DENTON COUNTY TRANSPORTATION AUTHORITY

OPERATING & CAPITAL BUDGET LEWISVILLE, TX



DENTON COUNTY TRANSPORTATION AUTHORITY

OPERATING & CAPITAL BUDGET FY 2023

ADDRESS

1955 LAKEWAY DRIVE, SUITE 260 LEWISVILLE, TEXAS 7 5 0 5 7

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OUR MISSION WHO WE ARE, WHAT WE DO

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

OUR VISION WHAT DRIVES US

TO BE A LEADER IN ADVANCING PUBLIC TRANSPORTATION ALTERNATIVES.

FY23 STRATEGIC GOALS

- DEVELOP AND DELIVER TRANSPORTATION OFFERINGS THAT MEET EXPECTATIONS OF DENTON COUNTY STAKEHOLDERS
- PROVIDE EXCEPTIONAL CLIENT SERVICE THROUGH THE FULL CYCLE OF TRANSPORTATION ENGAGEMENT-ENROLLMENT, REGULAR INTERFACE, SERVICE DELIVERY, FEEDBACK AND FOLLOW-THROUGH
- PROVIDE COST-EFFECTIVE SERVICES, SUPPORT ECONOMIC GROWTH AND ENHANCE OUALITY OF LIFE IN DENTON COUNTY AND ACROSS THE REGION

COMPANY CORE VALUES

SAFETY

In accordance with our service plan, our most important commitment is passenger safety through the strict adherence to policies and procedures and ongoing employee training and professional development.

ACCOUNTABILITY

As public servants, DCTA employees and board of directors hold themselves accountable to their constituents and are committed to being exemplary stewards of public resources.

COMMITMENT

DCTA employees and board of directors are committed to working collaboratively to deliver the components of the service plan in a timely manner to serve the mobility needs of our passengers.

EXCELLENCE

Always in the pursuit of excellence, DCTA will consistently offer innovative, effective and quality public transportation alternatives that will exceed customer expectations.

INTEGRITY

It is incumbent upon DCTA employees and Board of Directors to conduct themselves in a manner that upholds the highest moral, legal and ethical standards. We are uncompromising in our commitment to truth, honesty, and openness in all relationships and interactions.

RESPECT

We believe that all of our passengers are important and that all of our employees add value. We will treat passengers and employees with dignity and esteem.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Denton County Transportation Authority Texas

For the Fiscal Year Beginning

October 01, 2021

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Denton County Transportation Authority, Texas for its annual budget for the fiscal year beginning October 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

AGENCY OVERVIEW



December 7, 2022

Board Chair and Members of the Board:

We are pleased to present to you the Fiscal Year 2023 Operating and Capital Budget for Denton County Transportation Authority (DCTA). This budget was created in accordance with state law (Chapter 460 of the Texas Transportation Code) and DCTA Board policy. The budget presented is a balanced budget, where current year revenues and reserve balances cover operating expenses and capital requirements for the fiscal year. Overall, it reflects DCTA's continuing commitment to its customers, its stakeholders, and its employees to deliver high-quality service in a safe and efficient manner to meet the transportation needs of our rapidly growing region.

DCTA enters FY 2023 on very sound financial footing, with solid financial reserves, healthy revenue streams from sales tax and newly and significantly increased annual federal formula funds to public transit. The fiscal prospects for the next three to five years should provide confidence that the agency should be able to weather a potential economic downturn without major service reductions.

The approved operating, capital and debt service budgets and year-end DCTA fund balance are:

Operating	\$48,019,882
Capital	\$34,925,344
Debt Service	\$ 1,987,438
Year-end 9/23 Fund Balance	\$60,235,235

The DCTA Board of Directors makes policy for the organization that directs its future service offerings and geographies in which it operates and informs the approach to the development of the annual operating and capital budget. Every year, the budget process is structured to allow staff, the Board of Directors, the public, and other stakeholders adequate time for review and analysis of the key components of the budget. In June through August, staff and the Board of Directors reviewed reserve fund policies and escalation assumptions used in the development of the Long-Range Financial Plan as well as developed and reviewed revenue projections, operating expenses, and capital requirements. A key component of the budget workshops is a review of the impact of current year budget decisions on the Long-Range Financial Plan. DCTA's current Long-Range Financial Plan positions the agency to meet the future needs of the region.

This year, the Board of Directors undertook a strategic visioning session to identify their priorities for the future of the agency. At the time of budget adoption, that work had yielded three "key messages" that were in development through the budget process and are reflected in various ways throughout. Those key messages are:

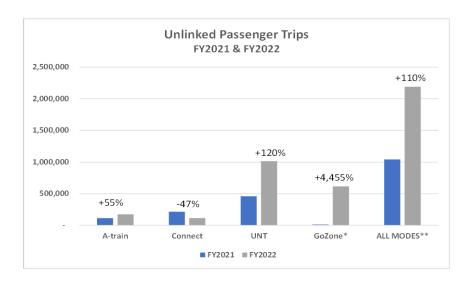
- Getting each person where they need and want to go
- Making it easy for the rider to access and use DCTA services
- Driving a better future for Denton County

The Board was successful in establishing an overall strategy for determining the type of public transit services appropriate for DCTA residents including fixed route bus, paratransit, on-demand multi-passenger, vanpool and commuter rail and the areas in which such services should be deployed. This resulted in a determination that the City of Denton was best served by a combination of fixed route, on-demand, paratransit, vanpool and commuter rail whereas Highland Village and Lewisville were better served by on-demand, paratransit, vanpool and commuter rail. Earlier experience with on-demand services has shown the mode has been very well received and has accounted for a significant uptick in ridership since the mode offering has been expanded to meet the demonstrated demand.

The staff also utilized these key messages and strategic choices to develop agency and departmental goals and objectives to evaluate the agency's performance over the course of the year. These objectives and performance measures are detailed in the Division Budgets section of this budget document.

The proposed budget was first presented to the Board in a June Budget Workshop and a revised draft was provided for review and public comment at the Board's August meeting. The Board adopted the FY23 Operating and Capital Budget, the updated Long-Range Financial Plan, and the Budget Contingency Plan at the September 2022 meeting.

The FY23 budget reflects DCTA's efforts to take another major step forward in its aspirational goal to deliver exceptional value to the citizens of Denton County, our member cities, and the DFW region. The local and federal resources allocated in the FY 22 budget enabled DCTA to more than double its overall ridership from FY21, as shown in the graph below. GoZone was a significant contributor to these milestones, as the service delivered more than 620,000 rides in its first year of service in our member cities.

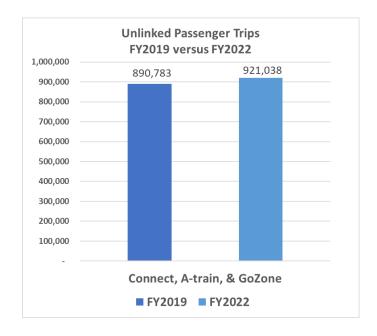


*GoZone operated only one full month in FY2021

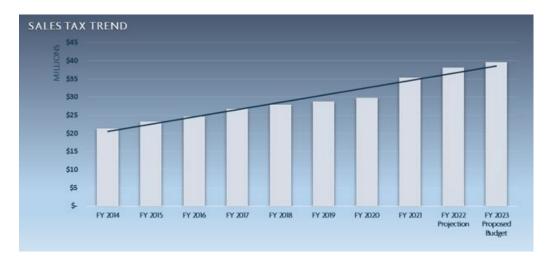
When considering Bus, A-train, and GoZone - services funded by our member cities - DCTA is pleased to report we have surpassed our pre-pandemic ridership. This is a significant accomplishment, especially given the current state of transit across the country that has, as of September 28, 2022, restored ridership to about 70% of pre-pandemic levels1!

1 Public Transportation Ridership Rises to More than 70 Percent of Pre-Pandemic Levels -American Public Transportation Association (apta.com)

^{**&}quot;ALL MODES" includes all commuter rail, bus, vanpool, paratransit, and GoZone service



Sales tax represents the single largest source of revenue for DCTA, and the agency has experienced strong growth in revenue over the past several years. This year's budgeted sales tax figure is \$39.6M, reflecting a conservative 4% increase in sales tax revenue over FY22, while actual sales tax revenue growth averaged 10.7% between FY20 and FY22.



DCTA is experiencing many of the same inflationary pressures that are prevalent nationwide. For example, fuel costs assumed in the budget for the bus and rail services, increased 21% and 40% respectively between FY22 and FY23. However, these figures are adjusted based on anticipated changes to service this year. The bus fuel cost increase was offset significantly by reduction in service in 2023. The rail fuel cost increase was also affected by more fuel being delivered by DCTA as we anticipate the Silver Line occupying the Joint Rail Operations Facility in FY23, though those costs are fully reimbursable.

Our DCTA and NTMC employees are essential to our success as an agency. We have maintained our budgeted manpower levels from FY22 to FY23 with a sharp eye toward operational efficiencies that can be gained by evolving the way we work together as a team. The DCTA Board of Directors took significant action to recognize our employees with a 5%, across the board salary adjustment that is effective with the beginning of the

fiscal year. In addition, the agency maintains its commitment to provide competitive pay and benefits to our employees despite cost increases of about 17% for NTMC employees.

The FY23 budget reflects healthy, efficient investment in each of our modes – commuter rail service, fixed route bus services, on-demand micro-transit services, paratransit demand response, general demand response, commuter vanpools, and the UNT Shuttle Service - to continue our positive ridership growth trend. A brief commentary on our modal spend is provided below.

A-train

Commuter rail ridership on the A-train continues to rebound from the pandemic, up 55% year over year, and this year's budget continues the same level of service that the A-train initiated in September 2021 at the end of the pandemic. Train frequency, now at 30-minutes on weekdays, is a significant contributor to enhancing the rider experience and DCTA is committed to maximizing ridership on this important mode in anticipation of even more demand this year.

The FY23 budget contains multiple rail-centric items including anticipated funding from DART for the construction of the expanded, Joint Rail Operations Facility at the site of the current A-train Rail Operations and Maintenance Facility. The agency also anticipates additional planning and design work to continue exploration of projects to increase speed on the A-train and extend its reach to downtown Carrollton to meet the new DART SilverLine service in 2025. These projects would enhance the value of the A-train by improving service to increase ridership and by making it even more effective as a as a regional asset.

Connect

While Connect ridership continued its downward ridership trend year over year, FY22 brought a significant policy decision from the DCTA Board of Directors that provides a foundation upon which the future of the Connect Service can be built. This budget continues service on Connect Routes 3, 6, and 7 to reflect the Board's priority on investing where ridership growth is feasible and where the service is most helpful to social service agencies and community partners. Not only did these routes continue, but Routes 6 and 7 will also benefit from additional investment that increases frequency to 20-minute headways.

University of North Texas Shuttle Service

The University of North Texas remains one of our most important partners and, last year, DCTA provided more than 1,000,000 rides on the service. This figure more than doubles ridership from the previous year and further growth of the service is expected as UNT continues to thrive.

GoZone / Microtransit

DCTA is focused on enhancing safety, improving customer service, and increasing ridership in FY23 and beyond. Microtransit is an on-demand, point-to-point service that provides an effective solution for the unique needs of our member cities which are relatively low density and suburban in character and can be difficult to serve using traditional fixed route bus service. It also enables the agency to introduce transit solutions to cities and areas that are not currently part of the DCTA system. The FY23 budget features continued funding of mictrotransit solutions in Coppell and Frisco, continuing successful relationships with those cities and helping riders get to work and other important appointments.

GoZone is our primary microtransit service. It exceeded expectations in FY22 by delivering more than 620,000 rides. The FY23 budget maintains that level of service along with enhancements such as expansion within the entirety of Lewisville city limits, early morning Saturday service, and others. These new features are in direct response to the needs of our customers as they articulated to the agency over the course of the service's first year in operation.

Vanpool

DCTA's Vanpool program, now serving seven counties in the DFW metroplex, experienced a 6% ridership increase from 2021 to 2022. This operating budget provides funding to accommodate additional growth in the program at 100% grant reimbursement to DCTA.

Beyond our day-to-day operations, the Board of Directors made significant investments in capital improvements in this year's budget. A new enterprise resource software platform investment of \$2.1M, expected to start this year, will enable efficiency improvements for our back office systems. Several technology upgrades will be implemented for our bus system that will enable automated passenger counting and provide a platform for future technology applications. On the operating side of the budget, investments to hire a Director of Safety and Compliance; study the future needs of our IT and network infrastructure; consider transit-oriented development; and develop a long-range service plan highlights our eye toward the future to continue to excel in regulatory compliance and enhance the value of DCTA for its stakeholders.

Additionally, the Transportation Reinvestment Program (TRiP) will continue this year, enabling partnerships between the agency and its member cities on mutually beneficial investments in transit-supportive projects by allowing DCTA to distribute funds to member cities for eligible projects consistent with DCTA's Long-Range Service Plan and the agency's enabling legislation, Chapters 431 and 460 of the Texas Transportation Code. TRIP was approved by the Board as a five-year program with its first funding cycle in FY21. The anticipated annual TRiP budget will be set at 15 percent of DCTA's net available fund balance from the previous fiscal year.

In conclusion, this budget reflects DCTA's continuing commitment to its customers, its stakeholders, and its employees to deliver high-quality service in a safe and efficient manner to meet the transportation needs of our rapidly growing region. We thank the Board of Directors for their clarity and leadership through this process and appreciate the hard work of our dedicated staff who make it possible for DCTA to serve the people of Denton County.

Sincerely,

Paul A. Cristina

Chief Executive Officer

Amanda Riddle

Senior Manager of Budget

FOUNDATION Highly engaged in two Three member cities: of the fastest-growing Denton. counties in Texas Highland Village & Lewisville Provided contracted service Consistent to the City of Frisco and the financial City of Coppell, offering stewardship innovative mobility solutions & transparency for their growing communities

FINANCIAL STEWARDSHIP

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

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



WORKFORCE DEVELOPMENT

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

The agency's Board of Directors has established a policy that a comprehensive compensation and benefits study will be conducted every three years to maintain a competitive structure with the market and peer agency benchmarks. DCTA is currently working to gather all information needed to perform this triennial market study in FY23 to evaluate where the agency stands in the competitive scale and adjust if needed. This allows for any changes to be addressed as part of the budget process. A tuition reimbursement program was established in 2015 to assist employees interested in pursuing a higher education.

BOARD OF DIRECTORS

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

POLICY AND ADMINISTRATION

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

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

In December 2011, DCTA's Board of Directors adopted a Long-Range Service Plan which outlined a series of recommendations for improvements to the existing system, opportunities for expansion of the existing system, and other corridors warranting transit service over the next 25 years. The plan has served as a road map guiding DCTA's service planning, capital improvement program and financial planning. In FY2021, DCTA completed its transformation initiative and identified Board priority projects on a five-year strategic roadmap. In FY2023, DCTA will work with the Board of Directors and stakeholders to develop an updated Long-Range Service Plan that will guide the agency forward.

OUR TEAM

Board of Directors

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

Board of Directors - Alternates

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

Non-Voting Board Members

Tom Winterburn Corinth Connie White Small Cities Mark Miller Flower Mound Dennie Franklin Frisco Jeremie Maurina . . . The Colony

Executive Staff

Paul Cristina. CEO Sherrelle Evans-Jones, CFO

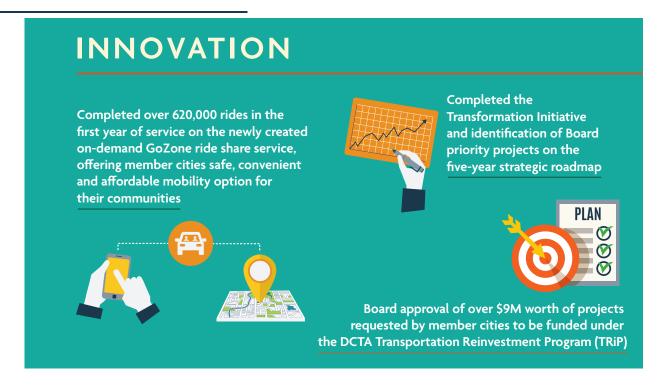


DIVERSITY

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

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

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



BUILDING PUBLIC TRANSIT FOR THE FUTURE

GoZone, DCTA's on-demand rideshare service operated by Via, moved over 615,000 passengers during its first full year of service in FY2022. GoZone expanded DCTA's service offerings by providing trips to passengers in areas that were previously unserved, operating 365 days a year, and extending service hours – all through a convenient mobile app. The service operates in two independent zones: Lewisville / Highland Village and Denton, connected by the A-train commuter rail line; travel between zones is permitted on GoZone on Sundays and holidays when the A-train does not operate.

GoZone played an instrumental role in the agency's recovery to pre-pandemic ridership levels. The service opened public transit to an entirely new market of riders, getting people out of their cars and into transit. An innovative service such as GoZone has provided DCTA with ridership data that allows the agency to better understand where passengers want to go, and when they want to get there.

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

Operational statistics and additional pertinent information regarding the community that we serve are outlined in the Appendix section of the document on pages 126-131.

ABOUT DCTA



BACKGROUND AND PURPOSE

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

SERVICE OVERVIEW

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

VISION, MISSION AND CORE VALUES

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







RIDESHARE





RAIL TRAIL

ACCESS

COMPANY MILESTONES



MILESTONES

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

Below are key milestones DCTA has achieved since inception.

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

A-TRAIN SERVICE

A-TRAIN SERVICE

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

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

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

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







IN PEAK ON SATURDAYS

* Prior to September 7, 2021, fleet numbers were three in peak and one on Saturdays

609

average **MONDAY-FRIDAY**

passenger boardings

average

passenger boardings

average WEEKLY

passenger boardings

average MONTHLY passenger

boardings

FY'22 A-train ridership

^{*} All stats are based off FY'22 data (Oct. 1, 2021 - Sept. 30, 2022)

MOBILITY SERVICE

BUS FIXED ROUTE SERVICE

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

ON-DEMAND RIDESHARE SERVICE

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

LYFT PARTNERSHIP

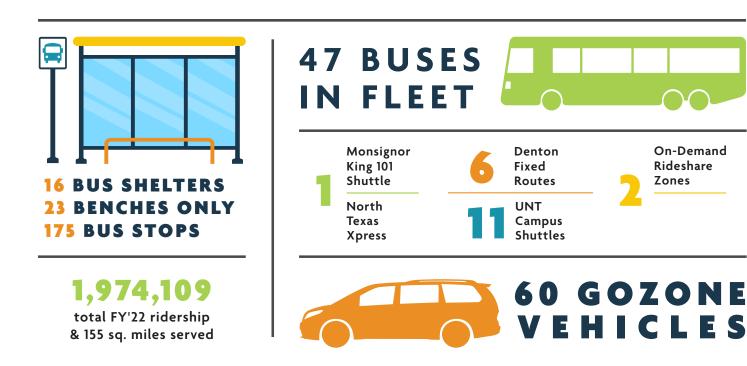
In partnership with Lyft, DCTA provides sponsored discounts for the Coppell Program and free rides for the UNT Lyft Zone.

ACCESS SERVICE

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

DEMAND RESPONSE SERVICE

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



On-Demand

Rideshare

Zones

1870

FLEET AT A GLANCE

MOBILITY SERVICE

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

ROUTES AND ZONES

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

Daugherty Street)

NUMBER OF VEHICLES

47 Active DCTA Vehicles (34 vehicles at peak pull-out: 27 fixed route and 7 demand response)

60 GoZone Vehicles

BUS SHELTERS: 16

- 23 Benches Only
- 175 Bus Stops

TOTAL FY'22 RIDERSHIP: 1,974,109



A-TRAIN SERVICE

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

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

TOTAL FY'22 RIDERSHIP: 175,637



FARE AT A GLANCE

FARE STRUCTURE

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

DISCOUNTED AND FREE FARES

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

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

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

FARE TYPE	LOCAL PRICE	REGIONAL PRICE	LOCAL / REGIONAL REDUCED	WHERE TO BUY
Local AM	\$1.50	_	\$0.75 / —	TVM, GoPass®
Local PM	\$1.50	_	\$0.75 / —	TVM, GoPass®
Day Pass	\$3.00	\$12.00	\$1.50 / \$3.00	Ticket Outlets, TVM, GoZone App, GoPass®
7-Day Pass	\$15.00	_	_	Ticket Outlets, TVM, GoZone App, GoPass°
GoZone Single Ride	\$0.75/\$1.00*	_	_	Cash (Exact Change) Payment on Board
10-Day Pass	\$20.00	\$84.00	_	Ticket Outlets, Online
Monthly Pass	\$48.00	\$192.00	\$24.00 / \$48.00	Ticket Outlets, TVM, GoZone App, GoPass®
Annual Pass	\$480.00	\$1,920.00	\$240.00 / \$576.00	Ticket Outlets, Online

^{*}GoZone fare will increase to \$1.00 as of January 1, 2023

AGENCY OVERVIEW | 25

TRAVEL TOOLS

TRANSIT TRACKER

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

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

DCTA GOZONE APP

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

GOREQUEST

Have a question or comment? Download the GORequest app available on the Apple Store or Google Play, or visit our dcta.net/gorequest to send your feedback.

A staff member will answer your question or address your comment in a timely manner.

RIDER ALERTS

Sign up for DCTA Rider Alerts at RideDCTA.net to receive customized email notifications regarding schedule delays, service changes and promotions.

GOPASS®

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



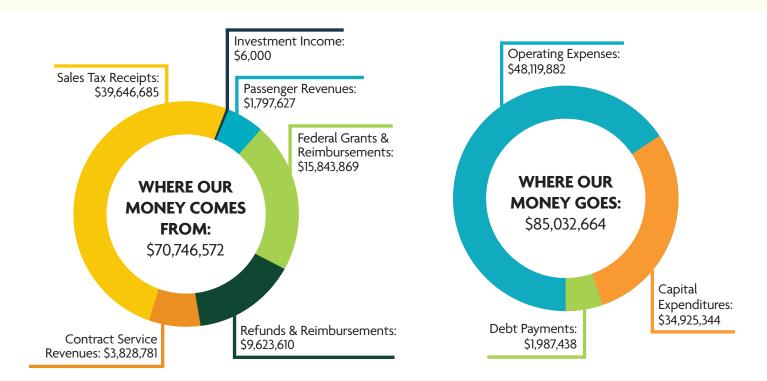
FINANCIAL STABILITY



GENERAL FINANCE SNAPSHOT

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

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



The finance records above come from DCTA's approved FY'23 fiscal year budget

YEAR AT A GLANCE



MOVING YOU FORWARD

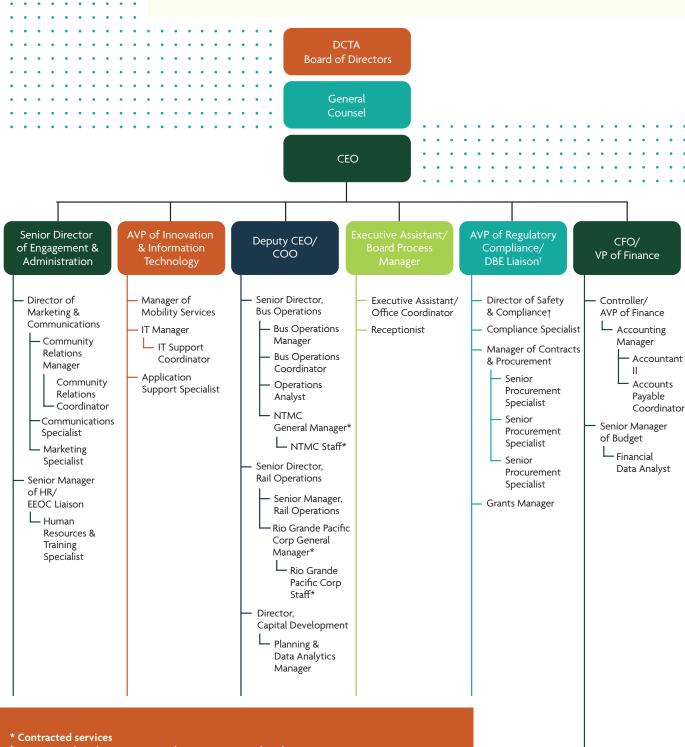
Denton and Collin Counties are the state of Texas' seventh and sixth most populated counties, respectively. With the impending growth, it is our commitment to offer alternative mobility options to improve the quality of life where our residents live, work and play.

