) (C), (E), (F)
Human Resources Department	1.50	2.00	2.00	-
Information Technology Department	3.00	3.00	3.00	-
<b>BUS OPERATIONS DIVISION</b>				
Mobility Services Department	4.00	4.00	6.40	2.40 (B), (F), (G)
<b>RAIL OPERATIONS DIVISION</b>				
Rail Development Department	3.00	2.00	4.00	2.00 (B), (C), (F)
<b>TOTAL DCTA FTE STAFF</b>	<b>35.50</b>	<b>36.00</b>	<b>40.00</b>	<b>4.00</b>
<b>THIRD PARTY CONTRACT OPERATIONS</b>				
Contracted Bus Services (NTMC)*	137.00	118.00	80.00	(38.00) (I)
Contracted Rail Services (Rio Grande Pacific + Subcontractors)	45.00	45.00	45.00	-
<b>TOTAL THIRD PARTY CONTRACT OPERATIONS</b>	<b>182.00</b>	<b>163.00</b>	<b>125.00</b>	<b>(38.00)</b>

\*Contracted Bus Services FTE methodology is based on operator hours.

(J)

- (A) Addition of Accounting Manager and Finance Assistant (2 FTEs)
- (B) Transfer of Director of Capital Development (1 FTE) from Strategic Planning & Development to Mobility Services (0.2 FTE) and Rail (0.8 FTE)
- (C) Transfer of Deputy CEO (1 FTE) from Transit Management to Strategic Planning & Development (0.6 FTE) and Rail (0.4 FTE)
- (D) Addition of Director of Public Involvement & Communications (1 FTE)
- (E) Deletion of VP, Mobility Services & Administration (1 FTE)
- (F) Transfer of Project Controls Coordinator (1 FTE) from Transit Management to Mobility Services (0.2 FTE) and Rail (0.8 FTE)
- (G) Addition of Supply Coordinator and Mobility Services Coordinator (2 FTEs)
- (H) FY21 Changes: Conversion of part-time HR Assistant to full-time Human Resources & Training Specialist (net +0.5 FTE)
- (I) Elimination of Quality Control Coordinator (1 FTE), Customer Service Shift Supervisors (2 FTEs), Mobility Service Dispatcher (1 FTE), Trainer (1 FTE), Mechanics (3 FTEs) and Service Attendants (3 FTEs); addition of Lead Custodian (1 FTE); addition of Mobility Service Representatives (2 FTEs); Reduction of Bus Operators (30 FTEs) due to 66k decreased service hours provided by NTMC
- (J) FY21 Changes: Reduction of Bus Operators (22 FTEs) due to 47k decreased service hours as a result of measures taken during COVID-19 pandemic; addition of service attendants (3 FTEs) to accommodate additional vehicle cleaning in response to COVID-19

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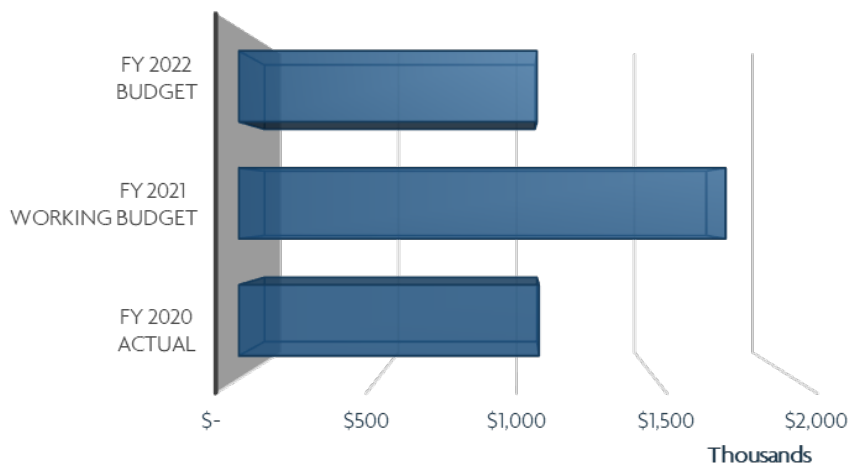
# DIVISION BUDGETS

## OFFICE OF THE CEO

## OFFICE OF THE CEO AND BOARD OF DIRECTORS

Provides professional leadership, guidance, and coordination in the implementation of the policies established by the Board of Directors. The CEO also oversees intergovernmental relations and communications with local, regional, state and federal agencies and organizations. The department is responsible for the overall direction, supervision, and coordination of DCTA's activities.

EXPENSES	FY 2020 Actual	FY 2021 Working Budget	FY 2022 Budget
Salary, Wages & Benefits	\$ 316,384	\$ 350,472	\$ 371,183
Outsourced Services & Charges	688,707	1,304,958	617,726
Materials & Supplies	5,731	500	1,200
Utilities	-	-	-
Insurance	-	-	-
Employee Development	70,158	96,640	83,390
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$ 1,080,981</b>	<b>\$ 1,752,570</b>	<b>\$ 1,073,499</b>
<b>STAFFING</b>			
CEO	1.00	1.00	1.00
<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>



### MATERIAL BUDGET ITEMS:

- FY22 Outsourced Services & Charges includes \$292k for a Transformation Initiative Project Management Task Order in comparison to the \$933k that was included in the FY21 working budget



## FY22 OBJECTIVES & PERFORMANCE MEASURES – OFFICE OF THE CEO

# LOOKING AHEAD

### ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES

#### OBJECTIVE:

- DEVELOP AND IMPLEMENT A PLAN TO COMMUNICATE DCTA VISION, STRATEGIC PRIORITIES AND TRANSFORMATION INITIATIVE IMPLEMENTATION ROADMAP TO AUTHORITY STAKEHOLDERS

### FOSTER A POSITIVE IMAGE AND BUILD A STRONG AGENCY BRAND AND A GREAT CULTURE ACROSS THE ORGANIZATION

#### OBJECTIVE:

- PROMOTE, FOSTER AND SUSTAIN A SERVANT LEADERSHIP PROGRAM AND MAINTAIN A “SERVICE” FOCUSED CULTURE

## PERFORMANCE MEASURE RESULTS – OFFICE OF THE CEO

# FY21 PROGRESS REPORT

### ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES

#### OBJECTIVE:

- WORK WITH BOARD OF DIRECTORS AND CONSULTANTS TO COMPLETE PHASE ONE OF THE TRANSFORMATION INITIATIVE TO INCLUDE IDENTIFICATION AND APPROVAL OF AGENCY PRIORITIES
  - SIGNIFICANT PROGRESS WAS MADE WITH DALLAS AREA RAPID TRANSIT ON REGIONAL PLANS TO EXPAND DCTA'S EXISTING RAIL OPERATING FACILITY FOR FUTURE JOINT OPERATIONS TO SUPPORT DCTA'S A-TRAIN AND DART'S SILVER LINE.
  - DCTA SUCCESSFULLY DEPLOYED ON-DEMAND SERVICES ACROSS ALL THREE MEMBER CITIES.
  - DUE TO CONFLICTING PRIORITIES AND THE IMPACT OF COVID-19, SEVERAL KEY TRANSFORMATION INITIATIVES WERE DELAYED INCLUDING AUTOMATED FARE PAYMENT, FACILITY EXPANSION PLANS, AND TRANSIT ORIENTED DEVELOPMENT PROJECTS.
- ONBOARD AND MOBILIZE TRANSFORMATION INITIATIVE PROGRAM MANAGEMENT OFFICE SERVICES
  - DCTA SUCCESSFULLY CONTRACTED WITH ACCENTURE TO PROVIDE PROJECT MANAGEMENT OFFICE SERVICES THROUGHOUT FY21.
- DESIGN AND IMPLEMENT A BOARD-STAFF OPERATING MODEL FOR TRANSFORMATION INITIATIVE IMPLEMENTATION
  - SIGNIFICANT PROGRESS WAS MADE WITH BOARD-STAFF COMMUNICATIONS AND OPERATING MODEL WITH WORK TO CONTINUE INTO FY22.
- DEVELOP AND IMPLEMENT A PLAN TO COMMUNICATE DCTA VISION AND TRANSFORMATION INITIATIVE IMPLEMENTATION ROADMAP TO AUTHORITY STAKEHOLDERS
  - THIS INITIATIVE WAS DELAYED TO FY22 DUE TO CONFLICTING PRIORITIES AND THE IMPACT OF COVID-19.



**FOSTER A POSITIVE IMAGE AND BUILD A STRONG AGENCY BRAND AND A GREAT CULTURE ACROSS THE ORGANIZATION**

**OBJECTIVE:**

- PROMOTE, FOSTER AND SUSTAIN A SERVANT LEADERSHIP PROGRAM AND MAINTAIN A “SERVICE” FOCUSED CULTURE
  - COVID-19 CREATED UNEXPECTED CHALLENGES THROUGHOUT FY21, YET DCTA CONTINUED TO FOCUS ON SERVANT LEADERSHIP AS A PRIMARY FOUNDATION OF ITS CULTURE WHICH ENABLED DCTA TO ACHIEVE EXTRAORDINARY RESULTS THROUGHOUT THE YEAR. SERVANT LEADERSHIP HAS BEEN ENGRAINED IN MANY PROCESSES INCLUDING ALL-STAFF AND LEADERSHIP TEAM MEETINGS.

## FINANCE

## FINANCE

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

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

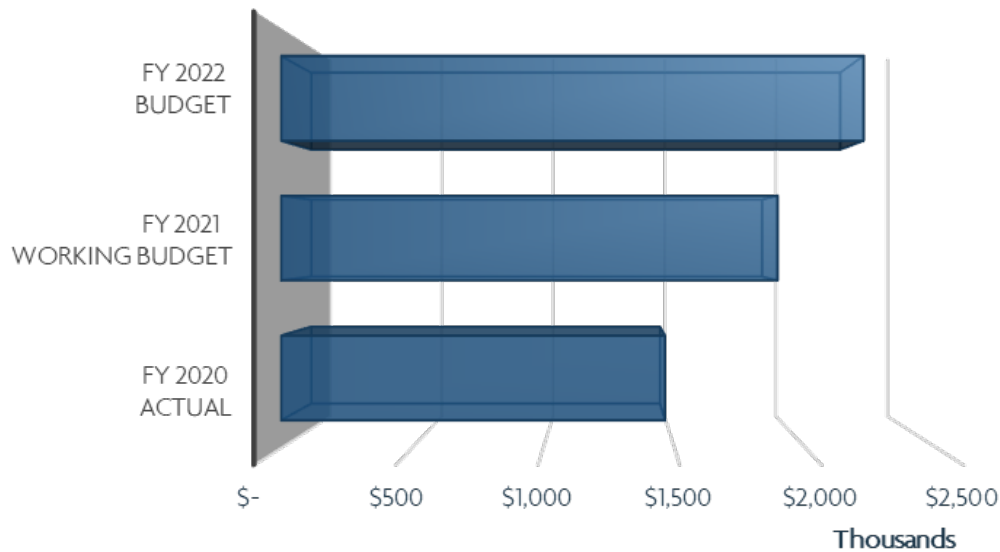
Departmental functions include responsibilities for the accounting and financial reporting functions, budget and long range financial planning, treasury and investing function, risk management, contracts, procurement, human resources and grant compliance and reporting. The Human Resources budget is reported separately on pages 68-69.

EXPENSES	FY 2020		FY 2021		FY 2022	
	Actual		Working Budget		Budget	
Salary, Wages & Benefits	\$	1,131,787	\$	1,300,923	\$	1,628,553
Outsourced Services & Charges		283,716		547,750		546,556
Materials & Supplies		159		-		-
Utilities		-		-		-
Insurance		13,056		13,788		15,515
Employee Development		35,739		30,689		30,660
Leases & Rentals		-		-		-
Depreciation		-		-		-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$</b>	<b>1,464,457</b>	<b>\$</b>	<b>1,893,150</b>	<b>\$</b>	<b>2,221,284</b>

## STAFFING

Chief Financial Officer / VP Finance	1.00	1.00	1.00
Controller, AVP of Finance	1.00	1.00	1.00
Accounting Manager	-	-	1.00
Accountant I	1.00	1.00	1.00
Accountant II	1.00	1.00	1.00
AVP, Regulatory Compliance Officer	1.00	1.00	1.00
Manager of Contracts & Procurement	1.00	1.00	1.00
Senior Procurement Specialist	1.00	1.00	1.00
Procurement Specialist	1.00	1.00	1.00
Grants Manager	1.00	1.00	1.00
Senior Manager of Budget	1.00	1.00	1.00
Financial Data Analyst	1.00	1.00	1.00
Finance Assistant	-	-	1.00
<b>TOTAL</b>	<b>11.00</b>	<b>11.00</b>	<b>13.00</b>

## FINANCE

**MATERIAL BUDGET ITEMS:**

- Addition of the following FTEs in the FY22 budget:
  - Accounting Manager
  - Finance Assistant

**FY22 OBJECTIVES & PERFORMANCE MEASURES – FINANCE****LOOKING AHEAD****ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES****OBJECTIVE:**

- MANAGE A LONG RANGE SERVICE PLAN AND LONG RANGE FINANCIAL PLAN TO GUIDE DECISION-MAKING FOR CAPITAL AND OPERATING NEEDS TO FUND OPTIMAL MOBILITY SERVICE AND TO SUPPORT FUTURE PROGRAMS
- CONTINUE SEEKING FUNDING OPPORTUNITIES THROUGH REGIONAL, STATE, FEDERAL AND PUBLIC-PRIVATE PARTNERSHIPS TO ADVANCE AGENCY INITIATIVES, TO MEET REGULATORY REQUIREMENTS, AND TO ENHANCE THE PASSENGER EXPERIENCE
- ENSURE TRANSPARENCY, AND THAT GENERALLY ACCEPTED FINANCIAL MANAGEMENT, PROJECT MANAGEMENT, ACCOUNTING AND PROCUREMENT PRINCIPLES ARE MAINTAINED AND SEEK THE FOLLOWING CERTIFICATIONS AND ACHIEVEMENTS:
  - TEXAS COMPTROLLER OF PUBLIC ACCOUNTS' TRANSPARENCY STARS PROGRAM
  - NATIONAL PROCUREMENT INSTITUTE (NPI) EXCELLENCE IN PROCUREMENT AWARD, GOVERNMENT FINANCE OFFICERS ASSOCIATION DISTINGUISHED BUDGET AWARD, GOVERNMENT FINANCE OFFICERS ASSOCIATION CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

**IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT****OBJECTIVE:**

- IDENTIFY TECHNOLOGY OPTIONS FOR COLLECTING RIDERSHIP DATA & STREAMLINING FARE PAYMENT PROCESS
- IMPROVE FINANCIAL PROCESS AUTOMATION BY SOURCING A NEW ERP SOLUTION

## FINANCE

**WORK WITH CORRIDOR CITIES TO IMPLEMENT TRANSIT ORIENTED DEVELOPMENT (TOD), COORDINATING PLANNING AND DESIGN TO INCREASE MOBILITY, AIR QUALITY AND LIVABILITY****OBJECTIVE:**

- WORK CLOSELY WITH THE MEMBER CITIES AND OTHER PARTNERS ON THE LEWISVILLE OLD TOWN AND HEBRON STATION AREA PLANS AND THE DOWNTOWN DENTON TRANSIT CENTER STATION AREA PLANS INCLUDING FINANCING OPTIONS FOR POTENTIAL JOINT DEVELOPMENT PROJECTS

**PERFORMANCE MEASURE RESULTS – FINANCE****FY21 PROGRESS REPORT****ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES****OBJECTIVE:**

- SOURCE DATA VISUALIZATION SOFTWARE AND ANALYTICS TOOL AND BEGIN INCORPORATING DATA SETS AVAILABLE FROM CURRENT SYSTEMS AND PROCESSES INTO AN INITIAL DCTA DASHBOARD
  - LEVERAGED TASK ORDER WITH ACCENTURE TO CREATE VISUALIZATIONS BASED ON DATA SETS PROVIDED BY DCTA. TOOLS SUCH AS MICROSOFT POWER BI WERE USED TO CREATE INFORMATIVE REPORTS AND GRAPHS USED IN PRESENTATIONS THROUGHOUT THE AGENCY. NEXT STEPS OF PROJECT WILL DEPEND ON IDENTIFICATION AND SOURCING OF ENTERPRISE RESOURCE PLANNING (ERP) SOLUTION.
- DEVELOP AND IMPLEMENT A TRANSPORTATION REINVESTMENT PROGRAM (TRIP) AND WORK WITH MEMBER CITIES TO IDENTIFY AND EXECUTE PROJECTS THAT ARE CONSISTENT THE TRIP GUIDELINES
  - ONGOING. DCTA CONDUCTED ITS FIRST CALL FOR PROJECTS FOR THE TRIP PROGRAM IN JANUARY 2021. AS OF OCTOBER 2021, THE DCTA BOARD HAS APPROVED FY21 TRIP PROJECTS TOTALING \$5.4 MILLION TO FUND TRANSIT-SUPPORTIVE CONSTRUCTION AND DESIGN PROJECTS IN ALL THREE DCTA MEMBER CITIES.

**ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES****OBJECTIVE:**

- MANAGE A LONG RANGE SERVICE PLAN AND LONG RANGE FINANCIAL PLAN TO GUIDE DECISION-MAKING FOR CAPITAL AND OPERATING NEEDS TO FUND OPTIMAL MOBILITY SERVICE AND TO SUPPORT FUTURE PROGRAMS
  - ONGOING AS PART OF ANNUAL BUDGET PROCESS AND STRATEGIC PLANNING WITH THE DCTA BOARD OF DIRECTORS.
- CONTINUE SEEKING FUNDING OPPORTUNITIES THROUGH REGIONAL, STATE, FEDERAL AND PUBLIC-PRIVATE PARTNERSHIPS TO ADVANCE AGENCY INITIATIVES, TO MEET REGULATORY REQUIREMENTS, AND TO ENHANCE THE PASSENGER EXPERIENCE
  - IN 2021, DCTA EXECUTED A \$14.1 MILLION GRANT AWARDED THROUGH THE AMERICAN RESCUE PLAN ACT, A \$600,000 TRANSIT ORIENTED DEVELOPMENT GRANT FOR THE KANSAS CITY SOUTHERN (KCS) RAIL CORRIDOR STUDY, AND A \$2.6 MILLION GRANT FOR A BUS LITE MAINTENANCE FACILITY IN ADDITION TO FORMULA FUNDING GRANTS.
- ENSURE TRANSPARENCY, AND THAT GENERALLY ACCEPTED FINANCIAL MANAGEMENT, PROJECT MANAGEMENT, ACCOUNTING AND PROCUREMENT PRINCIPLES ARE MAINTAINED AND SEEK THE FOLLOWING CERTIFICATIONS AND ACHIEVEMENTS:
  - TEXAS COMPTROLLER OF PUBLIC ACCOUNTS' TRANSPARENCY STARS PROGRAM FOR TRADITIONAL FINANCES, CONTRACTS & PROCUREMENT, AND DEBT OBLIGATIONS SECTIONS
    - TRADITIONAL FINANCES STAR ACHIEVED. REQUIREMENTS FOR ADDITIONAL STARS ARE IN PROGRESS.
  - NATIONAL PROCUREMENT INSTITUTE (NPI) EXCELLENCE IN PROCUREMENT AWARD, GOVERNMENT

## FINANCE

FINANCE OFFICERS ASSOCIATION DISTINGUISHED BUDGET AWARD, GOVERNMENT FINANCE OFFICERS ASSOCIATION CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

- ACHIEVED.

## IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT

### OBJECTIVE:

- IDENTIFY DATA NEEDS IN ORDER TO IDENTIFY TECHNOLOGY FOR COLLECTING DATA ABOUT RIDERSHIP, COSTS, AND SERVICE
  - PROJECT DELAYED PENDING IMPLEMENTATION OF GOZONE SERVICE PROVIDED BY VIA AND BOARD DECISION REGARDING EXISTING FIXED ROUTE SERVICE LEVELS. DCTA AND ACCENTURE HAVE IDENTIFIED NEEDS AND ARE CURRENTLY WORKING TO IDENTIFY POTENTIAL VENDORS FOR OUTSOURCING.
- IMPROVE FINANCIAL PROCESS AUTOMATION: EXPAND DOCUSIGN PILOT TO INCLUDE INVOICE ROUTING, APPROVAL AND TRACKING WHILE A NEW ERP SOLUTION IS INVESTIGATED AND IMPLEMENTED
  - AN UPGRADE OF EXISTING FINANCIAL SOFTWARE TO INCLUDE THIS FEATURE WAS POSTPONED DUE TO VENDOR CAPABILITY TO IMPLEMENT AS AGREED. STAFF HAS IDENTIFIED THIS FUNCTIONALITY IN ERP SCAN AS DISCUSSED BELOW.
- IMPROVE FINANCIAL PROCESS AUTOMATION: DEVELOP ERP STEERING COMMITTEE, DEFINE ERP FUNCTIONAL REQUIREMENTS, CONDUCT MARKET SCAN OF ERP SOLUTIONS
  - MARKET SCAN HAS BEEN CONDUCTED. WORKING WITH DCTA'S PROJECT MANAGEMENT CONSULTANT, ACCENTURE, A LIST OF FUNCTIONALITY NEEDS AND REQUIREMENTS FOR VENDORS TO INCLUDE FOR A NEW ENTERPRISE RESOURCE PLANNING (ERP) SOLUTION HAS BEEN FINALIZED AND DELIVERED TO IDENTIFIED VENDORS.

## WORK WITH CORRIDOR CITIES TO IMPLEMENT TRANSIT ORIENTED DEVELOPMENT (TOD), COORDINATING PLANNING AND DESIGN TO INCREASE MOBILITY, AIR QUALITY AND LIVABILITY

### OBJECTIVE:

- WORK CLOSELY WITH THE MEMBER CITIES AND OTHER PARTNERS ON THE LEWISVILLE OLD TOWN AND HEBRON STATION AREA PLANS AND THE DOWNTOWN DENTON TRANSIT CENTER STATION AREA PLANS INCLUDING FINANCING OPTIONS FOR POTENTIAL JOINT DEVELOPMENT PROJECTS
  - ONGOING. IN 2021, DCTA EXECUTED A \$600,000 TRANSIT ORIENTED DEVELOPMENT GRANT FOR THE KANSAS CITY SOUTHERN (KCS) RAIL CORRIDOR STUDY.
- IMPLEMENT THE TRANSPORTATION REINVESTMENT PROGRAM (TRIP) AND WORK WITH MEMBER CITIES TO IDENTIFY AND EXECUTE PROJECTS THAT ARE CONSISTENT THE TRIP GUIDELINES
  - ONGOING. DCTA CONDUCTED ITS FIRST CALL FOR PROJECTS IN JANUARY 2021. AS OF OCTOBER 2021, THE DCTA BOARD HAS APPROVED FY21 TRIP PROJECTS TOTALING \$5.4 MILLION.

## FOSTER A POSITIVE IMAGE AND BUILD A STRONG AGENCY BRAND AND A GREAT CULTURE ACROSS THE ORGANIZATION

### OBJECTIVE:

- IDENTIFY ENHANCEMENTS TO ONLINE TRIP PLANNING AND FARE PURCHASING TO IMPROVE WEBSITE USABILITY FOR A MORE SEAMLESS PASSENGER EXPERIENCE
  - DCTA AND DART HELD DISCUSSIONS REGARDING GOZONE INTEGRATION WITHIN THE REGION'S MOBILE TICKETING APP, GOPASS. INTEGRATION DISCUSSIONS AND TIMELINES ARE ANTICIPATED TO BEGIN IN FEBRUARY 2022, PENDING DART'S COMPLETION OF TRINITY METRO'S ZIPZONE GOPASS INTEGRATION.



## HUMAN RESOURCES

**HUMAN RESOURCES**

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

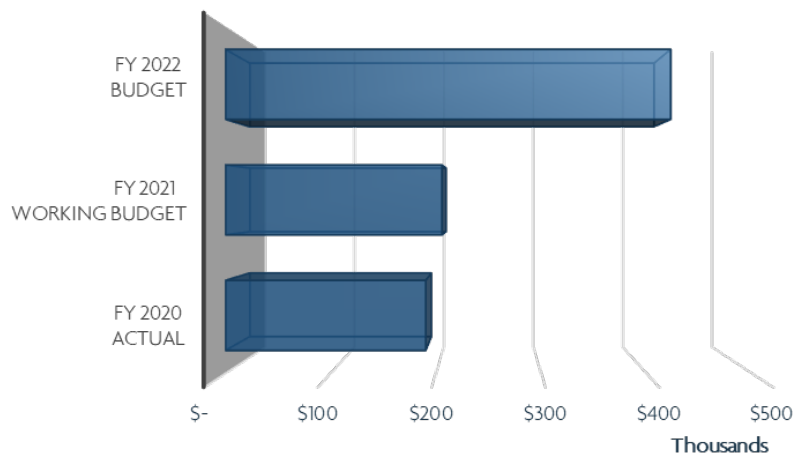
EXPENSES		FY 2020 Actual		FY 2021 Working Budget		FY 2022 Budget
Salary, Wages & Benefits	\$	136,162	\$	136,456	\$	224,247
Outsourced Services & Charges		42,132		39,400		155,500
Materials & Supplies		-		-		1,000
Utilities		-		-		-
Insurance		-		-		-
Employee Development		11,959		29,800		42,350
Leases & Rentals		-		-		-
Depreciation		-		-		-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$</b>	<b>190,252</b>	<b>\$</b>	<b>205,656</b>	<b>\$</b>	<b>423,097</b>

**STAFFING**

Senior Manager of Human Resources	1.00	1.00	1.00
Human Resources & Training Specialist	0.50	1.00	1.00
<b>TOTAL</b>	<b>1.50</b>	<b>2.00</b>	<b>2.00</b>

**MATERIAL BUDGET ITEMS:**

- Includes \$70k for Compensation Study services
- Transfer of service fees, employee/staff development & training services from various departments into the FY22 HR budget – overall budget impact of \$44k
- Includes Tuition Reimbursement Program - \$20k



## HUMAN RESOURCES

## FY22 OBJECTIVES &amp; PERFORMANCE MEASURES – HUMAN RESOURCES

# LOOKING AHEAD

## FOSTER A POSITIVE IMAGE AND BUILD A STRONG AGENCY BRAND AND A GREAT CULTURE ACROSS THE ORGANIZATION

### OBJECTIVE:

- ENSURE COMPETITIVE COMPENSATION AND BENEFITS AND A POSITIVE WORK ENVIRONMENT ARE IN PLACE
- ENCOURAGE EMPLOYEES TO PURSUE PROFESSIONAL DEVELOPMENT AND CONTINUING EDUCATION BY PROVIDING A REIMBURSEMENT PROGRAM FOR QUALIFYING EXPENSES
- PROMOTE WELLNESS BY PROVIDING EMPLOYEES WITH THE OPPORTUNITY TO ACHIEVE MILESTONES AND REWARDS FOR EXHIBITING HEALTHY BEHAVIOR

## PERFORMANCE MEASURE RESULTS – HUMAN RESOURCES

# FY21 PROGRESS REPORT

## FOSTER A POSITIVE IMAGE AND BUILD A STRONG AGENCY BRAND AND A GREAT CULTURE ACROSS THE ORGANIZATION

### OBJECTIVE:

- ENSURE COMPETITIVE COMPENSATION AND BENEFITS AND A POSITIVE WORK ENVIRONMENT ARE IN PLACE
  - HUMAN RESOURCES CONTINUES TO EVALUATE COMPARABLE COMPENSATION TO ENSURE COMPETITIVE PLANS ARE IN PLACE. A CONTRACT WAS AWARDED IN 2021 FOR COMPENSATION STUDY SERVICES. THE NEXT TRIENNIAL COMPENSATION STUDY WILL BEGIN IN EARLY FY22.
- ENCOURAGE EMPLOYEES TO PURSUE PROFESSIONAL DEVELOPMENT AND CONTINUING EDUCATION BY PROVIDING A REIMBURSEMENT PROGRAM FOR QUALIFYING EXPENSES
  - IN ADDITION TO A TUITION REIMBURSEMENT PROGRAM, THE HUMAN RESOURCES ASSISTANT POSITION WAS TRANSITIONED TO A HUMAN RESOURCES & TRAINING SPECIALIST DURING FY21 IN ORDER TO OWN TRAINING AND DEVELOPMENT IN-HOUSE. HUMAN RESOURCES' PLAN IS TO IDENTIFY, DEVELOP, AND EXECUTE TRAININGS FOR ALL STAFF AND MANAGERS ON A RECURRING BASIS TO PROMOTE GROWTH AND WELL-VERSED EMPLOYEES.
- PROMOTE WELLNESS BY PROVIDING EMPLOYEES WITH THE OPPORTUNITY TO ACHIEVE MILESTONES AND REWARDS FOR EXHIBITING HEALTHY BEHAVIOR
  - ONGOING. HUMAN RESOURCES AND THE WELLNESS COMMITTEE CONTINUALLY DISCUSS WELLNESS INITIATIVES TO ENCOURAGE HEALTHY BEHAVIORS/HABITS AND PROMOTE WORK/LIFE BALANCE. HUMAN RESOURCES ALSO LEVERAGES DCTA'S MEDICAL AND EMPLOYEE ASSISTANCE PROGRAM PROVIDERS FOR WELLBEING TRAINING TOPICS AND REWARDS FOR HEALTHY HABITS.

## ADMINISTRATION

**ADMINISTRATION**

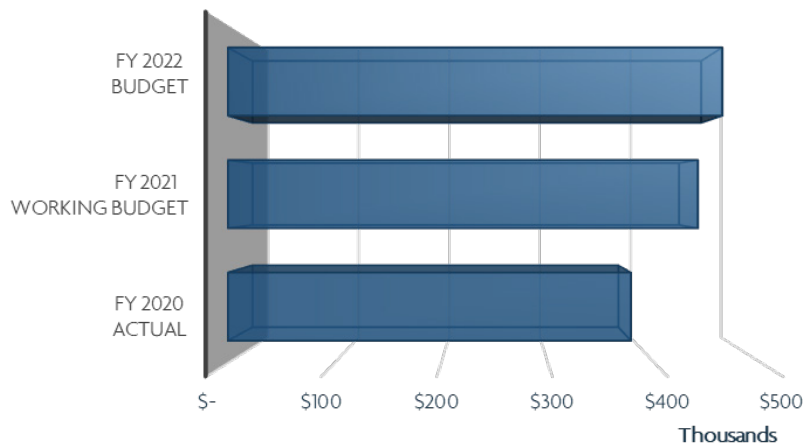
To provide administrative support for the agency as well as office coordination and maintenance. This department was created in FY20. Facility expenses within this budget were previously included in the Office of the CEO budget; staffing expenses were previously included in the Marketing and Communications budget.

EXPENSES		FY 2020 Actual		FY 2021 Working Budget		FY 2022 Budget
Salary, Wages & Benefits	\$	144,843	\$	140,555	\$	148,456
Outsourced Services & Charges		41,751		58,630		59,250
Materials & Supplies		13,967		18,200		15,800
Utilities		21,689		23,600		42,710
Insurance		-		-		-
Employee Development		5,686		1,750		4,340
Leases & Rentals		120,374		127,800		126,200
Depreciation		29,536		70,000		66,626
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$</b>	<b>377,846</b>	<b>\$</b>	<b>440,535</b>	<b>\$</b>	<b>463,382</b>

STAFFING		FY 2020 Actual		FY 2021 Working Budget		FY 2022 Budget
Executive Assistant		1.00		1.00		1.00
Receptionist		1.00		1.00		1.00
<b>TOTAL</b>		<b>2.00</b>		<b>2.00</b>		<b>2.00</b>

**MATERIAL BUDGET ITEMS:**

- Includes annual operating lease for admin facility
- Facility maintenance costs



## MARKETING &amp; COMMUNICATIONS

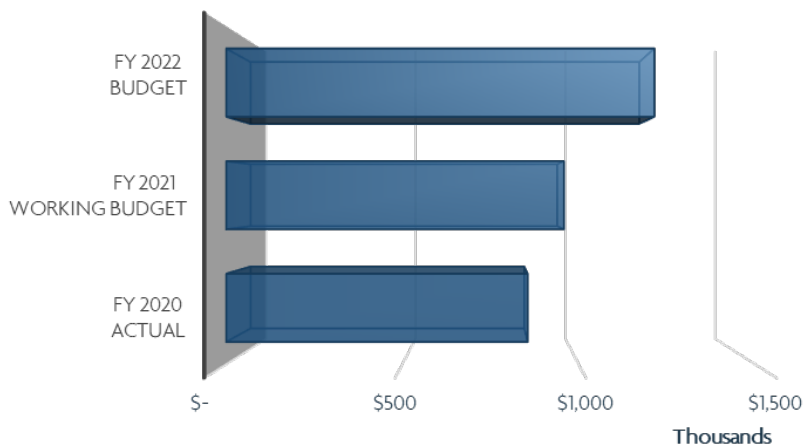
## MARKETING AND COMMUNICATIONS

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

EXPENSES	FY 2020 Actual	FY 2021 Working Budget	FY 2022 Budget
Salary, Wages & Benefits	\$ 566,778	\$ 353,861	\$ 567,535
Outsourced Services & Charges	245,999	561,958	596,986
Materials & Supplies	28,526	22,050	29,750
Utilities	-	-	-
Insurance	-	-	-
Employee Development	11,077	16,965	16,115
Leases & Rentals	2,984	3,600	4,320
Depreciation	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$ 855,364</b>	<b>\$ 958,434</b>	<b>\$ 1,214,706</b>

### STAFFING

VP, Mobility Services & Administration	1.00	-	-
Director of Public Involvement & Communications	-	-	1.00
Senior Manager of Marketing & Communications	1.00	1.00	1.00
Marketing Coordinator	1.00	1.00	1.00
Community Relations Manager	1.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00
<b>TOTAL</b>	<b>5.00</b>	<b>4.00</b>	<b>5.00</b>



### MATERIAL BUDGET ITEMS:

- VP Mobility Services & Administration position has been eliminated. Director of Public Involvement & Communications has been added in FY22.
- GoZone Mobilization Expanded Level Project included in FY22 – \$203k budget impact

## MARKETING &amp; COMMUNICATIONS

**FY22 OBJECTIVES & PERFORMANCE MEASURES – MARKETING & COMMUNICATIONS****LOOKING AHEAD****IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT****OBJECTIVE:**

- SURVEY PASSENGERS TO OBTAIN FEEDBACK ON OVERALL SATISFACTION AND AREAS FOR IMPROVEMENT

**FOSTER A POSITIVE IMAGE AND BUILD A STRONG AGENCY BRAND AND A GREAT CULTURE ACROSS THE ORGANIZATION****OBJECTIVE:**

- IDENTIFY WEBSITE ENHANCEMENTS AND OPPORTUNITIES TO IMPROVE ONLINE TRIP PLANNING AND FARE PURCHASING FOR A MORE SEAMLESS PASSENGER EXPERIENCE

**ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES****OBJECTIVE:**

- ENGAGE WITH STAKEHOLDERS AND PARTNER WITH CHAMBERS OF COMMERCE, VISITORS BUREAU, SOCIAL SERVICE AGENCIES, AND COMMUNITY ADVISORY COMMITTEES AT LEAST QUARTERLY AND MAINTAIN COMMUNICATIONS WITH STAKEHOLDERS THROUGH COMMUNITY OUTREACH
- ENGAGE WITH AND EDUCATE LOCAL AND REGIONAL BUSINESSES ON SERVICES AND INCREASE EMPLOYEE PASS SALES
- ACTIVELY ENGAGE AND INFORM PASSENGERS AND THE PUBLIC THROUGH A VARIETY OF FORMATS AND INCREASE DCTA'S BRAND AWARENESS

**PERFORMANCE MEASURE RESULTS – MARKETING & COMMUNICATIONS****FY21 PROGRESS REPORT****IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT****OBJECTIVE:**

- SURVEY PASSENGERS TO OBTAIN FEEDBACK ON OVERALL SATISFACTION AND AREAS FOR IMPROVEMENT
  - DUE TO COVID-19, REGULARLY SCHEDULED SURVEYS WERE NOT CONDUCTED IN FY21. PASSENGER FEEDBACK WAS OBTAINED THROUGH SOCIAL MEDIA, PUBLIC MEETINGS, CUSTOMER SERVICE (EMAIL AND PHONE) AND AT COMMUNITY OUTREACH EVENTS.

**FOSTER A POSITIVE IMAGE AND BUILD A STRONG AGENCY BRAND AND A GREAT CULTURE ACROSS THE ORGANIZATION****OBJECTIVE:**

- IDENTIFY ENHANCEMENTS TO ONLINE TRIP PLANNING AND FARE PURCHASING TO IMPROVE WEBSITE USABILITY FOR A MORE SEAMLESS PASSENGER EXPERIENCE
  - REVAMPED WEBSITE TO ALIGN WITH DCTA'S BRAND STANDARDS, INCLUDE INTUITIVE NAVIGATION, MOBILE/TABLET FUNCTIONALITY, ADA FRIENDLY DESIGN, GOOGLE TRANSLATE AND ENHANCED FONT VISIBILITY.
  - INTEGRATED GOOGLE MAPS TECHNOLOGY TO DCTA'S TRIP PLANNING TOOL.
  - OVERALL WEBSITE EFFORTS RESULTED IN OVER 250,000 REPORTED SESSIONS, WITH 80% NEW USERS AND 20% RETURNING USERS, WITH AVERAGE SESSION DURATION OF 2:03 MINUTES, AND AN AVERAGE OF 2.4 PAGES PER VISIT.



## MARKETING &amp; COMMUNICATIONS

**ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES****OBJECTIVE:**

- ENGAGE WITH STAKEHOLDERS AND PARTNER WITH CHAMBERS OF COMMERCE, VISITORS BUREAU, SOCIAL SERVICE AGENCIES, COMMUNITY ADVISORY COMMITTEES AT LEAST QUARTERLY AND MAINTAIN COMMUNICATIONS WITH STAKEHOLDERS THROUGH COMMUNITY OUTREACH
  - HOSTED QUARTERLY SOCIAL SERVICE AGENCY ROUNDTABLES AND COMMUNITY ADVISORY COMMITTEE MEETINGS.
  - CONTINUED TO PARTICIPATE IN REGULAR CHAMBER MEETINGS, ROTARY CLUB MEETINGS AND BUSINESS ASSOCIATION MEETINGS IN DENTON, HIGHLAND VILLAGE AND LEWISVILLE.
  - DEVELOPED PARTNERSHIPS WITH DENTON AND LEWISVILLE INDEPENDENT SCHOOL DISTRICTS.
  - THROUGH COMMUNITY RELATIONS ACTIVITIES, STAFF GENERATED MORE THAN 59,000 GLOBAL IMPRESSIONS AND MORE THAN 59,000 CONFIRMED IMPRESSIONS.
- ACTIVELY ENGAGE AND INFORM PASSENGERS AND THE PUBLIC THROUGH A VARIETY OF FORMATS AND INCREASE DCTA'S MARKETING DATABASES
  - RECORDED 550 MEDIA PLACEMENTS WHICH GARNERED 540,000,000 STORY IMPRESSIONS VALUED AT \$1,100,000.
  - DELIVERED 215,000 EMAILS TO OVER 14,500 SUBSCRIBERS.
  - TRACKED THE FOLLOWING ANNUAL INCREASES IN SOCIAL MEDIA LIKES AND FOLLOWERS: FACEBOOK - 342, TWITTER - 16, YOUTUBE - 36 AND LINKEDIN - 111.
  - MEASURED OVER 14,000 USERS FOR THE HOP ON BOARD BLOG WITH 18,000 PAGE VIEWS.
  - COORDINATED WITH DART AND TRINITY METRO AT APPROXIMATELY 50 MEETINGS TO JOINTLY PROMOTE TRANSIT AND PARTICIPATE IN SPECIAL EVENTS.

