



## Board of Directors Regular Meeting September 22, 2022 | 10:00 a.m.

**NOTICE IS HEREBY GIVEN** that the members of the Denton County Transportation Authority (DCTA) Board of Directors will hold a Regular Meeting on Thursday, September 22, 2022 at 10:00 a.m. at the DCTA Administrative Offices located at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 and by Zoom Video Conference at which time the following agenda will be discussed.

The public is allowed to use the ZOOM link below to participate in a Board Meeting. To join the meeting, please use the information below:

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/88933687792?pwd=WDY1L2lMVkZ6NjI2Y3ByOXRSYnBjZz09>

Passcode: 799287

Or One tap mobile:

US: +13462487799

Or Telephone:

Dial: 346 248 7799

Webinar ID: 889 3368 7792

Passcode: 799287

As authorized by Section 551-071 of the Texas Government Code, the Board of Directors may convene into Closed Executive Session for the purpose of seeking legal advice from Legal Counsel on any item on the agenda at any time during the meeting.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

INTRODUCTIONS

PUBLIC COMMENT

This agenda item provides an opportunity for citizens to address the DCTA Board of Directors on any agenda item(s) or other matters relating to DCTA. Each speaker will be given a total of three (3) minutes to address any item(s). Anyone wishing to speak shall be courteous and cordial.

Speakers making personal, impertinent, profane, or slanderous remarks may be removed from the meeting. Unauthorized remarks from the audience, stamping of feet, whistles, yells, clapping and similar demonstrations will not be permitted.

Citizens that are not able to participate in-person must email his or her public comment to [kmorris-perkins@dcta.net](mailto:kmorris-perkins@dcta.net) no later than **3:00 pm on Wednesday, September 21, 2022**, to ensure the comment will be distributed to Board Members prior to the meeting.



The Board of Directors is not permitted to take action on any subject raised by a speaker during Public Comments. However, the DCTA Board of Directors may have the item placed on a future agenda for action; refer the item to the DCTA Administration for further study or action; briefly state existing DCTA policy; or provide a brief statement of factual information in response to the inquiry.

## CONSENT AGENDA

**1. Consider Authorizing the Interim CEO to Execute a Contract with Vertosoft LLC for the Swiftly Connected Transit Platform (CAD/AVL) in the amount of \$961,493.12**

**(packet pages 7-17)**

*Action Item*

Backup Information:                      Memo  
Exhibit 1: Swiftly ELP Summary Slide  
Exhibit 2: Swiftly Connected Transit Platform Presentation  
Exhibit 3: Vertosoft Swiftly Quote – DCTA

**2. Consider Authorizing the Interim Chief Executive Officer (CEO) to Execute a Contract with Cummins Southern Plains LLC for remanufactured transmissions, remanufactured engines, and parts for bus services in the estimated amount of \$379,512.00**

**(packet page 18-29)**

*Action Item*

Backup Information:                      Memo

**3. Consider a Third Amended and Restated Interlocal Agreement (ILA) Renewal with the City of Coppell in the amount not to exceed \$50,000**

**(packet pages 19)**

*Action Item*

Backup Information:                      Memo  
Exhibit 1: Interlocal Agreement

**4. Consider a Resolution to Adopt the Financial Management and Investment Policies**

**(packet pages 30-55)**

*Action Item*

Backup Information:                      Memo  
Exhibit 1: Resolution with Exhibit “A” Financial Management Policies & Investment Policy  
Exhibit 2: FY 2023 Investment Policy Review Letter

**5. Consider Approval of Regular and Special Called Meeting Minutes dated June 23, 2022, July 27, 2022, July 28, 2022, August 25, 2022, September 6, 2022, September 12, 2022, and September 13, 2022**

**(packet pages 56-90)**

*Action Item*

Backup Information:                      Exhibit 1: June 23, 2022 Regular Meeting Minutes  
Exhibit 2: July 27, 2022 Special Meeting Minutes  
Exhibit 3: July 28, 2022 Regular Meeting Minutes  
Exhibit 4: August 25, 2022 Regular Meeting Minutes



Exhibit 5: September 6, 2022 Special Meeting Minutes  
Exhibit 6: September 12, 2022 Special Meeting Minutes  
Exhibit 7: September 13, 2022 Special Meeting Minutes

**6. Consider Approval of Monthly Financial Statements for August 2022**

**(packet pages 91-97)**

*Action Item*

Backup Information: Memo  
Exhibit 1(a): Monthly Financial Statements – August 2022  
Exhibit 1(b): Capital Projects Budget Report – August 2022

**7. Consider Approval of Task Order with Accenture, LLC in the amount of \$75,000 for Finance Staff Augmentation October 16 through November 30, 2022**

**(packet pages 98-99)**

*Action Item*

Backup Information: Memo

**REGULAR AGENDA**

**1. Consider a Resolution to Adopt the Fiscal Year (FY) 2023 Operating and Capital Budget, Long Range Financial Plan and Budget Contingency Plan**

**(packet pages 100-112)**

*Action Item*

Presenters: Paul Cristina, Interim CEO  
Amanda Riddle, Senior Manager of Budget  
Backup Information: Memo  
Exhibit 1: Resolution with attached Schedules and Plans

**2. Consider One-Time Fiscal Year (FY) 2022 Compensation for Denton County Transportation Authority (DCTA) and North Texas Mobility Corporation (NTMC) Employees to Offset Inflation**

**(packet page 113)**

*Action Item*

Presenter: Paul Cristina, Interim CEO  
Backup Information: Memo

**3. Consider Fiscal Year 2023 Election of Board Officers**

**(packet page 114)**

*Action Item*

Presenter: Brittney Farr, Senior Director of Engagement and Administration  
Backup Information: Memo



**4. Discuss State Legislative Update and Strategy**

**(packet page 115)**

*Discussion Item*

Presenters: Brittney Farr, Senior Director of Engagement and Administration  
Brandi Bird, Bird Advocacy  
Drew Campbell, Capitol Insights  
Byron Campbell, Capitol Insights

Backup Information: Memo

**5. Discuss DCTA Letter of Support – Texas Central High-Speed Rail**

**(packet pages 116-118)**

*Discussion Item*

Presenter: Brittney Farr, Senior Director of Engagement and Administration

Backup Information: Memo  
Exhibit 1: Michael Morris (NCTCOG) News Column

**6. Update on GoPass Participation and DCTA Pass Structure**

**(packet page 119)**

*Discussion Item*

Presenter: Javier Trilla, AVP Innovation and Information Technology

Backup Information: Memo

**7. Consider November 2022 and December 2022 Board Meeting Dates**

**(packet page 120)**

*Action Item*

Presenter: Paul Cristina, Interim CEO

Backup Information: Memo

**8. Discuss Local and Regional Transportation Updates and Legislative Issues**

**(packet pages N/A)**

*Discussion Item*

**INFORMATIONAL REPORTS**

**1. Monthly Financial Reports**

**(packet pages 121-125)**

Backup Information: Memo 1: Monthly Sales Tax Receipts  
Exhibit 1: Monthly Sales Tax Report  
Memo 2: Budget Information

**2. Monthly Ridership Reports**

**(packet pages 126-133)**

Backup Information: Memo  
Exhibit 1: Ridership by Mode – August 2022  
Exhibit 2: Connect and GoZone Ridership by Month and Year  
Exhibit 3: Connect Ridership Year-Over-Year by Month  
Exhibit 4: A-train Year-Over-Year Ridership Comparison



Exhibit 5: Fixed-Route Ridership – August 2022  
Exhibit 6: UNT Ridership Year-Over-Year by Month

**3. Social Service Agency Recap Report**

**(packet pages 134-143)**

Backup Information: Memo  
Exhibit 1: Social Services Roundtable Recap Report

**4. Community Advisory Committee Recap Report**

**(packet pages 144-151)**

Backup Information: Memo  
Exhibit 1: Community Advisory Committee Recap Report

**5. Public Transportation Agency Safety Plan (PTASP) Update**

**(packet pages 152-155)**

Backup Information: Memo  
Exhibit 1: FTA Dear Colleague Letter

**FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS**

Staff will discuss proposed future agenda items. Board members may request an informational item or action item to be added to the next Board meeting agenda.

**Next Regular Board Meeting Date:** October 27, 2022

**REPORT ON ITEMS OF COMMUNITY INTEREST**

Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

**CONVENE EXECUTIVE SESSION**

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

*The Board of Directors will convene into Closed Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer.*

**RECONVENE OPEN SESSION**

Reconvene and Take Necessary Action on Items Discussed during Executive Session.

**ADJOURN**



**Board Members:**

Cesar Molina, Denton County Seat 1, *Chair*  
TJ Gilmore, Lewisville, *Vice-Chair*  
Dianne Costa, Highland Village, *Secretary*  
Alison Maguire, Denton  
Andy Eads, Denton County Seat 2

**Alternates**

Jody Gonzalez, Denton County Seat 1  
Kristin Green, Lewisville  
Pat Smith, Denton  
Paul Stevens, Highland Village  
Vacant, Denton County Seat 2

**Non-Voting Board Members:**

Dennie Franklin, Frisco  
Mark Miller, Flower Mound  
Jeremie Maurina, The Colony  
Connie White, Small Cities  
Tom Winterburn, Corinth  
Vacant, Little Elm

**Staff Liaison:**

Paul Cristina, Interim CEO

This notice was posted on September 16, 2022 by 7pm.

A handwritten signature in blue ink, reading "Kisha Morris-Perkins", is written over a horizontal line.

Kisha Morris-Perkins  
Executive Assistant | Board Process Manager



## Board of Directors Memo

September 22, 2022

SUBJECT: Consider Authorizing the Interim CEO to Execute a Contract with Vertosoft LLC for the Swiftly Connected Transit Platform CAD/AVL) in the Amount of \$961,493.12

### **Recommendation**

Staff recommends the Board authorize the Interim CEO to execute a contract with Vertosoft LLC in the amount of \$961,493.12 for the purchase of Swiftly Connected Transit Platform hardware and software services for a term of three years, with such authorization contingent upon approval of the FY 2023 operating budget and the associated Expanded Level Project.

### **Background**

DCTA currently utilizes portions of Swiftly's CAD/AVL (Computer Aided Dispatch / Automatic Vehicle Location) suite on its fleet of fixed route buses and demand response vehicles. Swiftly provides a wide range of tools known as its Connected Transit Platform that includes technology such as automated passenger counters, driver tablets, rider alert capabilities, next stop passenger signage and annunciators, and onboard Wi-fi.

Staff has engaged with Swiftly to produce a quote for Connected Transit Platform based on the number of revenue vehicles in the DCTA fleet, which will be fulfilled by Vertosoft LLC through an existing interlocal agreement with TIPS-USA (The Interlocal Purchasing Systems) via TIPS Contract #200105. This quote includes all necessary hardware, software, support, and installation services required for the complete platform. The software agreement will be valid for three years, beginning October 1, 2023, and entitling DCTA to all software feature updates and support during this period.

The agreement and \$961,493.12 amount represented by this memo comprises only the Swiftly products and services being procured through Vertosoft LLC and the associated three-year term for software and support. Additional funding requested in the Expanded Level Project represent support fees for additional items such as a cellular modem connectivity on vehicles, and budget for vehicle components that may need repair or replacement during Swiftly hardware installation.

### **Previous Board Activity & Action**

- **June 16, 2022** – Budget Workshop ELP Brief
- **August 25, 2022** – Regular Agenda Item 10 – Discuss FY23 Projects: Arctic Wolf Cybersecurity Services and Swiftly Connected Transit Platform

### **Identified Need**

DCTA's bus fleet has a need for onboard technology that will significantly improve the quality of data that is obtained from its fixed routes, along with a need to improve both the passenger and driver experience onboard. DCTA currently utilizes a subset of Swiftly's technology platform for the purpose of providing passengers with real time vehicle location information, also known as GTFS-R – General Transit Feed Specification – Realtime. The complete Swiftly Connected Transit Platform includes additional technologies such as automated passenger counters (APC) to significantly improve data collection for the purposes of ridership and planning, next stop annunciators, real time bus crowding





information, driver tablets that include an onboard app to communicate route changes to drivers in real time, and the ability to allow Wi-Fi onboard vehicles as a passenger amenity.

### **Financial Impact**

Funding for Swiftly's Connected Transit Platform exists in the proposed Fiscal Year 2023 budget as an expanded level project in FY2023. Budgeted amounts listed below are higher than Vertosoft LLC quotes to cover additional vehicle hardware items that may need replacement during the physical implementation of Swiftly hardware, and associated fees to support the platform such as cellular network connectivity on vehicles.

Fiscal Year 2023: \$895,803 (includes hardware and implementation fees)

Fiscal Year 2024: \$233,493 (software licensing and support)

Fiscal Year 2025: \$245,167 (5% increase on licensing and support)

### **Exhibits**

Exhibit 1: Swiftly ELP Summary Slide

Exhibit 2: Swiftly Connected Transit Platform Presentation

Exhibit 3: Vertosoft Swiftly Quote – DCTA

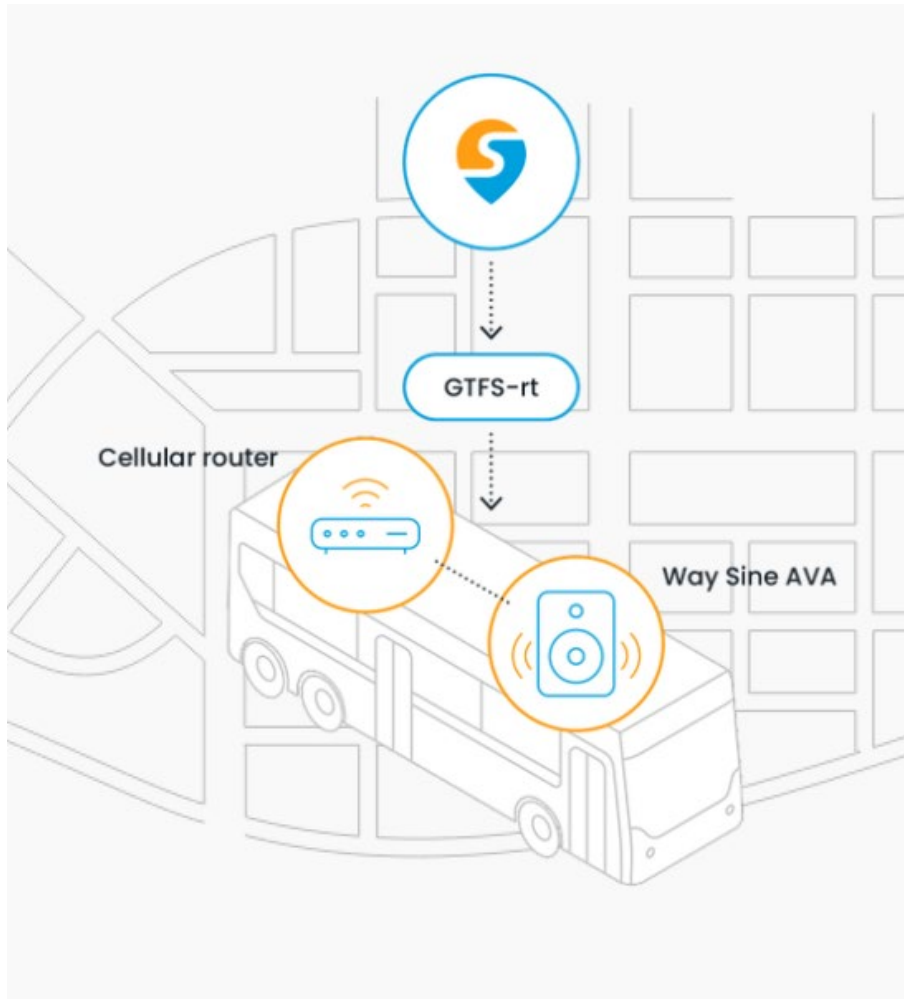
Submitted By: \_\_\_\_\_

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

Javier Trilla, AVP of Innovation and Information Technology



# EXPANDED LEVEL PROJECT: SWIFTLY TRANSIT PLATFORM (CAD-AVL)



**COST ESTIMATE: \$895,803**

(\$233,500 ANNUAL OPERATING IMPACT +5% INCREASE PER YEAR)

## CURRENT STATE

DCTA'S FLEET LACKS ON-BOARD TECHNOLOGY THAT IMPROVES BOTH THE DRIVER AND PASSENGER EXPERIENCE. IN ADDITION, DATA COLLECTION OF DATA RELIES ON TIME CONSUMING, MANUAL COLLECTION METHODS THAT ARE PRONE TO HUMAN ERROR.

## SCOPE

SWIFTLY'S TRANSIT PLATFORM IS A COMPUTER-AIDED DISPATCH AND AUTOMATED VEHICLE LOCATION SYSTEM (CAD-AVL) THAT ENABLES AUTOMATED PASSENGER COUNTING, STOP ANNUNCIATORS, REAL-TIME PASSENGER INFORMATION, DRIVER TABLETS THAT COMMUNICATE ROUTE CHANGES IN REAL TIME, ONBOARD WI-FI, AND DATA ANALYTICS PLATFORMS.

**IDENTIFIED NEED:**

DCTA'S FLEET IS CURRENTLY LACKING ON-BOARD TECHNOLOGY THAT IMPROVES BOTH THE DRIVER AND PASSENGER EXPERIENCE. COLLECTION OF DATA RELIES ON ERROR-PRONE COLLECTION METHODS RESULTING IN ACCURATE COUNTS. SWIFTLY'S SUITE OF HARDWARE AND SOFTWARE TOOLS WILL SATISFY THE ABOVE LISTED DEFICIENCIES.

# Swiftly – Connected Transit Platform



# Swiftly – Connected Transit Platform ELP

## Connected Transit Platform

Current



Proposed

Connect with **passengers**



→ Real-Time Passenger Predictions

+ Rider Alerts  
+ Service Adjustments

Connect with **staff**



→ Live Operations  
→ GPS Playback  
→ On-Time Performance  
→ Speed Map  
→ Run-Times

+ Service Adjustments  
+ Operator Reports

Connect with **vehicles**



+ Onboard App  
+ Automated Passenger Counter Connector  
+ Automatic Voice Announcement and Signage Connector

Connect with **partners**



→ Transit App  
→ Google Maps

+ Iris Automated Passenger Counter  
+ Waysine Automatic Voice Announcement

# Swiftly – Project Timeline

- September 2022 – Approval of Proposed FY23 Budget and Contract
- October 2022 – Contract Execution between DCTA and Swiftly Reseller / Partner via TIPS – The Interlocal Purchasing System
- October / November 2022 – Project Kickoff
- Installation Timeline – TBD, Estimated Installation, Configuration, and Training Timeline: 6 to 9 Months

# Swiftly – Project Costs

	Vertosoft Hardware/Software	Associated Hardware and LTE Connectivity	Total Annual Expenses
Year 1	\$710,442.12	\$185,360.88	\$895,803.00
Year 2	\$122,464.00	\$111,029.00	\$233,493.00
Year 3	\$128,587.00	\$111,029.00	\$239,616.00
	\$961,493.12		\$1,368,912.00

Year 1 – As shown in ELP

This Item Approves 3-Year Contract with Vertosoft

15% increase in licensing fees each year

Total Three-Year Cost

**FROM**

Carly Moore  
Vertosoft LLC  
1602 Village Market Blvd, Suite 215  
Leesburg, VA 20175

DUNS# 080431574  
Cage Code: 7QV38  
Federal Tax ID: 81-3911287  
Business Size: Small Business  
sales@vertosoft.com  
Fax: 571-291-4119  
[www.vertosoft.com](http://www.vertosoft.com)

**PHONE**

703-568-4703

**FOR**

Denton County Transportation Authority

**TO**

Javier Trilla

**EMAIL**

[jtrilla@dcta.net](mailto:jtrilla@dcta.net)

**QUOTE NUMBER**

8278

**DATE**

September 6, 2022

**VALID UNTIL**

September 29, 2022 at 1:00 PM

## Vertosoft Swiftly Quote for Denton County Transportation Authority (DCTA) - TIPS Cooperative

**TIPS Contract # 200105**

**Contract Term: 36 Months (10/01/2022-09/30/2025)**

**Billing Terms: NET30 Annually In Advance**

Delivery Type: Electronic

SMS & Voice Limits: Up to a combined 5,000 SMS and voice calls are included per month for US customers only. Each additional 5,000 combined SMS and voice calls per month costs \$125.

**Customer Ship To: DCTA**

Javier Trilla  
[jtrilla@dcta.net](mailto:jtrilla@dcta.net)

**Annual Fees - Software Services**

SWFT-TRANS-ALERT-2

**Rider Alerts Module**

229.02  
x 50  
11,451.00

SWFT-INSIGHTS-OR-2

**Operator Reports Module**

288.05  
x 50  
14,402.50

SWFT-MET-OA-2

**Onboard App**

483.84  
x 50  
24,192.00

SWFT-MET-APC-2 <b>Service Adjustments Module</b>	423.79 x 50 21,189.50
SWFT-MET-APC-2 <b>APC Connector</b>	554.81 x 50 27,740.50
SWFT-MET-AV-2 <b>AVAS Connector</b>	320.17 x 50 16,008.50
SWFT-SF-DM-3 <b>ScaleFusion Device Managment License</b>	32.96 x 50 1,648.00
Subtotal	116,632.00

### One-Time Fees

SWFT-SETDC-3 <b>Swiftly Implementation Services</b>	617.93 x 50 30,896.50
SWFT-IRH-AP1D-3 <b>APC Hardware &amp; Installation: 1D</b>	2,348.37 x 20 46,967.40
SWFT-IRH-AP2D-3 <b>APC Hardware &amp; Installation: 2D</b>	4,210.59 x 30 126,317.70
SWFT-IRH-INST-3 <b>APC Installation Project Management</b>	20,792.60 x 1 20,792.60
SWFT-WSH-DSU-3 <b>AVAS Signage Hardware</b>	3,204.07 x 50 160,203.50
SWFT-WSH-ISTU-3 <b>AVAS Hardware Installation</b>	915.54 x 50 45,777.00
SWFT-SFH-OTMEU-3 <b>Onboard Tablets &amp; Mounting Equipment</b>	402.38 x 53 21,326.14
SWFT-GPI-INST-3 <b>Onboard Tablets Installation</b>	173.96 x 50 8,698.00



SWFT-CDP-RTA-3 <b>Wireless Routers, Antennas &amp; Installation</b>	2,642.57 x 50 132,128.50
SWFT-CDP-CBL-3 <b>Wireless Router Cables</b>	13.26 x 53 702.78
Subtotal	593,810.12
Total	<b>\$710,442.12</b>

**Year 2 Software Services - \$122,464.00**

**Year 3 Software Services - \$128,587.00**

### **Manufacturer Applicable End User & License Terms**

Subject to the Swiftly SaaS Terms of Service located at: <http://goswift.ly/saas-terms-of-service> (the "Swiftly Terms") as well as those of TIPS Contract #200105. In the event of any conflict between the terms and provisions of the TIPS Contract #200105, or any portion thereof, and the terms and provisions of any other part or portion contained within the Swiftly SaaS Terms of Service, TIPS Contract #200105 shall control.

#### General Terms

- We use a Software as a Service (SaaS) model with annual subscriptions per product. There are no hosting or maintenance fees.
- Subscriptions include unlimited users within your agency.
- We believe in data access and availability. As long as your agency is a paying customer, you will have easy access to download up to three years data from the modules you purchase.
- Every time we update the platform or launch a new feature, your agency will automatically have access to that feature so long as you have paid for that module. Since the system is cloud-based, you will never need to download or re-install new software. Simply login and you'll see the new feature!

#### Support Plan

- We pride ourselves on having the best support team in the industry. Always feel free to reach out with questions, comments, or suggestions on how we can better serve you. We typically respond to inquiries within 24 hours.

#### Technical Requirements

##### Technical Requirements

##### Swiftly's Dashboard:

- The core Swiftly dashboard is hosted in the cloud – you do not need to install or download any software.
- You can access the software from any computer, anywhere, anytime.
- Swiftly works on the latest version of any browser.

##### Onboard App:

- The Onboard App is an Android app that must be installed on an Android device.
- If you do not have an Android device, you may also use Swiftly's web-based Onboard App on iOS devices. This app is supported by most web browsers.
- Onboard App works on the latest versions of Android and iOS, and updates can be rolled out through the App Store
- Please contact your Account Executive for a list of supported devices and mobile browsers for Onboard App.

All Purchase Orders must include: End User Name, Phone Number, Email Address, Purchase Order Number, Government Contract Number and Our Quote Number, Bill-To and Ship-To Address (Cannot ship to a PO Box), Period of Performance (if applicable), and a Signature of a duly Authorized Representative.



## Board of Directors Memo

September 22, 2022

**SUBJECT:** Consider Authorizing the Interim Chief Executive Officer (CEO) to Execute a Contract with Cummins Southern Plains LLC. for Remanufactured Transmissions, Remanufactured Engines, and Parts for Bus Services in the estimated amount of \$379,512.00.

### Recommendation

Staff recommends the Board authorize the Interim Chief Executive Officer (CEO) to award and execute a contract with Cummins Southern Plains LLC in the estimated amount of \$379,512.00 for Remanufactured Transmissions, Remanufactured Engines, and Parts for Bus Services with such authorization contingent upon approval of the FY 2023 Operating Budget.

### Background

The Denton County Transportation Authority (DCTA) has six (6) diesel buses that require service and overhaul on transmissions, engines, and related parts to enable them to reach their full life value. NTMC staff will complete the installation as part of the general maintenance of the fleet and life cycle of the equipment.

DCTA received two (2) bids on August 17, 2022. Staff reviewed the bids, specifications, lead time, down time, and shipping costs. The Evaluation Team determined the most responsive and responsible bidder to be Cummins Southern Plains LLC. The following companies submitted bids:

- Cummins Southern Plains LLC.
- Defeo Manufacturing DBA Xcalliber

### Previous Board Activity & Action

- June 23, 2022: Board Meeting Informational Item

### Identified Need

The powertrain replacements enable the buses to perform to the end of the original useful life which is 12 years or 500,000 miles for 2013 and 2015 El Dorado 30'-35' large low floor buses that are used daily for the Connect and UNT services.

### Financial Impact

The estimated cost for the purchase contract is \$379,512.00. All services are allocated within the Fiscal Year 2023 budget and are contingent upon the Board's approval of the FY 2023 Operating Budget.

### Exhibits: N/A

Submitted By:

Geri Osinaike

Geri Osinaike, Senior Procurement Specialist

Department Review By:

Troy Raley

Troy Raley, Senior Director of Mobility Services

Approved By:

Brandy Hazel

Brandy Hazel, Manager of Contracts & Procurement



## Board of Directors Memo

September 22, 2022

**SUBJECT:** Consider a Third Amended and Restated Interlocal Agreement (ILA) Renewal with the City of Coppell in the amount not to exceed \$50,000

### Recommendation

Staff recommends the Board approve the Third Amended and Restated ILA with the City of Coppell for FY23 in an amount not to exceed \$50,000.

### Background

DCTA and the City of Coppell initially approved an ILA in August 2019 to deploy a Lyft program to serve the workforce mobility needs in Coppell's business parks beginning on October 1, 2019. In August 2020, the Board of Directors approved the First Amended and Restated ILA with the City of Coppell, and in August 2021, the Board approved the Second Amended and Restated ILA which is set to expire on September 30, 2022.