In FY'22, DCTA reached numerous milestones in relation to mobility, air quality, economic development, and livability. Read more FY'22 milestones below:

- Undertook a strategic visioning session identifying future priorities and establishing three key messages to guide the agency forward.
- More than doubled annual ridership from FY'21, carrying over 2.1 million people system-wide, and restoring member city ridership to pre-pandemic ridership levels.
- Undertook a Comprehensive Operations Analysis resulting in a significant policy decision serving as the foundation upon which future services can be built.
- Completed over 620,000 trips within the first year of service for the new GoZone On-Demand Rideshare service, offering member cities a safe, convenient, and accessible mobility option for their communities.
- Expanded DCTA Vanpool program to seven counties in DFW metroplex, carrying over 200,000 passengers and increasing overall ridership by 6% in FY'22.
- Board approval of over \$9M worth of project requests by member cities to be funded under the DCTA Transportation Reinvestment Program (TRiP).

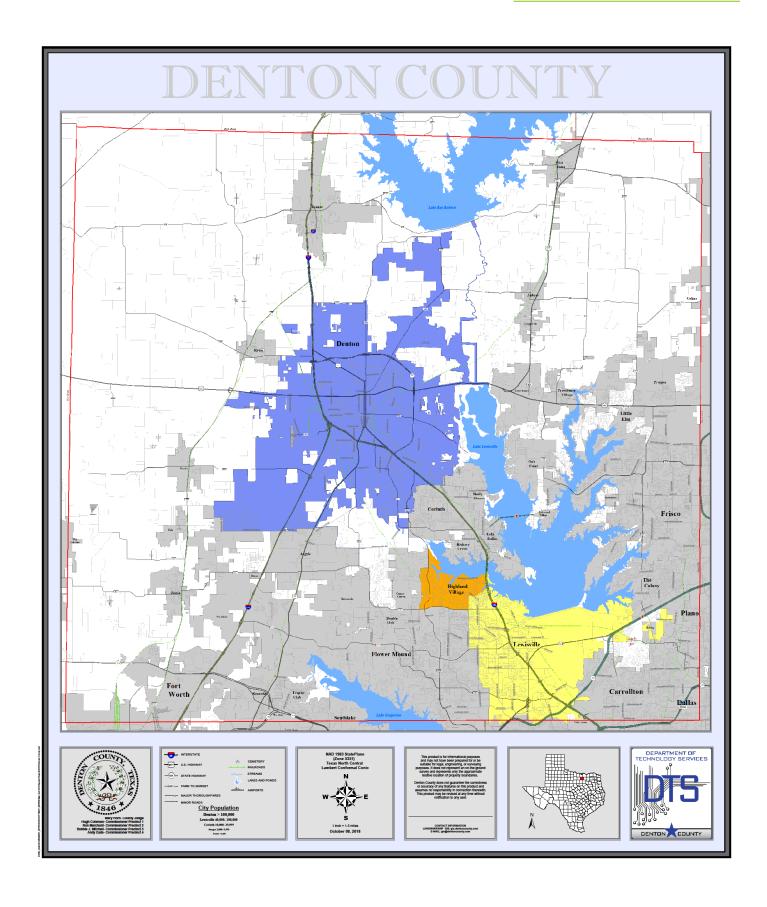
DENTON COUNTY TRANSPORTATION AUTHORITY

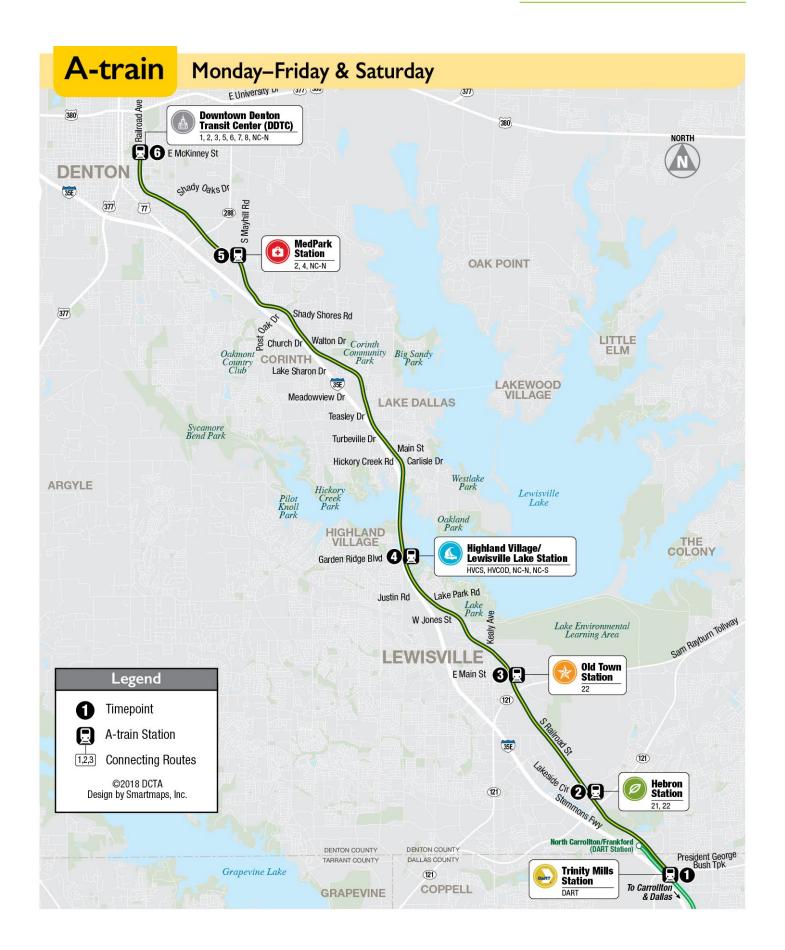
ORGANIZATIONAL CHART



- † DBE Liaison has direct access to the CEO on DBE-related matters.
- † Director of Safety & Compliance has direct access to the CEO on safety matters.

Chart reflects changes effective October 18, 2022.





OPERATING BUDGET SUMMARY

| Budget Process

BASIS OF BUDGETING

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

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

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

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

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

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:

- 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.

BASIS OF ACCOUNTING & FINANCIAL PRINCIPLES

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

FINANCIAL REPORTING & FUND ACCOUNTING

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

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

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

BUDGET PREPARATION

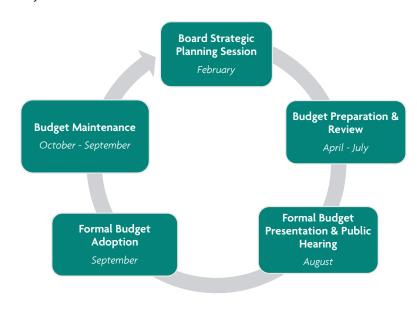
Development of a comprehensive operating and capital budget requires an active and participative process between DCTA staff, the Board of Directors, and the public. The development process is outlined below:

- 1. Goals, Objectives, and Performance Measures Overall agency goals as well as corresponding department objectives and performance measures are developed for the upcoming fiscal year.
- 2. Revenue Projections Staff identifies the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.

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

| Budget Calendar

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



Budget Preparation & Review April - July • April-June: Staff Prepares, Submits & Reviews Proposed Revenue Projections, Operating Expenses and Capital • June: Operating & Capital Budget and Long-range Financial Plan are Presented to the Board of Directors for Review and Comment Formal Budget Presentation & Public Hearing August • Formal Presentation of FY Budget to Board & Public Hearing* Formal Budget Adoption September • Adoption of FY Budget & Long-range Financial Plan by the Board of Directors **Budget Maintenance** October - September • October 1st: Fiscal Year Begins • October-December: Staff Completes the Budget Document and Presents It to the Board • December: Submit Budget to GFOA For Review • October-September: Budget Maintenance & Review

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

| Budget Snapshot

TOTAL OPERATING BUDGET \$59,231,790

*FY23 starts October 1, 2022 and ends September 30, 2023.

INTERNAL DEBT COVERAGE RATIO 5.32 Requirement is 1.25%

FEDERAL GRANT REVENUE

Includes Operating & Capital

*\$*15,843,869

SALES TAX REVENUE

Accounts for 56% of total revenue

\$39,646,685







*Includes Lyft, Taxi & GoZone

RIDERSHIP PROJECTIONS

1,179,244

197,203

891,841

FUEL COSTS \$950,548

224,000 gallons

\$4.25 per gallon

\$1,312,500

250,000 gallons

\$5.25 per gallon

TOTAL SERVICE MILES

973,189

403,971

GoZone Launched September 7th, 2021: DCTA's new on-demand rideshare service! GoZone, powered by Via, that riders can utilize for trips within, and sometimes between, designated zones in Denton County. Passengers books their trips in real time utilizing a mobile app and are picked up in a dedicated van at virtual stops within the zones. GoZone operates 365 days a year and includes 235k in service hours.

TRANSPORTATION REINVESTMENT PROGRAM

\$21,226,221

TRIP enables partnerships between the agency and its member cities on mutually beneficial investments in transit-supportive projects which are consistent with and beneficial to the agency's adopted Long-Range Service Plan.

| Change in Net Position Combined Statement

	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2022 Working Budget	FY 2023 Adopted Budget
OPERATING REVENUE				
Passenger Revenues (Bus Farebox)	\$ 265,787 \$	116,994 \$	168,096 \$	206,348
Passenger Revenues (GoZone Farebox)	-	210,001	211,566	1,295,474
Passenger Revenues (Rail Farebox)	282,291	262,917	262,917	295,805
Contract Service Revenue	2,923,277	3,915,759	4,043,386	3,828,781
Total Operating Revenue	3,471,355	4,505,671	4,685,965	5,626,408
OPERATING EXPENSES				
Salary, Wages & Benefits	9,973,967	10,890,950	11,764,807	12,142,839
Outsourced Services & Charges	5,395,088	5,061,632	6,173,454	6,904,591
Materials & Supplies	1,087,451	2,652,030	2,782,530	3,364,974
Utilities	431,998	526,281	526,281	666,751
Insurance	1,822,821	1,701,654	1,795,389	1,846,074
Transportation Reinvestment	29,798	-	-	-
Purchased Transportation Services	10,302,946	16,680,162	18,790,814	22,584,376
Employee Development	97,423	294,045	294,045	363,825
Leases & Rentals	224,889	139,772	139,772	146,452
Depreciation	9,956,637	10,899,464	11,349,464	11,211,908
Total Operating Expenses	39,323,018	48,845,990	53,616,556	59,231,790
Operating Income / (Loss)	(35,851,663)	(44,340,319)	(48,930,591)	(53,605,382)
NON-OPERATING REVENUE / (EXPENSE)				
Investment Income	31,178	12,000	12,000	6,000
Lease Income	-	-	-	368,538
Misc. Revenues	502,552	-	2,794,840	9,255,072
Sales Tax Revenue	35,332,154	32,088,804	38,121,812	39,646,685
Federal Grants & Reimbursements	20,969,469	26,390,897	22,182,310	15,843,869
State Grants & Reimbursements	73,895	-	-	-
Long Term Debt Interest/Expense	(697,186)	(237,800)	(237,800)	(212,640)
Total Non-Operating Revenue / (Expense)	56,212,062	58,253,901	62,873,162	64,907,524
Income (Loss) Before Transfers	20,360,399	13,913,582	13,942,571	11,302,142
Transfers Out	(6,520,464)	(6,364,715)	(7,263,989)	(7,337,796)
Transfers In	6,520,464	6,364,715	7,263,989	7,337,796
Total Transfers	-	-	-	-
CHANGE IN NET POSITION	\$ 20,360,399 \$	13,913,582 \$	13,942,571 \$	11,302,142
Net Position - Beginning of Year:	341,283,144	360,477,062	360,477,062	363,252,703
Net Position - End of Year:	\$ 361,643,543 \$	374,390,644 \$	374,419,633 \$	374,554,845
Transfer to Capital Projects	(1,166,481)	(15,100,221)	(11,166,930)	(34,925,344)
Net Position After Capital Project Transfer	\$ 360,477,062 \$	359,290,423 \$	363,252,703 \$	339,629,501

^{*}Includes DCTA & NTMC operating budget and transfers combined

| Change in Net Position Denton County Transportation Authority

		FY 2021 Actuals		FY 2022 Adopted Budget		FY 2022 Working Budget		FY 2023 Adopted Budget
OPERATING REVENUE								
Passenger Revenues (Bus Farebox)	\$	265,787	\$	116,994	\$	168,096	\$	206,348
Passenger Revenues (GoZone Farebox)		-		210,001		211,566		1,295,474
Passenger Revenues (Rail Farebox)		282,291		262,917		262,917		295,805
Contract Service Revenue		2,923,277		3,915,759		4,043,386		3,828,781
Total Operating Revenue		3,471,355		4,505,671		4,685,965		5,626,408
OPERATING EXPENSES								
Salary, Wages & Benefits		3,945,499		5,103,643		5,103,643		5,563,276
Outsourced Services & Charges		5,028,644		4,610,662		5,720,562		6,297,146
Materials & Supplies		1,086,849	2	2,650,094		2,780,594		3,363,038
Utilities		431,998		526,281		526,281		666,751
Insurance		1,712,923		1,635,812		1,706,052		1,750,482
Transportation Reinvestment		29,798		-		-		-
Purchased Transportation Services	1	0,302,946	1	6,680,162		18,790,814		22,584,376
Employee Development		82,372		235,385		235,385		310,565
Leases & Rentals		224,889		139,772		139,772		146,452
Depreciation		9,956,637	10),899,464		11,349,464		11,211,908
Total Operating Expenses		2,802,554		2,481,275		46,352,567		51,893,994
Operating Income / (Loss)	(29,331,199)	(37	7,975,604)	(41,666,602)	((46,267,586)
NON-OPERATING REVENUE / (EXPENSE)								
Investment Income		31,178		12,000		12,000		6,000
Lease Income		-		-		-		368,538
Misc. Revenues		502,552		_		2,794,840		9,255,072
Sales Tax Revenue	;	35,332,154	32	2,088,804		38,121,812		39,646,685
Federal Grants & Reimbursements	20	0,969,469	26	5,390,897		22,182,310		15,843,869
State Grants & Reimbursements		73,895		-		-		-
Long Term Debt Interest/Expense		(697,186)		(237,800)		(237,800)		(212,640)
Total Non-Operating Revenue / (Expense)	5	6,212,062	5	8,253,901		62,873,162		64,907,524
Income (Loss) Before Transfers	20	6,880,863	20	0,278,297		21,206,560		18,639,938
Transfers Out	(6,520,464)	((6,364,715)		(7,263,989)		(7,337,796)
Transfers In		-		-		-		-
Total Transfers	(6	5,520,464)	(6,364,715)		(7,263,989)		(7,337,796)
CHANGE IN NET POSITION	\$ 20),360,399 \$	1	3,913,582	\$	13,942,571	\$	11,302,142

| Change in Net Position North Texas Mobility Corporation

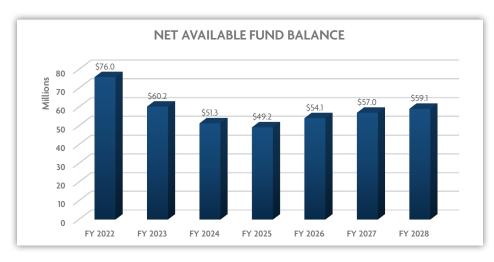
	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2022 Working Budget	FY 2023 Adopted Budget
OPERATING EXPENSES				
Salary, Wages & Benefits	\$ 6,028,468	\$ 5,787,307	\$ 6,661,164	\$ 6,579,563
Outsourced Services & Charges	366,445	450,970	452,892	607,445
Materials & Supplies	603	1,936	1,936	1,936
Utilities	-	-	-	-
Insurance	109,898	65,842	89,337	95,592
Transportation Reinvestment	-		-	-
Purchased Transportation Services	-	-	-	-
Employee Development	15,051	58,660	58,660	53,260
Leases & Rentals	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	6,520,464	6,364,715	7,263,989	7,337,796
Income (Loss) Before Transfers	(6,520,464)	(6,364,715)	(7,263,989)	(7,337,796
Transfers Out	-	-	-	-
Transfers In	6,520,464	6,364,715	7,263,989	7,337,796
Total Transfers	6,520,464	6,364,715	7,263,989	7,337,796
CHANGE IN NET POSITION	\$ - \$	- \$	- \$	_

|Long Range Financial Plan

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

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

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



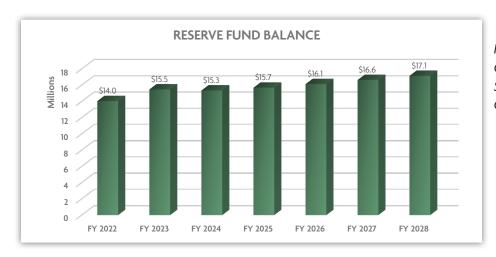
Net available fund balance is the balance after annual operating and capital expenses and after reserve funds have been removed.

RESERVE FUND POLICIES

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

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unrestricted net position. An annual contribution will be budgeted from general operating resources, as available, to maintain the target reserve level.
- b. It will be the policy of DCTA to maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual budgeted sales tax.

- c. It will be the policy of DCTA to maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA's investment and maintain appropriate service levels. The use of any funds within the Capital Replacement/ Infrastructure Maintenance Fund will be approved by the Board within the resources available each fiscal year.
- d. It will be the policy of DCTA to maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$.50 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year. The use of any funds within the Fuel Stabilization Fund shall be approved by the Board.



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

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

|Long Range Financial Plan

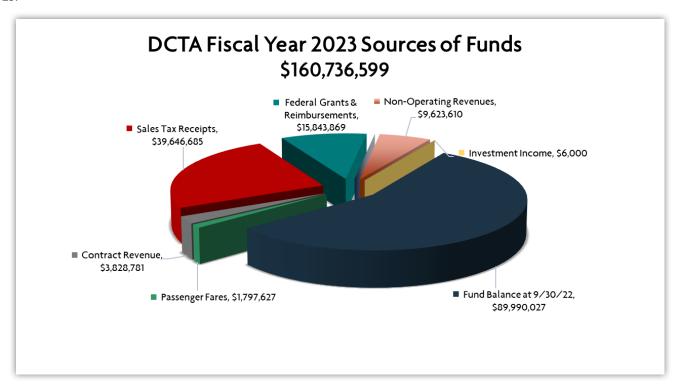
	DENTON C	OUNTY TRAI	NSPORTATIO	N AUTHORITY	1			
		LONG RANGE	FINANCIAL PL	AN				
	F	ISCAL YEAR 202	3 ADOPTED BUI	OGET				
	Working FY 2022 ¹	Adopted FY 2023	Proposed FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028	FY2022-FY2028
Beginning Fund Balance: \$	78,429,922 \$	89,990,027 \$	75,703,935 \$	66,675,158 \$	64,877,341 \$	70,225,133 \$	73,606,701	\$ 78,429,922
OPERATING REVENUES Bus Operating Revenue	4,423,048	5,330,603	5,504,021	5,633,259	5,777,328	6,001,471	6,155,868	38,825,598
Rail Operating Revenue	262,917	295,805	313,701	316,838	320,006	339,366	342,760	2,191,392
Misc. Revenue	-	368,538	359,900	359,900	359,900	359,900	359,900	2,168,038
NON-OPERATING REVENUES	20 121 012	30 (4) (05	41 222 552	42.440.520	42 742 715	45 055 033	44 407 401	20/ /27 717
Sales Tax Revenue Operating Grants	38,121,812 21,864,250	39,646,685 13,042,809	41,232,552 11,021,042	42,469,529 11,021,042	43,743,615 11,021,042	45,055,923 8,202,429	46,407,601 8,202,429	296,677,717 84,375,043
Investment Income	12,000	6,000	75,704	66,675	64,877	70,225	73,607	369,088
TOTAL REVENUES	64,684,027	58,690,440	58,506,920	59,867,242	61,286,769	60,029,315	61,542,165	424,606,877
OPERATING EXPENSES								
Bus Operating Expense	19,463,741	22,896,082	23,356,223	24,180,038	25,067,846	26,202,384	27,288,165	168,454,479
Rail Operating Expense	15,059,322	16,523,939	16,204,528	16,661,089	17,153,639	17,642,526	18,162,547	117,407,590
G&A Operating Expense	7,844,029	8,699,861	7,867,348	7,780,185	8,024,202	8,278,519	8,543,725	57,037,870
TOTAL OPERATING EXPENSES	42,367,092	48,119,882	47,428,099	48,621,311	50,245,687	52,123,430	53,994,437	342,899,938
NET INCOME	22,316,935	10,570,558	11,078,821	11,245,931	11,041,081	7,905,885	7,547,728	81,706,939
CAPITAL OUTLAY & MAJOR MAINTENANCE		45,000	1200 000	1200 000	1200 000	1200 000	1200.000	6 04F 000
Fleet Replacement Professional Services / Technology Improvements	196,000	45,000 3,120,803	1,200,000 350,000	1,200,000 80,000	1,200,000	1,200,000 45,000	1,200,000 125,000	6,045,000 3,916,803
Major Maintenance Items - Rail	2,257,514	2,000,000	2,034,860	2,897,164	3,327,187	2,109,209	2,450,921	17,076,855
Major Maintenance Items - Bus	-	179,530	264,203	200,000	200,000	200,000	200,000	1,243,733
Positive Train Control	397,575	1,755,546	3,396,274	-	-	-	-	5,549,395
Infrastructure Acquisition - Old Town	-	634,981	-	-	-	-	-	634,981
Brownfield Remediation	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)	7,712,337	21,226,221	9,035,285	7,699,774	-	-	-	45,673,617
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	11,166,930	34,925,344	21,852,318	12,076,938	4,727,187	3,554,209	3,975,921	92,278,849
TOTAL CAPITAL, MAINTENANCE & OPERATING EXPENSES	53,534,022	83,045,226	69,280,418	60,698,250	54,972,875	55,677,639	57,970,358	435,178,787
CAPITAL SOURCES								
Capital Grants	318,060	2,166,079	3,737,019	1,020,000	1,020,000	1,020,000	1,020,000	10,301,158
Capital Grants - Old Town Capital Reimbursement - DART JROF	- 2,794,840	634,981 9,255,072	-	-	-	-	-	634,981 12,049,912
TOTAL CAPITAL SOURCES	3,112,900	12,056,132	3,737,019	1,020,000	1,020,000	1,020,000	1,020,000	22,986,051
DEBT SERVICE		, ,						
2020 Series Refunding Bonds	1,712,800	986,278	967,467	948,755	930,142	916,628	898,163	7,360,231
2021 Series Refunding Bonds	990,000	1,001,160	1,024,832	1,038,056	1,055,960	1,073,480	1,090,616	7,274,104
TOTAL DEBT SERVICE	2,702,800	1,987,438	1,992,299	1,986,811	1,986,102	1,990,108	1,988,779	14,634,335
Internal Debt Service Coverage:	8.26	5.32	5.56	5.66	5.56	3.97	3.80	
Outstanding Bond Principal as of September 30th	18,800,000	17,025,000	15,225,000	13,410,000	11,575,000	9,715,000	7,835,000	
ENDING FUND BALANCE	89,990,027	75,703,935	66,675,158	64,877,341	70,225,133	73,606,701	76,209,729	76,209,729
Less Required Fund Balance (O&M Reserve Policy)	10,591,773	12,029,971	11,857,025	12,155,328	12,561,422	13,030,857	13,498,609	
Less Sales Tax Stabilization Fund	1,143,654	1,189,401	1,236,977	1,274,086	1,312,308	1,351,678	1,392,228	
Less Fuel Stabilization Fund Less Capital/Infrastructure Fund	299,822 2,000,000	249,329 2,000,000	249,329 2,000,000	249,329 2,000,000	249,329 2,000,000	249,329 2,000,000	249,329 2,000,000	
Less Capital/ Illitastructure runa	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	
NET AVAILABLE FUND BALANCE \$	75,954,778 \$	60,235,235 \$	51,331,828 \$	49,198,598 \$	54,102,074 \$	56,974,837 \$	59,069,563	

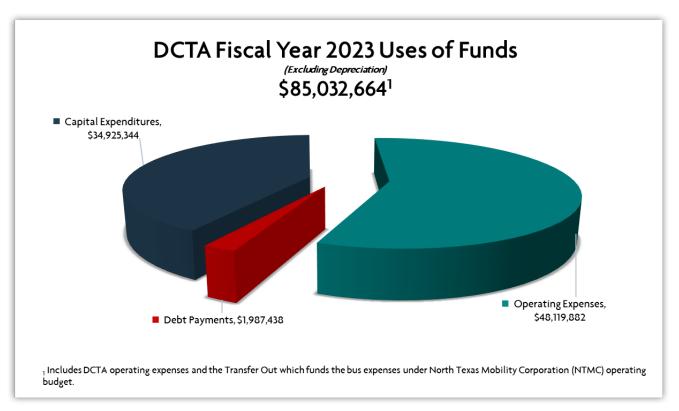
(1) Working budget includes adjustments to sales tax, federal grants, & capital outlay that have not been adopted by the Board.