## MOBILITY SERVICES

## MOBILITY SERVICES

In February 2019, the DCTA Board of Directors approved the North Texas Mobility Corporation Certificate of Formation and associated Bylaws. As a fully functional Local Government Corporation (LGC), the NTMC now operates with a Board of Directors appointed by the DCTA Board of Directors and Board officers. It also has its own budget and contracting authority.

DCTA has entered into an Interlocal Agreement (ILA) with the NTMC to provide mobility services and management of ongoing operations, including fixed-route, demand-response, ADA/paratransit, fare collection and enforcement services, maintenance, service operation, and DCTA's customer service/call center. The purpose of creating NTMC was to elevate overall performance and enhance customer service. By creating a subsidiary, DCTA has greater ability to monitor and hold accountable the bus operations contractor, ultimately ensuring passengers have the best possible experience using the transit system.

In addition to the ILA for service provision, NTMC has contracted with DCTA to provide administrative support services including information technology and help desk services, internal and external marketing and communications, transit planning, data analytics, contracts and procurements, accounts payable/accounts receivable, accounting, budget preparation, legal services, and oversight of payroll processing.

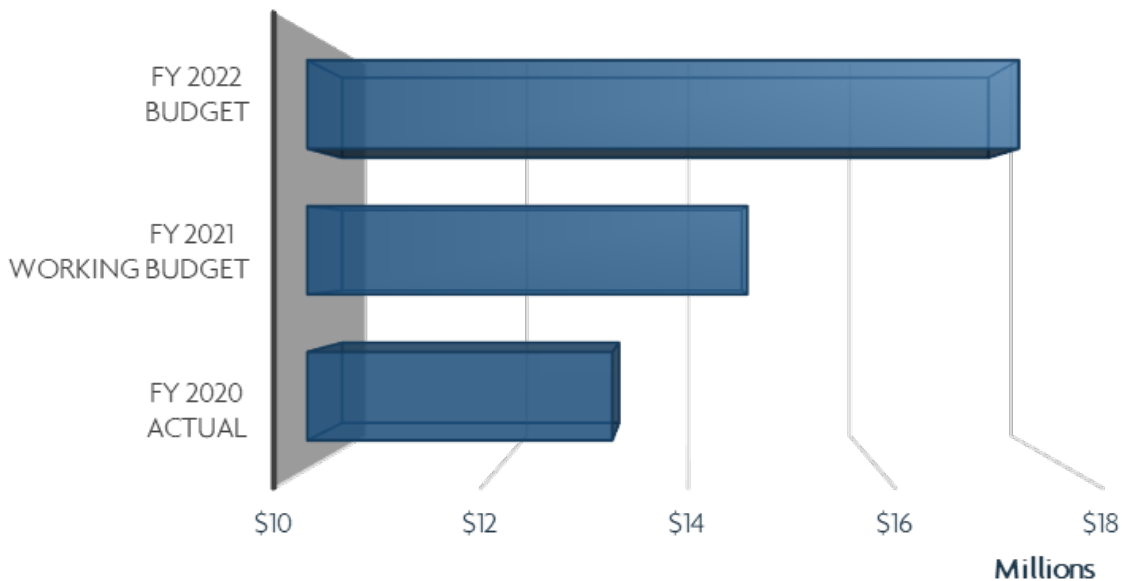
- NTMC budget includes the expenses related to bus operations staff employed by NTMC and includes the following components:
  - Salary, wages & benefits
  - Hiring expenses – background checks, drug screening, advertising, etc.
  - Payroll processing fees and uniforms expense
  - Workers compensation insurance
- DCTA budget includes revenues and all other bus operations expenses:
  - Bus Operations Management
  - Salaries & benefits for DCTA employees
  - Services contracted by DCTA
  - Materials and supplies
  - Auto liability insurance
  - Purchased transportation contracts
  - Depreciation

MOBILITY SERVICES



**MATERIAL BUDGET ITEMS:**

- Fuel budgeted at \$3.00 per gallon in FY22 @ 205,175 gallons
- Assumes a 10% increase in health benefits
- Includes \$258k in Operator incentive pay
- Assumes the following service levels:
  - Fixed Routes 3 & 7 service ending in March 2022
  - Fixed Routes 1, 2, 4, 6, 21 & 22 service ending December 6, 2021
  - Collin County Transit (CCT) Demand Response service ending December 2021
  - GoZone on-demand base service as well as phase 1 add-ons included with a max number of vehicle hours of 129,941 and total cost of \$5,335,368 at a cost per vehicle hour of \$41.06
  - Overall increase in budgeted service hours of 72k in FY22 compared to FY21



## MOBILITY SERVICES

BUS SERVICES			
	FY 2020 Actual	FY 2021 Working Budget	FY 2022 Budget
<b>DCTA EXPENSES</b>			
Salary, Wages & Benefits	\$ 541,072	\$ 382,118	\$ 654,537
Outsourced Services & Charges	1,200,929	1,396,442	1,339,985
Materials & Supplies	1,496,422	1,743,645	1,459,144
Utilities	155,027	219,442	199,183
Insurance	350,414	332,963	279,240
Purchased Transportation	513,480	823,514	5,816,095
Employee Development	11,443	20,300	17,025
Leases & Rentals	101,661	104,668	6,852
Depreciation	1,277,149	1,382,069	1,329,404
<b>TOTAL DCTA BUS SERVICES BUDGET</b>	<b>\$ 5,647,597</b>	<b>\$ 6,405,161</b>	<b>\$ 11,101,465</b>
<b>DCTA STAFFING</b>			
Senior Director of Mobility Services	1.00	1.00	1.00
Senior Manager of Mobility Services	1.00	1.00	1.00
Operations Analyst	1.00	1.00	1.00
Mobility Services Manager	1.00	1.00	1.00
Mobility Services Coordinator			1.00
Supply Coordinator			1.00
Director of Capital Development			0.20
Project Controls Coordinator			0.20
<b>TOTAL</b>	<b>4.00</b>	<b>4.00</b>	<b>6.40</b>
	FY 2020 Actual	FY 2021 Working Budget	FY 2022 Budget
<b>NTMC EXPENSES</b>			
Salary, Wages & Benefits	\$ 7,211,423	\$ 7,636,554	\$ 5,787,307
Outsourced Services & Charges	201,117	400,219	450,970
Materials & Supplies	-	3,293	1,936
Utilities	-	-	-
Insurance	127,872	119,802	65,842
Purchased Transportation	-	-	-
Employee Development	15,015	54,435	58,660
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>TOTAL NTMC BUS SERVICES BUDGET</b>	<b>\$ 7,555,428</b>	<b>\$ 8,214,303</b>	<b>\$ 6,364,715</b>
<b>NTMC STAFFING</b>			
Contracted Bus Services (NTMC)			
Bus Administration Department	6.00	4.00	3.00
Customer Service Department	10.00	10.00	9.00
Supervisors/Dispatchers Department	12.00	14.00	13.00
Maintenance Department	18.00	21.00	16.00
Bus Operators**	91.00	69.00	39.00
<b>TOTAL</b>	<b>137.00</b>	<b>118.00</b>	<b>80.00</b>

\*\*Contracted Bus Services FTE methodology is based on operator hours

## MOBILITY SERVICES

**FY22 OBJECTIVES & PERFORMANCE MEASURES – MOBILITY SERVICES****LOOKING AHEAD****ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES****OBJECTIVE:**

- EXPAND ON-DEMAND SERVICE INTO CASTLE HILLS WITH ANNEXATION INTO LEWISVILLE

**ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES****OBJECTIVE:**

- MANAGE A LONG RANGE SERVICE PLAN AND LONG RANGE FINANCIAL PLAN TO GUIDE DECISION-MAKING FOR CAPITAL AND OPERATING NEEDS TO FUND OPTIMAL MOBILITY SERVICE AND TO SUPPORT FUTURE PROGRAMS
- CONTINUE SEEKING FUNDING OPPORTUNITIES THROUGH REGIONAL, STATE, FEDERAL AND PUBLIC-PRIVATE PARTNERSHIPS TO ADVANCE AGENCY INITIATIVES, TO MEET REGULATORY REQUIREMENTS, AND TO ENHANCE THE PASSENGER EXPERIENCE

**IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT****OBJECTIVE:**

- DEVELOP AND GAIN BOARD APPROVAL OF SERVICE MIX AND SERVICE STANDARDS FOR STAKEHOLDER COMMUNITIES IN FY22
- NO MORE THAN 2 PREVENTABLE ACCIDENTS PER 100,000 MILES FOR FIXED ROUTE AND ACCESS SERVICE
- MAINTAIN A 90% OR BETTER BUS PREVENTIVE MAINTENANCE PROGRAM FOR DCTA VEHICLES
- MINIMIZE NON-REVENUE HOURS FOR FIXED ROUTE, MEASURED AS NUMBER OF REVENUE HOURS TO SERVICE HOURS (+85%)
- ENSURE OVERALL ON-TIME PERFORMANCE METRICS ARE ACHIEVED: 90% FOR FIXED ROUTE
- MAINTAIN AN AVERAGE PICK UP TIME OF LESS THAN 15 MINUTES FOR ON-DEMAND SERVICES
- MAINTAIN OR IMPROVE RIDERSHIP SYSTEM-WIDE OVER POST COVID-19 PANDEMIC LEVELS EXPERIENCED IN FY2021
- MAINTAIN THE APPROPRIATE LEVEL OF REVENUE, CONTINGENCY, AND SPARE VEHICLES TO MEET SERVICE NEEDS

**ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES****OBJECTIVE:**

- PARTICIPATE IN STRATEGIC REGIONAL DISCUSSION, IDENTIFY PARTNERSHIP OPPORTUNITIES WITH OTHER TRANSIT AGENCIES AND MAAS PROVIDERS FOR SOLVING MOBILITY CHALLENGES AND MINIMIZING EXPENSES

**PERFORMANCE MEASURE RESULTS – MOBILITY SERVICES****FY21 PROGRESS REPORT****ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES****OBJECTIVE:**

- SOURCE DATA VISUALIZATION SOFTWARE AND ANALYTICS TOOL AND BEGIN INCORPORATING DATA SETS AVAILABLE FROM CURRENT SYSTEMS AND PROCESSES INTO AN INITIAL DCTA DASHBOARD
  - **LEVERAGED TASK ORDER WITH ACCENTURE TO CREATE VISUALIZATIONS BASED ON DATA SETS PROVIDED BY DCTA. TOOLS SUCH AS MICROSOFT POWER BI WERE USED TO CREATE INFORMATIVE REPORTS AND GRAPHS USED IN PRESENTATIONS THROUGHOUT THE AGENCY. DCTA'S CONSULTANT, ACCENTURE, AND DCTA STAFF ARE COLLABORATING ON A LONG-TERM SOLUTION.**



## MOBILITY SERVICES

**ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES****OBJECTIVE:**

- MANAGE A LONG RANGE SERVICE PLAN AND LONG RANGE FINANCIAL PLAN TO GUIDE DECISION-MAKING FOR CAPITAL AND OPERATING NEEDS TO FUND OPTIMAL MOBILITY SERVICE AND TO SUPPORT FUTURE PROGRAMS
  - ONGOING AS PART OF ANNUAL BUDGET PROCESS AND STRATEGIC PLANNING WITH THE DCTA BOARD OF DIRECTORS.
- CONTINUE SEEKING FUNDING OPPORTUNITIES THROUGH REGIONAL, STATE, FEDERAL AND PUBLIC-PRIVATE PARTNERSHIPS TO ADVANCE AGENCY INITIATIVES, TO MEET REGULATORY REQUIREMENTS, AND TO ENHANCE THE PASSENGER EXPERIENCE
  - IN 2021, DCTA EXECUTED A \$14.1 MILLION GRANT AWARDED THROUGH THE AMERICAN RESCUE PLAN ACT THAT WILL BE LEVERAGED TO SUPPORT OPERATIONS AND A \$2.6 MILLION GRANT FOR A BUS LITE MAINTENANCE FACILITY THAT WILL ENABLE THE AGENCY TO IMPROVE VEHICLE DOWN-TIME DUE TO NEEDED REPAIRS AND MAINTENANCE.

**IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT****OBJECTIVE:**

- DEVELOP AND GAIN BOARD APPROVAL OF SERVICE STANDARDS AND IMPLEMENT PREFERRED SERVICE
  - WITH DCTA'S SIGNIFICANT MIGRATION TO AN ON-DEMAND SERVICE MODEL AT THE END OF FY21, UPDATED SERVICE STANDARDS ARE CURRENTLY BEING EVALUATED AND WILL BE FINALIZED IN FY22.
- CONFIRM EXISTING BUS PARTS AND MAINTENANCE SOFTWARE PROVIDES REQUIRED FUNCTIONALITY, IMPLEMENT ADDITIONAL CONFIGURATION IF NEEDED, PROVIDE ADDITIONAL TRAINING TO BETTER UTILIZE SOFTWARE
  - DCTA STAFF CONFIRMED THE CURRENT SOFTWARE IS SUFFICIENT, AND STAFF IS WORKING WITH THE CONTRACTOR TO ENSURE APPROPRIATE TRAINING IS CONDUCTED.
- NO MORE THAN 2 PREVENTABLE ACCIDENTS PER 100,000 MILES FOR DCTA BUS OPERATIONS
  - FY21 CONCLUDED WITH 1.46 ACCIDENTS PER 100,000 MILES.
- MAINTAIN A 90% OR BETTER, BUS PREVENTIVE MAINTENANCE PROGRAM
  - FY21 ENDED WITH 95% OF THE BUS PREVENTIVE MAINTENANCE COMPLETED ON TIME.
- MINIMIZE NON-REVENUE HOURS SYSTEM-WIDE, MEASURED AS NUMBER OF REVENUE HOURS TO SERVICE HOURS (+85%)
  - RATIO OF REVENUE HOURS TO SERVICE HOURS WAS 94.5% FOR FY21 FIXED ROUTE SERVICES.
- IDENTIFY DATA NEEDS IN ORDER TO IDENTIFY TECHNOLOGY FOR COLLECTING DATA ABOUT RIDERSHIP, COSTS, AND SERVICE
  - PROJECT DELAYED PENDING IMPLEMENTATION OF GOZONE SERVICE PROVIDED BY VIA AND BOARD DECISION REGARDING EXISTING FIXED ROUTE SERVICE LEVELS. DCTA AND ACCENTURE HAVE IDENTIFIED NEEDS AND ARE CURRENTLY WORKING TO IDENTIFY POTENTIAL VENDORS FOR OUTSOURCING.
- MAINTAIN OR IMPROVE RIDERSHIP SYSTEM-WIDE OVER POST COVID-19 PANDEMIC LEVELS EXPERIENCED IN FY2020
  - THIS GOAL WAS NOT MET, AS THE COVID-19 PANDEMIC IS STILL IMPACTING RIDERSHIP.
    - FY21 FIXED ROUTE RIDERSHIP OF 686,690 WAS DOWN 30.29% FROM FY20.
    - FY21 DEMAND RESPONSE RIDERSHIP OF 23,976 WAS DOWN 32.19% FROM FY20.
    - NEW GOZONE ON-DEMAND SERVICE HAD 13,519 PASSENGERS IN FY21 AND CONTINUES TO TREND UPWARD.
- ENSURE OVERALL ON-TIME PERFORMANCE METRICS ARE ACHIEVED: 90% BUS & MOBILITY SERVICES; 98% RAIL
  - ON-TIME PERFORMANCE WAS NEGATIVELY IMPACTED BY COVID-19 RELATED WORKFORCE SHORTAGES. FIXED ROUTE SERVICES FOR FY21 ENDED AT 88% AND DEMAND RESPONSE SERVICES ENDED THE YEAR AT 98% ON-TIME.
- MAINTAIN THE APPROPRIATE LEVEL OF REVENUE, CONTINGENCY, AND SPARE VEHICLES TO MEET SERVICE NEEDS
  - SUFFICIENT VEHICLE LEVELS WERE MAINTAINED THROUGHOUT THE YEAR.

## MOBILITY SERVICES

**ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES****OBJECTIVE:**

- MOBILITY ORCHESTRATION/REGIONAL COORDINATION: PARTICIPATE IN STRATEGIC REGIONAL DISCUSSION, IDENTIFY PARTNERSHIP OPPORTUNITIES WITH OTHER TRANSIT AGENCIES AND MAAS PROVIDERS FOR SOLVING MOBILITY CHALLENGES AND MINIMIZING EXPENSES
  - DCTA SUCCESSFULLY PARTNERED WITH DALLAS AREA RAPID TRANSIT AND THE MCKINNEY URBAN TRANSIT DISTRICT ON SOURCE SELECTION OF A MOBILITY ON-DEMAND SERVICE PROVIDER TO TRANSITION SERVICE OPERATIONS TO DART.
  - DCTA CONTINUES TO FOSTER REGIONAL PARTNERSHIP DISCUSSIONS WITH TRINITY METRO REGARDING AREAS OF SHARED SERVICES THAT WILL MUTUALLY BENEFIT BOTH AGENCIES INCLUDING SHARED PARTS, SOFTWARE, PURCHASING AGREEMENTS, AND VEHICLE REPAIR SERVICES.

## STRATEGIC PLANNING &amp; DEVELOPMENT

## STRATEGIC PLANNING AND DEVELOPMENT

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

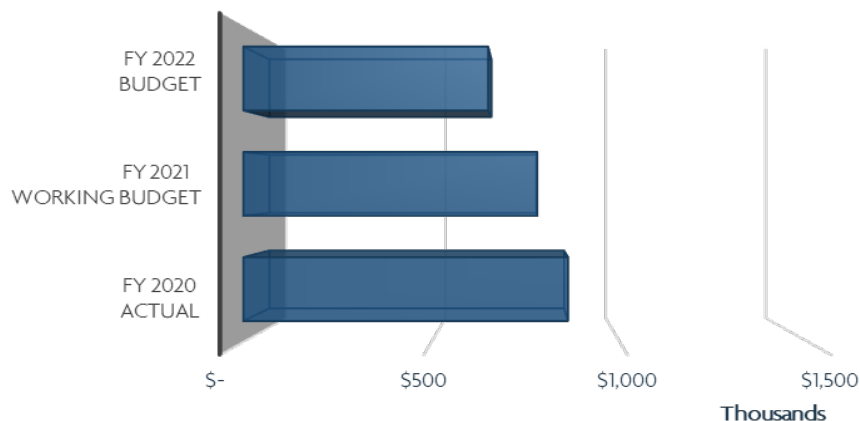
EXPENSES	FY 2020 Actual	FY 2021 Working Budget	FY 2022 Budget
Salary, Wages & Benefits	\$ 735,395	\$ 494,104	\$ 578,316
Outsourced Services & Charges	117,777	258,752	56,500
Materials & Supplies	-	-	100
Utilities	-	-	-
Insurance	-	-	-
Employee Development	9,266	27,960	15,440
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$ 862,438</b>	<b>\$ 780,816</b>	<b>\$ 650,356</b>

### STAFFING

Deputy CEO	1.00	-	0.60
Director of Government Affairs	1.00	1.00	1.00
Planning & Data Analytics Manager	1.00	1.00	1.00
Executive Assistant & Board Process Manager	1.00	1.00	1.00
Director of Capital Improvement	1.00	1.00	-
<b>TOTAL</b>	<b>5.00</b>	<b>4.00</b>	<b>3.60</b>

### MATERIAL BUDGET ITEMS:

- Deputy CEO position was previously under the Transit Management department for FY21 and is now allocated between Strategic Planning and Rail Operations since this position oversees both functions.