The service, operated by Lyft through a task order with DCTA, provides on-demand services from six transit stops to the City of Coppell's workforce centers. Transit stops include: The A-train Hebron Station, DART Trinity Mills Station, DART Beltline Station, two DART Bus Stops (Saintsbury at Beltline and Regent at Royal), and the Grapevine TRE station. Services are offered Monday through Sunday, from 5 am to 12 am. The customer pays the first \$2, with the City of Coppell subsidizing the remainder of the fare up to \$17. Any remaining fare is paid by the customer.

### Previous Board Activity & Action

- August 2019 - DCTA Board of Directors approved an initial Interlocal Agreement with the City of Coppell.
- August 2020 – DCTA Board of Directors approved the First Amended and Restated ILA with the City of Coppell
- August 2021 – DCTA Board of Directors approved the Second Amended and Restated ILA with the City of Coppell
- August 2022 – Informational Item provided to the DCTA Board of Directors

### Identified Need

The City of Coppell has indicated they wish to continue the current services. On September 30, 2022, the Second Amended and Restated ILA with the City of Coppell will expire, and a new ILA must be executed to continue current services.

### Financial Impact

DCTA will be fully reimbursed by the City of Coppell for the Lyft service, including appropriate administrative fees.

### Exhibits

Exhibit 1: Third Restated Interlocal Agreement with the City of Coppell



Submitted By: Brandy Hazel  
Brandy Hazel, Manager of Contracts and Procurement

Approved By: B. Farr  
Brittney Farr, Senior Director of Engagement and Administration

STATE OF TEXAS

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COUNTY OF DENTON

**THIRD AMENDED AND RESTATED  
INTERLOCAL COOPERATION  
AGREEMENT**

This Third Amended and Restated Interlocal Cooperation Agreement (“Agreement”) is made by and between Denton County Transportation Authority (“DCTA”) and the City of Coppell, Texas (“Coppell”), (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

**RECITALS**

**WHEREAS**, Coppell is a home-rule municipality and local governmental entity located within the State of Texas and in the counties of Dallas and Denton; and

**WHEREAS**, DCTA is a coordinated county transportation authority created under Chapter 460 of the Texas Transportation Code; and

**WHEREAS**, the Parties have agreed on the terms and conditions for DCTA to deploy first/last mile workforce mobility solutions within the city limits of Coppell and between transit stations located outside of the city limits, as set forth in Section 3.1(b) of this Agreement, through use of a mobility provider; and

**WHEREAS**, the Parties previously entered into that certain Interlocal Cooperation Agreement dated September 24, 2019, for purposes of providing transportation services to meet the mobility needs of Coppell businesses and residents (the "Original Agreement");

**WHEREAS**, the Parties previously entered that certain First Amended and Restated Interlocal Cooperation Agreement on September 30, 2020, extending the Term of the Agreement for one (1) year, beginning October 1, 2020 and continuing through September 30, 2021; and

**WHEREAS**, the Parties previously entered that certain Second Amended and Restated Interlocal Cooperation Agreement on October 7, 2021, extending the Term of the Agreement for one (1) year, beginning October 1, 2021 and continuing through September 30, 2022; and

**WHEREAS**, due to the success of the program, the Parties desire to enter into this Third Amended and Restated Interlocal Cooperation Agreement to extend the Term of the Agreement for one (1) year, beginning October 1, 2022 and continuing through September 30, 2023; and

**WHEREAS**, the Parties are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act (“Act”), Chapter 791, Texas Government Code; and

**WHEREAS**, DCTA and Coppell are units of local government that have the statutory authority under the Act to perform the services set forth in this Agreement; and

**WHEREAS**, pursuant to Chapter 460 of the Texas Transportation Code, DCTA is authorized to enter into this Agreement with Coppell to provide transportation services; and

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants set forth in this Agreement, and other valuable consideration, the receipts and sufficiency of which is hereby acknowledged, the Parties agree as follows:

## **Article I Purpose**

1.1 The purpose of this Agreement is to provide for the administration and operation of mobility services to improve access to jobs within the city limits of Coppell for trips originating in a defined geofence to destinations located in the geofence and to/from designated transit stops as defined in section 3.1(b). Mobility services may include DCTA directly providing transportation to employees and residents in Coppell or through third-party service providers that directly contract with DCTA, including but not limited to taxi providers and transportation network companies (TNCs).

1.2 DCTA may execute a task order for a period not to exceed twelve (12) months with a contracted mobility provider (e.g. Lyft) to deploy first/last mile mobility services in the city limits of Coppell and as defined in section 3.1(b). The hours and days of operation shall be agreed upon by the Parties and adjusted based on ridership.

1.3 DCTA has entered into an appropriate mobility services provider agreement to provide their services herein; and, DCTA shall receive assurances under such agreement regarding the services provided herein; and, Coppell's sole responsibility shall be to fund such services.

## **Article II Term**

2.1 Term. The Term of this Agreement shall begin on October 1, 2022 and continue for the period ending on September 30, 2023 unless sooner terminated as provided herein (the "Term").

2.2 Termination. Either Party may terminate this Agreement, with or without cause, by giving sixty (60) days prior written notice to the other Party. After the Initial Term, the required notice to terminate shall be at least ninety (90) days.

## **Article III Services**

3.1 DCTA shall provide the Mobility Services as follows:

- (a) Beginning on October 1, 2019, DCTA shall deliver the Mobility Services during the hours and days of operation as mutually agreed upon by the Parties and based on ridership.



- (b) Mobility services will initially be provided generally within the city limits to serve the workforce population and to and from designated transit stops and stations that fall outside the Coppell city limits. Specific parameters will be determined through the Task Order process and in coordination with DCTA and Coppell. Location of mobility services and geofence boundaries may be amended in writing as mutually agreed upon by the Parties and based on ridership trends.
- (c) The Parties shall work together to analyze and review ongoing service levels and alternative Mobility Service delivery methods and cost estimates to meet the long-term public transit needs of Coppell.
- (d) During the Term of this Agreement, DCTA shall provide all administrative and operational services associated with the Mobility Services including, but not limited to, employment and management of necessary and sufficient personnel, contract management of third-party providers, billing, customer service, program management, and data reporting and analytics.
- (e) During the Term of this Agreement, Coppell shall be responsible for all primary marketing and outreach efforts, with ancillary support provided by DCTA.

#### **Article IV Compensation and Fees**

4.1 DCTA Compensation. DCTA shall be reimbursed for one-hundred percent (100%) of all costs for services invoiced from the mobility provider associated with this agreement, and an administrative fee per the schedule in Exhibit 1. Total costs shall not exceed fifty thousand dollars (\$50,000) in a twelve (12) month period, unless amended as mutually agreed upon in writing by the parties.

4.2 Invoicing. On or before the last day of each calendar month during the Term of this Agreement, DCTA shall prepare a written invoice to Coppell including number of trips, operating expenses, and administrative management fees for the services provided in the previous month.

4.3 Payment. Coppell shall pay DCTA within thirty (30) days of the receipt of each monthly invoice.

4.4 Current Revenues. To the extent applicable, Coppell and DCTA acknowledge that Coppell shall make payment of the aforementioned sums from current revenues. Coppell further agrees to make all appropriations reasonable and necessary to effectuate the terms of, and its responsibilities under, this Agreement. However, the Parties recognize that the continuation of this Agreement after the close of any given fiscal year of Coppell, September 30 of each calendar year, shall be subject to approval by Coppell's City Council. This approval may be presumed if the City Council includes funding for the Mobility Services in an adopted budget. This Agreement cannot be an unfunded liability of Coppell in violation of the Texas Constitution's unfunded debt

prohibition applicable to home-rule cities. The Parties agree that this Agreement may be terminated by Coppell with notice as provided herein, without any penalty or liability to Coppell except for monies owed DCTA for Mobility Services provided pursuant to this Agreement and for any costs incurred for demobilization, in the event Coppell's City Council fails to approve or appropriate funds for any continuation of this Agreement.

4.5 Fares. Customers utilizing the first/last mile service will pay a fare that shall be subsidized by Coppell. The subsidy and amount paid by the passenger shall be mutually agreed upon by DCTA and Coppell.

4.6 Additional Services. In an effort to provide the best Mobility Services possible, DCTA may work with additional third-party service providers to enhance service delivery to Coppell. At all times, DCTA shall be responsible for contracting directly with the third-parties and shall be responsible for ensuring the overall customer experience and complying with this Agreement. Furthermore, DCTA shall be responsible for managing the cost of such service providers within the mutually agreed funding authorizations established and approved between DCTA and Coppell.

## **Article V Dispute Resolution**

The Parties agree to make a good faith effort to resolve through informal discussions any disagreement or other dispute between them in connection with this Agreement (a "Dispute"). If a Dispute cannot be resolved through informal discussions, before seeking an alternative remedy, either Party must submit a written complaint to the other Party setting out the basis of the complaint and a proposed resolution to the Dispute. The Party receiving the complaint must respond in writing within twenty-one (21) days after receipt of the complaint, by accepting the proposed resolution, rejecting the proposed resolution, or proposing an alternative resolution to the Dispute. If the proposed resolution is rejected, the Parties may seek alternative remedies as they deem appropriate. If an alternative resolution is proposed, the recipient of that alternative proposal shall, within twenty-one (21) days after receipt, either accept the alternative or reject it. If it is rejected, the Parties may seek alternative remedies as they deem appropriate. Subject to the procedure outlined in this section, both Parties will have all legal remedies allowed to them by applicable law. The provisions of this section are strictly limited in scope to serve as a prerequisite to the enforcement of remedies under this Agreement. Failure by either Party to raise a Dispute through this process shall not constitute waiver or acceptance of an alleged violation of this Agreement.

## **Article VI Insurance**

During the Term of this Agreement, the mobility provider shall maintain and enforce during the Term, at the mobility provider's own expense, at least the following coverages:

- (a) Workers' Compensation Insurance in accordance with state statutory laws, including Employers' Liability with minimum limits of \$1,000,000 each Accident;

- (b) Commercial General Liability Insurance including, but not limited to, product and completed operations, personal and advertising injury and contractual liability coverage with minimum limits of \$1,000,000 Each Occurrence; \$2,000,000 General Aggregate; and
- (c) Commercial Auto Liability Insurance including a minimum combined single limit of \$1,000,000 each accident and Uninsured/Underinsured motorist coverage with a minimum combined single limit of \$1,000,000.

The mobility provider will include Coppel as an additional insured via blanket endorsement under the mobility provider's commercial general liability insurance policy. All policies maintained shall be written as primary policies, not contributing with and not supplemental to coverage Coppel may carry and will contain a waiver of subrogation against Coppel and its insurance carrier(s) with respect to all obligations assumed by the mobility provider under this Agreement. The fact that the mobility provider has obtained the insurance required hereunder shall in no manner lessen or otherwise affect such mobility provider's other obligations or liabilities set forth in this Agreement.

## **Article VII Miscellaneous**

7.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

7.2 Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party.

7.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

7.4 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall exclusively be in the State District Court of Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

7.5 No Waiver of Liability. The Parties acknowledge that neither Party is an agent, servant, or employee of the other Party, and each Party agrees it is responsible for its own individual negligent acts or omissions or other tortious conduct, as well as such acts and deeds of its contractors, agents, representatives, and employees, during the performance of this Agreement without waiving any governmental immunity available to the Parties under Texas law and other applicable law, and without waiving any available defenses under Texas law and other applicable law. Further, in the execution and performance of this Agreement, the Parties do not waive, and neither Party shall be deemed to have waived, any other immunity or defense that would otherwise

be available to each Party as a local governmental entity and/or political subdivision of the State of Texas.

7.6 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

7.7 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

7.8 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for DCTA:

Paul Cristina  
Interim Chief Executive Officer  
DCTA  
1955 Lakeway Drive, Suite 260  
Lewisville, Texas 75067  
Phone: 972-221-4600

With Copy to:

Joseph J. Gorfida, Jr.  
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.  
1800 Ross Tower, 500 North Akard  
500 North Akard  
Dallas, Texas 75201  
Phone: 214-965-9900

If intended for City of Coppell:

Mike Land  
City Manager  
255 Parkway Blvd.  
P. O. Box 9478  
Coppell, Texas 75019  
Phone: 972-304-3618

7.9 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

7.10 Exhibits. The Exhibits attached hereto are incorporated herein.

7.11 Recitals. The recitals to this Agreement are incorporated herein and made a part hereof for all purposes.

7.12 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

7.13 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination hereof.

7.14 Approval of Parties. Whenever this Agreement requires or permits the approval or consent to be given by a Party, the Parties agree that such approval or consent shall not be unreasonably withheld, conditioned or delayed.

7.15 No Third-Party Beneficiary. Nothing in this Agreement shall be construed as creating or giving rise to any rights of third-parties or any persons other than the Parties hereto.

7.16 Recordkeeping and Right to Inspect Records. Each Party shall have mutual access to, and the right to examine, all books, documents, papers, and other records of the other Party involving transactions relating to this Agreement. Each Party shall have access during normal business hours to all necessary facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this Agreement. Each Party shall give the other Party advanced written notice of at least forty-eight (48) business hours of intended audits.

*(signature page to follow)*

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**Denton County Transportation Authority**

By: \_\_\_\_\_  
Paul Cristina, Interim Chief Executive Officer

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Joseph J. Gorfida, Jr., General Counsel  
(09-06-2022: TM 131347)

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**City of Coppell, Texas**  
a home-rule municipality

By: \_\_\_\_\_  
Wes Mays, Mayor

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Robert E. Hager, Coppell City Attorney

## EXHIBIT 1

AGENCY	Service Rendered	Cost Allocation Per Year \$50,000
<b>Denton County Transportation Authority</b>	Contracted Mobility Provider Service: <i>Direct invoiced costs</i>	Not-to-exceed \$28,125
	Administrative Fee: <i>Contract management, billing, administration, reporting, data analytics, and customer service</i>	Not-to-exceed 60% of the direct invoiced costs
<b>City of Coppell</b>	Marketing and Outreach	Not-to-exceed \$5,000
		TOTAL: \$50,000





## Board of Directors Memo

September 22, 2022

SUBJECT: Consider a Resolution to Adopt the Financial Management & Investment Policies

### **Recommendation**

Staff recommends the Board of Directors approve Resolution adopting the Financial Management & Investment Policies for Fiscal Year 2023.

### **Background**

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

No changes have been made to the policies since they were last approved on September 23, 2021.

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

DCTA contracts with Hilltop Securities Asset Management for investment advisory services. The investment policy has been reviewed by Hilltop to ensure all necessary language as required by the Act is present in the DCTA Investment Policy document. Included as Exhibit 2 is the letter from Hilltop confirming its review of the investment policy. Hilltop is not recommending any changes to the policy for FY2023.

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

### **Previous Board Activity & Action**

The adoption by the Board of the FY 2022 Financial Management Policies & Investment Policy was on September 23, 2021.

### **Identified Need**

This item is required to fulfill the legal requirements for an annual review and approval of the Investment Policy as well as the review requirements included in the Financial Management Policies.

### **Financial Impact**


There is no direct financial impact associated with the approval of the Financial Management & Investment Policies.



**Exhibits**

Exhibit 1: Resolution with Exhibit "A" Proposed FY 2023 Financial Management Policies including the Investment Policy

Exhibit 2: FY 2023 Investment Policy Review Letter

Submitted By:   
Amanda Riddle, Senior Manager of Budget

Final Review:   
David Leininger  
Interim Chief Financial Officer

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. R22-XX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) APPROVING THE DCTA FINANCIAL MANAGEMENT POLICIES AND UPDATING THE DCTA INVESTMENT POLICY; APPOINTING THE INVESTMENT OFFICERS AND AUTHORIZING INVESTMENT TRANSACTIONS ON BEHALF OF DCTA; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Comprehensive Financial Management Policy assembles the Denton County Transportation Authority's (DCTA) financial policies in one document, which are the tools to ensure that DCTA is financially able to meet its immediate and long-term service objectives. The individual policies 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 by DCTA Bylaws; and

**WHEREAS**, 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; and

**WHEREAS**, DCTA Financial Management Policies and the DCTA Investment Policy are presented to the DCTA Board of Directors for review at the start of each fiscal year; and

**WHEREAS**, it is the policy of DCTA that the administration of its funds and the investment of those funds shall be handled as its highest public interest; and

**WHEREAS**, investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of DCTA and conforming to all applicable state statutes governing the investment of public funds; and

**WHEREAS**, in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the Board of Directors by resolution adopted the DCTA Investment Policy; and

**WHEREAS**, Section 2256.005, Tex. Government Code requires the Board of Directors to review the DCTA Investment Policy not less than annually and to adopt a resolution stating the review has been completed and recording any changes made to either the DCTA Investment Policy or investment strategies.

**WHEREAS**, the Board of Directors of DCTA finds it to be in the public interest to approve and adopt the DCTA Financial Management Policies and the updated DCTA Investment Policy attached hereto as Exhibit "A";

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

**SECTION 1.** The DCTA Financial Management Policies and updated DCTA Investment Policy, attached hereto as Exhibit “A”, be and the same is hereby approved and shall govern the financial policies and the investment policies and investment strategies for DCTA, and shall define the authority of the investment officials of DCTA from and after the effective date of this Resolution.

**SECTION 2.** The Board of Directors of DCTA has completed its review of the DCTA Financial Management Policies and the DCTA Investment Policy and any changes to such policies are recorded in Exhibit “A”.

**SECTION 3.** The DCTA Interim Chief Financial Officer/Chief Financial Officer, David Leininger, is hereby designated the Investment Officer, and DCTA Interim CEO/CEO, Paul Cristina, is designated as the Alternate Investment Officer.

**SECTION 4.** The Investment Officer and Alternate Investment Officer are hereby authorized to engage in investment transactions on behalf of DCTA.

**SECTION 5.** The Investment Officers authorized by this Resolution shall also be authorized to approve wire transfers used in the process of investing.

**SECTION 6.** The Investment Officers shall designate a liaison/deputy in writing in the event circumstances require timely action and the Investment Officers are unavailable.

**SECTION 7.** That all provisions of the resolutions of the Board of Directors of the DCTA in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

**SECTION 8.** This Resolution shall become effective immediately upon its passage and approval.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 22<sup>ND</sup> DAY OF SEPTEMBER, 2022.**

**APPROVED:**

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Cesar Molina, Chairman

**ATTEST:**

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Diane Costa, Secretary  
(09-16-2022:TM 131532)

# Denton County Transportation Authority Financial Management Policies

(Adopted September 2021)

## 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.

## 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.

- 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.

**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.

## 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.

### 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.”

#### 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).

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.

## X. DIVERSIFICATION AND MATURITY LIMITATIONS

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

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

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

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

## XI. SAFEKEEPING AND COLLATERALIZATION

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

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

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

### Collateralization

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

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

## **XII. PERFORMANCE EVALUATION AND REPORTING**

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

#### **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



**Approved Broker/Dealers**  
**April 2021**

**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).*



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**Scott McIntyre, CFA**  
Managing Director

[scott.mcintyre@hilltopsecurities.com](mailto:scott.mcintyre@hilltopsecurities.com)

September 8, 2022

Mr. David Leininger  
Interim Chief Financial Officer  
Denton County Transportation Authority  
1955 Lakeway Drive, Suite 260  
Lewisville, TX 75057

Dear David:

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

*The Texas Legislature did not meet in 2022, so there are no required changes to the Act. We believe the Denton County Transportation Authority investment policy, as written, is in full compliance with state law.*

Please contact me with any questions you might have regarding this review.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott McIntyre". The signature is stylized with a large, sweeping initial "S" and a horizontal line extending to the right.

Scott McIntyre, CFA  
Senior Portfolio Manager



Texas Public Funds Investment Act  
Acknowledgement and Certification

This Acknowledgment and Certification is executed on behalf of Denton County Transportation Authority (the “Authority”) and Hilltop Securities Asset Management (“HSAM”) pursuant to the Public Funds Investment Act, Chapter 2256.005(k), Government Code (the “Act”), in connection with investment transactions conducted between the Authority and HSAM.

The undersigned qualified representative of HSAM (the “Qualified Representative”) hereby certifies on behalf of HSAM that:

- (i) The Qualified Representative is duly authorized to execute this Acknowledgment and Certification on behalf of HSAM; and,
- (ii) The Qualified Representative has received and reviewed the investment policy provided by the Authority; and,
- (iii) HSAM has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Authority and HSAM that are not authorized by the Authority’s investment policy, except (i) to the extent that this authorization is dependent on an analysis of the makeup of the Authority’s entire portfolio and (ii) with respect to an interpretation of subjective investment standards.

Qualified Representative:

A handwritten signature in blue ink that reads 'Scott McIntyre'.

Scott McIntyre, CFA  
Managing Director  
Hilltop Securities Asset Management, LLC  
September 8, 2022



## **Board of Directors Regular Meeting**

### **June 23, 2022 | 10:00 a.m.**

The Board of Directors of the Denton County Transportation Authority (DCTA) convened a Regular Board of Directors Meeting with Chair Cesar Molina presiding on June 23, 2022, at 10:00am located at the DCTA Administrative Offices located at 1955 Lakeway Drive, Suite 260, Lewisville, Texas.

#### **Voting Members**

Chair Cesar Molina, Denton County  
Vice-Chair TJ Gilmore, City of Lewisville  
Secretary Dianne Costa, City of Highland Village  
Board Member Andy Eads, Denton County  
Board Member Alison Maguire, City of Denton

#### **Alternates**

Board Member Jody Gonzalez, Denton County  
Board Member Kristin Green, City of Lewisville  
Board Member Pat Smith, City of Denton  
Board Member Paul Stevens, City of Highland Village

#### **Non-Voting Members**

Board Member Tom Winterburn, City of Corinth  
Board Member Dennie Franklin, City of Frisco  
Board Member Connie White, Small Cities  
Board Member Mark Miller, City of Flower Mound  
Board Member Jeremie Maurina, City of The Colony

#### **Legal Counsel**

Joe Gorfida, NJDHS

#### **INTERIM DCTA CEO**

Paul Cristina

#### **CALL TO ORDER**

Chair Molina called the meeting to order at 10:06am. All voting Board Members, Alternates and Non-Voting Board Members were present except for Jody Gonzalez, Kristin Green and Tom Winterburn. Board Member Eads departed at 2:25pm and Vice-Chair Gilmore departed at 2:38pm.

#### **INVOCATION**

Secretary Costa provided the invocation.

#### **PLEDGE OF ALLEGIANCE**

Board Members recited the Pledge of Allegiance to the United States and Texas flags.



## INTRODUCTIONS

No introductions at this time.

## CONSENT AGENDA

### 1. Consider Approval of Monthly Financial Statements for May 2022

[\(packet pages 7-14\)](#)

*Action Item*

Backup Information: Memo  
Exhibit 1: Monthly Financial Statements – May 2022  
Exhibit 2: Capital Projects Budget Report – May 2022

### 2. Consider Authorizing the Interim Chief Executive Officer (CEO) to execute a contract with Hilltop Securities Asset Management in the amount of \$150,000 for Investment Advisory Services for a contract term of August 1, 2022 through July 31, 2025, with the option to renew for two (2) additional one (1) year terms through July 31, 2027

[\(packet pages 15-210\)](#)

*Action Item*

Backup Information: Memo  
Exhibit 1: Request for Proposal 22-05  
Exhibit 2: Hilltop Securities Asset Management Proposal  
Exhibit 3: Evaluation Consensus Scores

### 3. Consider Authorizing the Interim Chief Executive Officer (CEO) to execute a contract with Holmes Murphy for the Employee Benefit Broker/Consultant Services in the amount of \$105,000 for a contract term of August 1, 2022 through July 31, 2025 with the option to renew for two (2) additional one (1) year terms through July 31, 2027 for an estimated additional \$70,000

[\(packet pages 211-334\)](#)

*Action Item*

Backup Information: Memo  
Exhibit 1: Request for Proposal 22-09  
Exhibit 2: Proposal  
Exhibit 3: Evaluation Consensus

### 4. Consider Authorizing the Interim Chief Executive Officer (CEO) to execute a contract with Industrial Power Truck and Equipment under The Interlocal Purchasing System (TIPS) Cooperative Purchasing Agreement

[\(packet page 335\)](#)

*Action Item*

Backup Information: Memo



**5. Consider Approval of a Resolution Designating David Leininger as the Investment Officer**

**(packet pages 336-338)**

*Action Item*

Backup Information: Memo  
Exhibit 1: Resolution

**6. Consider Authorizing the Interim Chief Executive Officer (CEO) to execute a contract with Southern Tire Mart and The Goodyear Tire and Rubber Company for a total amount not to exceed the approved budget of FY22 \$9,500 and FY23 for \$96,000**

**(packet pages 339-431)**

*Action Item*

Backup Information: Memo  
Exhibit 1: Request for Bid 22-10  
Exhibit 2: Bid – Goodyear Tire & Rubber Company  
Exhibit 3: Bid – Southern Tire Mart  
Exhibit 4: RFP 22-10 Bid Tabulation

**7. Consider Approval of Regular Meeting Minutes dated May 26, 2022**

**(packet pages 432-438)**

*Action Item*

Backup Information: Exhibit 1: DCTA Regular Board Meeting Minutes – May 26, 2022

***Motion by Board Member Maguire with a second by Secretary Costa to approve the Consent Agenda as presented. Motion passes 5-0.***

**REGULAR AGENDA**

**1. Consider Authorizing the Interim Chief Executive Officer (CEO) to Execute a Contract with Texas Municipal League (TML) Health for Medical, Dental and Vision benefits beginning October 1, 2022, in the amount of \$576,637 for Fiscal Year (FY) 2023**

**(packet page 439)**

*Action Item*

Presenters: Brittney Farr, Senior Director of Engagement and Administration  
Julie Rickman, Holmes Murphy  
Adam Kinyicky, Holmes Murphy  
Backup Information: Memo



Brittney Farr, Senior Director of Engagement and Administration, introduced Julie Rickman from Holmes Murphy who provided the presentation highlighting the following:

- COVID-19 Updates
- Plans and Renewal Status
- Medical, Dental and Vision Renewal

Next Steps

June 23 – Board Approval

July 1, 2022 – Signed Renewals due to Texas Municipal League (TML)

July 29, 2022 – Open Enrollment

October 1, 2022 – Plan Year begins

Board discussion regarding clarification of “infusion therapy” and whether there would be an increase in employee contributions.

***Motion by Board Member Maguire and a second by Secretary Costa to approve as presented. Motion passes 5-0.***

- 2. Consider Authorizing the Interim Chief Executive Officer (CEO) to Execute a Contract with Randy C. Cain, Attorney at Law and Burklund Consulting LLC, to provide State Legislative Consulting Services beginning July 1, 2022, for an initial two-year term in an amount not to exceed \$200,000**

**(packet pages 440-501)**

*Action Item*

Presenter: Brittney Farr, Senior Director of Engagement and Administration

Backup Information: Memo  
Exhibit 1: RFP 22-02  
Exhibit 2: Randy C. Cain, Attorney at Law & Burklund Consulting, LLC Proposal  
Exhibit 3: Evaluation Consensus Averages

Brittney Farr, Senior Director of Engagement and Administration provided the presentation highlighting the following:

- Background
- Evaluation and Selection Process
- Next Steps

In anticipation of the 88<sup>th</sup> Texas Legislative Session to begin in January 2023, the Request for Proposal for a new State Legislative Consultant was released on March 8, 2022.





Therefore, it is the recommendation of staff to authorize the Interim CEO to execute a contract with Randy C. Cain, Attorney at Law and Burklund Consulting, LLC to provide State Legislative Consulting services to begin July 1, 2022.

Board discussion regarding amount of HillCo contract, impact on staff, and having a broader evaluation committee whereas the Board would have more involvement in the selection process.