The Long-Range Financial Plan reflects the projection for FY22 as well as the FY23 adopted operating and capital budget. Even with the impacts of COVID-19, the financial plan of the agency remains stable and is conservative. Passenger revenues reflect an increase of 5% every three years. DCTA staff and Board of Directors have developed strategies to successfully respond to uncertainties and risks of the economic environment that could arise and will continue to be diligent in maintaining the financial health of the agency.

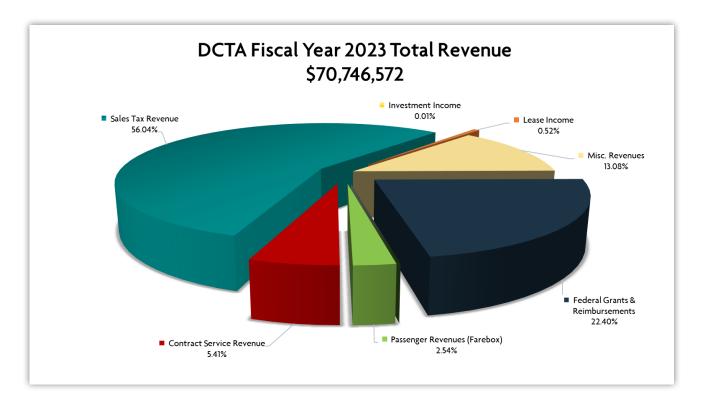
|Sources & Uses of Funds

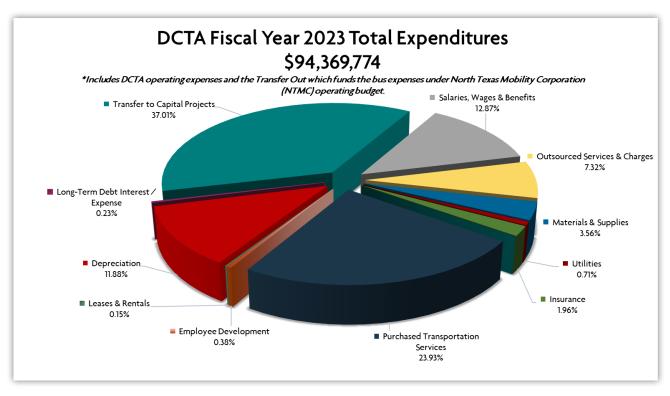
The FY23 budget anticipates a decrease in fund balance of \$14.3 million due to the reduction of \$6.3 million in Federal Funding from FY22 to FY23 as a result of depleting COVID-19 relief funding in 2022 . The projected capital budget has significantly increased as well with the TRiP Program annual apportionments for FY22 and FY23 of \$21.2 million included in FY23.





|Revenue & Expenditure Charts





|Operating Expenses by Division & Department

	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2022 Working Budget	FY 2023 Adopted Budget
President/CEO	\$ 588,772	\$ 720,773	\$ 804,773	\$ 760,465
Administration	356,224	396,756	396,756	450,283
Board of Directors	921,460	352,726	799,726	61,975
Finance	1,571,884	2,221,284	2,609,534	1,458,345
Strategic Planning & Development	405,108	650,356	650,356	2,071,004
Marketing & Communications	732,109	1,214,706	1,214,706	1,506,248
Transit Management	558,843	-	-	-
Human Resources	258,701	423,097	513,097	535,776
Information Technology	503,414	780,731	855,081	965,115
Compliance, Procurement & Grants	-	-	-	890,650
Fotal General & Administrative	5,896,514	6,760,429	7,844,029	8,699,861

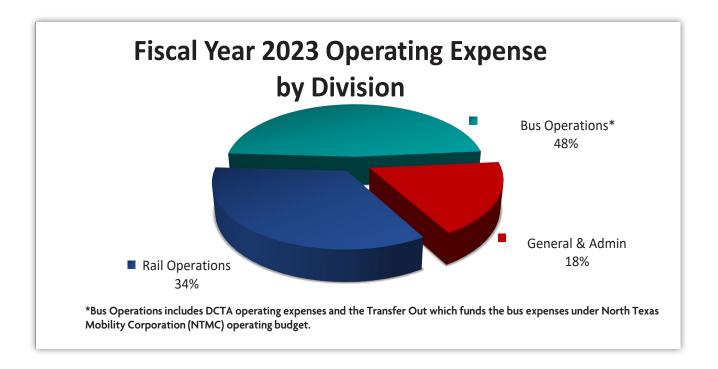
RAIL OPERATIONS									
		FY 2022	FY 2022	FY 2023					
	FY 2021	Adopted	Working	Adopted					
	Actuals	Budget	Budget	Budget					
Rail Services	13,430,078	15,049,321	14,959,321	16,423,939					
Total Rail Operations	13,430,078	15,049,321	14,959,321	16,423,939					

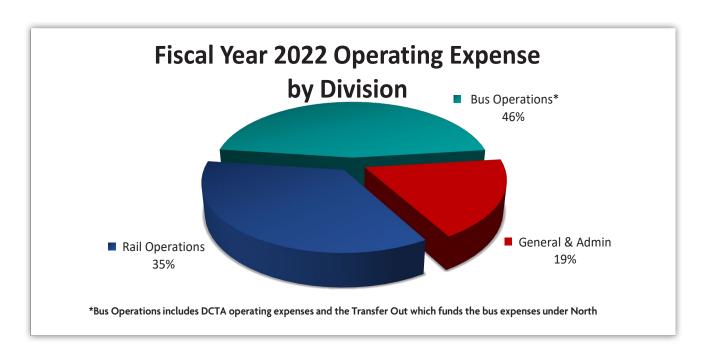
BUS OPERATIONS

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

	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2022 Working Budget	FY 2023 Adopted Budget
Bus Services Administration	1,277,603	1,569,733	1,612,503	1,314,330
Mobility Services	395,278	685,972	685,972	789,915
Fixed Route Service	2,598,264	916,384	1,998,862	1,560,991
UNT Contract Service	1,377,328	2,399,377	2,421,667	2,645,349
Demand Response Service	714,035	723,560	734,344	1,045,069
GoZone	433,278	5,335,368	7,195,352	10,415,980
North Texas Xpress	371,146	61,247	61,702	88,681
Maintenance	1,161,147	2,217,823	2,262,831	2,486,558
Supervisors & Dispatch	720,513	885,445	892,561	817,056
Frisco Contract Service	108,914	160,334	191,604	192,352
Collin County Transit Contract Service (CCT-McKinney)	176,721	60,488	60,488	-
Mobility as a Service (MaaS)	269,445	340,266	560,989	763,476
Customer Service (DDTC)	436,114	780,779	784,866	776,325
Total Bus Operations	10,039,788	16,136,776	19,463,742	22,896,082
Total Depreciation	9,956,637	10,899,464	11,349,464	11,211,908
TOTAL OPERATING EXPENSES + TRANSFERS OUT	\$ 39,323,018	\$ 48,845,990	\$ 53,616,556	\$ 59,231,790

| Operating Expenses by Division & Department

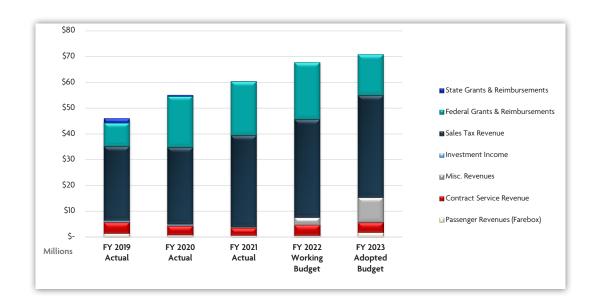


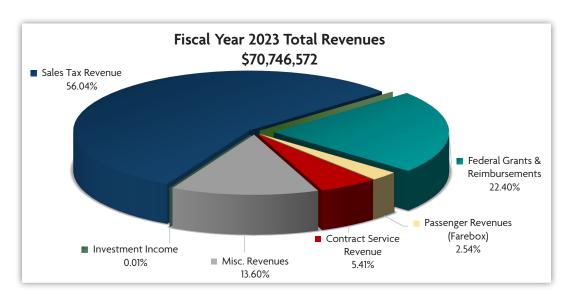


|Revenue Sources - Five Year Trend

Five Year Revenue Trend

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Working Budget	FY 2023 Adopted Budget
REVENUE SOURCE					
Passenger Revenues (Farebox)	\$ 1,357,691	\$ 833,637	\$ 548,078	\$ 642,579	\$ 1,797,627
Contract Service Revenue	4,201,278	3,378,826	2,923,277	4,043,386	3,828,781
Sales Tax Revenue	28,735,383	29,817,364	35,332,154	38,121,812	39,646,685
Investment Income	597,793	320,793	31,178	12,000	6,000
Misc. Revenues	228,499	419,977	502,552	2,794,840	9,623,610
Federal Grants & Reimbursements	9,146,240	19,877,331	20,969,469	22,182,310	15,843,869
State Grants & Reimbursements	1,706,197	438,548	73,895	-	-
TOTAL REVENUES	\$ 45,973,081	\$ 55,086,477	\$ 60,380,603	\$ 67,796,927	\$ 70,746,572





Due to the COVID-19 pandemic and the substantial change in fixed route and on-demand service levels beginning in September 2021, the budget process for FY22 and FY23 have proved to be difficult. Typically, staff would be able to rely on trend analysis in order to build budget assumptions, both for revenues and expenses. With the impact that COVID-19 has had on service levels & ridership since FY20 and the newly implemented GoZone on-demand service, trend analysis could not be relied upon for all aspects.

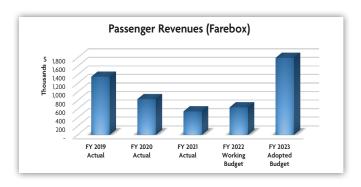
The following factors served as the building blocks for the fiscal year 2023 budget and are outlined in more detail in the following pages:

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

REVENUE & OTHER INCOME

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

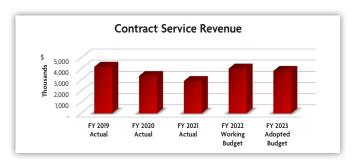
PASSENGER REVENUES (FAREBOX)



Passenger revenues consist of farebox collections and ticket sales for the DCTA bus and paratransit services, GoZone on-demand as well as rail farebox revenue. The current forecast in the Long-Range Financial Plan is conservative, with ridership increasing annually by 1% in the following years and passenger revenues increasing by 5% every 3 years. The budget is calculated using projected ridership and average fare per rider.

Total passenger revenue is projected at an increase of 179.75% from the FY22 working budget. The vast majority of this increase is related to the GoZone on-demand service. GoZone ridership projections have drastically increased from 280k in FY22 to 864k in FY23 based on current trends and the scheduled increase in fare for the GoZone service from \$0.75 in FY22 to \$1.50 in FY23. For rail passenger fares, we are estimating a 12.51% increase.

CONTRACT SERVICE REVENUE

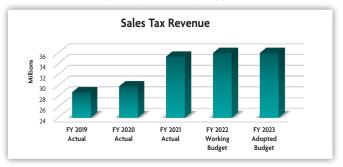


Contract service revenue consists of revenue or income related to providing transit services to UNT, Alliance, Frisco, and Coppell. Contract revenues are specific to each service and the respective contract terms. Service hours, contract rates and fuel expense are all components to be reviewed. The FY23 budget reflects a 5.31% decrease (or \$214,605) over the 2022 working budget and is based on current contract rates for each service.

DCTA no longer provides service to Collin County Transit after December 2021, as the service is now managed by DART. This change results in a decrease in contract revenues of \$109k.

Another impact to contract service revenue is related to the Inter-Local Agreement with Trinity Metro to provide Lyft service to the Alliance area. This agreement is due to expire in December 2022, so this results in a projected decrease of \$125k in FY23.

SALES TAX REVENUE



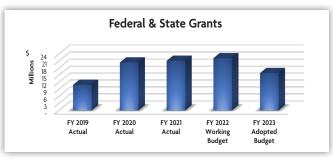
Sales tax represents the single largest source of revenue for DCTA at 56.04% for the Fiscal Year 2023 budget. With the ever-changing economy, it has always been the philosophy of staff and the Board to budget sales tax conservatively. In addition, the changing landscape with consumers migrating to on-line purchases from the traditional brick and mortar retail stores could impact local sales tax.

Sales Tax Revenue is a non-operating revenue source for DCTA. DCTA collects a one-half percent sales tax in member cities. Sales tax revenue for the 2023 budget year is a 4% escalation over the projected sales tax budget for FY22. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the agency's response when declines in sales tax hit a specific level.

GRANTS & REIMBURSEMENTS

Grant revenue consists of revenue or income from various grants available to DCTA from the federal or state government. Typically, the majority of grant funding that the agency receives is 5307 federal formula funds through the Federal Transit Administration from the annual Program of Projects. The average apportionment for DCTA of 5307 funds is \$6.7 million.

In FY23, DCTA anticipates \$15.8 million in federal grants. All grant funds are received on a reimbursement basis where all drawdown requests occur after the expense has been paid.



Operating grants are used to fund projects such as preventive maintenance, eligible bus transit operations, and the vanpool program. In FY23, DCTA has assumed \$13M in federal operating grants. The majority of these grant funds are attributed to 5307 funds that DCTA is the designated recipient for the Denton-Lewisville UZA. These funds have been programmed in FY23 and will be used for operating assistance and preventive maintenance.

OPERATING EXPENSES & ASSOCIATED GRANTS		FY 2023 OPERATING EXPENSE	DCTA SHARE %		TOTAL DCTA SHARE \$	FEDERAL SHARE %		TOTAL FEDERAL SHARE
OPERATING ASSISTANCE								
TX-2021-091-00 (FY20 5307 Funds)	\$	11,442,090	50%	\$	5,721,045	50%	\$	5,721,04
ADA OPERATING ASSISTANCE								
TX-2021-091-00 (FY20 5307 funds)	S	308,898	0%	\$		100%	\$	308,89
FY21 5307 Funds	S	368,020	0%	\$	-	100%	\$	368,0
VANPOOL								
TX-2021-012-00 (FY19 Funds)	\$	646,788	0%	\$	-	100%	\$	646,7
BUS PREVENTIVE MAINTENANCE								
TX-2019-071-00 (FY18 5307 funds) + FY22 5307 Funds	\$	1,335,926	20%	\$	267,185	80%	\$	1,068,
FY21 5307 Funds	S	237,032	0%	\$	-	100%	5	237,0
RAIL PREVENTIVE MAINTENANCE								
TX-2019-073-00 (FY17 5307 funds)	\$	329,164	0%	\$	-	100%	\$	329,
RAIL PREVENTIVE MAINTENANCE (FIXED GUIDEWAY)								
FY21 5337 Funds	\$	2,232,774	0%	\$	-	100%	\$	2,232,7
FY22 5337 Funds	S	2,234,364	20%	\$	446,871	80%	\$	1,787,4
TOD / KCS STUDY								
TX-2021-052-00	S	428,568	20%	\$	85,714	80%	\$	342,8
OTAL OPERATING EXPENSES & ASSOCIATED GRANTS	\$	19.563.624		Ś	6.520.815		Ś	13,042,80

Capital grants are used to fund capital projects such as fleet replacement, construction, technology, and Positive Train Control. In FY23, capital grants are budgeted at \$2.8 million.

CAPITAL PROJECTS & ASSOCIATED GRANTS		FY 2023 ITAL PROJECT PENDITURE	DCTA SHARE %	TOTAL DCTA SHARE \$	FEDERAL SHARE %	TOTAL FEDERAL SHARE
POSITIVE TRAIN CONTROL ENHANCEMENTS	\$	1,455,546	20%	\$ 291,109	80%	\$ 1,164,4
POSITIVE TRAIN CONTROL IMPLEMENTATION	\$	300,000	20%	\$ 60,000	80%	\$ 240,00
OLD TOWN ITC (RELOCATION EXPENSE)	5	634,981	0%	\$ -	100%	\$ 634,9
SWIFTLY TRANSIT PLATFORM	5	895,803	20%	\$ 179,161	80%	\$ 716,64
SAFETY DIRECTOR NON-REVENUE VEHICLE	\$	45,000	0%	\$	100%	\$ 45,00
TOTAL CAPITAL PROJECTS & ASSOCIATED GRANTS	\$	3,331,330		\$ 530,270		\$ 2,801,06

INVESTMENT INCOME

Investment income has shown a slight increase in FY22. DCTA's portfolio average yield was 2.08% as of September 2022 due to a recent rise in interest rates as a result of economic impacts. DCTA utilizes different investment vehicles such as Local Government Investment Pool, US Treasury Notes and US Agency Securities.

OPERATING EXPENSES

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

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

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

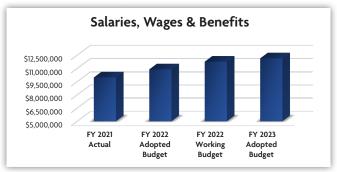
Finally, the agreement with NTMC is intended to decrease bus operations costs while increasing operational efficiencies and improving the quality of service provided. NTMC allows DCTA to provide consistent employee benefits, improve service strategy, operations, communications, increase employee support,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

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

All other operating expenses for bus operations are included in the DCTA operating budget. The NTMC budget is funded by DCTA.

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

SALARY, WAGES AND BENEFITS



This expense category includes DCTA and NTMC payroll, employer taxes, health insurance premiums, and related benefits. The FY23 budget reflects an 3.21% increase compared to the FY22 working budget for this category.

With the transition of fixed route service provided by NTMC to an on-demand service model with GoZone, this results in an overall reduction of 13k service hours for Denton fixed-route service. Due to this reduction in fixed route service hours anticipated, NTMC bus operations staff budgeted assumes a reduction of 6 FTEs or a 7% decrease.

The FY23 budget includes one new position in the administrative division, a Director of Safety & Compliance. Total DCTA staff remained at 41 FTEs due to the elimination of the Finance Assistant position previously budgeted. Please refer to page 58 for the Full-Time Equivalent Comparison Schedule for a more detailed breakdown.

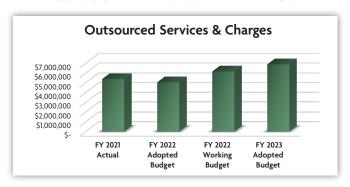
This budget incorporates an increase of 10% in health care benefits for DCTA and 17% for NTMC based on current plan design. This is based on analysis of employee health benefits and projections of anticipated increases in the cost of health care. All final benefit rates are not yet received or negotiated for the upcoming year before the budget is finalized, so estimates are required.

NTMC, which provides the bus operations for DCTA, includes an average rate increase from \$19.51 for the months

of October and November, \$20.86 for December through March and \$21.55 for April through September 2022 to an average of \$21.01 for operators. Operator rates are outlined by the Union CBA currently in place.

The FY23 budget also incorporates a 5% "cost of living" adjustment across the agency in hopes of counteracting the effects of inflation on employee households. The Financial Management Policies direct the agency to conduct a compensation study every three 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. Staff will be conducting a compensation study in FY23.

OUTSOURCED SERVICES AND CHARGES



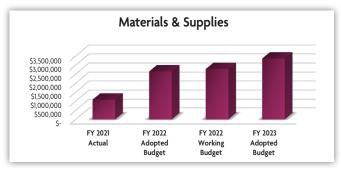
The outsourced services & charges category consists of DCTA contracts and purchase of services from consultants. Legal fees, contracted work such as engineering and architectural services, and maintenance of DCTA's assets and facilities are reflected in this category.

In FY22, services were increased substantially related to staffing expenses in Finance and Human Resources due to key position vacancies. This category remains at a higher level for FY23 to accommodate expanded level projects that were approved by the Board during the budget process. These are one-time expenses and include the following:

- Transit-Oriented Development Analysis: This study is related to the Kansas City Southern (KCS) rail line. The total budget impact for this project is \$750k, spread between FY23 and FY24. DCTA received a planning grant for \$600k that will offset the project expense.
- Long-Range Service Plan Update: DCTA last LRSP was completed in 2012 so it is imperative it is updated. This plan will identify a prioritized, cost-constrained implementation and growth strategy across all DCTA modes. Total budget impact is estimated at \$600k.