## STRATEGIC PLANNING &amp; DEVELOPMENT

**FY22 OBJECTIVES & PERFORMANCE MEASURES – STRATEGIC PLANNING & DEVELOPMENT****LOOKING AHEAD****ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES****OBJECTIVE:**

- ENTER INTO AN ILA WITH DART TO DEVELOP A JOINT RAIL OPS FACILITY IN SUPPORT OF THE A-TRAIN AND DART'S SILVER LINE SERVICE
- WORK WITH DART TO IDENTIFY OPPORTUNITIES TO EXTEND A-TRAIN SERVICE TO DOWNTOWN CARROLLTON STATION
- IDENTIFY OPPORTUNITIES TO DOUBLE TRACK EXISTING A-TRAIN MAINLINE TO FACILITATE IMPROVED SYSTEM PERFORMANCE

**ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES****OBJECTIVE:**

- MANAGE A LONG RANGE SERVICE PLAN AND LONG RANGE FINANCIAL PLAN TO GUIDE DECISION-MAKING FOR CAPITAL AND OPERATING NEEDS TO FUND OPTIMAL MOBILITY SERVICE AND TO SUPPORT FUTURE PROGRAMS
- CONTINUE SEEKING FUNDING OPPORTUNITIES THROUGH REGIONAL, STATE, FEDERAL AND PUBLIC-PRIVATE PARTNERSHIPS TO ADVANCE AGENCY INITIATIVES, TO MEET REGULATORY REQUIREMENTS, AND TO ENHANCE THE PASSENGER EXPERIENCE

**WORK WITH CORRIDOR CITIES TO IMPLEMENT TRANSIT ORIENTED DEVELOPMENT (TOD), COORDINATING PLANNING AND DESIGN TO INCREASE MOBILITY, AIR QUALITY AND LIVABILITY****OBJECTIVE:**

- ADVANCE LOCAL AND REGIONAL PLANNING CONSISTENT WITH THE 2045 METROPOLITAN TRANSPORTATION PLAN (MTP)
- INITIATE THE TOD PLANNING STUDY ALONG THE KANSAS CITY SOUTHERN RAIL CORRIDOR IN DENTON COUNTY
- WORK WITH THE CITY OF HIGHLAND VILLAGE ON TRANSIT ADJACENT DEVELOPMENT PLANNING ALONG THE A-TRAIN CORRIDOR
- FACILITATE PLANNING WITH THE CITY OF CORINTH FOR THE POTENTIAL OF A NEW STATION ALONG THE A-TRAIN CORRIDOR
- WORK CLOSELY WITH THE MEMBER CITIES AND OTHER PARTNERS ON THE LEWISVILLE OLD TOWN AND HEBRON STATION AREA PLANS AND THE DOWNTOWN DENTON TRANSIT CENTER STATION AREA PLANS INCLUDING FINANCING OPTIONS FOR POTENTIAL JOINT DEVELOPMENT PROJECTS

**ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES****OBJECTIVE:**

- PARTICIPATE IN STATE AND FEDERAL POLICY DISCUSSIONS TO PROTECT DCTA'S ABILITY TO DEPLOY INNOVATIVE MOBILITY SERVICES AND GROWTH STRATEGIES
- ADVOCATE DCTA'S LEGISLATIVE PROGRAMS AND POLICY POSITIONS

## PERFORMANCE MEASURE RESULTS – STRATEGIC PLANNING &amp; DEVELOPMENT

## FY21 PROGRESS REPORT

## ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES

**OBJECTIVE:**

- DEVELOP AND IMPLEMENT A TRANSPORTATION REINVESTMENT PROGRAM (TRIP) AND WORK WITH MEMBER CITIES TO IDENTIFY AND EXECUTE PROJECTS THAT ARE CONSISTENT THE TRIP GUIDELINES
  - ONGOING. DCTA CONDUCTED ITS FIRST CALL FOR PROJECTS FOR THE TRIP PROGRAM IN JANUARY 2021. AS OF OCTOBER 2021, THE DCTA BOARD HAS APPROVED FY21 TRIP PROJECTS TOTALING \$5.4 MILLION TO FUND TRANSIT-SUPPORTIVE CONSTRUCTION AND DESIGN PROJECTS IN ALL THREE DCTA MEMBER CITIES.

## ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES

**OBJECTIVE:**

- MANAGE A LONG RANGE SERVICE PLAN AND LONG RANGE FINANCIAL PLAN TO GUIDE DECISION-MAKING FOR CAPITAL AND OPERATING NEEDS TO FUND OPTIMAL MOBILITY SERVICE AND TO SUPPORT FUTURE PROGRAMS
  - ONGOING AS PART OF ANNUAL BUDGET PROCESS AND STRATEGIC PLANNING WITH THE DCTA BOARD OF DIRECTORS.
- CONTINUE SEEKING FUNDING OPPORTUNITIES THROUGH REGIONAL, STATE, FEDERAL AND PUBLIC-PRIVATE PARTNERSHIPS TO ADVANCE AGENCY INITIATIVES, TO MEET REGULATORY REQUIREMENTS, AND TO ENHANCE THE PASSENGER EXPERIENCE
  - IN 2021, DCTA EXECUTED A \$14.1 MILLION GRANT AWARDED THROUGH THE AMERICAN RESCUE PLAN ACT, A \$600,000 TRANSIT ORIENTED DEVELOPMENT GRANT FOR THE KANSAS CITY SOUTHERN (KCS) RAIL CORRIDOR STUDY, AND A \$2.6 MILLION GRANT FOR A BUS LITE MAINTENANCE FACILITY IN ADDITION TO FORMULA FUNDING GRANTS.

## WORK WITH CORRIDOR CITIES TO IMPLEMENT TRANSIT ORIENTED DEVELOPMENT (TOD), COORDINATING PLANNING AND DESIGN TO INCREASE MOBILITY, AIR QUALITY AND LIVABILITY

**OBJECTIVE:**

- ADVANCE LOCAL AND REGIONAL PLANNING CONSISTENT WITH THE 2045 METROPOLITAN TRANSPORTATION PLAN (MTP)
  - DCTA AND DALLAS AREA RAPID TRANSIT HAVE ADVANCED PLANNING TO BUILD A JOINT RAIL OPERATING FACILITY. DART WILL FUND AN EXPANSION TO DCTA'S EXISTING FACILITY TO CREATE AN EFFICIENT REGIONAL FACILITY IN SUPPORT OF DCTA'S A-TRAIN AND DART'S SILVER LINE COMMUTER RAIL SERVICES AND WILL PROVIDE FOR DART'S VEHICLE TESTING AND COMMISSIONING.
- INITIATE THE TOD PLANNING STUDY ALONG THE KANSAS CITY SOUTHERN RAIL CORRIDOR IN DENTON COUNTY
  - DUE TO CONFLICTING PRIORITIES AND THE IMPACT OF COVID-19, THIS PROJECT HAS BEEN DELAYED AND IS CURRENTLY ANTICIPATED TO BEGIN IN EARLY FY22.
- WORK WITH THE CITY OF HIGHLAND VILLAGE ON TRANSIT ADJACENT DEVELOPMENT PLANNING ALONG THE A-TRAIN CORRIDOR
  - NO TRANSIT ADJACENT (RE)DEVELOPMENT OPPORTUNITIES WERE IDENTIFIED IN THE CITY OF HIGHLAND VILLAGE IN FY21.
- FACILITATE PLANNING WITH THE CITY OF CORINTH FOR THE POTENTIAL OF A NEW STATION ALONG THE A-TRAIN CORRIDOR
  - THE CITY OF CORINTH CONTINUES TO MAKE PROGRESS ON AREA PLANNING AND CONSTRUCTION PROJECTS RELATED TO A POTENTIAL STATION DEVELOPMENT.
- WORK CLOSELY WITH THE MEMBER CITIES AND OTHER PARTNERS ON THE LEWISVILLE OLD TOWN AND HEBRON STATION AREA PLANS AND THE DOWNTOWN DENTON TRANSIT CENTER STATION AREA PLANS INCLUDING FINANCING OPTIONS FOR POTENTIAL JOINT DEVELOPMENT PROJECTS



## STRATEGIC PLANNING &amp; DEVELOPMENT

- DCTA STAFF CONTINUES TO SEEK AND SUPPORT TRANSIT SUPPORTIVE (RE)DEVELOPMENT AT AND ADJACENT TO ALL A-TRAIN STATIONS.
- IMPLEMENT THE TRANSPORTATION REINVESTMENT PROGRAM (TRIP) AND WORK WITH MEMBER CITIES TO IDENTIFY AND EXECUTE PROJECTS THAT ARE CONSISTENT THE TRIP GUIDELINES
  - AS OF OCTOBER 2021, THE DCTA BOARD HAS APPROVED FY21 TRIP PROJECTS TOTALING \$5.4 MILLION TO FUND TRANSIT-SUPPORTIVE CONSTRUCTION AND DESIGN PROJECTS IN ALL THREE DCTA MEMBER CITIES.

### ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES

#### OBJECTIVE:

- PARTICIPATE IN STATE AND FEDERAL POLICY DISCUSSIONS TO PROTECT DCTA'S ABILITY TO DEPLOY INNOVATIVE MOBILITY SERVICES AND GROWTH AND ADVOCATE DCTA'S LEGISLATIVE PROGRAMS AND POLICY POSITIONS
  - DCTA ACTIVELY PARTICIPATED AT A REGIONAL, STATE AND FEDERAL LEVEL SUPPORTING ALTERNATIVE FUELS TECHNOLOGY AND THE ADVANCEMENT OF A FEDERALLY SUPPORTED INTERSTATE HIGHWAY IH-45 EMISSIONS VEHICLE CORRIDOR BETWEEN THE DALLAS AREA AND HOUSTON, TEXAS.

## INFORMATION TECHNOLOGY

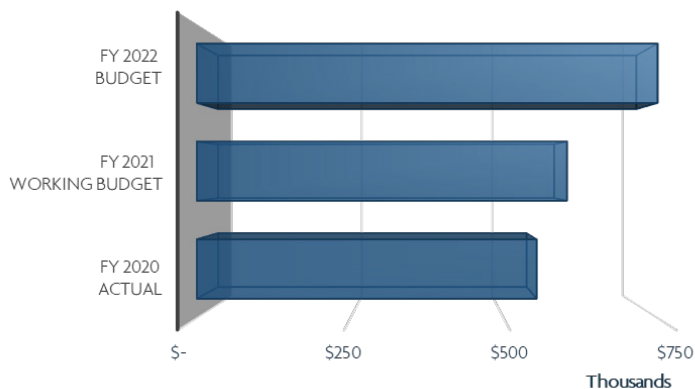
## INFORMATION TECHNOLOGY

To provide innovative and efficient information technology solutions for the agency. The department supports all aspects of the agency's technology needs and initiatives as well as protects the agency's technology and data assets from cybersecurity threats.

EXPENSES		FY 2020 Actual		FY 2021 Working Budget		FY 2022 Budget
Salary, Wages & Benefits	\$	320,172	\$	292,807	\$	324,221
Outsourced Services & Charges		194,367		194,400		403,500
Materials & Supplies		37,470		107,300		40,000
Utilities		-		-		-
Insurance		-		-		-
Employee Development		1,375		8,200		13,010
Leases & Rentals		-		-		-
Depreciation		-		-		-
<b>TOTAL DEPARTMENT BUDGET</b>		<b>\$ 553,383</b>		<b>\$ 602,707</b>		<b>\$ 780,731</b>

### STAFFING

AVP of Innovation & Information Technology	1.00	1.00	1.00
Network Administrator II	1.00	1.00	1.00
Desktop & Application Support Specialist	1.00	1.00	1.00
<b>TOTAL</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>



### MATERIAL BUDGET ITEMS:

- Includes \$125k for IT Project Manager services
- Includes \$96k for cybersecurity maintenance

**FY22 OBJECTIVES & PERFORMANCE MEASURES – INFORMATION TECHNOLOGY****LOOKING AHEAD****IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT****OBJECTIVE:**

- IDENTIFY TECHNOLOGY OPTIONS FOR COLLECTING RIDERSHIP DATA AND STREAMLINING FARE PAYMENT PROCESS
- ROLLOUT PRODUCTIVITY, COLLABORATION, AND CYBERSECURITY TOOLS AGENCYWIDE

**PERFORMANCE MEASURE RESULTS – INFORMATION TECHNOLOGY****FY21 PROGRESS REPORT****ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES****OBJECTIVE:**

- SOURCE DATA VISUALIZATION SOFTWARE AND ANALYTICS TOOL AND BEGIN INCORPORATING DATA SETS AVAILABLE FROM CURRENT SYSTEMS AND PROCESSES INTO AN INITIAL DCTA DASHBOARD
  - LEVERAGED TASK ORDER WITH ACCENTURE TO CREATE VISUALIZATIONS BASED ON DATA SETS PROVIDED BY DCTA. TOOLS SUCH AS MICROSOFT POWER BI WERE USED TO CREATE INFORMATIVE REPORTS AND GRAPHS USED IN PRESENTATIONS THROUGHOUT THE AGENCY. DCTA'S CONSULTANT, ACCENTURE, AND DCTA STAFF ARE COLLABORATING ON A LONG-TERM SOLUTION.

**IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT****OBJECTIVE:**

- ACQUIRE IT PROJECT MANAGEMENT SUPPORT TO ASSIST WITH IMPLEMENTATION OF THE TRANSFORMATION INITIATIVE NEXT STEPS
  - RECEIVED FY22 BUDGET APPROVAL FOR IT PROJECT MANAGEMENT SUPPORT. EFFORTS TO FILL THIS ROLE WILL BE A RESULT OF FY22 ACTIVITIES.
- ROLLOUT PRODUCTIVITY, COLLABORATION, AND CYBERSECURITY TOOLS AGENCYWIDE
  - SUCCESSFUL ROLLOUT OF DOCUMENT MANAGEMENT SYSTEMS FOR THE HUMAN RESOURCES TEAM
  - HEAVILY INTEGRATED COLLABORATION TOOLS SUCH AS MICROSOFT TEAMS AND ZOOM FOR USE IN A HEAVILY REMOTE ENVIRONMENT. FACILITATED TRAINING FOR THESE TOOLS TO ASSIST STAFF DURING TRANSITION TO HYBRID WORK ENVIRONMENTS.
  - WORKED WITH SECURITY PARTNERS TO CREATE IT SECURITY POLICIES IN LINE WITH NIST FRAMEWORK FY2020 INITIATIVES. ENGAGED IN TRAINING SESSIONS WITH STAFF TO INCREASE CYBERSECURITY AWARENESS THROUGHOUT THE AGENCY. IMPLEMENTED SECURITY TOOLS AND PROCEDURES TO FURTHER STRENGTHEN DCTA'S CYBERSECURITY POSTURE.

## RAIL SERVICES

**RAIL SERVICES**

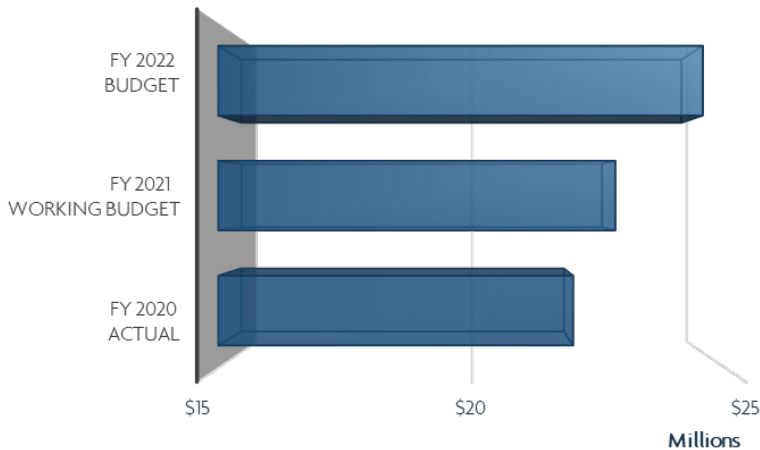
The Rail Services department provides management and operations efforts of the regional rail component, the A-train. Primary activities undertaken by this section of DCTA include internal and external agency coordination, transit oriented development, rail operations, rail maintenance, and safety/security. In October 2020, DCTA entered into a contract with Rio Grande Pacific Corporation for operations and maintenance of the A-train system. This contract supports the train operations and includes service hours, fuel, maintenance, etc. and is accounted for under Purchased Transportation Services category. Additionally, DCTA and DART have an interlocal shared services agreement for ticket vending machine maintenance and train platform maintenance.