***Motion by Board Member Eads and a second by Vice-Chair Gilmore to continue this item until after the interviews and recommendations have been made from an Evaluation Committee consisting of Board Member Eads, Secretary Costa and staff. This motion was later withdrawn, and a second motion was made to reject staff's recommendation to award a contract for State Legislative Consulting Services and further continue the evaluation process to allow Board Representatives to interview the four (4) proposers and make a recommendation back to the Board and for the Evaluation Committee to consist of Chair Cesar Molina, Secretary Dianne Costa, Interim CEO Paul Cristina and Director of Engagement and Administration Brittney Farr. Motion passes 5-0.***

### 3. Consider Approval of City of Denton Fiscal Year (FY) 2022 Transportation Reinvestment Program (TRiP) Call for Projects Grants ([packet pages 502-513](#))

#### Action Item

Presenter: Tim Palermo, Planning and Data Analytics Manager

Backup Information: Memo

Exhibit 1: Adopted TRiP Policy

Tim Palermo, Planning and Data Analytics Manager, presented to the Board highlighting the following:

- TRiP – Transportation Reinvestment Program (Why TRiP?)
- TRiP Process
- Funding
- FY22 TRiP Member City Allocations with FY21 Program Rollover
- FY22 TRiP City of Denton Applications Recommended for Approval
- Mayhill Road Extension Phase 2
- SED-A Street Bundle
- SED-B Street Bundle
- UPRR Quite Zone Pedestrian Improvements
- Loop 288 Sidewalks
- Downtown Sidewalks
- A-train to UNT Bike Path Completion
- All-Way Crossing Construction

***Motion by Vice-Chair Gilmore with a second by Secretary Costa to approve as presented. Motion passes 5-0.***





**4. Discuss GoZone Performance, Fare Structure Alternatives, Route Alternatives for Connect Fixed Route Service and Comprehensive Operations Analysis Public Feedback Summary  
(packet page 514)**

*Discussion Item*

Presenter: Javier Trilla, AVP of Innovation and Information Technology

Backup Information: Memo

Javier Trilla, AVP of Innovation and Information Technology and Steven David of Accenture provided the presentation to the Board highlighting the following:

- Overview
- Ridership and Service Hours by Month
- Utilization by Month
- Quality of Service by Month
- Increased Supply – May/June (significantly improved service)
- GoZone Safety Performance
- Lewisville and Highland Village – total hours and service costs
- Lewisville and Highland Village – van hours
- Expanding Lewisville and Highland Village to encompass Lewisville City Limits – increase population coverage.
- FY23 Ridership – All Zones, Lewisville and Highland Village
- Service Design - Approach
- Current Fare Schedule Review
- GoZone Ride Pass Structure – Current
- Potential GoZone Ride Pass Structure – Option 1, Option 2 and Other Future Considerations
- Fare Revenue Alternatives
- DCTA Connect Fare
- Connect Operating Costs Allocation – Detail
- GoZone Weekday Demand – Lewisville/Highland Village/Denton
- GoZone Origin/Destination Analysis – Lewisville/Highland Village/Denton
- Alternative A : Productivity Parity between Denton Connect and GoZone
- Alternative B: 60% Productivity Factor
- Alternative C: 50% Productivity Factor
- Alternative C: Denton Connect has 50% Productivity Factor
- Alternative D: Reinvestment Option 1
- Alternative D: Reinvestment Option 2 (Routes 5 and 7 only)
- Alternative F: Reinvestment Option 2 with Extension of Routs 3 to Our Daily Bread
- Alternative G: Reinvestment Option 3 (Routes 6 and 7 only)
- Alternative Summary
- Potential Future Design – Lewisville Alternatives Overview
- Potential Future Design – Lewisville – Option 21A, 22A, 22B



- Seat Unavailability and Active Vehicles by Hour of Day 1 and 2
- Lewisville GoZone Requests Reachable for Proposed Fixed Route Stops
- Seat Unavailability – Lewisville
- Public Feedback – Summary
- Survey Responses
- Public Involvement Snapshot
- Survey Response Word Cloud

Board discussion regarding plan of action to address multiple issues (i.e. language barriers of GoZone customer service, update on Mobility Services Manager candidate, quality improvement actions, seat unavailability and Estimated Time of Arrival (ETA) by zone and time of day data (data requested by board member for August 2022 Board Meeting), clarification of population counts – i.e. Castle Hills, clarification of new expanded zone, GoZone expanded coverage, 1-day pricing, how passes work from customer service viewpoint, not-for-profit tool for discounted rates, cost savings with elimination of fares, clarification of base fare and mileage over base, “cash” costs, the Board’s interest in a free-fare analysis, revenue hours for GoZone, inclusion of Our Daily Bread across all alternative options, seat unavailability, UNT semester/schedules, coding comments as opposed to “word cloud”, flat fares (no coins), and costs between modes.

***No Board action required at this time.***

**5. Discuss Marketing and Communications Business Engagement, Ridership Campaign, Public Information Officer Coordination Initiative, and Strategic Communications Assessment**

**(packet page 515)**

*Discussion Item*

Presenter: Paul Cristina, Interim CEO

Backup Information: Memo

Paul Cristina, Interim CEO, presented the report highlighting the following:

- Business Engagement
- Ridership Campaign: High Gas Prices – Dump the Pump
- Public Information Office Committee (City of Denton, City of Highland Village, City of Lewisville and Denton County representatives)
- Strategic Marketing and Communications Assessment (Minerva)

***No Board action required at this time.***



## 6. Discuss Interim Chief Financial Officer (CFO) Observations and Recommendations on DCTA Financial Management Policies and Practices (packet page N/A)

*Discussion Item*

Presenter: David Leininger, Interim CFO

David Leininger, Interim CFO, presented highlighted the following:

- Observations and Recommendations
  - ✓ Organization and staffing within the Finance Team warrants reconsideration once Controller position is filled and a decision is made regarding replacement of the existing SunGard ERP software.
  - ✓ Manual processes – The use of several Excel spreadsheets utilizes considerable staff time maintaining.
  - ✓ Anticipate additional opportunities to transition authorized Finance positions to Service Delivery/Operations functions once Controller position is filled (i.e. Finance Assistant to Director and Safety & Compliance)
  - ✓ Fare policies, fare collection and ridership measurement practices warrant review.
  - ✓ Innovative technology solutions.
  - ✓ Financial Budgeting and Long-Term Financial Planning

***No Board action required at this time.***

## 7. Update on Transformation Initiative, Options for Enterprise Resource Planning (ERP) Initiative, and Temporary and Augmented Staff Status and Budget (packet page 516)

*Discussion Item*

Presenter: Paul Cristina, Interim CEO  
Chris Newport, Accenture

Backup Information: Memo

Paul Cristina, Interim CEO, presented the reporting highlighting the following:

- April Interim Staffing Timeline and Recommendations
- Transformation Initiative Background
- Transformation Initiative – Previously Prioritized Project Set
- Summary Roadmap – Initiative Status
- Enterprise Resource Planning (ERP) Implementation Options
- ERP Alternative Selection: Actions To Date
- ERP Alternative Selection: Implementation Readiness
- Temporary and Augmented Staff Status and Budget Utilization
- April Board Approval and Budget Estimates, Budget Impacts and Financial Plan Estimates
- Integrated Operations Timeline



- Integrated DCTA Finance, HR Organization and Staffing Update
- Interim Staffing Support: Spend to Plan Status Update

***No Board action required at this time***

**8. Discuss Local and Regional Transportation Updates and Legislative Issues  
(packet page N/A)**

*Discussion Item*

Board Secretary Costa discussed updates from the Regional Transportation Council.

**INFORMATIONAL REPORTS**

**1. Monthly Financial Reports**

**(packet pages 517-521)**

Backup Information: Memo 1: Monthly Sales Tax Receipts  
Exhibit 1: FY22 Monthly Sales Tax Report  
Memo 2: Budget Information

**2. Monthly Ridership Reports**

**(packet pages 522-529)**

Backup Information: Memo  
Exhibit 1: Ridership by Mode – May 2022  
Exhibit 2: A-train Year-Over-Year Ridership Comparison  
Exhibit 3: Connect and GoZone Ridership by Month and Year  
Exhibit 4: Fixed-Route Ridership – May 2022  
Exhibit 5: Connect Ridership Year-Over-Year by Month  
Exhibit 6: UNT Ridership Year-Over-Year by Month

**3. Request for Bids (RFB) 22-14 Remanufactured Transmissions and Engines for Buses**

**(packet page 530)**

Backup Information: Memo

**4. Denton County Sheriff's Office Interlocal Agreement for Law Enforcement Services**

**(packet page 531)**

Backup Information: Memo

***No Board action required at this time.***



## FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

Staff will discuss proposed future agenda items. Board members may request an informational item or action item to be added to the next Board meeting agenda.

***No Board Member requests at time.***

## REPORT ON ITEMS OF COMMUNITY INTEREST

***None at this time.***

## CONVENE EXECUTIVE SESSION

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

The Board of Directors will convene into Closed Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer.

The Board of Directors convened into Executive Session at 1:43pm.

## RECONVENE OPEN SESSION

The Board of Directors reconvened into Open Regular Session at 2:09pm with no action taken.

## ADJOURN

Motion by Secretary Costa and a second by Board Member Maguire to adjourn the meeting at 3:06pm. Motion passes unanimously.

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Cesar Molina, Board Chair

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Dianne Costa, Board Secretary



# **Board of Directors Special Called Board Meeting Minutes**

**July 27, 2022 | 3:00 p.m.**

The Board of Directors of the Denton County Transportation Authority (DCTA) convened a Special Called Board of Directors Meeting with Chair Cesar Molina presiding on July 22, 2022, at 3:00pm located at the DCTA Administrative Offices located at 1955 Lakeway Drive, Suite 260, Lewisville, Texas.

## **Voting Members**

Chair Cesar Molina, Denton County  
Vice-Chair TJ Gilmore, City of Lewisville  
Secretary Dianne Costa, City of Highland Village  
Board Member Andy Eads, Denton County  
Board Member Alison Maguire, City of Denton

## **Alternates**

Board Member Jody Gonzalez, Denton County  
Board Member Kristin Green, City of Lewisville  
Board Member Pat Smith, City of Denton  
Board Member Paul Stevens, City of Highland Village

## **Non-Voting Members**

Board Member Tom Winterburn, City of Corinth  
Board Member Dennie Franklin, City of Frisco  
Board Member Connie White, Small Cities  
Board Member Mark Miller, City of Flower Mound  
Board Member Jeremie Maurina, City of The Colony

## **Legal Counsel**

Joe Gorfida, NJDHS

## **INTERIM DCTA CEO**

Paul Cristina

## **CALL TO ORDER**

Chair Molina called the meeting to order at 3:08pm. All Voting Board Members and the following Alternate Board Members were present: Paul Stevens and Kristin Green. Alternate Board Member Alison Maguire arrived at 3:31pm.



Chair Molina read the Close Executive Session language and the Board of Directors convened into Closed Executive Session at 3:09pm to discuss the following:

1. The Board of Directors will convene into Close Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer (CEO).

#### RECONVENE OPEN SESSION

The Board of Directors adjourned Closed Executive Session at 5:27pm and reconvened into Open Session at 5:27pm with no action taken.

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Cesar Molina, Board Chair

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Dianne Costa, Board Secretary



DENTON COUNTY  
TRANSPORTATION  
AUTHORITY

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

## **Board of Directors Regular Meeting**

### **July 28, 2022 | 10:00 a.m.**

The Board of Directors of the Denton County Transportation Authority (DCTA) convened a Regular Board of Directors Meeting with Chair Cesar Molina presiding on July 28, 2022, at 10:00am located at the DCTA Administrative Offices located at 1955 Lakeway Drive, Suite 260, Lewisville, Texas.

#### **Voting Members**

Chair Cesar Molina, Denton County  
Vice-Chair TJ Gilmore, City of Lewisville  
Secretary Dianne Costa, City of Highland Village  
Board Member Andy Eads, Denton County  
Board Member Alison Maguire, City of Denton

#### **Alternates**

Board Member Jody Gonzalez, Denton County  
Board Member Kristin Green, City of Lewisville  
Board Member Pat Smith, City of Denton  
Board Member Paul Stevens, City of Highland Village

#### **Non-Voting Members**

Board Member Tom Winterburn, City of Corinth  
Board Member Dennie Franklin, City of Frisco  
Board Member Connie White, Small Cities  
Board Member Mark Miller, City of Flower Mound  
Board Member Jeremie Maurina, City of The Colony

#### **Legal Counsel**

Joe Gorfida, NJDHS

#### **INTERIM DCTA CEO**

Paul Cristina

#### **CALL TO ORDER**

Chair Molina called the meeting to order at 10:03am. All voting Board Members were present except for Board Members Green, Smith, Franklin and Miller. Board Member Winterburn attended the meeting virtually. The Board recessed at 11:10am and reconvened at 11:15am; recessed at 12:44pm and reconvened at 12:55pm; and recessed at 2:23pm and reconvened at 2:36pm.

#### **INVOCATION**

The invocation was provided by Chair Molina.

#### **PLEDGE OF ALLEGIANCE**

The Board recited the pledge of allegiance to the United States and Texas flags.





## INTRODUCTIONS

Interim CEO Paul Cristina introduced staff from Minerva.

## PUBLIC COMMENT

The following individuals provided comments during this period:

Paul Richardson  
Victoria Allen  
Walter Herron  
Kenneth Day  
DeBoss Christian  
Eva Grecco (virtual)  
Kristine Bray (virtual)  
Karon Moore (emailed comments)  
Roy Latkowski (emailed comments)

## CONSENT AGENDA

### **1. Consider Approval of Monthly Financial Statements for June 2022 and Quarterly Reports for Quarter 3 – Fiscal Year (FY) 2022**

**(packet pages 6-37)**

*Action Item*

Backup Information: Memo 1

Exhibit 1(a): Monthly Financial Statements – June 2022

Exhibit 1(b): Capital Projects Budget Report – June 2022

Memo 2

Exhibit 2: Quarterly Investment Report Q3 FY2022

Memo 3: Quarterly Grants Report Q3 FY2022

### **2. Consider Authorizing the Interim Chief Executive Officer (CEO) to execute an Interlocal Agreement with Denton County Sheriff's Office for Law Enforcement Services in the amount of \$117,620 for one (1) year beginning October 1, 2022 through September 30, 2023**

**(packet pages 38-50)**

*Action Item*

Backup Information: Memo

Exhibit 1: Interlocal Agreement for Law Enforcement

Services

### **3. Consider Approval of Appointment of Mr. Fred Busche to the North Texas Mobility Corporation (NTMC) Board of Directors**

**(packet page 51)**

*Action Item*

Backup Information: Memo



**4. Consider Approval of DCTA Meeting Minutes dated June 10, 2022, June 16, 2022 and July 18, 2022**

**(packet pages 52-62)**

*Action Item*

Backup Information:      Exhibit 1:      Minutes - June 10, 2022  
                                 Exhibit 2:      Minutes - June 16, 2022  
                                 Exhibit 3:      Minutes – July 18, 2022

**5. Consider Authorizing the Interim Chief Executive Officer (CEO) to Award and Execute a Contract with Capitol-Insights & Bird Advocacy, for State Legislative Consulting Services in the amount of \$240,000, beginning on or about September 1, 2022 and ending on or about August 31, 2024, for the initial two (2) years with the option to renew for an additional two (2) years**

**(packet pages 63-64)**

*Action Item*

Backup Information: Memo

***Motion by Secretary Costa and a second by Board Member Maguire to approve as presented. Motion passes 5-0.***

**REGULAR AGENDA**

**1. Discuss Strategic Marketing and Communications Assessment, Key Messages and Communications Efforts**

**(packet page 65)**

*Discussion Item*

Presenters:              Paul Cristina, Interim CEO  
                                 Ashley Elsey, Minerva Consulting

Backup Information: Memo

Ashley Esley, Owner – Minerva Consulting, gave a presentation highlighting the following:

- Key Messaging
  - ✓ Getting Each Person Where They Need to Go
  - ✓ Making It Easier For The Rider
  - ✓ Driving a Better Future for Denton County/Doing Better for Denton County
  - ✓ Possible Themes and Tags (Getting People Where They Need to Go, Driving Denton County's People, Moving Denton County for Work, For Play, For Life)

Staff will continue to work with Minerva to refine and formulate into a Strategic Plan, review platform engagement with social media and organizational structure, align Strategic Goals and Mission and Core Values and tentatively launch Goals and Objectives by the new Fiscal Year.



Pamela Burns, Director of Public Involvement and Communications provided the following update regarding engagement efforts:

- Business Outreach and Engagement for the cities of Denton, Highland Village and Lewisville: Outreach calls began in July starting with member cities and Denton County; goal is to set up meetings to introduce DCTA and learn about employer/employee needs, collect data, and develop menu of options; coordination with North Central Texas Council of Governments regarding business along rail line.
- Ridership Campaign (began July 1, 2022): Print (\$3,000), Online (\$1550), Social (\$2,300) and Other (\$3,000). Continuing campaign intermittently throughout the year.

Board request/discussion:

To add a column (along with the cities of Denton, Highland Village and Lewisville) for “Denton County” regarding engagement efforts; however, for clarification, DCTA is not “marketing” but expanding the “footprint” with other municipalities.

DCTA decals/magnet for VanPool vehicles.

Board discussions regarding the time frame for the business outreach which begins in August.

***No Board action required at this time.***

**2. Discuss Public Feedback and Consider Approval of Service Change and Fare and Pass Structure Effective No Later Than November 1, 2022**  
**(packet page 66)**

*Action Item*

Presenters:

Paul Cristina, Interim CEO  
Javier Trilla, AVP Innovation and Information Technology  
Pamela Burns, Director of Public Involvement and Communications  
Chris Newport, Accenture  
Daniel Berkovits, Via

Backup Information: Memo

Interim CEO Paul Cristina and AVP of Innovation and Information Technology Javier Trilla presented highlighting the following:

- Ridership and Service Hours by Month
- Utilization by Month
- Quality of Service by Month
- Improved Service Quality of Service Scale



- GoZone Safety Performance
- Alignment of GoZone Contract Years and DCTA Fiscal Years
- \$600K Service Scaleback for FY Alignment
- Alternatives for Addressing FY22 Budget Alignment (Options 1-3)
- Funding Scenario to Preserve Current Quality of Service (while aligning FY and Contract)
- Service Design – Approach (Tasks 1-6)
- Comprehensive Operations Analysis (COA) Project Timeline
- Marketing and Communications Promotion
- Community Stakeholder Outreach
- Microsite
- Public Feedback Sentiment Analyses
- Survey Responses
- Fare and Pass Survey Response Recap
- Distribution of Demand by Distance
- GoZone Fare Structure Recap
- GoZone Fare Considerations
- Fare Revenue – GoZone Projection Breakout
- GoZone Pass Structure Volume and Engagement by Type (service to date)
- Proposed GoZone Pass Structure
- Current DCTA Pass Experience
- Proposed DCTA Pass Experience
- GoZone Pass Considerations (Portability, Structure, Discounts)
- Scenario Overview: Alternatives C, D, E, G
- Connect Operating Costs Allocation – Detail
- Fixed Route Productivity Summary Table
- GoZone Productivity Summary Table
- Alternative C: 50% Productivity Factor
- Alternative C: Denton Connect has 50% Productivity Factor
- Alternative D: Reinvestment Option 1
- Alternative E: Reinvestment Option 2 (Routes 6 and 7 only)
- Alternative G: Reinvestment Option 3 (Routes 6 and 7 only)
- Future DCTA Service Planning Considerations
- Overall Project Timeline
- Service Implementation Plan
- GoZone Informational Sign Design and Installation Detail

Board discussion regarding concerns regarding scaling back in lieu of UNT students returning to school, survey responses filtering out non-Denton County and out-of-state residents, possibly including Dallas County residents being included as riding into Denton County, \$2.00 cap and mileage discussion,



clarification of “crediting” rides, clarification of those eligible for discounts (i.e., Medicare, seniors, non-profit organizations, 13-18 age groups, TWU, etc.) and whether there were any Title VI concerns.

Staff recommends the Board authorize implementation of:

- Revised GoZone fare schedule of: \$1.50 base; \$0.50 per mile for trips within Denton Zone greater than 4 miles only; \$5.00 fare cap applicable in Denton only;
- Eliminate GoZone Passes unless riders are eligible for existing discount or non-profit pass purchase;
- Revised Connect service shall be Routes 3, 6 and 7 as depicted in “Alternative E” as proposed;
- Implementation of the above will occur on Sunday, January 1, 2023.

***Motion by Vice-Chair Gilmore with a second by Board Member Eads to approve as presented. Motion passes 4-1. Board Member Maguire opposed.***

**3. Discuss and Consider Approval of Financial Authority to Execute a Task Order with Accenture, LLC in the amount of \$148,000 and a separate Agreement with Robert Half Account Temps in the amount of \$61,945 for Human Resources and Finance Staff Augmentation August 1, 2022 through October 30, 2022**

**(packet pages 67-68)**

*Action Item*

Presenter: Paul Cristina, Interim CEO

Backup Information: Memo

Interim CEO Paul Cristina presented to the Board highlighting the following:

- Financial and Human Resources Organization (April 2022)
- Interim Staffing Cost (April Recap)
- Phase 2 Interim Staffing Overview

***Motion by Secretary Costa with a second by Board Member Eads to approve as presented. Motion passes 5-0.***

**4. Discuss Fiscal Year (FY) 2023 Budget Update**

**(packet pages 69)**

*Discussion Item*

Presenters: Paul Cristina, Interim CEO

Amanda Riddle, Senior Manager of Budget

Backup Information: Memo



Interim CEO Paul Cristina provided the Board with an update highlighting the following:

- FY2023 Proposed Budget Calendar
- Action Items from June Budget Work Session
- FY2023 Proposed Budget: 4-year Outlooks, Revenue vs. Expenses
- Budget Adjustment Drivers – Revenue and Expenses
- Ridership and Budget by Mode
- Incremental cost of Connect Service
- DCTA Budget Summary
- Capital Budget Summary
- Expanded Level Project (ELP) Summary (Rail Major Maintenance, ERP Implementation, Swiftly Transit Platform, DCTA Multifacility Firewall Upgrade, Audio-Visual Upgrade for DCTA Conference Rooms, Security Camera, Access Control and Station Signage Study, GoZone Weekend Hours, Coverage Expansion and Quality Improvements, Director of Safety and Compliance, Transit-Oriented Development (TOD) Planning Analysis, Long-Range Service Plan Update, Marketing and Advertising Strategic Review)
- Change in Net Position (DCTA, Net Depreciation)

Board discussion regarding clarification of Our Daily Bread funding, the possibility of extending routes for Our Daily Bread to the afternoon (costs) and wait time & service levels.

***No Board action required at this time.***

## **5. Discuss Local and Regional Transportation Updates and Legislative Issues** **(packet pages N/A)**

*Discussion Item*

Secretary Costa provided updates from the Regional Transportation Council to include the following:

- Modifications of the FY22 and FY23 Unified Planning Work Program
- RTC Bylaws Revision Subcommittee Update
- Status of BUILD Grant with BNSF, Trinity Metro and DART
- FIFA World Cup: 2026
- IIJA USDOT Competitive Grant Program Matrix
- RTC/Irving Summit – August 18, 2022
- Transportation Alternatives Call for Projects
- Regional Parking Garage Policy and Funding

Interim CEO Paul Cristina provided an update on the Joint Rail Operations Facility Agreement.





## INFORMATIONAL REPORTS

### 1. Monthly Financial Reports

(packet pages 70-74)

Backup Information: Memo 1: Monthly Sales Tax Receipts

Exhibit 1: Monthly Sales Tax Report

Memo 2: Budget Information

### 2. Monthly Ridership Reports

(packet pages 75-82)

Backup Information: Memo

Exhibit 1: Ridership by Mode – June 2022

Exhibit 2: Connect and GoZone Ridership by Month and Year

Exhibit 3: Connect Ridership Year-Over-Year by Month

Exhibit 4: A-train Year-Over-Year Ridership Comparison

Exhibit 5: Fixed-Route Ridership – June 2022

Exhibit 6: UNT Ridership Year-Over-Year by Month

### 3. Request for Bids (RFB) 22-06 Janitorial Services for Administration Building

(packet page 83)

Backup Information: Memo

***No Board action required at this time.***

## FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

- Discussion of Executive Session Meetings (voting/alternate board members) being held in-person only.

## REPORT ON ITEMS OF COMMUNITY INTEREST

- Mayor's Bike Event – City of Corinth – September 2022
- City of Lewisville City Council has allocated approximately \$2.5 million to fund a facility that will be run by Serve Lewisville (Pat Smith) to house non-profit organizations that serve the City of Lewisville.

## CONVENE EXECUTIVE SESSION

The Board June convene the Regular Board Meeting into Closed Executive Session for the following:

*The Board of Directors will convene into Closed Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer.*

The Board convened into Executive Session at 3:13pm.



RECONVENE OPEN SESSION

The Board reconvened into Open Session at 3:25pm with no action taken.

ADJOURN

The Board adjourned the meeting at 3:25pm.

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Cesar Molina, Board Chair

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Dianne Costa, Board Secretary





## Board of Directors Regular Meeting Minutes

### August 25, 2022 | 10:00 a.m.

The Board of Directors of the Denton County Transportation Authority (DCTA) convened a Regular Meeting with Chair Cesar Molina presiding on Thursday, August 25, 2022 at 10:00am located at the Denton County Transportation Authority (DCTA) Administrative Offices located at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

#### Voting Members

Chair Cesar Molina, Denton County  
Vice-Chair TJ Gilmore, City of Lewisville  
Secretary Dianne Costa, City of Highland Village  
Board Member Andy Eads, Denton County  
Board Member Alison Maguire, City of Denton

#### Alternates

Board Member Jody Gonzalez, Denton County  
Board Member Kristin Green, City of Lewisville  
Board Member Pat Smith, City of Denton  
Board Member Paul Stevens, City of Highland Village

#### Non-Voting Members

Board Member Tom Winterburn, City of Corinth  
Board Member Dennie Franklin, City of Frisco  
Board Member Connie White, Small Cities  
Board Member Mark Miller, City of Flower Mound  
Board Member Jeremie Maurina, City of The Colony

#### Legal Counsel

Joe Gorfida, NJDHS

#### INTERIM DCTA CEO

Paul Cristina

#### CALL TO ORDER

Chair Molina called the meeting to order at 10:04am. All voting and alternate board members were present except for Board Member Frankin. Board Member White attended the meeting virtually. The Board recessed at 11:46am and reconvened at 12:23pm. Board Member Smith departed at 1:00pm.

#### INVOCATION

Board Member Pat Smith provided the invocation.

#### PLEDGE OF ALLEGIANCE

The Board recited the Pledge of Allegiance to the United States and Texas flags.

#### INTRODUCTIONS

There were no introductions at this time.



## PUBLIC COMMENT

The following individuals spoke during this time:

Eva Grecco  
Paula J. Richardson

## CONSENT AGENDA

### 1. Consider Approval of Monthly Financial Statements for July 2022

(packet pages 7-14)

Action Item

Backup Information: Memo 1  
Exhibit 1(a): Monthly Financial Statements – July 2022  
Exhibit 1(b): Capital Projects Budget Report – July 2022

### 2. Consider Authorizing the Interim Chief Executive Officer (CEO) to Execute a Contract with CTJ Maintenance Inc. for Administrative Office Janitorial Services in the amount of \$43,800 for an initial three (3) years with the option to renew for an additional two (2) years for \$29,200 for the total contract cost of \$73,000 for Five (5) years commencing October 3, 2022.