- Marketing and Advertising Strategic Review: This initiative will allow DCTA to gain perspective on and implement industry best practices to enable DCTA's marketing and communication efforts to effectively contribute to achieving the agency's goals. The FY23 operating budget includes \$300k for this initiative and includes consulting services as well as advertising dollars.
- On-Call Planning Services: The Board of Directors has directed staff to pursue several objectives in 2023 that will require consulting support due to the specialized nature of the work required. This provides the budget authority needed for those requirements. The anticipated scope includes expansion of Power BI reporting dashboards, financial analysis & alternatives analysis related to NTMC, review and improvements to the DCTA Cost Allocation Model, scenario planning and support for discussions with non-member cities for contracted services in support of the 2030 ridership goal. The FY23 operating budget includes \$500k for these anticipated professional services.

MATERIALS AND SUPPLIES



This expense category includes office supplies, non-capital expense for furniture and computers, fuel, parts, and lubricants for operations, etc. The FY23 budget for this category is higher than the FY22 working budget by 21% due to an increase in fuel expense for operations. In FY23 the fuel is budgeted at \$5.25/gallon for rail and \$4.25/gallon for bus operations, an increase compared to \$3.00/gallon in FY22. The anticipated rate increase is in response to recent fuel volatility in the economy.

UTILITIES

This expense category includes gas, electric and communication expenses. The FY23 budget reflects an increase of \$140k compared to the FY22 working budget and is based on current expenses incurred by the agency.

This includes an increase in the electricity rate that DCTA receives from Mid-American Energy from \$0.039 to \$0.076. Additional utility expenses have also been included in the FY23 operating budget related to Dallas Area Rapid Transit (DART) beginning to occupy the Joint Rail Operations Facility (JROF) in January 2023. These expenses will be reimbursed by DART.

INSURANCE

This expense category includes liability and property coverage as well as workers compensation insurance. The budget item reflects an increase of 2.8% and is based on current insurance rates of the agency.

PURCHASED TRANSPORTATION SERVICES



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

- This includes an Interlocal Agreement with DART and Trinity Metro for shared services for the maintenance of the Trinity Mills platform, Ticket Vending Machine (TVM) maintenance and revenue collection, and emergency dispatch.
- DCTA entered into a contract with Rio Grande Pacific Corporation for rail operations and maintenance in October 2020. This contract includes management fees, maintenance of way, vehicle maintenance, train hours and car miles. Rail purchased transportation is \$11.5M in FY23 and is based on the current contract rate. It also assumes \$200k for the Positive Train Control (PTC) operational expense.

- The Frisco demand response contract service is also included under Purchased Transportation and is based on the current contract.
- In FY19, Trinity Metro and DCTA partnered to develop the on-demand Alliance service and deployed a simplified service by leveraging DCTA's existing contract with Lyft. Alliance Link was developed to fill the transportation gap between the North Texas Xpress bus stops and the passengers' places of employment, which could be roughly a mile. This service is anticipated to end December 2022.
- In January 2019, DCTA issued a Request for Proposals (RFP) to solicit innovative proposals to implement flexible, efficient, and effective mobility services to enhance and/or supplement DCTA's existing transit offerings as well as provide service to areas where traditional transportation options are less effective.

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

In September 2021, DCTA launched GoZone, a new on-demand rideshare service powered by Via that operates seven days a week, 365 days a year. Via acts as a third-party provider and under this new contract service. DCTA is billed an hourly rate based on the contract terms. In FY23, this contract increased purchased transportation by \$3 million compared to FY22 due to increased contract rate, anticipated quality improvements and additional hours for an enhanced service.

Vanpool service has increased by \$344k in FY23 based on current service trend. In recent months DART terminated their vanpool program so in turn, that has led more customers to sign up for DCTA's. DCTA's portion of the expense is 100% grant funded.

EMPLOYEE DEVELOPMENT

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

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

LEASES AND RENTALS

Leases and rental expense include DCTA office leases at the Lewisville location as well as small printer/copier lease contract expenses. The FY23 budget is based on current contracted lease rates.

DEPRECIATION

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

NON-OPERATING EXPENSES:

LONG-TERM DEBT INTEREST/EXPENSE

This category accounts for the expenses related to longterm debt issuance and includes the interest payments. In FY21, DCTA refunded its existing 2009 debt and issued a Sales Tax Revenue Refunding Series 2020 bond issue for \$12.93 million and refunded its existing 2011 debt and issued a Sales Tax Refunding Series 2021 bond issue for \$9.94 million. The FY23 budget reflects the interest payments for these outstanding debts. Please refer to the debt tables on pages 55-57 for additional information.

| Debt Schedule

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

DATE November 19, 2020

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

of 0.99%.

The bonds were issued in order to refund the Sales Tax Revenue Bonds, Series 2009 dated December **PURPOSE**

17, 2009 and scheduled to mature on September 15, 2029. This allowed DCTA to take advantage of

lower interest rates.

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

within the Authority.

DEBT SERVICE

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

| Debt Schedule

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

DATE September 30, 2021

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

of 1.28%.

The bonds were issued in order to refund the Sales Tax Revenue Bonds, Series 2011 dated September **PURPOSE**

15, 2011 and scheduled to mature on September 15, 2031. This allowed DCTA to take advantage of lower

interest rates.

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

within the Authority.

DEBT SERVICE

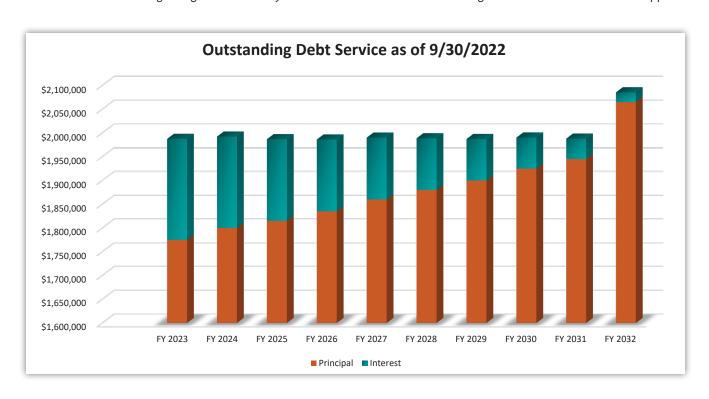
Fiscal Year	Principal	Interest	Total
2022 \$	865,000 \$	121,931 \$	986,931
2023	885,000	116,160	1,001,160
2024	920,000	104,832	1,024,832
2025	945,000	93,056	1,038,056
2026	975,000	80,960	1,055,960
2027	1,005,000	68,480	1,073,480
2028	1,035,000	55,616	1,090,616
2029	1,070,000	42,368	1,112,368
2030	1,100,000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

| Debt Schedule

OUTSTANDING DEBT SCHEDULE AS OF 9/30/2022

Fiscal Year	Principal	Interest	Total
FY 2023	1,775,000	212,438	1,987,438
FY 2024	1,800,000	192,299	1,992,299
FY 2025	1,815,000	171,811	1,986,811
FY 2026	1,835,000	151,102	1,986,102
FY 2027	1,860,000	130,108	1,990,108
FY 2028	1,880,000	108,779	1,988,779
FY 2029	1,900,000	87,166	1,987,166
FY 2030	1,925,000	65,253	1,990,253
FY 2031	1,945,000	43,005	1,988,005
FY 2032	2,065,000	20,444	2,085,444
TOTAL	\$ 18,800,000	\$ 1,182,401	\$ 19,982,401

The existing debt levels are in line with DCTA's internal debt coverage ratio requirement of 1.25X and the debt has a minimal impact on current operations of the agency at 2.39% of total annual budget (operating + capital). The agency does not have a legal debt limit. Detailed information regarding the Debt Policy can be found in the Financial Management Policies located in the Appendix.



| Full-Time Equivalent (FTE) Comparison

DIVISION SUMMA		FY 2022 Working	FY 2023 Adopted	
	FY 2021	Budget	Budget	Variance
GENERAL & ADMINISTRATIVE DIVISION				
President/CEO Department	1.00	1.00	1.00	-
Administration Department	2.00	2.00	2.00	-
Finance Department	11.00	13.00	7.00	(6.00) (A
Strategic Planning & Development Department	4.00	3.60	2.50	(1.10) (D
Marketing & Communications Department	4.00	5.00	5.00	-
Transit Management Department	3.00	-	-	-
Compliance, Procurement & Grants Department	-	-	6.60	6.60 (A
Human Resources Department	2.00	2.00	3.00	1.00 (D
Innovation & Technology Department	3.00	4.00	3.50	(0.50) (B
BUS OPERATIONS DIVISION				
Mobility Services Department	4.00	6.40	6.70	0.30 (B
RAIL OPERATIONS DIVISION				
Rail Operations Department	2.00	4.00	3.70	(0.30)
TOTAL DCTA FTE STAFF	36.00	41.00	41.00	-
		(C)		_
HIRD PARTY CONTRACT OPERATIONS				
CONTRACTED BUS SERVICES (NTMC)*	109.00	90.00	84.00	(6.00) (E
Bus Administration Department	4.00	3.00	3.00	-
Customer Service Department	10.00	9.00	8.00	(1.00)
Supervisors/Dispatchers Department	14.00	13.00	11.00	(2.00)
Maintenance Department	21.00	16.00	19.00	3.00
Bus Operators	60.00	49.00	43.00	(6.00)
CONTRACTED RAIL SERVICES (FIRST TRANSIT + SUBCONTRACTORS)	45.00	49.00	49.00	0.00
TOTAL THIRD PARTY CONTRACT OPERATIONS	154.00	139.00	133.00	(6.00)
Contracted Bus Services FTE methodology is based on operator pay hours.		(F)		

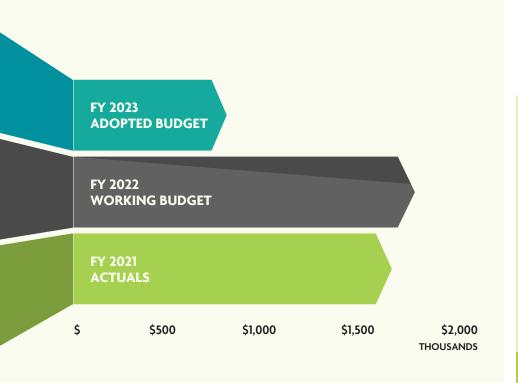
- Transfer of Manager of Contracts & Procurement (1 FTE), AVP of Regulatory Compliance (1 FTE), Senior Procurement Specialist (1 FTE), Procurement Specialist (1 FTE) and Grants Manager (1 FTE) from Finance to Compliance & Procurement Department; Elimination of Finance Assistant (1 FTE); Addition of Risk/Safety Manager position (1 FTE) to Compliance & Procurement Department; Project Controls Specialist allocated 60% to Compliance & 40% to Rail Operations
- AVP of Innovation & Information Technology (1 FTE) allocated to Innovation & Technology (.5 FTE) and Bus (.5 FTE)
- FY22 Changes: Addition of Accounting Manager & Finance Assistant (2 FTEs), Director of Public Involvement & Communications (1 FTE), Information Technology Support Coordinator (1 FTE), Supply Coordinator & Mobility Operations Coordinator (2 FTEs). Deletion of VP, Mobility Services & Administration position (1 FTE)
- Transfer of Sr. Director Engagement & Administration (1 FTE) to the Human Resource Department
- Elimination of Mobility Service Representative (1 FTE), Road Supervisor (1 FTE), Dispatch Supervisor (1 FTE); addition of Mechanics (2 FTEs), Service Attendant (1 FTE); Decrease of Bus Operators (6 FTE) due to decreased service hours provided by NTMC with reduction of Fixed Route service.
- FY22 Changes: Reduction of Bus Operators (11 FTEs) to accommodate reduction in service hours provided by NTMC of 24k; Elimination of Quality Control Coordinator (1 FTE), Customer Service Shift Supervisors (2 FTEs), Mobility Service Dispatchers (2 FTEs), Lead Dispatcher (1 FTE), Trainer (1 FTE), Operations Specialist (1 FTE), Lead Supervisor (2 FTE), Mechanics (3 FTEs), Service Attendants (3 FTEs); addition of Mobility Service Representatives (2 FTEs), Scheduler (1 FTE), Lead Road Supervisor (1 FTE), Road Supervisor (1 FTE), Dispatch Supervisor (1 FTE), Dispatcher (1 FTE), Lead Custodian (1 FTE)

DIVISION BUDGETS

Division Budgets | Office of the CEO & Board of Directors

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

	FY 2021	FY 2022		FY 2023
	Actuals	Working Budget	Ad	opted Budget
XPENSES				
Salary, Wages & Benefits	\$ 313,831	\$ 371,183	\$	421,765
Outsourced Services & Charges	1,148,389	1,148,726		297,000
Materials & Supplies	1,255	1,200		1,000
Utilities	-	-		-
Insurance	-	-		-
Employee Development	46,758	83,390		102,675
Leases & Rentals	-	-		-
Depreciation	-	-		-
TOTAL DEPARTMENT BUDGET	\$ 1,510,232	\$ 1,604,499	\$	822,440
TAFFING				
CEO	1.00	1.00		1.00
TOTAL	1.00	1.00		1.00



MATERIAL BUDGET ITEMS

FY22 Outsourced Services & Charges category includes \$739k for project management services provided by Accenture related to Task Orders 2 and 3 of the contract.

In FY23, the professional services related to Accenture are included in the Finance and Human Resources budget.

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Develop and deliver transportation offerings that meet expectations of **Denton County stakeholders**

OBJECTIVES

- Reinforce and strengthen safety culture at DCTA
- Develop measurable and easily communicable metrics and measures around safety, service, and ridership at the
- Create long-range service plan and align with Board on course to deliver (3.X m) passengers by 2030 across all modes
- Develop and maintain relationships with cities across Denton County and Commissioners Court to understand opportunities and deliver value through DCTA

Provide exceptional client service through the full cycle of transportation engagement - enrollment, regular interface, service delivery, feedback follow-through

OBJECTIVES

• Create and align with Board of Directors on mission, vision, core values, and strategic goals and objectives for the Agency

- Ensure frictionless interaction for clients through effective information sharing, adequate scheduling, and technology platforms
- Establish standards and regularly communicate with Board and stakeholders on key performance indicators for safety, service and ridership across all modes. Ensure KPIs are met
- Identify and progress alternatives to integrate DCTA pass and fare structure with regional agency partners
- Identify and progress alternatives to integrate Connect and UNT shuttle systems and modify existing agreements to accommodate evolution

Provide cost-effective services, support economic growth, and enhance quality of life in Denton County and across the region

OBJECTIVES

- Develop and maintain relationships with business and economic development stakeholders across Denton County to align DCTA support for economic expansion opportunities as a preferred partner
- Ensure DCTA planning efforts align with regional partners, member cities, Denton County, and NCTCOG.
- · Maximize cost-effectiveness and sustainability of DCTA services
- Identify alternative capabilities and emerging technologies for potential to deliver value and ridership through DCTA
- Establish servant leadership model and provide resources to reinforce culture of servant leadership at DCTA that permeates every level of internal and external interaction

Performance Measure Results

FY22 PROGRESS REPORT

Align the Agency's vision and goals

stakeholder priorities

OBJECTIVES

- Develop and implement a plan to communicate DCTA Vision, Strategic Priorities and Transformation Initiative implementation roadmap to Authority stakeholders
 - DCTA facilitated a strategic planning work session with the Board of Directors in June to understand the Board's collective perspective on the future of the Agency and its best opportunities to deliver value for Denton County. This work generated a set of "Key Messages" that can be utilized as the foundation of the Agency's goals and objectives and internal and external messaging into the future. Those Key Messages are:
 - · Getting people where they need and want to go
 - · Making it easy for the rider
 - Doing better for Denton County
 - The DCTA CEO utilized the Key Messages to create an integrated set of goals and objectives for the organization overall and each employee within, ensuring unity of purpose among our employees moving forward.

DCTA anticipates these Key Messages will also enable formulation of a vision statement, a mission statement, and core values that will further enhance our identity and focus on meaningful outcomes.

Foster a positive image and build a strong Agency brand and a great culture across the organization

OBJECTIVES

- Promote, foster, and sustain a servant leadership program and maintain a "service" focused culture
 - The DCTA Leadership team took several steps to further the development of our Servant Leadership culture.
 - Leveraged "Servant Leader Attributes" espoused by the Agency to determine a set of identifiable, implementable "Servant Leader Behaviors"
 - Modified the performance evaluation process to include, beginning in FY 23, a self-assessment and supervisor assessment of an individual's ability to behave and perform their work in accordance with the Servant Leader **Behaviors**

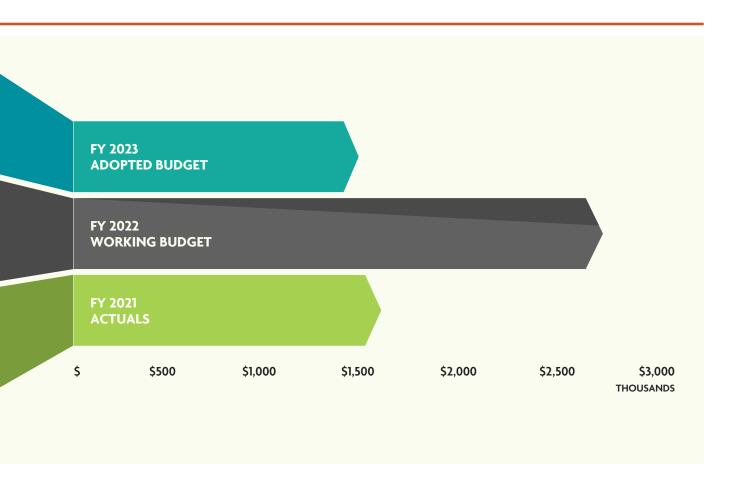
Division Budgets | Finance

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

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

Departmental functions include responsibilities for the accounting and financial reporting functions, budget and longrange financial planning, treasury and investing function, risk management, and human resources. The Human Resources budget is reported separately on pages 67-68.

	FY 2021 Actuals	FY 2022 Working Budget	
PENSES			
Salary, Wages & Benefits	\$ 1,172,731	\$ 1,628,553	\$ 1,034,193
Outsourced Services & Charges	378,333	934,806	387,450
Materials & Supplies	-	-	-
Utilities	-	-	-
Insurance	12,416	15,515	16,707
Employee Development	8,405	30,660	19,995
Leases & Rentals	-	-	-
Depreciation	-	-	-
TOTAL DEPARTMENT BUDGET	\$ 1,571,884	\$ 2,609,534	\$ 1,458,345
AFFING			
Chief Financial Officer / VP Finance	1.00	1.00	1.00
Controller, AVP of Finance	1.00	1.00	1.00
Accounting Manager	-	1.00	1.00
Accountant II	1.00	1.00	1.00
Accounts Payable Coordinator	1.00	1.00	1.00
AVP, Regulatory Compliance Officer	1.00	1.00	-
Manager of Contracts & Procurement	1.00	1.00	-
Senior Procurement Specialist	1.00	1.00	-
Procurement Specialist	1.00	1.00	-
Grants Manager	1.00	1.00	-
Senior Manager of Budget	1.00	1.00	1.00
Financial Data Analyst	1.00	1.00	1.00
Finance Assistant	-	1.00	-
TOTAL	11.00	13.00	7.00



MATERIAL BUDGET ITEMS

Overall decrease of \$1.15M in operating expenses with the creation of the new Procurement, Compliance and Grants Department which had previously been under the Finance umbrella.

- Reduction of 6 FTEs in Finance
- Reduction of Outsourced Services & Charges and Employee Development expenses that are attributed to the Procurement, Compliance and Grants Department

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Develop and deliver transportation offerings that meet expectations of **Denton County stakeholders**

OBJECTIVES

- Develop long-range rail capital maintenance program, bus fleet maintenance plan and facility program and align / reflect within DCTA long-range financial plan
- Evaluate finance organization staffing and systems. Identify, align, and implement opportunities for improvement
- Evaluate budgeting process to enable clarity on cost centers for each transportation service offering: GoZone, Connect, UNT, Mobility Services, etc.

Provide exceptional client service through the full cycle of transportation engagement enrollment, regular interface, service delivery, feedback and follow-through

OBIECTIVES

- Evaluate fare collection and media across all modes. Identify opportunities to eliminate cash streamline, improve, and integrate into regional system
- Implement expanded level project: Enterprise Resource Planning (ERP) System Implementation

Provide cost-effective services. support economic growth, and enhance quality of life in Denton **County and across the region**

OBIECTIVES

· Deliver rail capital improvement and funding plan to align with DART and extend A-train to Carrollton. Rationalize resource deployment where possible to lower operating expense. Reflect in longrange financial plan.

- Ensure financial transparency and achieve certifications / recognition:
 - Texas Comptroller of Public Accounts' Transparency Stars Program
 - Government Finance Officers Association Distinguished Budget Award
 - Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
- Ensure repeatable, quality processes for all functions of the Agency

Performance Measure Results

FY22 PROGRESS REPORT

Work with corridor cities to implement **Transit Oriented Development (TOD),** coordinating planning and design to increase mobility, air quality and livability

OBIECTIVES

- Work closely with the member cities and other partners on the Lewisville Old Town and Hebron Station area plans and the Downtown Denton Transit Center station area plans including financing options for potential joint development projects
 - Ongoing. In 2021, DCTA executed a \$600,000 Transit Oriented Development grant for the Kansas City Southern (KCS) Rail Corridor study. This study is slated to begin in FY23 and included in the operating budget.

Performance Measure Results

FY22 PROGRESS REPORT

Ensure strong governance, financial stewardship, sustainability, and continuity of programs and services

OBJECTIVES

- Manage a long-range service plan and longrange financial plan to guide decision-making for capital and operating needs to fund optimal mobility service and to support future programs
 - Ongoing as part of annual budget process and strategic planning with the DCTA Board of Directors.
- Continue seeking funding opportunities through regional, state, federal and publicprivate partnerships to advance agency initiatives, to meet regulatory requirements, and to enhance the passenger experience
 - Ongoing DCTA continues seeking funding opportunities as they become available. In FY22, the Agency received annual federal formula funds.
- Ensure transparency, and that generally accepted financial management, project management, accounting and procurement principles are maintained and seek the following certifications and achievements:
 - Texas Comptroller of Public Accounts' Transparency Stars program
 - Traditional Finances star achieved. Requirements for additional stars are in progress.