	FY 2020 Actual	FY 2021 Working Budget	FY 2022 Budget
<b>EXPENSES</b>			
Salary, Wages & Benefits	\$ 422,707	\$ 293,597	\$ 606,595
Outsourced Services & Charges	1,844,970	479,026	834,659
Materials & Supplies	339,991	992,300	1,103,100
Utilities	255,122	265,768	284,388
Insurance	1,292,652	1,368,961	1,341,057
Purchased Transportation	9,577,974	10,380,143	10,864,067
Employee Development	12,761	9,300	13,055
Leases & Rentals	1,613	2,400	2,400
Depreciation	8,252,127	9,037,306	9,503,434
<b>TOTAL DEPARTMENT BUDGET</b>	<b>\$ 21,999,918</b>	<b>\$ 22,828,801</b>	<b>\$ 24,552,755</b>

**STAFFING**

Rail Development Department			
Deputy CEO	-	-	0.40
Senior Director of Rail Operations	1.00	1.00	1.00
Senior Manager of Rail Operations	1.00	1.00	1.00
Director of Capital Development	-	-	0.80
Project Controls Coordinator	1.00	-	0.80
<b>TOTAL</b>	<b>3.00</b>	<b>2.00</b>	<b>4.00</b>

## RAIL SERVICES

**MATERIAL BUDGET ITEMS:**

- Purchased Transportation for FY22 is based on current contract rates with Rio Grande Pacific Corp. and includes operating expenses related to Positive Train Control of \$200k
- Fuel budgeted at \$3.00 per gallon in FY22 @ 367,200 gallons
- Includes estimated DART Access/Impact Fee of \$240k
- Reallocation of key positions related to the oversight of rail operations

**FY22 OBJECTIVES & PERFORMANCE MEASURES – RAIL SERVICES****LOOKING AHEAD****ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES****OBJECTIVE:**

- MANAGE A LONG RANGE SERVICE PLAN AND LONG RANGE FINANCIAL PLAN TO GUIDE DECISION-MAKING FOR CAPITAL AND OPERATING NEEDS TO FUND OPTIMAL MOBILITY SERVICE AND TO SUPPORT FUTURE PROGRAMS
- CONTINUE SEEKING FUNDING OPPORTUNITIES THROUGH REGIONAL, STATE, FEDERAL AND PUBLIC-PRIVATE PARTNERSHIPS TO ADVANCE AGENCY INITIATIVES, TO MEET REGULATORY REQUIREMENTS, AND TO ENHANCE THE PASSENGER EXPERIENCE

**IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT****OBJECTIVE:**

- MAINTAIN OR IMPROVE RIDERSHIP SYSTEM-WIDE OVER POST COVID-19 PANDEMIC LEVELS EXPERIENCED IN FY2021
- MAINTAIN THE APPROPRIATE LEVEL OF REVENUE, CONTINGENCY, AND SPARE VEHICLES TO MEET SERVICE NEEDS
- MAINTAIN ZERO FEDERAL RAILROAD ADMINISTRATION REPORTABLE WORKERS INJURIES; A MINIMUM OF 99.9% RELIABILITY FOR DISPATCH AND SIGNALS & COMMUNICATIONS AVAILABILITY, AND MAINTAIN THE RIGHT-OF-WAY TO CONTRACTUAL THRESHOLDS FOR A-TRAIN SERVICES
- ENSURE OVERALL ON-TIME PERFORMANCE METRICS ARE ACHIEVED: 98% RAIL

**ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES****OBJECTIVE:**

- PARTICIPATE IN STRATEGIC REGIONAL DISCUSSION, IDENTIFY PARTNERSHIP OPPORTUNITIES WITH OTHER TRANSIT AGENCIES AND MAAS PROVIDERS FOR SOLVING MOBILITY CHALLENGES AND MINIMIZING EXPENSES



## PERFORMANCE MEASURE RESULTS – RAIL SERVICES

# FY21 PROGRESS REPORT

### ALIGN THE AGENCY'S VISION AND GOALS WITH STAKEHOLDER PRIORITIES

#### OBJECTIVE:

- SOURCE DATA VISUALIZATION SOFTWARE AND ANALYTICS TOOL AND BEGIN INCORPORATING DATA SETS AVAILABLE FROM CURRENT SYSTEMS AND PROCESSES INTO AN INITIAL DCTA DASHBOARD
  - **LEVERAGED TASK ORDER WITH ACCENTURE TO CREATE VISUALIZATIONS BASED ON DATA SETS PROVIDED BY DCTA. TOOLS SUCH AS MICROSOFT POWER BI WERE USED TO CREATE INFORMATIVE REPORTS AND GRAPHS USED IN PRESENTATIONS THROUGHOUT THE AGENCY. DCTA'S CONSULTANT, ACCENTURE, AND DCTA STAFF ARE COLLABORATING ON A LONG-TERM SOLUTION.**

### ENSURE STRONG GOVERNANCE, FINANCIAL STEWARDSHIP, SUSTAINABILITY, AND CONTINUITY OF PROGRAMS AND SERVICES

#### OBJECTIVE:

- MANAGE A LONG RANGE SERVICE PLAN AND LONG RANGE FINANCIAL PLAN TO GUIDE DECISION-MAKING FOR CAPITAL AND OPERATING NEEDS TO FUND OPTIMAL MOBILITY SERVICE AND TO SUPPORT FUTURE PROGRAMS
  - **ONGOING AS PART OF ANNUAL BUDGET PROCESS AND STRATEGIC PLANNING WITH THE DCTA BOARD OF DIRECTORS.**
- CONTINUE SEEKING FUNDING OPPORTUNITIES THROUGH REGIONAL, STATE, FEDERAL AND PUBLIC-PRIVATE PARTNERSHIPS TO ADVANCE AGENCY INITIATIVES, TO MEET REGULATORY REQUIREMENTS, AND TO ENHANCE THE PASSENGER EXPERIENCE
  - **STAFF HAS BEEN IN DISCUSSIONS WITH THE FEDERAL RAILROAD ADMINISTRATION REGARDING LEVERAGING EXISTING GRANTS.**

### IMPROVE AGENCY PERFORMANCE, EFFECTIVENESS, SAFETY, AND RETURN ON INVESTMENT

#### OBJECTIVE:

- IDENTIFY DATA NEEDS IN ORDER TO IDENTIFY TECHNOLOGY FOR COLLECTING DATA ABOUT RIDERSHIP, COSTS, AND SERVICE
  - **PROJECT DELAYED PENDING IMPLEMENTATION OF GOZONE SERVICE PROVIDED BY VIA AND BOARD DECISION REGARDING EXISTING FIXED ROUTE SERVICE LEVELS. DCTA AND ACCENTURE HAVE IDENTIFIED NEEDS AND ARE CURRENTLY WORKING TO IDENTIFY POTENTIAL VENDORS FOR OUTSOURCING.**
- MAINTAIN OR IMPROVE RIDERSHIP SYSTEM-WIDE OVER POST COVID-19 PANDEMIC LEVELS EXPERIENCED IN FY2020
  - **APRIL – SEPTEMBER FY21 WEEKDAY AVERAGE RIDERSHIP WAS 451 COMPARED TO 280 IN FY20; APRIL – SEPTEMBER FY21 SATURDAY AVERAGE RIDERSHIP WAS 263 COMPARED TO 150 IN FY20.**
- ENSURE OVERALL ON-TIME PERFORMANCE METRICS ARE ACHIEVED: 90% BUS & MOBILITY SERVICES; 98% RAIL
  - **DCTA MAINTAINED ON-TIME PERFORMANCE OF 98.55% IN FY21.**
- MAINTAIN THE APPROPRIATE LEVEL OF REVENUE, CONTINGENCY, AND SPARE VEHICLES TO MEET SERVICE NEEDS
  - **DCTA MAINTAINED 7 OF 11 RAIL VEHICLES WITH 100% AVAILABILITY DURING SERVICE HOURS.**
- MAINTAIN ZERO FEDERAL RAILROAD ADMINISTRATION REPORTABLE WORKERS INJURIES; A MINIMUM OF 99.9% RELIABILITY FOR DISPATCH AND SIGNALS & COMMUNICATIONS AVAILABILITY, AND MAINTAIN THE RIGHT-OF-WAY TO CONTRACTUAL THRESHOLDS FOR A-TRAIN SERVICES
  - **DCTA MAINTAINED ZERO FEDERAL RAILROAD ADMINISTRATION REPORTABLE WORKER INJURIES; 100% RELIABILITY FOR DISPATCH, SIGNALS & COMMUNICATIONS, RIGHT OF WAY CONTRACTUAL THRESHOLDS.**
- ACHIEVE PTC REGULATORY COMPLIANCE IN ACCORDANCE WITH FTA MANDATES BY DECEMBER 31, 2020
  - **DCTA COMPLETED REVENUE SERVICE DEMONSTRATION IN SEPTEMBER 2019 AND SUBMITTED ITS PTC SAFETY PLAN FOR FRA REVIEW IN APRIL 2020. ON DECEMBER 8, 2020, DCTA RECEIVED PTC CERTIFICATION FROM THE FRA.**

## RAIL SERVICES

**ENGAGE WITH LOCAL, REGIONAL AND STATEWIDE STAKEHOLDERS AND TO CREATE OPPORTUNITIES TO SHARE KNOWLEDGE, TECHNOLOGY AND SERVICES****OBJECTIVE:**

- MOBILITY ORCHESTRATION/REGIONAL COORDINATION: PARTICIPATE IN STRATEGIC REGIONAL DISCUSSION, IDENTIFY PARTNERSHIP OPPORTUNITIES WITH OTHER TRANSIT AGENCIES AND MAAS PROVIDERS FOR SOLVING MOBILITY CHALLENGES AND MINIMIZING EXPENSES
  - DCTA AND DALLAS AREA RAPID TRANSIT HAVE ADVANCED PLANNING TO BUILD A JOINT RAIL OPERATING FACILITY. DART WILL FUND AN EXPANSION TO DCTA'S EXISTING FACILITY TO CREATE AN EFFICIENT REGIONAL FACILITY IN SUPPORT OF DCTA'S A-TRAIN AND DART'S SILVER LINE COMMUTER RAIL SERVICES AND TO REALIZE COST SAVING OPPORTUNITIES.

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# CAPITAL IMPROVEMENT & MAJOR MAINTENANCE PLAN



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CAPITAL IMPROVEMENT & MAJOR MAINTENANCE PLAN OVERVIEW**CAPITAL IMPROVEMENT & MAJOR MAINTENANCE PLAN OVERVIEW**

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

Capital projects represent a significant investment by DCTA in developing and maintaining the agency's equipment and infrastructure. This level of investment requires a serious and intensive review of all project requests and any associated operating expenses to ensure that they are consistent with the needs and goals of the community and that adequate resources are available.

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

A capital project is funded for one of the following purposes: land acquisition, new construction of buildings, remodeling of and/or additions to buildings, major equipment purchases or refurbishment, other infrastructure or technology needs, service improvements, or major studies. The basic criteria for a capital project are any construction or purchase costing \$25,000 or more and which has a useful life of five years or longer. A capital project may also be established for large-scale operating expenses expected to span multiple years, and these are expensed upon completion. During the budget process, all proposed capital projects are reviewed for funding feasibility based on alignment with identified initiatives and goals and select projects based on funding availability.

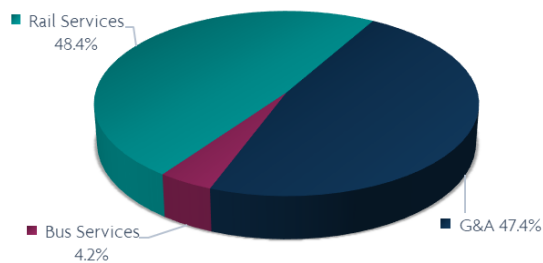
The current year of the CIP is adopted with the approval of the FY22 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and require specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY22 is \$15.1 million, and includes bus, rail and general administrative related projects. These projects are outlined in greater detail on subsequent pages in this section.

## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN SUMMARY

Project Name	Project Number	Current Project Budget	Project LTD thru FY 2020	Working FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Project Total (Thru 2027)
<b>BUS FLEET REPLACEMENT</b>											
Fleet (2020)	50514	\$ 1,062,600	\$ -	\$ 1,062,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,062,600
FUTURE: Fleet Replacement		-	-	-	-	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
<b>PROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS</b>											
Integrated Fare Payment	50411	600,000	-	-	300,000	300,000	-	-	-	-	600,000
Bus OMF Network Video Recorder	50412	26,000	-	-	26,000	-	-	-	-	-	26,000
DDTC Rail Fiber Extension	50413	125,000	-	-	125,000	-	-	-	-	-	125,000
Backup & DR Infrastructure Upgrades	10404	45,000	-	-	45,000	-	-	-	-	-	45,000
FUTURE: Stadler Laptop Replacement		-	-	-	-	-	-	80,000	-	-	80,000
FUTURE: Server & Network Infrastructure		-	-	-	-	-	350,000	-	-	-	350,000
FUTURE: Backup & DR Infrastructure Upgrades		-	-	-	-	-	-	-	-	45,000	45,000
<b>TRANSIT SAFETY IMPROVEMENTS</b>											
Trail Safety Improvements	61715	181,157	170,507	10,650	-	-	-	-	-	-	181,157
<b>MAJOR MAINTENANCE ITEMS</b>											
Major Maintenance Items - Rail (FY21)	61723	2,124,693	-	2,124,693	-	-	-	-	-	-	2,124,693
Major Maintenance Items - Bus (FY20)	50306	125,000	109,470	15,530	-	-	-	-	-	-	125,000
Major Maintenance Items - Rail (FY22)	61724	1,836,442	-	-	1,836,442	-	-	-	-	-	1,836,442
Major Maintenance Items - Bus (FY22)	50307	179,530	-	-	179,530	-	-	-	-	-	179,530
FUTURE: Major Maintenance Items - Rail		-	-	-	-	1,859,543	2,034,860	2,897,164	3,327,187	2,109,209	12,227,963
FUTURE: Major Maintenance Items - Bus		-	-	-	-	200,000	264,203	200,000	200,000	200,000	1,064,203
<b>POSITIVE TRAIN CONTROL</b>											
Positive Train Control Implementation	61406.1	16,720,141	15,913,486	209,655	597,000	-	-	-	-	-	16,720,141
Positive Train Control Enhancements (Phase 2)	61406.2	5,000,000	148,180	-	4,851,820	-	-	-	-	-	5,000,000
<b>INFRASTRUCTURE ACQUISITION</b>											
	10302	3,251,990	2,605,264	11,745	-	634,981	-	-	-	-	3,251,990
<b>BROWNFIELD REMEDIATION</b>											
	61605	405,000	338,405	46,595	20,000	-	-	-	-	-	405,000
<b>TRANSPORTATION REINVESTMENT PROGRAM (TRIP)</b>											
TRIP Program Funding - FY21	10702	7,742,134	-	7,742,134	-	-	-	-	-	-	7,742,134
TRIP Program Funding - FY22	10703	7,119,429	-	-	7,119,429	-	-	-	-	-	7,119,429
FUTURE: TRIP Program Funding		-	-	-	-	8,051,094	7,009,987	6,101,694	-	-	21,162,775
<b>TOTAL CURRENT CAPITAL BUDGET</b>		<b>\$ 46,544,116</b>	<b>\$ 19,285,312</b>	<b>\$ 11,223,602</b>	<b>\$ 15,100,221</b>	<b>\$ 12,245,618</b>	<b>\$ 10,859,050</b>	<b>\$ 10,478,858</b>	<b>\$ 4,727,187</b>	<b>\$ 3,554,209</b>	<b>\$ 87,474,057</b>

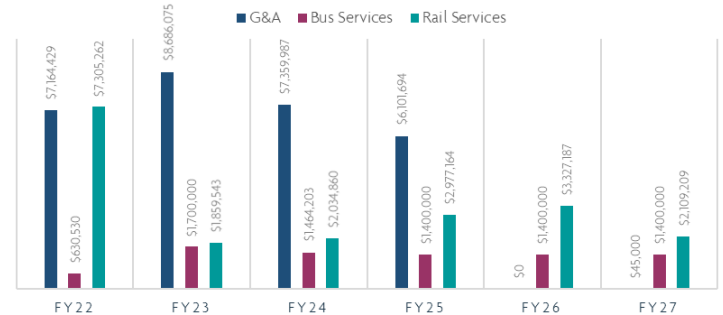
## Sources of Funding (FY22)

Federal/State Grants	\$ 4,609,056
DCTA Funding	10,491,165
<b>TOTAL</b>	<b>\$ 15,100,221</b>

CAPITAL PROJECTS BY FUNCTION  
FY 2022

\*TRIP Program funding is included in G&amp;A amounts in FY22 - FY25

CAPITAL PLAN BY FUNCTION



\*TRIP Program funding is included in G&amp;A amounts in FY22 - FY25



## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

## Project Name: Integrated Fare Payment

Project Number: 50411

## Statement of Need/Description

Current fare boxes hold coin and currency fares which must be manually counted in-house and transported to the bank via courier. Ridership is tracked manually. These fare boxes require exact change, as they cannot issue change to a passenger. This project will include supplementing the current farebox system with a reloadable card system on all vehicles in DCTA's fleet to better track ridership trends, reduce in-house cash collections, and improve boarding speed for passengers. This project was rolled over from the FY21 budget pending the results of the Transformation Initiative.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY20	\$ -	\$ -	\$ -	
2020-21	\$ -	\$ -	\$ -	State Grants \$ -
2021-22	\$ 300,000	\$ -	\$ -	Federal Grants \$ 250,000
2022-23	\$ 300,000	See Project Notes	\$ -	Operating Funds \$ 350,000
<b>Total</b>	<b>\$ 600,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 600,000</b>

## Change from Previous CIP

## Project Notes

No Change

X

Increase in Amount

Decrease in Amount

New Project

## Coordinating Department: Transit Operations

The agency reviews each capital project for associated operating impacts during the budget process. Upon completion of the procurement process, all associated operating expenses will be identified and included in our long range financial plan.

This project benefits DCTA by reducing risk and cost by lowering the amount of cash collected on DCTA buses, as customers will be able to purchase pre-paid transit fares online via credit card or bank transfer and with cash at retail locations throughout DCTA's service area. Utilizing this technology will also provide DCTA more accurate ridership data and information about system usage. Benefits to the customer include the ability to seamlessly travel regionally between DCTA and DART using one fare.





CAPITAL IMPROVEMENT & MAJOR MAINTENANCE PLAN - PROJECT DETAIL

Project Name: Bus OMF Network Video Recorder

Project Number: 50412

Statement of Need/Description

This project will replace the existing network video recorder at the bus operations and maintenance facility that is at the end of its useful life. The project budget of \$26,000 includes cost factors for hardware in addition to installation & service by the vendor.

Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY20	\$ -	\$ -	\$ -	State Grants \$ -
2020-21	\$ -	\$ -	\$ -	Federal Grants \$ -
2021-22	\$ 26,000	See Project Notes	\$ -	Operating Funds \$ 26,000
<b>Total</b>	<b>\$ 26,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 26,000</b>

Change from Previous CIP

Project Notes

No Change

Increase in Amount

Decrease in Amount

New Project X

Coordinating Department: Information Technology

Accounting will review expenses quarterly for all capital & major maintenance projects, and if deemed operating, the related transactions will be expensed at that point.

## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

**Project Name: DDTC Rail Fiber Extension****Project Number: 50413****Statement of Need/Description**

This project will connect the DDTC facility to the rest of DCTA's fiber network via underground boring and extension of the fiber to the current termination point near the DDTC A-train platform. This extension will provide higher capacity bandwidth to the DDTC to support future projects such as facility cameras and access control without limiting the existing network.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
Thru FY20	\$ -	\$ -	\$ -	State Grants	\$ -
2020-21	\$ -	\$ -	\$ -	Federal Grants	\$ -
2021-22	\$ 125,000	See Project Notes	\$ -	Operating Funds	\$ 125,000
<b>Total</b>	<b>\$ 125,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 125,000</b>

**Change from Previous CIP****Project Notes**

No Change

Increase in Amount

Decrease in Amount

New Project

X

**Coordinating Department: Information Technology**

Accounting will review expenses quarterly for all capital & major maintenance projects, and if deemed operating, the related transactions will be expensed at that point.



## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

## Project Name: Backup &amp; DR Infrastructure Upgrades

Project Number: 50307

## Statement of Need/Description

This upgrade will replace the server and storage infrastructure which currently operates and contains DCTA's backup software and backup repositories and is due for replacement. This project will ensure the Agency's data will remain secure while staying aligned with the equipment replacement cycles that have been in place. This replacement will occur every five years and is accounted for in the long-range financial plan.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY20	\$ -	\$ -	\$ -	State Grants \$ -
2020-21	\$ -	\$ -	\$ -	Federal Grants \$ -
2021-22	\$ 45,000	See Project Notes	\$ -	Operating Funds \$ 45,000
<b>Total</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 45,000</b>

## Change from Previous CIP

## Project Notes

No Change

Increase in Amount

Decrease in Amount

New Project

X

## Coordinating Department: Information Technology

Accounting will review expenses quarterly for all capital & major maintenance projects, and if deemed operating, the related transactions will be expensed at that point.





## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

**Project Name: Major Maintenance - Rail (2022)****Project Number: 61724****Statement of Need/Description**

The Major Maintenance-Rail project is an annual allocation for the maintenance of the rail facility and vehicles. DCTA worked with a consultant in FY19 to create a long-term Facilities & Maintenance Plan. This plan outlines all major maintenance for all of DCTA's assets - facilities, vehicles, amenities, etc. Please refer to Project Notes section for a detailed breakout of current capital maintenance needs planned for FY2022.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
Thru FY20	\$ -	\$ -	\$ -	State Grants	\$ -
2020-21	\$ -	\$ -	\$ -	Federal Grants	\$ -
2021-22	\$ 1,836,442	See Project Notes	\$ -	Operating Funds	\$ 1,836,442
<b>Total</b>	<b>\$ 1,836,442</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 1,836,442</b>

**Change from Previous CIP****Project Notes**

No Change

Increase in Amount

Decrease in Amount

New Project

X

**Coordinating Department: Rail Operations**

\*FY22 Stadler Rail Vehicle Maintenance: \$1,317,398

\*FY22 Right of Way Maintenance: \$272,800

\*FY22 Rail O&amp;M Facility Maintenance: \$106,244

\*FY22 Swingmaster Rail Brush Machine: \$95,000

\*FY22 Stadler Vehicle Wrap Program: \$45,000

Accounting will review expenses quarterly for the Major Maintenance projects, and if deemed operating, the related transactions will be expensed at that point.





## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

**Project Name: Major Maintenance - Bus (2022)****Project Number: 50307****Statement of Need/Description**

The Major Maintenance-Bus project is an annual allocation for the maintenance of the bus operations and maintenance facilities and the Downtown Denton Transit Center. DCTA worked with a consultant in FY19 to create a long-term Facilities Maintenance Plan. This plan outlines all major maintenance for DCTA owned facilities. Please refer to Project Notes section for a detailed breakout of current capital maintenance needs planned for FY2022.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
Thru FY20	\$ -	\$ -	\$ -	State Grants	\$ -
2020-21	\$ -	\$ -	\$ -	Federal Grants	\$ -
2021-22	\$ 179,530	See Project Notes	\$ -	Operating Funds	\$ 179,530
<b>Total</b>	<b>\$ 179,530</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 179,530</b>

**Change from Previous CIP****Project Notes**

No Change

Increase in Amount

Decrease in Amount

New Project

X

**Coordinating Department: Mobility Services**

\*FY22 DDTC Facility Repairs: \$131,618

\*FY22 Bus O&amp;M Facility Repairs: \$47,912

Accounting will review expenses quarterly for the Major Maintenance projects, and if deemed operating, the related transactions will be expensed at that point.



## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

## Project Name: Positive Train Control (PTC) Implementation

Project Number: 61406.1

## Statement of Need/Description

The PTC project is a function of the federally mandated Rail Safety Improvement Act of 2008 (RSIA) that mandates PTC be implemented across a significant portion of the Nation's rail industry. Lines requiring PTC include any railroad main lines over which regularly scheduled intercity passenger or commuter rail services are provided. PTC refers to a communication-based/processor-based train control technology that provides a system capable of reliably preventing train-to-train collisions, overspeed derailments, incursions into established work zone limits, and the movement of a train through an improperly positioned main line switch. Project implementation began in FY2016 and implemented followed by FRA certification in December 2020. The Project is in its final stages of adopting maintenance processes and fine tuning for the system to work error free. The Project will be wrapped up by December 31, 2022.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
				Debt Issuance \$ 3,344,028
Thru FY20	\$ 15,913,486	\$ -	\$ -	State Grants \$ 12,500,000
2020-21	\$ 209,655	\$ -	\$ -	Federal Grants \$ 876,113
2021-22	\$ 597,000	\$ 200,000	\$ -	Operating Funds \$ -
<b>Total</b>	<b>\$ 16,720,141</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>Total Funding \$ 16,720,141</b>

## Change from Previous CIP

No Change X  
 Increase in Amount  
 Decrease in Amount  
 New Project

## Project Notes

## Coordinating Department: Rail Operations

The agency has awarded this project to Alstom to implement E-ATC Rail Safety Enhancements. Annual operating costs are assumed at \$200k beginning in FY22.





## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

**Project Name: Positive Train Control (PTC) Enhancements (Phase 2)****Project Number: 61406.2****Statement of Need/Description**

Positive Train Control (PTC) makes the rail system safer but inherently induces delays. The current schedule takes 32 minutes for an end to end run and will increase to 44 minutes with E-ATC in effect. The PTC Enhancement project would involve raising the existing track speeds and subsequently programming the signal system to accommodate the increased track speeds. Additional costs will be incurred to plan and execute the new phase of PTC. This project will be funded at 80% by the Consolidated Rail Infrastructure and Safety Improvements (CRISI) funding the agency was awarded in 2019. Discussions with DART regarding a Joint Rail Operations Facility are underway as well as FRA for a possible change in scope.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY20	\$ 148,180	\$ -	\$ -	Debt Issuance \$ -
2020-21	\$ -	\$ -	\$ -	State Grants \$ -
201-22	\$ 4,851,820	\$ -	\$ -	Federal Grants \$ 4,000,000
2022-23	\$ -	\$ -	\$ -	Operating Funds \$ 1,000,000
<b>Total</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 5,000,000</b>

**Change from Previous CIP****Project Notes**

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

**Coordinating Department: Rail Operations**

Annual operating costs associated with Positive Train Control are assumed at \$200k for FY22 and are reflected in the Positive Train Control Implementation project (61406.1).



## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

**Project Name: Brownfield Remediation****Project Number: 61605****Statement of Need/Description**

This project represents the completion of the Brownfield Remediation project. The Rail O&M facility is located on an unpermitted landfill. In 2019 we began a project to remove surface debris from the vacant property because of safety concerns. We then received an Environmental Protection Agency (EPA) grant to complete a Phase 2 Environmental Assessment. The assessment has been completed and found no actionable contaminants other than some restrictions to use of ground water. The site must be officially closed with the Texas Commission on Environmental Quality (TCEQ). This requires a Municipal Site Designation (MSD) from the City of Lewisville. All appropriate documents have been filed and we are waiting on public meetings that the City is required to conduct. Once that is complete we can file for closure certificate.



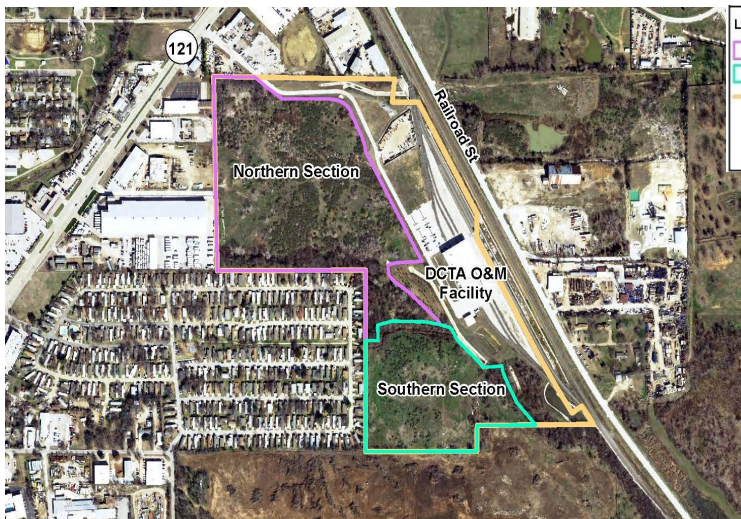
Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY20	\$ 338,405	\$ -	\$ -	State Grants \$ -
2020-21	\$ 46,595	\$ -	\$ -	Federal Grants \$ 178,200
2021-22	\$ 20,000	See Project Notes	\$ -	Operating Funds \$ 226,800
<b>Total</b>	<b>\$ 405,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 405,000</b>

**Change from Previous CIP****Project Notes**

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

**Coordinating Department: Transit Operations**

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





## CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE PLAN - PROJECT DETAIL

**Project Name: Transportation Reinvestment Program (TRiP)****Project Number: 10703****Statement of Need/Description**

Transportation Reinvestment Program (TRiP) will enable partnerships between the agency and its member cities on mutually beneficial investments in transit-supportive projects by allowing DCTA the ability to distribute funds to member cities for eligible projects consistent with DCTA's Long-Range Service Plan and the Agency's enabling legislation, Chapters 431 and 460 of the Texas Transportation Code. TRiP will be a five-year program with its first funding cycle during the 2021 fiscal year budget. The anticipated annual TRiP budget will be set at 15 percent of DCTA's net available fund balance from the previous fiscal year.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY20	\$ -	\$ -	\$ -	State Grants \$ -
2020-21	\$ -	\$ -	\$ -	Federal Grants \$ -
2021-22	\$ 7,119,429	\$ -	\$ -	Operating Funds \$ 7,119,429
<b>Total</b>	<b>\$ 7,119,429</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding \$ 7,119,429</b>

**Change from Previous CIP****Project Notes**

No Change

Increase in Amount

Decrease in Amount

New Project

X

**Coordinating Department: Transit Management**

There will be no operating impact to DCTA for projects approved under the TRiP Program. These projects will be the responsibility of the member city that requests and owns the project.





An abstract background featuring vibrant blue and white ink-like splashes and bubbles against a dark, almost black, backdrop. The splashes are dynamic and fluid, creating a sense of movement. A thin horizontal line is positioned above the word 'APPENDIX'.

# APPENDIX

# Denton County Transportation Authority Financial Management Policies

(Adopted September 2021)

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FINANCIAL MANAGEMENT POLICIES

## 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 Board of Directors for review, discussion, and approval at the start of each fiscal year.

### Objectives

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

- a. To enable the DCTA Board of Directors (the Board) to establish and manage 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 those services.

## FINANCIAL MANAGEMENT POLICIES

**Reserve Fund Policies**

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

- 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 (excluding 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 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.
- 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.

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 regarding transfers to and from reserve funds. The Board shall authorize the transfers as deemed appropriate at the time. Guidelines for transfers and contributions are as follows:

- a. All transfers for expenses 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 an additional \$500,000. (Example - FY21 Bus Fleet replacement: \$1.87 million X 20% = \$374,020. Minimum Capital Replacement Fund requirement: \$374,020 + \$500,000 = \$874,020).
- c. Infrastructure Maintenance – Available funds, within limitations of current long range financial plan, 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 expense reductions or through higher than anticipated revenues. The long range financial plan 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: Expense 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 will be charged at rates in accordance with DCTA's Administrative Fee Policy as approved by the Board of Directors.
  - Contracts for service delivered to local Universities and Colleges within member cities must recover a minimum of 75% of total operating and capital costs. Contracts for services delivered outside member cities must recover 100% of total operating and capital costs.
  - An overhead percentage shall be calculated annually based on DCTA's cost allocation model to determine the percentage of allocated, indirect costs in proportion to direct costs. A three percent (3%) fee shall be added to this overhead percentage for all contract services delivered outside member cities. This calculated overhead percentage, plus 3%, shall be used as the Administrative Fee added to direct costs. In no case shall the Administrative Fee be less than 60% without prior approval of the DCTA Board of Directors.



## FINANCIAL MANAGEMENT POLICIES

- The President/CEO or designee is authorized to implement this policy and to issue more detailed procedures to facilitate implementation of the policy as needed. All agreements developed under this policy and any proposed deviations from this policy will be brought to the Board for prior review and approval.
- g. DCTA will review contracts and leases which result in revenues to DCTA on a timely basis for careful consideration by the Board.

## Expense Policies

DCTA will only propose operating expenses 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 expenses may be funded from one-time revenues, but the operating budget expense impacts of capital expenses will be reviewed for compliance with this policy provision:

- a. Vice Presidents are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expense categories to help assure the most efficient use of resources.
- b. DCTA will maintain expense 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 long range financial plan and the long range service plan. Staff shall provide a review of the implications of budgetary proposals on the long range financial plan.
- b. The budget is designed to communicate DCTA's financial goals and objectives to its 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 the Board. A calendar of events related to budget development shall be presented to the Board 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 Board with monthly and/or quarterly information in a timely manner on fund level resource collections and category level expenses.
- e. Budget Revisions: 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 Expenses:
    1. DCTA is required to control operating costs and maintain the total expenses incurred at or below the total annual adopted Operating Expenses budget or budget as amended.
    2. The Chief Executive Officer (CEO) 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 expenses when available savings cannot be identified within the operating or capital budget.
  - ii. Capital Project Fund Expenses:
    1. Expenses for capital projects must be approved within the fiscal year capital project budget; or
    2. By Board approval of any increase to an existing capital project budget that is not offset by savings within the operating or capital budget; or
    3. The addition of a new capital project during the fiscal year approved by Budget Amendment.

- iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and long range financial plan.
- f. Definitions:
  - i. Budget Amendment – Shall mean a net change in the total adopted fiscal year budget (operating + capital) based on the following criterion:
    - 1. A net change in the budgeted expenses (operating + capital), to include:
      - (a) addition of a new capital project; (b) increase in Capital Projects Fund annual appropriation that is not offset by identified savings within the operating or capital budget; (c) addition of operating expenses that are not offset by identified savings within the operating or capital budget.
    - 2. A resolution approved by the DCTA Board of Directors is required to authorize an amendment as specified in Section e.
  - ii. Budget Transfers – Shall mean transfer of funds between the following:
    - 1. Departments, expense line items, or capital projects that neither increase nor decrease the total adopted budget (operating + capital).
    - 2. If budgeted expenses associated with a capital project are deemed operating, the capital project budget will be decreased and transferred to the appropriate operating 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.
- 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.

## FINANCIAL MANAGEMENT POLICIES

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

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

**Emergency procurement:** The CEO 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 officers of the Board will be notified immediately of such action. State laws relating to emergency purchases shall be followed.

### Cost Allocation

Should DCTA choose to include indirect costs in its grant reimbursement requests, DCTA will comply with all laws and recommendations in calculating and receiving appropriate cost recovery for services rendered and for allocating appropriate indirect costs.

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. Should DCTA choose to include indirect costs in its grant reimbursement requests, DCTA will prepare and seek funding agency approval of a cost allocation plan to identify direct and indirect costs to use for recovering allowable costs under OMB Circular A-87.

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 if appropriate to reduce the cost of borrowing.
- 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 approved by the Board of Directors, within six months after the fiscal year end.
- 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.



## FINANCIAL MANAGEMENT POLICIES

**INVESTMENT POLICY****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 comply 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 long range financial plan. 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.

## FINANCIAL MANAGEMENT POLICIES

**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 CEO 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."

## FINANCIAL MANAGEMENT POLICIES

**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 expense 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 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 stated limitation, but shall not exceed the expense 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).

## FINANCIAL MANAGEMENT POLICIES

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 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.

## FINANCIAL MANAGEMENT POLICIES

**X. DIVERSIFICATION AND MATURITY LIMITATIONS**

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

<b>Security Type</b>	<b>Max % of Portfolio</b>
U.S. Treasury obligations	100%
U.S. Government agencies and instrumentalities	Not to exceed 75%
Fully insured or collateralized CDs	Not to exceed 30%
Repurchase agreements	100%
Money Market Funds	50%
Local Government Investment Pools	
Liquidity Pools	100%
Maximum percent ownership of pool	Not to exceed 10%
Interest Bearing Bank Savings Deposits	25%

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

- a. invest more than 20% of the portfolio for a period greater than one (1) year, or
- b. invest any portion of the portfolio for a period of greater than two (2) years.

**XI. SAFEKEEPING AND COLLATERALIZATION**

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

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

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

**Collateralization**

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



## FINANCIAL MANAGEMENT POLICIES

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

**XII. PERFORMANCE EVALUATION AND REPORTING**

A comprehensive quarterly investment report shall be prepared by the Investment Officer or Investment Advisor within ten (10) business 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.

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FINANCIAL MANAGEMENT POLICIES**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 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. 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
6. University of North Texas – Center for Public Management
7. HilltopSecurities Asset Management

**Attachment II**

## Board Approved Broker/Dealers List



<b>Approved Broker/Dealers</b> <b>April 2021</b>
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**BofA Securities**  
 BOK Financial  
**Cantor Fitzgerald & Co**  
**Citigroup Global Markets**  
**Daiwa Capital Markets**  
 FHN Financial  
*Great Pacific Securities\*\**  
**Goldman, Sachs & Co**  
 StoneX (formerly INTL FCStone)  
**JP Morgan Securities**  
 KeyBanc Capital Markets  
*Loop Capital Markets \*\**  
 Mesirow Financial  
**Mizuho Securities**  
**Morgan Stanley & Co**  
*Multi-Bank Securities \*\**  
 Piper Sandler & Co  
 Raymond James  
**RBC Capital Markets**  
*Rice Financial \*\**  
 SunTrust Robinson Humphrey  
 Stifel, Nicolaus & Co.  
**TD Securities**  
**UBS Securities**  
 Vining Sparks  
**Wells Fargo Securities**  
*Siebert Williams Shank \*\**

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

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

## BUDGET CONTINGENCY PLAN

DCTA Budget Contingency Plan  
Fiscal Year 2022

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

**Section I: Sales Tax Revenue Shortfall**

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

*Initial Precautionary Action*

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

***Initiate the following expenditure reductions and measures if a cumulative unanticipated shortfall in sales tax revenue is equal to:*****2% Reduction (\$641,776)**

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

**3% Reduction (\$962,664)**

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

**4% Reduction (\$1,283,552)**

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



## BUDGET CONTINGENCY PLAN

**Section II: Sales Tax Revenue Sustainable Increase**

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

Service Level enhancement decisions will follow annual Decision Cycle framework.

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

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

**Section III: Federal Grant Funding Reduction**

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

Capital Expenditures:

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

Operating Funds:

- Follow the Sales Tax Revenue Shortfall Procedure

## OPERATIONAL STATISTICS

OPERATIONAL STATISTICS							
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual
<b>PASSENGERS</b>							
A-train	555,423	545,250	504,952	419,335	393,700	221,316	113,440
Access	29,984	31,003	29,605	30,268	29,714	20,367	16,194
Connect	589,404	549,531	488,319	472,667	569,467	343,588	220,440
On Demand Zones					8,935	9,032	4,149
RSVP/ Highland Village	2,162	2,845	4,568	4,503	3,551	922	119
GoZone							13,405
North Texas Xpress			6,449	8,440	12,804	8,007	4,146
UNT	1,800,332	1,788,877	1,925,549	1,907,035	1,834,402	950,702	461,985
NCTC	17,489	20,250	18,147	13,588	12,797	5,784	
Frisco		3,537	5,603	8,884	12,799	5,675	3,002
Collin County Transit				4,781	11,559	10,850	10,808
<b>TOTAL PASSENGERS</b>	<b>2,994,794</b>	<b>2,941,293</b>	<b>2,983,192</b>	<b>2,869,501</b>	<b>2,889,728</b>	<b>1,576,243</b>	<b>847,688</b>
<b>REVENUE VEHICLE MILES</b>							
A-train	326,217	334,468	338,750	329,551	335,610	289,812	248,928
Access	209,445	219,186	204,750	206,926	185,147	121,244	100,070
Connect	745,349	766,111	772,224	873,956	966,537	774,638	721,116
On Demand Zones					25,065	25,581	12,729
RSVP/ Highland Village	16,620	64,523	106,289	91,649	60,811	28,652	48
GoZone							
North Texas Xpress			100,216	100,250	103,798	104,638	96,560
UNT	572,469	584,348	577,498	461,992	444,670	366,438	311,129
NCTC	80,565	90,295	91,015	94,977	83,616	34,492	
Frisco		34,819	39,188	70,979	92,005	59,532	25,311
Collin County Transit				42,761	79,163	66,044	64,973
<b>TOTAL REVENUE MILES</b>	<b>1,950,665</b>	<b>2,093,750</b>	<b>2,229,928</b>	<b>2,273,041</b>	<b>2,376,422</b>	<b>1,871,071</b>	<b>1,580,864</b>
<b>REVENUE HOURS</b>							
A-train	13,149	13,580	13,510	13,206	13,767	13,177	11,607
Access	16,050	17,948	18,512	16,982	13,327	8,838	7,656
Connect	61,728	63,554	65,262	75,972	81,580	60,248	54,327
On Demand Zones					3,749	4,176	2,508
RSVP/ Highland Village	1,565	7,195	11,068	8,463	5,370	2,645	20
GoZone							7,277
North Texas Xpress			3,912	3,888	3,866	3,899	3,579
UNT	51,370	54,784	54,332	44,727	45,457	36,431	33,223
NCTC	4,156	4,790	4,576	4,769	4,790	2,057	
Frisco		2,469	2,899	4,921	6,013	3,652	2,365
Collin County Transit				1,896	4,559	3,457	3,080
<b>TOTAL REVENUE HOURS</b>	<b>148,017</b>	<b>164,320</b>	<b>174,071</b>	<b>174,825</b>	<b>182,478</b>	<b>138,580</b>	<b>125,642</b>
<b>PASSENGERS PER REVENUE HOUR</b>							
A-train	42.24	40.15	37.38	31.75	28.60	16.80	9.77
Access	1.87	1.73	1.60	1.78	2.23	2.30	2.12
Connect	9.55	8.65	7.48	6.22	6.98	5.70	4.06
On Demand Zones					2.38	2.16	1.65
RSVP/ Highland Village	1.38	0.40	0.41	0.53	0.66	0.35	6.01
GoZone							1.84
North Texas Xpress			1.65	2.17	3.31	2.05	1.16
UNT	35.05	32.65	35.44	42.64	40.35	26.10	13.91
NCTC	4.21	4.23	3.97	2.85	2.67	2.81	
Frisco		1.43	1.93	1.81	2.13	1.55	1.27
Collin County Transit				2.52	2.54	3.14	3.51
<b>AVERAGE</b>	<b>20.23</b>	<b>17.90</b>	<b>17.14</b>	<b>16.41</b>	<b>15.84</b>	<b>11.37</b>	<b>6.75</b>

## DENTON COUNTY STATISTICS

Denton County was created by an Act of the Texas State Legislature in 1846.