(packet pages 15-16)

Action Item

Backup Information: Memo

### 3. Consider Authorizing the Interim Chief Executive Officer (CEO) to Execute a contract with Capital Edge Advocacy for Federal Legislative Consulting Services in the amount of \$168,000 for an initial two (2) year term with the option to renew for three (3) additional one (1) year terms beginning October 1, 2022

(packet pages 17-18)

Action Item

Backup Information: Memo

### 4. Consider Approval of Regular Board Meeting Minutes dated June 23, 2022

(packet pages 19-28)

Action Item

Backup Information: Exhibit 1: June 23, 2022 Minutes

***Motion by Board Member Maguire with a second by Vice-Chair Gilmore to approve as presented. Motion passes 5-0.***

## REGULAR AGENDA

### 1. Conduct a Public Hearing of the Proposed FY 2023 Operating & Capital Budget

(packet pages 29-39)

Discussion Item

Presenters: Paul Cristina, Interim CEO  
Amanda Riddle, Senior Manager of Budget



Backup Information:

Memo

Exhibit 1: Long Range Financial Plan

Exhibit 2: Change in Net Position – Combined

Exhibit 3: Change in Net Position by Function

Exhibit 4: Revenue Detail

Exhibit 5: Grants Detail

Exhibit 6: Capital Improvement & Major Maintenance Plan

Exhibit 7: Budget Contingency Plan

Chair Molina opened the Public Hearing and Interim CEO Paul Cristina introduced Amanda Riddle, Senior Budget Manager, who provided the presentation highlighting the following:

- Proposed Budget Calendar (FY 2023 Proposed Budget)
- DCTA Budget Summary (Operating Budget, Capital Budget)
- Budget Adjustment Drivers Revenues and Expenses
- July Connect Service - Budget Impact Summary
- Expand Lewisville Service Zone
- DCTA and NTMC Compensation Adjustment
- Expanded Level Project (ELP) Summary (Capital and Operating)
- Director – Safety and Compliance
- Marketing and Advertising Strategic Review
- On-Call Planning for NTM Evolution, Ops Enhancements and Ridership Growth
- Capital Budget Summary

Board discussion regarding clarification on considering one-time adjustment and salary alternatives, employee retention, salary adjustment “range”, the Union Labor Agreement clarification and the importance equitable treatment of union and non-union employees, clarification of DCTA authority regarding NTMC employee salaries and recommendations on how to use NTMC funding, building adjustments into salaries to reflect future inflation, consideration of the desires of DCTA employees regarding salary structure (i.e. one-time versus salary adjustment), future inflation, DCTA salary savings, average salaries of DCTA employees, average salaries of lower wage salaried employees, impacts to driver count based upon Connect decisions, clarification of reserves, TRiP funding report as revenue, and whether or not the 4 year outlook is incorporated in the Long Range Planning.

Board requests:

- Brackets of budgeted employees (DCTA and NTMC).
- List “median” salaries instead of “average”.

Note: Paula Richardson and Eva Grecco spoke during the Public Hearing. Chair Molina closed the Public Hearing at 11:22am.

***No Board action required at this time.***



## 2. **Presentation and Discussion of the Audit Plan for FY2022 Financial Statements** **Presentation by Plante & Moran**

**(packet pages 40-43)**

*Discussion Item*

Presenters: David Leininger, Interim Chief Financial Officer  
Keith Szymanski, Plante & Moran  
Amy Tytar, Plante & Moran

Backup Information: Memo  
Exhibit 1: FY2022 Audit Planned Scope

David Leininger, Interim CFO, introduced the item and Keith Szymanski from Plante & Moran provided the update highlighting the following:

- Risks Identified
  - ✓ Additional Federal funding.
  - ✓ Vacancies in the Finance Department
  - ✓ Verifying new standards

Plante & Moran plans to return to DCTA to provide a presentation to the Board in January 2023.

***No Board Action required at this time.***

## 3. **Discuss and Consider Approval of Contract Amendment #8 to Task Order No. 1 with River North Transit LLC (Via) for GoZone Service in an amount not to exceed \$614,948 effective September 7, 2022 through September 30, 2022**

**(packet pages 44-47)**

*Action Item*

Presenter: Javier Trilla, AVP of Innovation and Information Technology

Backup Information: Memo  
Exhibit 1: DCTA Amendment #8

Javier Trilla, AVP of Innovation and Information Technology, presented information to the Board highlighting the following:

- Ridership and Service Hours by Month
- Utilization by Month
- Quality of Service by Month
- GoZone Safety Performance
- GoZone Fiscal Year and Contract Alignment
- Alignment of GoZone Contract Years and DCTA Fiscal Years

Board discussion regarding the increased revenue hours, unreached goals despite UNT not being in session, fixed route to supplement GoZone, an increase in Middle School students using the system, conversations with school districts, marketing GoZone for what its designed for (i.e. not a taxi), and GoZone data for Lewisville.

***Motion by Vice-Chair Gilmore with a second by Secretary Costa to approve as presented. Motion passes 5-0.***

**4. Discuss and Consider Approval of Inflation Adjustment Compensation for DCTA and NTMC Staff**

**(packet page 48)**

*Discussion Item*

Presenter: Paul Cristina, Interim CEO

Backup Information: Memo

***Motion by Board Member Maguire with a second by Secretary Costa to Table this item until the September Board Meeting. The Board gave staff direction to research and evaluate for the FY 2023 Budget a 5% pay increase adjustment and a one-time payment of \$1,000 across all salaries. In addition, staff are to work with the North Texas Mobility Corporation (NTMC) Board and NTMC staff for discussions regarding pay adjustments and one-time payment for union employees. Motion passes 5-0.***

**5. Consider Approval of Task Order with Kittelson & Associates, Inc. in the amount of \$750,000 for Member City Transit-Oriented Development as Described in Previously Awarded Federal Transit Administration (FTA) Grant Agreement**

**(packet pages 49-50)**

*Action Item*

Presenters: Paul Cristina, Interim CEO

Tim Palermo, Planning and Data Analytics Manager

Backup Information: Memo

Paul Cristina, Interim CEO, presented to the Board highlighting the following:

- Member City Transit-Oriented Development (TOD) Planning Project
- Integrated Project Approach
- Scope and Schedule

Board discussion regarding clarification of the location of the study and future long-range planning.

***Motion by Board Member Eads with a second by Secretary Costa to approve as presented. Motion passes 5-0.***

**6. Discuss A-train Updates: Long Range Maintenance Planning, Loram Friction Modifier System, Joint Rail Operations Facility, and A-train Enhancement Study**

**(packet page 51)**

*Discussion Item*

Presenters: Paul Cristina, Interim CEO

Rony Philip, Senior Director Rail Operations

Backup Information: Memo

Paul Cristina, Interim CEO, presented to the Board highlighting the following:

- Joint Rail Operations Facility (JROF) Update – Short Term Lease, building expansion and Long-Term Lease.
- A-train Enhancement Study
- Informing Long-Range Financial Plan with Rail Maintenance Estimates
- Loram Friction Modifier

Board discussion regarding relationship between additional siding and double-tracking, the ability for infrastructure to be converted into double-tracking, customer experience based upon space and federal grant opportunities.

***No Board action required at this time.***

**7. Consider Approval of Contract with Loram Technologies for purchase of Railway Friction Modifiers in the amount of \$63,051.80**

**(packet pages 52-57)**

*Action Item*

Presenters: Paul Cristina, Interim CEO  
Rony Philip, Senior Director Rail Operations

Backup Information: Memo  
Exhibit 1: DCTA Loram Technologies Second Amendment Agreement  
Exhibit 2: LORAM Quote for installation of four units

Paul Cristina, Interim CEO, presented to the Board highlighting the following:

- Loram Friction Modifier System

***Motion by Vice-Chair Gilmore with a second by Board Member Maguire to approve as presented. Motion passes 5-0.***

**8. Discuss FY23 Projects: Arctic Wolf Cybersecurity Service and Swiftly Connected Transit Platform**

**(packet pages 58-60)**

*Discussion Item*

Presenter: Javier Trilla, AVP of Innovation and Information Technology

Backup Information: Memo  
Exhibit 1: Swiftly – August 2022 Budgetary Estimate

Javier Trilla, AVP of Innovation and Information Technology, presented to the Board highlighting the following:

Artic Wolf

- Artic Wolf – Service Architecture (Managed Detection and Response Architecture)
- Resources and Benefits (Proactive Monitoring, Resources)





- Artic Wolf Service Assurance and Financial Assistance
- Artic Wolf Pricing – Next month will present the contract for Board approval in the amount of \$156,434.32.

Board discussion regarding whether desktops and workstations that are included in the contract.

### Swiftly

- Connected Transit Platform (ELP)
- Timeline
  - ✓ September – Approval of Proposed FY23 Budget/Contract
  - ✓ October – Contract execution- DCTA/Swiftly
  - ✓ October/November – Project Kick-Off
  - ✓ Installation Timeline: 6-9 months
  - ✓ Project Costs: Total Year = \$895,803 (ongoing operating fees: \$233,493)

Board discussion regarding ongoing operating fees being included in the FY23 budget, costs reflecting the service change, possible financial contributions from UNT, grant funding availability, and the volunteered IT assistance of Denton County with these projects.

***No Board action required at this time.***

## 9. **Discuss Local and Regional Transportation Updates and Legislative Issues** (packet pages N/A) *Discussion Item*

The Board and staff provided updates from the Irving Transportation Summit, Regional Transportation Council, Dallas Regional Mobility Coalition and Transit Coalition of North Texas. In addition, discussion of an article by Michael Morris, Director of Transportation – North Central Texas Council of Governments regarding High-Speed Rail 2.0. Board suggested a possible letter of support or Resolution.

***No Board action required at this time.***

## INFORMATIONAL REPORTS

### 1. **Monthly Financial Reports** (packet pages 61-65)

Backup Information: Memo 1: Monthly Sales Tax Receipts  
Exhibit 1: Monthly Sales Tax Report  
Memo 2: Budget Information

### 2. **Monthly Ridership Reports** (packet pages 66-74)

Backup Information: Memo  
Exhibit 1: Ridership by Mode – July 2022  
Exhibit 2: Connect and GoZone Ridership by Month and Year



Exhibit 3: Connect Ridership Year-Over-Year by Month  
Exhibit 4: A-train Year-Over-Year by Month  
Exhibit 5: Fixed-Route Ridership – July 2022  
Exhibit 6: UNT Ridership Year-Over-Year by Month

3. **Denton County Transportation Authority Board of Directors Officer Elections**  
**(packet page 75)**

Backup Information: Memo

4. **Interlocal Agreement Renewal with City of Coppell for Mobility Services**  
**(packet pages 76-77)**

Backup Information: Memo

***No Board action required for Informational Reports.***

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

***None at this time.***

REPORT ON ITEMS OF COMMUNITY INTEREST

***None at this time.***

CONVENE EXECUTIVE SESSION

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

The Board of Directors will convene into Closed Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer.

***The Board did not convene into Executive Session.***

RECONVENE OPEN SESSION

***Not applicable.***

ADJOURN

With no further action taken, the Board Meeting was adjourned at 1:27pm.

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Cesar Molina, Board Chair

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Dianne Costa, Board Secretary



## Board of Directors

### Special Called Board Meeting Minutes

**September 6, 2022 | 3:00pm**

The Board of Directors of the Denton County Transportation Authority (DCTA) convened a Special Called Board of Directors Meeting with Chair Cesar Molina presiding on Tuesday, September 6, 2022, at 3:00pm located at the Denton County Administrative Offices located at 1 Courthouse Drive, 3<sup>rd</sup> Floor, Denton, Texas 76208.

#### **Voting Members**

Chair Cesar Molina, Denton County  
 Vice-Chair TJ Gilmore, City of Lewisville  
 Secretary Dianne Costa, City of Highland Village  
 Board Member Andy Eads, Denton County  
 Board Member Alison Maguire, City of Denton

#### **Alternates**

Board Member Jody Gonzalez, Denton County  
 Board Member Kristin Green, City of Lewisville  
 Board Member Pat Smith, City of Denton  
 Board Member Paul Stevens, City of Highland Village

#### **Non-Voting Members**

Board Member Tom Winterburn, City of Corinth  
 Board Member Dennie Franklin, City of Frisco  
 Board Member Connie White, Small Cities  
 Board Member Mark Miller, City of Flower Mound  
 Board Member Jeremie Maurina, City of The Colony

#### **Legal Counsel**

Joe Gorfida, NJDHS

#### **INTERIM DCTA CEO**

Paul Cristina

#### **CALL TO ORDER**

Chair Molina called the meeting to order at 3:09pm with all voting board members present. The following alternates were present: Jody Gonzalez and Paul Stevens.

Chair Molina read the Executive Session language.

#### **CONVENE INTO EXECUTIVE SESSION**

The Board may convene into Closed Executive Session for the following:



1. The Board of Directors will convene into Close Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer (CEO).

The Board convened into Executive Session at 3:10pm and adjourned Executive Session at 5:25pm.

RECONVENE OPEN SESSION

The Board reconvened into Open Session at 5:30pm.

ADJOURN

The Board adjourned the meeting at 5:30pm.

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Cesar Molina, Chair

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Dianne Costa, Board Secretary

## Board of Directors

### Special Called Board Meeting Minutes

**September 12, 2022 | 10:00am**

The Board of Directors of the Denton County Transportation Authority (DCTA) convened a Special Called Board of Directors Meeting with Chair Cesar Molina presiding on Monday, September 12, 2022 at 10:00am, located at the Denton County Administrative Offices located at 1 Courthouse Drive, 3<sup>rd</sup> Floor, Denton, Texas 76208.

#### **Voting Members**

Chair Cesar Molina, Denton County  
 Vice-Chair TJ Gilmore, City of Lewisville  
 Secretary Dianne Costa, City of Highland Village  
 Board Member Andy Eads, Denton County  
 Board Member Alison Maguire, City of Denton

#### **Alternates**

Board Member Jody Gonzalez, Denton County  
 Board Member Kristin Green, City of Lewisville  
 Board Member Pat Smith, City of Denton  
 Board Member Paul Stevens, City of Highland Village

#### **Non-Voting Members**

Board Member Tom Winterburn, City of Corinth  
 Board Member Dennie Franklin, City of Frisco  
 Board Member Connie White, Small Cities  
 Board Member Mark Miller, City of Flower Mound  
 Board Member Jeremie Maurina, City of The Colony

#### **Legal Counsel**

Joe Gorfida, NJDHS

#### **INTERIM DCTA CEO**

Paul Cristina

#### **CALL TO ORDER**

Chair Molina called the meeting to order at 10:02am with all voting board members present. The following alternates were present: Jody Gonzalez and Paul Stevens.

Chair Molina read the Executive Session language.

#### **CONVENE INTO EXECUTIVE SESSION**

The Board may convene into Closed Executive Session for the following:



1. The Board of Directors will convene into Close Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer (CEO).

The Board convened into Executive Session at 10:03am. The Board recessed the meeting at 11:42am and reconvened at 3:10pm. The Board adjourned the Executive Session at 3:09pm.

#### RECONVENE OPEN SESSION

The Board reconvened into Open Session at 3:10pm with no action taken.

#### ADJOURN

Motion by Board Member Maguire with a second by Vice-Chair Gilmore to adjourned the meeting at 5:07pm.

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Cesar Molina, Chair

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Dianne Costa, Board Secretary



## Board of Directors Special Called Board Meeting Minutes September 13, 2022 | 10:00am

The Board of Directors of the Denton County Transportation Authority (DCTA) convened a Special Called Board of Directors Meeting with Chair Cesar Molina presiding on Tuesday, September 13, 2022 at 11:30am, located at the Denton County Administrative Offices located at 1 Courthouse Drive, 3<sup>rd</sup> Floor, Denton, Texas 76208.

### **Voting Members**

Chair Cesar Molina, Denton County  
Vice-Chair TJ Gilmore, City of Lewisville  
Secretary Dianne Costa, City of Highland Village  
Board Member Andy Eads, Denton County  
Board Member Alison Maguire, City of Denton

### **Alternates**

Board Member Jody Gonzalez, Denton County  
Board Member Kristin Green, City of Lewisville  
Board Member Pat Smith, City of Denton  
Board Member Paul Stevens, City of Highland Village

### **Non-Voting Members**

Board Member Tom Winterburn, City of Corinth  
Board Member Dennie Franklin, City of Frisco  
Board Member Connie White, Small Cities  
Board Member Mark Miller, City of Flower Mound  
Board Member Jeremie Maurina, City of The Colony

### **Legal Counsel**

Joe Gorfida, NJDHS

### **INTERIM DCTA CEO**

Paul Cristina

### **CALL TO ORDER**

Chair Molina called the meeting to order at 12:13pm with all voting board members present. The following alternates were present: Jody Gonzalez and Paul Stevens.

Chair Molina read the Executive Session language.

### **CONVENE INTO EXECUTIVE SESSION**

The Board may convene into Closed Executive Session for the following:



1. The Board of Directors will convene into Close Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer (CEO).

The Board convened into Executive Session at 12:14pm. The Board adjourned the Executive Session at 2:28pm.

#### RECONVENE OPEN SESSION

The Board reconvened into Open Session at 2:29pm with no action taken.

#### ADJOURN

Motion by Vice-Chair Gilmore with a second by Secretary Costa to adjourn the meeting at 2:29pm. Motion passes 5-0.

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Cesar Molina, Chair

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Dianne Costa, Board Secretary



## Board of Directors Memo

September 22, 2022

SUBJECT: Consider Approval of Monthly Financial Statements for August 2022

### Recommendation

Staff recommends the Board approve the monthly financial statements for August 2022.

### Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports for the period ending August 31, 2022, include the Statement of Change in Net Position, Statement of Net Position, and Capital Projects Budget Report. These reports provide a comparison of year-to-date budget vs. actual as of the current month.

### Previous Board Activity & Action

There has been no previous Board activity on this item.

### Identified Need

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

### Financial Impact

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

- Note A:** Passenger Revenues – YTD favorable by \$248k due primarily to A-train and GoZone ridership of 703k which was 72% higher than budgeted ridership of 409k (\$155k increased revenue).

	YTD FY22 Actual Ridership	YTD FY22 Budgeted Ridership	% Variance, Actual to Budget	YTD FY21 Actual Ridership	% Variance, Actual to Prior Yr
Total Rail Ridership	156,541	153,854	2%	98,393	59%
Connect	115,649	128,860	-10%	200,210	-42%
Access & Zone Service	19,355	18,846	3%	18,709	3%
GoZone	546,938	254,690	115%	-	N/A
Frisco	5,737	4,178	37%	2,615	119%
Collin County Transit (CCT)	3,371	15,105	-78%	9,764	-65%
North Texas Xpress	1,694	397	327%	3,924	-57%
University of North Texas	813,900	1,124,392	-28%	276,832	194%
Special Movements	481	-	N/A	1,176	-59%
Total Bus Ridership	1,507,125	1,546,468	-3%	513,230	194%
Vanpool	210,228	-	N/A	199,034	6%
Total System Ridership	1,873,894	1,700,322	10%	810,657	131%

- (A) FY21 ridership includes Lewisville Lakeway On-Demand and Downtown Denton Transit Center (DDTC) Evening On-Demand which ended September 6, 2021.
- (B) Includes Demand Response service and Taxi service.
- (C) FY21 ridership includes North Texas Xpress operated jointly with Trinity Metro through September 6, 2021. Beginning September 7, 2021, DCTA operates an abbreviated portion of the route with two trips each weekday.

(D) These ridership numbers are not linked to passenger revenues and are shown for information purposes only to present system-wide ridership.

- **Note B:** Contract Service Revenue – YTD unfavorable by \$415k primarily due to lower than budgeted revenue hours (\$432k decreased revenue) and billable fuel costs (\$36k decreased revenue). Average year to date pass-through fuel cost was \$3.4/gallon compared to budgeted \$3.00/gallon and usage of 88k gallons was 21% lower than budgeted usage of 111k gallons.
- **Note C:** Sales Tax Revenue – August sales tax revenue was not yet received as of month-end close and is accrued for the month based on budget - \$2,535,589. July's Sales Tax revenue of \$3,323,143 was higher than reported in July with the difference of \$1,010,392 reflected in August. Sales tax generated in August will be received in October (FY 2023).
- **Note D:** Federal/State Grant Revenues - Capital – YTD unfavorable by \$4,4 million due to a timing difference as reimbursements for the Positive Train Control (PTC) project are delayed due to delayed project expenditures. Reimbursement will be requested as funds are expended.

	YTD FY22 Actual Revenue	YTD FY22 Budgeted Revenue	Variance, Actual to Budget
PTC Implementation & Enhancements	\$ 88,037	\$ 4,439,516	(\$ 4,351,479)
	<u>\$ 88,037</u>	<u>\$ 4,439,516</u>	<u>(\$ 4,351,479)</u>

- **Note E:** Federal/State Grant Revenues - Operating – YTD favorable by \$2 million due to reimbursement for operating assistance exceeding original budgeted amount.

	YTD FY22 Actual Revenue	YTD FY22 Budgeted Revenue	Variance, Actual to Budget
Bus Preventive Maintenance	\$801,510	\$1,094,362	\$(292,852)
Rail Preventive Maintenance	3,648,032	3,634,429	13,603
Operating Assistance	13,540,187	11,264,709	2,275,478
ADA Assistance	378,502	300,000	78,502
Vanpool	172,890	233,937	(61,047)
	<u>\$18,541,121</u>	<u>\$16,508,592</u>	<u>\$2,013,684</u>

- **Note F:** Purchased Transportation Services Expense – YTD unfavorable by \$44k mainly due to higher than anticipated GoZone service costs. The FY22 YTD budget anticipated 122k GoZone service hours; actual YTD GoZone billed hours were 123k (\$133k increased expense). Additionally, DCTA incurred \$75k in customer service costs above the original budget amount.

## Exhibits

Exhibit 1: Monthly Financial Statements – August 2022

Exhibit 2: Capital Projects Budget Report – August 2022

Submitted by: Isaias Rios  
Isaias A Ríos, MBA  
Accenture Consulting Manager





# DENTON COUNTY TRANSPORTATION AUTHORITY

## CHANGE IN NET POSITION

MONTH AND YEAR TO DATE AS OF AUGUST 31, 2022

(UNAUDITED)

Description	Month Ended August 31, 2022			Year to Date August 31, 2022			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>Revenue and Other Income</b>							
Passenger Revenues	\$ 94,604	\$ 56,450	\$ 38,154	\$ 829,129	\$ 580,758	\$ 248,371	\$ 642,579 <b>Note A</b>
Contract Service Revenues	206,748	273,834	(67,086)	3,231,231	3,646,526	(415,295)	4,043,386 <b>Note B</b>
Sales Tax Revenues	3,545,981	2,535,589	1,010,392	34,353,026	31,415,161	2,937,865	34,191,233 <b>Note C</b>
Federal/State Grants - Capital	-	-	-	88,037	4,439,516	(4,351,479)	4,689,516 <b>Note D</b>
Federal/State Grants - Operating	1,754,982	525,097	1,229,885	18,541,121	16,527,437	2,013,684	21,864,250 <b>Note E</b>
<b>Total Revenues and Other Income</b>	<b>5,602,315</b>	<b>3,390,970</b>	<b>2,211,345</b>	<b>57,042,545</b>	<b>56,609,398</b>	<b>433,147</b>	<b>65,430,964</b>
<b>Operating Expenses</b>							
Salary, Wages and Benefits	287,446	426,806	139,360	3,714,101	4,676,835	962,734	5,103,643
Outsourced Services and Charges	427,383	361,372	(66,011)	3,799,259	5,430,830	1,631,571	5,720,562
Materials and Supplies	263,511	197,842	(65,669)	2,270,517	2,556,029	285,512	2,780,594
Utilities	57,282	43,859	(13,423)	378,878	482,421	103,543	526,281
Insurance	212,620	141,412	(71,208)	1,484,322	1,564,641	80,319	1,706,052
Purchased Transportation Services	1,756,632	1,851,783	95,151	17,349,683	17,305,047	(44,636)	18,790,814 <b>Note F</b>
Employee Development	19,041	7,324	(11,717)	108,732	225,536	116,804	235,385
Leases and Rentals	10,626	11,648	1,022	129,045	127,993	(1,052)	139,772
Depreciation	941,557	945,175	3,618	10,414,556	10,406,768	(7,788)	11,349,464
<b>Total Operating Expenses</b>	<b>3,976,099</b>	<b>3,987,221</b>	<b>11,122</b>	<b>39,649,094</b>	<b>42,776,100</b>	<b>3,127,006</b>	<b>46,352,567</b>
<b>Income Before Non-Operating Revenues and Expenses</b>	<b>1,626,216</b>	<b>(596,251)</b>	<b>2,222,467</b>	<b>17,393,451</b>	<b>13,833,298</b>	<b>3,560,153</b>	<b>19,078,397</b>
<b>Non-Operating Revenues/(Expense)</b>							
Investment Income	142,577	1,000	141,577	297,831	11,000	286,831	12,000
Gain (Loss) on Disposal of Assets	-	-	-	7,783	-	7,783	-
Other Income/(Expense) - Miscellaneous	274,762	-	274,762	566,279	2,794,840	(2,228,561)	2,794,840
Long Term Debt Interest/Expense	(19,946)	(19,817)	(129)	(213,881)	(217,987)	4,106	(237,800)
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>397,392</b>	<b>(18,817)</b>	<b>416,209</b>	<b>658,012</b>	<b>2,587,853</b>	<b>(1,929,841)</b>	<b>2,569,040</b>
<b>Income (Loss) before Transfers</b>	<b>2,023,608</b>	<b>(615,068)</b>	<b>2,638,676</b>	<b>18,051,463</b>	<b>16,421,151</b>	<b>1,630,312</b>	<b>21,647,437</b>
Transfers Out	(557,150)	(536,073)	(21,077)	(5,506,361)	(6,672,455)	1,166,094	(7,263,989)
<b>Total Transfers</b>	<b>(557,150)</b>	<b>(536,073)</b>	<b>(21,077)</b>	<b>(5,506,361)</b>	<b>(6,672,455)</b>	<b>1,166,094</b>	<b>(7,263,989)</b>
<b>Change in Net Position</b>	<b>\$ 1,466,458</b>	<b>\$ (1,151,141)</b>	<b>\$ 2,617,599</b>	<b>\$ 12,545,102</b>	<b>\$ 9,748,696</b>	<b>\$ 2,796,406</b>	<b>\$ 14,383,448</b>