- National Procurement Institute (NPI) Excellence in Procurement Award, Government Finance Officers Association Distinguished Budget Award, Government Finance Officers Association Certificate of Achievement for Excellence in **Financial Reporting**
 - Achieved

Improve Agency performance, effectiveness, safety, and return on investment

OBJECTIVES

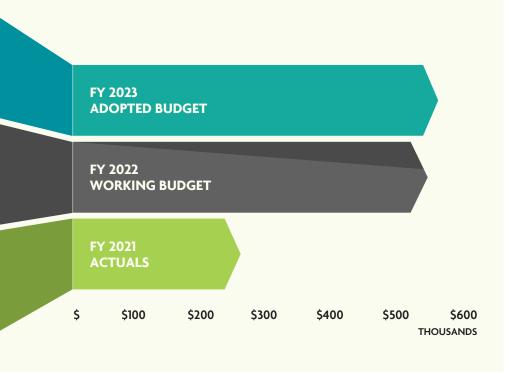
- Identify technology options for collecting ridership data & streamlining fare payment process
 - Identified the Swiftly Connected Transit Platform as a technology solution for collecting ridership data from the DCTA bus network. Received approval from the Board of Directors for project implementation in FY23.
 - Ridership data collected from the software platform powering GoZone has unlocked a wealth of ridership data that provides DCTA with the insight it needs on where our passengers are going, and when they want to get there. GoZone's app, the primary method of on-demand ride booking, has streamlined payments by allowing riders to pay for their rides using stored payment methods in their individual rider accounts.
- Improve financial process automation by sourcing a new ERP solution
 - A market scan has been conducted. Staff is working with DCTA's project management consultant, Accenture. A list of functionality needs and requirements for vendors to include for a new Enterprise Resource Planning (ERP) solution has been finalized and delivered to identified vendors.



Division Budgets | Human Resources

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

	FY 2021 Actuals	FY 2022 Working Budget	Ad	FY 2023 opted Budget
EXPENSES				
Salary, Wages & Benefits	\$ 192,909	\$ 224,247	\$	391,101
Outsourced Services & Charges	51,982	245,500		101,600
Materials & Supplies	541	1,000		1,000
Utilities	-	-		-
Insurance	-	-		-
Employee Development	13,268	42,350		42,075
Leases & Rentals	-	-		-
Depreciation	-	-		-
TOTAL DEPARTMENT BUDGET	\$ 258,701	\$ 513,097	\$	535,776
STAFFING				
Senior Director of Engagement & Administration	-	-		1.00
Senior Manager of Human Resources	1.00	1.00		1.00
Human Resources & Training Specialist	1.00	1.00		1.00
TOTAL	2.00	2.00		3.00



MATERIAL BUDGET ITEMS

Transfer of Sr. Director of Engagement & Administration into the HR Department (1 FTE)

Includes Tuition Reimbursement Program - \$20k

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Provide cost-effective services, support economic growth, and enhance quality of life in Denton **County and across the region**

OBJECTIVES

- Redesign annual performance review process to explicitly align every DCTA employee's annual goals with Agency's strategic goals and the servant leadership
- Evaluate DCTA employee compensation and benefits, salary bands, and work titles relative to member cities, Denton County, and peer agencies as defined by APTA cohort to ensure competitiveness
- Develop leadership training program to equip current and emerging leaders for success
- Lead training, equipping and engagement to reinforce servant leader culture and wellness program across the organization
- Ensure repeatable, quality processes for all functions of the Agency

Performance Measure Results

FY22 PROGRESS REPORT

Foster a positive image and build a strong Agency brand and a great culture across the organization

OBJECTIVES

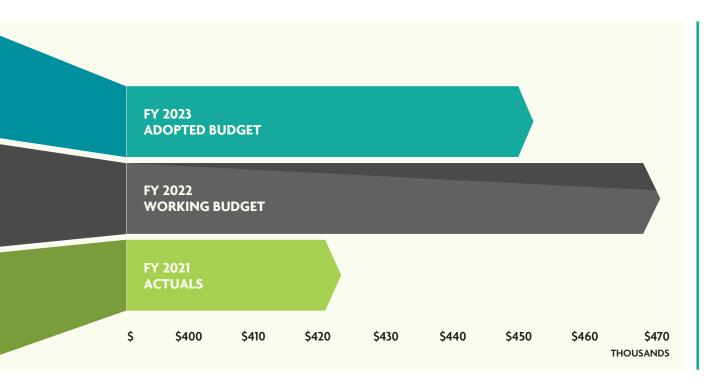
- Ensure competitive compensation and benefits and a positive work environment are in place
 - Human Resources continues to evaluate comparable compensation to ensure competitive plans are in place by utilizing data collected from the American Public Transit Association (APTA) peer agencies as well as our member cities and county to benchmark current compensation levels and utilize them in upcoming compensation and job classification studies.

- Encourage employees to pursue professional development and continuing education by providing a reimbursement program for qualifying expenses
 - Human Resources continued to offer a variety of professional development and continuing education opportunities including the continuation of the Tuition Reimbursement Program, membership in professional development organizations such as the Womens Transportation Seminar, and the American Public Transit Association.
 - The recently created Human Resources & Training Specialist position continues to identify, develop, and execute trainings for all staff and managers on a recurring basis to promote growth and wellversed employees.
- Promote wellness by providing employees with the opportunity to achieve milestones and rewards for exhibiting healthy behavior
 - Human Resources and the Wellness Committee continually discuss wellness initiatives to encourage healthy behaviors/habits and promote work/life balance. Human Resources also leverages DCTA's medical and employee assistance program providers for wellbeing training topics and rewards for healthy habits.

Division Budgets | Administration

To provide administrative support for the Agency as well as office coordination and maintenance.

		FY 2021	FY 2022		FY 2023
		Actuals	Working Budget	Ad	opted Budget
EXPENSES					
Salary, Wages & Benefits	:	\$ 139,496	\$ 148,456	\$	206,913
Outsourced Services & Charges		53,132	59,250		44,310
Materials & Supplies		14,627	15,800		15,300
Utilities		25,915	42,710		44,210
Insurance		-	-		-
Employee Development		1,066	4,340		6,850
Leases & Rentals		121,988	126,200		132,700
Depreciation		66,626	66,626		-
TOTAL DEPARTMENT BUDGET	\$	422,850	\$ 463,382	\$	450,283
STAFFING					
Executive Assistant/Office Coordinator		1.00	1.00		1.00
Receptionist		1.00	1.00		1.00
TOTAL		2.00	2.00		2.00



MATERIAL BUDGET ITEMS

Facility maintenance costs

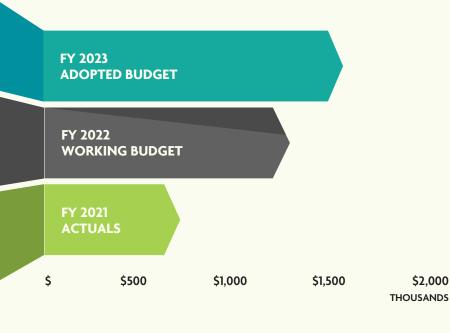
Includes annual operating lease for Admin facility

DIVISION BUDGETS | 69

Division Budgets | Marketing & Communications

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

	FY 2021 Actuals	FY 2022 Working Budget	,	FY 2023 Adopted Budget
(PENSES				
Salary, Wages & Benefits	\$ 329,305	\$ 567,535	\$	495,978
Outsourced Services & Charges	383,508	596,986		955,070
Materials & Supplies	11,407	29,750		24,050
Utilities	-	-		-
Insurance	-	-		-
Employee Development	5,777	16,115		26,650
Leases & Rentals	2,112	4,320		4,500
Depreciation	-	-		-
TOTAL DEPARTMENT BUDGET	\$ 732,109	\$ 1,214,706	\$	1,506,248
AFFING				
Director of Public Involvement & Communications	-	1.00		1.00
Senior Manager of Marketing & Communications	1.00	-		-
Marketing Specialist	1.00	1.00		1.00
Community Relations Manager	1.00	1.00		1.00
Communications Specialist	1.00	1.00		1.00
Community Relations Specialist	-	1.00		1.00
TOTAL	4.00	5.00		5.00



MATERIAL BUDGET ITEMS

Includes an Expanded Level Project for Marketing & Advertising Strategic Review for \$300k. This will allow DCTA to implement industry best practices to effectively contribute to achieving the Agency's goals

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Develop and deliver transportation offerings that meet expectations of **Denton County stakeholders**

OBJECTIVES

• Execute cadence of dialogue and establish key message framework with member city councils, Denton County Commissioners Court, and emerging city partners

Provide exceptional client service through the full cycle of transportation engagement enrollment, regular interface, service delivery, feedback and follow-through

OBJECTIVES

- Evaluate rider and stakeholder communication and messages via the DCTA website. Evaluate opportunities to improve interface, enhance trip planning capability, and encourage ridership
- Implement expanded level project: enhanced marketing and advertising initiative to develop annual marketing and communications program and drive key messages across multiple media for brand awareness and in support of 2030 ridership goal

Provide cost-effective services, support economic growth, and enhance quality of life in Denton County and across the region

OBIECTIVES

- Develop and maintain communications standards and protocols for engagement with Board and public for regular operations and contingency scenarios
- Re-orient "public involvement & communications" team to "marketing and communications" team. Re-write job descriptions, hire, and train as needed. Create goals and objectives for team that enable business planning and outreach to ride generators across the county and feedback loop with COO to deliver required service
- Execute cadence of dialogue to ensure planning alignment with regional partners, member cities, Denton County, and NCTCOG
- Ensure repeatable, quality processes for all functions of the Agency

Performance Measure Results

FY22 PROGRESS REPORT

Improve Agency performance, effectiveness, safety, and return on investment

OBJECTIVES

- Survey passengers to obtain feedback on overall satisfaction and areas for improvement
 - Regularly scheduled surveys continued to be affected by the Covid 19 pandemic in FY22. While official surveys were not conducted in FY22, significant passenger feedback was obtained through the FY22 service and fare change public involvement process, social media, public meetings, customer service (email and phone) and at community outreach events

Performance Measure Results

FY22 PROGRESS REPORT

Foster a positive image and build a strong Agency brand and a great culture across the organization

OBJECTIVES

- Identify website enhancements and opportunities to improve online trip planning and fare purchasing for a more seamless passenger experience
 - Undertook complete overhaul of the DCTA hoponboard blog.
 - Identified opportunities for website enhancements, with a comprehensive review of the site due for 2023

Engage with local, regional and statewide stakeholders and to create opportunities to share knowledge, technology and services

OBIECTIVES

- Engage with stakeholders and partner with chambers of commerce, visitors bureau, social service agencies, and community advisory committees at least quarterly and maintain communications with stakeholders through community outreach
 - · Hosted quarterly social service agency roundtables and community advisory committee meetings.
 - · Continued to participate in regular chamber meetings, rotary club meetings and business association meetings in Denton, Highland Village and Lewisville.
 - Developed partnerships with Denton and Lewisville independent school districts.
 - Increased partnerships with area nonprofits
 - Through community relations activities, staff generated more than 22,583 confirmed inperson and virtual impressions.
- Engage with and educate local and regional businesses on services and increase employee pass sales
 - Reestablished the employee pass program following the Covid 19 pandemic.
- · Actively engage and inform passengers and the public through a variety of formats and increase DCTA's brand awareness
 - Coordinated media placements to promote the Agency's service and fares
 - Delivered emails to over 14,500 subscribers
 - Tracked annual increases in social media likes and followers
 - Coordinated with DART and Trinity Metro to jointly promote transit and participate in special events

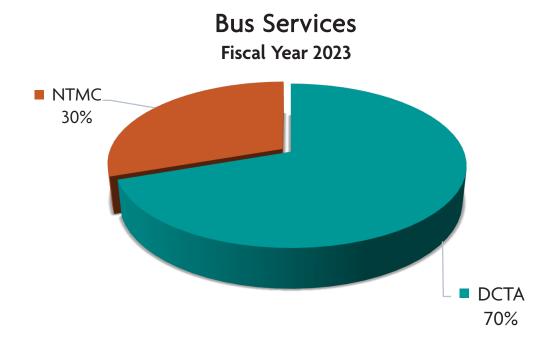
Division Budgets | Mobility Services

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

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

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

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





MATERIAL BUDGET ITEMS

Fuel budgeted at \$4.25 per gallon in FY23 Assumes a 17% increase in health benefits Includes 5% "cost of living" pay adjustment Overall increase of \$3.1M in GoZone on-demand service due to increase in service hours and expansion of the Lewisville service area

	FY 2021 Actuals	FY 2022 Working Budget	FY 2023 Adopted Budget
DCTA EXPENSES			
Salary, Wages & Benefits	\$ 395,082	\$ 654,537	\$ 775,015
Outsourced Services & Charges	895,917	1,414,985	1,294,579
Materials & Supplies	656,294	1,630,944	1,802,546
Utilities	143,151	199,183	223,297
Insurance	331,425	349,480	367,752
Purchased Transportation	995,253	7,926,747	11,072,145
Employee Development	3,023	17,025	16,100
Leases & Rentals	99,177	6,852	6,852
Depreciation	1,241,913	1,329,404	1,275,250
TOTAL DCTA BUS SERVICES BUDGET	\$ 4,761,236	\$ 13,529,157	\$ 16,833,536
DCTA STAFFING			
Senior Director of Mobility Services	1.00	1.00	1.00
Senior Manager of Mobility Services	1.00	1.00	1.00
Operations Analyst	1.00	1.00	1.00
Mobility Services Manager	1.00	1.00	1.00
Mobility Services Coordinator	-	1.00	1.00
Supply Coordinator	-	1.00	1.00
Director of Capital Development	-	0.20	0.20
Project Controls Specialist	-	0.20	-
AVP of Innovation & Technology	-	-	0.50
TOTAL	4.00	6.40	6.70
	FY 2021 Actuals	FY 2022 Working Budget	FY 202 Adopted Budge
NTMC EXPENSES	7100000		nuopieu suu ₀ ei
Salary, Wages & Benefits	\$ 6,028,468	\$ 6,661,164	\$ 6,579,563
Outsourced Services & Charges	366,444	452,892	607,445
Materials & Supplies	603	1,936	1,936
Utilities	_	-	, -
Insurance	109,898	89,337	95,592
Purchased Transportation	-	-	, -
Employee Development	15,051	58,660	53,260
Leases & Rentals	-	-	, -
Depreciation	-	-	-
TOTAL NTMC BUS SERVICES BUDGET	\$ 6,520,464	\$ 7,263,989	\$ 7,337,796
NTMC STAFFING			
Contracted Bus Services (NTMC)			
Bus Administration Department	4.00	3.00	3.00
Customer Service Department	10.00	9.00	8.00
Supervisors/Dispatchers Department	14.00	13.00	11.00
·	· · · -		
Maintenance Department	21.00	16.00	19.00
Maintenance Department Bus Operators**	21.00 60.00	16.00 49.00	
Bus Operators** TOTAL	21.00 60.00 109.00	16.00 49.00 90.00	19.00 43.00 84.00

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Develop and deliver transportation offerings that meet expectations of **Denton County stakeholders**

OBJECTIVES

• Develop long-range bus fleet maintenance plan and facility program and align / reflect within DCTA long-range financial plan

Provide exceptional client service through the full cycle of transportation engagement enrollment, regular interface, service delivery, feedback and follow-through

OBJECTIVES

• Ensure service delivery across all modes meets KPIs for safety, on-time performance, etc.

Provide cost-effective services, support economic growth, and enhance quality of life in Denton **County and across the region**

OBJECTIVES

- Evaluate opportunities and make recommendations to ensure continuity of on-demand services following expiration of current Via and MAAS contract
- Evaluate opportunities and make recommendations to reduce cost of Connect and bus-related services, including alternatives to the current NTMC organization
- Ensure repeatable, quality processes for all functions of the Agency

Performance Measure Results

FY22 PROGRESS REPORT

Align the Agency's vision and goals with stakeholder priorities

OBJECTIVES

- Expand on-demand service into Castle Hills with annexation into Lewisville
 - Successfully launched GoZone service in Castle Hills on January 19, 2022

Ensure strong governance, financial stewardship, sustainability, and continuity of programs and services

OBJECTIVES

- Manage a long-range service plan and longrange financial plan to guide decision-making for capital and operating needs to fund optimal mobility service and to support future programs
 - Ongoing as part of annual budget process and strategic planning with the DCTA Board of Directors.
- Continue seeking funding opportunities through regional, state, federal and publicprivate partnerships to advance agency initiatives, to meet regulatory requirements, and to enhance the passenger experience
 - Ongoing DCTA continues seeking funding opportunities as they become available. In FY22, the Agency received annual federal formula funds.

Improve Agency performance, effectiveness, safety, and return on investment

- Develop and gain Board approval of service mix and service standards for stakeholder communities in FY22
 - Received Board approval of a comprehensive operations analysis results performed by a mix of staff and consultants which resulted in the mix of service DCTA would deliver moving into
- No more than 2 preventable accidents per 100.000 miles for fixed route and access service
 - Objective was not met, 2.1 Accidents/100,000 miles
- Maintain a 90% or better bus preventive maintenance program for DCTA vehicles
 - Objective was met, 90% pm on DCTA vehicles
- Minimize non-revenue hours for fixed route. measured as number of revenue hours to service hours (+85%)
 - Objective was met, 95% utilization of hours

Performance Measure Results

FY22 PROGRESS REPORT

- Ensure overall on-time performance metrics are achieved: 90% for fixed route
 - Fixed route did not meet this objective, 84.6%
- Maintain an average pick up time of less than 15 minutes for on-demand services
 - GoZone, DCTA's on-demand rideshare service, consistently served passengers with wait times of approximately 20 minutes. Supply and demand constraints for the service prevented 15-minute wait times.
 - Demand response did meet this objective, 96.6% On time performance
- Maintain or improve ridership system-wide over post Covid-19 pandemic levels experienced in FY2021
 - GoZone contributed 615,975 passenger trips to FY22 ridership
 - Fixed route ridership increased approximately 67%
 - Demand response ridership increased by 4%
- Maintain the appropriate level of revenue, contingency, and spare vehicles to meet service needs
 - Spare ratio was not met due to parts and supply chain issues

Engage with local, regional and statewide stakeholders and to create opportunities to share knowledge, technology and services

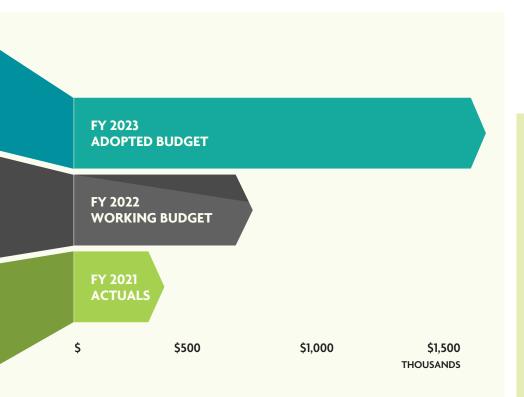
- · Participate in strategic regional discussion, identify partnership opportunities with other transit agencies and MAAS providers for solving mobility challenges and minimizing expenses
 - · Staff attended and presented at both regional and national conferences, hosted regional transit agencies to educate on micro transit solutions, and stayed engaged with the MAAS industry to stay on the forefront of innovation in



Division Budgets | Strategic Planning & Development

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

STRATEGIC F	PLANNING	G & DEVEL	OPMEI	NT		
		FY 2021 Actuals		FY 2022 Working Budget	Ac	FY 2023 dopted Budge
XPENSES						
Salary, Wages & Benefits	9	272,504	\$	578,316	\$	395,686
Outsourced Services & Charges		101,064		56,500		1,656,318
Materials & Supplies		115		100		100
Utilities		-		-		-
Insurance		-		-		-
Employee Development		1,628		15,440		18,900
Leases & Rentals		-		-		-
Depreciation		-		-		-
TOTAL DEPARTMENT BUDGET	\$	375,310	\$	650,356	\$	2,071,004
TAFFING						
Deputy CEO		-		0.60		0.50
Director of Government Relations		1.00		1.00		-
Planning & Data Analytics Manager		1.00		1.00		1.00
Executive Assistant & Board Process Manager		1.00		1.00		1.00
Director of Capital Improvement		1.00		-		
TOTAL		4.00		3.60		2.50



MATERIAL BUDGET ITEMS

Deputy CEO position is allocated between Strategic Planning and Rail Operations since this position oversees both functions.

Director of Government Relations position is now under Human Resources as the Senior Director of Engagement & Administration.

Includes expenses associated with the following Expanded Level Projects:

- Member City Transit Oriented Development Study - \$750k
- Long-Range Service Plan \$600k
- On-Call Planning Services \$500k

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Develop and deliver transportation offerings that meet expectations of **Denton County stakeholders**

OBJECTIVES

- Establish methodology for each mode within long-range service plan to meet 2030 ridership goal
- Develop long-range rail capital maintenance program, bus fleet maintenance plan and facility program and align / reflect within DCTA long-range financial plan
- Fill vacant Director of Capital Planning & Development role. Establish capital maintenance and improvement plan aligned with long-range service plan
- Execute cadence of dialogue and establish key message framework with member city councils, Denton County Commissioners Court, and emerging city partners

Provide exceptional client service through the full cycle of transportation engagement enrollment, regular interface, service delivery, feedback and follow-through

OBJECTIVES

- Ensure service delivery across all modes meets KPIs for safety, on-time performance, etc.
- Evaluate rider and stakeholder communication and messages via the DCTA website. Evaluate opportunities to improve interface, enhance trip planning capability, and encourage ridership
- Evaluate fare collection and media across all modes. Identify opportunities to eliminate cash streamline, improve, and integrate into regional system
- Implement expanded level projects: swiftly transit platform, multifacility firewall upgrade, av upgrade – DCTA conference rooms, security, access control and signage study

 Create centralized data collection / reporting function to enable clear communication of performance against safety, service, and ridership KPIs

Provide cost-effective services, support economic growth, and enhance quality of life in Denton County and across the region

- Deliver rail capital improvement and funding plan to align with DART and extend A-train to Carrollton. Rationalize resource deployment where possible to lower operating expense. Reflect in long-range financial plan
- Deliver Joint Rail Operations and Maintenance Facility
- Develop and maintain communications standards and protocols for engagement with Board and public for regular operations and contingency scenarios
- Re-orient "public involvement & communications" team to "marketing and communications" team. Re-write job descriptions, hire, and train as needed. Create goals and objectives for team that enable business planning and outreach to ride generators across the county and feedback loop with COO to deliver required service
- Execute cadence of dialogue to ensure planning alignment with regional partners, member cities, Denton County, and **NCTCOG**
- Implement expanded level project: execute member city transit-oriented development (TOD) study
- Ensure repeatable, quality processes for all functions of the Agency

Performance Measure Results

FY22 PROGRESS REPORT

Align the Agency's vision and goals with stakeholder priorities

OBJECTIVES

- Enter into an ILA with DART to develop a joint rail ops facility in support of the A-train and DART's Silver Line service. Work with DART to identify opportunities to extend A-train service to downtown Carrollton station
 - DCTA and DART entered into an InterLocal Agreement (ILA) in November 2021 to develop a short term lease agreement for DART occupancy of the DCTA Rail Operations & Maintenance Facility and facilitate A-train expansion to Carrollton. The short term lease was developed and prepared for signature by the end of the fiscal year.
- Identify opportunities to double track existing A-train mainline to facilitate improved system performance
 - DCTA commissioned an A-train enhancement study with stated goals of extending service to Carrollton and increasing speeds, including construction of additional sidings. The study is being coordinated with DART and is scheduled to be complete in December 2022 / January 2023 timeframe.