### AREA IN SQUARE MILES:

953 (includes lake areas)

### OFFICIALS ELECTED BY VOTE OF THE PEOPLE:

43

### COUNTY EMPLOYEES INCLUDING THOSE IN GRANT PROGRAMS

1,886

### INCORPORATED MUNICIPALITIES IN THE COUNTY:

51

### ORGANIZED SCHOOL DISTRICTS IN THE COUNTY:

17 (11 with schools located in Denton County)

### FORM OF GOVERNMENT:

Political subdivision of the State of Texas, a Public Corporation, with a County Judge and four Commissioners as the governing body. The Commissioners Court has only three powers as authorized by the Constitution of Texas or the State Legislator or implied therefrom.

### BUSINESS:

Varied industries (food products, apparel, brick, trucks, oil tools, parts, heating and cooling equipment, retail, utilities and many other products), colleges (University of North Texas and Texas Woman's University), Denton State School and tourism.

### MINERALS:

Limited output of oil, sand, gravel, and clay. Increase output of natural gas.

### AGRICULTURE:

Approximately \$123 million total farm income; 80% from Livestock, Poultry, and Products including cattle and calves, sheep and goats, and horses. 20% comes from Crops which includes grains, nursery plants, hay, and turf grass.

### RECREATION:

Water activities at Lewisville, Ray Roberts and Grapevine Lakes, Water Works in Denton; seven U.S. Corp of Engineers' parks; cycling and pedestrian trails, universities' cultural and athletic events; and local activities.

Source: Denton County Budget Department as of December 2021

<https://www.dentoncounty.gov/214/Statistical-Information>

## DENTON COUNTY COMMUNITY PROFILE

### DENTON COMMUNITY PROFILE

Denton is a city in and the county seat of Denton County, Texas, United States. With a population of 139,869 as of 2020, it is the 27th-most populous city in Texas, the 197th-most populous city in the United States, and the 12th-most populous city in the Dallas–Fort Worth metroplex.

A Texas land grant led to the formation of Denton County in 1846, and the city was incorporated in 1866. Both were named after pioneer and Texas militia captain John B. Denton. The arrival of a railroad line in the city in 1881 spurred population, and the establishment of the University of North Texas in 1890 and Texas Woman's University in 1901 distinguished the city from neighboring regions. After the construction of Dallas/Fort Worth International Airport finished in 1974, the city had more rapid growth; as of 2011, Denton was the seventh-fastest growing city with a population over 100,000 in the country.

Located on the far north end of the Dallas–Fort Worth metroplex in North Texas on Interstate 35, Denton is known for its active music life; the North Texas State Fair and Rodeo, Denton Arts and Jazz Festival, and 35 Denton Music Festival attract over 300,000 people to the city each year. The city experiences hot, humid summers and few extreme weather events. Its diverse citizenry is represented by a nonpartisan city council, and numerous county and state departments have offices in the city. With over 45,000 students enrolled at the two universities located within its city limits, Denton is often characterized as a college town. As a result of the universities' growth, educational services play a large role in the city's economy. Residents are served by the Denton County Transportation Authority, which provides commuter rail and bus service to the area.

\*Source: [https://en.wikipedia.org/wiki/Denton,\\_Texas](https://en.wikipedia.org/wiki/Denton,_Texas)

AREA IN SQUARE MILES: 97.95

POPULATION: 138,541 (Based on 2018 Population)

MEDIAN AGE: 29.1

MEDIAN FAMILY INCOME: \$82,495

EDUCATION:

- Over 92.6% of the population are high school graduates, with 37.5% holding a bachelor's degree or higher

[Source: City of Denton - Population & Demographics](#)

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DENTON COUNTY COMMUNITY PROFILE

## HIGHLAND VILLAGE COMMUNITY PROFILE

Highland Village is a progressive community with a dynamic plan for the future. It is an affluent community located in Denton County on the outskirts of the Dallas-Fort Worth (DFW) metropolitan area. Bordering Lewisville Lake, Highland Village is minutes from the DFW airport and I-35 East and West.

Residents of Highland Village are relatively young and actively utilize the amenities the City offers including extensive trails, parks, sports fields, and water sports. The City of Highland Village has a beautiful park system with a broad range of amenities to enjoy from swinging with the kids, playing baseball, soccer, or tennis to camping or boating.

The residential and business community participate in the many festivals and events held within the City, including Celebrate Highland Village, TXFallenPD Tribute Event, Christmas at the Ranch, and Concerts in the Park.

Highland Village residents can easily walk anywhere in the City on the Inland Trail System. The Inland Trail main spine is a 9.83 mile, multi-use trail network connecting virtually all areas of Highland Village. It is designed for walking, jogging, bicycling, and meanders throughout the City connecting neighborhoods, parks, schools, retail centers, and City offices.

\*Source: <https://www.highlandvillage.org/403/Demographics>

AREA IN SQUARE MILES: 5.5

POPULATION: 16,100 (Based on 2018 Population)

MEDIAN AGE: 43

MEDIAN FAMILY INCOME: \$133,161

EDUCATION:

- Over 97% of the population are high school graduates, with 60% holding a bachelor's degree or higher

[Source: City of Highland Village - Population & Demographics](#)



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DENTON COUNTY COMMUNITY PROFILE

## LEWISVILLE COMMUNITY PROFILE

Lewisville is a city in Denton County, Texas, United States, that barely overlaps with Dallas County, Texas. It is a suburb within the Dallas–Fort Worth Metroplex. The 2000 United States Census placed the city's population at 77,737 and the 2010 Census placed it at 95,290, making it one of the fastest-growing city populations in the United States and the 33rd most populous in Texas. It occupies 36.4 square miles (94 km<sup>2</sup>) of land and includes 6.07 square miles (15.7 km<sup>2</sup>) of Lewisville Lake.

Originally called Holford's Prairie, Lewisville dates back to the early 1840s. The arrival of the town's first railroad in 1881 engendered its initial growth, and the expansion of the area's transportation infrastructure spurred further development in the early part of the 20th century. Lewisville incorporated in 1925, and when construction of Lewisville Lake was completed in the 1950s, the city began to expand rapidly.

Lewisville's proximity to Lewisville Lake has made it a recreational hub of the Dallas–Fort Worth metroplex. The city's municipal government, led by a nonpartisan city council, focuses its recreational and cultural investments on facilities such as Toyota of Lewisville Park and the MCL Grand Theater. The area's transportation infrastructure has evolved around the I-35 Corridor along Interstate 35E. The diversity of its population and industry has created a stable economic climate. Lewisville Independent School District provides most of the area's public education programs.

AREA IN SQUARE MILES: 43.22

POPULATION: 113,760 (Based on 2020 Population)

MEDIAN AGE: 34.9

MEDIAN FAMILY INCOME: \$79,211

EDUCATION:

- Over 86.7% of the population are high school graduates, with 29.7% holding a bachelor's degree or higher

[Source: City of Lewisville - Population & Demographics](#)

## DENTON COUNTY COMMUNITY PROFILE

## LEADING EMPLOYERS IN DENTON COUNTY

LEADING EMPLOYERS DENTON COUNTY	INDUSTRY	2021	
		RANK	ESTIMATED NUMBER OF EMPLOYEES
University of North Texas	Education	1	10,894
Lewisville Independent School District	Education	2	6,500
Denton Independent School District	Education	3	4,417
Wal-Mart (Distribution Center & Stores)	Retail	4	3,722
Peterbilt Motors Co.	Manufacturing	5	3,075
Frito Lay	Food Distribution	6	2,500
Northwest Independent School District	Education	7	2,246
Nebraska Furniture Mart	Retail	8	2,000
Texas Woman's University	Education	9	1,875
Denton County	County Government	10	1,823
Denton State School	State Government	11	1,700
City of Denton	City Government	12	1,623
Texas Health Presbyterian Hospital	Hospital	13	1,076
Denton Regional Medical Center	Hospital	14	950
Sally Beauty Company	Beauty Supply Distribution	15	950
			<b>45,351</b>

Sources: Denton County Budget Department

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. R21-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2021-2022, BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING CHANGE IN NET POSITION, CAPITAL IMPROVEMENT & MAJOR MAINTENANCE PLAN, LONG RANGE FINANCIAL PLAN, AND FY22 BUDGET CONTINGENCY PLAN; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

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

**WHEREAS**, the prepared budget, Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY22 Budget Contingency Plan have been presented to the public for review and comment; and

**WHEREAS**, the budget, Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY22 Budget Contingency Plan have been presented to the DCTA Board of Directors for review and comment; and

**WHEREAS**, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2021–2022 budget as hereinafter set forth, meets the legal and practical requirements of DCTA for the proper and sustained operation of DCTA services and capital expenditures and should be approved as presented;

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

**SECTION 1.** The DCTA Operating and Capital Budget for FY 2021-2022, including Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY22 Budget Contingency Plan, attached as Exhibits “A” through “D”, be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.


**SECTION 2.** That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2020-2021 are hereby ratified, and the budget for fiscal year 2021-2022, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

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


**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 23RD DAY OF SEPTEMBER 2021.**

**APPROVED:**



Chris Watts, Chair

**ATTEST:**



Sam Burke, Secretary

## DCTA RESOLUTION ADOPTING FY 2022 OPERATING AND CAPITAL BUDGET

Regular Agenda 1, Exhibit 1, Resolution Exhibit A

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY22 Proposed Budget  
Long Range Financial Plan

	Audited 2020*	Adopted FY2021	Revised FY2021	Proposed FY2022	Proposed FY2023	Proposed FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031	Proposed FY2032	Proposed FY2033	Proposed FY2034	Proposed FY2035	Proposed FY2036	FY2020- FY2036
<b>Beginning Fund Balance</b>	\$ 34,427,459	\$ 39,393,864	\$ 51,434,439	\$ 59,866,017	\$ 66,434,443	\$ 59,787,846	\$ 53,863,855	\$ 48,641,850	\$ 48,955,487	\$ 50,709,536	\$ 50,753,080	\$ 50,881,734	\$ 50,533,569	\$ 49,333,825	\$ 47,472,902	\$ 47,838,640	\$ 46,749,777	\$ 45,260,137	\$ 34,427,459
<b>OPERATING REVENUES</b>																			
Bus Operating Revenue	3,760,388	3,790,114	3,965,472	4,424,754	4,343,396	4,496,865	4,634,774	4,783,326	4,940,522	5,090,068	5,101,077	5,133,337	5,176,115	5,192,280	5,420,558	5,265,237	5,289,054	5,381,101	42,077,195
Lease Revenue	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	36,000,000
Minor Revenue	419,376	-	200,000	262,917	263,546	-	284,428	267,272	304,621	307,669	310,776	320,378	332,673	336,021	350,542	360,108	363,709	383,713	679,376
<b>NON-OPERATING REVENUES</b>																			
Sales Tax Revenue	29,817,265	26,624,124	31,541,078	32,088,804	32,783,580	33,385,192	34,386,747	35,418,350	36,480,900	37,575,327	38,702,587	39,863,665	41,059,275	42,291,362	43,560,103	44,865,906	46,210,973	47,599,100	647,934,855
Operating Grants	16,843,203	16,504,873	19,143,234	21,781,841	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	21,783,101	167,991,695
Investment Income	320,793	100,000	100,000	12,000	66,434	59,788	53,364	48,642	48,953	50,702	50,705	50,882	50,533	49,334	47,473	47,839	46,749	45,260	1,149,449
<b>TOTAL REVENUES</b>	51,613,802	47,659,690	54,811,463	58,388,316	60,281,058	60,996,538	62,733,015	64,412,691	65,848,179	67,086,315	68,248,186	69,370,543	70,492,198	71,574,029	72,650,777	73,728,536	74,806,295	75,884,054	904,502,251
<b>OPERATING EXPENSES</b>																			
Bus Operating Expense	10,925,979	12,807,609	13,397,395	16,364,775	16,964,677	17,455,406	17,855,800	18,385,551	19,028,750	19,969,469	20,599,271	21,484,602	22,090,463	22,848,275	23,788,382	24,437,261	25,608,914	26,696,493	338,553,539
Bus Operating Expense	13,447,789	13,584,327	13,891,495	15,493,321	15,625,632	15,625,632	16,102,864	16,580,455	17,057,276	17,588,726	18,067,016	18,601,655	19,145,106	19,688,601	20,238,463	20,874,086	21,485,203	22,119,038	303,391,644
CSA Operating Expense	5,462,533	6,201,129	7,123,635	6,760,439	7,037,838	6,938,636	7,190,667	7,434,759	7,691,818	7,962,827	8,248,860	8,550,086	8,870,780	9,209,335	9,568,271	9,949,245	10,354,069	10,784,724	139,559,494
<b>TOTAL OPERATING EXPENSES</b>	31,236,181	32,593,059	34,412,526	38,646,535	40,089,223	40,989,223	41,099,330	42,407,765	43,957,764	45,991,071	46,910,197	48,637,343	50,077,549	51,766,651	53,370,123	55,260,592	57,448,686	59,400,445	778,904,658
<b>NET INCOME</b>	20,377,621	14,674,631	20,398,937	19,741,781	20,191,835	20,007,315	21,633,685	22,004,926	21,890,415	21,095,244	21,337,989	20,733,200	20,414,649	19,807,378	19,099,654	18,867,944	18,364,609	17,893,911	125,597,594
<b>CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>																			
Bus Capital	8,237	1,870,100	1,062,600	-	1,200,000	-	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	8,237
Professional Services / Technology Improvements	100,452	300,000	-	496,000	300,000	-	80,000	-	45,000	-	350,000	80,000	-	45,000	-	350,000	80,000	-	17,863,475
Transect Safety Improvements	125,607	-	10,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,276,452
Hike & Bike Trails	672,635	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,257
Major Maintenance Items - Rail	-	212,693	212,693	1,836,442	1,869,543	2,034,460	2,897,164	3,327,887	2,109,029	2,450,221	2,244,169	2,381,313	3,446,188	3,130,859	2,783,914	3,492,042	3,365,880	2,879,918	42,914,303
Major Maintenance Items - Bus	-	-	15,500	179,580	200,000	264,203	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,059,263
Positive Train Control	793,101	3,887,931	209,655	5,448,820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,451,576
Infrastructure Acquisition - Old Town	2,363,256	-	11,745	20,000	63,498	-	-	-	-	-	-	-	-	-	-	-	-	-	3,009,962
Brownfield Remediation	-	43,752	46,595	70,939	805,094	-	-	-	-	-	-	-	-	-	-	-	-	-	66,595
Transportation Reinvestment Program (TRIP)	-	5,914,152	7,742,134	7,194,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,024,338
<b>TOTAL CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>	4,064,163	14,440,628	13,233,620	15,100,221	12,245,618	18,899,530	19,478,838	17,771,187	15,542,309	18,869,921	19,941,669	19,401,315	18,461,188	17,574,859	16,500,000	15,240,042	14,845,880	14,299,918	102,083,113
<b>TOTAL CAPITAL MAINTENANCE AND OPERATING EXPENSES</b>	35,300,344	46,735,687	45,476,128	51,465,746	51,488,315	50,948,273	51,988,169	47,134,952	47,511,973	49,341,992	50,904,567	52,646,656	54,923,736	56,343,530	57,754,037	60,502,634	62,794,566	63,680,363	890,987,781
<b>CAPITAL SOURCES</b>																			
Capital Grants	1,158,881	6,094,359	1,556,153	4,609,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,604,060
Capital Grants - Old Town	2,313,825	-	-	-	528,100	-	-	-	-	-	-	-	-	-	-	-	-	-	2,841,925
<b>TOTAL CAPITAL SOURCES</b>	3,472,676	6,094,359	1,556,153	4,609,056	1,548,100	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	24,445,985
<b>DEBT SERVICE</b>																			
2009 Series Refunding Bonds	1,775,209	1,774,040	90,480	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,865,689
2011 Series Refunding Bonds	1,063,925	1,082,040	1,082,040	1,173,800	986,278	987,467	948,315	990,142	996,578	898,153	874,798	861,581	833,431	2,085,444	-	-	-	-	2,435,965
2021 Series Refunding Bonds	-	-	71,000	990,000	1,001,160	1,024,882	1,038,156	1,055,960	1,073,480	1,090,616	1,112,568	1,128,672	1,154,592	-	-	-	-	-	10,740,736
<b>TOTAL DEBT SERVICE</b>	2,779,134	2,776,080	3,039,330	2,702,800	1,987,438	1,992,199	1,986,811	1,984,102	1,990,108	1,988,779	1,987,165	1,990,253	1,988,005	2,085,444	-	-	-	-	28,503,665
<b>Internal Debt Service Coverage</b>	733	5,25	6,76	7,53	3,04	3,02	3,08	3,02	2,86	2,72	2,59	2,33	2,22	1,91	N/A	N/A	N/A	N/A	-
<b>Outstanding Bond Principal as of September 30th</b>	23,350,000	21,402,000	21,080,000	18,800,000	17,025,000	15,225,000	13,400,000	11,975,000	10,725,000	9,785,000	9,255,000	8,725,000	8,205,000	7,685,000	7,165,000	6,645,000	6,125,000	5,605,000	-
<b>ENDING FUND BALANCE</b>	51,844,459	43,216,166	59,286,617	64,634,443	59,787,846	53,963,855	48,641,850	48,955,487	50,709,536	50,753,080	50,881,734	50,533,569	49,333,825	47,472,902	47,838,640	46,749,777	45,260,137	43,884,250	43,884,250
<b>Less: Debt Service (TOM - Reserve Policy)</b>	7,559,265	6,148,765	5,667,153	5,167,153	4,667,153	4,167,153	3,667,153	3,167,153	2,667,153	2,167,153	1,667,153	1,167,153	667,153	167,153	167,153	167,153	167,153	167,153	14,850,117
<b>Less: Sales Tax Stabilization Fund</b>	894,571	798,774	914,625	962,664	981,917	1,001,556	1,031,602	1,062,150	1,094,427	1,127,260	1,161,078	1,195,970	1,231,787	1,268,241	1,306,803	1,346,007	1,386,387	1,427,979	1,427,979
<b>Less: Fuel Stabilization Fund</b>	450,000	326,000	286,000	286,000	262,000	262,000	262,000	262,000	262,000	262,000	262,000	262,000	262,000	262,000	262,000	262,000	262,000	262,000	2,620,000
<b>Less: Capital/Infrastructure Fund</b>	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>NET AVAILABLE FUND BALANCE</b>	\$38,280,699	\$31,952,778	\$47,462,860	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$46,735,746	\$35,441,951



## DCTA RESOLUTION ADOPTING FY 2022 OPERATING AND CAPITAL BUDGET

Regular Agenda 1, Exhibit 1, Resolution Exhibit B

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY22 Proposed Budget  
Change in Net Position - Combined Statement (DCTA & NTMC)