# DENTON COUNTY TRANSPORTATION AUTHORITY

## STATEMENT OF NET POSITION AS OF AUGUST 31, 2022 (UNAUDITED)

	August 31, 2022	July 31, 2022	Change
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	\$ 83,016,090	\$ 77,706,677	\$ 5,309,413
Investments	11,446,987	11,446,987	-
Receivables	8,254,928	10,588,483	(2,333,555)
Prepaid Expenses	230,557	354,563	(124,006)
Inventory	734,878	753,898	(19,020)
<b>Total Current Assets</b>	<b>103,683,439</b>	<b>100,850,607</b>	<b>2,832,832</b>
<b>Non-Current Assets</b>			
Restricted Cash	677,029	676,799	230
Capital Assets:			
Land	17,394,147	17,394,147	-
Land Improvements	12,158,726	12,158,726	-
Machinery & Equipment	5,250,731	5,250,731	-
Vehicles	92,912,472	92,912,472	-
Computers & Software	1,791,431	1,791,431	-
Intangible Assets	16,997,155	16,997,155	-
Construction in Progress	4,903,518	4,236,894	666,624
Other Capital Assets, Net	251,986,070	251,986,070	-
Accumulated Depreciation	(106,583,542)	(105,641,985)	(941,557)
<b>Total Non-Current Assets</b>	<b>297,487,736</b>	<b>297,762,439</b>	<b>(274,703)</b>
<b>Total Assets</b>	<b>401,171,175</b>	<b>398,613,047</b>	<b>2,558,129</b>
<b>Deferred Outflow of Resources</b>			
Deferred Outflows Related to Pensions	421,130	421,130	-
<b>Total Deferred Outflow of Resources</b>	<b>421,130</b>	<b>421,130</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	920,792	-	920,792
Accrued Liabilities and Other	1,697,738	1,281,375	416,362
Unearned Revenues	2,502,420	2,767,851	(265,430)
Interest Payable	99,729	79,783	19,946
<b>Total Current Liabilities</b>	<b>5,220,679</b>	<b>4,129,009</b>	<b>1,091,670</b>
<b>Non-Current Liabilities</b>			
Rail Easement Payable	700,000	700,000	-
Bonds Payable	21,265,000	21,265,000	-
Net Pension Liability	65,492	65,492	-
<b>Total Non-Current Liabilities</b>	<b>22,030,492</b>	<b>22,030,492</b>	<b>-</b>
<b>Total Liabilities</b>	<b>27,251,171</b>	<b>26,159,501</b>	<b>1,091,670</b>
<b>Deferred Inflow of Resources</b>			
Deferred Inflows Related to Pensions	152,490	152,490	-
<b>Total Deferred Inflow of Resources</b>	<b>152,490</b>	<b>152,490</b>	<b>-</b>
<b>Net Position</b>			
Net Investment in Capital Assets	283,862,326	283,862,326	-
Unrestricted	77,781,216	77,781,216	-
Change in Net Position	12,545,102	11,078,644	<b>1,466,458</b>
<b>Total Net Position</b>	<b>\$ 374,188,644</b>	<b>\$ 372,722,186</b>	<b>\$ 1,466,458</b>



# NORTH TEXAS MOBILITY CORPORATION

CHANGE IN NET POSITION  
MONTH AND YEAR TO DATE AS OF AUGUST 31, 2022  
(UNAUDITED)

Description	Month Ended August 31, 2022			Year to Date August 31, 2022			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>Operating Expenses</b>							
Salary, Wages and Benefits	\$ 499,081	\$ 486,038	\$ (13,044)	\$ 4,985,263	\$ 6,119,539	\$ 1,134,276	\$ 6,661,164
Outsourced Services and Charges	49,683	37,025	(12,658)	462,951	414,874	(48,077)	452,892
Materials and Supplies	-	150	150	940	1,786	846	1,936
Insurance	6,982	7,635	653	45,062	81,721	36,659	89,337
Employee Development	1,404	5,225	3,821	12,145	54,535	42,390	58,660
<b>Total Operating Expenses</b>	<u>557,150</u>	<u>536,073</u>	<u>(21,077)</u>	<u>5,506,361</u>	<u>6,672,455</u>	<u>1,166,094</u>	<u>7,263,989</u>
<b>Income (Loss) before Transfers</b>	(557,150)	(536,073)	(21,077)	(5,506,361)	(6,672,455)	1,166,094	(7,263,989)
Transfers In	557,150	536,073	21,077	5,506,361	6,672,455	(1,166,094)	7,263,989
<b>Total Transfers</b>	<u>557,150</u>	<u>536,073</u>	<u>21,077</u>	<u>5,506,361</u>	<u>6,672,455</u>	<u>(1,166,094)</u>	<u>7,263,989</u>
<b>Change in Net Position</b>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ (0)</u>



# NORTH TEXAS MOBILITY CORPORATION

## STATEMENT OF NET POSITION AS OF AUGUST 31, 2022 (UNAUDITED)

	August 31, 2022	July 31, 2022	Change
<b>Assets</b>			
Cash & Cash Equivalents	\$ 323,862	\$ 180,193	\$ 143,669
Receivables	-	-	-
Prepaid Expenses	6,982	13,963	(6,982)
<b>Total Assets</b>	<u>330,844</u>	<u>194,156</u>	<u>136,687</u>
<b>Liabilities</b>			
Accounts Payable	83,163	-	83,163
Accrued Liabilities and Other	247,681	194,156	53,524
<b>Total Liabilities</b>	<u>330,844</u>	<u>194,156</u>	<u>136,687</u>
<b>Net Position</b>			
Change in Net Position	-	-	-
<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## DENTON COUNTY TRANSPORTATION AUTHORITY

## CAPITAL PROJECTS BUDGET REPORT

AS OF AUGUST 31, 2022

Capital Project Number/Name	Project Budget	August 2022 Actuals Booked	Actuals Life To Date	\$ Under/ (Over) Budget	% of Budget (As of August 2022 Close)
Construction Work in Progress					
G&A Capital Projects					
Total 10302 · Infrastructure Acquisition	3,251,990	-	2,617,009	634,981	80%
Total 10404 · Backup Infrastructure Upgrade	45,000	45,370	45,370	(370)	101%
Total 10702 · Transportation Reinvestment Program - FY21	100,000	-	52,473	47,527	52%
Close-Out to Operating Expense	(18,557)		(18,557)		
Net Remaining · Transportation Reinvestment Program - FY21	81,444	-	33,916	47,527	
Total 10702.1 · Transportation Reinvestment Program FY21 - Denton	3,424,946	41,524	47,206	3,377,740	1%
Close-Out to Operating Expense	(5,173)		(5,173)		
Net Remaining · Transportation Reinvestment Program FY21 - Denton	3,419,773	41,524	42,033	3,377,740	
Total 10702.2 · Transportation Reinvestment Program FY21 - Highland Village	379,591	-	2,358	377,233	1%
Close-Out to Operating Expense	(2,358)		(2,358)		
Net Remaining · Transportation Reinvestment Program FY21 - Highland Village	377,233	-	-	377,233	
Total 10702.3 · Transportation Reinvestment Program FY21 - Lewisville	3,837,597	-	3,987	3,833,610	0%
Close-Out to Operating Expense	(3,710)		(3,710)		
Net Remaining · Transportation Reinvestment Program FY21 - Lewisville	3,833,887	-	278	3,833,610	
Total 10703 · Transportation Reinvestment Program - FY22	100,000	-	-	100,000	0%
Total 10703.1 · Transportation Reinvestment Program FY22 - Denton	4,263,151	-	-	4,263,151	0%
Total 10703.2 · Transportation Reinvestment Program FY22 - Highland Village	450,500	-	-	450,500	0%
Total 10703.3 · Transportation Reinvestment Program FY22 - Lewisville	5,019,354	-	-	5,019,354	0%
<b>Total G&amp;A Capital Projects</b>	<b>20,842,332</b>	<b>86,893</b>	<b>2,738,605</b>	<b>18,103,727</b>	<b>13%</b>
Bus Capital Projects					
Total 50307 · Major Maintenance - Bus 2022	179,530	-	-	179,530	0%
Total 50411 · Integrated Fare Payment	600,000	-	-	600,000	0%
Total 50412 · Bus OMF Network Video Recorder	26,000	-	-	26,000	0%
Total 50413 · DDTC Rail Fiber Extension	125,000	-	5,528	119,472	4%
<b>Total Bus Capital Projects</b>	<b>930,530</b>	<b>-</b>	<b>5,528</b>	<b>925,002</b>	<b>1%</b>
Rail Capital Projects					
Total 61302 · Joint Rail Operations Facility (JROF)	2,794,840	269,563	356,462	2,438,378	13%
Total 61406.1 · Positive Train Control Implementation	16,720,141	6,025	16,141,407	578,734	97%
Close-Out to Capitalized Assets	(16,022,566)	-	(16,022,566)		
Net Remaining · Positive Train Control Implementation	697,575	6,025	118,841	578,734	
Total 61406.2 · Positive Train Control Enhancements	5,000,000	-	148,180	4,851,820	3%
Total 61605 · Brownfield Remediation	420,000	1,150	416,318	3,682	99%
Close-Out to Operating Expenses	(366,448)	-	(366,448)		
Net Remaining · Brownfield Remediation	53,552	1,150	49,870	3,682	
Net Remaining · Canopy Repairs 2021	421,072	-	237,088	183,984	
Total 61724 · Major Maintenance-Rail 2022	1,836,442	302,992	1,248,944	587,498	68%
<b>Total Rail Capital Projects</b>	<b>10,803,481</b>	<b>579,730</b>	<b>2,159,385</b>	<b>8,644,095</b>	<b>20%</b>
<b>Total Construction Work in Progress</b>	<b>\$ 32,576,342</b>	<b>\$ 666,624</b>	<b>\$ 4,903,518</b>	<b>\$ 27,672,824</b>	<b>15%</b>



Board of Directors Memo

September 22, 2022

SUBJECT: Discuss and Consider Approval of a Task Order with Accenture, LLC for Finance Staff Augmentation for the period October 16 through November 30, 2022.

**Recommendation**

Staff recommends the Board approve authority for expenditure not to exceed \$75,000 to execute Task Order with Accenture, LLC for Interim Staffing Support Services for the Finance Department, as defined in the briefing item.

**Background**

Denton County Transportation Authority (DCTA) experienced resignations among mid-level staff in the Finance Department in February to March 2022 and the Chief Financial Officer and Senior Manager of Human Resources resigned from the Agency in March 2022. Those resignations left DCTA without executive level Finance leadership and senior Human Resources expertise to ensure continuity of DCTA's Finance and Human Resources systems and processes.

In April, the Board of Directors approved task orders with Accenture, LLC and Robert Half Account Temps for Human Resources and Finance interim staffing support for 90 days, from May 1 – July 31. In that period, DCTA staff backfilled the Senior Manager of Human Resources position.

In July, the Board of Directors approved task orders with Accenture, LLC and Robert Half Account Temps for the following services to be provided through September 30, 2022:

1. Accenture on-call Human Resources support, billed on an hourly basis, as needed for the period August 1 – August 31, 2022.
2. Accenture full-time, augmented Finance support for the period August 1 – August 31, 2022 then on an hourly, as-needed basis for the period September 1 – September 30, 2022.
3. Robert Half Account Temps full time Accounting Manager in the DCTA office for the period August 1 – September 30, 2022.

As of August 31, 2022, the Human Resources function's actual and projected support utilization was significantly below the amount budgeted. In addition, DCTA staff backfilled the Accounting Manager position as of September 6, 2022.

This item enables Finance staff augmentation and support by Accenture through November 30, 2022 to enable adequate time for the agency's new Accounting Manager to be trained on duties of the role. The task order approved by the Board in July provides sufficient remaining budget for these services through October 15, 2022

This budget provides up to full-time Accenture support for the period October 16 – November 30, 2022. However, Accenture effort will be billed on an hourly basis, not to exceed \$75,000, as needed and directed by the DCTA Accounting Manager to assume the full duties of the role.

**Previous Board Activity**

March 2022 – The Board of Directors received a briefing and authorized the Interim CEO to enter into agreements for augmentation of staff and employees in the Finance, Accounting, and Budget Departments.



April 2022 – The Board of Directors received a briefing and authorized the Interim CEO to ratify a Task Order with Accenture, LLC for Human Resources Continuity Management and enter into agreements for staff support services in the Human Resources and Finance Departments.

July 2022 – The Board of Directors received a briefing and authorized the Interim CEO to enter into agreements for staff support services in the Human Resources and Finance Departments.

**Identified Need**

DCTA requires financial authority not to exceed \$75,000 for Interim Staffing Support Services for the Human Resources and Finance Departments.

**Financial Impact**

Funding for this Task Order will be accommodated by funds budgeted in FY 2023 for the Controller / AVP Finance position, which is currently vacant.

Submitted By:

A handwritten signature in blue ink, which appears to read "Paul A. Cristina", is written over a horizontal line.

Paul A. Cristina, Interim CEO



## Board of Directors Memo

September 22, 2022

SUBJECT: Consider a Resolution to Adopt the Fiscal Year 2023 Operating and Capital Budget, Long Range Financial Plan and Budget Contingency Plan

### **Recommendation**

Staff recommends the approval of the Resolution adopting the FY2023 Operating & Capital Budget, Long Range Financial Plan, and Budget Contingency Plan.

### **Background**

The Texas Transportation Code, Chapter 460 requires the preparation of an annual budget for DCTA. Staff has prepared a balanced budget, where current year operating expenses and capital expenditures do not exceed current year revenues and undesignated fund balance/reserves.

The budget is submitted today to the Board of Directors, for Board final review and adoption, in accordance with requirements under Chapter 460 of the Texas Transportation Code and DCTA Board policy and procedures.

### **Previous Board Activity & Action**

The proposed FY 2023 budget was presented and discussed with the Board at the Budget Workshop on June 16<sup>th</sup> and an update was presented at the July Board meeting as well. On August 25<sup>th</sup>, the FY23 proposed budget was again presented to the Board of Directors for Board review and comment as well as citizen input. Notice of the public hearing was published in the Denton Record Chronicle on August 15<sup>th</sup>, 2022.

### **Identified Need**

Staff recommends adoption of the FY23 proposed budget which will go into effect on October 1<sup>st</sup>, 2022.

### **Financial Impact**

The FY 2023 operating budget includes total revenues of \$70.7 million, expenses of \$59.4 million, and capital outlay and major maintenance of \$34.9 million.

### **Exhibits**

The proposed budget contains revenue and expense assumptions for FY 2023, which include capital expenditures. Included as agenda back-up are the following exhibits:

Exhibit 1: Resolution with Exhibits

Submitted By:

Amanda Riddle  
Senior Manager of Budget

Final Review:

Paul Cristina  
Interim Chief Executive Officer





**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. R22-XX**

**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 2022-2023, BEGINNING OCTOBER 1, 2022 AND ENDING SEPTEMBER 30, 2023; 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 FY23 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 FY23 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 FY23 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 2022–2023 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 2022-2023, including Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY23 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 2021-2022 are hereby ratified, and the budget for fiscal year 2022-2023, 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 22<sup>ND</sup> DAY OF SEPTEMBER, 2022.**

**APPROVED:**

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Cesar Molina, Chair

**ATTEST:**

---

Dianne Costa, Secretary  
(09-05-2022:TM 131348)

**EXHIBIT “A”**  
**Long Range Financial Plan**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY23 Proposed Budget  
Long Range Financial Plan

	Audited 2021*	Adopted FY2022	Working FY2022 <sup>1</sup>	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	FY2021-FY2036
<i>Beginning Fund Balance:</i>	\$ 51,474,366	\$ 59,286,617	\$ 78,429,922	\$ 89,990,027	\$ 75,703,935	\$ 66,675,158	\$ 64,877,341	\$ 70,225,133	\$ 73,606,701	\$ 76,209,729	\$ 78,473,797	\$ 80,233,952	\$ 80,897,318	\$ 81,261,039	\$ 83,553,830	\$ 84,536,556	\$ 85,091,575	\$ 51,474,366
<b>OPERATING REVENUES</b>																		
Bus Operating Revenue	3,189,064	4,242,754	4,423,048	5,330,603	5,504,021	5,633,259	5,777,328	6,001,471	6,155,868	6,195,345	6,329,153	6,372,000	6,412,704	6,556,958	6,600,722	6,646,150	6,839,069	93,966,764
Rail Operating Revenue	282,291	262,917	262,917	295,805	313,701	316,838	320,006	339,366	342,760	346,188	367,132	370,803	374,511	397,169	401,141	405,152	429,664	5,565,445
Misc. Revenue	502,553	-	-	368,538	359,900	359,900	359,900	359,900	359,900	359,900	359,900	359,900	359,900	359,900	359,900	359,900	359,900	5,549,791
<b>NON-OPERATING REVENUES</b>																		
Sales Tax Revenue	35,332,154	32,088,804	38,121,812	39,646,685	41,232,552	42,469,529	43,743,615	45,055,923	46,407,601	47,799,829	49,233,824	50,710,839	52,232,164	53,799,129	55,413,103	57,075,496	58,787,760	757,062,014
Operating Grants	19,633,941	21,781,841	21,864,250	13,042,809	11,021,042	11,021,042	11,021,042	8,202,429	8,202,429	8,202,429	8,202,429	8,202,429	8,202,429	8,202,429	8,202,429	8,202,429	8,202,429	169,628,414
Investment Income	31,178	12,000	12,000	6,000	75,704	66,675	64,877	70,225	73,607	76,210	78,474	80,234	80,897	81,261	83,554	84,537	85,092	1,050,524
<b>TOTAL REVENUES</b>	<b>58,971,181</b>	<b>58,388,316</b>	<b>64,684,027</b>	<b>58,690,440</b>	<b>58,506,920</b>	<b>59,867,242</b>	<b>61,286,769</b>	<b>60,029,315</b>	<b>61,542,165</b>	<b>62,979,900</b>	<b>64,570,912</b>	<b>66,096,205</b>	<b>67,662,606</b>	<b>69,396,846</b>	<b>71,060,848</b>	<b>72,773,664</b>	<b>74,703,914</b>	<b>1,032,822,952</b>
<b>OPERATING EXPENSES</b>																		
Bus Operating Expense	10,039,787	16,136,775	19,463,741	22,896,082	23,356,223	24,180,038	25,067,846	26,202,384	27,288,165	28,243,663	29,476,778	30,401,951	31,552,556	32,776,694	33,862,619	35,407,331	36,673,141	436,889,000
Rail Operating Expense	13,530,078	15,149,321	15,059,322	16,523,939	16,204,528	16,661,089	17,153,639	17,642,526	18,162,547	18,690,383	19,243,041	19,805,488	20,378,289	20,981,663	21,591,223	22,221,382	22,872,820	296,721,957
G&A Operating Expense	5,896,514	6,760,429	7,844,029	8,699,861	7,867,348	7,780,185	8,024,202	8,278,519	8,543,725	8,820,451	9,109,371	9,411,209	9,726,736	10,056,783	10,402,238	10,764,052	11,143,246	142,368,471
<b>TOTAL OPERATING EXPENSES</b>	<b>29,466,379</b>	<b>38,046,525</b>	<b>42,367,092</b>	<b>48,119,882</b>	<b>47,428,099</b>	<b>48,621,311</b>	<b>50,245,687</b>	<b>52,123,430</b>	<b>53,994,437</b>	<b>55,754,498</b>	<b>57,829,190</b>	<b>59,618,647</b>	<b>61,657,582</b>	<b>63,815,141</b>	<b>65,856,080</b>	<b>68,392,765</b>	<b>70,689,208</b>	<b>875,979,428</b>
<b>NET INCOME</b>	<b>29,504,801</b>	<b>20,341,791</b>	<b>22,316,935</b>	<b>10,570,558</b>	<b>11,078,821</b>	<b>11,245,931</b>	<b>11,041,081</b>	<b>7,905,885</b>	<b>7,547,728</b>	<b>7,225,402</b>	<b>6,741,721</b>	<b>6,477,558</b>	<b>6,005,024</b>	<b>5,581,705</b>	<b>5,204,768</b>	<b>4,380,899</b>	<b>4,014,706</b>	<b>156,843,524</b>
<b>CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>																		
Bus Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Replacement	1,053,712	-	-	45,000	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	1,200,000	16,698,712
Professional Services / Technology Improvements	-	496,000	196,000	3,120,803	350,000	80,000	-	45,000	125,000	350,000	80,000	-	45,000	125,000	350,000	80,000	-	4,946,803
Transit Safety Improvements	10,095	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,095
Hike & Bike Trails	(18,151)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,151)
Major Maintenance Items - Rail	-	1,836,442	2,257,514	2,000,000	2,034,860	2,897,164	3,327,187	2,109,209	2,450,921	2,244,169	2,531,313	3,446,188	3,130,859	2,783,914	3,492,042	3,365,880	2,879,918	40,951,139
Major Maintenance Items - Bus	-	179,530	-	179,530	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	2,843,733
Positive Train Control	109,080	5,448,820	397,575	1,755,546	3,396,274	-	-	-	-	-	-	-	-	-	-	-	-	5,658,475
Infrastructure Acquisition - Old Town	11,745	-	-	634,981	-	-	-	-	-	-	-	-	-	-	-	-	-	646,726
Brownfield Remediation	-	20,000	53,552	35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	88,552
Joint Rail Operations Facility (JROF)	-	-	549,953	5,928,263	5,571,696	-	-	-	-	-	-	-	-	-	-	-	-	12,049,912
Transportation Reinvestment Program (TRiP)	-	7,119,429	7,712,337	21,226,221	9,035,285	7,699,774	-	-	-	-	-	-	-	-	-	-	-	45,673,617
<b>TOTAL CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>	<b>1,166,481</b>	<b>15,100,221</b>	<b>11,166,930</b>	<b>34,925,344</b>	<b>21,852,318</b>	<b>12,076,938</b>	<b>4,727,187</b>	<b>3,554,209</b>	<b>3,975,921</b>	<b>3,994,169</b>	<b>4,011,313</b>	<b>4,846,188</b>	<b>4,575,859</b>	<b>4,308,914</b>	<b>5,242,042</b>	<b>4,845,880</b>	<b>4,279,918</b>	<b>129,549,613</b>
<b>TOTAL CAPITAL, MAINTENANCE AND OPERATING EXPENSES</b>	<b>30,632,860</b>	<b>53,146,746</b>	<b>53,534,022</b>	<b>83,045,226</b>	<b>69,280,418</b>	<b>60,698,250</b>	<b>54,972,875</b>	<b>55,677,639</b>	<b>57,970,358</b>	<b>59,748,667</b>	<b>61,840,503</b>	<b>64,464,835</b>	<b>66,233,440</b>	<b>68,124,055</b>	<b>71,098,122</b>	<b>73,238,645</b>	<b>74,969,125</b>	<b>1,005,529,040</b>
<b>CAPITAL SOURCES</b>																		
Proceeds from Debt Issuance	260,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	260,000
Capital Grants	1,409,423	4,609,056	318,060	2,166,079	3,737,019	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	19,870,581
Capital Grants - Old Town	-	-	-	634,981	-	-	-	-	-	-	-	-	-	-	-	-	-	634,981
Capital Reimbursement - DART JROF	-	-	2,794,840	9,255,072	-	-	-	-	-	-	-	-	-	-	-	-	-	12,049,912
<b>TOTAL CAPITAL SOURCES</b>	<b>1,669,423</b>	<b>4,609,056</b>	<b>3,112,900</b>	<b>12,056,132</b>	<b>3,737,019</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>32,815,474</b>
<b>DEBT SERVICE</b>																		
2009 Series Refunding Bonds	90,475	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,475
2011 Series Contractual Obligations	1,094,789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,094,789
2020 Series Refunding Bonds	1,794,775	1,712,800	1,712,800	986,278	967,467	948,755	930,142	916,628	898,163	874,798	861,581	833,413	2,085,444	-	-	-	-	13,810,240
2021 Series Refunding Bonds	72,147	990,000	990,000	1,001,160	1,024,832	1,038,056	1,055,960	1,073,480	1,090,616	1,112,368	1,128,672	1,154,592	-	-	-	-	-	10,741,883
<b>TOTAL DEBT SERVICE</b>	<b>3,052,187</b>	<b>2,702,800</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>1,988,779</b>	<b>1,987,166</b>	<b>1,990,253</b>	<b>1,988,005</b>	<b>2,085,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,737,388</b>
Internal Debt Service Coverage:	9.67	7.53	8.26	5.32	5.56	5.66	5.56	3.97	3.80	3.64	3.39	3.26	2.88	N/A	N/A	N/A	N/A	
<i>Outstanding Bond Principal as of September 30th</i>	<i>21,265,000</i>	<i>18,800,000</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>	<i>7,835,000</i>	<i>5,935,000</i>	<i>4,010,000</i>	<i>2,065,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
<b>ENDING FUND BALANCE</b>	<b>78,429,922</b>	<b>66,434,443</b>	<b>89,990,027</b>	<b>75,703,935</b>	<b>66,675,158</b>	<b>64,877,341</b>	<b>70,225,133</b>	<b>73,606,701</b>	<b>76,209,729</b>	<b>78,473,797</b>	<b>80,233,952</b>	<b>80,897,318</b>	<b>81,261,039</b>	<b>83,553,830</b>	<b>84,536,556</b>	<b>85,091,575</b>	<b>85,846,363</b>	<b>85,846,363</b>
<i>Less Required Fund Balance (O&amp;M Reserve Policy)</i>	<i>7,366,595</i>	<i>9,511,631</i>	<i>10,591,773</i>	<i>12,029,971</i>	<i>11,857,025</i>	<i>12,155,328</i>	<i>12,561,422</i>	<i>13,030,857</i>	<i>13,498,609</i>	<i>13,938,624</i>	<i>14,457,298</i>	<i>14,904,662</i>	<i>15,414,395</i>	<i>15,953,785</i>	<i>16,464,020</i>	<i>17,098,191</i>	<i>17,672,302</i>	
<i>Less Sales Tax Stabilization Fund</i>	<i>1,059,965</i>	<i>962,664</i>	<i>1,143,654</i>	<i>1,189,401</i>	<i>1,236,977</i>	<i>1,274,086</i>	<i>1,312,308</i>	<i>1,351,678</i>	<i>1,392,228</i>	<i>1,433,995</i>	<i>1,477,015</i>	<i>1,521,325</i>	<i>1,566,965</i>	<i>1,613,974</i>	<i>1,662,393</i>	<i>1,712,265</i>	<i>1,763,633</i>	
<i>Less Fuel Stabilization Fund</i>	<i>450,000</i>	<i>286,189</i>	<i>299,822</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	<i>249,329</i>	
<i>Less Capital/Infrastructure Fund</i>	<i>4,000,000</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>	<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>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	
<b>NET AVAILABLE FUND BALANCE</b>	<b>\$ 65,553,363</b>	<b>\$ 53,673,959</b>	<b>\$ 75,954,778</b>	<b>\$ 60,235,235</b>	<b>\$ 51,331,828</b>	<b>\$ 49,198,598</b>	<b>\$ 54,102,074</b>	<b>\$ 56,974,837</b>	<b>\$ 59,069,563</b>	<b>\$ 60,851,848</b>	<b>\$ 62,050,311</b>	<b>\$ 62,222,002</b>	<b>\$ 62,030,350</b>	<b>\$ 63,736,742</b>	<b>\$ 64,160,814</b>	<b>\$ 64,031,790</b>	<b>\$ 64,161,100</b>	

(1) Working budget includes adjustments to sales tax, federal grants, & capital outlay that have not been adopted by the Board.