Ensure strong governance, financial stewardship, sustainability, and continuity of programs and services

- Manage a long-range service plan and long-range financial plan to guide decisionmaking for capital and operating needs to fund optimal mobility service and to support future programs
 - DCTA led its Board of Directors to make a policy decision on the future of its Connect service and programmed funds in the FY23 budget to create a new long-range service plan. The long-range financial plan was updated within the FY23 budget process.
 - DCTA completed a transit asset management plan to comply with federal requirements and identify capital maintenance and fleet needs over the identified term.
- Continue seeking funding opportunities through regional, state, federal and publicprivate partnerships to advance Agency initiatives, to meet regulatory requirements, and to enhance the passenger experience
 - DCTA continually evaluates its federal program dollars for eligibility with operational and other spend items to ensure efficient use. In addition, DCTA remains apprised of federal discretionary grant opportunities to match funding sources with emerging priorities.

Performance Measure Results

FY22 PROGRESS REPORT

Work with corridor cities to implement transit oriented development (TOD), coordinating planning and design to increase mobility, air quality and livability

OBJECTIVES

- Advance local and regional planning consistent with the 2045 Metropolitan Transportation Plan (MTP);
- Initiate the TOD planning study along the Kansas City Southern rail corridor in Denton County;
- Work with the City of Highland Village on transit adjacent development planning along the A-train corridor;
- Work closely with the member cities and other partners on the Lewisville Old Town and Hebron station area plans and the downtown Denton Transit Center Station area plans including financing options for potential joint development projects
 - Dialogue continues to progress with the City of Corinth on potential station development. The DCTA Board of Directors requested the conversation on new city membership be deferred until FY23 following selection of a new Chief Executive Officer.
- Facilitate planning with the City of Corinth for the potential of a new station along the A-train corridor
 - Dialogue continues to progress with the City of Corinth on potential station development. The DCTA Board of Directors requested the conversation on new city membership be deferred until FY23 following selection of a new Chief Executive Officer.

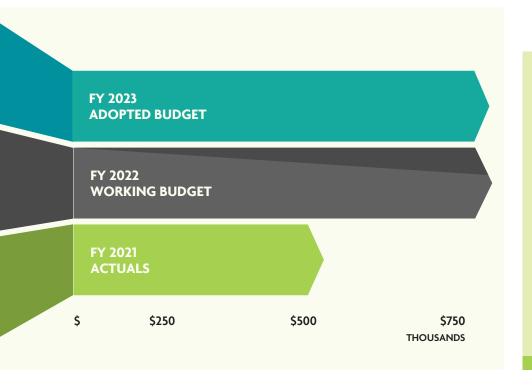
Engage with local, regional and statewide stakeholders and to create opportunities to share knowledge, technology and services

- Participate in state and federal policy discussions to protect DCTA's ability to deploy innovative mobility services and growth strategies
 - DCTA engages regularly with city staff at our member cities to share information and coordinate development opportunities. The Agency also holds quarterly workshop discussions with NCTCOG to stay apprised of regional issues and opportunities. We enjoy strong relationships with leaders at DART and Trinity Metro to maintain open lines of communication.
- Advocate DCTA's legislative programs and policy positions
 - DCTA was a lead agency is the Transit Coalition of North Texas event to tour the state and federal legislative delegations across our regional system in advance of the state legislative session.
 - DCTA developed a state legislative agenda for the 2023 session in coordination with agendas developed by NCTCOG and the other regional transit agencies.

Division Budgets | Information Technology

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

		FY 2021 Actuals		FY 2022	Α.	FY 2023
EXPENSES		Actuals		Working Budget	A	dopted Budget
Salary, Wages & Benefits	Ś	307,625	\$	324,221	\$	347,415
Outsourced Services & Charges	4	135,995	Ţ	429,150	Ţ	484,700
Materials & Supplies		59,025		88,700		90,600
Utilities		-		-		-
Insurance		-		-		-
Employee Development		769		13,010		42,400
Leases & Rentals		-		-		-
Depreciation		-		-		-
TOTAL DEPARTMENT BUDGET	\$	503,414	\$	855,081	\$	965,115
TAFFING						
AVP of Innovation & Information Technology		1.00		1.00		0.50
Information Technology Support Coordinator		-		1.00		1.00
Information Technology Manager		1.00		1.00		1.00
Application Support Specialist		1.00		1.00		1.00
TOTAL		3.00		4.00		3.50



MATERIAL BUDGET ITEMS

Includes \$150k for Expanded Level Project for a Security Camera Study

Includes \$20k for Expanded Level Project for a Firewall Upgrade project

The AVP of Innovation & Information Technology is allocated between IT and Mobility Services Department

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Develop and deliver transportation offerings that meet expectations of Denton County stakeholders

OBJECTIVES

 Evaluate finance organization staffing and systems. Identify, align, and implement opportunities for improvement

Provide exceptional client service through the full cycle of transportation engagement enrollment, regular interface, service delivery, feedback and follow-through

OBJECTIVES

- Evaluate rider and stakeholder communication and messages via the DCTA website. Evaluate opportunities to improve interface, enhance trip planning capability, and encourage ridership
- Evaluate fare collection and media across all modes. Identify opportunities to eliminate cash streamline, improve, and integrate into regional system
 - Implement expanded level projects:
 - Swiftly transit platform
 - Multifacility firewall upgrade
 - AV upgrade DCTA conference rooms
 - Security, access control & signage study
- Create centralized data collection / reporting function to enable clear communication of performance against safety, service, and ridership KPIs
- Implement expanded level project: Enterprise Resource Planning (ERP) system implementation

Provide cost-effective services, support economic growth, and enhance quality of life in Denton County and across the region

OBJECTIVES

• Ensure repeatable, quality processes for all functions of the Agency

Performance Measure Results

FY22 PROGRESS REPORT

Improve Agency performance, effectiveness, safety, and return on investment

- Identify technology options for collecting ridership data and streamlining fare payment process
 - In conjunction with the operations team, identified the Swiftly Connected Transit Platform as a technology solution that will streamline the data collection methods of DCTA's fixed routes. This platform will bring automated passenger counters and data collection tools to improve upon our fixed route reporting. Received budget approval from the Board of Directors for the implementation of this platform in FY23.
 - In an effort to promote regional cooperation through a single app experience, DCTA worked with DART to continue development and integration of DCTA's microtransit offerings into the regional GoPass app.
- Rollout productivity, collaboration, and cybersecurity tools agencywide
 - Completed a rollout of an advanced managed detection and response cybersecurity platform, further strengthening the cybersecurity posture at DCTA.
 - Equipped DCTA's boardroom with a complete audio/video conferencing solution that can be utilized for by staff for advanced teleconferencing needs, as well as improving the experience for the public when viewing DCTA's public meetings.

Division Budgets | Compliance, Procurement, Safety & Grants

To provide the highest quality of services to our stakeholders, funding agencies, internal customers, and our Board of Directors. Staff within the department are committed to the following principles:

- Comply with state and federal regulations regarding procurement, grant management, safety, and civil rights
- Improving safety and providing a safe environment for our passengers and staff, along with safeguarding our
- Exceed standards and excel in industry practices for compliance, financial management, and procurement
- Be a good steward of public funds and federal grant funds

Departmental functions include responsibilities for compliance with civil rights, contracts, procurement, safety regulations, grant management and reporting.

	FY 2021 Actuals		FY 2022 Working Budget	Add	FY 2023 opted Budget
EXPENSES					
Salary, Wages & Benefits	\$ -	\$	-	\$	810,285
Outsourced Services & Charges	-		-		54,460
Materials & Supplies	-		-		6,000
Utilities	-		-		-
Insurance	-		-		-
Employee Development	-		-		19,905
Leases & Rentals	-		-		-
Depreciation	-		-		-
TOTAL DEPARTMENT BUDGET	\$ - \$	5	- :	\$	890,650
STAFFING					
AVP of Regulatory Compliance	-		-		1.00
Manager of Contracts and Procurement	-		-		1.00
Senior Procurement Specialist	-		-		1.00
Procurement Specialist	-		-		1.00
Grants Manager	-		-		1.00
Risk/Safety Manager	-		-		1.00
Project Controls Specialist	-		-		0.60
TOTAL	-		-		6.60

FY 2023 ADOPTED BUDGET

FY 2022 **WORKING BUDGET**

FY 2021 ACTUALS

\$ \$250 \$500

\$750 **THOUSANDS**

MATERIAL BUDGET ITEMS

This department was previously housed under the Finance Department

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Develop and deliver transportation offerings that meet expectations of Denton County stakeholders

OBJECTIVES

- Establish processes and tools to enable procurement / delivery of services required to achieve long-range service plan. Ensure understanding of processes and tools across the organization
- Implement expanded level project: hire Director of Safety & Compliance. Establish federally required safety organization and operations

Provide exceptional client service through the full cycle of transportation engagement enrollment, regular interface, service delivery, feedback and follow-through

OBJECTIVES

- Implement expanded level project: Enterprise Resource Planning (ERP) system implementation
- Evaluate, align, and ensure contracting mechanisms are in place and understood across Agency for delivery of 2023+ goals

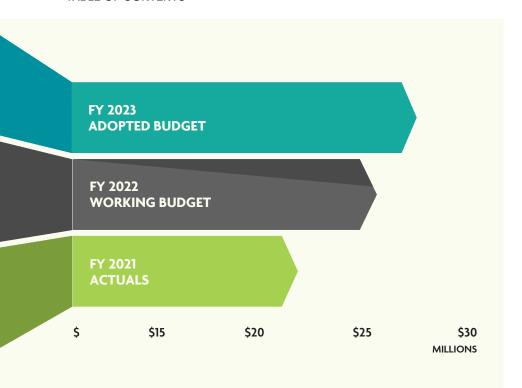
Provide cost-effective services, support economic growth, and enhance quality of life in Denton **County and across the region**

- Execute a comprehensive review of the processes and procedures within the procurement team and create documents as needed
- Hire Compliance Specialist and integrate job functions and mechanisms across the organization
- Develop parts procurement process and mechanisms for the bus operations team
- Ensure financial transparency and achieve certifications / recognition
 - NPI Texas Comptroller of Public Accounts' Transparency Stars Program
 - NPI Excellence in Procurement Award
 - Setup methodology for quarterly triennial prep
- Ensure repeatable, quality processes for all functions of the Agency

Division Budgets | Rail Services

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

	FY 2021 Actuals	FY 2022 Working Budget	Α	FY 2023 Adopted Budget
PENSES				
Salary, Wages & Benefits	\$ 285,114	\$ 606,595	\$	684,925
Outsourced Services & Charges	1,858,381	834,659		1,021,659
Materials & Supplies	343,585	1,013,100		1,422,442
Utilities	262,932	284,388		399,244
Insurance	1,369,081	1,341,057		1,366,023
Purchased Transportation	9,307,693	10,864,067		11,512,231
Employee Development	1,679	13,055		15,015
Leases & Rentals	1,613	2,400		2,400
Depreciation	8,648,099	9,953,434		9,936,658
TOTAL DEPARTMENT BUDGET	\$ 22,078,177	\$ 24,912,755	\$	26,360,597
AFFING				
Rail Operations Department				
Deputy CEO	-	0.40		0.50
Senior Director of Rail Operations	1.00	1.00		1.00
Senior Manager of Rail Operations	1.00	1.00		1.00
Director of Capital Development	-	0.80		0.80
Project Controls Coordinator	-	0.80		0.40
TOTAL	2.00	4.00		3.70



MATERIAL BUDGET ITEMS

Purchased Transportation for FY23 is based on current contract rates with Rio Grande Pacific Corp. and includes operating expenses related to Positive Train Control of \$200k

Fuel budgeted at \$5.25 per gallon

Includes estimated DART Access/Impact Fee of \$240k

Looking Ahead

FY23 OBJECTIVES & PERFORMANCE MEASURES

Develop and deliver transportation offerings that meet expectations of Denton County stakeholders

OBJECTIVES

- Execute annual rail capital maintenance program with programmatic approach to obligate 100% funding by end of
- Develop long-range rail capital maintenance program and facility program and align / reflect within DCTA longrange financial plan

Provide exceptional client service through the full cycle of transportation engagement enrollment, regular interface, service delivery, feedback and follow-through

OBJECTIVES

• Ensure service delivery across all modes meets KPIs for safety, on-time performance, etc.

Provide cost-effective services, support economic growth, and enhance quality of life in Denton **County and across the region**

- Deliver rail capital improvement and funding plan to align with DART and extend A-train to Carrollton. Rationalize resource deployment where possible to lower operating expense and reflect in long-range financial plan
- Evaluate opportunities and make recommendations to regionalize the A-train operating contract
- Ensure repeatable, quality processes for all functions of the Agency

Performance Measure Results

FY22 PROGRESS REPORT

Ensure strong governance, financial stewardship, sustainability, and continuity of programs and services

OBJECTIVES

- Manage a long-range service plan and long-range financial plan to guide decisionmaking for capital and operating needs to fund optimal mobility service and to support future programs
 - Objective ongoing; multi-year budget scenario for FY24-FY30 presented for Board consideration of future maintenance needs
- Continue seeking funding opportunities through regional, state, federal and public-private partnerships to advance agency initiatives, to meet regulatory requirements, and to enhance the passenger experience
 - · Objective ongoing; working with grants department for future funding opportunities
 - CRISI grant award was executed in July 2020 for the enhancement of the A-train EATC Positive Train Control System. CRISI grant path is dependent upon A-train rail study that is due 12/31/22.

Improve Agency performance, effectiveness, safety, and return on investment

OBJECTIVES

- Maintain or improve ridership systemwide over post Covid-19 pandemic levels experienced in FY2021
 - Objective achieved. Returning service schedule to pre-Covid frequency and increasing Saturday schedule frequency improved ridership numbers
 - Total FY22 increased 62,197 riders (55%) from FY21
 - Weekday average increased 213 riders (54%) from FY21
 - Saturday average increased 151 riders (66%) from FY21
- Maintain the appropriate level of revenue, contingency, and spare vehicles to meet service needs
 - Objective achieved; continued to maintain appropriate revenue/contingency/spare vehicles with no service impacts due to fleet availability

- Maintain zero Federal Railroad Administration reportable workers injuries; a minimum of 99.9% reliability for dispatch and signals & communications availability, and maintain the right-of-way to contractual thresholds for A-train services
 - Objectives partially achieved
 - One reportable Federal Railroad Administration (FRA) worker injury. Rio Grande Pacific train crew employee sprained an ankle in the parking lot. This injury was not sustained during passenger service but falls within the FRA reportable threshold requirements. Prior to this reportable injury, there were 1,084 injuryfree days.
 - · Dispatch goal not achieved
 - Dispatch goal 99.99% -- Actual 99.83%
 - Signals goal achieved
 - Signals goal 99.99% -- Actual 100%
 - · Right-of-way contractual threshold goal achieved
 - Goal 99.8% -- Actual 100%
- Ensure overall on-time performance metrics are achieved: 98% rail
 - Objective achieved; actual 98.31% (Contractual 99.64%)

Engage with local, regional and statewide stakeholders and to create opportunities to share knowledge, technology and services

- Participate in strategic regional discussion, identify partnership opportunities with other transit agencies and MAAS providers for solving mobility challenges and minimizing expenses
 - Objective ongoing
 - · Continuing to work with DART and consulting partners to finish the Joint Rail Operations Facility on time which will provide a maintenance and testing facility for DART's Silver Line vehicles.
 - Continuing to work with DART and Carrollton to achieve the goal of A-train service continuing from trinity mills to downtown Carrollton which will facilitate passenger transfer from A-train to the Silver Line.
 - Continuing to work with Corinth on their future station goal.

CAPITAL IMPRÓVEMENT & MAJOR MAINTENANCE PLAN

Capital Improvement & Major Maintenance Plan | Overview

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

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

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

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

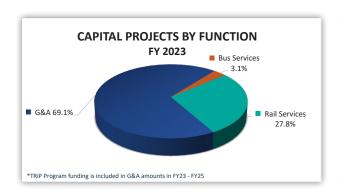
The current year of the CIP is adopted with the approval of the FY23 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and require specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY23 is \$34.9 million, and includes bus, rail, and general administrative related projects. These projects are outlined in greater detail on subsequent pages in this section.

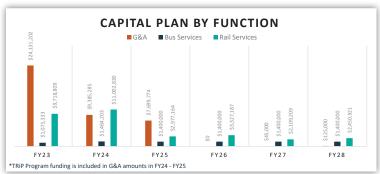
Capital Improvement & Major Maintenance Plan | Summary

Capital Improvement & Major Maintenance Plan

PROJECT NAME	PROJECT NUMBER	CURRENT PROJECT BUDGET	PROJECT LTD THRU FY 2021	WORKING FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	PROJECT TOTAL (THRU 2028)
US FLEET REPLACEMENT											
Fleet (Non-Revenue)	10501	\$ 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
ROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS											
Bus OMF Network Video Recorder	50412	26,000	-	26,000	-	-	-	-	-		26,000
DDTC Rail Fiber Extension	50413	125,000	-	125,000	-	-	-	-	-		125,000
Backup & DR Infrastructure Upgrades	10404	45,000	-	45,000	-	-	-	-	-		45,000
Swiftly Transit Platform (CAD/AVL)	10405	895,803	-	-	895,803	-	-	-	-		895,803
Multi-Facility Firewall Upgrade	10406	60,000	-	-	60,000	-	-	-	-	60,000	120,000
AV Upgrade (DCTA Conference Room)	10407	65,000	-	-	65,000	-	-	-	-	65,000	130,000
ERP Implementation	10408	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
FUTURE: Backup & DR Infrastructure Upgrades		-	-	-	-	-	-	-	45,000	-	45,000
AJOR MAINTENANCE ITEMS											
Major Maintenance - Rail Canopy Repairs (FY21)	61723.1	486,127	65,055	421,072	-	-	-	-	-	-	486,127
Major Maintenance - Rail (FY22)	61724	1,836,442	-	1,836,442	-	-	-	-	-		1,836,442
Major Maintenance - Bus (FY22)	50307	179,530	-	-	179,530	-	-	-	-		179,530
Major Maintenance - Rail (FY23)	61725	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
DSITIVE TRAIN CONTROL											
Positive Train Control Implementation	61406.1	16,720,141	16,022,566	397,575	300,000	-	-	-	-		16,720,141
Positive Train Control Enhancements (Phase 2)	61406.2	5,000,000	148,180	-	1,455,546	3,396,274	-	-	-	-	5,000,000
IFRASTRUCTURE ACQUISITION	10302	3,251,990	2,617,009	-	634,981	-	-	-	-	-	3,251,990
ROWNFIELD REMEDIATION	61605	455,000	366,448	53,552	35,000	-	-	-	-	-	455,000
DINT RAIL OPERATIONS FACILITY (JROF)	61302	12,049,912	-	549,953	5,928,263	5,571,696	-	-	-	-	12,049,912
RANSPORTATION REINVESTMENT PROGRAM (TRIP)											
TRiP Program Funding - FY21	10702	7,742,134	29,798	7,712,337	-		-	-	-	-	7,742,134
TRIP Program Funding - FY22	10703	9,833,005	-	-	9,833,005		-	-		-	9,833,005
TRIP Program Funding - FY23	10704	11,393,216	-		11,393,216		-	-			11,393,216
FUTURE: TRIP Program Funding		-	-	-	-	9,035,285	7,699,774	-	-	-	16,735,059
TOTAL CURRENT CAPITAL BUDGET	s	74.309.300	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

Sources of Funding (FY23)





Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Non-Revenue Support Vehicle

Project Number: 10501

Statement of Need/Description

In FY23, the addition of one FTE for a Director of Safety & Compliance was included. This position is mandated by federal regulations, Part 673.5 and is a requirement for all transit agencies. This position oversees, manages, supervises and coordinates agencywide system safety, loss control and emergency response programs, functions and operations.

The Director of Safety and Compliance will be required to investigate incidents at the site and possibly transport operators to obtain post accident drug and alcohol testing as required by FTA. This non-revenue vehicle will support this position and will be funded 100% with FY17 5339 grant funds.



Year	Capital Cost	Operating Costs	P	Projected Revenues	Source(s) of Capital Funding	
Thru FY21	\$ -	\$ -	\$	-	 State Grants \$	-
2021-22	\$ -	\$ -	\$	-	Federal Grants \$	45,000
2022-23	\$ 45,000	See Project Notes	\$	-	Operating Funds \$	-
Total	\$ 45,000	\$ -	\$	-	Total Funding \$	45,000

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Compliance
Increase in Amount		
Decrease in Amount		Typical vehicle maintenance and fuel expenses related to non-revenue
New Project	X	vehicles are accounted for in the operating budget.
I and the second se		





Project Name: Swiftly Transit Platform (CAD/AVL)

Project Number: 10405

Statement of Need/Description

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 portion of Swiftly's technology platform for the purpose of real time vehicle monitoring feeding data into GTFSR - General Transit Feed Specification, Realtime which provides passengers with real time vehicle location information. The complete Swiftly 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.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding			
Thru FY21	\$ -	\$ -	\$ -	State Grants	\$	-	
2021-22	\$ -	\$ -	\$ -	Federal Grants	\$ 716,6	42	
2022-23	\$ 895,803	See Project Notes	\$ -	Operating Funds	\$ 179,	161	
Total	\$ 895,803	\$ -	\$ -	Total Funding	\$ 895,8	03	

Change from Previous CIP

No Change

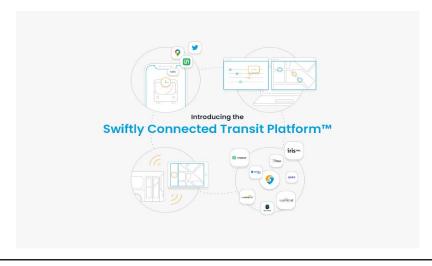
Increase in Amount Decrease in Amount

Χ **New Project**

Project Notes

Coordinating Department: Information Technology

Annual operating costs related to the Swiftly platform are estimated at \$233k and are reflected in FY24 forward in the Long-Range Financial Plan.





Project Name: Multi-Facility Firewall Upgrade

Project Number: 10406

Statement of Need/Description

DCTA's technology lifecycle typically follows a five-year replacement plan. Cybersecurity threats are constantly evolving, requiring regular replacements to stay up to date on the threat landscape.

This project includes network design, configuration, deployment and support contracts for all equipment. This project accounts for high availability features at critical facilities (hardware redundancy). This will strengthen DCTA's cybersecurity posture and to bring the next generation firewall technology to DCTA's network.

FortiGate 200F/201F





Interfaces

2x GE RJ45 HA/MGMT Ports
16x GE RJ45 Ports
2x 10 GE SEP+ Slots





Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of	Capital Funding
Thru FY21	\$ -	\$ -	\$ -	State Grants	\$ -
2021-22	\$ -	\$	\$ -	Federal Grants	\$ -
2022-23	\$ 60,000	See Project Notes	\$ -	Operating Funds	\$ 60,000
Total	\$ 60,000	\$ -	\$ -	Total Funding	\$ 60,000

Change from Previous CIP

New Project

No Change Increase in Amount Decrease in Amount

Χ

Project Notes

Coordinating Department: Information Technology

Annual operating costs related to the firewall upgrade are estimated at \$20k and are reflected in FY24 forward in the Long-Range Financial Plan.