Description	FY 2020 Adopted Budget	FY 2020 Revised Budget	FY 2020 Actuals	DCTA FY 2021 Adopted Budget	DCTA FY 2021 Revised Budget	NTMC FY 2021 Adopted Budget	NTMC FY 2021 Revised Budget	FY 2021 Adopted Budget	FY 2021 Revised Budget	DCTA FY 2022 Proposed Budget	NTMC FY 2022 Proposed Budget	FY 2022 Proposed Budget
<b>OPERATING REVENUE</b>												
Passenger Revenues (Bus Farebox)	\$ 624,049	\$ 370,591	\$ 381,562	\$ 331,772	\$ 331,772	\$ -	\$ -	\$ 331,772	\$ 331,772	\$ 326,995	\$ -	\$ 326,995
Passenger Revenues (Rail Farebox)	588,272	421,578	451,075	248,579	248,579	-	-	248,579	248,579	262,917	-	262,917
Contract Service Revenue	4,416,160	3,398,779	3,378,826	3,458,402	3,633,760	-	-	3,458,402	3,633,760	3,915,759	-	3,915,759
Total Operating Revenue	5,628,481	4,190,948	4,210,463	4,038,693	4,214,051	-	-	4,038,693	4,214,051	4,505,671	-	4,505,671
<b>OPERATING EXPENSES</b>												
Salary, Wages & Benefits	13,457,015	12,323,341	11,609,934	4,193,271	4,263,661	7,453,374	7,656,554	11,644,525	11,900,215	5,103,643	5,787,307	10,890,950
Outsourced Services & Charges	3,488,696	6,054,095	4,884,281	3,955,959	4,882,316	399,919	4,355,535	4,355,535	5,285,535	4,610,662	450,970	5,061,632
Materials & Supplies	3,307,659	2,452,979	1,972,266	2,977,735	2,883,595	3,293	3,293	2,971,028	2,887,288	2,650,094	1,936	2,652,030
Utilities	577,988	490,988	431,838	506,668	508,810	-	-	506,668	508,810	526,281	-	526,281
Insurance	1,884,965	1,882,858	1,783,994	1,681,336	1,751,712	118,878	119,802	1,800,214	1,835,514	1,635,872	65,842	1,701,654
Purchased Transportation Services	10,700,706	10,185,808	10,091,463	10,792,539	11,203,657	-	-	10,792,539	11,203,657	16,680,162	-	16,680,162
Employee Development	480,437	370,215	183,783	241,304	241,604	54,435	54,435	295,739	296,039	255,385	58,660	294,045
Leases & Rentals	229,633	229,633	226,632	238,468	238,468	-	-	238,468	238,468	139,772	-	139,772
Depreciation	10,612,052	10,612,052	9,588,814	10,489,375	10,489,375	-	-	10,489,375	10,489,375	10,899,464	-	10,899,464
Total Operating Expenses	44,689,151	44,553,929	40,694,995	34,526,595	36,427,598	8,027,839	8,214,303	42,994,434	44,643,901	42,487,275	6,364,715	48,845,990
Operating Income / (Loss)	(39,060,670)	(40,360,981)	(36,484,532)	(30,917,902)	(32,213,547)	(8,027,839)	(8,214,303)	(38,945,741)	(40,427,850)	(31,975,604)	(6,364,715)	(44,340,339)
<b>NON-OPERATING REVENUE / (EXPENSE)</b>												
Investment Income	400,000	325,000	320,793	100,000	100,000	-	-	100,000	100,000	12,000	-	12,000
Misc. Revenues	52,000	52,000	49,978	-	200,000	-	-	-	200,000	-	-	-
Sales Tax Revenue	29,019,184	26,805,374	29,817,365	26,624,124	31,541,178	-	-	26,624,124	31,541,178	32,088,804	-	32,088,804
Federal Grants & Reimbursements	10,216,774	15,750,649	19,871,331	22,601,232	20,699,387	-	-	22,601,232	20,699,387	26,390,897	-	26,390,897
State Grants & Reimbursements	780,389	438,548	438,548	-	-	-	-	-	-	-	-	-
Long Term Debt Interest/Expense	(909,480)	(909,480)	(909,134)	(841,080)	(684,330)	-	-	(841,080)	(684,330)	(737,800)	-	(737,800)
Total Non-Operating Revenue / (Expense)	39,586,667	42,462,091	49,994,881	48,484,216	51,469,233	-	-	48,484,216	51,469,233	58,233,901	-	58,233,901
Income (Loss) Before Transfers	508,197	2,101,130	13,482,349	17,566,374	19,255,688	(8,027,839)	(8,214,303)	9,538,535	11,041,385	20,278,297	(6,364,715)	13,913,582
Transfers Out	(8,781,700)	(8,119,303)	(7,555,427)	(8,027,839)	(8,214,033)	-	-	(8,027,839)	(8,214,033)	(6,364,715)	-	(6,364,715)
Transfers In	8,781,700	8,119,303	7,555,427	-	-	8,027,839	8,214,303	8,027,839	8,214,303	-	6,364,715	6,364,715
Total Transfers	-	-	-	(8,027,839)	(8,214,033)	8,027,839	8,214,303	-	-	(6,364,715)	6,364,715	-
<b>CHANGE IN NET POSITION</b>												
Net Position - Beginning of Year:	\$ 508,197	\$ 2,101,130	\$ 13,482,349	\$ 9,538,535	\$ 11,041,385	\$ -	\$ -	\$ 9,538,535	\$ 11,041,385	\$ 13,913,582	\$ -	\$ 13,913,582
Net Position - End of Year:	\$ 327,800,795	\$ 327,800,795	\$ 327,800,795	\$ 327,800,795	\$ 327,800,795	\$ 337,218,981	\$ 337,218,981	\$ 337,218,981	\$ 337,218,981	\$ 337,036,764	\$ 337,036,764	\$ 337,036,764
Transfer to Capital Projects	\$ 328,306,992	\$ 329,901,925	\$ 341,283,144	\$ 346,757,516	\$ 348,260,366	\$ -	\$ -	\$ 346,757,516	\$ 348,260,366	\$ 350,950,346	\$ -	\$ 350,950,346
Transfer to Capital Projects	\$ (70,282,179)	\$ (73,449,239)	\$ (4,064,163)	\$ (74,440,628)	\$ (71,233,602)	\$ -	\$ -	\$ (74,440,628)	\$ (71,233,602)	\$ (75,102,227)	\$ -	\$ (75,102,227)
Net Position After Capital Project Transfer	\$ 318,026,819	\$ 322,552,686	\$ 337,218,981	\$ 332,616,888	\$ 337,036,764	\$ -	\$ -	\$ 332,616,888	\$ 337,036,764	\$ 333,850,125	\$ 333,850,125	\$ 333,850,125

DCTA RESOLUTION ADOPTING FY 2022 OPERATING AND CAPITAL BUDGET

Regular Agenda 1, Exhibit 1, Resolution Exhibit C

DENTON COUNTY TRANSPORTATION AUTHORITY

FY22 Proposed Budget

Capital Improvement & Major Maintenance Plan

Project Name	Current Capital Projects	Proposed FY 2022 NEW Capital Projects	Project LTD thru FY 2020	FY 2021 Proposed Revised	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Anticipated Project Total (Thru 2027)
<b>BUS FLEET REPLACEMENT</b>											
Fleet (2020)	\$ 1,062,600	\$ -	\$ -	\$ 1,062,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,062,600
FUTURE: Fleet Replacement	-	-	-	-	-	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
<b>PROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS</b>											
Integrated Fare Payment	600,000	-	-	-	300,000	-	-	-	-	-	600,000
Bus OMF Network Video Recorder	-	26,000	-	-	26,000	-	-	-	-	-	26,000
DDTC Rail Fiber Extension	-	125,000	-	-	125,000	-	-	-	-	-	125,000
Backup & DR Infrastructure Upgrades	-	45,000	-	-	45,000	-	-	-	-	-	45,000
FUTURE: Stadler Laptop Replacement	-	-	-	-	-	-	80,000	-	-	-	80,000
FUTURE: Server & Network Infrastructure	-	-	-	-	-	-	350,000	-	-	-	350,000
FUTURE: Backup & DR Infrastructure Upgrades	-	-	-	-	-	-	-	-	-	45,000	45,000
<b>TRANSIT SAFETY IMPROVEMENTS</b>											
Trail Safety Improvements	181,157	-	170,507	10,650	-	-	-	-	-	-	181,157
<b>MAJOR MAINTENANCE ITEMS</b>											
Major Maintenance - Rail (FY21)	2,124,693	-	-	2,124,693	-	-	-	-	-	-	2,124,693
Major Maintenance - Bus (FY20)	125,000	-	109,470	15,530	-	-	-	-	-	-	125,000
NEW: Major Maintenance - Rail (Proposed FY22)	-	1,836,442	-	-	1,836,442	-	-	-	-	-	1,836,442
NEW: Major Maintenance - Bus (Proposed FY22)	-	179,530	-	-	179,530	-	-	-	-	-	179,530
FUTURE: Major Maintenance - Rail	-	-	-	-	-	1,859,543	2,034,860	2,897,164	3,327,187	2,109,209	12,227,963
FUTURE: Major Maintenance - Bus	-	-	-	-	-	200,000	264,203	200,000	200,000	200,000	1,064,203
<b>POSITIVE TRAIN CONTROL</b>											
Positive Train Control Implementation	16,720,141	-	15,913,486	209,655	597,000	-	-	-	-	-	16,720,141
Positive Train Control Enhancements (Phase 2)	5,000,000	-	148,180	-	4,851,820	-	-	-	-	-	5,000,000
<b>INFRASTRUCTURE ACQUISITION</b>											
	3,251,990	-	2,605,264	11,745	-	634,981	-	-	-	-	3,251,990
<b>BROWNFIELD REMEDIATION</b>											
	405,000	-	338,405	46,595	20,000	-	-	-	-	-	405,000
<b>TRANSPORTATION REINVESTMENT PROGRAM (TRIP)</b>											
TRIP Program Funding - FY21	5,914,152	-	-	7,742,134	-	-	-	-	-	-	7,742,134
NEW: TRIP Program Funding - (Proposed FY22)	-	7,119,429	-	-	7,119,429	-	-	-	-	-	7,119,429
FUTURE: TRIP Program Funding	-	-	-	-	-	8,037,992	6,964,241	6,047,999	-	-	21,050,232
<b>TOTAL CAPITAL IMPROVEMENT &amp; MAJOR MAINTENANCE</b>	\$ 35,384,733	\$ 9,331,401	\$ 19,285,312	\$ 11,223,602	\$ 15,100,221	\$ 12,232,515	\$ 10,813,304	\$ 10,425,163	\$ 4,727,187	\$ 3,554,209	\$ 87,361,514

DCTA Budget Contingency Plan  
Fiscal Year 2022

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

**Section I: Sales Tax Revenue Shortfall**

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

Initial Precautionary Action

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

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

2% Reduction (\$641,776)

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

3% Reduction (\$962,664)

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

4% Reduction (\$1,283,552)

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

**Section II: Sales Tax Revenue Sustainable Increase**

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

Service Level enhancement decisions will follow annual Decision Cycle framework.

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

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

**Section III: Federal Grant Funding Reduction**

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

Capital Expenditures:

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

Operating Funds:

- Follow the Sales Tax Revenue Shortfall Procedure

**NORTH TEXAS MOBILITY CORPORATION  
RESOLUTION NO. 2021-N003**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION ("NTMC") PROVIDING FOR ADOPTION OF THE NORTH TEXAS MOBILITY CORPORATION OPERATING BUDGET FOR FISCAL YEAR 2021-2022, BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022; PROVIDING THAT EXPENSES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING CHANGE IN NET POSITION; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the budget has been presented to the NTMC Board of Directors for review and comment; and

**WHEREAS**, after consideration, it is the consensus of the NTMC Board of Directors that the proposed FY 2021-2022 budget as hereinafter set forth, meets the legal and practical requirements of NTMC for the proper and sustained operation of NTMC services and should be approved as presented;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THAT:**

**SECTION 1.** The NTMC Operating Budget for FY 2021-2022, including Change in Net Position, attached as Exhibit "A", be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenses for the operating Budget.

**SECTION 2.** That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2020-2021 are hereby ratified, and the budget for fiscal year 2021-2022, heretofore adopted by resolution of the NTMC Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

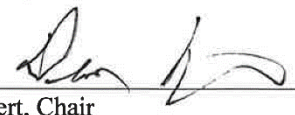
**SECTION 4.** This resolution shall become effective immediately upon its passage and approval.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE 22<sup>ND</sup> DAY OF SEPTEMBER, 2021.**



NTMC RESOLUTION ADOPTING FY 2022 OPERATING BUDGET

APPROVED:

  
\_\_\_\_\_  
Dean Ueckert, Chair

ATTEST:

  
\_\_\_\_\_  
Interim Board, Secretary

## NTMC RESOLUTION ADOPTING FY 2022 OPERATING BUDGET

Consent Agenda C, Resolution Exhibit A

NORTH TEXAS MOBILITY CORPORATION  
FY22 Proposed Budget  
Change in Net Position

Description	NTMC FY 2020 Actuals	NTMC FY 2021 Adopted Budget	NTMC FY 2021 Working Budget	NTMC FY 2022 Proposed Budget	\$ Increase / (Decrease)
<b>OPERATING EXPENSES</b>					
Salary, Wages & Benefits	\$ 7,211,425	\$ 7,451,314	\$ 7,636,554	\$ 5,787,307	\$ (1,849,247)
Outsourced Services & Charges	201,117	399,919	400,219	450,970	50,751
Materials & Supplies	-	3,293	3,293	1,936	(1,357)
Utilities	-	-	-	-	-
Insurance	127,872	118,878	119,802	65,842	(53,960)
Purchased Transportation Services	-	-	-	-	-
Employee Development	15,013	54,435	54,435	58,660	4,225
Leases & Rentals	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>7,555,427</b>	<b>8,027,839</b>	<b>8,214,303</b>	<b>6,364,715</b>	<b>(1,849,588)</b>
Income (Loss) Before Transfers	(7,555,427)	(8,027,839)	(8,214,303)	(6,364,715)	1,849,588
Transfers Out	-	-	-	-	-
Transfers In	7,555,427	8,027,839	8,214,303	6,364,715	(1,849,588)
<b>Total Transfers</b>	<b>7,555,427</b>	<b>8,027,839</b>	<b>8,214,303</b>	<b>6,364,715</b>	<b>(1,849,588)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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## GLOSSARY

**Accrual Basis** – The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

**Accrued Expenses** – Expenses incurred but not due until a later date.

**Budget** – A plan of financial operation consisting of an estimate of proposed expenditures for a given period and the proposed means of financing them. The budget is proposed until it has been adopted by the Board.

**Budget Amendment** – A procedure utilized by staff and the Board to revise the budget.

**Budget Calendar** – A schedule of milestones which DCTA follows in the preparation, adoption, and administration of the budget.

**Capital Improvements** – An addition to the DCTA assets, including the design, construction or purchase of land, buildings or facilities, or major renovations.

**Change in Net Position** – The change in net position resulting from the current year activities.

**Cost** – The amount of money or other consideration exchanged for property or services.

**Division** – An organizational unit, which has the responsibility of providing programs, activities, and functions in a related field.

**Depreciation Expense** – The amortization of the cost of capital assets over their useful life. Capital assets have a useful life of more than one accounting period and the expense is viewed as the use of capital required to generate the revenues in the accounting period.

**Employee Development** – Consists of travel and lodging, dues and memberships, seminars and conferences, staff training and development and other minor expenses that cannot be attributed to any of the other major expense categories.

**Enterprise Fund** – Enterprise Funds account for operations that are financed and operated in a manner similar to private business. The intent of DCTA is that the costs (expenses, including depreciation) of providing transit services to the general public will be financed through a combination of farebox revenue, sales tax, and other grants.

**Expanded Level Project** – Any new project, plans for expansion or increased service delivery that is above and beyond the current service level. These are expenses that could be classified as “one-time” and “out of the ordinary” expenses.

**Expenditure** – The actual spending of funds to acquire assets or services.

**Fiscal Year** – The time period designated by the Board signifying the beginning and ending period for recording financial transactions. DCTA's fiscal year begins October 1 and ends September 30.

**Fixed Assets** – Assets of a long term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, autos and machinery.

**Full-Time Equivalent** – A unit of measure based on the number of hours that an employee works during the fiscal year. One FTE is equivalent to 2,080 hours.

**Fund** – An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

**Generally Accepted Accounting Principles (GAAP)** – Standards and guidelines to financial accounting and reporting. They govern the form and content of the basic financial statements of the entity.

## GLOSSARY

**Governmental Accounting Standards Board (GASB)** - An organization whose main purpose is to improve and create accounting reporting standards or generally accepted accounting principles (GAAP). These standards make it easier for users to understand and use the financial records of both state and local governments. The Government Accounting Standards Board (GASB) is funded and monitored by the Financial Accounting Foundation (FAF).

**Grants** – Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.

**Income** – A term used in proprietary fund type accounting to represent revenues or the excess of revenues over expenditures.

**Insurance** – Costs for protection from loss through insurance, uninsured loss, and compensation to others for their losses.

**Leases and Rentals** – Expense consisting of payments made for the use of capital assets not owned by DCTA.

**Materials and Supplies** – Expense consisting of products purchased from outside suppliers or internally produced and consumed in the accounting period.

**Metropolitan Planning Organization (MPO)** - The policy board of an organization created and designated to carry out the metropolitan transportation planning process. MPOs are required to represent localities in all urbanized areas (UZAs) with populations over 50,000, as determined by the U.S. Census.

**Non-Operating Revenue / (Expense)** – The revenue or expense generated from items other than operating activities.

**North Central Texas Council of Governments (NCTCOG)** - Voluntary association of, by and for local governments, established to assist in regional planning. NCTCOG's purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions.

**Operating Budget** – Plans for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law.

**Operating Expenses** – Expenses or cost incurred to provide the operating revenue earned in the accounting period.

**Operating Income / (Loss)** – The net income or loss from operating activities for providing transportation services.

**Outsourced Services and Charges** – Expense consisting of labor and other work provided by outside organizations for a fee. These services could include legal expense, accounting services, management consulting, etc.

**Performance Measures** – Specific qualitative and quantitative measures of work performed as on objective of the department.

**Positive Train Control (PTC)** - An advanced system designed to automatically stop a train before certain accidents occur. In particular, PTC is designed to prevent train-to-train collisions, derailments caused by excessive train speed and train movements through misaligned track switches.

**Purchased Transportation** – Expense consisting of cost incurred for materials, services, fuel and maintenance consumed in providing transportation services.

**Rail Safety Improvement Act (RSIA)** - United States federal law enacted by Congress to improve railroad safety. Among its provisions, the most notable was the mandate requiring positive train control technology to be installed on most of the US railroad network by 2015. In October 2015 Congress extended the deadline to 2018.

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## GLOSSARY

**Regional Toll Revenue Funding Initiative (RTRFI)** – The Texas Legislature enabled the Texas Department of Transportation to consider public and private-sector partnerships to finance roadways. The result is a completed project with a toll component and revenue for transportation projects. DCTA was awarded \$250,360,000 from the RTRFI in order to build the A-train regional rail project.

**Reserves** – Funds set aside for economic uncertainties.

**Salary, Wages and Benefits** – Expense including pay to employees for services provided, employer related taxes, employer portion of insurance benefits, employer 401 (a) contributions, sick time, and other miscellaneous pay as established by the Board.

**Sales Tax** – A general “sales tax” is levied on persons and businesses selling merchandise or services in the city limits on a retail basis. The categories for taxation are defined by state law. Monies collected under authorization of this tax are for the use and benefit of the taxing authority.

**Utilities** – Expense consisting of the use or consumption of electricity, gas, and communication services.



Budget Art by Katie & David Shaw.

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