**EXHIBIT “B”**  
**Change in Net Position**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY23 Proposed Budget  
Change in Net Position - Combined Statement (DCTA & NTMC)

Description	FY 2021 Actuals	DCTA FY 2022 Adopted Budget	DCTA FY 2022 Working Budget <sup>1</sup>	NTMC FY 2022 Adopted Budget	NTMC FY 2022 Working Budget	FY 2022 Adopted Budget	FY 2022 Working Budget	DCTA FY 2023 Proposed Budget	NTMC FY 2023 Proposed Budget	FY 2023 Proposed Budget
OPERATING REVENUE										
Passenger Revenues (Bus Farebox)	\$ 265,879	\$ 116,994	\$ 168,096	\$ -	\$ -	\$ 116,994	\$ 168,096	\$ 206,348	\$ -	\$ 206,348
Passenger Revenues (GoZone Farebox)	-	210,001	211,566	-	-	210,001	211,566	1,295,474	-	1,295,474
Passenger Revenues (Rail Farebox)	282,291	262,917	262,917	-	-	262,917	262,917	295,805	-	295,805
Contract Service Revenue	2,923,185	3,915,759	4,043,386	-	-	3,915,759	4,043,386	3,828,781	-	3,828,781
Total Operating Revenue	3,471,355	4,505,671	4,685,965	-	-	4,505,671	4,685,965	5,626,408	-	5,626,408
OPERATING EXPENSES										
Salary, Wages & Benefits	9,973,966	5,103,643	5,103,643	5,787,307	6,661,164	10,890,950	11,764,807	5,563,276	6,579,563	12,142,839
Outsourced Services & Charges	5,395,086	4,610,662	5,720,562	450,970	452,892	5,061,632	6,173,454	6,297,146	607,445	6,904,591
Materials & Supplies	1,087,452	2,650,094	2,780,594	1,936	1,936	2,652,030	2,782,530	3,363,038	1,936	3,364,974
Utilities	431,998	526,281	526,281	-	-	526,281	526,281	666,751	-	666,751
Insurance	1,822,821	1,635,812	1,706,052	65,842	89,337	1,701,654	1,795,389	1,750,482	95,592	1,846,074
Transportation Reinvestment	29,798	-	-	-	-	-	-	-	-	-
Purchased Transportation Services	10,302,946	16,680,162	18,790,814	-	-	16,680,162	18,790,814	22,584,376	-	22,584,376
Employee Development	97,423	235,385	235,385	58,660	58,660	294,045	294,045	310,565	53,260	363,825
Leases & Rentals	224,890	139,772	139,772	-	-	139,772	139,772	146,452	-	146,452
Depreciation	9,956,638	10,899,464	11,349,464	-	-	10,899,464	11,349,464	11,211,908	-	11,211,908
Total Operating Expenses	39,323,017	42,481,275	46,352,567	6,364,715	7,263,989	48,845,990	53,616,556	51,893,994	7,337,796	59,231,790
Operating Income / (Loss)	(35,851,662)	(37,975,604)	(41,666,602)	(6,364,715)	(7,263,989)	(44,340,319)	(48,930,591)	(46,267,586)	(7,337,796)	(53,605,382)
NON-OPERATING REVENUE / (EXPENSE)										
Investment Income	31,178	12,000	12,000	-	-	12,000	12,000	6,000	-	6,000
Lease Income	-	-	-	-	-	-	-	368,538	-	368,538
Misc. Revenues	502,553	-	2,794,840	-	-	-	2,794,840	9,255,072	-	9,255,072
Sales Tax Revenue	35,332,154	32,088,804	38,121,812	-	-	32,088,804	38,121,812	39,646,685	-	39,646,685
Federal Grants & Reimbursements	20,969,469	26,390,897	22,182,310	-	-	26,390,897	22,182,310	15,843,869	-	15,843,869
State Grants & Reimbursements	73,895	-	-	-	-	-	-	-	-	-
Long Term Debt Interest/Expense	(697,187)	(237,800)	(237,800)	-	-	(237,800)	(237,800)	(212,640)	-	(212,640)
Total Non-Operating Revenue / (Expense)	56,212,062	58,253,901	62,873,162	-	-	58,253,901	62,873,162	64,907,524	-	64,907,524
Income (Loss) Before Transfers	20,360,400	20,278,297	21,206,560	(6,364,715)	(7,263,989)	13,913,582	13,942,571	18,639,938	(7,337,796)	11,302,142
Transfers Out	(6,520,464)	(6,364,715)	(7,263,989)	-	-	(6,364,715)	(7,263,989)	(7,337,796)	-	(7,337,796)
Transfers In	6,520,464	-	-	6,364,715	7,263,989	6,364,715	7,263,989	-	7,337,796	7,337,796
Total Transfers	-	(6,364,715)	(7,263,989)	6,364,715	7,263,989	-	-	(7,337,796)	7,337,796	-
CHANGE IN NET POSITION	\$ 20,360,400	\$ 13,913,582	\$ 13,942,571	\$ -	\$ -	\$ 13,913,582	\$ 13,942,571	\$ 11,302,142	\$ -	\$ 11,302,142
Net Position - Beginning of Year:	\$ 337,218,981					\$ 356,412,900	\$ 356,412,900			\$ 359,188,541
Net Position - End of Year:	\$ 357,579,381					\$ 370,326,482	\$ 370,355,471			\$ 370,490,683
Transfer to Capital Projects	\$ (1,166,481)	\$ (15,100,221)	\$ (11,166,930)			\$ (15,100,221)	\$ (11,166,930)			\$ (34,925,344)
Net Position After Capital Project Transfer	\$ 356,412,900					355,226,261	359,188,541			335,565,339

(1) Working budget includes adjustments to sales tax, federal grants, & capital outlay that have not been adopted by the Board.

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY23 Proposed Budget  
Change in Net Position by Function - Combined Statement (DCTA & NTMC)

Description	FY 2021 Actuals	FY 2022 Working Budget <sup>1</sup>	FY 2023 Proposed Budget	\$ Increase / (Decrease)
OPERATING REVENUE				
Passenger Revenues (Bus Farebox)	\$ 265,787	\$ 168,096	\$ 206,348	\$ 38,252
Passenger Revenues (GoZone Farebox)		211,566	1,295,474	1,083,908
Passenger Revenues (Rail Farebox)	282,291	262,917	295,805	32,888
Contract Service Revenue	2,923,277	4,043,386	3,828,781	(214,605)
Total Operating Revenue	3,471,355	4,685,965	5,626,408	940,443
GENERAL & ADMINISTRATIVE EXPENSES				
Salary, Wages & Benefits	3,265,302	3,842,511	4,103,336	260,825
Outsourced Services & Charges	2,274,345	3,470,918	3,980,908	509,990
Materials & Supplies	86,970	136,550	138,050	1,500
Utilities	25,915	42,710	44,210	1,500
Insurance	12,416	15,515	16,707	1,192
Transportation Reinvestment	29,798	-	-	-
Purchased Transportation Services	-	-	-	-
Employee Development	77,670	205,305	279,450	74,145
Leases & Rentals	124,100	130,520	137,200	6,680
Depreciation	66,626	66,626	-	(66,626)
Total G&A Operating Expenses	5,963,140	7,910,655	8,699,861	789,206
BUS OPERATIONS EXPENSES (Bus Admin, Fixed Route, Access/Demand Response, UNT, NTX)				
Salary, Wages & Benefits	6,423,550	7,315,701	7,354,578	38,877
Outsourced Services & Charges	1,261,839	1,867,877	1,675,320	(192,557)
Materials & Supplies	656,897	1,632,880	1,804,482	171,602
Utilities	143,151	199,183	223,297	24,114
Insurance	441,324	438,817	463,344	24,527
Purchased Transportation Services	-	-	-	-
Employee Development	18,074	75,685	69,360	(6,325)
Leases & Rentals	99,177	6,852	6,852	-
Depreciation	1,241,913	1,329,404	1,275,250	(54,154)
Total Bus Operations Expenses	10,285,925	12,866,399	12,872,483	6,084
MOBILITY SERVICES EXPENSES (Lyft, Taxi, GoZone, MaaS)				
Salary, Wages & Benefits	-	-	-	-
Outsourced Services & Charges	521	-	226,704	226,704
Materials & Supplies	-	-	-	-
Utilities	-	-	-	-
Insurance	-	-	-	-
Purchased Transportation Services	995,253	7,926,747	11,072,145	3,145,398
Employee Development	-	-	-	-
Leases & Rentals	-	-	-	-
Depreciation	-	-	-	-
Total Mobility Services Expenses	995,774	7,926,747	11,298,849	3,372,102
RAIL OPERATIONS EXPENSES				
Salary, Wages & Benefits	285,114	606,595	684,925	78,330
Outsourced Services & Charges	1,858,381	834,659	1,021,659	187,000
Materials & Supplies	343,585	1,013,100	1,422,442	409,342
Utilities	262,932	284,388	399,244	114,856
Insurance	1,369,081	1,341,057	1,366,023	24,966
Purchased Transportation Services	9,307,693	10,864,067	11,512,231	648,164
Employee Development	1,679	13,055	15,015	1,960
Leases & Rentals	1,613	2,400	2,400	-
Depreciation	8,648,099	9,953,434	9,936,658	(16,776)
Total Rail Operations Expenses	22,078,177	24,912,755	26,360,597	1,447,842
Total Operating Expenses	39,323,017	53,616,556	59,231,790	5,615,234
Operating Income / (Loss)	(35,851,662)	(48,930,591)	(53,605,382)	(4,674,791)
NON-OPERATING REVENUE / (EXPENSE)				
Investment Income	31,178	12,000	6,000	(6,000)
Lease Income	-	-	368,538	368,538
Misc. Revenues	502,553	2,794,840	9,255,072	6,460,232
Sales Tax Revenue	35,332,154	38,121,812	39,646,685	1,524,873
Federal Grants & Reimbursements	20,969,469	22,182,310	15,843,869	(6,338,441)
State Grants & Reimbursements	73,895	-	-	-
Long Term Debt Interest/Expense	(697,187)	(237,800)	(212,640)	25,160
Total Non-Operating Revenue / (Exp.)	56,212,062	62,873,162	64,907,524	2,034,362
Income (Loss) Before Transfers	20,360,400	13,942,571	11,302,142	(2,640,429)
Transfers Out	(6,520,464)	(7,263,989)	(7,337,796)	(73,807)
Transfers In	6,520,464	7,263,989	7,337,796	73,807
Total Transfers	-	-	-	-
CHANGE IN NET POSITION	\$ 20,360,400	\$ 13,942,571	\$ 11,302,142	(2,640,429)
Net Position - Beginning of Year:	\$ 337,218,981	\$ 356,412,900	\$ 359,188,541	
Net Position - End of Year:	\$ 357,579,381	\$ 370,355,471	\$ 370,490,683	
Transfer to Capital Projects	\$ (1,166,481)	\$ (11,166,930)	\$ (34,925,344)	
Net Position After Capital Project Tra	\$ 356,412,900	\$ 359,188,541	\$ 335,565,339	

(1) Working budget includes adjustments to sales tax, federal grants, & capital outlay that have not been adopted by the Board.



**EXHIBIT “C”**  
**Capital Improvement & Major Maintenance Plan**  
**(to be attached)**

DENTON COUNTY TRANSPORTATION AUTHORITY  
FY23 Proposed Budget  
Capital Improvement & Major Maintenance Plan

Project Name	Current Capital Projects	Proposed FY 2023 NEW Capital Projects	Project LTD thru FY 2021	FY 2022 Proposed Revised	Proposed FY 2023	Proposed FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028	Anticipated Project Total (Thru 2028)
FLEET REPLACEMENT											
Non-Revenue Vehicle (Safety Director)		45,000	-	-	45,000	-	-	-	-	-	45,000
FUTURE: Fleet Replacement		-	-	-	-	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
PROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS											
Bus OMF Network Video Recorder	26,000	-	-	26,000	-	-	-	-	-	-	26,000
Backup & DR Infrastructure Upgrades	45,000	-	-	45,000	-	-	-	-	45,000	-	90,000
DDTC Rail Fiber Extension	125,000	-	-	125,000	-	-	-	-	-	-	125,000
Swiftly Transit Platform (CAD/AVL)		1,184,000	-	-	895,803						895,803
Multi-Facility Firewall Upgrade		60,000	-	-	60,000					60,000	120,000
AV Upgrade - DCTA Conference Room		65,000	-	-	65,000					65,000	130,000
ERP Implementation		2,100,000	-	-	2,100,000	-	-	-	-	-	2,100,000
FUTURE: Stadler Laptop Replacement		-	-	-	-	-	80,000	-	-	-	80,000
FUTURE: Server & Network Infrastructure		-	-	-	-	350,000	-	-	-	-	350,000
MAJOR MAINTENANCE ITEMS											
Major Maintenance - Rail Canopy Repairs (FY21)	486,127	-	65,055	421,072	-	-	-	-	-	-	486,127
Major Maintenance - Rail (FY22)	1,836,442	-	-	1,836,442	-	-	-	-	-	-	1,836,442
Major Maintenance - Bus (FY22)	179,530	-	-	-	179,530	-	-	-	-	-	179,530
NEW: Major Maintenance - Rail (FY23)		2,000,000	-	-	2,000,000	-	-	-	-	-	2,000,000
FUTURE: Major Maintenance - Rail		-	-	-	-	2,034,860	2,897,164	3,327,187	2,109,209	2,450,921	12,819,342
FUTURE: Major Maintenance - Bus		-	-	-	-	264,203	200,000	200,000	200,000	200,000	1,064,203
POSITIVE TRAIN CONTROL											
Positive Train Control Implementation	16,720,141	-	16,022,566	397,575	300,000	-	-	-	-	-	16,720,141
Positive Train Control Enhancements (Phase 2)	5,000,000	-	148,180	-	1,455,546	3,396,274	-	-	-	-	5,000,000
INFRASTRUCTURE ACQUISITION	3,251,990	-	2,617,009	-	634,981	-	-	-	-	-	3,251,990
BROWNFIELD REMEDIATION	420,000	-	366,448	53,552	35,000	-	-	-	-	-	455,000
JOINT RAIL OPERATIONS FACILITY (JROF)	2,794,840	9,255,072	-	549,953	5,928,263	5,571,696	-	-	-	-	12,049,912
TRANSPORTATION REINVESTMENT PROGRAM (TRiP)											
TRiP Program Funding - FY21	7,742,134	-	29,798	7,712,337	-	-	-	-	-	-	7,742,134
TRiP Program Funding - FY22	9,833,005	-	-	-	9,833,005	-	-	-	-	-	9,833,005
NEW: TRiP Program Funding - FY23		11,393,216	-	-	11,393,216	-	-	-	-	-	11,393,216
FUTURE: TRiP Program Funding		-	-	-	-	9,035,285	7,699,774	-	-	-	16,735,059
TOTAL CAPITAL BUDGET	\$ 48,460,209	\$ 26,102,288	\$ 19,249,056	\$ 11,166,930	\$ 34,925,344	\$ 21,852,318	\$ 12,076,938	\$ 4,727,187	\$ 3,554,209	\$ 3,975,921	\$ 111,527,905

**EXHIBIT “D”**  
**FY23 Budget Contingency Plan**

## DCTA Budget Contingency Plan Fiscal Year 2023

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 (\$792,934)

- 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 (\$1,189,401)

- 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 (\$1,585,867)

- 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



Board of Directors Memo

August 25, 2022

SUBJECT: Consider One-Time Fiscal Year (FY) 2022 Compensation for Denton County Transportation Authority (DCTA) and North Texas Mobility Corporation (NTMC) Employees to Offset Inflation

**Recommendation**

Staff Recommends the Board of Directors approve budget authority to provide compensation to address inflation with a one-time payment in amount of \$1,000 to be paid from FY 2022 funds. All DCTA and NTMC employees in good standing as of September 30, 2022 are eligible, though the NTMC Board of Directors must also take action to approve the payment to NTMC employees.

**Background**

DCTA staff received feedback at the June Budget Workshop regarding the proposed merit pay increase featured in the proposed FY 2023 budget. DCTA staff coordinated with counterparts at each of the member cities and Denton County to understand their respective approaches to compensation in FY 2023. Some member cities are considering a one-time payment in FY 2022 intended to counteract the effects of inflation on employee households in addition to an annual salary increase in FY 2023.

In the August Board meeting, staff received direction to:

1. Incorporate a 5% across-the-board salary increase into the FY2023 operating budget. This has been reflected in the FY 2023 budget.
2. Provide information on current salary levels in the DCTA and NTMC organizations, the number of employees in each salary range, and the impact a \$1,000 compensatory payment would have on each level. This information will be provided to enable the Board's discussion.

**Previous Board Activity**

August 2022 – The Board of Directors received a briefing on member city and Denton County compensation approaches in FY 2023 and information on how a one-time compensatory payment for employees could be considered.

**Identified Need**

Staff requests Board decision on providing a one-time compensatory payment for DCTA and NTMC employees.

**Financial Impact**

Impact of a \$1,000 compensatory payment to 27 active DCTA employees and 86 active NTMC employees is \$113,000. Funding for this item, if approved, can be provided within FY 2022 budget.

Submitted By:

Paul A. Cristina, Interim CEO



## Board of Directors Memo

September 22, 2022

**SUBJECT:** Consider Fiscal Year 2023 Election of Officers

### Recommendation

Staff recommends the Board elect a Chair, Vice Chair, and Secretary to serve as DCTA Board Officers for Fiscal Year 2023.

### Background

Article IV of the Denton County Transportation Authority Amended and Restated Bylaws provides for the manner and method by which the Authority's officers are elected. Section 1 states that the Board shall elect three (3) Voting Board Members to serve as the Chair, Vice-Chair, and Secretary. Section 5 specifies the term for these offices is one (1) year and shall run from October 1 through September 30. Section 5 also states that a Board Member may not be elected to more than three (3) consecutive one-year (1) terms as Chair.

Currently the Board Officers of Dallas Area Rapid Transit (DART) serve two (2) year terms. Trinity Metro Board Officers are elected to one (1) year terms. Members of the Denton County Transportation Authority Board have indicated an interest in the adoption of a Board practice to reappoint the current slate of officers to an additional one-year term, to align with DART's officer elections. A vote on these officers would still be required to conform with the current Amended and Restated Bylaws.

### Previous Board Activity & Action

- October 28, 2021 – Fiscal Year 2022 Officers Elected
- August 25, 2022 – Informational Item provided to the Board of Directors

### Identified Need

Current Officer terms expire on September 30, 2022. Board Officer elections for the upcoming fiscal year will need to be held prior to the expiration of the current Officer terms.

### Financial Impact

There is no financial impact associated with this item.

Approved By: \_\_\_\_\_

Brittney Farr, Senior Director of Engagement and Administration



## Board of Directors Memo

September 22, 2022

**SUBJECT:** Discuss State Legislative Update and Strategy

### Recommendation

There is no staff recommendation for this briefing item.

### Background

The Denton County Transportation Authority (DCTA) has engaged State Legislative Consultants since 2006 to ensure continuity of the Agency's legislative authority and funding structure. Thousands of bills are filed each session that have the potential to affect the agency either intentionally or unintentionally. During the 87th Texas Legislative Session alone, 9,999 pieces of legislation were filed. As DCTA continues to evolve as an agency by deploying innovative mobility technologies, entering into public-private partnerships, and encouraging economic development along the A-train corridor, it is critical that DCTA's maintain representation in Austin to advance our legislative priorities, and protect the agency's authority and funding structure.

At the August 2022 meeting, the DCTA Board of Directors authorized the Interim CEO to execute an agreement with Capitol Insights and Bird Advocacy for State Legislative Consulting Services.

### Previous Board Activity & Action

- August 2022 – DCTA Board of Directors authorized the Interim Chief Executive Officer to Award and Execute a Contract with Capitol-Insights & Bird Advocacy beginning on or about September 1, 2022, for State Legislative Services.

### Identified Need

The purpose of this briefing is to introduce the State Legislative Consultant team to the Board of Directors, discuss the outreach strategy for the DCTA State Legislative delegation and the upcoming 88<sup>th</sup> State Legislative Session and solicit feedback from the Board on the DCTA State Legislative Agenda prior to the beginning of bill prefiling on November 14, 2022.

### Financial Impact

There is no financial impact associated with this item.

Approved By: \_\_\_\_\_

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

Brittney Farr, Senior Director of Engagement and Administration





Board of Directors Memo

September 22, 2022

SUBJECT: Discuss Denton County Transportation Authority (DCTA) Letter of Support – Texas Central High Speed Rail

**Recommendation**

This is a discussion item only. No action is required.

**Background**

Texas Central Partners is working to develop a high-speed rail corridor between the Dallas – Fort Worth Metroplex and Houston.

The North Central Texas Council of Governments has requested stakeholders in the metroplex consider engaging in the dialogue with communication to appropriate decision-makers.

The purpose of this item is to allow the Board of Directors to discuss its thoughts and ideas regarding the proposed high-speed rail corridor, its potential interaction with the DCTA network, and the Board's desire to take a position on the project.

**Previous Board Activity**

None.

**Identified Need**

Receive Board direction on DCTA's potential engagement in the public dialogue around the proposed high-speed rail project.

**Financial Impact**

Not applicable.

**Exhibits**

1 – Michael Morris News Column

Submitted By:

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

Brittney Farr, Senior Director of Engagement and Administration



# Opinions of Ordinary Texans Needed to Make High-Speed Trains Reality

by Michael Morris

Recent media communication in Texas is trending around the subject of high-speed rail between Houston and Dallas. The question most often raised is what is the status of Texas Central Partners and its proposed high-speed rail project? Perhaps a more important question is, as Texans, what is our interest in continuing to pursue high-speed rail corridors. Can our voices be heard? Whether you are for or against it, your voice is needed now in order to explore the future of high-speed rail under an updated vision. What if the vision eliminated fatalities, mitigated hurricane evacuation challenges and had the public own the right-of-way? What if high-speed rail met your desires?

## **High Speed Rail: Existing Version 1.0**

In the mid-1980s, Japanese Railway and Japanese bank interests came to Texas to explore high-speed rail between Dallas and Fort Worth but did not pursue it to fruition. Since that

time, federal, state and private sector interests have continued to explore high-speed opportunities in corridors across the country. Frequent studies and analyses have concluded a need for a high-speed rail connection between Dallas and Houston. The Federal Railroad Administration began requesting states to provide high-speed rail plans. In Texas, private-sector interest re-surfaced in 2009 focusing on the Houston to Dallas line. The Japanese reentered the conversation and eventually decided to form Texas Central Partners. Environmental studies have advanced, legal questions appear answered, and private sector ownership of rail right-of-way remains. The very positive aspects of this effort are the proposed development of a world class project that will reduce highway congestion, offer exceptional travel times between the two large metropolitan areas and reduce harmful mobile air emissions.

A limiting factor is a technology that restricts other providers to

use the corridor, which prevents a competitive market from forming. Also, there continues to be a concern that a workable business plan has yet to materialize and right-of-way is still privately owned.

## **High Speed Rail: Existing Version 2.0**

There have been many new opportunities that have emerged along with many advances in the high-speed rail arena over the past 15 years. A proposed high-speed rail line project between Fort Worth-Arlington-Dallas is entering the environmental review phase. Connecting this line to the Dallas-to-Houston route presents an opportunity to expand rail service from Fort Worth to Houston as a "one seat" ride, no need to transfer. Plus, current planning is underway to look at the feasibility of creating a branch-off point of this line that would connect to Austin and on to San Antonio. By planning for the new connection points now, there is

*continued*

# Opinions of Ordinary Texans Needed to Make High-Speed Trains Reality *continued*

the opportunity to reduce overall long-term costs. This new vision is a major reason for introducing High-Speed Rail Version 2.0 as an alternative to Version 1.0.

Version 2.0 also helps foster the emergence of a megaregion by better connecting the major population centers of Texas and thereby creating super economies and maximizing gross domestic product through the resulting synergy. The concept of megaregions has been around for several years but a new book published in 2022, *Megaregions and America's Future*, gives the reader a deeper understanding of how the economics work to create these better results.

Under this newly proposed version, the rail lines would be publicly owned with the private sector being responsible for providing and operating the vehicles. Rather than one company having exclusive rights to the rail lines, it is envisioned that it would operate more like airports, which allow for many carriers. Thus, the traveling public could benefit from a competitive marketplace.

Below is a list of factors that need to be remembered as you consider your interest in the value of high-speed rail:

It can deliver consistent and reliable travel times compared to the intercity freeway system, which is often affected by congestion, traffic accidents and other automobile related incidents. It can speed up hurricane evacuation operations which are an ever-growing challenge due to the rapidly increasing population of south Texas and an increased frequency of weather events.

Its safety record is much better than that of automobile related travel which produces a staggering number of deaths each year. It also complements the State's Vision Zero Program which is focused on reducing deaths from automobile accidents.

It makes advanced medical services more readily available by providing easier access to specialized care that is being developed and delivered in each of these large metropolitan regions.

It can also be used to move light weight, high-end goods as well as people and, thereby, create more roadway capacity for high-volume freight movement by traditional rail and intercity trucks.

Funding options today are very different than those of the past. New federal legislation provides tax and fee supported funding for which high-speed rail is eligible. Getting our fair share should be an imperative, especially if Texans own the right-of-way.

As referenced, having multiple rail providers in Version 2.0 brings greater competition enhancing consumer protections similar to our airports. In addition, a new business model using latest federal funding tools, and potential State surpluses, creates an opportunity to assist land owners with additional royalty payments.

Agree or disagree with high-speed rail, but don't be silent. However, I believe we have a chance to take ownership of this decision and lead our State and nation to a new future – one where high-speed rail is transformed from concept to reality. What are your ideas?



**Michael Morris, P.E.**

*Director of Transportation*

*North Central Texas Council of Governments*

*Staff Director to the Regional Transportation Council*



North Central Texas  
Council of Governments



## Board of Directors Memo

September 22, 2022

SUBJECT: Update on GoPass Participation and DCTA Pass Structure Discussion

### **Recommendation**

No Board action required at this time. This is an informational update.

### **Background**

DCTA is a participant of the GoPass regional ticketing and trip planning platform. This informational item will serve as an update on DCTA's participation in the program, including such topics as GoZone integration, and the ILA (interlocal agreement) with DART (Dallas Area Rapid Transit).

This item will also serve as an update to the Board on DCTA pass structure and fare media since the July Board of Directors meeting.

### **Previous Board Activity & Action**

- **July 28, 2022** – Regular Agenda Item 2 - Discuss Public Feedback and Consider Approval of Service Change and Fare and Pass Structure Effective No Later Than November 1, 2022

### **Identified Need**

N/A

### **Financial Impact**

N/A

### **Exhibits**

None

Submitted By: \_\_\_\_\_

Javier Trilla, AVP of Innovation and Information Technology



## Board of Directors Memo

September 22, 2022

SUBJECT: Discuss November 2022 and December 2022 Board Meeting Dates

### **Recommendation**

This is a discussion item only. Staff direction is requested.

### **Background**

Article 3, Section 6 of the Bylaws state that the DCTA Board of Directors shall hold at least one regular meeting each month and special meetings may be called by the Chair as necessary.

In 2021, the Board opted to combine its November and December Board meetings into a single Board meeting. That meeting was held on Thursday, December 2, 2021, the first Thursday in December.

If the Board opted to pursue the same course of action this year, the Board meeting could be conducted on Thursday, December 1, 2022.

If the Board opted not to pursue the same course of action, an alternative date would be needed for the November Board meeting as the fourth Thursday, November 24, 2022, is Thanksgiving Day. The December Board meeting would be held on December 22, 2022.

### **Previous Board Activity**

None.

### **Identified Need**

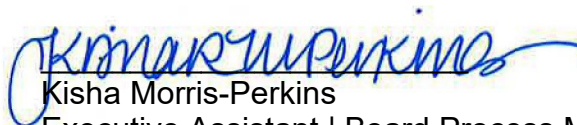
Staff requests direction on scheduling

- A combined November / December Board meeting on Thursday, December 1, 2022, OR
- Coordinating calendars to find a meeting date in November and scheduling the December Board meeting on December 22, 2022.

### **Financial Impact**

Not applicable.

Submitted By:



Kisha Morris-Perkins  
Executive Assistant | Board Process Manager



## Board of Directors Memo

September 22, 2022

SUBJECT: Monthly Sales Tax Receipts

### Recommendation

This item is presented for informational purposes only. No action is required.