Project Name: AV Upgrade - DCTA Conference Rooms

Project Number: 10407

Statement of Need/Description

The conference rooms located at DCTA facilities are not well equipped for the needs of video conferencing that has become a core part of DCTA's communication needs with both internal and external stakeholders. Some rooms have existing technology that have reached end of life, while some rooms are completely lacking in capability. This project would equip all facilities with up to date audio video conferencing solutions and update the display technologies used at select facilities. These solutions would be designed, installed, configured, and supported by audio video specialists who would then perform knowledge transfer to DCTA IT staff. This project would update the technological capabilities at all of DCTA's administrative and operational facilities.



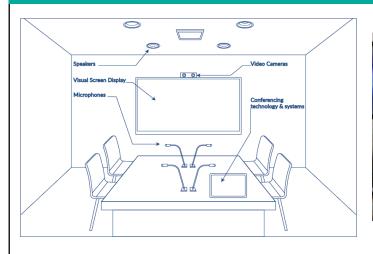
Year	Capital Cost	Operating Costs	Projected Revenues	;	Source(s) of	Capital Funding	
Thru FY21	\$ -	\$ -	\$ -	9	State Grants	\$	-
2021-22	\$ -	\$ -	\$ -	Fed	deral Grants	\$	-
2022-23	\$ 65,000	See Project Notes	\$ -	Ope	rating Funds	\$	65,000
Total	\$ 65,000	\$ -	\$ -	Tot	al Funding	\$	65,000

Change from Previous CIP	
No Change	
Increase in Amount	
Decrease in Amount	
New Project	X

Project Notes

Coordinating Department: Information Technology

Annual operating costs related to the AV upgrade are estimated at \$4k and are reflected in FY24 forward in the Long-Range Financial Plan.





Project Name: Enterprise Resource Planning (ERP) Implementation

Project Number: 10408

Statement of Need/Description

DCTA's current Enterprise Resource Planning software package, known as CentralSquare (SunGard) OneSolution, is at the core of the Finance department at DCTA and touches every department at the agency.

The DCTA Transformation Initiative reviewed the software and recommended it be replaced with a more robust technology solution better suited to the agency's needs. The current ERP software was found to be deficient in many aspects of core financial functions. Many processes at DCTA are manual which increases the potential for error and generates more work than would be required with a more modern, automated system. The scope of this project includes three essential parts: ERP software licensing, ERP implementation costs, and independent verification and validation of the deployment during the installation.



Year	Capital Cost	Operating Costs	P	rojected Revenues	Source(s) of	Capital Funding	
Thru FY21	\$ -	\$ -	\$	-	State Grants	\$	-
2021-22	\$ -	\$ -	\$	-	Federal Grants	\$	-
2022-23	\$ 2,100,000	See Project Notes	\$	-	Operating Funds	\$ 2,10	0,000
Total	\$ 2,100,000	\$ -	\$	-	Total Funding	\$ 2,100	,000

Change from Previous CIP	
No Change	
Increase in Amount	
Decrease in Amount	
New Project	Χ

Project Notes

Coordinating Department: Information Technology

Annual operating costs related to the ERP project are estimated at \$250k and are reflected in FY24 forward in the Long-Range Financial Plan.



Project Name: Major Maintenance - Bus (2022)

Project Number: 50307

Statement of Need/Description

The Major Maintenance - Bus project is an annual allocation for the maintenance of the bus operations and maintenance facilities and the Downtown Denton Transit Center (DDTC). DCTA worked with a consultant in FY19 to create a long-term Facilities & Maintenance Plan. This plan outlines all major maintenance for DCTA owned facilities. Please refer to Project Notes section for a detailed breakout of current capital maintenance needs planned for FY2023.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of	Capital Funding
Thru FY21	\$ -	\$ -	\$ -	State Grants	\$ -
2021-22	\$ -	\$ -	\$ -	Federal Grants	\$ -
2022-23	\$ 179,530	See Project Notes	\$ -	Operating Funds	\$ 179,530
Total	\$ 179,530	\$ -	\$ -	Total Funding	\$ 179,530

Change from Previous CIP	
No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

Project Notes

Coordinating Department: Mobility Services

*FY23 DDTC Facility Repairs: \$131,618 *FY23 Bus O&M Facility Repairs: \$47,912

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





Project Name: Major Maintenance - Rail (2023)

Project Number: 61725

Statement of Need/Description

The Major Maintenance-Rail project is an annual allocation for the maintenance of the rail facility and vehicles. DCTA worked with a consultant in FY19 to create a long-term Facilities & Maintenance Plan. This plan outlines all major maintenance for all of DCTA's assets - facilities, vehicles, amenities, etc. Please refer to Project Notes section for a detailed breakout of current capital maintenance needs planned for FY2023.



Year	Capital Cost	Operating Costs	Pr	rojected Revenues	Sc	ource(s) of	Capital Funding	
Thru FY21	\$ -	\$ -	\$	-	Sta	ate Grants	\$	-
2021-22	\$ -	\$ -	\$	-	Fede	ral Grants	\$	-
2022-23	\$ 2,000,000	See Project Notes	\$	-	Opera	ting Funds	\$ 2,0	000,000
Total	\$ 2,000,000	\$ -	\$	-	Total	Funding	\$ 2,00	00,000

Change from Previous CIP	
No Change	
Increase in Amount	
Decrease in Amount	
New Project	X

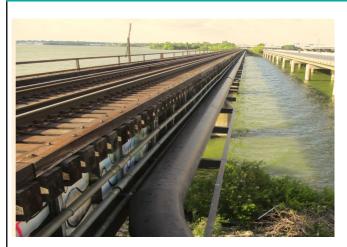
Project Notes

Coordinating Department: Rail Operations

*FY23 Stadler Rail Vehicle Maintenance: \$1,196,000

*FY23 Track Maintenance: \$339,570 *FY23 Signal Maintenance: \$83,566 *FY23 Facilities Maintenance: \$380,864

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





Project Name: Brownfield Remediation

Project Number: 61605

Statement of Need/Description

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



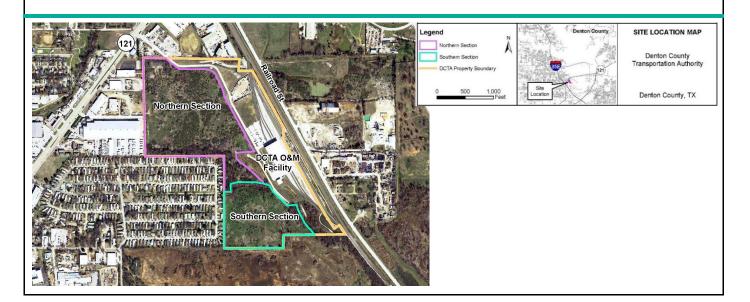
Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	3
Thru FY21	\$ 366,448	\$ -	\$ -	State Grants \$	-
2021-22	\$ 53,552	\$ -	\$ -	Federal Grants \$	178,200
2022-23	\$ 35,000	See Project Notes	\$ -	Operating Funds \$	276,800
Total	\$ 455,000	\$ -	\$ -	Total Funding \$	455,000

Change from Previous CIP		
No Change		
Increase in Amount	X	
Decrease in Amount		
New Project		

Project Notes

Coordinating Department: Strategic Planning & Development

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



Project Name: Infrastructure Acquisition

Project Number: 10302

Statement of Need/Description

The Infrastructure Acquisition capital project will assist the agency with the implementation of long-range planning efforts through the purchase of property and related engineering and design work associated with relevant projects. Some of the projects may include intermodal transit facilities, administrative offices, parking capacity improvements and rail corridor improvements. Land was purchased in 2020 and the remaining project budget is for relocation expenses outlined in the contract for the previous owner.



Year	Capital Cost	Operating Costs	P	rojected Revenues	Source(s) of	Capital Funding
Thru FY21	\$ 2,617,009	\$ -	\$	-	State Grants	\$ -
2021-22	\$ -	\$ -	\$	-	Federal Grants	\$ 2,948,806
2022-23	\$ 634,981	See Project Notes	\$	-	Operating Funds	\$ 303,184
Total	\$ 3.251.990	\$ -	\$	-	Total Funding	\$ 3,251,990

Change from Previous CIP		
No Change	X	
Increase in Amount		
Decrease in Amount		
New Project		

Project Notes

Coordinating Department: Strategic Planning & Development

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





Project Name: Positive Train Control (PTC) Implementation

Project Number: 61406.1

Statement of Need/Description

The PTC project is a function of the federally mandated Rail Safety Improvement Act of 2008 (RSIA) that mandates PTC be implemented across a significant portion of the Nation's rail industry. Lines requiring PTC include any railroad main lines over which regularly scheduled intercity passenger or commuter rail services are provided. PTC refers to a communication-based/processor-based train control technology that provides a system capable of reliability and functionality preventing train-to-train collisions, overspeed derailments, incursions into established work zone limits, and the movement of a train through a main line switch in the improper position. Project implementation began in FY2016 and is currently in Revenue Service Demonstration. This project will be complete by the end of 2022.



Year	Capital Cost		Operating Costs	Projected Revenues	Source(s) of	Capi	ital Funding
					Debt Issuance	\$	3,344,028
Thru FY21	\$ 16,022,566	\$	-	\$ -	State Grants	\$	12,500,000
2021-22	\$ 397,575	\$	-	\$ -	Federal Grants	\$	876,113
2022-23	\$ 300,000	\$	200,000	\$ -	Operating Funds	\$	-
Total	\$ 16.720.141	Ś	200,000	\$ -	Total Funding	\$	16,720,141

Change from Previous CIP		
No Change	X	
Increase in Amount		
Decrease in Amount		
New Project		

Project Notes

Coordinating Department: Rail Operations

The agency has awarded this project to Alstom to implement E-ATC Rail Safety Enhancements. Annual operating costs are assumed at \$200k in FY23.





Project Name: Positive Train Control (PTC) Enhancements (Phase 2)

Project Number: 61406.2

Statement of Need/Description

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



Year	Capital Cost	Operating Costs	Pro	ojected Revenues	Source(s) of	Cap	ital Funding
Thru 2021	\$ 148,180	\$ -	\$	-	Debt Issuance	\$	-
2021-22	\$ -	\$ -	\$	-	State Grants	\$	-
2022-23	\$ 1,455,546	\$ -	\$	-	Federal Grants	\$	4,000,000
2023-24	\$ 3,396,274	\$ -	\$	-	Operating Funds	\$	1,000,000
Total	\$ 5,000,000	\$ -	\$	-	Total Funding	\$	5,000,000

Change from Previous CIP		
No Change	Χ	
Increase in Amount		
Decrease in Amount		
New Project		

Project Notes

Coordinating Department: Rail Operations

Annual operating costs associated with Positive Train Control are assumed at \$200k for FY23 and are reflected in the Positive Train Control Implementation project (61406.1).





Project Name: Transportation Reinvestment Program (TRiP)

Project Number: 10702 (FY21), 10703 (FY22) & 10704 (FY23)

Statement of Need/Description

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

The TRiP projects are managed under the capital fund since they span multiple years. At the end of each fiscal year, the expenses incurred are expensed since they are not DCTA assets.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of	Capita	l Funding
Thru FY21	\$ -	\$ 29,798	\$ -	State Grants	\$	-
2021-22	\$ 7,712,337	\$ -	\$ -	Federal Grants	\$	-
2022-23	\$ 21,226,221	\$ -	\$ -	Operating Funds	\$	28,968,356
Total	\$ 28,938,558	\$ 29,798	\$ -	Total Funding	\$	28,968,356

Change from Previous CIP		
No Change		
Increase in Amount	X	
Decrease in Amount		
New Project		

Project Notes Coordinating Department: Strategic Planning & Development

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





Project Name: Joint Rail Operations Facility

Project Number: 61302

Statement of Need/Description

DCTA and DART executed an Interlocal Agreement (ILA) on November 18th to facilitate development of a Joint Rail Operations Facility (JROF) through the expansion of DCTA's existing Rail Operations and Maintenance Facility. The JROF will house rail vehicle maintenance for DART's Silver Line equipment alongside the DCTA's existing A-Train maintenance operation. The ILA contemplates that DCTA will procure design and construction services for the JROF and provide project management and oversight. The ILA further defines that DART will fund the JROF project so that DCTA does not incur any financial liability. DCTA has retained Jacobs to perform preliminary design, final design, bid phase, and construction phase services for the project.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of	Capital Funding
2021-22	\$ 549,953	\$ -	\$ -	State Grants	\$ -
2022-23	\$ 5,928,263	\$ -	\$ -	Federal Grants	\$ -
2023-24	\$ 5,571,696	See Project Notes	\$ -	Operating Funds	\$ 12,049,912
Total	\$ 12,049,912	\$ -	\$ -	Total Funding	\$ 12,049,912

No Change		
Increase in Amount		
Decrease in Amount		
New Project	X	

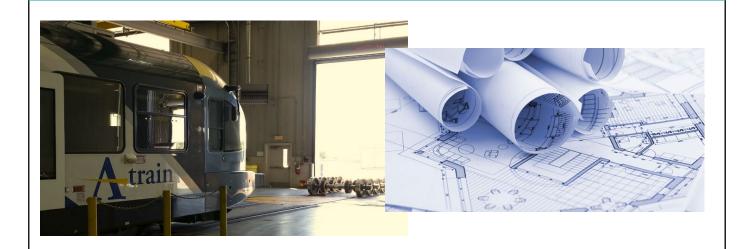
Change from Previous CIP

Project Notes

Coordinating Department: Strategic Planning / Rail Operations

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

DART will reimburse DCTA for operating expenses related to specific costs. Expenses for fuel and utilities have been included in the FY23 budget and are included in future periods in the Long-Range Financial Plan.



APPENDIX

DENTON COUNTY TRANSPORTATION AUTHORITY FINANCIAL MANAGEMENT POLICIES

(Adopted September 2022)

|Financial Management Policies

OPERATIONAL 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:
 - 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:

- 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."

<u>Limitation of Personal Liability</u>

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:

Security Type	Max % of Portfolio
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:

- 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.

|Financial Management Policies

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

per candier a ce

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).

| 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

|Operational Statistics

	C	PERATIONAL	. STATISTICS				
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual
PASSENGERS							
A-train	545,250	504,952	419,335	393,700	221,316	113,440	175,637
Access	31,003	29,605	30,268	29,714	20,367	16,194	21,184
Connect	549,531	488,319	472,667	569,467	343,588	220,440	130,476
On Demand Zones	, ,		,	8,935	9,032	4,149	
RSVP/ Highland Village	2,845	4,568	4,503	3,551	922	119	
GoZone						13,405	615,975
North Texas Xpress		6,449	8,440	12,804	8,007	4,146	1,920
UNT	1,788,877	1,925,549	1,907,035	1,834,402	950,702	461,985	1,019,390
NCTC	20,250	18,147	13,588	12,797	5,784	,	,, ,
Frisco	3,537	5,603	8,884	12,799	5,675	3,002	6,374
Collin County Transit	-,	,,,,,,	4,781	11,559	10,850	10,808	3,153
TOTAL PASSENGERS	2,941,293	2,983,192	2,869,501	2,889,728	1,576,243	847,688	1,974,109
DEVENITE VEHICLE MUTC							
REVENUE VEHICLE MILES	224 4/0	338,750	329,551	335,610	289,812	248,928	382,342
A-train	334,468						
Access Connect	219,186 766,111	204,750	206,926	185,147	121,244	100,070	148,760
	700,111	772,224	873,956	966,537	774,638	721,116	350,399
On Demand Zones	(4.522	107.200	01.740	25,065	25,581	12,729	
RSVP/ Highland Village	64,523	106,289	91,649	60,811	28,652	48	2 210 (10
GoZone		100 214	100 250	102 700	10.4.620	04.540	2,219,619
North Texas Xpress	504040	100,216	100,250	103,798	104,638	96,560	26,226
UNT	584,348	577,498	461,992	444,670	366,438	311,129	401,675
NCTC	90,295	91,015	94,977	83,616	34,492		
Frisco	34,819	39,188	70,979	92,005	59,532	25,311	46,452
Collin County Transit			42,761	79,163	66,044	64,973	18,903
TOTAL REVENUE MILES	2,093,750	2,229,928	2,273,041	2,376,422	1,871,071	1,580,864	3,594,377
REVENUE HOURS							
A-train	13,580	13,510	13,206	13,767	13,177	11,607	18,065
Access	17,948	18,512	16,982	13,327	8,838	7,656	10,937
Connect	63,554	65,262	75,972	81,580	60,248	54,327	27,623
On Demand Zones				3,749	4,176	2,508	
RSVP/ Highland Village	7,195	11,068	8,463	5,370	2,645	20	
GoZone						7,277	116,543
North Texas Xpress		3,912	3,888	3,866	3,899	3,579	711
UNT	54,784	54,332	44,727	45,457	36,431	33,223	37,693
NCTC	4,790	4,576	4,769	4,790	2,057		
Frisco	2,469	2,899	4,921	6,013	3,652	2,365	4,247
Collin County Transit			1,896	4,559	3,457	3,080	992
TOTAL REVENUE HOURS	164,320	174,071	174,825	182,478	138,580	125,642	216,812
PASSENGERS PER REVENUE HOUR							
A-train	40.15	37.38	31.75	28.60	16.80	9.77	9.72
Access	1.73	1.60	1.78	2.23	2.30	2.12	1.94
Connect	8.65	7.48	6.22	6.98	5.70	4.06	4.72
On Demand Zones	0.03	7.40	0.22	2.38	2.16	1.65	7.72
RSVP/ Highland Village	0.40	0.41	0.53	0.66	0.35	6.01	
GoZone GoZone	0.70	0.71	0.55	0.00	0.55	1.84	5.29
North Texas Xpress		1.65	2.17	3.31	2.05	1.16	2.70
UNT	32.65	35.44	42.64	40.35	26.10	13.91	27.04
						17.51	27.04
NCTC	4.23	3.97	2.85	2.67	2.81 1.55	1.27	1.50
Frisco	1.43	1.93	1.81	2.13			
Collin County Transit AVERAGE	1.43 17.90	1.93 17.14	2.52 16.41	2.54 15.84	3.14 11.37	3.51 6.75	3.18 9.11

| Denton County Community Profile

DENTON COUNTY STATISTICS

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

AREA IN SQUARE MILES:

953 (includes lake areas)

OFFICIALS ELECTED BY VOTE OF THE PEOPLE:

43

COUNTY EMPLOYEES INCLUDING THOSE IN GRANT PROGRAMS

1.927

INCORPORATED MUNICIPALITIES IN THE COUNTY:

51

ORGANIZED SCHOOL DISTRICTS IN THE COUNTY:

17 (11 with schools located in Denton County)

FORM OF GOVERNMENT:

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

BUSINESS:

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

MINERALS:

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

AGRICULTURE:

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

RECREATION:

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

Source: Denton County Budget Department as of December 2021 https://www.dentoncounty.gov/214/Statistical-Information

DENTON COMMUNITY PROFILE

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

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

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

*Source: https://en.wikipedia.org/wiki/Denton,_Texas

AREA IN SQUARE MILES: 97.95

POPULATION: 139,869 (Based on 2020 Census)

MEDIAN AGE: 29.1

MEDIAN FAMILY INCOME: \$62,542

EDUCATION:

 Over 91% of the population are high school graduates, with 39.5% holding a bachelor's degree or higher

Sources:

<u>City of Denton - Population & Demographics</u> https://www.census.gov/quickfacts/fact/table/dentoncitytexas/LND110210

HIGHLAND VILLAGE COMMUNITY PROFILE

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

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

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

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

*Source: https://www.highlandvillage.org/403/Demographics

AREA IN SQUARE MILES: 5.5

POPULATION: 16,100 (Based on 2018 Population)

MEDIAN AGE: 43

MEDIAN FAMILY INCOME: \$133,161

EDUCATION:

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

Source: City of Highland Village - Population & Demographics

LEWISVILLE COMMUNITY PROFILE

Lewisville is a city in Denton County, Texas, United States, that barely overlaps with Dallas County, Texas. It is a suburb within the Dallas–Fort Worth Metroplex. The 2000 United States Census placed the city's population at 77,737 and the 2010 Census placed it at 95,290, making it one of the fastest-growing city populations in the United States and the 33rd most populous in Texas. It occupies 36.4 square miles (94 km2) of land and includes 6.07 square miles (15.7 km2) of Lewisville Lake.

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

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

AREA IN SQUARE MILES: 43.22

POPULATION: 113,760 (Based on 2020 Population)

MEDIAN AGE: 34.9

MEDIAN FAMILY INCOME: \$79,211

EDUCATION:

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

Source: City of Lewisville - Population & Demographics

| Denton County Community Profile

PRINCIPAL EMPLOYERS IN DENTON COUNTY

			2021
10 LARGEST EMPLOYERS	INDUSTRY	RANK	ESTIMATED NUMBER OF EMPLOYEES ⁽¹⁾
Lewisville Independent School District	Education	1	6,363
Charles Schwab Corp	Finance/Insurance	2	6,000
Wal-Mart (Distribution Center & Stores)	Retail	3	4,876
University of North Texas	Education	4	4,614
Denton Independent School District	Education	5	4,417
Peterbilt Motors Co.	Manufacturing	6	3,075
Northwest Independent School District	Education	7	2,694
Nebraska Furniture Mart	Retail	8	2,000
Texas Woman's University	Education	9	1,875
Frito Lay	Food Distribution	10	1,712
			37,626

⁽I) North Central Texas Council of Governments (NCTCOG) Regional Data Center, various cities, chambers of commerce, school districts

DENTON COUNTY TRANSPORTATION AUTHORITY RESOLUTION NO. R22-10

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.

Resolution No. R22-10

Page 1 of 6

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 22ND DAY OF SEPTEMBER 2022.