### Background

Sales tax represents the single largest source of revenue for DCTA at 50.93% of Fiscal Year 2022 budgeted revenues. The sales tax budget for FY22 is \$34,191,233. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target.

In April, the Board approved a budget revision, capturing the additional sales tax revenue the agency had received through the month of April. The additional \$1,527,336 was accounted for in the April 2022 financials.

For the month of September, receipts were favorable compared to budget.

- Sales tax for sales generated in the month of July and received in September was \$3,323,143.
- Compared to the same month last year, sales tax receipts are \$419,807 or 14.46% higher.
- This represents an increase of 43.69% or \$1,010,392 compared to the revised budget for the month.
- Member city collections for the month compared to prior year are as follows:
  - City of Lewisville up 8.47%
  - City of Denton up 15.04%
  - City of Highland Village up 8.99%

Based upon year to date receipts the revised estimate for total year-end sales tax receipts is \$38,121,812 and this estimate is being used in the FY 23 budget presentation materials for the Board of Directors.

### Previous Board Activity & Action

There has been no previous Board activity on this item.

### Identified Need

Provides the Board of Directors a monthly status on sales tax collections.

### Financial Impact

This item is included for informational purposes only; there is no financial impact associated with this informational item.

### Exhibits

Exhibit 1: FY22 Monthly Sales Tax Report

Submitted By: Amanda Riddle

Amanda Riddle, Senior Manager of Budget

Final Review: David Leininger

David Leininger

Interim Chief Financial Officer

## DENTON COUNTY TRANSPORTATION AUTHORITY

SALES TAX REPORT  
BUDGET TO ACTUAL AND PREVIOUS YEAR COMPARISON

Sales Generated in Month of:	Received in Month of:	2021-2022 Adopted Budget	2021-2022 Revised Budget	2021-2022 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>	2020-2021 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,032,911	\$ 3,032,911	\$ 2,925,241	\$ (107,670)	-3.55%	\$ (107,670)	-3.55%	\$ 2,944,573	\$ (19,333)	-0.66%
November	January	\$ 2,696,417	\$ 2,696,417	\$ 3,097,630	\$ 401,213	14.88%	\$ 401,213	14.88%	\$ 2,617,881	\$ 479,749	18.33%
December	February	\$ 3,457,647	\$ 3,457,647	\$ 3,771,295	\$ 313,648	9.07%	\$ 313,648	9.07%	\$ 3,356,939	\$ 414,356	12.34%
January	March	\$ 2,365,559	\$ 2,429,458	\$ 2,853,426	\$ 487,867	20.62%	\$ 423,968	17.45%	\$ 2,296,659	\$ 556,767	24.24%
February	April	\$ 2,143,386	\$ 2,207,285	\$ 2,703,463	\$ 560,077	26.13%	\$ 496,178	22.48%	\$ 2,080,957	\$ 622,506	29.91%
March	May	\$ 3,470,214	\$ 3,534,113	\$ 3,486,379	\$ 16,165	0.47%	\$ (47,734)	-1.35%	\$ 3,369,140	\$ 117,239	3.48%
April	June	\$ 2,567,236	\$ 4,158,471	\$ 3,178,508	\$ 611,272	23.81%	\$ (979,963)	-23.57%	\$ 2,839,395	\$ 339,113	11.94%
May	July	\$ 2,258,937	\$ 2,322,836	\$ 3,106,755	\$ 847,818	37.53%	\$ 783,919	33.75%	\$ 3,171,719	\$ (64,964)	-2.05%
June	August	\$ 2,663,784	\$ 2,727,683	\$ 3,403,413	\$ 739,629	27.77%	\$ 675,730	24.77%	\$ 3,583,080	\$ (179,667)	-5.01%
July	September	\$ 2,248,852	\$ 2,312,751	\$ 3,323,143	\$ 1,074,291	47.77%	\$ 1,010,392	43.69%	\$ 2,903,336	\$ 419,807	14.46%
August	October	\$ 2,471,690	\$ 2,535,589			0.00%		0.00%	\$ 2,878,254		0.00%
September	November	\$ 2,712,171	\$ 2,776,072			0.00%		0.00%	\$ 3,346,913		0.00%
YTD TOTAL		\$ 26,904,943	\$ 28,879,572	\$ 31,849,252	\$ 4,944,309	18.38%	\$ 2,969,680	10.28%	\$ 29,163,680	\$ 2,685,572	9.21%
FISCAL YEAR TOTAL		\$ 32,088,804	\$ 34,191,233						\$ 35,388,847		

<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

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department

Prepared By: Denton County Transportation Authority Finance Department

September 8, 2022



# DENTON COUNTY TRANSPORTATION AUTHORITY

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

CITY OF LEWISVILLE						CITY OF HIGHLAND VILLAGE					
Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,348,633	\$ 4,067,980	\$ 719,347	21.48%	October	December	\$ 341,390	\$ 409,602	\$ 68,213	19.98%
November	January	\$ 3,755,579	\$ 4,446,756	\$ 691,177	18.40%	November	January	\$ 354,573	\$ 444,066	\$ 89,493	25.24%
December	February	\$ 4,903,701	\$ 5,140,124	\$ 236,424	4.82%	December	February	\$ 503,020	\$ 597,222	\$ 94,202	18.73%
January	March	\$ 3,072,003	\$ 4,004,884	\$ 932,882	30.37%	January	March	\$ 320,412	\$ 355,997	\$ 35,584	11.11%
February	April	\$ 2,971,403	\$ 3,429,615	\$ 458,213	15.42%	February	April	\$ 288,219	\$ 336,599	\$ 48,380	16.79%
March	May	\$ 4,956,466	\$ 4,928,216	\$ (28,250)	-0.57%	March	May	\$ 436,049	\$ 447,417	\$ 11,368	2.61%
April	June	\$ 3,990,693	\$ 4,171,768	\$ 181,074	4.54%	April	June	\$ 353,678	\$ 409,168	\$ 55,490	15.69%
May	July	\$ 6,076,775	\$ 4,047,178	\$ (2,029,597)	-33.40%	May	July	\$ 371,973	\$ 418,702	\$ 46,729	12.56%
June	August	\$ 5,447,446	\$ 4,816,743	\$ (630,703)	-11.58%	June	August	\$ 449,307	\$ 478,937	\$ 29,631	6.59%
July	September	\$ 4,010,507	\$ 4,350,201	\$ 339,694	8.47%	July	September	\$ 395,735	\$ 431,309	\$ 35,574	8.99%
August	October	\$ 3,945,754			0.00%	August	October	\$ 370,264			0.00%
September	November	\$ 4,735,921			0.00%	September	November	\$ 412,047			0.00%
YTD TOTAL		\$ 42,533,204	\$ 43,403,466	\$ 870,261	2.05%	YTD TOTAL		\$ 3,814,355	\$ 4,329,018	\$ 514,663	13.49%
FISCAL YEAR TOTAL		\$ 51,214,879				FISCAL YEAR TOTAL		\$ 4,596,666			

CITY OF DENTON					
Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,174,573	\$ 3,676,801	\$ 502,228	15.82%
November	January	\$ 3,050,388	\$ 3,708,019	\$ 657,631	21.56%
December	February	\$ 4,149,443	\$ 5,123,779	\$ 974,336	23.48%
January	March	\$ 3,086,526	\$ 3,679,379	\$ 592,852	19.21%
February	April	\$ 2,606,494	\$ 3,844,879	\$ 1,238,385	47.51%
March	May	\$ 4,277,512	\$ 4,711,544	\$ 434,032	10.15%
April	June	\$ 3,557,513	\$ 4,248,744	\$ 691,231	19.43%
May	July	\$ 3,442,340	\$ 4,151,924	\$ 709,583	20.61%
June	August	\$ 4,173,943	\$ 4,114,811	\$ (59,132)	-1.42%
July	September	\$ 3,845,740	\$ 4,424,149	\$ 578,408	15.04%
August	October	\$ 3,749,030			0.00%
September	November	\$ 4,385,475			0.00%
YTD TOTAL		\$ 35,364,473	\$ 41,684,027	\$ 6,319,555	17.87%
FISCAL YEAR TOTAL		\$ 43,498,977			

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
Prepared By: Denton County Transportation Authority Finance Department  
September 8, 2022



**ALL TRANSIT AGENCIES**  
MONTHLY SALES AND USE TAX COMPARISON SUMMARY

Transit Agency	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	Payments YTD (Calendar)	Prior Year Payments YTD (Calendar)	% Change
Austin MTA	1.00%	\$ 31,328,850	\$ 26,914,788	16.40%	\$ 274,258,881	\$ 221,997,562	23.54%
Corpus Christi MTA	0.50%	\$ 3,298,868	\$ 2,985,600	10.49%	\$ 28,542,858	\$ 26,866,794	6.23%
Dallas MTA	1.00%	\$ 64,752,009	\$ 59,613,560	8.61%	\$ 585,820,666	\$ 509,616,233	14.95%
Denton CTA	0.50%	\$ 3,323,143	\$ 2,903,336	14.45%	\$ 28,924,012	\$ 26,219,107	10.31%
El Paso CTD	0.50%	\$ 5,142,265	\$ 4,722,694	8.88%	\$ 47,403,692	\$ 42,052,124	12.72%
Fort Worth MTA	0.50%	\$ 8,758,147	\$ 7,932,146	10.41%	\$ 80,025,140	\$ 67,868,796	17.91%
Houston MTA	1.00%	\$ 82,413,297	\$ 71,216,143	15.72%	\$ 733,619,248	\$ 631,557,185	16.16%
Laredo CTD	0.25%	\$ 891,057	\$ 772,249	15.38%	\$ 8,252,942	\$ 7,098,012	16.27%
San Antonio ATD	0.25%	\$ 7,307,332	\$ 6,855,893	6.58%	\$ 69,379,916	\$ 60,820,213	14.07%
San Antonio MTA	0.50%	\$ 16,256,412	\$ 15,144,162	7.34%	\$ 153,369,656	\$ 133,940,518	14.50%
<b>TOTALS</b>		<b>\$ 223,471,379</b>	<b>\$ 199,060,571</b>	<b>12.26%</b>	<b>\$ 2,009,597,010</b>	<b>\$ 1,728,036,542</b>	<b>16.29%</b>

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department  
 Prepared By: Denton County Transportation Authority Finance Department  
 September 8, 2022



## Board of Directors Memo

September 22, 2022

SUBJECT: Budget Information

### **Recommendation**

This item is presented for informational purposes only. No action is required.

### **Background**

There were no budget transfers completed in the month of August to report.

### **Previous Board Activity & Action**

There has been no previous Board activity on this item.

### **Identified Need**


Provides the Board of Directors a monthly status on any budget transfers completed.

### **Financial Impact**

This item is included for informational purposes only; there is no financial impact associated with this informational item.

### **Exhibits**

N/A

Submitted By:   
Amanda Riddle  
Senior Manager of Budget

Final Review:   
David Leininger  
Interim Chief Financial Officer



## Board of Directors Memo

September 22, 2022

SUBJECT: Monthly Ridership Reports

### Ridership Trends

Exhibits 1-6 provide an overview of total monthly ridership trends across all DCTA services—comparing FY19 against FY20, FY21, and FY22. These exhibits also enable a visual comparison of GoZone and fixed-route ridership reports by route and type of service.

### Items of Note

- The summary table below shows that August 2022 month-over-month bus trips were more than twice that of the previous month of July; an increase accredited to the return of UNT students to campus and three full days operating the new fall semester schedule.
- August A-train trips were significantly higher (24.2%) during the same period.
- July GoZone trips were roughly equivalent to June levels and represent the highest number of monthly GoZone trips since its inception.
- It is notable that GoZone patronage has remained relatively unchanged for the past three months, irrespective of the departure or return of UNT students. This suggests that GoZone is currently operating at its maximum capacity.

Unlinked Passenger Trips					
	2021	2022			
	August	June	July	August	July-August % Change
Bus*	98,958	35,276	25,539	52,660	106.2%
Rail	12,006	13,994	12,437	14,907	19.9%
GoZone	n.a.	67,412	67,439	68,132	1.0%
TOTAL	110,964	116,682	105,415	135,699	28.7%

August 2021 - August 2022 % Change
-46.8%
24.2%
n.a.
22.3%

\* UNT, Connect, and Non-Connect Fixed Routes

S:\STRATEGIC PLANNING\ServicePlaningSupport\Trend Analysis\Item2Materials4Sep22\[FY19-FY22Compare\_090922.xlsx]Sheet1

The ridership recovery from the COVID-19 pandemic continues with total August 2022 ridership being about 22 percent above August 2021 levels. August 2022 A-train boardings continue to be about 20 percent above August 2021. Lastly, August 2022 A-train boardings were more than 57 percent greater than overall monthly average A-train boardings (9,453) in FY21 as seen in the table below.

FY 21 A-train Monthly Average Passengers	9,453
August 2022 A-Train Passengers	14,907
Percent Increase (Decrease)	57.7%

## Exhibits

- Exhibit 1: Ridership by Mode – August 2022
- Exhibit 2: Connect and GoZone Ridership by Month and Year
- Exhibit 3: Connect Ridership Year-Over-Year by Month
- Exhibit 4: A-train Year-Over-Year Ridership Comparison
- Exhibit 5: Fixed-Route Ridership – August 2022
- Exhibit 6: UNT Ridership Year-Over-Year by Month

Submitted By:   
Tim Palermo, Planning & Data Analytics Manager



Final Review: \_\_\_\_\_  
Troy Raley, Senior Director – Mobility Services

Final Review:   
Rony Philip Sr. Director – Rail Operations

Final Review:   
Javier Trilla – AVP of Innovation and Information Technology

Total Ridership - Aug 2022

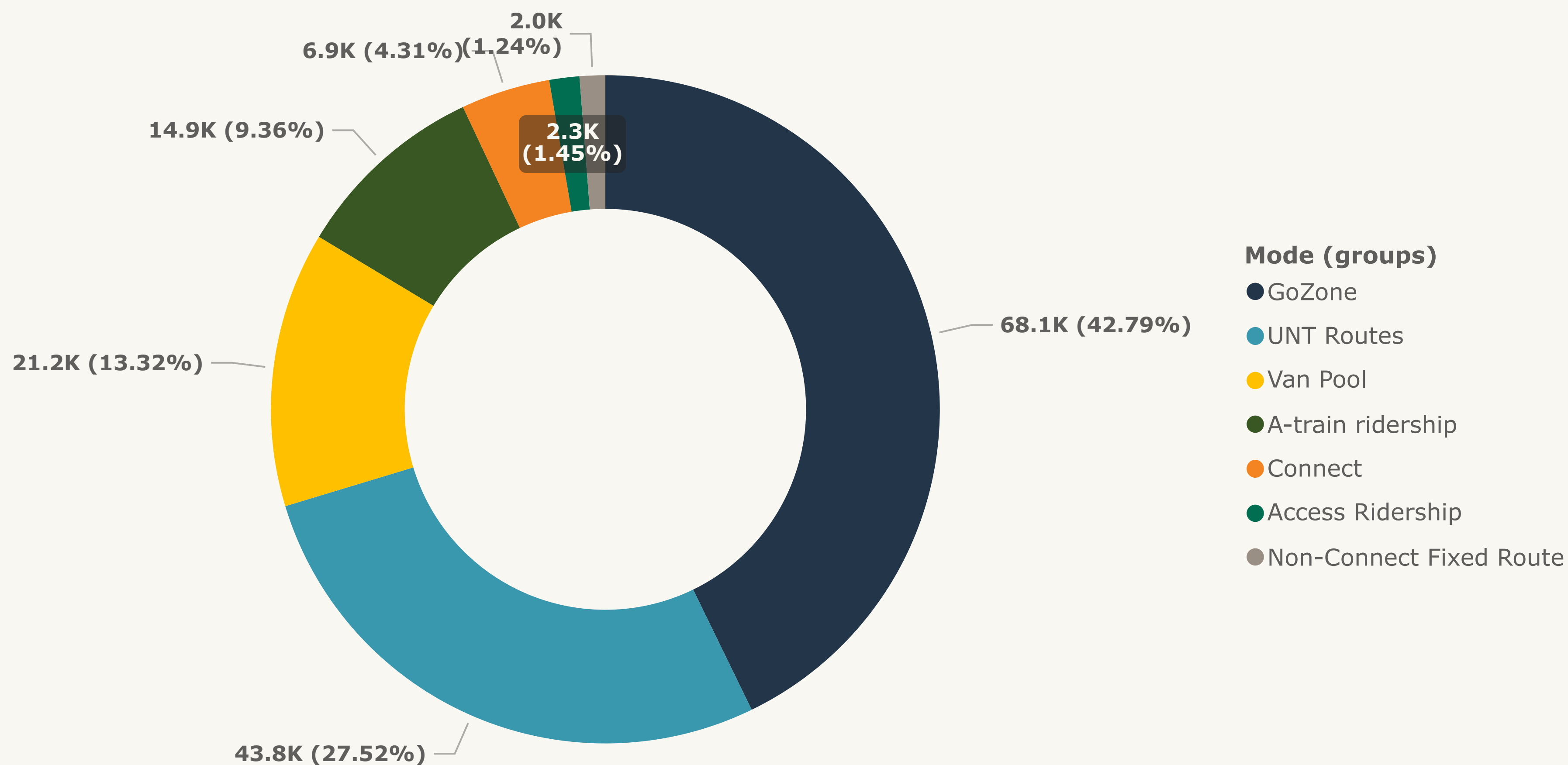
159.2K

Total Ridership FYTD

1.86M

Information Report 2  
Exhibit 1

Ridership by Travel Mode - Aug 2022



Total Ridership - Aug 2022

159.2K

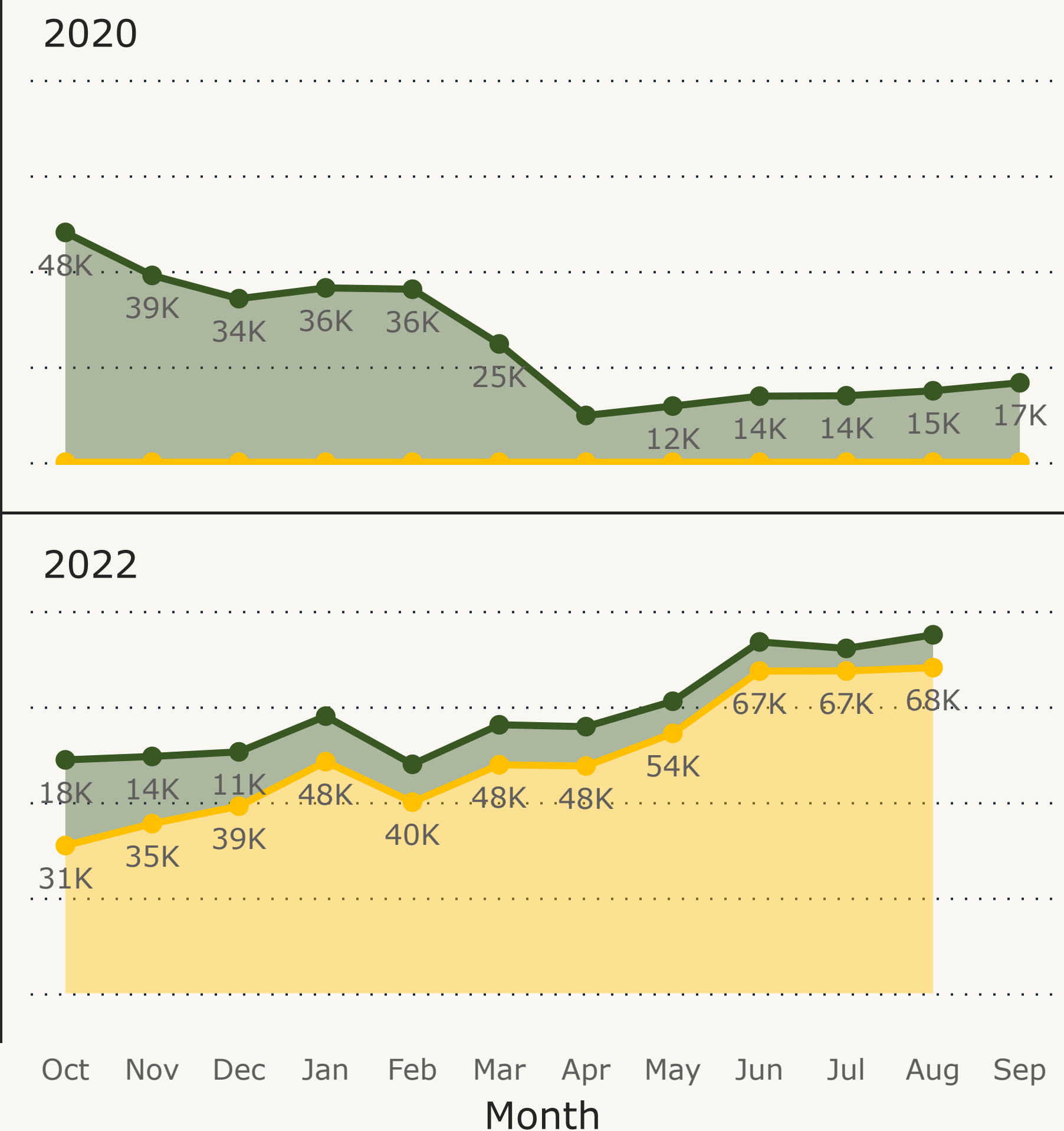
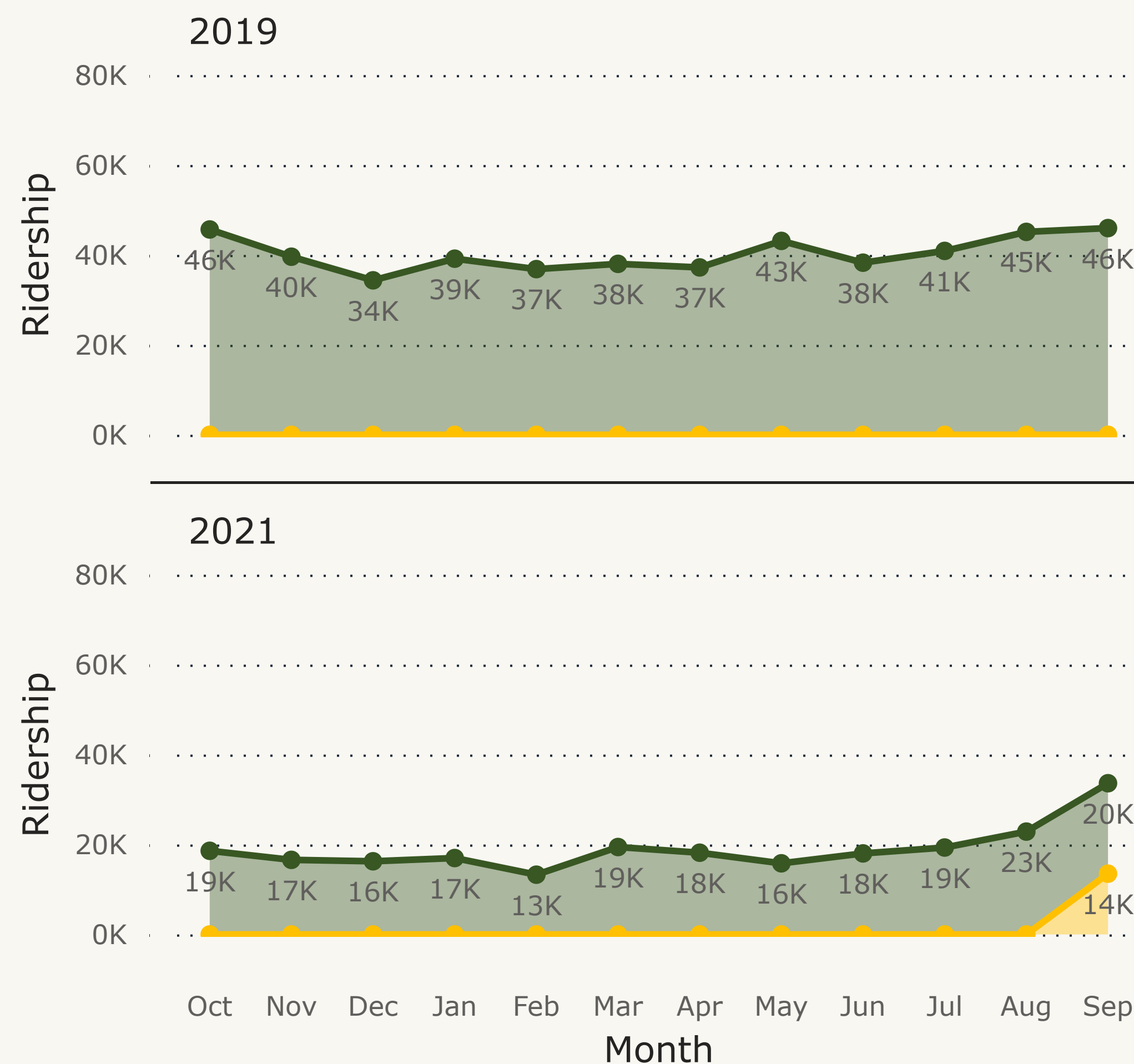
Total Ridership FYTD