APPROVED:

ATTEST:



ON COUNTY TRANSPORTATION AUTHORITY
FY23 Proposed Budget
Long Range Financial Plan

	Audited	Adopted	Working	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	pasodol	ascord d	Prepare	Section 2				
Beginning Fund Balance:	1000 C CL474 244 C	FY2022	FY2022	EZOCA				FY2027	PY2026	FY2C29	PYZ030	FYZON	FY2032	FY2013	572034 572034	rapasec PYZ035	7/cpcsed -7/2036	PY2027-PY203K
OPERATING REVENUES			3	67,370,027 3	5.703,735 \$	06,673,138 5	64,877,341 \$	70,225,133 5	73,606,701 \$	76.209,729 5	78.473,797 \$	80,233,952 S	80,897,318 \$	81,261,039 \$	83,553,830 \$	84,536,556 5	85,091,575	5 51.474,366
bus Operating Revenue Rail Operating Revenue Misc. Revenue	3,189,064 282,291 502,553	4,242,754 262,917	4,423,048 262,917	5,330,603 295,805 368,538	5,504,021 313,701 359,900	5,633,259 316,838 359 900	320,006	339,366	342,760	346,188	6,329,153	6,372,000	6,412,704	956,958,	6,600,722	6,646,150	6,839,069	93,966,764
NON-OPERATING REVENUES Sales Tax Revenue	NOT CAL DE	, CO 000 CE								008'866	359,900	359,900	359,900	359,900	359,900	359,900	359,900	5,549,791
Operating Grants Investment Income	19,633,941	· = 0	21,864,250 12,000	39,546,583 13,042,809 6,000	41,232,552 11,021,042 75,704	42,469,529 11,021,042 66,675	43,743,615 11,021,042 64,877	45,055,923 8,202,429 70,225	46,407,601 8,202,429 73,607	47,799,829 8,202,429 76,210	49,233,824 8,202,429 78,474	50,710,839 8,202,429 80,234	52,232,164 6,202,429 80,897	8,202,429 8,202,429 8,261	55,413,103 8,202,429	8,202,429	8,202,429	757,062,014
TOTAL REVENUES	181,179,82	58,388,316 6	64,684,027 51	58,690,440	58,506,920	59,867,242 6	61,286,769 6	60,029,315	61,542,165	62.979.300	64.570.912	66 096 205		- 10	Total and	receipe.	760'00	201
OPERATING EXPENSES Bus Operating Expense	787,650,01	16,136,775	19,463,741							000000			8		71,050,848	17/13/264	74,703,914	1032822952
Nail Operating Expense G&A Operating Expense	13,530,078	15,149,321		16,523,939 8,599,861	16,204,528	16,661,089	17,153,639	17,642,526 8,278,519	B,162,547 3,543,725	18,690,383 8,820,451	19.243,041 9,109,371	30,401,951 19,805,488 9,411,209	30,378,289 20,378,289 9,726,736	32,776,694 20,981,663 10,056,783	33,862,619 21,591,223 10,402,238	35,407,331	36,673,141	436,889,000 296,721,957
TOTAL OPERATING EXPENSES	29,466,379	38,046,525 4.	42,367,092	48,119,882 4	47,428,099	48,621311 50	50,245,687	52 (23,430 5	Ī	п	57 879 190	20 619 647	1000000		2000	75040470	1,142,240	H2,305,47
NET INCOME	29.504,801	20,341,791	22,316,935	10,570,558	11,078,871	11745 933	L	ı		ı,			700" (00")	Ø.	09/950/50	06,374,755	/D.689,708	57,979,475
CAPITAL OUTLAY & MAJOR MAINTENANCE		i	ĺ				į	200,000	27/750	-7,425,402	- 5/41,721	6,477,558	6,005,024	5,581,705	5.204,768	4,380,899	4,014,706	156,843,524
Bus Capital	-	14	îi I		6	ti	6					74	(9	2				
Professional Services / Technology Improvements	217,629,712	496,000	196 000	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	1200,000	1,200,000	515 869 31
Transit Safety Improvements	10,095	2	000'86	3,120,003	non'ner	00000	107.8		125,000	350,000	80,000	4	45,000	125,000	350,000	80,000	9	4,946,803
Major Maintenance Items - Rail	(18,151)	1836.442	. PIS-250.0	1 000 000 0	(F) 000 FCO C		*1	K)	×	9.90	0.4			223	0).*			290,01 ITST 80
Major Maintenance Items - Bus	G a	179,530		179,530	264,203	200.000	791,724,67	700,000	1,450,921	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
Positive Train Control Infracture Acquisition - Old Towns	080,601	5,448,820	397,575	1,755,546	3,396,274	08		000'004	000,000	200,002	200,000	200,000	200,000	200,000	200,000	200,000	200,005	2,843,733
Brownfield Remediation	11,745	000 00	100	634,981	*):)	181	(9)	×	000	::	10	5.74	(10)	: 120	1	3 8		5,558,475
Joint Rail Operations Facility (JROF)		00000	549.953	5,928.363	5 571 696	600	W.C.	¥00	90.	*		:	79	719	12	e	(d)	88,552
Transportation Reinvestment Program (TRiP)	30)	7,119,429	7,712,337	71,226,221	9,035,285	7.699,774	- 00		600			i .	91 -			*	8	12,049,912
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	1,366,481	15,100,221	7,166,930 3	34,925,344	1,852,318	12,076,938	4,727,187	3,554,209	1875.921	3,994,169	4 001333	4846.189	4576 963	Name and A		1	•	45,673,61
TOTAL CAPITAL MAINTENANCE AND OPERATING EXPENSES	30,632,860	23.346,746	59.594.022 B	ACCONO.	Att 080.00	47 400 Mm	A CONTRACT OF	Total San		Ш	Ш	Ш	П			Agara Lair	17.27.5	ng/s-c/m
CAPITAL SOURCES		ı					3		e lecentation	39,740,007	61,840,303	64,464,835	66233,440	68,124,055	7,098,172	73218,445	14,969,135	1,005,529,040
Proceeds from Debt Issuance	260,000	8	ř	¥	9	×	()	9	39	12								
Capital Grants - Old Town	1,409,423	4,609,056	318,050	2,166,079	3,737,019	1,020,000	1,020,000	1,020,000	1,320,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1020.000	102000	26
Capital Reimbursement - DART JROF		tiir	2,794,840	634,981 9,255,072	60 (K)	90.60	(4 -)(1	+ X:	5 A	(0)(9)	103	a ju	10%	****	101	X (t		634,981
TOTAL CAPITAL SOURCES	1,669,423	4,609,056	3,112,900	12,056,132	3,737,019	1, 000,020,	1,020,000	1020,000	000 0001	1020,000	1030,0501	000 000	200,000	000 000				2,0
DEBT SERVICE									ı	200	O O O O O O O O O O O O O O O O O O O	2020201	200000	ľ	000,020,	1020,000	1,020,000	12,515,474
2009 Series Nerunding Bonds 2011 Series Contractual Ohlications	90,475	¥.,	9)	80	30	*	(4)	29	Up	9				,	,			
2020 Series Refunding Bonds	1,794,775	1,712,800	1,712,800	986,278	967,467			916.678	# 250 dog	- may 200	***************************************	*		0)*	000		0.0	1,09
2021 Series Refunding Bonds	72,147	990,000	000'066	091,100,1	1,024,832	1,038,056	1,055,960	1,073,480	1090,616	(112,368	179,672	1,54,592	2,085,444	e :	KC(6	10.5		13,810,240
TOTAL DEBTSERVICE	3,052,807	2,702,800 2,	2,702,800	1587,08	1,992,399	1986,811	1,986,102	1,990,108	1688,779	1597,166	1590351	Tessions	3085 544	1	24	0		100
Internal Debt Service Coverage:	29'6	7.53	8.26	532	5 56	\$66	955		C	24	230	2.20						20/3/388
Outstanding Bond Principal as of September 30th	21,265,000	18,800,000 18									4000000	3065000	7.88	NA	N/A	N/A	N/A	
ENDING FUND BALANCE					i	i	1	1		1	80.231.952	80.897.318	81761039	93553,830	733 763 78	35,000,000		-
Less Required Fund Balance (OWM Reserve Policy) Less Sales Tax Stabilization Find	7,366,595	9,511,637	10,591,773	12,029,977	11657.035	į	12,561,422		13,498,609	T	1	14,904,662	15,414,395	į	16.464.020	(7.09 lo)	17,672,303	85,846,363
Less Fuel Stabilization Fund	450,000	286,169				1,274,086	1,312,308	1,351,678			1477,015	(52(325			1,662,393	1,772,265	1,763,633	
Less Capital / Infrastructure Fund	4,000,000	2,000,000 2.					2,000,000			2000,000	2,000,000	2,000,000		249,329	249,329	249,329	249,329	
												000/000		2000,000	2,000,000,2		CONTRACTOR 2017	

Resolution Exhibit B

DENTON COUNTY TRANSPORTATION AUTHORITY

Change in Net Position - Combined Statement (DCTA & NTMC)

		DCTA FY 2022	DCTA FY 2022	NTMC FY 2022	DETEN	50000	100	ATD0	U.L.	
	FY 2021	Adopted	Working	Adopted	Working	Adopted	Vorking	7.222 Y-	57, 2023 Proposed	Fronover
Y	Actuals	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Buczet	Budget
	\$ 265,879	\$ 116,994 \$	\$ 960'89L	5	9	\$ 466,911	168,096	\$ 206,348 \$	un i	206348
Passenger Revenues (GoZone Farebox)	' ;	100,012	211,566	410	55	100,012	211,566		39	1,295,474
	187,282 191 ECO C	262,917	262,917	À);	¥C	262,917	262,917	295,805	794	295,805
	3.471355	45/5/5/	4,043,386	rsi i	*[1]	3,915,759	4,043,386	3,828,781	4	3,828,781
				3		4,202,071	4,000,900	5,626,408		5,626,408
	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	918 771 71
	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
	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
	431,998	526,281	526,281	4	39	526,281	526,281	157,999	r	15/999
	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
Purchased Transportation Services	10,302,946	16,680.162	18.790.814	84	¥ 34	C21 O8 2 21	10 COC 01	*	₩.	•
	97,423	235,385	235,385	58,660	58,660	294.045	794 045	22,584,376 310 565	090 83	22,584,376
	224,890	139,772	139,772	S¥	,	139,772	139.772	146.457	007'00	146,457
	9,956,638	10,899,464	11,349,464	ii¥	:0	10,899,464	11,349,464	11,211,908	. ¥	11,211,908
	39,323,017	42,481,275	46,352,567	6,364,715	7,263,989	48,845,990	53,616,556	51,893,994	7337.796	59.231.790
	(35,851,662)	(37,975,604)	(41,666,602)	(6,364,715)	(7,263,9E9)	(44,340,319)	(48,930,591)	(46,267,586)	(7,337,796)	(53,605,382)
NON-OPERATING REVENUE / (EXPENSE)										
	31,178	12,000	12,000	ij.	99	12,000	12,000	9.000	ì	0009
	30	*	15	ě	()			368,538		368 538
	502,553	9	2,794,840	1	Sh.	٠	2,794,840	9,255,072		9.255,072
Sales lax Kevenue	35,332,154	32,088,804	38,121,812	9); •)	32,088,804	38,121,812	39,646,685	٠	39.646.685
	20,969,469	26,390,897	22,182,310	9 <u>4</u>	801.5	26,390,897	22,182,310	15,843,869	*	15,843,869
Long Term Debt Interest/Expense	(781.769)	(037.800)	(327 800)		250	1000 000	-	ði:	T.	•
Total Non-Operating Revenue / (Expense)	56,212,062	58,253,901	62,873,162	250		58,253.901	62.873.162	(212,640)		(212,640)
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)	711 302 147
	(6,520,464)	(6.364.715)	(989 892)			1312.0.25.21	10000000			
	6,520,464	(0)	,	6364.715	7 363 920	6.164 TIS	7.763.909	(96/1/00/1)	1000000	(7.337.796)
	• [(6,364,715)	(7,263,989)	6,364,715	7,263,989	and the second of the		(7,337,796)	7,337,796	1,357,796
	\$ 20360,400	\$ 13,913,522 \$	13.942.571 \$	\$9.	3	3,582,5	3.942.571	\$ 11,302,142 \$	×.	11302342
	\$ 337,278,981					356,412,900 \$	356.412.900			350 188 541
	\$ 357,579,381				v	\$ C87 7CE 0ZE	TE ASE OF		, (
	\$ (1,166,481)	\$ (15,100,221) \$	(11,166,930)		, t,	-	(11,166,930)		n sn	(34,925,344)
Net Position After Capital Project Transfer	\$ 356,412,900					355,226,261	359,188,541			335,565,339
(1) Working building in all the safety and a second	o the days access to	7								

Resolution Exhibit B-1

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

Description				
	FY 2021 Actuals	Working Budget	Proposed Budget	\$ Incre (Dec
OPERATING REVENUE		30334010		(0
Manager and the Association of t	265,787 \$	168,096	206,348	\$ 3
Passenger Revenues (GoZone Farebox)	,,	211,566	1,295,474	1,08
Passenger Revenues (Rail Farebox)	282,291	262,917	295,805	3.
Contract Service Revenue	2,923,277	4,043,386	3,828,781	(214
Total Operating Revenue	3,471,355	4,685,965	5,626,408	94
GENERAL & ADMINISTRATIVE EXPENSES		W 1 1 1	_2211	~1
Salary, Wages & Benefits	3,265,302	3,842,511	4,103,336	260
Outsourced Services & Charges	2,274,345	3,470,918	3,980,908	509
Materials & Supplies	86,970	136,550	138,050	
Utilities	25,915	42,710	44,210	
Insurance	12,416	15,515	16,707	
Transportation Reinvestment Purchased Transportation Services	29,798			
Employee Development	77,670	205,305	270.450	-
Leases & Rentals	124,100	130,520	279,450 137,200	7
Depreciation	66,626	66,626	137,200	(60
Total G8A Operating Expenses	5,963,140	7,910.655	8,699,861	789
	translation of the	(5)		
BUS OPERATIONS EXPENSES (Bus Admin, I Salary, Wages & Benefits	6,423,550			
Outsourced Services & Charges	1,261,839	7,315,701	7,354,578	38
Materials & Supplies	656,897	1,867,877 1,632,880	1,675,320 1,804,482	(19)
Utilities	143,151	199,183	223.297	171
Insurance	441,324	438,817	463,344	24
Purchased Transportation Services	-	430,017	402,244	2.
Employee Development	18,074	75,685	69,360	16
Leases & Rentals	99,177	6,852	6,852	ţ.
Depreciation	1,241,913	1,329,404	1,275,250	(54
Total Bus Operations Expenses	10,285,925	12,866,399	12,872,483	6
MOBILITY SERVICES EXPENSES (Lyft, Taxi, u	Co-Zano Maria			
Salary, Wages & Benefits	Sozone, Majaşı		- 1	
Outsourced Services & Charges	521		226,704	226,
Materials & Supplies	-	18	220,704	220,
Utilities		3.0		
Insurance	*	100	25	
Purchased Transportation Services	995,253	7,926,747	11,072,145	3,145,
Employee Development	53	596	*	
Leases & Rentals	**	0.000	*	
Depreciation Total Mobility Services Expenses	995,774	702477		
	373,224	7,926,747	11,298,849	3,372
AIL OPERATIONS EXPENSES			40 6	
Salary, Wages & Benefits	285,114	606,595	684,925	78,
Outsourced Services & Charges	1,858,381	834,659	1,021,659	187,0
Materials & Supplies	343,585	1,013,100	1,422,442	409,
Utilities Insurance	262,932	284,388	399,244	114,
Purchased Transportation Services	1,369,081	1,341,057	1,366,023	24,
Employee Development	9,307,693	10,864,067	11,512,231	648,
Leases & Rentals	1,679 1,613	13,055 2,400	15,015	1,9
Depreciation	8,648,099	9,953,434	2,400 9,936,658	ne:
Total Rail Operations Expenses	22,078,177	24,912,755	26.360,597	1,447,
Total Operating Expenses	39,323,017	53,616,556	59,231,790	5,615,
Operating Income / (Loss)	(35,851,662)	(48,930,591)	(53,605,382)	(4,674,
ON-OPERATING REVENUE / (EXPENSE)				
Investment Income	31,178	12.000	6,000	(6,0
Lease Income		12,000	368,538	368,5
Misc, Revenues	502,553	2,794,840	9,255,072	6,460,2
Sales Tax Revenue	35,332,154	38,121,812	39,646,685	1,524,8
Federal Grants & Reimbursements	20,969,469	22,182,310	15,843,869	(6,338,
State Grants & Reimbursements	73,895	20	14	11905000000
Long Term Debt Interest/Expense	(697,187)	(237,800)	(212,640)	25,1
Total Non-Operating Revenue / (Exp	56,212,062	62,873,162	64,907,524	2.034,3
Income (Loss) Before Transfers	20,360,400	13,942,571	11,302,142	{2,640,4
Transfers Out	(6,520,464)	(7,263,989)	(7,337,796)	(73,8
	6,520,464	7,263,989	7,337,796	73,8
Transfers In Total Transfers				
Total Transfers				
Total Transfers HANGE IN NET POSITION \$:	20,360,400 S	13,942,571 \$	11,302,142	(2,640,4
Total Transfers HANGE IN NET POSITION \$:	20,360,400 S 337,218,981 \$	13,942,571 S 356,412,900 S	11.302,142 359,188,541	(2.640.4.
Total Transfers CHANGE IN NET POSITION 5: Net Position - Beginning of Year. 5			1000-11-0-	(2.640,4

Resolution Exhibit C

DENTON COUNTY TRANSPORTATION AUTHORITY
PY23 Proposed Budget
Capital Improvement & Major Maintenance Plan

Project Name	Current Cantal Projects	Proposed FY 2022 NEW Capital Projects	Project LTD thru PY 2021	FY 2022 Proposed Povlyse	Frepased Freday	Proposed P 2024	Proposed FY 2015	Proposed FY 2026	Phiposed PY 2027	700 or 2013	Anticipated Project Total
FLEET REPLACEMENT Non-Revenue Vehicle (Safety Director) FUTURE: Fleet Replacement		45,000	S(#)(- 6		45,000	ř	×	.2	<u>u</u>		45,000
PROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS			e.		,	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
Bus OMF Network Video Recorder	26,000	ÿ.	(4)	26,000	([•	,	18	•	9	,	900 %
Backup & DR Infrastructure Upgrades	45,000	(*	561	45,000	*0	.50	S 382	8 (8)	45,000	(((%	90,000
Swiftly Transit Platform (CAD/AVL)	125,000	1,184,000	W 104	125,000	08 90	S#	æ	((*))	8	¥0	125,000
Multi-Facility Firewall Upgrade		900'09	43	5	000'09					000	895,803
AV Upgrade - DCTA Conference Room		65,000	*		65,000					65,000	000,051
ERP Implementation		2,100,000	200	8	2,100,000	*	(*)	96	ě	7/4	2,100,000
FUTURE: Server & Network Infrastructure		* 1	\$6 J		96	27	80,000	(*)	, ĝi	201	80,000
		•	1	•	100	350,000	ÆI.	*	Ř	*	350,000
MAJOR MAINTENANCE ITEMS											
Major Maintenance - Rail Canopy Repairs (FY21)	486,127	3	65,055	421,072		,		9	9	5%	
Major Maintenance - Rail (FY22)	1,836,442		9	1,836,442		- 50*	9	- 104	, ,		486,127
Major Maintenance - Bus (FY22)	179,530		Ni.	(8)	179,530	*		8 %		64 Y	1,630,442
NEW: Major Maintenance - Rail (FY23)		2,000,000		•	2,000,000	36	1 16	E 104	9.00	0.	065,871
FUTURE: Major Maintenance - Rail		*	Q.	1/2	1	2,034,860	2,897,164	3,327,187	2,109,209	2.450.921	12 819 342
FUTURE: Major Maintenance - Bus		34	•	-6		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						16.720141
Positive Train Control Enhancements (Phase 2)	5,000,000	*	148,180	98	1,455,546	3,396,274					5,000,000
INFRASTRUCTURE ACQUISITION	3,251,990	Y	2,617,009	25	634,981	Э	390				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	ř	549,953	5,928,263	5,571,696					12,049,912
TRANSPORTATION REINVESTMENT PROGRAM (TRIP)											
TRIP Program Funding - FY21	7,742,134	*0	29,798	7,712,337		*	SV	3	000		NET CNT T
TRIP Program Funding - FY22	9,833,005	96	ST.	:⊕	9,833,005	130	27	ř	0 80	e e	9.833.005
NEW: TRIP Program Funding - FY23		11,393,216		*0	11,393,216		*	3	((X		11.393.216
FUTURE: TRIP Program Funding		×		×	3.5	9,035,285	7,699,774		¥0	ži.	16,735,059
TOTAL CAPITAL BUDGET \$ 48,460,209 \$	48,460,209 5	26.102.288 \$	2 950'697'61	11166930 5	A92534 S	21052316 \$	2076928 5	4727187 \$	3,554,209 \$	3,975,921 \$	\$08,2251111

Resolution Exhibit D

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
- 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.

Regular Agenda 1, Resolution Exhibit D

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

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 longrange 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

| NTMC Resolution Adopting FY 2023 Operating Budget

NORTH TEXAS MOBILITY CORPORATION RESOLUTION NO. 2022-N003

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION ("NTMC") PROVIDING FOR ADOPTION OF THE NORTH TEXAS MOBILITY CORPORATION OPERATING BUDGET FOR FISCAL YEAR 2022-2023, BEGINNING OCTOBER 1, 2022 AND ENDING SEPTEMBER 30, 2023; PROVIDING THAT EXPENSES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING CHANGE IN NET POSITION; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

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

WHEREAS, after consideration, it is the consensus of the NTMC Board of Directors that the proposed FY 2022-2023 budget as hereinafter set forth, meets the legal and practical requirements of NTMC for the proper and sustained operation of NTMC services and should be approved as presented;

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

SECTION 1. The NTMC Operating Budget for FY 2022-2023, including Change in Net Position, attached as Exhibit "A", be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenses for the operating Budget.

SECTION 2. That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the Fiscal Year 2021-2022 are hereby ratified, and the budget for Fiscal Year 2022-2023, heretofore adopted by resolution of the NTMC Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

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

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THE $21^{\rm ST}$ DAY OF SEPTEMBER, 2022.

|NTMC Resolution Adopting FY 2023 Operating Budget

APPROVED:

Dean Heckert Chair

ATTEST:

By: Sean Spell

Sean Spell, Secretary

|NTMC Resolution Adopting FY 2023 Operating Budget

NORTH TEXAS MOBILITY CORPORATION FY23 Proposed Budget

Description	NTMC FY 2021 Actuals	NTMC FY 2022 Adopted Budget	NTMC FY 2022 Working Budget	NTMC FY 2023 Proposed Budget	\$ Increase/ (Decrease)
OPERATING EXPENSES					
Salary, Wages & Benefits	6,028,468	5,787,307	6,661,164	6,579,563	(81,601)
Outsourced Services & Charges	366,445	450,970	452,892	607,445	154,553
Materials & Supplies	603	1,936	1,936	1,936	ğ
Utilities		2003	i)	*1	8
Insurance	109,898	65,842	89,337	95,592	6,255
Transportation Reinvestment	(.)		*	*	٠
Purchased Transportation Services		à	Ü	(ô∎	9
Employee Development	15,051	58,660	58,660	53,260	(5,400)
Leases & Rentals	(!SK	(<u>*</u>	19	(A)
Depreciation	Ŋĝ	AC	9	*(<u>*</u>
Total Operating Expenses	6,520,464	6,364,715	7,263,989	7,337,796	73,807
Income (Loss) Before Transfers	(6,520,464)	(6,364,715)	(7,263,989)	(7,337,796)	(73,807)
Transfers Out	3	24	9	000	(8)
Transfers In	6,520,464	6,364,715	7,263,989	7,337,796	73,807
Total Transfers	6,520,464	6,364,715	7,263,989	7,337,796	73,807
CHANGE IN NET POSITION	S	\$ -	*	s - s	8

|Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reserves – Funds set aside for economic uncertainties.

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

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

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

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