1.86M

Information Report 2  
Exhibit 2

## Connect and GoZone Ridership by Month

Mode (groups) ● GoZone ● Connect



Total Ridership - Aug 2022

159.2K

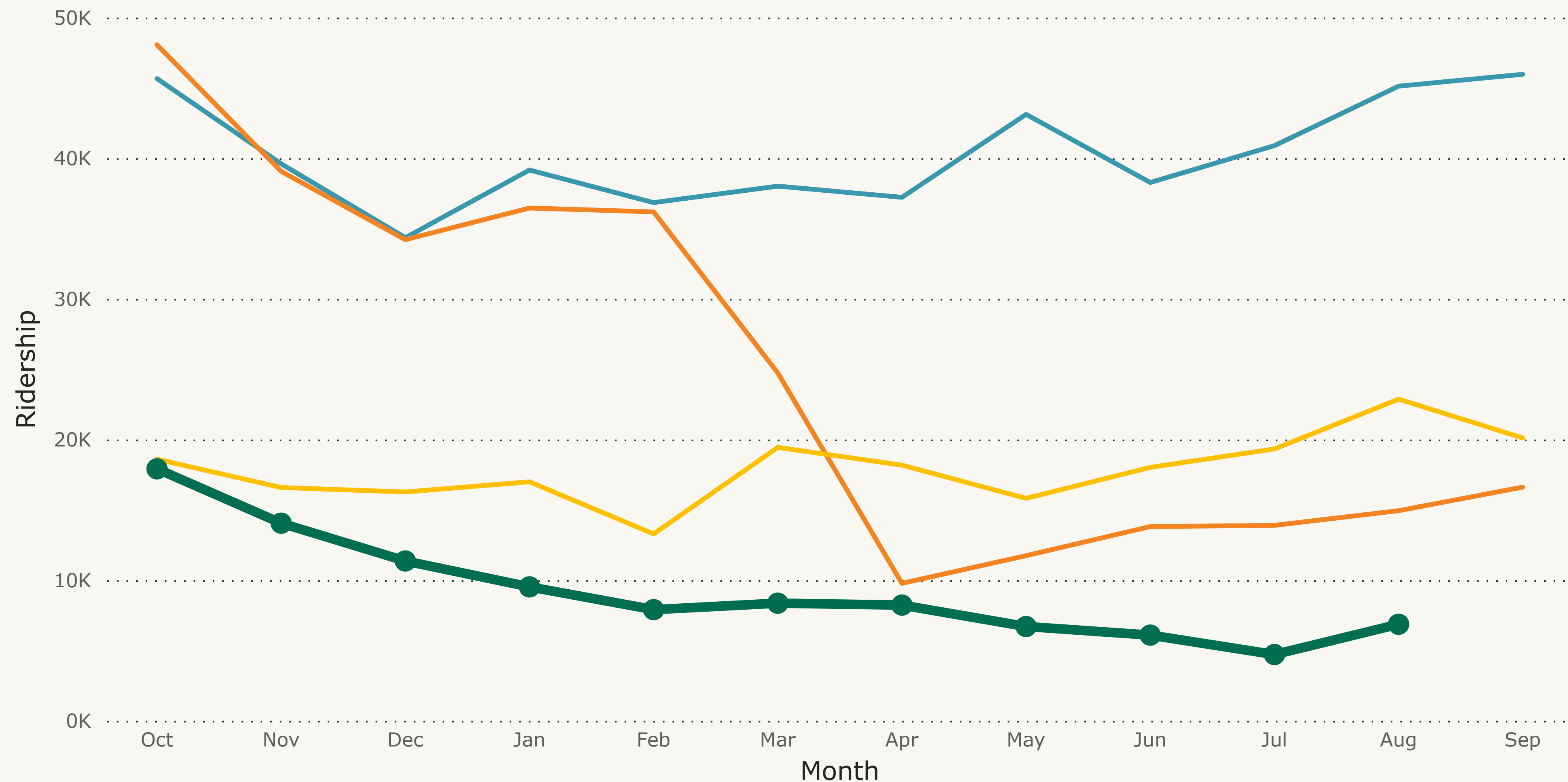
Total Ridership FYTD

1.86M

Information Report 2  
Exhibit 3

### Ridership by Month and Fiscal Year - Connect

Fiscal Year ● 2019 ● 2020 ● 2021 ● 2022



Total Ridership - Aug 2022

159.2K

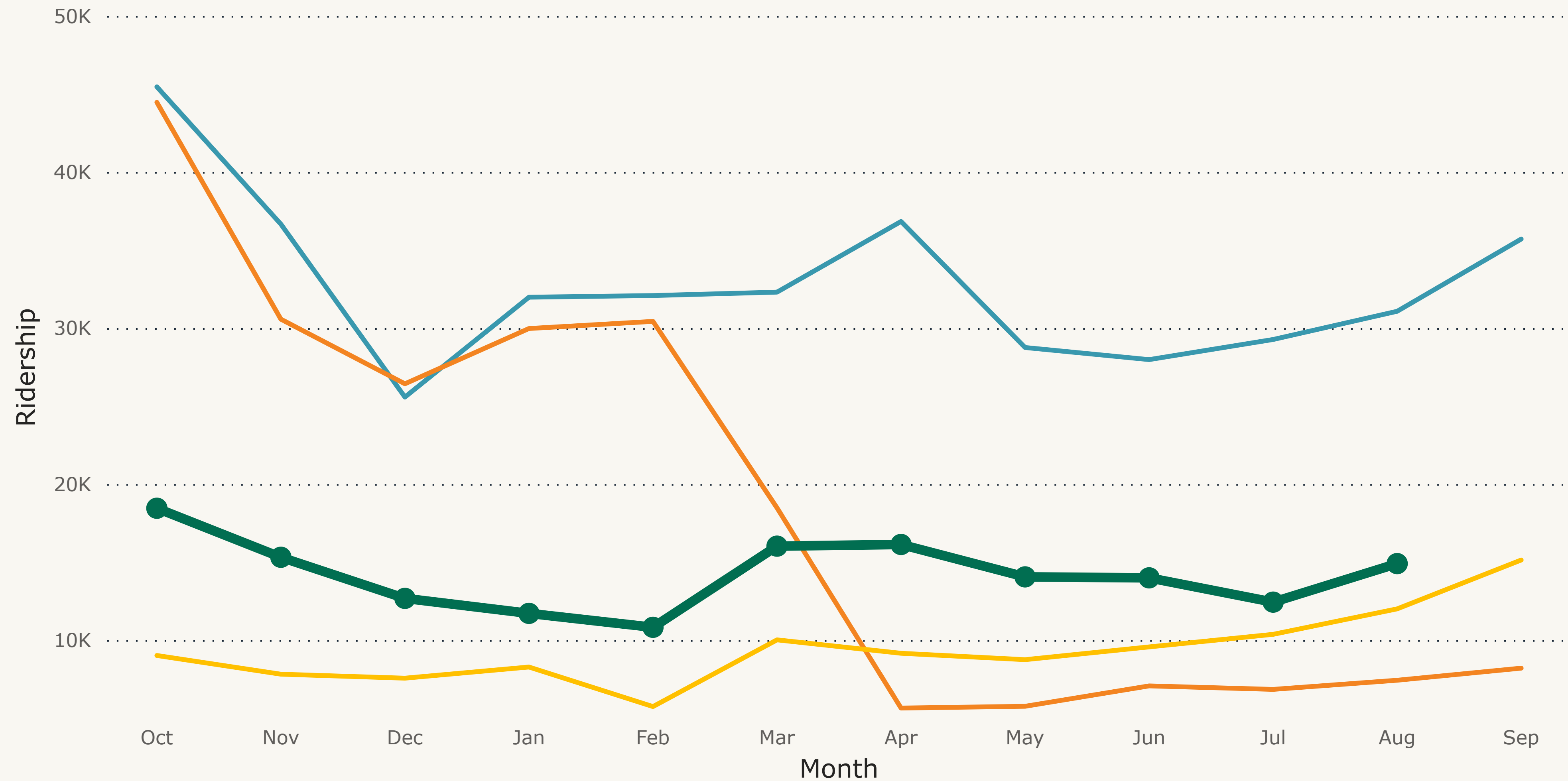
Total Ridership FYTD

1.86M

Information Report 2  
Exhibit 4

Ridership by Month and Fiscal Year - A-train

Fiscal Year ● 2019 ● 2020 ● 2021 ● 2022







Total Ridership - Aug 2022

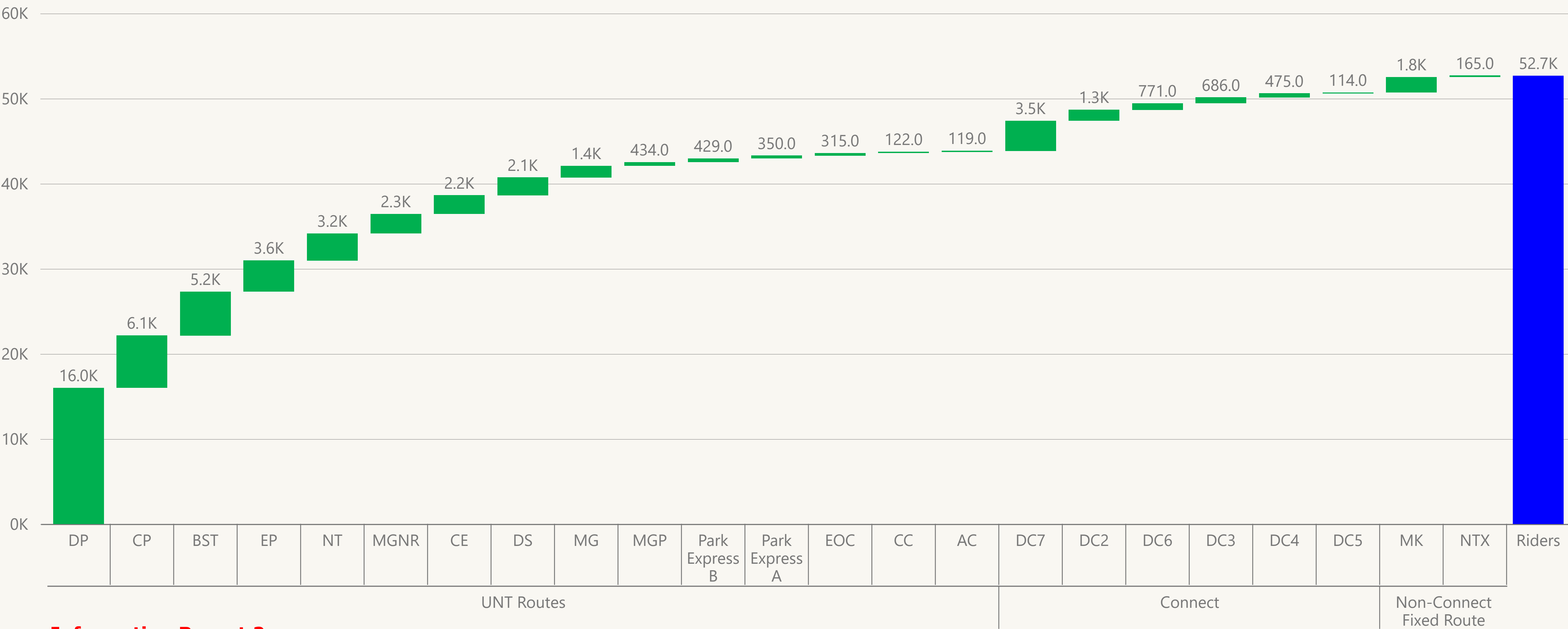
159.2K

Total Ridership FYTD

1.86M

Mode (groups)	Ridership
UNT Routes	43,823
Connect	6,867
Non-Connect Fixed Route	1,970
Total	52,660

Fixed Route Ridership Waterfall



Total Ridership - Aug 2022

159.2K

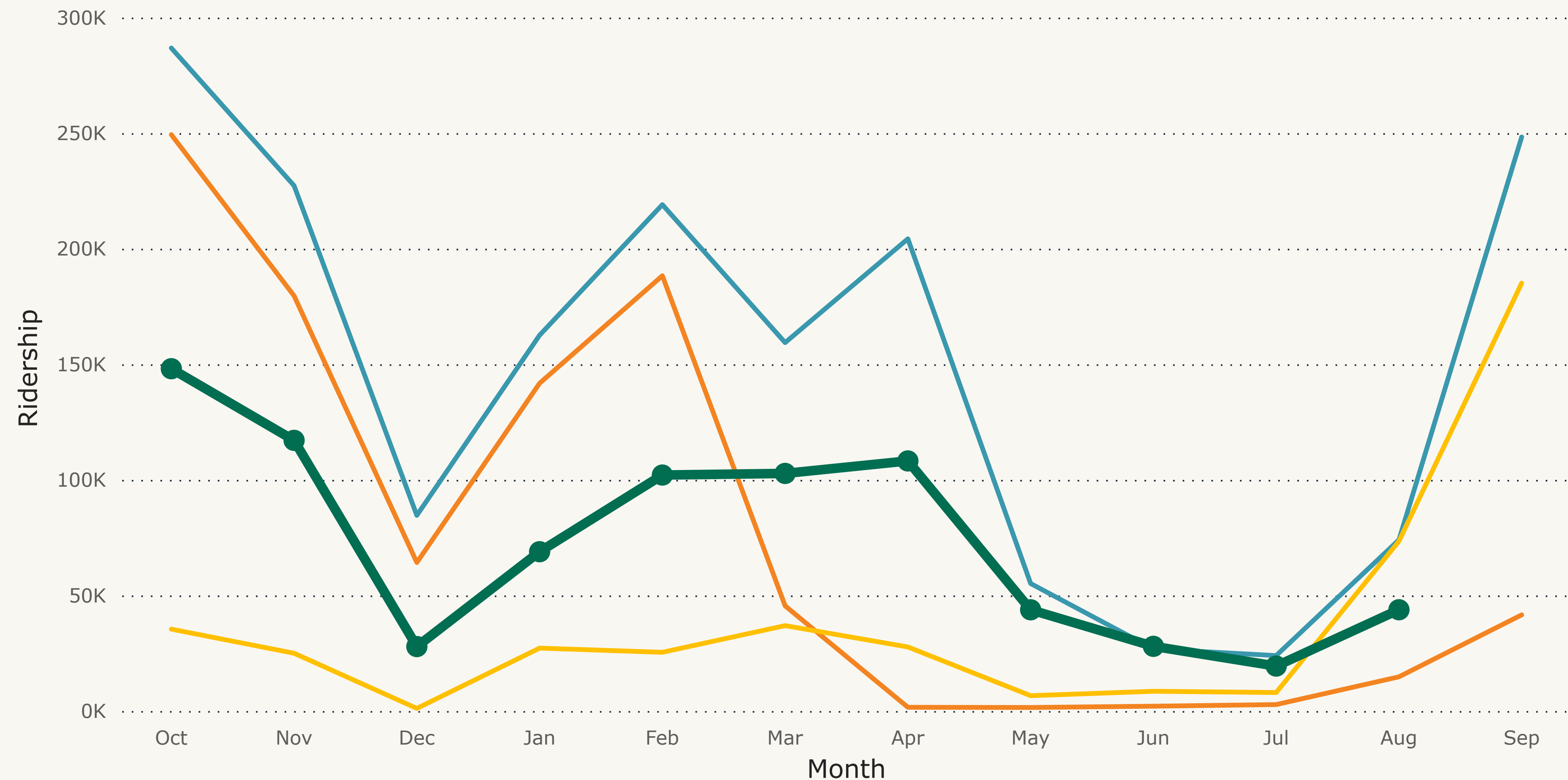
Total Ridership FYTD

1.86M

Information Report 2  
Exhibit 6

### Ridership by Month and Fiscal Year - UNT

Fiscal Year ● 2019 ● 2020 ● 2021 ● 2022





## Board of Directors Memo

September 22, 2022

**SUBJECT:** Social Service Agency Roundtable Recap Report

### **Recommendation**

There is no recommendation for this informational item.

### **Background**

DCTA hosts roundtables on a quarterly basis and maintains ongoing communications with all participating agencies. The purpose of the Social Service Agency Roundtable is to establish and maintain collaborative relationships and partnerships with social service agencies throughout Denton County. This ensures that DCTA is collectively meeting the needs of our community

### **Previous Board Activity & Action**

- March 2022 – Quarter 2 Social Service Agency Roundtable Recap provided as Informational Report

### **Identified Need**

This report serves to provide the Board of Directors with a summary of the quarterly round table discussion with our Social Service Agencies.

### **Financial Impact**

There is no financial impact associated with this item.

### **Exhibits**

Exhibit 1: Social Service Agency Roundtable Recap Report

Submitted By:

A handwritten signature in blue ink that reads "Mary Worthington".

Mary Worthington, Community Relations Manager

Approved By:

A handwritten signature in black ink that reads "Brittney Farr".

Brittney Farr, Senior Director of Engagement and Administration



# Social Service Agency Roundtable Recap Report

August 9, 2022 – Lewisville Virtual SSA Meeting

August 11, 2022 – Denton Virtual SSA Meeting

# MEETING & PROMOTION OVERVIEW



# Virtual Meeting Details

**Location:** Virtual Meeting  
**Lewisville**

**Date:** Tuesday, August 9

**Time:** 9 a.m. – 10:00 a.m.

**Invitations:** Lewisville – 136

**Actual Attendees:**  
Lewisville: 6 attendees

## **Denton**

**Date:** Thursday, August 11

**Time:** 9 a.m. – 10:00 a.m.

**Invitations:** Denton – 139

**Actual Attendees:** 41

**Agencies in Attendance:** Lewisville ISD, CCA, City of Lewisville Library, Health and Human Services Denton MHMR, Our Daily Bread, Salvation Army Denton, Lewisville Neighborhood and Sustainability Services, Veterans Services, Texas Workforce for Rehabilitation Services

The purpose of the Social Service Agency Roundtable is to establish and maintain collaborative relationships and partnerships with social service agencies throughout Denton County. This ensures that DCTA is collectively meeting the needs of our community.

 DENTON COUNTY  
TRANSPORTATION  
AUTHORITY





Tuesday, August 9 | 9-10 a.m.  
**LEWISVILLE**

Thursday, August 11 | 9-10 a.m.  
**DENTON**

## AUGUST SOCIAL SERVICE AGENCY ROUNDTABLES

Save the date and email [mworthington@dcta.net](mailto:mworthington@dcta.net) for meeting contact info to join us online!



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# General Promotion

The August 2022 SSA Roundtable Meetings were promoted via Facebook, Twitter, Instagram and direct email.

Facebook: 179 Impressions

Twitter: 194 Impressions

Instagram: 35 Impressions



# MEETING NOTES and HIGHLIGHTS

## Lewisville & Denton





# Meeting Notes and Highlights

## Welcome and Introductions

- In order to facilitate a group atmosphere, introductions were made through an icebreaker in the chat mechanism of the Microsoft Teams meeting platform

## Review of Handouts/Presentations

- The following updates and information were provided:
  - July Board Meeting Update
    - Presented January Service Change
    - Presented Revised GoZone fare schedule for January 2023
  - GoZone update
  - A-Train Update



[This Photo](#) by Unknown Author is licensed under [CC BY](#)

# Meeting Notes and Highlights

## Campaigns

- State Fair of Texas - ticket bundle
- Dump the Pump Campaign
- UNT First Flight Orientation – August 24
- TWU Block Party Orientation – August 26
- NCTCOG Denton County Transportation Study -September 8, DDTC 6:30 p.m. – 8:30 p.m.
- Lewisville Western Days – September 23 and 24
- Denton Art and Jazz Festival – October 7, 8, 9
- TX Fallen Police Officer – Highland Village – October 15
- Best Little Brewfest Lewisville benefitting Cloud 9 Charities - October 15
- Holiday Express – Denton County Friends of the Family – December 3

## Open Discussion

- Attendees asked questions about the upcoming service changes and the implications to nonprofit passes.
- Agencies provided updates of any activities or events they're hosting in the coming weeks.



# NEXT ROUNDTABLE MEETINGS



# November 2022 Roundtable Meetings

## Lewisville

### **Date/Time:**

Tuesday, November 8, 2022  
9:00 a.m. – 10:30 a.m.

**Virtual Meeting via Microsoft Teams**

## Denton

### **Date/Time:**

Thursday, November 10, 2022  
9:00 a.m. – 10:30 a.m.

**Virtual Meeting via Microsoft Teams**

For questions about the upcoming Social Service Agency Roundtables  
or to get more involved in the conversation, please contact:

Mary Worthington, Community Relations Manager

[mworthington@dcta.net](mailto:mworthington@dcta.net)



## Board of Directors Memo

September 22, 2022

**SUBJECT:** Community Advisory Committee Recap Report

### **Recommendation**

There is no recommendation for this informational item.

### **Background**

DCTA's Community Advisory Committee provides a forum to exchange information between DCTA staff, its passengers, and the community on transit-related issues. Public participation and input are critical as we continue to expand the public transportation opportunities available in the region.

### **Previous Board Activity & Action**

- May 2022 – Quarter 2 Citizen Advisory Committee Recap provided as Informational Report

### **Identified Need**

This report serves to provide the Board of Directors an update on DCTA's Community Advisory Committee.

### **Financial Impact**

There is no financial impact associated with this item.

### **Exhibits**

Exhibit 1: Community Advisory Recap Report

Submitted By:

  
Mary Worthington, Community Relations Manager

Approved By:



Brittney Farr, Senior Director of Engagement and Administration



# Community Advisory Committee Meeting Recap Report

August 3, 2022

# MEETING DETAILS



Community Advisory Committee

**DCTA**

DENTON COUNTY  
TRANSPORTATION  
AUTHORITY

Online meeting held on  
Wednesday, August 3, at 6 p.m.

*This was a joint meeting for both the Denton and  
Lewisville/Highland Village CAC groups*

Community Attendees: 5

DCTA Attendees: 4



# PROMOTION

External promotion for each of the Community Advisory Committee meetings are posted to generate new attendance and participation on Facebook, Twitter and Instagram.



Community Advisory Committee



**ONLINE MEETING**  
**WEDNESDAY, AUGUST 3 | 6PM**



Join us virtually for our quarterly  
Community Advisory Committee meeting  
at 6 p.m. on Wednesday, August 3!

If interested in attending, please email:  
Mary Worthington, Community Relations Manager,  
**[mworthington@dcta.net](mailto:mworthington@dcta.net)**

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# MEETING NOTES



# MEETING NOTES

## Purpose of the Community Advisory Committee (CAC)

- Exchanging Information
- Providing public input/feedback
- Sharing DCTA News
- Recruitment and welcoming new members

## Updates Provided :

- July Board Meeting updates about January service changes
- GoZone Updates
- A-train ridership
- Campaigns and Events
- NCTCOG Public meeting



Community Advisory Committee  
**DCTA** DENTON COUNTY  
TRANSPORTATION  
AUTHORITY



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# NEXT MEETING



# August CAC Meeting



November 2, 2022  
6 p.m.  
Hybrid

For questions about the upcoming Community Advisory Committee Meeting, or to get more involved in the conversation, please contact:

Mary Worthington, Community Relations Manager, at [mworthington@dcta.net](mailto:mworthington@dcta.net)



## Board of Directors Memo

September 22, 2022

**SUBJECT:** Public Transportation Agency Safety Plan (PTASP) Update

### **Recommendation**

This is an informational item only. Staff will bring an action item to the Board at a later meeting for consideration of approval.

### **Background**

In response to the new Bipartisan Infrastructure Law (BIL) the Federal Transit Administration (FTA) notified certain transit agencies, including DCTA, of new requirements for their Public Transportation Agency Safety Plan (PTASP). These changes were outlined in a February 17, 2022 Dear Colleague letter from FTA Administrator Nuria I. Fernandez.

- Forming a Safety Committee by July 31, 2022;
- Addressing strategies to minimize exposure to infectious diseases consistent with CDC or State health authority guidelines;
- Implementing a new methodology to calculate annual Safety Performance Targets (SPTs);
- Increasing engagement of frontline workers in the Safety Management Systems (SMS) process; and,
- New process for developing updates to, and re-adopting of, the PTASP in coordination with the newly formed Safety Committee.

### **DCTA PTASP Updates**

Based on the foregoing, DCTA has been updating its current PTASP document (adopted in 2020) for compliance with the new regulations and has formed a Safety Committee pursuant to the updated requirements.

The Safety Committee was formed in mid-July 2022 and had its first meeting August 17, 2022. Based on the new BIL requirements, the Safety Committee is comprised of an equal representation of frontline personnel and management. Their responsibilities include:

- Identifying and recommending risk-based mitigations or strategies necessary to reduce the likelihood and severity of consequences identified through the agency's safety risk assessment;
- Identifying mitigations or strategies that may be ineffective, inappropriate, or were not implemented as intended; and,
- Identifying safety deficiencies for purposes of continuous improvement.

In addition, the Safety Committee, followed by the Board of Directors (or equivalent entity), must approve the PTASP and any updates to the PTASP.



## Developing the DCTA Annual Safety Performance Targets

Under previous guidance, there were no recommendations for developing annual SPTs; only that they be evaluated yearly.

Under the new guidance, the annual SPTs will be developed and approved by the Safety Committee using a 3-year rolling average of the data submitted by the recipient to the National Transit Database (NTD) under Section 5335. The new requirements will assess the following:

- Fatalities and rate of fatalities (per 100,000 revenue miles);
- Injuries and rate of injuries (per 100,000 revenue miles);
- Safety events and rate of safety events (per 100,000 revenue miles);
- Mean time (miles) between major mechanical failures (expressed as System Reliability for Demand Response transit service).

DCTA will use a 3-year rolling average to develop the 2023 annual SPTs using the associated NTD data from reporting years 2019, 2020, and 2021. 2022 data will not be available until January 2023.

The SPTs will be reviewed by the Safety Committee for inclusion in the updated PTASP prior to recommending approval by the Board of Directors. The final plan will be presented to the Board of Directors for adoption before the end of calendar year 2022.

## Previous Board Activity & Action

There has been no previous Board activity or action on this item.

## Identified Need

Consideration and approval of the mandated updates to the agency safety plan.

## Financial Impact

This information report has no financial impact.

## Exhibits

Exhibit 1: FTA Dear Colleague letter

A handwritten signature in blue ink that reads "Athena Forrester".

Submitted By: \_\_\_\_\_  
Athena Forrester, AVP of Regulatory Compliance



U.S. Department  
of Transportation  
**Federal Transit  
Administration**

Administrator

1200 New Jersey Avenue, SE  
Washington, DC 20590

February 17, 2022

Dear Colleague:

On November 15, 2021, President Biden signed into law the Bipartisan Infrastructure Law, which authorizes \$108 billion over the next five years for public transportation – the most significant federal investment in transit in the nation’s history. The Bipartisan Infrastructure Law amends FTA’s safety program at 49 U.S.C. § 5329(d) (Section 5329(d)) by adding to the public transportation agency safety plan (PTASP) requirements. These changes include the requirement that certain transit agencies establish a Safety Committee. I am writing to inform you of these changes to Section 5329(d), which are included [here](#). These new requirements apply to those transit agencies that must have an Agency Safety Plan (ASP) in place under the PTASP regulation (49 CFR part 673). Transit agencies should review their ASP to determine if it meets these requirements.

The Bipartisan Infrastructure Law requires transit agencies to address strategies to minimize exposure to infectious diseases, consistent with Centers for Disease Control and Prevention or State health authority guidelines. Each transit agency should consider identifying mitigations or strategies related to exposure to infectious diseases through the safety risk management process described in the agency’s ASP.

Changes to PTASP requirements for agencies serving an urbanized area with a population of fewer than 200,000 (small urbanized area)

A transit agency serving a small urbanized area must develop its ASP in cooperation with frontline employee representatives. If the agency’s ASP was not developed in cooperation with frontline employee representatives, FTA expects the transit agency to update its ASP in cooperation with frontline employee representatives by December 31, 2022.

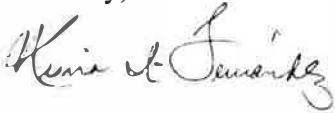
Changes to PTASP requirements for Urbanized Area Formula Funding (49 U.S.C. § 5307) recipients serving an urbanized area with a population of 200,000 or more (large urbanized area)

A transit agency that receives Section 5307 funding and serves a large urbanized area must establish a Safety Committee compliant with 49 U.S.C. § 5329(d)(5) by July 31, 2022. Once established, the Safety Committee should begin work to meet its responsibilities as soon as practicable. If a transit agency is not yet compliant with the new PTASP requirements, FTA expects the Safety Committee to approve an update to the agency’s ASP, incorporating applicable PTASP requirements in 49 U.S.C. § 5329(d), by December 31, 2022.

Transit agencies may choose to follow an existing collective bargaining process to establish and operate the required Safety Committee, provided requirements of Section 5329(d)(5) are met. Similarly, if a transit agency has an existing Safety Committee, that committee will be sufficient if it meets the statutory requirements. Performance targets for a risk reduction program are not required to be in place until FTA has updated the National Public Transportation Safety Plan to include these performance measures required by the Bipartisan Infrastructure Law.

Safety is the number one priority of the U.S. Department of Transportation and FTA, and we are working expeditiously to implement the changes called for in the Bipartisan Infrastructure Law to enhance transit safety. To support these efforts, in the future FTA may issue guidance and/or amend the PTASP regulation at 49 CFR part 673. All FTA updates related to the Bipartisan Infrastructure Law are available on [www.transit.dot.gov/BIL](http://www.transit.dot.gov/BIL). For any further questions related to Bipartisan Infrastructure Law requirements, please contact us at [FTA-ILJA@dot.gov](mailto:FTA-ILJA@dot.gov).

Sincerely,

A handwritten signature in dark ink, appearing to read "Nuria I. Fernandez", written in a cursive style.

Nuria I. Fernandez

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies. Grantees and subgrantees should refer to FTA's statutes and regulations for applicable requirements.